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Pakistan-U.S. Relations

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Pakistan-U.S. Relations

SUMMARY

The major areas of U.S. concern in Pakistan include: nuclear nonproliferation; counterterrorism; regional stability; democratization and human rights; and economic reform and development. An ongoing Pakistan-India nuclear arms race, fueled by rivalry over Kashmir, continues to be the focus of U.S. nonproliferation efforts in South Asia and a major issue in U.S. relations with both countries. This attention intensified following nuclear tests by both India and Pakistan in May 1998. South Asia is viewed by some observers as a likely prospect for use of such weapons. India has developed short- and intermediate-range missiles, and Pakistan has acquired short-range missiles from China and medium-range missiles from North Korea. India and Pakistan have fought three wars since 1947.

U.S.-Pakistan cooperation began in the mid-1950s as a security arrangement based on U.S. concern over Soviet expansion and Pakistan's fear of neighboring India. Cooperation reached its high point during the 1979-89 Soviet occupation of Afghanistan. U.S.-Pakistan ties weakened following the October 1990 cutoff of U.S. aid and arms sales, which were suspended by President Bush under Section 620E(e) of the Foreign Assistance Act (FAA) (the so-called "Pressler amendment"). Further U.S. sanctions were imposed on Pakistan (and India) as a result of their 1998 nuclear tests. The see-saw Pakistan-U.S. relationship has been on the upswing following Pakistan's enlistment as a frontline state in the U.S.-led war on terrorism resulting from the September 2001 attacks on New York and Washington. Nuclear sanctions on Pakistan and India have been waived; Congress also has given the President authority to waive, for two years, sanctions imposed on Pakistan following its 1999 military coup.

Both Congress and the Administration consider a stable, democratic, economically thriving Pakistan as key to U.S. interests in South, Central, and West Asia. Although ruled by military regimes for half of its existence, from 1988-99, Pakistan had democratic governments as a result of national elections in 1988, 1990, 1993, and 1997. Between 1988 and 1999, Benazir Bhutto, leader of the Pakistan People's Party, and Nawaz Sharif, leader of the Pakistan Muslim League, each served twice as prime minister. Neither leader served a full term, being dismissed by the president under constitutional provisions that have been used to dismiss four governments since 1985.

In October 1999, the government of Prime Minister Nawaz Sharif was overturned in a bloodless coup led by Chief of Army Staff Pervez Musharraf, who suspended the parliament and declared himself chief executive. In June 2001, General Musharraf assumed the post of president. The United States has strongly urged the Pakistan military government to restore the country to civilian democratic rule. President Musharraf has pledged to honor a Pakistan Supreme Court ruling ordering parliamentary elections to be held by late 2002. The Musharraf government has begun to address Pakistan's many pressing and longstanding problems, including the beleaguered economy, corruption, terrorism, and poor governance. Pakistan will receive well over one billion dollars in U.S. assistance and several billion dollars from international organizations to help strengthen the country as a key member of the U.S.-led anti-terrorism coalition.

MOST RECENT DEVELOPMENTS

As 2001 drew to a close, Pakistan and India once again teetered on the brink of war in dispute over Kashmir. An attack against the Indian parliament on December 13, thought to have been carried out by Pakistan-based Islamic militants, left 14 dead. India blamed the suicide attack on two militant groups that Indian leaders allege were sponsored by Pakistan. Pakistani leaders, in return, accused India of ratcheting up tensions between the two countries, warning that Pakistan would make India pay a heavy price for any "misadventure." In the weeks following the attack on the Indian parliament, both India and Pakistan have, in a "tit-for-tat" fashion, issued threats, conducted military maneuvers, repositioned missile batteries, and levied sanctions against each other.

Although tensions still remain high and the threat of war has not yet receded, the intensive diplomatic efforts of U.S. officials appear to have had some impact in defusing a dangerous situation. The United States communicated to Pakistan that it would have to rein in Muslim extremist groups within its borders, and by the end of 2001, Indian Foreign Minister Jaswant Singh was acknowledging for the first time that Pakistan had taken "a step in the correct direction." In early January 2002, Prime Minister Vajpayee and Pakistani President Musharraf shook hands in an awkward meeting at a South Asian regional summit in Nepal, although they did not have a one-on-one discussion as had been hoped.

In the few weeks leading up to his televised national address on January 12, President Musharraf launched a major crackdown on Islamic groups, arresting hundreds of militants. Musharraf's speech marked the second critical turnaround in recent Pakistani policy. The first came when Pakistan offered its "unstinted support" to the U.S. campaign against the Taliban militia of Afghanistan, a group the Pakistanis had earlier supported. This time Musharraf has taken an even bolder step and has announced his withdrawal of Pakistani support for anti-Indian militants operating within Pakistan's borders. India, however, has refused to withdraw its troops from the border, stating that Pakistan still must do "more," including turning over a number of alleged terrorists on a list compiled by India and renouncing "moral" as well as material support for all groups – even non-Pakistan based Kashmiri– fighting Indian control of Kashmir.

BACKGROUND AND ANALYSIS

Context of the Relationship

Historical Background

The long and checkered U.S.-Pakistan relationship has its roots in the Cold War and South Asia regional politics of the 1950s. U.S. concern about Soviet expansion and Pakistan's desire for security assistance against a perceived threat from India prompted the two countries to negotiate a mutual defense assistance agreement in May 1954. By late 1955, Pakistan had further aligned itself with the West by joining two regional defense pacts, the

South East Asia Treaty Organization (SEATO) and the Baghdad Pact (later Central Treaty Organization, CENTO). As a result of these alliances and a 1959 U.S.-Pakistan cooperation agreement, Pakistan received more than $700 million in military grant aid in 1955-65. U.S. economic aid to Pakistan between 1951 and 1982 totaled more than $5 billion.

Differing expectations of the security relationship have long bedeviled ties. During the Indo-Pakistani wars of 1965 and 1971, the United States suspended military assistance to both sides, resulting in a cooling of the U.S.-Pakistan relationship. In the mid-1970s, new strains arose over Pakistan's apparent efforts to respond to India's 1974 underground test of a nuclear device by seeking its own capability to build a nuclear bomb. Although limited U.S. military aid to Islamabad was resumed in 1975, it was suspended again by the Carter Administration in April 1979, under Section 669 of the Foreign Assistance Act (FAA), because of Pakistan's secret construction of a uranium enrichment facility.

Following the Soviet invasion of Afghanistan in December 1979, Pakistan was again viewed as a frontline state against Soviet expansionism. An offer to Pakistan of $400 million in economic and security aid by the Carter Administration in early 1980 was turned down by President Zia-ul Haq as "peanuts." In September 1981, however, the Reagan Administration, negotiated a $3.2 billion, 5-year economic and military aid package with Pakistan. Congress facilitated the resumption of aid in December by adding Section 620E to the FAA, giving the President authority to waive Section 669 for 6 years in the case of Pakistan, on grounds of national interest. Pakistan became a funnel for arms supplies to the Afghan resistance, as well as a camp for three million Afghan refugees.

Despite the renewal of U.S. aid and close security ties, many in Congress remained concerned about Pakistan's nuclear program, based, in part, on evidence of U.S. export control violations that suggested a crash program to acquire a nuclear weapons capability. In 1985, Section 620E(e) (the so-called Pressler amendment) was added to the FAA, requiring the President to certify to Congress that Pakistan does not possess a nuclear explosive device during the fiscal year for which aid is to be provided. The Pressler amendment represented a compromise between those in Congress who thought that aid to Pakistan should be cut off because of evidence that it was continuing to develop its nuclear option and those who favored continued support for Pakistan's role in opposing Soviet occupation of Afghanistan. A $4 billion, 6-year aid package for Pakistan was signed in 1986.

U.S. 1990 Aid Cut-off. With the Soviet withdrawal from Afghanistan, beginning in May 1988, however, Pakistan's nuclear activities again came under close U.S. scrutiny. In October 1990, President Bush suspended aid to Pakistan because he was unable to make the necessary certification to Congress. Under the provisions of the Pressler amendment, most economic and all military aid to Pakistan was stopped and deliveries of major military equipment suspended. Narcotics assistance of $3-5 million annually, administered by the State Department's Bureau of International Narcotics Matters, was exempted from the aid cutoff. In 1992, Congress partially relaxed the scope of the aid cutoff to allow for P.L.480 food assistance and continuing support for nongovernmental organizations (NGOs). P.L. 480 food aid totaled about $5 million in both FY1997 and FY1998. The Foreign Operations Appropriations Act for FY1996 included an amendment introduced by Senator Hank Brown that allowed a one-time release to Pakistan of $368 million in military hardware ordered before the 1990 aid cutoff.

One of the most serious results of the aid cutoff for Pakistan was the nondelivery of some 71 F-16 fighter aircraft ordered in 1989. A search was made for a third country buyer in order to reimburse Pakistan $658 million it had paid for 28 of the fighter planes. Deeply frustrated by the nondelivery of its planes and the nonrefund of its money, the Pakistan government reportedly considered going to court over the matter. In December 1998, the United States agreed to pay Pakistan $324.6 million from the Judgment Fund of the U.S. Treasury – a fund used to settle legal disputes that involve the U.S. government – as well as provide Pakistan with $140 million in goods, including agricultural commodities.

Pakistan-India Rivalry

Three wars – in 1947-48, 1965, and 1971 – and a constant state of military preparedness on both sides of the border have marked the half-century of bitter rivalry between India and Pakistan. The acrimonious nature of the partition of British India into two successor states in 1947 and the continuing dispute over Kashmir have been major sources of tension. Both Pakistan and India have built large defense establishments – including ballistic missile programs and nuclear weapons capability – at the cost of economic and social development. The Kashmir problem is rooted in claims by both countries to the former princely state, divided by a military line of control, since 1948, into the Indian state of Jammu and Kashmir and Pakistan-controlled (Free) Kashmir. India blames Pakistan for supporting a separatist rebellion raging in the Muslim-dominated Kashmir Valley that has claimed 30,000 lives since 1990. Pakistan admits only to lending moral and political support to the rebellion, while accusing India of creating dissension in Pakistan's Sindh province. (For further discussion, see pp. 9-10.)

The China Factor. India and China fought a brief border war in 1962, and relations between the two remained tense for three decades, each deploying troops along a line of control that serves as the boundary. In September 1993, China and India signed an agreement to reduce troops and maintain peace along the line of control dividing their forces. Despite this thaw in relations, the India-China boundary has yet to be settled, and India remains suspicious of China's military might. India-China relations suffered a setback as a result of statements by Indian government officials that its May 1998 nuclear tests were prompted in large part by the China threat.

Pakistan and China, on the other hand, have enjoyed a close and mutually beneficial relationship over the same three decades. Pakistan served as a link between Beijing and Washington in 1971, as well as a bridge to the Muslim world for China in the 1980s. China's continuing role as a major arms supplier for Pakistan began in the 1960s, and included helping to build a number of arms factories in Pakistan, as well as supplying arms. In September 1990, China agreed to supply Pakistan with components for M-11 surface-to-surface missiles, which brought warnings from the United States. Although it is not a member of the Missile Technology Control Regime (MTCR), China agreed to abide by the restrictions of the MTCR, which bans the transfer of missiles with a range of more than 300 kilometers and a payload of more than 500 kilograms. In August 1993, the United States determined that China had transferred to Pakistan prohibited missile technology and imposed trade sanctions on one Pakistan and 11 Chinese entities (government ministries and aerospace companies) for two years. A July 1995 *Washington Post* report quoted unnamed U.S. officials as saying that the U.S. intelligence community had evidence that China had given Pakistan complete M-11 ballistic missiles. In February 1996, the U.S. press reported on leaked U.S. intelligence

reports alleging that China sold ring magnets to Pakistan, in 1995, that could be used in enriching uranium for nuclear weapons. Pakistan denied the reports.

On November 21, 2000, the United States imposed 2-year sanctions on the Pakistan Ministry of Defense and Pakistan's Space and Upper Atmosphere Research Organization, as well as Iranian entities, as a result of past Chinese assistance to Pakistani and Iranian missile programs. In September 2001, the U.S. State Department again imposed 2-year sanctions on a PRC company and Pakistan's National Development Complex. The PRC company reportedly delivered 12 shipments of components for Pakistan's Shaheen missiles in early 2001. (For background and updates on China-Pakistan technology transfer, see CRS Issue Brief IB92056, *Chinese Proliferation of Weapons of Mass Destruction: Current Policy Issues*.)

Pakistan Political Setting

On October 12, 1999, the Pakistan army under Chief of Army Staff General Pervez Musharraf carried out a bloodless coup that deposed then-Prime Minister Nawaz Sharif and put him under house arrest, a few hours after Sharif had announced the replacement of the army chief. The coup reportedly followed several weeks of rumors of a power struggle between Sharif and Musharraf. Subsequently, Sharif appeared to have resolved his dispute with Musharraf, but then fired him without prior notice while the general was on a visit to Sri Lanka. On October 14, General Musharraf suspended the constitution and the parliament and named himself chief executive. In an October 18 televised address to the nation, Musharraf pledged to: eventually restore civilian rule; reform corrupt government institutions; revive the nation's economy; reduce troops on the Indian border; use restraint in nuclear weapons policy; and promote a moderate form of Islam. Nawaz Sharif and six other defendants were charged with attempted murder and kidnaping for denying landing access to the plane returning General Musharraf and 200 other passengers from Sri Lanka to Karachi on October 12. The United States urged the Pakistan military government to provide a transparent, fair, and impartial trial of the former prime minister and to set a timetable for the restoration of democracy.

In April 2000, Nawaz Sharif was convicted of hijacking and terrorism and sentenced to life imprisonment. Sharif's six co-defendants, including his brother, were acquitted of all charges. Appeals were filed. On May 12, the Pakistan Supreme Court upheld the legality of the October coup led by General Musharraf. While ruling that widespread corruption and economic mismanagement under the Sharif government justified the coup, the court gave the military government until October 12, 2002, to accomplish economic and political reform and ordered parliamentary elections to be held no more than 90 days thereafter. On May 25, General Musharraf stated in a press conference that he would honor the Supreme Court timetable. In August he announced details of a controversial plan to return the country to democracy, beginning with local council elections in to be held on a non-party basis with one-third of the council seats to be reserved for women.

In a surprise move on December 10, 2000, the Pakistan military government pardoned Nawaz Sharif of his prison sentence and allowed him to go into exile in Saudi Arabia, along with 17 members of his family. Sharif was disqualified from public office for 21 years and required to forfeit about $9 million in property. In early 2001, Sharif's Pakistan Muslim League (PML) and former Prime Minister Benazir Bhutto's Pakistan People's Party (PPP)

joined with smaller parties to form an Alliance for the Restoration of Democracy. In late April and early May, the military government arrested hundreds of political workers in Karachi to block a May Day rally in support of the restoration of democratic rule.

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. Pakistan's national and provincial legislatures – suspended following the October 1999 military coup – were dissolved. President Musharraf stated his commitment to hold national elections, as directed by the Pakistan Supreme Court, and to restore the country to civilian rule. Musharraf gave as his rationale for assuming the presidency national interests of political stability and the continuity and sustainability of economic reforms. Leaders of Pakistan's various political parties criticized General Musharraf's action, calling it unconstitutional. The United States expressed concern that Pakistan had taken another turn away from democracy. On August 14, 2001, President Musharraf announced that local elections had been completed and that elections to provincial assemblies and the parliament will be held in October 2002. On January 24, 2002, Musharraf reiterated his commitment to a return to democracy by stating at a conference on human development in Islamabad that he would indeed comply with the Supreme Court ruling and that the October election would be "free, fair, and impartial."

Background. Military regimes have ruled Pakistan for half of its 54 years, interspersed with periods of generally weak civilian governance. After 1988, Pakistan had democratically elected governments, and the army appeared to have moved from its traditional role of power wielder or kingmaker toward one of power broker or referee. During the past decade, Benazir Bhutto and Nawaz Sharif each served twice as prime minister. Bhutto was elected prime minister in October 1988, following the death of military ruler Mohammad Zia-ul Haq in a plane crash. General Zia had led a coup in 1977 deposing Bhutto's father, Prime Minister Zulfiqar Ali Bhutto, who was later executed. Despite the restoration of democratic process to Pakistan in 1988, the succeeding years were marred by political instability, economic problems, and ethnic and sectarian violence. In August 1990, President Ishaq Khan dismissed Bhutto for alleged corruption and inability to maintain law and order. The president's power to dismiss the prime minister derived from Eighth Amendment provisions of the Pakistan constitution, which dated from the era of Zia's presidency.

Elections held in October 1990 brought to power Nawaz Sharif, who also was ousted, in 1993, under the Eighth Amendment provisions. The 1993 elections returned Bhutto and the PPP to power. The new Bhutto government faced serious economic problems, including drought-induced power shortages and crop failures, as well as increasing ethnic and religious turmoil, particularly in Sindh Province. According to some observers, the Bhutto government's performance also was hampered by the reemergence of Bhutto's husband, Asif Ali Zardari, in a decisionmaking role. Zardari's role in the previous Bhutto government was believed to have been a factor in her dismissal. He served two years in jail on corruption charges, but subsequently was acquitted. In November 1996, President Farooq Leghari dismissed the Bhutto government for "corruption, nepotism, and violation of rules in the administration of the affairs of the Government" and scheduled new elections for February 1997. Zardari was placed under detention by the interim government, where he currently remains.

Nawaz Sharif's PML won a landslide victory in the February 1997 parliamentary elections, which, despite low voter turnout, international observers judged to be generally free and fair. Sharif moved quickly to consolidate his power by curtailing the powers of the President and the judiciary. In April 1997, the Parliament passed the Thirteenth Amendment to the constitution, which deleted the President's former Eighth Amendment powers to dismiss the government and to appoint armed forces chiefs and provincial governors. The new amendment was passed unanimously by both houses of parliament and signed by President Leghari. As the result of a power struggle in November, Sharif replaced the Supreme Court Chief Justice, Leghari resigned , and Sharif chose Mohammad Rafiq Tarar as president. As a result of these developments and the PML control of the Parliament, Nawaz Sharif emerged as one of Pakistan's strongest elected leaders since independence. His critics accused him of further consolidating his power by intimidating the opposition and the press. In April 1999, a two-judge Ehtesab (accountability) Bench of the Lahore High Court convicted former Prime Minister Benazir Bhutto and her husband of corruption and sentenced them to 5 years in prison, fined them $8.6 million, and disqualified them from holding public office. Bhutto was out of the country at the time. In commenting on the conviction, the Human Rights Commission of Pakistan noted: "...the selective manner in which *ehtesab* has been conducted by the executive smacks of political vindictiveness." In April 2001, the Pakistan Supreme Court ruled that former Prime Minister Benazir Bhutto's 1999 conviction for corruption was biased and ordered a retrial.

Pakistan-U.S. Relations and Bilateral Issues

U.S. policy interests in Pakistan encompass a wide range of issues, including nuclear weapons and missile proliferation; South Asian regional stability; democratization and human rights; economic reform and market opening; and efforts to counter terrorism and narcotics. These concerns have been affected by several developments in recent years, including: 1) the cutoff of U.S. aid to Pakistan in 1990, 1998, and 1999 over nuclear and democracy issues; 2) India and Pakistan's worsening relationship over Kashmir since 1990, and their continuing nuclear standoff; 3) Pakistan's see-saw attempts to develop a stable democratic government and strong economy in the post-Cold War era; and, most recently, 4) the terrorist attacks of September 11, 2001, on New York and Washington.

The Bush Administration has identified exiled Saudi dissident Osama bin Laden, who had long been harbored by the Taliban government in Afghanistan, as the prime suspect in the terrorist attacks on the United States. On September 13, President Musharraf – under strong U.S. diplomatic pressure – offered President Bush "our unstinted cooperation in the fight against terrorism." Because of its proximity to Afghanistan and former close ties with the Taliban, Pakistan is considered key to U.S.-led efforts to root out terrorism in the region. The Taliban and bin Laden enjoy strong support among a substantial percentage of the Pakistan population, who share not only conservative Islamic views but also ethnic and cultural ties with Afghanistan. A major issue facing the Administration is how to make use of Pakistan's support — including for military operations in Afghanistan — without seriously destabilizing an already fragile state that has nuclear weapons and ballistic missiles.

In an effort to shore up the Musharraf government, most sanctions relating to Pakistan's (and India's) 1998 nuclear tests and Pakistan's 1999 military coup were waived in September and October. On October 29, State Department spokesman Richard Boucher said that

Pakistan will receive well over one billion dollars in U.S. assistance and several billion dollars from international organizations to help strengthen Pakistan as a key member of the U.S.-led anti-terrorism coalition. Direct assistance programs will include aid for health, education, food, democracy promotion, child labor elimination, counter-narcotics, border security and law enforcement, as well as trade preference benefits. The United States also will support grant, loan, and debt rescheduling programs for Pakistan by the various international financial institutions, including the World Bank, International Monetary Fund, and Asian Development Bank. In addition, Pakistan has received promises of substantial aid, debt relief, and trade concessions from Japan and the European Union in recognition of its support for the international anti-terrorism coalition. Japan, which is Pakistan's largest bilateral aid donor, announced on October 26 that it was suspending sanctions imposed on Pakistan and India following their 1998 nuclear tests.

On November 10, President Bush met with President Musharraf in New York, where both addressed the U.N. General Assembly. According to the White House, the two leaders discussed the anti-terrorism campaign, regional security issues, economic cooperation, human rights, the October 2002 Pakistani elections, and ways to strengthen the U.S.-Pakistan relationship. President Bush hosted a dinner for President Musharraf that evening.

Security

Nuclear Weapons and Missile Proliferation. Since the September 2001 terrorist attacks on the United States, U.S. and Pakistan officials have held talks on improving security and installing new safeguards on Pakistan's nuclear weapons and nuclear power plants. Fears that Pakistan could become destabilized by the U.S. anti-terrorism war efforts in Afghanistan have heightened U.S. nuclear proliferation concerns in South Asia. On May 11 and 13, 1998, India conducted a total of five underground nuclear tests, breaking a 24-year self-imposed moratorium on nuclear testing. Despite U.S. and world efforts to dissuade it, Pakistan followed, claiming five tests on May 28, 1998, and an additional test on May 30. The unannounced tests created a global storm of criticism, as well as a serious setback for two decades of U.S. nuclear nonproliferation efforts in South Asia. (See also CRS Report 98-570, *India-Pakistan Nuclear Tests and U.S. Response* and CRS Report RL30623, *Nuclear Weapons and Ballistic Missile Proliferation in India and Pakistan: Issues for Congress*.)

On May 13, 1998, President Clinton imposed economic and military sanctions on India, mandated by section 102 of the Arms Export Control Act (AECA), and applied the same sanctions to Pakistan on May 30. Humanitarian assistance, food, or other agricultural commodities are excepted from sanctions under the law. In November1998, the U.S. Department of Commerce published a list of more than 300 Indian and Pakistani government agencies and companies suspected of working on nuclear, missile, and other weapons programs. Any U.S. exports to these entities required a Commerce Department license, and most license requests reportedly were denied. On the one hand, Pakistan was less affected than India by the sanctions, since most U.S. assistance to Pakistan had been cut off since 1990. On the other hand, Pakistan's much smaller – and currently weaker – economy was more vulnerable to the effects of the sanctions.

U.S. policy analysts consider the continuing arms race between India and Pakistan as posing perhaps the most likely prospect for the future use of nuclear weapons. India conducted its first, and only, previous nuclear test in May 1974, following which it maintained

ambiguity about the status of its nuclear program. Pakistan probably gained a nuclear weapons capability sometime in the 1980s. India is believed to have enough plutonium for 75 or more nuclear weapons. Pakistan may have enough enriched uranium for 25 nuclear weapons. Both countries have aircraft capable of delivering weapons. India has short-range missiles (Prithvi) and is developing an intermediate-range ballistic missile (Agni) with enough payload to carry a nuclear warhead. Pakistan reportedly has acquired technology for short-range missiles (Shaheen) from China and medium-range missiles (Ghauri) from North Korea, capable of carrying small nuclear warheads.

Proliferation in South Asia is part of a chain of rivalries — India seeking to achieve deterrence against China, and Pakistan seeking to gain an "equalizer" against a larger and conventionally stronger India. India began its nuclear program in the mid-1960s, after its 1962 defeat in a short border war with China and China's first nuclear test in 1964. Despite a 1993 Sino-Indian troop reduction agreement and some easing of tensions, both nations continue to deploy forces along their border. Pakistan's nuclear program was prompted by India's 1974 nuclear test and by Pakistan's defeat by India in the 1971 war and consequent loss of East Pakistan, now independent Bangladesh.

U.S. Nonproliferation Efforts. Neither India nor Pakistan are signatories of the Nuclear Nonproliferation Treaty (NPT) or the Comprehensive Test Ban Treaty (CTBT). India has consistently rejected both treaties as discriminatory, calling instead for a global nuclear disarmament regime. Pakistan traditionally has maintained that it will sign the NPT and CTBT only when India does so. Aside from security concerns, the governments of both countries are faced with the prestige factor attached to their nuclear programs and the domestic unpopularity of giving them up. Following the 1998 tests, the United States set forth five steps India and Pakistan need to take in order to avoid a destabilizing nuclear and missile competition. They include the following:

Halt further nuclear testing and sign and ratify the CTBT. U.S. and international pressure after the 1998 nuclear tests produced resolutions by the U.N. Security Council and the Group of Eight (G-8) urging India and Pakistan to sign the CTBT. Japan – the largest bilateral aid donor for both countries – made resumption of its aid programs contingent on signing the CTBT and assurances not to transfer nuclear technology or material to any other country. In October 2001, however, Japan suspended sanctions against both countries in recognition of their support for the U.S.-led war on terrorism. Although both India and Pakistan currently observe self-imposed moratoria on nuclear testing, they continue to resist signing the CTBT – a position made more tenable by U.S. failure to ratify the treaty in 1999.

Halt fissile material production; cooperate in FMCT negotiations. Both India and Pakistan have agreed to participate in negotiations on the fissile material control Treaty. Both countries, however, have expressed unwillingness to halt fissile material production at this stage in the development of their nuclear weapons programs.

Refrain from deploying or testing missiles or nuclear weapons. The United States has urged India and Pakistan – with little success – to adopt constraints on development, flight testing, and storage of missiles, and basing of nuclear-capable aircraft. On April 11, 1999, India tested its intermediate-range Agni II missile, firing it a reported distance of 1,250 miles. On April 14-15, Pakistan countered by firing its Ghauri II and

Shaheen missiles with reported ranges of 1,250 and 375 miles, respectively. Most recently, India tested a longer version of its short-range Prithvi missile in December 2001.

In August 1999, India's Bharatiya Janata Party (BJP) government released a draft report by the National Security Advisory Board (NSAB) on India's nuclear doctrine. The report, although retaining India's no-first-use policy, called for creation of a "credible nuclear deterrence and adequate retaliatory capability should deterrence fail." It proposed nuclear weapons "based on a triad of aircraft, mobile land-based missiles and sea-based assets...." The United States and other countries criticized the document as destabilizing, noting that, if adopted, the proposed policy would ratchet up nuclear arms racing in the region.

Maintain and formalize restraints on sharing sensitive goods and technologies with other countries. Both India and Pakistan apparently have good records on nonproliferation of sensitive technologies and have issued regulatory orders on export controls. Since May 1998, both countries have continued to hold expert-level talks with U.S. officials on export controls. U.S. concern was raised in late 2001 by disclosures that two retired Pakistani nuclear scientists had briefed bin Laden and other al Qaeda officials on several occasions. The war in Afghanistan also heightened fears of instability in Pakistan that could lead to Islamabad's nuclear assets being compromised in the event of a radical Islamist military coup. This has resulted in renewed U.S. policy debate on transfers of nuclear weapons safeguards technologies to Pakistan and/or India. India also continues to press for ending of export controls on dual-use technologies that it needs for its civilian nuclear and space programs, which has raised further U.S. policy debates on export controls and technology transfer.

Reduce bilateral tensions, including Kashmir. Beginning in 1990 – with the increasing friction between India and Pakistan over Kashmir – the United States strongly encouraged both governments to institute confidence-building measures in order to reduce tensions. Measures agreed to so far include: agreement on advance notice of military movements; establishment of a military commander "hotline"; an exchange of lists of nuclear installations and facilities; agreement not to attack each other's nuclear facilities; a joint ban on use and production of chemical weapons; and measures to prevent air space violations. In February 1999, Prime Minister Vajpayee took an historic bus ride to Pakistan to hold talks with then Prime Minister Nawaz Sharif. The two leaders signed the Lahore Declaration in which they agreed to intensify efforts to resolve all issues, including Jammu and Kashmir and to take a number of steps to reduce tensions between their countries.

The prospects for India-Pakistan detente suffered a severe setback in May-July 1999, when the two countries teetered on the brink of their fourth war, once again in Kashmir. In the worst fighting since 1971, Indian soldiers sought to dislodge some 700 Pakistan-supported infiltrators who were occupying fortified positions along mountain ridges overlooking a supply route on the Indian side of the line of control (LOC) near Kargil. Following a meeting on July 4, between then Pakistan Prime Minister Nawaz Sharif and President Clinton in Washington, the infiltrators withdrew across the LOC. (See CRS Report RS20277, *Recent Developments in Kashmir and U.S. Concerns*.)

Tensions between India and Pakistan remained extremely high in the wake of the Kargil conflict, which cost more than 1,100 lives. Throughout 2000, cross-border firing and shelling continued at high levels. India accused Pakistan of sending a flood of militants into Kashmir

and increasingly targeting isolated police posts and civilians. Pakistan also accused India of human rights violations in Kashmir. According to Indian government sources, more than 5,000 militants, security forces, and civilians were killed in Jammu and Kashmir state in 1999-2000. The United States strongly urged India and Pakistan to create the proper climate for peace, respect the LOC, reject violence, and return to the Lahore peace process. In November 2000, India announced a unilateral halt to its military operations in Kashmir during the Muslim holy month of Ramadan. In December, the Pakistan government announced that its forces deployed along the LOC in Kashmir would observe maximum restraint and that some of its troops would be pulled back from the LOC. Indian army officials noted that clashes between Indian and Pakistani forces along the LOC had virtually stopped since the cease-fire began and that there had been a definite reduction of infiltration of militants from Pakistan. In February, Prime Minister Vajpayee extended the cease-fire until the end of May 2001. Kashmir's main militant groups, however, rejected the cease-fire as a fraud and continued to carry out attacks on military personnel and government installations. As security forces conducted counter-operations, deaths of Kashmiri civilians, militants, and Indian security forces continued to rise.

In May 2001, the Indian government announced that it was ending its unilateral cease-fire in Kashmir but that Prime Minister Vajpayee would invite President Musharraf to India for talks. The July summit talks in Agra between Musharraf and Vajpayee failed to produce a joint communique, reportedly as a result of pressure from hardliners on both sides. Major stumbling blocks were India's refusal to acknowledge the "centrality of Kashmir" to future talks and Pakistan's objection to references to "cross-border terrorism." Since the Agra talks, tensions have continued to rise. According to Indian government reports, more than 2,000 people have died since January 2001 as a result of the fighting in Jammu and Kashmir state, including 618 civilians, 1,133 militants, and 228 security forces. According to Amnesty International, more than 1,100 people have disappeared in Kashmir since the revolt began in 1990.

On October 16-17, U.S. Secretary of State Colin Powell visited Pakistan and India in an effort, in part, to calm seriously escalating tensions over Kashmir. India responded to an October 1 terrorist attack by the Pakistan-based Jaish-e-Muhammad, which killed 38 people in Kashmir, by resuming heavy firing across the line of control that divides the disputed territory. Cross-border firing between India and Pakistan had been largely suspended since November 2000. Powell urged both countries to seek a peaceful resolution of the Kashmir dispute. On October 29, the chief of the U.N. Military Observers Group in India and Pakistan (UNMOGIP) accused both countries of playing "political games" on the issue of Kashmir. In reportedly the first instance of a public statement by the UNMOGIP in 50 years, Maj. Gen. Hermann K. Loidolt stated further: "My assessment is that the situation will become more tense in the time coming, not only along the LOC [Line of Control] but also in the whole of Jammu and Kashmir state."

An attack against the Indian parliament on December 13, thought to have been carried out by Pakistan-based Islamic militants, left 14 dead and brought India and Pakistan to the brink of war. India blamed the suicide attack on two militant groups that Indian leaders believe were sponsored by Pakistan: Jaish-e-Muhammad (Soldiers of Islam) and Lashkar-e-Taiba (Army of the Pious). These two groups allegedly have been fighting from bases in Pakistan to end Indian rule in part of the disputed Himalayan region of Kashmir. Following the attack, Indian Prime Minister Vajpayee stated "We do not want war, but war

is being thrust on us, and we will have to face it." Pakistani leaders, in return, accused India of ratcheting up tensions between the two countries and said that Pakistan would make India pay "a heavy price for any misadventure." In the weeks following the attack on the Indian parliament, both India and Pakistan have, in a "tit-for-tat" fashion, issued threats, conducted military maneuvers and repositioned missile batteries along their border, and levied sanctions against each other. As of early February, Indo-Pakistani tensions remain high but may be stepping down from a crisis level. Observers note, however, that troops on both sides of the border have not pulled back and that the situation remains dangerous.

Congressional Action. Through a series of legislative measures, Congress has lifted sanctions on Pakistan and India resulting from their 1998 nuclear tests. In October 1999, Congress passed H.R. 2561, the Department of Defense Appropriations Act, 2000, and it was signed by the President as P.L. 106-79 on October 29. Title IX of the act gives the President authority to waive sanctions applied against India and Pakistan in response to the nuclear tests. In a presidential determination on India and Pakistan issued on October 27, 1999, the President waived economic sanctions on India. However, until October of the following year, Pakistan remained under sanctions triggered under Section 508 of the annual foreign assistance appropriations act as a result of the October 1999 military coup. The Foreign Operations Export Financing and Related Agencies Appropriations Act, 2001, however, provided an exception under which Pakistan could be provided U.S. foreign assistance funding for basic education programs (P.L. 106-429; Section 597). The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115; Section 579) makes $ 8 million available to Indonesia and Pakistan for basic education. The U.S. Agency for International Development request for FY2002 includes $7 million for programs to strengthen civil society and reform public education in Pakistan.

On September 22, 2001, President Bush issued a final determination removing remaining sanctions on Pakistan and India resulting from their 1998 nuclear tests. On October 27, President Bush signed into law S. 1465 (P.L. 107-57), which gives the President two-year waiver authority to lift sanctions on foreign assistance imposed on Pakistan following the 1999 military coup if he determines that such a waiver would facilitate the transition to democratic rule in Pakistan and is important to U.S. efforts to combat international terrorism. The authority also permitted the removal of a number of Indian and Pakistani entities from the Entity List related to the policy of denial for exports and re-exports of items controlled for Nuclear Proliferation and Missile Technology. (For details, see CRS Report RS20995, *India and Pakistan: Current U.S. Economic Sanctions*, by Dianne E. Rennack).

Pakistan-U.S. Military Cooperation. The close U.S.- Pakistan military ties of the Cold War era – which had dwindled since the 1990 aid cutoff – are in the process of being restored as a result of Pakistan's role in the U.S. anti-terrorism operations in Afghanistan. Pakistan also has been a leading country in supporting U.N. peacekeeping efforts with troops and observers. Some 5,000 Pakistani troops were stationed in Saudi Arabia and the United Arab Emirates as part of the U.S.-led Persian Gulf War efforts in 1990. Pakistani troops played an important role in the U.S.-led humanitarian operations in Somalia from 1992 to 1994. In November 2001, there were 5,500 Pakistani troops and observers participating in U.N. peacekeeping efforts in Sierra Leone, East Timor, Kosovo, Congo, and other countries.

Democratization and Human Rights

Democratization Efforts. The United States considers the October 1999 Pakistan military coup to be a serious setback to the country's efforts to return to the democratic election process beginning in 1988. National elections, judged by domestic and international observers to be generally free and fair, were held in 1988, 1990, 1993, and 1997. Pakistan democracy between 1988 and 1999, however, was marred by wide-scale corruption, volatile mass-based politics, and a continuing lack of symmetry between the development of the military and civilian bureaucracies and political institutions. The politics of confrontation between parties and leaders flourished at the expense of effective government; frequent walkouts and boycotts of the national and provincial assemblies often led to paralysis and instability. The major political parties lacked grassroots organization and failed to be responsive to the electorate.

Human Rights Problems. The U.S. State Department, in its *Pakistan Country Report on Human Rights Practices for 2000* (issued February 2001), noted that, although Pakistan's human rights record remained poor under the military government, there were improvements in some areas, including freedom of the press. Citizens continue to be denied the right to choose or change their government peacefully since the October 1999 coup. In May 2000, however, General Musharraf promised to abide by a Supreme Court ruling that national elections will be held no later than 90 days after October 12, 2002. The State Department report cited continuing problems of police abuse, religious discrimination, and child labor. Security forces were cited for committing extrajudicial killings (although fewer than in 1999), using arbitrary arrest and detention, torturing and abusing prisoners and detainees, and raping women. Political and religious groups also engaged in killings and persecution of their rivals and ethnic and religious minorities. Politically motivated violence and a deteriorating law and order situation reportedly continued to be a serious problem in 2000, although less so following the October 1999 coup. In 1998-2000, an estimated 300 people were killed as a result of sectarian violence, mainly between Sunni and Shia extremist groups.

In recent years, the Human Rights Commission of Pakistan and Amnesty International have issued reports critical of abuses of the rights of women and minorities. According to the reports, rape is a serious problem, particularly rape of minors and gang rape. The State Department human rights report also noted a high rate of abuse of female prisoners – including rape and torture – by male police officers. Women also suffer discrimination in education, employment, and legal rights. The adult literacy rate for men in Pakistan is about 50% and for women about 24%. Religious minorities – mainly Christians, Hindus, and Ahmadi Muslims – reportedly are subjected to discriminatory laws and social intolerance. A 1974 amendment to the Pakistan constitution declared Ahmadis to be a non-Muslim minority because they do not accept Muhammad as the last prophet. The Zia government, in 1984, made it illegal for an Ahmadi to call himself a Muslim or use Muslim terminology. Blasphemy laws, instituted under the Zia regime and strengthened in 1991, carry a mandatory death penalty for blaspheming the Prophet or his family. Blasphemy charges reportedly are usually brought as a result of personal or religious vendettas. A reported 35 Ahmadis have been charged with blasphemy since October1999. Four Christians charged with the crime were murdered in 1993.

Economic Issues

Economic Reforms and Market Opening. Pakistan's current military government inherited an economy in recession. A decade of political instability left a legacy of soaring foreign debt, declining production and growth rates, failed economic reform policies, and pervasive corruption. Foreign debt totals more than $32 billion; foreign reserves are less than $1.5 billion (about 6 weeks of imports); gross domestic product (GDP) growth rate (usually averaging 5-6%) reportedly has slipped to 3%; and both agricultural and industrial growth have dropped since 1998.

Over the long term, analysts believe Pakistan's resources and comparatively well-developed entrepreneurial skills hold promise for more rapid economic growth and development. This is particularly true for Pakistan's textile industry, which accounts for 60% of Pakistan's exports. Analysts point to the pressing need to broaden the country's tax base in order to provide increased revenue for investment in improved infrastructure, health, and education, all prerequisites for economic development. Less than 1% of Pakistanis currently pay income taxes. Agricultural income has not been taxed in the past, largely because of the domination of parliament and the provincial assemblies by wealthy landlords.

Successive Bhutto and Sharif governments made agreements with the International Monetary Fund (IMF), promising austerity, deficit reduction, and improved tax collection in return for loans and credits. The promised reforms, however, fell victim to political instability and a host of other problems, including floods, drought, crop viruses, strikes, a bloated and inefficient bureaucracy, widespread tax evasion, weak infrastructure, and a swollen defense budget. The Musharraf government has had some success in putting economic reforms back on track, including expanding collection of income and sales taxes, trade liberalization, and improving transparency. In January 2001, the Paris Club of creditor nations agreed to reschedule $1.7 billion in repayments on Pakistan's foreign debt of $32 billion. On August 29, an International Monetary Fund team cleared release of the final installment of a $596 million standby loan to Pakistan and confirmed "Pakistan's solid macroeconomic performance, including lower inflation, a strengthening of the balance of payments, and reduction of fiscal imbalances."

Trade and Trade Issues. In 2000, U.S. exports to Pakistan totaled $453 million and imports from Pakistan totaled $2.2 billion. The United States has been strongly supportive of Pakistan's economic reform efforts, begun under the first Nawaz Sharif government in 1991. According to the report for 2000 of the U.S. Trade Representative (USTR), however, a number of trade barriers remain. Some items are either restricted or banned from importation for reasons related to religion, national security, luxury consumption, or protection of local industries. U.S. companies have complained repeatedly about violations of their intellectual property rights in the areas of patents and copyrights. Pakistan's patent law currently protects only processes, not products, from infringement. A 1992 Pakistan copyright law that provides coverage for such works as computer software and videos is being enforced but has resulted in a backlog of cases in the court system. The International Intellectual Property Alliance estimated trade losses of $137 million in 2000, as a result of pirated films, sound recordings, computer programs, and books.

Narcotics

In recent years, the Pakistan-Afghanistan border region has supplied a reported 20%-40% of heroin consumed in the United States and 70% of that consumed in Europe. The region is second only to Southeast Asia's Golden Triangle as a source of the world's heroin. Opium grown in Afghanistan and Pakistan is processed into heroin in more than 100 illegal laboratories in the border region. Although much of the heroin is smuggled by land and sea routes to Europe and the United States, a substantial portion is consumed by Pakistan's rapidly growing domestic market. The Pakistan government estimates the 4 million drug addicts in the country include 1.5 million addicted to heroin. According to some experts, Pakistan's drug economy amounts to as much as $20 billion. Drug money reportedly is used to buy influence throughout Pakistan's economic and political systems.

Pakistan's counter-narcotics efforts are hampered by a number of factors, including lack of government commitment; scarcity of funds; poor infrastructure in drug-producing regions; government wariness of provoking unrest in tribal areas; and corruption among police, government officials, and local politicians. U.S. counter-narcotics aid to Pakistan, administered by the State Department's Bureau of International Narcotics and Law Enforcement Affairs, totaled $3.5 million in FY2001, with $3.5 million requested for FY2002. The major counter-narcotics efforts engaged in by the Pakistan government, some of which receive U.S. or U.N. support, include: improved law enforcement; reduction of demand; opium crop destruction and crop substitution; and outreach programs that include supplying roads, irrigation, drinking water, and schools to remote tribal areas.

In March 2001, President Bush submitted to Congress his annual list of major illicit drug producing and transiting countries eligible to receive U.S. foreign 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 have taken 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, however, faces major challenges as a transit country, despite reduced production of opium in Afghanistan. Cooperation with the United States on counter-narcotics efforts was described as excellent, including arrests, extradition, and poppy eradication.

Terrorism

In testifying before the House International Relations Committee in July 2000, U.S. Coordinator for Counterterrorism Michael A. Sheehan stated that "Pakistan has a mixed record on terrorism." Although it has cooperated with the United States and other countries on the arrest and extradition of terrorists, "Pakistan has tolerated terrorists living and moving freely within its territory." He further noted that although Pakistan is itself a victim of terrorism, it "bears some responsibility for the current growth of terrorism in South Asia. That we are allies makes it all the more important that we cooperate to rid the area of terrorism." In early 2001, the U.S. Federal Bureau of Investigation began offering anti-terrorism training courses for Pakistan police officers in the United States.

According to the U.S. State Department report on global terrorism for 2000, there was continuing terrorist-related violence in Pakistan as a result of domestic conflicts between

sectarian and political groups. Much of the violence in Punjab province reportedly related to rivalry between the extremist Sunni militant group Sipah-i-Sahaba Pakistan and their Shiite counterpart, Sipah-i-Muhammad Pakistan. In Sindh province – and particularly in Karachi – violence and terrorist incidents related to struggles between the government and the Muttahida Quami Movement (MQM) political party, which represents Urdu-speaking Muslims, and their descendants, who migrated from India at the time of Partition in 1947. Domestic violence reportedly lessened significantly following the October military coup.

In February 1995, Pakistan and U.S. officials cooperated closely in apprehending in Islamabad the suspected mastermind of the New York World Trade Center bombing, who was quickly extradited to the United States. In a possibly related incident, two Americans on their way to work at the U.S. consulate in Karachi were shot and killed in March 1995. On November 12, 1997, four American employees of Union Texas Petroleum Co. and their Pakistani driver were killed in a terrorist attack in Karachi. Some observers have speculated that the killings may be linked to the November 10 conviction of Pakistani Mir Aimal Kansi (or Kasi) for the murder of two CIA employees in 1993.

According to the global terrorism report for 2000, Pakistan's military government continued to support the Kashmir insurgency, including allowing Kashmiri militant groups to raise funds and recruit new cadre in Pakistan. Several of these groups reportedly were responsible for attacks on civilians in India's Jammu and Kashmir state. There have been allegations that four Western tourists, including American Donald Hutchings, kidnaped in 1995, may have been killed by militants associated with a Pakistan-based group, Harakat ul-Mujahidin (HUM). Since October 1997, the HUM has been on the U.S. State Department's list of foreign terrorist organizations. Many of the charges against Pakistan appear to stem from the presence of several thousand Islamic fundamentalists from various countries who went to Pakistan to participate in the Afghanistan war and who remained in the Peshawar area. Many religious schools suspected to be fronts for terrorist training activities reportedly receive funding from Iran and Saudi Arabia. The 2000 report also noted U.S. concern for Pakistan's continued support for the Taliban's military operations in Afghanistan. According to credible reports, Pakistan supplied the Taliban with materiel, food, funding, and technical assistance, as well as allowing large numbers of Pakistani nationals to cross into Afghanistan to fight for the Taliban.

After joining the U.S.-led coalition against terrorism, and faced with a new confrontation over Kashmir, Pakistan has been trying to crack down on militants operating within its borders. The involvement of Pakistan in combating terrorism on its own soil has been applauded by the United States. In December 2001, Secretary of State Colin Powell added the Lashkar-e-Taiba and the Jaish-e-Muhammad to the U.S. foreign terrorist list, saying that the Pakistan-based Kashmiri militant groups have conducted numerous terrorist acts in India and Pakistan.

CHRONOLOGY

01/12/02 — President Musharraf delivers a ground-breaking speech to his nation in which he redefines Pakistan as a moderate Islamic country that will not abide extremism and sectarianism. At the same time, Musharraf states that Pakistan will continue to offer its moral, political, and diplomatic support to Kashmiris.

12/13/01 — An attack on the Indian parliament building in New Delhi, which kills 14, including the 5 assailants, is blamed by India on Pakistan-based Kashmiri militants. Pakistan, in return, accused India of ratcheting up tensions and said that Pakistan would make India "pay a heavy price for any misadventure." In the weeks following the attack, both India and Pakistan, in a "tit-for-tat" fashion, issued threats, conducted military maneuvers, repositioned missile batteries, and levied sanctions against each other.

11/10/01 — President Bush met with President Pervez Musharraf in New York to discuss the anti-terrorism campaign in Afghanistan, regional security, economic cooperation, and human rights. On October 27, President Bush signed into law S. 1465 (P.L. 107-57), which gives the President two-year waiver authority to lift sanctions on foreign assistance imposed on Pakistan following the 1999 military coup.

09/13/01 — President Pervez Musharraf offered President Bush Pakistan's "unstinted cooperation in the fight against terrorism." On September 22, President Bush issued a final determination removing remaining sanctions on Pakistan and India resulting from their 1998 nuclear tests.

03/25/00 — During a visit to Islamabad, President Clinton met with Chief Executive General Pervez Musharraf and urged the military leadership to develop a timetable and a roadmap for restoring democracy.

10/12/99 — The Pakistan Army under Chief of Army Staff General Pervez Musharraf deposed Prime Minister Nawaz Sharif in a bloodless coup a few hours after the Prime Minister had announced the army chief's replacement.

07/04/99 — Following a meeting in Washington, Prime Minister Nawaz Sharif and President Clinton issued a joint statement in which they agreed that "concrete steps will be taken for the restoration of the Line of Control, in accordance with the Simla Agreement." They further agreed that "the dialogue begun in Lahore in February [1999] provides the best forum for resolving all issues dividing India and Pakistan, including Kashmir." President Clinton promised to "take a personal interest in encouraging an expeditious resumption and intensification of those bilateral efforts."

12/02/98 — President Clinton and Prime Minister Nawaz Sharif held talks in the White House, during which they reached an agreement on the longstanding F-16 fighter plane issue.

05/28/98 — Pakistan announced that it had carried out five underground nuclear tests. A sixth test was carried out on May 30. On May 30, President Clinton imposed economic and military sanctions on Pakistan, as mandated by section 102 of the Arms Export Control Act.

04/06/95 — Pakistan Prime Minister Benazir Bhutto began a 10-day official visit to the United States, during which she met with President Clinton, Members of Congress, Congressional committees, and U.S. business leaders.

07/14/93 — Pakistan was removed from the informal terrorist watch list because the State Department had determined that Pakistan had implemented "a policy of ending official support for terrorists in India."

01/09/93 — The United States warned Pakistan that it was the subject of "active continuing review" for possible inclusion on the State Department's list of terrorist states for its alleged support of terrorist activities in the Indian states of Punjab and Kashmir.

10/01/90 — Pakistan became ineligible for new U.S. assistance when President Bush failed to certify under Section 620E(e) (the "Pressler Amendment") that Pakistan did not possess a nuclear device.

05/15/88 — Soviet forces began withdrawing from Afghanistan.

10/18/86 — President Reagan signed a foreign aid bill that included a 6-year, $4 billion package of economic and military aid for Pakistan.

08/08/85 — The "Pressler Amendment" (Section 620E(e) of the Foreign Assistance Act) was signed into law, requiring the President to certify to Congress that Pakistan does not possess a nuclear explosive device during the fiscal year for which U.S. aid is to be provided.

09/05/81 — The United States and Pakistan announced agreement on a 6-year, $3.2 billion package of economic and military aid.

12/27/79 — Soviet forces invaded Afghanistan.

04/06/79 — The Carter Administration invoked Section 669 of the Foreign Assistance Act to suspend U.S. aid to Pakistan because of its acquisition of unsafeguarded uranium enrichment technology.

03/05/59 — A U.S.-Pakistan bilateral agreement on military cooperation was signed.

09/08/54 — The Southeast Asia Treaty Organization (SEATO) was established under a collective defense treaty signed in Manila by the United States, Pakistan, Australia, France, Great Britain, New Zealand, Thailand, and the Philippines.

05/19/54 — The United States and Pakistan signed a Mutual Assistance Defense Agreement.