

3 By cutting off trade with Canada, sanctions would reduce hard currency capital available to the SLORC régime.

4 Although the value of legitimate trade between Canada and Burma is small¹, Burma's economy is itself small and the effect of a suspension in trade concentrated in one sector (such as garments) would be noticed.

5 If, due to the structure of trade, the sanctions mainly affected the garment/textile industry, they would have a ripple effect in the military community, because it is reported that having a relative in the military is a pre-requisite to obtaining employment in the industry. This ripple effect would undermine the prestige of the military.

6 Canada's announcement of economic sanctions would spread support for Daw Suu Kyi herself, the person properly elected as leader of the (suspended) Parliament, and would give confidence to the majority of the Burmese people. Don't adopt sanctions as a way to punish SLORC but to assist the Burmese people.

7 The formal imposition of comprehensive trade sanctions by Canada would eliminate certain inconsistencies of our position *vis-a-vis* Burma, such as blocking foreign aid funds but having no official opposition to the Canada-Burma garment trade, and having Burma included in the definition of Canada's Generalized System of Preferences.

8 The imposition of sanctions against Burma may have a positive, or restorative effect on Canada's reputation at the UN, where the decision not to co-sponsor the resolution on human rights in China caused some concern.

¹ In 1995, Canadian imports from Burma were valued at \$14.1 million, exports at \$1.9 million. In 1996, imports were \$14.5 million, exports were \$1.7 million. The imports to Canada were mostly garments and textiles, and the Canadian exports to Burma were mostly equipment (for example, mining equipment).