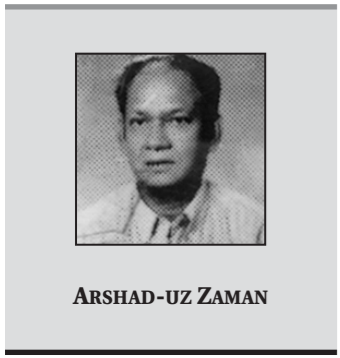


Indo-Pak war of 1965: Who was responsible?



ARSHAD-UZ ZAMAN

AIR Marshal Nur Khan of Pakistan has recently published a book on the Indo-Pak war of 1965. He is reported to have written that it was Field Marshal Ayub Khan, then President of Pakistan, who was responsible for the war. Kuldip Nayar, the eminent columnist of India in his latest column in The Daily Star has stated that it was Zulfikar Ali Bhutto, who was responsible for the war.

Nur Khan's comment has surprised me most. He held very high positions in the Pakistan administration including Chief of the Air Force and for many years the head of the Pakistan International Airlines. In other words he belonged to the power elite of Pakistan. Kuldip Nayar's putting the responsibility on Bhutto is perhaps due to his lack of information of the power structure of Pakistan. Bhutto was a player within that power structure but a small one. He belonged to the Sind province and all the shots in Pakistan are called from Punjab.

In 1964 after completing my assignment in New York, where I was, for nearly five years, Press Attache of the Pakistan Permanent Mission to the UN, returned to Pakistan. I had been transferred to our Mission in New Delhi but I was not keen since I felt in the light of Indo-Pak relations, I had hardly any role to play. I tried instead to join the Personal Staff of Field Marshal Ayub Khan. I had known Ayub Khan since my first posting in Istanbul in 1953, where he was a frequent visitor and relations between Pakistan and Turkey were blossoming on all fronts. I was the lone representative of Pakistan in Istanbul. This friendship continued during my posting in New York. Ayub Khan met my wife, a young student in Istanbul and fondness grew between him, his family and my wife and myself. Based on this strong bond I made a determined bid to see him in the President's House and succeeded. He ordered that I join his staff as the Public Relations Officer to the President and I did that the same day.

It created a sensation among the power elite of Pakistan. I was the first Bangalee to join the personal staff of the President of Pakistan. One of the major events was the death of Indian Prime Minister Pandit Jawaharlal Nehru in 1964. I used to sit on the first floor of a two-storey building and one April morning I saw the news on my

ticker that the Deputy Prime Minister of India had announced in the Parliament that Nehru was gravely ill. I rushed downstairs where the Cabinet meeting was in progress and whispered in the ear of Ayub Khan the news concerning Nehru. He told me that I should inform him directly when the news of his death came. I had already established a working relationship with Ayub Khan that I had direct immediate access whenever I needed it.

visit by the powerful Information Secretary Altaf Gauhar, who would appear with a tape recorder and record parts of the book of Ayub Khan, which would be titled, 'Friends not Masters'. I also observed intense activity of the Intelligence community and learnt that troops were being positioned near the Line of Control between the two Kashmiris. As usual the Inter Services Intelligence, (ISI) the powerful outfit of Pakistan was calling the shots.

Indian media and the *Statesman* wrote an editorial praising me and strongly criticised the Indian performance. I crossed the Field Marshal on the steps of the Claridge's and he patted on my back and said, 'well done'.

The next day we flew off to Dublin for Ayub Khan's official visit. That venerable warrior for Irish Independence Eamon de Valera invited us to lunch. Next day we proceeded towards the Shannon airport and spent the night in a luxurious hotel. Bhutto, who enjoyed female company stayed up late and spent an amusing evening with Irish college girls. That evening I learnt that the Head of the Pakistan Intelligence had arrived. The next morning as we moved towards the airport I was told by an ADC to the President that the Military Secretary to the President was upset with me. When I enquired the reason I was told that 'it were the Irish girls'. In the flight from Shanong to London and later to Istanbul Ayub Khan had stopped all communication with me. On my return to the Islamabad airport I met the correspondent of the *Hindu* of India, who told me that I was sure to be rewarded by the Pakistan Government in view of my coup in London. I gave him a weak smile.

Field Marshal Ayub Khan had no desire to fight another war with India. If anything he wanted to see an improvement of relations between India and Pakistan. The point that I wish to underline is that within the power structure of Pakistan ISI has a central role. It is surprising that Nur Khan, who was a member of that power elite makes no mention of it. Kuldip Nayar knows the sub-continent well and it is surprising that the responsibility for the war of 1965 is put on the shoulder of Z.A. Bhutto and no mention is made of the ISI.

Arshad-uz-Zaman is a former Ambassador.

THE HORIZON THIS WEEK

The point that I wish to underline is that within the power structure of Pakistan ISI has a central role. It is surprising that Nur Khan, who was a member of that power elite makes no mention of it. Kuldip Nayar knows the sub-continent well and it is surprising that the responsibility for the war of 1965 is put on the shoulder of Z.A. Bhutto and no mention is made of the ISI.

The news of the death of Pandit Nehru came in the afternoon and I went immediately to the residence of Ayub Khan. Every afternoon he used to have a nap on his spartan 'charpoy' and I saw him immediately. He telephoned Bhutto and asked him to prepare a warm message of condolence and told him that I would go immediately to see him and help in the preparation of the message. He ordered lowering of the Pakistani flag. It was evident that Ayub Khan was determined to probe the possibility of improvement of relations between Pakistan and India.

This long narration does not square with the observation of Air Marshal Nur Khan that it was Ayub Khan, who engineered the war against India. In the summer of 1964 I and my wife joined Ayub Khan and his family in their annual visit to the cool hills of Murree. I used to see daily

I have personal experience of the operation of the ISI. In the summer of 1964 I and my wife joined Field Marshal Ayub Khan and his delegation to a trip, which took us to Kabul, Tehran, Ankara, London and Dublin. In London Ayub Khan attended the Commonwealth Heads of Government Conference. We stayed at the Claridge's Hotel. The meeting was held in the Lancaster House. One afternoon I was informed by our Foreign Secretary that for the first time in the history of Commonwealth Conference there would be mention of Kashmir. This was big news and according to my practice of UN days I held a press briefing where I broke this important news. The Indian Press officer was taken by total surprise and he had a lot of difficulty while facing a volley of questions. The day it was splashed in the entire

UNITED NATIONS DAY

The world body sustains too much of damaging blows

AMM SHAHABUDDIN

The world wouldn't have missed the opportunity to celebrate the United Nations (UN) Day with renewed fervour and golden colours this year, had the 'Reform package', presented by the UN Sec Gen Kofi Annan, been adopted by the world's largest summit, attended by some 170 heads of state and government, held in New York, 14-16 September last. But unfortunately the high hopes raised by Annan's reform proposal to give a new life to the moribund world body fell through into broken pieces. Hence what remains is not for rejoicing perhaps. Of course, some vested quarters that caused the shattering blow are perhaps enjoying their last laugh. The big question that remains unanswered is, who betrayed whom, why and at what cost? Only time will show.

The most strange thing was the conspicuous silence on the part of most of the world leaders who had assembled at the summit to adopt Kofi Annan's 'reform package' for revitalising the UN. They seemed to be blunt, some even deaf and dumb. But, what was the 'psyche' that prevented them to take a united stand in favour of the reform proposals. Perhaps for the first time such division and disunity had been witnessed in the last sixty years of UN's existence. Everybody appeared to be shaky about own safety and survival. This reminds me of a comment made sometime back by that eminent Indian author and human rights activist, Arundhati Roy: "There is not a country on God's earth that is not caught in the cross-hairs of the American cruise missile and IMF (US-dominated International Monetary Fund) cheque book." Does it need any further elaboration?

First blow to Annan's reform package

The straw always shows which way the wind blows. So what fate was awaiting UN Sec Gen's 'reform package' that he had presented to the special session of the UN General Assembly in May last, was clear when it was rejected outright by America, with a clear hint to Annan to return to where he belonged. What was the fault with the action plan of Annan? Annan had fallen from the grace of America for his recent description of US war against Iraq as "a fork in the road" of UN and the ultimate aim of his UN reform plan was to cleanse such 'forks' for the smooth passage for the world body towards peace, security and prosperity.

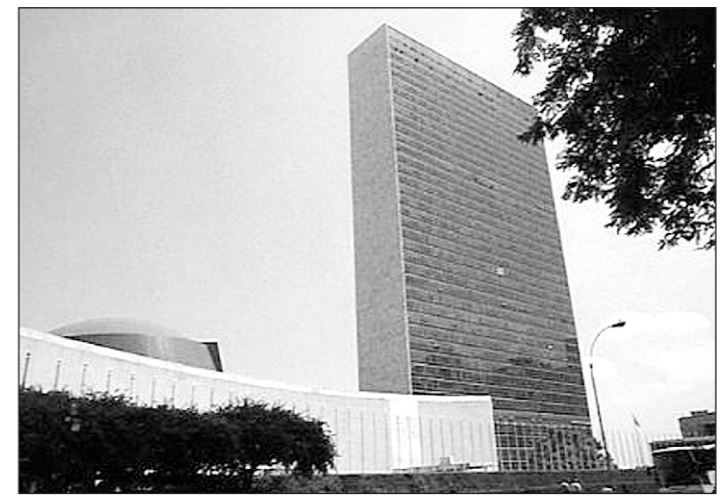
And that is why Annan, while presenting his plan of action to reform the UN, had urged the world leaders attending the summit to endorse his proposals as a 'package' in toto and not in piecemeal.

But America has its own way of weighing things as the world's only policeman to maintain peace and fight terrorism. It discerned many pitfalls and wrong signals around Annan's plan. America, therefore, rejected outright some of the vital issues mentioned in the plan, like the expansion of the Security Council

either with additional six new Permanent Members or, adding a third-tier of semi-permanent members; and setting of guidelines to determine when military action can be authorised by UN, that is, member states could go to war under UN banner, against an aggressive nation. Thus America dealt the first blow to Annan's reform plan before it could take off.

Bull in a chinashop?

Whatever damage had to be done, has been done. Now let the right-thinking world leaders make consistent efforts to restore people's lost confidence in the world body. Let them pick up the broken pieces of Annan's 'reform package' and put them together again to make it workable, with due respect to the wishes and ambitions of "the peoples of the United Nations."



In fact, what a bull can do in a chinashop had been well proved by President Bush in that glass-house at Manhattan, known as the UNHQ. Kofi Annan couldn't foresee, or perhaps was not forewarned about the upcoming 'storm' that Bush released in Washington, and later had a hard-hit landfall in New York UNHQ. It swept away everything, uprooting whatever came its way, making panicky the delegates from some 190 member states that came to participate in the discussion and approval of the much-watered-down document, reduced from Annan's original plan of action. Actually, the deadly 'shot' to put an end to Annan's 'reform package' came openly from the newly-appointed US Ambassador to UN, John Bolton, a great favourite protegee of George Bush and a die-hard anti-UN 'propeller', who could openly declare that 'there is no such thing as UN', and there is only international community which can be led by only superpower - America. Bolton proposed more than 500 amendments to Annan's plan. So these five hundred 'shots' were more than enough to kill Annan's 'bird.'

Centre-piece of Annan's programme buried

The centre-piece of Annan's 'reform package' to revitalise the world body to meet the 21st century challenges, i.e. the expansion of the Security Council, had been shelved for ad

indefinitum. The Summit even had failed to establish an agreed definition of terrorism and left out a chapter on disarmament altogether. It was undoubtedly a great shock for Kofi Annan to think what had been made of his ambitious programme by vested quarters. But he had gathered enough courage to put a brave face when he opened the 60th annual General Assembly session on 17 September last, just after a day of the conclusion

becomes a victim of aggression by a powerful member state.

Much was expected from the world leaders that had assembled at the UN world Summit to strengthen the present almost broken-down world body. There had appeared cracks in the much-hyped unity of the world leaders at most critical moment in the history of the UN. The bottom line is this that a superpower that now rules our world, wants to have the last say that would have to be echoed by the UN and all its related agencies, in whichever filed they might be working, economic development, or political spectrum or human rights. And to straighten things to reach its global target the 'veto' power of a permanent member of the security council is the most sharp and destructive 'missile' for them.

'Veto' system must be abolished

So in the last analysis, in order to save UN from going the League of Nations way the much cursed -- 'veto' power should be abolished for good. The 'veto' was a much-condemned system used by the Polish Parliament in the 18th century, which ultimately crippled the Polish Parliament. But the founding fathers of the UN copied it from there to serve as a 'safety valve' to maintain a balance between the opposing blocs in the UN, namely, the West, led by America, and the Socialist or Communist, led by Soviet Union. Now with the demise of the Soviet Union, veto is being misused and abused by vested quarters to save their selfish interests. Hence this curse should go immediately, with the expansion of the Security Council of both permanent and non-permanent members, all enjoying equal powers, any decision, political or otherwise, will be made by the majority of the members.

In case the Security Council fails to make such a decision to reform the Security Council, then the UN leaders would have to go for an alternative which the UN General Assembly had already shown in its resolution of 1950 known as the "Uniting for Peace" under which the General Assembly is authorised to take action if the Security Council, because of a lack of unanimity of its permanent members, fails to act in a case where there appears to be "a threat to peace, breach of peace, or act of aggression". The Assembly is also empowered by this resolutions to make recommendations to the member states for collective members, including the use of force, in the case of a breach of peace or act of aggression.

Whatever damage had to be done, has been done. Now let the right-thinking world leaders make consistent efforts to restore people's lost confidence in the world body. Let them pick up the broken pieces of Annan's 'reform package' and put them together again to make it workable, with due respect to the wishes and ambitions of "the peoples of the United Nations." This is an urge with due justification on this United Nations Day.

AMM Shahabuddin is a retired UN official.



Indian Army crossed into Wagah near Lahore on September 6, 1965 in response of Pakistan's offensive in Kashmir.

Informal trade in the South Asian region

Quest for a viable solution

DR HARIPADA BHATTACHARJEE

THE South Asian countries (Bhutan, Bangladesh, India, Maldives, Sri Lanka, Pakistan and Nepal) have made several attempts at enhancing trade in the region. Despite such efforts, trade within the countries continues to be abysmally low. Clearly there would be other mechanisms that would inject vitality into trade flows in the region. One way would be to focus on the large and vibrant informal trade in the South Asian region. Available evidence suggests that informal trade is rampant and if such trade is brought within the ambit of official trade, a significant increase could be witnessed.

Magnitude

Total informal trade, according to a recent report, exceeds US\$ 3 billion, which is almost double the formal trade in the region. India's informal trade with Pakistan is almost ten times that of formal trade, that with Nepal and Bangladesh is almost as large as formal trade, with Sri Lanka it is almost one-third of formal trade and that with Bhutan is three times as much as formal trade (Table 1 and Table 2).

Since India is the only country which shares its borders with almost all the South Asian countries and at the same time no country shares its border with countries other than India within South Asia, the central actor in informal trade has been India. India shares a long and porous border

with Bangladesh, Nepal and Pakistan. Informal trade with these countries largely takes place across the land borders. Informal trade with Sri Lanka takes place largely through air passengers, with small proportion being carried out by sea through country boats.

India has a trade surplus with Bangladesh, Pakistan, Sri Lanka and Bhutan on the unofficial trade account, while with Nepal it has a trade deficit. Interestingly, a similar pattern can be observed on the official trade account (see Table 1 and 2). Of the US\$2 billion informal trade with Pakistan, almost half is traded through third countries (technically official trade) such as Dubai, CIS countries and Afghanistan, while remainder is cross-border informal trade.

As Bangladesh is sandwiched between the northeastern region of India and the West Bengal borders of India, informal trade between India and Bangladesh takes place both along the borders between West Bengal and Bangladesh and between the northeastern regions and Bangladesh. Commodities exported informally from India to Bangladesh through West Bengal comprise of cattle, sugar, kerosene oil, sarees, bicycles, automobile components and parts and other consumer goods like plastic items, razor blades, medicines etc. Items imported from West Bengal into India through West Bengal comprise of synthetic fabrics, spices, and Hilsa fish. Informal

Studies have shown that formal trading procedures are extremely complex in the South Asian region. For instance, the number of documents that need to be filled up for formal trade is 29 for India, 83 for Nepal, 25 for Pakistan, 22 for Bangladesh and 15 for Sri Lanka. Also clearances have to be obtained from multiple agencies at various stages of trading.

exports from the northeastern region to Bangladesh comprise fruits, fish, sugar, cattle, raw cotton, spices, medicines, sarees and coal. Imports on the other hand consist of polythene, palm oil, plastic shoes and a range of miscellaneous consumer items.

Causes

Of course, high tariffs and the presence of non-tariff barriers in the form of quantitative and other restrictions create a strong incentive to avoid formal channel of trade in the region. The unweighted tariff average was highest in India at 39 percent, followed by Pakistan (25 percent),

Bangladesh (20 percent) and Sri Lanka (15 percent). In the early 1990s, India and Bangladesh had the highest non-tariff barrier coverage ratio for primary and manufactured goods. India has a non-tariff barriers (NTBs) coverage ratio of 66 percent and Bangladesh had a NTBs coverage ratio of 52 percent.

Close ethnic ties between trading markets also encourage informal trade across countries. This is particularly important where the same ethnic community is divided into two national boundaries; for example, in the case of India, Bangladesh, Pakistan and Nepal. It has been observed that in Indo-Nepal, Indo-Bangladesh

and Indo-Sri Lanka informal trading ethnicities are stronger in the informal channel than in the formal channel.

The lack of education deters from using the formal channel. Also lack of education would preclude traders from having information on trade policy. Most informal traders are not aware of the details of different trading arrangements. Informal traders in Sri Lanka have pointed out that the terms and conditions of trade agreements are available only in English and not in any local language spoken in the two countries. This fact is also supported by many past studies, that is, in Indo-Nepal, Indo-Bangladesh and Indo-Pakistan trading, level of

education for formal traders are significantly higher than those of informal traders.

Transaction costs and transacting environment are also responsible for bulk informal trading in the region. The inadequate transport and transit systems have led to high transportation costs. Particularly in the case of perishable commodities, port congestion, excessive documentation, delays, slow movement of goods, non-availability of equipment and railway wagons, transshipment and other indirect costs increase transportation costs. Thus as long as transport costs are higher in the formal channel than in the informal channel,

unofficial trade will continue to take place.

Intrinsic to the activity of trading is the issue of transacting environment. Studies have shown that formal trading procedures are extremely complex in the South Asian region. For instance, the number of documents that need to be filled up for formal trade is 29 for India, 83 for Nepal, 25 for Pakistan, 22 for Bangladesh and 15 for Sri Lanka. Also clearances have to be obtained from multiple agencies at various stages of trading that include obtaining licences and getting clearances from banks. Apart from incurring costs, such procedures also lead to rent seeking activities. Traders are known to pay hefty bribes at various stages of trading before their destination.

Way-out

Because of strong ethnic ties and historical linkages among the traders in the region, informal trade cannot be ignored and that is why it would be difficult to eliminate totally from the region. The involvement of law enforcement agencies to detect and obstruct informal transit of goods across borders is not a viable solution. Enforcement mechanisms could only lead to increase in rent collections and thereby act as added incentive to carry on informal trade. What would be more effective to reduce the impediments to trade in the formal channels.

Further reduction of tariffs, improvements in the transacting

environment of formal trade, simplification of existing complicated procedures, improving information dissemination, improving awareness and education levels etc. would lead to a decline in informal trade flows. Many scholars may think of a focus on free trade agreement among the member countries as a solution to the problem. India and Nepal have a long history of bilateral free trade agreements signed since 1961, but the results are frustrating. The South Asian countries formed SAARC, SAPTA and SAFTA.

SAARC is well reputed for limited achievements on core issues. Studies have shown that the SAPTA process contributed very little in stimulating intra-regional trade. The framework agreement for SAFTA signed at the 12th SAARC summit does not address the issue of informal trade. Due to the slow progress of the regional initiatives of promoting trade, a number of SAARC member countries decided to embark on bilateral free trade agreements. These sub-regional initiatives however, were not considered for preferential trading but for sectoral cooperation. Thus further reduction and harmonisation of tariffs and improvement of institutional mechanism for trade may be the viable solution in arresting the large informal trade of the region.

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Countries	Exports (X)	Imports (M)	Trade Balance (X-M)	Total Trade (X+M)
Bangladesh	299.0	14.0	285.0	313.0
Sri Lanka	185.5	21.8	163.7	207.3
Pakistan	n.a.	n.a.	Positive	2000.0
Nepal	180.0	228.0	-48.0	408.0
Bhutan	31.3	1.2	30.1	32.6
Total	-	-	-	2960.9

Source: Journal South Asian, April-June-2004, page 50 (Lahore, Pakistan)

Countries	Exports (X)	Imports (M)	Trade Balance (X-M)	Total Trade (X+M)
Bangladesh	349.1	7.8	341.3	356.9
Sri Lanka	340.2	45.0	295.2	385.2
Pakistan	157.2	36.1	121.1	193.3
Nepal	141.0	255.0	-114.0	396.0
Bhutan	7.0	3.0	4.0	10.0
Total	-	-	-	1641.4

Source: Journal South Asian, April-June-2004, page 50 (Lahore, Pakistan)