

PERIODIC REPORT ON THE NATIONAL EMERGENCY  
WITH RESPECT TO BURMA

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

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



JANUARY 7, 2003.—Referred to the Committee on International Relations  
and ordered to be printed

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THE WHITE HOUSE,  
*Washington, November 26, 2002.*

Hon. J. DENNIS HASTERT,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

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

Sincerely,

GEORGE W. BUSH.



PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO  
BURMA

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

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

2. The expenses incurred by the Federal Government in the 6-month period from May 20, 2002, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Burma are estimated at approximately \$5,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), and the Department of State.

3. Although the release of Aung San Suu Kyi from house arrest in May 2002, her travel around the country and the subsequent freeing of more than 50 political prisoners were positive steps, they have not been matched by equally serious steps towards a political dialogue on constitutional issues, including how to recognize the results of the 1990 elections. We are concerned that a loss of momentum will cause this encouraging process to falter. In part because of a lack of transparency in the discussions between Aung San Suu Kyi and the regime, serious doubt remains regarding the government's overall commitment to political transition. Many political prisoners are still behind bars and widespread abuses of human rights continue. Particularly troubling are the widespread serious abuses in ethnic regions including forced labor, forced relocations, torture, and rape. Significant but still insufficient steps have been taken to counter narcotic production and trafficking. Although opium production has fallen for five consecutive years, Burma remains the second largest producer of opium in the world.

The Burmese regime has not made significant progress toward fundamental improvement in the quality of life for the people of Burma. The government's efforts to maintain discipline and con-

trol, and exclude foreign expertise and participation, have had disastrous results, and a hostile investment climate prevails. Despite having significant arrears to the international financial institutions, Burma has signed a contract for a nuclear reactor it can ill afford. Looking ahead, there is really no prospect for relief for Burma without foreign financing and investment. The problems within the economy, and particularly within the fiscal budget, are simply too vast and too deeply entrenched to be treated now in the basis of Burma's own resources. Because many of the problems are caused by the severe repression of the regime, access to that foreign financing support will depend on progress in regard to structural reforms and political transition. Democracy, national reconciliation, and improved human rights will allow reintegration with the international community and bring the freedom, security, and prosperity which the people of Burma long for and deserve.

The United States will closely monitor the situation within Burma as developments unfold. We continue to work with countries in the region and other friends and allies toward a restoration of democracy. In doing so, we shall not neglect urgent humanitarian needs. I shall continue to exercise the powers at my disposal to deal with this unusual and extraordinary threat and will continue to report periodically to the Congress on significant developments as required by law.