

past two years produced a rapid expansion of the money supply, a commensurate increase in inflation and a sharp depreciation in the value of the domestic currency.

The collapse of the informal financial institutions has had a deflationary effect. Previously propped-up asset values have collapsed and relatively high interest rates for savers have also gone away. Thus, the inflation associated with the government's mismanaged fiscal expansion will have less impact.

Human Rights: The Government of Burma severely abuses the human rights of its citizens. Burmese do not have the right to change their government. Nor is there any real freedom of speech, press, assembly, association, or travel. Religious minorities (particularly Christians and Muslims) are discriminated against and any form of proselytizing activity is actively discouraged. Burma was designated a Country of Particular Concern for particularly severe violations religious freedom in 2002. Security forces also regularly monitor citizens' movements and communications, search homes without warrants, and relocate persons forcibly without compensation or legal recourse.

Patterns of abuses are worse in ethnic minority areas. These abuses include censorship, persecution, beatings, disappearances, extrajudicial executions, the curtailing of religious freedom, forced relocations, rapes, and forced labor, including conscription of child soldiers. Several reports by non-governmental organizations have been published this year alleging human rights abuses by the Burmese military on Burmese civilians including rapes of hundreds of women between 1992 and 2001. The regime initially denied these charges but, after conducting investigations, conceded that it had identified five cases (out of the 173 presented by SHRF) whose circumstances approximate those described by SHRF. The international community is calling for an independent investigation by competent officials from outside Burma conducting private interviews with victims in an atmosphere of security and free of reprisals. In March 2003, UN Special Rapporteur for Human Rights Pinheiro visited Burma to discuss the human rights situation there, including prospects for an independent, credible investigation of the rape allegations. However, he cut his visit short when he learned that his supposedly confidential discussions with political prisoners were being monitored by Burmese authorities.

In August 2002, a Burma Army Captain raped a four-year-old girl in a village in Kayah State, and local officials attempted to cover up the crime when villagers first complained to them. However, the government has since taken action. The Captain was brought back to Rangoon in handcuffs, and the Commander and Deputy Commander of the Captain's battalion were relieved of command for their mishandling of the incident. Reportedly, there have been no reprisals against the villagers.

There had been no releases of political prisoners since late November 2002 until shortly before Pinheiro arrived in March 2003. The regime claimed to have released 45 prisoners on March 16, including "elderly inmates, females either pregnant or with young children, and those incarcerated for disturbing peace and tranquility." Three to four of those released were NLD members. Approximately 550 political prisoners have been released since October 2000, including approximately 380 NLD party members. However another 1,300 "security detainees" (including pro-democracy activists, lawyers, students, teachers, journalists, insurgents, and those accused of aiding insurgents) still remain in prison. Of these, about 110 are NLD members and 17 are elected Members of Parliament. Another 400 prisoners (mainly mothers with young children) were released on humanitarian grounds. U.N. Special Rapporteur Pinheiro and U.N. Special Envoy, along with members of the international community, have consistently and strongly pressed for the unconditional release of all political prisoners. This appeal has thus far not been answered. The United States continues to recognize