
Presidential Documents

Title 3—

Memorandum of November 6, 2002

The President

Report to the Congress Regarding Conditions in Burma and U.S. Policy Toward Burma**Memorandum for the Secretary of State**

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

- 1) progress toward democratization in Burma;
- 2) progress on improving the quality of life of the Burmese people, including progress on market reforms, living standards, labor standards, use of forced labor in the tourism industry, and environmental quality; and
- 3) progress made in developing a comprehensive, multilateral strategy to bring democracy to and improve human rights practices and the quality of life in Burma, including the development of a dialogue between the State Peace and Development Council and democratic opposition groups in Burma.

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



THE WHITE HOUSE,
Washington, November 6, 2002.

Plan for Implementation of Section 570 of Public Law 104-208 (Omnibus Appropriations Act, Fiscal Year 1997)**Conditions in Burma and U.S. Policy Toward Burma for the Period March 28, 2002–September 27, 2002****Introduction and Summary**

Progress towards a real dialogue between Burma's military regime and the NLD's Aung San Suu Kyi took a step forward in May with the government's decision to release her from effective house arrest. Since then, Aung San Suu Kyi has been free to carry out her party duties as General Secretary, and, in a change from conditions in her pre-detention days, to travel freely throughout Burma. Since her release, Aung San Suu Kyi has made trips to Moulmein, Mandalay, and Hpa'an. She has also presided over a slow revival of the NLD as a political party. Virtually crushed by the government during the days leading up to Aung San Suu Kyi's detention in September 2000, the NLD has now re-assembled most of its party leadership and reopened 62 out of over 300 offices throughout Burma. It has also benefited from the release of more than 300 of its party members who had been held as political prisoners. Unfortunately, the steps the government has taken to rebuild confidence with the NLD have not been matched by equally serious steps towards a political dialogue on constitutional issues. As a result, questions still remain regarding the government's overall commitment to political transition.

In regard to human rights, the government's record remains poor. The regime has, however, improved its cooperation with international human rights organizations, finally agreeing to allow the ILO to appoint a liaison officer in Rangoon and to conduct on-site surveys in Burma of areas along the Thai/Burmese border that have been identified by Amnesty International and others as "hot spots" for forced labor. It has also continued to work with the International Committee of the Red Cross on improvements in prison conditions and released almost 400 political prisoners over the past two years. Unfortunately, hundreds remain in prison, several students were arrested for expressing political dissent in recent months and substantive improvements in prison conditions have yet to be realized. We are also deeply concerned by ongoing egregious human rights abuses of civilians in ethnic regions, including killing, torture, rape, forced labor, and forced relocations. The regime has responded to accusations leveled by human rights groups in Thailand of widespread army rapes in Shan State with investigations by three separate teams from the Burmese Army, the Ministry of Home Affairs, and the Myanmar National Women's Cooperative Association, but concluded—incredibly—that there was no evidence that Burmese Army personnel had been involved in any rapes in Shan State between 1996 and 2001. That conclusion, together with the lack of any international involvement in the investigation, has left international observers in serious doubt about the government's willingness to deal effectively with Burmese Army abuses in areas of internal conflict.

The areas of Burma under effective control of ethnic groups make Burma one of the world's largest producers of opium, heroin, and amphetamine-type stimulants, despite the fact that its overall output of opium and heroin has declined sharply in recent years, partly as a result of improved Burmese government counternarcotics efforts. Opium production in Burma has now declined for five straight years, and, in 2002, Burma produced less than one-quarter the opium and heroin that it did six years before. Unfortunately, as opium production has declined, the production of methamphetamines has increased, particularly in outlying ethnic majority regions governed by former insurgents, areas that are not under firm government control. According to some estimates, as many as 400 to 800 million methamphetamine tablets may be produced in Burma each year, although these estimates are difficult to verify.

In July, the U.S. Centers for Disease Control and Prevention conducted a countrywide assessment of the HIV/AIDS pandemic in Burma and concluded that it had shifted from an epidemic limited to high-risk groups to a widespread epidemic affecting the general population. The government continued to downplay the extent of the epidemic in the country; however, both the government and the NLD are very interested in international assistance to combat HIV/AIDS. USAID is initiating a new \$1 million HIV/AIDS prevention program in the country; assistance will be provided through international NGOs—no assistance will be directed to the government.

There are few signs of any government commitment to economic reform, despite rapidly deteriorating economic conditions. Two problems stand out. In the energy sector, a run of disastrous public investment decisions has left the economy largely without fuel for either its electric generating facilities or many of its basic industries. In the fiscal budget the situation is even more desperate. There, the deficits of Burma's state-owned enterprises are estimated to absorb all of the revenues collected by the government, leaving the government proper (i.e., the army, the navy, the health and education services, and all ministerial operations) to run on monies borrowed from the Central Bank. This in turn has produced a rapid expansion in the money supply, a commensurate surge in inflation, and a sharp depreciation in the value of the domestic currency (the kyat). It has also undermined public confidence in the military government's ability to manage the economy over the long run.

U.S. policy goals in Burma include progress towards democracy and national reconciliation, respect for human rights, a more effective counternarcotics effort, counterterrorism efforts, regional stability, HIV/AIDS mitigation, and accounting for missing servicemen from World War II. We encourage talks between the leader of the National League for Democracy (NLD) Aung San Suu Kyi and the military, recognizing that these are the best hope for meaningful democratic change and protection of human rights. Part of our strategy is to consult regularly, at senior levels, with countries with major interests in Burma and/or major concerns regarding Burma's current human rights practices.

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

Measuring Progress toward Democratization

At the time of the dramatic release of NLD General Secretary Aung San Suu Kyi on May 6, 2002, the government promised that she would be free to move about the country—a promise it has generally kept in the months since. Initial difficulty in visiting some UN projects appears to have been resolved. Over the past four months Aung San Suu Kyi has traveled to Moulmein, Mandalay, and Hpa'an. On each trip she coordinated travel and security arrangements with the government, but otherwise set her own itinerary. She also met freely with NLD party workers and the general public; however, in line with general restrictions on all political parties in Burma, she was not allowed to hold outdoor rallies or meetings. In Rangoon, similarly, she has resumed her party duties with minimal government interference and has continued to meet with both Burmese and foreign visitors on a regular basis, although the government still limits her access to high-ranking foreigners. Since March, foreign visitors have included UN Special Envoy Razali Ismail, who has facilitated communication between the government and the NLD, Japanese Foreign Minister Kawaguchi, EU Troika representatives, and ambassadors of European and ASEAN countries.

NLD efforts to rebuild itself as a political party have also accelerated to some degree over the past six months. Badly crippled by government repression during the 1990s, the NLD has now re-assembled most of its national leadership (with the notable exception of senior party adviser U Win Tin, who remains in prison). As of September 27, 2002, 62 of the NLD's party offices have re-opened, including 36 of 40 in Rangoon. All of the party's Central Executive Committee members have been released, as have a majority of the party members who were detained during the government's crackdowns in the 1990s. However, 16 of the party's MPs remain in prison. Altogether, 325 NLD party members have been released from prison or house arrest since 2000, leaving about 200 NLD prisoners still in detention.

The NLD has also resumed some normal party activities, including public meetings on major public holidays. However, outdoor meetings are banned (for both the NLD and all other registered political parties) and party elections remain forbidden under a decree first issued by the Central Election Commission in 1990. The government has refused to grant a publication license to the NLD party's newsletter, despite repeated NLD requests for permission to publish. Two student members of the NLD were also recently arrested for carrying banned political literature. The NLD, for its part, has moderated its public criticism of the regime. While it has called repeatedly for democracy in Burma, it has also stated flatly that it is prepared to work with the government on a process of political transition. Aung San Suu Kyi has indicated recently that humanitarian assistance for Burma's people could be welcome, provided that it is delivered through mechanisms that are transparent, accountable, and beneficial to the Burmese people, as opposed to the government. She told EU representatives that economic sanctions are a matter to be decided by individual foreign states.

Despite the steps the government has taken to rebuild confidence with the NLD, it has not yet responded to the NLD's calls for a serious dialogue on constitutional issues, nor has it sketched out a roadmap for reform or a timetable for elections. As a result, doubts remain regarding the government's commitment to dialogue. While it has repeatedly asserted that its goal is a restored democracy, it has yet to convince its critics, including the U.S., that it is genuinely committed to that course. The U.S. continues to recognize the results of the 1990 elections and will continue to push for the full restoration of the civil and political rights of the people of Burma.

Human Rights

The SPDC's human rights record remains poor with repression of political dissent, forced labor, ethnic persecution, lack of religious freedom and trafficking in persons all figuring prominently. Burma was designated a Country of Particular Concern for particularly severe violations religious freedom in 2001. Burma has been the scene of severe human rights abuses, particularly in ethnic minority areas, where there have been many reports of extrajudicial killings, rapes, and disappearances. Some of these were highlighted during the past six months in publications by Amnesty International and groups based on the Thai border. The Department of State's annual Human Rights Country Report on Burma includes credible reports of rape and other atrocities committed by the Burmese military, especially in ethnic minority areas. In June 2002, the Shan Human Rights Foundation (an organization initially related to the Shan United Army, a narcotics-trafficking organization), together with the Shan Women's Action Network, published a report, based on interviews with displaced persons, which alleged that Burmese Army personnel had been involved in multiple rapes involving hundreds of women between 1996 and 2001. The report also argued that the Burmese Army had used rape systematically as a weapon of war in its counter-insurgency operations. The Burmese investigated these charges with three separate teams from the Burmese Army, the Ministry of Home Affairs and the Myanmar National Women's Cooperative Association, but concluded—incredibly—that

there was no evidence that Burmese Army personnel had been involved in any rapes in Shan State during the five-year period covered by the SHRF/SWAN report. Following subsequent international pressure, the Burmese have approached both the International Committee of the Red Cross and UN Special Rapporteur Pinheiro for possible involvement in an investigation, but there remains doubt about the Burmese government's willingness to deal effectively with Burmese Army abuses in areas of internal conflict. We are urging that the UN independently investigate the reports.

The Burmese government dealt more effectively with other allegations of human rights abuses. It has continued to work with the International Committee of the Red Cross on improvements in prison conditions. It has also allowed ICRC to open up five regional offices throughout the country, staffed by 34 international volunteers, to provide protection to ethnic minorities. Similarly, it has allowed the United Nations High Commission on Refugees to maintain a presence in northern Rakhine State, providing support and protection services to more than 230,000 Rohingya Muslims who have returned from Bangladesh. After nearly a decade, however, some 22,000 Rohingya refugees still remain in two refugee camps in Bangladesh. In spite of ongoing repatriation efforts, for the last few years repatriations to Burma have not kept up with the camp birthrates and restrictions on movement in Burma have made life exceedingly difficult for this population. Furthermore, nearly 130,000 other Burmese ethnic minority displaced persons live in several camps along the border in Thailand because they do not feel it is safe to return. Given continued insurgent activity among some ethnic groups, associated human rights abuses are likely to continue.

The government has also made some progress on forced labor, which remains an issue of serious concern to the international community. In November 2000, the International Labor Organization (ILO) Governing Body concluded that the Government of Burma had not taken effective action to deal with the use of forced labor in the country and, for the first time in its history, called on all ILO members to review their policies to ensure that those policies did not support forced labor. The United States strongly supported this decision.

Over the past year, the Government of Burma has slowly begun to work with the ILO on measures to address the problem. In September 2001, it allowed an ILO High Level Team to visit Burma to assess the situation. That team concluded that the GOB had made an "obvious, but uneven" effort to curtail the use of forced labor, but that forced labor persisted, particularly in areas where the government was waging active military campaigns against insurgent forces. It also recommended that the ILO establish a permanent presence in Burma. A second ILO team visited Burma in February 2002 to follow up on this recommendation, and eventually agreement was reached with the ILO in Geneva regarding the appointment of an ILO liaison officer, pending the establishment of a permanent ILO office in Rangoon. That liaison officer has since been appointed. The ILO has also identified a permanent representative to serve in Burma. Perhaps most importantly of all, in August 2002, the ILO began field visits to sites along the Thai/Burmese border which have been identified by Amnesty International and other organizations as "hot spots" for forced labor and Burmese Army abuse of ethnic minorities. That said, there were continuing signs that forced labor remains a problem, with reports, even in Rangoon, of laborers being dragooned by the military.

Finally, the government has continued with the slow release of political prisoners. Altogether, approximately 400 political prisoners have been released from detention since October 2000. In response to an appeal from UN Special Rapporteur Pinheiro, the government has also released, on humanitarian grounds, approximately 400 women prisoners who either had small children or were pregnant. To date, releases have included a majority of the NLD members held in prison, all members of the NLDs Central Committee, several major ethnic leaders, several student leaders, and all

but 19 of the MPs elected to the 1990 Parliament. Even with these releases, however, hundreds of political prisoners remain in prison or under detention in Burma as of September 2002, including approximately 200 NLD members.

Burma is a Tier 3 human trafficking country that has not developed prevention, protection or law enforcement programs to address fully the serious trafficking problems that plague the country, but has made some progress in recognizing and publicizing the perils of trafficking in persons. It has signed the 1950 Convention for the Suppression of Traffic in Persons and the Prostitution of Others and is a participant in the UN Inter-Agency Project on the reduction of trafficking in the Mekong sub-region although its other international and regional anti-trafficking cooperation is very limited. In a report delivered to the U.S. Government in August, it also highlighted the recent information activities of Myanmar National Committee for Women's Affairs; the enforcement efforts of a newly formed Working Committee for the Prevention of Trafficking in Persons (which is chaired by the Home Minister); the legislation it has applied to combat trafficking; and the jail sentences that it has handed out to more than 100 traffickers over the past 3 years. However, information on its funding of anti-trafficking activities and its support for the repatriated victims of trafficking remains scant. The government's cooperation with international NGOs concerned about human trafficking has also been minimal. While it appears that the government has finally begun to recognize the significance of its human trafficking problems, it is equally obvious that it has not yet put together programs that can deal with all aspects of those problems. Given its current economic circumstances, we do not anticipate the emergence of effective programs in the near term.

Counternarcotics

The ethnic majority areas of Burma make it one of the world's largest producers of illicit opium, heroin, and amphetamine-type stimulants, despite the fact that its overall output of opium and heroin has declined sharply in recent years, partly as a result of improved Burmese government counternarcotics efforts. Opium production in Burma has now declined for five straight years and, in 2002, Burma produced an estimated 630 metric tons of opium, less than one-quarter of the 2,560 metric tons of opium produced six years earlier. Unfortunately, Burma's success in reducing the production of opium and heroin has been partially undercut by rapidly increasing production of amphetamine-type stimulants, particularly in outlying regions governed by former insurgents. According to some estimates, as many as 400 to 800 million methamphetamine tablets may be produced in Burma each year, although verification of this estimate is difficult due to the mobile, small-scale nature of the methamphetamine production facilities.

The policy of the SPDC central government is to end narcotics trafficking, but the SPDC realizes that this will be a long-term process as it has been elsewhere. There are reliable reports that individual Burmese officials, particularly in outlying areas, may be involved in narcotics production or trafficking, but we do not have evidence that the government is complicit in the drug trade. While the government has consistently urged former ethnic insurgents to curb narcotics production and trafficking in their self-administered areas along the Chinese border, it has only recently, with the support and assistance of China, begun to crack down on these groups. Since September 2001, it has begun to enforce pledges elicited from each former insurgent group to make their self-administered areas opium-free and, in March 2002, pressured each group (including the Wa and the Kokang Chinese) into issuing new decrees outlawing narcotics production and trafficking in areas under their control. However, the Wa have not committed to eliminating narcotics production until 2005.

The government has improved its cooperation with neighboring states, particularly China. In 2001, Burma signed Memoranda of Understanding on narcotics control with both China and Thailand. The MOU with China

established a framework for joint operations, which in turn led to a series of arrests and renditions of major traffickers in 2001 and 2002, many of whom were captured in the former insurgents' self-administered areas. Altogether, over the past 18 months, Burma has returned to China 22 fugitives from Chinese justice, including principals from one group that China described as "the largest armed drug trafficking gang in the Golden Triangle." Burma's MOU with Thailand, similarly, committed both sides to closer police cooperation on narcotics control and to the establishment of three joint "narcotics suppression coordination stations" at major crossing points on the border. That cooperation has since been interrupted by tensions on the border, but both governments have made clear that they look forward to resuming cooperation once these tensions have been cleared away.

Finally, Burma has participated in multilateral efforts to control narcotics trafficking in the Golden Triangle. Since November 2001, Burma has participated in ACCORD, the ASEAN and China Cooperative Operations in Response to Dangerous Drugs, which serves as an umbrella for a variety of global programs aimed at strengthening the rule of law, promoting alternative development, and increasing civic awareness of the dangers of drugs. It also signed UNDCP's 1993 Memorandum of Understanding among the six regional states—Burma, China, Thailand, Laos, Vietnam, and Cambodia—to control narcotics production. Finally, as China and Thailand have become more active multilaterally, Burma has joined the trilateral and quadrilateral programs organized by either to coordinate counternarcotics efforts among the four states of the Golden Triangle (Laos, Burma, China, and Thailand).

Under pressure from the Financial Action Task Force (FATF), which designated Burma as a "non-cooperating" state in June 2001, the Government of Burma has also begun to take action on money laundering issues. In June 2002, it enacted a new and potentially powerful money laundering law, which, if properly enforced, should address many of the FATF's concerns. That legislation criminalizes money laundering in connection with virtually every kind of serious criminal activity and levies heavy responsibilities on banks with regard to reporting. Penalties are also substantial. The police, in cooperation with the Central Bank and the Attorney General's office, are now training their first financial investigators and should begin prosecutions under the new law within the next few months.

Despite these steps, the United States judged earlier this year that Burma's visibly improving counternarcotics efforts were not yet commensurate with the scale of the problem. To encourage further progress, we have sustained a program of operational cooperation between police authorities in Burma and the U.S. Drug Enforcement Administration. We have also continued to work with the GOB on annual opium yield surveys in Burma, and with UNDCP and other donors on opium reduction and crop substitution programs. In September 2001, the United States pledged an additional \$1,000,000 to support UNDCP's Wa Alternative Development Project, which has helped reduce opium production in the territories of the United Wa State Army. Notwithstanding the lack of Burmese financial resources and capacity, we do not, as a matter of law, provide bilateral narcotics assistance.

HIV/AIDS

In July, the U.S. Centers for Disease Control and Prevention (CDC) conducted an in-depth assessment of the HIV/AIDS epidemic in Burma, including among high-risk groups and pregnant women. The CDC assessed capacity at various levels in preventing the spread of HIV and providing care and treatment for those infected. The CDC concluded that the data, while limited, on HIV/AIDS in Burma indicates a widespread epidemic of greater than two-percent prevalence affecting the general population. Previous estimates by the World Health Organization, UNAIDS, and others had indicated an epidemic of less than two-percent prevalence limited to high-risk populations. CDC observed a limited national HIV/AIDS prevention program run by the government, but that some efforts are underway by non-governmental

organizations. Voluntary HIV testing and counseling is extremely limited, and very few people know their HIV status. Programs to prevent mother-to-child transmission of HIV are small and limited and in need of strengthening at all levels. The government has made blood safety a high priority, but quality control is questionable. Availability of care and treatment for those infected with HIV is very limited and trained staffs are few, while some non-governmental organizations provide some care services.

The government generally denies the extent of the HIV/AIDS epidemic in the country, and their programs do not reflect the latest thinking of the scientific community on prevention, treatment, and care. However, like the NLD, the government is very interested in international assistance to combat the growth of the epidemic. CDC made a number of recommendations to strengthen and improve HIV/AIDS surveillance in the country and change policy and program implementation by the government to improve the effectiveness of the response to HIV/AIDS in the country. Policy recommendations included initiating widespread voluntary HIV testing and counseling, including allowing international non-governmental organizations to conduct testing and counseling. The CDC also recommended that national implementation by the government of a mother-to-child transmission prevention program be accelerated, that a national HIV/AIDS care program be developed, and that programs targeting high risk groups be strengthened and enhanced.

The U.S. Agency for International Development (USAID) is in the process of providing \$1 million to international non-governmental organizations operating HIV/AIDS prevention project in the country; none of these resources would be directed to the government.

The Quality of Life in Burma

The military government's management of the Burmese economy has been catastrophic. The government's ill-thought efforts to maintain discipline and control, and exclude foreign expertise and participation, have had predictably disastrous results.

Two problems stand out. In the energy sector, a run of disastrous public investment decisions has left the economy without fuel for either its electric generating facilities or many of its basic industries. In January 2002, the nation's peak generating capacity was sufficient to meet only about two thirds of the nation's peak demand and since then the situation has deteriorated further, with no prospect of relief until late 2003 or early 2004 at the very earliest. Until then, at least 30 to 40 percent of the nation's electricity customers will be without power at any given time.

In the fiscal budget, the situation is even more desperate. There, a failed fiscal concept, in which the GOB attempted to run the entire government mostly on the basis of the profits of the state-owned enterprises, has left the GOB without any basis for running the government over the long term, as profits have turned to losses in one state-owned enterprise after another. In fact, in Burma's fiscal year 2001/2002, the reported deficits of the state-owned enterprises actually absorbed all the revenues collected by the government, leaving the government proper (i.e., the army, the navy, the health and education services, and all ministerial operations) to run on monies borrowed from the Central Bank. This has in turn produced a rapid expansion of the money supply, a commensurate increase in inflation and a sharp depreciation in the value of the domestic currency (the kyat). Over the past two years, the kyat's unofficial value has depreciated from a rate of approximately 360/dollar in September 2000 to 1,100/dollar now, while inflation has accelerated to an annualized rate that is now approaching triple digit levels.

The government has attempted to deal with these pressures with a series of ad hoc restrictions on economic activity that reinforce (at least temporarily) its system of control while punishing private sector trade and investment. Thus far, however, the only consequence has been a crippled private sector

and a weakened banking system. Inflation has not ebbed and the kyat, after a brief rally in early June 2002, has resumed its downward slide.

Looking ahead, there is really no prospect for relief for Burma without foreign financing support. The problems within the economy, and particularly within the fiscal budget, are simply too vast and too deeply entrenched to be treated now on the basis of Burma's own resources. However, access to that foreign financing support will likely depend on progress in regard to structural reforms and political transition.

Development of a Multilateral Strategy

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

The United States has co-sponsored annual resolutions at the UN General Assembly and the UN Commission on Human Rights that focus on Burma. We have also supported ILO's unprecedented decision on Burma given its failure to deal effectively with its pervasive forced labor problems. Most importantly, we strongly support the mission of the UN Secretary General's Special Representative for Burma, Razali Ismail, whose efforts have been instrumental in facilitating communication between the government and Aung San Suu Kyi.

In coordination with the European Union and other states, the United States has imposed sanctions on Burma. U.S.-imposed sanctions include an arms embargo, a ban on all new U.S. investment in Burma, the suspension of all bilateral aid, including counternarcotics assistance, the withdrawal of GSP privileges, the denial of OPIC and EXIMBANK programs, visa restrictions on Burma's senior leaders, and a hold on all new lending or grant programs by the World Bank, the IMF, the ADB, and other international financial institutions in which the United States has a major interest. We have maintained our diplomatic representation at the Chargé d'Affaires level since 1990.

Our goal in applying these sanctions is to encourage a transition to democratic rule and greater respect for human rights. Nevertheless, we remain concerned about the growing humanitarian crisis in Burma and will, during the coming year, initiate a new \$1 million program to deal with the growing HIV/AIDS epidemic in Burma. This funding will go directly to international NGOs (including Population Services International) to support programs including condom distribution and educational efforts. We will also use a small portion of the funding from the U.S. Burma earmark to develop programs inside Burma in support of democracy. None of these funds will be disbursed to or through the government. We will also continue to examine the potential for law enforcement cooperation with Burma on terrorism and narcotics issues. Should there be significant progress in Burma in coming months on political transition and human rights, then the United States would look seriously at additional measures that could be applied to support this process of constructive change.