

HUMAN RIGHTS IN BURMA

HEARING
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SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS
AND
SUBCOMMITTEE ON ASIA AND THE PACIFIC
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HUMAN RIGHTS IN BURMA

MONDAY, SEPTEMBER 28, 1998

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The subcommittees met, pursuant to notice, at 10 a.m. in room 2172, Rayburn House Office Building, Hon. Christopher Smith (chairman of the Subcommittee) presiding.

Mr. SMITH OF NEW JERSEY. The Subcommittee hearing will come to order. Good morning. Today the Subcommittee will hear testimony on the state of human rights in Burma and on what the United States and the rest of the free world can do about it.

I want to thank my colleague, Chairman Doug Bereuter of the Subcommittee on Asia and the Pacific for agreeing to cosponsor this important hearing. This is a very important hearing and very timely time. The military junta that rules Burma, which used to call itself the SLORC, or State Law and Order Restoration Council, but recently began calling itself the SPDC, is just over 10 years old. It seized absolute power on September 18, 1988, in the wake of pro-democracy demonstrations which began on August 8 of that year. The Burmese military command reacted to the August 8 movement by killing thousands of peaceful demonstrators. It then scheduled a national election for 1990, apparently on the assumption that the opposition vote would be divided among various democratic and ethnic parties, allowing the pro-SLORC to win. Instead, the SLORC party won only 10 of the 485 seats. Over 80 percent of the seats were won by the National League for Democracy, headed by Aung San Suu Kyi. So the SLORC simply ignored the election results. The Parliament elected in 1990 has never been allowed to meet. Aung San Suu Kyi was placed under house arrest for 6 years, and many of the NLD parliamentarians were imprisoned or forced into exile.

As the 10th anniversary of the 1988 demonstrations approached, Aung San Suu Kyi announced that the people of Burma had waited long enough for their elected representatives to meet. She suggested that the de facto government should convene the Parliament by August 21. And she defied government roadblocks in repeated attempts to meet with her supporters outside Rangoon. On August 8, 1998, the 10th anniversary of the day the demonstrations began, 18 democracy activists from other countries—six from the United States, and others from Thailand, Indonesia, Malaysia, the Phil-

ippines, and Australia—began distributing pro-democracy literature on the streets of Rangoon. The following day they were arrested. After 5 days of detention, they were tried and convicted of sedition and sentenced to 5 years' imprisonment. The day after the trial, in response to international pressure, the government expelled them from the country.

I was privileged to meet these 18 courageous young people at the Bangkok Airport on the morning of their release. I had traveled to Bangkok in an effort to help negotiate their release. Although the SLORC repeatedly refused my application for a visa to enter Burma, I was in constant contact with the U.S. Embassy in Rangoon, which did a great job there, along with family members of the detainees, and others involved in an effort to win their freedom. Together we managed to convey to the SLORC that the whole world, including the U.S. Congress and the American people, was watching and would hold them accountable. I am happy to say that one of the 18 democracy activists, Michele Keegan, will testify here today.

Unfortunately, the 18 were not the only political prisoners in Burma, and the stories of thousands of others have not yet had a happy ending. Year after year, the rule of the SLORC has been distinguished by the mass imprisonment, torture, and sometimes murder of those perceived as a threat to the government. The government persecutes not only political expression, but also religious belief and practice. Members of the ethnic minority groups who are Christian, Muslim or Hindu have been killed by the thousands, forcibly relocated, conscripted as forced laborers, and sometimes forced to watch the desecration of religious objects or places of worship. At the same time, the SLORC has also subjected monks of the dominant Buddhist faith to harassment and repression. The government also protects and cooperates with the export of heroin. Burma is the world's principal source of heroin, providing about half of the world's supply, and they also export women and girls who are forced into prostitution in other countries.

Soon after the conviction and expulsion of the 18 democracy activists, in an apparent attempt to forestall a meeting of the elected Parliament, the de facto government arrested over 900 supporters of the NLD, including 200 of those who had been elected to Parliament. Nevertheless, Aung San Suu Kyi convened a committee of 10 parliamentarians who held proxies from 251 of the 459 surviving elected members, authorizing them to act on an interim basis for the whole Parliament. The Committee declared all laws adopted by the SLORC during its 10-year rule to be null and void. Leaders of minority ethnic groups, including some who had signed cease-fires with the SLORC, have endorsed the Committee.

So we meet at a moment of crisis for the people of Burma, a moment of decision for the United States and others who wish to do whatever we can to promote human rights and democracy. Burma is one of the very few countries against which the United States has imposed serious economic and political sanctions. The United States has urged other nations and multilateral institutions to adopt similar policies, and we have had some success in persuading them to do so. According to the NLD and other Burma human rights activists, the sanctions are working, but they would work

better if we would close some of the loopholes, such as the U.N. Development Program projects, which advocates say are carried out in close cooperation with the SLORC military and political strategists, and a \$1.2 billion oil pipeline in which a U.S. oil company, UNOCAL, is a principal participant. UNOCAL and UNDP, on the other hand, insist that their projects improve the lives of the local people and are of no particular help to the SLORC. We also hear that we are more likely to promote human rights in Burma if we constructively engage the SLORC than if we isolate them.

I hope each of our witnesses today will address these questions: Are the sanctions working? Would they work better if we broadened them to include preexisting investment and to condition U.S. contributions to UNDP and other international organizations on noncooperation with the SLORC? Or would the SLORC really respond to constructive engagement? Finally, what else should the U.S. Government do to promote freedom and democracy sooner rather than later for the people of Burma?

[The prepared statement of Mr. Smith appears in the appendix.]

Mr. SMITH OF NEW JERSEY. I would like to yield to the distinguished chairman of the Subcommittee on Asia and the Pacific, Mr. Doug Bereuter.

Mr. BEREUTER. Thank you, Chairman Smith. I would like to welcome the Administration witnesses. I believe in the case of Deputy Assistant Secretary Boyce, it is his first testimony before the Asian Pacific Subcommittee, perhaps before the House of Representatives. I welcome both of you and the second panel as well.

Chairman Smith, I appreciate your suggesting that we have a joint hearing on this subject. I anticipated that we would have a hearing on the topic before the end of the year, and this is a good opportunity to exercise our joint oversight responsibilities over the situation in Burma and especially the human rights conditions.

Ten years ago this month, in 1988, the Burmese military crushed a popular uprising against military rule, killing thousands of people in the process. Two years later, in 1990, the military again acted in defiance of public opinion by refusing to honor the results of an election. In that election, the National League for Democracy, NLD, headed by Aung San Suu Kyi, won an overwhelming victory, taking more than 80 percent of the seats in what was to have been a 459-seat Parliament.

Little has changed in the intervening years. As we all know, Aung San Suu Kyi, whose courageous pursuit of non-violent political change has earned her respect around the world and the 1991 Nobel Peace Prize, was nominally freed from house arrest several years ago. In practice, however, the military regime, which recently renamed itself the State Peace and Development Council (SPDC), has continued to restrict her freedom.

The most recent demonstration came during the summer when the regime set up two roadblocks to prevent her from visiting elected NLD members of Parliament in the town of Bassein. Since May, by NLD estimates, the government has detained some 843 party members and officials, including 195 elected members of the Parliament. More than 300 of those arrests, which the SPDC grotesquely refers to as invitations to come in and hear the regime's views, have occurred in the past weeks.

This month has also seen the largest student protest in 2 years, a period during which the regime has kept universities closed for fear of just this kind of expression of antimilitary sentiment.

Also in September, Buddhist monks calling for the 1990 Parliament to be convened have been arrested in Mandalay. Attacks on religious leaders and the denial of education to Burma's next generations are indications of how far the military regime is prepared to go to preserve its grip on power. The International Labor Organization (ILO), also recently concluded a 1-year study in which it documented that the SPDC and the Burmese military engaged in forced labor on a massive scale. This includes forced portage, entailing exposure to land mines and weapons fire in Burma's long-standing conflicts with armed military and minority groups along its border.

Despite Burma's 1997 admission to ASEAN, the Burmese military continues to show little compunction about crossing its neighbors' borders, either directly or by means of surrogates, to launch indiscriminate attacks on regime opponents and refugees from its misrule.

Meanwhile, the Burmese economy is declining rapidly, reflecting a combination of the regime's economic incompetence, regional financial turmoil, and, we hope, the effectiveness of U.S. and other sanctions.

We continue to be disappointed by the unwillingness of some of our friends in the region, particularly Japan and Burma's fellow ASEAN States, to recognize the long-term unsustainability of military control of Burma and to join us in pushing hard for transition to democratic rule.

In the face of this continued repression, Aung San Suu Kyi and nine other pro-democracy politicians announced on September 17 the establishment of a committee to represent elected lawmakers and to act on behalf of the never-seated Parliament. The Committee plans to perform parliamentary functions until the 1990 Parliament is convened and has declared all laws imposed by the military regime since the 1990 election to be invalid. Its first resolution was to call for the release of all political prisoners.

I look forward to hearing from our distinguished panels, specifically how they believe the SPDC will respond to the direct challenge of its control.

Today's hearing also gives us an opportunity to re-examine the effectiveness of U.S. policy toward Burma. At the present time, congressionally mandated trade sanctions have been in place since 1996. I will admit freely that I am not an admirer of unilateral sanctions for I believe that they seldom achieve the desired effects. Quite often, they are counterprotective and end up hurting only American exporters. However, the Burma sanctions became the law of the land, and the Administration, having signed that sanction policy in law and not opposing it before the Congress, was and is obligated to abide by the law.

When the Burmese began a crackdown in the fall of 1996, the Clinton Administration had no option but to invoke sanctions. When it hesitated to do so, it was showing disdain for the law. It took no small effort by myself, aided by former Assistant Secretary of State Win Lord, to get the Administration to abide by the law.

Now that the law has been honored, the question remains: Are sanctions an effective policy? I am interested in how our witnesses today will answer that question.

Chairman Smith, I commend you for your serious and long-standing interest in human rights conditions in Burma. I am pleased that we were able to schedule this joint hearing.

I know my distinguished colleague from California, the Ranking Member of the Asian Pacific Subcommittee, would like to be here. He is returning from California. With his other responsibilities on the House Judiciary Committee, he is stretched thin, but we have had several sustaining conversations on the problems in Burma. It is also the concern of most of our Members who otherwise would have been here today if it wasn't for the unusual House schedule.

I would be pleased to yield back any time.

Mr. SMITH OF NEW JERSEY. Thank you very much, Chairman Bereuter.

[The prepared statement of Mr. Bereuter appears in the appendix.]

Mr. SMITH OF NEW JERSEY. I would like to yield to Mr. Rohrabacher, the chairman from California.

Mr. ROHRABACHER. Thank you.

Last April I visited Rangoon and had a chance to visit with Aung San Suu Kyi. After I returned, the State-controlled press called me a barking dog off its leash, so I don't know if I should "woof woof" today or should I growl or bark or what, but the fact is that when a dictatorship calls you names, it is a badge of honor, and I am very happy to be here today to speak up on behalf of the people of Burma who are struggling for their freedom.

During that visit I had a chance to see Aung San Suu Kyi, and she asked me to relate to my colleagues the struggle that is going on for freedom in that country, and that we should not forget them, and I have done my best to convey that message.

I also witnessed the by-products of 8 years of repression in Burma while I was there. We were there during a holiday season, and it was a festival. After seeing Aung San Suu Kyi, we went out into Rangoon, and there were thousands of people in the streets. And what was fascinating, I had just come that day from Thailand, and the people of Burma are noticeably skinnier. They are noticeably less nourished than the people I had just left a few hours earlier, just a short flight away in Bangkok. In fact, the only food that I—here they were in the middle of the festival, and the only food that I saw them eating were these big sacks of grasshoppers. That may be a delicacy, I don't know if it is or not, but you would think that there would be other food there as well as grasshoppers. And after 8 years what we have had after a dictatorial regime's control of that country is a country that used to be very wealthy and really a country that people were very proud of and fed well, and now the people even during the holidays are relegated to eating fried grasshoppers.

And you mentioned that the country is producing heroin. It is not producing much else than heroin. And what we have seen is this gang that runs the country has been able by their repression to do what dictators do. They rule countries with an iron fist, but they cannot produce food or things that make people's lives better. Now

the Rice Bowl of Burma cannot provide enough food for itself or anything else of value except for letting foreigners come into their country and loot their natural resources.

The people are focusing, I know, on the oil pipeline and the gas pipeline. I would like to say that I don't believe that pipeline has not supported the SLORC yet because resources are not flowing into the coffers of the SLORC yet on that. But while people have been focused on that gas pipeline, and let's hope that there is democracy by the time that pipeline is finished, the SLORC has been selling off their teak trees and their gems and all of their other natural sources to people from Communist China who are coming down and basically taking possession, making Burma a vassal State.

Last weekend Aung San Suu Kyi's political party, NLD, observed this 10th anniversary that Congressman Bereuter was referring to, and let us also remember that in 1990 NLD won 80 percent of the vote. Well, in recent weeks, these massive arrests that are going on there remind us that time has passed, but we cannot forget Burma, and just a message that I am very pleased and I thank you, Mr. Chairman and Mr. Bereuter, for being here personally today and demonstrating to the SLORC that we are not forgetting those people who languish in jail and under the control of this repressive SLORC regime, and they can call themselves whatever they want. They can try to change the name of Burma to Myanmar, and they can change their name to the Garden Society, the People Who Love Flowers Society, it wouldn't make it any different. They are SLORC. They are a brutal, repressive regime that is selling out their people.

The International Labor Organization has issued a report, a devastating report, which is talking about the forced labor going on on a massive scale in Burma. And let me say that I believe Aung San Suu Kyi is a tremendously courageous person. She is indeed a hero of our time, and the fact that she is a winner of the Nobel Peace Prize is fitting, and let us not ignore the heroes of our time. Let us as Americans read in history books and know what side America was on when this Joan of Arc of Burma was there.

One last thought. In the midst of this repression, and I know the United States—I would have preferred the United States have a stronger, much stronger, stand. I believe that is true generally with foreign policy, but the people of Burma themselves have been passive in the light of this repression, and I am interested in talking to the witnesses today about that. They are a peace-loving people, and perhaps it is their Buddhist background that makes them more pacifistic.

People on the outside are not going to free Burma. It is the people of Burma that are going to have to free Burma. Let them know that we are on their side, but we send them the message, they must act. And now that Aung San Suu Kyi has decided to act and call her Parliament, let us speak with one voice in Congress that we support parliamentary democracy in Burma and applaud Aung San Suu Kyi and her courage in having this meeting, and we are behind them, and the SLORC should understand they will not get away with the repressions that they are heaping on these people. Thank you very much, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Thank you. It was your obtaining a visa to Bangkok that gave us the inspiration to try that route, and we were advised that was the only way—

Mr. ROHRABACHER. I think they made a mistake when they let me in. They thought that they were letting a dog into the country.

Mr. SMITH OF NEW JERSEY. When you mentioned the Garden State, New Jersey is the Garden State, but they have something very much different in mind. They like poppies of the opium variety.

Let me introduce our very distinguished panel. On our first panel, Mr. Gare Smith is the Deputy Assistant Secretary for Labor and External Affairs in the State Department's Bureau for Democracy, Human Rights, and Labor. Before joining the State Department, Mr. Smith served as national security advisor to Senator Edward Kennedy and as an attorney in private practice and as special counsel to the State Department's Bureau of Near Eastern Asian Affairs.

Mr. Ralph Boyce is the Deputy Assistant Secretary of State for East Asia and Pacific Affairs. During his previous years in the Foreign Service, Mr. Boyce has served the United States in Thailand, Singapore, Pakistan and Iran.

Mr. Smith.

STATEMENT OF GARE SMITH, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF DEMOCRACY, HUMAN RIGHTS AND LABOR, DEPARTMENT OF STATE

Mr. SMITH. Thank you. Chairman Smith, Chairman Bereuter, Congressman Rohrabacher, thank you for providing me with the opportunity to be here today. It is an honor to congratulate the people of Burma on their ongoing struggle for democracy and to report to you the work the State Department is taking to support them.

Each of you, as your testimonies have made clear, have a long history of supporting the people of Burma. I think the very fact that you are holding a hearing right now, at the end of the session, underscores how importantly you take the issue.

This is my first time to testify before the HIRC, and it gives me a lot of pleasure to be here. I think it is a testament to the bipartisan reaction to events in Burma that I probably could take my testimony right here and, to a large extent swap it with any of yours. And I think that is important that the people who are here and who are listening and the people who will send the press reports covering the hearing, understand that these are Republicans, Democrats, and folks on the Hill and in the Administration, and all feel the same way about supporting democracy in Burma.

With your permission, in the interest of time, I will offer a condensed version of my remarks now and submit to the record my full statement.

Mr. SMITH OF NEW JERSEY. Without objection, so ordered.

Mr. SMITH. In a word, the situation in Burma today is grim. Forced labor, drug cultivation and trafficking, the trafficking of women and children, economic stagnation, a declining education system and a burgeoning AIDS crisis threaten economic and social collapse.

The oppressive, authoritarian military government continues to deny that the democratic elections held in 1990 resulted in an overwhelming victory for Aung San Suu Kyi's National League for Democracy. Democratic leaders are viewed as criminals and detained, while drug traffickers are treated as honored citizens and pillars of society.

Barring a peaceful, democratic transition and national reconciliation, Burma will not address adequately the severe problems it faces. This year the military regime actually stepped up its oppression of democratic forces. In May when the NLD called on the government to convene Parliament, the regime instead detained over 100 democratically elected leaders. That figure is out of date today. Now the military has over 200 democratic leaders in custody as well as over 700 other leading pro-democracy figures.

The NLD has responded with the formation of a Committee Representing the People's Parliament, which includes representation from ethnic minority groups. The committee demonstrates the determination of the democratic forces that peacefully defend their rights.

Two weeks ago, the committee asserted the right of Parliament to fulfill its mandate and pledged that the Parliament elected in 1990 would last until a constitution based on democratic laws was accepted by a majority of the people. The Committee also rejected the validity of all orders and laws issued by the regime until they are endorsed by the Parliament. At the same time it recognized that a country needs a military for defense, and emphasized that the mutual relationship of trust and respect should exist between the people and the military.

Genuine dialog between the Committee and the military regime would be a very important first step toward ending Burma's crisis.

The United States seeks a political and peaceful resolution to the crisis in Burma. The goals of U.S. policy are: one, progress toward democracy; two, improved respect for human rights; and three, more effective counternarcotics efforts.

The United States encourages substantive dialog between the SPDC, NLD and minority groups. We maintain very close contacts with the democratic leadership, and we encourage other countries to join us in pressing the regime to enter into a dialog with them.

Secretary Albright is personally engaged in this effort. In 1995, when she was the U.S. Ambassador to the United Nations, she made a trip to Burma, and ever since that time she has had a very special spot in her heart for Aung San Suu Kyi and strongly supported the democratic aspirations of the people of Burma. This past August she organized a meeting of foreign ministers to press the SPDC to accept a dialog, and just last week she pressed the issue again with her counterparts at the U.N. General Assembly in New York.

We have taken a number of tough steps in partnership with the Congress. We suspended economic aid to Burma, withdrew GSP and OPIC, downgraded our representation from ambassador to chargé d'affaires, imposed visa restrictions on senior regime leaders and their families, imposed an arms embargo and implemented a ban on new U.S. investment. We have also encouraged ASEAN, the EU and other nations to take similar steps. Moreover, we have per-

sueded international financial institutions not to make loans to the regime. Since 1988, we have pressed for strong human rights resolutions in the U.N. General Assembly and in the U.N. Commission on Human Rights. We have also worked with the International Labor Organization to condemn the use of forced labor in Burma.

I would note that during the last 3 years, I have had the honor of representing the United States at the U.N. Human Rights Commission and the ILO, and our work on Burma has been right at the top of our list every year.

We encourage other governments to meet with Aung San Suu Kyi and other NLD leaders so they can see that the democratic leadership is flexible, realistic and committed to finding a resolution to the impasse. In our effort to facilitate these contacts, our embassy in Rangoon just recently provided a venue for Aung San Suu Kyi and other NLD leaders to brief the diplomatic communities.

Since 1996, we have used foreign assistance funds to support the Burmese democracy movement. Our main partner in this effort has been the National Endowment for Democracy. Over the past 3 years, we have granted NED over \$3 million to conduct a variety of activities. Among other programs, NED funding makes possible the Democratic Voice of Radio Burma, which makes daily broadcasts from Germany and Norway; The New Era Journal, which is a key pro-democracy newspaper which is published in Bangkok and transported into Burma; and the Free Trade Union of Burma. NED funding allows the International Republican Institute to support NLD's organizational efforts.

I would like to pause here and emphasize something that Congressman Rohrabacher touched on earlier, and that is that the role of the international community and the United States here is to support the Burmese people, not to impose a solution on them.

The Burmese people through their own efforts and vote in the 1990 elections have demonstrated their desire to have a democratically elected civilian government. It is important to note that this is their choice, not ours. Our efforts are simply to ensure that their voices are heard. To that effect, the United States remains committed to pressuring the military regime to permit the Burmese people to have the government they have chosen. Burma's military leaders have to realize that it is past time for them to enter into a dialog with the democratic leadership.

Without internal support, the regime cannot resolve the terrible problems facing Burma. The military can, however, retain an honorable role if it facilitates the transfer of power to civilian hands and resumes its appropriate place as a defender of the country's security.

The international community can play a very important role in this process. On September 17, Aung San Suu Kyi appealed to the entire international community to recognize the Committee Representing the People's Parliament and to support its efforts. We applaud this appeal and hope that it will be heard and acted upon.

Burma can resolve this crisis and rebuild the country under a democratically elected leadership. In the words of Aung San Suu Kyi, "the people's movement for democracy will succeed...Contrary to the predictions of those who are totally out of touch with the

mood of Burma today, I believe that not only will the people achieve democracy, but once it is achieved, they will be able to make it work for the greater good of the nation."

Chairman Smith, Chairman Bereuter and Congressman Rohrabacher, I think we all share her faith and will work to make her hopes a reality for the Burmese people.

[The prepared statement of Mr. Gare Smith appears in the appendix.]

Mr. SMITH OF NEW JERSEY. Thank you for that excellent statement and for underscoring the fact that this is bipartisan. We don't want anyone in Rangoon to get the mistaken impression, although there may be policy differences and bickering going on on Capitol Hill relative to certain things, when it comes to Aung San Suu Kyi and democracy in Burma, the left, the right, the middle, Democrats, Republicans, and our one Independent member are all singing from the same song sheet. We truly are united on this.

Mr. Boyce.

STATEMENT OF RALPH BOYCE, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. BOYCE. Thank you, Mr. Chairman. Chairman Smith, Congressman Bereuter, Congressman Rohrabacher, thank you for having me here today. It is, in fact, a great personal honor for me to appear before the Committee and share notes on a situation that my colleague described as grim. I had jotted down the word "dis- mal." It has been a very bad year.

I think that the regime is risking throwing away a historic opportunity to engage the NLD in a dialog. Their response to the NLD call to convene the elected Parliament was to round up 200 MPs and imprison 800 others. It is telling to note that the first round of detentions were justified under something they called the "Habitual Offenders" Act. It is a great use of language. Habitual offenders, elected MPs.

Everyone remembers Aung San Suu Kyi's courageous efforts to visit some of these detained MPs, sitting on the bridge, refusing to turn back, in fact having the regime being reduced to physically picking the car up and turning it around.

Mr. Chairman, you referred to the formation of the Committee to represent the People's Parliament just a little over a week ago. They are issuing a number of documents, one of which declared null and void the laws passed by the SLORC over the past 8 or 9 years. We see this not so much as confrontational as yet another invitation to dialog because that is, in fact, what the NLD is seeking. They are not seeking confrontation, they are seeking just to talk, and that is what the U.S. policy, under the personal leadership of Secretary Albright, has been consistently, to press for dialog and to support the NLD.

Our policy is clear. We are pro-democracy. We are pro-human rights. We are out in front of the rest of the world on the sanctions issue. We are trying to get other countries and institutions to see our way. We have been pressing the Japanese. We had been pressing the Australians on the issue of Burma sanctions; however,

Burma sanctions became a partisan issue in their ongoing election campaign, so we have temporarily ceased pressing the government.

We have sought and obtained some results from the EU. Our efforts to get individual countries to consider the merit of keeping the pressure on the SPDC continue, and there is no doubt that sanctions are hurting Burma.

When you combine the effect of sanctions with the cutoffs that have resulted from the Asian financial crisis and the effect of that on investment, there is clearly a great deal of pressure on the regime. It is also clear that Aung San Suu Kyi senses this, and this presumably underscores and underlies her effort to engage the regime with the formation of the Committee. Secretary Albright, for her part, as Mr. Smith indicated a few minutes ago, remains intensely and personally involved in this issue. When she was in Manila for the ASEAN postministerial meetings, and most recently when she was up in New York at the U.N. General Assembly, she has been instrumental in organizing meetings of like-minded countries to try to press our agenda forward.

At Manila she and her counterpart from New Zealand basically—not to put too fine a point on it—read the riot act to the Burmese Foreign Minister.

I also want to add a point or two on the role of our Embassy in Rangoon, and in particular Chargé Kent Wiedemann. Chargé Wiedemann is Aung San Suu Kyi's primary Western interlocutor, and they see each other constantly. Our Embassy may be accredited to the regime in Burma, but, in fact, the interaction is primarily with the NLD and with Aung San Suu Kyi. And for its part, the SPDC, I am sure, on their enemies list have Kent Wiedemann right up near the top. He is one of the more active in protesting the detentions. He organized a joint diplomatic demarche when Aung San Suu Kyi was being denied freedom of movement, and he organized, against the regime's wishes, a briefing at his residence for Aung San Suu Kyi to bring the NLD approach clearly to the international audience (which is, again, flexibility and dialog). There can be no misunderstanding. They had an opportunity to hear it directly from her, and the fact that he organized it at his residence was the reason that the regime subsequently delivered a very strong criticism to him.

So in conclusion, Mr. Chairman, we will continue to press the regime. We will continue to urge our friends and allies to do the same. And as mentioned, on the bipartisan nature of this issue, we will continue to consult closely and look for whatever advice we can get from the Committee and both subcommittees which have been so actively involved in pressing this agenda forward. Thank you.

[The prepared statement of Mr. Boyce appears in the appendix.]

Mr. BEREUTER. I want to thank both of our distinguished witnesses for your testimony. We appreciate it.

Secretary Boyce, we are very familiar with Kent Wiedemann. He appeared before the Asia and the Pacific Subcommittee many times, and we have bipartisan support and high expectations about his possibilities to achieve what he possibly can under that difficult situation.

I wonder, if you, in particular, Secretary Boyce, would try to characterize, at least briefly for this committee, what the ASEAN

position is with respect to Burma. They have not been supportive in many of the sanctions that we have supported. What is it that they officially say when we urge them to take a more active role with respect to Burma?

Mr. BOYCE. We have for some time now sought to convince the ASEANs of the merit of our approach. Our objectives are the same. The ASEANs are quick to point this out. The path by which we achieve those objectives is where we differ.

In our conversations with them, often the theme that comes out is that our approach, which is quite a bit more confrontational, and their approach, which has been in the past described as constructive engagement, are mutually supportive, and this is the line that the ASEANs have clung to up until quite recently.

However, as you know, there have been some discussions publicly that have come out of some of the ASEAN capitals about the possible need to rethink the more passive constructive engagement approach and consider other approaches. I think it is no secret that the leaders in this effort to reconsider ASEAN policy have been the Philippines and Thailand. There was quite a bit of debate prior to the ASEAN meetings in Manila this year, and ultimately ASEAN chose not to publicly change their policy; and indeed there was some wordsmithing that basically left the impression that the Thai initiative had been shot down. I wouldn't characterize it as having been shot down. I think it is a first step in what will presumably be an ASEAN consideration of this approach.

After all, what the Thai were really saying was not that unusual: when things happen in an ASEAN member country because of policies of the government in charge that affect other ASEAN members through various transnational phenomena, be it narcotics or AIDS or pollution or environment, et cetera, then they simply were saying perhaps we ought to put these issues on the agenda for ASEAN discussions.

That didn't happen this summer, but I think that the debate is on, and I look forward to seeing that sort of a move in their policy.

Mr. BEREUTER. I do, too. I hope that happens.

Secretary Smith, what can you say about progress or lack of progress with respect to giving UNHRC access to displaced persons within Burma?

Mr. SMITH. It has been difficult. As you know, since 1991 the U.N. Human Rights Commission has adopted resolutions condemning human rights atrocities in Burma. A special rapporteur was created a couple of years ago, and the special rapporteur was denied access to Burma. To the best of my knowledge, he continues to be denied access.

Since you touch on the United Nations, I think it plans a very important role through the ILO, the UNGA, and the U.N. Human Rights Commission. I think we need to continue to support the special rapporteur, and I think the United Nations can also be important in helping the people of Burma by bringing international pressure to bear, now that we have this new committee on the military junta to enter into a substantive dialog.

Another step that the United Nations can take is to send someone to the region to work with the regional countries to try to de-

velop the strongest multilateral approach possible to encourage the regime to change its behavior.

Mr. BEREUTER. I have two final questions for both or either of these gentlemen.

Looking back at 1998, what thought has been given and about the actions that the international community should have taken when the overwhelming election of NLD was overturned in effect?

The second question would relate to what we are willing to do as an international community and as a U.S. Government regarding reactions against the recent effort of the organization called Committee to Represent Elected Law Makers if, in fact, the SPDC responds directly and violently to this challenge of their control? Even though it is attempted to be done in a nonviolent fashion, what should be our response as an international community and as a government?

Mr. SMITH. With respect to what the international community should have done in 1990, of course Monday morning quarterbacking is easier, but I wish we had responded faster and harsher.

The United States is going to stand very, very firm on this issue. We continue to raise this issue at the very highest levels with countries around the world. During the President's trip to China this was raised. During the UNGA this past week, the Secretary raised it with foreign ministers. This is not done by functionaries. This is the highest level, and it is going to continue to be the highest level.

We may hope to bring on board some of the ASEAN countries and some other allies with tougher sanctions. I note that the EU is pretty much where we are. They do not have the new investment laws that we do, and we wish they did.

Foreign Minister Axworthy in Canada made a statement encouraging Canadian businesses not to invest in Burma, and the European Parliament has made statements encouraging EU businesses not to invest. We have strong support from the EU in preventing loans from international financial institutions from going to Burma. When they are in the middle of an economic crisis, that is important, and that is not going to change.

We obviously disagree with the People's Republic of China on a number of issues. We do agree with them, however, regarding some issues concerning Burma. One is the drug trade. There are a lot more people in China becoming drug addicts, and the drugs are coming from Burma. Also the AIDS issue. There is a phenomenal fact in my briefing book: Eighty percent of the HIV-positive incidents reported in China are along the border with Burma. Eighty percent. And the reason is simple: the regime in Burma refuses to acknowledge that there is an AIDS crisis there. They refuse to talk to people about it and how to stop it from spreading. As a consequence, even countries like China with which we have strong differences, agree with us that the spread of narcotics and AIDS from Burma are very serious issues. China is likely to become increasingly concerned as these risks continue.

Finally, with respect to your hypothetical question, if there were a bloody crackdown now, I really couldn't tell you what the State Department would do. I can tell you that the first step we would take would be to check in with Aung San Suu Kyi—as we have

been doing throughout this whole crisis. What are her thoughts? What is the situation? What action would she like to see taken and the U.S. or the international community take? As my colleague noted, although we officially interface with the SPDC, our ears are bent to the NLD and Aung San Suu Kyi.

Mr. BEREUTER. Thank you.

Mr. SMITH OF NEW JERSEY. Thank you, Chairman Bereuter.

Mr. Smith and Secretary Boyce, the trip that was undertaken which caused a lot of angst, probably to their parents, of the 18 activists, those under the age of 20 or 25 was really done, I think, with the highest of motives. It was to try to promote human rights, to stand in solidarity with a repressed people. As we all know, torture is endemic there, and it very often is overlooked, especially during the initial incarceration and interrogation, when pro-democracy people are tortured. And perhaps you could speak to that, the extent of torture in Burma today.

But if you can comment on the trip. It is my belief that it helped having those students there, and regrettably they were arrested. Perhaps some good has come out of it. It brought the focus of the world back to Rangoon and back to Burma in a way that even Aung San Suu Kyi might not have been able to do.

When I got a copy of the business-card-sized leaflet that was being disseminated by these students in Rangoon, which called for human rights and reminded the people of Burma that they were not forgotten, I was shocked, dismayed, and it almost was to the point of being laughable that the dictatorship would react so bitterly to that. As you know, this is what it was. They would have been better off to let them give out these cards and move on. And yet the regime showed its true colors.

One of the messages that I convey in every conversation with Ambassador Tin Winn, the Burmese Ambassador to the United States, and especially with the State-run media with whom I had numerous interviews in Bangkok, was that the second shoe would drop. If you held six Americans—and we were concerned about the other 12 as well—there would be a concerted effort to look at Burma the way that we looked at South Africa during the apartheid years, and isolation would be warranted, and we would see a number of people with misgivings about sanctions saying, for this 5 years in prison? It certainly, I think, would have added a tremendous amount of pressure for old investment that has been grandfathered to come under scrutiny and even to be eliminated.

Your view on their trip; was it helpful from your perspective? And, Secretary Boyce, if you want to comment as well.

Mr. SMITH. We will both comment.

First, I will say that I certainly want to associate myself with your comments. We owe a debt of gratitude to these human rights activists for highlighting the heinous human rights situation in Burma, just as we do to you for holding this hearing today.

Burma is a textbook case of a country gone bad when it comes to respect for fundamental human rights. The use of torture is widespread. It is common in the most heinous sense. I am sure that you are all familiar with the human rights report that our Bureau puts out each year. It lists in great detail the regime's failure to request the freedoms of expression, assembly, and association

and widespread instances of torture, disappearances, and other human rights abuses.

One of the SPDC's laws that I find most amusing is the freedom of assembly law, which requires citizens to obtain the regime's permission to gather more than five people together.

Basic worker rights such as freedom of association, the right to organize and bargain collectively, freedom from forced labor, freedom from child labor, and freedom from discrimination are all violated in Burma. Not a single one is honored.

So I think from a broad human rights perspective, you would be hard-pressed to pick a country that had less respect for fundamental human rights.

Mr. BOYCE. In answer to your question, the trip was worth it in a whole variety of different ways. I myself left Bangkok on August 10, and that was the day after the detentions, and I saw coverage of it by the time we hit San Francisco, and the detentions came a day after the 10th anniversary of the regime's violent suppression in 1988 of the peaceful pro-democracy demonstrations.

So the timing could not have better underscored the symbolism and history involved and brought Burma back onto the international stage at a crucial period. I am sure that it helped focus international attention in the months since then on the efforts of the NLD to convene Parliament and the attempts to re-engage the regime in a peaceful dialog. And so I see it as an unqualified success, not to mention the fact that the individuals involved were able to obtain their freedom again.

Mr. SMITH OF NEW JERSEY. Secretary Smith, you mentioned in your testimony that we have admonished international lending bodies not to make loans to Burma. I know that Secretary of State Madeleine Albright is working very hard, and if you are at liberty to go into her success in the meetings in New York, please elaborate on that.

And finally, the rapporteur that all of us would like to see yesterday deployed to Burma, is there any hope that might happen in the very near future?

Mr. SMITH. I have not had the opportunity to be debriefed on all of Secretary Albright's meetings at the UNGA this past week. She did meet with the Japanese Foreign Minister. We were disappointed earlier this year when Japan agreed to provide aid for the rebuilding of an airport in Burma. We had lobbied them not to. The Foreign Minister made very clear to Secretary Albright that there was absolutely no more aid in the pipeline for Burma, which we considered a successful, positive statement.

Mr. SMITH OF NEW JERSEY. My second question had to do with the international lending bodies. You have already answered that. The Secretary's visit and the rapporteur.

Mr. SMITH. This is a great opportunity that everyone is facing today. It is also a great opportunity for the SPDC to save face. The Committee Representing the People's Parliament is publicly recognizing that the military is important and should be integrated and worked with. They are not demanding that the military leadership leave the country. They are demanding respect for the democratic elections of 1990 and that democracy be allowed to transform the country. They are offering to work with the military rather

than against it. And I think tied directly into that is the opportunity for the SPDC to allow the special rapporteur into Burma. Doing so would allow the international community to take steps toward them rather than isolating them. I hope that the SPDC will recognize this opportunity. I hope the SPDC will seize it and take the right steps.

Mr. SMITH OF NEW JERSEY. Can you give us an update on the civilians, the Chin State and the Karen, especially as it relates to the displacement which has been an ongoing problem?

Mr. SMITH. As you know, a third of the people in Burma come from ethnic groups. The only ongoing open conflict is between the SPDC and the Karen National Union. The KNU lost a major battle in March of last year and lost a large section of land. As a consequence of this battle, 20,000 refugees fled into Thailand. If you count the total of all of the refugees who have fled into Thailand, it would come to about a hundred thousand people, quite a large number of people.

Then, of course, we have down in Bangladesh there are another 21,000 refugees which are Rohinaa Muslims who fled discrimination in Burma.

Do you want to add anything to that, Skip?

Mr. BOYCE. Following up on the UNGA meetings, but before we get to that, I think it is significant to know that in the Committee to Represent the People's Parliament, there is an individual who represents four of the different ethnic groups, including the Shan, NLD, and we think that this is really quite significant because the ethnics and the NLD have had a lukewarm, on-and-off relationship, and to the extent that they are solidifying their approach to the regime, this is a very interesting development.

Back to the question about the Secretary's meetings at UNGA, the Secretary was scheduled to have a session last week that we organized with like-minded countries on Cambodia. At the New Zealand's Foreign Minister's initiative, which I think was significant, we agreed that it would be a great opportunity to also get a lot of the same countries basically, after all they are interested in the Cambodia situation, while they were together to update ourselves on where things stand on Burma.

And without getting into the specifics of who said what, it was a well-attended meeting and I think the meeting underscored, for the Burmese regime in particular, that the international community is still interested and still watching and consulting and still keeping itself well-informed.

Mr. SMITH OF NEW JERSEY. Before yielding, as pointed out earlier, and as we all know, Burma is classified by the State Department as the world's largest producer of opium and heroin. The Government of Burma was decertified again this year for U.S. narcotics assistance. However, through the U.N. Drug Control Program, the Administration is giving up to \$3 million this year for a new crop substitution program in the Wa region. Do these funds go directly to the Wa farmers and indigenous organizations, or do agencies of the SLORC also receive funds of the program?

Mr. SMITH. Not a penny of that goes to the SLORC or the SPDC. Period.

With respect to whether any goes to the farmers, neither of us know right now. We will be happy to get back to you.

Mr. SMITH OF NEW JERSEY. If you could do that.

[Mr. Gare Smith's answer appears in the appendix.]

Mr. SMITH OF NEW JERSEY. How do you assess the UNDP's work?

Mr. SMITH. Over the past 4 years we have given \$5.7 million to the alternative development project in the Wa ethnic area. If we didn't think it was working, we wouldn't be sending that kind of money. Of course, things change too. Sometimes programs improve, sometimes they deteriorate. Obviously when we are dealing with that amount of money and that part of the world, we keep a close eye on whether we think that the program is progressing the way that it should be. We welcome your continued interest in that, too.

Mr. SMITH OF NEW JERSEY. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

Obviously there is a substantial area of agreement that we have. Just one minor area of disagreement, Mr. Smith. The Communist Chinese are they ones that are responsible for the SLORC having the weapons that they need to maintain their power, and I do not believe that the Communist Chinese are cooperative at all, and to the degree that they make people think that they are being cooperative, it is a front.

And the fact is that there are new outlets for this billion dollars of opium that is being produced—actually it is probably more than that—is being done in cooperation with the Communist Chinese, not against. The robbery, the wholesale robbery, that the Burmese people's heritage and legacy with their natural resources, with the teak wood and the gems that are flowing into Communist China now is a disgrace. And Communist China mentioned to somebody that they are upset about HIV and narcotics in their own country, it is because they themselves propped up that regime, and without the weapons from Communist China, there would not be a SLORC regime.

I think that some day the people of Burma will become so upset with the fact that SLORC, this tiny clique of gangsters that is running their country, are giving their country away to the Communist Chinese will in some way be the last straw that breaks the back of the people's patience. People must be patriotic enough to understand that their bosses are turning Burma into a vassal State of Communist China. I understand in Mandalay now there is a great deal of Communist Chinese influence, China coming down into Mandalay, and just like you have in Tibet where you have major influxes of native Chinese people from China coming into that country; is that correct?

Mr. SMITH. We really don't have a disagreement on this issue, Congressman Rohrabacher. Perhaps I wasn't clear enough when I made my statement. I was referring to China as an example of a country with which we don't share a lot of democratic ideals but which is nonetheless concerned about issues in Burma.

You are absolutely right about the arms. China has made \$2 billion in arms sales to Burma since 1988. \$2 billion. They had about one and a half billion dollars worth of trade in 1997 alone. They are selling up-to-date jets to the Burmese. They brokered the ex-

change of Howitzers from the North Koreans for rice from Burma. They established a radar station on a Burmese island off the east coast. There is no question that there are a lot of concerns about this and we certainly wish they weren't supplying military hardware to the Burmese.

They have a strong influence in Burma. Ironically, the ASEAN countries often turn to us and say they are so concerned about the overwhelming influence of China in Burma, that that is one of the reasons they want to stay more engaged with Burma than we have been encouraging them to do. We don't share their position but you can certainly see why they would have that concern.

Mr. ROHRABACHER. It really is a sad situation when people—you know, in democratic countries, people may trade their natural resources for a road system or for an education system. But what we have going on in Burma is that the natural resources, the legacy, what is owned by all of the people of Burma is being ripped off and being gone—and what it is being traded for, it is being traded for money going into the Swiss bank accounts of an elite. Maybe not Swiss bank accounts. Maybe Thai bank accounts. I am not sure. Perhaps it might benefit Congress to have a look at a policy, Mr. Chairman, that would insist that American companies dealing with this dictatorship, if they receive contracts for natural resources, would be instructed to deposit those resources in an account that would be held for a democratic elected government rather than the SLORC. I think that might be more of a morally based policy. I have to take a look at that.

Finally, let me just ask about the light at the end of the tunnel. Certainly there have to be people in the military in Burma as well as the people of Burma who understand what is going on. Would you say that now—and when I was with Aung San Suu Kyi, I did not get from her a feeling of animosity and hatred. She seemed like she was willing and, for lack of a better description, willing to forgive and forget. If we had that type of attitude with Aung San Suu Kyi, wouldn't you say that it will be no better time for the dictatorship in Burma for these people who have been ruling Burma with an iron hand to make a deal with Aung San Suu Kyi and the democratic movement than right now because they are willing to let bygones be bygones and to forgive and forget and to move on toward a positive future where if they wait too long and massive violence takes place in order to get these people out of power, these people will be war criminals. There will be no place for them to hide, much less be able to stay in Burma. So now is their time to cut their deal. Wouldn't you say this is a correct assessment?

Mr. SMITH OF NEW JERSEY. I couldn't agree with you more. Whether you are talking in a political sense, an ecological sense, an economic sense, on a health care sense, now is the time and the opportunity should be seized.

Mr. ROHRABACHER. Mr. Boyce.

Mr. BOYCE. I completely agree. I mentioned this effort to convene Parliament is not, I think, a confrontational approach. It is a historic opportunity for the regime to engage. That is all the NLD is asking. And the result, of course, we saw was the detentions. Again, rather than go into confrontational mode which any reasonable person would understand, they went the route of this Commit-

tee to Represent the People's Parliament. There are a number of openings there for the regime to take if they will just take them and initiate this policy of openness, flexibility, and dialog. It certainly is being demonstrated by Aung San Suu Kyi and the opposition.

Mr. ROHRABACHER. Mr. Chairman, one final point and that is, at least from this Member's perspective, and I think I can speak for many of my colleagues, if those people who have been controlling Burma for these last 10 years would take advantage of this opportunity to reach an agreement with their democratic opposition, we, too, in Congress and the United States would forgive and forget and these people would not be seen, even if they possessed millions of dollars of ill-gotten gains, would not be prosecuted or hounded by the United States as far as the U.S. Congress is concerned. However, if harm comes to Aung San Suu Kyi or these people in the democratic movement who represent the true government of Burma, these people will be declared war criminals by this Congress and they will never escape, and there is a new commitment to human rights in this Congress and I believe that people like that and perhaps Hun Sen over in Cambodia have got to understand that they no longer will have the option of murdering in their own country and then escaping to the West or escaping to another country. Now is the time for these Burmese dictators to become Burmese citizens and live out their lives because if they don't, we won't forget about it.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Rohrabacher. Let me just ask one final question and, Mr. Bereuter, if you might have any additional questions. How do you respond to the accusation that the UNDP puts its projects where the SLORC wants them, including in areas that have the effect of assisting the SLORC war against ethnic minorities? I understand that the NLD has been highly critical of UNDP in Burma. How closely do we work with the NLD on this issue?

Mr. SMITH. I think we will have to get back to you on that question, Mr. Chairman. We are not narcotic experts. The one thing I do know about that program is that when we discussed it with Aung San Suu Kyi, her biggest concern was to make sure that: (A) none of the money went into SLORC hands; and (B) that if money did go into their hands, they didn't get any credit for it. That is, if the program was successful, people would understand that the United Nations had been successful, not that the SLORC was doing a good job fighting drugs. So we, of course, have stayed in close contact with her about that and we think she is right on both counts.

The other parts of your question we will respond to in writing.
[Mr. Gare Smith's answers appear in the appendix.]

Mr. SMITH OF NEW JERSEY. Thank you very much, Secretary Smith, Secretary Boyce. We appreciate your testimony and look forward to hearing those additional responses which will be made a part of the record.

I would like to now ask our second—do you have anything to add? OK. Thank you.

Mr. BOYCE. Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. I would like to ask our second panel if they would proceed to the witness table. First, Mr. Bo Hla-Tint is the Minister of the North and South American Affairs for the National Coalition Government of the Union of Burma, imprisoned by the SLORC for 2 months after the 1988 military coup. He was later elected to the Parliament of Burma in 1990. After the SLORC refused to honor the results of that election and began arresting legitimate representatives, Mr. Bo Hla-Tint was chosen to become one of the original members of the National Coalition Government.

Ms. Maureen Aung-Thwin is Director of the Burma Project of the Open Society Institute, a graduate of Northwestern University. She also serves on the Board of Human Rights Watch Asia and Burma Studies Foundation. Ms. Aung-Thwin's articles on Burma have appeared in numerous international publications.

Michele Keegan is a student at American University and a member of the Free Burma Coalition there. Recently Miss Keegan was detained by Burma's military government for handing out pro-democracy leaflets. I am personally very proud of her. She is also a constituent of mine, and I am very pleased to have her here.

Mary Pack is the Burma Project Director for Refugees International, where she coordinates an internship program for Burmese students and provides advocacy on refugee issues. Ms. Pack lived and worked in Asia for 14 years and is currently the editor of *Burma Debate*, a quarterly magazine.

Finally, Mr. Thomas Vallely is the Director of the Vietnam Program and Research Associate at the Harvard Institute for International Development. He was regularly commissioned by the international organizations to research various aspects of Asian economic development, and has visited Burma a number of times for the U.N. development program or UNDP.

Thank you very much. And, Mr. Bo Hla-Tint, if you could begin.

STATEMENT OF BO HLA-TINT, MINISTER, NORTH AND SOUTH AMERICA AFFAIRS, NATIONAL COALITION GOVERNMENT OF THE UNION OF BURMA

Mr. BO HLA-TINT. Thank you, Mr. Chairman and Mr. Rohrabacher and Honorable Committee Members. On behalf of my fellow elected members of Parliament in prison in Burma and in exile and the people of Burma, I want to thank you for giving me this great opportunity to testify at this very timely hearing and in the House of Representatives. The American people send their representatives here to represent them, but our people in Burma, do not have that right.

Sadly, the only place given by the situation in Burma today for the elected representative is in prison or in exile instead of their rightful place, Burma Parliament's house.

I am an elected member of Parliament in Burma, but I have been forced into exile since after the 1990 elections of the crime of being elected. If I were in Burma today, I would be in prison with the other 200 of my fellow elected representatives, with the other 721 of my party leaders and members, with the other thousands of political prisoners, including Buddhist monks and young students.

As I have already submitted my written testimony before you, I just would like to say thanks to the Chairman, Congressman Chris-

topher Smith, for your role helping in and for the release of 18 American, Thai, Indonesian, Malaysian, and Australians who were arrested because they were passing out this message of solidarity to my people. And thanks to your ongoing efforts to seek the release of not only our foreign friends, but thousands of political prisoners in Burma.

I also want to take this opportunity to thank the United States and the people of America for their strong policy on Burma. It is having an effect. The sanctions adopted by the Congress and the Administration are having a devastating impact to the regimes and the elite who depend on it. The State of Massachusetts and 21 other counties and cities have adopted selective purchasing laws, also very effective, because they prevent the regime from evading the impact of Federal sanctions.

I want to reaffirm today on behalf of the National Coalition Government of the Union of Burma and the leaders inside Burma that your policy is working and we are very grateful. I also want to thank the Congress for mandating a report of the forced labor in Burma. The report was released by the Departments of Labor and State on Friday. The report corroborates what we have been alleging for some time; the regime systematically subjects hundreds of thousands of men, women, even older people and children to do forced labor. That forced labor is sometimes used for the benefits of the foreign investors and the partners of the SPDC business partners. It appears that forced labor has been used in the construction of the Yadana pipeline and is going to be used in ongoing pipeline security operations.

The next few days in Burma will be very critical. Aung San Suu Kyi, the NLD and Burma's legislators are moving forward to convene the people's Parliament. How the regime's SPDC will react will depend in large part how they view the likely response of the international community. Therefore, here today, I would like to request to the Congress and the Administration to make it clear that you are in strong support of NLD, legitimate initiative to convene the people's Parliament, at the same time to make it clear to the junta that the only way they will emerge from their status of illegitimate international pariah is through the negotiation and dialog, not by repressing our freedom.

So the message we have received from Rangoon is that clear public expressions of these messages from the State Department, the Congress, as well as individual legislators will be of utmost importance for the time being.

To save the time to answer the questions you have, I am going to stop here. Thank you very much.

[The prepared statement of Mr. Hla-Tint appears in the appendix.]

Mr. SMITH OF NEW JERSEY. Thank you very much for your excellent testimony. We look forward to asking you questions.

STATEMENT OF MAUREEN AUNG-THWIN, DIRECTOR, BURMA PROJECT, OPEN SOCIETY INSTITUTE

Ms. AUNG-THWIN. Chairman Smith and Chairman Bereuter, thank you very much for the opportunity to testify today. Since we are going to put our written testimonies into the record, I will just

skim through and summarize some of the high points that I would like to make. Congressman Rohrabacher, thank you very much also for attending. Not to diminish your comments, but I want to say that some Burmese consider grasshoppers a delicacy.

Mr. ROHRABACHER. There wasn't anything else but the grasshoppers, was the point.

Ms. AUNG-THWIN. "Let them eat grasshoppers!" I am a Burma-born naturalized American citizen. The last time I testified to the Subcommittee on Asia and the Pacific was in 1993, when I just returned from a trip to Burma, and needless to say, I have not been able to get a visa back since then. The Burmese regime can keep us away—people who they do not want to go in and see what is happening—but they can't keep the news out.

I would at this point like to make a little ad. Our Open Society Institute supports the Burma Net, an electronic daily digest. If you are interested in keeping up, this is a very painless way to keep up with Burma. How you subscribe is all in this briefing book that I handed out to the Members.

Just this morning, I heard that strongman, 88-year-old former retired General Ne Win was rushed to a hospital in Singapore. It is always rumored he is sick, he is going to die, but he was rushed to the hospital. He is 88. When he dies, if he dies soon, I think you will see the impasse broken between the military government and the democratic forces, because the junta is very vulnerable today.

But I also want to make the point that the democracy forces are alive and well. Some people wonder whether Aung San Suu Kyi has any support left in the country mainly because nobody can hear about it or talk about it because State controls the media.

I want to tell you a couple of quotes that the junta said when they took over 10 years ago. This is the kind of non-confrontational tactic that the NLD is taking right now reminding the people what the junta said then:

"Because we will be taking charge for a very short period, we cannot attend to matters of health, education and social security. These are long-term projects and will be the responsibility of the party that is elected into office at the multiparty elections." This was said 2 years before the multiparty elections. They also said then: "We will revert to our primary duty of defending the country for the security of the Nation and the rule of law after the transfer of power to a government comprising the people's representatives who you will elect in free and fair elections."

So today despite really huge repression, some Burmese have courage enough to still speak out and demonstrate their dissent with the government. The students have not been able to go to school for most of the last 10 years. They have no jobs.

There is something terribly wrong in a country where a medical doctor—that is a public service medical doctor, not a private one—earns about \$4 a month but it costs \$12 to buy a ticket to a night-club in Rangoon.

I won't go into the AIDS epidemic and the huge problem that Burma faces with that problem but again, I refer you to our Open Society Institute's quarterly magazine "Burma Debate." It has two excellent articles on the AIDS problem.

I think the generals have proved beyond a reasonable doubt that they cannot run Burma anymore. But with the economy in freefall, what I worry about is that they are more likely to rely on drug money as a source of foreign exchange, something they really need.

I would like to mention also that the Burmese people don't have a voice. They do get news, the lifelines are radio broadcasts from Radio Free Asia and Voice of America. And in responding to those broadcasts, they write hundreds, maybe thousands of letters. They express how they feel and, if the Members of Congress wanted to know how the Burmese people felt in an uncensored way, that would be one good source.

Regarding the current tactic of Aung San Suu Kyi, the NLD, and some of the other parties that won the elections in 1990: It is very significant that some ethnic leaders who have signed cease-fires have come out publicly in support of these [tactics]. This is very significant because a coalition of the ethnic leaders who have signed cease-fires, and the NLD and the other democratic parties would be the worst nightmare for the junta right now. Khun Htoon Oo, the head of the party that won the second most votes in 1990 gave a radio interview to Radio Free Asia. Why? Because they managed to call his cell phone and they don't know how to jam cell phones yet. But he is a very courageous man. He could have been arrested shortly thereafter.

So I wanted to tell you about these quiet acts of defiance that are going on daily in Burma. It is just that we don't notice them. If you go to Burma even on an individual tour, and don't speak Burmese, you are not likely to see any of this.

About sanctions, I would like to mention that one of the junta leaders, Brigadier General David Abel himself, gave an interview in June to the State newspaper. He said: "Sanctions have an effect on other countries and make them fearful of investing here. Companies don't want to invest here because they are afraid of retaliation from the United States." So they have admitted that if there is any question of sanctions working well, here is the SLORC telling you they work.

I want to commend Mr. Alan Larson, U.S. Assistant Secretary of State for Economic and Business Affairs, for telling a news conference just earlier today in Bangkok: "I think that the sanctions on Burma are an example of sanctions which responded to a very difficult and dangerous situation that really was a threat to democratic values."

So in conclusion, I would like to urge the Congress of the United States which has been one of the greatest supporters of the Burmese democracy movement, not to be discouraged by the seeming lack of progress because you can't calculate these things. You can't—well, because the news is censored. But your efforts have made a huge difference and really contributed to the intense pressure on the regime.

So we have to stay the course and not be tempted to try to get, say, a kinder, gentler regime in place that we can work with. If things get worse, I urge that you might consider sanctions on all investment and trade in Burma and barring visas for all Burmese officials rather than just for the high level that we have today.

In 1993 I favored sending an ambassador to Burma, someone who would take a strong stand on human rights and U.S. policies. This is no longer of practical value. Our chargés d'affaires really do have access, and sending an ambassador now would be seen as appeasement.

So if we want to remove Burma from our policy consciousness, we could opt the way of letting less harsh dictators coming to place, but this must not be allowed to serve as an excuse to promote a policy without conscience. Thank you very much.

[The prepared statement of Ms. Aung-Thwin appears in the appendix.]

Mr. SMITH OF NEW JERSEY. Thank you very much for that excellent and incisive testimony.

I would like to now ask Michele Keegan if she would present her testimony. Let me again just thank her for, I think, the enormous public service she and her friends provided in undertaking the trip to Burma. It took poise, it took courage under pressure, and we are all grateful for helping to bring that spotlight back to the human rights and democracy efforts in Burma.

STATEMENT OF MICHELE KEEGAN, MEMBER, FREE BURMA COALITION, AND STUDENT, AMERICAN UNIVERSITY

Ms. KEEGAN. Thank you very much. I would like to first start by thanking you for inviting me here to speak before you today and to recognize two of my fellow friends and students that were with me this summer over in Burma. That would be Nisha Anand and Sapna Chatpan. They are here today in support.

The message that we handed out this summer said, goodwill greeting. We are your friends from around the world. We have not forgotten you. We support your hopes for human rights and democracy. Eight eight, 88, don't forget. Don't give up. This is how I and 17 others became detained in Burma this summer for 6 days. The primary purpose of our trip was to display our message of solidarity to the people inside Burma. That was our primary goal, to let them know we do know what is going on. We do hear their cries. We do hear their pleas even though it is hard for them to hear the message that we are giving them, that we do know what is going on.

Radio Free Asia and Voice Free America, programs like that that are sponsored by the U.S. Government, are the only source of uncensored non-propaganda news that the citizens inside Burma can receive. When I was there I stayed in a five-star hotel. In there CNN and BBC were blacked out from our TVs. In international newspapers such as the *Herald Tribune*, large articles were cut out of them. It just shows you the isolation that these people in this country really do face. They really don't know.

Especially in the last 10 years there has been a mass exodus of the Burmese villagers fleeing their country in fear. Through talking with a lot of these political refugees, we knew our message of solidarity would be effective and appreciated. It is through them that we also do know of the violent crimes that are committed against the people in this country and how terrible the prisons are inside of this country.

I am a student in the most opportunity-filled country in the world undoubtedly, so why is it I was willing to risk my rights and my liberties to go into this country and promote this message of solidarity? That is because I know what is going on. I know how terrible it really is. And for me to know that and do nothing about that, my conscience would punish me far worse than any punishment that the Burmese Government can inflict upon me. If you know something that is going on and you are not doing anything about it, that means you are supporting it. That is not OK by me. If I was being brutally raped or tortured, imprisoned, had to watch my village being burned down to the ground, forced to work without any pay or to live under a government that doesn't listen to its people, I too would want somebody to stand alongside of me to help speak for me, to take a risk on my behalf. I acted to protect real human beings from real oppression.

On Sunday, August 9, 1998, the day after the 10-year anniversary of the massacre is when I and 17 others distributed our message of solidarity. When the authorities stopped me and the two other Americans I was with, we were pushed up a dark narrow staircase. Nisha, who was with me, was slapped across the face by one of the authorities. After that we were detained for 6 days, kept in the police headquarters and later in the police guest house. While we were there, we were given adequate food and water and bedding, but however we were repeatedly lied to and kept uninformed about the status of our case and why we were even being detained. We believe that we were only treated with these few violations because the United States is such a superpower and has a lot of influence in the international community.

However, the story of Burmese citizens is a lot grimmer than my own. One political prisoner testified, I quote, "For the first 2 days, they gave me no water. For 3 days no food. And for the whole 4 days I wasn't allowed to sleep. The days and nights were crammed together indistinguishably and filled only with the sounds of beatings, questions, and abuse."

Moe Aye, another voice among thousands, testifies that his guards demanded, think carefully and tell us the truth. If you don't, we will make you a homosexual. I was terrified. I was about to be raped by another man. Article 5 of the Universal Declaration of Human Rights, which the Burmese Government has signed, states that no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. This clearly violates that.

Article 10 states, everyone is entitled in full to a fair and public hearing. The trial we faced was neither fair nor public. We didn't have a lawyer to speak on our behalf. We were charged with attempting to create civilian unrest. However, the evidence that they brought forth only showed that we did distribute this literature. However, if these cards were creating civilian unrest, then why did the government print it in their national newspaper for all the citizens to see? Therefore, the kangaroo court that we faced was unjust and was unfair and we were found guilty without proper evidence. It resulted in a 5-year prison sentence at Insein Prison, which was later reconsidered and we were deported.

However, for Burmese it is much different. As one political prisoner testified, I was never brought before a court or a jury, handed an official sentence or allowed to speak on my own behalf. Min Ko Naing, who is an activist in the tradition of Wei Jingsheng, Vaclav Havel, and Rosa Parks, who was a leader in the 1988 demonstrations, is currently serving a 20-year sentence for his involvement in expression.

Article 19 of the Universal Declaration of Human Rights states that everyone has the right to freedom of opinion and expression. This right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through the media regardless of frontiers.

The destiny of human rights is in the hands of all our citizens and all the communities. It is something that Eleanor Roosevelt once said. As a student and member of the Free Burma Coalition, we are working together to stop all multinational corporations from investing inside Burma. These companies are the financial backbone of this regime. They are the ones that are supporting them; thus their gross human rights violations and oppression of their own people. The companies who support the natural gas pipeline are the worst of them all. They support the regime with multi-million dollar contracts which result in the most severe abuses and violations.

The United Nations, U.S. State Department, Human Rights Watch, Amnesty International and other researchers have credibly documented that the SLORC routinely tortures its political opponents, uses forced labor on a massive scale, encourages the rape of ethnic minority women, forcibly relocates neighborhoods to suit its financial and political needs, turns a blind eye to the world's largest heroin industry and openly launders drug money through military-owned banks, taking a 40 percent share.

UNOCAL, which is an American-owned oil corporation, ignores these reports, even the ones from its own country. It is estimated that a meager .2 percent of its profits will go to local development, meaning that 99.8 percent of its profits are going to go to support the military regime and their human rights violations and oppressions.

How can we as thoughtful and caring citizens of the United States allow ourselves to be represented by this horrific company that is humiliating and dehumanizing millions of people? Our own government acknowledges that UNOCAL and other companies knowingly support a military dictatorship that brutalizes and suppresses its people. The fact that we are allowing these companies to continue doing this suggests that we in this very room and across the United States support their unprincipled actions and beliefs. If we know about a problem and choose to do nothing about it, we are a part of the problem.

Unquestionably, creating more sanctions against Burma will work. While I was detained, the officers talked about how many American companies are not investing in Burma anymore and how it is effecting their economy, how it is hurting them. The military intelligence in the police station talked about the Massachusetts Sanctions and how they are enraged by them and how they fear the spread of others like them. This proves that they are working.

The government is fearing it. It is hurting them financially. I was there. I saw it.

Right now is crucial. We have the perfect window of opportunity to make sanctions profoundly effective. Not only will it stop American money from propping up an inhumane dictatorship, but it will send a powerful message to the government and the people of Burma that the United States must not stand by in benign neglect.

In the last few months there hasn't been any real decisive international action taken against the regime. Many countries are speaking out against the violations; however, Burmese citizens are risking their lives more than ever right now and are pleading for more support from the international community. Aung San Suu Kyi recently stated, sanctions are an effective means of supporting democratization and human rights in Burma. Aung San Suu Kyi and the National League for Democracy were voted into 82 percent of the seats in the 1990 elections, clearly showing that the citizens of Burma support the NLD and their ideology. Therefore, we should recognize through her that our fellow human beings are reaching out for our help. Our companies have helped prolong the problem. We cannot ignore their complicity.

We must force all American companies currently investing or operating inside Burma to withdraw. We need to lead the world in joining together to tell the military regime in Burma that we will not stand idly by.

The United States has declined the opportunity to have an ambassador inside Burma. In a message of solidarity to the Burmese people, we should immediately send the Burmese ambassador home until the SLORC takes legitimate steps toward dialog.

Lyndon B. Johnson once said, "Our own freedom and growth had never been the final goal of the American dream. We were never meant to be an oasis of liberty and abundance in a worldwide desert of disappointed dreams. Our nation was created to help strike away the chains of ignorance and misery and tyranny wherever they keep man less than God wants him to be."

Ladies and gentlemen, this summer I came a breath away from spending 5 years in a place that is a fate worse than hell for distributing a message supporting basic human rights and democracy. You saw my family's tears, you saw their fears but you saw me free. Right now, there are thousands of Burmese citizens that are in jail, and I can guarantee you that a lot of the students are being tortured severely right now. We never see their tears; we never hear their cries.

Now is the time to make some changes. America is based on the value of freedom, to be able to live a life without constant fear. America is sending a message. It is our choice as to what that will be.

Remember that silence in this time is also a message. One would say that we support this regime, thus, the oppression and brutalization. Actions speak louder than words, and I know that everyone in this room does support democratization and human rights so let's make a good decision and a real difference for these people.

Thank you.

[The prepared statement of Ms. Keegan appears in the appendix.]

Mr. SMITH OF NEW JERSEY. Michele, thank you very much for that excellent testimony and again for your willingness to put yourself and your friends at risk.

One of the reasons why I went over there, knowing that these people are thugs, was that there might be a window of opportunity to enter into a dialog. But certainly their record has been very, very horrifying, to say the least. That 5-year sentence could really have been 5 years. More likely it would have been 3 or 4 months like the Australian who spent, I believe, it was 3 months in prison.

So you did put yourself at considerable risk, and we all are indebted to you and your friends for doing so.

Mr. Vallely.

**STATEMENT OF THOMAS VALLELY, RESEARCH ASSOCIATE,
HARVARD INSTITUTE FOR INTERNATIONAL DEVELOPMENT**

Mr. VALLELY. Thank you very much, and thank you for inviting me here today, Chairman Smith.

I testified about a year ago at this committee—in the last year or so, there has been a shift in historic proportions in the world and in the world economy. Many Asian economies have suddenly reversed their route in apparent healthy growth and have been thrown into recession. Japan as a regional economic superpower is facing immense challenges. Any foreign policy analysis and certainly any policy toward Burma must take these shifts into account. Certainly options open to Burma and to our policy have changed.

My analysis is similar to others. It is gloomy on the political side. The military government continues to hold a monopoly on the means of coercion. Backed by Chinese arms and loans, it refuses to recognize the National League for Democracy or its popular leader, Aung San Suu Kyi. It has intensified its pressure. Universities remain closed.

Meanwhile, the military appears to be complicit if not actively supportive of the drug trade, and many border areas appear to be virtually independent of any authority except that of a local commander. If there was a split in the army, there is apt to be a bloody conflict, and there is no certainty that the "white hats" would win.

Meanwhile, both ASEAN and Japan are weakening, and so their moderating influence is being lost. The situation has deteriorated to the point where normal politics is not being practiced, the power of the bureaucracy has declined along with their wages, and there is less and less glue to hold the Nation together. Even if, by some miracle, NLD were to triumph, they would still face the daunting challenges of how to succeed. I do not see how Burma can have an effective government without NLD and the army cooperating, but I see no immediate possibility of their cooperation.

On the economic side, the Asian economic crisis has accomplished what U.S. economic restrictions could not, a virtual cessation of non-oil investment in the country. This has caused a sharp contraction in urban construction and foreign exchange availability. Meanwhile, floods, droughts, and shortages of fertilizer have aggravated long-term problems with the environment.

There are severe humanitarian problems both in urban and rural areas. If the weather is poor, there could be a major humanitarian

crisis in which food aid would be needed to avert widespread starvation. It is mainly the opium crop that appears to be earning foreign exchange, as rice exports have been curbed due to domestic shortages.

The U.S. interest in Burma is threefold. First, Burma is the source of over half the world's heroin, much of which ends up in our country. Second, the plight of the NLD and Ms. Suu Kyi has touched many Americans, although not galvanized any significant activity. Our trade and investment links with Burma were never large, and withdrawing them has allowed them to be replaced. Third, Burma sits astride important trade routes through which much of Asia's oil flows.

Taken together, these interests are not trivial, but neither are they so significant that many feel a need to do much more than is being done. One reason for this may be the extremely limited menu of viable options. By isolating Burma, we have reduced our influence and left its fate to other Asian countries. By ignoring the growing dependence on China, we fail to create any degree of freedom for any government there.

Let me say that China's expansion is not the old-fashioned colonial type but the more post-modern variety. It does not need to send troops or claim territory. By supporting an unpopular regime while others isolate it, it is easy to secure the free flow of Chinese nationals into the country, tighter security links, and growing economic and diplomatic influence. Almost without trying, Burma is edging toward a kind of implicit Chinese protectorate.

The drug trade has resulted in estimated exports of over 150 tons of heroin a year or \$900 million reported at 1998 prices. It should be noted that total legal exports of all goods are \$936 million, according to the Economist Intelligence Unit's second quarter report on Myanmar. The equality of opiate and legal exports is not an unreasonable way to gauge the relative influence of legal and illegal elements in the economy. It is yet one more reason why, in the case of conflict within the country, it may be that the sides backed by either Chinese arms or drug money might triumph. It is true that these groups already predominate, but repression could still intensify.

In Laos, a patient policy of investing in roads and other development capital has resulted in steady progress toward reducing opium cultivation. If the government in Myanmar were to back such policies with such enthusiasm, similar results might be expected. However, there is currently no support for this type of policy. Either a very difficult arrangement or a change in government would be needed for this to be a viable option.

I have been asked what U.S. policy should be. Let me state by asking what the potential outcomes might be. I see three: One, the United States could support a deal between NLD and the army; two, it could support victory for one side, obviously, the NLD; or, three, we could encourage chaos by either action or inaction. Our policy of isolating Burma during the Asian economic boom was ineffective but designed to support an NLD victory, though we said it was to promote dialog. SLORC knew our real goal and the NLD as well. SLORC, of course, also wanted total victory for itself, while some observers thought that economic progress there would be an

opening for real power sharing. In any case, the result was a stalemate. But both sides still want victory, and neither side seems to be able to achieve it. The result is a stalemate of growing political and economic deterioration which will probably lead to chaos.

And what should we do? If you grant the premise that we have very little leverage in a deteriorating situation, one answer is we can do nothing or anything. I know many want to stop all U.S. investment in Burma. Fine. Do it. The Taiwanese or Japanese will pick up the shares of UNOCAL and collect the profits from Thai gas sales. If further gas fields are developed economically and are warranted, it would be financially and technically easy for small Asian firms to accomplish that. We will have made another symbolic statement but accomplished little else.

Given the Asian crisis, this policy will not be as ineffective as it once was, but it will tend to accelerate the inevitable economic and political decline of the country. Short of financing an armed opposition, and I do not know anyone suggesting this as a proper foreign policy tool, there is little we can do to resolve the tragic situation.

There is a more indirect way. ASEAN is a natural partner of Burma and, if it were robust, might be able to balance the growing influence of China. However, with the near meltdown in the economy of Indonesia and the lurch inward to repression by Dr. Mahatir, ASEAN is in disarray. Our best regional policy would be to focus on accelerating Indonesia's recovery.

I should add many in the Burmese military have looked upon Indonesia as a model for their own role. If Indonesia moved toward democracy as well as a more honest, equitable and open form of capitalism, it might be easier to urge others in the Burmese army to cooperate. ASEAN, if it were economically recovering and largely democratic, this would change the atmosphere in the region.

It is an important question what to do to create a more rapid progress in Indonesia, and I know that is not part of these hearings today, Mr. Chairman. The biggest roadblock to restoring normal credit is foreign debt. There is about \$75 billion in loans outstanding largely to foreign banks. Japan accounts for more than half, European banks a third, the United States only \$10 billion. It is likely that some fraction of this would need to be written off or converted into equity.

It is also important to appreciate that more needs to be done within Indonesia and outside of it to set things right. The political and economic position of ethnic Chinese minorities in Indonesia needs to be settled. If it is not, debt restructuring alone will not accomplish enough. On the other hand, those in Congress who are pondering wider initiatives in restructuring capital flows, a new Bretton Woods and other things should take Indonesia into account in those deliberations.

I also believe that Vietnam could become a strong member of ASEAN in time and a voice in ASEAN's regional and world affairs, and I think we should accelerate most-favored-nation status and negotiations with them.

If you strengthen Indonesia and Vietnam and then ASEAN re-emerged as a regional player, it would be well placed to engage in a dialog with the Burmese Government and invest in the country and urge norms of behavior which are now accepted elsewhere. If

Japan were to recover more quickly, it too would naturally assert a greater role in Burma. However, if the world economy slips badly, neither ASEAN nor Japan nor even China would be robust players. This is a worst-case scenario in which neither economic nor political change in Burma would be easy, and the entire structure of the world economy and capital flows would deteriorate.

In a more likely scenario, this ASEAN strategy is a long-term approach which promises no immediate gain. In the meantime, we will have to decide if we wish to accelerate conflict, work more actively to avoid it, or take a hands-off attitude. No matter what we do, it is likely that China and the internal political dynamic of Burma will matter more than anything else. There are few good choices left for us, and the regional and local economic crisis could overwhelm all other considerations.

Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Thank you very much for your testimony. We do appreciate it.

[The prepared statement of Mr. Vallyely appears in the appendix.]

Mr. SMITH OF NEW JERSEY. I would like to ask our final witness, Ms. Pack, if she would proceed.

STATEMENT OF MARY PACK, DIRECTOR, BURMA PROJECT, REFUGEES INTERNATIONAL

Ms. PACK. Thank you, Chairman Smith; and thank you Subcommittee Members for inviting me here today to testify on behalf of Refugees International.

I also want to thank you for your continued concern about the plight of Burmese refugees over the years. Many of you, as Members, and your staff, have visited camps and have witnessed firsthand what the refugees are experiencing.

I have written testimony, which I will submit. I will try to condense it a bit so you can move on to your questions for the panel. Let me begin by saying that refugees have lined Burma's borders for decades. However, since the early 1990's, not only has the number of refugees fleeing the country risen dramatically, but the reasons they are leaving have multiplied. The vast majority of people fleeing are members of Burma's ethnic and religious minorities, and they are leaving as a result of a litany of human rights abuses.

Most of these abuses have been mentioned here today, but I do want to emphasize that, as the Burmese military has moved farther and farther into the ethnic States and taken over more and more territory, these abuses have intensified. Whole villages have been uprooted. People have lost their lands, their livelihoods, and they have had no other option but to leave their country.

In addition to the ethnic minorities, since 1988, there has also been an outflow of thousands of Burmese students, pro-democracy activists, and elected parliamentarians who have been forced into exile to escape imprisonment, torture and possible death for their political beliefs.

Our figures estimate that there are currently about 300,000 refugees from Burma in neighboring countries. Further, an estimated one million people have been internally displaced; that is, been forced to leave their homes and have either been put into designated relocation sites, or are living in jungle areas.

The persecution of Burma's ethnic and religious minorities at the hands of this regime have been well documented. Mr. Gare Smith mentioned the Rohingyas, or the members of Burma's Muslim minority who in 1991 fled in the numbers of 250,000 in order to escape persecution and discrimination. He did not mention, however, that over the last 2 years another 30,000 have fled Arakan State, where the Rohingyas reside. This shows that discrimination and persecution are not ending. In fact, for the Rohingyas, the regime continues to deny one of the most basic of human rights, that is the right to citizenship in your own country.

I would like to expand a little bit on a point that has been raised by several people today, and that is the issue of religious persecution. And I would like to talk specifically about those living in Chin State and Sagaing Division of Burma, the areas that border India. Life for them has become increasingly difficult and dangerous. An estimated 110,000 refugees now reside in India, with 50,000 currently in refugee camps and over 60,000 non-registered in the country.

This outflow of refugees is due in part to the large-scale military buildup by the Burmese army in this region. Since the early 1990's, over 20 new battalions of Burmese soldiers have reportedly been established in this area. In Chin State alone, there are now 10 battalions, as compared to the one that existed before 1988.

This enhanced military presence has meant an increase in human rights abuses. With militarization, a number of infrastructure projects have been initiated by the regime; the building of roads, irrigation canals and dams, which are being constructed almost exclusively with the use of forced labor.

A major characteristic of the abuse inflicted upon the people of this region is religious in its orientation. I think it is very important to remember here that the regime has glorified Buddhism to a State religion, however, it is guilty not only of persecuting people of a particular belief system, but of using religion as a vehicle to foster tension, suspicion and resentment among the country's population.

The regime has reportedly instituted in this area a system of "punishment and rewards" based upon religious affiliation. The majority of the people of Chin State are Christian, as are the Kukis and Nagas of the Sagaing Division. Refugees from these ethnic groups claim that Burmese soldiers have disrupted religious services and forced Christians to build Buddhist monasteries and pagodas in Christian villages. Churches and graveyards have been desecrated by turning them into army camps. In the Sagaing Division, the regime has placed restrictions on attending church services, has destroyed churches and religious symbols and orders Christian pastors to obtain permission before they can conduct religious duties.

On the other hand, "rewards" in the form of free food and exemption from forced labor will be offered to Christians who convert to Buddhism. The "converts" are then to serve as informers on the activities of insurgent groups and are expected to create dissension among the Christian denominations.

This pattern of discrimination and persecution is repeated on Burma's eastern border as well. Over 110,000 refugees reside in

camps along the Thai-Burma border, with thousands more living in jungle areas outside the camps or in nearby towns and villages.

Perhaps the most vivid illustration of the regime's policy to divide and conquer through the manipulation of religion is the emergence of the Democratic Karen Buddhist Army, or the DKBA. A breakaway faction of the Karen National Union, the DKBA has been supported by the Burmese army and is used as a means to take over territory in Karen State, particularly near the border, that was previously controlled by the Karen resistance.

Under the guise of a religiously motivated movement, the DKBA and the Burmese army have orchestrated repeated attacks on refugee camps and villages along the Thai-Burma border beginning in 1995. In a 3-year period, more than 150 violent incursions have taken place, and at least 79 deaths have been recorded.

You must understand that the refugees residing in these camps are both Christian and Buddhist. And although prominent administrative and sometimes Christian religious leaders are sought out by the DKBA, non-Christian members of the camps, who are often the majority, are also at risk.

One particularly gruesome example of the toll these incursions have taken on the Karen people is what has happened to Wangka camp. I have been either visiting or working in refugee camps for the last 19 years or so and have been visiting camps in Thailand since 1979, but what I recently saw at Wangka was shocking.

I visited Wangka camp in May, only a few weeks after the last attack by the DKBA. The Burmese soldiers and DKBA soldiers had entered the camp in the middle of the night, opened fire and set the camp aflame.

This camp, also known as Huay Kaloke, housed over 8,000 people and had been attacked three times in a 15-month period, twice totally burnt to the ground. My memory of Wangka from previous visits was that of a village of bamboo and thatched houses with small patches of vegetable gardens. Now there was only blackened ash and dirt, only cement slabs where the church and hospital once stood. Nearly 700 homes had been leveled and were now replaced by makeshift hovels of blue plastic sheeting, supported by sticks and scraps of burned metal.

Wangka is only about five kilometers from the border. When I stood in the center of the camp, because the camp was totally leveled—it was very easy to see the hill about four and a half, five kilometers away where the DKBA was encamped. That is how close the soldiers are to the refugees. Most of the refugees so feared another attack that they chose not to sleep in the camp at night, but would go into the jungle and into villages to sleep.

The refugees showed me a photograph of the body of a charred pregnant woman who had been shot first and then, unable to escape the fire in her home, had been burned to death. They also showed me photographs of the funeral of two young teenage girls, sisters, who had died as a result of the burns suffered in the fires.

My written testimony includes suggestions that Congress and the Administration could take to enhance the security and protection for refugees along Burma's border. However, let me close by saying that, as I stood in Wangka camp, it became clear that it is not economic sanctions that are hurting the people of Burma, as the re-

gime might claim. It is the regime itself and the military under its direction, a military financed by revenues from foreign investment.

Clearly, the real, durable solution for the refugees is for all people of Burma to have the opportunity to participate in a democratic government that will ensure the rights of its people regardless of their ethnicity or their religion.

Thank you.

Mr. SMITH OF NEW JERSEY. Thank you, Ms. Pack. We appreciate you. As usual, Refugees International is always on the front lines everywhere in the world, and thank you again.

[The prepared statement of Ms. Pack appears in the appendix.]

Mr. SMITH OF NEW JERSEY. I think for the record I would like to note that Secretaries Smith and Boyce have remained to hear the testimonies of our additional witnesses. That is rare. I have been in Congress 18 years and, normally, after the Administration testifies, they are out the door. They leave people behind, of course, to gather notes and information, but I think it speaks well of our two Administration representatives to stay and to hear what has been said.

I have a couple of questions. Mr. Vallely—how do you say it?

Mr. VALLELY. Vallely.

Mr. SMITH OF NEW JERSEY. Vallely. In your testimony, you either trivialize or perhaps even suggest it is counterproductive to enhance the hours of Radio Free Asia. I was the one who offered the amendment on the floor to try to push broadcasting to a 24-hour day, which passed by a 3-1 margin. And it seems to me, when people like Vaclav Havel and others say that the information that they received from Radio Free Europe and from other such broadcasts is invaluable—even though, as you point out, the SPDC is already illegitimate—that people need hope, they need information, they need timely information. Do you really think it leads to chaos?

Mr. VALLELY. Yes. I am not a big fan of Radio Free Asia in general. In this particular case, I am not widely opposed to it. The reference I made was, how useful is it? I am a close friend of the Senate sponsor of the whole idea. I wish I was against it earlier.

The point I am trying to make there, Mr. Chairman—we have to try to find a way to talk to these people. I don't think that we have succeeded in figuring out how to really have a discussion with the Burmese army, whatever the name of it is. And I think that is becoming harder and harder, and that is what that reference was to.

I am trying to be constructive. I am not trying to eliminate Radio Free Asia. I think the Voice of America does a fairly good job. I think, in general, Radio Free Asia's comments in foreign languages, however, Mr. Chairman, should be made available to people that would like to know what, in fact, they say. We make a big deal about being an open society, and I think Radio Free Asia should join in that and let us know what they say in foreign languages to these people.

Mr. SMITH OF NEW JERSEY. Let me ask you in terms of your position on no new investments. Were you in favor of no new investments?

Mr. VALLELY. I don't—in general, I think that Burma's not even an emerging market, Mr. Chairman. It is a no market. I mean, you have to be crazy to invest there. There is no real investment out-

side the oil, which I think could be—and I have put in my testimony—could be replaced fairly easily. There is this capital flight from ASEAN. You know, the strong countries in ASEAN, Mr. Chairman, they are in capital flight.

I like Mr. Bereuter's comments earlier. I don't think we are dealing with an ASEAN or a Japan like we were the last time I testified. I think these countries do not have the resources there. I think investment is not going to take place in Burma, non-oil investment.

Mr. SMITH OF NEW JERSEY. Let me ask if the rest of our panel would respond.

Let me just say for the record we informed UNOCAL to be here. They did submit testimony, but our hope was to ask them very specific questions about human rights, whether or not they believe that they were in any way complicit with the SLORC by aiding and abetting, however indirectly a military dictatorship that routinely tortures its own people.

But in looking at their testimony, much of the statement of the report is based on an organization called the Commission of Justice and Peace, which is based in Bangladesh. The report contains reports of happy workers, happy villages, no forced labor and social development projects. The reporters concluded "that everyone in each village has a better life because of your work," speaking of UNOCAL.

Are any of our witnesses familiar with the report or the organization, the Commission for Justice in Peace, and do you have any comments on that conclusion?

Mr. HLA-TINT. As I mentioned in my testimony about the report mandated by the Congress, the report on forced labor in Burma, it is clearly mentioned about the forced labor sometimes directly used by the gas pipeline projects. It has been sponsored by the UNOCAL.

So what I would like to comment, if they are saying that there is no forced labor, it is totally wrong. It is insulting to the institutions for peace and human rights, Amnesty International and other human rights institutions. So we on behalf of the institution have to say that according to our resources, according to our people, we know there were forced labor uses in the pipeline project and human rights abuses. So we absolutely disagree that there were no human rights abuses in the pipeline project.

They have been talking in their testimony that they are contributing to the life of Burmese people. What we want to say at this point, we want to do our own self. We don't want other people to create our future. So we want to say to the UNOCAL and the Ambassador, rather than allowing our people to create their own future, please back off from Burma. Thank you.

Ms. AUNG-THWIN. I would like to make a comment about the UNOCAL report. Father Timm and Justice Subhan, from what I have heard, are really good guys, and that is why they were asked to do this report. What they did not know, according to what I have heard, and this is from correspondence between Father Timm and some of his colleagues, was that it was a totally orchestrated trip, much like the one that Ambassador Andrew Young took to Indonesia and Vietnam on behalf of Nike.

You know there are two lawsuits against UNOCAL in California right now. The lawyers for the plaintiffs have asked UNOCAL if they can also go and take a trip there, of course with their own translators and their own people. It was a formal request and UNOCAL formally denied them access. So I think there must be something to hide.

The report mentions all of these wonderful happy people, I think there is a section that UNOCAL calls a "happy" section, where there are no human rights abuses and there are some schools and clinics. I have been told that people who have taken these trips come back with pictures of it, this tiny little boulevard (and I am saying "boulevard" because don't forget that Total is also the major owner of this pipeline).

Mr. SMITH OF NEW JERSEY. Let me ask, in the views of any of the panelists, do the corporate executives raise human rights in a way that is meaningful? Do they seek to visit Aung San Suu Kyi? Ms. Keegan mentioned Wei Jingsheng earlier in her testimony. I will never forget meeting in Beijing with a number of business and government representatives, in a round table discussion which lasted over 2 hours. I asked any of them, because Wei Jingsheng was at that moment free before he got rearrested, if they had ever met with a dissident to brief, quiz, or get his or her perspective, to see whether or not their businesses were aiding and abetting tyranny or whether they were a part of reform, and they said no. To the best of my knowledge no such meetings have occurred since, nor are any planned.

Corporate America, international corporations, surely can play a constructive role if they have the will and the tenacity. They have the ability, if they seek to do it. What is your view on that? For instance, have UNOCAL representatives met with Aung San Suu Kyi and sought to dialog with her?

Ms. AUNG-THWIN. I believe Mr. John Imle has seen Aung San Suu Kyi, but I also believe it was a private conversation and he would not divulge what happened. But what they do with it because he is head of PR, is something else. And they use it to say "We talked with Aung San Suu Kyi." She doesn't want to take sides on the issue because if she were in power or if the NLD were in power, they will have to deal with the UNOCALs. Here is a political statement, to mean we welcome good investment. But Imle spins it. I have seen the spin.

Mr. SMITH OF NEW JERSEY. Since I was denied the ability to go to Burma, I would like to go and will renew my request as soon as this election is over. I would like to lead a delegation there. I will ask UNOCAL if they will help us arrange that. But I will not have a dictated type of itinerary which some other governments, including Communist governments, always seek to do. Give you the red carpet tour, treat you to a 5-star hotel, and then you walk away singing the praises of the regime. I would seek to visit political prisoners and go into the prisons. Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman. Dr. Vallely, I noticed your comments in your written statement that your policy would be focused on accelerating Indonesia's recovery, and I express my regrets to the panel that I was meeting with the foreign minister

from Indonesia on the side here and had to miss most of your testimony. It was scheduled before the session.

Mr. VALLELY. Again, I am not particularly optimistic about Burma's future, and I have thought a lot about the issues that Chairman Smith has raised, how to deal with it and I even, when I was asked to testified, said I can only think of making ASEAN stronger as perhaps one of the ways to do it.

I do share Mr. Rohrabacher's view of the ASEAN situation and I thought his comments perceived reality quite accurately in the case of China in the drug situation and I think in the case of the grasshoppers.

I think the grasshoppers are in fact a way to describe the complete collapse of the rural economy in the country. There is no cooking oil to be bought. We are looking at famine, maybe. That is how serious a situation I think that we are dealing with here, and I think the United States would need to have a response to that, and that is a complicated thing.

But I do think ASEAN is very weak now. What is happening in Malaysia, clearly finding a way when you are dealing with restructuring capital flows throughout the world, Indonesia is going through both a political and economic transition at the same time, which differs from other ASEAN countries, makes it more complicated.

I think Indonesia will emerge more democratic and a better example and a stronger country. Now, we can not guarantee that Indonesia will find a way to deal with the difficult problems it has in dealing with its Chinese minority population, and if they do not deal well with their Chinese ethnic population, they will not be a successful country. They are 8 percent of the population, and 80 percent of the wealth, and they could go to Vietnam pretty easily.

Mr. BEREUTER. I yield to questions by Mr. Rohrabacher.

Mr. ROHRBACHER. Thank you. First and foremost I would like to congratulate Michele, and I am sure that you have inspired young people in different parts of the country who have heard about your mission to Burma and I am very proud of you as well. And I think the American young people who latch onto the ideals of what our society is supposed to be all about and move forward in an idealistic way, but an energetic and committed way to further those ideals in places like Burma really are exemplary of the best of what our country has to offer, and it was a risk. You could have been raped or assaulted while under incarceration in Burma, and it wouldn't have surprised anybody if that happened, and you were very courageous for doing that.

And I hope that other young people who hear about this will take upon themselves to show the world that we still believe in freedom and we may like pop music and other forms of entertainment here that young people enjoy, but what you did was something that we can all be proud of, and maybe more proud of than some of these other things.

As far as some of the talks about UNOCAL, let me remind people that UNOCAL didn't bring the dictatorship to Burma and while I think it was my idea to put these sanctions on to make sure that there was no further investment in Burma, I don't believe that the

money that UNOCAL has put into Burma so far has gone into the bank accounts of the regime.

Now, in a few years once this project is complete and the gas starts flowing, the money will be going into their coffers, and to that degree then there will be a strengthening of the regime. But let's be honest with ourselves. Why is the SLORC regime still in power? Because the Burmese people have not themselves acted with the same courage as Michele acted. They have not. By and large the Burmese people have permitted this dictatorship, and when I say that I am also including those enlisted people in the military. There is no reason why someone who is a patriot in Burma who finds himself in uniform should be taking orders from this regime. The SLORC regime does not represent the legal government of Burma. The legal government of Burma are those people who won the election. If those people in uniform in Burma were patriots, had more courage, the SLORC regime would not exist because they would turn their guns on the SLORC.

So it is easy to criticize UNOCAL, and I think that is about the only economy left, but let's make sure that we don't let people pass the buck here. We need some courage and we need some commitment from the people of Burma. And I think as Michele, as we pointed out here, she showed a lot of courage, and Aung San Suu Kyi is showing a lot of courage. She went to that bridge and stood there 2 weeks, 2 weeks in that little car. That is tremendous courage for her to go and do that.

But where were the thousands and tens of thousands and hundreds of thousands of Burmese people who should have joined her at that bridge? They didn't show up. They have to understand that. People are free because they have shown courage and commitment and have been willing to do that, and that has not happened from the people of Burma so far.

They are long suffering. I have visited the refugee camps and I have seen that, and I was on the border of the Karenese that was attacked a couple of nights after I left a few years ago. And these people are long suffering, but there is a difference between being long suffering and being willing to take the actions that will yield democracy.

Mr. SMITH OF NEW JERSEY. Will the gentleman yield. I do respect the gentleman's opinion. But all of the guns are on one side and you are trying to do it peacefully; there are people who are languishing in prison.

Mr. ROHRBACHER. I guess what I am saying is that the guns are not all on one side. The soldiers are citizens of Burma. We have to make sure that the patriots of Burma that are in uniform are called upon to join with the rest of the people in Burma for establishing a democracy. I am sorry for being harsh.

When I was first elected to Congress 10 years ago, the first thing I did was hike into the jungles of Burma and meet with the democratic resistance, and some people remember that. I was really impressed with those young people, and it has been 10 years since then and I have been doing my best, but I don't think that change is going to come from the outside.

Now, with that said, let me emphasize something that we talked about in the testimony, and that is Aung San Suu Kyi, who I con-

sider to be one of the most courageous people on this planet, did emphasize to me, and as we talked about with the first panel, she is willing to forgive and forget. If we can have a transfer to democracy, those soldiers will say, hey, let's move forward and make a deal now because there is not going to be a deal possible. That I think takes a great deal of courage as well. I think we can't miss that. I think probably the most important thing that I have learned this year is when I had lunch with Aung San Suu Kyi, that she wasn't filled with vengeance and it would be very easy to be filled with vengeance if you are Burmese.

I will let everyone have 1 minute to comment on what I said. Let me pose it as a question, as I did with the first panel.

Will there ever be a better time than now for people to make a deal, forgive and forget, the people who run the government, the SLORC, deal with the NLD and save themselves in the long run, I might add?

Mr. SMITH OF NEW JERSEY. I would hope that the witnesses could take longer than a minute.

Mr. ROHRABACHER. Whatever you want.

Mr. HLA-TINT. I totally agree with that. The Burmese people must have courage to overcome the situation.

Right now what we believe is our people, because of the leadership by the NLD, we come to realize they need to stand up by themselves and they are asking the U.S. Congress and the Asian community to recognize their movement. So we do appreciate that our people must have courage. At the same time we want from the United States and the Congress to support the people, as you mentioned before.

The second part is we do not tie investments for the long term. We are the one pro-investment. But UNOCAL, we are talking about the U.S. investment in this, rather than they are encouraging the democratic solution, they are legitimizing the one we hate, the one we don't want to see. They are against the will of the people. That is why we are pointing out to reconsider, to review for the timing. If they review their policy in their investment, the faster and better in the future their present investment in Burma would be considerable. That is my point of view that I would like to share.

Ms. AUNG-THWIN. I would like to respond to Congressman Rohrabacher asking why the Burmese people have not risen up.

One thing you have to remember: It is a police State. It has been there since 1962. We are talking about 2 generations brought up under a total lack of freedom.

You can get 15 years in jail for having an unregistered modem, which means computers, fax machines, and you get nothing for shooting up a heroin in a tea shop. Someone who gave the BBC interview got 15 to 20 years. There are 80-year-olds in prison for handing out leaflets or writing the "wrong" poem.

In 1988 a lot of people were killed needlessly. I think the Burmese people do not want this to happen again. They also live under fear. I don't think you can realize what it feels like to live under fear.

When I went back the last time I was allowed to, my cousins who are not political, I saw that they just don't question the rules. They just do what they are told.

A comment on Aung San Suu Kyi, and her courage. In an ironic way, she is probably the safest person there. Because of her Nobel prize, the whole world is concentrated on her. She is protected by her pedigree because her father is the revered founder of the nation. She herself has said the most courageous people are the unknown people, the students who are carrying on demonstrations, some of the covert action and nonviolent resistance, not her. She has said that.

Ms. KEEGAN. First, I would like to say in my statement I must have been misunderstood about UNOCAL. I realize that it is in the future where most of their money has been going to come in. It has been estimated that is about a year, and that is possibly why the Burmese dictatorship is kind of keeping its hold. They think if we can hold out for a little while—but it is documented regarding their gross human rights violations and their intentions.

Mr. ROHRBACHER. I think that is a very good point, and that is why some of us may be toying with the idea that companies that have invested in clearly a dictatorship like that maybe would have to put the money that they were going to give the regime into a special fund that would go to a democratic government once it was established. That might be a good idea.

Ms. KEEGAN. That is definitely an idea I would support.

When you ask about this opportunity, wouldn't this be the perfect time for the Burmese dictatorship to make a deal with the NLD? Well, realistically that is not going to happen. They don't want to give up power. I think that is safe to say. That is kind of where the international community comes in. We have to tell them that, we are not going to stand for this. We are going to stand by the people.

You said that the Burmese people, they need to basically fight their own battle in order to win, and I do agree. I think it basically does need to be a joint fight. But recently there are approximately 900 people, Burmese citizens being retained for their recent actions. Lately there has been a lot of international spotlight on Burma. They feel the solidarity. They feel the protection almost to go ahead and do this, and they are fighting their own battle. That is what is going to create this perfect opportunity.

But the SLORC is not just going to hand over power. We have to help that along. Lately there have been a lot of ethnic agreements that they are coming to support the NLD. The transition in Burma is going to be slower than a lot of them because they are mostly embracing a nonviolent movement. A violent movement, yes, that can be quick and overdone.

The United States is trying to promote to a vast amount of Burmese citizens a nonviolent movement. That takes time to join all of the ethnic minorities together that have been struggling for such a long time. That is what they are working on, and they are getting things accomplished. They are making very large strides toward democracy, and I think maybe with all due respect you are underestimating their actual fight in how much they are participating in

this and that our participation as an international community is vital and that we are not fighting their battle for them.

Mr. VALLELY. I think it is a very difficult question. Chairman Smith had a lot of the answers, the other side has a lot of the guns and they are fearful. And also I think it has a little to do with the failure of the country. Tiananmen Square happened because China is successful.

What happened in 1988 is because Burma failed. What is happening in the other transitions in Asia, successful countries make a transition and failed countries like this one become a narco regime, and narco regimes are hard to get rid of. The U.S. experience in Panama where we tried to embargo the country, we did embargo the country, but ultimately you need to use military support because in a narco regime there is so much support for getting funds somewhere else.

I think the UNOCAL thing is a little bit different than it has been presented. I think a brochure the way that it was described is a silly document. There is a huge amount of forced labor in the country. The forced labor actually adds to the decline in the economy. It is not free, it is expensive because you take people out of their homes, you don't let them feed their families, and forced labor is causing part of the economic collapse in the countryside. It is a failed State with a narco support, and those traditionally have been very difficult to dislodge because the normal things that would dislodge them don't do that, and I think that makes the question—

Mr. ROHRABACHER. Would you see the leadership, the SLORC, being willing to accept what Aung San Suu Kyi put to me, and that is a forgive-and-forget policy which would permit them then to be able to have a safe haven in the future, realizing if they don't make a deal like this now, in the future their future is going to be very limited?

Mr. VALLELY. I appreciate those comments, and I support those comments. And the last time I testified I did use Chile as the example that I would pursue here. And I think the Congressman's description is a Chile-style operation where the military gets some form of amnesty and the civilian government takes hold.

I used to think that was more of an option than I do now. I don't know if I share your view that it is a better time than it was. I think there is too much going on, too much fear of collapse around them, too much support from China. I think that they are very nervous. I think they are extremely hated, and I think that hatred of the army by the people adds to their fear. It might add to your ultimate goal here, but I think they are fearful now, and they are so scared and I hope the Chairman does go to Burma. I think it is a good experience. You won't come away happy, but you will get a better sense of is this type of arrangement possible. The question is if we did want to go to a Chile-style operation, is the United States willing to change its policy sufficient enough to support that, and I think that is deliberation that the Committee would have to take under consideration.

Ms. PACK. With that very, very pessimistic view, maybe I will try to offer a little optimism. Having followed Burma not as long as many of the people in this room, and not being from Burma, I don't consider myself an expert, but I feel there have been glimmers of

hope over the last couple of years. There have been exercises by people inside the country. I remember talking to State Department officials 5 years ago who were saying: "It is so quiet in there, nothing is happening. The people have to do something. This is their movement. They have to exhibit some sort of energy inside the country."

Now, we are seeing that. We are seeing Aung San Suu Kyi and the NLD "pushing the envelope", some people think too much and at their own risk.

We see some of the ethnic groups, even some of those who have signed ceasefire agreement joining in support of the NLD. We see students taking to the streets once again, in small groups, yes, but again pushing the envelope from inside the country.

I think if you watch the dynamics along the borders, and as I said, the increased military presence in the ethnic States, this has totally changed the picture of what Burma is today. Some of these soldiers who are occupying the ethnic States have not received pay. They have not received clothing. They don't have food. They are living off the land. They are living off the people. How much longer can that go on without something happening?

Thank you.

Mr. ROHRABACHER. I hope your optimism is justified. I know all of us here share this desire that this country, they are so far away on the other side of the world and these people who are long-suffering can have their suffering relieved, and there can be a democracy come to the country.

Can I ask the Chairman a question. What would the Chairman's position be on a proposition of a Chile-like settlement in Burma?

Mr. SMITH OF NEW JERSEY. Frankly, I think as we have seen in South Africa, in El Salvador with the Peace Commission, reconciliation efforts that are often brokered by peace commissions try to lay the information on the table but provide, as they did in El Salvador, that the offending parties could never run for office. There are some penalties, but they are rather benign rather than staying in prison for such egregious crimes.

I think the only way to dislodge a dictatorship is to provide some kind of a way out, as difficult as that may be for the families who have lost loved ones and for those who have suffered. But it has worked in El Salvador as an example and Chile is another. So it is a prescription for a realistic, positive outcome. And as Secretaries Smith and Boyce pointed out, this is a window of opportunity, if you will, if the SLORC would only grab that brass ring. After this we may be looking at Rwanda or Bosnia-type war crimes tribunals. So hopefully the message that goes out to our media, goes out to the embassy officials who are here, will be that this is the time, seize the opportunity. I am rarely asked a question, but thank you.

Mr. ROHRABACHER. I yield back the balance of my time.

Mr. SMITH OF NEW JERSEY. Thank you.

I have one final question to Ms. Pack. We know that the Thai Government has invited UNHCR to help with the refugees on the Thai border. Do you see this as a step toward repatriation or would they provide protection or resettlement opportunities for some other form of protection rather than a repatriation?

Ms. PACK. First of all, I am happy that you mentioned that, Chairman Smith, because we really want to applaud the Thai Government for this invitation to UNHCR.

There is a great fear among the refugees and the NGO communities, however, that this entrance by UNHCR may be a precursor to a major repatriation, particularly of the Karen, and one that is far too premature.

I think it is up to the United Nations and the donor countries to be very vigilant about how this role for UNHCR is designed. And we at Refugees International ask your help in doing that. I think there is a great opportunity for enhanced protection and security with the UNHCR there, but we must monitor the situation very, very closely.

Mr. SMITH OF NEW JERSEY. Thank you, Ms. Pack. Would anybody like to add anything before we adjourn?

Ms. AUNG-THWIN. I disagree with Mr. Vallye. I think ASEAN is quite strong now because of the dissent that is going on. I think what is happening in Indonesia and what is happening today in Malaysia, after the arrest of Mr. Ibrahim. His supporters were told not to go out in the streets and have rallies, and yet they are. That kind of news, when they get it from Radio Free Asia, because the SLORC will not play that kind of news in the State-controlled media for obvious reasons, I think that gives the Burmese great inspiration.

Mr. SMITH OF NEW JERSEY. Let me just add one additional example of where reconciliation seems to have gathered a head of steam, and that is in the north of Ireland.

Tomorrow our subcommittee will hold a meeting with the rapporteur who has done a report on what has happened in the north of Ireland, and I will never forget on a trip that I took to the north of Ireland, meeting with both the Protestants and the Catholics who were part of terrorist groups, as well as the legitimate organizations, both were willing, to maybe "forgive" is too strong a word, but pragmatically see it as a means to an end. Even some of the notorious IRA gunmen who have been convicted through due process have been released, and it would seem that it is creating an atmosphere in which democracy can flourish. So it does provide hope for Burma.

The hearing is adjourned, and thanks to our witnesses.

[The prepared statement of UNOCAL appears in the appendix.]
[Whereupon, at 12:40 p.m., the joint Subcommittees were adjourned.]



APPENDIX

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CO-CHAIRMAN

Statement of Representative Chris Smith
Chairman, Subcommittee on International
Operations and Human Rights

Human Rights in Burma

September 28, 1998

Today the Subcommittee will hear testimony on the state of human rights in Burma, and on what the United States and the rest of the free world can do about it. I want to thank my colleague, Chairman Doug Bereuter of the Subcommittee on Asian and Pacific Affairs, for agreeing to co-sponsor this important hearing with the Subcommittee on International Operations and Human Rights.

The military junta that rules Burma — which used to call itself the SLORC, or State Law and Order Restoration Council, but recently began calling itself the SPDC, or State Peace and Development Council — is just over ten years old. It seized absolute power on September 18, 1988, in the wake of pro-democracy demonstrations which began on August 8 of that year. The Burmese military command reacted to the August 8 movement by killing thousands of peaceful demonstrators. It then scheduled a national election for 1990, apparently on the assumption that the opposition vote would be divided among various democratic and ethnic parties, allowing a pro-SLORC "National Unity Party" to win. Instead, the SLORC party won only 10 of the 485 seats. Over 80% of the seats were won by the National League for Democracy, headed by Aung San Suu Kyi. So the SLORC simply ignored the election results. The Parliament elected in 1990 has never been allowed to meet. Aung San Suu Kyi was placed under house arrest for six years, and many of the NLD Parliamentarians were imprisoned or forced into exile.

As the tenth anniversary of the 1988 demonstrations approached, Aung San Suu Kyi announced that the people of Burma had waited long enough for their elected representatives to meet. She suggested that the de facto government should convene the Parliament by August 21, and she defied government roadblocks in repeated attempts to meet with her supporters outside Rangoon. On August 8, 1998, the tenth anniversary of the day the demonstrations began, eighteen democracy activists from other countries — six were from the United States, and the others were from Thailand, Indonesia, Malaysia, the Philippines, and Australia — began distributing pro-democracy literature

on the streets of Rangoon. The following day they were arrested. After five days of detention, they were tried and convicted of "sedition" and sentenced to five years' imprisonment. The day after the trial, in response to international pressure, the government expelled them from the country.

I was privileged to meet these 18 courageous young people at the Bangkok airport on the morning of their release. I had traveled to Bangkok in an effort to help negotiate their release. Although the SLORC repeatedly refused my application for a visa to enter Burma, I was in constant contact with the U.S. Embassy in Rangoon, family members of the detainees, and others involved in the effort to win their freedom. Together we managed to convey to the SLORC that the whole world --- including the U.S. Congress and the American people --- was watching and would hold them accountable. I am happy to say that one of the 18 democracy activists, Michele Keegan, will testify at our hearing today.

Unfortunately, the 18 were not the only political prisoners in Burma, and the stories of thousands of others have not yet had a happy ending. Year after year the rule of the SLORC has been distinguished by the mass imprisonment, torture, and sometimes murder of those perceived as a threat to the government.

The government persecutes not only political expression but also religious belief and practice. Members of ethnic minority groups who are Christian, Muslim, or Hindu have been killed by the thousands, forcibly relocated, conscripted as forced laborers, and sometimes forced to watch the desecration of religious objects or places of worship. At the same time, the SLORC has also subjected monks of the dominant Buddhist faith to harassment and repression. The government also protects and co-operates with the export of heroin --- Burma is the world's principal source of heroin, providing about half of the world's supply --- and of women and girls who are forced into prostitution in other countries.

Soon after the conviction and expulsion of the 18 democracy activists, in an apparent attempt to forestall a meeting of the elected Parliament, the de facto government arrested over 900 supporters of the NLD, including about 200 of those who had been elected to Parliament. Nevertheless, Aung San Suu Kyi convened a committee of 10 parliamentarians who held proxies from 251 of the 459 surviving elected members, authorizing them to act on an interim basis for the whole Parliament. The committee declared all laws adopted by the SLORC during its ten-year rule to be null and void. Leaders of minority ethnic groups, including some who had signed cease-fires with the SLORC, have endorsed the committee.

So we meet at a moment of crisis for the people of Burma, a moment of decision for the United States and others who wish to do whatever we can to promote human rights and democracy. Burma is one of the very few countries against which the United States has imposed serious economic and political sanctions. The United States has urged other nations and multilateral institutions to adopt similar policies, and we have had some success in persuading them to do so. According to the NLD and other Burma human rights activists, the sanctions are working, but they would work better if we would close some of the loopholes --- such as United Nations Development

Program projects which the advocates say are carried out in close co-operation with SLORC military and political strategists, and the \$1.2 billion oil pipeline in which a U.S. oil company, UNOCAL, is a principal participant. UNOCAL and UNDP, on the other hand, insist that their projects improve the lives of the local people and are of no particular help to the SLORC. We also hear that we are more likely to promote human rights to Burma if we "constructively engage" the SLORC than if we "isolate" them. I hope each of our witnesses today will address these questions: Are the sanctions working? Would they work better if we broadened them to include pre-existing investment and to condition U.S. contributions to UNDP and other international organizations on non-co-operation with the SLORC? Or would the SLORC really respond to "constructive engagement"? Finally, what else should the United States government be doing to promote freedom and democracy sooner rather than later for the people of Burma?

I look forward to hearing the testimony of our distinguished witnesses.

Statement by Hon. Doug Bereuter, Chairman
Subcommittee on Asia and the Pacific

September 28, 1998

"Human Rights in Burma"

It is extremely timely to be exercising our respective subcommittees' oversight authority over the human rights situation in Burma. Ten years ago this month, in 1988, the Burmese military crushed a popular uprising against military rule, killing thousands of persons in the process. Two years later, in 1990, the military again acted in defiance of public and world opinion by refusing to honor the results of an election in which the National League for Democracy (NLD), headed by Aung San Suu Kyi, won an overwhelming victory, taking more than 80 percent of the seats in what was to have been a 459 member parliament.

Little has changed in the intervening years. As we all know, Aung San Suu Kyi, whose courageous pursuit of non-violent political change has earned her respect around the world and the 1991 Nobel Peace Prize, was nominally freed from house arrest several years ago. In practice the military regime, which recently renamed itself the State Peace and Development Council (SPDC), has continued to restrict her freedom. The most recent demonstration came during the summer, when the regime twice set up road blocks to prevent her from visiting elected NLD Members of Parliament in the town of Bassein. Since May, by NLD estimates, the government has detained some 843 party members and officials, including 195 elected Members of Parliament. More than 300 of these arrests, which the SPDC grotesquely refers to as "invitations" to come in and hear the regime's views, have occurred in the past few weeks.

This month has also seen the largest student protests in two years, a period during which the regime has kept universities closed for fear of just this kind of expression of anti-military sentiment. Also in September, Buddhist monks calling for the 1990 parliament to be convened have been arrested in Mandalay. Attacks on religious leaders and the denial of education to Burma's next generation are indications of how far the military regime is prepared to go to preserve its grip on power. The International Labor Organization (ILO) also recently concluded a one year study in which it documented that the SPDC and the Burmese military engage in forced labor on a massive scale. This includes forced portage entailing exposure to land mines and weapons fire in Burma's longstanding conflicts with armed minority groups along its borders. Despite Burma's 1997 admission to ASEAN, the Burmese military continues to show little compunction about crossing its neighbors' borders, either directly or by means of surrogates, to launch indiscriminate attacks on regime opponents and refugees from its misrule.

Meanwhile, the Burmese economy is declining rapidly, reflecting a combination of the regime's economic incompetence, regional financial turmoil, and, one hopes, the effectiveness of U.S. and other international sanctions. We continue to be disappointed by the unwillingness of some of our friends in the region, particularly Japan and Burma's fellow ASEAN states, to

recognize the long term unsustainability of military control in Burma and to join us in pushing hard for a transition to democratic rule.

In the face of this continued oppression, Aung San Suu Kyi and nine other pro-democracy politicians announced on September 17 the establishment of a Committee to Represent Elected Lawmakers to act on behalf of the never-seated parliament. The Committee plans to perform parliamentary functions, until the 1990 parliament is convened and has declared all laws imposed by the military regime since the 1990 election to be invalid. Its first resolution was to call for the release of all political prisoners. I look forward to hearing from our distinguished panel how it believes the SPDC will respond to this direct challenge to its control.

Today's hearing also gives us an opportunity to examine the effectiveness of U.S. policy toward Burma. At the present time, congressionally-mandated trade sanctions have been in place since 1996. I will freely admit that I am not an admirer of unilateral sanctions, for I believe they seldom achieve the desired effect. Quite often, they are counterproductive, and end up hurting only American exporters. However, the Burma sanctions became the law of the land, and the Administration - having signed that sanctions policy into law - is obligated to abide by the law. What the Burmese junta began a crackdown in the fall of 1996, the Clinton Administration had no option but to invoke sanctions. When it hesitated to do so, it was showing disdain for the law. It took no small effort by myself, aided by former Assistant Secretary of State Win Lord, to get the Administration to abide by the law. But now that the law has been honored, the question remains, are sanctions an effective policy. I am interested how our witnesses today answer that question.

Chairman Smith, I commend you for your serious and long-standing interest in human rights conditions in Burma, and I am pleased we were able to schedule this important joint hearing. I look forward to our witnesses' testimony.

HUMAN RIGHTS IN BURMA

TESTIMONY OF

THE HONORABLE GARE SMITH

ACTING ASSISTANT SECRETARY

BUREAU OF DEMOCRACY, HUMAN RIGHTS AND LABOR

DEPARTMENT OF STATE

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS & HUMAN RIGHTS

AND THE

SUBCOMMITTEE ON ASIA & THE PACIFIC

OF THE

HOUSE INTERNATIONAL RELATIONS COMMITTEE

28 SEPTEMBER 1998

Chairman Smith, Chairman Bereuter, and members of the Subcommittees, thank you for this opportunity to appear today to report on the ongoing courageous struggle of the Burmese people for democracy, and to address the work being done both bilaterally and multilaterally by the State Department to promote freedom in Burma.

You have consistently demonstrated concern for the people of Burma, and are to be commended for taking precious hearing time at the end of this session of Congress to focus on Burma. Because this is an issue that is very close to my heart, I am especially pleased that this, my first testimony before the House International Relations Committee, provides me with an opportunity to praise the Burmese people in their struggle to exercise internationally-recognized basic human rights.

The people of Burma continue to live under a highly repressive, authoritarian military government that is widely condemned for its serious human rights abuses. Although the military government has changed its name from the State Law and Order Restoration Council (SLORC), to the State Peace and Development Council (SPDC) there has been no real change in its repressive policies. The regime also has tried to rename the country Myanmar. We agree with the National League for Democracy that a country's name should not be changed without the consent of its people.

In 1988, the people of Burma demonstrated against 25 years of military rule in a country-wide popular uprising unprecedented in Burma's history. The military violently suppressed these demonstrations, killing thousands of protesters. They imprisoned additional thousands of

regime opponents in harsh – and sometimes fatal – conditions. Even while holding on to power through force of arms, however, the military promised to hold elections in 1990.

Those elections, as you know, resulted in an extraordinary victory for the National League for Democracy, which won 392 of the 485 seats contested. The people of Burma overwhelmingly rejected the SLORC (whose National Unity Party won only ten seats), and showed their support for democratic, civilian rule. This took place despite the regime's efforts to cow its opponents, including barring major democratic leadership figures from running for office and placing its most prominent opponent, Aung San Suu Kyi, under house arrest. Despite this definitive mandate for change, the regime never recognized the election and the Burmese people have continued to suffer.

Almost a decade later, Burma remains mired in political repression and economic stagnation. Despite vast natural resources, it continues to rank as one of the poorest countries in the world. Its economic troubles are largely a result of the regime's own mismanagement and heavy-handed policies, which have sent the Burmese economy into a downward spiral the regime appears unable to halt. U.S. and European investors continue to pull out due to the unfavorable economic situation. Asian investment has also declined, due to the region-wide economic crisis. Sanctions also play a role in making Burma an unattractive place to produce goods for export. When the military took over in 1962, Burma was perhaps the richest and best educated country in Southeast Asia. Now it has become one of the poorest and worst-educated. This situation will take years to remedy.

Recently, the International Labor Organization published a scathing critical report on Burma's labor practices. The U.S. Department of Labor's report on forced labor, issued last Friday, includes evidence on the use of forced labor gathered by U.S. government officials. The United States and the ILO are particularly critical of the use of forced labor for public works construction and in support of military operations.

Burma's unwillingness to fight drug trafficking on its territory affects its neighbors and other parts of the world as well. Burma is the world's largest producer of opium and heroin. It produces about 90 percent of Southeast Asia's opium and about half of the worldwide supply. The continuing high levels of opium production, combined with increased production of methamphetamines, has exacerbated drug addiction rates in China, Thailand and India.

There is evidence that corrupt elements in the military may be aiding the traffickers, and there are signs that the SPDC encourages traffickers to invest their ill-gotten gains in a multitude of development projects throughout the country. As Secretary Albright has noted, criminals who traffic in drugs are treated like honored citizens, while citizens who speak out for a more lawful society are treated like criminals.

The regime also has failed to stem the tide of trafficking of women and children. Burmese women and girls, especially members of ethnic minorities, are trafficked throughout Southeast Asia to work as prostitutes. This reprehensible practice also facilitates the spread of HIV and AIDS. 1997 estimates show over half a million Burmese infected with HIV. As Secretary Albright has noted, Burma has become the epicenter of the regional AIDS crisis. The epidemic there is out of control and is growing faster than anywhere in Southeast Asia. The

epidemic is now spreading to India, Bangladesh, and China, where 80 percent of reported HIV infections are found along the Burmese border.

In response, the government has continued to deny the existence of an epidemic. As a result, there has been virtually no public education. We are now working with Radio Free Asia and the Voice of America to broadcast lifesaving information to the Burmese people

Burma's long cycle of repression and economic stagnation can be brought to a close. The military regime could end tomorrow its sorry history of political repression and economic stagnation. The parliament elected in 1990 is ready and willing to guide Burma's return to democratic government. This summer, the NLD again called for the government to convene the parliament. Instead of grasping that historic opportunity for a peaceful transition to a democratically-elected government, the regime to this day refuses to honor the results of that election.

Chairman Smith and Chairman Bereuter, I do not need to remind you of the regime's record of silencing democratic voices. At a time when the Burmese people and the whole world embraced Aung San Suu Kyi as a hero of nonviolence and democracy, the SLORC held her under house arrest for six years. During this period, in 1991, she was awarded the Nobel Peace Prize.

When the regime finally released her from house arrest, she immediately resumed her efforts to reach out to the people of Burma and to press the military regime to enter into a dialogue with the democratic leadership. She steadfastly resisted all efforts to intimidate her.

Earlier this year, she engaged in a series of principled confrontations with the military as she attempted to meet with NLD members outside Rangoon. When the military refused to allow her to complete her trips, she refused to back down. A series of roadside standoffs ensued. In one case, the military forcibly returned her to Rangoon.

The United States, as you know, strongly supported her right to travel and to meet with party members. As Secretary of State Madeleine Albright said, "[W]e deplore the government of Burma's refusal to allow members of the National League for Democracy . . . to travel freely in [their] own country. . . . [W]e are gravely concerned about the health and safety of Aung San Suu Kyi and will hold the Burmese authorities directly responsible for insuring her health and welfare."

This year, the military regime has stepped up its repression of democratic forces. In May, when the NLD called on the government to convene parliament, the regime instead detained over one hundred democratically-elected members of Parliament. Today, the military has two hundred democratically-elected members of the parliament in custody, along with hundreds of leading pro-democracy figures -- more than nine hundred in all.

The NLD has responded with the formation of a "Committee Representing the People's Parliament," which includes representation from ethnic minority parties. The Committee demonstrates the commitment of the democratic forces to peacefully stand up for their legitimate rights while opening a way for dialogue with the military.

Two weeks ago, the Committee asserted the right of the duly-elected Parliament to fulfill its mandate, and pledged that the Parliament elected in 1990 would last until a constitution based on democratic laws is accepted by the majority of the people. The Committee also rejected the validity of all rules, regulations, orders, and laws issued by the regime until they are endorsed by the 1990 Parliament. At the same time, the Committee recognized that the country needs the military for defense and emphasized the mutual relationship of trust and respect that should exist between the people and the military.

For the military regime, beginning a real dialogue with this Committee could be an important first step on a path that would end Burma's political crisis. The great majority of the people of Burma clearly do not trust the regime, which rules by fear and force of arms. History, and especially recent history, has shown that any government that rules by fear is inherently unstable. If the regime continues to repress democratic groups, it will increase the chance of instability in Burma, with potentially grave consequences for the country and the region.

The United States continues to seek actively a peaceful and democratic resolution of the current crisis in Burma. The immediate goals of U.S. policy are progress toward democracy, improved respect for human rights, and more effective counter-narcotics efforts. Failing national reconciliation, Burma will not be able to address adequately the many severe problems it faces, including narcotics trafficking and abuse, a low level of education, and poor economic performance.

We have continued to pursue a multilateral strategy as we seek improvement in our key areas of concern. We consult regularly and at senior levels with leaders of the Association of

South East Asian Nations (ASEAN), Japan, Korea, the European Union, Australia, Canada, and other countries that still have trade and investment interests in Burma. At the same time, we urge them to press the regime to curb drug production and trafficking. These efforts have helped build and maintain strong international pressure on the military regime.

The U.S. has been in the forefront of an effort to encourage substantive political dialogue among the SPDC, the NLD, and the leaders of ethnic minority groups, who make up one-third of Burma's population. We have maintained close contacts with the democratic leadership and have encouraged other countries to join us in pressing the government to initiate a dialogue with the NLD, Aung San Suu Kyi, and representatives of the ethnic groups.

Secretary Albright is personally engaged in this effort. At the ASEAN regional forum last August, she organized a meeting of foreign ministers to press the SPDC to accept dialogue. The Secretary met again with her counterparts at the United Nations General Assembly in New York last week.

To impress upon the SPDC the need to make progress in our areas of concern, we have, in partnership with the Congress, taken a number of tough steps: we have suspended economic aid, withdrawn GSP and OPIC, imposed an arms embargo, and blocked assistance from international financial institutions. We downgraded our representation from Ambassador to chargé d'affaires, imposed visa restrictions on senior regime leaders and their families, and have implemented a ban on new U.S. investment.

We likewise have encouraged ASEAN, Japan, the European Union, and other nations to take similar steps and other actions to encourage progress by the SPDC in these areas of key concern. Many nations have joined us in our arms embargo, including European countries, Canada, Australia, Japan, and Korea. The EU limits its assistance to Burma to humanitarian aid.

We have been successful in persuading international financial institutions to block loans to the regime. This is probably the single most effective sanction we employ. Since 1988 we have taken an active role in pressing for strong human rights resolutions on Burma at the United Nations General Assembly and the United Nations Commission on Human Rights, and have worked vigorously with the International Labor Organization to condemn the lack of freedom of association for workers and the use of forced labor by the SPDC.

In 1996, at our urging, the EU and associated European states joined us in imposing a ban on visas for high-level SPDC officials and their families. In addition, the European Union and Canada withdrew GSP trade benefits from Burma's agricultural and industrial products in March and August 1997, respectively, bringing their trade policies more in line with that of the United States.

Secretary Albright has stayed in close communication with UN Secretary General Kofi Annan about Burma and has urged him to become personally involved. While sanctions provide the incentive for the regime to change course, we believe that a quiet diplomatic effort led by the UN and countries in the region will be helpful to jump-start dialogue.

The members of ASEAN share many of our goals, and while they have no interest in pursuing a policy of sanctions, they, like us, are increasingly frustrated by the glacial pace of change inside Burma, and concerned about the potential for instability. When Burma joined ASEAN last year, Secretary Albright made clear that the organization would bear a responsibility to encourage democratic change there, or risk a "chasm within ASEAN between one part that is open, integrated and prospering, and another that is closed, isolated and poor." This year, that danger led the foreign ministers of Thailand and the Philippines to press for more active and flexible policies by ASEAN countries toward the internal problems of their neighbors, including Burma.

We also encourage other governments to meet with Aung San Suu Kyi themselves. If they speak with her and other NLD leaders directly, they will see that the democratic leadership is flexible and realistic, committed to finding a solution that works to end the impasse in which Burma finds itself. In an effort to facilitate these contacts, our Embassy in Rangoon provided a venue for a briefing to the diplomatic community earlier this month by Aung San Suu Kyi and other NLD leaders.

Since FY 1996, we have used foreign assistance funds to support the Burmese democracy movement. Our main partner in this effort has been the National Endowment for Democracy (NED). Over the last three years, we have granted NED over \$4 million for its Burma programs.

NED currently supports activities in three areas: (1) media and information; (2) institution building; and (3) training and education. In media and information, NED supports Democratic Voice of Burma Radio's daily broadcasts from stations in Germany and Norway.

NED also supports the *New Era Journal*, which is a key pro-democracy newspaper published in Bangkok and transported into Burma. For institution building, NED helps support the Free Trade Union of Burma. NED funding also allows the International Republican Institute to support the National League for Democracy's organizational efforts in Thailand. In training and education, NED will assist primary and adult education programs for ethnic minorities in refugee camps along the border.

At the request of Congress, the Administration is also providing humanitarian assistance to Burmese located in Burma or to displaced Burmese along the borders. For example, during the past three years, we have made grants to the International Rescue Committee for its medical work and its feeding programs through the Burma Border Consortium. We have also supported the World Concern Development Organization's programs for maternal-child health care.

I would like to emphasize, however, that the role of the international community is to support the Burmese people, not to impose a solution on them. The Burmese people, through their vote in the 1990 elections, have demonstrated their desire to have a democratically-elected civilian government. This is their choice, not ours.

In conclusion, Mr. Chairman, I want to emphasize that the United States remains committed to pressing the military regime to permit the Burmese to have the leadership they themselves have chosen. We believe that the people have suffered long enough. Burma's military leaders must recognize that it is time -- past time -- for them to enter into genuine political dialogue with the democratic leadership. Without support -- either within Burma or internationally -- the regime cannot resolve the terrible problems facing Burma. The military

can, however, retain an honorable role if it facilitates the transfer of power to civilian rule, and resumes its appropriate place as the defender of the country's security.

We believe that the international community can continue to play a useful role in this process. The NLD has offered one way by establishing the Committee representing People's Parliament. On September 17, Aung San Suu Kyi said, "I also appeal to all the democratically elected Parliaments of the world to give due recognition to our Committee and to support the work we are undertaking." We applaud this appeal and hope that it will be heard and acted on. We see increasing evidence that people around the world support the Burmese people's aspirations to be represented by leaders chosen in free and fair elections. This Committee represents the leaders that the people of Burma themselves have elected, and we fully support its work.

Despite the long struggle, we should not give up hope that Burma can resolve this crisis and move forward to rebuild the country under democratically-elected leadership. In the words of Aung San Suu Kyi, "A question that is often put to me whether I believe that the people's movement for democracy will succeed. The answer is an unequivocal YES. Contrary to the predictions of those who are totally out of touch with the mood of Burma today, I believe that not only will the people achieve democracy but that once it is achieved they will be able to make it work for the greater good of the nation."

Mr. Chairman, members of the Sub-Committee, I think that we all share her faith, and will work to make her hopes and the hopes of the people of Burma a reality. Thank you very much.

TESTIMONY OF

RALPH L. BOYCE

DEPUTY ASSISTANT SECRETARY FOR

EAST ASIAN AND PACIFIC AFFAIRS

HOUSE INTERNATIONAL RELATIONS COMMITTEE

ASIA AND THE PACIFIC SUBCOMMITTEE

SEPTEMBER 28, 1998

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Mr. Chairman, thank you for this opportunity to address the Subcommittee on the situation in Cambodia. That troubled country is once again at a critical juncture, so I appreciate this opportunity to update the subcommittee on recent developments and consult with you on how best to move forward.

When Assistant Secretary Roth last testified before this subcommittee in June, progress had been made in moving Cambodia towards July elections. Opposition leaders were back in-country and operating freely; all political parties had been granted freedom to campaign; election and party laws had been passed; an election commission had been established; the requisite constitutional and magistracy councils had been set up; international observers had been invited to monitor the election process; and voter registration was in full swing. In short, a framework -- albeit an imperfect one -- was in place in Cambodia in which meaningful elections could be held.

The United States, in concert with ASEAN and other partners, had worked hard to bring Cambodia to that point, pressing all parties to take steps to create the conditions for free,

fair and credible elections. Despite progress achieved, however, two questions remained unanswered as Cambodia moved into the official campaign period. First, would opposition figures be granted media access for their campaigns? And second, would the climate of fear and intimidation which had prevailed since the bloody factional fighting of June 1997 persist?

Despite the intense efforts of the international community, neither of these issues was ever adequately resolved. While the opposition had substantial access to print media for the purpose of their campaigns, TV and radio were essentially monopolized by the ruling CPP. And while the climate of political intimidation had eased from earlier months, the UN documented dozens of human rights abuses in the run-up to the vote, including beatings, arrests, and worst of all, extrajudicial killings.

As the July 26 election date drew near, these flaws threatened to invalidate the entire process. Many observers essentially wrote off the possibility of a free and fair election, and the international community braced for a worst-case scenario of violence and chaos on election day. Despite the widespread pessimism, however, Cambodians turned out in record numbers to cast their ballots, demonstrating

both a deep desire for a voice in their future and their continued faith in the electoral process. Moreover, almost 16,000 domestic and international poll monitors on the ground concurred that barring one deadly attack by Khmer Rouge terrorists on poll officials, Cambodians cast their votes in an environment that was peaceful, orderly, and free from intimidation.

The election results indicate that Cambodians indeed voted freely: some six out of ten voters chose a party other than the ruling Cambodian People's Party (CPP). It may be useful to note, Mr. Chairman, that had the opposition unified prior to the elections, they, and not Hun Sen's CPP, would have primary responsibility for forming a new government. Still, while in the end Hun Sen's CPP won a plurality of the vote, the fact that almost 60% of votes were cast for the opposition clearly demonstrates that efforts aimed at intimidating the Cambodian electorate failed.

This was the good news of this election. Unfortunately, a conflict-ridden post-election period has threatened to overshadow this achievement. After the July 26 vote, opposition figures raised charges of vote fraud and manipulation of the formula for apportioning parliamentary seats. While the NEC and the constitutional councils

adjudicated some of the opposition's initial claims, these bodies summarily dismissed a substantial number of recount requests and refused to address the seat allotment controversy. It is true that initial recounts carried out by the NEC substantiated the original vote and proved many opposition allegations frivolous; still, wholesale rejection of the opposition's claims of irregularities is not a credible position, particularly in light of support for some of those claims by independent NGOs and observers.

In abdicating their responsibility to resolve all post-election disputes, the Cambodian electoral authorities lost a major opportunity to strengthen the credibility of the election process and renew the Cambodian people's faith in their national institutions. Nonetheless, we must recognize that in the judgment of most international observers, proper completion of the recounts would not have significantly altered the outcome or deprived the CPP of its plurality. The limited recounts thus far conducted showed no substantial change in numbers, and a parallel vote conducted by the independent Cambodian NGO (COMFREL) which fielded over 15,000 poll watchers also tallied a clear CPP plurality.

Whither Cambodia?

The obvious question, Mr. Chairman, is where do we go from here? Two things clearly need to happen if this electoral process is to be brought to closure and Cambodia is to get on with the urgent task of national reconstruction: legitimate electoral disputes must be appropriately adjudicated, and the parties must, pursuant to the provisions of the Cambodian constitution, negotiate a coalition government which reflects the will of the people as expressed through their vote. Hun Sen's initial attempts to form a government with the opposition were simply not acceptable, having offered only token appointments to the opposition while retaining all major ministries for the CPP. At the same time, the opposition's efforts to provoke a constitutional crisis by refusing to seat the Parliament by the September 24 deadline were counterproductive, serving only to escalate tensions and threaten instability.

U.S. policy throughout this tumultuous post-election period has been clear and consistent: we have called for a thorough vetting of all legitimate electoral disputes by the bodies charged with such duties; negotiations toward a genuine power sharing arrangement; and restraint on the part of all parties lest Cambodia once again explode in chaos.

Ambassador Quinn repeatedly stressed these points to both the government and the opposition in Phnom Penh and made numerous interventions with key government leaders in a largely successful effort to minimize violence and encourage restraint.

Indeed, against a backdrop of escalating protests and increasingly provocative actions from all sides, Ambassador Quinn played a key role in averting even greater bloodshed, offering assistance to political leaders at risk and defusing explosive confrontations between the opposition and the police -- many of which took place right in front of the American Embassy in Phnom Penh.

The international community has also gotten involved. As it became clear that the electoral process was in danger of disintegrating into a violent, undemocratic outcome, various friends of Cambodia abandoned their initial reluctance to intervene and joined the United States in reengaging Cambodia. Japan, the UN and Thailand made multiple interventions with the King and other players -- interventions which ultimately led to the successful meeting of the opposition and the CPP with King Sihanouk on September 22 and the convening of the National Assembly on September 24. These meetings helped to initiate a

negotiating process that at least offers the possibility that a coalition government may be formed that reflects the election results.

While the situation appears more hopeful than just a few weeks ago, Mr. Chairman, events are moving quickly and the future remains uncertain. We are thus working on a day to day basis to deal with threats -- including those to the personal safety of opposition politicians -- as they arise, while continuing to push our overall objective of a genuine power sharing arrangement. Can the parties work out such an arrangement? And if they do, will it work?

Unfortunately, Mr. Chairman, it's too early to tell. Ultimately, only the Cambodians themselves can determine their own fate and future. Nonetheless, together with our like-minded international partners, we are making every effort to move this process forward. Last week, Secretary Albright used the occasion of the UN General Assembly to organize a meeting of interested parties to discuss the situation in Cambodia. I am pleased to report that this meeting produced an overwhelming consensus to both stay engaged in Cambodia and withhold UN credentials until a credible government is formed. In a separate meeting, the ASEAN foreign ministers affirmed their commitment to this

approach, adding that ASEAN membership will be postponed until Cambodia's domestic situation is resolved.

The next few days and weeks will be crucial. When and if a new government acceptable to the Cambodian people is formed, we will want to consult with the Subcommittee on our long-term Cambodia policy, particularly as to what more we can do to address Cambodia's pressing humanitarian needs and strengthen its civil society. Let me conclude by saying, Mr. Chairman, on behalf of Secretary Albright and Assistant Secretary Roth, that we appreciate the leadership that the Congress, in general, and this Subcommittee, in particular, have demonstrated on Cambodia throughout this tumultuous period. We look forward to close and cooperative consultation with the Subcommittee as events unfold.

**Testimony of U Eo Hla-Tint
Minister for North and South American Affairs
National Coalition Government of the Union of Burma**

September 28, 1998

Joint Hearing of the House Subcommittee on International Operations and Human Rights and the Subcommittee on Asia and the Pacific. House Committee on International Relations.

"Human Rights in Burma."

Mr. Chairman and Members of the Committee,

I want to thank you, on behalf of my fellow elected Members of Parliament and my people for this opportunity to testify before you and to speak, through you to the American people. The House Subcommittee on International Operations and Human Rights and the Subcommittee on Asia and the Pacific have played an important part in the strong leadership role taken by the United States in pressing for the restoration of democracy in Burma and the respect for human rights. This was demonstrated most recently by Congressman Christopher Smith's role in helping to obtain the release of eighteen American, Thai, Indonesian, Philippine, Malaysian and Australian citizens who were arrested for passing out messages of solidarity to my people. I also want to thank the Chairman for his ongoing effort to seek the release not just of our foreign friends, but the thousands of other political prisoners in Burma.

The support shown by America for the cause of democracy in Burma has been the work of many people whom I must also thank. That support has come both from both the Executive and Legislative branches of the government and from both major parties. And it has not been just from political leaders, but also from ordinary individuals like Michele Keegan, who along with five other Americans have done an extraordinary thing. And across the country, ordinary individuals have succeeded in getting Burma selective purchasing laws passed in Massachusetts and 21 cities and counties. These Americans have heeded the appeal of Daw Aung San Suu Kyi who asked that the free peoples of the world "use your liberty so that we might have ours."

I would like first to relate the political situation inside Burma. Despite enormous pressure, including the arrests of hundreds of members, the National League for Democracy has clearly taken the political initiative by challenging the regime first on Aung San Suu Kyi's freedom of movement and most recently, on the convening of the parliament. After waiting more than 3000 days for the regime to honor the 1990 election results, the NLD, along with four ethnic parties that also won seats is moving towards convening the "People's Parliament."

On September 17 the National League for Democracy, led by Daw Aung San Suu Kyi, announced the establishment of the Committee Representing the People's Parliament,

which has the mandate of 251 of the 485 parliamentarians elected in 1990. It has begun to issue declarations and will continue to function as a sort of executive committee of the People's Parliament until enough MPs are released for the Parliament to function properly. This is a critical time for the entire democracy movement. Daw Aung San Suu Kyi and the Committee have appealed for support for the Parliament from the international community and from elected legislators around the world.

The next few days in Burma may well be critical. Burma's legislators are moving forward toward. The people who won the election have committed themselves to at long last, forming the parliament. How the regime reacts will depend in large part on how they view the likely response from the rest of the world. Members of Congress and the Administration need to make it clear to the junta that the only way they will emerge from their status as an illegitimate international pariah is through dialog and negotiation.

The move to convene the Parliament has already won support within Burma from several ethnic groups, including some that have signed cease-fires with the regime. It is also supported by some of Burma's most respected retired military leaders as well as some of the most influential Buddhist monks.

The student movement, which is the traditional source of protest in Burma, is also reemerging as a factor but this time with greater sophistication than in 1988, when the army used point-blank massacres to disperse large crowds. Drawing lessons from the massacres, the students have avoided mass demonstrations in favor of small, hit-and-run non-violent protests. The demonstrators form quickly, stage brief but visible protests, distribute leaflets and then disband before the military can react.

There are signs that the regime is feeling the pressure. In what at least is a small split within the ranks of the army, the regime arrested a Rangoon military commander and a number of other officers in September, accusing them of meeting with Aung San Suu Kyi.

The military junta's response to current events has, predictably, been more arrests and intimidation. As of September 23, the military had arrested some 912 more NLD members, including nearly 200 elected members of parliament. At least 250 students have also been arrested. These students range in age from 14 to 20. Just this month, several high school students received a five year prison sentence for participating in a non-violent demonstration.

Most of the arrests occurred in last month and the number is growing by the day. A few have reportedly been released but more are being arrested than released. According to the regime, it "invited" the parliamentarians into custody to conduct "View exchanges...[which] are continuing and are being held in a cordial atmosphere in government guest houses." In fact, most are being held in police headquarters, jails and prisons.

This month, the NCGUB released our annual Burma Human Rights report. We have had the unfortunate duty to document the continued widespread use of forced labor and a dramatic upsurge in arbitrary arrests and extrajudicial executions. The NLD is now experiencing the largest crackdown on pro-democracy supporters since the military seized power 10 years ago.

The findings of other organizations are consistent with what we have seen inside Burma. I would like to point out The London Observer's annual Human Rights Index, which ranked the junta as one of the world's three worst abusers of human rights for its record of torture, tyranny, killings and persecution.¹ In its 1998 Index of Economic Freedom, the Heritage Foundation ranked Burma as one of the world's least economically free countries, scoring the regime 140th which ties it with Rwanda and ranks just behind the Sudan.² As events in recent weeks show, the situation is only getting worse.

On the subject of forced labor, we still have hundreds of thousands of people on any given day subject to slave labor, sometimes for the benefit of foreign investors. I want to thank the International Labor Organization for its unprecedented yearlong inquiry that documented widespread and systematic use of forced labor.³ I also want to thank the U.S. Department of Labor and the State Department for the valuable work they have just completed. This Congressionally-mandated report on forced labor in Burma corroborates what we have been alleging for some time; that the regime systematically subjects hundreds of thousands of men, women, even old people and children to forced labor; that forced labor is often used for the benefit of foreign investors and the regime's business partners; that it appears that forced labor was used in the construction of the Yadana pipeline and continues to be used in ongoing pipeline security operations.

Another kind of human rights abuse has so far gone underreported in Burma. The regime's use of ethnic and religious differences among Burma's peoples is responsible for persecution of all of Burma's religious communities, including Buddhists, Christians, Muslims and Hindus.

What we see is a concerted pattern of dividing and conquering Burma's peoples exacerbating and exploiting their differences. In the Chin State, Christians are forced to build Buddhist temples while everywhere, Buddhist monks are persecuted if they do not submit to state direction.

I also want to say a word about the U.S. leadership and policy on Burma. After ten years, some people seem frustrated that the political and human rights situation in Burma are still so desperate. I want to say, on behalf of the NCGUB and the democracy movement, that we firmly believe the current sanctions policy is very effective. According to our leaders inside, it is important to keep up these efforts. They are having an effect.

¹ See, *Human Rights Index: The World Cup that no country wants to win*, THE OBSERVER (London), June 28, 1998, at 10.

² *1998 Index Of Economic Freedom*, HERITAGE FOUNDATION REPORTS, Dec., 1997, at 369.

³ The ILO report is available online at www.ilo.org

Ultimately, only a transition to democracy will improve Burma's desperate situation. But both economic indicators and anecdotal evidence indicate that sanctions are working. Even senior regime officials acknowledge the impact of U.S. sanctions.⁴ Sanctions, combined with the impact of local selective purchasing laws and consumer boycotts are putting considerable pressure on Rangoon elites. Within recent two weeks, four major U.S. and European corporations have announced their withdrawal from Burma. Of these, Arco is a major American oil and gas company. C&A, a Dutch company, is the largest clothing retailer in Europe. Phillips Electronics is another major Dutch company and Ericsson is among Sweden's largest corporations.

The U.S. sanctions policy is effective not just for its economic impact, which is considerable, but also because it provides moral leadership which others are following. The awareness inside Burma that the outside world is watching serves as both an inspiration to Burma's peoples and a check on the worst excesses of the regime. As evidenced by the fact that the regime has covertly spent more than three-quarters of a million dollars on Washington lobbyists in the previous year, the generals do care about international pressure and particularly they care about what the U.S. government does. As bad as the regime's human rights record is, it would be worse in the absence of international pressure. There are people in Burma who would be in prison now if it were not for international pressure. There are people who are in prison who would probably be dead were it not for the regime's fear of increased sanctions.

What we need now more of is continued leadership and a proactive policy combining punitive sanctions that will really weaken the regime and diplomatic intervention that will create conditions conducive to a political dialogue.

Thank you.

⁴ See Myanmar Monitor, available online at www.myanmar.com

OPEN SOCIETY INSTITUTE

GEORGE SOROS
Chairman

ANNE NEASE
President

BURMA PROJECT

MAUREEN AUNG-THWIN
Director

**Testimony of Maureen Aung-Thwin
Director, Burma Project
Open Society Institute
New York**

for the

Hearing on "Human Rights in Burma"

**Subcommittee on International Operations and Human
Rights and Subcommittee on Asia and the Pacific of the
House Committee on International Relations**

September 28, 1998

Chairman Smith and Chairman Bereuter, thank you for giving me the opportunity to testify today.

I am a Burma-born naturalized US citizen who last testified on Burma to the Subcommittee on Asia and the Pacific in 1993 when Congressman Gary Ackerman was Chairman. I had just returned from a trip to Burma. Needless to say, I have been denied repeated requests for visas ever since.

The Burmese regime can keep away unwanted visitors, but thanks largely to the internet, telephone and radio technology, they cannot control the news. The country may today again be on the brink of explosion. But Burma could also be beginning dialogue and national reconciliation. I have just heard that the "retired" General Ne Win, the 88 year old strongman who ended parliamentary democracy in Burma in 1962, has just been rushed to a hospital in Singapore. Assumed by many of us to be the puppeteer behind the scenes, his death, when it comes, will certainly influence the stand off between the junta and the democratic forces in Burma.

Two things are certain on the 10th anniversary of the people's uprising in 1988: (1) Burma's military junta is more vulnerable than ever to increased economic and political pressure and, (2) The democratic opposition inside Burma is alive and well—and needs your support.

Ten years ago last month, thousands of peaceful pro-democracy demonstrators were massacred in Burma. Many were gunned down in

front of the American Embassy, where they were drawn as a symbol of democracy, and sadly, wrongly, fatally, thought the Embassy would provide protection from their own army.

The junta that subsequently seized power actually said on the day they took over: "Because we will be taking charge for a very short period we cannot attend to matters of health, education and social security. These are long term projects and will be the responsibility of the party that is elected into office at the multi-party elections."¹

Today, despite pervasive repression, scattered grassroots demonstrations by students and monks are being reported from different parts of the country.

Why? Because life for ordinary Burmese is increasingly unbearable. Prices have rocketed, with the local currency losing over two-thirds of its value. Universities are closed because students question authority. Even those with degrees have no jobs. Something is terribly wrong in a country where a public service medical doctor earns the equivalent of \$4 a month and a ticket to a nightclub in Rangoon costs \$12.

Burma is flooded by a tidal wave of heroin addiction propelled by Burmese-produced drugs—which also supply American, European and other Asian addicts. The country faces a drug-use related HIV epidemic growing at one of the fastest rates in the world. I refer you to some articles about the subject in the current issue of the Open Society Institute's quarterly magazine *Burma Debate*.²

In ten years the generals have proven beyond a reasonable doubt that they are no more able to run Burma than the previous regime.

The country has defaulted on its world bank loans as the Asian crisis further damages an economy already crumbling from the cumulative effects of corruption, mismanagement, international boycotts and sanctions. With the economy now in free fall, the regime may be even more likely to rely on drug money as a source of foreign exchange.

Everyone wants this situation to change. But there is only so much we in the outside can do to break the impasse in Burma. Ultimately the people of Burma will decide their own fate. We know what the generals think because they control the media. What about the desires of the Burmese people, what do they want? We have a pretty good idea.

In May 1990, Burma's voters told the world they wanted civilian rule, by giving a mammoth mandate to the National League for Democracy (NLD) and ethnic opposition parties.

Now, NLD leader Daw Aung San Suu Kyi and the democratic forces are calling for the convening of that parliament elected in 1990. This is a challenge that will either require the generals to accept reform or return to repression. So far the junta has reacted by detaining around 1,000 people, including over 100 elected members of parliament.

It is very significant that ethnic leaders, such as Khun Htoon Oo, who heads the party that came in second after the NLD in 1990, supports the NLD's call to convene the *pyithu hluttaw*, or people's parliament.

If Khun Htoon Oo has the courage of his convictions to speak out in a dictatorship, we in the international community must support him and Burma's democracy movement. Other ethnic groups that have issued statements of support are being intimidated into retracting them. We must

keep up the pressure on the regime to begin talks with their lawfully elected opponents. -

We must also make clear to the generals that they will never be rewarded for intransigence, that longevity makes no virtue of dictatorship.

No one quite knows what will work in Burma. Without freedom of expression it is impossible to gather information or adequately analyze events in Burma. Even the regime did not suspect its own unpopularity, or it would never have agreed to free elections.

Close scrutiny of Burmese society below the layers visible to foreign visitors reveals that the people do have a voice. They open their hearts out in letters to their relatives abroad or to Burmese broadcasting radio stations such as Radio Free Asia and the Voice of America. Despite the strict censorship laws, frustrated Burmese writers write in code and metaphors, poems and short stories that capture the anguish of life under dictatorship.

One such tale, ostensibly of a farmer and ruthless creditors, is clearly about the military junta which every so often changes its name.

The farmer's son says to his dad: "What's the difference Father? They owned it previously. They still own it now. ... There's only a name change between siblings...They'll keep on using us. Nothing has changed. It's still the same, Father."²²

If you know where to look, such small acts of defiance are everywhere, but in a country that virtually bars the world press, even large actions rarely reach our television screens.

For example, over the past months thousands of students have been risking harsh prison sentences by mounting the largest non-violent protests since 1988, when most of them were not even teenagers.

There are also signs that some top officers may be open to change. Sources in Burma's capital, Rangoon, say a dozen or more senior officers supporting reforms are now in detention.

Like Cambodia's strongman Hun Sen, the Burmese junta has hired American public relation firms and "corporate strategists" to launder its image and sell its version of reality to a skeptical world.

All the more reason that the international community must pay more attention to the quietly defiant Burmese inside the country, and to their wishes and needs.

Efforts to lure the generals into reform have failed. The Association of Southeast Asian nations (ASEAN) last year admitted Burma hoping that "constructive engagement" with Asian neighbors could cajole the junta into reason.

But no one can deny that American sanctions have succeeded in keeping money and markets away from a potential investor's largest joint venture partner in Burma: the military. Brig. General David Abel admitted recently in *The New Light of Myanmar* that : "Sanctions have an effect on other countries and make them fearful of investing here...companies don't want to invest here because they are afraid of retaliation from the United States."^{iv} The merits of inducements, or "carrots"—such as renewed aid or lessening of sanctions in exchange for recognition and legitimacy is highly

questionable. It begs the question, legitimacy for whom? Surely not those whom the Burmese people voted to oust in 1990?

Alan Larson, US Assistant Secretary of State for Economic and Business Affairs, told a news conference in Bangkok today that: "I think that the sanctions on Burma are an example of sanctions which responded to a very difficult and dangerous situation that really was a threat to democratic values."

Policy discussions about Burma in the United Nations, Washington, and other capitals, especially in emerging Asian democracies such as the Philippines, Thailand and Korea, should remain focused on encouraging a speedy transition to democratic rule that respects human rights and offers economic opportunity for all Burmese.

I urge the Congress of the United States, which has been one of the greatest supporters of Burma's democracy movement, not to be discouraged by a seeming lack of progress to date. Your efforts have made a huge difference, and contributed greatly to the current intense pressure on the regime. At no point since grabbing power has the junta felt so much pain from so many quarters.

We must stay the course and remain focused on the roots of Burma's problems, not seek a temporary panacea that leaves a kinder, gentler regime in charge. If things get worse—which is possible—we should seriously consider:

- (1) Sanctions on all investment and trade in Burma**
- (2) Barring visas for all Burmese officials instead of just those at a high level, as we do today**

In 1993 I favored sending an ambassador to Burma, someone who could take a strong stand on human rights and us policies. This is no longer of practical value as our Charges have excellent access to the regime and the opposition. An ambassador would be seen as appeasement.

In conclusion I wish to thank you again for caring about Burma and to implore you to listen to the Burmese populace or those who truly represent them. A less harsh dictatorship may help remove Burma from our policy consciousness. But it must not be allowed to serve as an excuse to promote a policy without conscience.

¹ "Burma: NLD Forming People's Assembly by Law", FBIS transcribed text, 16 September 1998

² Burma Debate Vol. V, Spring 1998

³ "A Season of Disgust," by Ko Khay, in *Tharabon*, 1996, p. 114-18 (translated)

⁴ *New Light of Myanmar* (in English), interview with Brig. General David Abel June 17, 1998,

Michele Keegan
 Student member of the Free Burma Coalition
 9/28/98
 Committee on International Relations
 Subcommittee on International Operations and Human Rights

Goodwill Greeting
 We are your friends from around the world
 We have not forgotten you
 We support your hopes for human rights and democracy
 8888 - Don't forget, Don't give up

By distributing business sized cards with that message on it, I and 17 others found ourselves detained in Burma this summer for 6 days. The primary purpose of this trip was to provide the citizens of Burma with a message of solidarity. To let them know that we hear their cries and pleas. To let them know that the world has not forgotten them. VOA, Voice of America, and RFA, Radio Free Asia, radio programs sponsored by the US Government, are the only source of uncensored, nonpropaganda news the citizens of Burma can receive. I stayed in a five star hotel inside Rangoon, where even BBC and CNN programs were blacked out from the viewers. Newspapers, such as the Herald Tribune, had several articles removed from their pages.

Especially in the last 10 years, there has been a mass exodus of Burmese villagers fleeing from their country. Through talking with many political refugees we knew our message of solidarity would be appreciated and effective. Former political prisoners have told us of the violent treatment of the Burmese citizens and that they did not know that the outside world cares.

I am a student in the most opportunity filled country in the world. So why would I risk my rights to show solidarity to the people of Burma? The answer is simple. I knew that the pain of doing nothing for my fellow students and human beings would be greater than the potential punishment by the Burmese Government. If I was being brutally raped, jailed or tortured for speaking about democracy, had to watch my village burned down to the ground, was forced to work without any pay, or lived under a government that ignores its people, I too would want someone to speak out along side of me, to take a risk on my behalf. I acted to protect real human beings from real oppression.

On Sunday August 9, 1998, the day after the 10 year anniversary of the massacre, I and 17 others, distributed our message of solidarity. When the authorities stopped me and two other Americans, we were pushed up a dark, narrow staircase and Nisha, my friend, was slapped across the face by an officer. After that point, we were detained for six days in the Police Headquarters and later the Police Guest House. While there, we were given adequate food, water, and bedding, however, we were repeatedly lied to and kept uninformed as to the reasons why we were held. We believe that we were treated with few violations, because the United States is a super power and has great influence in the international community.

However, the story of Burmese citizens is much grimmer than our own. One political prisoner testified that, "For the first two days they gave me no water, for three days no food, and for the whole four days I wasn't allowed to sleep. The days and nights were crammed together indistinguishably, and filled only with the sound of beatings, questions and abuse." Moe Aye, just another voice among thousands, testified that his guards demanded that he, "Think carefully and tell us the truth. If you don't, we will make you a homosexual. I was absolutely terrified. I was about to be raped by another man." Article 5 of the Universal Declaration of Human Rights, which the Burmese Government has signed states, "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment."

Article 10 UDHR, "Everyone is entitled in full to a fair and public hearing..." The trial that we faced was neither fair nor public. We did not have a lawyer to speak on our behalf. We were charged with attempting to create civilian unrest. However, the evidence the regime provided only showed that we had actually distributed the cards. If the cards themselves were designed to create civilian unrest, then why did the regime reprint the cards in their national newspaper shortly thereafter? The Kangaroo Court was unjust and unfair, and found us guilty without evidence. It resulted in a five year prison sentence at Insein Prison, which was later reconsidered and we were deported.

Cho Cho Htun Nyein, a Burmese Political Prisoner said, "I was never brought before a court or a jury, handed an official sentence, or allowed to speak on my own behalf." Min Ko Naing, an activist in the tradition of Wei Jingsheng, Vaclav Havel, and Rosa Parks, a leader in the 1988 demonstrations, is serving a twenty year sentence for his involvement. Article 19 UDHR, "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through and media and regardless of frontiers."

"The destiny of human rights is in the hands of all our citizens in all our communities." Eleanor Roosevelt once professed. As a student and member of the Free Burma Coalition, we are working together to stop all multinational corporations from investing in Burma. These companies provide the financial backbone for the regime's success. The companies who support the natural gas pipeline are the worst of all. They support the regime with multimillion dollar contracts which result in the most severe abuses and violations.

"The United Nations, US State Department, Human Rights Watch, Amnesty International, and other researchers have credibly documented that the SLORC routinely tortures its political opponents, uses forced labor on a massive scale, encourages the rape of ethnic minority women, forcibly relocates neighborhoods to suit its financial and political needs, turns a blind eye to the world's largest heroin industry and openly launders drug money through military owned banks, taking a 40% share. Unocal, the American owned oil corporation ignores these reports, even those from its own government, while simultaneously donating a meager .02% of its profits to local development.

How can we as thoughtful and caring citizens of the United States allow ourselves to be represented by this horrific company that is humiliating and dehumanizing millions of people? Our own government acknowledges that Unocal and other companies are knowingly supporting a military dictatorship that brutalizes and suppresses its people.

The fact that we are allowing our companies to continue doing this suggests that we in this very room and across the United States, support their unprincipled actions and beliefs. If we know about a problem and choose to do nothing about it, we are part of the problem.

Unquestionably, creating more sanctions against Burma will work. While I was detained, the officers talked about how some companies are divesting from their country and how it hurts their economy. The military intelligence in the police station had heard about the Massachusetts Sanctions and were enraged. Right now is crucial--we have the perfect window of opportunity to make sanctions profoundly effective--not only will it stop American money from propping up an inhuman dictatorship, but it will send a powerful message to the government and the people of Burma that the US will not stand by in benign neglect.

In the last two months there has been no decisive international action taken against the regime. Many countries are starting to speak out against the violations, however Burmese citizens are risking their lives more than ever, and are pleading for more support from the international community. Aun San Suu Kyi recently stated that "Sanctions are an effective means of supporting democratization and human rights in Burma." Aun San Suu Kyi and the National League for Democracy (NLD), were voted into 82% of the seats in the 1990 elections, clearly showing that the citizens of Burma support the NLD. Therefore, we should recognize through her that our fellow human beings are reaching out for our help. Our companies have helped prolong the problem--we cannot ignore their complicity.

We must force all American companies currently investing or operating inside Burma to withdraw. We need to lead the world in joining together to tell the military regime in Burma and the companies investing there that we will not stand idly by.

Second, the United States declined the opportunity to send an ambassador to Burma. In a message of solidarity to the Burmese people, we should immediately send the Burmese ambassador home until the SLORC takes legitimate steps toward dialogue.

Lyndon B. Johnson once said, "Our own freedom and growth have never been the final goal of the American dream. We were never meant to be an oasis of liberty and abundance in a worldwide desert of disappointed dreams. Our nation was created to help strike away the chains of ignorance and misery and tyranny wherever they keep man less than God wants him to be."

Ladies and gentlemen, this summer I came a breath away from spending five years in a place that is a fate worse than hell because I distributed a message supporting human rights and democracy. You saw my family's tears, you saw their fears, but in the end, you saw me free. Right now, there are thousands of Burmese citizens in jail, and I can guarantee you that a large percentage of the students who are detained are being severely tortured, perhaps as I speak. In the quiet villages and forests, women and children are packing their meager belongings to flee to other nations. We never see their tears; we never hear their cries. Now is the time to make some changes. America is based on the value of freedom, to be able to live a life without constant fear. Something needs to be done now and we are the ones that have to do it. Let's make a real difference in the lives of real people.

**FOLLOWING THE FINANCIAL CRISIS:
LIMITS TO UNITED STATES POLICY TOWARDS BURMA**

**THOMAS J. VALLELY
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**HOUSE COMMITTEE ON INTERNATIONAL RELATIONS
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
SUBCOMMITTEE ON ASIA AND THE PACIFIC**

MONDAY, SEPTEMBER 28, 1998

Thank you for inviting me to comment on the situation in Burma, or Myanmar as it is called by the *de facto* government. In the last year or so, there has been a shift of historic proportions in the world and the world economy. Many Asian economies have suddenly reversed rapid and apparently healthy growth and been thrown into recession. Japan, the regional economic superpower, is facing immense challenges. Any foreign policy analysis and certainly any policy towards Burma must take these shifts into account. Certainly, the options open to Burma and to our policy have changed. This statement will survey, briefly, the situation in Burma and our policy options.

My analysis is gloomy. On the political side, the military government, formerly known as SLORC and now calling itself the SPDC (State Peace and Development Council), continues to hold a monopoly on the means of coercion. Backed by Chinese arms and loans, it refuses to recognize the National League for Democracy (NLD) or its popular and respected leader Aung San Suu Kyi, and has intensified its repression. Universities remain closed, and it is likely that many educated Burmese, or their children, will try to leave the country. Meanwhile, the military appears to be complicit if not actively supportive of the drug trade, and many border areas appear to be virtually independent of any authority except perhaps the local army commander. If there is a split in the Army, there is apt to be a bloody conflict in which it is no means certain the "white hats" would win. Meanwhile, both ASEAN and Japan are weakening, and so their moderating influence is being lost. The situation has deteriorated to a point where normal politics is not being practiced, the power of the bureaucracy has declined with

their wages, and there is less and less social "glue" to hold the nation together. Even if, by some miracle, the NLD were to triumph they would still face daunting challenges to their successful rule. I do not see how Burma can have an effective government without the NLD and army cooperating, but I see no immediate possibility of their cooperation.

On the economic side, the Asian economic crisis has accomplished what the U.S. economic restrictions could not – a virtual cessation of non-oil investment in the country. This has caused a sharp contraction in urban construction and foreign exchange availability. Meanwhile, floods, droughts, and shortages of fertilizer have created shortfalls in agricultural production and aggravated long-standing problems with environmental decline. A colleague and I visited the country early this year and found villages where no family could afford cooking oil, rice crops had been destroyed by floods and drought, and farmers lacked cash or credit to replant. There are already severe humanitarian problems in both urban and many rural areas. If the weather is poor, there could be a major humanitarian crisis in which food aid would be needed to avert widespread starvation. It is mainly the opium crop that appears to be earning foreign exchange, as rice exports have been curbed due to domestic shortages.¹

The U.S. interest in Burma is threefold: first it is the source of over half of the world's heroin, much of which ends up in our country. Second, the plight of the NLD and Ms. Suu Kyi has touched many Americans, though not galvanized any significant activity. (Our trade and investment links with Burma were never large and withdrawing them has allowed them to be replaced.) Third, Burma sits astride important trade routes through which much of Asia's oil flows. Taken together, these interests are not trivial, but neither are they so significant that many feel a need to do much more than is being done. One reason for this may be the extremely limited menu of viable options. By isolating Burma, we have reduced our influence and left its fate to other Asian (and perhaps a few European) countries. By ignoring its growing dependence on China, we

¹ The 1996 opium crop was 2500 tons, or 250 tons of heroin. The 1998 price of heroin in Burma was \$6000 per kg. (*Far Eastern Economic Review*, April 16, 1998, p. 26) Heroin exports are estimated by U.S. sources at 150 tons, or \$900 million per year.

fail to create any degrees of freedom for any government there. (Let me say that China's expansion is not the old-fashioned colonial type, but more of the post-modern variety. It does not need to send troops or claim territory. By supporting an unpopular regime while others isolate it, it is easier to secure the free flow of Chinese nationals into the country, tighter security links, and growing economic and diplomatic influence. It wants and is getting a weak, dependent government that will supply cheap raw materials and freely allow goods into and out of Yunnan. Almost without trying, Burma is edging towards becoming a kind of implicit Chinese protectorate.) The military leadership appears to be deeply anti-democratic and has no vision of compromise. Lest anyone think this is a recent development, the quote of Ms. Suu Kyi's father, General Aung San in 1941 may be relevant: "What we want is a strong state administration as exemplified in Germany and Italy. There shall be only one nation, one state, one party, one leader. There shall be no parliamentary opposition, no nonsense of individualism." [Quoted in Burma, Prospects for a Democratic Future, Chapter 3, "On Time Warps and Warped Time; Lessons from Burma's 'Democratic Era'", Mary P. Callahan, p. 53]²

The drug trade has resulted in estimated exports of over 150 tons of heroin a year, or \$900 million at the reported 1998 price. It should be noted that total legal exports of all goods are estimated at \$936 million in 1998, according to the Economist Intelligence Unit's second quarter 1998 report on Myanmar. This equality of opiate and total legal exports is not an unreasonable way to gauge the relative influence of legal and illegal elements in the economy. It is yet one more reason why in the case of conflict within the country, it may be that the sides backed either by Chinese arms or drug money might triumph. It is true that these groups already predominate, but repression could be intensified still more. Many thousands more could die if a showdown finally came about.

In Laos, a patient policy of investing in roads and other rural development capital has resulted in steady progress in reducing opium cultivation. If the government in

² Brookings Institution Press, Washington, D.C.

Myanmar were to back such policies with enthusiasm, similar results might be expected over a period of time. However, there is currently no real support for this type of policy. Either a very different arrangement or a change of government would be needed to allow this to become a viable option. c3

I have been asked what U.S. policy should be. Let me start by asking what potential outcomes may be. I see three: The U.S. could support a deal between the NLD and the Army. It could support a victory for one side (doubtless the NLD). Or we could encourage chaos, either by action or inaction. Our policy of isolating Burma during the Asian economic boom was ineffective, but designed to support an NLD victory, though we said it was to promote dialogue. SLORC knew our real goal, and that of the NLD as well. SLORC, of course, also wanted total victory for itself – though some observers thought that with economic progress, there would be an opening for real power-sharing. In any case, the result was a stalemate. Now with the Asian crisis, Burma is isolated. Both sides still want victory, but neither seems able to achieve it. The result is stalemate and growing political and economic deterioration, which will probably lead to chaos. So what should we do?

If you grant the premise that we have very little leverage in a deteriorating situation, one answer is we can do nothing or anything. I know many want to stop all U.S. investment in Burma. Fine, do it. The Taiwanese or Japanese will pick up the shares of UNOCAL and collect the profits from the Thai gas sales. If further gas field development is economically warranted, it will not be financially or technically difficult for small, Asian firms to accomplish it. We will have made another symbolic statement, but accomplished little else. Given the Asian crisis, this policy will not be as ineffective as it once was, but will tend to accelerate the inevitable economic and political decline of the country. Short of financing an armed opposition (and I do not know anyone suggesting this as a proper American foreign policy initiative), little we can do directly will resolve the tragic situation. These comments also apply to more hours of Radio Free Asia. The SPDC is already illegitimate, but even the immense popularity of the NLD is insufficient to overcome the army's monopoly of force. What does more radio time

accomplish? Does it make a deal or chaos more likely? Do we have confidence that if there is a widespread outbreak of violence that things will improve?

There is a more indirect way. ASEAN is a natural partner of Burma and if it were robust, might be able to balance the growing influence of China. However, with the near meltdown in the economy of Indonesia, and the lurch inward to repression by Dr. Mahatir, ASEAN is in disarray. Our best regional policy would be to focus on accelerating Indonesia's recovery. I should add that many in the Burmese military have looked upon Indonesia's army as a model for their own role. If Indonesia moved towards democracy as well as a more honest, equitable, and open form of capitalism, it might be easier to urge other models on the army in Burma. If ASEAN were economically recovering and largely democratic, this would change the atmosphere in the region. Objections to western imperialist use of "alien" concepts such as human rights and democracy would ebb if most, aside from an increasingly discredited aging dictator in Malaysia, played by Asian democratic rules.

It is an important question what could be done to create more rapid progress in Indonesia, though this is not the primary focus of these hearings. The biggest roadblock to restoring normal credit flows is the large amount of private foreign debt. There are about \$75 billion of loans owed by Indonesian firms, largely to foreign banks. The Japanese account for rather more than half of this, the Europeans perhaps a third, and the U.S. only about \$10 billion. It is likely that some fraction of this will have to be written off or converted into equity. If inexact precedents in Latin America apply, perhaps a quarter to a half of these loans will need to be somehow written down or converted. The exact ratio should reflect detailed negotiations, not a blanket ratio. We would have to consult with major bankers in Europe and Japan, and the relevant governments, to allow accelerated negotiations on this debt.

It is important to appreciate that more needs to be done within Indonesia and outside of it to set things right. The political and economic position of the ethnic Chinese minority in Indonesia needs to be settled. If it is not, debt restructuring alone will not

accomplish enough. On the other hand, there are those in the Congress pondering wider initiatives regarding better structuring of capital flows, or even a new Bretton Woods. If Japan can be assisted in accelerating its own restructuring, this too would be part of an overall global response to the problems that have arisen. This committee would do well to coordinate an Indonesian initiative with any wider steps that may be taken.

I also believe that Vietnam could become a strong member of ASEAN in time and be a voice for ASEAN's rising influence in regional and world affairs. We would do well to accelerate Most-Favored Nation negotiations with them as a means to strengthen such reformist impulses as exist.

If we strengthen Indonesia and Vietnam, then ASEAN could re-emerge as a relevant regional player. It would be well placed to engage in an on-going dialogue with the Burmese government, invest in the country, and urge upon it norms of behavior which are now accepted in Thailand and the Philippines, and may become increasingly accepted in Indonesia and eventually Vietnam. If Japan were to recover more quickly, it too would naturally assert a greater role in Burma. However, if the world economy slips badly neither ASEAN, nor Japan, nor even China would be robust players. This is a worst-case scenario in which neither economic nor political change in Burma would be easy, and the entire structure of world trade and capital flows would deteriorate.

In a more likely scenario, this ASEAN strategy is a long-term approach, which promises no immediate gains. In the meantime, we will have to decide if we wish to accelerate conflict, work more actively to avoid it, or take a hands-off attitude. No matter what we do, it is likely that China and the internal political dynamics of Burma will matter more than anything else. There are few good choices left for us, and the regional and local economic crises could overwhelm all other considerations.

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For over a decade, Thomas J. Vallely has been the Director of the Vietnam Program and a Research Associate at the Harvard Institute for International Development. He has been responsible for directing the Program's research efforts into Vietnam's economy, as well as its teaching and exchange programs, both in the United States and Vietnam. Under Mr. Vallely's direction, The Vietnam Program's research efforts have resulted in the publication of two books: *The Challenge of Reform in Indochina* (1992, Borje Ljunggren, ed.) and *In Search of the Dragon's Trail: Economic Reform in Vietnam* (1997, David Dapice Dwight Perkins, Jonathan Haughton, eds.). In addition, Mr. Vallely is regularly commissioned by international organizations and/or donors, such as the World Bank, United Nations Development Programme and the Japanese Ministry of Finance, to conduct research on specific aspects of Vietnam's development. Mr. Vallely has visited Burma a number of times for the United Nations Development Programme.

Prior to becoming Director of the Vietnam Program, Mr. Vallely was a Senior Research Fellow at the John F. Kennedy School of Government at Harvard University, where he worked on strategic and military issues in east and southeast Asia. He has worked as a Political Consultant and was elected to the Massachusetts House of Representatives in 1980, where he served until 1987. Mr. Vallely received a B.S. from the University of Massachusetts and an M.P.A. from the John F. Kennedy School of Government at Harvard University.

REFUGEES  INTERNATIONAL

**Testimony of
Mary Pack, Burma Project Director
Refugees International**

**before the
Subcommittee on International Operations and Human Rights
Subcommittee on Asia and the Pacific
of the House International Relations Committee**

I would like to thank Chairman Smith, Chairman Bereuter and the subcommittee members for inviting me to testify this morning and for their continued concern with regard to the plight of Burmese refugees.

Refugees have lined Burma's borders for decades. However, since the early 1990s, not only has the number of refugees fleeing the country risen dramatically, but the reasons they are leaving have multiplied. The vast majority of people fleeing are members of Burma's ethnic and religious minorities and they are leaving as a result of a litany of human rights abuses.

Over the past decade, people have fled their homes due to the systemic use of forced labor; the forced relocations of whole villages; summary killings, rape and religious persecution. They have been the victims of the regime's brutal "Four Cuts" strategy, designed to deny the armed opposition groups access to food, money, information and recruits. As the Burmese military has moved farther and farther into the ethnic states, taking over more and more territory, people have been uprooted, have lost their land and livelihoods and have had no other option but to leave their country.

Since 1988, there has also been an outflow of thousands of Burmese students, pro-democracy activists and elected parliamentarians who have been forced into exile to escape imprisonment, torture and possible death for

their political beliefs. Many of these individuals live without legal status or international protection in the countries to which they have fled, leaving them extremely vulnerable to harassment, extortion and deportation.

Currently there are some 300,000 refugees from Burma in neighboring countries. Further, an estimated one million people are reported to be internally displaced: that is, they remain inside the country, but have been driven from their homes and villages, either to government designated relocation sites or into jungle areas.

The persecution of Burma's ethnic and religious minorities at the hands of this regime has been well-documented. When over 250,000 Burmese Muslims -- or Rohingyas -- from Burma's Arakan State fled into neighboring Bangladesh in 1991 they reported burning of their mosques, rape of Muslim women, forced labor and forced portering.

Despite a much criticized repatriation administered by the United Nations High Commissioner for Refugees (UNHCR) under which 230,000 Rohingyas were returned to Burma, human rights abuses and persecution continue in Arakan State. Over the past two years there have been an estimated 30,000 new arrivals into Bangladesh who report discrimination based upon their ethnicity and religion. To this day, Burmese law denies Rohingyas one of the most basic of human rights, the right to citizenship in their own country.

Life for those living in Chin State and Sagaing Division, the parts of Burma that border India, has become increasingly difficult and dangerous. An estimated 110,000 refugees now reside in India with 50,000 currently in refugee camps and over 60,000 non-registered in the country.

This outflow of refugees is due in part to the large-scale military build-up by the Burmese army. Since the early 1990s, over 20 new battalions of Burmese soldiers have reportedly been established in this area. In Chin State alone, there are now 10 battalions as compared to the one that was stationed there before 1988.

This enhanced military presence has meant an increase in human rights abuses. With militarization, a number of infrastructure projects have been initiated by the regime: the building of roads, irrigation canals and dams, which are constructed almost exclusively through the use of forced labor. Villagers have also been taken as porters to carry supplies and ammunition and freedom of movement has been severely restricted. In many areas of Chin State a de facto curfew is in effect and those who do not comply are subject to fines and arrest.

A major characteristic of the abuse inflicted upon the people of this region is religious in its orientation. The regime has glorified Buddhism to a state religion and is guilty of -- not only persecuting people of a particular belief system -- but of using religion as a vehicle to foster tension, suspicion and resentment among the country's population.

The regime has reportedly instituted a system of "punishment and rewards" based upon religious affiliation. The majority of people in Chin State are Christian, as are the Kukis and Nagas of the Sagaing Division. Refugees from these ethnic groups claim that Burmese soldiers have disrupted religious services and forced Christians to build Buddhist monasteries and pagodas in Christian villages. Churches and graveyards have been desecrated by being turned into army camps. In the Sagaing Division, the regime has placed restrictions on attending church services; has destroyed churches and religious symbols and orders Christian pastors to obtain permission before they can perform their religious duties.

On the other hand, "rewards", in the form of free food and exemptions from forced labor, will be offered to those Christians who convert to Buddhism. The converts are then reportedly asked to serve as informers on the activities of insurgent groups and are expected to create dissension among the Christian denominations.

This pattern of discrimination and persecution is repeated on Burma's eastern border as well. Over 110,000 refugees reside in camps along the Thai-Burma border, with thousands more living in the jungle areas outside the camps or in nearby towns and villages. Perhaps the most vivid illustration of the regime's policy to divide and conquer through the manipulation of religion is the emergence of the Democratic Karen Buddhist Army, or DKBA.

A breakaway faction of the Karen National Union, the DKBA has been supported by the Burmese army and is used as a means to take over territory in Karen State, particularly near the border, that was previously controlled by the Karen resistance.

Under the guise of a religiously motivated movement, the DKBA and the Burmese army have orchestrated repeated attacks on refugee camps and villages on the Thai-Burma border beginning in 1995. In a three-year period more than 150 violent incursions have taken place and at least 79 deaths have been recorded.

One must understand that the refugees residing in these camps are both Christian and Buddhist. Although prominent administrative and sometimes Christian religious leaders are often sought out by the DKBA, non-Christian members of the camps, who are often the majority, are also at risk.

One particularly gruesome example of the toll these incursions have taken on the Karen people is what has happened to Wangka camp. Also known as Huay Kaloke, this camp of over 8,000 people was attacked three times in a 15-month period and twice burned to the ground. I visited Wangka in May, only a few weeks after the last attack when DKBA and Burmese soldiers had entered the camp in the middle of the night, opened and set the camp aflame.

My memory of Wangka from previous visits was that of a village of bamboo and thatched houses with small plots of vegetables gardens. Now there were no trees or grass, only blackened ash and dirt – only cement slabs where the church and school and hospital had once been stood. Nearly 700 homes had been leveled and were now replaced by makeshift hovels of blue plastic sheeting, supported by sticks and scraps of burned metal.

Wangka is only about 5 kilometers from the border. When I stood in the center of it, I could clearly see the hill where the DKBA troops were encamped. The refugees so feared another attack that most of them chose not to stay in the camp at night, but would scatter into the forest to sleep.

The refugees at Wangka showed me the photograph of the charred body of a pregnant woman who was burned to death when fire destroyed her

home during the last attack. There were other photographs of the funeral of two teenage girls -- sisters -- who died as a result of burns they had suffered.

As a result of international outcry about the attacks on Wangka the Thai government announced that the refugees would be relocated to a safer site. That announcement was made months ago. Today the refugees remain in Wangka, having made it through the rainy season. As the rains stop, we are now entering that time of year when the Burmese military traditionally conducts its major offensives along the border.

While we appreciate the difficulties in finding a new site that is acceptable to all concerned, waiting longer to move these refugees runs the risk of yet another attack on Wangka. Refugees International asks that Congress and the Administration do all it can to communicate to the Thai government the importance of following through on its promise to relocate this population before a repeat attack occurs and more deaths are tallied.

Relocation of camps, however, is not the answer in every circumstance. Security and protection mechanisms in general must be enhanced. To this end, Refugees International applauds the Royal Thai Government's announcement that it has invited the UNHCR to play a role along the Thai Burma border. This is an unprecedented move, as historically UNHCR has had no, or very limited access to these refugees. The international community and donor countries, however, must be proactive in trying to ensure that this role allows the UNCHR to truly fulfill its protection mandate and provides for unhindered access to refugees -- both those in and outside the camps. We must also be vigilant in monitoring this role to ensure that no repatriation plan be put into place that would return refugees to Burma prematurely, that is before conditions inside would allow.

In closing, I would like to bring to your attention an issue that is of particular concern to US non-governmental organizations and one that affects hundreds of Burmese refugees who may be eligible for resettlement in the United States. According to current Thai government policy, in order for Burmese refugees to be interviewed for possible resettlement in a third country, they must first be recognized by the UNHCR as "Persons of Concern" and secondly, they must reside in a camp called the Burmese Center which is located outside of Bangkok. However, only those refugees who were granted "Person of Concern" status prior to May, 1996 are allowed

into the Center, leaving all others in a state of limbo. This has put a stranglehold on US refugee processing. Refugees International requests that Congress and the Administration intervene at the highest levels and urge the Thai government to amend its policy so that any refugee with possible claim to US resettlement may be interviewed our Embassy officials.

Once again, I thank the subcommittee members for the opportunity to address you today.

UNOCAL CORPORATION

Statement For

The Subcommittees on

International Operations
And Human Rights

And

Asia and the Pacific

Of the House International Relations Committee

Unocal's Investment in Burma

In the Yadana Development

September 28, 1998

Chairman Bereuter and Chairman Smith:

Unocal Corporation appreciates the opportunity to provide testimony for the hearing record of the House International Relations Committee joint subcommittee hearing on the situation in Burma (also called Myanmar). Unocal is a global energy and power development company headquartered in El Segundo, California. Unocal has sizeable overseas operations in Southeast Asia and draws upon over three decades of experience in the region to make our assessment of the situation in Burma.

Our interest in this hearing and events in Burma derive from our experience as one of several investors in the development of sizeable natural gas resources offshore. The first phase of this investment is to develop the known natural gas resources of the Yadana gas field and transport these via undersea and land pipeline to the Thai border. At that point, the Thai national power company takes the gas into its connecting pipeline for transport to a major power station it has newly constructed in Thailand.

As your subcommittees consider the situation in Burma, we appreciate the opportunity to share our perspective. To set the stage, we emphasize three points:

First, energy development and private investment will bring long-term benefits to the people of Myanmar. It will help build their economy and improve their living standards. The presence of American companies helps in the development of a market-based economy, laying a foundation for improved human rights and democratic principles. Change does not come overnight, but without an open market, these freedoms are further deferred. Unilateral economic sanctions, on the other hand, generally impose suffering and hardship on the people they aim to help, while leaving a regime and its behavior unchanged. There are a numerous examples in the last 30 years of US foreign policy.

Second, by US law and company policy, we are bound not to assert ourselves in the internal politics of any sovereign nation. Although as Americans we may prefer to work in open economies with democratic values, ultimately geology dictates where we can work. We must leave to diplomats and governments the difficult and challenging task of dialogue with other governments about the international norms to be followed by nations. However, we think our presence is complementary to this task since we apply and insist on accepted international business, labor, and health and safety practices throughout our operations.

Third, to respond to various irresponsible allegations simply and directly: Unocal will not tolerate any human rights abuses in any of our projects anywhere in the world. We follow a clearly written policy on this matter. The Yadana project operator, Total, follows a similar policy. Unocal pledges, and works hard, to improve the lives of people wherever we work. Our investment in Myanmar is doing exactly that.

To further complete the record on these points, we have provided several attachments. Attachment 1 is Unocal's detailed submission to the US Department of Labor (February 1998) plus its attachments – a) Unocal's submission to the US Labor Department concerning the International Labor Organization's Inquiry on Burma; b) Unocal's February, 1998 update of employment and socio-economic statistics [further updated by Attachment 2 to this testimony]; and c) a report by two humanitarian experts following their inspection trip to the Yadana pipeline and surrounding village socio-economic projects.

Chairmen and Members, time and again we have seen how energy development has had a positive impact on people's lives. Energy development strengthens economies, improves living standards and stimulates social reform. At Unocal, we know this from long-time, first-hand experience. Over the past 35 years, our activities have visibly improved the quality of life for thousands of local families and communities in Thailand, Indonesia, the Philippines, and other developing countries. The Yadana project is doing exactly the same thing.

Conversely, sanctions and economic isolation impose suffering and hardship on citizens of target countries. They harm those least able to protect themselves while they seldom change a regime's behavior or advance democracy. Those who argue for sanctions are ignoring history and current reality.

The next paragraphs summarize the status of the Yadana project, the nature of Unocal's participation, and the socio-economic programs implemented by the project for the enduring benefit of the 35,000 villagers along the pipeline route. The attachments provide more detail on all aspects of these things.

Project Status: The Yadana project is complete. Offshore platforms are producing natural gas from the undersea field. The pipeline to shore is complete, as is the onshore control center, the pipeline to the Thai border, environmental restoration, and all roads, bridges and related infrastructure. At the border, the Thai national power company is taking gas into its connecting pipeline and moving it to its new power plants near Bangkok. Commercial quantities will flow by the end of this year.

Unocal's Investment and the Project Participants: A Unocal affiliate is a minority (28.26%) shareholder in the Moattama Gas Transportation Company (MGTC), which built and owns the Yadana development project and pipeline. The other shareholders are a Total affiliate (31.24%), PTT Exploration & Production Public Company (25.5%), and Myanmar Oil & Gas Enterprise (15%). PTTEP and MOGE are the national oil and gas companies of Thailand and Myanmar, respectively. MGTC was incorporated in December 1994; project construction began in October 1996; it was completed in various stages ending in June 1998.

Project Budget: The total project budget was approximately \$1 billion. These funds were used to build a port facility, offshore platforms, 190 miles of offshore pipeline, another 39 miles of pipeline and the onshore control facility, roads, bridges and all

attendant infrastructure, and to pay more than 7,550 workers over three construction seasons. The investment is in the ground; no investor will receive any net return for several years. Over three construction periods, the project employed an average of 2,500+ Myanmar nationals per year, including 800-900 each year from the local villages. All were voluntary, contract workers, paid wages above local norms. Project workers used modern heavy equipment.

Benefits to the people of Myanmar: At the outset, the Project participants created Village Communications Committees, enabling the local populace to identify local problems or development needs, and to participate in the formulation of the solutions.

One immediate need in all the villages was improved health care and facilities. The Project upgraded the only hospital in the region, refurbished or built new clinics in the villages, recruited full-time doctors, trained nurses and other health-care professionals and began to inoculate and immunize infants and children.

One comparison indicates the success of these initiatives. The UN estimates the infant mortality rate for Myanmar at 105 per 1,000 births; it is 46 per 1,000 in the pipeline area. This improvement is clearly attributable to the Project initiatives, which are already extending life expectancy in the area. Now, people come from far beyond the pipeline area villages for free clinical treatment and health care.

Similarly, schools were refurbished, built or expanded and equipped, and additional teachers were recruited to the area. The school population has increased by 30% in three years. Other initiatives include the establishment of a self-perpetuating economic base. Villagers have been trained and started in pig, poultry, goat and shrimp farming, and in new cash crops. One of the poorest areas in one of the poorest countries in the world five years ago, the pipeline area is now a thriving regional market. People use the new year-round roads to market their goods from the coast to the Thai border.

International and Regional Benefits: A key benefit of the Yadana project is the improved relations between Myanmar and Thailand. The Yadana gas development project is the first cross-border energy project involving two nations with a long history of tension. The Yadana gas is moving to Thailand to supply fuel to a new power station near Bangkok. The cross-border aspect of the project is significant. As more such projects are developed, involving more nations, their economies and regional stability in Southeast Asia will benefit. That is a significant benefit to US strategic interests.

Conclusion: There is no question that Myanmar's current political situation is complex. It leads some to argue that Unocal should abandon our investment. They claim that unilateral sanctions, and our departure, would help isolate Myanmar further and thus somehow force democratic reforms. Such unilateral action has failed, time and again.

Visitors to the Yadana pipeline area have included representatives from the US Congress, other US, European and Asian government officials and Ambassadors, reporters from the US, Asia and Europe, representatives of US policy centers and academic institutions,

clergy, and several NGOs. Unocal knows, as does anyone who visits the area, that the Yadana project and Unocal's investment in it have enhanced the quality of life for the 35,000 people living in this area. Our participation there is helping the people reach new levels of self-determination, health, education and economic opportunity. Any objective review compels the conclusion that this is an exemplary project that should be a model for any international company.

Thank you again for the opportunity to participate and to place this information on the record.

STATEMENT OF UNOCAL CORPORATION

For the Department of Labor Report to Congress

***Labor Conditions in Burma
at the Yadana Pipeline***

February 1998

Unocal submits this statement for the Department of Labor's report to Congress, on labor conditions in Burma. It relates to construction of the Yadana pipeline and supplements our July 7, 1997, submission to the Department of Labor hearing for the International Labor Organization report (Attachment A), and updates it (Attachment B).

We also submit for the record *Humanitarian Report: Yadana Project* (hereafter, Report) by Justice K.M. Subhan and Reverend R.W. Timm, CSC, of Bangladesh (Attachment C). These internationally known human rights experts traveled to Myanmar in January 1998 to inspect conditions at the pipeline. The letter transmitting the Report to Unocal says in part:

We congratulate you and your colleagues on the socio-economic and humanitarian work you are carrying out as part of the Yadana Project. Everyone in each village has a better life because of your work. The approach you have taken at Yadana should be a model for other international companies. (Emphasis added.)

This Unocal submission provides accurate information on our Yadana investment and responds to false allegations against Unocal and conditions at the pipeline. It presents information from court proceedings involving the pipeline, and from the Report. The result is a clear picture of responsible conduct by a socially conscious American corporation.

The Nature of Unocal's Investment in the Yadana Pipeline

Despite repeated mischaracterizations by critics, the entity constructing the Yadana pipeline is not a partnership or joint venture. Rather, it is a corporation, the Moattama Gas Transportation Company (MGTC).¹ A Unocal subsidiary is a minority shareholder (28.26%). The other shareholders are: a Total affiliate (31.24%); PT Exploration and Production Public Co., Ltd. (25.5%); and Myanma Oil & Gas Enterprise (MOGE -- 15%). MGTC was incorporated in December 1994; pipeline construction began in October 1996 and is essentially complete.

The Total affiliate, as project operator, is responsible for all day-to-day operations relating to the pipeline, including hiring all labor. During the 1996-1997 construction period, the project employed about 2400 Myanmar nationals -- about 800 local villagers and 1600 skilled workers from Yangon and other cities.

The government of Myanmar does not provide or arrange for personnel to work on the pipeline. Neither Unocal nor any of its affiliates has ever had any employee in Myanmar in

¹ While "Unocal" is used here for ease of reference, the pipeline investment is held by an indirect, wholly owned subsidiary of Unocal Corporation.

connection with the pipeline. Apart from periodic inspections, our information on the pipeline is provided by Total.

Allegations of Forced Labor and Related Human Rights Violations

1. Forced Labor

Litigation commenced in 1996 in federal court in Los Angeles includes allegations of forced labor against Total and Unocal in connection with construction of the Yadana pipeline.² Doe I has featured extensive discovery and depositions of the named plaintiffs (all former residents of the pipeline region). Contrary to repeated claims by Unocal's opponents, there has been no finding in that litigation that Unocal has committed or is responsible for any human rights violations or that it has violated any law in any fashion.

The discovery conducted strongly supports Unocal's position that it has no liability whatever. Indeed, all labor on the pipeline has met international norms. In the course of the litigation the plaintiffs' lawyers submitted affidavits in support of a preliminary injunction to prevent Unocal's participation in the Yadana pipeline. But the declarations had not been reviewed or signed by the named affiants prior to their being submitted to the Court! Not surprisingly, the Court struck the affidavits and took the unusual step of sanctioning the plaintiffs' lawyers for their misconduct.³

The Court denied the plaintiffs' request for preliminary injunction against Unocal. In the course of oral argument at the injunction hearing, the Court told the plaintiffs' lawyers that after reviewing the extensive record, he saw no evidence that any plaintiff had been forced to work on the pipeline. Although they had conducted extensive discovery, taken numerous depositions and had access to over fifteen thousand pages of documents, the plaintiffs' lawyers were forced to admit that there was no such evidence.

² The two cases are Doe I v. Unocal, Total, et al., Case No. 96-6959RAP ("Doe I"), and National Coalition Government of Burma, et al. v. Unocal, et al., Case No. 96-6112RAP ("National Coalition"). Unless noted, all references will be to Doe I.

No discovery has been conducted in the National Coalition case. However, the Court has dismissed the National Coalition Government as a party. A similar motion is pending to dismiss the Federated Trade Unions of Burma, which would leave only individual plaintiffs similar to those in Doe I.

³ One of the lawyers sanctioned is associated with Earth Rights International, which submitted information and testimony at the July 7, 1997, Department of Labor hearing. That submission quoted extensively from an interview with John Doe IX, a Doe I plaintiff, much of it verbatim from the affidavit filed on John Doe IX's behalf. He had never signed or reviewed his affidavit prior to its filing with the Court. His deposition testimony bore little resemblance to his "affidavit," which stated among other things that he read and wrote Karen; he knows no Karen and speaks only Burmese! The Court struck all the affidavits, including that of John Doe IX. The Department of Labor should do the same with the related testimony and information.

Further, the Doe I plaintiffs' lawyers rely on State Department Annual Reports for Burma. Yet the only specific mention of the Yadana pipeline (in the 1996 State Department Report) makes clear that there was no forced labor on the pipeline.

During 1996 there were repeated allegations that forced labor was used on a project to build a pipeline across the Tenasserim Region. The preponderance of the evidence indicates that the pipeline project has paid its workers at least a market wage. (Emphasis added.) US State Department 1996 Human Rights Report for Burma; p.12

From initial clearing, grading and infrastructure development, through constructing, laying and burying the onshore pipeline, all work has been done by voluntary labor under formal contracts. Workers receive their pay directly, with receipt stringently documented. Unocal has sent representatives to the project; their observations confirm Total's reports: there has never been forced labor on the pipeline; we would never countenance it.

In short, no one has been forced to work on the pipeline. In deposition, the only plaintiffs to provide specifics on forced labor consistently testified that they were required by the Burmese military to provide labor for various purposes -- not for the pipeline. Of the 16 Doe I plaintiffs (presumably the best representatives the plaintiffs' lawyers could find), not one testified that he was forced to work on the pipeline.

Much material submitted at the July Department of Labor hearing also purported to discuss forced labor on the pipeline. It did not. It had nothing to do with the pipeline; it was about alleged military abuses on government projects.²

Thus plaintiffs' lawyers in Doe I and Unocal critics elsewhere seek to implicate Unocal in acts unrelated to the pipeline: labor on roads, railways, dams and other infrastructure projects. Of those, the most frequently cited is the Ye-Tavoy Railway. But it is years from completion, while the pipeline is essentially completed and will soon be operational. The Railway and the other projects have nothing to do with Unocal or the pipeline.

When we eliminate the unsupported and irresponsible claims, it is clear that there has never been forced labor on the

¹ Plaintiffs' lawyers in Doe I submitted all State Department Human Rights Reports on Burma from 1991-1995. Interestingly, they omitted the only one that is pertinent -- that for 1996.

² Even advocacy reports by human rights groups (upon which critics and Doe I plaintiffs' attorneys rely) carefully (if artfully) separate discussion of forced labor from discussion of the pipeline project. For example, Human Rights Watch/Asia's Report (December 1994) spoke of, "a natural gas pipeline and a 160-mile railroad," noting that, "the latter relies heavily on forced labor." (Emphasis added.)

pipeline. Shifting ground, some people then claim that alleged acts of Burmese soldiers are Unocal's responsibility.

That is simply not so. Unocal is not responsible for alleged acts of soldiers forcing citizens to provide labor on unrelated government projects. Those who make such charges do not and cannot explain how Unocal or MGTC could prevent the Burmese military from employing forced labor in its own ranks.

There is no theory under which MGTC (much less Unocal or any MGTC shareholder) is responsible for such actions. In no way can a business (or a shareholder) be held liable for acts of a government or governmental authority, even in the area where the business operates. It is not done in this country; it would be absurd to attempt to do so elsewhere.

2. Allegations of Physical Violence and Village Relocation

In Doe I, the only specific allegations of physical violence concern two incidents, neither of which was committed in furtherance of the pipeline. Both incidents involved alleged acts by the Burmese military, not MGTC, Total or Unocal.

Concerning relocations, Doe I plaintiffs testified that in 1992 Burmese soldiers ordered three villages moved: Mi Chaung Long, Lauk Thein and Yaboo.⁶ All three are near the route of the Ye-Tavoy Railway. That could well be a source of confusion.

As to Mi Chaung Long, there was testimony that the army ordered residents to move in 1991 or 1992. But the village is miles from the pipeline. Information in the *Report* also makes clear that the move was not due to the pipeline.

Two plaintiffs testified that in 1992, soldiers ordered Lauk Thein moved; Lauk Thein is farther from the pipeline than Mi Chaung Long. Lastly, there was testimony that Yaboo was moved in 1992. It, too, is nowhere near the pipeline.

There are additional points with respect to any relocations. First, all the alleged relocations took place in 1992 or earlier, well before Unocal, through its affiliated subsidiary, acquired any interest in the Yadana project.

⁶ The English spelling of the town names varies from report to report, and towns often have different names in the Karen language and in Burmese. The *Report* spells Mi Chaung Long as Migyaunglaung.

⁷ It seems more likely that any relocations related to the railway, given its route and the location of the villages. In any case, according to the *Report*, villagers said the relocation occurred in 1991, and that, "Total [the pipeline], which came much later as people told us, had nothing to do with the transfer."

The *Report* also points out that "The rail bridge near Eidayaža (sic) has not yet been built, so it is clear that the railroad has nothing to do with the pipeline construction. It is possible, however, that outsiders confused forced labour on the railroad with forced labour on the pipeline."

Second, though witnesses testified that villages were moved, none of them knew why; and none linked the move to the pipeline. Some opine that Mi Chaung Long was moved because the army suspected it of supporting rebel activities.

Third, moving the villages did not make way for the pipeline. The pipeline runs west to east across the Tenasserim Region. The villages are near the Tavoy River, the nearby Ye-Tavoy motor road and the under-construction railway. All the villages are on north-south axes, miles from the pipeline.

Thus once again, plaintiffs' lawyers are seeking to attribute to Unocal responsibility for acts over which it had no control and no knowledge, that preceded Unocal's investment in the pipeline, and that had nothing to do with the pipeline.

"Humanitarian Report: Yadana Project"

The significance of the Report by Justice Subhan and Father Timm cannot be overstated. It provides objective evidence that Unocal and the Yadana pipeline have no involvement in human rights violations. It also demonstrates that Unocal and the other investors have contributed significantly to improved lives and living conditions in the pipeline region.

We commend the entire Report to your review, but here are a few points to consider.

- Funded by humanitarian organizations, two international human rights experts spent five days in Burma during January 1998 and visited villages along the pipeline route.
- There were no restrictions on their activities. They note, "We selected villages, roamed freely and talked to anyone we chose. ... Our decades of experience in legal, humanitarian and human rights work assure us that we were seeing the true conditions and hearing the truth in our interviews."
- There was no army presence during any interview.
- The villagers denied all allegations of forced labor on the pipeline. To the contrary, the workers interviewed expressed satisfaction with their jobs and compensation and had no complaints about any abuse.
- The lives of the residents along the pipeline route have improved dramatically. There are new schools and health facilities, and the economy of the region has improved substantially.

As the Report noted in its conclusion:

Total and its allies are doing something far above their legal obligations for the development and improvement of the village and community life. Not only are they paying fair wages, well above the market price, but they are keeping their employees . happy and the inhabitants of the 13 villages near the pipeline have experienced great improvement in their lives. ...

Wages for unskilled labour are twice that of unskilled workers in the area and in the country in general. Specialized or skilled workers get much higher wages. Workers universally expressed satisfaction with their jobs and no one made any complaints about any abuse.

Some were specifically asked about forced labour and they knew nothing about it. Children are being universally educated, health problems are cared for, government clinics have been improved, and income generating projects of various kinds are being carried on by the Village Communication Committees with great success. (Emphasis added.)

Conclusion

Unocal knows -- as does anyone who visits the area -- that the Yadana project and Unocal's investment in it have enhanced the quality of life of all residents of the pipeline area. Any careful, objective review of conditions there compels the conclusion that allegations of Unocal's involvement in human rights violations are patently false. Indeed, the company has taken a leadership role in ensuring that no such abuses occur.

We are proud of our human rights record. We will continue to take issue with those who attack it unfairly. Indeed, only through engagement and involvement can we improve the lives and conditions of all the people of Myanmar.

We offer the Yadana pipeline as a model for others to emulate.

TO THE

STATEMENT OF UNOCAL CORPORATION

For the Department of Labor Report to Congress

Labor Conditions in Burma

at the Yadana Pipeline

February 1998

**SUBMISSION FOR THE HEARING RECORD
FOR
U.S. DEPARTMENT OF LABOR,
BUREAU OF INTERNATIONAL LABOR AFFAIRS
HEARINGS REGARDING
THE INTERNATIONAL LABOR ORGANIZATION
INQUIRY ON LABOR IN BURMA**

BY

UNOCAL CORPORATION

JULY 7, 1997

Introduction

Unocal is the world's largest independent energy resource company in terms of both production and reserves. Our largest operations are in the U.S. Gulf Coast region and in Southeast Asia. Our headquarters are in El Segundo, California, near Los Angeles.

We are interested in this hearing because we are minority investors in a project involving the exploration, extraction, transportation, and industrial use of natural gas from certain offshore fields near Myanmar (Burma). The project comprises the development of the Yadana natural gas field, the exploration and development of certain other adjacent fields, the construction of pipelines to transport the extracted gas (mostly to Thailand and the remainder to Burma), and the development of a power plant and a fertilizer plant in Burma that will use the Burmese share of the gas as feedstock. The Yadana field is a world-class energy resource with reserves of five trillion cubic feet of natural gas.

The development of the Yadana field is the most advanced portion of the project. The operator and largest investor is Total, the French energy company (31.24%). Other investors are the exploration and development arm of the Thai national company PTT Exploration and Production Public Co., Ltd. (25.5%), and the Burmese national oil and gas company, Myanma Oil and Gas Enterprise (15%).

The Yadana development is the first regional project involving two nations that have often had strained relations in the past. It will produce natural gas from offshore platforms. Yadana gas will be shipped via a 254-mile pipeline to the Myanmar-Thailand border, where it will connect with a Thai pipeline to the new powerplant complex. In Thailand, it will fuel an electricity generating plant to meet that country's burgeoning demand for clean electrical power. Thailand faces projected increases in power demand of up to nine percent annually through 2001.

Labor Practices

As the project operator, Total has the contractual responsibility for all hiring, contracting, purchasing and contract oversight of the Yadana development -- the normal arrangement for any oil and gas development project. Neither the Burmese government nor any government entity provides or arranges for personnel to work on Yadana, nor does any minority investor.

We have requested and received reports from the operator, Total, regarding hiring and personnel practices on the Yadana development. It is our understanding that, under Total's supervision, all work on the Yadana development -- from initial clearing, grading and infrastructure through constructing, laying, and burying the onshore pipeline -- has

been done with voluntary labor paid under formal contracts. Workers receive their pay directly, with receipt stringently documented. In addition to the reports from Total, we have sent representatives to Burma to view the development itself; their observations are consistent with Total's reports. The project has not used, nor would it accept, any other form of labor.

There have been allegations that forced labor has been used on the pipeline development. These allegations are not consistent with our understanding of labor practices on the project and we believe them to be untrue.

The additional facts we receive from Total indicate that the Yadana development is providing valuable employment-related benefits to the Burmese citizens in the pipeline region. For example, wages ranging from 200 kyats to 300 kyats per day have been set for unskilled, semi-skilled and skilled workers. These are about 30 percent higher than local average wage scales (if work is available) and are adequate to support a family of five.

All project laborers must be at least 18 years of age, pass a free project-sponsored physical examination and complete basic first aid, work safety and fire-fighting training. In addition to their salary, all workers receive food, water, lodging and hygiene facilities, safety equipment and clothing, and ongoing medical and preventive health care.

At the outset, Total set employment targets designed to ensure that each village in the region – and the Bamar, Karen, Mon and other ethnic groups they represent – participated proportionally in the local project work force. They created 13 local Village Communication Committees which helped identify prospective job applicants.

Employment and Training

Our reports from Total indicate the following additional facts:

During the 1996-1997 construction period, the project employed more than 2,100 Myanmar nationals (over 95 percent of the project work force), including skilled workers from Yangon and other cities. Of that number, about one-third, or 700 local villagers worked on the pipeline. Total employs 20 expatriates and approximately 150 additional Myanmar nationals, including 74 trainees. Unocal has no expatriate staff nor any other employees in Burma for this project.

Approximately 1,900 Myanmar nationals were hired to work at various project sites during the 1995-1996 construction season.

When the Yadana portion of the project goes on-stream in mid-1998, Myanmar nationals will comprise 85 percent of the staff for the offshore and onshore facilities and

80 percent of the positions at the Yangon project office and logistics base. To meet these objectives, Total and the other project investors founded in 1996 the Yadana Trade and Technical School in Yangon. The total program budget for the school is approximately US\$12 million.

The 74 trainees mentioned earlier are Myanmar nationals who are enrolled as production and maintenance technician trainees in an intensive two-year paid training program. These trainees were chosen from more than 3,500 candidates. Selection was based on the results of language, science and aptitude tests, two interview panels and medical examinations. All trainees have undergraduate degrees in chemical or electronic engineering or the equivalent.

These trainees have been assigned to production and maintenance positions at Unocal- and Total-operated offshore platforms in the North Sea, Thailand and Indonesia. This assignment will be followed by manufacturer certification exams and specialized manufacturer training programs. They will assume their full-time positions on the project in March 1998.

Construction

Our reports from the operator indicate the following facts concerning the status of pipeline construction:

The entire 39-mile onshore portion of the pipeline extending across Burma's southern panhandle has been completed and buried. The surface area has been restored to its original contour and use -- which means that in some places there are rice paddies over the pipeline. The related onshore facilities, such as metering stations, are about 50% complete. About 70% of the offshore pipeline has been installed and two wellhead platforms have been set.

Installation of the onshore pipeline required more than 700 pieces of heavy equipment -- some weighing as much as 40 tons (36 metric tons). The pipeline consists of over 5,000 sections of line pipe, each weighing 4-1/2 tons (4 metric tons). Given these demanding requirements, Total's contractors constructed -- to the project's specifications -- all infrastructure for the project. These include:

- a wharf and shore landing facility inside the Heinze River estuary;
- a main base camp and airstrip at Kanbauk;
- an additional work camp at Tavoy;
- 15 miles of access roadways; and
- new steel-and-concrete-reinforced bridges crossing the Heinze and Tavoy rivers.

All construction equipment and supplies were imported by barge and then trucked from the wharf to construction sites. The project has not used – nor would it have used – the light-gauge, north-south Ye-Dawel (Ye-Tavoy) railroad. First, although the onshore portion of the pipeline is buried, the railway has yet to be completed. Second, that railway would have been physically incapable of transporting the heavy equipment and supplies required for the project.

Land Compensation

We understand from the operator that a comprehensive policy to ensure fair compensation for land, crops and buildings required for the project has been established. More than 300 villagers have been paid a total of US\$1 million – about US\$2,000 per acre – to acquire the 525 acres of land needed for project infrastructure, roads, pipeline center and right of way. Recall that much of the land has been returned to its prior use, so that there are once again crops and rice paddies on the ground over the pipeline. The Village Communication Committees helped supervise land acquisition and crop compensation negotiations between the project and individual landowners. The formula for compensation resulted in payments somewhat more generous than those typically paid in this country or elsewhere.

Since 1992, when the Yadana production sharing contract was signed care has been taken to minimize the project's impact on the local environment. No villages in the vicinity of the 39-mile pipeline route have been relocated for the benefit of this project. This has been confirmed by satellite imagery, aerial photography and repeated on-site visits. In addition, there have been at least three press tours, plus visits and tours by Members of Congress, House and Senate staff members, representatives of more than one NGO, and US State Department officials from the Embassy in Yangon. Additional tours are in the planning stages and are scheduled for the next dry season.

Socio-Economic Contributions

To provide sustainable, long-term benefits to the pipeline region's economy, the participants in the Yadana development in 1995 launched a three-year, US\$6 million socio-economic development program that is providing tangible benefits to nearly 35,000 villagers living in the pipeline region.

The project has recruited 19 physicians into a region where there were none. These physicians handled almost 23,000 patient visits and provided 640 villagers with in-hospital care free-of-charge, trained 30 volunteers in 10 villages as local health care workers, and conducted extended immunization program for tetanus, diphtheria, whooping cough, TB and measles. Almost 1,000 children have been immunized against polio.

Kanbauk hospital -- the only well-equipped facility of its kind within 30 miles -- was renovated and expanded. It is the primary treatment site for severe malaria cases and serves as field station for major malaria research study funded by the project.

By end of 1997, the project will have built, renovated or expanded 21 schools and seven village health centers, installed over 270 fly-proof latrines in three villages, built a regional marketplace, brought electricity to six villages, improved public water systems in four villages and constructed several local bridges. Total has also recruited five veterinarians into the region, and helped hundreds of villagers launch their own shrimp, dairy/cattle, pig, goat, chicken and agricultural farms.

The socio-economic development program is based on a comprehensive socio-economic baseline study and is being implemented with the direct involvement of local village committees.

Federal Court Litigation

Testimony presented at the June 27, 1997 hearing at the US Department of Labor characterized a lawsuit filed on behalf of individual Burmese citizens. It is not our ordinary practice to comment on ongoing litigation, but a couple of brief points are in order.

First, the judge in the case did not endorse the plaintiffs' factual allegations concerning forced labor, nor their assertions that SLORC is paid to provide labor to the project, nor that the project uses forced labor. Given the procedural posture of the case, the judge was required to assume that those allegations were true for purposes of deciding whether the court had jurisdiction to hear the case. The judge made clear that plaintiffs will have to prove their factual allegations and that they had not yet done so. Unocal believes that plaintiffs will not be able to prove these allegations because they are not in fact true.

Second, the court also did not endorse plaintiffs' factual allegations that Unocal is in a partnership or conspiracy with the Burmese government. Once again, the judge had to assume that these allegations were true for purposes of his preliminary ruling that the case could go forward. As with plaintiffs' other claims, these allegations are untrue and Unocal intends to disprove them during the evidentiary portion of the case. Since the court's ruling, Unocal already has put in evidence showing that there is no "partnership" relationship between Unocal and the Burmese government for pipeline construction; that there is no agreement by the Burmese government to provide labor for the pipeline construction project; and that information available to Unocal confirms that forced labor is not used on the development.

Conclusion

The project has contributed mightily to the health, welfare and basic human rights of thousands of people in one of the most remote areas of one of the world's poorest countries. Because of this project, the standard of living of the people in the pipeline region will continue to be enhanced. And, as the first cross-border energy partnership between two countries with a shared history of military conflict, the project promises to bring stability and prosperity to the people of Thailand and Burma.

The project is a powerful example of Western labor standards and practices in this emerging country. As more Western investments are made in Myanmar, we expect that these standards and practices will gradually spread to other sectors of the Myanmar economy.

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TO THE

STATEMENT OF UNOCAL CORPORATION

For the Department of Labor Report to Congress

Labor Conditions in Burma

at the Yadana Pipeline

February 1998

Yadana: Updated Statistics – February, 1998**Labor Practices**

- The project has provided 7551 jobs for Myanmar nationals, an average of over 2500 per construction season.
- Minimum wages are 12,000 kyats per month. Minimum daily wages starting at 400 kyats, depending on skill level. (Cost of living: family of five – 9,000 kyats)
- Total income generated by local project employment: over 73 million kyats.
- Maximum working hours: 12 hours per day, 7 days per week. Rotation schedule is six weeks on, two weeks off (with pay).
- The 74 Myanmar graduates of the \$12 million Yadana technical training program were integrated into project's field operations team, January 1998.

Construction

- Onshore pipeline installation was completed in May 1997. Reinstatement of the right of way was concluded in January 1998.
- From 1995 to February 1998, the Project has paid over \$1.2 million to local villagers for land compensation.
- Offshore pipeline installation was completed in November 1997.
- Most of the onshore construction of the platform facilities was completed in December; they were transported by sea to the Yadana field in January 1998.
- The first of 14 development wells was spudded in August 1997; seven completed to date.
- The development program remains on schedule for completion by mid-1998.

Socio-Economic Development Program (12/96-10/97)**Health Services**

- Seven new health centers built in region. Kanbawk hospital further upgraded: more beds, new doctors/nurses quarters, medevac facilities.
- Now 18 MDs (13 always on duty) – employed to cover entire pipeline corridor.
- Access not restricted: people traveling from outside the pipeline corridor for free medical care provided by project.
- 59 villagers trained as new health care workers; total now 94.
- In June, 1997, Ministry of Health appointed doctor to work in Kanbawk hospital. No prior government-provided medical staff in area.
- January, 1997 through January 1998, Kanbawk hospital treated 12,456 in-patient/out-patients. Health clinics treated over 43,600 patients. Both are four times the number for the year-earlier period.
- Extended vaccination program: since September, 1996: 2375 children under one year old, from 25 villages (including village tracts).
- Special Vaccination Program (Oral Polio Vaccine) -- 4499 children, Mid-December 1997 to mid January, 1998.
- Six villages involved in public health/sanitation programs; 519 fly-proof latrines installed in three villages, with 186 more scheduled by mid-1998.

Education

- A total of 19 schools constructed, renovated or extended; three new schools built in 1997. Two new schools will be built by March, 1998.
- In Kanbauk, a new assembly hall and nursery were constructed.
- Number of children attending school has increased over 1996. In 9/97, over 5,000 children were attending school and 126 teachers working in the villages. Student/teacher ratio: 42:1

Economic Development

- In 1996, pig and poultry farming – two most successful – generated direct income of almost 2.8 million kyats.
- Pig farming – Program started in 1995 with 113 farmers from six villages. Today, almost 300 farmers from 12 villages involved. Two new breeding farms established. Since 1995, over 2,000 piglets imported. Project donated five boars for breeding, improving local stock.
- Poultry (egg) farming – Two farms established in early-1996; will be donated to villagers for ongoing operation. Now, 111 farmers from seven villages involved. From 4/96 to 11/97, over 840,000 eggs produced. Net income for local farmers (after reimbursement of seed moneys) exceeded 1 million kyats. January, 1998 production, 6700 eggs per day. On their own initiative, local farmers have started a marketing cooperative. Project provided chicks, feed, veterinary care, medicines/vaccinations and farmer training.
- Poultry (meat) farming – Introduced December, 1996, involving 20 farmers from five villages. March, 1997 added 20 villagers from four other villages. Project provided chicks, feed, veterinary care, medicines/vaccinations and farmer training. 18 farmers continuing into second cycle of project.
- Goat Farming – Launched, May 1996 – 12 farmers in 3 villages received 36 goats in first phase. In October, 1996, a goat farm was built to support the project, which included an additional 15 families. In May 1997, project handed management of the farm to eight villages (shareholders) to be operated as a collective.
- Dairy and Cattle Farming – Yadana farm established in 1996; two stud bulls imported. From Jan-July 1997, 116 farmers attended animal health and husbandry training courses conducted by project-recruited veterinarians.
- Shrimp Farming – Two shrimp ponds built by villager shareholders 1995-1996. Production (1.4 tons) was successful but not economic. 1996-1997, two additional ponds built. For the 1997-1998 cycle, 12 village shareholders will operate all four ponds.
- Veterinary Services – Five full-time veterinary surgeons hired. January, 1997-January, 1998: 7,500 animals treated; 120,000 vaccinated. Free treatment, consultation and training programs at Yadana farm.
- Agriculture – In 1997: maize and cassava project launched in three villages with 13 farmers; rice farming in four villages with 11 farmers; 3 rubber nurseries established and 55 farmers from 6 villages involved in long-term rubber production project.
- Yadana Bank – May 1997 -- commercial development bank launched in 5 villages, with project funding. Short-term (6 month), low-interest loans to

expand businesses within pipeline region.

Local loan committees – four villagers each. Larger loans approved by project's socio-economic unit.

In June, 1997, loans totaling 380,000 kyat made to 11 villagers. All repaid (from increased income from business expansions).

December, 1997: new loans (420,000 kyat – 9 people; 480,000 kyat – 12 people)

- Support Program – Project provided 12 families in four villages the funding to participate in one of the socio-economic projects. (Otherwise the families did not have the funds to launch their own pig or poultry farms.

Infrastructure

- Roadways – Six new bridges in area. Access road to one village upgraded for vehicular traffic. Access to six villages improved.
- Utilities – Water ponds built in one village, solar water pumps in another.
- Public services – Fire truck donated to Kanbauk, region's main commercial center.

TO THE

STATEMENT OF UNOCAL CORPORATION

For the Department of Labor Report to Congress

Labor Conditions in Burma

at the Yadana Pipeline

February 1998

COMMISSION FOR JUSTICE AND PEACE

GPO Box-5, Dhaka-1000, Bangladesh, Tel: (880-2) 417936

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Roger C. Beach
 Chairman and Chief Executive Officer
 Unocal Corporation
 2141 Rosecrans Avenue, Suite 4000
 El Segundo, CA 90245
 USA

28 January, 1998

Dear Mr. Beach,

We, Reverend R.W. Timm and Justice K.M. Subhan, forward the enclosed report, prepared in response to a Unocal representative. It presents our observations from a recent tour and inspection of the Yadana Pipeline project. We spent five days in Myanmar during January, 1998, with the full cooperation of Unocal and TOTAL.

TOTAL briefed us in Yangon on the Yadana project and the socio-economic programs. They transported us from Yangon to the pipeline and back on their shuttle flights. At the site, they provided a helicopter flight from one end of the pipeline route to the other, ground transportation to the villages, a translator who works with the Village Communication Committees and accommodations for our stay at the Kanbauk Main Camp. We appreciate their courtesy and cooperation.

We visited the villages, interviewing doctors, teachers, pupils, farmers, people who worked on the pipeline and other villagers. There was never any army or government presence, nor did Unocal or TOTAL seek to guide any discussions or interviews. We selected villages, roamed freely and talked to anyone we chose. In those remote locations, people were very free with their comments. Our decades of experience in legal, humanitarian and human rights work assure us that we were seeing the true conditions and hearing the truth in our interviews.

It is a pleasure to forward this report. We congratulate you and your colleagues on the socio-economic and humanitarian work you are carrying out as part of the Yadana Project. Everyone in each village has a better life because of your work. The approach you have taken at Yadana should be a model for other international companies.

Yours sincerely,

R.W. Timm

R.W. Timm

K.M. Subhan

K.M. Subhan

COMMISSION FOR JUSTICE AND PEACE

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Humanitarian Report: Yadana Project

BACKGROUND:

We, Fr. R.W. Timm, CSC and Justice K.M. Subhan, have been working on human rights, and legal and humanitarian issues for over four decades each, in Bangladesh, Southeast Asia and elsewhere. During 1997, we were invited by UNOCAL to visit and review labor conditions and socio-economic programs at the Yadana gas pipeline project in Myanmar.

We spent five days in Myanmar (January 4-8, 1998) looking into various humanitarian aspects of the project, in particular investigating allegations of slave tribal labour and labour abuses (mentioned, for example, in the May-June, 1997, issue of the journal of the International Work Group for Indigenous Affairs). Naw Vashti Pan Poe (of MOGE, and seconded to TOTAL to work as village coordinator for the socio-economic programs) accompanied us and acted as interpreter.

We did all our interviews within the pipeline area. The questions of how and whether foreign investment affects the viability of the current regime in power in Myanmar were beyond the purview of our undertaking.

In the villages along the pipeline, we took interviews of workers to learn what wages they received, how they compare with daily wages in the area and in the country in general. We also took interviews of people who received compensation for their land which was taken for the pipeline right of way (41' wide). The team also examined "Heads of Agreements" with the local communities and met with Village Communications Committee members to learn their composition, mode of selection and their understanding of their role. We visited clinics and schools, and took interviews with the health and education staffs and those under their care.

At no point was there any army presence during our interviews.

OBSERVATIONS:

1. TOTAL and its allies are doing something far above their legal obligations for the development and improvement of the village and community life. Not only are they paying fair wages, well above the market price, but they are keeping their employees happy and the inhabitants of the

R.W. Timm

K.M. Subhan

13 villages near the pipeline have experienced great improvement in their lives.

2. We carefully looked into hours and conditions of work. In general, the working hours were 12 hours per day, seven days a week. Six weeks of work are followed by two weeks of fully paid holidays. Wages for unskilled labour are twice that of unskilled workers in the area and in the country in general. Specialised or skilled workers get much higher wages. Workers universally expressed satisfaction with their jobs and no one made any complaints about any abuse. Some were specifically asked about forced labour and they knew nothing about it.

3. Children are being universally educated, health problems are cared for, government clinics have been improved, and income generating projects of various kinds are being carried on by the Village Communications Committees with great success. Schools were new or renovated and had big playgrounds. Students looked healthy, were dressed neatly in clean uniforms, smiling and physically active, outgoing, unafraid, alert to our questions and disciplined.

4. The social structure of these villages is completely different from in Bangladesh, where a relatively few elite dominate over the many and siphon off for themselves the choicest of government or other benefits coming to the villages. We found that there is a relatively small gap between the highest and the lowest, economically and socially.

5. There is marked religious and ethnic harmony which makes it possible for all religious and ethnic groups to live and work freely together. Another factor promoting harmony may be that most Burmese and tribals are of a similar religion (Buddhism).

6. The vegetation of the pipeline area was scrub growth or secondary growth trees. None of the trees along the pipeline appeared to be imposing at all, compared with virgin tropical rain forests as in Irian Jaya. There could have been little loss of biodiversity due to the project.

7. We stopped near the place where a railroad under construction will eventually cross the pipeline. There was no one about to interview but it is

R. W. Timmer

K. M. Williams

said that the army used forced labour on the railroad. The chief TOTAL official said that there was no involvement of TOTAL with the railroad in any way, shape or form. The rail bridge near Bidayza has not yet been built, so it is clear that the railroad has nothing to do with the pipeline construction. It is possible, however, that outsiders confused forced labour on the railroad with forced labour on the pipeline.

CONCERNS:

1. That the projects may not be self-sustaining unless there is a continuing helpful, though not dominating, presence in the area, e.g., some NGO. It is said that TOTAL will look after projects for three years beyond completion of the Yadana Project; their current three year plan includes a lower level of funding to continue the socio-economic projects. There are rubber and cashew plantations supported by TOTAL, but one grower said that he did not know where to market the rubber.

2. That regular savings should be encouraged to be sure that enough profit is accumulated to perpetuate or even increase the level of investment in successive phases. If half-grant, half-loan was given for projects, the returned amount could go into a Village Development Fund, which would see to it that all families get a chance to have some improvement project.

RECOMMENDATIONS:

1. It is very encouraging to see that people have not become dependent on TOTAL for marketing their produce under income generating projects. However, the concerned growers have to be provided with know-how to process cashew nuts and to carry out tapping and marketing of rubber.

2. There is one primary school in every village the team visited. There should be more middle schools and a few high schools in these villages to facilitate the local students living at home while prosecuting their studies. The team found at Kanbaur a large number of students who were living at a hostel provided by the local Baptist pastor. This is expensive for the parents and discouraging for those who want to send their children to high school. Since all schools are under government, planning for more higher level schools will have to be done in cooperation with the government.

R. W. Timmer

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3. The clinics could be upgraded to treat a greater number of diseases and be given more opportunity for surgery. Because of close proximity to Thailand, there is great danger of an influx of HIV/AIDS into Burma. The project, to the limits of its ability, should help create awareness in the Ministry of Health, among doctors and the people about the use of family planning and HIV preventive devices. The team found only in one clinic an educative poster about HIV/AIDS.

Areas visited: First day, January 6

Eindayaza: This is a Baptist Christian village of 581 Karens, and TOTAL contributed to the reconstruction of the village church. There are 10 persons on the Village Communications Committee and they meet twice a month, while all the villagers meet once a week. Males and females work together on all projects and are equal in all ways. We found that their religion seems to make a great difference in their harmonious and peaceful way of life. There is no drinking and no abuse of women in their society. The children looked normal, with no evident signs of malnutrition. There is no longer any communal ownership of land but all families hold individual title deeds, which they take good care of and realise their importance. They can rent land at a rate of only 1.5 kyat per acre.

The workers said that they had received 400 k. per day, while the rate for day labour of unskilled workers was 200 k. per day in the area. From their village 37 men worked on the pipeline. We also interviewed one of the nine in the village who had received compensation for his land. He got 280,000 k. for his betel nut orchard, and got the trees after cutting. With his money he bought a 1/3 share in a work elephant for 250,000 k. and it is used for 10 months in the year, earning 300,000 k. profit annually. He has a receipt for the money received. He considers the payment he got was more than fair.

We were highly impressed with the development projects for the people, which are carried out with the Village Communications Committee. They raise chickens for eggs, which they sell at 12 k. apiece and each one can make 50-70 k. per day. The chickens have not suffered from any diseases. They were all vaccinated at the time of purchase. TOTAL built a

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new school building at the old site, where two matriculated girls are teaching. In all there are five matriculates in the village. Now all the children go to school. Teachers are paid by government and TOTAL does not try to enhance their salaries so as not to disrupt the local system.

Ohnbinkwin: In this village all are Bamar (Burmese, who form 68% of the population of the 13 villages helped by the project), except 2% Mon. There is a free clinic, pig and poultry projects and a primary school, renovated by TOTAL. One worker who received 1,400 k. per day on the project as a mason was home resting from an attack of malaria, for which he had been treated at the clinic.

One man got 800,000 k. compensation for his mango, betel nut and cashew orchards but when the pipe was laid under a culvert some mud flowed out over his land which he says made it unsuitable for agriculture. He has applied for more compensation and the case is pending.

Thechaung: We visited this village at the request of a Harvard Business School Professor who was touring the Yadana Pipeline at the time we were. It was not on the schedule, but she asked TOTAL to let her pick an additional village so she could compare it with those that were scheduled. They did so willingly, although it made the schedule tight at the Pipeline Center (and the end of the day). We made the extra stop and thus had the opportunity for additional interviews.

The Village Communications Committee were happy with their projects and said that 36 persons had received training for chicken raising, 10 for pig rearing, 14 for rubber cultivation and 10 for cassava cultivation. One man was interviewed who worked one month and 11 days and was taking two days off; he got 400 k. per day.

Kanbawk: This is the largest village, with a population of 10,000, and is the administrative center for the region. We saw a good example of communal harmony in that a Hindu temple, Buddhist pagoda, Muslim mosque and Baptist church were on the same road, one after another. The Muslims we talked to said that they number about 100 families and they live in harmony with all without discrimination. They are constructing a new mosque on the old site.

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TOTAL has built a large new brick-built covered market. Most of the places have already been taken. There was a wide variety of products and produce available in the market and other stalls were springing up outside the market.

TOTAL also built a new isolation ward for communicable diseases for the government health clinic, which has a number of beds for indoor patients, and procured much new equipment for it. The doctor-in-charge, paid by TOTAL, performs minor surgery. TOTAL sponsors a malaria research project, since this is the worst disease in the area.

We met a man who was building a large new carpentry shop for making furniture. He was a pipe welder and tester on the project and was getting 60,000 per month. From his own and his wife's savings (she worked in a shoe shop) they were spending 700,000 to construct the new building. He employed 11 men, including a mason and master carpenter who got 1,000 per day in wages. -

Second day, January 7:

We chose all the five villages ourselves for visiting. The previous day this had been impossible because of the need to arrange trips the previous evening. However, as mentioned previously, one visiting Harvard professor in our group requested a village of her choice and we added that to the number to be visited. We were concerned to visit one or two villages where the dominant community (the Burmese) had the largest numbers, but where there was a substantial number of tribal people.

Zimba: We arrived as Sports Day was going on, which generated great interest among the men, women and children, who all participated in the sports. Prizes furnished by TOTAL were distributed to the winners. Sports Day gave us a chance to meet many people quickly. The Village Communications Committee was composed of ten persons, chosen because of their interest in the village. The VCC gave pigs to the five poorest people. One who got three sows had eight pigs and sold five of them for 1,800 each.

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Another two got rubber plants. The one we talked to got 397 plants. They will produce rubber in five years but he did not know where he could sell it. There were eight applicants for the rubber trees, but only two showed that they could do the required fencing and manuring.

One woman with five children got three sows and a cow, which gives milk for the family. She has not had piglets yet. One man worked as security guard for the project, 12 hours a day. He got 12,240 per month.

Migyaunglaung: This is divided into two, the East Bank (old village) and West Bank. The Army took the people (mostly Karen) out of East Bank in 1991 for security reasons and they were given land in West Bank. TOTAL, which came much later as people told us, had nothing to do with the transfer.

Beginning in March 1997 people were able to return to East Bank (46 families of Karens) and rebuilt their homes there, with help from TOTAL of 10,000 k. per family.

In West Bank there were two who got 300 broilers, which grow to about 2 kg. For 1.5 kg they get 500 k., selling mainly to Kanbawk. They have finished the first phase and bought 300 chickens for the second phase from their own profits, after repaying 25% to TOTAL as required by the project.

One safetyman who worked on the project for three months gets 35,000 per month, with allowances.

On the East Bank one elderly man who returned last year was born in Zimba, but his wife is local. He has four acres which he has planted with betel, cashew, coconut, jackfruit and watermelon. He built his own house and got 10,000 k. from TOTAL. The Village Communications Committee has five from East Bank and three from West Bank. Almost all families got pigs and are now in their fourth phase. One raised 20 pigs in phase two and sold them for 105,000 k. He opened a saw mill with the proceeds. There was a new primary school built by TOTAL. Every school has a big playing field, where there were signs of annual Sports Day. The schools were neat and clean, as were the teachers and students.

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The pig farm is owned by the collective shareholders, whose six members will soon work on rotation (previously they hired three persons to do the work).

Pyingyi: The Village Communications Committee has nine members, only one of whom is illiterate. They have been re-elected three times. They got a bonus of 7,000k. from TOTAL last year. They showed us a paper which had the composition of the members and their professions, signed by all of them except the illiterate one. One young woman expressed her eagerness to work on the program.

Fourteen villagers got pigs; at first, three families got three sows each. Five other families got broilers. The village has a large enclosed water tank built by TOTAL.

Phaungdaw: This is a village where the Bamar is predominant, with a big percentage of Mon, who all are Buddhist. We met three of the 10 members of the Village Communications Committee, the first two of whom were Mon. There seemed to be complete harmony between the two communities. TOTAL renovated a school and made an addition. They also repaired the clinic and provided a free doctor.

The village projects are pig raising, cassava and maize cultivation, rubber, nursery and shrimp cultivation. Those who excavated the ponds were taken for shrimp culture. More than 55% of the cost went for feed, but they are developing a local feed now. One pond was spoiled last year through infection.

Daminseik. This village was by the seashore. Many worked on the first length of the pipeline. We spoke to one who worked six months and made 60,000 k. per month wrapping the pipes. He was now working as a carpenter on a large building of Save the Children (USA). With his savings he bought gold for future security. There was a new school, which had three teachers, and a clinic with a doctor who had his medical degree from Yangon.

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CURRICULUM VITAE

- Name** : **Justice K.M. Subhan**
- Date of Birth** : **1st February, 1924**
- Academic Qualification** : **M.A., LL.B., Barrister-at-Law**
- Posts Held** : *
- * **Former Judge, Appellate Division
Supreme Court of Bangladesh**
 - * **Former Teacher, Dhaka University**
 - * **Former Ambassador**
 - * **Former Consultant, UN Centre for Human
Rights**
- Presently** : *
- * **Chair Person, Ain O Salish Kendra, Gano
Shahajjo Sangstha & Bangladesh Institute of
Human Rights.**
 - * **National Consultant, Grameen Courts Project
(UNDP Project), Ministry of Law, Justice &
Parliamentary Affairs, Bangladesh.**

Date :

(K.M. Subhan)

Reverend Richard W. Timm, CSC

Born: March 2, 1923 Michigan City, Indiana
1940: Graduated: St. Mary's High School, Michigan City
1945: BA (Philosophy) University of Notre Dame – *Magna Cum Laude*
1949: Ordained – Sacred Heart Church, University of Notre Dame
1951: MS (Biology) Catholic University of America
1952: PhD (Parasitology) Catholic University of America

1952-1968: Professor of Biology; Principal, Founder, Science Department Head
 Notre Dame College, Dhaka, Bangladesh

Special Assignments:

1953-1954: Fulbright Lecturer (Parasitology) Government Medical College
 Dhaka, Bangladesh; and Government Experimental Farm, Tejgaon.
1958-1963: Project on Plant-Parasitic Nematodes
 Food and Agriculture Council, Pakistan
1963-1964: SEATO Research Fellow (Thailand and The Philippines)
1968-1970: Visiting Professor (Nematology) University of California
 (including 2 1/2 months research in Antarctica)
1971-1972: Director, Cyclone Rehabilitation Project, Monpura Island
1971-1972: Planning Officer, CARITAS, Bangladesh
1974-1976: Executive Secretary, Commission for Justice and Peace
1987-1993: Founder, Coordinating Council for Human Rights, Bangladesh
 President for three terms
1990-1993: Founder/Convener, South Asian Forum for Human Rights

Awards and Honors

Magsaysay Award for International Understanding (1987)
 ('for 35 years of dedication to the development of Bangladesh')

Abu Sayeed Chowdhury Award for Human Rights in Social Service (1987)

Publications

Author: two college textbooks, over 70 scientific articles & monographs (biology);
 numerous papers on Human Rights, Development & Education

1991: *A Practical Manual on Working for Justice and Peace*
 (two editions, translated into 5 languages)
1993: *Asian Workshop: from Assistance to Partnership in Self-Reliance* (Editor)
1994: *On Building a Just Society* (CARITAS)
***The Church and Development in Bangladesh* (CARITAS)**
1996: *Forty Years in Bangladesh: Memoirs of Father Timm* (CARITAS)

UNOCAL IN BURMA

Unocal is a 28.26% participant in developing the Yadana natural gas field, in two Andaman Sea blocks offshore Burma. Paris-based Total (31.24%) is the project operator. The other participants are the Thai national exploration company PTTEP (25.5%) and Burma's national oil company MOGE (15%). Yadana is a world-class resource, with an estimated 5 to 6 trillion cubic feet (TCF) of gas. The participants paid \$20MM for the lease; Unocal's share was \$5.6MM.

This first Thai-Burma cross-border partnership is a 30-year contract to provide 525MMCF/day of gas to the Thai border, where the Thai power company will purchase it. On the Burma side, a 36-inch pipeline runs 190 miles from four offshore platforms to landfall at the village of Daminseik, and then across 39 miles of Burma to Ban-I-Tong on the Thai border. From there, a Thai pipeline carries the gas 185 miles to a giant (2800MW) new electric generating plant at Ratchaburi, Thailand.

The pipeline in Burma avoids all rain forest, following the most environmentally advantageous route. All pipeline, infrastructure and construction equipment and materials were imported by sea to new, project-built docking facilities. Project contractors cleared and built the port and all roads, bridges and infrastructure, using hired contract labor and modern, heavy equipment. There are 13 villages and a mixed ethnic population of 35,000 in the pipeline area. No villages were moved for the project. Private land users who were (temporarily) impacted by the project were compensated at rates higher than is typical in the United States for such projects.

Over 7,550 Myanmar nationals worked on the project, over 2,500 -- including 800-900 local workers -- per construction season. Another 74 Myanmar engineers, trained at a project-founded Technical Institute in Rangoon, comprise the field operating team on the project. Over its 30 years, the local payroll will total between \$100MM and \$150MM.

The pipeline and offshore facilities are complete. Gas will flow in contract quantities by the end of 1998. Capital expenditures for construction of the offshore platforms, seaport, roads, bridges and support facilities to the Thai border total about \$1 billion, with each participant paying in proportion to ownership. It will be 2001 or 2002 or later before any participant can recoup its hundreds of millions of dollars of capital investment.

The Yadana project instituted economic and social development improvements in the pipeline area to provide lasting benefits. Those include: construction, modernization, supply and staffing of hospitals, medical clinics and schools; free medical services; new agricultural techniques and projects (pig, goat and poultry farming), animal husbandry and aquaculture (shrimp farm). Project-assigned doctors are inoculating infants and children, carrying out malaria research and improving sanitation and hygiene to fight cholera, polio, and childhood diseases. The clinics have had over 100,000 patient visits to date, and over 3,000 have received hospital treatment. Life expectancy in the area is improving, and will continue to do so.

(September 1998)

YADANA PROJECT UPDATE 1995-1998

Unocal is a 28.26% participant in developing the Yadana natural gas field, in two Andaman Sea blocks offshore Myanmar (Burma). Yadana is a world-class resource, with an estimated 5 to 6 trillion cubic feet of gas. Paris-based Total (31.24%) is the project operator. The other participants are the Thai national exploration company, PTTEP, (25.5%) and Myanmar's national oil company, MOGE, (15%). Through its three-year, \$6 million socio-economic development program, the project has launched a variety of self-sustaining human and community programs that have improved living conditions for almost 35,000 villagers.

Construction

- Onshore pipeline installation was completed in May 1997. Reinstatement of the right of way was concluded in January 1998.
- Since 1995, the project has paid over \$1 million to local villagers for land compensation. No villages were relocated for the project.
- Offshore pipeline installation was completed in November 1997. Offshore platforms were installed in January 1998.
- The first of 14 development wells was spudded in August 1997. The last well was completed in June 1998.
- Commercial operations (gas exports to Thailand) are expected to begin in December 1998, due to Ratchaburi power plant construction delays. (Ratchaburi is located southwest of Bangkok.)

Labor Practices

- The Yadana Project consortium has employed an average of 2,500 Myanmar nationals – including 800-900 local workers – per construction season.
- Minimum wages are 12,000 kyats per month. Monthly cost of living for family of five is about 9,000 kyats.
- Total income generated by local project employment is over \$1 million.
- In January 1998, the 74 Myanmar graduates of the \$10 million Yadana technical training program were integrated into project's field operations team.

Socio-Economic Development Program

Health Services

- The project established the region's first health care network. With unrestricted access to these services, people from outside the region are traveling to the pipeline corridor for free project-sponsored medical care.
- 19 physicians were recruited to serve the entire pipeline corridor; 14 are always on duty.
- In June 1997, the Ministry of Health appointed a physician to work in Kanbawk Hospital, replacing project-sponsored staff doctors. There had been no prior government-provided medical staff in the area.
- The project twice upgraded the Kanbawk Hospital: more beds, new doctors/nurses quarters, contagious-disease isolation ward, medevac facilities, electrical power. The hospital is the only well-equipped facility within 30 miles.

- Six new health centers have been built and one renovated. Solar-powered refrigerators have been installed in all.
- 67 villagers have been trained as local health care workers. Following additional training, 10 workers are now government-certified Auxiliary Nurses/Midwives.
- More than 100,000 free patient consultations have been conducted since 1995. More than 3,000 villagers have received free in-patient care at Kanbauk Hospital.
- Since September 1996, 4,000 children (under one year of age) and pregnant women in 13 villages have been immunized against tuberculosis, diphtheria, tetanus, whooping cough, poliomyelitis and measles (national immunization program.) In 1998, 300 children were vaccinated against Hepatitis B.
- As part of a special national vaccination program (12/97-1/98), about 4,500 children (under five years of age) were immunized against polio.
- All 13 villages are involved in public health/sanitation programs. To prevent cholera, over 750 fly-proof latrines have been installed in five villages, and 37 public water wells were renovated in eight villages.

Education

- Nine new teachers have been assigned to the region; 135 teachers are now on-site.
- New schools were constructed in 10 villages, and schools in five villages renovated. The project has equipped these schools with benches, blackboards, desks, sports equipment, and education materials/supplies.
- A new assembly hall and nursery school were constructed in Kanbauk.
- School enrollment has increased almost 30 percent, reaching about 5,800 in 1998 compared with about 4,000 in 1995. Student/teacher ratio is 43:1.

Economic Development

- The project's two most successful programs – pig and poultry farming – have generated direct income of almost 20 million kyats for local farmers. The consortium provides piglets, chicks, feed, veterinary care, medicines/vaccinations and farmer training. (After reimbursing the project development fund for the initial cost of the piglets, villagers retain or reinvest their profits. The project reinvests all reimbursements in new programs or expanding current ones.)
- Pig farming was started in 1995 with 113 farmers from six villages. Almost 130 farmers from 10 villages are now involved in the program. Average local production is about 3,760 piglets. Two model breeding farms are now run as cooperatives. Since 1995, the project has imported over 2,100 piglets, and has donated five boars for breeding and improving the local stock.
- Poultry (egg) farms were established in early 1996, and are now operated by villagers as cooperatives. Over 100 farmers from seven villages are involved in 74 poultry farms. Since 1996, more than 2 million eggs – a beneficial and now affordable source of dietary protein – have been produced for local consumption. Net income for local farmers (after reimbursement of seed monies) exceeded 11 million kyats.
- Poultry (meat) farming was introduced in December 1996, and involved 20 farmers from five villages. Currently, 15 villagers from six villages are now participating.
- Dairy and cattle farming was established in 1996. Two stud bulls were imported to improve the local stock. Over 150 farmers have completed animal health and husbandry training courses conducted by project-recruited veterinarians.

- Shrimp farming was launched in 1995 with construction of two shrimp ponds by villager shareholders. First harvest (1.4 tons) was successful but not economic. Two additional ponds were built in 1996-1997. Twelve villagers now operate all four ponds.
- Veterinary Services – Five full-time veterinary surgeons were hired by the project. Since 1996, almost 200,000 vaccinations/treatments have been performed. Free treatment, consultation and training programs are conducted at the Yadana farm.
- Agriculture – Currently, 155 agricultural projects are under development, including rubber tree plantations, rice paddies, and maize, groundnut and cassava farming.
- Yadana Bank – With project funding, a commercial development bank was launched in May 1997 in five villages. Short-term (six-month), low-interest loans are available for expanding local businesses within the pipeline region. Four villagers on each local committee approve loan applications, with larger loans approved by project's socio-economic unit. To date, 52 loans totaling over 1.4 million kyats have been granted. All loans have been repaid (from increased income from business expansions).
- Support Program – The project provided 12 families in four villages with the funding to participate in one of the socio-economic projects. These families would otherwise have been unable to launch their own pig or poultry farms.

Infrastructure

- Roadways – Six new bridges have been constructed in the area. Electrical power (generators) was installed in nine villages. Access to six villages was improved, with an access road to one village upgraded for vehicular traffic. A new 98-foot bridge and a cable-floating raft will be constructed in two villages in 1998.
- Utilities – Public water supplies were improved in five villages (water ponds, storage tanks, solar pumps.)
- Public services – In October 1997, a marketplace was constructed in Kanbauk, the region's main commercial center. A fire truck and storage building also were donated to Kanbauk.

September 1998

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Questions for the Record
Submitted to Gare Smith
Subcommittee on International Operations and Human Rights
Subcommittee on Asia and the Pacific
28 September 1998

1. Burma is classified by the State Department as the world's largest producer of opium and heroin. The government of Burma was decertified again this year for U.S. narcotics assistance. However, through the UN Drug Control Program, the Administration is giving up to three million dollars this year for a new crop substitution program in the Wa region. Do these funds go directly to Wa farmers and indigenous organizations or do agencies of the SLORC government also receive funds from the program?

Funding for the UNDCP alternative development project in the Wa region of Burma goes through the UNDCP to the project in the affected area -- to farmers participating in the program and workers carrying out various tasks under UN auspices. No money goes to the Burmese government, the SPDC, or any other Burmese political entity. The \$15 million program provides aid for development and demand reduction directly to the inhabitants of three villages in the Wa region and on a much smaller basis, to the Kachin region. At our insistence, UNDCP tells Aung San Suu Kyi of the status of the program in the Wa-ethnic area.

The UN program in Burma is key to implementing the UNDCP worldwide goal to eliminate illicit drug cultivation by 2008. A first step in this UN effort has focused on developing a program in the ethnic Wa-controlled area. We are pleased that some Wa leaders appear to have begun enforcing the ban on cultivating opium in anticipation of UNDCP aid. USG opium cultivation estimates for 1998 show limited opium cultivation in several of the UNDCP program areas in the Wa region where opium once flourished.

2. Other UN anti-drug projects provide training, vehicles and communications equipment to Burmese law enforcement officers. How much does the United States contribute to these projects? How does the Administration justify the policy of prohibiting U.S. anti-drug assistance to the SLORC and then giving voluntary contributions to UN projects that provide the same assistance?

UNDCP programs are currently focused on alternative development programs in the Wa and Kachin areas. Although UNDCP has plans to foster regional interdiction efforts, Burma is not currently a recipient of such assistance. Moreover, USG funds have not and would not be used to fund law enforcement efforts, training, vehicles, and communications equipment in Burma. In addition, UNDCP Executive Arlacchi has assured us that he is sensitive to human rights concerns.

3. How do you assess the effects of activities by the United Nations development Program and other UN agencies in Burma? What, if anything, should be done to make sure these projects help the people they are designed to help while minimizing the extent to which they strengthen the grip of the SLORC?

The U.S. believes that UNDP's Human Development Initiative has successfully provided important humanitarian assistance for the needy people of Burma. The U.S. policy is that any assistance to Burma be targeted to assist the poorest citizens, avoiding Burmese government involvement. The U.S. Embassy in Rangoon keeps in close contact with the UNDP office there, in order to be aware of any problems with administration of these projects.

4. The principal arms supplier to the SLORC government is the government of the People's Republic of China. What efforts has the Administration made to get the Chinese government to stop supplying arms to the SLORC? What has been Beijing's response?

We have a continuing dialogue with the Chinese on nonproliferation issues, arms control and regional security. Our discussions cover such nonproliferation issues as nuclear weapons, missiles, chemical and biological weapons and include frank exchanges, including restraint in the transfer of arms to sensitive regions. We continue to press China to observe international standards in nonproliferation and arms control, and seek to deepen and broaden our dialogue on regional security issues.

