

CRISIS IN BURMA: CAN THE U.S. BRING ABOUT A PEACEFUL RESOLUTION?

HEARING BEFORE THE SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED TENTH CONGRESS FIRST SESSION

OCTOBER 17, 2007

Serial No. 110-144

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

U.S. GOVERNMENT PRINTING OFFICE

38-333PDF

WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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CRISIS IN BURMA: CAN THE U.S. BRING ABOUT A PEACEFUL RESOLUTION?

WEDNESDAY, OCTOBER 17, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA, THE PACIFIC,
AND THE GLOBAL ENVIRONMENT,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:20 p.m. in room 2172, Rayburn House Office Building, Hon. Eni F.H. Faleomavaega (chairman of the subcommittee) presiding.

Mr. FALEOMAVAEGA. The subcommittee hearing on Asia, the Pacific and the Global Environment will now come to order.

The topic for discussion this afternoon is "The Current Crisis in Burma: Can the United States Bring about a Peaceful Resolution to this Problem?"

I would like to begin by offering my opening statement and then proceed on in introducing our witnesses. I am joined by my good friend, the gentleman from New Jersey, a distinguished member of the subcommittee, Mr. Sires.

Between 1948 and 1962, Burma was a parliamentary democracy. On the 4th of July in 1962, the Burma Socialist Programme Party staged a coup d'etat, replacing the civilian government with a military-led regime headed by Mr. Ne Win, who remained in power for some 26 years. On August 8, 1988, tens of thousands of Buddhist monks and civilians staged what is now commonly known as the '88 Protests, calling for democracy and the return to civilian rule. The BSPP responded by deploying troops and firing upon unarmed demonstrators, killing what I understand to be well over 3,000 people were killed. After that protest, some 10,000 students fled.

After several weeks of faction within the military, originally calling themselves the State Law and Order Restoration Council, or what is commonly known as SLORC, later renamed the State Peace and Development Council, took over power, promising to hold elections once peace and tranquility were restored to Burma. Elections were held in 1990, but the military regime refused to recognize the outcome and continued its military reign. In 1988, the National League for Democracy was formed as an opposition political party to the BSPP. And the Nobel Peace Prize Laureate named Aung San Suu Kyi, now under house arrest since 1989, is the party's general secretary.

I might also note for the record that, in that 1990 election, the National League for Democracy Party won 392 seats of the 485-member Parliament. So I think about 82 percent of the people of

Burma supported Aung San Suu Kyi's party platform in their proposal.

An underground group called the Alliance for Burmese Buddhist Monks also emerged, and, as you know, about 80 percent of Burma's population of 54 million people are Buddhists. Throughout Burma's history, Buddhist monks have played a pivotal role in political change. Buddhist monks, for example, were active in the protest of 8 August, 1988, which contributed to the downfall of the BSPP and SPDC's rise to power.

Since 1988, the annual reports of the State Department have described extensive abuses of human rights perpetuated by the SPDC and the Burmese military. Political unrest is worsening. The '88 Generation, named after the pro-democracy demonstration, is challenging the government. In September of this year, the Alliance for Burmese Buddhist Monks also issued a letter calling for Burma's monks to refuse alms from members of the Burmese military calling for the overthrow of the SPDC.

On the other hand, the military regime in Aung San Suu Kyi's party appeared to be taking cautious but conciliatory steps. About 2 months ago, what began as a protest against unannounced increases in the price of gasoline, diesel fuel and natural gas quickly turned to renewed calls for democracy and freedom. The Congressional Research Service has reported that the initial reaction to the military regime was restrained and that protests regarding increased fuel prices were allowed to occur.

However, the Buddhist monks joined the protest. Military rulers began to break up the protests using violence. The focus of the protest has shifted from fuel prices to abuse of the monks and sparked further controversy. On September 25, 2007, the junta effectively imprisoned the Buddhist monks inside their monasteries by imposing a dusk-to-dawn curfew. And 2 days later, troops opened fire on a group of unarmed protesters, killing at least nine, including a Japanese reporter. By the same token, the Congressional Research Service also reported that there are some accounts of troops refusing orders to deploy or action taken against protesters.

At the United Nations General Assembly, 25th of September, President Bush expressed the outrage of the American people, stated that he was tightening sanctions on Burma. However, President Bush did not make any changes to the current exemption, which allows the United States oil company, Unocal, to continue its natural gas project in Burma, which provides the military regime with an estimated \$400 million to \$600 million a year in revenue.

The European Union's response to Burma has been slight. While taking little action of its own, the European Union has called on China and India to do more. China has maintained that issues of this sort are an internal affair but expressed hope that all parties would exercise restraint. India took a similar position to China. Other key Asian nations have taken mixed positions.

Today we have with us some real good witnesses from the State Department, from USAID, U.S. Campaign for Burma, and the distinguished professor from the Johns Hopkins University to be our panelists this afternoon. I look forward to hearing from their statements and their testimonies.

And I will give the opportunity to our ranking member, Mr. Manzullo, the opportunity to provide an opening statement when he arrives.

And at this time, I would like to turn the time to my friend from New Jersey, if he has an opening statement.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVEAGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT

Between 1948 and 1962, Burma was a parliamentary democracy. On July 4, 1962, the Burma Socialist Programme Party (BSPP) staged a coup d'etat, replacing the civilian government with a military-led regime headed by Ne Win who remained in power for 26 years.

On August 8, 1988, tens of thousands of Buddhist monks and civilians staged what is now commonly known as the 8-8-88 protests calling for democracy and the return to civilian rule. The BSPP responded by deploying troops and firing upon unarmed protesters, killing thousands. After several weeks, a faction within the military, originally calling themselves the State Law and Order Restoration Council (SLORC) later renamed the State Peace and Development Council (SPDC), took power promising to hold elections once "peace and tranquility" were restored in Burma.

Elections were held in 1990, but the junta refused to recognize the outcome and continued its military reign. In 1988, the National League for Democracy (NLD) was formed as an opposition political party to the BSPP, and Nobel Peace Prize laureate Aung San Suu Kyi, now under house arrest, is the party's general secretary.

An underground group, the Alliance of Burmese Buddhist Monks, has also emerged. About 80% of Burma's population is Buddhist. Throughout Burma's history, Buddhist monks have played a pivotal role in political change. Buddhist monks, for example, were active in the protests of August 8, 1988 which contributed to the downfall of the BSPP and the SPDC's rise to power.

Since 1988, the annual reports of the US State Department have described extensive abuses of human rights perpetuated by the SPDC and the Burmese military. Political unrest is worsening. The 1988 Generation, named after the pro-democracy demonstrations in 1988, is challenging the government. In September of this year, the Alliance of Burmese Buddhist Monks also issued a letter calling for Burma's monks to refuse alms from members of the Burmese military and calling for the overthrow of the SPDC and a return to civilian rule. On the other hand, the military junta and Aung San Suu Kyi's party appear to be taking cautious but conciliatory steps.

Nonetheless, in August of this year, what began as protests against an unannounced increase in the prices of gasoline, diesel fuel, and natural gas quickly turned to renewed calls for democracy and freedom. The Congressional Research Service has reported that the initial reaction of the military junta was restrained and that protests regarding increase fuel prices were allowed to occur.

However, after Buddhist monks joined the protest, the junta began to break up the protests, using violence. The focus of the protests then shifted from fuel prices to abuse of the monks, and sparked further controversy. On September 25, the junta effectively imprisoned the Buddhist monks inside their monasteries by imposing a dusk-to-dawn curfew. On September 27, 2007, troops opened fire on a group of unarmed protesters, killing at least nine, including a Japanese journalist. By the same token, CRS also reports that there are some accounts of troops refusing orders to deploy or take action against the protesters.

At the United Nations' General Assembly on September 25, President Bush expressed the "outrage of the American people" and stated that he was tightening sanctions on Burma. However, President Bush did not make any changes to the current exemption which allows the US oil company, UNOCAL, to continue its natural gas project in Burma which provides the military junta with an estimated \$400-600 million a year in revenue.

The European Union's (EU) response to Burma has also been slight. While taking little action of its own, the EU has called on China and India to do more. China has maintained that issues of this sort are an internal affair but expressed hope that all parties would exercise restraint. India took a similar position to China. Other key Asian nations have taken mixed positions.

Today, we have with us witnesses from the US Department of State, the US Agency for International Aid (USAID), the US Campaign for Burma, and from John

Hopkins University. I look forward to their testimony regarding the crisis in Burma and the subcommittee's concerns about whether or not the US can bring about a peaceful resolution.

I also welcome our Ranking Member and recognize him for any opening statement he may have.

Mr. SIRE. Thank you, Mr. Chairman. Thank you for holding this hearing. I apologize for being late, but I was at the Rotunda, where everybody else is.

I just have a couple of concerns. I will be very brief.

We have a situation in Burma where we are asking other countries to put pressure on Burma, and yet we still have Unocal providing the regime with about \$400 million to \$600 million a year in revenues. I think it just goes against our credibility when we ask other countries to do something and yet we are still providing them with \$.5 billion.

So I will be asking that question when I get the chance. And I am looking forward to hearing from you.

Thank you, Mr. Chairman.

Mr. FALCOMA. I might also add to the gentleman's comment that this has been one of the reluctance on the part of several of our friends not only in Asia but with India and China, because they do have economic ties to Burma, especially in the areas of oil extraction and also natural gas. And I believe this is where India and China are finding it very difficult to come forth and be part of the international community to raise serious questions concerning the developments in Burma.

We also have with us this afternoon a distinguished member of our subcommittee, the gentleman from California, Mr. Royce, if he has any opening statements.

Mr. ROYCE. Thank you, Mr. Chairman. Thank you very much. And I will be brief.

As we all know, this despotism and brutality that currently the military dictatorship is bringing to bear on the people of Burma is intolerable. And I would like to just touch for a minute on China's role and the complicity that it has in this current crisis.

Quite simply, China needs to stop playing the role of enabler to despotic regimes around the world. And I will give you a couple of examples.

China's role in Darfur is well-documented. Its role in the past in arming the Hutu militia, 1 million machetes delivered to the Hutu militia, is documented. But slightly less publicized is their role in Burma. While this has changed slightly over the last few months, as the world has turned its eye to the ongoing crisis there, we should do more to pressure China to use its considerable influence in Burma to end its campaign of ethnic cleansing, razing of villages and suppression of democracy. Indeed, it is the Chinese-manufactured MI-8 helicopter gunships that have been photographed carrying out various war crimes against Burmese civilians.

Skeptics will say that China hasn't been receptive to our requests and that increased pressure will only serve to strain our relationship. But we have recently seen how pressure may be working on China, as they have started to take a more constructive role in Darfur, appointing a special envoy to the Sudan and pledging to play a role in peacekeeping operations there in Darfur.

This same influence can be used to bring about peaceful change in Burma. Unfortunately, the United States has very little influence over the junta in Burma, but China's influence, their clout, is very significant there. It is time to see them wield it in a positive manner. And it is my hope that part of this hearing can be focused—and I hope our witnesses will address this—on what we might be able to do in order to get China to do the responsible thing and stop the slaughter of Burmese civilians and do something to move toward some modicum of human rights in that country.

Thank you very much, Mr. Chairman.

Mr. FALEOMAVAEGA. I thank the gentleman for his statement. And I think this is one of the issues hopefully that our hearing this afternoon will come to bear.

Sanctions, it seems to me, will only work if there is a collective effort made not only by one country but by an international community. And I think this is one area that we need to look at. And I think, despite whatever amount of sanctions that our own country might bear on Burma, the fact that there are other countries still conducting economic trade and relations with them makes it very difficult. It is difficult to say that Burma will react positively to some of the initiatives that we have already taken.

But be that as it may, I think we ought to still make every effort, through the United Nations, to see that the international community participate in this form of sanctions, so that hopefully Burma will respond in a positive way by the international community's efforts.

I would like to recognize my good friend, the distinguished ranking member of our subcommittee, Mr. Manzullo, for his opening statement.

Mr. MANZULLO. Thank you, Mr. Chairman.

Before I do that, I would like to ask permission of the chair to submit Congressman Pitts' statement to this hearing.

Mr. FALEOMAVAEGA. Without objection.

Mr. MANZULLO. Thank you.

Mr. Chairman, thank you for calling this important hearing concerning the ongoing oppression in Burma. I am honored to join you in calling for an end to the brutal regime of the military junta and to its endless repression of democracy.

All of us were outraged by the pictures beamed out of Burma that showed soldiers beating and shooting peaceful protesters. I commend the administration for taking swift action to condemn and sanction the military for its despicable acts. What is needed today is to discuss whether there is anything more that can be done to encourage freedom and stop the oppression.

I am heartened to see the international community has begun increasing its attention and pressure on the regime. The press reported that both Japan and the EU have toughened their sanctions against the junta. Japan announced it will cancel a \$4.6-million grant to build a business education center for a university in Rangoon. At the same time, the EU will increase its sanctions across the board by including a travel ban, targeted financial sanctions against high-level officials, and a prohibition on the imported num-

ber in gemstones. Even the U.N. Security Council has formally condemned the violence.

As information surfaces about the international community's additional pressure on the regime, Burma's neighbors remain eerily silent in announcing any punitive measures. Though the Association of Southeast Asian Nations, ASEAN, issued an unprecedented rebuke concerning Burma's attack, I hope ASEAN can do more to bring collective pressure on the junta. And we notice that Singapore and China have both sent very strong directives concerning what is going on in Burma, which I thought was quite interesting and quite helpful. China and India should also do more to exert influence on the regime. I simply do not believe that countries with such close economic ties can really have so little influence.

What is clear is that years of chronic mismanagement and corruption by the regime have done tremendous harm to the people of Burma. Burma has gone from a country that was once Asia's largest agricultural exporters to a country that is now synonymous with modern-day slavery, narcotics trafficking and child soldiers. Yet, despite eight separate sanctions against the regime, the junta maintains its death-grip hold and power.

I look forward from our witnesses concerning the way forward.

Mr. Chairman, you will note that I used the name "Burma" and not the name "Myanmar."

[The prepared statement of Mr. Manzullo follows:]

PREPARED STATEMENT OF THE HONORABLE DONALD A. MANZULLO, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman, thank you for calling this important hearing concerning the ongoing oppression in Burma. I am honored to join you in calling for an end to the brutal reign of the military junta and to its endless repression of democracy. All of us were outraged by the pictures beamed out of Burma that showed soldiers beating and shooting peaceful protestors. So, I commend the Administration for taking swift action to condemn and sanction the military junta for its despicable acts. What is needed today is to discuss whether there is anything more that can be done to encourage freedom and stop the oppression.

I am heartened to see that the international community has begun increasing its attention and pressure on the regime. The press reported that both Japan and the European Union (EU) have toughened their sanctions against the junta. Japan announced that it will cancel a \$4.6 million grant to build a business education center for a university in Rangoon. At the same time, the EU will increase its sanctions across the board by including a travel ban, targeted financial sanctions against high-level officials, and a prohibition on the imported lumber and gemstones. Even the United Nations Security Council has formally condemned the violence.

Even as information surfaces about the international community's additional pressure on the regime, Burma's neighbors remain eerily silent in announcing any punitive measures. Although the Association of Southeast Asian Nations (ASEAN) issued an unprecedented rebuke concerning Burma's attack, I hope ASEAN can do more to bring collective pressure on the junta. ASEAN's principle of non-intervention has allowed the military junta to escape the impact of American sanctions. China and India should also do more to exert influence on the regime. I simply do not believe that countries with such close economic ties can have so little influence.

What is clear is that years of chronic mismanagement and corruption by the regime has done tremendous harm to the people of Burma. Burma has gone from a country that was once Asia's largest agricultural exporters to a country that is now synonymous with modern-day slavery, narcotics trafficking, and child soldiers. Yet despite eight separate sanctions against the regime, the junta maintains its death grip hold on power.

I look forward to hearing from our witnesses concerning the way forward. Mr. Chairman, thank you for working so closely with us on this important human rights issue.

Mr. FALEOMAVAEGA. I thank the gentleman for his statement.

Interestingly enough, yes, the word “Myanmar” was coined by the military regime, but “Burma” was the British colonial term under the legacy of British colonialism that existed in Burma those years as well.

I am happy to see, also, one of our distinguished members of the committee, former Ambassador to the Federated States of Micronesia, now a distinguished Member of Congress from California, Congresswoman Diane Watson, for her opening statement.

Ms. WATSON. After going to, Mr. Chairman, the Gold Medal for the Dalai Lama, I am still caught up in this spirit of peace. And I would hope that today’s witnesses would address where you think Burma will be in the next year or so, and is it possible to have peace in the land under a democratic administration.

Thank you so much, Mr. Chairman. I look forward to hearing from the witnesses.

[The prepared statement of Ms. Watson follows:]

PREPARED STATEMENT OF THE HONORABLE DIANE E. WATSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Thank you for holding this important hearing on the recent civilian protests in Burma and what can be done by the U.S. to bring about peaceful resolution to the terrible situation there.

The people of Burma have suffered under a repressive military regime since 1998, when the Burmese military established rule through a military junta. Since 1988, the U.S. State Department has described a regime that has engaged in extensive human rights abuses, including torture, killings, rape, arbitrary arrests, forced imprisonment in military service, forced labor and relocations and heavy restrictions on speech and the press. It is also widely reported that the military regularly commits human rights abuses against members of Burma’s ethnic minorities, who make up the bulk of displaced people in Eastern Burma and refugees who have fled to Thailand.

In late August and September, we were all witness to daily reports of protests in Burma that reached a crescendo in late September before the Burmese military began its brutal crackdown. None of us can forget the terrible incident caught on film of the Burmese military summarily executing a Japanese reporter. It is very obvious that the Government of Burma not only has very little regard for human life and none for civil liberties but also that it doesn’t care what the rest of the world thinks of it.

Despite the outpouring of protestors in Burma, it does not appear that there is any evidence of instability within the regime or possibility of regime collapse. The Burmese government also appears to be relatively unaffected by the economic and diplomatic sanctions placed on it by the U.S., the European Union, Japan, and Australia.

The question then is what can the U.S. do to bring about change in Burma? What leverage do we have in the region and with Burma’s important trading partners, in particular India and China? Should the U.S. tighten its sanctions even further? For example, I note that U.S. sanctions do not include prohibiting Chevron’s involvement in offshore natural gas production. Should the U.S. threaten financial sanctions against foreign banks that hold accounts of Burmese government and military officials? Or should the U.S. pursue what has been described as a “road map” approach to Burma—that is, if the Government of Burma takes a positive approach on an issue, the Administration will initiate a positive response in return?

I am certain that the testimony of today’s panelists will attempt to address the way forward for the proper U.S. response to instability and unrest in Burma. I look forward to hearing their informed thoughts on the subject.

Thank you again, Mr. Chairman.

Mr. FALEOMAVAEGA. I thank the gentlelady.

We have on our first panel the distinguished Deputy Assistant Secretary of State for Southeast Asia, Mr. Scot Marciel. Mr. Marciel has had extensive service as a member of the Senior For-

eign Service of the State Department since 1985, was formerly involved with the Office of Maritime in Southeast Asia. Served formerly in Vietnam, the Philippines, Hong Kong, Brazil—you name it, he has been there—Turkey, as well. And now, also as a graduate of the University of California at Davis and the Fletcher School of Law and Diplomacy.

Also with us is Ms. Lisa Chiles, the Deputy Assistant Administrator for USAID. She also has an extensive background and experience in dealing with USAID issues in Cambodia, Afghanistan, Pakistan, Laos, and Thailand. I mean, just about everything in there, she has a very extensive background. She received her undergraduate studies from Emory University and also from the Vrije Universiteit in Brussels, Belgium.

I am not very good in French, Lisa. You will have to bear with me.

Anyway, I thank you both for your patience. Again, my sincere apologies for being a little late because of the ceremony that many of the members were involved in, concerning the Dalai Lama.

Secretary Marciel, for your statement.

STATEMENT OF MR. SCOT MARCIEL, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. MARCIEL. Mr. Chairman, Ranking Member Manzullo and members of the subcommittee, I have a full written statement that I would ask be entered into the record.

Mr. FALEOMAVAEGA. Without objection.

Mr. MARCIEL. Then I will be brief in my oral statement.

Thank you very much for inviting me here today to testify about the ongoing crisis in Burma and our strategy to foster a peaceful transition to democracy in that country and end its 40-plus years of repressive military rule.

While the streets of Rangoon are now eerily calm, and the regime tries to project a return to normalcy and stability after its brutal crackdown last month, in fact the situation is far from normal. The crackdown is continuing. Security forces continue to raid monasteries and arrest activists and are holding hundreds, possibly thousands, of detainees, including '88 Generation leaders such as Min Ko Naing, Ko Ko Gyi and Htay Kywe.

Reports continue to flood in that these and other detainees are being held in inhumane conditions and subjected to torture. The death last week of National League for Democracy member Win Shwe, who was arrested and tortured by the authorities, is only the most visible and personal manifestation of this cruelty.

Despite the regime's brutality, the spirit of the people of Burma and their yearning for democracy remains unbowed. We and others in the international community will continue to stand with the people of Burma, and we remain firmly committed to helping them realize their goal of freedom and democracy.

The United States is leading the international effort to promote positive change in Burma. Our strategy is straightforward: Exert maximum pressure on the regime, both bilaterally and multilaterally, to end the repression, release prisoners, and initiate a genuine dialogue with Aung San Suu Kyi and the democratic opposition

and with ethnic minority groups, leading to a peaceful transition to civilian democratic rule.

To achieve this, one of the things we have to do is keep the international community focused on the situation in Burma. President Bush, Secretary Rice and other senior administration officials have forcefully and consistently expressed the United States' condemnation of the regime's brutal crackdown and called for an immediate cessation of the violence and the release of all political prisoners. The First Lady's continued personal attention to the Burma crisis has helped keep the international spotlight on the regime's brutal crackdown and the need for transition.

Another key element of our strategy has been to build international support for U.N. Special Advisor Ibrahim Gambari's good offices mission to Burma. Mr. Gambari is working to promote a dialogue between the regime and the opposition. The adoption by the U.N. Security Council of an unprecedented Presidential Statement on Burma on October 11th, last week, a huge success and an effort led by the United States, will greatly bolster Mr. Gambari's mission. We are now working with Mr. Gambari and others in the region to facilitate his rapid return to Burma. Should the regime rebuff Mr. Gambari, we believe the matter should be referred back to the Security Council for further action.

As the President announced 3 weeks ago, our strategy also includes strengthening U.S. sanctions directed at regime leaders and their cronies. The Treasury and State Departments have designated additional regime officials and their family members as subject to U.S. financial sanctions and restrictions on entry into the United States. The administration is now considering follow-on sanctions targeting the regime and those who provide financial support to it.

As we tighten sanctions, we are concurrently increasing our support to those seeking a transition to democracy. We have submitted a congressional notification to expand funding for programs that help build the capacity of the Burmese people to participate effectively in an inclusive dialogue with the regime in a transition to a democratic world.

Finally, we are working intensively through diplomatic channels to ensure that all members of the international community, particularly countries in the region, use any and all influence they have to convince the regime that it is time to end the repression and initiate a genuine dialogue leading to a domestic transition.

Mr. Chairman, our strategy is straightforward, but obviously it is the results that count and that we are all looking for. The key obstacle to progress is a 400,000-strong military entrenched in power for over four decades that will not easily or willingly give up the absolute power it enjoys. Our challenge is to break this grip and get the military to see the wisdom of pursuing genuine dialogue.

Meeting this challenge will require a concerted international effort. The British, French and other like-minded partners have joined us in forceful condemnation of the regime's actions and have encouraged the European Union and others to take stronger measures.

On October 15th, the European Union imposed additional sanctions, banning the export of logging and mining equipment to Burma and barring the import from Burma of such products, and prohibiting investment in those sectors in Burma.

ASEAN has stepped up, too. Building on the unprecedented statement by ASEAN Foreign Ministers 3 weeks ago, we are actively engaging ASEAN members to increase their pressure on the regime and their support for Mr. Gambari's mission. We appreciate the Government of Japan's decision yesterday to cancel \$4.7 million in assistance to Burma as a means of demonstrating it does not support the military regime, as well as its public support for the U.N. Security Council's Presidential Statement.

India's public posture with respect to Burma has improved over the past few weeks, with calls for restraints and expressions of concern. However, India's welcome message is undercut by its actions, such as its announcement to invest over \$100 million in a transportation development project in western Burma. India can and should do more, given its stature as the world's largest democracy. Its voice and actions are critical.

China has the most influence on the regime and its policies. We appreciate that China joined the international consensus to speak out about the situation in Burma by supporting the U.N. Security Council's Presidential Statement on Burma. Nonetheless, we believe China can and must do more, and we will continue to press Beijing to do so. We continue to urge China to step up in a way commensurate with its emerging status as a global power.

In summary, Mr. Chairman, I can assure you that the administration remains committed at the highest levels to ensuring that democracy is realized in Burma.

Thank you for the opportunity to testify before the subcommittee this afternoon, and I look forward to your questions.

[The prepared statement of Mr. Marciel follows:]

PREPARED STATEMENT OF MR. SCOT MARCIEL, DEPUTY ASSISTANT SECRETARY,
BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Ranking Member Manzullo, and Members of the Subcommittee, thank you for inviting me here today to testify about the ongoing crisis in Burma and our strategy to foster a peaceful transition to democracy in that country and an end to its 40-plus years of repressive military rule. Three weeks have now passed since the start of Burmese military and security forces' brutal crackdown on civilians and Buddhist monks for peacefully expressing their desire for democracy and change.

While the streets of Rangoon are now eerily "calm" and the regime tries to project a return to "normalcy and stability," the situation is anything but normal. The October 13 arrest of "88 Generation Students" activist Htay Kywe and four others illustrates that the regime is continuing its harsh crackdown. It continues to raid monasteries and arrest activists, and is holding hundreds—possibly thousands—of detainees, including "88 Generation" leaders Min Ko Naing, Ko Ko Gyi, Htay Kywe, Pyone Cho, Jimmy, and others. Reports continue to flood in that these and other detainees are being held in inhumane conditions and subjected to torture by their interrogators. The death last week of National League for Democracy (NLD) member Win Shwe, who was arrested and tortured by the authorities, is only the most visible and personal manifestation of this cruelty.

Yet despite the regime's incredible brutality, the indomitable spirit of the people of Burma and their yearning for democracy remains unbowed. We and others in the international community will continue to stand with the people of Burma and remain firmly committed to helping them realize their dream and goal of democracy.

Mr. Chairman, our Burma strategy is straight-forward: maintain maximum pressure on the regime, both bilaterally and multilaterally, to end the repression, re-

lease the prisoners, and initiate a genuine dialogue with Aung San Suu Kyi and the democratic opposition, and with the ethnic minority group, that leads to a peaceful transition to civilian, democratic rule. This is what Aung San Suu Kyi and Burmese democracy activists, both within Burma and without, have said they want. To achieve this, we are working assiduously in concert with others throughout the international community to ensure the success of the United Nations' good offices mission, led by Special Advisor on Burma Ibrahim Gambari. We are also coordinating closely with international partners to tighten sanctions on regime leaders and their cronies as part of a broader effort to build the strongest possible international diplomatic pressure on the regime.

US-LED RESPONSE

Mr. Chairman, I am proud to say that the United States is leading this international effort and response to the crisis in Burma. President Bush, Secretary Rice and other senior administration officials, have forcefully, consistently, and publicly expressed the United States' outrage and condemnation of the regime's brutal crack-down and called for an immediate cessation of the violence and release of all political prisoners. In his remarks to the UN General Assembly in September, President Bush condemned the regime's brutal suppression of pro-democracy activists and announced tightened sanctions against regime leaders and their supporters. Secretary Rice joined with EU Foreign Ministers to issue a toughly worded statement on Burma and expressed our deep concerns about the situation there with ASEAN Foreign Ministers in New York during the UN General Assembly. The First Lady's continued personal attention to the Burma crisis has effectively helped keep the international spotlight on the regime's brutal behavior and the need for peaceful transition now. House and Senate resolutions and letters have also been tremendously helpful.

Another key element of our strategy has been to build international support for Special Advisor Gambari's good offices mission to Burma. The adoption by the UN Security Council of an unprecedented Presidential Statement on Burma on October 11, a huge success and an effort led by the United States, will greatly bolster his mission. It is the clearest direct signal to the junta to date that the international community is united in its calls for the regime to take the steps that will lead to a genuine and inclusive transition to civilian, democratic government in Burma. We are now working with Special Advisor Gambari and others in the region to facilitate his rapid return to Burma in the wake of the regime's announcement of a senior level liaison officer between it and Aung San Suu Kyi. While we remain deeply skeptical about the regime's actual intentions toward a dialogue with Aung San Suu Kyi and the ethnic minorities, we intend to pursue vigorously any possible opening. At this point, Special Advisor Gambari is the only one in the international community who has been able to gain access to both the regime leadership and to Aung San Suu Kyi. We and the rest of the international community need to do all we can to support his efforts. Should the regime turn its back on Special Advisor Gambari's proposals, we believe the matter should be referred back to the Security Council for further consideration.

SANCTIONS

As the President announced three weeks ago, our strategy also includes strengthening U.S. sanctions directed at regime leaders and their cronies. On September 27, the Treasury Department designated an additional 14 senior officials as subject to Executive Order Executive Order 13310, which authorizes the blocking of assets in U.S. jurisdiction belonging to senior officials and other designated persons. The Department of State also identified additional senior regime officials and their immediate family members—now totaling over 800 names—as potentially subject to the Presidential Proclamation that suspends the entry into the United States of persons who formulate, implement, or benefit from policies that impede Burma's transition to democracy. The administration is now considering additional sanction measures targeting the regime and those who provide financial support to it.

While sanctions alone certainly will not bring change to Burma, they are a critical part of the effort to bring international pressure to bear on the regime. Some countries, including EU member states and Australia, have joined us in implementing sanctions against Burma. Other countries, however, are reluctant to do so. We continue to engage those nations to emphasize that tough economic measures are necessary and perhaps the only way of getting the regime's attention and convincing it of the necessity to cooperate with the UN's good offices mission led by Special Advisor Gambari.

As we tighten sanctions, we are concurrently increasing our support to those seeking a transition to democracy. We have submitted a Congressional notification to expand funding for programs that help build the capacity of the Burmese people to participate effectively in an inclusive dialogue with the regime. The Broadcasting Board of Governors has doubled Burmese language programming on Voice of America and Radio Free Asia. We continue to seek ways to support efforts to restore democracy in Burma.

HOW ARE WE AND OTHERS DOING?

Mr. Chairman, while our strategy is relatively simple and straight-forward, obviously it is the results that count. In that regard, I would be less than truthful if I told you there is an easy solution to solving Burma's political problems and putting it on a path to genuine democracy. The key obstacle is that we are dealing with a military entrenched in power for over four decades that will not easily or willingly give up the absolute power and perquisites it enjoys. The Burmese military has forcefully insinuated itself over four decades into every fiber of the country and runs a parallel economic and social system that enriches it while impoverishing the rest of Burma. Our challenge is to break this grip and get the military to see the wisdom of pursuing genuine dialogue leading to a peaceful political transition.

Meeting this challenge will require a concerted international effort, especially from those countries in the region with the most extensive ties and leverage with the regime. We have been extraordinarily active, in Washington, New York, and through our Embassies in Asia and Europe, in encouraging other countries not only to support Special Advisor Gambari, but also to use every means at their disposal to press, prod and cajole the regime.

The British, French, and other like-minded partners, in close coordination with us, have been equally forceful in their condemnation of the regime's actions and have encouraged the EU and others to take stronger measures. On October 15, EU Foreign Ministers imposed additional sanctions banning the export of logging and mining equipment to Burma, barring the import from Burma of such products, and prohibiting investment in these sectors in Burma. The Government of Australia also announced its intention to implement targeted financial sanctions against regime figures and supporters.

ASEAN has stepped up too. Building on the unprecedented statement by ASEAN Foreign Ministers three weeks ago directly criticizing the regime and calling for restraint and urging the kinds of political reforms we have been seeking, we are actively engaging key members to press the regime directly, to support the Gambari mission, and to take a hard look at economic measures they can take.

We have urged the Government of Japan to review its assistance to Burma to ensure that it does not benefit the regime, and it is considering doing so. We appreciate Japan's recent public calls for restraint and public support for the UN Security Council's October 11 Presidential Statement.

India's public posture with respect to Burma has improved over the past few weeks, with calls for restraint and expressions of concern. The Government of India stated that it would be "helpful" if the regime released Aung San Suu Kyi and advocated a broad-based and inclusive process of national reconciliation. However, India's message and support for U.S. efforts in the United Nations is undercut by actions, such as its announcement to invest over \$100 million in a transportation development project in western Burma, which is adjacent to recently explored offshore gas fields. India can and should do more given its stature as the world's largest democracy; its voice and actions, at this time, are critical.

China has the most influence on the regime and its policies. China facilitated UN Special Advisor Gambari's September 29—October 2 visit to Burma by urging the regime to allow him to meet with Senior General Than Shwe and Aung San Suu Kyi. Significantly, China also joined the international consensus to speak out about the situation in Burma by supporting the UN Security Council's October 11 Presidential Statement on Burma. We appreciate these constructive actions by China. Nonetheless, we believe China can and must do more, and we will continue to press Beijing to do so. Specifically, we are asking that China support an early return visit by Special Advisor Gambari to Burma, and that China use whatever influence it has with the regime to secure the release of detainees and the initiation of a genuine dialogue between the regime and pro-democracy leaders and ethnic minority representatives. We will continue to encourage China to step up to the challenge in a way commensurate with its emerging status as a global power.

SUMMARY

In summary, Mr. Chairman, I can assure you that the Administration remains committed at the highest levels to ensure that democracy is realized in Burma. We are intensifying our bilateral actions to pressure the regime. We are actively engaging the key regional partners (e.g., China, India, Japan, ASEAN) and employing all appropriate measures to gain their support in pressing the regime for a democratic transition. We will continue and expand our longstanding assistance to the thousands of Burmese who are standing up for the rights of their people. We also will continue to coordinate closely with like-minded partners in Europe and elsewhere. We will vigorously support Special Advisor Gambari's good offices mission to promote dialogue and national reconciliation and urge others to do the same. We will also press for appropriate actions by the UN Security Council to help bring about the kind of changes we and the Burmese people seek.

Thank you for this opportunity to testify before the Subcommittee this afternoon. I am pleased to answer your questions.

Mr. FALEOMAVAEGA. Thank you.
Ms. Chiles?

STATEMENT OF MS. LISA CHILES, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. CHILES. Thank you, Mr. Chairman and Ranking Member Manzullo and the distinguished members of the committee. I appreciate the opportunity to testify this afternoon before you.

Mr. Chairman, I would like to submit my written statement for the record and just summarize briefly.

Mr. FALEOMAVAEGA. Without objection. You submitted a revised statement I believe I have now.

Ms. CHILES. Yes.

Mr. FALEOMAVAEGA. That is the one you want submitted for the record?

Ms. CHILES. Yes.

It is interesting to go back and look over a brief history of our economic assistance relationship with Burma. As you mentioned, the first economic bilateral was signed in 1950, and, for that first decade, we had an excellent relationship with the Government of Burma. They were strongly engaged with us. We provided equipment, training, agriculture commodities.

That was fine until 1962. With the military coup at that time and the sanctions then, we stopped any new programs, but we allowed ongoing programs to continue. And it took some time before those actually were completed. In the late 1960s, the Chinese Cultural Revolution spilled over into Burma and ignited a communist insurgency. And we, the United States Government, offered assistance to the Government of Burma, but we were turned down.

It was not until 1978 that the Government of Burma asked for our assistance again. And for the next decade, we provided help, mainly on agriculture, which is such an important part of the economy including maize and oil seed production, and edible oil processing, also an important part of the Burmese diet, which continues today; as well as primary health care and child survival.

In 1988, with the military crackdown on the peaceful demonstrators at that time, we imposed much more severe sanctions. This time, all the programs were closed down. Even commodities that were en route to Burma were diverted and sent to other places. The programs were cancelled.

So if you look at almost 60 years of this relationship, we have had only 2 decades where we were in Burma cooperating with the Government as best we could, particularly in the 1980s and 1990s, and providing assistance.

With your support, USAID began helping displaced Burmese along the border with Thailand in 1998, along with the camps, health and education programs, and also for the displaced population that is outside the camps. We have been providing access to health and education. We have been training teachers, providing scholarships. We have been making an investment in Burmese youth to develop the skills that will be needed by a future democratic Burma.

The current crisis has exacerbated an ongoing, complex emergency. The reports that we have currently are that for children under 5 in Burma, 35 percent are malnourished—35 percent; that is a very high number. Thirty-two percent are underweight, and 32 percent are stunted. That is also a very high number. Nine percent of the children under 5 are even suffering from wasting.

The fuel price hike recently triggered an increase in the prices of food, which has had the hardest impact on this part of the population, the most disadvantaged in Burma. Our USAID Bureau for Democracy, Conflict and Humanitarian Assistance, DCHA, is exploring what additional opportunities there might be for us to build the capacity of organizations working around Burma and for the Burmese people.

If the political situation was to improve, USAID could make a strong contribution to Burma's future development. We stand ready to continue our support for the people of Burma, in coordination with other USG agencies and departments.

I would add that, also with your support and encouragement, in 2006 we began providing support for internally displaced Burmese along the border with Thailand, and we have been providing about \$3 million a year for the internally displaced. So we look at three displaced populations—we look at the Burmese who are in the camps, about 150,000; and then we have the Burmese who are in Thailand but outside of the camps; and then we have the internally displaced Burmese—who we are working with.

Thank you.

[The prepared statement of Ms. Chiles follows:]

PREPARED STATEMENT OF MS. LISA CHILES, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Chairman, Ranking Member Manzullo, and Members of the Subcommittee, thank you for inviting me here today to testify about the ongoing crisis in Burma. Over the past fifty years, the US Government's assistance to Burma has fluctuated as development opportunities blossomed or wilted under different Burmese Governments. It is worth making a quick review of the history of our relationship.

On September 13, 1950, the first U.S.-Burma Economic Cooperation Agreement was signed. For the first decade, the bilateral relationship was characterized by strong host country engagement and ownership. The Government of Burma (GoB) initiated requests for assistance, chose projects, and invested its own funds. The USG provided equipment, supplies, training, and technical services through grants, loans, and sales of agricultural commodities (P.L. 480).

In 1962: USAID/Burma closed following a military coup. Funding for ongoing projects continued, but ended as projects were completed over time.

In June 1966, the USG and GoB signed a local currency loan/grant agreement totaling over \$17M to be used for school and hospital construction.

In the late 1960s, the GoB rebuffed a U.S. offer of assistance to Rangoon . . . when the Chinese Cultural Revolution spilled into Burma and re-ignited a communist insurgency.

In 1978, the GoB requested resumption of the bilateral development assistance relationship with the U.S. and new projects were begun in agriculture and health. USAID focused on agriculture (maize and oilseed production, edible oil processing and distribution, and agricultural research and development), primary health care and child survival.

USAID once again halted all economic assistance to Burma (except emergency humanitarian assistance and in-progress participant training outside of Burma) in response to the September 1988 military coup. Commodity orders were canceled, and those en route diverted. With the exception of the USAID Rep, all USAID direct hire staff and contractors were evacuated.

Since 1988, USAID has not had a presence in Burma, but beginning in 1998, resumed limited, targeted programs managed from the Regional Development Mission Asia (RDMA) in Bangkok, Thailand. Funding has been used to support those seeking a transition to democracy in Burma and similar groups outside Burma, and to meet the humanitarian needs of Burmese who fled to Thailand.

Currently, USAID administers the following activities out of RDMA Bangkok:

- Primary health care and education for refugees living in camps on the Thai-Burma border;
- Access to health care for out-of-camp Burmese in Thailand; and
- The education portfolio includes English-language training, basic and higher education and vocational opportunities, training for Burmese teachers, and assistance to develop a national education plan. In education programming, USAID gives preference to students who wish to return to Burma to work for civil society and economic development.
- Training for Burmese journalists and public information workers to improve the quality and dissemination of news and information on the situation inside Burma, and fund scholarships for Burmese refugees to study at colleges and universities in Asia, Europe, Canada, Australia, and the U.S.

On the border, USAID partners include the UN Food Agriculture Organization, the International HIV/AIDS Alliance, International Office of Migration, International Rescue Committee, Population Services International and the World Health Organization. These programs focus on meeting basic human needs.

Civil society development programs are carried out through the NGOs Internews and World Learning/World Education.

Taken together, these programs are making investments in Burmese youth to save what could become a “lost” generation, and to help develop the skills that will be needed by a future, democratic Burma.

Response to Current Crisis

The current crisis is exacerbating what is, for many Burmese, an ongoing complex emergency, particularly for women and children.

2007 UNICEF figures starkly reveal the hardship faced by many Burmese under the current regime. More than 35 percent of children under the age of five are malnourished. In some areas, this may be closer to 50 percent. The World Food Program (WFP) estimated that 32% of children under 5 are underweight and suffer from stunting, and 9% of children under 5 suffer from wasting. The fuel price hike on August 15 triggered an increase prices that directly affected the disadvantaged and are contributing to an increase in malnutrition, particularly in Rakhine State and Irrawaddy and Magway divisions.

In coordination with its Regional Development Mission in Thailand, USAID’s Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) is exploring additional assistance opportunities to build capacity. If the political situation were to improve, a USAID Mission could make a strong contribution to Burma’s future development. USAID stands ready to continue its support for the people of Burma in coordination with other USG agencies and departments.

Thank you for this opportunity to testify before the sub-Committee this afternoon. I am pleased to take your questions.

Mr. FALEOMAVEGA. Thank you.

Before I turn to my colleagues for questions, I would like to also welcome the gentleman from California, one other member of our subcommittee, Mr. Rohrabacher, if he has an opening statement.

Mr. ROHRABACHER. Thank you, Mr. Chairman.

I was just over with the Dalai Lama. And everyone who was here and missed that I think would be gratified to understand that Burma was mentioned several times during this event with awarding the Dalai Lama the Gold Medal. And China's atrocious support for the Burmese regime was noted.

So what we are doing here is very relevant. And I look forward to the question-and-answer period, when I can also ask some questions.

I thank you, Mr. Chairman. I have been very interested in the plight of the Burmese people for, actually, 20 years now. And you and I both visited that region, and I hope we will do so again soon.

Thank you very much.

Mr. FALEOMAVAEGA. I thank the gentleman.

We were all at the ceremony honoring the Dalai Lama, and it does have a very, very strong connection, in the fact that the People's Republic of China is very much a key player, not only in Burma, the six-nation talks that we have just completed with South Korea. It seems that China does have a lot of influence in this.

I would like to turn the time over now to my good friend from Illinois for his line of questions. I am going to reserve my questions, because by the time it comes to me, they will have asked all the questions I had too.

So, the gentleman from Illinois.

Mr. MANZULLO. Thank you, Chairman.

Thank you for testifying today.

I have a question that is more generic than specific, and that has to do with sanctions. Can very strict sanctions on the part of one nation or a group of nations actually push the sanctioned nation into the arms of another nation and cause more damage than good?

Mr. MARCIEL. It is a good question, Congressman.

Mr. MANZULLO. I don't expect a real answer. I am serious.

Mr. MARCIEL. Thank you.

Mr. MANZULLO. Just some general comments on it.

Mr. FALEOMAVAEGA. Just wing it.

Mr. MARCIEL. The question of the futility of sanctions has been out there for a long time, I think ever since sanctions have been put in place. And we all hear that there have been very few success stories. And its success, as in the case of South Africa, has generally required strong international support and consensus in favor of those sanctions.

Can sanctions push a country into the arms of another? I think, in theory, certainly. I think, in the case of Burma, what you find is this is a country that has chosen to isolate itself—a government, I should say, that has chosen to isolate itself. I am not sure that they are in anyone's arms, per se.

Obviously, their economic relations are mostly with their neighbors. Whether they would be much different without sanctions, it is hard to say. It is not a country that has much in the way of trade at all, even with countries that don't have sanctions on it.

So I think the short answer is, yes, it can push a country into the arms of another. I am not sure that that has been the case in Burma.

Mr. MANZULLO. The Chinese have a distinct interest in Burma because of oil, because of precious minerals such as tungsten. We don't have that here anymore.

When a nation abuts another nation, doesn't it make sanctions a lot more difficult? Because now you have a neighbor, as opposed to a country that is 6,000 or 8,000 miles away. Should we actually expect the same type of sanction activity to come from a neighboring country?

I don't mean to defend China or to criticize China here, because it is a delicate problem for them also. And they realize that, because I have read some of the statements that China has in fact made on Burma, and some of those statements are in opposition to what is going on there.

But would you care to tackle that?

Mr. MARCIEL. I will try, Congressman.

Mr. MANZULLO. Ms. Chiles, if you want to defer to Mr. Marciel, that is okay with me too.

Mr. MARCIEL. I can't, obviously, speak for the Chinese Government, but I can give you our best sense of how China looks at the problem.

As you said, China shares a large border with Burma. It has economic interests, energy interests of course. I think it also has an interest in Burma being unified, stable and prosperous. It doesn't want violence or other troubles to spill over its border from Burma. And, frankly, we share those goals with China. We don't want a divided country or a country torn by war and unrest either. So I think fundamentally China is looking for stability, prosperity and obviously its economic interests.

Our argument—and we have engaged extensively with China on this—is that if, in fact, our analysis is right and China's interest is in stability, prosperity, a unified country, then the current regime in Burma is not the ticket for the future, because this regime is taking the country down. It is not just human rights violations, although its human rights record is appalling. It is ruining the economy, it is ruining the education system, it is exporting drugs, refugees and increasingly infectious disease. This is not a regime that is helping anyone in the region.

Therefore, the way out is a dialogue leading to a transition to a more representative government that would better govern the country, increase stability, increase prosperity. We are arguing with the Chinese that this is very much in their interest.

Mr. FALEOMAVEGA. The gentleman from New Jersey.

Mr. SIRE. Thank you, Mr. Chairman.

I was just wondering, the U.N. Special envoy just returned from the region. And they went to China, India, Indonesia, Japan, Malaysia, Thailand, regarding the situation in Burma. Was there any progress? Did you get a sense that there was progress? And do you know if they reached a consensus?

Either one. I don't want to exclude you.

Mr. MARCIEL. Congressman, Mr. Gambari went out, was able to visit Burma, came back, and is now back out in the region. I think

he is in Malaysia today. We are hoping, and I think he is hoping, to get back to Burma soon.

What he did in Burma was talk to the regime leadership. He was able to meet twice with Aung San Suu Kyi. I wouldn't call that progress; I would say it was useful for him to be able to have those conversations. Nobody else has had access to Aung San Suu Kyi, and not too many people have had access to Than Shwe, the leader of the regime. It has not yet resulted in any demonstrable progress.

After his visit, General Than Shwe did make, through the Burmese state-run media, a very heavily conditioned offer to hold talks with Aung San Suu Kyi, and he subsequently appointed a Burmese official to be a liaison to her. This could be, if the regime were willing, the beginning of an opening. But, frankly, I think we are all very skeptical, given the regime's record and the fact that it is continuing to arrest people, it is continuing its crackdown.

That said, Mr. Gambari is back in the region and will try to go back to Burma to see if he can take this hint of an opening and turn it into something more.

Mr. SIRES. Do you feel that maybe the Burmese leaders are just buying time until they finish the total crackdown?

Mr. MARCIEL. It is certainly possible, yes.

Mr. SIRES. Thank you, Mr. Chairman.

Mr. FALCOMA. The gentleman from California.

Mr. ROHRBACHER. Thank you, Mr. Chairman.

Just to follow up on the line of questioning that Mr. Manzullo had, sanctions which are aimed at a country that is ruled by a dictatorship generally do not work because the people who run the country, the individuals who run the country don't give a damn about the country or the people of that country. That is why they are dictators. That is how they manage to commit acts of torture and horrendous acts of violence against their own people in order to stay in power. Because they don't care about them. So a sanction that hurt various countries will not push a dictatorship in the right direction.

South Africa had a dictatorship of a race. They had, what, 10 percent of the population, 20 percent of the population there who were—their lives were tied to the country. And that perhaps is one reason why the sanctions were able to work. Sanctions that do work are sanctions that are aimed specifically at those individuals who are holding power, especially if they hold power through criminal behavior. And those sanctions would tend to work or at least tend to have an influence on decision-making of the criminals making the decisions.

Do you have a list of the names of the military officers who commanded the troops, all the way up to the general level, who are engaged in the crimes that were just committed recently against the democracy demonstrators, the monks and others in Burma?

Mr. MARCIEL. If I could give you a two-part answer, sir. First, we announced sanctions just recently, a couple of weeks ago, specifically targeting regime leaders and their families. And we are looking at further steps to go after—

[Additional information follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE DANA ROHRABACHER

In light of the ongoing atrocities committed by Burma's junta leaders and their associates, the U.S. since September has designated a total of 37 leaders of the Burmese regime and their supporters for sanctions under new and existing authorities, including Senior General Than Shwe and Vice Senior General Maung Aye. The State Department has also added 260 names of Burmese officials and their family members to its visa ban list.

While we do not have a complete list of the names of the military officers who commanded the troops involved in the recent crackdown against pro-democracy demonstrators, we are continuing to work to obtain this kind of information in the context of our sanctions initiatives.

We believe that our sanctions are starting to have an effect on the regime and its cronies, based on numerous media reports of regime leaders trying to move assets and businessmen with close ties to the regime who are having financial problems. The U.S. Government continues to actively gather and review information on additional individuals and entities with ties to the regime.

Mr. ROHRABACHER. What type of sanctions were they?

Mr. MARCIEL. It was a combination. One is financial sanctions, asset freeze—

Mr. ROHRABACHER. What does that mean?

Mr. MARCIEL. Freezing any assets they might have.

Mr. ROHRABACHER. Freezing any assets they held in banks—where?

Mr. MARCIEL. Under U.S. jurisdiction.

Mr. ROHRABACHER. Would that include banks that did business in the United States but were not American banks? So, if you have the Bank of France that tries to do business here, and we would insist that the Bank of France, even if this account—a general with blood on his hands has put the money in that bank over in France, we could still freeze it? In order to do business, they would have to freeze that account; is that right?

Mr. MARCIEL. My understanding—I am not an expert on sanctions—my understanding is, no, this would be only banks under U.S. jurisdiction—or accounts under U.S. jurisdiction, I should say.

Mr. ROHRABACHER. Might I suggest, if we are serious about this, that we suggest that any financial institution that does business in the United States will have to comply with the sanctions that we put forward against gangster regimes, people who are involved in gangster regimes?

What we have here are large financial institutions that have been accomplices in crime for the last 5 decades, and we have never gone after these institutions—whether or not you are talking about Mr. Mabututu in Zaire, who stole billions of dollars from his people, and he put it in a bank somewhere, and frankly those banks probably own that money now. And that is something, Mr. Chairman, that we need to do and work together on.

Mr. FALEOMAVAEGA. If the gentleman will yield, I would also note of interest that one of the problems that we are faced in putting sanctions in Iran is because many of these countries from the European Union are doing business with Iran, which totally makes our sanctions worthless. And this is the same problem that we are going to be faced with with Burma, when we place sanctions these other countries continue to do business with Burma as if nothing was happening.

Mr. ROHRABACHER. Reclaiming my time, I would appreciate it if you would prepare a list for my office of not only the generals but

all the way down to the officer level at the units that were engaged in opening up and murdering these monks and these other pro-democracy demonstrators. I want to know who in the Army, even down to the point where a major or a captain on the scene said, "Go, shoot." That person should be held accountable. We should have a list of those people as potential war criminals or criminals who have committed crimes against humanity, and have that list.

And that list—certainly the sanctions you are talking about—we should do our best to establish sanctions that really count. For example, putting them on a list where they can't put money here will make very little difference if they can put all their money in other institutions that are free to do business here, because it is all fungible. As well as, I might add, we should be putting these people on a list, an airline list, so that if they go anywhere in the world on an airline that has any business in the United States, that we would be notified and these people could be arrested.

Is that possible?

Mr. MARCIEL. I don't know if it is possible. One of the other sanctions that we have imposed is a ban on entry into the United States, which, of course, we do fully control.

In terms of the lists, I will be honest, our information is limited. This is such an opaque, closed society that we don't have great information. But, certainly, we would try to put together a list, to the best of our ability.

Mr. ROHRABACHER. Let me make an observation. My guess is that the Burmese military publishes the list of who their officers are. I am just guessing at that, but I don't know many societies which do not do that. Even dictatorships will say, "This is the guy that has commanded this," and "This guy is in command of this squadron, and in fact we are giving him a medal this year because his people did the best job in their maneuvers" or something.

So I would ask the State Department to make a list of military officers who were involved in those units, which were a number of units, which committed crimes against humanity in these recent things.

And I would call on the chairman and my other colleagues to join with me in insisting that these people on a list that we make be held accountable and be brought to justice. And this is what will deter the type of outrageous criminal behavior that we have.

And we should, again, make sure that our international financial institutions are not accomplices in this type of crime.

The other end of it is, in terms of China, let's note that the Chinese deal just for natural gas, the natural gas that China will receive from Burma. The people of Burma will be denied billions of dollars of wealth that should be going to their own people, will now be siphoned off into China because their gangsters have cut that deal with Beijing. You have 35 percent of their children malnourished, and they are giving away billions of dollars in a sweetheart deal to Beijing. This is unacceptable. This is something we need to highlight and form a coalition of democratic countries and humane countries and other peoples in the world who care about human rights.

We are relying on you to get us some specific information.

Ms. Chiles, I know that you have seen this firsthand, as I have, on the border of Burma. There was a wonderful lady there in Maysot who ran a clinic there. What was her name, and is she still there?

Ms. CHILES. She is still there. I don't have her name at the moment.

Mr. ROHRABACHER. You're not on the mike there.

Ms. CHILES. I am sorry. Is it Cynthia's Clinic? Is that the one in Maysot?

Mr. ROHRABACHER. Right. There are some real heroes, as well as villains, in this drama. And we should recognize and make sure we are on the side of the heroes and not the side of the villains.

So thank you very much, Mr. Chairman.

Mr. FALCOMA. Thank you.

Mr. Secretary, I would like to submit also the names that Mr. Rohrabacher had requested to be made part of the record of the subcommittee. Okay?

The gentlelady from California.

Ms. WATSON. Thank you, Mr. Chairman. I would like to kind of follow up and bring it right close to home on the line of questioning that Representative Rohrabacher was raising.

And it is estimated that the Burmese regime gained about \$500 million from the earnings of the Yadana natural gas project consortium in 2006. The consortium includes the U.S. Chevron Corporation. It has a 28 percent share. And maybe you can suggest or recommend that Congress or the President ask Chevron to withdraw from the project.

And if Chevron should withdraw, what do you think would happen to the project and the income to the Burmese regime and their share that they would receive if we withdraw our share? Would it have an impact?

Mr. MARCIEL. This is something we have been looking at, particularly over the last month or so. Chevron is there, as you know, because its investment predated the investment ban of 1997. It has not made new investments since then.

At the risk of predicting the future, I think our best sense is that, if Chevron were to pull out, it would be replaced with another multinational company. So one of the questions we have grappled with is, there is certainly symbolic value in Chevron leaving—economically, is there damage or does it hurt the regime? If another company came in, presumably it would continue the operation, so the impact on the regime economically may not be significant. This is one of the reasons it is not such a simple issue.

Mr. FALCOMA. I am sorry, I didn't mean to interrupt the gentlelady.

I can guarantee there is going to be another company. There is going to be a Chinese-subsidized oil company that is going to take over, without any question.

Mr. MARCIEL. So we are continuing to look at this. We haven't made a decision on it. But we are certainly looking at it very carefully.

Ms. WATSON. I am reminded of apartheid in South Africa and what we did here in the United States. And what we did was we withheld from those companies that retained and did business in

South Africa support. And I am just thinking that it seems to me we could strike a blow that way. You know, that is a U.S. corporation. And in spite of what is happening politically in many countries, foreign countries where they are drilling for oil, they continue on and share some of the revenues. So I think, symbolically, for the moment, it might have an effect. Of course, China is probably ready to move in immediately.

But I do think that some kind of demonstration on our part—you know, let us stop talking about what the other surrounding countries can do and let us take a move on our part.

My next question is trying to grasp the kind of influence the junta has on Burma, so much so that they have taken their spiritual leaders, the monks, and put them in prison and the torture and all that followed.

What do you think—and maybe, Ms. Chiles, you can address this. What is the goal of the military government there? Do they really want to rule the island? Or do you think someday they want to move toward democracy? Certainly their actions don't show that intent.

What is the core? We know that the protest started over oil, economics and treatment of the monks and all. But what do you think are the core motivations of the junta?

Ms. CHILES. I think that is very hard to determine. One of the most disturbing things, I think, is when they further isolated themselves by spending millions to move to a remote area for the capital. I mean, that certainly wasn't a good sign, to further isolate themselves from their people when we are trying to promote a dialogue in the country between the opposition leader and the Government.

So I don't know if, Scot, you have more to add on that, in terms of what their real motivation is. But it is not encouraging, this isolation and further isolating themselves even within Burma.

Ms. WATSON. But, you know, we find ourselves involved in so many different places where we don't have a great deal of understanding what the bases of the conflicts are. And we can do external things like put sanctions on; we can ask our companies to pull out their share of the profit, and so on and so forth.

But until we can really understand why the junta is isolating itself and its spiritual leaders are treated with hostility, do you think if China comes in and replaces our companies, do we really understand how we can help them gain the peace that we would all would like to see and become members of this global economy again? Because I don't get it yet.

Ms. CHILES. If I could just say, I think it is a regime with very few friends in the world. And I think it is our hope that some of their friends will be able to have that kind of discussion with the regime, with the junta.

Mr. MARCIEL. Can I add just briefly on to that?

I don't claim to have great understanding of the regime's thinking, and I think very few people do. It is a very isolated group at the top. It has been quite xenophobic for many years.

A couple of points. One, one motivation is clearly staying in power and protecting themselves and their families.

Two, the military in Burma has propagated a myth for many years that it is the only force, the only institution capable of maintaining peace and keeping the unity of the country. As you know, this is a country with many different ethnic groups, a number of which have engaged in separatist insurgencies for many, many years. And so, there is an argument, at least that the regime makes, that the military is the only group capable of maintaining control and unity.

I think the fact is that they are failing to govern this country, and so there is a need to move forward. We don't know what others in the regime think. We would like to think that there are some in the regime who, perhaps not democrats, but at least want their country to do well, who would favor a different approach of joining the world. But we haven't seen any signs of that yet, to be honest.

Ms. WATSON. I just wanted to include, Mr. Chairman, by saying it has been my experience that when you go out to these remote islands in the Pacific, either North or South Pacific, they live by a whole different code. And you can trace back thousands of years before this land was even thought of, maybe the Native Americans were here. Until you can really get in and understand what motivations—because what I discovered when I was at post is that it really had to do with the various sects—and we are finding this out in Iraq—and, you know, who controls who, who owns them, who influences, what families.

And, you know, you really can't get in unless you understand, get to the people who can have dialogue and maybe reach some kind of a negotiated compromise. We can do the external things, and I think maybe it ends up with the U.N. Putting together a group that will go in China, India, Korea, South Korea and so on and sit down and talk to people.

Go ahead. Did you want to respond?

Mr. MARCIEL. Just one comment.

First, I certainly agree with you on the importance of understanding them. But one thing that I would say about Burma, my visits there and what I have heard from others, it is striking that the people of Burma, as opposed to the regime, which has no popular support, very clearly favor democracy. They voted for it before. When you talk to them, it is very clear. So we think we have a pretty good idea of what the people of Burma want. It is unfortunate that the regime is not letting them have a voice.

Mr. FALCOMA. The gentleman from California.

Mr. ROHRBACHER. If you would indulge me for just one moment, because I know we have a break for the votes. Just one note.

I really reject the notion and the use of the word "xenophobic." I think this has been a cover for the dictators and gangsters who have run Burma all along. They are not xenophobic. They are very happy to deal with Chinese and other outside interests and powers. They are very happy to work with them, as long as those outside interests are working to bolster their own control over the Burmese people. They are not xenophobic about those outsiders. They are only xenophobic about the guys who believe in democracy and some of the universal principles of human rights that are coming to play here.

What motivates them? As far as I can see—I have looked into this for a long time—it looks like just pure greed and a desire for power that is as old as humankind. And whether or not people who are motivated to commit monstrous crimes against their own people in order to achieve their goals that are based on greed and desire for power, whether or not you can talk to them and that will make any difference, trying to reason with them and understand them, I don't believe that will make one bit of difference in the world.

With all my respect to former ambassadors and a colleague who I admire, I just think that these people will respond to pressure, they will respond to counter-force, and they won't respond to anything else. Otherwise, they think we are weak and that we are saps, and they will do what they want to do.

So, with that said, I would hope this administration to prove to the world how much we do believe in democracy. The President has mentioned Burma a number of times now. Seeing that we just came from a meeting with the President and the Dalai Lama where Burma was brought up, let us do something real. Let us not try to understand and talk to the gangsters that run Burma. Let us put them in jail, hold them accountable and support those who are trying to bring freedom to that country, and do so in a meaningful way, rather than just with a bunch of words.

So, with that, I thank you, Mr. Chairman, for holding the hearing, and I—

Mr. FALEOMAVAEGA. I thank my friend from California for his remarks.

I want to follow up with what Ms. Watson had said earlier about what seems to be the motivation that caused the military to continue to exist in its role of Burma.

And I wanted to ask you, Mr. Secretary, do we have presence there, as far as an Embassy? Or we do have an Embassy in Burma?

Mr. MARCIEL. Yes, Mr. Chairman. We have a Charge d'Affaires.

Mr. FALEOMAVAEGA. How many staff do we have in Rangoon?

Mr. MARCIEL. If you will bear with me just 1 second, I will look it up. I have it here. We have 91 U.S. Government employees.

Mr. FALEOMAVAEGA. 91 Foreign Service employees are there in Burma?

Mr. MARCIEL. 91 total of the U.S. Government.

Mr. FALEOMAVAEGA. What are we going to do if we put all these sanctions against Burma?

I just wanted to follow up with what Ms. Watson stated earlier, a motivating factor as to what caused this military to be. In my limited readings of the history of Burma, it has been strife with a lot of civil unrest among these seven or 14 ethnic—you call them minorities, but actually they are competing groupings within Burma. And of course, in the course of its history, they have had several ruling dynasties until, finally, the British came along. And so much that they used force, to the extent that the Burmese do not like the British very much, to the extent that there were three uprisings against British colonial rule. In fact, at the time the British took control of Burma, it made it part of India. And for many years, the British brought many of the Indians to work in Burma.

So when you put all of this combination together, looking at the British as an example of democracy and freedom and enlightenment, if I was a Burmese I would want nothing to do with the British.

One thing I will give credit to the British, they allowed many of the Burmese to go to school, take up law school in London or in other parts of Great Britain. But all this came to an end during World War II. Aung San, who was Aung San Suu Kyi's father, sided with the Japanese during World War II but only because they were promised freedom, a democracy against colonialism, if the Japanese were to win the war. And, of course, the Japanese did not win the war. And after finding out that the Japanese were not going to hold true to their promise, they then decided to side with the British. And, of course, in 1948, they became independent.

But still, I think the very core issue that Ms. Watson said earlier is because you have seven or 14, I don't know how many, groupings within Burma. It is almost like the feudal period in the British and the European countries. You have all these fealdoms in control, always vying for control and power. And so, this is how the military came into being, justifying its existence.

And I might add, you said earlier there were 400,000 soldiers that make up the Burmese Army?

Mr. MARCIEL. Yes, sir.

Mr. FALEOMAVEGA. If my readings are correct, and on top of this, you have 200 of the ruling elite among the military officers, as I understand it to be, that control this 400,000 army grouping. Am I also correct to say for the record that China is the biggest supplier of arms, military arms and equipment to Burma?

Mr. MARCIEL. I am not sure we know that.

Mr. FALEOMAVEGA. I mean, they don't make the bullets. They have to buy it from some sources.

Mr. MARCIEL. It is one of a number—

Mr. FALEOMAVEGA. Can you provide that for the record? I am curious if any of our European allies provide them the bullets and the guns and everything like that to Burma.

Mr. MARCIEL. We will see what we can find out.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVEGA

According to media reports and open source information, China, Russia, Serbia, India, Italy, North Korea and Ukraine have transferred military equipment to Burma between 2000-2006. Additional information regarding this matter can be provided in a classified briefing.

Mr. FALEOMAVEGA. Now, you heard from my good friend from California. He does have a very distinct difference in opinion. And I don't consider these people as gangsters, if you will, if that is the best way to say it. But I think you have to understand the collective situation of that country and why it is the way it is.

And I know it has also been stated quite often, that it is because of this constant strife or rivalry among the different ethnic groups that make up Burma that causes the military to be where they are, to be able to take control. Is that actually true, or is this just a myth that has been said over and over again about Burma's political situation?

Mr. MARCIEL. Mr. Chairman, we are in the business of trying to understand foreign cultures, foreign societies, what their thinking is.

In this case, I can't think of an excuse for the leadership of this regime. It is really as bad as advertised. General Than Shwe and General Maung Aye, the number-two general, what they have put this country through, in their severe repression, I don't think you can explain through patriotism, a twisted sense of patriotism or anything else. I think these are just really bad guys. And I don't think it has anything to do with cultural understanding, with all due respect.

Mr. FALEOMAVAEGA. Do you think perhaps it is because of Western democracy that has been heaped upon them? Why can't they find for themselves how they want to work out their own problems in dealing with their form of democracy and not necessarily Western form of democracy? I mean, when you talk about cultural differences, there is quite a difference here.

Mr. MARCIEL. Right.

Mr. FALEOMAVAEGA. When you say "yes," they mean "no," you know. Or when you say "maybe," it means "no" again. So please—

Mr. MARCIEL. Right. But I think, Mr. Chairman, you would agree that what this regime has done to this country and the brutal crackdown, the killing of Buddhist monks—there is no form of democracy in the world that allows for this. It is not a matter of cultural differences.

Mr. FALEOMAVAEGA. Let me ask you this, Mr. Secretary. At what level in our relations with Burma is going to cause us to say that we need to use military force to go against this military regime? Let us say, perhaps—and I am being hypothetical—let us say Burma is trying to develop a nuclear bomb. Will that give us a little higher sense of strategic or a real sense of national interest and importance, just like we put on North Korea?

I mean, we have been talking about Burma now for 20-some years, the nondemocratic military regime, the suffering and the pain and everything else that we can talk about. It has all been rhetoric. It has all been a lot of talk coming from all of the Western nations or democratic countries. But when it really comes down to grips, how serious are we in enhancing human rights, when now it is no longer put your money where your mouth is, let's do the talking, not just—I mean, let's do the walking, not just the talking.

We have seen it, the destruction, the people being killed, innocent people being killed. We are putting sanctions, we are—all these important things, but still not enough to bring down this military regime, a 400,000 army. And what do you think China's reaction would be if we used military force? The same reason why we were reluctant to go that far in the 10-year, terrible war that we had with Vietnam. We were more afraid of the Chinese than we were of the North Vietnamese.

My question, Mr. Secretary, at what level, at what point are we going to say, "Enough is enough"? We say this how many times, and the 54 million people in Burma still continue to suffer because of the terrible rulings and the decisions that this military regime has made against its people.

I didn't mean to put you on the spot, but I just wanted to get a sense of where we are. It is very nice to talk about this. We might have another hearing where we talk about resolutions. We can talk about sanctions, the international community supposedly moving toward putting sanctions on Burma. But as long as China and Russia has the veto-proof power in the Security Council, it is not very easy to make our points stick. Or is it "schtick"? How would you call it?

Mr. MARCIEL. I am really pleased to see that my colleague is going to take me off the hook here for a moment with a few comments.

Ms. CHILES. Mr. Chairman, I was in Burma in August 1988 right before the student demonstrations in 1988, and I was thinking, What is the difference now between this round of demonstrations and the crackdown that was in 1988? And I think the difference is technology, the fact that we have pictures that we did not have before. There is a buildup of pressure because of that.

I don't know if you saw the article about the student who entered all this information into his Face Book. He happened to be in Rangoon when the demonstrations were going on, and thousands of people have signed up to the site. So I think we have to give this a chance to see whether—with the technology and the spread of information about what is actually going on that we have not had before now, to see whether that is going to make a difference. Because the regime, it is something they are probably having to deal with, that they never had to deal with before.

And we don't know how important international pressure is, or how they think about information about what they have done being out on the world stage now. I think we have to let that play out.

So that would be my answer, though not completely answering your question.

Mr. FALCOMA. So better public relations, YouTube, and all of this other stuff might cause tremendous influence on the military regime to change its mind. Mr. Secretary?

Mr. MARCIEL. I would just add, Mr. Chairman, that the level of reaction from the international community to this crackdown is qualitatively and quantitatively different than we have ever seen before. And we believe that the best chance to encourage Burma to move in the right direction, meaning beginning a genuine dialogue with the opposition leading to a democratic transition, is through intense, concentrated international pressure.

You made the point about just words. Of course, our world is one of words, but it is also pressure. And we think that the regime, although isolated and certainly not easily influenced, does respond to some extent, does care to some extent what the international community thinks—certainly what its neighbors think; it has some impact—and that we need to keep working diplomatically in the region through Mr. Gambari and others to do all we can to see if this little tiny hint or hope of an opening can be turned into something real.

Mr. FALCOMA. I am going to submit for the record an op-ed piece that was written by the grandson of U Thant, the former Secretary General of the United Nations from Burma—his name is Thant Myint-U. It was printed in the *Daily Times* today, 17 Octo-

ber, and I wanted to quote and ask for your opinion about it. I thought he was very insightful in terms of his observations.

He said:

“Avoiding disaster will require high-level attention and commitment beyond the couple of weeks when Burma is on the newspaper front pages and television screens. It will require an acceptance that long-distance condemnation and Western economic sanctions don’t mean much to the half-century-old military regime, a regime that has long been comfortable in isolation and needs only a modicum of money and trade from the outside world.

“It will require a realization that Burma sits right in the middle of Asia’s economic miracle, that harnessing Burma to that rapid change is the surest way to raise up living standards, and that access to Western markets and Western ideas will make all the difference in determining whether the Burmese become equal partners of China and India or merely the providers of cheap labor and raw materials.

“It is only when the Burmese ruling elite are exposed to the world that they will see a need to mend their ways.”

Is that a good statement?

Mr. MARCIEL. I think it is a good statement. He is a thoughtful man. The problem is that the regime has not shown any interest in moving in that direction—economic reform, joining the world. This is not Vietnam of 10 or 15 years ago. It is not a country that has made a decision to join the world and is being held back by the West—far from it.

This is a regime that has chosen to isolate itself, to put in place economic policies that are capricious and damaging, that, as my colleague said, moved its capital away, further away into the hinterlands.

So it is hard to see this regime moving in that direction at all, which might give some hope for political opening.

Mr. FALCOMA. Do you think it possible for the United Nations, by consensus, that China could take the initiative and have maybe a six-party talk, China being the leader in this situation, to bring Burma to the negotiating table, to the idea of a dialogue with the military regime, rather than just putting sanctions that are not going to work, in my humble opinion?

At some point, I suppose one of the Asian culture’s things that we sometimes in the Western societies don’t seem to take it seriously enough is losing face. Losing face is almost like cutting off your right arm or leg in Pacific-Asian cultures. We don’t accept much of that in Western societies.

And do you think that somewhere, somehow, through the United Nations—and I thought Mr. Gambari was doing an excellent job of trying to gain support from the United Nations. The fact that Russia and China has the veto power makes it difficult to go through the Security Council, but do you think the administration has ever entertained the thought of doing a multilateral effort, rather than unilateral, that we have done against Iraq?

When you talk about policy decisions, what about doing a multilateral approach to Burma as well?

Mr. MARCIEL. Mr. Chairman, we strongly agree and we strongly support Mr. Gambari's role here. The whole idea is for the international community via the United Nations and through the United Nations Security Council as well, supporting Mr. Gambari as a representative of the international community, going to Burma and other countries in the region trying to promote a dialogue, a dialogue with the regime, but also a dialogue between the regime and its people.

This is our goal. This is absolutely what we support. We have worked extraordinarily hard both in the United Nations and in the region to support this.

We are very pleased that China and others joined in support for the Presidential Statement, the U.N. Security Council Presidential Statement last week, which really was a huge expression of support for Mr. Gambari's mission.

So, absolutely.

Mr. FALEOMAVAEGA. In my visit a couple of months ago to China, I know the Chinese are very sensitive and concerned about the Darfur crisis being linked into the Olympics coming up next year. And I think there seems to be a movement now among various international organizations in linking Darfur and the Burma crisis with the Olympics next year.

What do you think of the impact on the Olympics of the U.S. at some point saying—somewhere along the road saying that we are going to boycott the Olympics next year? Do you think that would have an impact on China's ability to respond positively and being a help rather than a hindrance? Understanding also that China's standard policy has always been, this is an internal matter and really it is up to the country to work out its own problems. It is not for us or any other country in the world to present itself or force itself into the problems affecting that country whether it is Communist, democratic, Fascist or whatever.

I'm sorry, I did not mean to—

Mr. MARCIEL. Mr. Chairman, I think what we have seen with China in recent months—I don't want to overstate it or exaggerate it, but we have seen some interesting steps from a country that traditionally and up to very recently has said, No interference in the internal affairs of another country. This is not the responsibility of the United Nations Security Council.

China has called for restraint by the regime. It has called for national reconciliation—

Mr. FALEOMAVAEGA. That is all rhetoric, Mr. Secretary.

Mr. MARCIEL. They supported the Presidential Statement of the U.N. Security Council last week.

Again, I don't want to overstate or exaggerate it, but it is interesting movement. My sense is that the Chinese understand that the international community is looking at them, in part, because of the Olympics being held in Beijing this year, and they are paying attention to that.

Mr. FALEOMAVAEGA. President Carter boycotted the Olympics and the Soviet Union was very upset about it; and of course, many of our athletes were upset because they had been training for 4 years, only to find out they couldn't represent their country.

I don't know how many other countries would follow that lead, which we would try to avoid as much as possible.

I do want to say at some point, how seriously are we really making an effort to make a difference? And my question is, I have a bill that I am going to put as part of the record. We haven't even put a number on it, but our distinguished chairman of the full committee has introduced this legislation to amend the Burmese Freedom and Democracy Act of 2003, which actually is going to add more additional sanctions to the problems we are faced with in Burma.

But like I said and my good friends California and Illinois stated earlier, sanctions work but only to a certain point. We have placed sanctions on Cuba for the last 60 years, and Cuba is still there. And I think a couple of other countries we have also done the same, unilaterally.

I have been to Havana and guess what? All the European tourists are going to Havana and having a great time as if it isn't a Communist country. We are the only ones that put this psychic on the people saying, Don't go to Cuba because it is a Communist country.

And I think this is something that I just wanted to put out, and I will have some questions for you Ms. Chiles. How many Burmese that you are talking about that are considered refugees or have left the country? And how many Burmese do we have here in the United States that have claimed citizenship? Do we have a record on that?

Ms. CHILES. Mr. Chairman, I am afraid we don't have the number on—

Mr. FALEOMAVAEGA. Shame on you. We should have. My gosh, we have been dealing with Burma for the last 200 years, and we don't have any records of the number of Burmese living in the United States?

Can we get a record, Mr. Secretary?

Mr. MARCIEL. We can certainly try to get that record, sure.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

There are roughly 150,000 Burmese refugees/migrants living in ten refugee camps along the Thai-Burma border and an additional 15,000 unregistered Burmese refugees living in or near the camps. There are nearly 60,000 Burmese refugees in India, over 20,000 in Malaysia, and several thousand in Bangladesh.

According to the U.S. Census Bureau, there were 32,590 people who were born in Burma and residing in the United States in 2000. Between October 1, 1999 and September 28, 2007, the U.S. Government resettled 19,525 Burmese refugees in the United States. In FY2007 alone, more than 13,000 refugees from Burma arrived in the United States.

Ms. CHILES. The number of Burmese refugees in the camps is around 150,000.

Mr. FALEOMAVAEGA. In the camps?

Ms. CHILES. In the camps, 150,000.

Mr. FALEOMAVAEGA. Are we making any efforts to have them come to the United States, like other refugees?

Ms. CHILES. I—well—

Mr. MARCIEL. We would like to get back to you with a thorough answer, if we could.

Mr. FALEOMAVAEGA. Could you please, sir, because I am very curious.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

The U.S. is very concerned about the present and future well-being of these Burmese refugees. The U.S. has accepted over 19,000 Burmese refugees since 1999 and plans to continue accepting Burmese refugees in the coming year. In its FY2008 Report to Congress, the U.S. Refugee Admissions Program (USRAP) proposed resettling roughly 20,000 refugees from East Asia in the United States between October 1, 2007 and September 30, 2008. That total includes over 14,000 refugees from Burma living in several camps on the Thai-Burma border and over 3,000 Burmese Chin who have sought refuge in Malaysia.

All refugees, regardless of country of origin, approved for admission to the U.S. are eligible for the same benefits and are sponsored by one of ten voluntary agencies participating in the Reception & Placement (R&P) program under a cooperative agreement with the Department of State. This program is a public-private partnership, which anticipates that voluntary agencies will contribute significant cash and/or in-kind resources to supplement U.S. government per capita grants. The sponsoring agency is responsible for providing initial services, including housing, essential furnishings, clothing, community orientation, and referral to other social and employment services for the first 30–90 days in the United States.

Mr. FALEOMAVAEGA. My gosh, if we have been dealing with Burma, I would suspect—how many people have left Burma in the years since this military regime has existed, even though it had different military rulers? But for all this time, do we have a count of—just as we do the Laotians and the Cambodians that we have brought here to our country because of the serious political uprisings and killings that went on in those countries?

Mr. MARCIEL. Mr. Chairman, let us undertake to get back to you with answers to all these questions on numbers. I am afraid we don't have numbers historically.

Mr. FALEOMAVAEGA. Ms. Chiles, you say that we do have some form of assistance program that goes on right now in Burma—HIV/AIDS, and what are the others?

Ms. CHILES. Inside Burma it is HIV/AIDS and the avian influenza. We are providing assistance on that. Also for the internally displaced there. These are primarily in Karen Province.

Mr. FALEOMAVAEGA. Internally displaced within Burma? They don't go outside of Burma?

Ms. CHILES. That is right, still in Burma, but they have been forced out of their homes.

Mr. FALEOMAVAEGA. What about Burmese who claim political asylum for fear of their lives? Do we have an accounting for that? Not you, Ms. Chiles, but Mr. Marciel might have a better picture of that.

Do we any numbers in terms of those who may have escaped for their lives?

Mr. MARCIEL. My understanding is that most who have escaped or left have gone to Thailand, and many of them, in refugee camps in Thailand.

Mr. FALEOMAVAEGA. I would say Thailand, India, China, probably Malaysia, are probably the four main countries that deal with Burma quite a bit. Am I correct on this?

Mr. MARCIEL. I think the vast majority are in Thailand. My colleague tells me there is an estimate of 1 million economic migrants

working in Thailand from Burma as well. These are not people who sought asylum.

Mr. FALEOMAVAEGA. Do they send money home from Thailand like our immigrants—like our illegal immigrants that send over \$52 billion worth of aid to their families in Central and South America?

Mr. MARCIEL. I would expect so. I don't think we have any numbers on this.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

According to the World Bank, Burmese living outside of Burma (not just in the U.S. or in Thailand, but all over the world) send an estimated \$117 million in officially recorded remittances home every year. The true size of remittances, including unrecorded flows through formal and informal channels, is believed to be much larger. This amount represents a relatively small percentage of Burma's GDP, which was \$9.6 billion in 2007.

Mr. FALEOMAVAEGA. I would be curious to see if maybe our 91 employees in our Embassy in Burma might want to find out what is the number. I think it is very important that we should find out what the specifics are.

Ms. Chiles?

Ms. CHILES. We do know that in 2006 our programs were reaching about 500,000 of the displaced Burmese, those who were inside in the camps and then also the Burmese migrants, the ones who are in Thailand, but who are not in the camps.

And the problem that they have had, significant problem, is getting access to health care and to education. It has been quite a problem for the Thai authorities as well. And that has been a large part of our support, getting them that health care and education.

Mr. FALEOMAVAEGA. Are we giving assistance to the Thai Government in helping these refugees that come across the border from Burma? Do we have any refugee camps set up along the Burma-Thai border?

Mr. MARCIEL. I don't believe we have given money to the Thai Government, but we do provide a large amount of money to NGOs who are working with the Burmese in the refugee camps on basic health, education, food, these sorts of things.

Mr. FALEOMAVAEGA. How much have we contributed in that effort to help the NGOs?

Mr. MARCIEL. It is several million a year. We will get you the exact figure.

Mr. FALEOMAVAEGA. Could you provide that for the record? I would be very curious.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. SCOT MARCIEL TO QUESTION ASKED
DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

The USG provided over \$9 million in FY2007 to NGOs for humanitarian assistance through crisis assistance and recovery programs for Burmese refugees and migrants on the Thai-Burma border, and \$8.9 million to NGOs assisting Burmese refugees in Thailand, Malaysia, and Bangladesh with refugee camp infrastructure, food, and cooking fuel. The U.S. provides assistance to Burmese through international and non-governmental organizations, which in turn provide sub grants to local NGOs for program implementation. These U.S. funded programs are helping Burmese migrants and refugees in Thailand by providing health care, primary and sec-

ondary education, media training, and legal assistance. In addition, the U.S. supported policy dialogue with the Thai Government in support of Burmese refugee and migrants rights and funded programs to advance democracy-building, independent media and civic participation along the Thai-Burma border.

Mr. FALEOMAVEGA. I really want to thank you both for coming this afternoon. Again, my apologies for starting our hearing later in the afternoon. But I hope that there may be more questions that will be sent to you in writing so that you could respond. It will be made a part of the record that will be open for 10 legislative days. But I do want to thank both of you.

We have for our next panel Mr. Jeremy Woodrum and Dr. Bridget Welsh.

Mr. Woodrum has worked and written extensively on the situation in Burma for almost 9 years now, organized a whole bunch of delegations to the refugee camps, which I hope that you will give us a little better detail in that area, and resulted in having 45 companies cutting economic ties with Burma's military regime, spearheaded a successful effort to place Burma on the permanent agenda of the Security Council and a whole bunch of other activities. I do want to welcome Mr. Woodrum to testify this afternoon.

Also, Dr. Bridget Welsh, Professor of Southeast Asia Studies with Johns Hopkins Paul Nitze School of Advanced International Studies. Dr. Welsh received her master's and doctorate both from Columbia University and her undergraduate studies, Colgate, published all kinds of papers, books. She is like a walking encyclopedia.

I am really happy to have her and Mr. Woodrum to testify this afternoon.

If you would, please proceed, Mr. Woodrum.

**STATEMENT OF MR. JEREMY WOODRUM, DIRECTOR, U.S.
CAMPAIGN FOR BURMA**

Mr. WOODRUM. Thanks, Mr. Chairman.

I already submitted my entire comments for the record, and I am going to shorten up here.

The title of the hearing is "Crisis in Burma: Can the U.S. Bring about a Peaceful Resolution?"

We think the answer to that question is yes, but the United States can't do it exclusively on its own, but it can play the role of a powerful catalyst in focusing international time and attention on Burma, essentially play a leadership role. However, it's unfortunate and, in our view, unconscionable that multilateral efforts on developing a consensus on Burma are being stymied and blocked, mainly by China.

I do want to say that our suggestions are multilateral. They are not unilateral. They are peaceful, not violent. They do involve working with the international community.

We have been frustrated because many times the news media oversimplifies Burma policy into a debate over sanctions versus engagement, when I think what a lot of people are working on is an effort to combine it to sophisticated sanctions and political engagement, not one or the other.

There is one primary reason why the United States has not already brought a peaceful resolution to this situation in Burma.

Like many world problems, the crackdown in Burma never needed to happen and probably could have been avoided. However, China stands out for its deliberate efforts at paralyzing international diplomatic efforts that could have been used to prevent what many are now calling the Saffron Massacre.

China, in collusion with Russia, is the primary shield Burma seems to hide behind at the United Nations. They both, led by China, vetoed a Security Council resolution in January of this year that was pure diplomacy, was nonbinding, sought no sanctions and simply sought more Security Council-focused attention on the country.

China is the major economic and military supporter of the regime. There are other countries that have influence as well, but because of China's veto at the Security Council it has become the regime's primary pillar of international support. We think that how China managed to bottleneck and destroy the international mediation efforts is a story worth understanding and directly undermines China's claim of a peaceful rise in the world.

One point is immediately clear. The appalling facts on the grounds in Burma have not been enough to overcome China's intransigence. The regime has destroyed 3,000 villages in eastern Burma; and just to put that in the context of a crisis, so it is a little bit more well-known, that is almost twice as many villages as have been destroyed in Darfur.

The regime has forced 1.5 million to flee their homes as refugees and, as the earlier witness testified, internally displaced people, which are essentially internal refugees. The regime has forcibly recruited up to 70,000 child soldiers, far more than any other country in the world; and they have imprisoned Aung San Suu Kyi, the world's only imprisoned Nobel Peace Prize recipient.

None of those facts moves China at all. They have claimed that the U.N. doesn't need to take action on Burma, because the matters of Burma are an internal affair for the Burmese people. Their pat response is that they do not interfere in the internal affairs of other countries, yet the truth is that China interferes in Burma more than any other country in the world. Its unabashed support for the military regime against the desires of the Burmese people has perpetuated a permanently destabilizing atmosphere in the country.

A couple of years ago, people recognized this problem with China; and two global leaders, Nobel Peace Prize recipient Desmond Tutu and former Czech President Vaclav Havel launched a global effort to press the U.N. Security Council to take action. They saw that, after 29 consecutive resolutions by the U.N. General Assembly and former Commission on Human Rights failed to produce meaningful change in Burma, further action was necessary.

The problem with these resolutions wasn't the substance. I mean, they were calling for the right things on Burma, stating that there needed to be peace negotiations between the military regime, democracy movement and ethnic nationalities. The problem with that the resolutions weren't enforceable. The record shows that Burma's military regime is willing to weather international verbal criticism, but they are worried about concrete steps. Those resolutions simply weren't concrete.

The other purpose of the Council was to draw attention to the fact that the Burmese regime's policies also undermine regional peace and security. It is not exclusively an internal matter. Havel and Tutu pointed out that there is great precedent at the Council for a resolution on Burma, and the content of a Security Council resolution that they suggested essentially listed the findings from the General Assembly and Commission on Human Rights but put them in a forum where decisive action is possible and the Burmese regime couldn't ignore its responsibilities.

So on January 12 of this year, the U.S. and its EU partners together tabled this resolution at the Council. It would have been given the Secretary General much more empowerment in its negotiations with Burma's military regime and strengthened international efforts.

Again, there are no punitive measures, no sanctions, no threats. This was pure multilateral diplomacy, and China vetoed it, even though it had enough votes to pass. It would have passed otherwise.

The veto was interpreted by the military regime in their state-owned press as giving them a green light. Immediately afterwards, they began a round-up of dissidents inside the country at the beginning of this year. Unrestrained by the Security Council, they extended Aung San Suu Kyi's detention even further and announced that there was no end in sight to it.

When monks and students took to the streets in August and September, the military regime had no restraint whatsoever. They immediately arrested 200 people. This is even before the monks took to the streets.

When the protests continued, despite the vicious crackdown, the regime changed track a little bit. They allowed the demonstrations to go large enough so that they could identify key leaders in the country. They had the members of the Union Solidarity and Development Association there, their civilian militia taking photos and videoing everybody so that they could then identify people to round up and arrest.

Despite the fact the Burma is drifting off the front page, the terror continues unabated. People are still being dragged from their homes in the middle of the night, monks are still being arrested, and I think especially horrifyingly right now is the torture that is going on. The regime is well-known for using beatings, electric shock, water torture and worse.

I have been lucky enough to have been able to speak on the phone with some of the dissidents from inside Burma, and their consistent message to the United States is, don't forget; please continue to help our cause. They see us as doing the right thing on Burma, and by "us," I mean the United States.

We believe the way forward on Burma is to listen carefully to the voices of the Burmese people. It is important to remember that Aung San Suu Kyi, while now revered in the press as Burma's Nelson Mandela or Burma's Ghandi, is not just a charismatic leader. She did lead her political party to an overwhelming electoral victory. She does have the authority vested in her by the Burmese people to speak for them. She is the one who is calling for sanctions on Burma and calling for international pressure.

The only similarity in history that I can think of to this situation is under apartheid in South Africa. I think that is the key similarity between South Africa and Burma.

You have the Burmese people saying: Please sanction us. We know that this will involve some sacrifice. People will lose some jobs, and it will hurt some people, but for us that is a sacrifice we are willing to make.

That is what they are consistently telling us. That is similar to apartheid South Africa.

We think the way forward on Burma requires the United States to take more action both multilaterally but also directly at the same time. On the multilateral front, we would like the United States to table a resolution at the U.N. Security Council immediately calling for a global arms embargo on Burma. We believe there is strong support throughout the world for such a move. Amnesty International and Human Rights Watch are calling for this right now and a lot of other folks as well.

The United States should press ahead undeterred if China threatens to use their veto. If they want to defend selling arms to Burma's military regime after the crackdown on monks inside Burma, they should be made to do so publicly and in the full glare of international scrutiny.

They know that the Olympics are approaching and that the issue on Burma has been attached to the Olympics. They are very much aware of the international pressure that will pile on to them if they do use their veto, even on shipping arms to the military regime.

Also on the multilateral front, we feel the U.S. could be more proactive and welcoming the progress that has been made by other countries. In particular, the EU and Japan have just ratcheted up their own sanctions on Burma. I can't say how important that is.

A couple of days ago, the Foreign Ministers of France and the U.K. published an op-ed in the *International Herald Tribune* calling for more pressure on Burma. It is fully consistent with U.S. policy.

I think this is one area where the State Department is doing a good job by building a global coalition on this. There are certainly shortcomings, but they are leaning in that direction.

ASEAN has moved closer to the United States position of supporting Burma's democrats. Three years ago, ASEAN openly defended the military rule and abuses going on there, again, as an internal affair for Burma. But now the body admits that its constructive engagement policy has failed. They have said this time and time again. They are now calling for further U.N. Action on Burma, and they actually participated in the Security Council discussions, and they are supporting Ambassador Gambari's mission. That is a tangible change in their policy.

Many, such as Indonesia—I mean, part of the reason for this is because we think the region has changed from 1988. I mean, at that time, one could claim it was a club of dictators. Now, while, of course, there are pushes and pulls on those countries' governments, it is generally leaning on the side of the democracies, and some other countries are trying to institute democratic institutions.

Interestingly, ASEAN itself and members of Parliament in ASEAN have also called on China and India to modify their posi-

tion, so that is just not a call that is coming from Western Members of Congress and of the administration.

It is also coming from amongst their own neighbors. China's reputation in Southeast Asia is important to it. They are competing with Japan, with Australia, with the United States for influence there. I think they are finding that their unilateralism on Burma is starting to ruffle some feathers among the neighboring foreign ministries and parliamentarians.

Despite the progress by ASEAN, there are some inconsistencies. We continue to receive reports that Singaporean businesses are, in one way or another, providing arms or intelligence support to the military regime. We would like Singapore to review those policies—those allegations—I should say, and take a look with a view toward changing them.

Lastly, on the multilateral front, we hope that the United States will do more to press India. I feel this is a place where Congress can play a special role. In the midst of the major crackdown on Burma, India took the opportunity to sign a new business deal with the generals. As the Boston Globe wrote on Sunday, India likes to claim it is the world's largest democracy, but its behavior on Burma looks nothing like it.

I know that there are a lot of exchanges between Members of Congress and members of Parliament in India, and we would like to ask them to use their leverage to move India along a little bit further.

Those are some suggestions on the multilateral front. Directly, we would like to see the United States fix an important loophole in the Burmese Freedom and Democracy Act to ban the import of gems. That is an industry that is dominated by the military regime, brings tens of millions of dollars into the country. It clearly does not benefit the population at all. That is a cash cow for the military regime.

Secondly, the U.S. should put United States and international banks off limits to the Burmese regime and its business cronies. This has only been done on a very limited basis, as I think you alluded to earlier, and more aggressive enforcement and oversight is necessary.

Lastly, we don't assume that China's position is fixed in Burma. It has moved a little bit, but I would say not more than an inch. We know that many Members of Congress have close relationships with India, and we would urge you to exercise these ties to get them to support efforts at the Security Council.

In particular, we are also asking President Bush, the First Lady and Members of Congress to think carefully about their decisions regarding the 2008 Beijing Olympics. We believe that some of the decisions to attend may have been made prematurely.

Nobel Peace Prize recipient Desmond Tutu has said he will boycott the Olympics unless China changes its position on Burma. We urge many Members of Congress to think about that issue carefully and to consider it carefully as well.

The inch that China has moved, which was agreeing to that Presidential Statement on the Security Council, which it previously watered down substantially before it agreed to it, is progress, but

it could also be a cynical ploy and just words only in order to avoid concrete action.

We think that Members of Congress can add credibility to the potential boycott threat so it is not just being heard from human rights organizations, to lend to that voice along with Desmond Tutu and others right now. Otherwise, China will probably continue to turn a blind eye to the cries of the 55 million people of Burma.

Lastly, I would part company a little bit with one of the previous witnesses about the Burmese regime's isolation of itself. They certainly isolate themselves to a certain extent, but they don't isolate themselves when it comes to where they put their money in banks, who their allies are. If you look at the front page of the Burmese newspapers, every day it is them shaking hands with international diplomats. They desperately need that legitimacy. It underlines their authority in the country. They have isolated themselves in a limited sense, but their bank accounts certainly aren't in Rangoon, I can tell you that.

Thanks.

[The prepared statement of Mr. Woodrum follows:]

PREPARED STATEMENT OF MR. JEREMY WOODRUM, DIRECTOR, U.S. CAMPAIGN FOR
BURMA

Thank you for inviting me to testify today. The title of this hearing is "Crisis in Burma: Can the U.S. Bring about a Peaceful Resolution?" The answer to that question is "yes." However, the United States can not do so exclusively on its own. The U.S. can play the role of a powerful catalyst in focusing international time and attention on Burma. However, it is unfortunate, and in my view unconscionable, that efforts at developing an international consensus on Burma are being stymied and blocked by China.

Our suggestions are multilateral, not unilateral. They are peaceful, not violent. They involve working with the international community. Many times the news media, oversimplify Burma policy into a debate over sanctions vs. engagement when what is really needed are sophisticated sanctions *and* political engagement.

There is one primary reason for why the US has not already brought a peaceful resolution to the situation in Burma, and a set of subsidiary causes. Like many world problems, the crackdown in Burma never needed to happen and probably could have been avoided. However, China stands out for its deliberate efforts at paralyzing the international diplomatic efforts that could have been used to prevent what many are now calling the "Saffron Massacre." China, in collusion with Russia, is the primary shield Burma's military junta hides behind at the United Nations. Indeed, China and Russia blocked a UN Security Council Resolution in January of this year that did not include sanctions, was non-binding, and simply sought more Security Council-focused attention on the country.

China is a major economic and military supporter of the regime, and because of its use of the veto at the UN Security Council, has become the primary pillar of international support.

How China manages to bottleneck and destroy international mediation efforts is a story worth understanding, and directly undermines China's claim of a "peaceful rise" in the world. One point is immediately clear: the appalling facts on the ground in Burma have not been enough to overcome China's intransigence. The fact that the regime had destroyed 3,000 villages in eastern Burma, nearly twice as many as in Darfur, has not moved China. The fact that 1.5 million people have fled their homes as internal displaced persons and refugees has not moved China. The fact that Burma's military regime has forcibly recruited up to 70,000 child soldiers, far more than any other country in the world, also has not moved China. The fact that Burma's military regime incarcerated Daw Aung San Suu Kyi, the world's only imprisoned Nobel Peace Prize recipient, also has not moved China.

China has claimed that the UN doesn't need to take action on Burma because it is only an internal matter. China's pat response is that it does not interfere in the internal affairs of other countries. Yet, China interferes in Burma more than any other country in the world. Its unabashed support for Burma's military regime,

against the desires of the Burmese people, has perpetuated a permanently destabilizing atmosphere in Burma.

Recognizing China's refusal to acknowledge the severity of the situation in Burma, nearly two years ago Nobel Peace Prize recipient Desmond Tutu and former Czech President Vaclav Havel launched a global effort to press the UN Security Council to take action on Burma. They took this step after 29 consecutive resolutions by the UN General Assembly and the former UN Commission on Human Rights failed to produce meaningful change in Burma. The problem with these resolutions was not the substance. On the contrary, they rightfully pointed out that the way forward in Burma was through peaceful negotiations between the military regime, democracy movement, and ethnic nationalities. However, as Tutu and Havel pointed out, the resolutions were not binding and therefore not enforceable. The record shows that Burma's military regime is willing to weather international *verbal* criticism—it is only concrete steps that worry them.

The purpose of the Security Council effort on Burma was to acknowledge that the impact of the Burmese regime's policies also undermine regional peace and security. Havel and Tutu point out that there is great precedent at the Council for a resolution on Burma, even listing the countries on which similar resolutions had been passed. The content of the Security Council resolution took the findings and suggestions of the General Assembly and Human Rights Commission and put them in a forum where decisive action is possible and Burma's regime could not ignore its responsibilities. On January 12th of this year the United States and its EU partners tabled a resolution that would have empowered the Secretary General in his negotiations with Burma's military regime. There were no punitive measures, no sanctions, and no threats in the resolution—it was pure diplomacy. However, China vetoed the resolution even though it had enough votes to pass.

The veto by China of a peaceful, diplomatic resolution at the UN Security Council gave Burma's military regime a green light to step up a massive crackdown on democracy activists inside the country. Unrestrained by the Security Council, the military regime began a series of arrests and extended the detention of Daw Aung San Suu Kyi.

When monks and students took to the streets in Burma in August and September, the regime immediately conducted midnight raids and arrested more than 200 suspected protest leaders. When the protests continued despite this vicious crackdown, the regime changed track and allowed the demonstrations to grow large enough to identify key leaders in the country. The brutal crackdown that followed horrified the world. Despite the fact that Burma is drifting off the front page, the terror continues unabated. Students, activists, and monks are dragged from their homes in the middle of the night and taken to interrogation centers where they are severely tortured by beatings, electric shock, "water torture," and worse. I have spoken on the phone with some dissidents from Burma, and their consistent message to the United States is—"Do not forget us, please, do more to help our cause."

The way forward on Burma is to listen to the voices of the Burmese people. It is important to remember that Daw Aung San Suu Kyi, while revered as "Burma's Nelson Mandela and Ghandi," is not just a charismatic leader. She led her political party, the National League for Democracy, to win 82% of the seats in parliament in Burma's last election. Daw Aung San Suu Kyi and the NLD have called for international pressure on Burma's military regime. Therefore, I am not suggesting that the United States impose an external set of values or policies on Burma. We should simply do what the Burmese people are asking of us. As in South Africa under the apartheid government, it is the Burmese people that are calling for international sanctions, and we should respect and honor their call. The United States will find that its policies are more welcome when they are in sync with the desires of the people of Burma.

The way forward on Burma requires the United States to intensify its efforts, both multilaterally and directly. On the multilateral front, the United States should table a resolution at the UN Security Council imposing a binding arms embargo on Burma. We believe that there is strong support throughout the world for such a move, and if China or others want to argue that countries should continue to be permitted to sell arms to the regime, they should be made to do so publicly in the full glare of international scrutiny. The United States should press ahead undeterred if China threatens to use their veto, because with the Olympics approaching a veto by China will cost that country dearly in terms of its international reputation, and they know it. The call for an arms embargo is strongly supported by Human Rights Watch, Amnesty International, and other human rights organizations.

Also on the multilateral front, the United States should welcome the forward progress made by other countries. US policy on Burma has been multilateral—and very bipartisan from a congressional standpoint.

In particular, the European Union and Japan have just ratcheted up their own sanctions on Burma. As the EU and Japan toughens their stances our efforts are becoming more complementary. For example, the foreign ministers of France and the UK wrote in Sunday's International Herald Tribune an op-ed that is fully consistent with US efforts (submitted for the record).

The Association of Southeast Asian Nations (ASEAN) has also moved much closer to the US position of supporting Burma's democrats. Whereas three years ago, ASEAN openly defended Burma's military rule and the abuses going on there as an "internal affair," the body now admits that its constructive engagement policy has failed and is openly critical of Burma's military regime, going so far as to call for further, stronger UN action. This is due in part to how ASEAN governments have changed. Many such as Indonesia are fledgling democracies working to institute democratic governance. Also, there is a realization now of the social and political costs that Burma is inflicting on ASEAN and that this member is not a contributor to the economic and political development of the region nor regional security, but a lead weight whose membership exacts tremendous financial and political costs to the group. ASEAN has also called on China and India to modify their position on Burma. Clearly, China's unilateralism on Burma is beginning to undermine its reputation among its neighbors. Last week, dozens of ASEAN parliamentarians sent China a letter calling on it to change its position on Burma.

Despite progress by ASEAN, there are some inconsistencies in its new-found forward motion. For example, Singaporean diplomats have sought to encourage talks between the regime and the democratic opposition while some Singaporean business deals have reportedly shipped arms and counter-intelligence equipment to the regime that may now be used to crack down on peaceful protesters. Also, Singaporean banks are reportedly the access point into the international banking system for the regime. We hope that Singapore will consider a review of its current policy with a view toward addressing these deeply disconcerting issues.

Lastly on the multilateral front, we hope the United States will do more to press India. In the midst of the major crackdown in Burma, India took the opportunity to sign a new business deal with Burma's generals. As the Boston Globe wrote on Sunday, India likes to claim it is the world's largest democracy. Its behavior on Burma, however, looks nothing like action expected from a democracy. I am sure Mahatma Gandhi would have objected to his India using its political and material resources to finance the oppression of others.

International engagement on Burma is critical. However, there are also many things the United States can immediately do domestically. In particular, the United States should fix an important loophole in the Burmese Freedom and Democracy Act that permits precious gems and teak to be shipped into the United States. This industry brings Burma's military regime great wealth, and ending it immediately should be a high priority.

Second, the United States should move to put US and international banks off-limits to the Burmese military regime and its business cronies. This has been done on a limited basis, but much better enforcement and aggressive oversight is necessary.

Lastly, we are encouraging members of Congress to add their considerable diplomatic weight to the efforts of human rights organizations. We know that many members of Congress have close relationships with India and/or China. We hope you will exercise these ties to press these countries to support the multilateral effort on Burma at the Security Council. In particular, we are asking President Bush and the First Lady, and members of Congress, to think carefully about their decisions regarding the 2008 Beijing Olympics. China has not budged more than an inch on Burma, and we believe that decisions to attend the Olympics have been made prematurely. Nobel Peace Prize Recipient Desmond Tutu has said he will boycott the Olympics unless China changes its position on Burma, and we urge many members of Congress to say the same thing. The inch that China has moved—agreeing to a Presidential Statement from the UN Security Council—that China substantially weakened—looks like nothing more than a cynical ploy emphasize process over substance. The minimal steps China has taken pale in comparison to what it can accomplish and is due solely to heavy diplomatic pressure and international demonstrations held outside their embassies calling for an Olympic boycott. Members of Congress could add credibility to the potential boycott threat or China may continue to turn a blind eye to the cries of the 55 million people of Burma.

Mr. FALEOMAVAEGA. Thank you, Mr. Woodrum.
Professor Welsh.

STATEMENT OF BRIDGET WELSH, PH.D., ASSISTANT PROFESSOR, SOUTHEAST ASIA STUDIES, JOHNS HOPKINS UNIVERSITY-SAIS

Ms. WELSH. Thank you, Mr. Chairman. Thank you to the committee for inviting me to speak. I have submitted by written testimony, and I would like to have that in the record.

Mr. FALEOMAVAEGA. Without objection, both of your statements will be submitted for the record.

Ms. WELSH. I will try to keep my comments brief. Thanks so much, Mr. Chairman.

For the past 6 years, I have traveled to Burma and seen the dire conditions of the people firsthand. My latest trip was in the summer, just before the protest and the crackdown. I think the video that has come out is only part of the violence that is actually happening in the country.

I really commend this particular subcommittee for calling this hearing, because I think it is, right now, a moment and a window of opportunity for change, and there needs to be a rethinking of how we go about engaging with Burma and thinking about bringing about a peaceful resolution.

I have basically four points I want to highlight from my written testimony.

First, I want to reiterate the comments that Scott Marciel said, that we really need to focus on diplomacy. The U.N. is the main avenue to bring about the avenue to peace.

The regime is extremely xenophobic and highly isolationist. Even though I agree with Mr. Woodrum, that you have a situation where they do try to use outside legitimacy for their support, they do fundamentally see and treat the West with a high degree of suspicion.

In this context, it is very difficult to have engagement that is actually effectively moving their country toward political reform. The U.N. provides that avenue. Any support that Members of Congress can give to the effort to support diplomacy and dialogue to keep the junta at the table and to keep the Chinese on board in the negotiation process with the junta and the ASEAN partners is critical.

In this regard, there are some specific measures that I think can help buttress the effort for a dialogue, because, ultimately, peace is going to have to come from dialogue.

The first key thing that was mentioned earlier that I think is important is to make sure that any sanctions are focused specifically on the people who are doing harm. Comprehensive sanctions on trade or investment or even on U.S. companies that remain there hurt the people. They don't focus on the generals who are actually the ones engaging in violence. So you need to recognize that not all sanctions are the same.

I support the measures that were discussed earlier about financing and banking sectors, because they target specific individuals. I will note for the record, it is very difficult to identify Burmese names, because many people use the same name. Many of the generals use their family members to keep the money. And so this is going to take effort on the part of Congress to call for effective information on where their assets are and exactly where they are.

Mr. Woodrum mentioned Singapore, but there are other countries. China, Dubai is coming on the table as potential areas of

where they are putting their assets. It is going to be a complicated process.

I also would support, in agreement with Mr. Woodrum, the arms embargo. This is, again, focusing on where the violence is happening, from the use of arms. Earlier in the discussion, there was a focus on China. There are other countries that are providing arms, namely India. There also has been discussion potentially of Russia and Serbia. Again, more investigation is necessary to find out where the arms are coming from.

Focusing sanctions or any sanctions need to be centered on the individuals who are causing the harm. In some ways, even within the junta, there are people who have differences of opinion about wanting to engage in dialogue. This is something we have to be thinking very carefully about. Because, ultimately, this regime is only going to come to the table and negotiate for moving the full process of political process reform forward when there are people inside who want to have that happen.

My third major point that I would highlight is that peace ultimately has to happen within Burma itself. I call for Congress and Members of Congress to recognize that there are many different groups in the opposition, and they have diverse opinions within Burma.

Obviously—and I clearly agree that Aung San Suu Kyi is the leader of the opposition; and, of course, she will be any pivotal part of any future government. But there are other groups, monks, younger generation activists, many of which have been arrested and, of course, ethnic minorities.

If a peaceful process is going to move forward, it has to include these ethnic minorities and other groups. We learned this in Iraq. We left them out. If we leave groups out in terms of who have a stake in a dialogue process, this will have long-term negative implications.

Part of the negotiations and the inclusiveness in the country is a recognition that for any future government it is going to have to include the military in some form or fashion. So keeping that in mind is really critical in how we assess and write our legislation.

Finally, I want to reiterate the points that were based on my own personal observation that were mentioned earlier. There is a huge humanitarian crisis in Burma. I have seen this firsthand. I think, in some ways, when we see these compelling videotapes of what's happened inside and the crackdown, it is important to recognize that many people join this not just for political reasons. They joined it for economic reasons.

The reasons that the monks were actually on the streets is because they are on the front line of poverty in Burma. They are the ones who take in the orphans that people can't afford to teach themselves or to feed, and they send them to their monasteries. They are the ones who rely on charity for their own survival, and they are the ones who spoke out and organized in a peaceful way against the regime.

In this regard, there needs to be a recognition that there can be parallel processes of humanitarian assistance to the country inside the country. Part of that has to be connected to the dialogue process.

There are simple things that could be done—changing licensing, changing wording—that can allow aid to get inside to the country to the people who are suffering. It is very severe.

We are talking about a serious crisis of HIV/AIDS. We are talking about a serious crisis of tuberculosis and malaria, an average income of \$164 a year, which is a very minimal amount. Particularly in parts of the country that I have seen personally, you have extremely high levels of malnutrition, particularly in a center or in the Chin State in the north. This is something that is very dire. In some ways, I think the international attention that we placed on Burma also points to the humanitarian issues.

It is going to be a long haul. There are no silver bullets to bringing a peaceful resolution to this problem. There have been too many bullets already. Dialogue, diplomacy, multilateralism, focused target actions; those are the things that can move forward to make a more peaceful situation in this country.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Welsh follows:]

PREPARED STATEMENT OF BRIDGET WELSH, PH.D., ASSISTANT PROFESSOR,
SOUTHEAST ASIA STUDIES, JOHNS HOPKINS UNIVERSITY-SAIS

Mr. Chairman, Ranking Member Manzullo, and members of the subcommittee, thank you for inviting me here today to testify about how to bring about a peaceful resolution to the crisis in Burma (also known as Myanmar). I commend the actions of the committee in holding a hearing on this important question and drawing attention to the crisis of the estimated 54 million Burmese people who have been under military rule for the past 45 years. The compelling images of peaceful protest and the bravery of the protestors captured worldwide attention. It is critical to build on this momentum and translate it into substantive change. The developments since the crackdown last month have fostered greater unanimity in the international community for political reform and present the U.S. with an opportunity to explore new initiatives and to develop practical measures to improve the conditions of the Burmese people.

My remarks address the key question posed by this hearing—how can the U.S. help to facilitate a peaceful resolution. I propose a number of concrete recommendations. The recommendations are driven by the shared goal of achieving a better future for the Burmese people and point to a strategic, pragmatic and targeted consensus core set of initiatives that directly address the ongoing crisis in Burma. Lessons in our recent foreign policy in Iraq and Afghanistan clearly illustrate that bringing about political reform and sustaining democracy after a dictatorship require parallel and multiple approaches. Multiple approaches will increase U.S. leverage (which is now quite limited) in addressing the current crisis.

First, central to any peaceful resolution is the primacy of diplomacy. In this regard, I would like to commend the Bush administration for embracing the diplomatic effort under the auspices of the “good offices of the U.N. Secretary General” through the Secretary General’s Special Envoy Ambassador Ibrahim Gambari. There is no question that the U.N. will play a critical role in any peaceful resolution. The international community through the U.N. Security Council has also demonstrated that it is more united than ever before. Countries with direct leverage are now calling for dialogue and political reform. There is a genuine spirit of multilateralism and cooperation in place. For the first time in history, all the major global powers have adopted a united approach with respect to Burma. Unified international concern and the pivotal role played by China have brought the Burmese junta to the discussion table; it is essential that the junta remain to bring about a peaceful solution for the reason that they continue to hold the monopoly of means of coercion. Meaningful diplomatic dialogue is the primary means to bring about a peaceful resolution to the crisis. In this regard, I urge the Congress to support the U.N. dialogue process and recognize that this process will take time in order to be effective. For example, Members of Congress could help by urging senior members of the Bush administration (and perhaps the President himself) to actively engage in the dialogue process by calling on leaders in China and India to maintain international pressure for dialogue.

The Congress should also consider developing a new set of initiatives that complements the international dialogue effort. Led by members of this committee who have shown a strong commitment to justice and democracy in Burma, the U.S. has adopted a position of unilateral sanctions and consistent strong condemnation of the junta. I urge the committee to assess the effectiveness of these measures. Generally, the arguments against unilateral comprehensive sanctions in Burma have been threefold: a) They increase the burden on everyday people. b) They shrink the middle class and civil society which are essential for any reform process to expand and c) They are ineffective unilaterally since this form of sanctions lacks international cooperation. As U.S. business has left the country, the vacuum has been filled by other international companies from China, India, ASEAN countries, Russia and South Korea. There are also closer links between the junta and the Middle East and North Korea. None of these countries supports sanctions on trade and investment. Many companies from these countries adopt abhorrent business practices and create an environment that worsens human rights conditions on the ground. Arguably, having U.S. businesses in Burma provided an avenue for dialogue and greater transparency in business transactions. This is particularly important in the oil and gas sector, a large source of revenue that some have estimated could be as much as \$2.6 billion. US companies also have sponsored needed socioeconomic projects that provide basic services to the people in the areas where they work. Non-western companies have not duplicated such programs in areas where they have a presence.

There are four additional reasons the unilateral sanctions policy is limited in its effectiveness in Burma. a) Unilateral sanctions promote and reinforce isolationism. With a highly xenophobic regime and where years of self-imposed isolationism are part of the problem, sanctions feed into a climate of paranoia of the junta leadership, encouraging them to seek refuge with rogue regimes such as North Korea and promoting the regime to build up its nuclear capabilities. b) Equally important, the sanctions provide the regime with an excuse for the junta to deflect responsibility for the economic crisis for which they are indeed responsible. c) Moreover, the unilateral sanction policy has alienated countries within Asia that have leverage to promote dialogue with the regime, China, ASEAN and India. Maintaining the cooperation of these countries is essential for any process of dialogue to move forward. d) Finally, the conditions tied to the removal of sanctions limit the ability of the U.S. to be effective as an interlocutor in any dialogue process. It is important to note that over the last year, even before and since this crisis, leading human rights groups—Amnesty International, Human Rights Watch Asia, Free Burma Coalition—and international aid groups working in the country—World Vision, Refugees International and Catholic Relief Charities—are not calling for blanket sanctions in Burma, unilateral or otherwise.

As the Congress moves forward, working in tandem with the Executive Branch that is also committed to bringing about a peaceful resolution, more flexibility and targeting are needed in the application of sanctions. This will build on the growing multilateral effort and allow the US to lead more effectively to promote political reform. To date, sanctions have shown the strong commitment the U.S. has to the pro-democracy movement inside the country and shown support for the brave Burmese who have risked and continue to risk their lives. Modifying measures does not in any way take away from support and may in fact empower the reform process. Increasing U.S. leverage and creating conditions for flexibility reinforce the dialogue process.

In the spirit of promoting flexibility and increasing U.S. leverage, I suggest three important policy modifications. First, sanctions can be effective if they are targeted more specifically toward the leaders in the regime. U.S. policy has moved in this direction, with the Bush administration and some members of Congress calling for limits on financial/banking transactions and visa restrictions on leaders. My own view is that targeted sanctions need to concentrate on the individuals in the junta who are responsible for the killing and brutal repression. Targeted sanctions should not be applied in a blanket fashion to all leaders, but focused on key individuals who have engaged in human rights abuses and are thwarting the dialogue process. Targeting will foster conditions for dialogue and build support within parts of the State Peace and Development Council (SPDC) for the dialogue process. The Congress can assist this effort by asking the Secretary of the Treasury for a report on the known financial holdings of junta leaders and an assessment of the involvement of specific individuals in the ongoing crackdown. In order for these financial sanctions to be effective, there needs to be more cooperation between the Treasury and financial institutions in Singapore, Hong Kong/China, Taiwan, and Dubai, where it is believed that most of the financial assets of the leaders are held. Diplomatic efforts need to also limit the international travel of the junta leadership (and their families) that are thwarting reform.

Second, the U.S. Congress should support the measure that has widespread support among the human rights community—a multilateral arms embargo. This will require the Executive Branch to persuade the key arms suppliers, China, India, Russia and reportedly Serbia, to stop supplying the Burmese military with equipment. Cutting the supply of arms to the Burmese military focuses attention on the international condemnation of the state violence and the pressing need to reduce such violence.

Third, the Congress should consider measures to increase democratic assistance, particularly within the country. The reported \$2.5 million 2007 earmark for the National Endowment for Democracy is down from a \$4 million earmark two years ago. Voice of America and Radio Free Asia, who report on issues and are a critical part of the dialogue process, also have received severe cuts in funding. These funding cuts are not in line with current conditions.

Fourth, in assessing future measures, the Congress could consider building in more flexible measurements of progress in the dialogue process. This would not take away from the overall message of calling for democracy but would help to promote the very means for nurturing and facilitating democracy.

Part of the call for flexibility is an appreciation of inclusiveness and recognition that change will not happen immediately. It will be gradual, and likely involve the cooperation of some individuals from the military. Calling for a removal of the military from political power altogether goes against the history of the country. The *Tatmadaw*—the military—remains the most powerful institution in Burma, the only institution after Buddhism which has been severely damaged in this crisis. Internationally, in Asia and within the National League for Democracy itself (which is partly comprised of ex-military people and led by a daughter of a general), there is a recognition that the military will be part of a future government that can maintain order and stability. Congress can craft any future measures in such a manner to allow for possible inclusiveness.

Another critical element of a new peaceful-oriented response to the crisis is fostering cooperation with Asian countries that have leverage over the regime. Due to the xenophobic nature of the junta, outside countries inherently have limited influence. The move of the capital to the remote center of Nay Pyi Daw has reinforced this isolationism. China has the most connections and business ties to the Burmese regime. Over the past five years these ties have increased especially in the oil and gas sector. The level of Chinese involvement is particularly intense in the border regions, where resource extraction in timber, gems, other minerals, fisheries, recently palm oil production, commodity trade and connection to dam and road construction is extensive. India's financial links have also grown, signing an oil deal during the height of the crisis. This has been driven by India's own resource needs and competition for regional power with China. China's attention to Burma remains crucial and Congressional calls for engagement with China (which now appreciates that the Burmese regime is no longer stable) over Burma will strengthen the move toward political reform.

ASEAN's links with the regime also remain strong. Singapore, Thailand and Malaysia, in this order, are the leading ASEAN investors in tourism and oil and gas, primarily. Singapore has a special personal relationship with the junta, providing medical treatment for the leadership, financial/banking transactions and remains (along with Dubai) the premier shopping destination for the junta and their families. Yet, over the past three years, ASEAN countries have become more frustrated with the junta, and the ASEAN statements led by Singapore during the crackdown this month show the group's deep concern. For the first time, ASEAN has condemned the crackdown and is backing the dialogue process, albeit with varying levels of support and intensity among members. Congress can work with ASEAN to reinforce the dialogue process and urge participating countries to appoint a troika comprised of Singapore, Thailand and the Philippines or a regional forum to further the dialogue process. ASEAN is unlikely to impose sanctions and has none in place. Congress can urge greater cooperation with ASEAN in the areas of financial/banking transactions and travel. In this regard, it is important that the U.S. be active and the Bush administration send senior representatives to the ASEAN meeting to be held in November.

Widening the dialogue process internationally strengthens the dialogue process. Yet, change in Burma will only come from within. The spirit of inclusiveness in dialogue needs to extend within Burma itself. To date, the Congress has called on dialogue with the leader of the opposition, Aung San Suu Kyi. There is no question that she is the key person who needs to lead any dialogue effort from the opposition. Yet, the current crisis shows that the opposition is broader than the National League for Democracy (NLD). In fact, older leaders in the NLD did not fully support the peaceful protestors while younger members allied themselves with the Genera-

tion 88 movement, which led the first wave of protests against the regime after the massive 500 percent fuel price hike in August. Dialogue needs to include the younger generation—the future leaders of Burma. Congress can assist this effort by calling for the release of political prisoners from Generation 88, who along with the monks have faced the brunt of the brutal crackdown over the past few weeks. Dialogue must include representatives from the monastic order, who captured international attention with their spirit of self-sacrifice. Finally, the inclusiveness approach should include the ethnic minorities, who are deeply fragmented and have diverse perspectives. It is important to remember that these groups have used violence in the past, and the junta uses ethnic fragmentation as a means to justify its rule. A peaceful resolution to the crisis requires an inclusive spirit of all key groups of the opposition. It is only through bringing the newly formed opposition together—as the NLD did 20 years ago—in a form that reflects current leaders and actors that the opposition can have a stronger voice in the dialogue process, playing a more critical role in the political reform efforts. Dialogue cannot center on one person in the opposition to bring about peace.

Dialogue also needs to be supported by measures that address the causes of the crisis. Based on my own personal observations, the humanitarian crisis in Burma is horrendous. Two reports (*The Gathering Storm* and the UNDP “Household Survey”) are perhaps the most rigorous studies of actual conditions in the country. Poverty is massive. The UNDP Report in 2005 estimated that the number of people living in extreme poverty is “more than 30 percent” in the country as a whole, but much higher in Chin state (70 percent) and eastern Shan state (52 percent). It further indicated that, everything else equal, an increase of just 15–20 percent in food prices would push “well over 50 percent” of the total population below the poverty line, a prospect that with continuing high inflation could soon become reality. Over the last two years inflation has increased over 100 percent and with the 500 percent increase in fuel prices last month, Burma’s inflation continues to rise sharply. The country has been facing an ongoing humanitarian disaster for the past few years, with reports of HIV–AIDS, malaria and tuberculosis sky-rocketing and extreme poverty deepening. The crisis this August was as much an economic one as a political one. The monks are on the front line of poverty, and they consistently called for actions to improve basic needs. The calls by the monks perhaps more than any other show how dire economic conditions are, as the ranks of orphans (children sent away by parents who cannot afford to support them) have swelled and levels of donations from the public—who themselves are starving—have dropped. The time to support the Burmese people through humanitarian relief has come. This will create conditions to support the people and work to buttress dialogue. Since the crisis, parts of the junta have come to recognize how serious economic conditions are, and the use of incentives in the dialogue process can potentially be more effective than in the past.

Congress can strengthen the humanitarian effort by increasing funding for relief efforts. The Congress can provide funding to assess economic conditions. It can also amend legislation to allow international financial institutions to assess the situation inside the country by removing the restrictive clause on “technical assistance” and writing legislation that exempts humanitarian activities from restrictions on financial transactions. This can be tightly monitored by requiring the Treasury to review these activities. Congress can also direct the Treasury Department to issue multi-year Office of Foreign Assets (OFAC) licenses for humanitarian activities to qualifying humanitarian organizations. Currently licenses are granted for one- or two-year periods, and can take up to six months to acquire. This is time-consuming and limits the flexibility of humanitarian organizations and their ability to respond to rapidly changing economic conditions. Finally, Congress can support human capacity efforts by increasing the number of Fulbright-Hayes Grants from six. The adoption of these measures can be tied directly to progress in the dialogue process and release of political prisoners.

As one looks forward, the crisis presents an opportunity to rethink the U.S. approach to Burma. Steps have been taken by the Executive Branch to strengthen diplomacy, increase multilateral cooperation and introduce new multiple initiatives that can foster political reform. The window to act is now. Change will not happen overnight, and, as crises in Iraq and Afghanistan have shown us, there is no easy solution. There is no simple option for Burma. An approach that buttresses diplomacy, modifies sanctions for targeted effectiveness and greater international unanimity, promotes inclusiveness in dialogue internally and internationally, and addresses the severe humanitarian conditions can reinforce the call for a peaceful resolution. It will be slow going and will require patience. The Burmese people, who have been so brave and suffered so much, continue to inspire the call for pragmatic action to address urgent needs and lay the foundation for political reform.

SUMMARY OF KEY RECOMMENDATIONS:

Supporting Diplomacy & Increasing U.S. Leverage

- Reinforce the U.N. dialogue process led by the Special Envoy
- Call on Executive Branch to continue to work closely with China/India/ASEAN on Burma
- Introduce/Reinforce targeted sanctions toward individuals in banking/travel
- Focus international attention on building support for a multilateral arms embargo
- Add flexibility in U.S. legislation with wording to acknowledge possible gains in the dialogue process, particularly with regard to banking/travel.
- Support Assessments by Treasury on the effectiveness of sanctions and possible targeted measures.
- Work with ASEAN/Asian countries to support visa and banking restrictions.

Building Inclusiveness:

- Encourage dialogue beyond the NLD with the younger members of the opposition, "Generation 88," monks and the ethnic minorities.
- Include the possibility of military participation in future political reform processes.
- Encourage Asian-led diplomatic efforts, particularly stronger roles by China, India and ASEAN.
- Increase democratic assistance to support more inclusive opposition voice.

Addressing the Humanitarian Crisis

- Increase funding for humanitarian assistance.
- Increase flexibility in legislation for humanitarian assistance by reworking language on the blanket prohibition of technical assistance by international financial institutions.
- Exempt certain humanitarian activities from restrictions on financial transactions carried out by U.S. financial institutions.
- Change Treasury OFAC licensing procedures for organizations engaged in humanitarian work.
- Increase funding for human-capacity building over the long-term, specifically toward Fulbrights-Hayes Grants.

Mr. FALEOMAVAEGA. Thank you, Dr. Welsh.

There seems to be a view among my colleagues that these people really don't care about the people of Burma. Do you think that is an accurate description of the leaders, of the military leaders of Burma? What is it? I am not trying to be a psychologist here. I am just trying to figure out what motivates them to say, let's come to the table, let's engage, let's see what we can do to be of help.

Some say that it is for fear of the power of losing their power if the country becomes democratic, the fear that the country will disintegrate because of these ethnic multiple—I don't want to call them minorities. I would think that they are very distinct, very, let's say, competitive, and that seems to be what is feeding on to justifying this military regime to continue to function.

I just wanted to get your view, Mr. Woodrum, on that, and especially—you have been there six times? I hope to visit Burma in a very short while. That is why we are having a hearing today.

Mr. Woodrum.

Mr. WOODRUM. They do justify their rule by saying that the country would split apart unless—the military is the only institution that can hold the country together. The military has almost become—I mean, it is an institution in and of itself. Members of the military have greater privileges than the rest of society, can get better transportation. There's all kinds of—

Mr. FALEOMAVAEGA. I don't mean to interrupt you, but we had this exact same problem in Indonesia. It was the military that really ruled the country since the time of Sukarno, then Suharto. But then the complete reaction of the people, of the demonstrations, that, finally, it just got to bear that they just recently elected, of the 223 million people there in Indonesia, the largest Muslim country in the world, the fourth-largest population in the world—do you think something like that might be similar, you know—that could happen to Burma that will turn the situation around?

Mr. WOODRUM. Yes. In fact, the Burmese regime conscientiously was trying to model their form of government on Indonesia under Suharto, so it was deliberate. The interesting part about the ethnic groups is that the regime keeps them split so they can justify their power.

So there have been several agreements signed between the ethnic groups saying, we are joining together. We are all for a federal, unified Burma. We support the democracy movement of Aung San Suu Kyi. And the regime promptly carries out targeted attacks against those groups and tells them we will stop attacking you if you take your name off that treaty.

It is a cycle they perpetuate. They split the ethnic groups from each other and then claim the ethnic groups will split if they are in power.

Mr. FALEOMAVAEGA. 54 million people are a lot. The size of Burma, I was surprised, is the same as putting England and France together. That is how big the country is, is it not? It is not a small little country. With a 54-million population, that is a real challenge.

You had mentioned earlier, Mr. Woodrum, about Aung San Suu Kyi. Why do they keep her still alive? This is for how many years now they still leave her under house arrest? Will this cause a revolution in Burma if something should happen to her?

Mr. WOODRUM. Yes, probably so. She has been arrested and released four times. Last time she was released in 2002, she traveled on a speaking tour around the country, and hundreds of thousands of people came out to see her everywhere she went. She is like a Mandela. That is not a stretch to say that. She does embody the Burmese people's aspirations.

Mr. FALEOMAVAEGA. She was raised in Great Britain, got her education there. She came back just for the purpose of seeing her ailing mother, and it was just then that this whole evolution—I don't want to say revolution, because that is when she became a member of this national party that caused the elections in 1990, for her now to be in the political arena, because of her name and her father's.

I guess her father is probably considered the George Washington in modern days of what he did in bringing the country—or taking the country away from the British colonial rule, if I might add.

You mentioned also India, India's situation, being the largest democracy. But India and China have two common things. They really need energy, and that's the reality that they are faced with. In fact, we are having a problem with India right now, its proposed plan to have a pipeline coming from Iran to India to provide for some 1.1 billion people living in India.

What are the realities? What can we do to help India alleviate this resource need to provide for the needs of 1.1 billion people, even for that?

Mr. WOODRUM. Well, in our conversations with Indian parliamentarians and NGOs and the media, I think that the Indian foreign ministry and the government have set themselves apart from this. That is why I was suggesting that we should reach out to the Indian parliamentarians. I don't think the Parliament shares the view of the foreign ministry on the position on Burma in any way at all. And I think because it's a democracy there is room to move, and there is room for their policy to evolve.

Mr. FALEOMAVAEGA. Professor Welsh.

Ms. WELSH. I think it is very difficult to move India in a direction. I think—besides the issues of oil and gas, the other factor is that they are competing with China, and they see themselves in a power play in the region.

You have seen the fundamental shifts in their policy in the last few years as they have tried to engage the regime, and it has been a direct competition with China over specific oil deals and gas deals. So it is going to be a very slow process.

Mr. FALEOMAVAEGA. It is interesting that you mention China in this whole situation. We have just awarded the Dalai Lama with the highest congressional medal, with the Congress and with the President being there and the branches—all of the major branches of our Government, against China's really strong disagreement in honoring the Dalai Lama. Yet we find ourselves the fact that China is also a key player in helping with these other situations. It has helped us with the North Korean crisis with the nuclear situation there. Now we are asking China to do this with Burma, when we have just given the Dalai Lama the Congressional Gold Medal. Do you think China should still go ahead and help us with Burma, despite the recognition we are giving the Dalai Lama?

Ms. WELSH. I think it is in their interest to do so. I think it is in their interest because the regime in the country, Burma, is not stable anymore, and they recognize that. Since they want long-term access to oil and gas, to the strategic resources that they feel are important for themselves, then they are going to have to reevaluate a regime that is stable on their border.

Right now, you have seen a fundamental shift. The regime stayed in power in three fundamental ways. The first way was actually where they consolidated and separated the military from society. So people felt that they had to join the military in order to basically function in a slightly better way in order to have separate hospitals, for example. They also have separate schools. They are better off. That is why the military still stays loyal to the forces, because it is basically for survival for these ordinary soldiers and their families.

The second way they stayed in power was using the country's resource wealth. Mr. Woodrum and others have talked about it. It has always been described in colors. White was heroin, brown was timber, green was jade, red was rubies and so forth. They have stayed in power by using resource wealth. They are very wealthy now because of oil and gas revenue.

The third was using some sort of legitimization about ethnicity, as well as tying itself to Buddhism. What you have seen in the last 2 months is that the regime has been undermined because monks, basically, came out into the streets. They are one of the main pillars—they try to build up their support—is no longer there. I think China recognizes that.

Mr. FALEOMAVAEGA. This unannounced increase in fuel, I think, was why all the monks came out in force. Was it by 500 percent increase? How much is the cost of fuel now in Burma? By the way, because of these increases, what does that mean?

Mr. WOODRUM. The cooking fuel went up by that much. They raised the prices of different fuels to different levels. I am not sure what the actual fuel cooking price is now.

Mr. FALEOMAVAEGA. And these people in Burma are living at \$146 per annum per capita?

Ms. WELSH. I think it is \$164 a year. We don't know exactly, because there haven't been enough studies. There are two major studies. That is where the estimate is from.

Mr. FALEOMAVAEGA. What is the international poverty level?

Ms. WELSH. We don't have the studies.

Mr. FALEOMAVAEGA. No, I mean, generally, the average internationally. What is the poverty level? Has there been any estimation made on that?

Ms. WELSH. I don't know.

Mr. FALEOMAVAEGA. Ours is—what—\$14,000, \$15,000 per annum for poverty level?

Ms. WELSH. It is usually done by the World Bank numbers for \$1 or \$2 a day based on how they make the assessment. They have now become more nuanced in terms of how they make the assessments for what they include or don't include in the actual amount.

In Burma, we don't have the data actually to know how much poverty there is. The last two studies that of come out that have been really substantive was the 2005 Household study done by the U.N., which estimated minimally 30 percent extreme poverty and pointed out if there was any significant change whatsoever in the inflation and others, which has happened, that that could go up as high as 70 percent.

Mr. FALEOMAVAEGA. If my data is correct, as I understand 800 million people in China live below the poverty level at, I think, at about \$100 per annum.

I think our young friend over there might have a figure. She was raising her hand. Did you?

VOICE. I don't know if the audience is allowed to make a statement, but the international poverty level is \$1, and per annum it needs to be \$2,500 per annum.

Mr. FALEOMAVAEGA. \$2,500 per day? I think I got that figure correctly.

I am joined by my good friend from Illinois. I have a hundred other questions I want to ask you, but at this time I want to turn the microphone over to my friend for his questions.

Mr. MANZULLO. Thank you.

I am sorry that I missed your testimony, but I did have an opportunity to look at your written testimony. The testimony here of Dr. Welsh, page 5, says that the U.S. Congress should support the

measure that has widespread support among the human rights community—a multilateral arms embargo.

The testimony of Mr. Woodrum on page 3 says that the U.S. should table a resolution that the U.N. Security Council oppose any binding arms embargo on Burma.

You guys disagree on this. Somebody is right or you are both right or you are both wrong. Help me on this.

Mr. WOODRUM. Maybe it was my choice of language, but I was suggesting that we should carry out an arms embargo at the Security Council, too.

Mr. MANZULLO. All right.

Mr. WOODRUM. I think we actually agree.

Ms. WELSH. This is one area we definitely agree on.

Mr. MANZULLO. If you want the word “not table” put in there and made part of the official record, I will ask the chairman to entertain that.

Mr. FALEOMAVAEGA. Without objection. The phrase will be included for the statement.

Mr. MANZULLO. Let me get it for the record, page 3.

Mr. FALEOMAVAEGA. Paragraph 2.

Mr. MANZULLO. The first full paragraph, all the way down line 2, do you see it there?

Mr. FALEOMAVAEGA. I see it.

Mr. MANZULLO. Mr. Woodrum, would you want a “not” put in there?

Mr. WOODRUM. Thank you.

Mr. MANZULLO. That being the case, obviously, I don’t have a question on it. How could two people of such learned capacity differ on something like that?

Russia and China have intense interest in Burma, economic interests, perhaps strategic interests. Are we going to be involved in a continuous stalemate by lining up everybody except China and Russia against Burma, and Burma goes and says, look, these are my two friends, China and Russia. Regardless of this stability or instability, China at least continues to increase its influence in those oil fields.

Are we at loggerheads here? What is going to happen? Give me some options, because the embargoes are not going to work as long as China and Russia are parties to that—are not parties.

Thank you, Mr. Chairman.

Mr. WOODRUM. I think that the perception from China—and not only China but also ASEAN of, say, maybe 18 months ago was that the United States was not serious about Burma enough to include it in our diplomatic dialogue at a high level on an ongoing basis. I think they felt—and I am reporting my conversations with people from the region—that this was a throwaway human rights issue for the U.S.

So there wasn’t any movement from on them, and so we were at loggerheads, and we were at a stalemate for that reason. It didn’t come up very much in the bilaterals.

I think that has changed, though, now, because I think that they realized that the U.S. is serious, both in the administration and in the Congress. I think that is why you have seen the movement from China that you have had.

The second factor is the lead-up to the Olympics puts them in a tighter position to where they don't want to be standing in complete opposition to human rights on a case that is so clear-cut like this. So I think that if the U.S. backs down or this falls off the policy agenda and the Congress does, too, I think we will be at a loggerheads or at a stalemate.

But China has been moving a little bit, and I think that if we keep this in our high-level discussions and also confront them reasonably, as my colleague here suggested as well, and explain why this is in China's interest as well, I think there is a possibility of deal making.

Mr. MANZULLO. Like what? What kind of deal? Sometimes you take any card they give you, including the joker. At least someone is dealing.

Ms. WELSH. Yes, well, you don't have a good hand when you have a joker in it.

Mr. MANZULLO. That is correct.

Ms. WELSH. I would say I think that the trade in investment sanctions are something that China just won't accept, nor will Russia, nor will ASEAN. These are measures that these countries have opposed.

They have a fundamental interest and a lot of significant investment inside that they can't move. There will be a lot of resistance, but you need them on board to have an effective dialogue in diplomatic effort.

But an arms embargo is something that is actually much more limited in the sense—and it is much more narrow and focused. A focused effort by the Members of Congress and others to push for a specific narrow measure, as opposed to a broad sweep sanctions, would actually keep the Chinese on board, potentially, and at the same time focus attention and pressure on the regime in a way that actually shows there is serious international concern about what is happening inside.

It is basically choosing measures effectively and encouraging the Chinese and keeping it on their agenda at very high levels.

Mr. WOODRUM. I think, very specifically, China wants to protect its investments inside Burma, where they are a transitional government, and they want to protect their relationships to the new government as well. If assurances can be offered to them that the United States is not seeking to undermine that and that the democracy movement also sees a relationship with China and its future, I think that would help a lot.

In terms of how that would concretely play out, I think some sort of talks—I think that the Security Council is the forum for where those talks should take place, because it also includes Russia and China and it contains the possibility for binding action. So we would like to see specific transitional plans come.

I think that is actually going to be proposed here in the near future. The U.N. Envoy is supposed to go back to Burma again. Then he will come back and report his findings to the Security Council. After the last meeting, they have issued this Presidential Statement condemning the crackdown. The presumption is that they are going to decide on a series of further steps when he reports back.

Mr. MANZULLO. We had a vote here, Mr. Chairman, maybe 4 years ago, of a complete United States trade embargo with Burma. Do you remember that?

We had a vote on that, and I actually used to have a constituent that used to import these highly polished wood boxes from Burma. He sent me some of these things.

I wasn't the only person to vote "no" on the embargo, but I just wondered, does it do them much good? I mean, they can make something and just try to ship it to another country. No one knows, but under their own label of choice.

Mr. WOODRUM. Yes. When that passed, immediately it cut off \$500 million per year to Burma, so it was very substantial.

Mr. MANZULLO. Is that right?

Mr. WOODRUM. Yes.

Mr. MANZULLO. Wow. But did it do any good?

Mr. WOODRUM. But there is leakage, as you are pointing out. I am not so sure you can ever control that on any sanction anywhere. I don't think any of them are ever complete. I think all we can do is try to tighten them up a little bit; and that is the legislation that Mr. Lantos, I believe, is introducing to ban the import of gems.

In terms of the good that they did, the regime is screaming about it. They are very unhappy. They complain in the state-owned press regularly about this, because they lost a ton of money from it.

I don't think that that—

Mr. MANZULLO. The U.S. was buying \$.5 billion a year of stuff from Burma?

Mr. WOODRUM. Yes.

Ms. WELSH. The gem industry is very difficult to be able to monitor effectively, because a lot of things are passed through Thailand, and so it is going to be a very difficult measure to actually address.

I think, again, one of the things that happens is that, for example, in that good example that you described about those boxes, is that factories close and people lose jobs.

Mr. MANZULLO. Well, that is my question. Who exactly is being hurt here? The tyrants always live off the fat of the land, and they will find a way to enrich their coffers. Yet to pass these sanctions means to the people in Burma who can't compete with other people in Southeast Asian countries for the market on it.

I have got one other question.

Mr. FALEOMAVAEGA. If the gentleman would yield.

Mr. MANZULLO. Of course.

Mr. FALEOMAVAEGA. When we talked about sanctions earlier, if we are going to be serious about sanctions, we have to put teeth in them. We can just put a little cap on it, but if we don't go right to the heart of it, it is not going to be a help.

Mr. MANZULLO. Plus—I have got another easy question: Aung San Suu Kyi is a real hero and elected—I mean, she would have been Prime Minister if her party had been allowed to take the—

Mr. FALEOMAVAEGA. 17 years.

Mr. MANZULLO. Since 1988, she has been in exile, and the legislature has been waiting to go into session.

Do you think the fact that she is such an overpowering, charismatic figure actually impedes democracy? I mean, she said, look,

I want to step aside from any leadership role. I am going to be in Britain or stay here and do a support—I just want to see democracy returned.

They really fear her, don't they?

Ms. WELSH. There's no question that they fear her. That is why she was arrested. But she is also protected because she is a daughter of a general, and people in the military recognize that, and they use her father, Aung San, and they recognize his pivotal role. He brought the country together.

I do think that she is a very important part of the opposition. She was not elected. Her party was elected. That is a very important distinction. At that time, she was not a candidate, but she was the leader of the party.

If there is a future government, and it is an "if," there has to be political reform process first. She will play a pivotal role in the dialogue process for any transition and in any transition government, but she will not be the only role.

It has been 20 years since 1988. The opposition has evolved. I wish I was a bit younger than I was 20 years ago. I mean, there are new, younger people coming up, generation '88 activists, a lot of monks, you have new groups in the ethnic minorities. So it is a changed environment, not only within the society but within the opposition itself.

Those actors will have to come together in a particular forum and have dialogue among themselves in order to figure out how the country moves forward. So it is going to be—is a very slow process, and it is going to take time.

In the context of a situation where you have had a repressive regime, where you have had very difficult circumstances, there is not very much trust in society. This happens in all types of authoritarian regimes. It happened in Indonesia. It happens in places like North Korea. It happens in China. People don't trust each other. In order for them to have an effective government, they have to work together and get over and build trust. It is a slow process.

Mr. FALEOMAVAEGA. If the gentleman would yield.

Mr. MANZULLO. Of course.

Mr. FALEOMAVAEGA. The sheer geography of Burma's position in Southeast Asia does have a bearing, unlike Indonesia and other countries that have had strong military regimes. What I am saying is that China borders Burma.

Now, you talk about being right next to the heart of things. If there would be any concerted effort by any organization or an army to go against the military regime, it will definitely bring China's attention and probably even bear to support the military regime. So that is a real issue that is going to cause more civil strife, more killings and a lose-lose situation for everybody.

You mentioned earlier, Mr. Woodrum, about the issue of torture. What do you suggest on how we go about when everybody says, oh, they are torturing people? Because every country in the world will go right back and stab us in the face and say, well, let's talk about Abu Ghraib.

If you want to talk about torture, this is where even in our own country, in our own Government, even in the Congress, we are having a big debate on torture, about how or to what extent should the

military or those in the intelligence community apply measures of torture, which I consider should never be utilized under any circumstances, even if the opposition does these things, for the simple reason that they will go—come right back to haunt us and do greater harm to our soldiers. Somehow there is a difference of opinion within the administration on how we do this.

By and large, this has been used by the community, the world community, in putting us in a bad situation. Don't talk to us about torture when you haven't cleaned up your own act and making sure that the Geneva Convention principles are applied.

I am very concerned that the people, these protesters are being tortured. How can we make that as an issue, to tell the military regime that they should lay off and not do these kinds of things?

Mr. WOODRUM. Well, in my personal interactions with other organizations and parliamentarians and such overseas, I have experienced, personally, the very thing you are referring to, where people say, why are you guys talking to us about this when you have your own mess in your own backyard? So I have experienced that personally and directly.

We were encouraging yesterday the U.N. Secretary General to pick up the telephone and to call to Burma, to the leader of the military regime, General Than Shwe, and to tell him we know you are torturing people right now. People have been arrested over the last month. It has to stop. Otherwise, all deals are off. How can you negotiate? How can we have a negotiated settlement if you are torturing the people you are supposed to be talking to? So that is what we are pressing for him to do immediately.

For the Burmese people, the U.N. is a big deal. For people inside the country, they look up to it. They respect it. They pay attention to it.

So when the Secretary General, if he would do something like that, or his envoy would, it does have a big impact inside the country both among generals and also on the perceptions of the populations.

Mr. FALCOMA. Professor Welsh.

Ms. WELSH. Unfortunately, the military as a military institution is not a professional one in the sense that there are certain boundaries and rules. This organization has been trained on using force. This is what they know. So these issues about torture and other things and so forth are not surprising.

In fact, I think the fact that they are using it shows, in my view, that they are internal divisions, there is deep concern within the regime about what is happening. They are unstable. They are using force out of the fact that they are getting—they are fearful about their own power and want to stay in power.

It is important to keep them at the dialogue table because dialogue is the only way that they are going to get change, to convince them that the torture has to stop and for them to encourage them to release political prisoners. As long as they are at the table and the senior officials are there, there's a chance for them to begin to be more accountable to the international community and the way that they treat their own people. If they don't stay at the table, then we won't have any leverage or any way of engaging, and this may still continue. It is part of the mindset of the military in the

institution itself, and its going to take time to change that. It is not going to be an easy process, but dialogue, itself, is crucial.

Mr. FALEOMAVAEGA. Mr. Woodrum, you said earlier there are some 1.5 million refugees right now, and about 1 million of these refugees live in Thailand. Are there organizations within Thailand representing the Burmese population living in Thailand? Have you had a chance to visit some of these refugee camps? How many camps are there in Thailand that borders Burma?

Mr. WOODRUM. There are nine camps up and down the border.

Mr. FALEOMAVAEGA. What is the population of the people living in these nine camps?

Mr. WOODRUM. Well, it is misleading, because there are probably about 150,000 in the camps. But, long ago, the Thais stopped allowing Burmese of particular ethnic groups to enter into refugee camps, even though they are bona fide refugees fleeing well-founded fear of persecution. That is the U.N. Definition. So 1 million are refugees, 150,000 actually in the camps. The rest of them scratch by as migrant workers working in orange fields, sleeping outside. It is a miserable existence. I am glad that USAID has some programs to help those people out.

Even worse off than them, though, are the .5 million that are internal refugees that are internally displaced in eastern Burma. A lot of those people are on the run, being hunted down, killed in the jungles like animals.

Mr. FALEOMAVAEGA. Professor Welsh.

Ms. WELSH. Actually, I think the numbers that were given to you earlier are an underestimate, based on the assessments that I read. There may be up to as many as 2 million people in Thailand. There are about 350,000 to 500,000 Burmese in Malaysia. There are now increasingly large numbers being sent to the Middle East.

In the last 3 years, I have observed that there have been more and more young Burmese going out of the country for work. The government, particularly since 2004, has allowed them to have access to travel. So they go on 6-month contracts.

Mr. FALEOMAVAEGA. Would there also be human trafficking involved in some of these?

Ms. WELSH. Yes, there are reports of these issues, but, again, not all of this is fully known because there are not enough investigations going on inside the country, whether it is economic or others.

One of the recommendations in my written testimony was to call for some of these assessments. Until we know those numbers, we are actually not going to have effective, accurate information to be making a clear sense of what needs to be done and how we need to target that.

But the remittance economy has increased, and it has been important for the young population. It is a very important dimension of the income that is coming in now for ordinary people.

Mr. FALEOMAVAEGA. Is there a listing of—I will check with the State Department of all the companies currently doing business in Burma. Do you have any information that leads to this, Mr. Woodrum?

Mr. WOODRUM. We have as comprehensive a list as there is, yes.

Mr. FALEOMAVAEGA. Could you submit that for the record?

Mr. WOODRUM. Sure.

Mr. FALEOMAVAEGA. I am curious, I would like to get that from you.

You also mentioned Singapore has tremendous economic interest in Burma. In what form are they—Singapore's?

Mr. WOODRUM. What is the content?

Mr. FALEOMAVAEGA. Yes, what is the context of their involvement in business?

Mr. WOODRUM. A lot of it—they helped to build the tourism and sort of hotel industry inside Burma. Also, as I mentioned, there are countless allegations about weapons trading. So I think those are the main two.

But, interestingly, a lot of Singaporean businessmen have not followed up on their initial investments inside Burma, because, frankly, they found it was a bad business environment and so much corruption.

Mr. FALEOMAVAEGA. I guess I go back to my basic theme of our hearing this afternoon, Mr. Woodrum and Professor Welsh, in the sense of what the United States can and cannot do in terms of its limitations and ability in terms of sanctions, as you have suggested, that the sanctions be done on a multilateral basis.

You had indicated earlier, also, there seems to be a view from the military regime's view of the West with suspicion. Can you elaborate further on that? I mean, is it because they don't trust the West? Could it be because of their previous experience with British colonialism?

Ms. WELSH. I think one has to make a distinction between the junta's lack of trust outside and the ordinary people. I think the ordinary people trust the West quite considerably, and many of them would love a visa to come to the United States.

In the case of the junta, there has been no real engagement with Western partners. Of course, what they are often hearing are condemnation, and there is no dialogue.

Mr. FALEOMAVAEGA. Were these officers trained in China?

Ms. WELSH. Many of them China, Russia.

Mr. FALEOMAVAEGA. But none trained here in the United States?

Ms. WELSH. No, because the programs outlawed that particular practice for quite some time since 1988. They haven't had any exposure. All they have are the things they get in from the Western media—and everything that is being said is negative. Not to say that there aren't real legitimate reasons for that, but I think that it also creates a sense of distance, and it reinforces the isolationism toward the West. That is actually deeply rooted.

They use this strategically to keep themselves in power in the sense they basically reach out to other allies, and they try to divide the international community in order to basically say—strategically to make linkages to regimes that may not be as close to the West, including countries like North Korea.

Mr. FALEOMAVAEGA. The fact that 80 percent of the people of Burma in that 1990 election supported the party of Aung San Suu Kyi, does that give any sense to think that that is how democracy—that there is a sense of coming together of these seven ethnic minorities that are constantly rivals amongst themselves and which gives rise to the military saying, without us, this country would be in complete chaos because these different ethnic minori-

ties are constantly at each other's necks, even to the point of having this divisiveness, I guess you might say, that you need a strongman, you need a military ruler to really take control of things, or otherwise the country will be a tyranny?

Mr. WOODRUM. The ethnic minorities are not so much at each other's necks, but they are at the military regime's necks. Each of them is fighting against the military regime, not against each other.

Although, sometimes the regime tries to force them to fight against each other. They will, for example, take land from the Karen ethnic minority and give it to the Shan, and then, of course, the Karen are angry. So they actively foster divisions and such inside the country.

And yet there is a universal admiration for Aung San Suu Kyi and the NLD inside the country. They are seen as a group of people that can unite the ethnic minorities. And they set up a special council of ethnic leaders that is part of their organization and part of their leadership. So they are trying to go about it by dialogue. And the ethnic minorities are overjoyed, because they feel that they are being included, whereas the regime completely sidelines them.

Mr. FALCOMAVEGA. And the bottom line: There are no killings. They are helping the ethnic minorities to continue their survivorship, if you will, provide them with what their needs are. This seems to be the way things are under control.

Where do the monks come into play? I know it is a country of 9,000 temples.

Ms. WELSH. Just quickly, to speak to the other issue about the role of the military, I think that the military has used ethnic issues to keep itself in power. But I do think, ultimately, there is a recognition in the opposition in Burma that, in any future government, the military has to play a role, because it is important for maintaining order and that they have a particular position to play in society. What that role is has to be negotiated and focused in a democratic process. It is going to be long-going to get there.

The monks, they play a critical role in terms of society. They are the fundamental social foundation. They provide resources for ordinary poor people, in terms of education, coming into the monasteries. They basically provide a valve for people to express their religious rights. Eighty percent of the population is Buddhist, and this is a very devout society, and, you know, everybody goes to the monasteries regularly. That is very much part of their life.

And this is why I say that the fact that they actually came out and protested represents a fundamental shift in the way that the regime is actually connected with society. They no longer can actually give money to monasteries and give money to pagodas in the same way that they did previously and count on their support.

And this is why it is very worrying now, how they will treat the monks, whether or not they will allow them to still be able to engage in society and practice, or will there actually be an effort to divide them, as the way they have divided other communities, or will there be an effort to actually engage in dialogue with them?

I think it is the latter that is going to be critical, in order for the process to be a peaceful resolution. Otherwise, there is going to be more division in society.

Mr. FALEOMAVEGA. I would like to welcome both of you to submit any additional materials, things that you would like to be made part of the record. Because I will have it printed. I think this is a very important issue that we need to have it printed.

And, without objection, I also have three items that I want to be included in the record. There was a *Washington Post* editorial dated 27 September of this year, and there was also an op-ed commentary written by the first lady, Ms. Laura Bush, in the *Wall Street Journal* the 10th of October of this year. And also I noted earlier the *LA Times* op-ed article written by Thant Myint-U, the grandson of Mr. U Thant, the late Secretary-General of the United Nations. The date is 17 October. And also a copy of the proposed bill by Chairman Tom Lantos of the House Foreign Affairs Committee that will be made part of the record.

Mr. Woodrum and Professor Welsh, I cannot thank you enough for your patience. This has been a long hearing, but it will not be the last that you will hear from the subcommittee.

I do have every intention hopefully to visit Burma in the near future and hopefully to find somewhere how we could bring about a solution to the serious problems that we are faced with in that country. There is a saying that if you are not at the negotiating table, you will be on the menu. I don't know if the generals are going to be on the menu or the people are on the menu, because they are not on the table.

But I do want to thank both of you very much for your testimony and hope we will have another occasion to have another round in dealing with this issue concerning Burma. Thank you very much.

The hearing is adjourned.

[Whereupon, at 4:47 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman, for convening today's important hearing. I would also like to thank the Ranking Member of the Subcommittee, and to welcome our distinguished witnesses: Scot Marciel, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, U.S. Department of State; Lisa Chiles, Deputy Assistant Administrator, Bureau for Asia and the Near East, U.S. Agency for International Development; Jeremy Woodrum, Director, U.S. Campaign for Burma; and Dr. Bridget Welsh, Assistant Professor, Southeast Asia Studies, Johns Hopkins University-SAIS.

Mr. Chairman, recent weeks have seen spectacular protests against Burma's oppressive military regime. The people of Burma continue to a yearning for democracy, demonstrating their great spirit and bravery in the face of years of persecution and oppression. Despite international pressure, including the announcement on Tuesday that Japan would suspend \$4.7 million of funding for a human resources center, Burma has, in recent days, announced and demonstrated that it has no intention of changing course. I look forward to today's hearing, and addressing the question of whether the United States can assist in bringing about a resolution to this crisis.

In recent months, we have seen the biggest protests in Burma since the popular uprising in 1988. Initially triggered by a sharp and unexpected increase in fuel, the protests became a statement against the government attacks on Buddhist monks attending a peaceful protest in early September. Following the government's failure to apologize for these appalling actions, Burma's spiritual and nonviolent monks began protesting in large numbers. Burma's monks are highly revered, and have historically played a prominent role in political protests within the country. They form the social foundation of their nation, and it is extremely significant that tens of thousands of monks participated in the recent demonstrations.

Initially, the military junta responded by reportedly arresting many leaders of the demonstrations. As the protests continued, the regime began to violently break up the protests after the large numbers of monks joined the movement. The government imposed a curfew, imprisoned monks within their monasteries, and cut off almost all international contact with Burma.

Mr. Chairman, Burma today presents a serious test for US foreign policy, as instability in Burma means instability in a region of strategic importance for the US national security. This is particularly crucial at this moment in history, as we witness the rapid expansion and modernization of the Chinese military, along with the emergence in the region of nuclear powers such as India and Pakistan. The American foreign affairs apparatus should find the diplomatic tools and work with Burma's neighbors and the UN to help promote a peaceful transition to a pluralistic society where the political, economic and religious freedoms of the courageous peoples of Burma can thrive.

The international community has made some progress toward addressing this crisis. United Nations Special Envoy Ibrahim Gambari recently traveled to Burma, where he met with senior members of the military junta, as well as with Nobel laureate Aung San Suu Kyi. However, despite his requests, he was not permitted to meet with representatives of the Buddhist monks. The Gambari's leadership has been a positive step, but the threat of Chinese opposition and potential veto to any strong, internationally-coordinated

Mr. Chairman, recent events in Burma remind us of the darkest times of Communist rule in the Eastern Bloc when religious figures, the bearers of the nation's spirituality, were hunted, exiled or killed because they refused to accept the oppres-

sions of the many by the few. Yet the example of what happened in the Eastern Block with the fall of the Berlin Wall in November of 1989 leaves no doubt in my mind that bayonets will not be able to suppress the voice of freedom in Burma.

Burma possesses one of the most ancient, rich, and ethnically and religiously diverse cultures on earth. Like the indomitable Aung San Suu Kyi, the opposition leader democratically elected to lead the nation in 1990 but who instead has been imprisoned for 12 of the last 18 years, the people of Burma are resilient and draw strength from their convictions and the diversity of their nation. The international community should follow the UN's example and mobilize all resources to apply pressure to the Generals in Burma. We must work together to secure a peaceful transition to a pluralistic society, a model deeply rooted in Burma's own culture.

However such an effort will not succeed unless regional powers, such as China, start playing an active and positive role in influencing change in Burma, as instability in the country means instability for the entire region. Russia and China, both voting members of the UN Security Council, should condemn the current crackdown in Burma, thus sending a strong signal to the Generals that violent suppression of peaceful protest is an unacceptable behavior by international standards.

The United Nations Security Council must act now, despite objections from Russia and China, to halt what has become one of the most egregious violations of human rights in the world today. In times of tribulation, the Security Council must be a voice and a force against the atrocities, or else the bloodshed will spiral. This is an issue of international importance, and the United Nations must continue to be the world's moral conscience.

The protests of the spiritual, non-violent monks must not be in vain. As the world's shining beacon of democracy, the crisis in Burma is a crisis to American values. I call on the United States to be a leader in global efforts to bring about an end to oppression and a transition to a pluralistic society in Burma.

Thank you, Mr. Chairman. I yield back the balance of my time.

JOSEPH R. PITTS
10th District, Pennsylvania

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**Statement for Hearing, House Foreign Affairs Subcommittee
on Asia, the Pacific, and the Global Environment
*Crisis in Burma: Can the U.S. Bring About a Peaceful
Resolution?***

Congressman Joseph R. Pitts

October 17, 2007

Mr. Chairman, thank you for holding this important hearing on the current crisis in Burma. It is vital that even when media coverage of the situation in Burma has decreased, that we maintain a constant watch over Burma. The regime's human rights violations are horrific. I have stacks of reports in my office detailing the dictatorship's use of rape as a weapon of terror, the use of ethnic minorities as human landmine sweepers, and many other abuses.

On September 18, 1988, the military forced its rule on the people of Burma, a rule that has been dominated by severe violence and oppression. Ever since, the people of Burma have struggled to survive under this brutal regime.

While the Buddhist monks and democracy leaders have received much deserved attention recently, the struggle of the ethnic minorities remains difficult and also must receive the spotlight of international attention. Article 2 of the 1948 *Convention on the Prevention and Punishment of the Crime of Genocide*, defines genocide as "any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such: (a) Killing members of the group; (b) Causing serious bodily or mental harm to members of the group; (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; (d) Imposing measures intended to prevent births within the group; (e) Forcibly transferring children of the group to another group." Reports make clear that the ironically-named State Peace and Development Council (SPDC) of Burma, the ruling military junta, has engaged in a deliberate policy to eliminate the ethnic minorities. The regime engages in a scorched earth policy, destroying entire villages along with food storage and production sources; use systematic rape as a weapon of terror; uses ethnic minorities, including women and children, as human landmine sweepers; engages in forced labor, also known as slavery; has the highest number of child soldiers in the world; and refuses to allow the duly elected leader of the country to take office.

While there is extensive photograph evidence of more recent massacres, I want to draw attention to a massacre that took place in Burma's Doooplaya district on April 28th, 2002 – the regime targeted children. These photos, which show the bodies of the victims stacked neatly, are incontrovertible evidence of the regime's crimes against humanity and the increasingly horrific

human rights situation in the country. The regime's soldiers shot and killed the Karen villagers in their quest to completely subjugate the entire country. The dozen who were killed include Naw Pi Lay, who was just a baby, Naw Daw Bah, a 2 year old girl, and Naw Play and Naw Ble Po, two five year old girls. Nine others were shot and lucky enough to escape, including a six-year old boy who played dead until the regime's troops left. What possible threat could these babies and young girls have presented to Burma's military regime?

The various ethnic minorities of Burma, which comprise approximately 60% of the population, are not of the *Burman* ethnic group. The desire of the junta, composed of members of the Burman ethnicity, is to ensure that it remains the "master race," or *maha bama*. In 1988, the regime issued a blood assimilation order which stated, "With a view to attain success in accordance with our basic aspiration, which holds that our one race, the Burmans alone must inherit prosperity with an achievement of a long standing dominion. The easiest way to realize our above aim, we, the superior sons of the mainland of Burma are to employ the strategy of 'Blood Assimilation' against the female members of other non-Burman ethnic races. Our objective is to take marital possession of their women." Soldiers are instructed to dilute the bloodlines of the ethnic minorities in order to "purify" them and make them more Burman. While some might dispute the use of genocide in relation to this situation, it is clearly, *at the very least*, ethnic cleansing.

Astonishingly, other nations are enabling the dictators to continue their attacks against the ethnic minorities, democracy activists, protestors and Buddhist monks. Reports suggest that since 1989, the Chinese government has provided the dictators in Burma with over \$2 billion worth of weapons and military equipment. This Chinese weaponry has allowed the regime to quadruple the size of its forces to 450,000.

Russia also is supporting the dictatorship by helping build a nuclear reactor in Rangoon. The regime says the reactor is for peaceful purposes for medical research. However, Burma is ranked second from the bottom by the World Health Organization in terms of national health care, thus begging the question why they need nuclear medical research when there are barely even provisions for basic medical needs.

European Union non-governmental organizations recently released a report entitled *Indian Helicopters for Burma: making a mockery of embargoes?* The report provided details on India's negotiations with Burma's military junta since late 2006 and focused on the transfer of Advanced Light Helicopters (ALH) to Burma's military. India, the world's largest democracy, has increasingly spurned democracy supporters in Burma in favor of increased cooperation with Burma's military regime, even providing Burma's ruling generals with tanks, aircraft, artillery guns, radar, small arms, and the ALH. Absent any external enemy, Burma's military rulers have employed these arms and military equipment against its ethnic minority civilian population, resulting in the destruction of more than 3,000 villages, the use of forced labor, and the rape and murder of thousands of ethnic minority civilians.

Even more appalling than the increased military cooperation and sales between the Government of India and Burma's military regime is evidence that the transfer of military hardware risks violating both European Union and U.S. arms restrictions in place against Burma's military regime. Parts and technologies vital to the manufacture of the ALH were provided by several European companies and two American companies, Aitech Systems, Ltd. and Lord Corporation. It is essential that our government immediately investigate whether or not the inclusion of American parts and technologies in the production of India's ALHs and the

potential impending transfer of the ALHs from the Government of India to Burma's brutal military generals violate U.S. export control regulations and the U.S. arms embargo on Burma.

Sadly, until recently, the international community generally has turned a deaf ear to the cries of the ethnic minorities, the refugees, the IDPs, and the democracy activists. While a number of states and international organizations currently have made helpful statements condemning the dictatorship for its actions, they long ago should have been helping the people of Burma. Action is what will bring change to the situation in Burma.

The SPDC regime deceives the international community again and again by saying one thing and then doing another. The international community, on behalf of the people of Burma, should make it clear that the oppressive dictators of Burma will no longer be tolerated - we do not want to remember another anniversary of the human rights violations against Burma's people. Instead, next year, we should be celebrating the return of democracy and freedom to the people of Burma.

I strongly commend the EU for increasing sanctions against the brutal regime and I applaud the government of Japan for cutting its aid to the dictatorship.

I also commend recent steps against the dictatorship by our Administration. However, I urge our Administration and my colleagues in Congress to act to support democracy in Burma and provide increased aid to the suffering ethnic minorities. We should exponentially increase the U.S. aid program to Burma by increasing aid to IDP, refugee, and democracy organizations, as well as by providing funding to help rehabilitate child soldiers, establish health programs addressing malaria, TB, and HIV/AIDS, support education programs, increase human rights documentation capabilities, and assist with protection capabilities. The U.S. government spent approximately 100 million trying to help the people of Serbia against Milosevic—the people of Burma are as important as the populations of Southeast Europe and we need to put our money where our mouth is.

Further, the U.S. government must take immediate steps to implement the recommendations outlined in the report on Indian helicopters and other weapons by commencing negotiations with the Government of India to cease the transfer of Advanced Light Helicopters to Burma's military regime; discontinuing all future defense production cooperation with India that might lead to transfers of embargoed controlled equipment to Burma; attaching to all future licenses for transfers of controlled goods and technology to India a strict and enforceable condition, with penalty clauses prohibiting re-export to states under an embargo to which the original exporting state is party without express governmental permission; and drawing attention to the high likelihood of that military equipment being used by Burma's military to commit ethnic cleansing and crimes against humanity in violation of international law including international human rights and humanitarian law.

The U.S. government and the international community together must press China and Russia to immediately cease their cooperation with and support for the brutal dictators in Burma. In addition, I urge the international community to press Burma's regime to cease the violence and murder perpetrated against the people, to immediately and unconditionally release all political prisoners, and to allow the legitimately elected leaders of the country to govern. Further, the government of Singapore should freeze the bank accounts of the dictators.

Mr. Chairman, it is time for the world to act to stop the horrors taking place in Burma. While the military regime woos diplomats and guests in downtown Rangoon, Burma's people outside the realm of international scrutiny endure intensifying and acute repression. I demand

that Burma's military regime immediately stop its campaign of terror against the Burmese people, and urge my colleagues to raise their voices for freedom.

I reiterate, public statements in support of the people of Burma are helpful, but only issuing statements is like putting a tiny band aid over a gaping, infected wound -- it WILL NOT help where massive surgery is needed. The only thing that will solve the problem of the brutal dictatorship in Burma is to get rid of the SPDC.

I look forward to working with my colleagues in the House, the Senate and the Administration, and the international community to see that Burma's military regime soon joins the Soviet Union, Ceausescu's Romania, Milosevic's Yugoslavia and other regimes and dictatorships that now reside in the ashbin of world history.

Finally, I say to the people of Burma: You are not forgotten. We stand with you and will continue to work with you for as long as it takes to ensure that the people of your nation are able to live in peace and freedom.

Mr. Chairman, thank you again for holding this hearing. I look forward to hearing from our distinguished witnesses. I would particularly like to thank and commend Mr. Jeremy Woodrum and the U.S. Campaign for Burma for their vital work on behalf of the people of Burma.

NEWS RELEASE DATED OCTOBER 17, 2007, BY THE HONORABLE TOM LANTOS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS

LANTOS ANNOUNCES TOUGH NEW SANCTIONS TO HALT IMPORTS OF BURMESE GEMSTONES

Washington, DC—Congressman Tom Lantos (D-CA), Chairman of the House Committee on Foreign Affairs, announced today that he will introduce sanctions designed to pressure the military junta currently ruling Burma. The sanctions package, known as the Block Burmese JADE (Junta's Anti-Democratic Efforts) Act, will crack down on the Burmese practice of avoiding U.S. sanctions by laundering gemstones through third countries before they are sold. More than 90 percent of the world's rubies and fine-quality jade comes from Burma.

"Burmese rubies sold in the United States are laundered through third countries to avoid our sanctions, but nothing can wash away the moral stain of supporting this illicit market," Lantos said. "There is a direct link between these blood-red gemstones and the bloodied robes of monks who were brutally suppressed when they took to the streets to demand democracy and human rights. It is high time for the world to reject Burmese gemstones, because their sale funds the ruling junta's ongoing campaign of brutality against its own citizens."

This year, Burma's rulers will pocket more than \$300 million from the sale of gems, with rubies and imperial jade being the biggest money-makers. In the last year, Burma's income from gem exports increased 45 percent. Despite sanctions, only three percent of the Burmese rubies entering the United States market indicate their true country of origin, while the rest are imported via Burma's neighbors, China, Thailand and India.

The Block Burmese JADE Act of 2007 cracks down on the brutal regime by banning the importation of Burmese gems into the United States. It also freezes the assets of Burmese political and military leaders, prevents Burma from using U.S. financial institutions via third countries to launder the funds of those leaders or their immediate families, and prohibits Burmese officials involved in the violent suppression of protesters from receiving visas to the United States. The new sanctions will automatically renew each year until Burma becomes democratic.

"This legislation will turn off a huge cash spigot for the thuggish Burmese regime," Lantos said. "If my colleagues come together and act quickly to pass these new sanctions, we can put an end to huge profits for the junta and its unscrupulous middle-men. We must ensure that the sale of some of the Earth's most beautiful natural resources does not continue to enable the horrors inflicted upon the people of Burma."

Burma also uses third countries to access the U.S. banking system. These overseas banks process accounts in and through the United States for Burma's rulers, providing the regime with much-needed hard currency. The regime uses these funds to purchase weapons and luxury goods, while the bulk of Burma's population lives in poverty. Lantos' legislation tightens existing sanctions to prevent Burma's military rulers from profiting from sales to the United States, and blocks access to the U.S. financial system not just for Burmese human rights violators but also to those who provide the regime with banking services.

This ban on the import of gems is supported by major jewelry associations, including the 11,000-store Jewelers of America.

REMARKS OF THE HONORABLE EDWARD R. ROYCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, DATED OCTOBER 25, 2007

THE SIX PARTY PROCESS: PROGRESS AND PERILS IN NORTH KOREA'S DENUCLEARIZATION

Washington, Oct 25, 2007—Checking nuclear proliferation is one of our most challenging issues. The stakes couldn't be higher. Containing the spread of nuclear technology and material requires all of our resources, smartly deployed.

There's no cookie cutter approach to this, and no room for dogma. This is a vexing problem. The Agreed Framework failed, but that doesn't doom another agreement today. But if we're trying a redo, skepticism is required.

That's especially the case because the February agreement is so vague. North Korea's commitment to giving up its nuclear weapons is uncertain. Nothing has been agreed to on verification—all the more critical given past North Korean cheating. There are concerns about its reversibility. In Libya's case, the path toward denuclearization was far clearer.

This agreement has costs:

- Compromising our legal principles by sending back to North Korea ill-gotten gains parked in Banco Delta Asia. We should be cracking down hard on this regime's illicit activities, including its counterfeiting U.S. dollars, not easing up. The Congressional Research Service has reported that, "A key result of this [BDA action] appears to be a collapse of the Bush Administration's anti-counterfeiting policy toward North Korea." Criminal activities have helped the regime pursue WMD and missile programs, and to survive.
- Downplaying North Korea's drug trafficking; the State Department's annual report dropped all mention of North Korea.
- Giving way on North Korea's demand to be removed from the terrorist list. There was no such quid pro quo for Libya. Our ally Japan is distraught.
- Accepting a North Korean missile test in May as a "routine event."
- And helping keep the wheels on a shaky, repressive and dangerous regime with fuel payments. The Administration has asked Congress this week for \$106 million for energy and economic assistance, on top of \$25 million already committed.

There are many questions surrounding Israel's attack on Syria last month. The press has reported that North Korea was assisting Syria—a state sponsor of terrorism—to build nuclear facilities. What other nuclear activities might North Korea be undertaking as it negotiates? North Korea, of course, has an alarming proliferation history, including dealing with A.Q. Khan, who may have seeded its highly-enriched uranium program. I advise the Administration to be as forthcoming regarding North Korean activities, including in Syria.

Meanwhile, as the North Korean regime continues its brutal repression, we've sidelined human rights. Human rights abuses are important because North Koreans are suffering. They also tell us something about the regime we're expecting to carry out commitments.

Summing-up, my concern is that this process has us putting up carrots and putting down sticks, while North Korea's nuclear arsenal is protected by the regime's delaying and denying. I look forward to hearing why that's not the case.

