

## September 6, 2001: USCIRF Urges President to Support Capital-Market Provisions in the Sudan Peace Act

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For 18 years, Sudan has been plagued by a civil war that has killed more than 2 million people and displaced more than 4 million. Religion is a major factor in that war, and religious-freedom violations are intertwined with other human rights and humanitarian abuses in Sudan. In response to the escalation of these abuses, the House has adopted capital-market restrictions and disclosure requirements in its version of the Sudan Peace Act, which will soon go to a conference with the Senate. These provisions, which would give the United States important tools to help end the fighting and restore religious freedom and other rights, were recommended by the U.S. Commission on International Religious Freedom, an independent agency established by federal law. The Commission strongly urges President Bush to overrule the opposition of some members of his administration and support the House language. In addition, the Commission calls upon Senate conferees to accede to the capital-market provisions of the House version of the bill. As the Commission found in its 2000 and 2001 reports, the Sudanese government is the world's most violent abuser of religious freedom. It commits genocidal atrocities against the civilian populations in the southern part of the country and the Nuba Mountains. It has intensified its deliberate bombing attacks on civilian and humanitarian targets, including hospitals, schools, churches, markets, and relief-organization compounds. Recent reports indicate that Khartoum's weaponry has been expanded to include surface-to-surface missiles that are lethal but inaccurate enough to easily fall among civilians. The government frequently has blocked the delivery of humanitarian assistance, denying access to food aid to many facing critical food shortages. Its forces and allied militias continue to abduct women and children into conditions of slavery. It violates the religious freedom of Christians as well as of Muslims who dissent from the government's interpretation of Islam. The connection between oil development - conducted by foreign oil companies - and the Sudanese government's human rights abuses has become increasingly apparent. The discovery and drilling of oil reserves has led to a "scorched earth" policy to remove civilian populations from areas near oil installations. The government uses the oil facilities' airstrips and roads to stage military operations. The U.S. State Department confirms that oil revenues have allowed the government to increase its investment in military hardware. In May 2000 and 2001, the Commission forwarded to the Clinton and Bush administrations - and to Congress - a comprehensive set of policy recommendations aimed at ending the fighting and fostering a just peace. Among the Commission's recommendations is a proposal that companies doing business in Sudan be required to disclose the nature and extent of that business in connection with their access to U.S. capital markets. The Commission also recommended that foreign companies engaged in the development of oil and gas fields in Sudan be prohibited from listing their securities in U.S. markets. The House of Representatives included those provisions, drawn from the Commission's reports, when it passed the Sudan Peace Act with only two dissenting votes. The Senate, regrettably, failed to include such provisions in its version of the bill. The Commission does not lightly recommend restrictions on U.S. capital-markets access, but believes that the horrific conditions in Sudan warrant them. The government of Sudan is committing genocidal humanitarian and human rights abuses. Those abuses are directly connected to oil production. Foreign investment is critical to the development of Sudan's oil fields and maintenance of oil revenues. Expanding U.S. sanctions in the area of capital-markets access specifically targets what is likely the most significant resource the Sudanese government has to prosecute the war. A moral principle is also involved. Americans and U.S. institutions have a right and a need to know the material risks involved in their investments and whether those investments are facilitating religious persecution. Investors, whether or not they care about human rights violations, should be advised that the company they are investing in has operations in Sudan that are under rebel attack and could be closed or suspended by peace negotiations or multilateral sanctions. Whatever modest burden the disclosure requirement places on companies raising capital on U.S. markets is far outweighed by the value to investors of that information. The Commission commends the Bush administration for the increased attention it has given to the genocidal tragedy in Sudan. Enactment of the capital-markets provisions of the Sudan Peace Act would give the President and Secretary of State added leverage in getting the Khartoum regime to the bargaining table and negotiating a just end to the war.

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