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Loya Jirga Elects Karzai as New Head of State

by Dick Gupwell

In June 2002, Afghanistan took another important step in the country's return to normal, constitutional government, after years of crisis and civil strife. Afghanistan's future path had been mapped out at the UN-sponsored Petersberg Conference, held in the German town of Königswinter, near Bonn, in late November and early December 2001, which had led to the appointment of the Interim Administration, under the chairmanship of Hamid Karzai, at the end of December. However, this Interim Administration, which was not broadly representative, was scheduled to last for only six months, before being replaced by a Transitional Administration. The move to this second stage would require the convening of a traditional Afghan "grand assembly", called a *Loya Jirga*. This would elect a new Head of State and appoint the Transitional Administration, which, in turn, would run the country for a maximum of two more years until a "fully representative government" could be elected through free and fair elections.

The key political decision was clearly that of choosing the new Head of State. There were three leading personalities who could provide obvious candidates for this position. The first was the former king, Zahir Shah, who had returned to Afghanistan in April from his long exile in Rome. The second was the former President, Burhanuddin Rabbani, who had been ousted from the capital, Kabul, by the Taleban, in 1996. He had remained as leader of the anti-Taleban Northern Alliance and titular President of the rival government, which, until late in 2001, ruled over an ever-shrinking part of Afghan territory largely confined to the mountainous north-east. Mr Rabbani, who had continued to be recognised as the rightful leader of Afghanistan by the UN, had re-occupied the Presidential Palace after Northern Alliance troops had entered Kabul, in November, but had given way to Mr Karzai once the Interim Administration had taken

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office on 22 December. The third obvious candidate, of course, was Hamid Karzai.

It was known that Mr Rabbani was hostile to the idea of Zahir Shah being reinstated as King. However, upon his return to Kabul, Zahir Shah had made it clear that he had not come home to seek a restoration of the monarchy but that he gave his "full support" to Mr Karzai. Nevertheless, there were many within Afghanistan, and among Afghan exiles, who wanted to see Zahir Shah restored and this became a complicating factor when the *Loya Jirga* convened in early June. The former King was prevailed upon to restate his position that he would not be a candidate and this was accompanied by a clarification from Mr Rabbani that he, too, was not a contender. This left the way clear for Mr Karzai to be elected, although two last-minute candidates were presented, in order to give the delegates an element of choice. Mr Karzai's sweeping victory in the election for Head of State has now given him a considerable measure of popular legitimacy, which, hitherto, he had lacked.

While the meeting of the *Loya Jirga* did not proceed as smoothly as the UN representative, Lakhdar Brahimi, might have hoped and, while there were many complaints at the continuing influence of Afghanistan's powerful warlords, the net result was positive. Indeed, it was a remarkable achievement, particularly for the UN organisers, given the rapid development of events in Afghanistan since 11 September last year. However, although the new Transitional Administration has now been established without too much difficulty, most of the problems faced by the earlier Interim Administration remain. These include, most particularly, the continuing problem of internal insecurity and the slow pace of reconstruction.

Meanwhile, the War in Afghanistan, waged by the US-led international coalition against the Taliban and Osama bin Laden's *Al-Qa'ida* network, virtually petered out during the months of May and June. There were no major actions on the scale of the Tora Bora campaign, in December, or Operation Anaconda, in March. Operations consisted mainly of sweeps across mountainous Afghan territory, particularly near to the porous border with Pakistan, to seek out residual bands of Taliban and *Al-Qa'ida* enemy forces and to find and destroy their mountain hide-outs and arms caches. Some significant successes were achieved by coalition forces, including the recently arrived British Royal Marines and US airborne troops who had been deployed earlier, but there was little direct contact with the enemy. An expected "spring offensive" by the Taliban and *Al-Qa'ida*, aimed at disrupting the holding of the *Loya Jirga*, did not materialise. This was testimony to the extent to which the coalition had now gained control of the situation on the ground. However, there continued to be disturbing incidents of "friendly" Afghans being

killed by coalition operations, particularly those involving US air power.

In addition, there was the problem of the Interim Administration's lack of any real control over the administration outside Kabul. Whereas, in and around Kabul, Hamid Karzai's administration was backed up by the 4,500 troops of the International Security Assistance Force (ISAF), beyond Kabul both security and, hence, administration, were undertaken by various warlords. Prominent among these were General Rashid Dostum, the Uzbek commander, who effectively ran several provinces in the north, based on the city of Mazar-i-Sharif, Ismael Khan, who ruled a number of provinces in the west, based on the city of Herat, and Gul Agha Shirzai, who controlled several southern provinces, based on Kandahar. In the south-east, there was continuing instability, verging on anarchy, particularly around the towns of Khost and Gardez. Only in the Tajik north-east was there a close relationship with the Interim Administration, largely because the three main leaders of the "Panjshir faction", General Fahim, Dr Abdullah and Yunus Qanuni, were all leading ministers in the Interim Administration, respectively for Defence, Foreign Affairs and the Interior. There were also, however, numerous petty warlords who held sway over their little local fiefdoms.

New coalition tactics

At the beginning of May, the main ground forces available to the coalition consisted of US troops from the 10th Mountain and 101st Airborne Divisions, British Royal Marines of 45 Commando and the 3rd battalion of Canada's Princess Patricia's Light Infantry Regiment. There were also a number of smaller units, often special forces, from several other countries. The overall commander, based at Bagram, just north of Kabul, was Major-General Frank Hagenbeck. As there had been no major contact with enemy Taliban or *Al-Qa'ida* forces following Operation Anaconda, near Gardez, in early March, the coalition sought to adopt new tactics. These involved day and night raids and methodical sweeps by rapidly moving, highly trained western troops and relied much less on air strikes or on local Afghan allies than in earlier operations. The aim was described as applying "unrelenting pressure, so, wherever they turn, they never find any breathing space." The underlying objective was to prevent trouble while the new Transitional Administration was being set up.

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The Kashmir Dispute: A never ending story

by Dick Gupwell

The countries of South Asia, which account for around 1,300,000,000 members of humanity, are joined together in an organisation called the South Asian Association for Regional Co-operation (SAARC), which was set up in 1985. If SAARC's progress has been limited, this has been due mainly to problems in the delicate relationship between India and Pakistan. This key bilateral relationship has been dogged, since 1947, by the dispute over the territory of Kashmir. India and Pakistan have been at war three times, in 1947, 1965 and 1971. The first two wars were fought specifically over the Kashmir issue and, while Kashmir was not the cause of the 1971 war, it certainly figured strongly in the subsequent Shimla Agreement. The uprising against Indian rule, which broke out in Kashmir at the end of the 1980's, was not provoked by Pakistan but subsequent Pakistani interference in Kashmir, especially during the Kargil episode in 1999, certainly brought India and Pakistan close to war for a fourth time. Tension was again raised during the summer of 2002, over the issue of the infiltration of terrorists from Pakistan into Indian Kashmir but, fortunately, war was again avoided.

The story of Kashmir and the origins of the dispute, which has been the core issue in Indo-Pakistan relations for over half a century, go back a long way. The issues are not as simple as either Indian or Pakistani representatives would like to present them. A study of the development of this dispute over time is, therefore, a worthwhile exercise.

Origins of the Kashmir dispute

The State of Jammu and Kashmir lies at the northernmost part of the Indian sub-continent. It is to the north of the great plains of the Punjab and the Jhelum, the westernmost of the five great rivers which water the Punjab, rises in the Vale of Kashmir. To the north of Kashmir proper is the great arc of the river Indus, bursting forth from the mountains of Tibet and into which all the rivers of the Punjab eventually flow. An independent kingdom for many centuries, Kashmir was converted to Islam in the fourteenth century. It was incorporated into the Mughal Empire in 1558 and its capital, Srinagar (reputedly founded by the Emperor Ashoka in the third century BC), became a favourite summer resort of several Mughal emperors. The land and its people flourished. However, with the decline of the Mughals, during the eighteenth century, Kashmir was seized first by the Afghans, in 1751, and then by

Ranjit Singh, the one-eyed leader of the Sikhs, in 1819. Both Afghan and Sikh rule was alien and harsh and the Kashmiris suffered greatly.

By now, British rule was spreading across northern India, filling the vacuum left by the collapse of the Mughal Empire. After the death of Ranjit Singh, in 1838, relations between the British and the Sikhs deteriorated and the first Sikh War was fought in 1845-1846. In this conflict, a key role was played by the Dogra ruler, Gulab Singh. The Dogras were Hindu Rajput warriors living around the upper reaches of the river Chenab, north of the Punjab plains and south of the Vale of Kashmir. Gulab Singh had been a commander in Ranjit Singh's army and, in 1822, was rewarded with the title of Raja of Jammu, which was the Dogra capital. However, in the culminating battle of Sobraon between the Sikhs and the British, Gulab Singh remained neutral. For this, he was rewarded by the British, in the Treaty of Amritsar, by being able to annexe the Vale of Kashmir for a small fee. Gulab Singh had already expanded his original territory of Jammu by first conquering the Buddhist land of Ladakh to the east of Kashmir, in 1834, and then the Muslim territory of Baltistan, further down the Indus valley, in 1840. In 1846, therefore, he became the ruler of one of the most extensive territories in India with the title of Maharaja of Jammu and Kashmir.

For the people of Kashmir, however, alien Sikh rule was now replaced by alien Dogra rule and, throughout the period up to partition and independence in 1947, there was continuing resentment in the Valley. Meanwhile, British concern at the threat of Russian imperial expansion in Central Asia led to the further annexation of the Gilgit Agency, to the north of Kashmir and west of Baltistan, a process which was only completed in 1891. (A similar process to stabilise the north-western frontier of British India led to the creation of the North-West Frontier Province, with territory annexed from Afghanistan, in 1905.)

A combination of Dogra misrule and British interference led to the setting up of the Jammu and Kashmir Muslim Conference, of which Sheikh Mohammed Abdullah became the first President and Ghulam Abbas the first General Secretary, in 1932. Sheikh Abdullah, who had been educated in the tradition of Sufi humanitarianism, was not so much a Muslim reformer as a social reformer and he wished to liberate the poor of Jammu and Kashmir, irrespective of their religion, from the feudal yoke of the current Maharaja, Hari Singh. This led several of the prominent Muslims to break away from the Conference. In 1939, the party changed its name to the Jammu and Kashmir National Conference, open to membership by all religious communities.



Meanwhile, the British passed the Government of India Act of 1935 as a major step forward towards granting responsible self-government. Each of the eleven British-ruled provinces would have an elected legislative assembly and there would also be a federal legislature in which the autonomous Princely States would be represented, as well as the provinces. In the provincial elections, which followed in 1937, the Indian National Congress obtained clear majorities in five provinces and won two more, including the North West Frontier Province, with close allies. The rival Muslim League won none. Two years later, the Second World War broke out and the British put a stop to further constitutional progress for the duration of hostilities. The Congress, under Jawaharlal Nehru, opposed India's participation in the war and its provincial ministries all resigned. The Muslim League, led by Mohammad Ali Jinnah, supported the war, curried favour with the British, and, in 1940, launched its campaign for the creation of a separate independent state for India's Muslim population. Jinnah claimed that India's Muslims constituted a separate nation from the Hindus. Both the Muslim-majority provinces and the Muslim-majority Princely States would be brought together in the new Pakistan - and Kashmir was to be the "k" in Pakistan.

Sheikh Abdullah was opposed to the concept of Pakistan from the start and, in 1941, he took the National Conference into the pro-Congress All-India States' Peoples' Conference, which brought together political movements from several of the Princely States. He became the organisation's president in 1946. Abdullah formed a close personal friendship with Nehru, who, himself, was a Kashmiri Hindu or Pandit. Some, however, did not agree with Abdullah and, in 1941, Ghulam Abbas and others broke away to re-constitute a Jammu and Kashmir Muslim Conference, favouring accession to Pakistan. Abbas, however, suffered from the disadvantage of not being able to speak Kashmiri, having been born outside the Valley. The stage was set, therefore, for the opening of the Kashmir conflict.

Kashmir and Partition

With the ending of the Second World War, in 1945, the British quickly came to the view that Indian independence would only be possible with Partition, as proposed by Jinnah. In theory, the 565 Princely States could choose to join either India or Pakistan or remain independent. In practice, the British expected that they would join one or the other and nearly all of them did so voluntarily. For Maharaja Hari Singh, the choice was unenviable. Although Jammu and Kashmir had a clear Muslim majority, Hari Singh, as a Hindu Rajput, could not contemplate acceding to Pakistan. However, in view of the secular, democratic and progressive views of Nehru and the Congress, joining India was not a very attractive alternative. When independence came

hurriedly, in August 1947, Partition cut the Punjab in half and there was violence throughout the former province as Hindu and Muslim populations tried to flee across the new frontier. This violence spread into Jammu and Kashmir and some of the Maharaja's Dogra troops were implicated, which caused an uprising in the western district of Poonch. Meanwhile, the Maharaja dithered on the accession issue. In October, armed tribesmen from the North West Frontier Province, now part of Pakistan, poured into the Vale of Kashmir, in what was supposed to appear like a spontaneous uprising, to force the issue. These tribesmen enjoyed Pakistani material support, although it is still unclear how far the new government of Pakistan had actually planned the invasion. Under such duress, Hari Singh signed the Instrument of Accession to India, which sent in troops to save Kashmir from the invaders. Pakistan then deployed regular troops to assist the tribesmen and the first war between India and Pakistan had begun.

Mr Nehru took this crisis to the newly formed United Nations and the war was ended by a UN-brokered cease-fire, on 1 January 1949. However, clever negotiating by the able Pakistani representative at the UN, Sir Zafrullah Khan, led to the adoption of several UN resolutions, which laid down that the future status of Jammu and Kashmir, whether as part of India or part of Pakistan, should be resolved through a plebiscite. A precondition for the plebiscite was that the Pakistani troops should first be withdrawn from the territory of Jammu and Kashmir on their side of the cease-fire line, something which never happened. Thus, the old Princely State remained partitioned, India holding Jammu, the Vale of Kashmir and Ladakh, while Pakistan occupied the western districts of Poonch and Mirpur, the District of Muzafarabad, where the Jhelum flows out of the valley towards the Punjab, and the northern areas of Gilgit and Baltistan.

In October 1947, Hari Singh had appointed Sheikh Abdullah as Head of an Emergency Administration and he was appointed Prime Minister six months later. The National Conference accepted the provisional accession of Jammu and Kashmir to India, in October 1948 and, a year later, India's Constituent Assembly accepted a special status of autonomy for Jammu and Kashmir, unique among the former Princely States, which became Article 370 of the Indian Constitution. In 1951, the National Conference won all the seats in the election to the State's Constituent Assembly. In the meantime, Abdullah's government pressed ahead with a radical programme of social and economic reform, including the large-scale redistribution of land. This alienated the rich Hindus in Jammu, who formed the Praja Parishad, which boycotted the 1951 elections (although this only affected the results in Jammu). They aligned themselves with S.P. Mookerjee's Hindu nationalists,



who, that year, launched the Jana Sangh party (forerunner of today's BJP) in India. The Jana Sangh called for the full integration of Jammu and Kashmir within India and the removal of Article 370. While Nehru sought a compromise, Abdullah held out for full autonomy as the price of formal accession. When Mookerjee visited the State, in May 1953, Abdullah had him arrested and he died in detention, causing an outcry in India. Abdullah lost Nehru's confidence and, three months later, he was arrested on the orders of Dr Karan Singh, who had succeeded his father, Hari Singh. Abdullah, the "Lion of Kashmir", remained a prisoner until 1964 (except for a brief period in 1958). He was replaced as Prime Minister by Bakshi Ghulam Muhammad, more amenable to Delhi and, hitherto, Abdullah's trusted lieutenant. India now spent considerable sums on economic development in Jammu and Kashmir and, in 1954, the Jammu and Kashmir Constituent Assembly formally ratified the State's accession to India.

Two weeks after Abdullah's arrest, Nehru offered to hold the plebiscite in Jammu and Kashmir, on condition that it was not administered by an American (Admiral Nimitz had been proposed) but Pakistan refused to compromise on the issue of the plebiscite administrator and the opportunity was lost. At this stage, it is probable that a majority would have voted to remain with India, despite Abdullah's arrest. Meanwhile, the pro-Pakistan Kashmiris had set up their own state of Azad (Free) Jammu and Kashmir, in October 1947, which was established in the districts of Mirpur, Poonch and Muzafarabad, while Gilgit and Baltistan were taken over in 1949 to be administered directly by Pakistan as the Northern Areas.

Evolution of the Kashmir dispute

While India rapidly developed into a stable secular democracy, Pakistani democracy had only reached the stage of a Constituent Assembly before the armed forces took over power in 1958 under General Ayub Khan. Jinnah, who became Governor-General of Pakistan, had died in 1948 and his Prime Minister, Liaquat Ali Khan, was assassinated, under mysterious circumstances, in 1951. The rise of Ayub Khan, who became an army general in 1951 and, subsequently, Chief of Staff and Defence Minister, coincided with Pakistan's increasing military involvement with the United States as a means of offsetting its relative strategic weakness vis-à-vis India. Pakistan entered into a Mutual Assistance Agreement with the US in 1954 and later joined the western alliances of SEATO and CENTO, which greatly upset non-aligned India, obliging her to develop closer relations with the Soviet Union.

The new military-bureaucratic elite governing Pakistan continued to harbour ambitions to prise Kashmir from Indian control. The opportunity came after the Chinese

invasion of India's Himalayan border regions, in 1962, which was a humiliating setback for Nehru. This was followed by a series of inconclusive talks between India and Pakistan over Kashmir, which lasted well into 1963. In the meantime, while Bakshi had won the first elections for the new Jammu and Kashmir Assembly in 1957, he only held onto power in 1962 due to heavy electoral rigging. After a period of turmoil, Sheikh Abdullah was released, in April 1964, and a few weeks later visited Ayub Khan for talks. He hoped to arrange a summit meeting between Ayub Khan and Nehru but, before he returned, Nehru passed away. Then, after Abdullah met the Chinese Prime Minister, Chou-en-lai, in Algiers, in March 1965, he was again arrested on his return to India. By now, Pakistan's Foreign Minister, Zulfikar Ali Bhutto, had persuaded Ayub Khan that Pakistan should try again to seize Kashmir by force. There were three other important factors at play: India had further inflamed Kashmiri opinion by making moves to weaken the terms of Article 370, while the Congress had decided to open a branch of the party in Jammu and Kashmir to rival the National Conference; and Pakistan was developing close relations with China after Ayub Khan's visit.

India's resolve was first tested by a Pakistani push at the southern end of the international border in the disputed Rann of Kutch, in April 1965, and fighting continued in a desultory fashion until a cease-fire was brokered by the British Prime Minister, Harold Wilson, at the end of June, by which Pakistan gained a small slice of territory. Encouraged by this, Pakistan launched a two-pronged operation to seize Kashmir in August 1965. On the one hand, Pakistan tried to infiltrate several thousand troops across the cease-fire line into Indian Kashmir, in dribs and drabs, with the aim of provoking an uprising and causing maximum disruption, while a large regular force was moved into Jammu to cut off the Indian Army in Kashmir. However, while the local Kashmiris resisted the intruders, the Indian Army was able to stop and turn back the Pakistani offensive to the south. A cease-fire was arranged in September and Soviet diplomatic intervention led to the Tashkent Agreement being signed in January 1966. Both Ayub Khan and the new Indian Prime Minister, L.B. Shastri, committed their countries to solving their disputes peacefully. Shastri died in Tashkent just after this. Ayub Khan's position was also doomed and, in 1968, he was replaced as President by General Yahya Khan. Only Bhutto prospered. He set up the Pakistan People's Party, in 1967, with a programme of radical socialist reform.

Popular sentiment in the Vale of Kashmir had, by now, become increasingly hostile to India. In 1965, Amanullah Kahn and others set up the Jammu and Kashmir Liberation Front with the aim of ousting the Indians by means similar to those employed by the Algerians to oust the French. On the advice of the



socialist leader, Jai Prakash Narayan, Mrs Indira Gandhi, Nehru's daughter, who had succeeded Shastri as Prime Minister, released Sheikh Abdullah, in 1968. G.M. Sadiq, who had broken with Bakshi in 1957, was now Chief Minister of Jammu and Kashmir.

The Shimla Agreement

In 1970, President Yahya Khan was obliged to call elections, Pakistan's first. The Awami League, led by Sheikh Mujib-ur-Rahman and based mainly in East Pakistan (formerly the eastern part of Bengal) won an overall majority, while Bhutto's Pakistan People's Party (PPP) won a clear majority in West Pakistan. The Pakistani ruling elite could not stomach the thought of being ruled by Mujib and, when talks between Bhutto and Mujib for a possible power-sharing arrangement broke down, Mujib launched a campaign for an independent East Bengal or Bangladesh. When the Pakistani Army tried to crush this "rebellion", in 1971, Mrs Gandhi took India into the conflict, leading to the triumphant Indian march into Dacca and the capture of 94,000 Pakistani prisoners of war. India also occupied a considerable part of West Pakistan. Bhutto survived to become President of a truncated Pakistan now reduced to its western wing. In 1972, Mrs Gandhi met Bhutto on Indian territory at Shimla. Although Kashmir had not been affected by the 1971 war, it figured prominently in the Shimla Agreement. Both sides undertook to settle their differences by peaceful means through bilateral negotiations, not to alter the cease-fire line, or Line of Control, unilaterally and to refrain from the threat or use of force in violation of the line. They also agreed to meet to discuss further the arrangements for a durable peace and a final settlement of the Jammu and Kashmir dispute. India now believed that Pakistan had accepted the principle of a bilateral settlement, with the earlier UN resolutions becoming *caduque*, while Pakistan felt that India was now committed to serious negotiations towards finding an acceptable compromise (which for Pakistan has always meant India handing over the Vale of Kashmir).

G.M. Sadiq had died in office in 1971 and was replaced as Chief Minister by Syed Mir Qasim. In the State elections the following year, Sheikh Abdullah and his Plebiscite Front were banned from taking part and Mir Qasim's Jammu and Kashmir Congress Party, formed in 1965, won a comfortable majority against both the Jana Sangh and the Jamaat-i-Islami. However, by 1975, Mrs Gandhi had reached an agreement with Abdullah, which included maintaining Article 370 (and which was roundly criticised by the Jana Sangh Member of Parliament, Atal Behari Vajpayee). The way was now clear for Sheikh Abdullah to return as Chief Minister at the head of a National Conference-Congress coalition. Then, in the summer of 1975, a sudden constitutional crisis facing Mrs Gandhi induced her to impose Emergency Rule, which, in effect, suspended

democracy in India until the Congress was soundly defeated in the general election of March 1977. The new Janata Government, led by Moraji Desai, organised new State elections in Jammu and Kashmir, which, for once, were truly free and fair and which were won comfortably by Abdullah's revived National Conference. Jammu and Kashmir now gained a few years of peace but Sheikh Abdullah was becoming old and his heart weak. By the time of his death, in September 1982, new storm clouds were gathering.

The erosion of democracy

Sheikh Abdullah conferred the leadership of the National Conference on his son, Dr Farook Abdullah, in 1981. Although not altogether new to Kashmiri politics, Farook had, nevertheless, spent much of his time practising medicine in England, from 1964 to 1975, and lacked the practical political skills of his father. Sheikh Abdullah had brought Farook into the Cabinet, appropriately as Health Minister, shortly before he died. After Sheikh Abdullah's death, Farook also became Chief Minister. However, his succession was resented by his brother-in-law, G.M. Shah (married to the Sheikh's daughter, Khalida), who thought that he was the natural heir. Farook failed to give Shah a place in the Cabinet. Indira Gandhi, who had returned to power in the 1980 elections at the head of a reconstituted and personalised Congress (Indira) Party, now demanded a National Conference-Congress alliance in the forthcoming State elections, in 1983. Farook would not accept Mrs Gandhi's terms and the election turned into a bitterly fought struggle. However, Farook emerged as the clear victor, with the National Conference winning 46 out of the 75 seats. In the Vale of Kashmir, the Congress won only two seats, although in Jammu they gained 24 seats as against eight for the Conference. Neither the BJP (successor to the Jana Sangh) nor the Jamaat-i-Islami won any seats throughout the State. Kashmir was calm and the plebiscite was not an issue.

Farook Abdullah hoped to build on his State victory by helping to defeat the Congress (I) at the national level and he became a leading member of a group of opposition and regional political leaders, who were equally opposed to Mrs Gandhi's Congress and to the Hindu nationalist BJP. This was too much for Indira and the Government in Delhi resorted to two stratagems. The first was to try to associate Farook with the Sikh extremists of Jarnail Singh Bhindranwale, who was killed, together with his supporters, in the Indian Army attack on the Sikh Golden Temple in Amritsar, in June 1984, and also to allege links with Amunallah Khan's JKLF. The second was to conspire with the aggrieved G.M. Shah to split the National Conference and erode Farook's majority in the State Assembly. Farook had already dismissed Shah from the Conference but he set up a rival party with his wife, Khalida, as President. When the



Governor of Jammu and Kashmir, B.K. Nehru, advised Delhi against the consequences of this strategy, he was replaced by the hard-liner, Shri Jagmohan. By the end of June, Jagmohan had obtained the support of thirteen National Conference State Assembly members (MLAs) and confronted Farook with the situation a few days later. An emotional Farook stepped down and was replaced as Chief Minister by G.M. Shah. With Congress (I) support, he could now control a majority. All thirteen defectors were named as Cabinet Ministers. To avoid any risks, several anti-Congress MLAs, including Abdul Gani Lone, were prevented by the police from attending the vote in the State Assembly, on 31 July, and when the Speaker of the Assembly ruled against the defectors, he was bodily removed from the chamber by Shah's supporters.

Mrs Gandhi was assassinated by her own Sikh bodyguards on 31 October 1984 and, in the following general election, her son, Rajiv, rode to a massive victory on the basis of a huge sympathy vote. Rajiv, who had long been a friend of Farook, took early steps to mend fences, although progress was slow. G.M. Shah was dismissed in March 1986, after a period of growing turmoil in Jammu and Kashmir. Farook wanted fresh elections but Rajiv demanded a Congress(I)-National Conference alliance as the price of Farook's rehabilitation. Initially, Jagmohan assumed exclusive powers and even the semblance of representative government was suspended. However, a compromise was reached and Farook was re-appointed in November. The State elections, in March 1987, attracted a 75% turn-out and the Conference-Congress alliance won 66 seats, as against four for the new Muslim United Front (which included the Jamaat-i-Islami) and two for the BJP. However, there were accusations of rigging, especially against the candidates of the MUF.

The rise of Islamic militancy

The reaction to the 1987 election was growing disaffection and an increasing tendency towards violent expression of dissent both by the growing number of radical Islamic groups and by more secular bodies like the JKLF. It was not long before Pakistan began to exploit this new opportunity to weaken India's hold on Kashmir.

After the Shimla Accord, President Bhutto seemed to feel that the Kashmir issue was more or less settled, although he was critical of Mrs Gandhi's agreement with Sheikh Abdullah in 1975. He was also shaken by India's nuclear test in 1974. However, the rigging of Pakistan's general election, held in January 1977, provoked a severe crisis between his governing Pakistan People's Party (PPP) and the rival People's National Alliance. This opened the way for another military coup, in July 1977, by the army chief, General Zia-ul-Haq, who declared that his sole aim was to

organise free and fair elections in October. Of course, these elections never took place. By 1977, the Pakistani Army, which had been humiliated in 1971, had regained its strength and its appetite for power. While Bhutto had been eliminated politically by Zia-ul-Haq in 1977, two years later, in April 1979, Zia had him physically eliminated by hanging.

Zia's position was far from sure but was aided by the Soviet invasion of Afghanistan, at the end of that year, which brought in large scale US assistance. Zia was an orthodox Muslim who wanted both an Islamic Pakistan and an Islamic Afghanistan. His rule was conservative and authoritarian. He promoted orthodox Muslims like himself in the armed forces and he set up the powerful inter-services intelligence agency, the ISI. While his preoccupation with Afghanistan distracted him from the issue of Kashmir, he did instigate a plan to provide sanctuary and training for disaffected Kashmiri youth on Pakistani territory. Under Zia, relations between India and Pakistan were mixed. On the one hand, at the end of 1985, both countries joined the South Asian Association for Regional Co-operation, which was set up largely at the initiative of Bangladesh and Sri Lanka. On the other, armed clashes between the two sides developed on the Siachen Glacier, at the northern un-defined end of the Line of Control. Nevertheless, up to the time of General Zia's death, in 1988, in an air crash, it could be fairly argued that Pakistani interference was not a particularly significant factor in the growing crisis in the Vale of Kashmir.

What was more significant, however, was both the spread of radical Islamic ideology and the mushrooming of numerous militant Islamic groups and the steady spread of a gun culture. This was largely an offshoot of the continuing war in Afghanistan between the *mujahideen* groups and the Soviet army of occupation (and, after the Soviet withdrawal in 1989, against the pro-Soviet government of President Najibullah) and increasingly began to have an impact on the political struggle in Jammu and Kashmir. When Benazir Bhutto, the former President's daughter, won the elections a few months after Zia's death, she met with Rajiv Gandhi in Islamabad, in December 1988, and the following year they agreed to respect the Shimla Agreement signed by their parents. However, Benazir's co-operation with Rajiv Gandhi made her the object of severe criticism from her principal rival, Nawaz Sharif, leader of the Islami Jamhoori Ittehad (which included the Moslem League) for her pro-India leanings.

While the violence in Kashmir was growing, it had yet to get out of hand and the year 1989 saw a record number of foreign tourists visit the Vale of Kashmir. However the Valley was beset by strikes and political murders were on the increase. Apart from Kashmir's political malaise, resulting from Delhi's continual



interference in the State's affairs, there were two increasingly important factors favouring the outburst of violence. One was the disaffection of the Kashmiri youth, largely as a result of frustration at the lack of opportunity. There were 10,000 unemployed graduates and almost 50,000 school leavers looking for work. In part, this was due to government neglect, both at State and national level, and in part it resulted from the Valley being cut off from its traditional market outlets in the western Punjab. Secondly was the growing influence of fundamentalist Islam on the Kashmiri youth, fostered in the Islamic schools and colleges. A plethora of political groups sprung up, often with armed militant wings attached. Some espoused radical Islam, others were more moderate and secular; some called for union with Pakistan while others called for an independent Kashmir.

Militants versus military

In December 1989, the group of opposition and regional leaders, in which Farook Abdullah had played an important part, defeated Rajiv Gandhi in the general election. The victory of this National Front, which did not win an outright majority but had to depend on the outside support of the BJP in order to govern, owed its success to three factors. One was the grouping together of a number of centre-left parties into the new Janata Dal party. The second was the alliance of this group with several important regional parties. The third was the split in the Congress (I) and the defection of a group of senior politicians, including the former Finance Minister, V.P. Singh, to the opposition. V.P. Singh became Prime Minister and chose as his Home Affairs Minister, the Congress (I) leader in Kashmir, Mufti Muhammed Syed. Six days later, militants of the JKLF kidnapped Syed's daughter and demanded the release of five of their imprisoned colleagues in exchange. While Farook Abdullah began delicate negotiations to secure the daughter's release without having to accept the militants' demands, the Home Minister went over his head and released the detainees to obtain the speedy release of his daughter.

This, of course, only encouraged the militants to commit further outrages and weakened Farook's position. Following this incident, Shri Jagmohan, who had earlier been replaced by the retired General Krishna Rao, was recalled to Kashmir in order to take a tougher stand against the militants. Caught between the militants and the military in an ever-increasing spiral of violence and repression, Farook Abdullah resigned. In February 1990, Jagmohan dissolved the State Assembly. Most of the Hindu minority living in the Valley, the Kashmiri Pandits, fled feeling unsafe amid the growing gun culture. With growing disquiet at the deteriorating situation, the Government in Delhi appointed the Socialist leader, George Fernandes, as Minister for Kashmir Affairs (in addition to his Railways portfolio), in an attempt to

mollify the militants. Jagmohan, who disapproved of Fernandes' dealings with "subversives", was replaced by Girish Saxena, an intelligence expert. Meanwhile, an estimated 46 camps had now been set up in Azad Kashmir, where the militants could go for training and the supply of weapons. In return, there were increasing cases of human rights violations committed by the Indian armed forces against both militants and innocent Kashmiri civilians, often because many of them, such as the Border Security Force, had received little or no training in counter-insurgency methods. In 1991, the number of armed militants was estimated at anything between 45,000 and 150,000.

Meanwhile, there had been a change of government in both capitals. In August 1990, the Pakistani President, Ishaq Khan, dismissed Benazir Bhutto and replaced her as Prime Minister by Nawaz Sharif, demonstrating that the military-bureaucratic elite still pulled the strings, even though parliamentary democracy had supposedly been restored. A few months later, V.P. Singh's administration collapsed from within and, after fresh elections in June 1991, the Congress (I) returned to power under P. Narasimha Rao. As the Kashmir insurgency continued, the All Parties Hurriyat (Freedom) Conference (APHC) was established, in February 1993, among around thirty groups. The APHC's leading members were Syed Ali Shah Gilani of the Jamaat-i-Islami, Abdul Gani Lone of the People's Conference, Maulvi Abbas Ansari of the Liberation Council and Abdul Ghani of the Muslim Conference. Although their programmes differed, they all wanted a plebiscite but this should include the third option of independence.

Civilian rule restored

In March 1993, Krishna Rao returned to Kashmir to relieve Saxena. In October that year, Benazir Bhutto returned to power in Pakistan and, in February 1994, raised the issue of Kashmir at the UN Commission for Human Rights in Geneva. The Government of Narashima Rao now set up a Cabinet committee to consider a renewal of dialogue in Kashmir and the possible holding of fresh elections in the State. This would not, however, include a dialogue with Pakistan. India released several leading activists, including Gilani, Lone and Shabir Shah. However, in 1995, the APHC members announced that they would not take part in elections. Even Farook Abdullah posed conditions for the participation of the National Conference. Narasimha Rao's Congress (I) lost the next general election, in 1996. While the BJP made great gains, a minority United Front administration, again based around a weakened Janata Dal and a number of regional parties, took office under H.D. Deve Gowda. National elections had extended to Jammu and Kashmir for the first time since 1989, but both the National Conference and the APHC refused to take



part. However, the new Indian government pressed on with plans to hold State elections and, now, Farook Abdullah agreed to take part. The election was held in September 1996 but the turn-out was low given the continuing APHC boycott. The National Conference, nevertheless, won a convincing victory, in terms of the number of seats won, at Farook Abdullah was again placed at the head of a restored civilian administration.

Benazir Bhutto called this election "a sham" but in elections held in Azad Jammu and Kashmir that June, pro-independence candidates had been prevented from standing. The Muslim Conference leader, Sardar Qayum Khan, was defeated and replaced as Prime Minister by Sultan Mehmood from Bhutto's PPP. However, Bhutto's days in office were also numbered and, for a second time, she was dismissed by the President, now Farooq Leghari, in November. In the general election which followed, Nawaz Sharif was returned to power for a second time with a big majority of seats but on a low voter turn-out, a sign of public disenchantment with both major parties. Nawaz Sharif now appeared more amenable to co-operation with India. After the SAARC Summit in Malé, in May 1997, he held a series of meetings with I.K. Gujral, who had succeeded Deve Gowda as the United Front Prime Minister. After the BJP had won the following Indian elections, in March 1998, tensions rose again with the tit-for-tat nuclear tests conducted first by India and then by Pakistan. However, India stressed that its acquisition of nuclear weapons was not aimed against Pakistan and India adopted a "no first use" policy. Early the following year, Nawaz Sharif invited the new Indian Prime Minister, Atal Behari Vajpayee, to Pakistan where the Lahore Declaration on future relations was concluded and a new bus service, linking Delhi and Lahore, was instituted. All appeared to be going well until the Kargil confrontation began in the summer of 1999.

By now, there had been a change in the nature of the conflict in Indian Jammu and Kashmir. Increasingly, the perpetrators of violence in both the Valley and in Jammu were not Kashmiris themselves but foreigners, who included not only Pakistanis but also Afghans and others from Arab countries. This was a spill-over from what had been happening in Afghanistan. The rise of the radical Islamic Taleban in Afghanistan and their capture of Kabul from the *mujahideen* government of President Rabbani, in 1996, largely with Pakistani support, had encouraged the spread of the *jihadi* (holy warrior) culture in Afghanistan, Pakistan and Kashmir. The use of fanatical young *jihadis* became an instrument of Pakistani foreign policy, under the direction of the ISI, in both Afghanistan and Kashmir. It was the Pakistani Army high command, led by General Pervez Musharraf, which schemed up the idea of the Kargil project. Pakistani-backed militants seized the high mountain ridges, on the Indian side of the Line of

Control, overlooking the strategic road from the Vale of Kashmir into Ladakh and which passed through the town of Kargil. Indian troops courageously scaled the mountains under heavy fire to dislodge these "intruders" and suffered heavy casualties as a result. The militants were subsequently withdrawn after Nawaz Sharif had come under strong pressure from the US President Clinton. It was understood that the Pakistani Prime Minister had been kept in the dark about the plans for Kargil by the Army high command. Shortly afterwards, in October 1999, Nawaz Sharif was ousted by the Army and General Musharraf took over power in Pakistan's third military coup.

Vajpayee and Musharraf

Mr Vajpayee's government, which had won a second election victory in October 1999, was understandably very concerned at General Musharraf's coup. The SAARC Summit meeting, due to take place a few weeks later, was postponed largely at India's insistence. However, in July 2001, Mr Musharraf, who had now assumed the title of President, came to Agra at India's invitation, for a summit meeting with Mr Vajpayee. The meeting was inconclusive but it did signify a thaw in relations. Then came the terrorist attacks in New York and Washington, on September 11, and General Musharraf's decision to throw Pakistan's weight behind the US-led campaign against terrorism. This meant Pakistan abandoning its former friends in Afghanistan's Taleban movement, who had played host to Osama bin Laden and his *Al-Qa'ida* terrorist network. India also sought to profit from the war on terrorism by highlighting its own campaign against terrorists, who were being infiltrated across the Line of Control from Azad Kashmir.

Then, in October, came the terrorist attack against the Jammu and Kashmir State Legislative Assembly in Srinagar, in October, where 31 people were killed, and a further attack on the Indian Parliament in Delhi, in December, where a major slaughter of India's political leaders was narrowly avoided. India now put its Army on full alert along its frontier with Pakistan, including the Line of Control, and took a number of other measures to put pressure on Pakistan into taking action against the militants being harboured and succoured on Pakistani territory. Despite this, the much postponed SAARC Summit finally took place in Kathmandu, early in January 2002, at which Vajpayee and Musharraf briefly met and shook hands. The Pakistani authorities had already begun rounding up Islamic extremists and more were to follow. Then, a few days after the SAARC Summit, Mr Musharraf made an important broadcast to the people of Pakistan, in which he undertook major reforms to move Pakistan away from religious extremism. Indians were encouraged but preferred to wait and look for practical results on the ground. They were disappointed, however, to find that cross-border



infiltration had not declined and more terrorist outrages were being committed in Jammu and Kashmir. Matters appeared to come to a head in May 2002 but, in part due to the application of considerable international pressure on Pakistan, the infiltration of terrorists began to dwindle and in late June the crisis, for the time being, seemed to have passed.

Is there a solution?

Various possible solutions have been put forward to resolve the problem of Kashmir. The only ones that are clearly unrealistic are those which would envisage either India or Pakistan gaining control of the entire territory of the former Princely State, which would involve one or other giving up what they already hold. Neither party would ever agree. A more likely solution would be to make the existing Line of Control into the recognised international frontier. However, many in Jammu and, particularly, in Kashmir, would oppose this. As Sheikh Abdullah said after the Shimla Agreement, the "final arbiters of the destiny of the State are its people, not India and Pakistan. We will not permit outsiders to divide our home."

Thus, any solution must obtain the support of both India and Pakistan and the people of Jammu and Kashmir. The extreme solution would be to give full independence to the whole of the former Princely State, albeit as a member of SAARC, and for it to become another Nepal. Many Kashmiris would like this but it would entail some serious problems, not least of a strategic and financial nature, which neither India nor Pakistan would find easy to accept. A less extreme possibility would be to give much greater autonomy to Jammu and Kashmir but under some form of joint Indian and Pakistani sovereignty. Each party would retain certain rights in their existing parts of the State but the Indian State and Azad Jammu and Kashmir would be reunited under common democratic institutions. A further idea put forward is to isolate the problem of Kashmir from the other parts of the old Princely State. Thus, Pakistan would accept the accession of Jammu and Ladakh to India and India would accept the accession of Gilgit and Baltistan to Pakistan, while a solution would be found for Kashmir proper, which might consist of the Vale and Muzafarabad, possibly with Mirpur and Poonch also remaining with Pakistan.

The basic psychological problem for both India and Pakistan still stems from Partition in 1947. Pakistan believes that Kashmir should rightfully be Pakistani because of its Muslim majority. India believes that it is essential for Kashmir to remain Indian to prove the secular and multi-cultural nature of the Indian State. If Kashmir were to go, many other small ethnic groups around India's edges would be encouraged to press for secession. It would also play into the hands of the extreme Hindu nationalists. However, the original

"two-nation" theory has now been weakened. Today, the Muslim population of the sub-continent is roughly equally divided between Pakistan, Bangladesh and India itself. Pakistan can no longer claim to represent all Muslims in South Asia.

India has consistently blamed Pakistan for the problem it faces in Kashmir. This is not altogether fair. As J.P. Narayan wrote to Indira Gandhi, back in 1966, "that problem exists not because Pakistan wants to grab Kashmir but because there is deep and widespread political discontent among the people." If that was true in 1966, it was far more so after Delhi's erosion of democracy in Jammu and Kashmir in the early 1980s. Pakistan has merely done its best to exploit India's problem, always with the aim of finally being able to include the 'k' in Pakistan.

However, India and Pakistan are probably wrong to focus so much on the issue of Kashmir in their bilateral relations. Indeed, it remains a dispute but one which would be much easier to resolve in the context of improved relations both bilaterally and in a regional context. Thus, it would be far better to press on with practical steps towards regional co-operation within SAARC, to set up a South Asian Free Trade Area and even a Common Market and to open up the existing border to trade and the freer movement of people. For, as Nehru wrote in 1962, "Confederation remains our ultimate goal. Look at Europe, at the Common Market. This is the urge everywhere. There are no two types of people anywhere nearer than those of India and Pakistan, though, if we say it, they are alarmed and think we want to swallow them." ■

Note on Sources:

In preparing this article, I have relied heavily on the following works:

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- Gowher Rizvi, *"South Asia in a Changing International Order"*, Sage, New Delhi, 1993, (especially Chapter 2, "India, Pakistan and Kashmir: Old Conflict, New Opportunity");
- Ashok Kapur, *"Pakistan in Crisis"*, Routledge, London, 1991.

More detailed information on recent developments may be found in earlier editions of *EurAsia Bulletin*, as follows:

- *"India and Pakistan Try 'Bus Diplomacy' " (the Lahore Declaration)*, by Kamala Dawar, Vol. 3, Nr. 2, February 1999;
- *"Indo-Pakistan Tensions Mount over Kashmir" (Kargil crisis)*, Vol. 3, No. 5, May 1999;
- *"Kashmir Crisis Continues"*, Vol. 3, No. 6, June 1999;
- *"Pakistan Climb Down over Kashmir Heights"*, Vol. 3, No. 7, July 1999;
- *"Indo-Pakistan Relations Still Tense"*, Vol. 3, No. 8, August-September 1999;
- *"Pakistani Army Chief Musharraf Dismisses Nawaz Sharif Government"*, Vol. 3, No. 9, October 1999;
- *"Jammu and Kashmir Assembly calls for Autonomy"*, Vol. 4, Nos. 6-7, June-July 2000;
- *"Kashmir Cease-fire Short-lived"*, Vol. 4, Nos. 8-9, August-September 2000;
- *"India-Pakistan Summit Disappointing but not a Failure"*, Vol. 5, Nos. 6-7, June-July 2001;
- *"Afghanistan in Chaos Following Terrorist Outrage Against the United States"*, Vol. 5, Nos. 8-9, August-September 2001 (especially section on "Impact on Pakistan");
- *"Political Settlement in Afghanistan as India and Pakistan Go to Brink of War"*, Vol. 5, No. 12, December 2001;
- *"SAARC Summit Calms Crisis between India and Pakistan"*, Vol. 6, Nos. 1-2, January-February 2002.

All the above articles are by this author except where stated.

Message from the Editor

After five and a half years as Editor of the *EurAsia Bulletin*, I regret to announce that the current issue is the last under my editorship. While my decision to step down has been postponed for a year, pressing personal problems now oblige me to make this move without further delay. It is my hope that the members of the European Institute for Asian Studies and our many other readers, especially in the European Institutions, have found this publication useful and informative. I am handing over to my colleague and friend, Malcolm Subhan, at least as a temporary measure, and trust that the publication will prosper under his direction.

When the *EurAsia Bulletin* was first published, in January 1987, it was both a slim and simple product. It has since improved both in the quantity of information covered and in the quality of the articles. For this, I am particularly grateful to a succession of editorial assistants. Pascal Michaux helped me to get the publication launched. Kamala Dawar made a valuable contribution, especially to the improvement of the layout and look of the publication. Vandna Khalia also made a useful, if rather short, input to the publication's development. Finally, John Quigley has carried on the job over the past two and a half years and has greatly improved the coverage of the work of the EU Institutions with regard to Asia. I would also like to thank the many others who have contributed over the years, not least my successor, Malcolm Subhan.

It is my intention to continue to contribute articles to the *EurAsia Bulletin* as and when time permits. My work for the publication, since 1997, has already been a most enriching personal experience.

Also, I must apologise for the overdue appearance of Vol. 6 No. 5&6. Already running late, its completion was held back to enable the first issue under the new Editor to be published on time. This has enabled him to make a fresh start unburdened by the backlog, which developed in recent months under his predecessor. ■

Hong Kong - celebration in uncertain times

by Duncan Freeman

On July 1st, Hong Kong celebrated the fifth anniversary of its return to Chinese sovereignty. The anniversary, providing a convenient point to assess the success or failure of the 'one country, two systems' experiment, was marked by a brief surge of media interest in Hong Kong, although the level was considerably less than that shown in the original transfer of sovereignty. Nevertheless, the continued media interest is indicative of a recognition of the importance of Hong Kong, both in itself and also in its relationship to the rest of China and the world. From the European perspective, Hong Kong continues to have considerable importance, primarily, but not only, as a result of economic interests.

Prior to 1997, a sizeable industry in forecasting the future of Hong Kong was sustained by uncertainty over its fate. One country, two systems is essentially a political concept, and it was in this realm that the greatest difficulties were usually predicted. Contrary to some predictions, despite difficulties along the way, the concept has proved workable. While the Sino-British Joint Declaration and Hong Kong's Basic Law may have set down the formal parameters, the reality of the relationship between the Hong Kong Special Administrative Region and the national government in Beijing is likely to evolve and raise problems, as naturally occurs in the interaction between central and local governments in all political systems, and especially in the unique situation of Hong Kong. Numerous contentious issues, such as the status of the Falun Gong movement, banned in the Mainland but legal in Hong Kong, and the right of abode of persons of Mainland ancestry, have tested the relationship. Senior leaders in Beijing continue to assert that the principles underlying one country two systems remain unchanged, but the perception of the reality of the 'high degree of autonomy' promised to Hong Kong frequently depends on the standpoint of the beholder. There is little doubt that the central government is determined to assert its primacy in Hong Kong where matters it considers of importance are at stake, but it has nevertheless been content to let day-to-day policy decisions alone.

The confirmation of Tung Chee-hwa for a second five-year term as Chief Executive in February, in a procedure where he faced no opponent, is an example of an issue where the perceptions of autonomy may differ. While Tung is widely criticised in Hong Kong for failing to address the real issues that concern ordinary people and generally gets low ratings in

opinion polls, the central government has consistently offered its public support to him and made clear long ago that it wanted him to have a second term. Given this backing, under the present system where an Election Committee of 800 selected individuals is responsible for choosing the Chief Executive, it was highly unlikely that Tung would not be given his new term. Still, the central government can argue that the decision is made by Hong Kong people, even if the people of Hong Kong have no real say in the matter.

The system for choosing a Chief Executive is just one of the fundamental questions of Hong Kong's political development that remain unresolved. Despite pleas from some sectors of the community, generally 'democratic' political forces, for a speedy passage to democracy, the Hong Kong government has shown little desire to accelerate the schedule laid down before 1997 for development of the political system that is supposed to lead to direct election of the Chief Executive and a fully directly elected Legislative Council. Thus, in many respects, political development remains in a hiatus. However, this year, steps have been taken to resolve some of difficulties that were inherent in the inherited colonial system, where the civil service is both responsible for the formulation and implementation of policy and where the politicians of the Legislative Council have no power to initiate legislation and only have the role of either critics or supporters of government-initiated policy. A system designed to place non-civil service figures in positions in charge of formulation of policy, which the civil service will then implement, has been introduced. These figures, who are intended to be roughly the equivalent of ministers, will be appointed by the Chief Executive and will be responsible to him for the success or failure of policy in their field. It is also intended that the Executive Council will become something more akin to a policy-making cabinet, rather than merely an advisory body.

Since 1997, for most people in Hong Kong, political development has tended to be increasingly overshadowed by other concerns as the economic motor, which powered the successes of recent decades, has stopped running smoothly. Growth over the past five years has varied enormously and has failed to match the performance prior to 1997. After falling into sharp recession in the wake of the Asian crisis, the economy rebounded, even managing GDP growth of 10.2% in 2000. This growth evaporated the following year, when GDP increased by only 0.6%. In fact, during the last quarter of 2001 and the first quarter of 2002, the economy contracted. The government forecast for GDP growth this year is 1%.

Naturally, the unsatisfactory economic performance has nothing to do with the change of sovereignty, since it is largely the result of events beyond the control of Hong Kong, although the post-1997 government is



frequently criticised within the community for failing to grasp adequately the nature of the problems and react accordingly. The growth rate alone is not the only economic indicator that causes concern. More recently, Hong Kong's trade has also performed badly, while it continues to suffer from a long period of deflation, poor domestic demand and a large government deficit, which would have been unthinkable a few years ago and which is unlikely to disappear in the near future.

The initial poor performance can be attributed to the financial crisis, which hit many economies in Asia in 1997 and, which since Hong Kong relies significantly on regional trade and investment flows, has a direct impact its economy. However, the current problems are more complicated. In addition to the poor performance of major markets in the US and, to some extent, Europe, Hong Kong is having to face up to fundamental changes in its position in the world. For most of the past two decades, Hong Kong has been able to take advantage of its virtual monopoly as a convenient place from which to access China. This monopoly has been eroded in recent years as China's economy has become increasingly open and adapted to foreign business, and as foreign companies have gained the experience of China, which has allowed them to forego the expense of using Hong Kong as an intermediary. The process is now coinciding with the changes, which are being brought about by China's entry to the WTO, and which will further open competing points of access to the Chinese economy, notably Shanghai, which is seeking to revive its role as China's pre-eminent business centre. The Hong Kong government insists that China's WTO entry creates opportunities rather than otherwise, but it is clear that Hong Kong will have to work much harder, and probably for less, to retain a leading role in the Chinese economy.

It is unfortunate for Hong Kong that this increasingly competitive environment has coincided with the continuing hollowing out of the remains of Hong Kong's manufacturing industry. The process, which has seen the removal of most Hong Kong manufacturing to China, and other parts of Asia, has been compensated for by the rapid creation of jobs in the service sector, which helped to keep unemployment very low, even as the population grew in the 1980s and 1990s. The situation, since 1997, represents a dramatic change. After rising rapidly to over 6%, in 1999, following the Asian financial crisis, the rate dropped to about 5% in the following two years. However, the most recent figures show that the rate has risen once again to 7.8%, a level unknown in Hong Kong's recent history.

The question of economic security, and restarting the growth motor, have forced themselves to the top of the government agenda. For the people of Hong Kong, the main guarantees of well-being, a fast expanding

economy, low unemployment and rising incomes, have been removed. This has had a significant impact on the perception of the Hong Kong people of their security and the future. Even the safe bastion of the civil service will be forced to undergo a pay cut this year as part of measures intended to deal with the economic difficulties. The erosion of high employment levels has been matched, since the peak of the market in the 1990s, by continuing falls in property values, long regarded by most Hong Kong people, rightly or wrongly, as the key measure of the health of the economy and their own financial security.

The government has begun to take measures in an effort to address some of the problems. Education reform has become a hot issue, now that it is realised that low-skill manufacturing jobs are unlikely to return and that many members of the workforce are poorly prepared for the service economy. At the same time, Hong Kong has taken the initiative of seeking to negotiate a trade agreement with the central government, which, it is hoped, will strengthen Hong Kong's role in the Mainland economy. Still, it remains to be shown that the Hong Kong government has managed to define successfully a new economic role to meet the challenges it faces, or even that it is able to have much influence over long term economic trends beyond its borders.

Europe continues to have important interests in Hong Kong, although, in practice, these tend to be of an economic nature. While the development of Hong Kong, especially its political development and its complex relationship with Beijing, may attract the attention of interested observers, and there are strong governmental and other ties between Hong Kong and the EU and its member states, it is in the economic sphere that the substance of the relationship is founded. Europe is both a major market for Hong Kong and also a significant supplier of goods, and many European companies continue to establish their regional headquarters in Hong Kong and invest there. Hong Kong and Europe may share many common values, as the latest report on Hong Kong by the European Commission points out, but the shared values may be tested against hard business reality. The future relations of Europe and Hong Kong will continue to be driven by the private decisions of businesses assessing their business needs. While Hong Kong can continue to demonstrate its advantages, it can count on a flourishing relationship, but it will need to continue to demonstrate the need for retaining the Hong Kong connection. ■

Editor's Note:

Duncan Freeman is a Brussels-based writer who has spent many years in Hong Kong and China. He is a member of EIAS.

India and Pakistan Come (Fairly) Close to War

by Dick Gupwell

During the months of May and June, the two great South Asian rivals, India and Pakistan, once again appeared to come to the brink of war and, yet again, the issue centred on the problem of Kashmir. India and Pakistan have been at war three times in the past fifty-five years – in 1947, 1965 and 1971 – and narrowly avoided war again during the Kargil confrontation in 1999. This time, however, the stakes were higher as, during the previous year, 1998, both countries had tested nuclear weapons. Any new hostilities between them, therefore, threatened to develop into a nuclear conflict. (For a background analysis of the Kashmir dispute, see separate article “The Kashmir Dispute: a Never Ending Story” on page xxx above.)

A major cause of Indian irritation with Pakistan has been the continuing infiltration of armed militants across the Line of Control from the Pakistani part of the State of Jammu and Kashmir into the Indian part. In earlier years, this was limited to the provision of arms and training to young militants from Indian Kashmir, who then returned to fight against the Indian security forces. Increasingly, however, the Kashmir insurgency had been carried out by radical Islamic *ihadis* or holy warriors, who came from Pakistan, Afghanistan or even further afield, for example from the Arab states.

While Pakistan’s military ruler, General Musharraf, had pressed India to begin a dialogue with Pakistan to resolve the Kashmir issue, India insisted that Pakistan must halt this cross-border infiltration as a precondition for any talks. Matters again came to a head after the terrorist attacks on New York and Washington, on 11 September 2001, when Islamic terrorists first attacked the State Assembly building of Indian Jammu and Kashmir in Srinagar, in October, causing many casualties and then, two months later, launched a similar attack on the Indian Parliament itself, in Delhi. India sent 600,000 of its troops to the frontier with Pakistan, including the Line of Control, and took a number of diplomatic measures to encourage Pakistan to bring the militants to heel and put a stop to the cross-border infiltration.

In January, General Musharraf made a landmark speech to the nation, which appeared to suggest a complete change of policy by Pakistan away from supporting the Islamic militants towards the promotion of a more moderate form of Islam. Many militants and

their leaders were rounded up by the Pakistani security forces and detained. However, the Indian authorities preferred to wait and see what impact this change of policy would have on the ground. At any rate, little infiltration was possible while the winter snows blocked the passes and so an evaluation could only take place in the spring.

When spring came, the results were disappointing. Moreover, India, which did not approve of military rule in Pakistan, was not enthusiastic about the referendum organised by General Musharraf, on 30 April, to maintain himself in office as President for a further five years. The attack by militants on an Indian army camp in May, which targeted mostly women and children, raised tension further and there appeared to be a real risk that India might be compelled to move against the militants’ camps over the border, which might spark off a general war. Strong international pressure was brought to bear on both parties to avoid this. Moreover, Pakistan too was increasingly subject to terrorist outrages, which caused serious embarrassment to the Pakistani authorities. By mid-June, the militant groups appeared to have been reined in and infiltration dropped steeply. India then took measures to reduce tension and hostilities seemed again to have been avoided.

How close the two countries actually came to war is a matter for speculation. There is always a great deal of posturing in Indo-Pakistani relations and it may be that the threat of war was exaggerated for effect. Nevertheless, with both sides now equipped with nuclear weapons, the main actors in the international community, including the European Union, were not ready to leave anything to chance.

Musharraf's referendum

General Musharraf, who is 58, had seized power in a military coup in October 1999, ousting the democratically elected government of Mr Nawaz Sharif, the then Prime Minister. This was Pakistan’s third army take-over and demonstrated the tenuous nature of parliamentary democracy as a concept in Pakistan. Pakistan’s Supreme Court had condoned General Musharraf’s take-over but insisted that democratic elections would have to be held within three years of the coup, i.e. by October 2002. General Musharraf, who had subsequently arranged to be appointed as President of Pakistan, had publicly agreed that such elections would be held on time. Meanwhile, provincial and local elections were held but without the direct participation of the main political parties.

Then, on 3 April, Pakistan’s National Security Council approved a plan to hold a referendum at the end of the month to prolong General Musharraf’s period of office as President. The Pakistan People’s Party (PPP) described this plan as “constitutionally wrong and

morally perverse". A spokesman, Farhatullah Babar, said, "The stricture of illegitimacy is haunting General Pervez Musharraf. It will continue to haunt him even after the sham referendum." The *Jamaat-e-Islami*, Pakistan's main religious party, said it would boycott the referendum and Maulana Shah Ahmad Noorani said, "We will not accept him as President if he is elected through this exercise." General Musharraf had already said that he would bar both Benazir Bhutto, the exiled leader of the PPP, and Nawaz Sharif, the exiled leader of the Muslim League, both former prime ministers, from returning to power after the October parliamentary elections.

On 5 April, General Musharraf again addressed the nation in a broadcast. In a 100-minute speech, he asked, "Am I required for Pakistan? Do I have a role for Pakistan? You tell me. I want you, the people of Pakistan, to tell me if I'm required or not." He said that neither Nawaz Sharif nor Benazir Bhutto would be allowed to return to Pakistan to "plunder the national wealth." He said they had "no role in Pakistani politics." He said that whoever ended up as prime minister would be answerable to him as President. He said, "I'm not power hungry but I don't believe in power-sharing. I believe in unity of command because I'm an army man." He said, "That's the way democracy in Pakistan will function." He announced that the voting age would be reduced from 21 to 18 for the referendum.

Pakistan's previous military rulers had also resorted to this type of tactic. Field Marshal Ayub Khan had held a presidential election in 1964 where, at least, he was opposed - in fact by Mohammed Ali Jinnah's sister. General Zia-ul-Haq had organised a referendum twenty years later to provide himself with a veneer of democratic legitimacy. Within a few days of the speech, the 15-party Alliance for the Restoration of Democracy, which includes both the PPP and the Muslim League, announced that they would boycott the referendum, claiming that Mr Musharraf was using unconstitutional means to remain President. The Chairman of the Alliance, Nawabzada Nazrullah Khan, said, "If Musharraf is so keen to become President, he should first resign from the army, wait for two years, and then contest presidential elections, according to the Constitution."

General Musharraf then actively campaigned, addressing a number of mass rallies. Kamran Arif, of the Human Rights Commission of Pakistan, said, "General Musharraf's popularity cannot be judged on the size of these rallies. This is especially the case since the people that you see on the streets have been mobilised by the government and its supporters." As General Musharraf brought his campaign to an end, the Supreme Court ruled that the referendum was constitutional. In a late speech, he referred to the "pre-

'99 days of political turmoil, looting and plundering and personal hatred and vendettas in political leadership", where the nation had been "the biggest casualty". He said that, if the new government elected in October did not run the country well, "that is where my role will come in as President." In reply, the human rights lawyer, Asma Jahangir, said, "General Musharraf has portrayed himself as a referee of democracy but how can you be a referee when you are a player?"

The referendum was held on 30 April. The government's spokesman, Maj-Gen. Rashid Qureshi, said that the turn-out had been "unprecedented" at above 45-50%. The Information Minister, Nisar Memon, said that a turn-out of above 25% would represent "widespread public support for the President's economic and political reforms." He said, "It seems that the silent majority has recognised the importance of speaking out on national issues." The referendum question asked, "For the survival of the local government system, the establishment of democracy, the continuity of reforms, an end to sectarianism and extremism and to fulfil the vision of Quaid-e-Azam (i.e. the founder of Pakistan, Mohammed Ali Jinnah), do you want to elect President General Pervez Musharraf for the next five years as President of Pakistan?" The question implied that voting "yes" would bring about a restoration of democracy, continued reforms and the elimination of "sectarianism and extremism."

The number of polling stations had been doubled to a record 87,000 for the referendum, many being set up in workplaces. Free buses were provided at government expense to take voters to the polling stations. Later, Gen. Musharraf claimed to have received a 97-98% "yes" vote, with 42.8 million, out of an electorate of 62 million registered voters, taking part. Fewer than 900,000 people were said to have voted "no" and there were fewer than 300,000 spoilt papers. This amounted to a 75% turn-out. There had been only a 36% turn-out in the 1997 elections, when the Pakistani Muslim League had won with the support of only 16% of the electorate. However, a spokesman for the independent Human Rights Commission of Pakistan said, "It was farcical. The question of turn-out is totally irrelevant because everywhere the votes were stuffed." Moreover, no international observers had been present. The referendum was widely criticised by the opposition as having been rigged. They claimed that actual turn-out was only 5%. The Commonwealth Ministerial Action Group criticised the referendum as a travesty of democracy. It said that Pakistan had deviated from the roadmap to democracy announced in August 2001. The referendum was not "in keeping with Commonwealth best practice." It said that Pakistan should remain suspended from the Commonwealth until democracy was restored. It hoped that the



elections in October would be "transparent, free and fair."

Gen. Musharraf had also announced a plan to set up a National Security Council (NSC), which would have the power to over-ride decisions of the future National Assembly. He said, "The NSC will exercise checks and balances on all the power brokers." Among the members of the NSC would be the President, the Prime Minister and the chiefs of the armed forces. He said that he would allow a public debate on this proposal.

Selig Harrison, the Director of the Asia Programme at the Centre for International Policy, explained in the *International Herald Tribune* how the Pakistani armed forces control a vast industrial, commercial and property empire with assets and investments worth at least \$5 billion. These assets are managed by four foundations, which employ 18,000 serving and retired military officers. The biggest of the four, the Fauji Foundation, is the single largest business conglomerate in Pakistan, with assets of \$200 million and interests in cereals, cement, fertilisers, sugar and oil storage. The others are the Shaheen and Bahria Foundations and the Army Welfare Trust, which are involved in banking, insurance, and so on. There is also the National Logistics Cell, a major haulage and transportation company, and the Frontier Works Organisation, which has a virtual monopoly for road-building and construction. Both had been set up originally to meet military needs but had grown to dominate civilian markets also. In her recent book "Soldiers in Business", Ayesha Agha-Siddiqi says that these enterprises are part-funded by the national exchequer and are without "even a trace of public accountability." In part, this may account for the eagerness of Pakistan's armed forces to retain political control and to limit the power of Pakistan's democratic parties to alter the *status quo*.

Bomb attack in Karachi

In March, General Musharraf's administration had been badly embarrassed by a grenade attack on a Christian church in Islamabad. Five people had been killed in the attack, including the American wife of a US diplomat and their daughter. The others killed were an Afghan and a Pakistani, as well as an unidentified person, probably one of the assailants. The 70 Protestant worshippers had included Americans, Canadians, British, Germans, Swiss, Sri Lankans, Iranians, Iraqis, Australians and Ethiopians, as well as 12 Pakistanis. Among the 45 injured were the Sri Lankan High Commissioner, his wife and child. Later, on 23 March, General Musharraf promised an intensified crackdown to "identify and eliminate those involved in terrorism." He said, "We have to save Pakistan from terrorism and the menace of sectarianism, even if we have to pay a heavy price." There was another outrage, on 25 April, when a bomb

was exploded at a gathering of several thousand Shia Muslims in Bukker, in the Punjab. The bomb killed 12 women and children.

Then, on 8 May, another bomb explosion in Karachi killed 14 people, including 11 French engineers helping to build submarines for Pakistan. A car packed with explosives rammed into a naval bus as it collected the French shipyard workers from the Sheraton Hotel. More than 20 others were seriously injured, including 12 other French personnel. These were evacuated in a German transport plane at the request of the French authorities. The dead French workers were from the French Navy's Department of Naval Construction (DCN) from Cherbourg (where French submarines are built) and were part of a team of 40 submarine engineers based in Karachi to train local workers. France has been building submarines for Pakistan since 1967. The DCN had recently completed one submarine, the *Khalid*, for Pakistan in Cherbourg, while a second, the *Saad*, had been assembled in Karachi. A third submarine of the same *Agosta-B* class, the *Ghazi*, was currently being built in Karachi's naval dockyard, as part of an 8-year old contract worth Euro 820 million to build the three diesel-powered submarines. No-one claimed responsibility for the attack.

Although some in Pakistan claimed that India was behind the attack, the French armed services chief, General Jean-Pierre Kelche, said that there was a "significant likelihood" that the *Al-Qa'ida* terrorist underground had been involved. President Chirac called this "a murderous, cowardly, odious terrorist attack." The new French Defence Minister, Michèle Alliot-Marie, was sent to Karachi. The New Zealand cricket team, who were staying in another hotel just opposite, decided to abandon their tour and return home. There was a possible link with the trial of the suspected killers of the American journalist, Daniel Pearl, which resumed in nearby Hyderabad on 8 May after the proceedings had been postponed. The Information Minister, Nasar Memon, said of the attack, "It appears their nefarious designs will continue and, therefore, we want to ward against this as much as we can." He added that this was based on historic facts rather than intelligence assessments. This attack came just two months after the attack on the church in Islamabad. The identity of the person responsible for the church bombing remained a mystery and the report, which the government had promised it would issue in April, did not appear. Pakistani police detained at least 300 members of Islamic hard-line groups after the Karachi bombing.

Pakistan and terrorism

At the time of President Musharraf's January speech, around 2,000 suspected Pakistani Islamic militants had been rounded up and detained. None, however, were



charged. About 1,300 were released in a "conditional amnesty" on or after 7 March, in return for signing a statement renouncing extremist activities. Those released included the leader of the *Jaish-e-Mohammed*, Maulana Masood Azhar, who was set free on 22 March, while the leader of the *Lashkar-e-Taiba*, Hafiz Mohammed Saeed, was transferred to a government guest house. These two organisations were held responsible by India for the attacks on the Assembly building in Srinagar and on the Indian Parliament. At the end of March, a joint operation by the Pakistani police and the FBI captured between 30 and 40 *Al-Qa'ida* suspects in raids in Lahore, including Abu Zubayda, one of the principal lieutenants of Osama bin Laden. Abu Zubayda and about twenty others were flown to the US prison camp at Guantanamo Bay but 16 of the Pakistanis, who had been captured with him and who were suspected to be members of *Lashkar-e-Taiba*, were released. Several hundred more of those arrested in January had been released by the end of April. According to Selig Harrison, the Pakistani armed forces were "riddled" with Islamic extremist sympathisers, from the Chairman of the Joint Chiefs of Staff, General Mohammed Aziz, down. Nevertheless, on 14 May, Pakistani security forces killed Riaz Basra, the leader of *Lashkar-i-Jhangvi*, who had been suspected of killing Shia Muslims. Pakistan also set up an anti-terror task force, aided by forensic laboratories, after the Karachi bombing.

A former Pakistani ambassador, Husain Haqqani, wrote in the *International Herald Tribune* that "Islamabad's support for the Taleban and its acceptance of militants operating in Indian-controlled Kashmir helped to create an underground extremist network throughout Pakistan itself. It is this network the Musharraf regime must now eliminate but, to do so, the government has to consolidate its support within Pakistani society, while rebuilding the police, intelligence and judicial services." He added, however, that, "the government's energy is being sapped by Musharraf's crusade against Pakistan's politicians." Moreover, he said that, while massive resources were being spent to investigate corrupt politicians, civil servants and businessmen, Islamic militants were released "for want of evidence." It was estimated that there were up to 500,000 *jihadis* in Pakistan and many groups had been part of Pakistani policy for so long that it was difficult for the Pakistani government to confront them.

Pakistan and Al-Qa'ida

By early May, US intelligence believed that there was now a large concentration of *Al-Qa'ida* in the Waziristan area of the North-West Frontier Province (NWFP). However, Brigadier Javed Iqbal Cheema, the Director of Pakistan's Crisis Management Group in the Ministry of the Interior, said, "There can't be any such large-scale concentrations in any area of Pakistan. It

isn't possible." Moreover, the Pakistani Army was reluctant to undertake such an operation while the stand-off along the Indian border continued. 80% of Pakistani troops were now deployed along this border. The Interior Minister, Moinuddin Haider, said, "We've made it very clear" to tribal leaders that providing sanctuary to terrorists "would bring great harm to them." This might include US bombing. However, he also did not believe that there were large concentrations of *Al-Qa'ida* in Pakistan, nor that Osama bin Laden was there.

However, the US commander in Afghanistan, Maj-Gen Hagenbeck said, on 27 May, that virtually the entire senior leadership of *Al-Qa'ida* and the Taleban had been driven out of eastern Afghanistan and were now operating, with as many as 1,000 non-Afghan fighters, in the anarchic tribal areas of Pakistan. He said, "We know that they are there and have a capability to do harm to this country. Our job is to deny them the freedom of movement and sanctuary." Nevertheless, he said that he did not expect coalition forces to cross into Pakistan in pursuit.

Pakistani police, assisted by FBI agents, arrested another 14 suspected members of *Al-Qa'ida* in Peshawar, late in May, who were believed to be Sudanese, Egyptians, Algerians and, possibly, Saudi Arabians. Pakistani intelligence believed that local extremists and *Al-Qa'ida* had filtered into the major cities rather than concentrating in the tribal districts.

Attack on Indian army camp

In 2001, before the "War on Terrorism" began, the Government of India had suggested that the road from Srinagar, capital of Indian Kashmir, to Rawalpindi, near the Pakistani capital Islamabad, be re-opened. There had been heavy shelling across the Line of Control in 1998 and 1999 but, by 2000, an unofficial cease-fire was in place. After December 2001, this had ended. The artillery used in these duels had a 30-mile range. On 7 May, there was a heavy exchange of fire across the Line of Control, which an Indian spokesman described as "routine". India said it had destroyed two Pakistani military vehicles.

As the winter snows melted, Indian observers looked out for any drop in terrorist infiltration. India stated that there had been 120 terrorist infiltrations across the Line of Control in March 2002, compared with 110 in March 2001. Also, there had been 854 "incidents" since 12 January, compared to 805 during a similar period preceding President Musharraf's speech. The Indian government said that Pakistan had not fulfilled its pledge to cease sponsorship of cross-border terrorism as infiltration across the Line of Control had risen in the past few months. In its annual report published on 13 May, the Ministry of Defence said, "The continued terrorist



violence underscores the fact that Pakistan remains unwilling to give up its strategy of confrontation, violence and deception towards India." Indian officials put the number of militants spread along the Pakistani side of the Line of Control at 2,000. George Fernandes, India's Defence Minister, said "We have no doubt whatsoever that they are massed there to cross into our territory. This can happen at any time - by the end of this month or early next month."

Then came the incident at Kulu, on 14 May, which coincided with the visit to India and Pakistan of Christina Rocca, the US Assistant Secretary of State. Islamic militants boarded a bus in Kulu, about 10km from the Pakistani border. When the bus stopped outside an army base, the three militants, dressed in army fatigues, ordered to passengers to stand and then opened fire, killing three women and four men. Armed with Kalashnikov assault rifles and hand grenades, they then penetrated the camp, about 9 km south of Jammu, and headed for the residential quarter. Before they were shot by Indian troops, they had killed eight women, five men and ten children, according to the police. 48 others were injured. It was the worst terrorist incident in the past 7 months.

President Musharraf's spokesman, Maj-Gen. Rashid Qureshi, said, "Every time there is a high profile visit to India or Pakistan, there is some episode or other which takes place. It leads one to believe that these coincidences happen whenever India wants them to." Pakistan's Information Minister rejected responsibility for the attack, saying, "Pakistan itself is a victim of terrorism. We will not allow any group or organisation to use Pakistani soil against any country." On 14 May, Pakistan's Foreign Ministry condemned the killings. The same day, L.K. Advani, India's Home Affairs Minister, accused *Lashkar-e-Taiba* of involvement in the terrorist attack and, on 15 May, Pakistani police arrested Hafiz Mohammed Saeed, the founder of the organisation. Also on 15 May, India's Prime Minister, Mr Vajpayee, said, "Whatever happened in Jammu is a massacre of innocents. We will have to retaliate." He said that the government would consult all the political parties after the Defence Minister returned from the site of the raid.

Speaking in Jammu, George Fernandes said, "All that I can, at this point, say is that it's a situation, which calls for punishment. What that punishment should be is something that will need to be deliberated upon." The names of the suicide attackers were released on 16 May. The police said that they had all come from Pakistan. On 16 May, India's Army Chief of Staff, General S. Padmanabhan, said, "The time for action has come." On 17 May, India's Parliament debated a resolution tabled by the Government. Much criticism was expressed of the US for its support of Pakistan. Omar Abdullah, the Deputy Minister for Foreign Affairs (and son of the Chief

Minister of Jammu and Kashmir), said, "All we have got from the international community is lip service" and, quoting President Bush, he added, "If you are not with us, you are with the terrorists." L.K. Advani said, "India is angry with Pakistan but deeply disappointed with you," referring to the US. On 17 May, two more people were killed and 15 injured in a bomb explosion in central Srinagar.

For the next few days, there was continuous heavy firing across the Line of Control. By 19 May, 7 people had been killed and 41 injured. The Pakistani Army said that more than 20 villages had been affected. India announced that it was expelling the Pakistani High Commissioner, Ashraf Jehangir Qazi, (who left on 25 May) and said that the command of its paramilitary forces in Jammu and Kashmir would be transferred from the Home Affairs Ministry to the Army. At the same time, the Coast Guard would be placed under naval command. The armed forces chief briefed Mr Vajpayee and senior Cabinet Ministers, on 18 May, on India's military options. India claimed that more than 70 militant camps had recently sprung up in Azad Kashmir, staffed by groups, which, ostensibly, had been banned in Pakistan. These had regrouped using other names. The nationalist wing of Mr Vajpayee's BJP was increasingly clamouring for a military strike against the militants' training camps in Pakistan.

On 19 May, Mr Vajpayee called for a second high-level meeting with his military chiefs in as many days, while militants fired on another Indian Army post killing four soldiers. Altogether, 10 were killed and 17 wounded in various incidents. There was more heavy shelling, which, according to Jaswant Singh, India's Foreign Minister, killed 10 Pakistani soldiers and caused severe damage to Pakistani military structures. Mr Vajpayee received all-party approval for the unspecified action, which he might take against Pakistani-based terrorist groups. On 19 May, Mr Vajpayee met Sonia Gandhi, leader of the opposition Congress (I) Party, to brief her on developments and planned counter-measures. India was now considering abrogating the Indus Waters Treaty, which keeps much of Pakistan irrigated. On 20 May, Farooq Abdullah, the Chief Minister of Jammu and Kashmir, said, "We don't want to have a war. Every option before that will be exhausted."

On 20 May, after four days of increasingly heavy artillery duels, Pakistan's Foreign Ministry spokesman, Aziz Ahmed Khan, called for the placement of international monitors along the Line of Control, reiterating a suggestion made by Mr Musharraf in *The Hindu*, several weeks earlier. Mr Khan said, "We are ready for the deployment of independent international observers on both sides of the Line of Control to see for themselves there is no cross-border activity taking place." He



called on India to accept dialogue with Pakistan and said the international community should play a bigger role to diffuse tension. That day two Indian soldiers had been killed and six others wounded in other terrorist attacks.

Assassination of Abdul Gani Lone

The following day, tension was raised further with the assassination of Abdul Gani Lone, a moderate member of the All-Parties Hurriyat Conference (APHC). The APHC had been set up in 1993 by a number of groups in Jammu and Kashmir, which were opposed to continued Indian rule, although, while some of these favoured union with Pakistan, others favoured outright independence. Abdul Gani Lone had called for a dialogue with the Indian authorities to settle the Kashmir dispute. He was shot at point-blank range by two masked men, after he had stepped down from the podium, during a rally in Srinagar to commemorate the life of Mohammed Farooq, another Kashmiri moderate, who had been assassinated in 1990. 5,000 people were looking on. The assassins wore police uniforms. Pakistan blamed India for the murder. President Musharraf expressed "deep shock and grief". The shooting coincided with the arrival of Mr Vajpayee in Jammu and Kashmir. The Prime Minister had been due to meet moderate Kashmiri leaders in Srinagar on 22 May. No group claimed responsibility. A Pakistani Foreign Ministry statement referred to "yet another incident in the continuing reign of terror unleashed by the occupying forces in the India-held Kashmir for the last 12 years."

A few hours before his murder, Mr Lone, who was 69, had told *The Independent*, "The *jihadis* have their own agenda. I welcomed them when they came in 1998 because we were under very great pressure, but, when they attacked the Red Fort and other targets in India, I said, 'For God's sake, leave us to our fate. This is our struggle. We should be in the driving seat.' " Mr Lone had set his face against the extremists. In December 2001, he had flown to Dubai to meet leaders from the Pakistani side of Kashmir to try to determine how to take the struggle for the liberation of Kashmir forward peacefully. In the 1970's, Mr Lone had been a member of the Congress Party and had served as Minister of Education in the State Government. In 1977, he set up the People's Conference Party and remained its leader. By the 1990's, he had become convinced that independence from India was Kashmir's only hope. However, neither he nor his party took part in the armed struggle. He said, "The Indian government is responsible for the introduction of the *jihadis*. They took the decision that the issue could be dealt with administratively and they introduced the armed forces to do that." This had led to serious abuse as the Indian soldiers had behaved like an army of occupation, with arrogance and impunity. "The Indians did something that forced the Kashmiri

militants to be used by Pakistan. Why did the Kashmiri militants take up the gun? When India provided no place for dissent, when they forced the people to obey its will, then there was no alternative." In 1994, as the insurgency weakened under Indian military pressure, Abdul Gani Lone took his party into the All-Parties Hurriyat Conference (*hurriyat* means "freedom"). Later, Mr Lone began to call for the foreign militant fighters to go home. After 11 September 2001, his calls for moderation grew clearer and more urgent. This put him at loggerheads with hard-line Hurriyat members. Mr Lone had intended to field several proxy candidates in the forthcoming State elections.

Another APHC leader, Abdul Gani Bhatt, said, "This is a great tragedy. It is a hard blow not only to the Hurriyat Conference but also to the people of Kashmir. We have lost a seasoned leader who could blend his experience with political maturity." The Inspector-General of Police in Srinagar, K. Rajendra Kumar, said, "We suspect definitely Pakistan-backed groups waging a war against peace and against anybody talking of elections." Mr Lone's son, Sajjad Lone, said, "The ISI is behind this. Mr Geelani and Pakistan is behind this." Syed Ali Shah Geelani is a conservative Hurriyat leader.

In December, Mr Lone had told the *Washington Post*, "There was a time when we wanted them (the *jihadis*) but now they should just go home. They don't support an independent Kashmir. It's just part of their international struggle to Islamicise the world." In Dubai, in April, he is said to have told the Chief of Pakistan's ISI and the Governor of Azad Kashmir that non-Kashmiri militants should stop participating in the struggle. This had apparently been received badly. Mr Lone visited the US, returning to Kashmir only two days before his assassination. In a recent interview with the *Financial Times*, he had said, "The foreign militants provide easy propaganda to India. Self-determination in Kashmir can ultimately only come about through peaceful political dialogue." State elections are due in Indian Jammu and Kashmir in September. A Mori poll taken in late April showed that 71% of the people of Jammu and Kashmir now favoured democratic elections as the best hope for peace.

Vajpayee's visit to Kashmir

Mr Vajpayee visited Jammu and Kashmir on 22 and 23 May. He addressed a battalion of troops near the Line of Control on 22 May. The 78-year old Prime Minister said, "We tried all kinds of peace efforts with our neighbour but nothing worked. My coming here is a signal. Whether or not our neighbour understands this signal, whether the world takes account of it or not, history will be witness to this. We shall write a new chapter of victory." He told the troops to "be ready for sacrifice." He said, "Our goal is victory. It is time to



wage a decisive battle." He said, "they should not think we will keep stretching the limits of our patience. India is forced to fight a war thrust on it and we will emerge victorious. Let there be no doubt about it: a challenge has been thrown to India and we accept it." He said, "The world understands this injustice but chooses not to support us openly - but we are ready for this. We have to protect ourselves." The Indian Army C-in-C in Kashmir, Gen. V.G. Patankar, said, "We are ready to die." India moved five additional warships from its eastern fleet to join its squadron in the Arabian Sea off the coast of Pakistan, for a possible blockade of Pakistan's ports. In Delhi, Parliament adopted a resolution on the situation unanimously. In Srinagar, thousands of mourners attended the funeral of Abdul Gani Lone shouting "Free Kashmir". The same day, Gen. Musharraf said, "If war is forced on Pakistan, the enemy will find us totally prepared." Pakistan had moved its 750km range Shaheen missiles up to the border with India. Pakistan's threat was that, if Indian troops breached the Line of Control or the international frontier, Pakistan would launch a nuclear attack, the first target being Delhi.

Mr Vajpayee held a "war council" in Srinagar, on 23 May, chairing a meeting of the Unified Command to review the military situation. He said, "We will not let Pakistan carry on with its proxy war against India any longer." The Prime Minister did not meet any representatives of the APHC but said that he would be willing to meet them if they came to Delhi. He ruled out any negotiations with Pakistan and said, "There is no question of involvement of Pakistan." After three days in Kashmir, Mr Vajpayee went to Manali, in neighbouring Himachal Pradesh, for a working holiday.

The same day, 23 May, Pakistan's government announced that it was putting Islamabad on a "war footing" and, in Rawalpindi, Pakistani corps commands met. Maj-Gen. Rashid Quereshi said, "The Indians have massed a very large force in Kashmir and, if they continue to escalate their rhetoric and intensify their fire, as they have been, we will have to shift emphasis and focus exclusively on our eastern borders. India has continued to escalate despite the fact that Pakistan has said that all issues should be resolved peacefully. They continue to target our civilian populations and they are threatening Pakistan with a war, which they say they will win." Pakistan announced that additional troops would be moved to the front in Kashmir and that it would recall 4,500 peace-keeping troops from Sierra Leone. The government said that it had written to Kofi Annan and the Security Council urging them to press India to take part in talks to end the military stand-off. Kofi Annan's office issued a statement referring to incursions from Pakistan and saying, "There can be no tolerance for such acts, especially across the Line of Control in Kashmir." It went on, "The Secretary-General

accordingly urges President Musharraf to take vigorous action to ensure full implementation of the policy set out in his speech of January 12." Pakistan was also considering calling up 500,000 reservists and might also re-deploy the 12,000 troops patrolling the Afghan frontier region to the Indian front. The Karachi stock market closed after four days of heavy losses. 16% had been wiped off the value of stocks in the last week.

The military balance

With the pitch of war rhetoric rising between India and Pakistan, international attention focussed on the military balance between the two rivals. As regards their respective nuclear capabilities, the Stockholm International Peace Research Institute estimated that India had 25-40 nuclear weapons and Pakistan 15-20. Jane's Strategic Weapons Systems estimated that India had between 50 and 150 nuclear weapons and Pakistan between 20 and 50. India's were thought to be in the 10-kiloton range and Pakistan's in the 20-kiloton range. (The US bomb that was dropped on Hiroshima in 1945 had a power equivalent to 10 kilotons of TNT.) Both estimates gave India the advantage. India's overall defence budget was £9.6 billion, compared to Pakistan's, which was £2.3 billion.

In terms of conventional forces, the Indian Army, with 1,100,000 troops, had 3,414 main battle tanks and 4,175 towed artillery pieces, while the Pakistan Army, with 550,000 troops had 2,300 of the former and 1,467 of the latter. India normally kept 300,000 army and police personnel stationed in Jammu and Kashmir. India's Air Force had 110,000 personnel and 738 combat aircraft, Pakistan's Air Force 45,000 personnel and only 353 combat aircraft. India had 32 attack helicopters and Pakistan had none. As regards naval strength, the India Navy, with 53,000 personnel, had one aged aircraft carrier, the *Viraat* (the former *HMS Hermes*), equipped with Harrier jump jets and helicopters. There were three very large and new Indian-built destroyers, 5 smaller ex-Russian destroyers, ten Indian-built frigates, the earlier types being similar to the old British *Leander* class and the more recent types modernised derivatives of this, and 17 submarines. Of these, 3 were ageing Soviet-built "Foxtrot" type, 10 of the more recent Soviet-built "Kilo" type, and four new German designed Type 1500, the first two being German-built and the others built in India. There was also a large number of smaller corvettes and patrol vessels, many equipped with missiles. The Pakistan Navy had 25,000 personnel. Its surface fleet consisted of 6 *Amazon* class and two *Leanders*, all 1970's vintage frigates transferred from the Royal Navy between 1988 and 1994. Its underwater fleet comprised four old French-built *Daphne* class submarines, two original French *Agosta* class and the two new modified *Agostas*, with one more building at Karachi.



On 24 May, Pakistan informed India (as well as Messrs Blair, Bush and Putin) that it would test fire its short and medium-range missiles on 25 and 26 May. On 25 May, Pakistan tested the 1,500 km medium range Ghauri missile and, on 26 May, the short-range 300km Ghaznavi missile. Pakistan went ahead with a third test of its Abdali missile on 28 May. India did not appear concerned about the Pakistani missile tests. A Foreign Ministry spokesman said, "This is routine and not central to the current situation. What is, and what we would expect and judge by, is the specific action taken by the Government of Pakistan to stop cross-border infiltration and terrorism, to dismantle the training camps for terrorists, to destroy the support and financing structures for the terrorist networks and to show conclusively that it had abandoned its use and promotion of terrorism as an instrument of state policy. That is why," she said, "the Government of India is not particularly impressed by these missile antics, clearly targeted at domestic audience in Pakistan." Also, speaking on television, on 26 May, Mr Vajpayee said that India would wait to see whether international efforts to persuade Pakistan to crack down on Islamic militants were successful. He said, "We are firm on our commitment to end terrorism and we will also continue our diplomatic efforts. There is a limit to our patience and tolerance. The efforts that are going on, we will see to what extent they bear fruit." Until then, he said, India would maintain its troop mobilisation but Indian officials hinted that India would not launch a war for several weeks.

The Indian Government was also heartened by its steadily improving military relationship with the United States. In mid-May, India and the US would conduct their first joint military exercises for the first time in 40 years. It would be for one week and would involve paramilitary and airborne troops. A joint army, naval and air exercise would follow later in the year, according to Indian officials. US warships were now docking regularly at Indian ports and the US and India had agreed to conduct joint anti-piracy patrols in the Straits of Malacca. In April, India had purchased \$146 million worth of Raytheon counter-battery radars from the US, the first significant purchase of US defence equipment in a decade. Twenty further deals had been approved by the US.

International efforts to calm Indo-Pakistan crisis

As tensions rose between India and Pakistan, concerted efforts were made by a number of the major players in the international community to try to defuse the growing crisis. Already, on 13 May, the US Assistant Secretary of State, Christina Rocca, had arrived in New Delhi for a tour of India and Pakistan. Ms Rocca's visit was her third in 2002. Responding to the terrorist incident at Kulu, she said that the US government "unequivocally condemned the attack. It is just this

type of barbarism that the war on terrorism is determined to stop." In her press conference before leaving Delhi, she also said, "Acts like this are intended to undermine peace in the region. I think acts that occurred in Jammu are terrorism. No matter what the levels are, infiltration must stop." She arrived in Islamabad a day after the attack on the army base and met Mr Musharraf. The US Secretary of State, Colin Powell, telephoned Gen. Musharraf on 23 May. On 26 May, President Bush warned Pakistan, after its second missile test during the weekend, that it should step away from war by ending "terrorist" incursions into Indian-controlled Kashmir. Mr Bush also told President Chirac in Paris, "I'm more concerned about making sure...that President Musharraf show results in terms of stopping people from crossing the Line of Control. Stopping terrorism, that is more important than the missile testing."

For the European Union, Chris Patten visited Pakistan on 22 May, before flying on to Delhi on 24 May. A few days later, Britain's Foreign Secretary, Jack Straw, arrived in Delhi after first visiting Islamabad. Mr Straw made three points: Kashmir was a bilateral dispute; Pakistan had infiltrated terrorists into Indian-held Kashmir; Pakistan must ensure that "cross-border terrorism" ceased, in conformity with UN Security Council Resolution 1373. Next, Japan's Deputy Foreign Minister, Seiken Sugiura, met the Pakistani Foreign Minister, Abdul Sattar, in Islamabad and asked Pakistan to take "concrete and visible measures" against terrorism and stop infiltration.

Musharraf responds

On 26 May, Gen. Musharraf announced that the infiltration of Islamic militants into Indian-held Kashmir had stopped and asked that direct talks between the two nations be renewed. He said, "We will ensure that terrorism does not go from Pakistan anywhere outside into the world." He said, "Let me assure you, there is no backtracking." He said that Pakistan's commitment to fight terrorism had three components: its partnership with the United States to battle *Al-Qa'ida* and Taleban forces in Afghanistan and Pakistan; "the issue of cross-border terrorism" in Kashmir; and battles between the Sunni and Shia sects. He said, "Pakistan will not - repeat not - allow any foreign mercenaries, militants, anywhere inside Pakistan, whether they are infiltrating through Afghanistan or coming from any other place. Whether they are on our border belt or in our cities, we will hunt them down." In his broadcast, Gen. Musharraf denied any Pakistani involvement in the attack on the Indian Parliament in December or on the army camp, on 14 May. He said, "Whoever was involved wanted to destabilise Pakistan." He said, "No infiltration is happening across the Line of Control." However, he defended the cause of Islamic insurgents in Indian

Kashmir but said, "there were civilians who have been killed - and I call them terrorist acts." He added, "I want to make one thing clear. A liberation struggle is going on in Kashmir and Pakistan cannot be held responsible for any action taken against Indian oppression. Kashmir resides in the heart of every Pakistani. Pakistan would always give its full moral, political and diplomatic support for the Kashmir struggle." He called for the Indian military to "leave the towns and cities of Kashmir and be in the outskirts." He also spoke of "atrocities being committed by "Hindu extremists and terrorists" against Muslims in Kashmir and Gujarat. He also warned that, "If war is thrust on us, it will be fought in the enemy's territory."

Following Gen. Musharraf's broadcast, a spokesman for *Jaish-e-Mohammed* said, "We have been stabbed in the back and abandoned by Pakistan in the same way in which it has disassociated itself from the Taleban." Also, in an interview with the *Financial Times*, Gen. Musharraf said, "I am a military man. While I do not want war, I am not scared of war. The avoidance of war cannot come at the cost of compromising our honour and dignity." He described the forthcoming elections in Indian Jammu and Kashmir as "illegal" under the terms of the UN resolutions because it was a "disputed territory".

Jaswant Singh said, "If Pakistan were to act on the assurances that they have themselves given, then India will reciprocate but we have to have the actions from Pakistan." He also said that the militant training camps "have come up again" and that the leader of the previously banned *Jaish-e-Mohammed* now "lives in his own bungalow and is paid ten thousand rupees a month by the Government of Pakistan." On 29 May, George Fernandes said that a number of the militants on the Pakistani side of the Line of Control were "people who have fled from Afghanistan - *Al-Qa'ida* men and Taleban." He said, "For Musharraf to say that infiltration is now no more - first of all, it is an admission that it was there and they were responsible for that - but what he has said about the present situation is totally wrong." India estimated that there were about 3,000 *ihadis* in the Indian part of Jammu and Kashmir, including at least 100 *fidayeen* suicide terrorists. US intelligence believed that 50-60 training camps had been re-started in Pakistan-occupied Kashmir, harbouring some 3,000 fighters for the anti-Indian *ihad*. Mr Fernandes added, "If another outrage takes place, there won't be any time for India to act. We have already more or less reached the end of the road." There was more intensive firing across the Line of Control, with Pakistan firing 50 shells on the village of Nowshere, 150 km west of Jammu, on 28 May, and 11 people killed by Pakistani shelling in Dras and Poonch, on 29 May. Pakistan claimed that 5 civilians had been killed in the Sialkot District.

The following day, 30 May, George Fernandes announced that Mr Musharraf had promised to halt cross-border terrorism and it was reported that Mr Straw had carried this message from Gen. Musharraf in Islamabad. Gen. Musharraf was reported to have ordered Pakistani forces to repel any attempts by militants to cross into Indian Kashmir. In New York, Pakistan's Ambassador to the UN, Munir Akram, said the Mr Straw had suggested creating a 300-strong international helicopter monitoring force to check on infiltration along the Line of Control. Mr Akram said that this force would provide "an impartial basis to establish whether or not we are fulfilling what we have said." That day, 3 Indian policemen were killed and five others injured by two gunmen in the mountains of Kashmir. The next day, Mr Fernandes said that the situation along the Line of Control was "stable", although shelling continued for the 16th day running. Several foreign governments by now had advised their citizens to leave India and Pakistan. United Airlines, Air Canada, Qantas, All Nippon Airways and SAS all suspended their flights to India. However, few Indians seemed to think that a nuclear war was likely and British Airways said that it had not noticed a rush to buy tickets out of India and was operating normal services.

Almaty Summit

Towards the end of May, President Putin invited Mr Vajpayee and Gen. Musharraf to meet him for separate talks in June during the 16-nation regional security summit meeting of Asian leaders in Almaty, capital of Kazakhstan. Both Mr Putin and President Jiang Zemin would be present. On 2 June, at a stopover in Tajikistan on his way to Almaty, President Musharraf said, "I think that President Putin can persuade India to join a dialogue." He said, "I have several times proposed a meeting to Vajpayee but, if he does not want it, I think that, in future, there is no point in raising this question again." Mr Musharraf offered to meet Mr Vajpayee "anywhere and at any level." He said, "Pakistan will not start a war. We support solving the problem through peaceful means."

Mr Vajpayee said that he would not be willing to meet Mr Musharraf face-to-face at the meeting in Almaty. This would have to await proof that cross-border incursions had stopped. He said, "If there is solid proof of Gen. Musharraf's assurances, then we will take appropriate steps. We will certainly give...serious consideration" to a meeting with Mr Musharraf at a later stage, "if we see the result on the ground." George Fernandes said, "The pressure on our Prime Minister...to attack is intense." Earlier, Mr Musharraf, questioned about the nuclear option, said, "I don't think either side is that irresponsible to go to that limit. I would even go to the extent of saying one shouldn't even be discussing these things because any sane individual cannot even think



of going into this unconventional war, whatever the pressures." George Fernandes commented, "I'm very happy that he has realised that only the insane would go for a bomb." He said, "India will not be impulsive. Neither will we waver in our determination for the simple reason that what we have been fighting and will continue to fight is the war against terrorism - the same terrorism, which hit the World Trade Centre and the Pentagon." He added, "There is no way India will ever use a nuclear weapon other than as a deterrent. We stand by our nuclear doctrine. India will not get drawn into a nuclear arms race."

Omar Abdullah said, "No matter what other countries' opinions are, we are not meeting here. If we had to meet him, we need not have come all the way to Almaty... The fact of the matter is that the circumstances for the meeting are not right." Gen Musharraf said that a meeting should be held "without conditions." India said that it had intercepted communications to the militant groups to stop infiltration. President Putin was hoping to organise a three-way meeting in Almaty, where both Mr Musharraf and Mr Vajpayee would be seated in the same conference room and staying in the Hotel Ankara Regency. Mr Vajpayee arrived on 2 June and Mr Musharraf on the afternoon of 3 June. The conference, on "interaction and confidence-building measures in Asia" would begin on 4 June. The Russian Defence Minister, Sergei Ivanov, said, "Armed terrorists and extremists from Pakistan keep infiltrating Indian territory. This is a fact you can't turn a blind eye to. Moreover, terrorists, who are entering India, have previously been ousted from Afghanistan." George Fernandes said, "If the western powers and China know how to keep their nuclear capabilities under control, the same holds good for India and Pakistan." However, India and Pakistan had yet to develop sophisticated command and control systems. That day (June 3), shelling continued across the Line of Control, during which several people were killed. 3 were killed in shootings in Indian Kashmir, while Indian security forces shot dead a senior commander of the *Jaish-e-Mohammed*.

Thus, Mr Vajpayee and Mr Musharraf did not meet at Almaty, despite Mr Musharraf's pleas. However, both Indian and US sources said that cross-border infiltration had dropped sharply in recent days. Moreover, while in Almaty, Mr Musharraf insisted that he had sealed the Kashmir border to pro-Pakistani guerrillas. He challenged India to allow international observers and called on India to enter an unconditional dialogue with Pakistan. He said that India "should return to the path of dialogue and negotiations. We do not want war. We will not initiate war but, if war is imposed on us, we will defend ourselves with the utmost resolution and determination." Mr Vajpayee retorted, "We have repeatedly said that we are willing to discuss all issues

with Pakistan, including Jammu and Kashmir, but, for that, cross-border terrorism has to end." More were killed in shelling across the Line of Control. However, in New Delhi, it was reported that front-line troops had been taken off 6-hour stand-by and returned to 24-hour stand-by, which was the situation prior to the terrorist attack on 14 May. Also, a court in Delhi charged four men for involvement for the attack on the Indian Parliament in December.

International monitors

The monitoring of the Line of Control would normally be carried out by the UN Military Observer Group for India and Pakistan, set up by the UN in 1949 after the first Indo-Pakistani war, on the original cease-fire line. However, after the Shimla Agreement of 1972, where India and Pakistan had agreed to settle their differences bilaterally, India had not allowed UNMOGIP to perform meaningful monitoring.

The US Defence Secretary, Donald Rumsfeld, was now expected to propose a joint US-UK monitoring force for the Line of Control. Such a "Verification Force" would amount to around 500 troops working alongside Indian and Pakistani security forces. On 5 May, Mr Rumsfeld said in London, "We have a stake in those two countries not setting themselves back. The world has an interest in this." He said, "Pakistan has been enormously helpful in the war on terrorism. They have had forces - and do today - along the Afghan border. We have been able to use their airfields. It has been a significant advantage for the success that has been achieved thus far in Afghanistan." He added, "At some point, those troops that are along the Afghan border are going to be moved. Fortunately, thus far, only very small elements have been moved. So it has not had a notably harmful effect thus far. To the extent it goes on much longer, it could - and that would be most unfortunate." The same day, India had proposed joint patrols by Indian and Pakistani forces but this was rejected by Pakistan.

Mr Vajpayee reiterated the proposal for joint patrols during the final press conference in Almaty. He suggested that, "Joint patrolling can be held by India and Pakistan." However, he rejected Pakistan's proposal for international observers, saying, "It is not practical to allow a third country to see whether infiltration is taking place and it is also not needed." He said, "The region is mountainous, terrain inaccessible and for a third country to come to verify is neither practical nor necessary." Mr Vajpayee also said, "We have information that infiltration is on and terrorist camps are functioning across the border. As per one assessment, over 3,000 terrorists are active in these camps." He said there would be no talks or de-escalation of India's military build-up until India believed that Pakistan had dismantled "the infrastructure of terrorism." He said, "We want to



move from a path of confrontation to a path of co-operation. Pakistan claims infiltration has stopped but we want the terrorist camps across the border to be closed down too. After those steps are taken and verification of these actions are carried out, we can think of further steps, which would lead to de-escalation." In Almaty, Mr Vajpayee had also rebuked Mr Musharraf for not following India's example to rule out the first use of nuclear weapons.

Pakistan's Foreign Ministry replied by saying, "The proposal is not new. Given the state of Indo-Pakistan relations, mechanisms for joint patrolling are unlikely to work. The Minister for Information, Nisar Memon, said, "This idea can be tabled during a dialogue. We will be happy to discuss with India all issues, including suggestions that they may reduce tensions and resolve disputes."

In Bangalore, George Fernandes said, "There is no concrete evidence of any substantial or noticeable drop in infiltration." In private, however, India had now accepted that, in the past few days, infiltration had dwindled. Moreover, a representative of the United Jihad Council in Pakistan said, "We are having a mini cease-fire. So far, no-one is crossing but, if this chance is spurned by the world community, the *mujahideen* holy warriors will intensify their struggle. Then, there will be a more dire situation." There was more heavy firing across the Line of Control on 5 June. The US Deputy Secretary of State, Richard Armitage, flew into Islamabad late on 5 June and continued on to Delhi on 6 June for talks the following day.

Tension eases

On 5 June, Mr Musharraf told CNN, "There will be no situation where resort to nuclear option could ever be contemplated." The following day he met Mr Armitage for nearly two hours. India intercepted radio communications, which suggested that infiltration had been suspended. The Indian Governor of Jammu and Kashmir, Girish Chandra Saxena, said, on 5 June, "We have taken note of this, that some instructions - not very clear or categorical - have been given." He added, "No incident of infiltration has been reported in the last three or four days. Any serious incident is reported to me within 24 hours." The Border Security Force had reported that 402 armed militants had entered the Kashmir Valley from Pakistani-controlled territory since January 1. The largest number, 163, had crossed in May. Only 50 of these had been Kashmiris.

Mr Armitage was in Delhi for talks with Indian leaders on 7 June. He said that he felt that "Tensions are a little bit down." He told Mr Vajpayee that President Musharraf had told him that the recent suspension of cross border terrorism would be made "permanent" and "irreversible". He described reports of the US-UK initiative to supply troops to monitor the Line of

Control as "far-fetched". The same day, the Pakistani Foreign Minister, Abdul Sattar, resigned, ostensibly for health reasons. He was a career diplomat who was known to have hawkish views about relations with India.

On 9 June, General Musharraf described the risk of war with India as "minimal". He said, "The response I am expecting is de-escalation followed by initiation of a dialogue on Kashmir." The same day, Jaswant Singh said, "An irreversible end to infiltration requires that the infrastructure of support to cross-border terrorism within Pakistan be dismantled." A few days earlier, a senior Indian official had put this more simply. "India doesn't just want Pakistan to turn off the tap of terrorism. It must also rip out the plumbing." In Pakistan, *jihadi* groups were now warned by the government against fund-raising and recruiting, activities hitherto undertaken openly. It was reported that all support to the *jihadis* had now stopped.

On 10 June, India made the conciliatory gesture of lifting the ban on Pakistani civil aircraft using Indian airspace, which had been imposed on 1 January. The five warships of the Indian eastern squadron were ordered back to port (although this was not announced publicly). India also selected Harsh Bhasin to be the new High Commissioner to Pakistan. The earlier Indian High Commissioner had been withdrawn after the attack on the Indian Parliament. The Foreign Ministry spokesman, Nirupama Rao, said, "There has been some fall in infiltration. A trend is not established yet." She described the lifting of the air ban as "an acknowledgement that Pakistan has made an important pledge." However, rail and bus services between India and Pakistan would not be restored yet. Ms Rao said, "There is a menu of options available to the government.

L.K. Advani attributed Pakistan's changed attitude to international pressure. He said, "In the past fortnight, the major development has been the realisation by the international community that India's concerns, in respect of cross-border terrorism, are genuine and that Pakistan is not doing what it promised. Therefore, there is pressure on Pakistan to carry out its promises. This is something that has brought about a change in the whole situation and there is some easing of tensions." Mr Advani looked forward to "India and Pakistan becoming part of a big confederation," noting that, while he had been born in Karachi, Mr Musharraf had been born in Delhi. He said, "Cross-border terrorism has several ingredients, including organising camps, giving training, providing arms and ammunition. Infiltration is just one of these and it is something you can stop for one or two months and then resume. Foreign envoys have been conveying to us that President Musharraf has solemnly promised not to promote infiltration - not beyond that." He then



referred to India's request to Pakistan to hand over twenty terrorist suspects, saying, "As I again and again told Armitage, the list of twenty is something irreversible, if Pakistan agrees to it, and it would be visible immediately, not only to our government but to the people of India. The list of twenty is a litmus test of Pakistan's sincerity." Mr Advani said of foreign monitors, "I have no objections to foreign agencies or countries examining the infrastructure of terror in Pakistan or Pakistan-occupied Kashmir." However, this would not apply to India. "There is no infiltration from our side. So that's the side that has to be watched." He said that UNMOGIP "can't do it. It's not practical. It's a small agency. That is the practical objection and the fundamental objection is that India, for a long time, since the Cold War days, there has been a strong suspicion that foreign powers would like to use their influence to get control of the whole situation. On that there is a national consensus. What has to be done, has to be done bilaterally between India and Pakistan." Both Omar Sheikh, the main suspect in the murder of the American journalist, Daniel Pearl, and the leader of the *Jaish-e-Mohammed*, Maulana Masood Azhar, were on India's list of 20 terrorists.

Arrest of Syed Geelani

Syed Ali Shah Geelani, a leading member of the *Jamaat-e-Islami*, was seized from his home in Srinagar by police, on 9 June, and flown to a prison in Ranchi, in the new state of Jharkhand, in central India. Mr Geelani said that he did not know why he had been detained. No charges were made. Also detained was Mr Geelani's son-in-law, Altaf Ahmed Shah. A.K. Suri, the Director-General of Police in Jammu and Kashmir, said that income tax raids had uncovered "substantial evidence" to show that Mr Geelani, a leading member and former head of the APHC, had funded the *Hizbul Mujahideen* group with money from abroad. A diamond-studded wristwatch, emblazoned with the emblem of the Government of Pakistan, had been found, as well as 1.2 million Indian rupees (about Euro 30,000). It was reported that Mr Geelani had been carrying US\$10,000 in cash, which had been received from Pakistan "to aid and abet terrorist activities."

The APHC called for a general strike in protest and the APHC Chairman, Prof. Abdul Ghani Bhat, called the arrests "a setback to the process, which is being initiated, to lessen tension between India and Pakistan and to help resolve the dispute in Jammu and Kashmir." The APHC said Geelani's arrest would "derail the ongoing peace process." It noted that Mr Geelani, aged 73, was in poor health. Pakistan's Foreign Ministry said, "The arrest of Mr Geelani once again exhibits the Indian government's utter disregard for the fundamental rights and liberties of the Kashmiris." Mr Advani said there was no link between Geelani's arrest and the dispute with Pakistan. "You can't indulge in crimes on the grounds that you are a

dissident. You keep on killing people or providing with finance - you can't get away with that. We have ample evidence for anyone to see."

The Rumsfeld mission

Mr Rumsfeld arrived in Delhi late on 11 June. Shortly before his arrival, the Indian Navy formally announced that the fleet, which had been deployed off the coast of Pakistan, including the aircraft carrier *INS Viraat* and the warships deployed from the Bay of Bengal, had been ordered to return to their bases. Ms Rao described this move and the lifting of the air flight ban as "important" and "significant steps". She said, "The Pakistani government should recognise the import of these moves and the fact that they are substantial gestures." On his way to Delhi, Donald Rumsfeld said, during a stop-over in Abu Dhabi, that India's lifting of the flight ban was "a very small beginning." He said, "We are looking for genuine steps, not cosmetic or peripheral. The real response that we are looking for is initiation of a dialogue...on the core Kashmir dispute and all other issues, which bedevil relations between India and Pakistan."

Gen. Musharraf said, "We expect substantive steps from the Indian side now to proceed further...Pakistan has done more than its share in easing the tensions." He added, "The tension needs to be defused, war needs to be avoided. However, the core issue of Kashmir needs to be addressed to find an ever-lasting solution to the problem." He described India's naval withdrawal as a cost-saving measure and said that its other measures had entailed no sacrifice. He said, "Whatever they are doing at the moment is easing their own problems." Later, he said, "My impression is that there have been some helpful signs." Meanwhile, in Muzafarabad, the capital of Pakistani-controlled Azad Kashmir, Qazi Hussain Ahmed, the leader of the *Jamaat-e-Islami* party, told a crowd that Gen. Musharraf would "not be allowed to sell out Kashmir." He said, "We will continue to cross the Line of Control as the struggle for Kashmir's freedom continues." Moreover, the former Pakistani Army chief, Gen. Mizra Aslam Beg, said, "Jihad in Kashmir will continue. No force on earth can stop the freedom movement. We will not allow a weak ruler to sell out on Kashmir."

In Delhi, Mr Rumsfeld suggested providing technologically advanced ground sensors to monitor the Line of Control. After his meeting with Mr Vajpayee, he said, "I have seen indications that *Al-Qaeda* is operating in areas near the Line of Control," although he added, "I don't have any hard evidence of how many or where." After meeting George Fernandes, he said that the idea of an international monitoring force, first proposed by Jack Straw, "did come up." Mr Fernandes said, "The discussions we had and the understandings reached bring their fruit and will help us in creating a better atmosphere in the sub-



continent." Mr Rumsfeld said, "I must say the leadership in India has demonstrated its concern and interest in seeing that things are resolved in an appropriate way," adding, "We feel there are steps being taken, which are constructive."

Mr Rumsfeld then met Gen. Musharraf in Islamabad on 13 June. After the meeting, he said, "I think that progress is indeed being made." He told his Pakistani hosts, "Terrorism is as much a threat to your government as everyone else's." He also said, "The facts are that I do not have evidence and the United States does not have evidence of *Al-Qa'ida* in Kashmir. We do have a good deal of scraps of evidence that come in from people who say they believe *Al-Qa'ida* are in Kashmir or are in various locations...it tends to be speculative, it is not actionable, it is not verifiable."

Meanwhile, on 12 June, the World Bank's International Development Association agreed to provide \$500 million to Pakistan. In December, the Paris Club had agreed to re-schedule \$12.5 billion of Pakistan's foreign debt, while the IMF had agreed to a three-year loan of \$1.31 billion to Pakistan. Before the World Bank meeting, some governments, including those of Britain and France, were reported to have proposed that economic pressure be put on Pakistan over this loan. However, the US rejected this idea as it would de-stabilise Gen. Musharraf's regime. The US preferred to wait to see if Mr Musharraf respected the pledge he had given in late May to stop terrorist infiltration.

Renewed violence in Kashmir

On 13 June, Omar Abdullah confirmed that India now had clear evidence that infiltration across the Line of Control was falling. Nevertheless, heavy artillery exchanges continued both across the Line of Control and across the international border between the Indian and Pakistani parts of the Punjab. On 15 June, three children (two boys aged 11 and 13 and a 17 year old girl) were killed in Kashmir when Islamic militants attacked a party of Hindu pilgrims coming down a mountain track from the religious shrine of Hadha Mata. The militants threw grenades and opened fire. Seven other pilgrims were injured. Police accompanying the pilgrims returned fire and the ensuing battle lasted for several hours. Three of the pilgrims' local Muslim escorts were killed, officially caught in the cross-fire. Elsewhere, militants killed five Hindus in a village in Jammu, while four members of the *Hizb-ul-Mujahideen*, as well as one civilian, were killed in a gun battle in Budgam District, west of Srinagar (although locals said that two of the four were also local villagers and not militants). Prior to these incidents, there had been a three-week lull in militant activity. Five more Hindus were killed in Udhampur District, on 16 June, a day on which there were 21 deaths from violence in Jammu and Kashmir State.

Nevertheless, on 16 June, there were no reports of shelling across the Line of Control, for the first time in many days. Moreover, the Indian Army allowed certain frontline troops to take leave for the first time in six months. However, violence returned to Kashmir on 27 June, when 19 people were killed. These included three Indian soldiers killed when their vehicle ran over a land mine near Pahalgam, 100 km south-east of Srinagar, for which the *Hizbul Mujahideen* claimed responsibility, and another incident in which 8 soldiers were killed and 26 others wounded.

The Government of India was now gearing up for the state elections to be held in Jammu and Kashmir. The Chief Election Commissioner, J.M. Lyngdoh, said, on 17 June, that foreign election observers would not be permitted. Instead, this would be done by "good people" from India, probably civil servants. However, foreign diplomats would be allowed to visit the polling stations but not as observers. In Washington, Richard Armitage told the *Financial Times*, "It's very important to have a free and fair election in Kashmir that is free of violence and one that is judged to be free and fair by the international community."

Violence continues in Pakistan

Meanwhile, another huge car bomb explosion in Karachi, on 14 June, killed at least 11 people and destroyed part of the compound of the US consulate. Of the staff of the consulate, only one US employee and five local Pakistanis were slightly injured. No group claimed responsibility. The explosion created a one-metre wide crater in the road. It took place the day after Mr Rumsfeld had left Pakistan. While it was first suspected that the explosion was the work of a suicide bomber driving a Suzuki van, which was hurled across the road in the blast, it was later believed that the bomb had been covertly placed in the boot of a Toyota car belonging to a local driving school, which regularly passed the consulate. The local Assistant Superintendent of Police, Imran Shaukat, said, "Someone planned this really, really well." Half a dozen police were injured by the explosion, one of whom later died. Afterwards, the US closed its embassy and its consulates in Pakistan while its security measures were reviewed. Late on 14 June, an unknown group called *Al-Qanoon* (the law), claimed responsibility for the attack.

Pakistani troops also continued to hunt for *Al-Qa'ida* suspects near the Afghan border. After the arrest of a leading member of the group, Abdullah al-Muhajir, Gen. Musharraf said, on 11 June, "We are chasing *Al-Qa'ida* all over the place. We have arrested more than 300 *Al-Qa'ida* people." Then, on 25 June, Pakistani Army troops and Frontier Scouts were involved in a shoot-out with a group of about 40 *Al-Qa'ida* fighters, believed to be Chechens, in the South Waziristan tribal territory in the North West Frontier



Province, only 11 km from the Afghan border. They were thought to have fled from Afghanistan after Operation Anaconda and found refuge with sympathetic Pashtun tribesmen. Ten Pakistani troops were killed in the operation (the highest casualties in this campaign), as well as two of the Chechens, most of whom escaped. At the same time, the Pakistani police detained about 95 members of the Pakistani Islamic extremist organisations *Sipah-e-Sahaba* and *Lashkar-i-Jhangvi*, known to have links to *Al-Qa'ida*.

War avoided

Thus, by the end of June, the tension between India and Pakistan had relaxed somewhat. Once again, war on the sub-continent had been avoided. International pressure had certainly played an important role here but it is also uncertain how close either government really came to unleashing the dogs of war. India and Pakistan both expend a great deal of diplomatic energy in posturing on the international stage and both excel in the game of scoring points off each other in this process. Nevertheless, this time, it was not only a matter of barking at each other. There was also much baring of teeth.

While the crisis appeared to be over, there was little sign that the two governments were any closer to resuming the dialogue, which had started first in Lahore, in 1999, and then at Agra, in 2001. Indeed, it is doubtful if much progress will be made until the State elections have taken place in Indian Jammu and Kashmir, in September, and General Musharraf has got through his parliamentary elections, in October. Even then, the Indian authorities may find it hard to accept Mr Musharraf's version of parliamentary democracy. On 26 June, Gen. Musharraf unveiled constitutional plans to give the armed forces the power to dissolve Parliament or to dismiss the Prime Minister and to establish a National Security Council. This body would be above any elected government and would enable him to oust any future Prime Minister. These plans were condemned both by the Pakistani Muslim League and the Pakistan People's Party. 73 draft amendments to the Constitution were proposed and they would be formally submitted to the Cabinet on 31 July. ■

Note on Sources:

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Nepal's crisis deepens

by Dick Gupwell

The crisis in Nepal, which began in November 2001 with the ending of the cease-fire between the Maoist rebels and the Government, deepened in the early months of 2002 as the death toll mounted. The deployment of the Nepalese army caused a considerable increase in the number of casualties suffered by the Maoists and led them to renew the offer of a cease-fire early in May. While the Government, led by Prime Minister Deuba, sought foreign assistance in the conflict, many, both in the governing party and in the opposition, were unhappy about continuing with the State of Emergency. When Mr Deuba then dissolved Parliament and called fresh elections, he was suspended from membership of his own party, the Nepali Congress. Nevertheless, Mr Deuba, who continued in a caretaker capacity, received support from the United States, Britain and India in his campaign against the Maoists.

When parliamentary democracy was restored in Nepal, in 1990, the Maoists had been part of the mainstream Communist alliance. However, after the Election Commission had banned them, in 1994, from taking part in elections, their leaders, Pushpa Kamal Dahal and Baburam Bhattarai, formed the Communist Party of Nepal (Maoist), which, in 1996, had issued its 40 demands, including abolition of the monarchy and radical land reform. They then began their insurgency after these demands were refused, focussing mainly on winning control of isolated rural districts, far from the capital, Kathmandu. They attacked all representatives of the State in these areas, which included not only the police but also school teachers. They obtained funds by robbing banks and deliberately blew up infrastructure installations, vital for the rural economy.

When Sher Bahadur Deuba succeeded Mr G.P. Koirala as the Nepali Congress Prime Minister, in 2001, it

appeared as though a breakthrough might occur and a peaceful compromise be worked out through negotiation. During a four-month cease-fire, Mr Deuba held three rounds of talks with the Maoists. However, although the Government was willing to introduce a number of substantial social reforms, the sticking point was the issue of the abolition of the monarchy, which the Government insisted was non-negotiable. In November, the Maoists broke off the talks and resumed the insurgency, which Mr Deuba felt to be a betrayal. This time, the Government decided to deploy the 50,000 strong Royal Nepalese Army against the insurgents for the first time, and troops were first used on 26 November. Moreover, the Government imposed a State of Emergency under which civil liberties and freedom of the press were suspended.

In the spring of 2002, the violence grew significantly. In mid-March, Government forces killed an estimated 68 Maoist rebels in an attack on a training camp at Gumchal, 450 km west of the capital, while 30 more were killed in various incidents later in the month. Then, in early April, a force of around 3,000 Maoists attacked two rural police stations in Dang District, 450 km south-west of Kathmandu. 35 police were killed at Satbariya and 13 more at Lamali, while 6 civilians were killed when the rebels set fire to a bus. Around 250 Maoists were also killed. A policeman reported that, after the battles, "The entire area is flooded with vultures." Another police station was attacked at Bhaluwang. In addition, two banks were looted and power transmission lines cut.

Ten days later, the Maoists ordered a 5-day national strike and Kathmandu and several other towns were practically closed down. By late April, an estimated 2,000 people had been killed since the ending of the cease-fire. Infrastructure targets had included electricity sub-stations, agricultural offices, forest ranger posts, rural health clinics and drinking water systems, and roads and bridges. Telephone communications in 13 of Nepal's 75 Districts had been cut. In March, the \$20 million 12MW Jhimruk hydro-electricity plant was blown up depriving three districts of electricity. Jayaprakash Prasad Gupta, the Minister for Information and Communications, said that more than 1,000 of the 3,900 rural development council buildings had been destroyed by the Maoists, which had brought rural development almost to a standstill. King Gyanendra, in a call for peace and unity, said that, "Continued violence and destruction of development infrastructure in the country has left our economy in a shambles."

On 2 May, Pushpa Kamal Dahal called for renewed negotiations and "a positive political way out." However, Mr Deuba said that there could be no negotiations "until they laid down their arms and surrendered." As the Prime Minister left for a visit to Britain and the United States to seek military

assistance, the Army, supported by helicopters, launched a series of attacks on Maoist strongholds. The Government claimed that 560 rebels were killed in the space of four days, although there was no independent confirmation of this. Amnesty International warned that the human rights situation was now "spiralling out of control." The US administration proposed to provide the Government with assistance worth \$20 million and the US ambassador, Michael Malinowski, described the Maoists as terrorists, who, "under the guise of Maoism or the so-called 'people's war', are fundamentally the same as terrorists elsewhere."

On 9 May, the Maoists declared a one-month cease-fire to begin on 15 May. In the US, Mr Deuba said, "We don't believe and trust them anymore" and again called for them to lay down their arms. Prakash Jwala, a Member of Parliament of the opposition United Marxist-Leninist Party, felt that the Maoists might have been forced to declare the cease-fire because of "the losses they have suffered in recent months." However, Parliament had also to decide, before the end of the month, on whether to renew the State of Emergency. There was concern about this not only among the opposition but also within Mr Deuba's own Nepali Congress and the Maoists might also have been hoping to influence opinion over this. The upshot was that Mr Deuba obtained the decision of the King to dissolve Parliament and call fresh elections for November 13, two years earlier than necessary.

As a result, the Nepali Congress suspended Mr Deuba's party membership. The Party's Chief Executive said, "We have suspended Sher Bahadur Deuba and he is to give an explanation within three days why he dissolved Parliament and called fresh elections." Party members complained that they had not been consulted and the issue re-opened splits within the party. Three Cabinet Ministers resigned after a call made by Mr Koirala. Nevertheless, Mr Deuba was asked to continue in a caretaker capacity until the new elections were held. At the end of May, the State of Emergency was re-imposed by royal decree. Many in the opposition believed this was unnecessary as new anti-terrorism legislation had been adopted by Parliament since the Emergency had been brought in.

While the violence continued into June, the British Government also agreed to provide help to Nepal, in the form of intelligence, military training and equipment. Development assistance was also increased. Meanwhile, India had been supporting Mr Deuba's campaign against the Maoists, partly because the Indian authorities were concerned at links between Nepal's revolutionary Maoists and around 40 similar groups operating in such Indian States as Uttar Pradesh, Bihar, West Bengal, Assam and the small States along the north-eastern border with India. ■



Loya Jirga Elects Karzai as New Head of State

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By the end of April, a build up of about 150 US troops from the 101st Airborne Division and several hundred British Marines from 45 Commando, as well as Canadian and other coalition forces, had been deployed to sweep the mountainous territory in eastern Afghanistan near the Pakistani border. This had been planned for several weeks and was due to last for several days. The US moved Apache helicopters to a Special Forces base near Khost. While no mass deployment of Taleban or *Al-Qa'ida* had been reported, groups of 25 fighters or less had been tracked. On 30 April, Maj-Gen. Hagenbeck reported that two fire-fights had taken place to the north-east of Khost during which four *Al-Qa'ida* fighters had been killed. He said, "I think they still do have a command and control structure in place. All the reports that I get from a variety of intelligence sources tells me that they have the ability to conduct low-level terrorist activities." Other Special Forces were attached to various Afghan warlords, in order to retain US influence.

This activity was linked to greater co-operation with Pakistan, given that considerable numbers of Taleban and *Al-Qa'ida* fighters were known to have fled into the autonomous tribal areas of Pakistan's North-West Frontier Province. US Special Forces were working with troops from Pakistan's Frontier Corps to block the mountain passes on the frontier. US Special Operations Forces were also conducting cross-border reconnaissance missions. However, both the US and the Pakistani troops were operating in the tribal areas for the first time and, given the delicate political situation in these areas, they were proceeding cautiously.

Operation Snipe

The 1,700 Royal Marines had deployed in Afghanistan during the first half of April and had undertaken a first mission, Operation Ptarmigan, examining caves near Shah-i-Kot, the scene of the earlier battles involved in Operation Anaconda. Their next mission was called Operation Snipe. While Operation Ptarmigan had been largely an acclimatisation exercise, it was expected that Operation Snipe would involve fighting, as there were thought to be 1,000 enemy guerrillas in the area, a number of whom had crossed back into this part of Afghanistan from the Pakistani side of the border. The

operation was in the Drangkel Ghar highlands of Paktika Province about 25 km from Khost.

1,000 Royal Marines were deployed with their own artillery (howitzers and mortars) and air cover provided by US AH-64 Apache attack helicopters and A-10 Warthog "tank-buster" aircraft. On 2 May, four missiles were fired at the US base near Khost (called Camp Taylor) from where the Apaches were operating. The British Marines were accompanied by a few Afghan troops and less than a hundred US Special Forces. At the Bagram base, Brig. Lane, the commander of the Marines, said, "I can confirm that this is one of the few remaining areas that have never been investigated by coalition forces and we have found reasons to believe that it is, or has been, a base for *Al-Qa'ida* forces." There was speculation that Operation Snipe was part of a wider operation, which involved US forces on both sides of the Afghan-Pakistan border, and also involving Pakistani troops, trying to drive the *Al-Qa'ida* militants back across the border into Afghanistan.

However, Lt-Col. Paul Harradine, a spokesman for the Royal Marines, said that Operation Snipe would remain "strictly in Afghan territory." Another officer, Captain Peter Hoare, said, "If we don't see anybody, this mission is still a success. It means we've cleared them out. We're denying this as a facility for them. If we deny them that, we've won." Lt-Col. Harradine said that, after five days of preparatory deployment, the Royal Marines were now combing rugged mountains and had discovered trenches, bunkers and caves but no enemy. He said, "If they take us on, that will be all the better." He added, "We do not launch operations on a whim. The intelligence we had to launch the operation indicated that *Al-Qa'ida* and Taleban had been using the area in the recent past and may still be there. If they are there, we'll find them and take them on." The British Marines had established a forward supply base at Padkhyab-e-Shaneh, 65 km south of Kabul, and were conducting their sweep in the mountains to the east.

On 9 May, the Royal Marines discovered a huge arsenal, including tanks, artillery and anti-aircraft guns, at a cave complex high in the mountains at 7,500 feet (2,250m) altitude. Suspected members of *Al-Qa'ida* had been seen near the caves ten days earlier and may have left in a hurry for, outside the caves, were two Russian T-55 tanks and a Russian-made light gun, as well as unexploded ordnance. There were four caves, each closed with padlocked metal doors. When the Marines cut open the doors and entered the caves, on 9 May, their way was blocked by cases of arms and ammunition, which reached to the ceiling. One of the caves was 30 feet deep, 9 feet wide and 7 feet high. The weapons found included mortars, Russian-made heavy machine guns and Kalashnikov rifles. Much of the weaponry was new and primed for



use. The caves were 100 feet apart and were packed with and linked by tracks for four-wheel drive vehicles. It was the largest arms find so far discovered by coalition forces and was the first tangible success of Operation Snipe. After the steel door of one cave had been cut open, the Marines found a wall painting inside depicting a house, a garden and a stream in green, yellow and red.

Brig. Lane said, "The caves were used by *Al-Qaeda* and the Taleban for the storage of a major weapons arsenal." He said, "I think it vindicates Operation Snipe. We've searched a large area, we've found caves and we're then going to destroy that logistic infrastructure. I think the operation has been successful in denying them a safe haven." He said that local Afghans had said that the caves belonged to *Al-Qaeda*. They had been found at "a confluence of three particular areas in which warlords have some kind of influence and they're very reluctant to go and press forward too far into that area in case that raises tensions with another one. So it is a vacuum, if you like, from the influence of the warlords." He said that the weapons would be handed over to the Afghan authorities or destroyed. In fact, one of the caves had been damaged in an earlier US air attack and, as some of the ammunition might have become unstable, it required the attention of engineers and bomb disposal experts. On 10 May, the Royal Marines blew up the dump, producing a flame 1,000 feet high.

On 13 May, Brig. Lane announced the end of Operation Snipe. He said "The fact that *Al-Qaeda* had been forced to abandon one of the most strategically, well-placed and easily defended locations in Afghanistan speaks volumes for the military and psychological impact of the coalition's operations." The operation had searched about 200 sq. km. of previously unchecked mountain terrain and had lasted for two weeks. On 14 May, Brig. Lane claimed, "We have delivered a significant blow to the ability of *Al-Qaeda* to plan, mount and sustain terrorist operations in Afghanistan and beyond." The Operation had taken place in the mountains around the Chumara Valley. It was reported that US forces had refused to set up a blocking position in this valley and that the enemy might have fled using the valley as an escape route. It was also reported that some of the intelligence supplied by the Afghan allies had again proved faulty.

Operation Torii

Meanwhile, other smaller missions were being undertaken, such as a combined US-Afghan operation near Lija Mangol in Paktia Province, within 30 km of the border. There had been about half a dozen similar operations in the previous three weeks but few enemy fighters had been found. Then, on 6 May, it was reported that Canadian forces from Princess Patricia's Light Infantry and US troops from the 101st Airborne

Division were searching through the cave complex at Tora Bora, looking for evidence that Osama bin Laden or any of his senior aides, in particular Ayman al-Zawahiri, might have been killed in the battle in December. This was called Operation Torii and was described as an intelligence-gathering mission and was led by a Canadian, Lieutenant-Colonel Pat Stogran.

Four hundred Canadian troops spent four days searching the high ridges of the Tora Bora range, opening caves and looking for bodies. Some US Special Forces and some local Afghans were also involved. The US and Canadian troops took DNA samples from 24 bodies found in a mass grave in an attempt to discover if one might be that of bin Laden. It was thought that another 30 bodies might be hidden in a sealed cave, which coalition forces had, so far, been unable to enter. According to Captain Philip Nicholson, after the heavy US air raids on Tora Bora, on 15 December, a group of *Al-Qaeda* fighters had fled from the battle zone but had then been caught in an air strike on the village to which they had retreated. The bodies of two dozen *Al-Qaeda* fighters had then been brought to the village of Al-e-Khel, where 23 were hurriedly buried in a mound and another in a grave nearby. Then, on 30 December, Taleban officials had exhumed the 23 bodies and, after conducting a ceremony near the village, had reburied them in a martyrs' grave. Villagers said that there had been one "very big man" among those buried. Referring to bin Laden's 6ft 5in (1m 82cm) stature, Lt-Col. Stogran said, "We were hoping the big guy was there and I am still hopeful but it does not look particularly realistic." Some of bin Laden's relatives had given DNA samples to the US authorities for comparison. Lt-Col Stogran added, "I think the best we can hope for is that they were some of his key players, some of his senior lieutenants." Moreover, Captain Nicholson, who commanded the troops at the site, said that none of the bodies found was that tall. An FBI agent, Mike Foresee, who had been on the trail of bin Laden since the *Al-Qaeda* bombings of the US embassies in Nairobi and Dar-es-Salaam, in October 1998, said, "Bin Laden was located in the area at approximately the same time." He said the intelligence was "very reliable". The exhumed bodies were described as being of Arab origin.

Co-operation with Pakistan

On 6 May, it was reported that Britain was now negotiating with Pakistan on how to deal with Taleban and *Al-Qaeda* fighters, who were seeking refuge in the autonomous tribal areas of Pakistan's North West Frontier Province (NWFP). Tribal leaders had said that they would attack any US or other coalition forces deployed there. The issue of "hot pursuit" had now become more urgent. Maj-Gen. Robert Fry, the Commandant-General of the Royal Marines, said, "We can do a number of things. The first one is to seek



greater political and diplomatic engagement with the Pakistani authorities. This is under way now. We can also do exactly what we are doing today, which is to put a physical block on that border." Pakistan's President Musharraf said that small groups of *Al-Qa'ida* might have entered Pakistan but added, "If you think they have come here and taken over whole chunks of territory and established themselves, no, this is just out of the question."

US troops established a temporary base for a week, at the beginning of May, at Miram Shah, in the NWFP tribal areas, about 40km from Khost. Combined units of US and Pakistani troops had raided several local Islamic religious schools (*madrassahs*). From there, the US troops moved on to Rezmak and then to Khaisor, a mountain village two hours hike from the nearest road. It was reported that 12,000 Pakistani troops were operating in the tribal areas, assisted by several US soldiers. Maj-Gen. Hagenbeck said that almost the entire leadership of the Taleban and *Al-Qa'ida*, together with around 1,000 fighters, were now in the tribal areas of NWFP. He said that they were planning a range of terror attacks to disrupt the *Loya Jirga*. He said, "We know that they are there and have a capability to do harm to this country. Our job is to deny them the freedom of movement and sanctuary." He told the *New York Times* that some of the *Al-Qa'ida* leadership had returned to Afghanistan. "They are looking to do something violent that would be, in their eyes, so spectacular that it would convince the local populace, who are sitting on the fence or supporting us, that they need to re-embrace the Taleban."

At the end of May, Admiral Sir Michael Boyce, Chief of the British Defence Staff, said, during a visit to Kabul, "President Musharraf wishes to help in the campaign against *Al-Qa'ida*. He would want to put more troops up into that particular part of the Afghanistan-Pakistan border but, at the moment, it appears his priorities lie elsewhere." A few days later, the Afghan Interior Minister, Yunus Qanuni, said that Mullah Omar, formerly the leader of the Taleban, was alive and spent much time outside Afghanistan. He said, "He comes and goes to his hideouts along the border with Pakistan." Some *Al-Qa'ida* fighters were reported to be returning to Afghanistan as the security situation became more difficult in Pakistan. On 17 June, it was reported that Pakistan had moved two more companies of troops up to the border with Afghanistan after tension with India had subsided.

Coalition allies take stock

On 8 May, Brigadier Lane, speaking at Bagram, took stock of the situation. He said, "I expect, over the next few days, that offensive operations akin to Operation Snipe will be coming to an end. The general assessment is that, in substantial parts of the country,

the need for offensive operations is beginning to dwindle and that they will be completed in a matter of weeks rather than months." He said, "We believe we're on the right way, that the fight against *Al-Qa'ida* and the Taleban in Afghanistan is all but won and that they're not showing a predisposition to reorganise and regroup to mount offensive operations against us." He said that operations, particularly "specialist, small-scale interventions", would still be mounted in a few areas, particularly in the eastern Paktia and Paktika provinces, but that the latest operations showed that *Al-Qa'ida* had been denied sanctuary in Afghanistan. Earlier, he had said that the effect of the US heavy bombing of the enemy positions had been devastating. He said that the combat operation would wind down but a residual offensive force would be needed in case *Al-Qa'ida* re-emerged in certain areas. The future British role would probably be limited to providing training specialists for the Afghan National Army. He said, "The role of war-fighting forces like my own will greatly diminish as the focus and the pendulum increasingly turns towards specialist trainers and advisers." He said, "I think we will see a shift in the balance of our activity and the nature of our activity that will be taking place." Moreover, a British Ministry of Defence official, speaking of the coalition force as a whole, said, "You might see an adjustment in the nature of the troops but the overall number may not change."

Later, on 10 May, Maj-Gen. Hagenbeck told the *Financial Times* that the US and its allies had to maintain conventional forces in Afghanistan capable of large-scale operations against *Al-Qa'ida* and the Taleban. Although many were suggesting that enemy tactics had turned towards a low-level insurgency, he said, "I'm not prepared to draw that conclusion yet. There are not, at the moment, large targets or formations. However, that doesn't mean that, at some future date, they may not have that capability again. So, I believe we must maintain a coalition capability to execute missions across the spectrum of operations." Commenting on Brig. Lane's earlier assessment, he said, "I would say that we hurt them, that we do have them on the run but I think that they retain a command and control capacity and that they're working hard to recreate an environment in which they can train more soldiers. We do know of instances where *Al-Qa'ida* and the Taleban, in the last couple of months, ...have gone into local areas and spread a lot of money around in an effort to garner support from the local people....That effort is ongoing and we are watching it very closely." Gen. Hagenbeck said that Operation Snipe had been an important step in disabling the terrorism infrastructure. Earlier, the US Defence Secretary, Donald Rumsfeld, had said, "There are still *Al-Qa'ida* and Taleban in the country. They still intend to do what they can to destabilise the Karzai interim authority. We intend to see that that doesn't happen."



On 9 May, Brig. Lane had reported that US forces were now setting up an HQ for the 18th Airborne Corps at Bagram, which would "oversee the transformation from offensive operations to militia operations to Afghan National Army operations." Major-General Hagenbeck was later replaced in overall command by Lt-Gen. Dan McNeill, Commanding Officer of the US 18th Airborne Corps, which included four of the 10 divisions of the US Army, and of the new Bagram Joint Operation Centre, which opened at the end of the month. Henceforth, US forces in Afghanistan would now take their orders directly from US Central Command in Florida rather than through the regional HQ in Kuwait. In mid-May, Gen. Tommy Franks, C-in-C US Central Command, said, "What has happened over time is that we have seen the reintroduction into Afghanistan of non-governmental organisations and international organisations. So it just seems, given the totality of these efforts ongoing in the country, that it's good for us to get centralised, in a command way, a force in Afghanistan." Brig. Lane had also said that it was impossible to prevent all movement of *Al-Qa'ida* fighters across the border with Pakistan. Meanwhile, Canada announced that it would withdraw 850 of its troops. On 16 May, it was announced that 3,000 troops of the US 82nd Airborne Division would replace soldiers of the 101st Airborne Division in June. The total number of US troops would remain at around 7,000. The 82nd would remain in Afghanistan until the end of the year.

Operation Condor

Only four days after the end of Operation Snipe, 1,000 Royal Marines set off on Operation Condor, on 17 May, for a third sweep of the mountains, this time north of Khost. Operation Snipe had lasted 13 days. The operation was provoked by several incidents, which were probably unconnected.

Late the previous day, two teams of Australian Special Air Services troops, searching an area north-east of the town of Zumber, 50 km north of Khost, had come under heavy machine-gun fire and were chased in a five-hour engagement by unknown assailants. They called up air support. According to an Australian spokesman in Canberra, Mike Hannan, "The first element came into contact yesterday afternoon and was involved in a firefight." No Australians were killed or wounded but one suspected enemy soldier was killed in a gunfight. A few hours later, a second SAS group, trying to link up with the first, came under fire about 7 km from the first incident. "They were able to fight their way through and join up, supported by air support from the US Air Force, and then they were able to move to an area of safety," he said. The Australians were evacuated by US helicopters.

Meanwhile, in the village of Bul Khil, near Zumber, the daughter of Malik Nowruz was getting married. Just 1 km away, about forty soldiers of Mr Nowruz's Sabari tribe were dug in on a mountain ridge defending their territory from neighbouring Balkail tribesmen in a feud over a swathe of trees on the mountain. The men at the wedding party began firing their guns into the air in celebration, a traditional Afghan practice known as *khwak-hidazzy* ("joy-shooting"). The soldiers on the ridge, like the wedding party, had Kalashnikovs and responded in like manner. However, in answer to the appeal of the Australian troops, the US command had despatched an AC-130 gun-ship. As this aircraft approached the area of the Australian engagement, this "joy-shooting" drew the attention of its crew, who opened fire on the soldiers on the ridge, killing nine of them and injuring two more. Major Brian Hilferty, a US Army spokesman at Bagram, linked those on the ridge with those who had fired on the Australians, who, he said, had been "fired on and aggressively followed." He said, "There were people on the ridge who fired heavy weapons on an Australian patrol and then chased them. We have a right to self-defence." The AC-130 struck in darkness at about 9.00 pm. It was reported that the AC-130 was followed by another aircraft, which had dropped bombs.

As the Royal Marines were airlifted to the area on another sweep, Brig. Lane said, "The priority will be destruction or capture of the terrorists in the area. We will also aim to destroy enemy infrastructure we may find." He spoke of a "substantial enemy force". He said some of them had been killed. The Marines passed through Zumber as their Chinook helicopters flew overhead.

The Governor of Khost Province, Hakeem Taniwal, said that he had received a radio call from his police chief at 3.00 am on 17 May. He said, "The Sabari asked me to ask the Americans to stop shooting so they could collect their dead and wounded. The Americans told me to tell them it is better to wait until morning." Mr Taniwal said, "Zumber is standing on the frontline between two feuding tribes, the Sabari and the Balkail. I told the coalition, 'This is a land dispute. You have done this mistakenly.' " Major Hilferty said that it was unclear what had happened. He said, "I don't have evidence who shot at us. It could be tribesmen but if you shoot at us in a known *Al-Qa'ida* area, we have a right to defend ourselves." He said, "We were surveying the area for *Al-Qa'ida* and Taleban activity. What precipitated this action was that we were fired on." Mirzaman Sabari, the leader of the Sabari tribe, said that he supported the coalition. However, he added, "I think this will have a negative impact. We are honourable people. We fought against the Russians for ten years. If someone bombs us mistakenly, we will have to think about this."



The Royal Marines ended their hunt for the militants on 22 May. Lt-Col. Ben Curry said that two rockets had landed about 1 km from a Marine forward base, on 21 May, but there had been no casualties. No contact had been made with the enemy. Later, twelve British Marines of the Brigade Reconnaissance Force were attacked at their observation post in Khost Province. They returned fire and hit two of their assailants, who were then removed by their comrades, who, in turn, escaped. These were the first shots fired in anger by the Royal Marines since their deployment in Afghanistan. During Operation Condor, four companies of Marines had combed an area of about 50 square kilometres. They had encountered several armed Afghans during the operation but did not consider them to be hostile. Haheem Taniwal ordered local people to refrain from "joy shooting" during family celebrations.

Other incidents

On 6 May, an un-manned US Predator aircraft fired a Hellfire missile at Gulbuddin Hekmatyar, the leader of the *Hize-i-Islami*, but he survived. The US believed that Mr Hekmatyar was planning attacks on US and coalition forces and on Mr Karzai. (At the end of May, Gen. Mc Neill, who was about to take over command, said, "There has been some evidence that Hekmatyar has certainly provided some support to *Al-Qa'ida* and the Taleban.") On 9 May, Major Hilferty said that, in a separate operation, 200 anti-tank and anti-personnel mines had been seized by coalition troops south of Gardez. On 13 May, Gen. Franks' spokesman, Rear-Admiral Craig Quigley, reported that US forces had killed 5 suspected Taleban and *Al-Qa'ida* on a raid on a compound in the village of Deh Rawod, 80 km north of Kandahar. The US command suspected that senior Taleban and *Al-Qa'ida* leaders were present. Five men inside the compound shot at US soldiers and were killed by US fire. 32 more were then captured and taken to Bagram base. It was the first gun battle for several weeks.

Then, on 14 May, the security chief in the town of Khost, Sul Gur, said that two rockets had been fired at a US military unit near Khost. There were no casualties. Major Hilferty said that the rockets had landed several hundred yards from Khost airfield. He said that 130 troops from 101st Airborne Division had returned to Bagram, on 13 May, after a two-day mission to "find and destroy enemy forces that have been sporadically launching rockets at Khost." They had found fresh rocket launching sites but had made no contact with the enemy." There had been five rocket attacks against Khost airfield in recent weeks.

At the end of May, British Royal Marines launched Operation Buzzard, a series of patrols by helicopter, vehicle and on foot, along the Afghan-Pakistan border, to prevent the re-entry of Taleban and *Al-Qa'ida* forces, according to Lt-Col. Ben Curry. In early June, more

than 500 Royal Marines were searching the mountains near Khost for small bands of *Al-Qa'ida* or Taleban fighters. They examined a cave complex at Zawar Kili. Then, on June 18, it was reported that bounties were being offered to local Afghans for any Royal Marines captured or killed. It was suspected that this came from Taleban or *Al-Qa'ida* agents. \$25,000 was offered for a dead Marine and \$50,000 for a live one. The Marines had found such notes in villages near to the border with Pakistan. Similar notes had circulated late in 2001 when the Taleban and *Al-Qa'ida* had been more active. On 22 June, a patrol of twenty Royal Marines of 'Z' Company discovered a cache of weapons in a house in the village of Sur Wipan. It was hidden behind a curtain and was "stacked up to the roof," according to Sergeant Ryan, the patrol commander. There was one 120 mm mortar, loaded assault rifles, other mortars, grenades, plastic explosives, detonators, bomb-making kits, small arms ammunition, recoilless rifles, Chinese manufactured rockets, anti-aircraft guns, bazookas, rockets and thousands of rounds of ammunition. Villagers said that recently some men had taken a much larger quantity of arms away elsewhere. Sgt. Ryan said, "This is the first time we have really come across a weapons arsenal," adding, "Without a doubt they are ex-*Al-Qa'ida* or Taleban weapons." The Royal Marines would hand over their cache of weapons to the new Afghan military forces.

Meanwhile, in late May, US and other coalition forces raided a compound where senior *Al-Qa'ida* and Taleban militants were thought to have taken sanctuary. One fighter was killed, 2 were injured and 50 others detained. The US forces had been fired on when they entered the compound but suffered no casualties. 150 troops from 3rd Brigade of the 101st Airborne Division were deployed in an eight-hour mission. They were all dropped off by helicopter and brought back the same way. Also, a large cache of weapons, which included 15 shoulder-fired Chinese-made anti-aircraft missiles, hundreds of thousands of rounds of small arms ammunition, rocket propelled grenades and grenade launchers, was discovered near Gardez on 29 May, by US and other coalition forces.

Two days later, on 31 May, US troops were involved in a pre-dawn strike on a building outside Gardez. Col. Roger King said that a 100-strong force of US troops and Afghan allies was "moving towards an objective", when it observed a "group of armed men displaying hostile intent." This "objective" was described as a "compound". The identity of the men was unknown. The coalition force then opened fire without warning and, during a "brief engagement", three men were killed and two wounded out of a force of fifteen. The remainder dropped their weapons and surrendered. He said that the "suspected enemy" were armed with automatic weapons and at least one rocket-propelled grenade launcher and were moving towards the coalition force into what looked



like defensive positions. He said, "That, under the rules of engagement, is considered hostile intent." He added, "They gave the impression that engagement was imminent. It was almost ready to evolve into a firefight, so the US forces engaged first." It was not said whether the suspected enemy were Taleban or *Al-Qa'ida*. The incident took place in darkness. Col. King said it was "possible" that the men belonged to a local warlord. He said, "This is a difficult environment to operate in for everybody." The same day, four rockets were fired at US forces near the village of Lwara, south of Gardez, but exploded 1 km away. The US troops returned fire and called up air strikes but afterwards no bodies were found.

More than 100 US soldiers completed a day-long sweep, on 3 June, through a former *Al-Qa'ida* training base in eastern Afghanistan. No Taleban or *Al-Qa'ida* were encountered, although up to 60 had been reported there recently. Little was discovered at the base, which was situated near the town of Landi Kotal, less than 8 km from the Pakistani border and near to the Khyber Pass. The helicopter-borne assault began early on 2 June. Capt. Bret Tecklenberg, a company commander of 101st Airborne Division, said, "The purpose was to establish presence and deter *Al-Qa'ida* or Taleban use of that area as a sanctuary." On 4 June, four rockets were fired near the Kandahar air base. There were no casualties or damage. Two rockets failed to explode and fell about 3½ km from the airfield. Two others were launched from the north. All were 107mm Chinese-made rockets. Canadian troops subsequently found two more un-launched rockets.

On 23 June, it was reported that, in recent days, US forces had found two large stashes of weapons, a new cave complex near Kandahar and had detained 5 Afghans. The second dump was in Paktia Province and had been pointed out by local tribal leaders and was destroyed. Included were heavy machine guns, rocket launchers, Chinese-made rifles and mortars and anti-aircraft guns.

Gen. McNeill's assessment

On 18 June, Lt-Gen. McNeill said that it would possibly take one more year to crush the remnants of *Al-Qa'ida* and the Taleban and build the foundations of an Afghan national army. He said that, until those milestones were reached, it was unlikely that the US or its allies would significantly reduce their forces in Afghanistan. These currently numbered 12,000, including 7,000 Americans. However, Afghanistan was returning to "relative normalcy faster than expected and a partial withdrawal was possible starting in the summer of 2003, if the trend continued." "Certainly, you have to believe things are moving in a direction where the Afghans are clearly taking charge of their destiny. That kind of narrows down the time the coalition will

be here." He said, "Job one is close with and destroy those who would destroy us. Nation-building is not in my charter." About 3,000 US troops were based at Kandahar and Gen. McNeill had no plans to close that base down. Most of the remainder were at Bagram. He quoted Gen. Richard Myers, Chairman of the US Chiefs of Staff, who had recently said that he thought that US forces would have to remain for 12 to 18 months more to complete their mission. Gen. McNeill took over control of the coalition forces on May 31. He estimated that up to 1,000 enemy remained in small bands on both sides of the Afghan-Pakistan border. He had seen no evidence that Pakistan had removed troops from the most sensitive border areas. He said, "We are in pursuit of a lot of smaller forces than you typically see on the battlefield. They are dependent on the countryside and, in some cases, the local populace, to sustain themselves."

On June 20, the British Under-Secretary for Defence, Lewis Moonie, speaking at Bagram, announced that Britain would begin withdrawing the Royal Marines early in July. Referring to the continuing threat from *Al-Qa'ida* and the Taleban, he said, "Certainly, it seems minimal just now." He asked, "Are they still here? Almost certainly, in small numbers, laying as low as they possibly can." The same day in Parliament, Geoff Hoon, Britain's Secretary of Defence, said that Britain would leave a few hundred troops in Afghanistan as a rapid reaction force and would be prepared to deploy additional troops to Afghanistan in case of an emergency.

Then, on 23 June, it was reported that the US military would take over almost all the combat duties in Afghanistan, following the withdrawal of the Royal Marines on 4 July. The nature of the fighting had now changed and consisted mainly of searching for arms caches. A US spokesman at Bagram, Col. Roger King, said, "You will have small units action based on active intelligence. After the departure of the Royal Marines, there would still be about 11,000 coalition troops in Afghanistan and Uzbekistan. Only some Canadians and Australians were still assisting US troops on combat missions. Col. King said that, after Operation Anaconda, "I don't believe they are as likely to engage us in large groups in head to head fights. We have taught them that is not the best course for them." By mid-June, US troops were also undergoing training at Bagram to respond to terror attacks in Kabul.

The Afghan Interim Administration, on 20 May, issued a decree formally establishing a national volunteer army. Afghan men aged between 22 and 30 were invited to sign up for a four-year term. They would receive \$30 per month plus allowances while training and \$50 per month when in full service, according to Kabul radio. Then, on 20 June, Hamid Karzai launched a campaign to bring all Afghan armed forces under the direct control of the Defence Ministry.



He said, "Otherwise they will be considered renegade forces."

ISAF and internal security

In addition to the various operations of the coalition forces against suspected residual Taleban and *Al-Qa'ida* militants, there was the problem of internal security. In Kabul and its surroundings, this was the responsibility of the International Security Assistance Force (ISAF), which had been set up by the UN after the Petersberg Conference. The British commander of this force, Maj-Gen. John McColl, said, on 20 May, that ISAF would be turning increasingly to anti-terrorism. He said, "I think it's reasonable to assume that, as you move towards the *Loya Jirga*, there will be those who wish to disrupt the process and, therefore, we have to be ready for an increase in the levels of terrorism." The UN Security Council voted to extend ISAF's mandate for a further six months from 20 June, when Turkey would take over the leadership, but rejected Hamid Karzai's call for ISAF to be extended to other regions. ISAF now had 18 national contingents, including 1,387 British and 1,056 German troops, out of a total of 4,500.

On 20 June, Britain handed over command of ISAF to Turkey. The new Turkish commander, Major-General Hilmi Akin Zorlu, when taking over from Maj-Gen. McColl, said that his first goal would be to reduce the hours of the present night-time curfew in Kabul, which now prohibited all travel between 11 pm and 4 am. The Turkish contingent in ISAF was now 1,400. A Turkish ISAF spokesman, Major Ibrahim Can, said, "This is an honour for Turkey. Our aim is to build peace and help people." This was the first command of its kind undertaken by Turkey, which has the second largest army in NATO. Gen. Zorlu said that he would continue the earlier ISAF work of assisting with medical care and reconstruction. At the hand-over ceremony, Hamid Karzai welcomed "our Turkish brothers" and "their good strong general." Most Turkish troops are conscripts on 18-month service. The Turkish troops quickly set up their own radio station, *Radio Turkiyem* ("Radio My Turkey"), broadcasting from 7 am to 11 pm. An official said, "The idea is to strengthen the morale and motivation of the troops." This would complement the programmes of British Forces Broadcasting Services.

Senator Joseph Biden, Chairman of the US Senate Foreign Relations Committee, was critical of the refusal of the Bush Administration to join the international peace-keeping efforts in Afghanistan.

Meanwhile, Hamid Karzai was having increasing difficulties with Padsha Khan, the Pashtun leader of the Zadran tribe based around Khost and Gardez. On 15 May, Hamid Karzai issued an ultimatum to Padsha

Khan to lay down his arms. Padsha Khan was one of 25 Afghan leaders, who had been invited to the peace talks in Bonn, in November 2001, and had been a signatory to the Petersberg Agreement. One of his brothers was made a Cabinet Minister. Another was a commander leading a force of 500 men in Khost. In late January, Padsha Khan had tried unsuccessfully to seize by force the town of Gardez, the capital of Paktia Province, over which Hamid Karzai had appointed him Governor. Hamid Karzai dismissed him and replaced him with Abdel Rahim Wardak. Then, at the end of April, Padsha Khan had launched an attack, using more than a hundred rockets, on Gardez, killing as many as 50 people, although he claimed, "We didn't attack Gardez. We just went there. They attacked us," and he described his action as "self-defence". However, his former ally, the US, then declared him *persona non grata*. Zahir Shah sent a delegation of tribal elders to negotiate the surrender of Padsha Khan and the Afghan Defence Ministry said it would send in Tajik troops if the mission failed.

However, the deadline of 15 May, set by Hamid Karzai, passed without result. That day, Zahir Shah addressed a delegation of 20 tribal leaders of the Zadran tribe and told them, "Discord is the main problem in Afghanistan. We must seek unity." Asked if he would accept the order from Kabul to lay down his arms, Padsha Khan replied, "Surrender? Who is Karzai? Who is the Government? Is Karzai going to come and kill me? He needs his head examined." A further deadline was given to Padsha Khan on 24 May. In Khost, there was a further stand-off in mid June between troops controlled by Padsha Khan and those supported by Hakeem Taniwal.

Preparations for the Loya Jirga

The Petersberg Agreement had laid down that, within one month of the setting up of the new Interim Administration, a Special Independent Commission would be set up to convene an "Emergency *Loya Jirga*", which would be held within six months and be opened by Zahir Shah. The composition of the 21-member Independent Commission was announced by the UN Secretary-General, Kofi Annan, on 25 January. Its Chairman was Ismail Qasimyar, a legal and constitutional expert, while one of his two deputies was a woman, Mahboba Hoqomal, a lecturer in political science. On 31 March, the Commission announced its plans for the selection of the deputies who would sit on the *Loya Jirga*. It would have 1,450 members and the largest group, comprising 1,051 members, would be chosen by a process of indirect election. A further 399 members would be selected by the Commission from among refugee groups (100 members), nomads (25), women (160), Islamic scholars, religious minorities (e.g. Hindus and Sikhs), educators, and so on, as well representatives of the Commission and the Interim Administration (53 members).



The group of 1,051 would be chosen in a two-stage process. In the first stage, starting on 13 April, villages would select representatives, according to "tribal practice", who would convene in 381 local electoral districts in meetings or *shuras* of up to 60 representatives to choose the delegates to the *Loya Jirga*, by secret ballot. Each district would be represented by one fixed seat, plus an allocation of the remaining seats according to the population of each district. By 23 May, 70 of these "electors" had been chosen, including two women. Eight regional centres were also set up to settle any difficulties. There were two main concerns about this process. By early May, concern was being expressed that the armed factions in several provinces were influencing the selection of the members of the *Loya Jirga* and the Special Commission had received numerous complaints of intimidation. There were incidents involving violence. For example, on 19 May, Mohammed Rahim, a delegate to an electoral college from the village of Aodok, in Ghor Province, was shot dead only hours after he had been selected, according to a UN official, Manoel de Almeida e Silva. In the troubled eastern provinces of Paktia, Paktika and Khost, the process went unexpectedly smoothly.

The other concern was that the enemies of the process would seek to disrupt it. Thus, in mid-May, Major-General McColl said, "As the *Loya Jirga* process develops, those who object to the whole process will become, I think, more desperate. I think they will be planning to disrupt it in some way and I anticipate an increase in terrorist activity." He said there were "contingency plans being developed for all eventualities, which include us taking direct action - *in extremis* - in the event of a threat to life. If life is threatened, we are within our rules of engagement." He added, "The general consensus is that the *Loya Jirga* process is one which the nation is entirely behind, one which the nation understands. It will be representative rather than democratic but will carry the nation with it and, therefore, anybody trying to oppose it will find themselves in a very difficult position." He said that a close eye would be kept on Gulbuddin Hekmatyar. Meanwhile, on 20 May, Yunus Qanuni, the Interior Minister, in Washington after meeting Vice-President Dick Cheney, said that all but two of Afghanistan's 32 provinces outside Kabul were now secure.

By 3 June, 535 of the 1,501 delegates had been elected. More complaints were made of manipulation, bribery and intimidation over the selection of the delegates. The village "electors" in many of the districts had been chosen by simple show of hands. Some districts elected too many delegates. Some delegates had been murdered. Manoel de Almeida e Silva said, "While there is no certainty that the motivation of these murders was political, in the minds of people these events are related to the current political process."

A giant, white, air-conditioned tent was being set up in Kabul for the main meeting of the *Loya Jirga*. This was supplied by Germany, as were many of the support facilities. Morocco supplied four smaller tents for refreshments and as social meeting places. The first delegates began to arrive on 6 June. The proceedings were scheduled to open on 10 June and end on 16 June. Some delegates came by specially chartered planes and helicopters. Others came by bus or lorry or even on horseback. Some 2,000 delegates, 500 more than the number invited, arrived at the Polytechnic University campus for the *Loya Jirga*. These included 50 additional delegates added to satisfy the demands of various warlords, a last-minute concession by Lakhdar Brahimi, which was approved by the US representative, Zalmay Khalizad. 90% of the delegates were men. The members of the Interim Administration, as well as the Governors of the provinces, would also take part. Ahmed Wali Massoud, the younger brother of the assassinated General Massoud, was among those present. No agenda had yet been decided. On 9 June, the delegates had their credentials checked and badges were issued by the UN organisers. Some women delegates arrived with young children for whom no facilities had been provided. The *Loya Jirga's* proceedings would be protected by the 1st (British-trained) battalion of the new Afghan National Guard (known as 1-BANG).

Election of Head of State

The first task of the *Loya Jirga* would be to elect a Head of State. The two declared candidates thus far were Hamid Karzai and Barhanuddin Rabbani. There was clearly a lot of manoeuvring and behind the scenes discussions on this question and on the overall composition of the new Transitional Administration, which caused some disquiet. Burhanuddin Rabbani said, "I think any decision on the government has to be made by the *Loya Jirga* itself but it appears that the government has been decided from the outside and will simply be passed through the *Jirga*. This is an anathema to democracy." Dr Abdullah, the Foreign Minister, said he did not want the *Loya Jirga* to be presented with "a sort of pre-cooked thing." He said, "It would be a much more preferable scenario if the representatives, going into the meeting, believe that major players have an understanding among themselves." Dr Abdullah said that he and many others favoured a continuation of Mr Karzai's leadership but as President, with a post of Prime Minister also created. General Fahim, the Defence Minister, had also been actively campaigning for Hamid Karzai to become Head of State.

Zahir Shah, who was to open the proceedings, said, on 9 June, that he would support Hamid Karzai to become Head of State. Since April, he had been receiving an endless stream of well-wishers in Kabul, although, for security reasons, two trips planned outside the capital

had been cancelled. Upon arrival in Kabul, more than 800 delegates signed a petition urging the nomination of the King as Head of State, if only as a figurehead, and this worried the main power brokers, including the US. In view of the speculation, which the petition aroused, US and UN representatives pressed the King to withdraw. Northern Alliance soldiers had begun putting up posters of Mr Rabbani around Kabul. On 10 June, the US representative, Zalmay Khalilzad, called a news conference to announce that Zahir Shah was not a candidate. In return, the Panjshiri faction put its weight behind Karzai. However, the start of the *Loya Jirga* was delayed from 10 to 11 June because of "logistical and preparatory problems".

Thus, on 10 June, Zahir Shah made a clear statement to squash the speculation about his possible candidature for Head of State. He said, "I have no intention of restoring the monarchy. I am not a candidate for any position in the *Loya Jirga*." Hamid Karzai was sitting next to Zahir Shah when the latter made his announcement and called him "the father of the nation" and thanked him for "the confidence His Majesty has put in me to go on and serve," adding, "of course, after the *Loya Jirga*." The ex-King's announcement came after many closed-door meetings.

The first session of the *Loya Jirga* was on 11 June and was formally opened by Zahir Shah, who said, "I am ready to help the people and Hamid Karzai is my choice of candidate. I advise delegates to take into consideration the high interests of the people." Hamid Karzai dominated the opening 90-minute session with several speeches. In confident mood, he heaped praise on Zahir Shah and said he would be known as the "spiritual father", or *Baba*, of the nation, with a ceremonial role and with his titles and orders restored. He would be the Honorary Chairman of the National Assembly, would have a supervisory role in writing the new constitution and would preside over national celebrations. In conciliatory gestures, Yunus Qanuni told the opening session that he was resigning as Minister of the Interior, thus releasing one of the three powerful ministries held by the Panjshir Tajiks, so that Mr Karzai could "strengthen the national government" by broadening its ethnic mix, while former President Rabbani withdrew his candidacy for Head of State in favour of Hamid Karzai "for the sake of national unity". Confusion was created when the Chairman of the Independent Commission, Mohammed Ismail Qasimyar, said that Mr Karzai had already been acclaimed as Head of State by the loud applause from the floor. However, as Masooda Jalal, a woman doctor working with the World Food Programme and delegate, had now also been put forward as a candidate, he was obliged to concede that there would be a vote on 12 June.

Many of the delegates were incensed that Zalmay Khalilzad had been the first to announce that Zahir Shah would not be a candidate for any government post and the pressure exerted by the US mission was described as "clumsy". The Women's Affairs Minister, Sima Samar, said, "This is not a democracy. This is a rubber stamp. Everything has already been decided by the powerful ones," referring to the warlords who rallied to support Hamid Karzai. Clearly, many delegates wanted to see Zahir Shah restored as Head of State with Hamid Karzai serving as his Prime Minister. The Finance Minister, Amin Arsala, said, "The King issue is not over. The words used by Hamid Karzai to the King were fine but I'm not sure if this story is over." Delegates complained that the speaking time on the first day had been dominated by speeches from the leaders, with little opportunity given for discussion from the floor. Late on 11 June, Dr Abdullah called a news conference to clarify that Mr Karzai had not yet been officially nominated and that the session on 12 June would include nominations, debate and voting on proposed candidates.

On 12 June, between sixty and seventy delegates staged a walk-out in frustration at the lack of openness in decision-making. However, most of the second day was then taken up with a free debate by delegates from the floor. Nominations for the post of Chairman of the *Loya Jirga*, temporarily chaired by Ismail Qasimyar, were limited to Mr Qasimyar himself and a Pashtun politician, Azizullah Wasifi. A third candidate for Head of State also emerged, namely Mir Mohammed Mahfoz Nadai, an Uzbek army officer, poet and a deputy government minister.

By 13 June, Hamid Karzai's nomination had received over 1,000 seconders from among the delegates. After the election, Ismail Qasimyar announced the result. Mr Karzai had obtained 1,295 out of 1,575 votes, Masooda Jalal 171 votes and Mir Mohammed Mahfoz Nadai 89 votes. Gen. Fahim was reported to have asked Dr Jalal's husband, Faizullah, before the vote, to persuade his wife to step down. Mr Jalal said, "They offered her a seat if she would stand down but you can't do deals in a democracy." The voting extended into the evening. Several delegates expressed their concern at Hamid Karzai's alliances with various warlords. In his acceptance speech, Mr Karzai said, "After 25 years, all the Afghans are gathering under one tent. The refugees are coming back. It is a proud moment for me." He said, "It is a great honour for me that you, my brothers and sisters, have trusted me to run the government in transition. I am a humble servant of God and I am at the service of development and Islam for Afghanistan." He said, "The objective is to take Afghanistan out of this quagmire in which it was - warlordism, terrorism, hunger, oppression of the Afghan people. We should do everything to bring the Afghan people to dignity and



the good life that they so very much deserve." Mr Karzai also said that the fight against terrorism would go on "in the same strong manner as we were doing in the past six months and against all those people who are up there to hurt mankind." It would remain "on top of our priorities." He also said he would "follow the fundamentals of Islam." Islamic law should be implemented. The election by secret ballot took nearly five hours and was supervised by the UN. In the earlier vote for the Chairman of the *Loya Jirga*, Azizullah Wasifi obtained 500 votes as runner up to Ismail Qasimyar. 150 signatures had been required for a candidate to stand for the post of Head of State.

Choosing the Transitional Administration

On 14 June, the *Loya Jirga* discussed the composition of the new government, a vote being expected the following day. Hamid Karzai said, "I tell you that the government will be representative. It has to be. It has to represent the Afghan interests as a whole. We will have a country that should have institutions, institutions that are trusted by the people." Under the UN plan, the Transitional Administration should take over on 22 June. Most of 14 June was taken up with free discussion. All the main groups considered that they would be heard. Under pressure, Mr Brahimi allowed the Northern Alliance-controlled National Security Directorate free access to the *Loya Jirga* deliberations, which some delegates found intimidating. Many delegates felt that the ministries, which had been filled with supporters of the Northern Alliance or personnel from the former Communist regime under the Interim Administration, should now be replaced by more ethnically diverse personnel.

Hamid Siddiq, Zahir Shah's *chef de cabinet*, said that the future constitution of Afghanistan was still open and could include a "republican government or a constitutional monarchy." He said that everything would be possible after the second *Loya Jirga* had met. He said, "This is just a transitional government. The real government will take their seats in 18 months." After Zahir Shah was appointed "spiritual father", Siddiq said, "The people are a little bit disappointed. They wanted the King to have a duty which was higher than His Majesty has now." Zalmay Khalizad confirmed that he had met the King on 10 June, following reports that he would be a candidate for President. He said, "I was asked by Afghans to ascertain whether the position of His Majesty had changed. His Majesty said that his position hadn't changed. There was no pressure applied."

On 16 June, there was stalemate in the *Loya Jirga* over the method of choosing a legislature. The Chairman, Ismail Qasimyar, offered two alternatives - either two representatives from each province (as originally proposed by the Independent Commission) or one

representative from every ten delegates of the more than 1,600 delegates in the present *Loya Jirga*. Pashtun delegates wanted a system of two representatives from each province, while the Northern Alliance delegates preferred a system of one representative for every ten delegates from each region, which would give them more representatives in the National Assembly. At one point, the Pashtuns threatened to walk out and Mr Qasimyar adjourned a rowdy session without agreement. He said that Hamid Karzai would attend the *Loya Jirga* session the following day. He said, "It's a matter of national importance and we need a national consensus. The President will come to talk to us about it."

On 17 June, Hamid Karzai told the *Loya Jirga* that he wanted to select his Cabinet and pledged that it would be one that "meets the needs of the people." Following two days of inconclusive debate, he called on the *Loya Jirga* to select a committee, which would decide on the structure of the future National Assembly after the *Loya Jirga* had ended. He also promised reform of the intelligence and judicial systems and fundamental reform of most government departments to move from the Soviet-based system to a modern western-style government of democratic control and accountability. He would form commissions to oversee the civil service, the judiciary, foreign aid, the media, foreign trade and business, human rights and private property. He said, "Afghanistan should move towards a pluralist government. Afghans should participate and share in government decisions and they have to be informed." Mr Karzai's proposals received a mixed reception. Other work still to be done included the discussion on the awaited proposal on the structure of the new government, the National Assembly's advisory powers and the list of top leaders. There was discussion about extending the *Loya Jirga* for an additional two or three days. Some delegates complained that they had been intimidated by regional governors during the *Loya Jirga*. Mr Qasimyar implored the delegates, "Please, brothers, speak more quickly. The UN has said there is no money left. We will run out of food and we will have to close the tent." The UN had provided \$7.3 million to cover the cost of holding the *Loya Jirga*. Haji Qadir, the Governor of the eastern Nangarhar Province (capital Jalalabad), said, "*Al-Qa'ida* soldiers and terrorists remain here and we should search for them. We do not have the resources to do this and we need the United States' help."

Hamid Karzai told the *Loya Jirga*, on 18 June, that he would name his Cabinet the following day. He said, "Please allow me one more day. You go out and have a rest until 5 o'clock tomorrow." He said that his inaugural ceremony, which had been set for 22 June, would be advanced to take place on 19 June. He said, "We want a healthy Cabinet that is acceptable to the people and we want to exercise care. I am looking for a Cabinet that is representative of all



people, made up of efficient and professional ministers. Fortunately, we have many professionals in this country but few Cabinet posts. I should either increase the size of the Cabinet or cut down the number of professionals."

On 19 June, Hamid Karzai announced the names of 14 ministers to the *Loya Jirga*, as well as three Deputy Presidents and a Chief Justice, before being sworn in as President. Yunus Qanuni was given responsibility for education. Taj Mohammed Wardak, a Pashtun, took his position as Minister of the Interior. However, Mr Qanuni later said that he would refuse any position in the new government. General Fahim was appointed as a Vice-President and also remained as Minister for Defence. In fact, all three posts of Vice-President were given to Northern Alliance commanders, although Gen. Fahim was the only Tajik. The two other Vice Presidents were Abdul Karim Khalili, a Hazara, and Haji Abdul Qadeer, a Pashtun. Dr Abdullah was retained as Foreign Minister. Two civilian professionals were also appointed, namely Ashraf Ghani as Minister of Finance and Juma Mohammed Mohammadi as Minister of Mines. No Minister for Women's Affairs was appointed, casting doubt on the future of Sima Samar. After Mr Karzai had announced his list, he asked for approval by a show of hands. He then continued speaking with hardly a pause. Mr Karzai also told the *Loya Jirga*, "I invite all our international friends to help us with our roads," stressing yet again his concern for improving internal communications. He said that he would announce currency reform soon, to stop independent money printing, and would reform the tax system to ensure that all customs duties went to the central government. He wanted all western finance to local commanders to be channelled through the Defence Ministry and to continue the development of a national army.

Conclusions of the Loya Jirga

Two ex-patriot *Loya Jirga* delegates from Canada, Omar Zakhilwal, an economics professor from the University of Ottawa, and Adeena Niazi, the President of the Afghan Women's Association of Ontario, commented afterwards on the proceedings of the meeting, which closed on 19 June. They wrote in the *International Herald Tribune* that, "Delegates from all backgrounds - Pashtuns, Tajiks, Hazaras and Uzbeks, urban and rural, Sunni and Shiite - sat together as if we belonged to a single village. Women played a leading role at these meetings." However, they were disappointed at the results. Most delegates had wanted to reduce the power of the warlords and establish a truly representative government. The move to promote Zahir Shah as Head of State had been an attempt to have someone independent enough to face up to the warlords. The move had led to a postponement of the start for two days to ensure that the ex-King would not

accept. However, a worse moment had come with the announcement of the cabinet. They wrote, "Our hearts sank" as the list was read out. One woman delegate had said, "This is worse than our worst expectations. The warlords have been promoted and the professionals kicked out. Who calls this democracy?"

Gen. McColl said of the new Cabinet, "I don't think it is the ideal long-term solution. That's why they call it a transitional government." Nevertheless, he said, it was "a broad-based government." However, it was reported that Mr Qanuni was unhappy at being offered the education portfolio and that he had agreed to step down as Interior Minister in return for being appointed as something akin to prime minister. On 20 June, Mr Karzai said, "As far as Mr Qanuni is concerned, he is a good man. He is a respected man and he will have a good position with us all the time." Nevertheless, on 23 June, Mr Qanuni continued to say that he might not join the government at all. Kabul's traffic police staged two days of strikes, on 20 and 21 June, to express their offence at Yunus Qanuni's apparent demotion and the staff of the Interior Ministry initially refused to allow Mr Wardak to enter the ministry building. Also, General Dostum, the Uzbek leader, was again not offered (or, more probably, refused) a Cabinet post. Ismael Khan continued to be represented through his son, Mir Wais Sadaq, as Minister of Air Transport and Tourism.

Pir Seyd Gailani, the leader of the so-called "Peshawar Group" said, "Karzai has done quite well with a Cabinet that he didn't even know, let alone choose himself, but we hope to see a more balanced Cabinet in the future." Mr Gailani said of Taj Mohammed Wardak's appointment, "We are all very puzzled by this choice." Threats made against the former Minister for Women's Affairs, Sima Sama, obliged her to say, "I don't want to leave but I think I need protection." The 25-member Cabinet was sworn in on 24 June but without the Women's Affairs portfolio being filled. Dr Sama, who is from the Hazara minority and the most visible woman in the country, opted for a lower profile job. In an interview with a Persian-language magazine in Canada, she was alleged to have said, "I don't believe in Sharia." She denied this. A charge of blasphemy against her was thrown out by the Supreme Court on 24 June. The Deputy Chief Justice, Fazel Ahmad Manawi, said that, despite many complaints against her, the case had been dropped because of lack of evidence.

The new cabinet contained several last-minute changes to add balance. Mr Karzai appointed Zalmay Rassoul, a Pashtun, a former Aviation Minister and a member of the Rome Group, close to Zahir Shah, as National Security Adviser, to focus on international relations. Yunus Qanuni was appointed to a new post as Internal Security Adviser, in addition to his position as Minister



of Education. Dr Abdullah said, "This has been a very difficult few days. Some decisions had to be reviewed due to the interests of stability and peace. Finally, we have a Cabinet that will be able to deliver." Mr Karzai said that he planned to offer the post of Minister for Women's Affairs to Mahbooba Hoqoqmal, who had served as Deputy Chairman of the Independent Commission. He said, "If she agrees, she will be the Minister of State for Women's Affairs."

Ethnic Pashtuns ended up with about one-third of the posts. There was considerable continuity as 13 of the 31 ministerial portfolios remained in the same hands, while six former ministers moved to other ministerial positions. However, the representation of the Rome Group was cut back from the nine posts, which it had had in the Interim Administration. Zalmay Rasul said that, now that Zahir Shah was back in Afghanistan, the Rome Group could afford to bow out gracefully. Its other main goal, that of convening a *Loya Jirga*, had also been achieved. "Both those things are done and our role has largely been completed," he said. It was said Dr Sima Samar had been dismissed for being too outspoken. She had been elected as Deputy Chairman of the *Loya Jirga*, beating a dozen male candidates in a secret ballot. She would now head the new Commission on Human Rights. She said, "I am used to playing with fire. Somebody has to do it." Mahbuba Huquqmal, a law professor from Kabul University, was appointed as "Government Representative in the Women's Affairs Ministry." However, on 24 June, Mrs Samar said that the Ministry "receives no support from the Government."

Currency reform

Hamid Karzai had told the *Loya Jirga* of the importance of currency reform and this was something, which had been urged on the Interim Administration by the international community, including the World Bank and the European Union. In April, the central bank had been obliged to buy \$1 million worth of Afghanis after the value of the currency (which had risen appreciably after the fall of the Taliban) fell to 40,000 to the US dollar. This had coincided with the return of Zahir Shah to Afghanistan and the so-called Kabul Plot involving Gulbuddin Hekmatyar. As a result, however, many Northern Alliance commanders were now cashing in the Afghanis, which they had earlier had printed.

Anwar ul-Haq Ahadi, a US-educated professor and the new governor of the central bank, explained to the *International Herald Tribune*: "Millions of dollars' worth of currency was never delivered to the central bank. Certain people stockpiled the money and now they are taking it out and spending it." Mr Ahadi saw the culprit as being a murky relationship between the Northern Alliance and a Russian-Swiss company, Appeline Ltd., which from 1992 to 1996 had held

exclusive rights to print Afghan money for the administration of President Rabbani. Even after the Taliban had taken Kabul, in 1996, Mr Rabbani's Northern Alliance government continued to control the printing of currency. No-one was prepared to print money for the Taliban and, meanwhile, the Northern Alliance paid for their continuing campaign against the Taliban by printing more Afghanis. Thus, between 1996 and 2001, the Northern Alliance printed 7 trillion Afghanis, making the currency next to worthless. The value of the Afghani fell from 1,200 to the US dollar, in 1992, to 37,000 to the dollar. Moreover, Appeline had printed a further \$8 million worth of Afghanis for the Northern Alliance leaders early in December 2001, shortly before the hand-over to the Interim Administration. Mr Ahadi said, "We don't know where the money went." He had summoned Appeline to explain themselves and at the meeting, he said, "I was so angry, I almost yelled at them." Former President Rabbani explained his actions by saying, "We had to print money. It was the only source of revenue we had."

Mr Ahadi, who was in London on 9 May as part of a tour of western capitals, told the *Financial Times*, "My first concern was to regain control over the printing of money. For the past six years, the central bank has lost control and, even before that, it was simply a printing machine for the government to finance its deficit." In previous years, money had been printed by Burhanuddin Rabbani, Rashid Dostum and others. There were four kinds of note in circulation. Mr Ahadi said that three-fifths of the money printed between 1996 and 2001 had not been authorised by the bank and he had to convince Appeline to behave properly. He said, "The company has stated that it has not been supplying money to anyone else since the beginning of 2002, so, in that respect, I'm happy. I'm rather confident that is the case but I'm not absolutely certain."

The second problem, he said, was to establish a credible national currency. The government had decided to re-launch the Afghani in 2002 but at 1 new Afghani to 1,000 old ones. This would involve buying back old notes from other authorities. He believed that the reserves of the central bank amounted to around \$300 million, which almost covered the total money in circulation. He did not intend to peg the value of the new currency and, instead, would let the free market operate but intervene if the value of the Afghani deviated by more than 10% from the target value, which was yet to be determined. Once these basics were in place, the government would have to begin to put together a viable banking network, connected to international clearing systems. Afghanistan currently had six banks, four of which had no assets. There were two commercial banks, Pashtani and Milli, which had some assets but which were busier clearing old accounts than giving new loans. A new banking law



had now been drafted and there was also foreign interest in setting up new banks, mainly from local regional banks based in Pakistan, Iran and the United Arab Emirates. Citibank and Standard Chartered might also be interested. He also said that there was a brain drain of the brightest Afghans to work in various international organisations, which was a problem. He said, "I'd have liked a challenge with a little better framework."

Late in June, Mr Ahady said that, as the new Afghan currency would increase the nominal value of the Afghani 1,000 fold, the new 10,000 Afghani note would be worth \$350 instead of its current value of \$0.35 cents. The new note would replace both those at present issued by the central bank and those issued by General Dostum, which were circulating in the northern provinces.

International assistance

On 15 May, the World Bank President, James Wolfensohn, urged donors to finance Afghanistan's armed forces directly. He said in a statement, "We have all recognised that security is the toughest job of all in Afghanistan and the element most likely to undermine all efforts here. The World Bank cannot participate directly in financing security forces but we shall do all we can to encourage bilateral donors to give that support." In April, the Bank approved \$10 million to pay for international experts in financial management. He said, "Traditionally, donors have been reluctant to put money into budget support but, in post-conflict situations, it is different. We've learned in East Timor and Gaza, in Kosovo and Bosnia, that you have to do it."

On 20 May, the EU's Commissioner for External Affairs, Chris Patten, set out the terms for continuing EU aid to Afghanistan. The EU had promised to provide Euro 1 billion over five years. The EU's three priorities were fiscal transparency, opium poppy eradication and a more ethnically mixed government. Mr Patten, who met Afghan leaders in Kabul on 20 May, said, "We made it clear that this is dependent on people remaining committed to the Bonn process and to the establishment of an effective macro-economic policy." He said that, in 2002, the Afghan government had eradicated 10-15% of the opium crop. He said, "It is very important that we are able to demonstrate real progress on this issue over the next two or three years." He said, however, that he did not want to set specific conditions for aid. He said, "I don't think there is any country where you would be mechanistic about conditionality." Mr Patten also said that he would seek an end to direct aid being given to Afghan warlords, as this undercut the authority of the Interim Administration. He said, "I think we have to recognise that, in the medium- and long-term, we have to give all

our support to the government in Kabul and that isn't consistent with continuing to support the warlords, whatever the short-term reasons for doing that are." This argument had been repeatedly put to him by members of the Interim Administration. He said, "In the longer-term, we have to strengthen the political authority of Kabul. We have to put the government here in a position in which its authority is countrywide and in which people in the regions will turn to the government rather than the warlords. There is a certain illogic in trying to boost the authority of the central government, on the one hand, and in conniving with local warlords, on the other." He said that he would raise the issue at the meeting of the Foreign Ministers of the Group of Eight in June. However, on 14 June, Zalmay Khalizad admitted that the US had enlisted the help of regional warlords in its fight against Taleban and *Al-Qa'ida* sympathisers, thus undermining this process.

On another front, the US House of Representatives adopted a \$1.3 billion aid package for Afghanistan on 21 May. Greece donated \$750,000 towards the restoration of the Kabul museum and its artifacts, which were seriously desecrated by the Taleban. No decision had yet been taken on the restoration of the giant Buddha statues in Bamiyan. The Aga Khan foundation had also pledged to give \$5 million. A decision to revive the oil pipeline project from Central Asia through Afghanistan was revived at a meeting on 30 May.

The UN and various NGOs had received lavish funding to spend in Afghanistan but the Interim Administration had not. The UN had only received \$100 million for Afghanistan before 11 September 2001 but, for the period from October 2001 to December 2002, had so far received \$1.3 billion. However, the Interim Administration itself had received only \$70 million. The UN had so far enabled 3 million Afghan children to attend school, to provide 60,000 farmers with wheat seed, to have 24 million sq. metres of land cleared of mines and to carry out a large-scale programme of polio vaccination. The UN agencies had also taken on many good Afghan staff. In May, Mr Patten had said that accounting for all the money printed was more than a question of "skimming". He said, "It's a question of making sure that there's an economic policy, a monetary policy in place, which will ensure that, in a year's time, Afghans aren't papering the walls with Afghans." The government would have more authority if more aid was channelled through it rather than the UN and the NGOs but the latter did not want the government to use aid for patronage.

Other developments

By the beginning of May, only a few hundred refugees were returning each day from Iran but, on some days,



up to 15,000 crossed from Pakistan. On the other hand, a small number of Afghans, mainly Pashtuns facing reprisals from Tajiks and Uzbeks in the north of Afghanistan, were still trying to get out. The UNHCR was offering \$20 per refugee in cash or \$100 per family. The UNHCR's chief information officer in Pakistan, Melita Sunjic, an Austrian, said, "Our message is that it is a precarious situation, that they should make their decision responsibly." She said, "We ask them, 'Are you sure you want to do this? It may not be safe.' But they say, 'We know our villages,' and the truth is, they know the situation much better than us." In fact, while the UN repatriation programme for March to December 2002 envisaged the return of 400,000 refugees, that figure was more than reached by mid-May. By the end of June, 1,038,000 refugees had returned from Pakistan and a further 88,000 from Iran. Ruud Lubbers noted the slow response to the UNHCR's appeal for \$271 million for the repatriation of these refugees. He said, "It's a bit scary that the operation is going so well and we still have to live from day to day."

The UNHCR also said that it was "extremely concerned" about escalating violence in the north, which included "scores of attacks on ethnic minorities in Faryab, Balkh and Sar-i-Pul provinces." There were renewed calls to extend the mandate to ISAF, especially to the north of Afghanistan.

The issue of holding Taleban and *Al-Qa'ida* prisoners continued to be a delicate problem. For the British Royal Marines, Lt-Col. Paul Harradine said that they would not hand over any prisoners to the United States. Speaking at Bagram, on 30 April, he said that British lawyers had advised that they should be handed over to the Afghan authorities. In early May, the EU representative in Kabul, Klaus-Peter Klaiber, visited the notorious Shebarghan prison, near Mazar-i-Sharif. He said, "The people have nothing on their bones anymore. They are being treated like cattle, crammed into tents. The kitchen, you cannot imagine. There were ghost-like figures just stirring soup." It was felt that these conditions were a punishment meted out by Gen. Dostum's Uzbeks against Taleban Pashtuns. Hamid Karzai, in Kabul, was powerless to intervene. However, more than 200 Pakistani prisoners were released and flown home on 11 and 12 May. More were likely to follow. A spokesman for Gen. Dostum said, "This is not the time to ask for funds for the prison. We need funds for schools and hospitals." Indeed, many local Afghans living beyond the prison were also starving.

Transport, both external and internal, was posing difficulties. Ariana Airlines, which had been set up in 1950, had been used under the Taleban as Osama bin Laden's private transport department and, consequently, banned by the UN from flying outside Afghan airspace. Then, during the early stages of the

US bombing, most of its aircraft had been destroyed on the ground. By early May, Ariana was flying its one remaining Boeing 727 on regular flights to Delhi (once a week) and Dubai (three times per week). However, Kabul airport could not yet be used at night or during bad weather. Meanwhile, multiple road tolls on lorry traffic had been reintroduced by local warlords or merely by gangs of local armed youths, which greatly increased the cost of road haulage and slowed down journey times. Such tolls had been severely repressed by the Taleban.

By mid-June, 4,000 new students had enrolled at Kabul University, bringing the total number of students to 7,000. The Chancellor was now Mohammed Akbar Popal, an agronomist trained at the University of Nebraska. However, there were still thought to be many Taleban sympathisers among the older students. In the poppy eradication programme, the authorities in Nada Ali District, the biggest opium-growing area in Afghanistan, had ordered the Helmand Valley Authority to turn off the supply of irrigation water and, after three weeks, the opium crop had withered. As the farmers now had no crop, the authorities refused to pay any compensation.

On 27 June, a rocket attack on an ammunition dump in the frontier town of Spin Boldak (on the road from Kandahar to Quetta), wrecked 22 buildings and killed 19 people, injuring dozens more. The injured were taken to Kandahar or to the Pakistani border town of Chaman, 5 km from Spin Boldak. Many of these were not expected to survive. Commander Fazaludin Agha, a supporter of the Karzai administration, said he was not sure who had fired the rockets. Among those killed were Afghan soldiers guarding the depot and local men, women and children. No casualties were reported among coalition troops. The explosives also destroyed a warehouse storing aid and UN World Food Programme tents containing supplies. A mosque collapsed injuring those inside. 32,000 refugees were sheltering in camps around the town awaiting repatriation. Some officials said it was too early to determine the cause of the explosion. Secondary explosions occurred into early 28 June.

A joint US-Canadian inquiry into the bombing of Canadian troops, on 18 April, was concluded on 28 June. It found that two US F-16 pilots had failed to exercise proper caution or, as Lt-Gen. Michael DeLong of the US Marine Corps and Deputy C-in-C of US Central Command put it, "to exercise proper flight discipline." This had resulted from a violation of standing orders for firing on a target and in an "inappropriate use of lethal force." He also referred to failings by the pilots' "immediate command structures" but did not elaborate. It was stated that disciplinary action would be a matter for the US Air Force.



Postscript

Thus, by the end of June 2002, Afghanistan was beginning to slip out of the news. Less than ten months had elapsed from the horrific events of 11 September. The US had conducted its heavy bombing campaign, the Taliban had been pushed out of Afghanistan, mainly by the ground troops of the Northern Alliance but also by a number of local Pashtun forces, including those of the Eastern Alliance, based in Jalalabad, and those led by Hamid Karzai, operating near Kandahar. The conference near Bonn had taken place and the Interim Administration set up, according to the Petersberg Agreement, under Mr Karzai. The US and other coalition allies had sent in considerable ground forces and major engagements had taken place at Tora Bora and Shah-i-Kot. The Tokyo Conference had undertaken to provide a massive amount of aid for Afghanistan's long-term reconstruction. The *Al-Qa'ida* network had been effectively deprived of Afghanistan as the principle haven for its operations. Finally, the *Loya Jirga* had been convened and Afghanistan had moved on to the next stage in its political and economic rehabilitation as a member of the international family of nations under a new Transitional Administration.

Many deserve praise for this achievement. Much credit is due to the United Nations, and particularly to Lakhdar Brahimi and his staff in Kabul, who have steered Afghanistan out of the quagmire and back onto the road of progress. Great credit is also due to the various UN agencies, and to the NGO's that worked alongside them. They deserve praise for having avoided the serious humanitarian crisis, which had been predicted once the war had started, and for the progress achieved since the Interim Administration took office at the end of December. None of this could have been achieved without the military efforts of the US-led coalition, in which the member states of the European Union played a substantial part. Moreover, the deployment of ISAF, to supply the essential security for Hamid Karzai's initially shaky administration in Kabul, had been provided almost entirely by EU member states until Turkey geared up to take over the leadership of the force.

However, the most credit should probably go to the Afghans themselves. Most notably, the faith placed in Hamid Karzai has been fully justified. The leaders of the Northern Alliance also deserve praise for the statesmanlike way in which they have worked with Mr Karzai in bringing Afghanistan through the period of the Interim Administration to the new period of the Transitional Administration. In December, it was far from evident that this constitutional progress would be so smooth. However, at less elevated levels, ordinary Afghans have displayed a great resilience to get Afghanistan moving again, from teachers who have

flocked back to reopen the schools, to traders who have restored bustle to many of Afghanistan's cities, especially the capital, Kabul.

Nevertheless, in spite of this encouraging progress, very serious problems remain. These include, above all, that of continuing insecurity, most notably in the eastern and northern provinces but also because of a general lawlessness in much of the country. Much attention will continue to be paid, therefore, to the building up of the new Afghan National Guard, or army, and the police force, which will have either to absorb or replace the numerous armed militias of the warlords. This must be accompanied by the creation of an overall Afghan administration, which respects the authority of the central government, even if allowing a considerable amount of regional, provincial or even district autonomy to persist. This, in turn, will provide the means for the large amounts of international aid, authorised in Tokyo, to be disbursed through the central government. Moreover, it is only in this way that genuine reconstruction can be carried out and the scourge of drug cultivation replaced by a healthy Afghan agriculture.

The Transitional Administration is now in place. The international community, with the European Union playing its full part, must continue its engagement in Afghanistan to ensure that progress over the next eighteen months matches the considerable achievements of the last six. ■

Note on Sources:

The source material used in this, as in previous articles, is based largely on the reports of the following correspondents:

The International Herald Tribune - John Burns, Carlotta Gall, Thomas Ricks, Peter Baker, Pamela Constable, Dexter Filkins, Walter Pincus, Barry Bearak, Eric Schmitt, Thom Shanker, Raymond Bonner, Susan Glasser, David Rohde, Glenn Kessler, Mary Beth Sheridan, Howard French, James Dao, Frederick Star, Marin Strmecki;

The Financial Times - Lydia Adetunji, Richard Wolffe, Cathy Newman, Mark Turner, Farhan Bokhari, Robert Graham, Edward Luce, Jimmy Burns, Charles Clover, Roula Khalaf, Carola Hoyos, Alexander Nicoll, David Buchan, Richard McGregor, Leyla Boulton, Hugh Williamson;

The Independent - Kim Sengupta, Justin Huggler, Andrew Buncombe, Mary Dejevsky, Kate Clark, Sayed Salahuddin, Ben Russell, Charles Arthur, Kathy Gannon, Dimitra Gaidatzi;

The Guardian - Richard Norton-Taylor, Rory McCarthy.

In addition, the Monthly Reviews of developments in Afghanistan for May and June, produced by the *British Agencies Afghanistan Group*, have been most helpful.

THE EUROPEAN PARLIAMENT

by John Quigley

Strasbourg Plenary 13th-16th May

Sectarian Violence in India

Parliament adopted a Resolution, by urgency procedure, on 16th May, condemning “in the strongest possible way” the sectarian violence in the State of Gujarat. Although Article 25 of the Indian Constitution guarantees freedom of religion, the Resolution cites the evidence from human rights organisations that State officials and police in Gujarat were involved in the clashes. The violence followed the burning of 58 Hindu pilgrims on a train in Ghodra, on 27th February (see *EurAsia Bulletin* Vol. 6 No. 3&4 p1 for details). However, the deaths of the Hindu pilgrims was followed by “indiscriminately targeted” violence against Muslims. In the aftermath of the violence, Parliament wants the government of India and the State of Gujarat to investigate the killings “effectively, independently and impartially”. Those found responsible for the violence should be brought to justice “irrespective of their position, religion, identity or political beliefs”. With the Indian government providing €35m in an assistance package for the victims and families, Parliament would like the Commission and Council to “expand existing relief programmes” and to find ways to support civil society. The Resolution offers the condolences of Parliament to those affected by the violence in both religious communities.

Maria Carrilho (PSE), although commending the Resolution to the House, questioned whether it was an appropriate response by Parliament to the violence in Gujarat. The violence, she said, was a “manifestation of an extremely complex phenomenon” involving such factors as poverty, organised crime, a stagnant political elite and a drift towards fundamentalist extremism. It was certain, she said, that the forces of law and order “did not succeed in putting an end to the violence”, at first. Commissioner for Development and Humanitarian Affairs, Poul Nielson, said that he shared the concern of Parliament about the violence, which had given “serious cause for concern”. The Commission delegation in New Delhi sent a fact-finding mission to Gujarat “to assess the situation on the ground”. This mission, Nielson said, was necessary to assess whether the riots “had implications for the principles on which EU-India co-operation was based”. These principles include respect for human rights,

democracy and the rule of law. The findings were “deeply worrying”. He believed, however, that “India’s commitment to democracy” would ensure those responsible would be brought to justice. The Commission will consider providing humanitarian aid to the victims of the violence, Nielson concluded.

Moluccas, Aceh and Papua

On 16th May, Parliament adopted a Resolution, by urgency procedure, on ongoing violence in the Moluccas, Aceh and Papua. Before dealing with each province in turn, the Resolution makes a number of general points. While supporting the EU position advocating the territorial integrity of Indonesia, Parliament states that the only way to guarantee such unity is through genuine dialogue with the provinces. This dialogue should tackle to root causes of separatism but should ensure that the State is responsible for the safety of all Indonesian citizens. In February 2002, Muslim and Christian leaders in the Moluccas signed a peace declaration pledging to abandon violence. However, only several weeks later, further massacres of Christians took place. The declaration also promised to set up an independent National Investigation Team but, to date, such a unit has not been established. The leader of *Laskar Jihad* was reported in the media as having called for a civil war and stated that Muslims would destroy all Christians. The extremist organisation has also infiltrated the neighbouring provinces of Papua and Sulawesi. The Resolution calls on Christian and Muslim leaders to attempt sincerely to implement the terms of the peace declaration. Unfortunately, once international attention died down the “Indonesian authorities took insufficient action” to ensure that the military, police and security forces protected civilians from such terrorist groups as *Laskar Jihad*. With assistance from the United Nations and the Indonesian government, Parliament would like the Commission and the Council to launch a project “aimed at rebuilding a civil society”. Such a society, the Resolution states, should respect the ethnic and religious balance on the Moluccan islands.

Talks in March of this year, between the government and the Aceh separatists, were a “fruitless effort to find a peaceful solution”. Since the beginning of 2002, over 300 people have been killed in Aceh. The failure of the March talks led to a new initiative, in May, where the Free Aceh Movement (GAM) agreed to end hostilities. Both sides agreed a process for electing democratic leaders. The Resolution calls on the Indonesian government to protect the vulnerable population in Aceh and Papua. The UN Special Rapporteur on torture and the Rapporteur on summary executions should visit Aceh and Papua as part of the effort to establish a lasting peaceful solution. The National Inquiry Commission has declared that members of Indonesia’s special forces were involved in the



assassination of the Papuan leader and tribal chief, Theys Eluay. The Resolution states that a “credible, legal and independent inquiry” should investigate these allegations of state involvement in the death. Such an inquiry should be composed of a team of international human rights experts.

Speaking during the debate in plenary, Poul Nielson, the Commissioner for Development and Humanitarian Affairs, said that the Commission had sent a series of missions to the Moluccas and had contributed €4.6m in humanitarian aid since 1999. Equally, both Aceh and Papua have been the subject of EU concern and Commission missions. The EU Country Strategy Paper for Indonesia will include an emphasis on institutional capacity building, good governance and the rule of law. There would also be an important focus on conflict prevention, Nielson said. In February 2002, a conflict prevention mission visited the three areas, meeting NGO’s, central and local government representatives. The result of the mission will be to support civil society in the Moluccas and in Papua, with additional support for Papua’s administrative services. Nielson confirmed the EU’s stated position on the territorial integrity of Indonesia but urged the government to “make urgent efforts to resolve peacefully these internal conflicts”.

Brussels Plenary 29th-30th May

EU-South Korea Shipbuilding

Following a lengthy debate, Parliament, on 30th May, adopted a short Resolution on the situation of the European shipbuilding industry. Parliament is concerned at the delay in Council towards the adoption of a Council Regulation concerning a temporary defensive mechanism (TDM) for shipbuilding, designed to protect European shipyards from unfair competition from Korean yards. In May 2001, the Council authorised the Commission to initiate proceedings against South Korea in the World Trade Organisation (WTO). However, since then, the Council has delayed taking a decision, despite moves by both the Commission and Parliament to make substantive progress. The Commission published the fifth report in a series on the situation in world shipbuilding, on 30th April. That report confirmed the findings of the fourth report, which established that Korean yards were continuing to offer for sale ships at below cost prices (see *EurAsia Bulletin* Vol. 6 No. 3&4 p55 for details). Parliament, in November 2001, adopted a legislative Resolution on the Council proposal in favour of the Commission idea of providing operating aid to European yards on a short term basis (see Vol. 5 No. 10&11 p48 for details). The Resolution was based upon a report written by Karin Riis-Jørgensen (ELDR).

The Resolution, adopted by Parliament on 30th May, called on the Council, at the next available meeting, to

adopt the Council proposal as amended by Parliament. The Resolution re-affirmed Parliament’s support for the Commission’s twin-track approach (WTO proceedings and the TDM) to the problem with South Korean yards. The Resolution did stipulate that the TDM should only be in force solely for the length of the proceedings in the WTO.

This Resolution arose initially from a series of oral questions from several political groups, which were tabled to the Commission. Although Karin Riis-Jørgensen (ELDR) wrote the report that was adopted in November 2001, the ELDR group did not table an oral question this time. Speaking during the debate before the Resolution was adopted, Jamie Valdivielso de Cué (PPE-ED) said that the debate on unfair Korean practices had begun as far back as 1998. He poured scorn on the delays that meant Parliament spent its time discussing which category of vessel to include in the TDM. He called the delay at Council level “truly shameful”. Speaking on behalf of the Socialist group, Erika Mann asked the Commission whether the study of the Trade Barrier Regulation, which had just been concluded, confirmed the need for a WTO procedure against South Korea. She expressed concern at the level of jobs and orders lost in Europe, while the Community has delayed taking decisive action.

Karin Riis-Jørgensen (ELDR) noted that, while the Commission has the sole authority to launch a WTO proceeding, to date they had “shown an impressive ability to ignore these requests”. She characterised the approach of the Commissioner for Trade, Pascal Lamy, as one that would only permit a WTO procedure if concurrently the Council introduced state subsidies for European yards. In her report, she had tried to stop such a link being made. On behalf of the Commission, Erkki Liikanen, who is responsible for Enterprise and the Information Society, had little to say. He said that, at the request of the European industry, the Commission had begun an update of its Trade Barrier Regulation investigation. The findings would shortly be transmitted to Council. The Industry Council is expected to discuss the TDM once again at its meeting scheduled for 6th June. Liikanen confirmed that the Commission still believed that the twin-track approach was appropriate.

Strasbourg Plenary 10th-13th June

Violence in Nepal

Parliament adopted a Resolution, by urgency procedure, on 13th June, on the situation in Nepal. Primarily, the Resolution addresses the problem of Maoist violence but Parliament also included the plight of the Bhutanese refugees in Nepal. The Resolution is a compromise text agreed by the various political groups. Each group had submitted its own motions for a Resolution, including Reinhold Messner (V/EFA), Bob



van den Bos (ELDR), Max van den Berg (PSE), Thomas Mann (PPE-ED), Gerry Collins (UEN, also ex-chair of the South Asia, SAARC Delegation) and two members of the GUE/NGL, Giuseppe Di Lello Finuoli and Esko Olavi Seppänen. The Resolution, as adopted, “expresses the dismay” of Parliament at the increase in the level of violence, which had claimed several thousand lives since the outbreak of the conflict in 1995. Although the Nepalese Prime Minister, Sher Bahadur Deuba, ruled out talks with the Maoist rebels after they broke a previous ceasefire, Parliament called on Deuba to re-open such talks on behalf of all democratic parties in Nepal.

Various media reports have alleged that the army has been abusing human rights through beatings and the murder of suspected Maoists. The Resolution wants the government to investigate these alleged abuses and to ensure that international human rights and humanitarian law standards are being respected. The National Human Rights Commission of Nepal should investigate a particular battle, which took place between the army and the Maoists, in May, at Lisne Lek. The battle was one of the few major successes for the Nepalese security forces but it is alleged that the army killed 500 rebels rather than arrest them. The Resolution also addresses what action could be taken at EU level to assist Nepal both in anti-terrorist measures and in development aid. Parliament called for the “possible nomination” of an EU Representative for Nepal” as a possible avenue in producing a negotiated solution to the conflict. Should a peace process establish a solution, then, Parliament stated, the EU should make available financial aid. This would happen in concert with the international community in an effort to find sustainable long-term solutions. Finally, the Resolution refers to the long running Bhutanese refugees issue. Despite progress in the verification of the identity of some of the refugees, no action has been taken to assist them to return to Bhutan. Thus, Parliament would like both the Nepalese and Bhutanese authorities to “work at a pace” that would “resolve quickly” the refugee issue.

Speaking during the debate, Thomas Mann said that the renewed escalation of Maoist violence was putting the “stability of the entire region at risk”. The rebels have been destroying infrastructure targets and disrupting electricity supplies. Despite international appeals for peace, he said, there seems to be no sign of an end to the violence, with over 3500 dead in the last 7 years. Now that the Prime Minister, Sher Bahadur Deuba, has dissolved the Parliament and called elections for 13th November, the European Union should consider sending independent observers to ensure that the elections are free and fair. He called on the Commission, on behalf of the Community, to be prepared to act as a mediator in the conflict, “should it be asked to do so”. His call was echoed by Glyn Ford (PSE), who demanded that the EU should provide “the

means to provide a peaceful solution” to the conflict. However, Ford, while admitting that Nepal could slide into civil war, said that the government must ensure respect for human rights and that alleged massacres of Maoist guerrillas would only make the matter worse.

Commissioner for Enterprise and the Information Society, Erkki Liikanen, said “one of the causes” of the crisis in Nepal was the “internal rifts and personal rivalry” within the political class. The dissolution of the House of Representatives ahead of fresh elections “marks a blow to democracy” in Nepal. The extension of the State of Emergency “will further increase the democratic deficit” and delay the “most urgent administrative reforms”.

Death Penalty in Japan, South Korea and Taiwan

Parliament, on 13th June, adopted a Resolution on the abolition of the death penalty in Japan, South Korea and Taiwan. This item was added at the last minute to the plenary agenda by the GUE/NGL group. Following the attempts by legislators in these countries, Parliament, through this Resolution wanted to offer encouragement to Tokyo, Seoul and Taipei to seek either the abolition or, at the very least, a moratorium on executions. There has been international criticism of Japan’s policy of keeping prisoners on ‘death row’ without a definite indication of an execution date. Thus, in the Japanese Diet, a Members’ League for the Abolition of the Death Penalty has been established. In South Korea, while over 70 prisoners have been sentenced to death, no executions have taken place under the presidency of Kim Dae Jung. Equally, in Taiwan, the Minister for Justice, Chen Ding-nan, has stated that he wishes to eliminate capital punishment within three years.

Parliament called on its sister Parliaments in the three countries to “renew their efforts” to seek the abolition of the death penalty. The abolition of capital punishment would “strengthen the stance of democratic countries in their struggle against dictatorial regimes”. The abolition would help to secure democracy and the rule of law throughout the world. Parliament would like the Council and Commission to pursue the abolition of capital punishment with these countries at diplomatic level. Primarily, this would mean that the European Community should include this requirement in future Co-operation or Trade Agreements. In an indication of the difficulty in imposing Western values onto Asia, Parliament called on the Foreign Affairs Committee to hold a seminar on the abolition of the death penalty in only those “democratic Asian countries”. While Japan and South Korea are both members of the United Nations, China’s policy of withholding international recognition of Taiwan, and its success at European level, means that Parliament can not use such international leverage in Taiwan’s



case. Nevertheless, Parliament would seek the assistance of Japan and South Korea at UN level in promoting resolutions on the universal moratorium of executions.

Speaking on behalf of the GUE/NGL political group that requested the introduction of a human rights debate on this issue, Laura González Álvarez, said that, while Parliament had, over the last several years, introduced many Resolutions campaigning against the death penalty, three Asian countries had taken distinctive measures towards implementing a moratorium on executions. The facts would lead observers to believe, he said, that the “death penalty should be abolished” in the not too distant future in these countries. Jules Maaten, a Dutch Liberal, indicated that he could detect a trend in Asian countries towards the abolition of capital punishment both by non-governmental organisations (NGO’s) and governments alike. However, the situation in Japan, he stated, was “still very distressing”. While the number of executions *per annum* was comparatively low, the system of waiting on death row was not what you could expect from a “civilised and leading industrialised nation”.

Lennart Sacrédeus (PPE-ED) highlighted the limited scope of the Resolution and regretted the fact that Parliament had not seen fit to address the death penalty in either the People’s Republic of China or North Korea. Thus, he said, the Christian Democrats would choose to abstain in the vote on the adoption of the Resolution. Glyn Ford, on behalf of the Socialist Group, while professing to be against the death penalty, said that he had voted against the GUE/NGL proposal to include this item on the plenary agenda. Also, while he would, in general, be against the death penalty, this opposition would not include activities in time of war. Erkki Liikanen, Commissioner for Enterprise and the Information Society, reiterated that the abolition of the death penalty was one of the cornerstones of the EU’s human rights policy. Where executions still exist, the EU calls for a progressive reduction in its use and insists that it be carried out according to certain minimum standards. Liikanen did not indicate whether the Commission thinks Japan meets these minimum standards. However, he did say that “a great deal remains to be done” to abolish the death penalty in Asian countries and that, in 2001, the EU had decided to enhance its strategy for abolishing the use of capital punishment. Many activities have been financed under the European Initiative for Democracy and Human Rights towards the abolition of the death penalty.

Human Rights in Malaysia

On 13th June, Parliament adopted a Resolution, by urgency procedure, on respect for human rights in Malaysia. The Resolution, which should embarrass the

government of Mahathir Mohamad on an international level, addresses human rights considerations at domestic, international and bilateral level. Parliament would like the Community to use the opportunity of the Asia-Europe Meeting (ASEM) and EU level contacts with the Association of South-East Asian Nations (ASEAN) to raise Malaysia’s reluctance to implement human rights provisions. The Resolution states that the human rights environment in Malaysia is “deteriorating rapidly” and primarily because Prime Minister Mathahir is “determined to crush his political rivals”. Malaysia has not been slow to seize the opportunity provided by the ‘war on terrorism’ to crack down on human rights activists. Thus, the Internal Security Act (ISA) is being used to detain without charge, those persons considered to be acting in a manner prejudicial to national security. This assertion is backed up by evidence from the Malaysian Human Rights Commission (SUHAKAM) that approximately 40 people are being detained.

Parliament, in the Resolution, wants the Malaysian government to ratify the International Covenant on Political and Civil Rights, the International Covenant on Economic, Social and Cultural rights and, lastly, the Convention against Torture. Domestically, Parliament wants the ISA to be abolished and that the right of Malaysian citizens to freedom of assembly, expression and association be respected. Parliament regrets the fact that the request for a visit by the UN Special Representative for Human Rights Defenders had been rejected by the government, even though Malaysia is a member of the UN Commission on Human Rights. Also, at the international level, the Resolution expects the EU and the Member States to raise the question of respect for human rights both at bilateral level and through the ASEM and ASEAN *fora*. Those “prisoners of conscience” and “all other detainees” arrested under the ISA, should be released or charged and tried promptly. Further to the Community’s relationship with Malaysia, the Council and Commission, Parliament asserts, should make further “political co-operation” dependent upon “Malaysia’s willingness to pay urgent attention” to the observation of human rights, particularly at the domestic level.

On behalf of the V/ALE group, Didier Rod, speaking during the debate in plenary, expressed his “dismay at which the human rights situation” has developed in Malaysia, especially since 11th September 2001. Prime Minister Mahathir has, he said, used the pretext of September 11th to use the ISA widely, primarily to “muzzle the political opposition” and to “intensify repressive measures” against individual freedoms. He called for a European Parliament mission to Malaysia to investigate the conditions under which political prisoners were being held. John Cushnahan (PPE-ED) noted that human rights groups within Malaysia had criticised the government’s use of the ISA as “draconian legislation”. The repeated use of the ISA

has been “politically motivated and politically selective”. He echoed the call expressed in the Resolution that further political co-operation be conditional upon the release of political prisoners and the abolition of the ISA. The Commissioner for Enterprise and the Information Society, Erkki Liikanen, said that, while the EU welcomed Malaysia’s commitment to the fight against terrorism, the Commission had “serious concerns” for human rights and fundamental freedoms in Malaysia. The Country Strategy Paper, adopted on 8th May, would utilise EU financing instruments to support activities that would strengthen governance and the role of civil society.

Child Labour

The use of child labour in the production of sports equipment was the subject of a very specific Resolution, adopted on 13th June by urgency procedure, by Parliament. This comes one day after the International Labour Organisation (ILO) had designated 12th June as World Day against Child Labour. The first motion for a Resolution was tabled by the V/ALE political group but, subsequently, all political groups followed with motions of their own.

The Resolution makes a clear link between policies to support education and those to combat child labour. The use of child labour “perpetuates poverty and hampers development” both by keeping adults out of work and by denying children education. Referring specifically to the football industry, Parliament “condemns all forms of child exploitation” and makes a call for the total “eradication of child labour”. The Commission and the Member States should ensure that all children removed from labour are rehabilitated through education, health care and nutrition. The Resolution states that, despite the creation of social protection projects in India and Pakistan, designed to prevent and eliminate child labour, by organisations such as FIFA and the ILO, there is new evidence that children as young as 10 years are still producing footballs. Parliament calls on FIFA and sporting goods manufacturers to agree to three conditions. Firstly, no child should be involved in the production of FIFA-licensed sportswear and footballs, secondly, they should implement the FIFA Code of Labour Practice that was adopted in 1996 and, lastly, both FIFA and the companies need to agree upon a “transparent, credible and independent” system for monitoring and verifying manufacturing in the industry.

Learning from the example of the coffee industry, which has adopted a certification method for production, Parliament would like the sporting goods companies to adopt something similar, guaranteeing that no child labour was used. Similarly, the ILO does not escape Parliament’s attention. The Resolution “urges” the ILO to develop a “credible and independent” inspection system to monitor the

implementation of its own standards. The ILO should also develop programmes of co-operation between the public and private sectors towards better methods of labour inspection. These demands would be partly met by increased funding from the Community to the ILO’s International Programme on the Elimination of Child Labour. In a report published in April 2002, the ILO estimated that there were 127m children between the ages of 5-14 at work in the Asia-Pacific region, comprising almost 20% of the workforce, the worst region worldwide. Finally, in a new clause, Parliament wants the Commission to report back to plenary, before the end of this year, on what “steps and measures” the Community would have taken to implement the terms of the Resolution.

Speaking during the debate, which preceded the vote on the agreed motion for a Resolution, Commissioner for Enterprise and the Information Society, Erkki Liikanen, said that the Commission condemned all forms of child exploitation, particularly “the worst forms of child labour”. He could support the demand by Parliament and non-governmental organisations (NGOs) that the Federation of International Football Associations (FIFA) and sporting goods companies should ensure that no children are employed in the production of FIFA licensed sports-wear and footballs. The Commission, Liikanen indicated, is ready to work with those NGO’s that have local partners in developing countries able to promote the elimination of child labour. The Community has agreed to implement the ILO Core Labour Standards within the framework of bilateral and multilateral agreements with developing countries. One of the most efficient methods of rescuing children from the vicious cycle of exploitation, he said, was for the Community to support universal and compulsory primary education. This support forms part of the Community’s Education for All initiative. Recognising that agreements and conventions may not be a sufficient incentive to developing countries to work towards the elimination of child labour, Commissioner Liikanen pointed out that, in December 2001, the Community had adopted a revised Generalised System of Preferences (GSP). The modified GSP would grant additional trade preferences to those countries that made guarantees to respect core labour standards. (For details of the GSP see *EurAsia Bulletin* Vol. 5 No. 8&9 p12 and No. 12 p53).

Questions to the Commission

Singapore

The prospects for the EU’s trade relations with Singapore was the subject of a question by Richard Corbett (PSE). The United States and Singapore, Corbett said, had been discussing the possibility of signing a Free Trade Agreement (FTA). In an effort to protect equal access for the EU to Singapore’s market, should the European Union, therefore, begin



negotiations towards an FTA with Singapore. Also, if an FTA between ASEAN and the EU would be impossible, would an agreement with Singapore alone be feasible.

In reply, the Commissioner for Trade, Pascal Lamy, said that an FTA between the EU and Singapore might depend on whether “a convincing economic case can be made”. He announced that the Commission would launch a consultation with the “private sector and other parties” to gauge the best way to develop Europe’s relations with both Singapore and with ASEAN. Any agreement would have to support increased regional integration in Asia and improve the EU’s links with ASEAN. Singapore had made a proposal to the EU about commencing negotiations but, while the Commission was interested in fostering closer economic co-operation, the priority for the EU would remain multilateral negotiations in the WTO under the Doha Development Agenda. Singapore has concluded FTA’s with Japan, New Zealand and the European Free Trade Association. It is currently pursuing negotiations with the United States, Australia, Canada and Mexico.

East Timor

Glenys Kinnock (PSE) wondered whether the Commission had any plans, following East Timor’s independence, to establish a Community delegation office in the capital Dili. Chris Patten, the Commission for External Relations, replied that there were currently no plans to open such an office, not least because the budget for delegations in third countries has already been fully committed. Once East Timor becomes independent, on May 20th, the Community delegation office for Indonesia, based in Jakarta, would be formally accredited to East Timor. However, in the short term, this would not leave East Timor without any Community representation. The Commission established a humanitarian aid office in Dili, in 1999, to manage emergency aid actions. Subsequently, in February 2001, a Community Correspondent Technical Assistance Office (CCTAO) was also opened. Financed under a budget line that provides project management and technical assistance to Community rehabilitation and development programmes, the CCTAO will operate until December 2004.

Women in Afghanistan

The plight of women in society and political life in Afghanistan, which has been an ongoing concern of Parliament, was the subject of a question by María Valenciano Martínez-Orozco, a Spanish Socialist. A Parliament Resolution, adopted by urgency procedure, on 13th December 2001, called for between one quarter and one third of international aid to Afghanistan to be spent directly to benefit women. The Resolution also suggested that the UN consider appointing a “woman

rapporteur for gender equality”. María Valenciano asked the Commission what it had done, since December last year, to ensure that women had been involved both in the decision making process and in determining the use of financial aid for reconstruction.

Commissioner for External Relations, Chris Patten, in reply, said that the situation of women and girls in Afghanistan had been a “specific concern” over many years. The European Communities humanitarian aid programmes, which implemented actions on health, education, nutrition and employment, all contained “significant components” to address the plight of women. A “gender specialist” had accompanied several missions to Kabul that sought to identify “quick-impact projects” in the areas of education, rural development, food security, urban regeneration and health. The gender specialist, according to Patten, had the specific objective of ensuring that gender issues and the need to improve social conditions were taken into account from the outset.

Another Spanish Socialist, María Izquierdo Rojo, has also consistently raised the plight of women in Afghanistan. Parliament adopted a Resolution on Women and Fundamentalism, on 13th March, based on her report to the Women’s Rights Committee. She called on the Council, the Commission and the Member States to establish a Special Observer Group to examine the policies of the Afghan government, to ensure their respect for the rights of women. María Valenciano is active in several women’s groups, including the *Fondation Mujeres*, the Women’s Association of Southern Europe and the European Women’s Lobby.

Pakistan’s Blasphemy Laws

Eurig Wyn (V/ALE) raised the plight of two civilians being held in prison under Pakistan’s blasphemy law. Reports indicated that one man had been tortured while the second man was shot inside the court house by the complainant. While Pakistan’s leader, General Pervez Musharraf, had made some attempts to reform the law, which is open to widescale abuse, the “extremist lobby” had made the prospect for reform very difficult. Wyn wanted the Commission to pressure Pakistan to complete this reform and raise the issue in EU-Pakistan human rights relations.

The reply, by Commissioner for External Relations, Chris Patten, while acknowledging that the blasphemy law “was applied arbitrarily” and that basic standards of due process “were often not met”, was in general rather tepid. The only commitment he made was to ensure that, once the EC-Pakistan Co-operation Agreement entered into force, the EU would re-establish dialogue on “sensitive human rights issues” under the terms of Article 1 of the Agreement. His reply admitted that a disproportionate number of cases



under the blasphemy law were brought against non-Muslims. Thus, while the non-Muslim community comprised 3% of Pakistan's population, they represented 30% of all cases concerning blasphemy.

South Korean Shipbuilding

Karin Riis-Jørgensen (ELDR) noted that the situation of the European shipbuilding industry was "completely intolerable", following the behaviour of South Korean shipyards and the government. By pricing vessels below cost, South Korea had "long been distorting competition". EU-Seoul talks to resolve the crisis had not reached any satisfactory conclusion. In December 2000, the Member States had agreed to take the matter before the WTO Dispute Settlement Body. This move was supported by Parliament in a series of Resolutions on Commission reports on the situation in world shipbuilding (see *EurAsia Bulletin* Vol. 6 No. 3&4 p55 for the fifth Commission report, which was due to be published in 2001 but had been delayed precisely because of the Korean issue). However, despite Parliament's support, the Commission had not referred the matter to the WTO. Riis-Jørgensen wanted to know when the Commission would abandon efforts to ensure that its proposal for a Council Regulation was adopted by the Council of Ministers. The proposal seeks to provide aid to European yards on a temporary basis before the issue is resolved at WTO level.

Commissioner for Trade, Pascal Lamy, replied that the Commission would not initiate a WTO action against Korean subsidies "unless Member States approved the temporary defence mechanism" that the Commission had proposed. His answer pointed out that a Commission investigation under the Trade Barriers Regulation of 1994 had found that Korea "granted substantial amounts of subsidies" and that these subsidies "were causing adverse effects to Community industry". The Commission proposal to provide temporary aid was limited to those sectors of vessels for which "material injury and serious prejudice" had been established.

Chinese Food Imports

In response to a question from the Dutch Liberal, Elly Plooi-j-van Gorsel, Commissioner for Trade, Pascal Lamy, admitted that the Community had allowed imports of Chinese food products, contaminated with a "highly toxic" substance, to continue for a period of five months, rather than ban such imports outright, as it was entitled to do under Community and international law. Since August 2001, EU Member States have continuously found residual levels of chloramphenicol, nitrofurans, other veterinary medicines and contaminants or prohibited substances in imports from South-East Asia and China, in particular, of certain products of animal origin, such as crustaceans, aquaculture products, honey, casings and poultry meat.

Meeting in December 2001, the European Communities Standing Veterinary Committee declared that the presence of chloromphenicol in foodstuffs of animal origin "at whatever limit" constituted a "hazard to the health of the consumer". Under Community and international law, imports containing chloromphenicol may be legally destroyed once tests confirm its presence. Plooi-j-van Gorsel's question pointed out that, following the destruction in the Netherlands of a series of consignments from China of rabbit meat and fish, contaminated with chloromphenicol, China, in response, had banned outright all Dutch agricultural products. She wanted to know whether China's action was in accordance with WTO procedures and what action the Commission intended to take to resolve the matter. Commissioner Lamy said that the five month delay in banning Chinese imports was necessary to establish whether the residue control system in China had serious systemic problems. The Commission had written to China's Minister for Foreign Trade, Shi Guangsheng, expressing concern at China's disproportionate actions. Plooi-j-van Gorsel is Chairman of Parliament's Delegation for Relations with China.

Human Rights in Vietnam

Marco Pannella (NI) highlighted the deterioration in the human rights situation in Vietnam, where the exercise of fundamental rights is forbidden and repressed. Mentioning several persons by name, Pannella wanted to know what the Commission was doing to secure the release of the detainees. They include human rights activists, translators, journalists and a researcher. He also wanted a list of Community funded programmes that promote respect for democracy, the rule of law and protection of fundamental freedoms.

In reply, Commissioner for External Relations, Chris Patten, said that the cases raised by Pannella "remain of concern" and that "particular issues and individual cases" would be raised through "appropriate diplomatic channels". He did not comment on what measure of success the EU might have had with the Vietnamese authorities. One element of the diplomatic channels includes meetings of the EU-Vietnam Joint Commission, which was established under the terms of the EC-Vietnam Co-operation Agreement. The Agreement was signed in July 1995 and entered into force almost one year later. They typically contain clauses requiring both parties to abide by the rule of law and respect human rights. Projects financed under the Vietnam Country Strategy programme focussed mainly on rural development, health and education and economic reform. However, in May 2002, the Commission adopted an updated Country Strategy Paper covering the years 2002-06. The focus of projects financed under this Strategy will include human development, education, support for economic

reform and accession to the WTO. Further cross-cutting projects will include environmental protection, the promotion of human rights, good governance and culture and education.

Readers will recall that Parliament adopted a Resolution, in October 2001, condemning continued violations by the Hanoi government of human rights and democratic principles. (For details see *EurAsia Bulletin* Vol. 5 No. 10&11 p44).

Forests in Indonesia

Citing political corruption and the blight of forest fires as the chief causes, Karin Junker (PSE) raised the issue of the “alarming” destruction of Indonesia’s forests. Compared to 40 years ago, when there was 162m hectares of forest, only approximately 80m hectares of forest remain, a decline of 50%. Local observers, she said, have testified that regional administrative authorities, with desperate finances, have been illegally felling trees. In the last four years, the European Union has allocated €106m in development programmes, mainly to support forestry initiatives. Forestry reform was also an element in the Commission Communication, adopted in 2000, on “Developing closer relations between the EU and Indonesia”. Junker wanted to know whether the Commission was “exerting pressure” on Indonesia to implement agreed reforms both at government level and through co-operation with non-governmental organisations. Is there a link, she asked, between the state of the forests and “shortcomings in the local administrative structure”. Junker also pressed the Commission for details of the extent of deforestation and the scale of corruption.

In reply, Commissioner for External Relations, Chris Patten, agreed that “the root of the problem” in Indonesia lay with inadequate governance and poor regulation of both land and forest resources. Saying that it would be difficult to “quantify the scale involved”, Patten nevertheless stated that corruption is reportedly related to the distribution of logging permits. However, the Commission is not inactive in dealing with the issue. On behalf of the European Union, the Commission, in the international Consultative Group on Indonesia, had been pressing for reform in forestry and land governance sectors. The preservation of forests is “being encouraged” through specific clauses and through governance aspects of EU funded projects. Within the Indonesian Ministry of Forestry, the EU has financed the creation, in 2001, and the ongoing operation of the Illegal Logging Response Centre. This unit is responsible for the control of illegal logging and collating such reports. The Country Strategy Paper for Indonesia, which sets out the EU’s priorities for bilateral relations and covers the period 2002-06, will promote good governance and sustainable management of natural resources.

Indo-Pakistan Tensions

Emphasising the difference between Javier Solana and Chris Patten, Lucio Manisco (GUE/NGL) queried the Commission’s role in helping to prevent an all-out war between India and Pakistan, given the state of tensions between the countries in the month of May. Noting that a war between two nuclear powers would have a disastrous effect on the entire region, Manisco asked the Commission whether a mission by the High Representative for CFSP, Javier Solana, would not be appropriate, if it could avert a tragedy through urgent diplomatic action.

Politely declining to comment on a possible role for Javier Solana, the Commissioner for External Relations, Chris Patten, replied that the “international community” had taken “an active interest” in trying to defuse tensions. A military conflict, with the risk of nuclear exchanges, would have “unimaginable consequences” for the countries concerned, the region and beyond. Patten visited both Islamabad and Delhi, meeting with President Musharraf and India’s Minister of Foreign Affairs Jaswant Singh. Referring to “international efforts”, Patten said that intensive contacts had led to some confidence building steps. This include reports that India had recalled to port some warships, re-opened its airspace to Pakistan and is considering re-appointing a High Commissioner to Islamabad. The “international community” would have to continue to monitor the situation and press President Musharraf to stop cross-border infiltration. These efforts should be, Patten said, “visible, effective and verifiable”. Both sides should also address the “underlying Kashmir issue”. ■



THE EUROPEAN COMMISSION

by John Quigley

International Grains Agreement

The Commission adopted a proposal (COM(2002)219) for a Council Decision, on 3rd May, establishing the position to be adopted, on behalf of the European Community, in the Food Aid Committee. The Committee is part of the Food Aid Convention which, in turn, with the Grains Trade Convention is part of the International Grains Agreement. That Agreement was adopted in 1995. The Food Aid Convention, which was adopted in 1999, has been extended several times, but is due to expire in July of this year. Similarly, the Grains Trade Convention of 1995 has been extended but will expire in June. The Commission is seeking the authority of the Council to vote, at Committee level, in favour of the extension of the Food Aid Convention until June 2004 but only if the Grains Trade Convention is also extended. The Community's contribution to these Conventions comes from budget line B7-821 on International Agricultural Agreements. If extended for two years, the Community contribution until June 2004 would be €0.517m *per annum*. Leading recipients of food aid under the Convention include, *inter alia*, Afghanistan, Bangladesh and North Korea. The Committee is due to meet in December this year to decide on whether to extend the Agreement and on how long the period of extension should be.

Humanitarian Aid

Indonesia, Cambodia, Thailand

On 29th May, the Commission adopted a series of Commission Decisions allocating humanitarian aid to Indonesia, Cambodia and Thailand. The aid to Indonesia, comprising a total of €1.54m, will target internally displaced persons primarily affected by the widespread floods of February of this year. Those affected by civil unrest will, however, also be covered. The money will be spent on improving existing water and sanitation facilities, providing food and building materials. The Decision for Cambodia allocates €0.7m to target dengue haemorrhagic fever. Working with the Cambodian Red Cross and the International Federation of Red Cross Societies, the Community Aid Office (ECHO) will promote disease awareness and prevention measures. Two separate programmes are envisaged. One initiative will distribute larvacide (a poison to kill mosquitoes at the larva stage) to 666,000 families while another project will develop a health awareness campaign for 370,000 families. The final

Decision allocates €2m to assist refugees from Burma, who are living in camps on the Thai-Burma border. The camps, which are actually inside Thailand's territory, house approximately 42,000 refugees. The Decision will finance the purchase and distribution of foodstuffs comprising rice, mug beans and cooking oil and will finance the provision of fuel for cooking.

India

The Commission adopted a Commission Decision, on 7th June, allocating €2m in humanitarian aid for the victims of the inter-religious violence in State of Gujarat, that took place in late February and early March of this year and for the victims of the Kashmir conflict. The money will also cover aid to refugees from Sri Lanka, who are currently living in camps in the Indian State of Tamil Nadu. It is estimated that there are some 60,000 refugees living in 120 camps in Tamil Nadu with possibly another 30,000 living outside the camps. The Commission Decision envisages financing programmes to support food supply, health care, education and psycho-social support for children affected by the conflict.

Sri Lanka

Also on 7th June, the Commission adopted a Commission Decision allocating €1.5m in aid towards mining surveys and mine clearance operations. The long running Tamil Tiger conflict led to the emergence of large numbers of internally displaced persons (IDP's). A United Nations High Commission for Refugees report, published in May, estimated the total number of IDP's in Sri Lanka as 800,000. The most affected areas included the north and north-east of the country where the fighting was at its most intense. With the end of the fighting, many of the internally displaced have started to return to areas that have been heavily mined. The Community aid will be spent conducting surveys, on awareness raising actions and on actual mine disposal operations. It will include psychosocial support for land-mine victims and healthcare provisions for women and children.

Afghanistan

On 15th May, the Commission adopted a Commission Decision allocating €29.4m in food aid to Afghanistan. Calling the aid "an important element of EU support", the Decision has two main aims, namely, in the short term, to counter the existing food crisis and to improve food security in the long term. Through a series of partners, the Community's Humanitarian Aid Office (ECHO), will supply seed, foodstuffs, tools and fertilisers. The money will also finance a Food and Agricultural Organisation (FAO) project with the aim of re-establishing a national seed multiplication and distribution system. Lastly, the EU aid will support NGO's in projects designed to rehabilitate and improve rural production systems.



Also on 15th May, the Commission adopted a Decision allocating a total of €5.7m in support to the Afghan Interim Authority (AIA). The bulk of the aid, €2.5m, will be directed towards providing technical assistance to the Afghan Assistance Co-ordination Authority, the body which co-ordinates all international donor support. Separately, €2.2m will be spent strengthening the role of the AIA in the major cities outside Kabul including Mazar-i-Sherif, Kandahar, Jalalabad and Herat. This would mean reconstructing government services in these cities. The Commission will finance a project supporting the role of the media to the tune of €0.5m. Building on the success of the Radio Afghanistan, the aid will promote the development of print media and training for journalists. Finally, another €0.5m will be allocated to the International Security and Assistance Force (ISAF) to run civilian projects, such as rehabilitating schools and hospitals.

In another Decision, adopted on 17th June, the Commission allocated €9.25m in aid to Afghanistan that will assist both returning refugees and other internally displaced persons who are living in camps. The money will be distributed between the United Nations High Commission for Refugees (UNHCR), the International Organisation for Migration (IOM) and several non-governmental organisations (NGO's). It is estimated that there are more than 4 million returnees in Afghanistan with over 800,000 arriving in 2002 alone. Many head, in the first instance, for the major cities. The UNHCR has stated that these population movements could become a cause of instability with growing pressure on living resources and the general infrastructure. The Commission Decision allocates money, for returnees, to improve the transport system, medical support, provide teacher training and kits containing food and basic utensils. The aid for those still in camps will be spent on improving water and sanitation facilities and on the provision of healthcare. A separate element of the aid will implement an awareness programme extolling the dangers of landmines and unexploded ordinance.

Two days later, the Commission adopted a further Decision allocating €22m to the international Programme for Re-integration and Community Support in Afghanistan. This programme is run by several European NGO's comprising the Danish Committee for Afghan Refugees, AfghanAid (UK), Agro-Action (Germany), the Swedish Committee for Afghanistan and HealthNet International (the Netherlands). The total budget for the programme is €30.7m. The aim of the programme is to develop rural infrastructure sufficiently to allow returnees to leave the major cities and to return to their place of origin. The other aim is to assist the re-integration of returnees by providing assistance to counter the drought conditions and loss of agricultural supplies.

Indian Iron and Steel Products

Anti-dumping Duty

On 21st May, the Commission adopted a Commission Decision ECSC/841/2002 amending Decision ECSC/283/2000 imposing a definitive anti-dumping duty on imports of certain flat rolled products of iron or non-alloy steel, of a width of 600mm or more, not clad, plated or coated, in coils, not further worked than hot-rolled, originating in, *inter alia*, India and accepting a price undertaking.

Countervailing Duty

Also on 21st May, the Commission adopted a Commission Decision ECSC/842/2002 amending Decision ECSC/284/2000 imposing a definitive countervailing duty on imports of certain flat rolled products of iron or non-alloy steel, of a width of 600mm or more, not clad, plated or coated, in coils, not further worked than hot-rolled, originating in, *inter alia*, India and accepting a price undertaking.

EC-Pakistan Finance Agreement

The Commission signed a Financing Agreement with Pakistan, on 22nd May, worth €50m to promote reform in the financial sector as part of the Financial Services Sector Reform Programme. The Programme is part of the package of measures aimed at supporting Pakistan's "constructive policies" post-September 11th. During his visit to Islamabad, Commissioner for External Relations, Chris Patten, signed the Agreement with Pakistan's Finance Minister, Shaukat Aziz. Prior to his departure from the EU, Patten said that he was "looking forward to reinforcing the EU's growing relationship" with Pakistan and in helping support its integration into the world economy. The objective of the Programme is to address regulatory and institutional issues for small and medium sized enterprises (SME's) with a focus on micro-finance and financial services. This would be achieved through establishing a regulatory framework that facilitates the increased participation of banking institutions in providing services in rural areas and to SME's. The Programme would also seek to increase the number of micro-finance institutions licensed by the State Bank of Pakistan, that operate particularly in rural areas.

Compact Disks from Taiwan

The Commission, on 3rd June, adopted a proposal (COM(2002)282) for a Council Regulation imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of recordable compact disks (CD-R) originating in Taiwan. Following a complaint, by the Committee of European CD-R Manufacturers (CECMA) of injurious dumping by Taiwanese companies, the Commission, in March 2001, began an investigation into Taiwanese exports to



the Community. The investigation covered the period between January and December 2000. This investigation led to the imposition of provisional anti-dumping duties through Council Regulation EC/2479/2001 on Taiwanese CD-R's. It was established that imports from Taiwan increased significantly during the investigation period, boosting the market share from 6.3% to 60.1%, while the sales price of Taiwan's CD-R's declined by 73%. In comparison, the market share of other countries decreased from 78.8% to 21.3%. Japan and Singapore, the largest exporters to the Community, had market shares of 9.5% and 2.7% during the year 2000.

Following the adoption of the 2001 Regulation, two Taiwanese companies applied for new exporter status in an effort to benefit from the lower rate of duty enjoyed by those companies that co-operated in the original investigation. To prove new exporter status, the companies would have to provide evidence that they did not export to the Community during the investigation period, that they were not related to other Taiwanese exporters or producers who are subject to the provisional duties and, lastly, that they had exported to the Community after December 2000. The Commission proposal, adopted on 3rd June, states that only one Taiwanese company meets these criteria, Nan Ya Plastics Corporation. Regarding the imposition of definitive anti-dumping duties, the Commission proposal, despite additional submissions by exporting producers, confirmed the level of injury suffered by the Community industry. However, the dumping margins were revised. The proposal would establish a definitive dumping margin of between 17.7% and 29.9% for five named companies. The margin for other co-operating exporting producers would be 19.2% and for non-co-operating producers 38.5%. This was established on the basis that the Community industry was prevented from participating in market growth and that because of declining sales prices, investment programmes had to be curtailed. Thus, the proposal would provide for the imposition of anti-dumping duties at the rate of 17.7% for 4 named companies, 19.2% for 7 named companies, 29.9% for one company and 38.5% for all other exporting producers. Nan Ya Plastics, would enjoy a rate of 19.2%. Equally, because of the magnitude of the dumping by these companies, the provisional duties should be collected.

Taleban and Al Qa'ida

The Commission adopted a Commission Regulation EC/951/2002, on 3rd June, amending Council Regulation EC/881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the *Al Qa'ida* network and the Taleban, and repealing Council Regulation EC/467/2001. The 2001 Regulation prohibited the export of certain goods and services to Afghanistan, strengthened a flight ban and

extended the freeze of funds and other financial resources in respect of the Taleban of Afghanistan. This series of Regulations follows the adoption by the United Nations Security Council of Resolution 1267(1999). The Sanctions Committee established under that Resolution has identified a further series of people and organisations who should be added to the list freezing funds and financial resources. The new Commission Regulation expands the entry in Regulation EC/881/2002 concerning the Al Rashid Trust, identifying addresses and places of operation that include Herat, Jalalabad, Kabul, Kandahar and Mazar-i-Sherif in Afghanistan. Operations in Kosovo and in Chechnya are also named. The new Regulation adds several newly identified persons, including persons residing in the United Kingdom and Italy, but who were born in places such as Tunisia, Libya, Egypt and Ethiopia. The Al-Haramain Islamic Foundation with operations in Bosnia, Herzegovina and Somalia has also been added to the list. The repeal of Council Regulation EC/467/2001 was necessary to allow the new government in Afghanistan to have access to bank accounts frozen while the Taleban were in power and to permit improved access for goods and services.

EC-Japan Agreement

On 3rd June, the Commission adopted a proposal (COM(2002)273) for a Council Decision amending Council Decision EC/747/2001 on the conclusion of an Agreement on Mutual Recognition between the European Community and Japan. To update the Agreement, which was adopted in September 2001, on technical matters, Article 8 provided for the creation of a Joint Committee. Tasks were allocated to the Commission, such as the exchange of information and the verification of legislation implemented in both the Community and Japan. The task of representing the Community position at the Joint Committee meetings was shared between the Commission and the Council. However, the Joint Committee as constituted in the 2001 Council Decision did not allocate the power to add new Sectoral Annexes, only to amend existing ones. Existing Sectoral Annexes cover products such as chemicals, telecommunications, electrical equipment and pharmaceuticals. Nor did the Decision allow the Committee to amend the framework element of the Agreement. This proposal to amend the Agreement would eliminate the need for the Council of Ministers to agree on what amounts to purely technical issues. If adopted, the new Decision would allow the Commission to represent the Community at Joint Committee level. Actions required for the implementation of the Agreement would be the responsibility of the Commission, assisted by a special committee made up of representatives from the Council. Also, following its consultation of the special committee, the Commission would have the sole responsibility of determining the Community position.

Subsequently, on 6th June, the Joint Committee, established under the 2001 Council Decision, adopted a Decision 1/2002, adopting its Rules of Procedure. The Decision was signed by the two co-chairs of the Joint Committee namely Jun Shimmi, Director in the Economic Affairs Bureau of the Japanese Ministry of Foreign Affairs and by Philippe Meyer, Head of Investment, Standards and Certification at DG Trade in the European Commission. The Rules of Procedure stated that meetings of the Joint Committee (JC) would take place at least once annually, with the location rotating between both parties. The first meeting of the JC took place, on 5th March, in Tokyo. Later, on 20th June, the JC adopted a Decision 2/2002 establishing a sub-committee for the Sectoral Annex on good manufacturing practice for medicinal products. The sub-committee would meet at least once every year but, during the preparatory phase, defined as the next 18 months, the sub-committee would meet four times. Meetings of the sub-committee would not be public.

Indigenous Peoples

The Commission, on 11th June, adopted a Report (COM2002)291 on a “Review of progress of working with indigenous peoples”. The Report was compiled in response to a demand from the Council of Ministers dating from November 1998, in their Council Resolution, that the Commission gauge the level of progress, by December 2000, achieved in supporting indigenous populations within the framework of the EU’s development policy. The Report, which covers the years 1998-2000, states that building partnerships with indigenous peoples is “essential to fulfil the objectives” of poverty elimination, sustainable development and in strengthening respect for human rights and democracy. However, the pace of progress with indigenous peoples has been affected by the re-organisation of the Commission services. The ability to implement the terms of the Council Resolution was also hampered by the lack of a central database recording actions involving indigenous peoples and the lack of a clear and consistent reference to such groups in project definitions. The Report calls the development of a Community policy towards indigenous peoples as an “evolving field of policy and action”. Despite the delay in compiling the Report, the Commission believes that there has been “significant progress towards realising the Council’s goals”.

Between 1998-2000, through several budget lines, the Commission allocated €21.9m to projects directly benefiting indigenous peoples. The budget lines included NGO co-financing, environment and tropical forests, democracy and human rights with other funding coming through the Community’s Humanitarian Aid Office (ECHO). With regard to Asia, the Report details a project in Thailand from 1999 that cost €151,456. In partnership with the Inter-Mountain Peoples Education and Culture in Thailand

Association (IMPECT), the Commission sought to support community building, organisation and capacity building among the hill tribes. The initiative targeted approximately 45,000 persons in 100 villages. The programme had a focus on education and training on environmental protection, human rights and community rights. In 2000, the Commission spent €353,868 commissioning an international study on indigenous culture, customs and traditions. The project involved case studies in, *inter alia*, Asia.

After listing projects on a world-wide basis, the Report makes several proposals for future action. While stating that “solid progress” has been made, the integration of indigenous concerns into the Community’s development policy is “an ongoing concern”. The process of integrating these concerns is, the Report states, a “task of some magnitude”. The methodology necessary to mainstream indigenous concerns will require further development. Another proposal highlights the need for a central database identifying projects relevant to indigenous communities and the need for specific references to such initiatives. The Report addresses the issue of the co-ordination and coherence of EU action saying that “there remains scope for enhanced co-operation”. This co-operation should be developed between the Commission Directorates General, with Member States and with external NGO’s and international organisations.

Speaking at a conference in Brussels, in June, on “Speaking out - Indigenous views of development and the implementation of EU policy”, Commissioner for Development and Humanitarian Aid, Poul Nielson, said that the guiding principle of the EU’s development policy was “respect for others”. The conference was designed to take account of the needs and aspirations of indigenous peoples in future development programmes. The EU, Nielson said, recognised the need to build partnerships with indigenous communities and “to integrate their concerns into all relevant policies of the EU”. The respect for human rights is “an essential element” of the Community’s Co-operation Agreements with third countries.

Commissioner Nielson outlined five proposals for future action towards the implementation of the 1998 Council Resolution. Firstly, he said, four or five pilot countries should be selected to gauge how indigenous issues could be integrated more effectively into all phases of the project cycle - from the identification, implementation, monitoring and evaluation of projects. The next proposal focussed on the Commission services. The Commission’s analysis of the impact of development co-operation projects should be spread across the different Directorates General and should take account of the role of Country Strategy Papers. The third proposal Nielson made, called for the integration of indigenous issues into the EU’s political



dialogue with third countries. Within the context of decentralisation, Commission staff should be given appropriate training so as to raise awareness of indigenous issues. The final proposal involved the Member States of the EU. Nielson called on EU governments to ratify the “only binding legal instrument” recognising indigenous rights, the International Labour Organisation (ILO) Convention on Indigenous and Tribal Peoples. The significance of the Convention “could not be underestimated”, he said. In conclusion, the Commissioner stated that the next Presidency of the European Council, Denmark, under Prime Minister Anders Fogh Rasmussen, was considering producing Council Conclusions on Indigenous Peoples. The Danish Presidency will run from July to December of this year.

Bicycles from Taiwan

The Commission, on 20th June, adopted a proposal (COM(2002)325) for a Council Regulation amending Council Regulation EC/397/1999 imposing a definitive anti-dumping duty on imports of bicycles originating in Taiwan. In August 2001, the Commission received a request from a Taiwanese exporting producer, Oyama Industrial Co. Ltd, for new exporter status. The company submitted that it did not export bicycles or parts thereof, to the Community during the time of the original investigation that established the anti-dumping duty for other Taiwanese companies. To be granted new exporter status, the company would have to fulfil two other conditions, namely, that it did not have any commercial relationship with the other companies who are subject to the duty and that Oyama Industrial have actual contractual obligations to export to the Community after the original investigation period. If the company was successful it would enjoy an anti-dumping duty substantially lower than the duty rate originally imposed for non-co-operating companies or for companies that did not make themselves known. A Commission review of Oyama Industrial’s application showed that they did meet the three requirements. Thus, if adopted by Council, the Commission proposal would impose a duty rate of 5.4% on Oyama Industrial instead of the 18.2% rate it would enjoy if the Commission had rejected its request.

China’s WTO Membership

The Commission adopted a proposal (COM(2002)342) for a Council Regulation, on 25th June, on a transitional product-specific safeguard mechanism for imports originating in the People’s Republic of China and amending Council Regulation EC/519/1994 on common rules for imports from certain third countries. Following China’s accession to the World Trade Organisation (WTO) in December 2001, certain changes to the Community safeguard mechanisms and the non-textile quota system became necessary. The safeguard mechanism is a procedure designed to

protect the Community from a sudden surge in imports from third countries. China’s Protocol of Accession contains details of a transitional product-specific safeguard mechanism that contradicts some elements of the European safeguard mechanism.

The Protocol provides that the WTO safeguard mechanism for China will expire in 2013. The Commission therefore proposes removing the reference to China in the 1994 Regulation and making Community law compatible with the WTO Protocol safeguard mechanism requirements by adopting a new Regulation. Also, because non-textile quotas for Chinese products will be phased out by 2005, the Commission proposes that quotas for certain footwear, ceramics and tableware provided for in the 1994 Regulation be changed. The draft Regulation would abolish the surveillance measures adopted in the 1994 Regulation that measured the imports of food preparation products, dyes, bicycles and some footwear, ceramics and glass. Finally, the Commission proposal, if adopted by the Council of Ministers, would abrogate the power to amend the list of non-market economy countries in Annex 1 to the 1994 Regulation, from the Council to the Commission. Every time such a country became a WTO member, the Council would have to adopt an amending Regulation. This power would, in future, be reserved to the Commission. ■



THE COUNCIL OF MINISTERS

by John Quigley

ECOFIN Council 7th May

Coumarin from China

The Council adopted a Council Regulation EC/769/2002 imposing a definitive anti-dumping duty on imports of coumarin originating in the People's Republic of China. The Commission adopted its proposal, on 15th April, proposing a duty of €3479 per tonne (for details see *EurAsia Bulletin* Vol. 6 No. 3&4 p55). This was the same duty level that was originally imposed on coumarin imports from China, in March 1996, by Regulation EC/600/1996. The new Regulation agreed with the Commission proposal.

Internal Market, Consumers and Tourism Council 21st May

Bicycles from Indonesia, Malaysia and Thailand

The Council adopted a Council Regulation EC/854/2002 terminating the anti-dumping proceeding concerning imports of bicycles originating in Indonesia, Malaysia and Thailand. In 1996, the Council imposed definitive anti-dumping duties on such bicycle imports in Regulation EC/648/1996. When these measures were due to expire in 2001, the Commission published an Expiry Notice, which led to the European Bicycle Manufacturers Association (EBMA) requesting a review of the measures. They claimed that there would be a continuation or recurrence of dumping if the Commission allowed the duties to expire. The Commission agreed and launched an investigation in April 2001. However, in February 2002, EBMA withdrew its request, asking the Commission to halt the investigation. The Council Regulation adopted on 21st May, therefore, terminates the Commission investigation and allows the anti-dumping duties to expire. In July 1998, the Court of First Instance issued a ruling in a case taken by the Thai Bicycle Company against the European Community. The Company claimed that the Commission had erred in calculating the export price level and in determining the normal value of the price of bicycles sold in Thailand. The Court ruled, however, that the Commission had considerable leeway in determining the level of prices and rejected the Company's request for a repeal of the 1996 Regulation.

Agriculture Council 27th-28th May

ITER

The Council adopted a Council Decision amending the negotiating Directives issued to the European Commission on the establishment of an international legal framework for the creation of a legal entity for the construction and operation of the International Thermonuclear Experimental Reactor (ITER). ITER is a joint project of the European Union through EURATOM, Japan, Canada and Russia with the goal of building a Reactor capable of demonstrating the scientific and technological feasibility of fusion energy for peaceful purposes. The amendment adopted by the Council authorises the Commission, on behalf of the Community, to present to the other States the offers of EU Member States to host the site of the Reactor. At the moment, both France and Spain have formally offered to host the project. Then, several days after the Council meeting, Japan made its formal declaration of interest in hosting the Reactor. As reported in *EurAsia Bulletin* Vol. 6 No. 3&4 p56, the proposal for an amendment to the existing Directives, was proposed by the Commissioner for Research, Philippe Busquin, to the Research Council, in March of this year. At the meeting, he also presented a Commission Working Paper (SEC(2002)276) analysing the total cost of the project and presenting various hosting scenarios. In light of this document, the amendment to the Directives also permit the Commission to negotiate financing and cost-sharing arrangements with the other States involved.

This was the background to a meeting, in June, of the Negotiations Group comprising participants of each interested party. The Group met in the city of Cadarache in south-west France, the location of France's bid. The Group made "significant progress" towards the preparation of a Joint Implementation Agreement, a final draft of which is meant to be ready by the end of September. This means that the various parties have probably agreed in principle, arrangements for the financing of the Reactor, technical issues surrounding the site assessment process and the organisational structure of the future ITER facility. The next Negotiations Group meeting will take place between 17th-18th September in Canada.

EU-Taleban, Al Qa'ida Sanctions

The Council adopted a Common Position and Regulation on certain specific measures against the Taleban and Osama bin Laden. Council Common Position CFSP/402/2002 concerns restrictive measures against Osama bin Laden, members of the *Al Qa'ida* organisation and the Taleban and other individuals, groups, undertakings and entities associated with them.



The act also repeals Common Positions CFSP/746/1996, CFSP/727/1999, CFSP/154/2001 and CFSP/771/2001. Following the adoption of several United Nations Security Council Resolutions, EU law has fallen behind in maintaining an accurate set of sanctions. UN Resolution 1390(2002) adopted in January, adjusted the scope of the sanctions relating to the freezing of funds, a travel ban and the provision of technical advice to Afghanistan. The Common Position states that the supply of arms and related material would be prohibited. EU Member States will prohibit the transfer of knowledge to named individual or groups, associated with Osama bin Laden, technical advice relating only to military activities. The Common Position also prohibits the entry into or transit through the territory of the European Union of these groups.

Then, to give legal effect to these changes, the Council adopted a Council Regulation EC/881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the *Al Qa'ida* network and the Taleban. The Regulation also repeals Council Regulation EC/467/2001 prohibiting the export of certain goods and services to Afghanistan, strengthening the flight ban and extending the freeze of funds and other resources in respect of the Taleban of Afghanistan. The Annex lists some 60 separate groups and 220 individuals, to whom the terms of the Common Position will apply.

General Affairs Council 10th-11th June

PAC from China

The Council, on 10th June, adopted a Council Regulation EC/1011/2002 imposing a definitive anti-dumping duty on imports of powered activated carbon (PAC) originating in the People's Republic of China. In December 2000, the Commission published a Notice indicating that the definitive measures in force were due to expire. The European Chemical Industry Council (CEFIC) submitted a request to the Commission for a review of the PAC market, claiming that the expiry would result in increased dumping from China. The Commission launched an investigation, in June 2001, to determine the likelihood of a recurrence of dumping. That investigation covered the period June 2000 to May 2001. This showed that prior to the levying of duties in 1996, China exported 4,008 tonne of PAC to the Community but this fell to 960 tonnes once the measures were in force. China's market share fell from 10% to 3%. A comparison, between the price paid by consumers in the Community with the price paid in the United States, showed that exports of PAC from China had been dumped at a substantial level. In fact, the dumping margin exceeded 40%. The investigation also showed that China had a significant spare production capacity, which could reach 36,000 tonnes in 2003. Given that the domestic Chinese

market had a substantial oversupply and that its normal export markets in India and Indonesia both imposed high customs tariffs then, exporting producers would have sufficient opportunity to export at dumped prices to the Community. The Commission proposed that the anti-dumping duty levied in Council Regulation EC/1006/1996 should be confirmed. The Council agreed and adopted a Regulation, on 10th June, imposing a definitive anti-dumping duty on Chinese exports of PAC to the Community of €323 per tonne. PAC is a fine power used primarily in water treatment systems, solvent recovery, vegetable oils and fats, pharmaceutical products and the food industry.

Justice and Home Affairs Council 13th-14th June

Compact Disks from Taiwan

The Council adopted a Council Regulation EC/1050/2002 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of recordable compact disks originating in Taiwan. The Commission had, on 3rd June, adopted its proposal for a Regulation (for details see European Commission section above). The Council did not defer from this proposal.

General Affairs Council 17th June

EU Special Representative

The Council adopted a Joint Action amending and extending Joint Action 2001/875/CFSP concerning the appointment of a Special Representative of the EU in Afghanistan. The Council agreed upon the nomination of Francesc Vendrell as the second EU Special Representative for Afghanistan. Vendrell, who will take up office between July and December of this year replaces the first ever Representative, Klaus-Peter Klaiber, whose mandate was due to expire at the end of June. On 8th May, the Council had adopted a Joint Action 2002/403/CFSP extending the mandate of Klaiber, who had been appointed in December 2001 for a period of six months, until the end of June. Vendrell was the Personal Representative and Head of the Special Mission (UNSM) of the United Nations Secretary General, Kofi Annan, to Afghanistan, for a period of almost two years, ending in January 2002. Since January, Vendrell had been working as a special adviser in the Spanish Ministry of Foreign Affairs in Madrid. (For details of the 2001 Joint Action see Vol. 5 No. 12 p52).

In May, the Political and Security Committee (PSC) held a discussion on the value of EU Special Representatives (EUSR), with particular reference to Afghanistan and FYROM. The PSC is made up of Member States Ambassadors and its meetings are



chaired by Javier Solana, the High Representative for CFSP. They concluded that the role of the EUSR is “essential for the implementation of the EU’s policy” and that they are “one of the principal tools” of the Common Foreign and Security Policy. Through their contact with local authorities, national, international and regional actors, the EUSR’s are an “excellent source of information” for the High Representative and the Council in general. The future development of the CFSP, including the European security and Defence Policy (ESDP), will, the PSC stated, “probably imply a growing role” for such Special Representatives.

ECOFIN Council 25th June

EC-India Agreement

The Council adopted a Council Decision EC/648/2002 concerning the conclusion of the Agreement for scientific and technological co-operation between the European Community and the government of the Republic of India. The Decision allows the Agreement to enter into force following its signature, in November 2001, by both parties (see *EurAsia Bulletin* Vol. 5 No. 10&11 p54 for details). Parliament adopted a Resolution, in the procedure without debate, on the Agreement, on 14th May. The Resolution approved the terms of the Agreement and urged the Council of Ministers to adopt the act. The Committee responsible was the Industry, External Trade, Research and Energy Committee.

Agriculture Council 27th June

EC-Korea Shipbuilding

The Council adopted a Council Regulation EC/1177/2002 concerning a temporary defence mechanism (TDM) for shipbuilding. Following a long and difficult discussion and negotiation process, the Council finally adopted a twin-track strategy pursuing both World Trade Organisation (WTO) proceedings against the Republic of Korea while, at the same time, adopting temporary support for Europe's shipbuilding yards. The Regulation, which was adopted by a qualified majority, provides contract-related temporary support as an "exceptional and temporary measure", in an attempt to soften the adverse effects caused by unfair Korean competition. The TDM will only come into legal effect once the Commission, on behalf of the Community, has started proceedings against South Korea at the WTO, initially by requesting consultations. The Korean government will have until the end of September 2002 to respond, before the Commission starts this action. The Regulation recalls the signature of the Agreed Minutes between the EU and Korea in June 2000 (for details see *EurAsia Bulletin* Vol. 4 No. 4&5 p25 and No. 6&7 p32). The Agreed Minutes were meant to restore “fair and

transparent competitive conditions” but, the Korean side did not effectively implement a price surveillance mechanism. The TDM will apply only to container ships, chemical tankers, product tankers and Liquefied Natural Gas carriers. The aid that will be available to Community shipyards for shipbuilding contracts will be up to a maximum of 6% of the contract value. EU yards would only be eligible for aid if such contracts are completed within three years. The terms of the Council Regulation will apply until March 2004, unless the WTO proceedings have been satisfactorily resolved sooner.

Presidency Declarations

Burmese Junta Releases Activist

The Presidency, on 8th May, issued a Declaration welcoming the release from house arrest of the leader of the National League for Democracy (NLD), Daw Aung San Suu Kyi. Calling the development “an important step”, the Declaration “expresses its satisfaction” to the junta about the release which took place on 6th May. In Rangoon, the military authorities said the release ‘opened a new page for the people of Myanmar’. This new beginning should lead to a “substantive dialogue” between the NLD and the junta, the Declaration states, towards establishing a “genuine process of democratisation” in Burma. Should there be “substantive progress” in democratisation, then the EU would be prepared to “review and adapt its position”. Currently, the EU has a Common Position (CP), agreed between all 15 Member States, in force against Burma’s ruling military junta. The CP was last renewed for a further six months and is now due to expire in October. Commissioner for External Relations, Chris Patten, indicated, on 6th May, that the release could “only be a positive step” in the development of EU-Burma relations. He stopped short, however, of linking progress towards democratisation with a relaxation of EU sanctions on the country. Calling for her “unconditional release”, Patten did say that her release should be followed by that of other remaining political prisoners. Members of the NLD should be able to travel throughout the country and to carry out political activities.

Maoist Violence in Nepal

On 8th May, the Presidency issued a Declaration on the growing level of terrorist violence in Nepal. The Declaration “expresses the deep concern” of the EU at the worsening security situation and the “brutal attacks” on civilians by the Maoists. Without expressly calling the Maoists terrorists, the Declaration asks them to “end their terror tactics”. The Maoists should disarm and pursue their goal of a Maoist State within the normal political process. The EU condemned the Maoist practice of destroying internationally financed



development projects and civil infrastructure. The current phase of democratic political development in Nepal is only 12 years old, following the restoration of a constitutional monarchy in 1990. The Declaration “strongly supports” the right of Nepalis to “enjoy and consolidate” their democratic State. While the government has been urging the Maoists to enter into talks, the EU is concerned that the security forces should abide by human rights conventions, particularly as the country is persecuting the war under a state of emergency.

Sri Lanka

In one of its last Declarations, the Spanish Presidency, on 26th June, called for the “full implementation” of the Tamil Tiger cease-fire with the Sri Lankan government under Prime Minister, Ranil Wickremesinghe. The cease-fire is currently almost 120 days old. The full implementation of the agreement refers to the requirement that both sides must implement confidence-building measures before August 2nd, when the cease-fire will be 160 days old. A lasting peace should not, however, undermine the principles of territorial integrity or the unity of Sri Lanka. The Declaration urges both sides to agree an “early date for talks”. As part of the conditions for talks, the EU would like the Tamil Tigers to “renounce terrorism and all forms of violence”. Both sides agreed to a cease-fire, in February, following the intervention of the Sri Lankan Monitoring Mission, a Norwegian initiative led by Major-General Trond Furuhojve (Retd).

Decisions adopted by Written Procedure

Measures to Combat Terrorism

On 2nd May, the Council adopted a Common Position (CFSP/340/2002) amending Common Position CFSP/931/2001 on the application of specific measures to combat terrorism. The new Common Position adds several named ETA activists to the list of people whom the EU Member States can freeze their financial assets. However, several Islamic groups have also been added to the list including *Gama'a al-Islamiyya* and *Lashkar e Tayyaba* (LET) *Pashan-e-Ahle Hadis*. Other newly proscribed groups include the International Sikh Youth Federation, *Aum Shinrikyo* (the Japanese group responsible for the 1994 sarin attack) and *Babbar Khalsa* (a Sikh terrorist group).

Also on 2nd May, the Council adopted a Council Decision EC/334/2002 implementing Article 2(3) of Council Regulation EC/2580/2001 on specific restrictive measures directed against certain persons and entities. The Decision repeals Council Decision EC/927/2001, which was adopted in December 2001. The 2001 Regulation gave legal effect to the ability of Member States to freeze funds and other financial

resources of named individuals and groups. The Regulation also obliged banks and financial institutions to hand over all information necessary to comply with its terms. Acting by unanimity, the Council would be able to amend the list. The Decision adopted, on 2nd May, establishes the list of persons to whom the freeze of funds refers.

Danish Presidency of the Council

July-December Work Programme

Denmark, under Prime Minister Anders Fogh Rasmussen, is due to take over the Presidency of the European Council, on 1st July next for the six months until the end of December. On 28th June, Denmark's Minister for Foreign Affairs, Per Stig Møller, presented the work programme of the Presidency under the title of “One Europe”. Unsurprisingly, the main focus of the Danes will be the enlargement of the European Union and, in particular, the Copenhagen Summit, which is due to take place in December. The other priorities Møller outlined included developing the area of freedom security and justice, promoting sustainable development, food safety and, lastly, global responsibility.

The work programme states that Denmark intends “giving a high priority” to combating international terrorism. This will be achieved firstly by increasing the focus on terrorism in the Common Foreign and Security Policy (CFSP) of the EU, the systematic evaluation of the contribution of third countries in fighting terrorism and the introduction of anti-terrorism clauses in agreements with third countries. The EU will conduct a “joint survey” describing how terrorists typically operate. In co-operation with the United States, Denmark will also propose an agreement on extradition and mutual legal assistance in criminal matters. However, to eliminate the “fertile breeding ground” for fundamentalism and political violence, the fight against terrorism must include, Møller said, an “active and effective” development policy. It is only by fighting poverty and promoting respect for human rights and democracy that terrorism can be totally defeated. In the area of asylum and immigration, the Danish Presidency will follow up the work agreed at Seville. Denmark will “make a special effort” to reach agreement on deciding who has responsibility for processing an asylum application (Dublin II) and on a common definition of the term ‘refugee’.

During its Presidency, Denmark will play host to the fourth Asia-Europe Summit Meeting (ASEM). The work programme calls the Summit a “central element” in the EU's objective of expanding relations with Asia. ASEM IV is likely to address security issues, in particular, the war on terrorism, regional economic co-operation, the environment, education and culture. Other references to Asia are, unfortunately, somewhat



scant. Denmark will hold EU summits with China, South Korea and India during its Presidency, but Møller did not elaborate on what, if any, progress the EU hopes to achieve. ■

THE EUROPEAN COUNCIL

by John Quigley

The leaders of the fifteen Member States met in Seville on 21st-22nd June for the second and last European Council meeting of the Spanish Presidency. The meeting was hosted by Spanish Prime Minister José Aznar López. Also in attendance were Commission President Romano Prodi, Parliament President Pat Cox and the Chairman of the Convention on the Future of Europe Valéry Giscard d'Estaing.

Reform of the Council

The European Council adopted a series of changes to the structure and operation of both the European Council meetings and the individual sectoral Councils. None of the changes foreseen will require an amendment to the Treaty on European Union. The greatest change has occurred to the General Affairs Council, which will now become the General Affairs and External Relations (GAER) Council. With regard to the meetings of the European Council, the GAER Council will prepare the agenda, indicating items for debate or adoption without debate. The European Council would continue to meet four times annually and at least twice every six months, but with the option to hold an extraordinary meeting if required. Then, on the eve of the European Council meeting, the GAER Council will adopt a definitive agenda in a final preparatory session. Other sectoral Council will be forbidden from meeting between those two sessions. Current practice establishes that the Heads of State and Government meet ahead of the formal European Council but, in the new guidelines, the formal meeting would last for a maximum of one day. It has been an unfortunate feature of previous meetings that they have dragged on into the night and into a second full day. A new innovation will be the responsibility of the European Council to draw up a multi-annual strategic programme, covering three years, which will define the general political guidelines of the EU. This programme would be drawn up in consultation with the Commission and the relevant Presidencies of the European Council. The first strategic programme will be drawn up in December 2003 under the Italian Presidency. Using this tri-annual programme, an annual work-plan will be submitted to the GAER Council every December. The first such annual work-

plan will be drawn up under the current Danish Presidency and will include a list of activities for each sectoral Council for the forthcoming six months.

The main reform of the sectoral Councils is to reduce their number from 16 to 9. The new list is as follows: General Affairs and External Relations; Economic and Financial Affairs; Justice and Home Affairs; Employment, Social Policy, Health and Consumer Affairs; Competitiveness (Internal Market, Industry and Research); Transport, Telecommunications and Energy; Agriculture and Fisheries; Environment; Education, Youth and Culture.

It is unclear how, in practice, the new GAER Council will operate with different Ministers of the national governments being present only for specific agenda points at specific times. The abolition of the Development Council brought a swift reaction from the European Parliament regretting the abolition of a separate Council and expressing concern that the European Union's development policy might be downgraded as a result.

India and Pakistan

The European Council adopted a Declaration on the bilateral relations of India and Pakistan. The Declaration welcomes the efforts undertaken by Pakistan to clamp down on cross-border terrorism but described such measures only as a "beginning". Notwithstanding such progress and the "de-escalatory measures" adopted by India in response, the Declaration calls the current situation between the two countries "precarious" and states that a war would be "catastrophic for the region". Pakistan is urged to "take further concrete action" to fulfil its international obligations to stop incursions across the Line of Control. Pakistan should act to prevent terrorists groups, although none are named, from operating from within territory "under its control" and to close the associated training camps. To assist Pakistan, the European Council proposed establishing a Joint Monitoring System, run by both Islamabad and New Delhi, which would stop such cross-border infiltration. In response to the threat of nuclear catastrophe in the region, given that both countries are nuclear powers, the EU wants both sides to adhere to the Non-Proliferation Treaty and the Comprehensive Test Ban Treaty. Finally, in a possible snub to the Commissioner for External Relations Chris Patten, the European Council urged the High Representative for CFSP, Javier Solana, to "pay an early visit" to the region. In response to a written question from Lucio Manisco (GUE/NGL), Chris Patten was more diplomatic than the Council, when he emphasised the role of the "international community" in helping to resolve Indo-Pakistan tensions (see European Parliament section above). Mr Manisco had, in fact, wanted to know what role Solana could play! ■

Conflict Resolution in South Asia - the EU's role?

by John Quigley

The former Foreign Secretary of India, Mr J. N. Dixit, addressed a lunch briefing of the European Institute for Asian Studies (EIAS), on 21st June, on "Conflict resolution in South Asia – what role for the EU?" Mr Dixit is a former Ambassador of India to Afghanistan and High Commissioner to Bangladesh, Pakistan and Sri Lanka. He is currently Honorary Visiting Professor at the Centre for Policy Research, which is based in New Delhi. The meeting was chaired by Malcolm Subhan, Vice-Chairman, EIAS.

Following the terrorist attacks on Washington and New York, on September 11th 2001, Mr Dixit said, the entire matrix of relations between India and Pakistan and the regional security environment became unravelled. The focus of the international community on Afghanistan also raised the profile of Pakistan, in particular, and of India and the state of their bilateral relations. The issues of dispute between India and Pakistan were intensely emotive and were deeply ingrained in the mindsets of both countries.

While it may have begun as a territorial dispute, the situation in Kashmir over time had gained a much more significant weight. India and Pakistan's actions in Kashmir were deeply related to the ideological terms of reference on which both countries were based. Pakistan's national identity has been based on religious values coupled with a sense that the people have not benefited enough from all that the sub-continent offered. Both countries have faced secessionist movements and would be reluctant to add Kashmir to the list. At the time of partition, Pakistan had expected to emerge as the pre-eminent force in the region, allied to the British, while India would be fragmented, merely consisting of a series of loose federations. Today, the rise of Islamic extremist terrorists has affected the entire state of India-Pakistan relations.

The European Union's recent role in the region has been positive. There has been an acknowledgement that terrorist violence was a destabilising factor in India-Pakistan bilateral relations. The EU had agreed that there should be no attempt to change the situation in Kashmir through military force, either overtly or covertly. EU leaders had expressed legitimate and serious concern about the process of nuclear arming in both countries. However, India's declared nuclear doctrine is more restrained than whatever Pakistan has indicated to date. As the larger country, India has been continually told to 'move on the territorial issue' or that it is being too obstinate.

Clearly, India needs to explain and promote its opinion better on the world stage.

When the national interests of two countries, such as India and Pakistan, are at stake, then impartiality is hard to promote. States can take active measures to neutralise the use of terrorism and end the distinction between a terrorist and a freedom fighter. The fundamental role for the EU could be to use its diplomatic and economic pressure to entice both sides to fall into line on tolerance, accommodation and mutual respect. The European Union can have a role in developing ideas or creating pressure for a solution that would counter the rise of militants in society. By advocating confidence building measures, the EU could seek to break the negotiating deadlock. Both parties should be urged to move away from their basic negotiating positions and to generate a momentum for progress.

Pointing the finger at Pakistan, as having the sole responsibility for the crisis in Kashmir, would no longer be a sufficient response. The bilateral problem has to be resolved within a national level framework. The Line of Control must be redefined by transferring portions of appropriate land to either side. There should be freedom of movement between both territories. A process of delegation of power and a degree of autonomy had, in fact, been proposed to Pakistan.

Despite the viewpoint of others, Mr Dixit said he did not accept that General Musharraf, Pakistan's ruler, was the last bastion of defence against the rise of Islamic extremism. Musharraf's actions were careful and tactical and were designed to ensure his continued survival. The confrontation between India and Pakistan can not end, unless and until Pakistan becomes a genuine democracy. The country needs rulers that come from the people and not from the military. The international campaign against terrorism provides India and Pakistan with an opportunity to move towards a reasonable dialogue, but only if there is a fundamental transformation of the power structure in Pakistan.

Questions and Comments

Navtej Dhillon, Co-ordinator, EU-India CSR, EIAS, noted that General Musharraf gained a lot of international attention and acceptance through his campaign against both the Taleban and *Al Qa'ida* but also against Pakistan's Islamic extremists. Surely his regime was the last bastion against a fundamentalist State in Pakistan? Sylvain Plasschaert, Professor Emeritus, University of Leuven, said that, while it would be easy to be dispassionate about the Kashmir question while sitting on the sidelines in Europe, the EU was rightly concerned that there should be no military conflict, especially given that both India and Pakistan were nuclear powers. He wondered whether



sufficient thought had been given to allowing Kashmir a high degree of autonomy. In this regard, would a Kashmir province be economically viable?

Dick Gupwell, Treasurer, EIAS, said that, as he understood the situation, an independent Kashmir was unacceptable to India. Several observers had called for the Line of Control to be made into an international frontier, but this was unacceptable to the Kashmiri's. Perhaps the role for the European Union could be to promote the concept of sharing sovereignty over Kashmir. What effect was the Kashmir crisis having on the development of the South Asian Association for Regional Co-operation (SAARC) and the initiatives for a preferential trade area and a free trade area (SAPTA and SAFTA)?

A representative from Reuters wondered how fair the elections, to be held this autumn in Kashmir, were likely to be. How likely was the chance of war between India and Pakistan over the issue of Kashmir. Finally he asked for some details of the history of track II diplomacy that took place during the Kargil conflict. Another participant suggested that the European Union should concentrate its efforts on promoting the role of civil society in Pakistan. The questioner wanted to know how Musharraf's agenda on Kashmir was affecting the proper development of democracy in Pakistan and what role the rise of democracy could have in lowering Indo-Pakistan tensions.

The Speaker in Reply

Pervez Musharraf, Mr Dixit said, had a background in Pakistan's armed forces and was head of the intelligence agency, Inter-Services Intelligence (ISI). It is widely held that he was the chief architect of the Kargil conflict. He has stated that it is in Pakistan's strategic interest to be a major part of the war on terrorism by joining the American-led alliance. However, he has also indicated that he continues to support the Kashmir freedom struggle. His actions allowed many of the top Taleban and *Al Qa'ida* leaders to escape into Pakistan and onwards to Central Asia. The United States government has stated that they do not see any definite link between the Kashmir conflict and *Al Qa'ida*. Equally, Musharraf has no qualms about suppressing those who challenge his authority domestically. Mr Dixit predicted that, once the US-led alliance is over, General Musharraf would revert back to his old ways.

India's declared nuclear doctrine includes a "no first use" promise, Mr Dixit told the audience. In fact, India had proposed developing a system with Pakistan of early warning against accidental nuclear launches, large troop movements, transparency about command and control systems but, instead of replying, Pakistan launched the Kargil conflict. Since then, every time there has been a rise in cross-border tensions, Pakistan

has threatened the use of nuclear weapons. This crying wolf once too often might lead India to conclude that dealing with Pakistan, once and for all, is worth the risk.

An independent Kashmir was probably not a viable option. Being landlocked, the route for goods to the sea would have to be through either Karachi or Mumbai. The desperately poor countries that surround Kashmir might not be a position to help develop an independent Kashmir economy. The suggestion that the two parts of Kashmir unify and secede would not, therefore, be realistic. Equally, there would be no guarantee that, after 'independence', Pakistan would not continue to interfere in Kashmir's domestic affairs.

Mr Dixit said that he disagreed fundamentally with the premise that native Kashmiris do not like the Line of Control. The two parts are quite distinct. Jammu and Kashmir itself was an artificial construct owing its creation to the British Empire. Most on the Pakistani side were not true Kashmiris. The future of SAARC would remain bleak, if Indo-Pakistan relations remain as they currently are. From personal experience, he indicated that SAARC Summits can be tedious, where nothing much ever happens. Pakistan has declared its total opposition to the idea of a preferential trading arrangement with the other countries of the Association. However, before Musharraf seized power, Nawaz Sharif, the then Prime Minister, stated that, if the other governments agreed, then he would also sign. SAARC might benefit now from taking a longer term vision of its role over the next twenty years. Responding to a question from Kees van Rij, Council of the EU, Mr Dixit said that a substantial proof of India's commitment to Kashmir was that New Delhi did not pursue a policy of resettling Hindus in the region, in an effort to change the demographic balance. This could be contrasted with the situation in both Pakistan and Bangladesh where the minority Hindu populations had shrunk dramatically.

The track II diplomacy that took place during the Kargil war was, Mr Dixit said, a "delightful drama" but achieved nothing in reducing Indo-Pakistan tensions. More pertinently, the role of the United States should be examined. India had stated that it was prepared to cross the Line of Control if necessary. India would continue to monitor the border situation over the summer, but should there be further high profile terrorist attacks against political targets, then, God help both Pakistan and India. Prime Minister Vajpayee had held back from responding to the slaughter of women and children at an army camp despite immense pressure from both the public and the military for action. With regard to the Kashmir elections, the Election Commission is on the record as saying that no one would be coerced into voting. ■