

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO BURMA

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO BURMA DECLARED BY EXECUTIVE ORDER
13047 OF MAY 20, 1997, PURSUANT TO 50 U.S.C. 1641(c) AND 50
U.S.C. 1703(c)



MAY 20, 2003.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

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To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I am providing a report prepared by my Administration, covering the 6-month period since November 20, 2002, on the national emergency with respect to Burma that was declared in Executive Order 13047 of May 20, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 16, 2003.*

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
BURMA

This report covers developments over the course of the past 6 months concerning the national emergency with respect to Burma that was declared in Executive Order 13047 of May 20, 1997, pursuant to, inter alia, section 570 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104-208) and the International Emergency Economic Powers Act (IEEPA). This report is submitted consistent with section 204(c) of (IEEPA), 50 U.S.C. 1703(c), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

In the 6-month period since November 20, 2002, the Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued no specific licenses authorizing transactions otherwise prohibited by the Burmese Sanctions Regulations, 31 C.F.R. Part 537 (the Regulations), and has neither assessed nor collected any civil monetary penalty for a violation of the Regulations.

The expenses incurred by the Federal Government in the 6-month period from November 20, 2002, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Burma are estimated at approximately \$6,500, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel) and the Department of State.

Movement toward peaceful democratic change in Burma has come to a halt. The regime has become more confrontational in its exchanges with the National League for Democracy (NLD), lead by Aung San Suu Kyi, and has offered no real signs of progress toward its stated commitment to a political transition to democracy. United Nations Special Envoy Razali continued his mission, the NLD reopened a significant number of township and divisional party offices, and Aung San Suu Kyi was able to continue her travels in Burma. However, recent visits were marred by incidents of harassment. In March 2003, the U.N. Special Rapporteur on Human Rights in Burma cut his visit short when he learned that his supposedly confidential discussions with political prisoners were being monitored by Burmese authorities. Most seriously, the regime has not demonstrated its willingness to begin a real dialogue with the NLD on substantive political issues.

Economic developments over the period were punctuated by a banking crisis that followed the collapse of approximately 20 informal financial institutions. Stimulated by the rampant inflation in recent years, these informal financial institutions had grown rapidly for 2 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. The regime's severe repression and mismanagement of the economy has created a downward economic spiral and undermined living standards in Burma. Inflation has priced many goods out of the reach of the Burmese people, and educational and medical facilities are limited. The junta has not taken steps to institute the structural reforms and political transition that are required for access to foreign financing. We remain concerned about the growing humanitarian crisis. In 2002, we initiated a \$1 million program to address the growing HIV/AIDS epidemic in Burma by funding international non-governmental organizations to undertake prevention activities. No assistance is directed to the regime.

The Government of Burma 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. Many political prisoners are still behind bars. Particularly troubling are the widespread serious abuses in ethnic regions including torture, rape, forced labor, and forced relocations. Limited but still insufficient steps have been taken to counter narcotics productions and trafficking. Although opium production has fallen for 6 consecutive years, Burma remains the second largest producer of opium in the world. Burma is also the largest producer of methamphetamines in the region.

The United States continues to monitor the situation in Burma closely as developments unfold. We are working with countries in the region and other friends and allies toward a restoration of democracy. In doing so, we shall not neglect urgent humanitarian needs.

