Union Solidarity and Development Association (USDA) members are offering low-income workers and farmers in Rangoon small "loans," which are seen as support for government-backed political candidates, according to local residents.

In Yankin, Kawmu and Kungyangone townships, USDA members, accompanied by township leaders, made the offers to selected residents.

Speaking to The Irrawaddy on Monday, residents in Yankin Township said: "Three days ago members of USDA and the head of the quarter offered the loans."

A youth member of the National League for Democracy in Rangoon said that for a farmer with one acre, the USDA will loan 10,000 kyat (US \$10). Many village residents have already received the loans said a resident in Kungyangone Township.

The USDA is a state-sponsored mass civic organization formed by the junta in 1993, with more than 24 million members nationwide including government civil service personnel and members of the military. The USDA Central Panel of Patrons include Snr-Gen Than Shwe, Prime Minister Thein Sein and other government ministers.

On April 29, the prime minister and 26 ministers and senior officials formed the Union Solidarity and Development Party (USDP) to contest in the election later this year. The Election Commission recognized the USDP as a political party on June 8.

Observers said that it is hard draw a line between the USDA and the USDP, which has been formed to offer government-backed candidates in the up-coming election.

The United Democratic Party (UDP) recently released a statement that urged the government to separate the activities of the two organizations. UDP chairman Phyo Min Thein said the loans appeared to aid candidates who will represent the USDP in the upcoming election.

Meanwhile, USDP members have reportedly are offered 5,000 kyat (US \$5.18) to residents in Puta O Township in Kachin State in northern Burma, according to the Kachin News Group.

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