

US Sanctions Against Pakistan: Rationale and Impact (1990-2001)

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The United States has long been a leader of worldwide efforts to prevent the spread of nuclear weapons to other nations. American leaders use coercive policy measures to prevent nuclear proliferation, and additionally endorse the United Nations' policies of coercive sanctions that have been in vogue since the early days of the nuclear age. The Baruch Plan, for example, contained recommendations for punishing future violators of the universal non-nuclear regime. Sanctions were an implicit option in the nuclear non-proliferation regime, although the text of the Non-proliferation Treaty contained no reference to them. The safeguard system of the International Atomic Energy Agency (IAEA), an international organization of the United Nations, verified the NPT. Non-nuclear states who participated in the NPT negotiated inspection agreements with the IAEA to verify the peaceful use of their nuclear material. The various export-control mechanisms in the nuclear and technological arena, most prominently the London Nuclear Suppliers Group guidelines, as well as the Missile Technology Control Regime (MTCR), also contained elements of sanctions against violating states. These sanctions could cut off aid, economic assistance, military cooperation, and technology access to countries that violated nonproliferation agreements or took steps such as testing nuclear weapons and threatened security objectives. Military threat-based strategy, including coercive diplomacy and the threat of preventive strikes, could also be used, as well as breaking of diplomatic relations, cultural and sports boycotts, commercial sanctions both on imports and exports, and naval blockades. Of all these measures, the most widely used are economic sanctions. As the growing clout of the Third World countries made the UN approval extremely difficult, the US adopted the policy of unilateral imposition of sanctions. In the area of non-proliferation, imposition of US unilateral sanctions has been a practice since the 1970s. These sanctions were imposed against South Africa (1975-82), Taiwan (1976-77), Brazil (1978-81), Argentina (1978-81), India (1978-82) and Pakistan (1979-80).¹

After the end of the Cold War and as a result the emergence of the US as a super power, Non-Proliferation became the new major policy objective. Bill Clinton's administration adopted an aggressive stance and followed a counter-

proliferation policy that included coercive strategies with an increased role for the Pentagon. Direct military action could now be taken against the country violating the non-proliferation regimes to destroy or deter nuclear weapons, not only at an advanced stage, but also during the early phases of development.² The rationale to check nuclear expansion through coercive means was manifold. First, proliferation constituted a threat to international peace and security. Notwithstanding the dispute over whether the spread of nuclear weapons to other states could be a stabilizing factor, those who advocate coercive approaches assume that nuclear proliferation is an inherently dangerous process. If war broke out among nuclear-armed adversaries, it could escalate into an atomic exchange, which would result not only in incalculable death and destruction of belligerents but also in nuclear contamination of the environment of the other countries. The state that engaged in nuclear acquisition, especially if it was member of NPT, was therefore seen as violating the widely accepted norm of international conduct that nuclear weapons should not spread to other countries. A second rationale is that the target state is acquiring nuclear weapons because of narrow objectives, such as domestic power calculations or regional power ambitions, rather than security threats (since a significant nuclear challenge is remote in most cases). Even when security concerns are genuine, nuclear acquisition would pose an even greater threat to international and regional stability and to maintenance of the non-proliferation regime. In other words, protecting international non-proliferation norms given in the NPT and the IAEA safeguards system, however unequal they may be, takes precedence over national considerations of the military security.³ Additionally, it was generally assumed that the potential threat to the economic and technological advancement of a country would also bar the path to proliferation. The leaders of the target state might change the policies and refrain from developing nuclear weapons.⁴ If the existing nuclear capability of the ambitious state was destroyed or was properly safeguarded, and the new technology completely denied, it would delay the acquisition of nuclear technology. During this period the leadership of the target state might change its decision.⁵ For all of these reasons, the US Congress passed numerous laws to prevent the proliferation of weapons of mass destruction.

¹ Paul R.S. Gebhard, "Not by diplomacy or defense alone: the role of regional security strategies in US proliferation policy," *Washington Quarterly* 18 (Winter 1995), p. 167-79.

³ Dianne E. Rennack, Robert D. Shuey, "Economic Sanctions to Achieve US Policy Goals: Discussion and Guide to Current Law," *CRS Report for Congress*, p. 3.

⁴ Ibid.

⁵ Shai Feldman, "The bombing of the Osiraq-revisited," *International Security* 7 (autumn 1982), 114-42.

Pakistan was directly impacted by much of the US' legislation. In 1976 Senator Glenn sponsored an amendment to section 669 of the 1961 Foreign Assistance Act (FAA) that was designed to bar assistance to non-NPT signatories that import uranium enrichment or nuclear fuel reprocessing technology. The Glenn Amendment barred aid to countries that have not signed the NPT and import nuclear fuel processing equipment, technology or materials.⁶ The 1998 Symington Amendment also barred aid to non-NPT signatories that import uranium enrichment equipment, technology, and materials. Because of the legislative language, a subsequent amendment by Senator Glenn covered both reprocessing and enrichment transfers. In 1985, Representative Stephen Solarz presented another amendment to Foreign Assistance Act that barred aid to any country whose government illegally imported nuclear technology from the United States, as a warning to address alleged illegal purchases of the nuclear equipment from Western countries. Unlike the Pressler Amendment, this authorized a Presidential waiver on the basis of US national interests. In 1985, legislation was adopted in section 902 of the International Security and Development Cooperation Act of 1985, which added a new subsection E (e) to section 620 E to the Foreign Assistance Act. The Pressler Amendment was only for Pakistan and required a yearly affirmation of non-nuclear states from the President before he could waive cut-off. The Brown amendment, passed in 1996, was designed to lift some of the harsh provisions of the Pressler amendment and give a little bit of relief to Pakistan via military and economic aid in order to win its cooperation in the areas of peace keeping, antiterrorism, and drug trafficking.

In March of 1985, Senator Larry Pressler introduced an amendment, in Section 620 E popularly known Pressler Amendment to Foreign Assistance Act (FAA) 1961. This amendment was passed when the US intelligence confirmed that Pakistan had achieved nuclear capability. But Pakistani leadership at the peak of honeymoon period of US-Pakistan relations was so enamored of US patronage that it could not use the Pakistani influence as a frontline state to check the passage of this amendment. From 1985 to 1989, Presidents Ronald Reagan and George Bush certified, under the Pressler Law, to US Congress that Pakistan did

⁶ Glenn Amendment: In 1976 Senator Glenn sponsored amendment of section 669 in the Foreign Assistance Act (FAA) 1961. This Legislation was designed to bar assistance to non-NPT signatories that import uranium enrichment or nuclear fuel reprocessing technology. The Glenn amendment to Foreign Assistance Act bars aid to countries that have not signed NPT and that imports nuclear fuel processing equipment, technology, or materials. The Symington Amendment bars aid to non-NPT signatories that import uranium enrichment equipment, technology, and materials. Because of the legislative language, a subsequent amendment by Senator Glenn covered both reprocessing and enrichment transfers.

not possess any nuclear explosive device and they kept on supplying the US assistance to Pakistan, arguing that this assistance would help Pakistan in adopting the path of non-nuclearization in its defense preparedness.

The Congressional and the Reagan administration's support of aid to Pakistan was based on the assumption that if the United States shored up Pakistan's conventional security by providing F-16 fighter and other sophisticated weapons, Pakistan would not want to risk losing US economic aid and arms supplies by opting for nuclear deterrence. Under the Reagan administration the US-Pakistani relationship strengthened and the two countries came closer to each other than ever before. A six-year \$3.2 billion package of economic aid and military sales was signed in June 1981, and spring 1986 \$4.2 billion was sanctioned for 1988-93. More importantly, this aid package included the sale of sophisticated weapons like the F-16. In his testimony before the Committee on Foreign Relations, Senator John Glenn stated that this aid was not solely intended to get the Soviets out of Afghanistan. The military assistance was provided to address the security concerns of Pakistan and to keep Pakistan from acquiring the nuclear weapons.⁷ The withdrawal of the Soviet forces from Afghanistan in 1989, and later on the collapse of the Soviet Union, removed the major concern of US foreign policy. At the same time the decade long Iran-Iraq war exhausted the Iranian revolutionaries and decreased their military capability to a level where they ceased to pose any serious threat to the US interests in the region. Consequently, South Asia was placed in the low-priority areas of the world in the US foreign policy goals, and as a result Pakistan lost its previous importance of being the Cold War ally. The Issue of Nuclear Non-Proliferation became of priority concern in the US foreign policy goals.⁸

The US policy makers now perceived South Asia as an unstable region where tension between India and Pakistan could erupt into a nuclear showdown. As the two countries had the capability to develop nuclear devices, an armed conflict between the two countries might escalate into a nuclear confrontation. Such a possibility would have fatal consequences not only for South Asia, but also for the security of the neighboring West Asia and South East Asia. Moreover, Pakistan's continuous defiance of Nuclear Non-Proliferation Treaty had been a constant irritant to the US policy makers and their global concerns for nuclear and missile proliferation. Before the imposition of Pressler Law, US sanctions used different channels to dissuade Pakistan from following the path of nuclearization. At the same time, the US leadership made it clear that, with the departure of Soviet

⁷ Senator John Glenn, *Testimony before the Foreign Relations Committee of Senate*, July 31, 1992.

⁸ Tehmina Mahmood, "Pressler Amendment and Pakistan's Security Concerns," *Pakistan Horizon*, Volume 47, Number 4, October 1994.

troops from Afghanistan and the winding down of the Cold War, the policy dynamic on the nuclear issue had changed. There would soon be stronger reasons for nonproliferation supporters in Congress to avoid imposing sanctions on Pakistan. Along with the nuclear issue there were also some other areas that provided grounds for the imposition of US sanctions, under Pressler law,⁹ against Pakistan. In January 1990, Chief of Army Staff General Aslam Beg visited Iran and held cordial discussions with his Iranian counterparts. This sparked fears in the US of nuclear cooperation between Pakistan and Iran and raised the fear of an Islamic Bomb. Moreover in an address at the POF's seminar in Wah Cantt on December 2, 1990, he went a step further by claiming that the US would face in Iraq a situation similar to the one confronted by the USSR in Afghanistan, implying that the US would suffer a defeat in Iraq. He also advanced the concept of "Strategic defiance" in cooperation with Iran, Pakistan and China to meet the threat of US unipolarism.¹⁰ The US also perceived that the Kashmir dispute had the real potential for nuclear war in South Asia, and there was always the possibility of accidental war through miscalculation. In Washington, Under Secretary of State Kimmit warned of a "growing risk of miscalculation which could lead events to spin dangerously out of control."¹¹ This view was endorsed by Ambassadors William Clark in New Delhi and Robert Oakley in Islamabad. Moreover, in early 1990 unusual large-scale military deployment by India and parallel Pakistani troop movements caused a sharp rise in tension between the two countries. Indian Prime Minister V.P. Singh raised the temperature further by publicly speaking of an India-Pakistan war. The Islamic orientation of the Kashmir movement also caused concern for the US: when India complained that Pakistan and the Afghan Mujahideen were involved in "terrorist activities" in Kashmir, the US put Pakistan on the terrorist watch list in order to pressure the Pakistan government to desist from any kind of assistance to the Kashmiri freedom fighters.¹² Although the US recognized Kashmir as a disputed territory it wanted Islamabad to refrain from giving any type of assistance to freedom fighters, and, instead, to negotiate with India in order to reach a peaceful

⁹ Pressler Law: In 1985, legislation was adopted in section 902 of the International Security and Development cooperation Act of 1985, which added a new subsection E (e) to section 620 E to the Foreign Assistance Act. The Pressler Amendment was only for Pakistan and required a yearly affirmation of non-nuclear states from the President before he could waive cut-off.

¹⁰ Address by General Mirza Aslam at the POF's Seminar in Wah Cantt. on December 2, 1990, *Pakistan Horizon* 44, January 1991, pp. 146-148.

¹¹ Al Kamen, "Tension over Kashmir Called Strongest in Decade" *Washington Post*, April 21, 1990.

¹² Mujeeb Afzal, "Pak-US Relations: Post Cold War Phase," *Pakistan Journal of American Studies*, Volume 14, Nos. 1&2, Spring & Fall 1996.

settlement of the issue. So in March and April of 1990, the US approached Russia, China, Japan and important European governments to pressure both India and Pakistan to reduce their on-going nuclear programs. Moreover, the issue of China's alleged transfer of M-11 missiles to Pakistan added to the soured atmosphere.

When the US imposed sanctions under Pressler law, Pakistan was, after Egypt and Israel, the recipient of the most US aid. Under Pressler law, the \$564 million of economic and military assistance approved for the fiscal year 1991 was frozen. Even the delivery of military hardware already paid for by Pakistan, including 28 F-16s, was stopped. Humanitarian aid, food and agricultural exports, food assistance, and bank loans and credits for purchase of food and agricultural commodities were exempted. Despite the cold US-Pakistan relationship at the bilateral level, during this period Pakistan was actively participating in US led UN peacekeeping and peace making missions by dispatching the maximum number of their military forces to conflicts throughout the world. In Gulf War, Pakistan sent five thousand troops to join the multinational force. In September 1992, it sent six thousand troops to Somalia as a part of operation "Restore Hope" and refused to withdraw despite the fact that twenty-four soldiers were killed in June 1993. Pakistan also sent three thousand troops to Bosnia for peacekeeping missions.¹³

In November 1993, Benazir Bhutto became the Prime Minister of Pakistan. She started her struggle for a better relationship with the United States. In this regard, she took some drastic measures without sacrificing the major national interests. The government of Pakistan dealt heavy-handedly with the drug traffickers. Pakistani courts convicted some of them, and a few who were allegedly involved in drug trafficking in the US were handed over to that country for legal action. In February 1995, Pakistan also helped the US in the arrest of Ramzi Yousef, an alleged mastermind behind the February 26, 1993 terrorist bombing of New York's World Trade Center.¹⁴ Pakistan signed an extradition treaty with Egypt to lessen the concerns of the pro-west Arab states about the presence of Islamic fundamentalist elements in Pakistan. It also asked the Arab fundamentalist groups to leave the country.¹⁵ During this time, the Bhutto government also reoriented its Afghan Policy towards the establishment of a friendly government in Kabul. It supported the Taliban Movement in its advancement beyond Kandahar towards Kabul. The US endorsed the Afghan policy of the Bhutto government as it was anticipating that Taliban victory would

¹³ Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies*, (Karachi: Oxford University Press, 2001), p. 328.

¹⁴ Hassan Askari Rizvi, "Pak-US relations: The Latest Phase" *The Nation*, October 3, 1995.

¹⁵ Mujeeb Afzal, "Pak-US relations: Post Cold War Phase," *Pakistan Journal of American Studies*, Volume 14, spring and fall 1996, No. 1 & 2.

end civil war and help permit reconstruction in Afghanistan and enable the cessation of havens for terrorists and drug traffickers. It would also greatly improve the prospects for a large gas-pipeline project involving a consortium led by Unocal, a major American oil company that hoped to transport natural gas from the vast fields of Turkmenistan across Afghanistan to energy-short India and Pakistan. Friction that had developed between the Taliban and Iran was also regarded positively in US against the backdrop of continuing US hostility towards Iran.¹⁶ Moreover, in energy sector the Bhutto Government gave many incentives to US industrialists to attract the US investment in Pakistan. In 1993 Pakistan withdrew, under US pressure, its resolution on Kashmir from the UN. This was on the hope that it would be a helpful step towards negotiations with India.¹⁷

At this time the US also realized the need to give a second look to its post-Cold War foreign policy in South Asia, as the punitive policy on nuclear proliferation was hurting the long-standing links with Pakistan and creating anti-US feelings both among the Pakistani elite and the masses. US Defense Secretary William Perry conceded that "...I have never been to a country where even the taxicab drivers and the school children know in detail about a law passed by the US Congress."¹⁸ There was damage to the US interests not directly related to nuclear proliferation, such as economic and commercial growth, counter terrorism, and professional development in army.¹⁹ The US reoriented its priorities in post-Cold War foreign policy agenda in South Asia, changing the policy of neglect and indifference to a policy of engagement. The dominant emphasis at the top level remained the prevention of nuclear proliferation, as the Secretary of State Warren Christopher, a number two official of State Department, had shown little interest in South Asia other than the non-proliferation issue.²⁰ But there was an improvement in bilateral relations despite the nuclear stand off.

The US Department of Defense considered Pakistan a long-time friend and helpful partner in international peacemaking and peacekeeping, counter terrorism and drug trafficking. So to keep in touch with the Pakistan army and to establish working relationship, the US started an interaction in which different top-ranking officials periodically visited Pakistan. This need was realized in the

¹⁶Dennis Kux, op. cit., P. 335.

¹⁷*Jang (Rawalpindi) Urdu*, September 24, 1995.

¹⁸ William Perry, A speech to New York Foreign Policy Association, cited in Ali Abbas, "Pressler embargo—A blessing in disguise?," *The News*, December 6, 1998.

¹⁹ Samina Yasmin, "Pakistan's Cautious Foreign Policy" *Survival*, Vol.36, No.2, summer 1994, P.126.

²⁰ Amna Mehmood, "An American Policy of non-Proliferation towards Pakistan: A Post Cold War Perspective." *Pakistan Horizon* Volume 56, Number 1, January 2003.

context of US cuts in defense budget and downsizing of the army. In January of 1994 Commander of US Training and Doctrine Command General Frederick M. Frank Jr. visited Pakistan, followed by General Joseph P. Hoar of the Central Command in July of 1994, and General. J.H. Binford Peay in December of 1994 and again in August of 1995. A four-member US Army team headed by Col. John Hoseman visited in November, 1994, while US Under Secretary of Defense, Walter B. Stocombo, came in December 1994. A seven-member delegation headed by Dr. Edward L. Warner, Assistant Secretary of Defense, Strategy, and Requirement, came to Pakistan to participate in a seminar on Peacekeeping Operations held at General Head Quarters (GHQ) Rawalpindi, in March of 1995. Commander of the Central Command Lt. General Steven L. Arnold visited in April and September of 1995.²¹

From the Pakistani side, Chief of Army Staff (COAS) General Abdul Waheed Khan visited the US in March and April of 1994, Pakistan's Defense Delegation visited in September of 1994, and in May of 1995, the Defense Secretary, as head of a delegation, visited for the meeting of Consultative Group. These visits of the top commanders of the two countries helped to improve the relationship. Limited scale joint military exercises were held in Pakistan in May 1995.²² In July 1994, in recognition of Pakistani efforts to diminish terrorist activities, and as a good will gesture, the State Department removed Pakistan from its informal watch list of the states supporting terrorism.²³ The US also softened its attitude in some other areas. In 1994, the US Vice President Al Gore met with Prime Minister Bhutto in Cairo. After this meeting the US launched Pakistan NGOs Initiative (PNI) program with USAID. Under this program the US provided nearly \$10 million for child survival and female literacy programs in Pakistan.²⁴ The US also encouraged private investment in Pakistan, and US energy secretary Hazel O' Leary led a delegation of eighty US businessmen to Pakistan in September 1995, where they signed agreements for sixteen projects valued at \$4 billion.²⁵

The major development in US policy to evolve the working relationship with Pakistan was started with the pro-Pakistan stance of Robin Raphael, the Assistant Secretary of State and first head of the Bureau for South Asian Affairs. This Bureau was first established in the State Department under the Clinton

²¹ Hassan Askari Rizvi "Pak-US Relations: The Latest Phase," *The Nation*, October 3, 1995.

²² Ibid.

²³ Dr. Rais Ahmed Khan, "Fifty Years of Pak-US Relations," *Pakistan Journal of American Studies*, Vol.16, No.1, spring 1998.

²⁴ Lee H. Hamilton, "Time to Modify the Pressler Amendment," *The News*, March 15, 1995.

²⁵ *The Nation*, March 10, 2001.

administration. Robin Raphael, before her visit to South Asia in 1993, told journalists that “[t]he United States had never accepted the accession of Kashmir to India.”²⁶ This statement caused uproar with the Assistant Secretary of State in India, while the reaction in Pakistan was that of applause. The other senior office holder in Clinton Administration was the Secretary of Defense William Perry who acted in harmony with Raphael. The US Department of Defense was unhappy over the deteriorating relationship with Pakistan, considering Pakistan a long time friend and potentially helpful partner in western Asia and the Middle East. During Perry’s visit to Pakistan in 1995 he suggested resumption of security cooperation between the US and Pakistan and proposed the revival of a joint US-Pakistani military consultative group that was originally established during the Afghan war to carry out consultation on defense matters at the military level. He assured Pakistan that he wanted “to make the most I can for the security relations between the United States and Pakistan ...I want to try to make the things better”²⁷ In addition to Perry, the influential Senator Hank Brown, who became the Chairman of the Senate Foreign Relations Sub-Committee after a sweeping victory of the Republican Party in 1994 in Senate elections, also agreed with Raphael’s ideas. Brown supported US-India relations but was convinced that the Pressler Amendment damaged US national interests. He also rejected the claim of Senator Larry Pressler that sanctions were imposed to prevent an “Islamic Bomb”.²⁸

Moreover, Pakistani Prime Minister Benazir Bhutto’s visit to the US in April 1995 further helped to improve the relations. She influenced the public opinion in the US in her favor and made the US administration and Congress realize the injustice done to Pakistan by the Pressler Law, providing convincing evidence that the imposed sanctions were unfair. President Clinton, in a joint statement with Benazir Bhutto at the end of the visit, declared that the US was one of the closest friends of Pakistan. He categorically refuted the claim that the “US was dumping Pakistan.”²⁹ Pakistan’s nuclear program at that level of development was perceived as regional issue, which had little relevance to the security of the US and its allies. Additionally, the US administration was also mindful about the peculiar position that Pakistan had as the second largest Muslim nation in the world.. Pakistan had deep historical and religious links to Iran, Central Asia, and Saudi Arabia, as well as an active role in Organization of Islamic countries. Pakistan was also an important and the most populous member of the Economic Cooperation Organization (ECO), a regional Muslim Organization that includes

²⁶ Dennis Kux, op. cit. p. 328.

²⁷ Danna Priest, “U.S. Pakistan to Renew Talks,” *Washington Post*, January 11, 1995.

²⁸ Dennis Kux, op. cit., P.329.

²⁹ *Joint Statement of President Bill Clinton and Prime Minister Benazir Bhutto at the White House*, Washington D.C., April 11, 1995. US Department of State Dispatch 6, April 24, 1995.

all of the five Muslim Central Asian states. A considerable portion of Pakistan's population was moderate and held Western enlightened liberal and democratic thoughts and values, but there was a fear that "Islamic fundamentalism" would spread, throughout modern, democratic Pakistan, as in Iran, Algeria, and Sudan. This fear, among other factors, persuaded the recalcitrant in the US to come around. A politically democratic Pakistan was a bulwark in this region against the fundamentalist Islamic regimes of Iran and Taliban.³⁰

The US desired some level of contact with Pakistan, since, although the Cold War was over and Pakistan lacked strategic importance for the US, the country's cooperation might be essential in any future arrangement in the region. No one was sure about the 21st century world order, and Pakistan was situated in an area where the US was short of friends., South Asia, West Asia, and Central Asia are perhaps the most unstable regions in the world and the US military considered Pakistan a potentially helpful partner in this strategically important area. The rise of China, India, and Iran, the volatile situation in Middle East, the unstable condition in Afghanistan, and the premature state of the newly emerged Central Asian States, as well as the unresolved disputes between India and Pakistan that jeopardized peace in South Asia, compelled the US to rethink its relations with Pakistan.³¹ To quote President Clinton, Pakistan "has been a good partner...the future of the entire part of the world where Pakistan is, depends in some large measure on Pakistan's success."³²

On May 11, 1995, Senator Hank Brown (Republican), the Chairman Senate Foreign Relations Sub-Committee on Near Eastern South Asian Affairs, presented an amendment to modify the Pressler Law. The US Congress passed the Brown Amendment in October 1995 and President Clinton signed it into law in January of 1996. The Brown Amendment authorized the release of the military equipment and spare parts, worth \$368 million, that were already paid for by Pakistan but had not delivered due to Pressler sanctions. With the implementation of this amendment, the US consultative group became active again in 1995 and the US and Pakistan began to hold joint exercises annually. But this was a low level of engagement which was limited to cooperation in the areas of narcotics control, international terrorism, peacekeeping, military training, and joint exercises. The problem that remained at heart of US-Pakistani relations was the release of the twenty-eight F-16 aircraft or the return of \$658 million paid by Pakistan. This transaction was out of the parameters of Brown Amendment. So

³⁰ Ibid. p. 15.

³¹ Lee H. Hamilton, "Time to modify the Pressler Amendment" *The News*, November 24, 1998.

³² Joint Statement Dispatch 6, April 24, 1995, cited in Dr. Rais Ahmed Khan, "Fifty Years of Pak-US Relations," *Pakistan Journal of American Studies*, Vol.16, No.1, spring 1998.

the response to this legislation was described as either “a glass half full or a glass half empty,” depending upon the perception of the person discussing it.³³ The military hardware was released but the Overseas Private Investment Corporation (OPIC),³⁴ Trade and Development Assistance (TDA), and International Military Education and Training (IMET) provision of the Brown Amendment did not materialize, and therefore the Brown Amendment had only a cosmetic effect. As it was related by the Assistant Secretary of State in testimony before the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs:

The key impact of sanctions relief is not military or financial. The effort would be in the political realm, creating a sense of faith restored and unfairness rectified with a country and a people who have been loyal friends of the United States over the decades. This is fully recognized by the government of Pakistan, which knows we are not re-establishing a defense supply relationship.³⁵

After all, the Brown Amendment, in authorizing a one-time lifting of the ban on weapons sales, did not resume American economic or military aid to Pakistan. Even the military sales relationship could not be restored. It gave only grants to Pakistani nongovernmental organizations, amounting to \$2 million a year.³⁶ When Benazir Bhutto met Brian Atwood, administrator of United States Agency for International Development in April 1995 in Washington during her visit, he told her that there were no sufficient funds for a bilateral program.³⁷

In November 1996, Clinton was elected the President of United States for second term, and he re-examined the US’s South Asian Foreign Policy. As Thomas Pickering, Under Secretary of State for Political Affairs, put it: “[w]e want to show that we don’t consider South Asia the backside of the diplomatic globe.”³⁸ Although US interests in South Asia were not vital, they were important, and the region’s strategic, economic, and human significance demanded much attention and a revised approach. So it was decided to broaden relations with India and Pakistan and to place less stress on nonproliferation matters. After the Cold War, US foreign policy had not pursued geo-strategy,

³³ Dr. Rais Ahmed Khan, op. cit, p. 6.

³⁴ The Overseas Private Investment Corporation (OPIC) is a development institution and agency of the USA. It works closely with EXIM and Trade Development Agency (TDA) for determining country strategy. It only operates in those countries, which have bilateral agreements with the US.

³⁵ Robin Raphael, “Raphael: US Proposes Compromise on Pressler Amendment.” *Congressional Testimony before Senate Foreign Relations Subcommittee*, September 14, 1995.

³⁶ Robert G. Wirsing, “Pakistan’s Security in the “New World Order”: Going from Bad to Worst?,” *Asian affairs: An American Review*, Vol. 23, No.2, Summer 1996.

³⁷ Dennis Kux, op. cit, p. 331.

³⁸ *Ibid*, p. 340.

instead focusing on geo-political and geo-economic interests, but the future of the international situation pointed towards a re-structuring of their approach, with Pakistan as a potential ally in their future setup. Speaking at the seminar “India and Pakistan: Fifty Years of Independence,” organized by the Woodrow Wilson Centre in June 1997, South Asia specialist Prof. Stephen P. Cohen said that: “[i]n the long run the emergence of China as an aggressive power would raise profound issues for all three states (US, India and Pakistan)”. Assuming “a violent or expansionist China would be power in future” he also suggested a dialogue among all three of these states to combat this potential threat. Selig Harrison, another South Asia expert, shared the same view.³⁹ The US needed to develop a good relationship with Pakistan army and assist in training and providing support to develop a flourishing political system. Therefore, IMET should be extended to help keep the Pakistani forces professional and linked to the West.⁴⁰ The US also resumed limited arms sale to Pakistan in order to maintain contact with the army and acquire support in international peacemaking and peace keeping.⁴¹ Additionally, the sale of US arms meant that Pakistan would not be looking beyond the West for arms and would also be less dependent on nuclear arms.

During this period, although there was no close relationship on the bilateral level between the two countries, Pakistan was helping the US in its efforts for peacekeeping (See Appendix), to curb drug trafficking, and to combat terrorism. Pakistan helped the US in the arrest of Mir Aimal Kansi, a Pakistani national charged with the murder of two Central Intelligence Agency employees in June 1997 and allowed the US to fly Kansi back to the US without going through the extradition process.⁴² The US’s new policy towards Pakistan prioritized issues of international terrorism, narcotics, Islamic fundamentalism, free market economy, human right and democracy.⁴³ It had already been realized that the continuous policy of benign negligence towards Pakistan was not in favor of US interests. The US had passed Brown amendment but, as shown above, this legislation could not be implemented when the US imposed MTCR sanctions and the policy of negligence further increased the social and economic problems of Pakistan, which might harm the very existence of Pakistan and could turn it into a failed state.⁴⁴ Acute economic problems might push Pakistan to sell its nuclear

³⁹Dr. Rais Ahmad Khan, op.cit, p.14.

⁴⁰ Independent Task Force Report, op. cit., p. 36.

⁴¹ Ibid..

⁴²Ibid., p. 340.

⁴³Independent Task Force Report, *A New US Policy Toward India and Pakistan* (New York: Council on Foreign Relations, 1997), p. 23.

⁴⁴ Independent Task Force Report, *A New US Policy Toward India and Pakistan* (New York: Council on Foreign Relations, 1997), p.15.

capability to some Islamic countries, especially Iran. So it was felt that the US's non-proliferation legislation must be brought into conformity with the existing realities of US-Pakistani relations.

The US Task Force on Foreign Policy, regarding India and Pakistan, suggested that a pragmatic approach towards Pakistan would be in the best interest of the US, and that the US policy should be in accordance with the existing realities and be implemented unconditionally as early as possible. (These suggestions were also in Brown amendment but could not be implemented when the US imposed MTCR sanctions). The first step was to develop a good working relationship with Pakistan in the economic realm: the US should enhance cooperation in trade and investment by providing credits such as Overseas Private Investment Corporation (OPIC) aid and Export-Import Bank (Exim bank) guarantees. The US should also cooperate in energy related issues, including the peaceful use of nuclear energy and enhancement the nuclear safety, help to write off loans, reduce debt, and provide support for the programs of social sector development, economic modernization and privatization, and the reform of tax and development mechanism.⁴⁵

The US policy of non-proliferation needed to be in sync with the realities of Pakistan. The US needed to soften its policy of bilateral pressure on Pakistan and adopt the policy of a regional and step-by-step approach that would check further development of Pakistan's nuclear capability. The policy of "cap, roll back, and finally eliminate of weapons of mass destruction" was appropriate according to the circumstances.⁴⁶ Reversing the Pakistani nuclear program from a de facto nuclear weapon status was unlikely. The US needed to instead concentrate on persuading Pakistan to refrain from testing nuclear explosives, deploying nuclear weapons, and exporting nuclear weapons or missile related material, technology, or expertise. To achieve this objective the US could not simply threaten penalties but instead needed to lead the international community in offering real incentives to restrain Pakistan's nuclear weapons and missile program.⁴⁷

In July 1997, the US Senate passed the Harkin Warner Amendment in the Foreign Operation Appropriations Bill (FOAB), which removed the hurdles that had prevented full implementation of Brown Amendment.⁴⁸ To demonstrate increased interest in the subcontinent, a series of high-level trips were also planned. In September 1997, Clinton met Nawaz Sharif, the Prime Minister of

⁴⁵Independent Task Force Report, *A New US Policy toward India and Pakistan*, op. cit. p. 36.

⁴⁶ Shirin Tahir-Kheli, *The United States and Pakistan: The Evolution of an Influence Relationship*, (New York: Prager Special Studies, 1982), p. 8.

⁴⁷ Independent Task Force Report, *A New US Policy toward India and Pakistan*, op.cit. p. 26.

⁴⁸ Dr. Rais Ahmed Khan, op. cit, p. 6.

Pakistan during the UN General Assembly session in New York, expressed his desire to enhance bilateral relations, and reiterated his interest in visiting South Asia.⁴⁹ Under this policy an investment incentive agreement between the US and Pakistan was signed on November 18, 1997, during the visit of Madeline Albright to Pakistan. The agreement provided investment support through OPIC in the form of insurance, debt, and investment guarantees. This agreement brought immediate results. A six-member joint US delegation of OPIC, TDA, and EXIM bank visited Pakistan in March 1998 and held top-level meetings with the economic ministries.⁵⁰ After the visit of Secretary of State Albright in November 1997, USAID also resumed its operations.⁵¹

On May 11, 1998, India tested a series of five nuclear devices. These tests once more put the nuclear issue at the center of the US South Asian policy. The US expressed its anger against India by announcing sanctions under the 1994 Non-Proliferation Act: they cut off all aid and voted against loans to India by the World Bank and Asian Development Bank. Japan also imposed sanctions against India. But no other country did so because of their commercial interests.⁵² The US then turned towards Pakistan to persuade her not to follow India. President Clinton sent Deputy Secretary of State Strobe Talbot to Pakistan. The US envoy offered to lift of all the military and economic sanctions, provide delivery of the F-16s, and resume substantial economic and military aid. US President Clinton himself talked four times to Prime Minister Nawaz Sharif to underscore Talbot's entreaties.⁵³ In its response Nawaz Sharif told Clinton that Pakistan needed US security guarantees against India to hold off from testing. The President said that he could not give this but reiterated his intention "to cut through the knot" of laws blocking aid and give Pakistan the "tools you need to defend your country." This was not good enough for Pakistan.⁵⁴

It was a difficult choice for Pakistan. The economic cost of testing was high. The US offer of lifting all the sanctions and resumption of substantial economic and military aid was tempting. This aid could restore Pakistan's declining economy and provide a substantial conventional arms supply. But previous US dealings had left Pakistan distrustful about US promises and doubtful

⁴⁹ Dennis Kux, op. cit, p. 341.

⁵⁰ Shabir H. Kazmi, "The US Companies in Pakistan," *Pakistan and Gulf Economist*, Vol. 29 (March 27-April 2, 2000), p. 15.

⁵¹ United States Agency for International Development, "Promoting Primary Education for Girls in Pakistan, Impact Evaluation," May 1995.

⁵² James Bannet, "Clinton Calls Tests a Terrible Mistake, and Announces Sanctions against India," *New York Times*, May 14, 1998, cited in Dennis Kux p. 346.

⁵³ Dennis Kux, op.cit P. 345.

⁵⁴ Ibid. p. 346.

about Congressional lifting of sanctions.⁵⁵ On the other hand, there was domestic pressure to match India in the wake of the arrogant tone of L. K. Advani, the Indian Home Minister who called on Pakistan “to accept the new realities imposed by the tests.” He further added, “Islamabad should realize the change in the geo-strategic situation in the region and the world, roll back its anti-India policy, especially with regard to Kashmir.” Indian Minister of Parliamentary Affairs Madan Lal Khurana asked Pakistan to fix a time and place where it wanted to fight the “fourth round”⁵⁶ People in the streets along with political leaders, in opposition as well as in the government, were demanding to match Indian capability. It was a matter of now or never for Pakistan. As a result of the unsettled Kashmir dispute, India’s arrogant and threatening tone, the international community’s unsatisfactory response to Indian tests, and the fear of rising pressure on Pakistan for signing the NPT and CTBT, Pakistan conducted five nuclear tests on May 28, 1998. Three days later Pakistan also conducted a sixth test. President Clinton commented that “[b]y failing to exercise restraint in responding to the Indian test, Pakistan lost a truly priceless opportunity to strengthen its own security, to improve its political standing in the eyes of the World”.⁵⁷

On June 16, 1998, the United States announced a range of sanctions against Pakistan, as it was legally required to do under the Glenn Amendment to the Arms Export Control Act.⁵⁸ According to the US administration the nuclear arms race between Pakistan and India was a serious danger to the stability of the entire South Asian region. Moreover, the US was of the opinion there were several scenarios that could be more threatening, such as actual deployment of nuclear weapons, their use, or their being transferred to third parties.⁵⁹ So after 1998 nuclear tests, the US imposed sanctions against Pakistan but efforts to waive them soon began due to US commercial interests. If the sanctions were fully implemented they would bar agricultural export credits and US wheat growers of the Pacific Northwest, already hit by falling grain prices, would have to halt the sale of 350,000 tons of wheat to Pakistan, or one third of the area’s

⁵⁵ *Dawn*, May 16, 1998.

⁵⁶ Tehmina Mehmood, “India and Pakistan Nuclear Explosion: An Analysis,” *Pakistan Horizon*, Vol., 52 No. 1, January 1999, p. 46.

⁵⁷ John F. Burns, “Pakistan, Answering India, Carries out Nuclear Tests; Clinton’s Appeal Rejected,” *New York Times* May 29, 1998, cited in Dennis Kux, op cit. p. 347.

⁵⁸ Jeanne J. Grimmett, “Nuclear Sanctions: Section 102 (b) of the Arms Export Control Act and Its Application to India and Pakistan,” *CRS Report for Congress*, December 9, 1999.

⁵⁹ Richard H. Haass, “Crisis in South Asia: Part 2 Pakistan’s Nuclear Test” *Statement before the Subcommittee on Near Eastern & South Asian Affairs* Committee on Foreign Relations United States Senate, June 3, 1998.

production.⁶⁰ As a result, just two months after the tests, the US Congress passed the Agriculture Export Relief Act (AERA), P.L. 105-194, which amended AECA section to exempt credits, credit guarantees, and financial assistance programs provided by the US Department of Agriculture (USDA) to support the purchase of food or other agriculture commodities, and made this amendment applicable to USDA credits, guarantees, and assistance made before, on, or after the date of enactment, through September 30, 1990. The act also lifted any sanction that had already been imposed involving the USDA program.⁶¹ The Congress, considering the negative humanitarian consequences, also exempted the humanitarian assistance. According to Secretary of State Strobe Talbot, the United States has attempted to “avoid bringing hardships to the peoples of India and Pakistan...especially the poor.”⁶² The US realized that the rigidity of the laws and sanctions would not bring fruitful results, as there was little evidence that Pakistan would alter the proliferation behavior during the period that sanctions were in place. There was also fear that a punitive approach towards Pakistan might push the country towards Islamic radicalism, presumably supported by pro-Islamic political parties and fundamentalist elements in the ISI and the military. These radical groups would have increased appeal to a Pakistani public weary and frustrated after a decade of economic mismanagement, political feuding, and chronic lawlessness under Nawaz Sharif and Benazir Bhutto. So the 106th Congress granted the President authority, in the national security interest, to extend waivers for an indefinite period (P.L. 106-79).⁶³

There was also fear that the sanctions might sink the shaky economy of Pakistan. At that time when Pakistan tested its nuclear arms it had foreign reserves of only \$600 million and a foreign debt of over \$30 billion. It was not possible for Pakistan to even pay its next upcoming debt service payment without the fresh help of IMF. Furthermore, when the Pakistani government, after its nuclear tests, froze the foreign–currency accounts it caused havoc for the foreign companies working in Pakistan. Realizing the serious economic situation of Pakistan, the US decided to provide breathing room and announced that it would no longer oppose IMF financial assistance to Pakistan.⁶⁴ In fact, this policy was outcome of the fear of the United States that financial hardships would lead

⁶⁰ Dennis Kux, *op. cit.*, p. 347.

⁶¹ Jeanne J. Grimmett, “Nuclear Sanctions: Section 102(b) of the Arms Export Control Act and Its Application to India and Pakistan,” *CRS Report for Congress*, December 9, 1999.

⁶² David Cortright, Samina Ahmed, *Bulletin of the Atomic Scientist*, Chicago, Sep./Oct., 1998.

⁶³ K. Alan Kronstadt, “Nuclear Weapons and Ballistic Missile Proliferation in India and Pakistan: Issues for Congress,” *CRS Report for Congress* July 31, 2000.

⁶⁴ *Ibid.*

Pakistan to transfer the nuclear technology to some Islamic countries, especially Iran.⁶⁵

Furthermore, in fall of 1998 at the UN General Assembly Clinton met with Nawaz Sharif and extended him an invitation for an official visit to the United States. This visit sought to provide Sharif with a psychological boost and to aid in the creation of a working relationship with Pakistan regarding its post-nuclear tests agenda. After this meeting Clinton sent the Deputy Secretary of State to South Asia in an effort to influence Pakistani nuclear policy. Talbot conducted seven rounds of talks with Indian and Pakistani officials separately on the agenda of the Geneva declaration. These discussions were held in the United States, Europe, and South Asia. These were the most extended high-level engagements since the 1960s.⁶⁶ In December 1998, Nawaz Sharif visited the United States and resolved the nettlesome F-16 issue. The US government paid \$324 million in cash from a fund maintained by the Treasury Department and provided \$140 million of wheat and other commodities over the next two years.⁶⁷ There was also a major development at the regional level towards confidence building measures between India and Pakistan when Indian Prime Minister Vajpayee visited Lahore in February 1999. Both decided to resume bus service between the two countries. The Lahore talks raised hopes that the two enemies, sobered by the dangerous implications of their decision to become overt nuclear weapons powers, might at last begin a serious effort to reduce tension.⁶⁸ But the prospects for an India-Pakistan détente suffered a severe setback in May-July 1999 when the two countries reached the brink of war in Kashmir. In the worst of the fighting Indian soldiers sought to dislodge some 700 Pakistani-supported Mujahidin who were occupying fortified positions along mountain ridges overlooking a supply route on the Indian side of line of control near Kargil. Following a meeting on July 4 between Prime Minister Nawaz Sharif and President Clinton in Washington, the Mujahidin withdrew across the line of control.⁶⁹

The US maintained concern about Pakistan's continued support for the Taliban's military operations in Afghanistan, as the Taliban supported harsh treatment of women, tolerated the drug trade, and provided a haven for Islamic

⁶⁵ Amna Mehmood, "American Policy of non-Proliferation towards Pakistan: A Post Cold War Perspective," *Pakistan Horizon*, Volume 56, Number 1, January 2003, p. 55.

⁶⁶ David Stout, "Clinton Putting off Visits to India and Pakistan," *New York Times*, October 1, 1998, cited in Dennis Kux, op. cit. S, p. 349.

⁶⁷ Dennis Kux, op. cit., p. 351.

⁶⁸ Tanveer Ahmed Khan, "Lahore Summit," *Dawn*, February 23, 1999.

⁶⁹ Barbara Leitch LePoer, "Pakistan-US Relations," *CRS Issue Brief for Congress*, December 31, 2001.

extremists and terrorists.⁷⁰ The US also continued diplomatic efforts to pursue the non-proliferation policy. At the start of 1999, Strobe Talbot traveled to South Asia for his eighth round of nuclear discussion with Pakistan. The talks proved futile since the Americans offered to lift all sanctions against Pakistan, including the Pressler amendment, in reciprocity for the signing of the CTBT, immediate capping of missile cooperation with North Korea, agreement to participate in multilateral negotiations to ban the production of fissile material, and adoption of a comprehensive nuclear export-control regime. Pakistan refused to bargain on the issue and insisted that it would only accept the US proposal if India adopted it first.⁷¹ Along with the Glenn Amendment, the Pressler Amendment of 1990 had already subjected Pakistan to certain US unilateral sanctions that were only somewhat eased by the passage of the Brown Amendment in February of 1996., and after the nuclear tests of 1998, the US imposed new, further sanctions under Symington Amendment.

Most of the economic assistance to Pakistan had been on hold since October of 1990. USAID activities in Pakistan were limited and supported primarily the work of non-governmental organizations (NGOs) such as the Asia Foundation and Agha Khan Foundation. Exim Bank restarted its work in February 1998, after the implementation of Brown Amendment, for short and medium term programs for both public and private sectors. After the imposition of Glenn Amendment, sanctions froze all applications for new projects in Pakistan.⁷² Pursuant to Glenn Amendment, on June 1, 1998, Exim officially closed for new business. When sanctions were imposed, Exim Bank's exposure in Pakistan for loans, loan guarantees, or credit insurance totaled \$429 million, with an additional \$1.1 million letter of interests for a project in Pakistan not yet approved by Exim bank. OPIC, which had just restarted its work on March 24, 1998, also closed its business, but as it had just begun work and new programs were under way, its loss was minimal.

At the time of imposition of Glenn Amendment, no new loans from international financial institutions were under consideration for Pakistan. Most World Bank Loans had been disbursed to Pakistan for the fiscal year 1998. The sanctions, however, delayed the disbursement of a second installment of a \$1.6 billion IMF loans under a three-year economic assistance for Pakistan. As Pakistan's economic situation appeared to deteriorate sharply in late 1998, the G-7 countries agreed to relax their multilateral sanctions to allow the IMF to

⁷⁰ Ibid.

⁷¹ Dennis Kux, op. cit., p. 351.

⁷² US International Trade Commission, *Overview and Analysis of the Economic Impact of US Sanctions With Respect to India and Pakistan*, Investigation No. 332-406, Publication 3236, September 1999, pp. 2-5.

negotiate a support program for Pakistan. Pakistan's consultation with IMF resumed in late 1998. The IMF approved the disbursement of \$575 million for Pakistan on January 14, 1999. The US, as a sign of its support, did not oppose the vote for the loan.⁷³ In 1997, the last full year before the imposition of Glenn Amendment sanctions on Pakistan, the US merchandise exports to Pakistan were valued at nearly \$1.2 billion, or 0.2 percent of total US exports. That year, Pakistan ranked as the 52nd largest export market. In 1998, after the imposition of the sanctions, the US merchandise exports to Pakistan declined by nearly one half to \$719 million, or 0.1 percent of US exports to the world. In 1998, Pakistan ranked as the 59th largest US export market.

On October 12, 1999, the Pakistan army, under Chief of Army Staff General Pervez Musharraf, carried out a bloodless coup, wherein they deposed then Prime Minister Nawaz Sharif and put him under house arrest a few hours after Sharif had announced the replacement of the chief of army staff. Two days later, General Musharraf suspended the constitution and the Parliament and named himself chief executive. After the military coup in Pakistan, the US ambassador to Pakistan William B. Milam, who was in the United States at the time of the coup, arrived in Islamabad and met with General Musharraf with a clear message from the United States government "that there should be a prompt return to civilian rule and a restoration of democratic process in Pakistan".⁷⁴ After these sanctions the US government's assistance to Pakistan was limited to areas of refugee, counter-terrorism, and counter-narcotics. US counter-narcotics aid to Pakistan, administered by the State Department's Bureau of International Narcotics and Law Enforcement Affairs, totaled \$ 3.5 million in FY 2001.⁷⁵ These sanctions had little impact on Pakistan, as it was already under many US sanctions because of the Pressler Amendment and the 1998 nuclear tests.⁷⁶ The Musharraf government tried to lessen foreign criticism by downplaying the military label, stressing its interest in reform, and emphasizing its interim character. It did not impose martial law, ban political parties, or institute press censorship. Although pleased with these steps, the Clinton administration was less happy with Musharraf's reluctance to offer a timetable for the return to democracy. The trial and ultimate conviction of Sharif for attempted murder also raised concerns, as

⁷³ Ibid., P. 4-10.

⁷⁴ James Foley, "US seeks civilian rule in Pakistan, tries to maintain ties," October 15, 1999, <http://www.cnn.com/US/9910/16/us.Pakistan>.

⁷⁵ Barbara Leitch LePoer, "Pak-US Relations" *CRS Issue Brief for Congress*, December 31, 2001, p. 13.

⁷⁶ Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies*, (Karachi: Oxford University Press, 2001), p. 355.

did the regime's firing of roughly ten percent of judges who refused to take an oath of allegiance to Musharraf, including the chief justice of Pakistan.⁷⁷

In spite of the sanctions, the US could not entirely abandon Pakistan, as it was a nuclear state with serious economic problems, massive population, and few effective civilian institutions. The US was apprehensive that the weakened political system in Pakistan could be replaced by a hardline Islamic military leadership.⁷⁸ The US feared that Pakistan might become a "failed State" at some time in future, and that such a potential breakdown of central control might leave nuclear weapons in the hands of radical Islamist groups. There was also concern that economically troubled Pakistan might sell nuclear secrets abroad, particularly to North Korea, which could supply Pakistan with missile technology in return for assistance with nuclear development.⁷⁹ David Albright, president of the Institute for Science and International Security, took an alarmist view of the security of Pakistan's nuclear program. He maintained that Pakistan pursued "an organizational culture that scorns security guidelines" because it had built its nuclear program through "illicit procurement and deliberate deception" that circumvented western export controls and the discipline of nonproliferation. He asserted that "in the organizational culture of such a program, disaffected individuals could find plenty of justifications and opportunities to transfer classified information or sensitive items."⁸⁰ In late 2001, the US concern became serious after the disclosure that two retired Pakistani nuclear scientists had briefed Osama bin Laden and other al Qaeda leaders on several occasions. The continuing war in Afghanistan also heightened fears of instability in Pakistan.⁸¹

Despite strained relationships with the military government, President Clinton, who was initially reluctant to visit Pakistan in order to show his displeasure over military rule in Pakistan, finally decided to visit on his trip to South Asia. Clinton showed his disapproval of the military government when he arrived in Pakistan on March 25th, 2000. He declined to be welcomed by the military ruler and was instead welcomed by the President Rafiq Tarar. The US

⁷⁷ Dennis Kux, op. cit., p. 355.

⁷⁸ N.V. Subramanian, "Will Pakistan's Coup Repeat?" *Defense News*, January 17, 2000, cited in Alan Kronstadt, "Nuclear weapons and Ballistic Missile Proliferation in India and Pakistan: Issues for Congress," *CRS Report for Congress*. July 31, 2000, p. 6.

⁷⁹ Kim Sa Nae, "North Korea aid to Pakistan raises nuclear fears," *Los Angeles Times*, August 28, 1999, Cited in Alan Kronstadt, "Nuclear weapons and Ballistic Missile Proliferation in India and Pakistan: Issues for Congress" *CRS Report for Congress*. July 31, 2000, p. 6.

⁸⁰ David Albright, "Secrets, What Secrets?" *Scientific American*, December 2001, cited in Rajesh Basrur, Hasan Askari, "Nuclear Terrorism and south Asia" *Cooperative Monitoring Centre Occasional Paper 25*, February 2003, p. 48.

⁸¹ Barbara Leitch LePoer, "Pakistan-US Relations" *CRS Issue Brief for Congress*, December 31, 2001, p. 9.

president in his visit to South Asia showed complete disenchantment with Pakistan and clear tilt towards India, as he spent five days in India and just five hours in Pakistan during the first visit of any US president during the last thirty years.⁸² However, the US also appreciated the decision of Supreme Court of Pakistan when on May 12, 2000, it set a deadline of three years for the holding of general elections. General Pervez Musharraf, in compliance to the orders of Supreme Court, pledged to hold parliamentary elections by October 2002. More than this, in December 2000, President of Pakistan Rafiq Tarar gave pardon to Nawaz Sharif, the former Prime Minister of Pakistan, for his crime in exchange for at least ten years of exile.⁸³

In June 2001, General Musharraf dismissed the former president Rafiq Tarar, and assumed the presidential post himself, while retaining his own positions as chief executive and chief of army staff. This action of General Musharraf raised US concern as another turn away from democracy.⁸⁴ The US was also worried because of the rise in Indo-Pakistan tension after the coup. India took an instant dislike to Musharraf as the mastermind of Kargil operation. It also blamed him for a post-Kargil rise of violence in Kashmir. Events reached their highest point after the hijacking of an Indian Airlines' plane and as a result the Indian government had to release several jailed extremists in return for the freedom of the passengers.⁸⁵ The US also had serious concerns about Pakistan's continued support and protection of *Jihadi* groups active in Indian-held Kashmir, such as Harakat-ul-Ansar, Jash-Mohammad, Lashkar-e-Taiba, and Harakat ul Mujahidin.⁸⁶ Islamabad failed to take effective steps to curb the activities of certain *madrassas*, or religious schools, which served as recruiting grounds for terrorism.⁸⁷ During the third week of January 2000, three important officials of the US government, Karl Inderfurth, the Assistant Secretary of State for South Asia, Michael Sheehan, the State Department's counter terrorism chief, and Donald Kamp, the South Asia specialist on National Security Council, met with General Musharraf to discuss the issue of terrorism and ask General Musharraf "to lay out a more comprehensive road map so we can see where he is heading." A senior official added that, "[h]e did not rebuff us on the terrorism issue. He said he would consider the administration's requests to deal with these organizations

⁸² Dennis Kux, op. cit, p. 358.

⁸³ Dianne E. Rennack, op. cit, p. 4.

⁸⁴ Barbara Leitch LePoer, "Pakistan-US Relations" *CRS Issue Brief for Congress*, December 31, 2001, p. 5.

⁸⁵ *Ibid.*, p. 355.

⁸⁶ U.S. Department of State, *Patterns of Global Terrorism: 1999*, May 2000.

⁸⁷ US Department of State, *Report on Global Terrorism for 2000*, April 30, 2001.

of concern to us.”⁸⁸ In June 2000, a Congressionally-appointed Commission for Counter-terrorism recommended to the administration that Pakistan be threatened with sanctions for its alleged failure to cooperate with counter terrorism efforts.⁸⁹

In early 2001, to enhance efforts to counterterrorism, the US Federal Bureau of Investigation began offering anti-terrorism training courses for Pakistan police officers in the United States.⁹⁰ The US also had serious concerns about Pakistan’s Taliban policy. According to the US State Department report on global terrorism for 2000, “Pakistan supplied the Taliban with material, food, funding, and technical assistance, as well as allowing numbers of Pakistani nationals to cross into Afghanistan to fight for the Taliban.”⁹¹ During this period Pakistan also cooperated with the United States in its efforts to counter the narcotics trade. In March 2001, President Bush submitted to Congress his annual list of major illicit drug producing and transiting countries eligible to receive US aid and other economic and trade benefits. Pakistan was among the countries certified as having cooperated fully with the United States in counter-narcotics efforts or to take adequate steps on their own. According to the report, Pakistan almost achieved its goal of eliminating opium production by reducing the poppy crop to a record low of 500 hectares, down from 8,000 hectares in 1992. Pakistan’s cooperation with the United States on counter-narcotics efforts was described as excellent, including arrests, extradition, and poppy eradication.⁹² Pakistan was also actively participating in US-led peacekeeping and peacemaking United Nations efforts. In November 2001, there were 5,500 Pakistani troops and observers participating in UN peacekeeping efforts in Sierra Leone, East Timor, Kosovo, Congo, and other countries.⁹³ Throughout the first eight months of 2001, the Bush administration kept on hinting that the United States would like to lessen the sanctions imposed against Pakistan. But it did not do so. Up until September 11, 2001, the US just had a working relationship with Pakistan that was far from friendly. But after the September 11, 2001 tragic incidents of plane hijacking and crashing into the buildings of World Trade Centre and Pentagon, there came a major thaw in US-Pakistan relations. The US started its war on terrorism and requested Pakistan to open its airspace to US military aircrafts, share military intelligence, and provide logistic support against Al-Qaeda and the Taliban. On September 13, 2001,

⁸⁸ John Lancaster, “U.S. Pressures Pakistan to Cut Ties With Extremist Groups” *The Washington Post*, January 26, 2000.

⁸⁹ National Commission on Terrorism, *Countering the Challenging threat of International Terrorism*, June 7, 2000.

⁹⁰ Barbara Leitch Lepoer, op. cit., p. 14.

⁹¹ US Department of State, *Report on Global Terrorism for 2000*, April 30, 2001.

⁹² Ibid., p. 13.

⁹³ Ibid., p. 11.

President Musharraf, under strong US diplomatic pressure, offered President Bush unhindered cooperation in the war against terrorism. Because of Pakistan's proximity to Afghanistan and former close ties with the Taliban, Pakistan was considered important to US-led efforts to root out terrorism in the region. As the Taliban and Osama bin Laden had strong support in Pakistani society, the problem was how to make use of Pakistani support without seriously destabilizing an already weak state that had nuclear weapons. Thus the US, in order to improve its relations and to lessen the miseries of the military regime, decided to waive all sanctions against Pakistan.

The US usage of sanctions against Pakistan suggests that sanctions usually do not work. Instead, a course based on diplomatic negotiations with the target country should be adopted. The sanctions cannot contribute towards change, especially when serious matters like the national security of a country are in danger. The sanctions are counter-productive because they not only hinder constructive negotiations, but also prevent growth and slow reform, and honorable society is not possible anywhere in the world without economic growth and well-being.

Appendix

Pakistan's Contributions to UN Peacekeeping Missions

Total Forces Abroad	918
Iraq/Kuwait	8 Mil Obs
Angola	7 Troops
	6 Mil Obs
Liberia	8 Mil Obs
Rwanda	22 Mil Obs
Western Sahara	5 Mil Obs
Former Yugoslavia	14 Troops
	8 Mil Obs
Georgia	8 Mil Obs
Haiti	845 Troops

Source: UN Military Staff Committee Monthly Summary of Troop Contributions to Peacekeeping Operations, as of February 29, 1996. "Mil Obs" is an abbreviation for military observers.