Federal Register
Vol. 68, No. 69
Thursday, April 10, 2003

Presidential Documents

Title 3—

The President

Memorandum of March 28, 2003

Report to the Congress Regarding Conditions in Burma and U.S. Policy Toward Burma

Memorandum for the Secretary of State

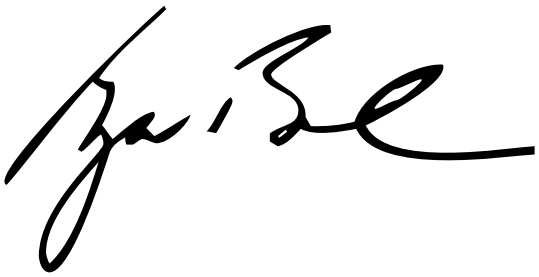
Pursuant to the requirements set forth under the heading ''Policy Toward Burma'' in section 570(d) of the Fiscal Year 1997 Foreign Operations Appropriations Act, as contained in the Omnibus Consolidated Appropriations Act (Public Law 104–208), a report is required every 6 months following enactment concerning:

(1) progress toward democratization in Burma;

(2) progress on improving the quality of life of the Burmese people, including progress on market reforms, living standards, labor standards, use of forced labor in the tourism industry, and environmental quality; and

(3) progress made in developing a comprehensive, multilateral strategy to bring democracy to and improve human rights practices and the quality of life in Burma, including the development of a dialogue between the State Peace and Development Council and democratic opposition groups in Burma.

You are hereby authorized and directed to transmit the attached report fulfilling these requirements to the appropriate committees of the Congress and to arrange for its publication in the **Federal Register.**



THE WHITE HOUSE,
Washington, March 28, 2003.

Billing code 4710–10–P

Conditions in Burma and U.S. Policy Toward Burma For the Period September 28, 2002—March 27, 2003

Introduction and Summary

Efforts to foster peaceful democratic change in Burma essentially ground to a halt over the past six months. The regime has become more confrontational in its exchanges with the National League for Democracy (NLD), led by Aung San Suu Kyi, and has offered few signs of progress toward their stated commitment to a political transition to democracy and not interest in pursuing political dialogue with the elected opposition. UN Special Envoy Razali continued his mission, the National League for Democracy opened up a significant number of township and divisional party offices, and NLD General Secretary Aung San Suu Kyi was able to continue her travels in Burma, visiting both Shan and Rakhine States. However, the visit to Rakhine State was marred by incidents instigated by government-affiliated organizations and believed to be based on orders from Rangoon; political prisoner releases stopped as of late November, and there were new arrests of political activists. Aung San Suu Kyi was nearly jailed in February on charges arising from a civil lawsuit filed by a relative. Most seriously, the regime has not demonstrated its willingness to begin a real dialogue with the NLD on substantive political issues.

Economic developments were punctuated by the banking crisis that followed the collapse of approximately 20 informal financial institutions, which had taken deposits in return for promises of returns of five percent per month or more. Stimulated by the rampant inflation in recent years, and the repressed financial conditions that had stifled the growth of legitimate financial institutions, these informal financial institutions had grown rapidly for two years, before collapsing in January, sparking a run on the private banks. The banks have coped by restricting withdrawals, calling in loans, and requesting emergency central bank support. Several may nonetheless fail. Only private banks have been affected thus far. All of the government-owned banks and all of the banks in which government corporations participate as joint venture partners have continued to run normally. Inflation has also come down sharply as the asset price inflation fueled by the activities of the informal financial institutions has collapsed.

The Government of Burma (GOB) severely abuses the human rights of its citizens. There is no real freedom of speech, press, assembly, association, or travel. Burmese citizens are not free to change their government. Religious minorities (particularly Christians and Muslims) are discriminated against and any form of proselytizing is discouraged. Security forces also regularly monitor citizens' movements and communications, search homes without warrants, and relocate persons forcibly without just compensation or legal recourse. In June 2002, the Shan Human Rights Foundation (SHRF) accused the Burma Army of using rape systematically as ''a weapon of war'' in ethnic minority areas along the Thai border. The regime denied those charges and has not agreed with UN Special Rapporteur for Human Rights in Burma Paulo Sergio Pinheiro on the ways and means for an effective, impartial international investigation of these allegations. However, the government did recently intervene and punish both an army officer found guilty of rape and his commanding officers. Forced labor also remained an issue of serious international concern, despite some limited government efforts to control the practice. An International Labor Organization (ILO) Liaison Officer was appointed to Burma in October 2002 and, at the direction of the ILO Governing Body, has attempted to hammer out a ''viable program of action'' with the government to eliminate forced labor. Thus far, those efforts have not achieved the stated objective.

Burma remains one of the world's largest producers of opium, heroin, and amphetamine-type stimulants. Its overall output of opium and heroin has declined for six straight years; in 2002 Burma produced less than one-quarter of the opium and heroin than it did six years before. At the same

time, however, the production of methamphetamines has soared, particularly in the area controlled by the Wa ethnic group. According to some estimates, as many as 400 million to 800 million methamphetamine tablets may be produced in Burma each year, although these estimates are difficult to verify. Burma has joined with China, Thailand, and India in attempting to curb this traffic; as yet, however, there are few signs that this regional effort is succeeding.

U.S. policy goals in Burma include a return to constitutional democracy, restoration of human rights, including fundamental civil and political rights, national reconciliation, implementation of the rule of law, a more effective counternarcotics effort, HIV/AIDS mitigation, combating trafficking in persons, accounting for missing servicemen from World War II, counterterrorism efforts, and regional stability. We continue to encourage talks between Aung San Suu Kyi and the regime in the hope that the regime will live up to its stated commitment to political transition, leading to meaningful democratic change. We also consult regularly, at senior levels, with countries with major interests in Burma and/or major concerns regarding Burma's current deplorable human rights practices.

In coordination with the European Union and other states, the United States has maintained sanctions on Burma. These include an arms embargo, ban on new investment, and other measures. Our goal in applying these sanctions is to encourage a transition to democratic rule and greater respect for human rights. Should there be significant progress towards those goals as a result of dialogue between Aung San Suu Kyi and the military government, then the United States would look seriously at measures to support this process of constructive change. Continued absence of positive change would force the U.S. to look at the possibility of increased sanctions in conjunction with the international community.

Measuring Progress toward Democratization

Efforts to foster peaceful democratic change in Burma have once again ground to a halt over the past six months. While there have been some positive developments, the regime has become more confrontational in its exchanges with the NLD, led by Aung San Suu Kyi, and has offered few signs of progress toward their stated commitment to a political transition to democracy.

UN Special Envoy Razali Ismail continued his mission, visiting Burma for the eighth time in November 2002. On the positive side, the NLD also continued to rebuild itself as a national party, opening up offices throughout Burma. Altogether, the NLD has now reopened about one-quarter of its township and divisional offices (92 offices out of approximately 360). In addition, the Committee to Represent the People's Parliament (CRPP), a group of parties elected to Parliament in 1990, expanded to a total of 18 elected Members of Parliament (MP). In 1998, the opposition's decision to establish the CRPP led to the arrest of many of the MPs by the regime.

Finally, the NLD's General Secretary Aung San Suu Kyi continued her travels, visiting Shan and Rakhine States and opening NLD offices in both states. In Shan State, this travel went relatively smoothly; in Rakhine State in December, however, efforts by the United Solidarity Development Association (a ''mass organization'' affiliated with the regime) to discourage any large turnout of crowds for Aung San Suu Kyi, turned ugly. In the town of Mrauk Oo Aung San Suu Kyi intervened with local authorities by climbing atop a fire truck to prevent them from dispersing a crowd of 20,000 supporters with water hoses.

Political prisoner releases stopped as of late November, despite continued appeals from the international community (UN Special Envoy Razali and UN Special Rapporteur Pinheiro, as well as the EU, U.S., and others) for the unconditional release of all political prisoners. Approximately 550 political prisoners have been released since October 2000, including 380 NLD

party members. However, another 1,300 ''security detainees'' still remain in detention, including approximately 110 NLD party members and 17 elected MPs.

There were also new arrests. Approximately 60 political activists, mostly teachers, lawyers, and students, were detained by the government between August 2002 and March 2003 on charges including conspiracy to commit terrorist acts for the simple peaceful expression of political dissent. Due to international pressure, most of these activists were released within days, but one died while in detention (apparently from a lack of medical care), while several were convicted of offences carrying sentences of seven years or more.

In February 2003 Aung San Suu Kyi was involved in a minor civil law suit brought by a relative that appeared to be politically motivated. Aung San Suu Kyi counter-sued. Both were found guilty. She and other NLD leaders characterized the initial suit as being instigated by the regime and politically motivated. She was given a choice of paying a small fine or being jailed for a week. She refused to admit guilt by paying the fine and indicated her willingness to be jailed for a week as a result. The government then issued a ''suspension of judgment'' decree as several thousand NLD supporters gathered outside the courthouse.

Most seriously, the regime has shown no inclination to engage the democratic opposition in meaningful political dialogue. The government arranged meetings between Aung San Suu Kyi and the Minister of Education and others, but the NLD leader made clear to UN Special Envoy Razali in October that there was ''no real dialogue'' with the regime. There were also signs of Senior General Than Shwe's frustration with the lack of increased aid or reduced sanctions.

The hamstrung status quo has frustrated a number of concerned countries. Australian Foreign Minister Downer, Japan's Deputy Foreign Minister Tanaka, and the EU Troika visited Burma over the past several months and Japan's Prime Minister Koizumi reportedly weighed in on behalf of reform at ASEAN Summit in Phnom Penh in November; however, no one has yet been able to move the process forward. At the most recent meeting of the U.N. Contact Group on Burma, held in Tokyo in February, there was little consensus on next steps and what new strategies could be effective. Both the EU and the United States are now considering the advisability of increasing sanctions on Burma.

Counternarcotics

The United States judged earlier this year that Burma had ''failed demonstrably'' to make substantial efforts to cooperate on narcotics matters, primarily due to the failure to stem the production and flow of amphetamine-type stimulants into neighboring countries. At the same time, the USG has sustained a successful program of cooperation between police authorities in Burma and the U.S. Drug Enforcement Administration. Since 1993 the USG and GOB have cooperated on annual opium yield surveys in Burma and with UNODC and other donors on opium reduction and crop substitution programs. In June 2002, the United States pledged an additional $700,000 to support UNODC's Wa Alternative Development Project, which helped reduce opium production in the territories of one of the most notorious former insurgent groups, the United Wa State Army.

While Burma is the world's second largest producer of illicit opium, its overall production in 2002 was only a fraction of its production in the mid-1990s. According to the joint U.S./Burma opium yield survey, opium production in Burma totaled no more than 630 metric tons in 2002, down 26 percent from 2001, and less than one-quarter of the 2,560 metric tons produced in Burma in 1996. Burma's success in reducing the production of opium and heroin, however, has been offset by increasing production of amphetamine-type stimulants, particularly in outlying regions governed

by former insurgents that are not under the effective control of the Rangoon government. According to some estimates, as many as 400 to 800 million methamphetamine tablets may be produced in Burma each year. Due to the mobile, small-scale nature of the methamphetamine production facilities both reliable data and effective law enforcement measures are difficult. Burma does not have a chemical industry, and as far as we know, does not produce any of the precursors for synthetic drugs. This highlights the regional character of this problem and the need for regional cooperation to put an end to drug flows from the region.

There are reliable reports that individual Burmese officials in outlying areas are involved in narcotics production or trafficking or offering protection for these activities. In addition, while the government says it urges former ethnic insurgents to curb narcotics production and trafficking in their self-administered areas along the Chinese border, it has only recently, with the support and assistance of China, begun to crack down hard on some of these groups. Since September 2001, it has begun to enforce pledges from these former insurgent groups to make their self-administered areas opium-free and has pressured groups (including the Wa and the Kokang Chinese) into issuing decrees outlawing narcotics production and trafficking in areas under their control. According to early reports from UNODC's opium surveyors, the cultivation in traditional growing areas has been reduced. However, the Wa have not committed to eliminating narcotics production until 2005. The Burmese junta gauges that any military operation to end production would be extremely costly.

In recent years, Burma continues to improve its cooperation with neighboring states, particularly China. In 2001, Burma signed memoranda of understanding on narcotics control with both China and Thailand. The MOU with China established a framework for joint operations, which in turn led to a series of arrests and renditions of major traffickers in 2001 and 2002, many of whom were captured in the former insurgents' self-administered areas. Over the past two years Burma has returned over 30 Chinese fugitives to China, including principals from one group that China described as ''the largest armed drug-trafficking gang in the Golden Triangle.'' Burma's MOU with Thailand has committed both sides to closer police cooperation on narcotics control and to the establishment of three joint ''narcotics suppression coordination stations'' at major crossing points on the border. Recent visits by Thai Prime Minister Thaksin and other Thai officials to Rangoon made narcotics cooperation a centerpiece of bilateral relations. In addition, India participated in a January 2003 meeting with China and Burma in Rangoon on precursor control. As a result, India is now exploring the possibility of establishing a 100-mile wide ''restricted area'' within which any possession of ephedrine, acetic anhydride, or other drug precursors would be criminalized. If adopted by Thailand and China, such action could have a major impact on amphetamine production in areas not under Rangoon's effective control.

Burma is part of every major multilateral narcotics control program in the region. It is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. It has also announced that it will shortly adhere to the 1972 Protocol to the 1961 Single Convention. Burma has also supported UNODC's 1993 Memorandum of Understanding that was signed among the six regional states__Burma, China, Thailand, Laos, Vietnam, and Cambodia__to control narcotics production. Finally, as China and Thailand have become more active multilaterally, Burma has joined all trilateral and quadrilateral programs organized by either to coordinate counter-narcotics efforts among the four states of the Golden Triangle (Laos, Burma, China, and Thailand).

Under pressure from the Financial Action Task Force (FATF), the Government of Burma has taken action on money laundering issues. In June 2002 the GOB enacted a new money laundering law that criminalized money laundering in connection with most major offenses, including terrorism and

narcotics trafficking. A Central Control Board chaired by the Minister of Home Affairs was established in July; training for financial investigators was conducted in Rangoon and Mandalay in August and September, and the initial investigations were begun in July 2002. Using the provisions of the law, assets have been frozen and/or seized in several major narcotics-related cases. With assistance from UNODC, the Burmese government is also in the process of drafting a new mutual legal assistance law, which should lay the groundwork for judicial and law enforcement cooperation across borders in the prosecution of money laundering and other cases.

The Quality of Life in Burma

The Economy: Economic developments in Burma were punctuated in February and March 2003 by a banking crisis centered on several major private banks. Undermined by soaring inflation and government restrictions on interest rates, Burma's private banks were shaken to their roots by the collapse of several unofficial financial institutions in January 2003. During February, approximately 40 percent of the banks' deposits were withdrawn, obliging the banks to restrict withdrawals, call in loans, and apply to the Central Bank for emergency assistance. The run has focused on private banks, especially those with Chinese or Chinese-Burmese ownership. Government-owned and joint venture banks with government participation have not been affected, presumably because the public is more confident of government support in those cases. Burmese-owned private banks have also escaped the extreme pressures applied to the Chinese-owned banks, presumably again because depositors are more confident of government support in those cases.

Looking ahead, several private banks may fail within the next several months. Since the private banks hold a majority of bank deposits in Burma, this will have a major impact on their customers' savings and on the payments system throughout Burma. A good portion of the inflation that plagued Burma over the past two years was generated by the uncontrolled credit and investment operations of the informal financial institutions, which have now collapsed. With them gone and the banking system crippled by the current run, inflation should decline, while the kyat, now suddenly in short supply, strengthens. Since the start of the crisis in February, the values of both gold and the dollar have fallen by about 20 percent against the kyat, while general price inflation has moderated. Both trends should continue in the months ahead.

In the energy sector, some good luck has saved the government from the consequences of a string of disastrous public investment decisions. As it turns out, a crash government exploration program has turned up enough natural gas onshore to ensure against a recurrence of the severe load shedding and blackouts that plagued the economy in 2002. Where in January 2002 the nation's peak generating capacity was sufficient to meet only about two-thirds of the nation's peak demand, it now appears that all, or virtually all customers in Rangoon and other major cities are getting electricity on a regular basis. In 2004, several major hydropower projects are due to come on line and, provided that the new-found gas holds out that long, Burma may finally be able to put its long-running energy problems behind it.

In the fiscal budget, the situation continues to be desperate, but not so desperate as thought earlier. There, a failed fiscal concept, in which the GOB attempted to run the entire government on the basis of the profits of the state-owned enterprises, has left the GOB without any basis for long-term planning, as profits have turned to losses in one state-owned enterprise after another. In fact, in Burma's fiscal year 2001/2002, the deficits of the state-owned enterprises actually absorbed all the revenues collected by the government, leaving the government proper (i.e., the army, the navy, the health and education services, and all ministerial operations) to run on the basis of monies borrowed from the Central Bank. This has over the

past two years produced a rapid expansion of the money supply, a commensurate increase in inflation and a sharp depreciation in the value of the domestic currency.

The collapse of the informal financial institutions has had a deflationary effect. Previously propped-up asset values have collapsed and relatively high interest rates for savers have also gone away. Thus, the inflation associated with the government's mismanaged fiscal expansion will have less impact.

Human Rights: The Government of Burma severely abuses the human rights of its citizens. Burmese do not have the right to change their government. Nor is there any real freedom of speech, press, assembly, association, or travel. Religious minorities (particularly Christians and Muslims) are discriminated against and any form of proselytizing activity is actively discouraged. Burma was designated a Country of Particular Concern for particularly severe violations religious freedom in 2002. Security forces also regularly monitor citizens' movements and communications, search homes without warrants, and relocate persons forcibly without compensation or legal recourse.

Patterns of abuses are worse in ethnic minority areas. These abuses include censorship, persecution, beatings, disappearances, extrajudicial executions, the curtailing of religious freedom, forced relocations, rapes, and forced labor, including conscription of child soldiers. Several reports by non-governmental organizations have been published this year alleging human rights abuses by the Burmese military on Burmese civilians including rapes of hundreds of women between 1992 and 2001. The regime initially denied these charges but, after conducting investigations, conceded that it had identified five cases (out of the 173 presented by SHRF) whose circumstances approximate those described by SHRF. The international community is calling for an independent investigation by competent officials from outside Burma conducting private interviews with victims in an atmosphere of security and free of reprisals. In March 2003, UN Special Rapporteur for Human Rights Pinheiro visited Burma to discuss the human rights situation there, including prospects for an independent, credible investigation of the rape allegations. However, he cut his visit short when he learned that his supposedly confidential discussions with political prisoners were being monitored by Burmese authorities.

In August 2002, a Burma Army Captain raped a four-year-old girl in a village in Kayah State, and local officials attempted to cover up the crime when villagers first complained to them. However, the government has since taken action. The Captain was brought back to Rangoon in handcuffs, and the Commander and Deputy Commander of the Captain's battalion were relieved of command for their mishandling of the incident. Reportedly, there have been no reprisals against the villagers.

There had been no releases of political prisoners since late November 2002 until shortly before Pinheiro arrived in March 2003. The regime claimed to have released 45 prisoners on March 16, including ''elderly inmates, females either pregnant or with young children, and those incarcerated for disturbing peace and tranquility.'' Three to four of those released were NLD members. Approximately 550 political prisoners have been released since October 2000, including approximately 380 NLD party members. However another 1,300 ''security detainees'' (including pro-democracy activists, lawyers, students, teachers, journalists, insurgents, and those accused of aiding insurgents) still remain in prison. Of these, about 110 are NLD members and 17 are elected Members of Parliament. Another 400 prisoners (mainly mothers with young children) were released on humanitarian grounds. U.N. Special Rapporteur Pinheiro and U.N. Special Envoy, along with members of the international community, have consistently and strongly pressed for the unconditional release of all political prisoners. This appeal has thus far not been answered. The United States continues to recognize

the results of the 1990 elections and will continue to push for the full restoration of the civil and political rights of the people of Burma.

Instead of more releases of prisoners, as pledged, arrests of political activists continued in late 2002 and early 2003. Between August 2002 and March 2003, the government detained approximately 60 activists for peaceably promoting democracy and freedom. While most of these activists were released within days of their arrest, there were reports that several were beaten or otherwise abused while in detention. In addition, one detainee died (apparently as a result of a lack of medical attention), while others were convicted and sent to prison for periods of seven years or more. However, the aggregate number of political prisoners and security detainees has decreased by dozens at least in the period covered by this report.

The regime has allowed the United Nations High Commission on Refugees to maintain a presence in northern Rakhine State, providing support and protection services to more than 230,000 Rohingya Muslims who have returned from Bangladesh. After nearly a decade, however, some 22,000 Rohingya refugees still remain in two refugee camps in Bangladesh and another estimated 200,000 Rohingya live illegally in southernmost Bangladesh. In spite of ongoing repatriation efforts, for the last few years repatriations to Burma have not kept up with the camp birthrates and restrictions on movement in Burma have made life exceedingly difficult for this population. There are concerns that members of this disenfranchised population have been recruited by terrorist organizations.

Furthermore, more than 132,000 other Burmese ethnic minority displaced persons live in several refugee camps along the border in Thailand, and an estimated two million Burmese, both ethnic minorities and ethnic Burmans, live illegally in Thailand; many of these are economic migrants rather than political refugees. The tens of thousands of Burmese and ethnic minorities living illegally in the countries surrounding Burma are willing to endure an often perilous existence because they believe it is even more dangerous to return to Burma.

Forced labor also remained an issue of serious concern to the international community, despite some (still relatively ineffective) government efforts to control the practice. In June 2000, the International Labor Conference concluded that the Government of Burma had not taken effective action to deal with the use of forced labor in the country and, for the first time in the history of the International Labor Organization (ILO), it called on all ILO members to review their policies to ensure that those policies did not support forced labor. The ILO Governing Body implemented this decision in November 2000. The United States strongly supported this decision.

Over the past 18 months, the Government of Burma has slowly begun to work with the ILO on procedural measures to address the problem. In September 2001, it allowed an ILO High Level Team to visit Burma to assess the situation. That team concluded that the GOB had made an ''obvious, but uneven'' effort to curtail the use of forced labor, but that forced labor persisted, particularly in areas where the Burma Army was waging active military campaigns against insurgent forces. The team recommended that the ILO establish a presence in Burma, a step that was finally completed in October 2002 with the opening of an ILO Liaison Office in Rangoon. In August 2002, the ILO began field visits to sites along the Thai/Burmese border that have been identified by Amnesty International and other organizations as ''hot spots'' for forced labor and Burmese Army abuse of ethnic minorities. The ILO Liaison Officer has also attempted to engage the GOB in discussions to develop a ''viable plan of action'' to eliminate forced labor as demanded by the ILO Governing Body in November 2002, but so far these efforts have been unsuccessful. While the GOB has made some procedural concessions to ILO demands, the GOB has still not prosecuted any individual for use of forced labor, and there is abundant evidence that the centuries-old tradition of forced labor in Burma continues. As a result, the ILO has continued to press for an effective investigative

body, the appointment of an independent ombudsman to report on violations, and the elimination of forced labor in law and practice. The use of forced labor to build infrastructure for tourist sites appears to be reduced from levels reported in the late 1990's. In recent years, there have been isolated reports of forced labor at tourist sites.

Burma was ranked as a Tier 3 country in the Department's 2002 Trafficking in Persons Report. Since the publication of that report, the GOB has tried to make more transparent that it is taking steps against sexual exploitation trafficking, which most often involves the clandestine movement of Burmese women and children from ethnic minority areas into Thailand. The Myanmar National Committee on Women's Affairs has taken measures to help educate vulnerable populations on the dangers of trafficking by distributing booklets, producing some media programming and organizing community talks. The Ministry of Home Affairs and the Attorney General's office have carried out arrests and prosecutions of traffickers. The effectiveness of these efforts appears to be uneven and difficult to evaluate given the government's overall credibility and the political climate in the country, but this represents what seems to be a genuine engagement of some senior government officials to fighting sex trafficking. The GOB has also allowed some limited but important NGO and international organization activity to assist returning trafficking victims and educate officials, but the government needs to be open to much more of this kind of cooperation. The GOB has concentrated its efforts in fighting sex trafficking, although officials are aware that the international definition of trafficking in persons also encompasses labor exploitation.

The regime did allow a visit by Amnesty International (AI) in February 2003. During the visit, the AI delegation met with government ministers and other officials, as well as with Aung San Suu Kyi and other members of the NLD. AI used their meetings with government officials to discuss the conditions under which political prisoners are held and to call for the immediate release of 19 prisoners on humanitarian grounds.

The Environment: Illegal logging and illicit trade in wildlife and wildlife products are overwhelming efforts at protection. To help deal with both of these issues, the Ministry of Forestry has instituted a program to increase the size of protected areas, but pressures are mounting as agricultural lands expand. Other concerns include threats to reefs and fisheries and overall water resource management.

Development of a Multilateral Strategy

U.S. policy goals in Burma include a return to constitutional democracy, the institution of a rule of law, improved human rights, national reconciliation, counterterrorism efforts, regional stability, HIV/AIDS mitigation, combating trafficking in persons, accounting for missing servicemen from World War II, and more effective counternarcotics efforts. We encourage talks between Aung San Suu Kyi and the military government in the hope that it will lead to meaningful democratic change in Burma. We also consult regularly, at senior levels, with countries with major interests in Burma and/or major concerns regarding Burma's human rights practices.

The United States has co-sponsored annual resolutions at the UN General Assembly and the UN Commission on Human Rights that target Burma. We have also supported the ILO's unprecedented decision on Burma given its failure to deal effectively with its severe and pervasive forced labor problems. Most importantly, we strongly support the mission of the UN Secretary General's Special Representative for Burma, Razali Ismail, whose efforts are key in facilitating the start of any meaningful political dialogue between the regime and the NLD.

In coordination with the European Union and others, the United States has imposed sanctions on Burma. These sanctions include an arms embargo, a ban on all new U.S. investment in Burma, the suspension of all bilateral

aid, the withdrawal of GSP privileges, the denial of OPIC and EXIMBANK programs, visa restrictions on Burma's senior leaders, and a vote against any loan or other utilization of funds to or for Burma by international financial institutions in which the United States has a major interest. We have also maintained our diplomatic representation at the Chargé d'Affaires level since 1990.

Our goal in applying these sanctions is to encourage a transition to democratic rule and greater respect for human rights. Nevertheless, we remain concerned about the growing humanitarian crisis in Burma. In 2002, we initiated a $1 million program to address the growing HIV/AIDS epidemic in Burma by funding only international non-governmental organizations (INGOs) to undertake prevention activities; no assistance is direct to the regime. Discussions with the government continue on allowing INGOs to conduct voluntary HIV testing and counseling, as well as a greater commitment to more effective prevention, treatment, and care programs, including for pregnant mothers and high risk groups. We also use a portion of the funding from the U.S. Burma earmark to develop programs in support of democracy in Burma, as well as democracy, social, educational, and governance-related programs outside Burma. None of these funds are disbursed to or through the Government of Burma. We will also continue to examine the potential for cooperation with Burma on terrorism and narcotics issues. Should there be significant progress in Burma in coming months on political transition, economic reform, and human rights, the United States would look seriously at additional measures that could be applied to support the process of constructive change. Absent progress, we will be forced to consider, in conjunction with the international community, additional sanctions and/or other measures.

[FR Doc. 03–8677
Filed 4–9–03; 8:45 am]
Billing code 4710–10–P