

G8 sermon to Pak on terror

OUR BUREAU AND AGENCIES

Dec. 28: Group of Eight foreign ministers today called on Pakistan to crack down on "terrorists" operating from its territory and voiced concern about spiralling India-Pakistan tension after the deadly attack on the Indian Parliament.

In a statement released in Moscow, G8 ministers said they "firmly condemn terrorism in all its guises, including the attack on the Indian Parliament building".

Noting Islamabad's condemnation of the attack, the ministers said they "urge Pakistan to take further measures against terrorist groups acting on its territory which target India in particular".

They also urged Islamabad to arrest and bring to trial militants and cut off their finances. The G8 comprises Britain, Canada, France, Germany, Italy, Japan, the US and Russia.

Delhi blames the December 13 attack, in which 14 people died, on Pakistan-based terror groups Lashkar-e-Toiba and Jaish-e-Mohammad, a charge Islamabad denies.

In their communiqué, the G8 ministers expressed "serious concern about rising tension between India and Pakistan" in the wake of the Parliament attack.

"We hope that both countries will avoid escalation, will resume political dialogue and join their efforts in the fight against the global terrorist threat," they said.

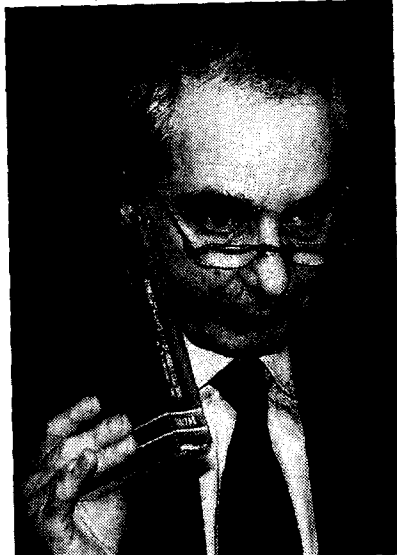
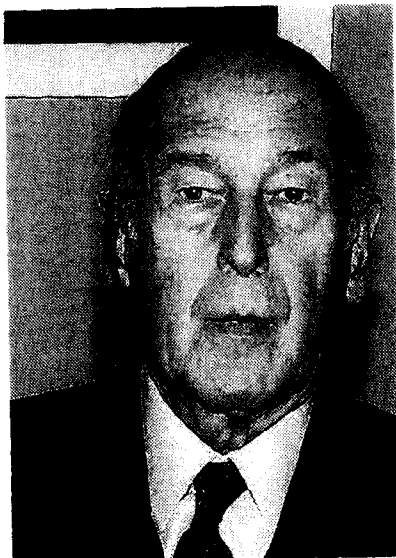
Calling the attack on Indian Parliament an "outrage" against the entire democratic world, Britain asked President Pervez Musharraf to put a stop to the operations of Jaish e-Mohammad and Lashkar e-Toiba. "These terrorist groups have no place in a modern society."

Expressing deep concern at the recent deterioration in relations between India and Pakistan, British foreign secretary Jack Straw said the Parliament attack was "an outrage not only against India but against the entire democratic world".

THE TELEGRAPH

Setting its house in order

R. Alvi - EU 100-17 2817



THE REFORMERS: Giscard d'Estaing, Giuliano Amato and Jean-Luc Dehaene.

EUROPE LAST week took its first decisive step towards creating a stronger, more cohesive and effective Union when it moved to set up a 105-member convention that will make concrete proposals on reforms including a Constitution for Europe.

The 75-year-old former French president, Mr. Valéry Giscard d'Estaing, was chosen to lead the convention which will have a one-year mandate. However, since he was not the unanimous choice, Mr. Giscard d'Estaing, who had campaigned hard for the job, found himself saddled with two equally ambitious deputies, the former Italian Prime Minister, Mr. Giuliano Amato, and Belgium's former Prime Minister, Mr. Jean-Luc Dehaene.

Despite the excitement and interest generated by the 12-nation switch to a single currency, the Euro, slated for January 1 next year, the economic outlook remains morose with Euro-scepticism on the rise.

Recent E.U. meetings have been characterised by oneupmanship and petty squabbling and the Union's public image has taken a severe beating.

"They still haven't got their act together over Afghanistan, there is no defence or foreign policy to talk of and they want us to believe in their incredible pipe dreams," scoffed Mr. Janine Lemaire, an ardent supporter of France's leading Euro-sceptic, the former Socialist Minister, Mr. Jean-Pierre Chevènement.

According to opinion polls, just under half the E.U.'s 377 million citizens support their countries' membership of the Union, despite its status as the world's biggest single market.

The Declaration adopted at the Laeken summit however indicates that European leaders may have

taken such criticism on board. There is a growing realisation of the widening chasm separating the "Eurocracy", as Brussels' burgeoning bureaucracy is often derisively called, and the public.

"The Union stands at a crossroads... the public is calling for a clear, open, effective, democratically-controlled, community approach," said the seven-page Laeken Declaration. European Union leaders indicated they wanted to build "a democratic and globally engaged Europe" that was less bureaucratic,

The European Union has set up a body headed by Valéry Giscard d'Estaing to suggest reforms. Vaiju Naravane reports.

more efficient and closer to its people.

"There can be no doubt that this will require Europe to undergo renewal and reform," the Declaration said.

Mr. Axel Krause, Contributing Editor of *Europe* magazine told *The Hindu*: "This move for reform was essentially prompted by the realisation that an enlarged Europe of 25 nations would just not be able to function. Mr. Hubert Vedrine, French Foreign Minister, was the first to blow the whistle. Now with 15 members, Europe just about manages to function effectively. That will not be the case with more members joining in."

The convention led by Mr. Giscard d'Estaing will have representatives from E.U. member-states, the

European Commission, national legislatures and the European Parliament and start functioning on March 1 next year. It is expected to canvass opinions from all sections of European society and present its findings and recommendations for reform a year later.

"The 15 member-states, will then negotiate on power-sharing and decision-making roles between the European Commission, the Council of Ministers and the European Parliament," Mr. Krause said. "While it is true that squabbles over where to locate newly created European institutions such as Europol and Eurojust showed the bad side of Europe, major decisions were taken at the Laeken summit.

Decisions within the E.U. are still largely taken on an inter-governmental basis by the member-states, represented by the Council of Ministers, although veto powers have been reduced and the role of the Commission and Parliament has grown over the decades. I feel Europe will truly become a political entity when its army is in place and that will take a while yet."

The need to reform becomes urgent given that 10 of the 12 nations knocking on Europe's door for admission, including Poland, Hungary, the Czech Republic and Cyprus, could be ready to join by mid-2004. Turkey is also a candidate, but cannot start talks with Brussels before it makes progress on human rights and the country's all-powerful army subservient to civilian rule.

The three vital elements still missing from the European apparatus are: Europe's own armed forces, its own Constitution, and its own criminal justice system. A serious attempt was made at the summit to fill these gaps.

THE HINDU

23 DEC 2001

119-19

NATO / 'RUSSIA NOT INTERESTED IN MEMBERSHIP'

8/12

New joint council to tackle issues

BRUSSELS, DEC. 7. NATO and Russia agreed on Friday to what the Russian Foreign Minister, Mr. Igor Ivanov called "a profound change" in relations, creating a new council to work out action on issues from civil emergencies to missile defence. NATO officials insist that the alliance will not be hampered by the new co-operation, and that if it is not possible to reach a decision with Russia, NATO's ruling council will make decisions without Russia. "We are not abandoning our principles or prerogatives," the NATO Secretary-General, Mr. Lord Robertson, said on the second day of NATO's Foreign Ministers' meeting. "No non-member can veto the alliance's decisions. This is about working together more effectively when it is in all our interests to do so." The 19-nation alliance wants to take advantage of Moscow's co-operation in the fight against terrorism to pursue "opportunities for joint action at 20," the U.S. Secretary of State, Mr. Colin Powell said.

Besides the struggle against terrorism, Russia and NATO suggested they could work together in such areas as crisis management, non-proliferation, arms control, theatre missile defence, search and rescue at sea, military-to-military co-operation and civil emer-



Russia's Minister for Foreign Affairs, Mr. Igor Ivanov (right), shakes hands with the U.S. Secretary of State, Gen. Colin Powell, prior to the bilateral meeting at the NATO headquarters in Brussels on Friday. — AP

gencies. However, Mr. Ivanov said Russia was not interested in joining the alliance.

"Russia has no interest in queuing up for membership," he said. But he said Moscow did want to work closely with NATO. "The Russian side has the political will to do it." On Thursday, the Ministers told their Ambassadors at NATO headquarters to start working out details of a new arrangement for regular discussions with the Russians, and ways to in-

clude them in decision-making while retaining NATO's ability to act on its own.

"The precise nature and scope of this mechanism will require substantial work over the coming months," Lord Robertson said, but the plan is to have it in place by the next meeting of allied Foreign Ministers in May in Reykjavik, Iceland. Since 1997, meetings have been held under the NATO-Russia Permanent Joint Council, a forum originally created to ease

Moscow's fears about NATO enlargement. But both sides say this has never been satisfactory and more often than not the alliance uses it to inform Russia of positions it already has taken.

Asked how Russia would benefit from this new arrangement, given that NATO could still take decisions on its own whether Moscow liked it or not, Lord Robertson said "the answer is more in chemistry than in arithmetic."

"Let me stress that as we strengthen ties with Russia, it is not becoming a NATO member," Mr. Powell said. "NATO at 19 will retain its prerogative to act independently on any issue. So we are not limiting NATO by NATO at 20, but we are leveraging NATO by the inclusion of Russia."

Russia has been co-operating fully in the fight against terrorism, leading the allies to believe the time may be ripe for taking a fresh look at the way NATO does business with Moscow. The idea is to bring the Russians in at the very beginning of discussions on certain issues. If the allies are unable to reach agreement with Russia, they can meet at 19 and make a decision. "We'll try to do a great deal at 20, but NATO works at 19 and will continue to do so," said the British Foreign Secretary, Mr. Jack Straw. — AP

THE HINDU

APD-15

No link between religion, terrorism, says ASEAN

By Amit Baruah

BANDAR SERI BEGAWAN (BRUNEI), NOV. 5. Leaders of the Association of South-East Asian Nations (ASEAN) rejected "any attempt" to link terrorism with "any religion or race" as they unequivocally condemned the September 11 terrorist acts as an "attack against humanity".

There was no reference to Afghanistan or concern about the plight of civilians killed in American bombing operations there — a specific area of concern for large and influential "Muslim" ASEAN nations like Indonesia and Malaysia. There are obvious differences between ASEAN nations with countries like the Philippines and Thailand having little or no reservations on the American bombing operations while Indonesia and Malaysia have called on the United States to halt the bombing campaign. The ASEAN "declaration" on terrorism is clearly a compromise statement.

Heads of Government from the ASEAN-10 borrowed a formulation used in the recent APEC declaration against terrorism in Shanghai to express themselves against acts of terrorism. They viewed "acts of



The South Korean Prime Minister, Mr. Kim Dae-jung (centre), the Thai Prime Minister, Mr. Thaksin Shinawatra (left), the Indonesian President, Ms Megawati Sukarnoputri (second from left), the Philippine President, Ms Gloria Arroyo, the Malaysian Prime Minister, Mr Mahathir Mohamad, and the Singapore Prime Minister, Mr. Goh Chok Tong (rear right) before the start of their meeting in Bandar Seri Begawan, Brunei, on Monday. — Reuters

terrorism in all its forms and manifestations, committed wherever, whenever and by whomsoever, as a profound threat to international peace and security which require concerted action to protect and defend all peoples and the peace and security of the world". Reaffirming their "primary responsibility" of ensuring the peaceful develop-

ment of their respective countries in South-East Asia, the leaders said they were "deeply concerned over the formidable challenge posed by terrorism to regional and international peace and stability as well as to economic development". The declaration said ASEAN countries were committed to countering and suppressing all terrorist acts in ac-

cordance with the U.N. Charter and other international laws. "...In observing the above, all co-operative efforts to combat terrorism at the regional level shall consider joint practical counter- terrorism measures in line with specific circumstances in the region and in each member-country," it said.

Clearly, there is going to be no "one" anti-terrorist approach that will be made operational by all ASEAN countries — it will be done by each country according to its own understanding and comfort level. The leaders reiterated that they would "pursue effective policies and strategies aimed at enhancing the well-being of our people, which will be the national contribution in the fight against terrorism".

Coming to specifics, the statement said ASEAN countries would "enhance information/intelligence exchange to facilitate the flow of information, in particular, on terrorists and terrorist organisations, their movement and funding, and any other information needed to protect lives, property and the security of all modes of travel". They also promised to develop regional capacity building programmes to

enhance existing ASEAN member-States' capability to investigate, detect, monitor and report on terrorist acts.

The leaders also directed their Ministers to "discuss and explore practical ideas and initiatives" to increase ASEAN's role in the international community, including extra-regional partners within existing frameworks such as the ASEAN +3, the ASEAN dialogue partners and the ASEAN Regional Forum to make the fight against terrorism a "truly regional and global endeavour". "We, the leaders of ASEAN, pledge to remain seized with the matter, and call on other regions and countries to work with ASEAN in the global struggle against terrorism," the statement added.

Addressing a press conference this evening, the Malaysian Prime Minister, Dr. Mahathir Mohamad, said the war in Afghanistan would not be effective. He said the terrorists were probably somewhere in Europe or America. Some of those involved in the September 11 attacks had been living in the United States for a year and longer. The war in Afghanistan, Dr. Mahathir stated, would not bring any result.

Asean meet opens after anti-terror statement

AGENCE FRANCE-PRESSE

R. AM 51-5 6/11

BANDAR SERI BEGAWAN (Brunei), Nov. 5. — Southeast Asian leaders jointly condemned terrorism and pledged a region wide assault against it before today's opening of the annual summit of the Association of Southeast Asian Nations here.

During dinner talks yesterday, the Asean leaders adopted a joint statement in this regard. But the statement made no reference to US-led strikes against Afghanistan.

It was carefully worded to reflect differing views of the leaders of the Asean, which has operated by consensus since its establishment in 1967.

Asean is torn between support for the USA, its key trading partner, and sympathy for Muslims,

who make up over half the 500 million population in Southeast Asia.

Today, Brunei's Sultan Hassanal Bolkiah chaired the summit of the 10-member association amid tight security in this Islamic sultanate.

The leaders will discuss the problems of terrorism and AIDS, threatening the resource-rich region, and deliberate on ways to check an economic slowdown aggravated by the 11 September attacks on the USA.

After a morning session discussing largely economic issues including the need for greater integration among member states ranging from wealthy Singapore to Laos, one of the least developing nations, Asean leaders will have a working lunch with their counterparts from China, Japan and South Korea.

THE STATESMAN

6 NOV 2001

119-14 ASEAN-India summit modalities to be worked out

By Amit Baruah

SINGAPORE, NOV. 18. Modalities for a summit meeting between the Association of South-East Asian Nations and India will be worked out in the next few months between ASEAN and Indian officials.

According to sources, there will first be internal discussions among ASEAN officials and then the issue will be thrashed out with Indian officials at a meeting in Malaysia at the end of January or February.

A decision to hold a separate ASEAN-India summit was taken by South-East Asian leaders at their November 5-6 meeting in Bandar Seri Begawan, Brunei. ASEAN officials were reluctant to announce a firm decision in Bandar Seri Begawan without having talked to the Indian side. However, in response to questions, the Malaysian Prime Minister, Dr. Mahathir Mohamad, had no hesitation in confirming that ASEAN

leaders favoured a separate meeting.

In all likelihood, the summit will take place as per the current format of ASEAN-1 meetings which currently involve China, Japan, and South Korea. India, according to sources, will be added on to this format.

The next ASEAN "working summit", as it is now called (the distinction between formal and informal summits having been abolished), will be held in Cambodia in November. That gives enough time for officials of ASEAN and India to work out the details of the summit meeting.

There is little doubt that the ASEAN decision will mean greater Indian interaction with South-East Asia. Whether this remains at the level of words or moves into concrete cooperation projects remains to be seen.

But, the opportunity now exists for both ASEAN and India to interact at the level of Head of Gov-

ernment — elevating the dialogue from the Foreign Minister tier.

Currently, India interacts with ASEAN as dialogue partner in the annual ASEAN Ministerial Meeting and, of course, in the ASEAN-driven ASEAN Regional Forum (ARF).

In the recent past, top Indian officials have pressed hard for a separate ASEAN-India interaction at summit level. For instance, they have told this correspondent — India now has a summit-level, annual interaction with the European Union — so why not with ASEAN?

Since India was interested in such a meeting, New Delhi's well-wishers within the regional grouping have advanced its case and the final green light was given at the summit in Brunei earlier this month. Now, the ball is in the court of ASEAN officials and India to make the summit-level interaction worthwhile.

THE HINDU

19 NOV 2001

ASEAN, China agree on free trade

By Amit Baruah

BANDAR SERI BEGAWAN (BRUNEI), NOV. 6. The Association of South-East Asian Nations (ASEAN) and China have agreed to set up a free trade area (FTA) within 10 years. The agreement came at a meeting between ASEAN leaders and the Chinese Premier, Mr. Zhu Rongji, at an "ASEAN +1" meeting this morning.

The Brunei Sultan Hassanal Bolkiah, who chaired the session, said in a statement that the leaders had endorsed a proposal for a "framework on economic co-operation" which would establish an ASEAN-China FTA in 10 years with deferential treatment to newer and less-developed ASEAN members like Cambodia, Myanmar, Laos and Vietnam. "The agreement should also provide for an early harvest in which the lists of products and services will be determined by mutual consultation. With a combined market of 1.7 billion people, a free trade area between ASEAN and China would have a gross domestic product of \$2 trillion and two-way trade of \$1.23 trillion. We agreed to instruct our Ministers and senior officials to start negotiations with a view to conclude the agreement as soon as possible," the chairman's statement said.

The statement said ASEAN and China identified agriculture, information technology, human re-

sources development, investment and the Mekong river basin development as five "priority" areas for co-operation in the early part of the new century. On the infrastructure front, a key area of co-operation, Beijing will construct an 80km road in Laos as part of the Kunming-Bangkok section of the Trans-Asian Highway, the Chinese Vice-Foreign Minister, Mr. Wang Yi, said at a press conference. China will also provide \$5 million for the dredging of the Mekong river in Laos, Myanmar and Thailand.

Answering questions on the ASEAN-China FTA, Mr. Wang conceded that negotiating the agreement would face "many challenges". The specifics of the agreement, he said, would be decided during the course of the negotiations. The Chinese Vice-Minister announced that after acceding to the World Trade Organisation (WTO) at Doha in the next few days, Beijing would announce the extension of the most-favoured nation (MFN) status to the nine WTO members of ASEAN.

Mr. Wang was all praise for the political will demonstrated by ASEAN and China in coming to an agreement on a "goal" for concluding the FTA within a 10-year period. Asked to comment on the possibility of an ASEAN-East Asia free trade area (which would include China, Japan and South Korea), Mr. Wang seemed to downplay the idea: "It is still a notion that has not been raised to a government level."

THE HINDU

7 NOV 2001

Japan fails to get Asean to adopt anti-terror accord

YOUJIMURI SHIMBUN
ASIA NEWS NETWORK

BANDAR SERI BEGAWAN (Brunei), Nov. 6. — Japan's failure in getting Asian leaders to adopt an anti-terrorism declaration to its liking at a summit of the Association of Southeast Asian Nations and Japan, China and South Korea, reflected Beijing's cautious attitude toward the issue, sources said.

China's lukewarm attitude was a turnaround from the initiative it had shown in pushing the Asia-Pacific Economic Cooperation forum in Shanghai last month to condemn terrorism.

Beijing's change of face, which was backed by Muslim states at the Asean-plus-three meet, was a major blow for the Prime Minister, Mr Junichiro Koizumi's efforts to show leadership

in the absence of his US and Russian counterparts.

Japan was alone in calling for a declaration condemning terrorism, according to a source close to the Chinese Premier, Mr Zhu Rongji. "A similar declaration had just recently been issued at the APEC summit in Shanghai in October, so there was no point for Asean nations to issue the same declaration again," the source said.

However, political analysts reasoned that China's coolness was an exercise in one-upmanship. It had already impressed the US President, Mr George W. Bush, at the APEC summit — the largest international gathering ever hosted in China — and wasn't keen to see the significance of the Shanghai declaration downgraded by a similar statement at the Asean-plus-three meeting.

One Chinese journalist said, "The Japanese government is trying to boost its influence over Southeast Asian nations by compiling a declaration on anti-terrorism that reflects US policy, but China and some Southeast Asian countries are wary of Japanese support for the USA and British military campaign against Afghanistan."

At an earlier working-level meeting, Japanese officials had urged their Asean counterparts to adopt a declaration condemning terrorism to add weight to a statement to be issued by the chairman of Asean-plus-three.

"Asean nations must issue an anti-terrorism declaration, otherwise we give the impression that East Asian countries have lost our commitment to fight terrorism," the deputy foreign

minister, Mr Toshiyuki Takano, said on Saturday at the meeting.

The idea was supported by a South Korean official, who reportedly said, "We support the Japanese initiative in compiling an anti-terrorism statement." An official representing China also reportedly expressed Beijing's flexibility over the declaration.

This was cause for optimism within the Japanese camp.

However, to Japan's surprise, the chairing country, Brunei, showed no sign of compiling the declaration.

Top foreign ministry officials were shocked to learn from an Asean official on Saturday that Beijing had informally expressed concerns over issuing a declaration at the Asean-plus-three summit.

The Asean countries then

agreed with China that no declaration was necessary. Tokyo, however, was left out of the loop. Tokyo's campaign to have Asean-plus-three present an anti-terrorism statement started immediately after the APEC summit in Shanghai ended, when it began leaning on Brunei.

All Asean countries had condemned terrorism. It seemed no hard task for Mr Koizumi to exert leadership by having Asean come forward with a declaration similar to that presented in Shanghai.

On the plane taking officials and press to Brunei, Mr Koizumi said he was certain discussion of anti-terrorism measures would figure prominently at the summit. Asean leaders, however, announced their own anti-terrorism declaration at a banquet on Saturday.

THE STATESMAN

7 NOV 2001

Anthrax vigil up as leaders arrive for Asean summit

ASSOCIATED PRESS

BANDAR SERI BEGAWAN, Nov. 4. — Police and army men here were on the watch for threats of anthrax and other terror attacks today as leaders from Southeast Asia, China, Japan and South Korea began arriving for an annual summit.

Plans were ready for an emergency air evacuation of the leaders in the event of a crisis.

As they waited for their leaders, senior officials from the Association of Southeast Asian Nations were finalising a declaration against terrorism, but remained divided over whether to draft formal regional convention to fight it.

Drafts of the declaration have condemned the 11 September attacks but avoided addressing the US-led airstrikes on Afghanistan. Malaysia and Indonesia, two leading ASEAN members with large Muslim populations, oppose the bombing campaign.

The pall cast by the terror attacks in the USA looked certain to overshadow economic issues that normally dominate the summit between the 10 Southeast Asian nations and their key partners in Northeast Asia — China, Japan and South Korea.

Mr Ahmad Damit, director of summit security, said more than 2,000 police and army personnel



The Chinese Prime Minister, Mr Zhu Rongji (left) and wife Lao An arrive at the Brunei International Airport for the Asean summit on Sunday. — AP/PTI

would be on duty through the summit tomorrow and Tuesday.

No specific terror threats have been made, Mr Ahmad said, but officials have received training about anthrax and will be on alert for suspicious letters and

packages. Bomb-sniffing dogs are deployed around summit venues, and border and maritime patrols have been stepped up. Should an attack occur, plans have been made to airlift out the 13 leaders, Mr Ahmad added.

THE STATESMAN

Terrorism likely to dominate ASEAN meet

By Amit Baruah

BANDAR SERI BEGAWAN (BRUNEI), NOV. 4. When Foreign Ministers of the Association of South-East Asian Nation (ASEAN) nations sat down for their annual meeting in Hanoi in July, the word terrorism was absent from their 60-point declaration. There was, however, a reference to transnational crime.

Now, however, all that has changed. Just like at the APEC summit in October, Heads of Government from the ASEAN-10 are set to issue a statement condemning terrorism as they begin their formal two-day deliberations here tomorrow. Plans for a joint statement to be issued by the ASEAN-10 and China, Japan and Korea (ASEAN +3) have apparently been dropped after objections from some countries.

A senior Malaysian official stated that the proposal was dropped because there was no consensus. Apparently, Japan wanted ASEAN +3 to issue an anti-terrorism declaration and was supported by South Korea, Philippines and Thailand. "We believe that number one, this is an ASEAN summit. So since this is an ASEAN summit, the focus should be on the ASEAN summit statement," the official maintained. Of course, the issue of greater economic integration — including possible trade linkages between South-East and North-East Asia — will be on the cards but leaders of ASEAN +3 have their agenda dictated by what happened in the United States and what is now happening in Afghanistan.

As ASEAN nations deliberate on the issue of terrorism, it is clear that there are differences among them. Indonesia and Malaysia have positioned themselves against the American military operations in Afghanistan while other countries like the Philippines and Singapore are open in their support for the U.S. In fact, Indonesia and Malaysia, along with China, were instrumental in ensuring that all kinds of terrorism — wherever, whenever and by whomsoever — were condemned by the larger 21-member APEC forum in Shanghai.

The Philippine President, Ms. Gloria Macapagal-Arroyo, said recently: "All the ASEAN countries are in this fight against terrorism...of course, each one gives its contribution in accordance with its own specific constraints at home," she said. Ms. Arroyo has correctly analysed the situation. Every country is acting out of its own constraints; Indonesia and Malaysia do not want to displease hardline Islamist elements at home while Manila's constraint is that it wants the U.S. to join the battle against the Abu Sayyaf rebels in the southern island of Mindanao. Apart from keeping their domestic constituencies happy, both Indonesia and Malaysia have real concerns about the continuing killing of civilians in Afghanistan. Fresh, more vigorous protests, may take place in the upcoming month of Ramzan.

In a recent speech, the Singapore Prime Minister, Mr. Goh Chok Tong, said he was glad that ASEAN countries had pledged co-oper-

ation to combat terrorism. "In particular, we must work together to guard against terrorists and extremist elements establishing themselves in our region. The September 11 attacks also represent a new form of terrorism that threatens our security. The fight against it will be long and difficult," Mr. Goh said.

The Singapore leader also linked the September 11 attacks to the economic situation. "...Just when we were beginning to recover from the regional financial crisis (1997-98), we were hit by the global economic slowdown beginning this year, and now, by the horrific terrorist attacks of September 11.

"Indeed, because of September 11, the global economy is likely to see its most severe deceleration since the 1973 oil crisis. Every country will be affected, including in East Asia. The latest World Bank half-yearly regional update predicts that growth in the East Asia region is likely to fall by 2.7 percentage points in 2001 relative to 2000..." Mr. Goh added.

Other than the ASEAN leaders, the Japanese Prime Minister, Mr. Junichiro Koizumi, the South Korean President, Mr. Kim Dae-Jung, and the Chinese Premier, Mr. Zhu Rongji, will be in attendance. In the separate ASEAN-China meeting, the recommendations of a joint study on forging greater economic relations between the regional grouping and China are to be presented. There is also some talk of moving towards an ASEAN-China free trade area.

THE END

ASEAN fighting terrorism: Arroyo

By Amit Baruah

SINGAPORE, OCT. 31. The Association of South-East Asian (ASEAN) nations along with China, South Korea and Japan are to issue an anti-terrorist declaration during a summit meeting in Bandar Seri Begawan, Brunei, next week, the Philippine President, Ms. Gloria Macapagal-Arroyo, has said.

Speaking at a press conference in Beijing, Ms. Arroyo said the Philippines was circulating the first draft of the declaration ahead of the "ASEAN+3" meeting.

"All the ASEAN countries are in this fight against terrorism," Ms. Arroyo stated. "Of course, each one gives its contribution in accordance with its own specific constraints at home."

The Philippines has recently invited U.S. military advisers to help in the battle against the Abu Sayyaf bandits operating in the southern Philippines. The Abu Sayyaf is said to have links with the Al-Qaeda network of Osama bin Laden.

Ms. Arroyo, who has met with the top Chinese leadership, including the President, Mr. Jiang Zemin, said she had referred to the dispute over the Spratly Islands, which are claimed by the Philippines and China, among others. She claimed that Beijing and Manila had agreed to put aside their dispute over the islands in the South China Sea. "China is willing to shelve the issue in favour of joint development," she said. The Spratlys are believed to be oil-rich.

As far as the terrorism issue is concerned, there is little doubt that the Philippines is keen on taking the lead in joint efforts to deal with the problem — given the very real problems with the Abu Sayyaf.

The invitation to American military advisers by the Philippines is an indicator of the kind of lengths the Arroyo administration is prepared to go in its battle against the Abu Sayyaf.

Writing in the *International Herald Tribune* today, Admiral Denis Blair, head of the American Pacific Command, said: "The United States is increasing efforts to help the Philippines defeat the Abu Sayyaf group, and has increased dialogue with other Asia-Pacific nations to increase the capabilities of their armed forces and security services to deal with terrorists."

Admiral Blair claimed that the Al-Qaeda, along with its "terrorist ally", the Abu Sayyaf, were on the run. "Security forces need to keep up the pressure to ensure that they can never reach a sanctuary to rebuild their network and launch future attacks."

"Defeating terrorism requires expanded financial measures to stop their flow of funds; enhanced coop-



BREAKING THE ICE: The Chinese Premier, Mr. Zhu Rongji (right), shakes hands with the Philippine President, Ms Gloria Macapagal Arroyo, in Beijing on Wednesday. — AP

eration on customs, immigration and aviation safety standards, increased information sharing on the movement of suspected terrorists and members of groups that advocate violence; and better cooperation among law enforcement and security forces to combat terrorism," the Admiral said.

"The (anti-terrorist) campaign will involve many efforts. Many nations have offered to participate in patrolling the Malacca Straits to ensure that terrorists cannot attack shipping there. Many are following leads to ferret out terrorist cells, training camps and finances," he added.

Separately, the Indonesian Government is likely to issue a presidential decree on anti-terrorism which will allow the Government to access bank accounts of individuals and groups believed to have links to international terrorists. "Our intelligence people are launching an investigation of several bank accounts which allegedly have links with terrorists and soon we (the Government) will issue the anti- terrorism decree," the Indonesian Information Minister, Mr. Syamsul Mu'arif, said in Jakarta.

"Issuing the decree is necessary so that we don't violate the banking law," he stated.

1 NOV 2001

ASEAN hopes junta will continue talks

HD-15
267
By Amit Baruah

HANOI, JULY 27 The Myanmar Foreign Minister, Mr. U Win Aung, is a relieved man. He said as much at the ASEAN Post-Ministerial Conference interaction with the press today.

In a brief statement at the press conference, Mr. U Win Aung said the current ASEAN interactions, of the three he had attended so far, had been the "best one" for him. There was, the Myanmar Foreign Minister said, a new atmosphere of understanding for the country's efforts at national reconciliation — a euphemism for the military Government's dialogue with Ms. Aung San Suu Kyi.

Since the last meeting of ASEAN/ARF at Bangkok last July, talks began between the State Peace and Development Council (SPDC) and the National League for Democracy (NLD) leader, taking some pressure off the Govern-

ment. In the past, the issue of Myanmar has clouded ASEAN's relations, especially with the European Union. The dialogue process in Myanmar, it would appear, has helped in significantly defusing diplomatic tensions over this contentious issue. Addressing a press conference today, the Belgian Foreign Minister, Mr. Louise Michel (Belgium now holds the E.U. presidency), hoped that the recent developments in "Burma/Myanmar" would take that country on the way back to democracy, national reconciliation and the rule of law.

"It is essential that the current discussions between the authorities and the Opposition continue and develop into a real process of rebuilding the nation in harmony...I am confident that the E.U. will support a genuine, irreversible process of transition towards democracy in Rangoon (Yangon)," Mr. Michel said.

In response to questions, the E.U. Commissioner for Foreign Affairs, Mr. Chris Patten, said the next steps in Myanmar were now awaited — after the release of some political detainees and the opening of NLD offices in Yangon. "We have to wait," Mr. Patten said at the press conference. To a question if the E.U. had some kind of loose deadline in mind to take the Myanmar process to fruition, he replied: "I hope the process is not only irreversible, but also rapid..." There was no point, he said, in putting forward any kind of deadline. The intention, he said, was not to impose a solution from outside. "It does not make sense to put a time-table," the E.U. Commissioner stated. To a question if the E.U. would now move to lift sanctions against Myanmar, Mr. Patten said unless and until there was "significant progress", the sanctions would remain in place.

THE H...

All for themselves ...

GUESS WHO'S coming to dinner? Last Sunday, gate-crashers stormed Mr. Tony Blair's elegant sit-down dinner for four, turning it into a noisy, argumentative buffet for nine, with the last self-invited guest turning up embarrassingly late.

It was meant to be a quiet, exclusive meeting between Europe's top three players with Mr. Blair playing host to Germany's Chancellor, Mr. Gerhard Schroeder, and France's twin-headed executive, the President, Mr. Jacques Chirac, and the Prime Minister, Mr. Lionel Jospin, (cohabitation oblige!). The agenda: the military campaign in Afghanistan.

But the others were having none of it. First Italy, then more indignantly Spain asked to be invited. "Why aren't we in," demanded the Dutch. Belgium, current President of the European Union, made such loud coughing noises they could be heard across the Channel. In the end, the recipients of Mr. Blair's reluctant hospitality included Italy's Prime Minister, Mr. Silvio Berlusconi, Spain's Mr. Jose Maria Aznar, Belgium's Mr. Guy Verhofstadt, the E.U.'s foreign policy chief, Mr. Javier Solana, and finally, the Netherlands' Mr. Wim Kok. One would think they had learnt their lesson at the disastrous European Summit in Ghent, Belgium, on October 19, when a separate pre-summit, mini-summit, again attended by France, Germany and Britain had caused intense heartburn among the excluded and brought forth bitter criticism from the E.U. Commission chief, Mr. Romano Prodi, and the Union's President.

The second mini-summit in London last Sunday reinforced the impression that despite regular "for the record" statements in support of the U.S. campaign in Afghanistan, the European Union is deeply divided over international security issues. And these divisions are not just about the right approach to take or the tactics to adopt, but about the very definition of end goals. The result is that the U.S.-led campaign in Afghanistan, instead of becoming a rallying point for European unity, has turned the E.U. into a snapping, jostling congregation of rival interests riddled with

factionalism and petty jealousies.

This is leap years away from Europe's avowed goal of adopting a single defence and foreign policy. While these divisions persist, Europe will remain an economic club, devoid of a true political and military identity, the ultimate objective it so desperately craves.

All of these divisions have to do with how the 15 E.U. member-states see themselves within Europe and, when the occasion demands, see it as members of the NATO, as well as actors on the international stage. France and Britain have traditionally been the big European players in the international arena. Both controlled huge colonial empires and both have attempted, Britain through the Commonwealth and France through various institutions such as the Franc zone in Africa, regular Franco-African and Francophone summit

The U.S.-led campaign in Afghanistan has turned the European Union into a snapping, jostling congregation of rival interests riddled with factionalism and petty jealousies, writes Vaiju Naravane.

meetings, to retain their spheres of influence. But now another major actor, Germany, is emerging from political dwarfdom and is fighting to push France to the third position among the most influential European powers. Jockeying for position on the fringe are Italy, Spain and Portugal.

Europe's four neutral states — Austria, Ireland, Sweden and Finland — have consistently laid the accent on humanitarian aid as has The Netherlands, while Belgium, which has vainly tried to take an independent approach saying the E.U. should not blindly follow the U.S. lead, has seen its imprecations impatiently brushed aside by the big three.

So far, the E.U. members have avoided publicly expressing doubts about the lack of specific goals and focus in the U.S.-led military campaign and its fallout in terms of civilian casualties, a huge refugee crisis and an

almost inevitable upheaval in the Muslim world. But their hesitations, questions and above all, their refusal to comment on the logic and increasingly worrying developments in the campaign themselves speak volumes.

It isn't as if the Europeans wholeheartedly approved of the U.S. actions. As the French Foreign Minister, Mr. Hubert Vedrine, aptly remarked, "the Europeans themselves have no alternative suggestion." So, instead of directly criticising the war on Afghanistan, the Europeans adopted a more oblique strategy to make displeasure and worry known. They talked about the failure of the peace process in West Asia and about the urgent need to get humanitarian aid into Afghanistan to prevent large scale starvation and famine.

During his recent dash to Washington, Mr. Chirac gave the U.S. President, Mr. George W. Bush, a three-fold message: military operations are

necessary but not sufficient; they should be accompanied by an active search for a post-Taliban political solution. Two, humanitarian aid must reach Afghanistan fast if the coalition is to hold. And thirdly, the U.S. should increase pressure on Israel to end the present cycle of violence in West Asia. Another factor that further complicates the European scenario in relation to the war on Afghanistan is that major European countries are competing for positions of influence. In a unipolar world, that influence is conditioned by the U.S. view. Britain, as America's general factotum has carved a special niche for itself. France, Germany and Italy are trying to outdo each other, vying for U.S. attention and approval.

During the Bosnian crisis, Germany had already come out of its political shell and sent in a 5,000-man force as part of the NATO's deployment. Now, Mr. Schroeder has announced he will commit 3,900 troops as

well as extend help with Fuchs armoured vehicles capable of detecting nuclear, biological or chemical (NBC) weapons. As if thumbing his nose at the Chancellor, Mr. Chirac announced rather grandly in Washington that 2,000 French soldiers were already fighting for the coalition and that more help was on the way. Italy then announced that 1,000 soldiers would be committed.

France, as far as the U.S. is concerned, suffers from a credibility deficit compounded by the "Arab factor" — the presence on French soil of nearly five million Muslims of mainly North African extraction. France would like nothing better than to play a pivotal role in the West Asia peace process but is perceived by Israel as pro-Arab and pro-Iraqi. The Israelis would be far less suspicious of Germany and its Foreign Minister, Mr. Joschka Fischer has been tireless in his efforts to build bridges in West Asia.

The French are not enamoured of Mr. Blair and are worried that the Franco-German locomotive, which has so far dominated the politics of the European Union, could be pushed aside by an Anglo-German combine.

France has, therefore, plumped for Afghanistan and floated its own "plan" for seeking a political solution there. So keen is France on not losing ground to the Germans that a rapprochement between Paris and Islamabad cannot be ruled out.

Last Sunday, after Mr. Blair's dinner party, Mr. Chirac once again underlined that it had become imperative to find a political solution for Afghanistan "in the shortest time-frame possible". He has proposed an international conference on Afghanistan and has asked the Security Council to formally support the peace efforts of the Secretary-General, Mr. Kofi Annan's special envoy to Afghanistan, the Francophone Algerian, Mr. Lakhdar Brahimi.

An added advantage is the fact that Germany does not have a Security Council seat. It favours an oversight committee based in part on membership in the G-8 group of industrialised nations, a position supported, for obvious reasons by Italy.



Saddled with an ally's brashness

ON THE face of it, the idea that two of the world's most powerful countries with mindboggling communication resources should be seen to be losing the propaganda war, in their current anti-Taliban campaign, to a bunch of tribals holed up in the caves of Afghanistan sounds absurd.

But it is true, and understandably there is growing frustration in Britain's officialdom that despite acres of TV footage and newsprint which the U.S.-led coalition commands, its message is simply not getting through to the people whereas the Taliban's "crude" propaganda tactics appear to be paying off.

One video "tossed out of a cave", as one official put it in a different context, is proving more effective than all the lengthy discourses of Western leaders on the moral legitimacy of the coalition's actions in Afghanistan.

Five weeks after the bombing started, public opinion remains largely unconvincing of the coalition's two basic messages — one, addressed to the Muslim world, that it is not waging a war on Islam; and second, addressed to the liberal secular opinion, that it is indeed a "just" war and the only way to defeat international terrorism.

Even the British Prime Minister, Mr. Tony Blair, arguably the most articulate of

Britain is seen as stuck with what is widely perceived as America's war... And, the 'cowboy rhetoric' has not helped. Hasan Suroor reports.

the coalition's English-speaking leaders, has failed to connect with the large body of lay world opinion on these issues. But even his critics acknowledge that but for him the coalition propaganda would have been in a lot worse shape, thanks to some of the tactless rhetoric from Washington.

The utterances of some of the key figures in the U.S. administration — from the President, Mr. George W. Bush, downwards — have been far from helpful either in terms of the choice of words or the message itself.

The most damaging of these was Mr. Bush's description of the anti-terror campaign as a "new crusade". All of Mr. Blair's articulation has failed to undo the damage caused by that one expression, not because he has personally sounded unconvincing but because of the latent suspicion of America, particularly in Muslim countries.

Plainly, Britain is seen stuck with what is widely perceived as America's "war", with all that it implies in terms of widespread global distrust of the U.S. motives.

The *Guardian* remarked that Mr. Blair's dilemma was that he was dealing with a crisis "whose dominant protagonist is the United States, a country which answers to a very different drum to our own".

In one of the most clinical analyses of why Britain was seen to be floundering in getting across to the people, the newspaper said: "Mr. Blair may say this is not a confrontation with Islam, but as long as America is led by men and women with tin ears for cultural sensibilities other than their own, it is the cowboy rhetoric and what one U.S. politician has called the high-tech bullying that will be noticed more. Mr. Blair may propose all he likes, but it is always Mr. Bush, or perhaps more accurately Mr. Dick Cheney and Mr. Don Rumsfeld, who will dispose."

This "cowboy rhetoric" has seen senior U.S. figures openly contradict their British peers — whether it is in relation to the time-scale of the military action, the strategy on the ground or the response to the concerns over the continued bombing.

The latest was the snub over the demand for a pause during Ramadan. Within hours of the British Foreign Secretary, Mr. Jack Straw, saying the issue was being "carefully" considered, Washington bluntly ruled it out.

Frantic moves are on to avoid "mixed messages" but sceptics say "cowboys will be cowboys".

TERRORISM / 'SOUTH-EAST NATIONS TOO AT RISK'

Unite to fight menace, ASEAN urged

12/10

R. Alian
HD-16

By Amit Baruah

SINGAPORE, OCT. 11. Singapore's Deputy Prime Minister, Mr. Lee Hsien Loong, said today that the Association of South-East Asian Nations (ASEAN) should "co-operate more closely" to fight terrorism.

Inaugurating the third ASEAN Ministerial Meeting on transnational crime, Mr. Lee said: "We must signal clearly that we stand by what the ASEAN economic ministers and the E.U. Commissioner said in their statement... issued on September 12. ...that we condemn the brutal acts of terrorism... that ASEAN agrees that there is a need for the international community to strengthen cooperation in combating terrorism around the world and that ASEAN is committed to enhancing cooperation among its law enforcement agencies to combat terrorism."

Mr. Lee, son of the Senior Minister, Mr. Lee Kuan Yew, made it clear that combating terrorism was an international endeavour.

"The problems are deep-rooted, and there are neither easy answers nor final solutions. As responsible members of the international community, ASEAN needs to work with the rest of the world to support these global anti-terrorism efforts. Terrorist networks extend across many countries, and we too are at risk," he said.

"Among ourselves, we should co-operate more closely to fight terrorism, especially through increased exchange of information and intelligence using existing law enforcement and intelligence channels, and more dialogues between ASEAN members," Mr. Lee said.

Mr. Lee said the chain of events spawned by the Sept. 11 attacks had not yet been fully played out. "The U.S. and its coalition partners have just commenced their attacks against terrorist organisations in Afghanistan, and the terrorists, in all probability, are preparing to strike back."

The Deputy Prime Minister stated that ASEAN's efforts to

tackle various issues of transnational crime would demonstrate the grouping's determination to work together and with the international community, to enhance security in the region and elsewhere.

"By definition, transnational crimes straddle national borders. Each country can take measures to curb the proliferation of criminal activities within its own borders... but it is equally important to strengthen cooperation between countries to combat transnational crime, and ensure an overall environment which is stable, where the rule of law prevails, and where basic preconditions exist for economic growth and foreign investments," he said.

"This will strengthen international confidence in ASEAN, and help member countries to pick up the pieces from the Asian crisis and the current economic downturn. ..." Mr. Lee added.

He listed cyber crime, piracy and money-laundering as some of the other challenges.

THE HINDU

10 OCT 2001

European leaders pledge support to U.S.

By Batuk Gathani

BRUSSELS, SEPT. 22. The 15 European Union leaders last night concluded their special summit and gave unequivocal support to the proposed American military action against Afghanistan, in response to last week's terrorist attacks on the World Trade Center towers in New York and the Pentagon building in Washington, with loss of over 6,000 lives.

In what is now rated as the strongest collective expression of solidarity for the United States, the European leaders also resolved to make fight against global terrorism as a priority for the E.U. countries. Support for the U.S. is also backed by a package of proposed anti-terrorist measures which the European Justice and Home Ministers drafted last Thursday. The E.U. leaders have also agreed to send Ministerial teams to Iran and Syria to create conditions for a peaceful solution to the Israeli-Palestinian conflict. A special E.U. team will also travel to Egypt, Jordan and Saudi Arabia to seek a consensus approach to the proposed European initiatives to contain challenges posed by international terrorism.

The European leaders resolved that an American military response was legitimate and noted that the United Nations Security Council had backed the principle of American self-defence.

The 15 E.U. member-states also agreed that "the actions must be directed against states which are aiding, supporting or harbouring terrorists." The E.U. leaders conferred among themselves for two hours at their special summit meeting when smaller member-states expressed some reservations about the European Union collectively joining any U.S. initiated military campaign. The decision to participate in any political or military initiative to fight global terrorism was left to the individual Governments of the member-states. It was agreed that each European country would make its own commitment according to its own resources. The European leaders called for the "broadest possible" global coalition against terrorism. This would also include countries that aspire to be members of the E.U. The global coalition may include Russia and "our Arab and Muslim partners" and any



Britain's Prime Minister, Mr. Tony Blair (right), enters the room with his Foreign Secretary, Mr. Jack Straw for a meeting of heads of state and Foreign Ministers at an extraordinary European Summit at the E.U. Council building in Brussels on Friday. — AP

other country ready to defend "our common values." The European leaders will again review the progress on the proposed pan-European measure to fight terrorists, at their annual summit in December.

As the E.U. leaders close ranks behind the U.S., there is concern about growing misunderstanding between Muslim and non-Muslim civilisations and warned against equating "groups of terrorist fanatics" with more moderate elements in the Arab and Muslim world. The proposed European mission to the Middle East will seek a more consensus approach and explain the E.U.'s position. In their statement, the European leaders have been careful not to use the word "war," often used by the United States and Britain, two countries which are seen vigorously championing the cause of a military strike against Taliban targets in Afghanistan ostensibly to destroy "terrorist machine." As the French President, Mr. Jacques Chirac put it, "we reaffirmed our full solidarity. We will not sit on the sidelines of the battle

against this scourge (global terrorism)." Special importance is placed on identifying and destroying sources of terrorist finance and the other day, the E.U. Finance Ministers agreed to plug loopholes for funding terrorist network which includes closer monitoring of banks and measures against money laundering.

Analysts point out that the first test of the proposed global alliance against terrorism will come when the U.S. takes military action. It remains to be seen how many of the 19 members of the NATO military alliance will participate in the proposed military offensive. The responses and attitude of Russia and China will also be a crucial factor as both countries have their own problems with terrorists and secessionists.

It is also argued that in the event of a military strike in the coming weeks and months the international coalition will also come under strain and this could be averted if the Bush administration remains realistic about its objectives, concludes an editorial writer.

IRA feels the heat of anti-terrorism drive

By Hasan Suroor

LONDON, SEPT. 22. The international campaign against terrorism following last week's atrocities in the U.S. has raised hopes of a breakthrough in Northern Ireland as the IRA has agreed to destroy or disable two of its secret arms dumps, marking what is expected to be the start of decommissioning as envisaged in the Good Friday Agreement.

The move is likely to give a push to the peace process which has been deadlocked over the arms issue with Unionists insisting that they are no longer prepared to share power with Sinn Fein so long as its armed wing, the IRA, continues to hold on to its weapons.

The IRA's announcement on Friday, which coincided with a 24-hour tactical suspension of the Northern Ireland Assembly to give the Unionists and Republicans enough time to resolve their differences, came amid mounting pressure on the Republican leadership from its traditional ally, Washington, which virtually signalled an end to its honeymoon with the IRA.

America's new tough anti-terrorism line was echoed by its Northern Ireland specialist, Mr. Richard Haas, who declared that after the carnage of Sept. 11 there was going to be a "sea-change" in how the U.S. perceived terrorism. He made clear that Washington had "concerns" about the IRA, particularly after three of its members were arrested in Colombia for allegedly hobnobbing with a local extremist group.

"They were not there for vacationing. ...They were involved in discussions about matters which can only be associated with activities that would fall under the rubric of terrorism," he said voicing serious concern over the IRA's reluctance give up its weapons.

Such reluctance, he pointed out, was a characteristic of paramilitary organisations. Pressure had also started building within Republican ranks with a new opinion poll indicating that a majority of Sinn Fein voters wanted the IRA to start decommissioning. Observers had begun to ask awkward questions of the British Government whose high-profile role in the U.S.-led "war" against terrorism was contrasted with its failure to rid its own backyard of weapons of terror. Both the British and Irish Governments had

been pressing the Sinn Fein president, Mr. Gerry Adams, to get the arms issue out of the way but it was only after the Sept. 11 events that Mr Adams started to feel the heat.

A few days ago, the IRA announced that it would "intensify" its engagement with the independent decommissioning body and on Friday it decided to start de-weaponisation, beginning with the two dumps which have been examined three times by the decommissioning body. They would either be sealed or emptied. Though no time-frame is indicated, the process is likely to begin shortly.

While the move has been welcomed, it came too late to avert a short suspension of the Assembly. The suspension, forced by constitutional requirements, gives the two sides six weeks to resolve the crisis which erupted in July when the Ulster Unionist Party chief, Mr. David Trimble, resigned as head of the Assembly to protest lack of progress on decommissioning. If there is no agreement over the next six weeks, the British Government would be faced with two options: an indefinite suspension followed by a review of the Good Friday Agreement; or fresh elections.

Observers were convinced that the Republicans had been forced to act in the wake of the terrorist attacks in the U.S., and Mr. Adams acknowledged that the only "sane response" after what happened in America was to make the peace process work, though he emphasised that the other side had an equal obligation to ensure this.

Security sources were quoted as saying that after Sept. 11, the situation had moved into a "different dimension" and they expected the process of decommissioning to begin fairly soon. The Northern Ireland Secretary, Dr. John Reid, said the tragic events in the U.S. had brought in to "starker focus than ever before" the choice between democracy and terror.

While hardline Unionists were sceptical, Mr. Trimble said the move could well lead to a breakthrough but the proof of the pudding was in the eating. Until the IRA really started destroying its weapons, its latest offer could well end up like similar "gestures" in the past — as an attempt to gain time.

European agencies to share intelligence

By Batuk Gathani

BRUSSELS, SEPT. 21. The special summit of the 15 European Union member-States held here today was preceded by frantic diplomatic activity with major European powers articulating their response to the Bush administration's plan for a retaliatory military action against Afghanistan.

Many Europeans are increasingly apprehensive that the Bush administration may heading for a protracted and costly military campaign in Afghanistan to capture the Saudi dissident and terrorist leader Osama bin laden. The summit was held after the French President and the British Prime Minister, Mr. Tony Blair had bilateral talks with Mr. Bush. European Union Justice Ministers last night pledged to tighten anti-terrorism laws in the E.U. States. British security and intelligence services, MI5 and MI6 will now be required to share sensitive secrets with the European Police Office, Europol.

The Ministers announced a list of 37 proposals for police and judicial action, which includes a pan-European "arrest warrant". The plan comes as the U.S. steps up its military build up in the Persia Gulf. The Europeans have so far agreed in principle "to participate and cooperate" in any military strike but are unsure about the operational procedures and political fallout. According to informed observers, the European role in any U.S. military effort is likely to be small.

According to British, German and French defence sources, military action against Afghanistan is "not imminent" although the U.S. is marshalling its forces in the West Asian region. European leaders have urged the U.S. to make sure that the military response against Afghanistan is "measured" and have said that will participate in the military exercise

as long it is "appropriate and effective". At their summit here, the E.U. leaders are expected to agree on a broad strategy to contain international terrorist movements. The main thrust of the current European diplomacy is first bring Mr. Bush back into the fold of the European-American Atlantic alliance. Many Europeans are convinced that the trauma of last week's attacks and the loss of over 6,000 lives may bring back the U.S. into the international community. Last night, the German Chancellor, Mr. Gerhard Schroeder said he strongly supported some form of military action but at the same time he strongly believed that the crisis also represented a golden opportunity to reverse a dangerous trend towards American isolationism.

On the eve of the E.U. summit, the British Prime Minister and the French President also echoed similar sentiments. The European perception is that every diplomatic and political effort must be made to form an effective international alliance of like-minded and democratic States to fight the evil of terrorism. It is argued that Mr. Bush should be persuaded to listen to what America's friends and allies have to say. European leaders warned against American unilateralism. The European leaders have so far spoken with one voice to the U.S. president and particularly to his more hawkish advisers. The European message is that all non-military methods must be fully explored to pave the way for the long-term success of the Western mission against international terrorism.

European and American security agencies are fast moving to seize bank accounts operated by suspected terrorists. The British and French Finance Ministers have proposed broader powers for the 30-country "financial action taskforce" set up at the G-7 summit in 1989 to ostensibly fight money laun-

22/9

110-14

R AM
EW

7

22 22 SEPT 2001

22 22 SEPT 2001

2001

NATO split on joining U.S. action

R AM HD 1
BRUSSELS, SEPT. 17. Despite committing themselves to go to its aid in the wake of last week's attacks, the U.S. allies in NATO are split on whether to take part militarily in any U.S. reprisals.

Britain and Germany have clearly said they are ready to contribute soldiers if Washington asks them to. The British Prime Minister, Mr. Tony Blair, who has declared "war on terrorism," left no doubt yesterday about London's participation, and he has already put at Washington's disposal British land and naval air forces.

He had earlier specified, however, that Britain did

1899
not intend to give a "blank cheque" to the U.S.. The German Chancellor, Mr. Gerhard Schroeder had not ruled out German participation, but at the same time he warned against an exclusively military response, calling for the implementation of "political and diplomatic means."

The Italian Defence Minister, Mr. Antonio Martino, said his country would not send soldiers. Greece, too, does not appear to favour a role for its troops. The Portuguese Prime Minister, Mr. Antonio Guterres warned against any "bellicose" action "against imaginary enemies." — AFP

Unease among allies: Page 14

THE HINDU

HD-14
15/9
E.U. outlines security policy

BRUSSELS, SEPT. 14. Government leaders of the 15 European Union nations vowed on Friday they would help chase down the perpetrators of the attacks on the United States and hold any country which provides shelter to terrorists accountable.

In a joint statement, the E.U.'s Presidents and Prime Ministers issued a blueprint for a joint anti-terrorism policy, urging a common judicial and foreign policy approach and better coordination between the different state security organisations. "We will not, under any circumstances, allow those responsible to find refuge, wherever they may be," said the statement from the French President, Mr. Jacques Chirac, the German Chancellor, Mr. Gerhard Schroeder, the British Prime Minister, Mr. Tony Blair, and the other European leaders. "Those responsible for hiding, supporting or harbouring the perpetrators, organisers and sponsors of these acts will be held accountable."

After pledging their full solidarity with the United States, the 15 member states and the European Commission said they would work on such measures as unified arrest warrants and extradition orders, and beef up their common foreign and security policy. "We will make every effort to strengthen our in-



(From left) The European Commission President, Mr. Romano Prodi, the E.U. Commissioner for Development and Humanitarian Aid, Mr. Poul Nielsen, and the E.U. Foreign Policy chief, Mr. Javier Solana (right), comfort each other after they observed a three-minute silence in front of the E.U. headquarters in Brussels on Friday as a mark of respect for victims of Tuesday's terrorist attacks in New York and Washington. — AFP

telligence efforts against terrorism," the statement signed by the leaders said.

Underlining the urgency, the Belgian Prime Minister, Mr. Guy Verhofstadt, said the Justice and Interior Ministers of the 15 member nations will meet on next

Thursday to work on new measures, moving forward a regularly scheduled meeting.

"It is high time the European Union speaks with one voice," said Mr. Verhofstadt, whose country currently holds the E.U. presidency. "We have to make progress

when it comes to fighting terrorism," he said. E.U. Transport Ministers will hold an emergency meeting on Friday to discuss improvements in airport security. On Wednesday, the Foreign Ministers already expressed their full solidarity with the United States during a specially-convened meeting.

Throughout the E.U., life will come to a 3-minute standstill at noon Central European Time to mourn the victims of the attack and show solidarity with the people of the U.S. Twenty-eight other European nations from Russia to Iceland also said they would join, with up to 800 million people observing the silent tribute.

Meanwhile, the Prime Ministers of Russia, China and four Central Asian states issued a joint declaration on Friday condemning the brutal terrorist attacks.

The Shanghai Cooperation Organisation, which groups Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Russia and China, also agreed to bolster economic ties at the first meeting of the nation's Prime Ministers.

The six nations said the strikes in New York and Washington, which left thousands dead, posed a "challenge to the fundamental principles of human civilisation". — AP, AFP

NATO resolves to back U.S. action

By Batuk Gathani

BRUSSELS, SEPT. 14. European Union Governments and 19 NATO countries are weighing both the military and political options available to the U.S. amid the realisation that the President, Mr. George W. Bush, may soon narrow the military options, as intelligence agencies point accusing fingers at Osama bin Laden for this week's terrorist raids against American targets.

The North Atlantic Council urgently met in response to the terrorist attacks, which according to current estimates, may have cost 5,000 to 7,000 lives. Several hundred European — mainly British citizens, have also died.

In a statement, the Atlantic Council agreed that if it is determined that this attack was directed from abroad against the U.S., it shall be regarded as an action covered in Article Five of the Washington Treaty, which states that an armed attack against one or more allies in Europe or North America shall be considered an attack against them all. The council further resolved that "the commitment to collective self-defence embodied in the Washing-

ton Treaty was first entered into in circumstances very different from those that exist now, but it remains no less valid and no less essential today, in a world subject to the scourge of international terrorism."

Article Five stipulates that in the event of attacks falling within its purview, each (NATO) ally will assist the party that has been attacked by taking such action as it deems necessary. "The NATO allies of the U.S. stand ready to provide assistance that may be required as a consequence of these acts of barbarism."

It is hence proposed that a multinational task force should be convened under the NATO Charter which commits every member of the military alliance to protect all others.

Such a force may be deployed to invade all or part of Afghanistan. Western military strategists also point that a such a force could also be in the danger of being bogged down in the Afghan mountains as the Soviet army did 20 years ago. The current European perception is that Mr. Bush is heavily dependent on the American public opinion which has "rarely demonstrated the stamina necessary for such

protracted struggle." Hence, it is argued that Mr. Bush may also face contradictory advice from different members of his immediate circle which is divided between hawks and doves but the final policy decision has to be his as both history and posterity may judge the Bush presidency on the choice he makes in the next few days.

Major European powers including Russia have expressed their outrage at the terrorist attacks but have also advised Mr. Bush to proceed with caution in his mission to beat the terrorists. It is argued that pounding Afghanistan into dust with cruise missiles and long-range bombers might make America feel better about the Manhattan horror, as American air waves continue to display unprecedented fury, fear and clamour for retaliation. Most Europeans feel that the plan under discussion by NATO ambassadors is more ambitious, as by far for the first time it evokes "mutual defence" term under Article Five. Under the NATO umbrella, the U.S. would be assured of the support of its European allies in any military campaign in Afghanistan.

SR 1100
SR 12

EU takes initiative to salvage UN racism meet

AGENCIES
DURBAN, SEPTEMBER 4

INTENSE negotiations were on today to salvage the first-ever UN conference against racism after the US and Israeli pullout with delegates struggling to draft a new text of the declaration that may delete the harsh words against the Jewish state.

The 15-member European Union, which has decided not to follow the US and Israeli action, is engaged in drafting the new text at the request of the host South Africa.

An informal group, chaired by South African Foreign Minister Nkosazana Dlamini-Zuma, comprising the EU and a number of other countries, including African and Arab nations, has been set up to draft the new text "acceptable to all delegations." Belgian Foreign Minister Louis Michel, who is also the president of the council of 15-member European Union, said that the EU has mandated him to accept the proposal made by Dlamini-Zuma "which consists in drafting a completely new text. Dlamini-Zuma said: "We want to come to an agreement that will be acceptable to all delegations."

The US decision to pull out of the talks has come in for sharp criticism from various countries with UN secretary general Kofi Annan saying that Washington should have focused more on the conference's main goals. "I consider it regrettable. The questions of racism, xenophobia and intolerance is something that all societies live in and should fight against," he said.

Meanwhile, Canada has said that it would remain at the conference although it understood why the United States had pulled out. Hedy Fry, head of the Canadian delegation to the conference, said in a statement that "we fully understand" the United States' reasons for withdrawing. "This departure will undoubtedly make the work being undertaken in Durban that much more difficult," Fry said.



A delegate representing indigenous people protesting outside the World Conference Against Racism on Tuesday following the US Government's decision to withdraw from the conference. Reuters photo

Rights groups regret US exit

REUTERS
DURBAN, SEPTEMBER 4

LEADING human rights activists voiced disappointment at the United States on Monday for withdrawing from UN racism conference over attempts to label Israel a racist state.

"I truly regret the decision of the United States to leave the conference... We must persist in our endeavours," UN human rights chief Mary Robinson said in a statement at the meeting in South Africa. "If we leave here without agreement, we shall give comfort to the worst elements in every society. All of us must continue to play our part," Robinson said in a statement released before Israel also walked out of the event.

The United States and Israel withdrew their delegations to the conference in the South African Port of Durban in protest at attempts by Arab and Islamic states to single out Israel as a racist state. "Amnesty International regrets the US decision to pull out of the conference. The world racism conference goes way beyond the conflict in the Middle East," said Amnesty spokesperson Maya Catsanis.

"By walking out in the middle of the conference, the US is letting down the victims of racism on all sides," Catsanis said. The United Nations called the conference to map out an international strategy for tackling racism around the world, but attention had focused heavily on West Asia.

New York-based Human Rights Watch also regretted the withdrawal of the American delegation from the conference, which runs until Friday.

"This conference presents a unique opportunity for the nations of the world to define, condemn and repair racism and discrimination," a spokesman for the group said in Durban.

China, E.U. set store by summit

By Batuk Gathani

5/12
110-16
BRUSSELS, SEPT. 4. The fourth European Union-China summit opening on Wednesday here has aroused wider expectations on both sides with mounting trade volumes and European investments in China.

Sino-European trade has now crossed \$ 100 billions and the E.U. ranks among the largest foreign investors in China after the United States and Japan. E.U. officials here have also attached special importance to the "strategic partnership" with China particularly in terms of trade and investments. This goal on the political front with the U.S. still remains elusive for the Chinese, as the U.S. is more concerned about strengthening its relations with China's neighbours. Hence, Beijing is attaching special importance to its relations with the E.U., which is fast emerging as its real "strategic partner" in trade, exchange of technology and investments. The Europeans are "less interfering" in non-trade issues such as human rights and political developments.

Although Chinese officials make no secret of their suspicion that the Bush administration is preparing to contain China's growing influence in Asia, the Chinese feel that the Europeans may have a more sympathetic view of China's aspirations in Asia and the world at large.

Ever since China launched its economic reform process in the late seventies, major European powers led by Germany and France have consistently serenaded it and important business delegations have travelled to the communist nation.

The E.U. has begun cultivating China with fresh vigour. The E.U. is keen to develop China's services market and European officials will lay fresh emphasis on their resolve to ensure that China conforms to basic terms for entry into the World Trade Organisation. The recent E.U. policy paper on China noted that "economic reform has changed the structure of China's economy beyond recognition. Collective, private and foreign-funded companies produce and sell well over half of China's industrial goods. While over 80 per cent of China's industrial output was subject to mandatory planning only 10 years ago, the figure is now 10 per cent."

China's microeconomic performance since the launching of reforms "can only be described as remarkable. The GDP growth rates reached around nine per cent during the 1980's and 12 to 13 per cent in the last three years with the industrial output and

investment growing at over 20 per cent per annum for several years." R. Ahl - EU

It is noted that China's total trade rose from \$ 20 billions in 1979 to \$ 237 billions in 1994 and with Hong Kong added could be heading towards the \$ 500-billion mark. The E.U.'s investment profile in China is modest and only represents less than half the investment of either U.S. or Japanese companies.

The Europeans are more keen than the Americans, to avoid prickly issues with China, as they aspire to have the bigger slice of China's trade and investment opportunities. Perhaps, with a cynical glee China may watch this unfolding scenario amid realisation that Western powers will play the game on Chinese terms as long as Beijing can dangle the proverbial carrots in front of them.

China's mercantile profile in the E.U. has enlarged at an impressive pace. Today, more E.U. companies are looking towards China to launch their new ventures in Asia. The interest in India appears to be "cooling off" after the initial enthusiasm generated by the launch of economic reforms in the early nineties. China's aggressive and behind-the-scenes mercantile diplomacy should not be confused with overt clashes with the E.U. countries over "routine matters" related to issues of human rights.

China has improved its trading profile by adopting pragmatic foreign trade policies with the recent influx of foreign-funded companies that hope to sell their goods and services in the local market as well as boost Chinese exports.

China is also offering novel opportunities for foreign companies to either collaborate with state-owned companies or enter the country in partnership with Hong Kong or Singapore-based Chinese companies. This is a major attraction for large E.U. trading companies. Major Dutch, French and German trading firms are also exploring similar opportunities.

The general view in the European business circles is that the decision-making process in China is more pragmatic and faster. Indian business and industry also need to put in more effort to sell India as a trading and investment base, because in the final analysis, India has more plus points — ranging from the wide use of English to the commonality of legal, banking and mercantile institutions with their European counterparts.

THE HINDU

5 SEP 2001

Nato to review relations with Russia

BY JEFFREY ULBRICH

Brussels, Dec. 3: US secretary of state Colin Powell and other Nato foreign ministers will take a new look this week at the way the alliance does business with Russia.

Since September 11, the allies believe they have detected a new, more cooperative Russia under President Vladimir Putin, a potential partner rather than the confrontational adversary of old.

Nato's secretary-general, Lord Robertson, went to Moscow recently to discuss bringing Russia into the fold — not as a member of

the 19-nation alliance, but as a full partner in deciding some major issues of European security.

How to do this will be discussed on Thursday and Friday at the foreign ministers' meeting.

"We have an important opportunity to recast Nato's relationship with Russia," said Mr Nicholas Burns, the American ambassador to Nato. "Nato and Russia are increasingly allied against threats such as international terrorism. Nato must reflect these new realities and evolve accordingly."

Some see this as letting the fox in the hen house, allowing Russia to

begin gnawing at the alliance from within, accomplishing through stealth what it failed to do through confrontation. Others believe it is pure pragmatism, a recognition of the reality that there is more for both sides to gain through cooperation.

The Nato members are still discussing what form this new relationship should take, but what most likely will emerge is a new structure within the alliance in which Russia sits as a full participant on selected issues.

The new partnership will not give Russia a veto, Nato officials insist.

If the new consultative body fails to reach consensus between Nato and the Russians, the alliance's North Atlantic Council can still meet and come to a decision the way it always has.

The consideration of a new approach comes four years after Nato and Russia created the Permanent Joint Council, which was to be a forum for discussing issues of mutual interest. In reality, it became an exercise in informing the Russians what the alliance had already decided, not the decision-making entity the Russians had envisioned. (AP)

THE ASIAN AGE

- 4 SEP 2001

Goh calls for rejuvenation of

ASEAN HD 14

By Amit Baruah

SINGAPORE, AUG. 27. Singapore played host to two Presidents and one Prime Minister last week. In a sign of growing contacts in the region, the Thai Prime Minister, Mr. Thaksin Shinawatra, the Philippine President, Ms. Gloria Macapagal-Arroyo, and the Indonesian President, Ms. Megawati Sukarnoputri, were here for talks with Singapore's leadership. All three leaders have taken office this year — Ms. Megawati, in fact, took over as President only last month.

Speaking at a banquet he hosted for Ms. Megawati last night, the Singapore Prime Minister, Mr. Goh Chok Tong, noted her "long, winding and rocky" road to the presidency. "Your election as President has brought new hope to the people of Indonesia and to ASEAN. Your commitment to the national unity of Indonesia, its Constitution and the rule of law, and your stand against KKN (corruption, collusion and nepotism), will lay a strong foundation for building your new Indonesia..." he said.

"Indeed, Indonesia has already begun to regain domestic and international confidence. Your... Cabinet has won praise at home and abroad..." Mr. Goh noted.

Mr Goh, however, noted that the challenges for Ms. Megawati were daunting. "You have inherited an Indonesia with immense problems. And as you said in your address to the House of People's Representatives on August 16, the crises cannot be resolved all at one go. It will take time, commitment and sacrifice..."

He noted that Ms. Megawati's decision to visit the Association of South-East Asian Nation capitals in her first trip overseas reaffirmed Indonesia's commitment to ASEAN. "At a time when the resilience of the grouping is being tested, your visit and that of two other new ASEAN leaders to Singapore in the same week, are indications that the stars in the ASEAN constellation are now in alignment again.

"ASEAN has been drifting since the Asian financial crisis. We need to consolidate and reinvigorate ASEAN. Our individual countries will do better with a cohesive, strong and vibrant ASEAN. A strong ASEAN helps us to better compete against bigger economies and other regional groupings, and gives us more influence internationally," Mr. Goh stated.

11/11/01

200 200

HPD-17
378

E.U. needs foreign workers but resents their success

By Batuk Gathani

BRUSSELS, AUG 2. Last year, Germany introduced the green card employment scheme to attract skilled workers mainly from India, Eastern Europe and Russia. German officials said 8,556 people had been issued working visas so far, but this was far short of the 22,000 high-tech skilled immigrants that authorities hoped to attract annually.

Germany desperately needs high-tech foreign workers in the information technology sector to overcome severe staff shortages and labour market bottlenecks. The German IT industry association, Bitcom, recently praised Berlin's initiative. But it said there was still a need for more IT specialists. In July, eyebrows were raised when a government appointed all-party commission recommended that Germany make a major break with the past and implement a new set of radical reforms to tackle the country's long-troubled, controversial and often xenophobic approach to immigration.

Germany, after France, has the second largest population of foreign residents — about 11 per cent of the nearly 82 million population. Demographers say Germany's population may fall by 25 per cent within the next five decades if present trends are not changed. To maintain the current rate of population and economic prosperity, Germany needs to

attract at least 50,000 skilled foreign workers annually. According to a recent study by the European Commission, the European Union created as many jobs as the U.S. did in 1999 but the European Union's unemployment rate at 9.2 per cent was twice as high as that of the U.S. According to E.C. officials, "mass unemployment is still a reality in a number of region."

Spain has an unemployment rate of nearly 16 per cent followed by Greece, France, Italy and Finland. Belgium, Germany, Sweden, Britain, Ireland and Denmark have a low unemployment rate. One interesting data is that 70 per cent of new jobs are taken by women but unemployment among women remains high. The more prosperous parts of Western Europe are "fast greying" with ageing populations and declining birth rates. According to demographic experts without young foreign immigrants the European population graphs would not only stagnate but go down. In Germany, for example, it is estimated that over the next two decades there may be more pensioners than workers. According to recent data issued by Sweden's statistical office, the country's population would get smaller without immigrants.

The more educated and secular members of immigrant communities are successful wealth and job creators but their success is resented

by many host communities. Recent surveys of racism in E.U. countries highlight this reality. A survey on racism in the E.U. revealed that nearly a third of the E.U. citizens admit being "quite" or "very" prejudiced against foreigners. Around 50 per cent of the people in Belgium admit they are racists at heart and 22 per cent describe themselves as "very racist". Belgium was followed by France and Austria which rank among the three most racist countries in the E.U.

Answers to questions about racism and xenophobia also reveal the existence of extreme Right anti-immigrants parties in most racist minded countries. The most tolerant countries are Sweden, Luxembourg, Portugal and Spain. In Germany, Britain and Italy four persons out of ten harbour racist sentiments. The survey was conducted among 16,000 people living in the 15 E.U. countries. The conclusion was that a third of the E.U. citizens surveyed admitted being racist to "some extent but not systematically" and about two thirds said they did not consider themselves racist.

The E.U. Commissioner for Social Affairs has described the findings of the survey "quite shocking". In Belgium, a right-wing local government council suggested not long ago that Antwerp's 40,000 North African, Arab workers should be deported to create jobs for the Belgian unemployed.

77 11 100

73 100 201

ASEAN Drama

The choice of song at the dinner following the meetings between the 10-nation Association of South East Asian Nations (ASEAN) and its key dialogue partners very often reflects the sensitivity of the performing foreign minister to what he thinks is the other delegates' perception of his country. At a previous sing-song, Jaswant Singh did a take-off on the Lewis Carroll number "You are old Father William" and threw in a line about balancing a strobe on his nose — a reference to the dialogues with the Clinton administration's deputy secretary of state Strobe Talbott so as to try and thaw the temporary chill in Indo-US relations following the nuclear tests at Pokhran. At the latest sing-song, US secretary of state Colin Powell reclined on a couch and sang *El Paso* to a squatting Japanese foreign minister Makiko Tanaka. It would perhaps have been more appropriate if he had sung the Simon and Garfunkel number *El Condor Pasa*: "I'd rather be a sparrow than a sea/Yes I would/If I could/If I only could..." That could have reflected the US dilemma of being perceived as an Atlas of sorts in a unipolar world where bushfires (pun not intended) in Macedonia and Yugoslavia have to be sorted out by a Republican administration which believes that the US of A should first attend to its own problems. While the photograph of Mr Tanaka shows him singing along with Mr Powell, there are no reports of whether the Japanese foreign minister was singing in tandem or striking a discordant note, something not too uncommon in the opera. The good news for western political pundits is that Japanese prime minister Koizumi is back in power after the latest elections. He is widely regarded as a progressive who wants to lead Nippon into a liberalised, globalised future. The bad news for the pundits is that Mr Koizumi leads a party which is considered conservative to the core when it comes to dismantling systems regarded as protectionist and out of sync with a liberalised, globalised ethos. The choice of song at next year's meeting of ASEAN and its key delegate partners could, therefore, be regarded as significant. If Mr Tanaka is still Japan's foreign minister, will he still sing along with Mr Powell or keep nodding his forehead to indicate "No" with each stanza the US secretary of state sings? That could be the million-yen question.

711

700 200

Powell calls for new round of trade talks

By Amit Baruah *110-16* ing dynamic, flexible domestic markets," he maintained.

HANOI, JULY 26. The U.S. Secretary of State, Gen. Colin Powell, today made a big pitch for a new round of trade negotiations and encouraged the Association of South-East Asian Nations "not to waver" in their commitment to free trade and implement the ASEAN Free Trade Area (AFTA) on schedule.

"Developing countries can be among the big winners if there is a market opening round. The reduction of the country's trade barriers will benefit consumers and allow introduction of products and technologies that will spur innovation and put its economy on a more competitive, export-oriented footing. Second, the reduction of trade barriers in other countries will create important export and job-creation opportunities," Gen. Powell stated.

Reduced trade barriers in all countries, he felt, would stimulate a new surge of international investment. ASEAN, according to him, was full of examples demonstrating that private sector involvement is crucial to economic growth and development.

"Regional integration, if it is comprehensive and WTO-consistent, can be an important step towards global trade liberalisation. The United States believes that ASEAN's decision to create the ASEAN Free Trade Area was a good one. We encourage you not to waver in your commitment to free trade and to implement AFTA on schedule," he told the Foreign Ministers at the meeting.

According to him, a dynamic, growing world economy was the ultimate poverty reduction strategy. "At the G-7/G-8 meetings in Genoa, each of the leaders committed to put in place pro-growth strategies. The U.S. is leading the way by taking decisive action, including tax cuts and by maintain-

"We are also very interested in Japan's efforts to restructure its economy and ultimately return to strong growth. I would like to note President Bush's statement after meeting with Prime Minister Koizumi last month that the U.S. supports Japan's current reform plans and believes the Japanese leadership is on the right track..." he said.

27/2
Gen. Powell said the assistance was most effective in countries with sound economic management and good governance practices. The Government, he said, played a vital role in creating the needed legal and economic environment to build investor confidence, enhance education and improve worker skills, but it is the private sector that creates the jobs and economic activity that lifts families, as well as entire countries, out of poverty.

Countries which focused on creating an environment where the private sector can thrive — promoting the rule of law, reducing corruption and improving productivity through better education, nutrition, and health programmes — will attract international support and prosper.

"There is also great interest here in the global economic outlook. Recent turbulence in emerging markets and the slowing of economic growth in key economies is being watched closely by all of us.

"Our experience since the 1997-98 financial crisis shows that economic reform efforts have paid off by strengthening economies against market contagion from such turbulence. Corporate and banking restructuring, regulatory reform, and transparency need to be achieved. Without them, macro-economic reform remains.

THE H...
27 JUL 2001

NATO mission to avert civil war in Macedonia

By Batuk Gathani *HO-17*

BRUSSELS, JULY 26. Four months after structuring a dialogue of some sort, Macedonia is fast sinking into civil war. Sensing the danger, NATO and the European Union on Thursday launched a "war crisis mission".

Lord Robertson, Secretary General of NATO and Mr. Javier Solana, the E.U.'s foreign policy chief, embarked on the mission to ensure the territorial integrity of Macedonia and prevent the country from sliding into chaos. On the eve of their departure to the Balkans, Lord Robertson told mediapersons at the NATO headquarters: "The situation is critical. The country faces a grave crisis and I call on those involved to follow the path of peace and not war."

In recent days, fighting between the Macedonian Government forces and secessionist ethnic Albanians has escalated. On Tuesday night, there were riots in Macedonia's capital, Skopje by ethnic Slavs who accuse NATO and the E.U. of favouring the rebels. Both NATO and the E.U. have vehemently denied the allegations, but observers point out that the chasm between Macedonians, local Albanians and the E.U. and NATO may be widening.

Lord Robertson and Mr. Solana will try to patch up "differences and misunderstandings" by talking to both sides to reach a political compromise and failing that, NATO has drawn up plans to send 3,00 troops into the region to supervise a future ceasefire. NATO also proposes to disband the National Liberation Army (NLA) of the secessionist groups which has been engaged in conflicts with Government forces.

The main priority of NATO and the E.U. is to halt the fighting and bring the warring factions to the negotiating table. There is much distrust between the two factions. The Albanians also want their language to be accepted and recognised by the Macedonian Government. Macedonians have strongly objected to this on the premise that it may lead to a break-up of the Macedonian state.

Lord Robertson described this as "pigheadedness" which may cause a new Balkan bloodbath.

A similar initiative, then described as a "fact-finding mission", was undertaken in March by Mr. Solana. Macedonia's Prime Minister, Mr. Georgievski, then rebuked NATO units in Kosovo for "not doing enough" to



Around a dozen cars belonging to the OSCE were set on fire by protesters in the Macedonian capital Skopje on Tuesday. Nationalist mobs attacked the U.S. embassy and other international offices in anger at the West's handling of the rebellion by Albanian guerillas. — AFP

prevent an assault by Albanian guerillas on Macedonia's second largest town of Tetovo.

The ethnic Albanians in Macedonia constitute 22.7 per cent of the population, according to the last census but according to independent observers this could be nearly 35 per cent. The extremist factions of the mainly Muslim ethnic Albanians have demanded a "greater Islamic Albania" which may comprise parts of Macedonia and Kosovo.

Both NATO and the E.U. leaders have irrevocably rejected such demands on the premise that post-World War II boundaries of Europe cannot be altered by violence.

The current military conflict in the Macedonian region is rated as a serious regional crisis. Independent observers note that the speed with which this "rag-tag" group of bandits have transformed themselves into a fighting force has baffled Western military observers and raised speculation about "outside" interference. Accusing fingers are pointed at Islamic fundamentalist states and organisations

for extending financial, technical and material support to the secessionist movement. The vast majority of Macedonia's two million population are ethnic Slavs and Orthodox Christians.

Apart from Mr. Solana, the Russian Foreign Minister, Mr. Igor Ivanov, has visited the region for talks with Macedonian and Yugoslavian leaders. Both Russia and major European powers are committed to maintaining the territorial integrity of the Balkan states.

But since last week's serious fighting on the Yugoslav and Macedonian borders, the scenario has changed. The war waged by Albanian guerillas puts NATO's credibility and impartiality on the line. Lord Robertson said recently: "NATO is determined that those extremist elements seeking to sow instability or to advance their political agenda by violent means will be stopped, whether in southern Serbia, in the former Yugoslavian republic of Macedonia or within Kosovo".

THE HINDU

27 JUL 2001

Past wars cast shadow on Asean meeting

Hanoi, July 25

ASIAN FOREIGN ministers and their world partners met on Wednesday for annual security talks aimed at staving off future conflicts and exorcising the ghosts of mutual mistrust and antagonism.

But arguments over past conflicts haunted the meet. The participants said many concluded that the forum was all talk and no action. The one-day meeting of the Asean Regional Forum (ARF), Asia's key security group, brought together foreign ministers from the 10 countries of the Association of South East Asian Nations (Asean) with world powers including the United States, Russia, China, Japan and the European Union.

Australian Foreign Minister Alexander Downer said the discussions focused on this week's change of leadership in Indonesia and the sour US-China relationship. "It is hoped that with the change of administration in Indonesia there will be greater stability," he said. On US-China ties, he said the relationship was moving in the

right direction.

But though the two countries have patched up this year's spy-plane spat, yet a new controversy is brewing over China's jailing of two US-based Chinese scholars for spying. Secretary of State Colin Powell said, "I am pleased that these cases are now being resolved but as I have said before, it is not the individual cases that should be our greatest concern but the whole process by which these people are detained and put on trial."

But Powell, who is due to visit China on Saturday, said he was very pleased China had decided to deport scholar Li Shaomin, a US citizen convicted of spying on July 14.

Thai Foreign Minister Surakiat Sathirathai said Asia was encouraged to see US-China ties improving. Other erstwhile regional concerns include territorial rivalry in the South China Sea, where China and several Asean countries have claims on the Spratly Islands, a remote archipelago said to be rich in oil. Last week, hopes for a resumption of high-level dialogue between North Korea and

the United States were dashed when Pyongyang said its foreign minister was unable to come to Hanoi for a possible meeting with Powell because he was "too busy".

A senior US official said on Tuesday it was possible the Americans would meet the North Koreans but did not expect to hold parleys. South Korea has urged China to help restart the tentative reconciliation process on the Korean peninsula.

Sparks have already flown in bilateral meetings between China and Japan, over trade, a new textbook critics say glosses over Japan's wartime brutality and Prime Minister Junichiro Koizumi's plan to visit a controversial shrine that honours war criminals. Japan's Foreign Minister Makiko Tanaka is likely to face similar heat from her South Korean counterpart on Wednesday. Antagonism is expected when Powell meets his Chinese and Vietnamese counterparts and raises the sensitive issue of human rights with two of the world's last communist States.

Reuters



APP PHOTO

Residents of Hanoi wave at visiting US Secretary of State Colin Powell (left) as he takes a walk on Ngoc Khanh Street.

ASEAN MEET / FOCUS ON MAJOR POWERS' ROLE

Sound Sino-U.S. ties vital

By Amit Baruah

HANOI, JULY 24. The Association of South-East Asian Nations (ASEAN) today said that stable relations among major powers, particularly the U.S. and China, was "important" to the region.

In a sign that ASEAN had taken note of the recent adversarial positions taken by the U.S. and China, the joint statement at the end of the two-day Ministerial Meeting, said: "We reiterated the important role played by the major powers and called upon them to continue to make their contribution to strengthening peace, security, cooperation, and development in the region and throughout the world."

In the communique issued last year, there was a reference to relations between "major powers", but on this occasion ASEAN has focused on China and the United States by name.

On the issue of National Missile Defence, ASEAN said: "We noted the recent dialogues among the major powers and concerned states on NMD and expressed our hope that such dialogues would narrow down the differences and bring new constructive approaches to address the issues related to NMD in the interest of maintaining world security and stability."

Clearly, ASEAN's concerns about NMD are clear — they favour a process of dialogue to ensure that world security and

stability are not adversely affected. It is clearly a compromise formulation given the fact that at least one country — Vietnam — has publicly opposed NMD.

"We reviewed the recent political-security developments in the world, particularly the relationship among the major powers which might influence (the) political and security situation in East Asia. We noted there were challenges but believed that positive trends towards peace, stability and cooperation still prevailed," the communique said.

The joint statement welcomed the political change in Indonesia. "We welcomed the political transition and election of President Megawati Sukarnoputri in Indonesia. We expressed our hope that this orderly and peaceful transition would lead to political stability and speedy economic recovery in Indonesia. We reiterated our support for the territorial integrity and national unity of Indonesia. We believe that the stability and prosperity of Indonesia would contribute positively to peace, stability and prosperity of the region," it said.

The need to keep ASEAN relevant was also addressed by the Ministers. "We resolved to accelerate existing cooperative endeavours to enhance ASEAN's dynamism and competitiveness...we also discussed the need to promote regional stability, sus-

tain economic growth, enhance ASEAN's competitiveness and strengthen cooperation within ASEAN and between ASEAN and the rest of the world."

Of late, some ASEAN member countries have stressed the need to ensure that the grouping keeps its head above water and retains its attractiveness as a growth area.

According to the joint statement, for ASEAN to tackle the challenges it was faced with, there was a need for member nations to be stable, united, integrated and outward-looking.

The Foreign Ministers also stressed the "importance of engaging in frank and open discussion as well as enhancing mutual trust and confidence with a view to further strengthening cooperation" among ASEAN member-nations.

On Myanmar, the Ministers noted the encouraging developments in that country and "appreciated the efforts of the Government of Myanmar" towards these developments and reiterated their support for the ongoing process of national reconciliation.

They also repeated the importance of achieving universal adherence to the CTBT and NPT and called on nuclear-weapon States to "make further efforts towards the elimination of all nuclear weapons".



Foreign Ministers of the Association of South-East Asian Nations (ASEAN) greet each other at the end of the ASEAN Ministerial Meeting in Hanoi on Tuesday. They are (from left): Mr. Surakiat Sathirathal of Thailand, Mr. Win Aung of Myanmar, Mr. S. Jayakumar of Singapore, Malaysia's Syed Hamid Albar, Brunei's Prince Mohamed Bolklah, Mr. Somsavat Lengsavad of Laos and Mr. Hor Nam Hong of Cambodia. — AP

ASEAN to work for closer integration

29/7

10-15
By Amit Baruah

HANOI, JULY 23. Foreign Ministers of the Association of South-East Asian Nations today pledged to make "concerted efforts" to bridge the development gap among ASEAN countries through effective cooperation and mutual assistance.

"We shall work together to identify, through research, analysis and consultation, the comparative strengths of our economies and their potential for complementarity, with a view to promoting regional economic integration and a sense of community and shared responsibility among our nations," the Hanoi Declaration stated.

The wordy declaration reiterated the need to develop infrastructure linkages, but stopped short of any concrete monetary

commitments on the part of the more developed ASEAN nations.

"We shall continue to expand and deepen our linkages with the rest of the world, particularly with China, Japan and the Republic of Korea within the ASEAN+3 framework, and with other dialogue partners of ASEAN," the declaration stated.

"We are determined, for these purposes (narrowing the development gap among ASEAN nations), to mobilise resources in partnership with our dialogue partners, the international community including the private sector..." the document stated.

It said that ASEAN countries would strengthen transport linkages through developing and implementing more extensive land, sea and air infrastructural projects in order to facilitate the flow of goods and

people and to generate higher income for the people in the region.

"Such projects include the Singapore-Kunming (China) rail link and the ASEAN highway network. We urge the international community to provide technical support to and participate in these major infrastructural projects," the declaration said.

"We look forward to the expeditious implementation of the trans-ASEAN energy networks consisting of the ASEAN power grid and the trans-ASEAN gas pipeline projects, which would help the security and sustainability of energy supplies in ASEAN," the declaration stated.

Cambodia, Laos, Myanmar and Vietnam (CLMV), the four newest members of ASEAN, are to integrate into ASEAN as a regional economy, including the ASEAN

Free Trade Area (AFTA), the ASEAN Investment Area and liberalisation of trade and services. "We reaffirm the importance of expanding more efficient air services in our region for the freer movement of people and goods. "This would greatly help integrate the ASEAN region, foster commercial and human contacts, and stimulate broad-based economic activities and growth.

"In this light, we reiterate ASEAN's resolve to develop a Competitive Air Services Policy which may be a gradual step towards an Open Sky Policy in ASEAN," the document said. It added that a workshop would be convened in Cambodia to develop a comprehensive and coherent programme for Mekong development cooperation, especially for the integration of Cambodia, Laos, Myanmar and Vietnam.

Indonesian developments overshadow meeting

By Amit Baruah

HANOI, JULY 23. The 34th annual meeting of the Association of South-East Asian (ASEAN) Foreign Ministers, which opened here today, was overshadowed by the political turmoil in Indonesia.

The ASEAN Secretary-General, Mr. Rodolfo C. Severino, said the regional grouping was concerned by events in Jakarta. He said it was up to Indonesia to address its own problems.

The Indonesian Foreign Minister, Mr. Alwi Shihab, has stayed away from the ASEAN Ministerial Meeting (AMM) and Jakarta is represented by a Foreign Ministry official — a sign, if one were needed — of Indonesia's complete pre-occupation with itself.

Talking to presspersons, the

Singapore Foreign Minister, Mr. S. Jayakumar, said Indonesia was going through an "extremely critical period". The outcome of developments in that country was in the hands of the Indonesian people, he said.

"As a close neighbour of Indonesia, we are naturally concerned. We would like to see, of course, stability and eventually the restoration of national unity and return of investor confidence. I think it's important for the people of Indonesia....it's important...for ASEAN and for the rest of the region," Mr. Jayakumar stated.

The Foreign Minister said he would not be surprised if ASEAN Ministers sought an update from their Indonesian colleague on the situation in that country.

"I don't think it is for ASEAN to tell Indonesia what it should do, but I think we should be concerned as to how events transpire and what is the eventual outcome because as I said it does have an impact upon the region and for ASEAN," he said.

In his inaugural address to the meeting, the Vietnamese Prime Minister, Mr. Phan Van Khai, called upon the regional group to "proactively settle remaining disputes and differences and prevent heightened tensions in the region, and at the same time help restore and maintain socio-political and macro-economic stability in each country".

Mr. Khai's call for proactive settlement of regional disputes is being seen as a reference to the

dispute over the Spratlys and Paracels in the South China Sea, in which China is a major player. ASEAN has been discussing a possible code of conduct for the South China Sea, but so far no agreement has been reached.

The Prime Minister also referred to the ups and downs in the region and the adverse consequences of the 1997-98 financial-currency crisis.

".....We are fully aware of the costs of socio-political and macro-economic instability that each individual country and the whole region have to pay. It suffices to say that socio-political and macro-economic stability is a prerequisite for each country's sustainable development and enhanced international cooperation," Mr. Khai maintained.

tion," Mr. Khai maintained.

The Prime Minister also stressed the basic principles of ASEAN cooperation, which stress non-interference in the internal affairs of individual member countries. Unity in diversity is a valuable lesson for ASEAN. Similar cultures and shared interests in peace, stability and development represent a cohesion factor binding all ASEAN member countries closely together.

"In addition, while the tradition of flexibility and adaptability inherent in South-East Asia's civilisation has given birth to the ASEAN way embodied in such principles as consensus, mutual respect, non-interference in internal affairs of one another, we never let down friends in trouble."

THE HINDU

Asean avoids Indonesia, Burma issue

Hanoi, July 23: Southeast Asian nations gave top priority on Monday to cementing their economic ties, but tradition stifled thoughts of joint action on the region's main political and security problems: turmoil in Indonesia and Burma.

Foreign ministers of the Association of Southeast Asian Nations said the group could do nothing to help Indonesia settle a political crisis over efforts to oust its defiant President, Abdurrahman Wahid.

The ministers, who began their annual talks in Hanoi on Monday, agreed that Indonesia's turmoil could spill across borders.

"We are very much concerned because Indonesia is a very important member of Asean," said Malaysian foreign minister Syed Hamid Albar. "The political stability of Indonesia will contribute to the overall stability of Association of South East Asian nations."

(AP)

E.U. embarks on a promotional exercise

By Batuk Gathani

BRUSSELS, JULY 22. A Europe-wide opinion poll reveals that a well over half the citizens are not well informed about European issues and institutions. It finds citizens sceptical about and indifferent to many issues as after five months, the 15-member European Union prepares to float the single currency notes and coins in 12 euro-zone nations.

For example, more than 40 per cent of some 16,000 people who took part in the survey said they had no knowledge of the Nice treaty, which was adopted last year to pave way for future E.U. expansion.

The new member-States will come from eastern and central Europe ruled by communist governments before the fall of the Soviet Union in 1989.

It is revealed that only 54 per cent of the people think that their country's membership of the E.U. is a good thing.

The same percentage has any trust in the European Commission — the executive arm of the European Union which employs over 17,000 civil servants, who earn twice or thrice the amount of money they would in their home service.

Such lacklustre image of the E.U. and its institutions prompts a majority of the Europeans to believe that they are not beneficiaries of the E.U. membership.

Only in Ireland, 72 per cent of the people are enthusiastic about the membership while in Britain only 29 per cent of people feel that way.

Obviously, the European Commission officials are deeply concerned about such embarrassing revelations and next week on Wednesday, the Commission will propose confidence boosting measures.

For example, far-reaching changes are proposed in the way the European legislation is drafted and presented, ostensibly to contain the disillusionment and mistrust.

The European Parliamentarians, civil servants and politicians command a very low level of popularity. There is a major communication and credibility gap among citizens, officials and politicians.

The bureaucracy is almost seen as "distant and foreign" and there is a call for more transparency and accountability. The Commission will present a "white paper" next Wednesday recommending steps to improve its image.

The government leaders are alarmed over that fact that Europeans feel that the institutions are not dealing effectively with pan-European problems like environment, unemployment, food safety, crime and regional conflicts.

This has also triggered the spectre of racism and xenophobia with growing inflow of refugees and asylum seekers not only from eastern Europe, but also Third World countries.

In 1991, the E.U. had set out on an ambitious plan for political, economic and monetary union by the beginning of 21st century but opinion polls reveal that a majority of citizens feel that the institutions are becoming

more bureaucratic, cumbersome and expensive.

The more pessimistic perception is that the governance structures are unwieldy.

On the optimistic side, it is argued that the dream of the European unity has achieved much in the last four and half decades. The European community started from a narrow coal and steel community.

It has now emerged as a broad political and economic union, which has not only overcome the trauma of two world wars, but after the fall of communism in 1989, the E.U. is pioneering ways of multi-party democracy and free market economy in the former communist ruled regions, which includes Russia.

In western Europe, victors and vanquished have united to forge common goals and aspirations — solidarity between Germany and France symbolises that quest for unity and pan-European aspirations.

The Europeans today also enjoy unprecedented prosperity with high living standards in their history. The pan-European trade and investments are at a record high level as E.U. governments move towards an era of more sustained co-operation in economic and political matters.

It is hence often baffling for the European politicians and bureaucrats to encounter the average citizen's apathy about things European.

The simplistic response would attribute all this to poor public relations, which the European Commission in its "white paper" hopes to set right.

Hard times

49-17
22/7

IT IS a time of trial for the Association of South East Asian Nations (ASEAN). On Monday, Foreign Ministers of the ASEAN-10 will get down to their Ministerial meeting in Hanoi, to be followed by the post-Ministerial conferences and then the ASEAN Regional Forum (ARF) meeting.

When the Foreign Ministers get down to business, their largest member, Indonesia, will be undergoing a painful transition. In all likelihood, Indonesia will have a new President by the early part of August.

The Philippines and Thailand are facing their own political problems. The Philippine President, Ms. Gloria Macapagal-Arroyo, has yet to settle down in Government with her ousted predecessor, Mr. Joseph Estrada, still a formidable opponent. Thailand's Prime Minister, Mr. Thaksin Shinwatra, is awaiting a court verdict on misdeclaration of assets when he was Minister in an earlier Government. Thailand, however, is now well set on the path of democracy and can possibly weather a change of Prime Minister.

And, on top of all this, comes the news of the economic downturn in the region. Unlike in 1997-98, even Singapore, according to analysts, will record a negative growth rate in the current financial year.

In Malaysia, the Government feels that it will head off the downturn, but the Prime Minister, Dr. Mahathir Mohamad, faces a formidable political challenge, with an increasing number of Malays beginning to question his leadership.

Ironically, the new members such as Vietnam, Laos, Myanmar and Cambodia, appear more "politically stable" than some of their older ASEAN counterparts. Of course, Myanmar for the Western world is in a separate category, but even Yangon has engaged Ms. Aung San Suu Kyi and her National League for Democracy (NLD) in a dialogue.

What individual national problems mean for ASEAN is that the focus is on internal affairs, not on the regional grouping. When the main countries in the region were doing well economically, ASEAN presented a robust picture. That is no longer the case.

FOREIGN MINISTERS MEET



It is not as if ASEAN members are not conscious of the situation; they simply cannot do much to alter it. While remaining focussed on greater economic integration and the ASEAN Free Trade Area (AFTA), the grouping has made a conscious effort to reach out to North-East Asia.

China, which has so far remained unaffected by the economic downturn, has fitted in well with the ASEAN+3 initiative, along with Japan and South Korea. There are studies going on to develop greater linkages between ASEAN and North-East Asia, but these will take some time to take shape.

and needed to send a strong signal to investors that it meant business.

"While ASEAN rebuilds its lost shine as an Asian economic dynamo, those members which are able should continue to keep the international investor community engaged, and to sustain global interest in ASEAN," Prof. Jayakumar said. "If they (key economic players) lose interest and seek trade and investment elsewhere, it would be difficult to persuade them to return once our region falls off their radar screens," he added.

The problem of integrating the newer members has also been a slow process. While

issues concerning regional peace and stability.

When some efforts were made last year to form a 'troika' on Myanmar, Vietnam, as the chair of the ASEAN Standing Committee, said: "Vietnam has held consultation with Myanmar and the countries concerned in the Association on the basis of consensus and non-interference into each other's internal affairs and is of the view that recent development in Myanmar is its internal affairs which outsiders should not interfere".

Most ASEAN countries zealously guard against the possibility of outside intervention. Given the fact that some polities are less than open, such a position is understandable. However, it does create a profile problem for the Association.

In the region, where the United States and China are the big boys in security matters, the clash over the spy plane incident in April has been noted. That the issue was resolved elicited a sigh of relief in the region.

Whether it is U.S.-China relations or individual ASEAN nations, the concern of leading Association members is with stability. The close watch on the fortunes of Indonesia is a case in point. Its future could play a key role in shaping perceptions about ASEAN as a whole.

*It is a time of trial for the ASEAN.
Amit Baruah on the issues the grouping's
Ministerial meeting will face.*

Currency swap arrangements are one positive area for ASEAN and its plus three associates — an effort to address the issue of currency crises arising from the bad days of 1997-98.

Last year, the Singapore Foreign Minister, Prof. S. Jayakumar, referred to the perception of ASEAN as a 'sunset' organisation during the ASEAN Ministerial Meeting (AMM) in Bangkok. He has again pointed to the problems facing ASEAN. In an address on Wednesday, Prof. Jayakumar stated that ASEAN was going through a challenging period

there has been considerable focus on developing the Mekong region, the process has been slow. This issue continues to pose a challenge to ASEAN.

In terms of a higher profile for ASEAN, the 'troika' proposal, approved in Bangkok last year, was not put into practice. While ASEAN has a large number of individual meetings on a growing variety of subjects, its ability to act regionally remains limited.

Thailand, which pushed hard for the idea, was keen to have an ASEAN mechanism that could address more effectively

Europeans sceptic, indifferent to EU's plan of single currency

BY BARRY JAMES
International Herald Tribune

Paris, July 20: A Europe-wide poll shows, and government ministers confirm, that the European Union faces strong public scepticism and indifference as it prepares to adopt a single currency in less than six months.

The Eurobarometer poll released this week indicates that well over half of all Europeans consider themselves badly informed about major European issues such as the adoption of the euro or the proposed enlargement of the EU.

More than 40 per cent of the 16,000 people who took part said they had read, heard or seen nothing about the Nice

Treaty adopted last year, which was intended to prepare the way for enlargement. The survey shows that only 54 per cent of Europeans think that membership in the EU is a good thing and that about the same percentage has any trust in the European Commission, the EU's executive body. The number of people who believe that they personally benefit from membership in the EU has dived in virtually every country.

Foreign ministers acknowledged in an open public debate in Brussels this week that an abyss had opened up between European citizens and their institutions. The president of the EU council of ministers, Louis Michel of Belgium, said that many Europeans perceive a "insti-

tutions such as the commission as being "isolated and insensitive" and even as an enemy.

Of course, many Americans, too, distrust or dislike US federal institutions. What marks the situation in Europe is indifference.

As leaders are increasingly cut off from the public behind massive security barriers — such as at the G-8 summit meeting this weekend in Genoa — the EU is increasingly seen as a "distant, insensitive machinery," said Pierre Moscovici, the French minister for Europe. Not even 10 per cent of European citizens pay any heed to EU politics, said Christoph Zopel, deputy German foreign minister.

Commission officials are deeply concerned about the indifference and hostility because of the negative effect this could have on the start-up of the common currency in January. No one seems to know what to do about the problem.

The commission appears to be constitutionally incapable of using language that ordinary people can understand. Officials, for example, blithely use expressions like "*aquis communautaire*" to refer to the collected body of EU laws.

Peter Hain, the new British minister for Europe, appealed in a newspaper article this week for the commission and other EU politicians to stop speaking in language that "is virtually unintelligible to a

new European minister like me, let alone an average voter."

Mr Michel told the European Parliament, however, that "we cannot simply rebuild Europe's image by hiring spin doctors." He said it was frustrating to see real achievements of integration largely forgotten in the current debate.

"It is high time we remembered that Europe stands for peace," he said. "We must transmit the fact that European integration is about bringing men and women from different countries together for a common cause, making them aware of what has happened them and giving them a shared destiny."

Mr Michel argued that Europeans need to see the EU achieve concrete

goals that responded to their everyday needs, such as the setting up of a food safety authority, or concrete measures to solve the problem of air traffic delays.

To be fair, Romano Prodi, the president of the European Commission, has consistently made the same point. But every time government leaders meet at a summit conference, they seemingly procrastinate or haggle over details.

The Eurobarometer poll showed pro-EU sentiment lowest in Britain at 29 per cent. It found support for the EU strongest in Ireland at 72 per cent — a paradox because Irish voters recently opposed the Nice Treaty in a referendum.

Focus on confidence-building steps

By Amit Baruah

HANOI, JULY 25. The ASEAN Regional Forum today called for greater bilateral, regional and international cooperation to fight transnational crimes such as piracy, terrorism, illegal migration, drug trafficking, money-laundering and cyber crime.

The Forum, whose session continued throughout the day, emphasised that "confidence-building" was essential to and remained the foundation and main thrust of the ARF process.

While acknowledging the overlap between confidence-building measures (CBMs) and preventive diplomacy, the ARF, clearly, wants that primacy be given to the CBM process.

Several ARF countries, including China and India, are against putting too much stress on preventive diplomacy in this multilateral forum.

(The Chinese Foreign Minister, Mr. Tang Jiaxuan, in his statement before the ARF, said: "...given the diverse political, economic and security concern in the region, we believe that the Forum should retain its nature as a political and diplomatic forum and still focus on confidence-building...")

Interestingly, the ARF Chairman's statement (prepared by Vietnam in that capacity) did not directly refer to the U.S. proposal of National Missile Defence (NMD). However, the Chinese and the Russians referred to the issue and the U.S. Secretary of State, Gen. Colin Powell, explained to member nations the U.S. proposals.

The Chairman's statement said: "The Ministers shared the view that on the whole, the situation in the Asia-Pacific region remained

relatively stable. The Ministers noted that despite certain challenges and uncertainties, and differences in political and strategic perceptions, the (Asia-Pacific) region continues to enjoy peace and stability.

"The Ministers acknowledged the importance of peaceful and stable relations between major powers as key to regional peace and security, and believed that the major powers would continue their efforts to improve and develop their relations so as to contribute to the maintenance of peace and stability in the region."

The Chairman's statement said that members discussed issues relating to "proliferation of weapons of mass destruction and their means of delivery as well as the implications of missile defence systems". "They noted expressions of support for the Nuclear Non-proliferation Treaty (NPT) as the cornerstone of the global non-proliferation regime. The Ministers also took note of the call for all States to sign and ratify the Comprehensive Test Ban Treaty (CTBT) and to accede to the NPT. The Ministers urged all States to maintain existing moratoria on nuclear testing," it said, referring to issues of relevance to India.

On Fiji, the members noted the situation prevailing there and expressed the hope for a positive outcome to the elections to be held in the Pacific island nation in August.

As expected, the ARF Ministers welcomed the election of the Indonesian President, Ms. Megawati Sukarnoputri. "The Ministers expressed the hope that this orderly and peaceful transition would lead to political stability and

accelerated economic recovery in Indonesia...."

The ARF meeting also adopted papers on the enhanced role of the ARF Chair and on preventive diplomacy.

In his address, the Chinese Foreign Minister, Mr. Tang Jiaxuan, said following a period of difficulties, Sino-U.S. relations, which capture universal attention, had recently been "on the way to improvement".

"The Chinese side attaches importance to its relations with the U.S. It welcomes a positive, constructive role of the U.S. in the Asia-Pacific region and is ready to work with the U.S. side to maintain peace and security in the Asia-Pacific region."

Mr. Tang also pointed to the existence of certain destabilising factors. "The economies of South-East Asia are yet to emerge completely from the shadow of the financial crisis that at present face some new difficulties. Transnational problems have also become more prominent, posing a new threat to regional security.

"Insistence on developing missile defence programme will upset global strategic equilibrium, undermine regional peace and stability and adversely affect international arms control and non-proliferation process and will do no good to trust and cooperation between countries," said the Chinese Minister.

"The Cold War is over. The security we seek is mutual. Security built upon other countries' sense of insecurity can neither be stable nor last long. The ARF has been able to bring us all together precisely because it pursues common security for the entire region."

Putin calls for end to Nato

197

Moscow, July 17

DAYS BEFORE President Vladimir Putin was due to meet President George Bush at the G8 summit in Genoa, he argued that Nato's expansion eastwards prolonged the cold-war division of the continent, and proposed that it should be disbanded, just as the Warsaw Pact had been.

"In the West, everyone says: 'We don't want new divisions in Europe, we don't want new Berlin walls.' Good. We completely agree. But when Nato enlarges, division doesn't disappear, it simply moves towards our borders," he told the Italian newspaper Corriere della Sera.

"The divisions will continue until there is a single security area in Europe."

Putin and the Chinese leader Jiang Zemin signed an alliance treaty in Moscow yesterday in a largely symbolic attempt to

counterbalance the United States' global dominance.

Although they stressed that the treaty was "not directed against any third country", it highlighted their unease at American primacy in international affairs and underlined Russia's desire to offset it by creating a multipolar international stage.

Further evidence of Putin's desire to build a new world order emerged yesterday when he proposed that Nato should be abolished and replaced by a pan-European security body that included Russia.

The Sino-Russian treaty is the first since 1950, when Joseph Stalin and Mao Zedong created a Soviet-Chinese alliance. Officials were at pains to point out that it did not presage a military alliance, but was focused on resolving border disputes and promoting trade.

Largely declaratory in content, reaffirming the relatively warm relations China and Russia have enjoyed for the past 10 years, the Good Neighbourly Treaty of Friendship and Cooperation was described by British diplomats in Moscow as bland. But it comes at a time when both countries are increasingly concerned about America's missile-shield plans.

Signing the pact gave the two leaders an opportunity to reiterate their hostility to the project the day after America successfully tested its ability to destroy an intercontinental ballistic missile in space.

After signing the pact, the two issued a joint declaration of their commitment to the 1972 anti-ballistic-missile pact, which would be infringed by the US plans. "Russia and China stress the basic importance of the ABM treaty, which is a cornerstone of

strategic stability and the basis for reducing offensive weapons and speak out for maintaining the treaty in its current form," they said.

Putin questioned Washington's justification of the missile shield as protection against potential attacks by "rogue states". "I don't see that there are compelling reasons to create an anti-missile defence system, because nobody is threatening the United States."

"The countries which are considered to be dangerous would need 20, 30, 40 years to build up a credible offensive system."

Analysts pointed out, that despite the rhetoric, China and Russia have much to lose by alienating the US. Trade between the two countries amounted to \$8bn last year, a fraction of China's \$115bn annual trade with the US.

AP

THE HINDUSTAN TIMES

Eurasian pact against Islamic extremism

REUTERS

SHANGHAI, June 15. - Leaders of China, Russia and four Central Asian states today launched a new regional organisation to combat Islamic militancy and took a common stand against US missile defence plans.

Five years after its modest start as a body to broker border disputes, the Shanghai Five - China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan - welcomed new member Uzbekistan and renamed itself the Shanghai Cooperation Organisation.

Chinese President Mr Jiang Zemin said the "six good neighbours" signed an agreement to fight ethnic and religious militancy while promoting trade and investment in an area whose big oil reserves have revived international competition for influence.

The signing of the Shanghai Pact has laid the legal foundation for jointly cracking down on terrorism, separatism and extremism and reflects the firm determination of the six states

on safeguarding regional security," Mr Jiang said.

The group's defence ministers signed a communique declaring their support for the 1972 Anti-Ballistic Missile Treaty, which Washington wants to change to set up a national missile defence system protecting it against attacks from "rogue" states.

The ministers also opposed US plans for a theatre missile defence system in Asia, which China fears could be used to shield Taiwan, the island it regards as rebel province to be reunited with the mainland, by force if necessary.

The ABM treaty was "a cornerstone of global stability and an important condition for further promoting the process of arms reduction", the communique said.

"Any violation of this treaty will bring enormous harm...to the cooperation of different countries on arms control and disarmament and will have serious negative consequences for international and regional stability and security," it said.

The group's agreement on

ent Islamic state.

Underlining its determination to crack down on the group, Uzbekistan jailed 73 people last week for up to 18 years for aiding IMU gunmen who killed 20 Uzbek soldiers in a raid on the south of the country last year.

China fears such unrest will add fuel to a separatist movement in its north-western region of Xinjiang, where Muslim radicals from the Uighur ethnic minority have carried out bomb attacks and murdered government officials.

Security was of paramount importance at the summit, which is seen as a test of China's ability to hold a large international event as it campaigns to host the 2008 Olympics Games in Beijing.

The Shanghai government shut down major roads, closed schools and encouraged businesses to take a day off today to guarantee its guests a swift and safe passage.

China's financial capital is also due to host the annual summit of the 21-member Asia-Pacific Economic Cooperation forum in October, when US Pres-

ident Mr George W Bush is due to meet Mr Jiang.

In a meeting between Mr Jiang and Russian President Mr Putin yesterday, the first of three planned for this year, the Chinese leader played the piano and sang songs in a display of camaraderie highlighting a new strategic alliance between Moscow and Beijing.

Moscow and Beijing share the common goal of stemming growing US influence in Central Asia.

The USA is already the largest foreign investor in Kazakhstan's oil and gas industries and Washington has provided millions of dollars in military aid to Kazakhstan, Uzbekistan and Kyrgyzstan.

But days before Mr Putin is due to meet Mr Bush in Slovenia, Mr Jiang struck a conciliatory note on China-US ties, spoiled by the April spy-plane showdown and human rights disputes.

Mr Jiang called for a "constructive" relationship with the USA according to Russian foreign minister Mr Igor Ivanov.



SUMMIT BONHOMIE: The Chinese President, Mr Jiang Zemin, greets the Russian President, Mr Vladimir Putin, at the Shanghai summit on Friday. - AP/PTI

fighting Islamic militants the leaders said.

would set a legal framework for cooperation between security services and pave the way for the establishment of an anti-terrorism centre in the Kyrgyz capital, Bishkek, to tempt to create an independ-

THE STATESMAN

JUN 20 2001

110-15
9/18
Pak., China may become
part of CIS grouping

By Vladimir Radyuhin

MOSCOW, JUNE 8. Pakistan and China may some day be invited to join a pro-Western regional grouping of five post-Soviet States to become part of a projected trans-Asian trade route.

This possibility was raised at a summit of GUUAM, which unites Georgia, Uzbekistan, Ukraine, Azerbaijan and Moldova, in the Ukrainian city of Yalta. The group was set up in 1999 on the fringes of NATO's 50th anniversary celebrations in New York with the aim of boosting economic and security links in close cooperation with NATO. GUUAM is the only group within the Commonwealth of Independent States that shuts out Russia.

The Yalta summit approved the group's charter, which gives GUUAM the status of an international regional organisation. The leaders of the group said their strategic task was to revive the Great Silk Road, which used to link the East and the West for centuries. In this connection, the President of Uzbekistan, Mr. Islam Karimov, did not rule out accession of "China, Pakistan and other countries" to GUUAM, as the transport route mulled by the group was important for other nations as well, the Interfax news agency said in a report from the GUUAM summit.

"With the passage of time, other States will join us," the President of Georgia, Mr. Eduard Shevardnadze, was quoted as saying after the summit. He mentioned Romania and Bulgaria as other likely candidates for GUUAM entry. The President of Ukraine, Mr. Leonid Kuchma, also mentioned China and Pakistan as the countries interested in the establishment of a new transport route. The member-States decided to introduce an observer status for GUUAM and to change the name of their grouping when more nations join it. Plans for economic integration within the group suffered a setback as a free trade accord planned to be signed at Yalta was put off till the next summit in 2002 because of differences among the member-states.

THE HINDU

Russia, Nato to discuss tactical missile defence

9/6 11/11
NATO ON Friday accepted Russian Defence Minister Sergei Ivanov's offer to send experts from Moscow to Brussels to discuss prospects for a possible joint Russian-European defence against medium-range tactical missiles.

9/6
The agreement was announced by Ivanov and Nato Secretary-General George Robertson at a news conference following a meeting between Ivanov and Atlantic Alliance Defence Ministers.

Reuters, Brussels

THE HINDUSTAN TIMES

HD-16 877

Euro-fear



Euro coins from the countries that are to use the new currency... the shape of things to come.

JANINE POUSSIN owns a busy bread and cake shop in Paris. The turnover is very quick, especially at peak hours when there are long queues of impatient customers waiting to buy fresh, crusty baguettes. "We have to work extremely fast and all the calculations are done in the head. The sums are modest and we deal in a great deal of small change. I was worried about how we would cope with the switch to the euro and, last Easter, instead of giving the customary chocolates to my employees, I bought them europoly board games. The girls used the paper money to conduct transactions in euros and we are now extremely proficient at using the new money," she says with justifiable pride.

She is of a rare breed, however. With the introduction of the single currency less than six months away, most businesses in France have still to come to grips with the euro and studies show that most people in France are quite simply petrified at the thought of using the new currency.

"One fine morning I saw all the four figure amounts in my account reduced to three figures and I did a backward flip. I almost got a panic attack figuring out how I'd managed to spend so much, wondering

Most people are quite simply petrified at the thought of using the new currency. Vaiju Naravane on the travails of the French in switching to the euro.

where the money had gone before realising that employee accounts at the bank had been converted so as to give us a head start," recalls Ms. Anabelle Madeleine of the Credit Lyonnais. "More seriously, we do expect a certain dislocation to take place. People seem to be gripped by paralysis and the information effort seems inadequate," she says.

New regulations introduced a month ago oblige shops and businesses to display prices first in euros and then in Francs. However, the rules go largely ignored. "I cannot do that. I don't want to scare my customers away. In any case, we will have to deal with the problem in six months time. Why break our heads now," asks Mehmet who sells groceries in his

banking sector we appear to be tack. At the Credit Mutuel also for instance, we have distributed one million euro chequebooks and will have to send out another five million in the next few months. We are having some difficulty convincing businessmen to invest in 'euro' business machines. Right now, we are transferring all the savings accounts from francs to euros. The next five months are going to fly past and I fear there will be a shortage of trained staff to deal with the inevitable last minute rush of clients who have left things too late. Problems could occur in the dealings between individuals and shopkeepers and that has to be watched carefully."

Indeed economists fear an inflationist wave. "I am worried that shopkeepers will take advantage of the switch to the euro to jack up prices. Who will be able to check whether the French prices have been retained? For the Germans and the Italians everything is a lot simpler because they only have to halve or double the sum — more or less. In France, one euro is equal to 6.559 francs and that makes calculations complicated. The shopkeeper is then tempted to "round off" the figures in euros and of course, it is going to be an upwards rounding off. We have tried to hold talks about this with shopkeepers' associations and they have given us certain guarantees. But we fear that the consumer will be made to pay for an inflationary spiral," says Ms. Rebecca Schneider who works for the National Consumer's Association.

According to Mr. Jean Claude Hassan, the French Finance Minister's top "euro" adviser, the problem is simple: "As of January 1, 2002, we will mint just one currency, the euro, in which all transactions must be made. The closer we get to that situation as of now, the better it will be for us. I applaud the decision by the French electricity company EDF to start billing in euros. Other large billing organisations such as phone companies, banks, insurances houses should emulate this example. The Government has decided to pay its employees in euros as of this month. Our research shows that while most people have absorbed the fact that at midnight, on December 31, 2001, all transactions in Francs will cease, they have yet to realise that it will not be possible to use francs after February 28, 2002. We have given people two months to get used to the switch. After that the franc will become a museum piece."

"Arab corner shop".

Genevieve is conducting a "euro class" at an old people's home in Paris. She has distributed small euro converters, real euro notes and coins and is asking her pupils (average age 76) to fill up a shopping basket. The class is held in the gardens of the Maison Ste Jeanne with a blackboard erected against a tree. Most of her pupils are in wheelchairs.

"I would like you to buy me a kilo of red mullet, six eggs, a kilo of spinach, two litres of milk, two baguettes, a packet of salt, a roll of toilet paper and some soap," she tells the class. Alfred, a spry 80-year-old former schoolteacher, is at the top of the class. "For all that I will have spent 21.6 euros or 142 francs," he says enthusiastically. But most of the others are bemused, at a loss. "I just don't know," confesses Annie and blushes a tomato red.

"Children of course are very quick to learn and they have no problems at all. Its older people who put up resistance because they are simply afraid. I conduct adult literacy class as well and there too, my students struggle very hard," Genevieve says.

Dominique Duhem is Mister euro at the Bank Credit Mutuel. "From the point of view of the

Belgium takes over E.U. presidency at crucial time

By Batuk Gathani

BRUSSELS, JUNE 2. Belgium on Sunday took over the six-monthly rotating presidency of the 15-member European Union at a time when the grouping is in the process of expansion. This is Belgium's 11th turn at the E.U. presidency.

Within the next two decades, the E.U. is likely to have 25 member-States as more nations from the former communist ruled East and Central European countries opt for a free market economy and multi-party democracy. Belgium is considered Europe's most federal State. Over 70 per cent of the country's export and import trade is with the E.U. countries. Although, the average Belgian pays one of the E.U.'s highest taxes and social security charges, to many foreign investors and multi-national companies the country is a tax haven. The country is a favourite city for many American multinational companies because the local tax laws allow them to set up subsidiaries to provide commercial and employee training services to other parts of the companies world-wide virtually tax-free.

Mr. Guy Verhofstadt, the Prime Minister will be heading the E.U at a time when the euro currency and notes will be introduced on January 1, 2001, in the 12 euro-zone countries. Efforts for a greater European integration have been stymied with Ireland rejecting the Nice Treaty. The over 30 per cent devaluation of the euro against the dollar since its launch in January 1999 has many worried about the future of the European Union.

Falling birth rates revive E.U. debate on immigration

By **Batuk Gathani**
BRUSSELS, MAY 30. Although the declining birth rates and the need to bring in foreign labour to most West European countries in recent months has shifted the debate about the merit of immigration, most Europeans still continue to harbour forebodings about "hoards of poor East and Central European migrants" knocking at European Union borders, in the wake of the proposed expansion of the E.U.

For three decades now, in Germany, Britain, France, Italy and even the tiny Benelux countries, centre right politicians have been indulging in the bitter and divisive subject of immigration, role and future of foreigners in European political debate.

The subject has remained emotive and has frequently sparked extreme right violence against "foreigners" in which the neo-Nazi gangs play a prominent role. It is not often realised that over a third of the so-called foreigners and immigrants are born in their country of adoption. Hence, legally, if not ethnically, they are indigenous citizens. In Germany as in all other countries in Europe, the issue of immigrants or foreigners has been clouded "by hypocrisy, dubious use of statistics and political opportunism" wrote a commentator on Monday.

The E.U. Governments are now expressing serious qualms about admitting new

and less affluent member states from Eastern Europe to the union, after years of proclaiming "historic obligations" to admit them. The European Governments are worried about maintaining the current high wage structures and social security costs, amid the realisation that an East European worker would be lucky to earn a quarter or one-third of the wage of a worker in the more affluent part of the E.U.

According to current estimates, by mid-2004, the first batch of five East European countries — Hungary, Poland, Estonia, Slovenia and the Czech Republic — could be full members of the E.U. As membership negotiations reach a climax, the current E.U. countries are trying to introduce new demands which highlight their deep misgivings about embarking on a new wave of expansion. For example, it is proposed that the "free movement of labour" clause could be frozen for seven years after the new entrants become members of E.U. institutions.

A recent survey reveals that two-thirds of the Germans are still convinced that "there are too many immigrants seeking entry into Germany and hence Germany's capacity to absorb them has been exhausted." All German political parties have cautiously but reluctantly argued that Germany needs new immigrants to sustain its economy in the wake of the fast declining birth rate.

Most Germans have also conveniently forgotten that the post-War German economic miracle was mainly structured by the most coveted and then admired "guest workers" from Greece, Turkey, Spain and Portugal.

The current argument is that although Germany is not a "classical" immigration country, it may accommodate new workers to maintain its competitiveness in the international market place. In the post-War decades of economic miracle, Germany has attracted some 73 lakh foreign workers to its factories. Today, the country has the largest number of foreign residents in the E.U. If current negative demographic trends continue, it is estimated that Germany's population may decline from the current 80 millions to 75 millions in 2050.

Germany is also short of skilled workers in the high technology sector, but with the prevailing "racial atmosphere", it is not likely to attract high skilled workers from Asia. They would rather head for the greener and more secure pastures of America. The German electronic industry has some 75,000 vacancies but there are few takers.

The East Europeans migrating to major E.U. countries may lack the hi-tech skills and at best can do labour-intensive jobs in the lower ranks of the employment market. Hence, Germany and Austria have spear-

headed the move to demand a seven-year "grace period" before citizens of new member states can work in existing E.U. countries. This would suggest that the E.U. may adopt different classes of membership.

Many East European countries who in the heydays of the communist rule in Eastern Europe, cherished prospects of the membership of the E.U. are now increasingly disenchanted if not disillusioned with what they see as humiliating entry process. The routine media diet of stories about racism and xenophobia in major E.U. countries does not help. With the collapse of communist rule and the advent of free market economy based on the rule of law and multi-party democracy, most East Europeans would rather live in their own countries and enjoy the fruits of prosperity.

In a curious turn of events, a recent opinion poll in Estonia reveals that the majority of voters oppose joining the E.U. In Poland and the Czech Republic, the number of people rejecting the membership of the E.U. is growing. This is partly attributed to the "German factor" as many worry about German economic and cultural dominance. For bureaucrats in the European Commission offices here, all this is rather revealing if not embarrassing.

Nato snubs Powell over missile defence plan

R AMI
NATO
HF 11
3/15

New York, May 30

AMERICA'S NATO allies refused yesterday to endorse the Bush administration's plans for a "son of star wars" missile defence system and compounded the snub by rejecting US efforts to persuade them even to accept that the west faced a common threat from so-called "rogue states".

Reflecting the deep shared concern, Nato foreign ministers meeting in Budapest agreed only to "continue substantive discussions" with Washington.

A surprisingly sharp communique added that the allies "intend to pursue these consultations vigorously, and welcome the United States' assurance that the views of allies will be taken into account as it considers its plans further".

France and Germany, in particular, resisted attempts by Colin Powell, the US secretary of state, to win backing for the missile project.

Despite a recent diplomatic charm offensive by senior US offi-

cial, the prevailing view among allies is that there is little evidence that a hugely expensive missile defence system would work. They say it could dismantle existing arms control agreements and lead to a new arms race. They also believe it is better to engage with rogue states such as Iran and North Korea - although not Iraq.

This is the view of the British foreign secretary, Robin Cook, although Britain has privately told the US that it understands why it is concerned about any potential missile attack.

In a minor concession, Mr Powell persuaded foreign ministers to omit from the joint statement any mention of the 1972 anti-ballistic missile (ABM) treaty which the Bush administration describes as a "relic of the cold war". Nato ministers last year called it "the cornerstone of strategic stability".

The US also diluted Nato's official position on the Comprehensive Test Ban Treaty, which the US has not ratified. Yesterday's

communique said only that so long as the treaty has not entered into force, Nato must urge all states to maintain the existing ban on nuclear testing.

On the lack of enthusiasm for missile defence, Mr Powell said later: "I think I can safely say that there is a recognition there's a threat out there. Some people see it as more immediate than others". He said he hoped to win over more Nato allies. However, European diplomats say the chances of any significant movement on the missile issue in time for the Nato summit on June 13, which Mr Bush plans to attend, are slight.

Nato's stance could derail President Bush's attempt to bring the Russians onside by offering to buy Russian S300 surface-to-air missiles. Such missiles, he has suggested, could be used in a defensive shield for Russia and Europe. Meanwhile, the US would offer military help to upgrade Russia's early warning radars and participation in joint anti-missile exercises.

The Guardian

THE HINDUSTAN TIMES

1999

Nato evacuation of rebels sparks protests by Macedonian Slavs

41-13
6
Skopje (Macedonia), June 26

POLITICAL FALLOUT intensified on Tuesday following a day of rioting in Macedonia's capital after Americans and other Nato troops evacuated armed ethnic Albanian rebels from a besieged town.

Monday's riots came despite international efforts to stop a full-scale war between ethnic Albanians and majority Slavs. The riots came after Nato-led peacekeepers intervened in the conflict for the first time, part of a deal designed to end fighting in Aracinovo, a suburb on the outskirts of Skopje.

While the evacuation was the first US involvement in the Macedonian conflict, US troops have been stationed in Macedonia since former US President Bill Clinton sent them as part of a UN peacekeeping operation in 1993.

Ethnic Albanian militants withdrew from the suburb under the Nato plan. Alliance peacekeepers used Nato trucks to drive rebel weapons past Macedonian

Government lines. Buses ferried the rebels to safety.

The withdrawal outraged thousands of Macedonian Slavs, who gathered outside parliament Monday evening demanding harsher action against the rebels.

Shots were fired, but there were no reports of injuries. Police were called in and the riot broke up after they were ordered to pull back. The attack shattered a ceasefire meant to create conditions for peace talks to end Macedonia's most severe crisis ever.

With tensions still on high and fresh riots near the country's second-largest city, Tetovo, British Foreign Secretary Jack Straw postponed a visit to Skopje. He was expected to hold talks with political leaders from both sides who are increasingly estranged after the peace talks collapsed in disarray. Such dialogue is likely to become harder to arrange, with both ethnic Albanian and Macedonian Slav leaders facing more pressure from their constituencies. Western interven-

tion is increasingly becoming unpopular among Macedonian Slav hard-liners.

Straw said it would have been inappropriate to go ahead with his planned visit while Macedonian ministers were preoccupied with trying to calm the situation on the ground. "I intend to go there as soon as the situation becomes calmer," he said.

The European Union's new envoy for Macedonia, meanwhile, consulted with EU ministers on Tuesday before beginning his mission to Skopje. EU officials said former French Defence Minister Francois Leotard would leave "very soon" for Macedonia after the talks.

In Tetovo, police officials who spoke on condition they not be named said rebels attacked police positions on the outskirts of the city and that Government forces returned fire. The rebels also attacked a police position near the city stadium, a military spokesman said. There were no reports of injury.

AP

Unease in E.U., NATO over Macedonia

By Batuk Gathani

*RAW
110-19*

BRUSSELS, JUNE 25. There is unease in major European Union and NATO capitals with the developments in the war-torn Macedonia, where the E.U. foreign and security policy chief, Mr. Javier Solana, has managed to structure a parley of a sort between the warring ethnic factions of Christian Serbs and Muslim ethnic Albanians.

Mr. Solana, whose efforts over the weekend involved intensive and often arm-twisting diplomacy and political lobbying, says that a ceasefire has now been in place between the Macedonia government forces and the ethnic Albanian rebels. The E.U. diplomats are now applying pressure to commence political dialogue. The Albanians have consistently argued for a "separate Muslim" state as they once did in other parts of former Yugoslavia. The proposal, which amounts to altering the post-war boundary of a European state, is not acceptable to the E.U., NATO and even Russia.

NATO is under pressure to stage another military intervention in Macedonia if the Albanians persist with their secessionist demands. At best, NATO and the E.U. can agree to offer Albanians greater rights within a reformed Macedonian government. The E.U. has also resolved to deploy a permanent diplomat in the Macedonian capital Skopje to monitor progress on diplomatic and military front. Last Thursday, NATO agreed to

deploy 3,000 troops in Macedonia on temporary basis for a "quick operation" if the current ceasefire collapses.

The 19 NATO allies run a large peacekeeping operation in Bosnia and Kosovo — parts of former Yugoslavia. The feeling at the NATO headquarters here is that the Macedonian conflict needs urgent attention before it "gets out of hand". According to estimates, Albanians make up about a quarter or third of Macedonia's two million population and not all ethnic Albanians are particular about creating a separate Muslim state. For some time now with rising tide of ethnic and secessionist violence in the Balkan region generally and Macedonia particularly, the western world — the E.U. and NATO — is seen groping for a suitable response.

The vast majority or over 60 per cent of Macedonia's two million population are ethnic Slavs and orthodox Christians.

The Russian Foreign Minister, Mr. Igor Ivanov, was also in the region for talks with the Macedonian and Yugoslav leaders. The neighbouring Albania is one of Europe's smallest and poorest countries with a population of some 35 lakhs — 75 per cent Muslim and 25 per cent orthodox Christians. Albania was the smallest communist country in the heyday of Soviet empire.

For many post-war years, Albania's only claim to fame was that it was the first client state of communist China and followed the directives of Chairman Mao with some fanatical zeal.

Europe & its expanding empire

AFTER the shooting of demonstrators in the peaceable Swedish city of Gothenburg last week, the European heads of government appeared as usual for their photo-call. This time, at the end of their secretive and mysterious cabals, the smiles were a little forced, the confidence shaken.

Their unease is well founded. The meetings of global privilege – whether the European Union, G-7, International Monetary Fund, World Bank, World Trade Organisation – are no longer to take place beyond scrutiny.

The sonorous communiqués about freedom, prosperity and democracy are no longer good enough. If security has to be tightened around their deliberations in the heart of their own countries, who can say what levels of disaffection they might not

It seems the freedom-loving European Union is planning to rusticate those of its citizens who embarrass it abroad, immobilising protesters; in much the same way that it has immobilised the hungry millions of the Third World, who must also stay at home...

engender in the distant places of the world, where the further consequences of their policies are felt in their fullest rigour?

How did the leaders of Europe react to the disruption and anger that curtailed their deliberations? First of all, by blaming the people. Tony Blair – puffed up by a “landslide” victory in which less than one in four of those eligible to do so voted for him – blamed the rioting on an “anarchists’ travelling circus”.

The Swedish Prime Minister warned that “these are well organised groups with good economic resources that will continue not only to disturb but also to destroy the democratic process.”

This was brazen, given the fact that the summit declared the process of European enlargement “irreversible”, in defiance of the democratic vote by the Irish people against only it a week earlier. The Irish Prime Minister apologised to the other heads of government for his people’s waywardness, promising a second referendum which would no doubt produce the required verdict next time. It is clear that this version of “democracy” is a leashed

and dependent thing, which must be trained to deliver results amenable to its masters. The press enthusiastically took up the theme of the virtues of the European project, and the malignancy of those who would disrupt it.

The EU uniquely promotes values of equality, citizenship and freedom. Alas, notwithstanding the commitment by the EU to “sustainable development”, measures on climate change and energy conservation, they have nothing critical to say of the IMF, World Bank, WTO or any other of the agencies of a global “rules-based” order, which remains securely anchored in the interests and institutions of power and dominance.

No matter. The leaders of Europe both denounced the protesters and at the same time performed a seduction ritual.

“We are all on the same side” was their injured cry. We reiterate our dedication to the poor. We want what is best for the world. We want to share with the poor countries the secrets of our wealth and power. We are not only extending the loving embrace of the EU to bring in the apostates of socialism, but we also wish to include everyone in the world in universal peace and prosperity.

Who could object to such an agenda? Those who would be so foolish will have to be dealt with. The ringleaders must be identified and compelled to stay at home. They must be outlawed, like football hooligans, drug dealers and child abusers.

It seems that the freedom-loving European Union is already planning to rusticate those of its citizens who embarrass it abroad, immobilising protesters; in much the same way that it has immobilised the hungry millions of the Third World, who must also stay at home, so that they do not spoil the fun in Europe.

Clearly, the carnival is becoming highly discriminatory.

In other words, nothing must disturb the measured pursuit of the old universalising objective of re-making the world in the image of the West. This is imperialism as development; and as such, is the most

NEW VISTAS

JEREMY SEABROOK

totalising project dreamed of by humanity.

It throws into shade all previous imperiums, totalising systems, religious and secular. It makes the European empires of the 19th century appear clumsy and inefficient, the Soviet experiment the paltry delusion it was.

The leaders of Europe hope, by their

beneficiaries of global privilege, those whose role is to be the mute and grateful recipients of the gross inequalities which they have worked so tirelessly to sustain (the real object of their devotion to sustainability).

All that is required from the receivers of stolen goods is that they keep quiet.

The protesters at Gothenburg, like those at Nice, Prague and Seattle, are biting the hand that feeds them. Theirs is the unnatural ingratitude of favoured sons and daughters. Their crime is a refusal to collude with their leaders in the conspiracy

against the poor of the earth.

Further rings of steel, more impregnable fortresses, the close-down of whole cities, together with more Intelligence-gathering on their own citizenry, more spying, more curbs on already diminished dissent – this is the punishment they have brought upon themselves.

That mere democracy cannot be allowed to hobble the majestic onward march of ever-increasing concentrations of power is a curious lesson to demonstrate to the people of Europe.

But their leaders have come to detest certain of their own people; particularly those who protest at the growing inequality in the world, the ransacking of the resource-base to advantage the already privileged, with any mitigation of the afflictions of the poor an incidental by-product of this noble objective.

They see the Greens, anarchists and socialists as hypocrites since they are enjoying a version of the good life which is supposed to make them suspend all judgment and criticism. And here they are, throwing rocks from the carefully reconstructed streets of the old quarter of embalmed European cities at those who have brought about this happy state of affairs.

The assumption of governments of the rich countries is that if their people receive an increasing disposable income, if they go on getting and spending without interruption, there will be no more politics, no more upheavals, no more history.

This is the cynical, mechanistic, mani-

pulative ideology the young people are repudiating. They are calling into question the whole “settlement” of the past two generations. They have exposed the collusion at the heart of the system, which is as contemptuous of its own people – give the punters, the clients, the consumers enough to shut them up – as it is of the poor of the earth, whom the same process robs of even the necessities of daily survival.

The ragged, scruffy, scandalous protesters at these arrangements are re-stating an ancient truth – that materialism is not enough; that idealism and social hope have not been banished from the world; that there is no ultimate triumph for mere systems, no matter how impressive their “architecture”; that the struggle for justice is not cancelled by the comfort of gilded

By its remoteness, hypocrisy and arrogance, the EU has alienated its own people. The heads of government are angry because they are facing the wrath of beneficiaries of global privilege, those whose role is to be the mute recipients of the gross inequalities...



Protesters raise their fists as they demonstrate against the summit of the European Union in Gothenburg, Sweden, last Saturday. A day earlier, police fired shots at demonstrators after clashes got out of control. – AP/PTI

aggrieved astonishment that anyone could possibly quarrel with their benign plans for the world, to place themselves beyond reproach. The showdown with George W Bush over the Kyoto protocol was a diversion: Mr Bush’s refusal to ratify Kyoto served to distance the toxic Texan from the penitential poisoners of Europe, though the difference between them is minimal.

They are not going to redistribute their wealth to the world. That would be asking too much. They are going to whisper into the ears of the leaders of the world the fateful secret of how to become rich as we have become rich – presumably omitting the story of the era of plunder, which is scarcely an option for those under their tutelage today.

By its remoteness, hypocrisy and arrogance, the European Union has alienated more and more of its own people. The heads of government are angry because they are facing the wrath of the

Europe looks for its own eyes and ears in space

DANIEL MICHAELS
PARIS

DOES Europe need better eyes and ears in space? The European Union wants to develop its own defense policy and a rapid-reaction military force. But without better satellite systems to provide intelligence and communications, policy makers warn, it will remain dependent on the U.S. for all but the most basic reconnaissance data and will be unable to make independent strategic decisions.

Since the North Atlantic Treaty Organisation's military action in Kosovo two years ago, European leaders have been waking up to the need. An agreement by France and Germany last spring to pursue plans for two complementary military satellites was "a real breakthrough," German Defense Minister Rudolf Scharping said at the time. "We need a command structure that is suitable for the alliance and current security challenges," he said. "That's why our decisions... about satellite intelligence are so important."

But the French-German pact is a drop in the surveillance bucket. While the U.S. runs a sophisticated network of satellites for spying and communicating, the

EU's 15 member nations can field only a handful of outdated, low-power "birds" that can't see the ground at night, or through clouds, or facilitate secure communications.

While European politicians argue against Bush's proposals to build space-based antimissile systems, they say they support the enhancement of satellite communications and reconnaissance for their troops. They simply haven't turned those words into funding.

Getting European governments to increase that spending will be one topic on the agenda as aerospace industry executives and political leaders gather this week at the Paris Air Show. Since this week, once the exclusive domain of airplanes, where satellites and space projects in recent years have been getting increasing attention.

The trans-Atlantic gap can be seen in terms of funding. The U.S. spent \$12.5 billion on military space programs last year; Europe spent \$800 million, according to the Center for Strategic Studies & Research in Paris. France, the European country that has devoted the most resources to all areas of space technology, has cut its annual military space budget from around four billion francs (\$526 million) in the first half of the 1990s to

less than two billion francs last year. "Europe faces a stark choice," former Swedish Prime Minister Carl Bildt recently told a seminar on military space issues in London. "It can either become totally dependent" on U.S. space infrastructure or it can build its own systems, "which will enable it to effectively compete, and thus credibly cooperate, with the U.S." Bildt warns that Europe's weakness in space risks undermining its position in NATO.

The shortfall is even more notable because Europe successfully competes in selling commercial space systems. Astrion NV, a French-German-British joint venture based in Paris, and its French rival Alcatel SA last year together grabbed more than half of the worldwide market for satellites used in communications, imaging and navigation, edging out U.S. competitors Boeing Co., Lockheed Martin Corp. and Loral Space & Communications Ltd. European satellite technology equals or tops what U.S. rivals can offer.

Dependence on U.S. space resources "has severely curtailed European influence" in joint military actions over the past decade, says Klaus Becher, a senior fellow at the International Institute for Strategic Studies in London. He notes that the U.S. prefers to be in control

of alliance reconnaissance, and Washington has bristled when French officials have challenged U.S. intelligence with data from their two spy satellites.

Yet Europe has "no discernible long-term vision" for space, Becher argues. He estimates Europe must spend at least \$2 billion annually to build a useful military space network. But Europe's defense budgets are already overstretched, and military space projects face an extra hurdle because national priorities in space differ widely.

After the Gulf War in 1991, Europe began taking tentative, low-cost steps to improve its eyes and ears. Since 1997, 10 Western European countries jointly have operated a satellite-imaging center in Torrejón, Spain, that mainly uses high-quality commercial-satellite data to gather intelligence. France now is building Helios 2, a successor to its two Helios 1 visual-imaging satellites, scheduled for launch next year, and it will be able to pierce clouds and darkness. But industry officials say the small scale of these efforts shows how far Europe still must go to create the space platform necessary for the new high-tech military.

(Cecilia Rohwedder contributed to this article. From The Wall Street Journal)

NOIA EXP. 1991

E.U., U.S. for closer dialogue on Kyoto, NMD

By Batuk Gathani

2/16
40-16
BRUSSELS, JUNE 19. The solid achievement of the European Union's summit in Sweden is that the 15 E.U. government leaders have resolved to begin the first phase of its expansion by 2004. It is a process which has been described as 'irrevocable'. The E.U., structured to consolidate the economic and fiscal integration of Western Europe and the 19-member NATO may also, in tandem take in new members from the former Communist ruled countries of Eastern Europe. In between, the E.U. governments propose to ratify the Kyoto protocol on global warming.

The focus in Sweden was the E.U. leaders' meeting with the U.S. President, Mr. George Bush. To narrow the trans-Atlantic chasm between the U.S. and the E.U., mainly on global climate and security issues, the European leaders suggested a more intimate and detailed dialogue between the U.S., the E.U. and Russia. The European security establishments are already seriously worried as some 25,000 protesters at the E.U. summit in Sweden promise "a long summer of discontent".

The Euro-American summit of G-7 leading industrial nations plus Russia will take place in July in Genoa, Italy, where Mr. Bush and the Russian President, Mr. Vladimir Putin, will also participate. Later, they meet at the Asia-Pacific leaders summit at Shanghai in October. Meanwhile, American and Russian officials are working on details of Mr. Putin's proposed visit to the U.S. and Mr. Bush's visit to Russia.

At the same time, the European and the U.S.

leaders and officials have made it clear that neither the U.S. nor the E.U. has "any wish to leave Russia outside the historic transformation now under way". As an editorial writer put it, "Those critics of policies and the media proclaimed that the American President would encounter a hostile Europe, incensed at his (Mr. Bush's) stand on missile defence, Kyoto treaty and capital punishment. Nothing of the sort happened. It soon became evident that Mr. Bush had more logical allies than enemies. They included Spain's Mr. Aznar, Britain's Mr. Tony Blair and Italy's Mr. Berlusconi on one side and Poland on other."

It is argued that most of the anti-American or rather anti-Bush rhetoric emerged from "declining socialist core of yesterday" represented by the French Prime Minister, Mr. Lionel Jospin, and the German Chancellor, Mr. Gerhard Schroeder.

Mr. Bush argued his case by reiterating his perception that neither NATO nor the U.S. are enemies of Russia and stated that "Russia is part of Europe and therefore does not need a buffer zone of insecure states separating it from Europe". Mr. Putin responded by saying: "I am so grateful that finally these words have been spoken .. this means so much to us."

The European, Russian and American leaders have put their newly found friendship on a high plane of trust and respect though differing on global issues. The debate now is whether this constructive beginning will culminate into genuine partnership. Mr. Bush paid Mr. Putin a warm tribute calling him "a leader that America can trust".

Observers note that the cold war milestone has again been passed, as Mr. Bush has further consolidated the Euro-American bilateral relationship. Mr. Bush's mission during the six-day intensive European tour was to clear mutual incomprehension and suspicion.

For European cynics, all this may be a "clear break" from eight years of Clinton administration. But a more sober perception of the trip is that it may "shape up as an important test of Mr. Bush's foreign affairs leadership since it was the first major journey abroad for America's least travelled modern Presidents, which may give him fuller and firsthand understanding of the leaders and issues animating Europe", wrote an editorial writer of the *New York Times*.

Apart from Mr. Putin and the 15 E.U. heads, Mr. Bush met several key officials of European governments. The more flattering perception of his tour is that it has won him "a first instalment of international respect as a coherent, non-confrontational explainer of American policy."

The French leftwing newspaper *Liberation* wrote "Mr. Bush was manifestly not the superficial buffoon portrayed in the media. At NATO summit in Brussels, he succeeded in making his European allies' reservations about missile defence plan look old-fashioned and from another era."

The U.S. National Security Adviser, Ms. Condoleezza Rice, claimed that 70 per cent of Europe leaders now agreed that the world had changed and a new strategy and thinking was necessary to cope with the reality of new nuclear threats.

THE ...
...

Enlargement of EU 'irreversible'

BY BARRY JAMES
International Herald Tribune

AA-5
19/6
Gothenburg (Sweden), June 18: The notable achievement of the EU summit meeting that concluded here over the weekend was an agreement by leaders of the 15 member-states on a firm timetable to admit new members from eastern Europe by 2004.

What will also be remembered, however, was the worst street violence in recent memory in Sweden. After a lot of personal diplomacy and arm-twisting by Mr Goeran Persson, the Prime Minister of Sweden, which holds the EU rotating presidency, the final document from the conference contained language strong enough to please governments in the applicant countries, whose leaders also were present in Gothenburg.

"The enlargement process is irreversible," it said, adding that it should be possible "to complete negotiations by the end of 2002 for those candidate countries that are ready." The objective is that they should participate in the European Parliament elections of 2004 as members.

Mr Persson had been pressing for clear dates for expansion in the wake of an Irish referendum on June 7 that rejected the Treaty of

Nice, the accord that would reform the EU's decision-making structure and make possible a new round of expansion. Since the treaty must be ratified by all member countries, the Irish vote threw the meeting in Gothenburg into crisis mode because it suggested the enlargement process might be thrown off track.

The summit meeting's outcome was good news for the candidates most likely to be admitted first: Hungary, the Czech Republic, Estonia, Slovenia and Poland. The European Union began talks with those countries and with Cyprus in 1998 and with Slovakia, Latvia, Lithuania, Romania, Bulgaria and Malta last year. It has not indicated which countries - or how many - might join in the first wave of expansion. The final document also included a commitment to a strategy of sustainable development so that future generations will not be harmed by economic policies adopted now.

In addition, the document said that EU countries would proceed with ratification of the Kyoto Protocol to limit climate-warming gases, despite President George W. Bush's decision to pull out of the agreement. The commitments on enlargement were major successes for Sweden.

THE MAIN SIDE

19/6/01

EU summit braces for more violence

Gothenberg (Sweden), June 16

SWEDISH POLICE were bracing for fresh protests on Saturday after rioting raged through a European Union summit, leaving three anarchist protesters shot and wounded and 12 policemen injured.

The centre of the picturesque port of Gothenberg looked like a war-zone with wrecked shops and streets strewn with rocks and smouldering barricades after the latest bout of anti-capitalist violence to hit a major international meeting.

After nearly 12 hours of non-stop violence in which masked anarchists smashed shop windows and torched piles of tables

and chairs, protests had died down by the early hours of Saturday and the city appeared calm.

But authorities were clearly anxious at the prospect of further violence on Saturday when EU leaders resume meeting.

"I am very worried about what might happen in the hours ahead. There are more demonstrations planned for tomorrow," Justice Minister Thomas Bodstrom said.

In the worst violence, three protesters were shot and wounded and were being treated later in a Gothenburg hospital, a spokesman said.

The protesters were believed to have been shot when trapped

and outnumbered police fired in self-defence.

"Of the three, one is seriously hurt with wounds to the abdomen and is being operated on. The other two, including one with a gunshot wound to the thigh, were not seriously wounded," a hospital spokesman said.

Overshadowed by the mayhem outside, EU leaders continued their business agreeing that Ireland's shock rejection of the Nice Treaty on EU reform must not derail plans to admit up to 12 ex-communist and Mediterranean states over the next few years.

"There is a consensus...to send a signal to the applicant countries that we want to go

ahead with the enlargement process," said Swedish Prime Minister Goran Persson.

"Despite the Irish vote, there will be a signal that the enlargement process is irreversible," German Chancellor Gerhard Schroeder said.

Diplomats said most of the 15 members wanted to set a more precise timetable for admitting the first eastern candidates but Germany and France were holding out against fixing dates.

Persson said he hoped leaders would agree on a formula that would satisfy leaders of the dozen candidate countries when they meet for lunch on Saturday.

Reuters

THE HINDUSTAN TIMES

Germany not for hasty E.U. expansion

By Batuk Gathani

BRUSSELS, JUNE 16. Leaders of the 15 European Union nations have promised that the expansion of the organisation under the Nice treaty, which establishes the framework for a 27-country union, will not be delayed by the "Irish hiccup", though there were differing perceptions over the timetable for expansion. Germany and France, the two leading economic powers of the E.U., expressed reservations over setting a timetable. But Sweden, which hosted the weekend summit, sought to resolve the impasse which is more technical than based on any policy differences.

The 12 former communist East and Central European countries are already in the process of negotiating for full membership of the E.U. On Saturday, when they met leaders of the 15 member states, they sought reassurance that their applications would be processed on time. Their concern has been triggered by last week's Irish referendum against the Nice treaty, which they fear would hold up the enlargement process. The Irish Government is visibly embarrassed by this "hiccup" and has sought time from other member states to put matters right in a second referendum.

The German Foreign Minister, Mr. Joscha Fischer, is quoted as having said that the enlargement was "irreversible" and this sentiment is likely to be reflected in the final summit statement. The member states will have a fresh opportunity to debate the proposed parameters and criteria for enlargement. They will individually hold a "structured debate" to prepare for inter-Governmental conference on reform of the E.U., which will be held in 2004. In several candidate countries public frustration is mounting over the E.U.'s "foot-dragging" over procedural matters.

The summit has been partly overshadowed by the ugly spectre of violence. On Friday night, more than 450 protesters were arrested and the conference centre area was declared unsafe by the local police. The European officials talked with groups of peaceful demonstrators but the Swedish Prime Minister, Mr. Goran Persson, said there were "criminal groups" with "blatant disrespect for democracy".

Mr. Fischer, who was also a active protester during his younger

days in the mid-seventies said he understood concerns of the protesters but could not condone violence. Mr. Fischer debated with peaceful demonstrators but refused to talk with violent groups. The Swedish establishment is deeply embarrassed by the outbreak of such violence and on Friday night, an elaborate restaurant dinner for Government leaders was abruptly cancelled for security reasons. The protesters demonstrated against the E.U.'s seemingly lack of progress on environmental policy, globalisation and other issues.

The Indian economic observers are watching the unfolding trade and economic scenario in the E.U. with special interest and wider expectations of trading in a huge lucrative market of some 500 prosperous consumers by 2010. There is also some anxiety as the E.U. steps up efforts to protect its industries by more "anti-dumping" tariffs in the wake of the alleged "unfair competition" from Asian exporters.

The Indian exports to the E.U. are currently at the extremely modest level, accounting for less than 0.75 per cent of the total E.U. trade. But, from the Indian viewpoint the E.U. is emerging as the country's largest trading partner after the U.S. and accounts for about 30 per cent of its exports and imports. In recent years, India has slightly improved its trading profile with the E.U. However, both in E.U. and global terms, India's performance is rated as extremely modest by any criterion. In global terms for example, India accounts for 0.7 per cent of the world exports and 0.8 per cent of the world's imports and hovers at 23rd/24th rank.

India is rated as a very modest entrant to the E.U. market and it remains to be seen what percentage of the total E.U. market Indian business can capture in future. India desperately needs a range of sophisticated manufactured goods and competitive services to sell in the E.U., to earn a respectable share of what is the world's largest and prosperous consumers market. In the next two decades, the E.U. will rapidly expand as the former communist states of the Eastern Europe will become full E.U. members and begin to prosper. They will also articulate their economic performance to meet the standards of the E.U.'s economic and fiscal indicators.

Street clashes greet the 'Toxic Texan'

Goteborg (Sweden), June 15

POLICE AND protesters fought a pitched battle today on the streets of Gothenburg, just half a mile from the European Union summit being held in the city. Demonstrators smashed shop windows and glass bus shelters, and hurled cobblestones, chairs and bottles at riot police.

In a second day of violence, the clashes appeared to spread across the city as Tony Blair and his fellow EU leaders began their summit.

The first of the violent clashes took place outside the city's theatre, in an otherwise picturesque square. Police with dogs eventually charged and forced the rioters back, leaving debris littering the streets.

Furniture from cafes and bars which had been thrown at the police lay strewn across nearby roads, and hundreds of uprooted cobblestones also littered the streets and pavements.

Among the shops whose windows were smashed it was a Bang & Olufsen hi-fi store.

Bewildered local residents and shoppers stared at the wreckage in astonishment after the second day of violent protests to hit the summit.

Mounted police later joined the drive to herd the demonstrators back into the area of the city officially designated for protests, which is about a mile from the summit venue.

Demonstrators were herded through parkland to the water-side area, where battle lines appeared to be being drawn once again.

A police helicopter hovered overhead as police with riot shields and dogs formed their front line.



AP PHOTO

A demonstrator runs away as clashes start in Goteborg on Friday.

One demonstrator, John Shepherd, 19, from London, said: "Twenty police on horses started to charge at me as I was peacefully holding a banner. We were totally peaceful." Shepherd added: "I came to

voice my opposition to global capitalism." As police formed defensive lines across both ends of a bridge towards the official demonstration zone the protesters sporadically clapped and chanted.

The protesters applauded and cheered the police as they began to move off, but then sporadic scuffles broke out with missiles being thrown at the retreating officers.

The Guardian

US-EU split casts shadow on Bush tour

Goteborg, June 15

PRESIDENT BUSH and European leaders expressed sharp differences and conflicting intentions about global warming at the summit meeting of the EU and the USA.

In today's meetings, the EU leaders seemed intent on starting their relationship on a respectful note, using a studiously cordial tone and carefully measured words.

Even so, Bush and the Europeans laid bare their split over the wisdom of a 1997 Kyoto Protocol, to reduce emissions of greenhouse gases. At least publicly, European leaders say they will press ahead with the accord, while Bush remains firmly opposed to it. As leaders on each side defended their positions, the statements underscored tensions in the relationship between the USA and Europe and European leaders' fears that Bush was marching resolutely to his own drummer as he dealt with foreign policy issues of common concern.

"We don't agree on the Kyoto treaty," Bush said at a news conference after talks with Prime Minister Goran Persson of Sweden and the president of the European Commission, Romano Prodi. "But we do agree that climate change is a serious issue and we must work together."

Persson and Prodi, speaking at the same news conference, offered dissenting assessments.

New York Times

ALEXANDER M. KADAKIN

THE summit of the Shanghai Forum (Russia, Kazakhstan, Kyrgyzstan, China, Tajikistan, Uzbekistan) starting in this major Chinese megapolis on June 15, 2001 marks the fifth anniversary of the Shanghai process. The Russian President Vladimir Putin will take part in the meeting.

The first two summits (April 1996 in Shanghai and a year later in Moscow) heralded the signing of two agreements, that are unique in Asia's diplomatic history — the Agreement on the Strengthening of Confidence-Building Measures in the Military Field and the Agreement on Mutual Armed Forces Reduction along the Former Soviet-China Border. As a result, a belt of military and political trust 100 kms wide and over 7,000 kms long was created on either side of the border, where Russia's experience in working out the major provisions of the OSCE is being applied in a creative manner.

The third summit in July 1998 in Alma-Aty, at Kazakhstan's initiative, laid the foundation for extending the five countries' cooperation beyond military and political fields to other key spheres of activities in the Central Asian region.

The idea of a broader interaction materialised in key agreements of the fourth summit of the Shanghai Five in Bishkek in August 1999. The July 2000 fifth summit in Dushanbe concretised steps to be taken for implementing this broader agenda. At the upcoming summit, the Shanghai Five's transformation into a full-fledged regional organisation is to be formalised and announced. Its

The spirit of Shanghai



Leaders of the Shanghai Five at Dushanbe in July 2000.

elaborating the legal basis of combating other most dangerous kinds of offences closely associated with terrorism, drugs, etc.

The Republic of Uzbekistan will be a co-founder of the new organisation. The process of Tashkent's accession to the Five due to which in the last year it has acquired the name of the Shanghai Forum began with President Islam A. Karimov's participation as an observer at the Dushanbe summit. Uzbekistan's membership will impart integrity to the organisation, promote stability of the Central Asian countries' interstate endeavours.

The matters of economic cooperation will come to the forefront in Shanghai during discussions on preparation for the first meeting of the six countries' heads of governments to be held in autumn 2001. After its guiding principles, major directions and trade regimes are elaborated, it can be opened by mutual consent for investors and partners from third countries. The new organisation does not rule out the possibility of establishing permanent dialogue with any other state or international structure.

The geopolitical essence of the Shanghai summit is to create a new organisation that would potentially become a powerful stabiliser for the very heartland of Eurasia — the area spreading from the Atlantic threshold to the Pacific shores, from the trans-polar region to subtropics — the focal point of future transport thoroughfares of the world's largest, most populated and comprehensively developed continent.

(Kadakin is Ambassador of the Russian Federation in India)

confidence-building measures has become operational. A substantial basis for launching multilateral economic cooperation, interaction between disaster relief and environmental agencies as well as ministries of culture is clearly present. All this constitutes the platform of the new organisation as well as the substance of the legacy it is inheriting from the Five.

The new organisation is not an alliance against any third countries or groups of states. It is inspired by the idea of strengthening regional security through cooperation and partnership in a wide range of spheres that in fact serves as an alternative to alliance formation. In this long-term and arduous work there are no aspects that would be more important or less important. All fields of cooperation are parts of the mechanism of a common se-

low to immediately proceed to

curity complex. However, certain things may come to the foreground depending on the prevailing situation. It is economic partnership of member-states that will also define, in the spirit of our times, in the future outlook of the organisation. A multilateral treaty document on combating terrorism, separatism and extremism is to be signed in Shanghai. The document spells out "for the purpose of cooperation, between the member-states" the definition of separatism and extremism as violent, criminal and punishable offences. A proper legal basis is being laid for speedy completion of the essential institutional and regulatory documents dealing with the establishment of a regional antiterrorist structure of the new organisation located at Bishkek (Kyrgyzstan). It would allow to immediately proceed to

low to immediately proceed to

1576
Putin, Jiang oppose NMD

By Amit Baruah

SINGAPORE, JUNE 14. Uzbekistan was admitted to the "Shanghai Five" and will now join the six-member Shanghai Cooperation Organisation (SCO) to be launched in the Chinese city of Shanghai during the two-day summit which opened on Thursday.

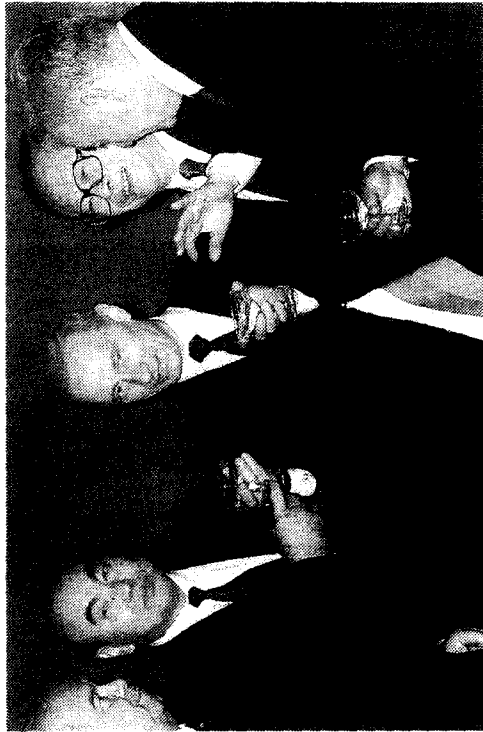
On the sidelines of the "Shanghai Five" Plus One (Uzbekistan) meeting, the Russian President, Mr. Vladimir Putin, and his Chinese counterpart, Mr. Jiang Zemin, reiterated their opposition to American plans to deploy a National Missile Defence (NMD) shield and pledged to keep "close contact" on the issue.

Uzbekistan will be considered a "founding member" of the SCO which will now comprise six countries — China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The Chinese news agency, Xinhua, reported that the Presidents of the six countries met in an "informal summit" in Shanghai today.

Xinhua said the Heads of State "endorsed Uzbekistan's application as a co-founder of SCO and a signatory of the SCO inaugural declaration and treaty on crackdown of terrorism, separatism and extremism."

On its part, Uzbekistan endorsed the spirit and principles of the "Shanghai Five" mechanism



Leaders of the Shanghai Five (from left) Mr. Islam Karimov (Uzbekistan President), Mr. Askar Akayev (Kyrgyzstan), Mr. Vladimir Putin (Russia), Mr. Jiang Zemin (China) and Mr. Nursultan Nazarbayev (Kazakhstan), raise a toast after signing a joint statement in Shanghai, China, on Thursday. — AP

and said it was willing to join the process on the basis of "complete equality".

Uzbekistan also said it was committed to the treaty on deepening military trust in border regions, the treaty on reduction of troops in these regions and the "principles" behind other agreements signed by the "Shanghai Five" nations.

The Shanghai Five Plus Uzbekistan process (which began in 1996 in Shanghai) is an indicator of how seriously Russia, China and the Central Asian nations

take the problem of religious extremism.

These countries are aware of the Taliban-led extremist links in their countries and are determined that the problem of religious extremism and terrorism is effectively controlled.

Greater cooperation between these countries can be expected as they deal with a common problem. A formal agreement on the issue is to be concluded at the current summit which will set out the leaders' opposition to terrorism, separatism and extremism.

"The document will explicitly express the position of all the countries to crack down on separatist forces," a Chinese Foreign Ministry spokesman was quoted as saying.

Giving an account of the meeting between Mr. Putin and Mr. Jiang, Xinhua quoted the Chinese President as saying about the SCO: "This will have great importance to the development of our bilateral relations, the maintenance of regional security and stability and the promotion of (the) multi-polarisation of the world."

"The Chinese President said he is looking forward to the state visit to Russia next month when the two leaders will sign a pact on Sino-Russian good neighbourly friendship and cooperation," the agency reported.

"The pact will function as a legal document guiding the development of Sino-Russian relations in the new century and will have a deep and far-reaching impact on the steady development of bilateral ties in the long run," Mr. Jiang was reported to have told Mr. Putin.

"Putin reiterated Russia's principle and stance on the missile defence issue. Jiang expressed the view that China will continue to support Russia's efforts in maintaining global strategic stability. The two sides agreed to keep a close contact on the issue," the Xinhua report added.

Bush heads for NATO to sell missile defence plan

REUTERS
MADRID, JUNE 13

96-8
14/6

US PRESIDENT George W. Bush headed for Brussels on Wednesday to try to convince the North Atlantic Treaty Organisation (NATO) allies that his missile defence plan aims to prevent nuclear blackmail by rogue states and not to win strategic superiority over Russia.

Bush will take his case directly to NATO leaders in an appearance at the Western security alliance's headquarters in the Belgian capital on the second leg of his five-nation, five-day European tour.

Many US allies fear the missile defence envisaged by Bush may upset three decades of strategic stability because it will require amending or abandoning the 1972 Anti-Bal-



Searching for European allies

listic Missile (ABM) treaty which forbids such defensive systems.

Speaking in Madrid on Tuesday, his first stop on the trip that will take him to Belgium, Sweden, Poland and Slovenia, Bush dismissed the ABM treaty bluntly. "The ABM treaty is a relic of the past," he said at a press conference, arguing in favour of a missile defence system of interceptors to protect against incoming missiles from "rogue" states like North Korea and Libya.

Russia and China have been particularly sharp critics of Bush's still-undefined vision of a missile defence system, saying it could spur an arms race. Bush argued it was needed in a world where proliferation of weapons of mass destruction — whether nuclear, chemical or biological — and the missiles to deliver them left the United States and its allies

vulnerable to "blackmail".
Making his first official trip to Europe,

Bush has run into strong European criticism on missile defence, his decision to abandon the 1997 Kyoto treaty on cutting greenhouse gases believed by many to cause global warming, and on the execution of Oklahoma City bomber Timothy McVeigh on Monday.

On Tuesday, Bush defended his views on all three issues, getting somewhat heated when he discussed missile defence.

"The days of the Cold War have ended, and so must the Cold War mentality, as far as I'm concerned," Bush said. "We've got to have the discussions necessary to explain to our friends and allies, as well as Russia, that our intent is to make the world more peaceful, not more dangerous."

INDIAN EXPRESS

ABM treaty a relic of the past, says Bush

Bush

By Batuk Gathani 10-16

BRUSSELS, JUNE 13. It appears that the U.S. President, Mr. George Bush has launched a charm offensive to win friends and influence people in Europe. He scored points on the first day of his maiden tour of Europe by convincing Spain, his first stop, that weapons proliferation around the world in itself was a catalyst for the U.S. to develop a comprehensive security strategy.

Today, Mr. Bush joined leaders of NATO at its headquarters here for talks that will test his power to persuade sceptical allies that a Cold War-era ban on missile defenses is a "relic of the past" and should be replaced by a new approach to global security. Mr. Bush's mission in Europe is to offer assurances to the NATO that the U.S. will remain engaged in Europe. Tomorrow, the President is scheduled to meet the 15 heads of European Union governments in Sweden to discuss trade and environment issues. On Friday, he is making a State visit to Poland followed by a trip to Slovenia on Saturday where he will meet the Russian President, Mr. Vladimir Putin to discuss missile defence and bilateral economic issues.

Since the collapse of the Soviet Union over a decade ago, the Euro-American alliance has struggled to establish a clear identity. Russia is now seeking a new role within the framework of a European security cooperation. The

again their criticism of the U.S. plan for missile defence and its stand on the Kyoto treaty.

In a joint statement, Mr. Gerhard Schroeder and Mr. Jacques Chirac appealed for European unity on these issues and called for an international conference to fight the threatened spread of ballistic missiles and technology.

The statement issued by leaders of European Union's two most influential nations reflects the European distrust of the Bush administration's plan to construct a missile defence shield.

Mr. Bush has his task cut out. He will seek common ground on the contentious issues in a bid to save and consolidate the trans-Atlantic relationship.

The Europeans are open to suggestions and so is Mr. Bush. He said: "I come to the conference believing that every leader is sincere about the desire to clean the world and so are we. We have a different approach, but we have the same goals." "And apart from differences, there were many more things that held the two sides together. Europe and the United States are united by a single set of fundamental values and with that unity, there is much more which we can accomplish."

Mr. Bush has a reputation for developing warm personal relations and at Brussels and Sweden, he has the opportunity to individually talk to the E.U. heads of governments.



NATO leaders pose for photograph during their meeting in Brussels, Belgium, on Wednesday. (Front row left to right): The NATO Secretary General, Lord Robertson, the President of the Czech Republic, Mr. Vaclav Havel, the French President, Mr. Jacques Chirac and the British Prime Minister, Mr. Tony Blair. (Rear row left to right): the Italian Prime Minister, Mr. Silvio Berlusconi, the Luxembourg Prime Minister, Mr. Jean Claude Juncker, the Dutch Prime Minister, Mr. Wim Kok and the Norwegian Prime Minister, Mr. Jens Stoltenberg. — AP

extent of Russian participation in the emerging "security strategy" has yet to be identified. While defending his administration's position on the 1972 Anti-Ballistic Missile treaty Mr. Bush said: "Russia is not the enemy of the

United States" and added that he would offer Mr. Putin "a strong, normal relationship with America." He argued that the ABM treaty prevented the U.S. "from exploring other opportunities" Mr. Bush's European tour has

begun on the defensive as most Europeans have voiced their opposition to the U.S. stand on the Kyoto pact and the NMD plan. Last night, the German and French leaders at their routine bilateral summit expressed yet

Bush opens Europe tour, vows to be loyal ally

EU leaders to raise Kyoto Treaty issue

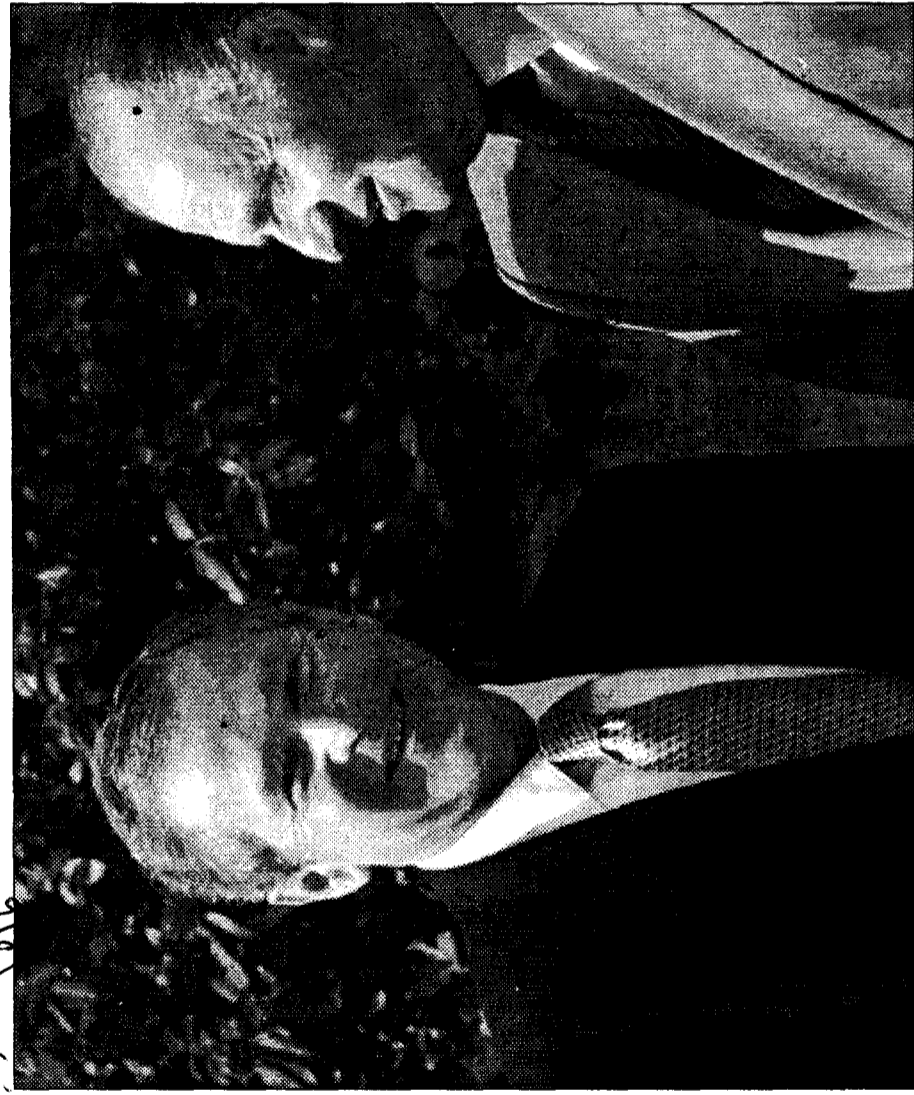
Madrid, June 12: US President George W. Bush opened his first official trip to Europe on Tuesday, eager to sell his missile defence system, support Nato expansion and assure US allies that despite trans-Atlantic tensions they have a "trustworthy friend" in Washington.

Upon landing at Madrid's airport, the President and First Lady Laura Bush were greeted by a few Spanish dignitaries, including foreign minister Josep Pique, then headed to Zarzuela palace where they met King Juan Carlos and Queen Sofia. The palace sits on a game reserve and deer and wild boar roamed the grounds.

After meeting the royal couple, Mr Bush travelled by helicopter to Spanish Prime Minister Jose Maria Aznar's ranch.

He took off his jacket and tie and strolled with Mr Aznar in a wooded grove before entering the ranch.

European leaders have criticised Mr Bush's condemnation of the 1997 Kyoto Treaty on global warming and expect to raise the issue with him. (AP)



ALL SMILES: King Juan Carlos of Spain (right) talks to US President George W. Bush upon Mr Bush's arrival at Zarzuela Palace in Madrid on Tuesday. Mr Bush is on the first leg of his six-day European trip. (Reuters)

Bush gets Spain PM's name wrong

Madrid, June 12: US President George W. Bush showed off his Spanish in a television interview aired as he arrived in Madrid on Tuesday, but made at least one big gaffe: mispronouncing the Prime Minister's name.

When Mr Bush told Spanish state-run television in Washington that he looked forward to meeting with King Juan Carlos and Prime Minister Jose Maria Aznar, the latter came out as Anzar.

Mr Bush also employed a sort of mangled grammar, with accents in the wrong places and gender disagreement.

"I have to practice this very lovely language," Mr Bush told the interviewer, before switching to English to explain what he'd just said.

"If I don't practice I am going to destroy this language." But as Mr Bush, his wife Laura and a White House delegation arrived on Tuesday morning at Zarzuela Palace to meet with the King, it was the monarch who botched a last name — that of national security adviser Condoleezza Rice — although he did it as a joke, the news agency Efe reported. (AP)

E.U. backs Macedonian peace plan

By Vaiju Naravane

PARIS, JUNE 12. Albanian extremists declared a 24-hour ceasefire in Macedonia on Monday, shelving a threat to bomb the capital Skopje, after the Government announced a pause in an army assault on extremist strongholds.

The National Liberation Army said in an official statement signed by its political leader, Ali Ahmeti, that it was declaring a unilateral 24-hour ceasefire until 1:00 p.m. on June 12.

Two Albanians were killed and six severely wounded on June 11, during Macedonian army operations against Albanian guerillas around the village of Lipkovo, near Kumanovo town.

The local commander of the National Liberation Army (NLA), who goes by the name of Spati, told journalists that the victims were civilians.

Describing the situation in Lipkovo during the shelling as "chaotic", Spati said the fighting stopped at about noon, but that NLA commanders had "yet to receive confirmation of an effective truce proclaimed by the Macedonian Government.

Macedonian security forces stopped their actions in the area of Kumanovo in order to prevent a humanitarian crisis, Mr. Nikola Dimitrov, the Macedonian President's National Safety Advisor, said.

According to Mr. Dimitrov, the

ceasefire was effected in order to open a supply line near Lake Lipkovsko. Food and water were running low, he said.

The Organisation for Security and Cooperation in Europe (OSCE) will carry out the humanitarian mission.

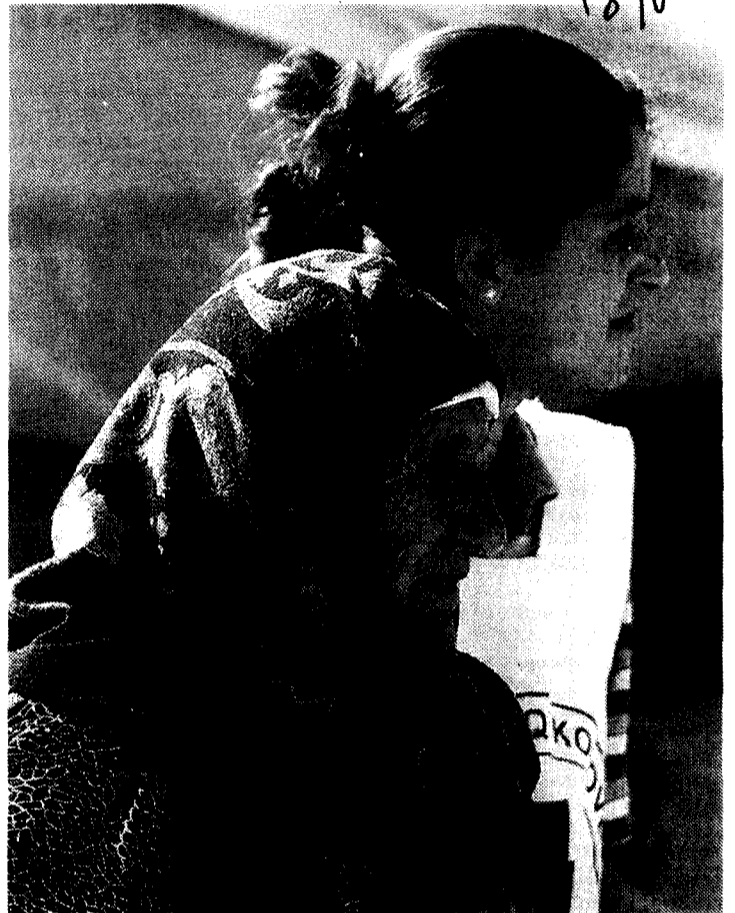
European Union Foreign Ministers meeting in Luxembourg on Monday supported the Macedonian President, Mr. Boris Trajkovski's peace plan which aims to disarm Albanian extremists.

They described the plan as 'a constructive approach to overcoming the current crisis.'

The E.U. Ministers called on Skopje to begin implementing this plan "as soon as possible" and underlined their concern at the "deteriorating security situation in the former Yugoslav Republic of Macedonia," the danger of the conflict spreading beyond Macedonia's frontiers and of instability in the entire region.

They propose imposing a visa ban on Albanians who deal in smuggling, "money laundering," and other crimes in western European countries, and who help Albanian extremists in Macedonia and elsewhere in the Balkans.

Imer Imeri, leader of the Party of Albanians' Democratic Prosperity warned on Sunday that if the Macedonian army continued its action against the extremists, the country would inevitably face a civil war.



An Ethnic Albanian woman being helped by a Red Cross employee after she fled Macedonia to Kosovo, at the Blace border crossing on Monday. Thousands of ethnic Albanians continued to flee Macedonia, fearing further escalation of fighting between rebels and Government troops. — AP

Three Palestinian women killed by Israeli shells

EU tries to save West Asia truce

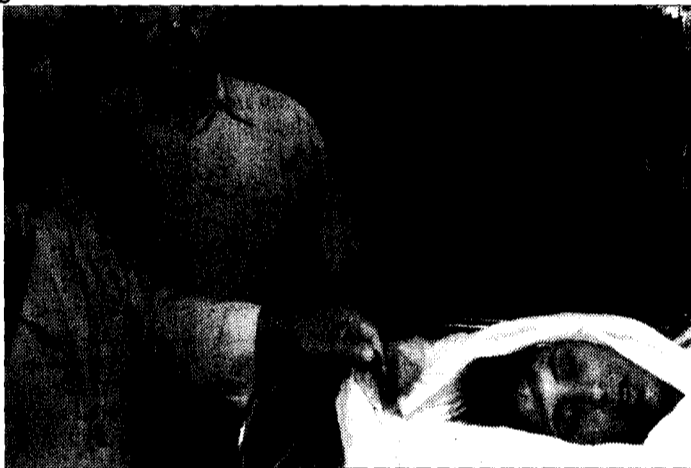
REUTERS

RAMALLAH (West Bank), June 10. — The European Union led international efforts to save the flimsy West Asia ceasefire today after Israeli tank fire killed three Palestinian women.

Israeli and Palestinian security officers were expected to respond to US spy chief, Mr George Tenet's blueprint for a lasting truce at a meeting in the West Bank town of Ramallah later today. Officials were also due to hold talks with US assistant secretary of state, Mr William Burns.

The three Palestinian women were sitting in a family tent when they were killed by Israeli tank shells late yesterday, hospital sources said. Three others were wounded, two seriously, by the tank fire near the Netzarim Jewish settlement in Gaza.

The Israeli army said tanks fired three shells at "two armed figures" who were in an open area near Netzarim after several Israeli military positions near the settlement came un-



A Palestinian doctor places the body of one of the three women killed in Israeli tank fire in the morgue at Shifa hospital in Gaza City on Sunday. — AP/PTI

der Palestinian fire.

Shouting for revenge, thousands of Palestinians marched with the bodies. "With our blood, with our soul, we'll avenge the martyrs," cried the mourners, some of them waving flags of the militant Islamic movement Hamas.

The Swedish Prime Minister, Mr Goran Persson, whose country now holds the EU presidency,

said after meeting Mr Yasser Arafat in Ramallah today that he hoped the killing of the women would not destroy the truce. "It's important to stick to the ceasefire... and implement the Mitchell report," he said.

Yesterday's deaths were the first fatalities since Mr Arafat vowed last week to join a truce called by Israel on 22 May to end eight months of violence.

THE STATESMAN

EU to press Russia on nuclear clean-up

REUTERS

509 1875
MOSCOW, May 17. - President Mr Vladimir Putin today kicked off a Russia-EU summit in Kremlin with trade, security, environment and European Union expansion topping a packed agenda, news agencies reported.

EU leaders were expected to push Moscow to finalise a nuclear waste clean-up pact, and Russian officials predicted tough exchanges on Russia's economy, Chechnya and press freedom.

The 15-nation EU was represented at the summit by Prime Minister Mr Goran Persson of Sweden, current holder of the EU's rotating presidency, European Commission president Mr Romano Prodi and top EU foreign envoy Mr Javier Solana.

Russian Prime Minister Mr Mikhail Kasyanov and foreign minister Mr Igor Ivanov and other senior officials were present.

Russian officials said Moscow would listen to EU leaders, but Russia's recovery from the August 1998 financial crisis meant the country was now in a position to robustly defend its stance on press freedoms, economic reform and its 20-month crackdown in separatist Chechnya.

THE STATES...

38 MAY 2001

E.U. close to accord on migration of labour

By Batuk Gathani

BRUSSELS, MAY 7. The stage is now set for the realisation of the quest for an enlarged, democratic and prosperous European Union highlighted by common foreign and defence policies.

On Sunday in Sweden, the 15 European Foreign Ministers edged closer to resolving issues over money and migration of labour in the proposed enlarged E.U. These issues are politically sensitive in E.U. countries, where the unemployment rate is high and in some cases have reached the two-digit mark. The issues related to migration of labour have often threatened to delay the E.U.'s proposed enlargement into former communist ruled regions of Eastern, Central and Southern Europe.

On the pan-European foreign policy and security front, Mr. Javier Solana, the E.U.'s chief diplomat and head of Foreign Affairs, and Lord Robertson, Secretary General of NATO, are in Macedonia to push for a renewed dialogue between warring ethnic factions.

The three-month-old civil war in Macedonia has escalated in recent days. For the fourth day in succession, the Christian Macedonian army units used tanks and artillery to blast the rebel positions of Muslim ethnic Albanians. The firing has also continued along the border with Kosovo and Serbia, as ethnic Albanians press their claim for a Greater Islamic Albania. On Sunday night, seven civilians were reported killed in the fighting.

Mr. Solana on Monday urged Macedonian authorities to show "maximum restraint". Lord Robertson will make a fresh assessment of the crisis scenario from a military and security point of view.

The E.U. leaders are scheduled to meet in June. On July 1, Sweden will relinquish the rotating six-monthly presidency of the E.U. in favour of Belgium. The E.U. Foreign Ministers are expected to reach a compromise on free movement of East European workers. The detailed proposals will be presented to the E.U. heads of Government in June.

Mr. Romano Prodi, President of the European Commission — administrative and civil service arm of the E.U. — said he doubted if the much-heralded nightmare of Western Europe being swamped by impoverished job-seekers from poorer parts of Eastern Europe will ever happen. Thirteen countries are seeking the membership of the E.U. and the first wave of new members would include Cyprus, Estonia, Hungary, Poland, the Czech Republic and Slovenia.

At a much later date, perhaps beyond 2010, 'the second wave' would consist of Bulgaria, Latvia, Lithuania, Romania, Slovakia, Malta and perhaps Turkey. Turkey's fate depends on how democratic and secular it emerges and how it contains social and psychological challenges posed by Islamic fundamentalists. Turkey will be the largest non-Christian, Islamic country to be a member of the E.U.

The enlargement of the E.U. is a long-term process and even front-runner applicants are not expected to join the grouping before 2003. But the European Foreign Ministers appear to have reached a consensus on the delicate and politically sensitive issue of the "free movement of labour" within the boundaries of the E.U. Hence, the stage is set for the beginning of the endgame of the enlargement of the E.U. The three-year-old negotiations on enlargement have been led by Germany, Spain and Austria.

The enlarged E.U. will eventually stretch from Ireland to the Baltic states, bordering Russia. This will be the world's largest single market comprising over 500 million prosperous consumers. The E.U. is also India's largest trading partner.

The 1991 treaty on the E.U. set out an ambitious plan for political, economic and monetary integration. Some pessimists argue that E.U. institutions are becoming bureaucratic, cumbersome and expensive and that its governance structures are unwieldy. On the optimistic side, it is argued that the dream of European unity has progressed much in the last four decades. The European Community started from a narrow coal and steel community in the 1950's. The European Union has now emerged as a broad political and economic union, which has overcome the trauma of two World Wars, also started in Europe.

The Europeans today enjoy unprecedented prosperity with the highest living standards in history. The pan-European trade and investments are at a record high level as Governments move towards an era of more sustained co-operation in economic and political matters. It is also fast emerging as a global economic and political superpower.

The E.U. could now face enlargement to embrace as many as 25 members in the next two decades. The aspiring countries for membership range from the oldest applicant Turkey (April 1987) to the latest Slovenia — June 1996. They are encouraged to undergo reforms and establish political and economic structures to enable them to meet the membership obligations of the E.U. They have to satisfy three basic conditions; a) European identity b) democratic status and c) respect for human rights.

THE HINDU

MAY 10 1997

Leftist leaders discuss 'E.U. Govt.' idea

BERLIN, MAY 7. European leaders of the left met on Monday to discuss the German Chancellor, Mr. Gerhard Schroeder's daring plan for European political union that has split the group along national lines.

Mr. Schroeder and 10 other Social Democratic leaders, including the French Prime Minister, Mr. Lionel Jospin, and the outgoing Italian Premier, Mr. Giuliano Amato, gathered just a week after his party published the proposals for a European government.

The British Prime Minister, Mr. Tony Blair, facing a Europe-way opposition in elections likely next month, cancelled his trip to the Berlin conference after the Schroeder plan emerged. The Foreign Secretary, Mr. Robin Cook, now will lead the Labour Party delegation. Germany's governing Social Democrats want the meeting to advance the debate on the proposals, which foresee a strong European executive, less clout for national leaders and more powers for the elected European Parliament. Mr. Schroeder's radical plan, tucked away in a policy document the party is to adopt in November, came as the 15 European Union nations struggle with how to run a much larger E.U. once new members from formerly communist Eastern Europe join in the next few years. France, nominally Germany's main partner in European unity projects, has remained aloof from the latest German ideas.



The German Chancellor, Mr. Gerhard Schroeder (centre), with the Prime Ministers of European Socialist parties during a photo call at the 5th European Socialist Party Congress in Berlin on Monday. From left, first row, Mr. Adrian Nastase of Romania, Mr. Zoran Djindjic of Serbia, Mr. Giuliano Amato of Italy, Mr. Schroeder, Mr. Lionel Jospin of France, Mr. Constantinos Simitis of Greece and Mr. Antonio Guterres of Portugal. From left, second row, Mr. Moritz Leuenberger of Switzerland, Mr. Poul Nyrup Rasmussen of Denmark, Mr. Goran Persson of Sweden, Mr. Jens Stoltenberg of Norway, Mr. Wim Kok of the Netherlands and Mr. Paavo Lipponen of Finland. — AFP

France and Britain fear the creation of a European "superstate" under German influence and want the E.U. to stay a club of independent nations.

Germany's Social Democrats can also expect little French sympathy for the document's call for radical reform of E.U. farm sub-

sidies, a decades-old aid programme that eats up most of the bloc's budget and benefits French farmers the most. German-French divisions helped turn a December summit of E.U. leaders into a five-day squabble over each country's voting power in the soon-to-be-larger E.U., curbing

the veto right and other reforms.

But Mr. Schroeder's plan has its supporters in the E.U. The Belgian Prime Minister, Mr. Guy Verhofstadt, who is not attending the congress, welcomed it as "very positive," saying the E.U. needs a debate on its future and must be more than a trade bloc. — AP

E.U.-NORTH KOREA TALKS / KIM RESPONDS TO BUSH PLAN

Moratorium on missile tests to continue

By F. J. Khergamvala

HD-16

TOKYO, MAY 3. Mr. Kim Jong Il put out the word today that North Korea had extended the voluntary moratorium on test firings of long-range missiles until 2003. In a series of other announcements related to substantive issues, Mr. Kim showed the gift of advantageously exploiting international circumstances.

Sweden's Prime Minister, Mr. Goran Persson heading a European Union delegation, told a news conference in Pyongyang on Thursday that North Korea would extend a 1999 moratorium on missile tests. The extension thus stands out in sharp contrast to the generally negative worldwide reaction to Mr. George W. Bush's detailed global policy speech at the National Defence University in Washington DC, where the focus was on missile defence.

Mr. Persson, leading the delegation because Sweden currently holds the rotating six-month presidency of the European Council, also added that he too had expressed strong concern about the missile programme but that the missile defence not being an E.U. matter, he was not going to take any position or negotiate. Accompanied by the E.U. policy chief, Mr. Javier Solana and the External Relations Commissioner, Mr. Chris Patten, the Prime Minister was shown on T.V. being received by Mr. Kim Jong Il on Wednesday. The entourage did carry reporters.

It may not be a coincidence that the 15-minute casual summit took place the same day as Mr. Bush's address. On Thursday, Mr. Kim received Mr. Persson for three and a half hours more. The E.U. team visit was to take place earlier. Mr. Kim Jong Il is very adept at using any international exposure to advantage. In this specific case, it would not have been difficult to find out the scheduled public engagements of the U.S. President, find out that the obvious thrust of a speech on global security would be missile defence and then rearrange the E.U. visit to finesse Mr. Bush.



The Swedish Prime Minister, Mr. Goran Persson (right), walks with the North Korean leader, Mr. Kim Jong-il, into their meeting in Pyongyang on Thursday. — Reuters

Mr. Bush has frequently cited North Korea as one of the "rogue States" on which he would rest his pretext to develop a missile defence scheme. But the moratorium can also be seen by Washington DC as a positive sign. Mr. Persson said Mr. Kim Jong Il had used the term "during that period we will wait and see," while informing him about the moratorium.

In another clever holding action, Mr. Kim Jong Il has conditioned the timing of his inter-Korean summit with Mr. Kim Dae-jung on the Bush administration's policy review on North Korea. Mr. Bush's conservative dominant holdovers have so far tried to hold back Mr.

Kim Dae-jung from advancing the engagement policy with the North. The first summit took place in the North in June 2000. Both leaders agreed to meet in 2001.

In a possibly related development, the police in Tokyo's Narita Airport detained a man on Tuesday on suspicion of illegal entry on a flight from Singapore. Bearing a forged Dominican Republic passport, police are trying to confirm suspicions that he is the first son of the North Korean leader, Mr. Kim. Kyodo quoted police as saying that it is a "high possibility" he may be Mr. Kim Jong-nam, believed to be 29 years of age. One T.V. station cited the man as denying he was Mr. Kim Jong Il's son.

THE HINDU

3 MAY 2001

Fears of German hegemony reign

By Batuk Gathani

BRUSSELS, MAY 2. Germany's proposal for a more unified Europe after radical changes in the European Union's Constitution to create a stronger European parliament has triggered a major debate in E.U. capitals with fears about the prospects of German hegemony in pan-European affairs.

The German plan has received hostile reaction from euro-sceptic lobbies in Britain, Denmark, Sweden and Finland. The French are embarrassed that the Germans have not bothered to consult them before making the proposals public. The German Chancellor, Mr. Gerhard Schroeder's proposals for closer integration of the 15-E.U. member-States are mired in controversy.

The "Schroeder plan" will be presented at the E.U. constitutional convention in 2004, laying the foundation for the proposed structure of the "United States of Europe". The idea of a union haunted not only Napoleon Bonaparte after the French Revolution in the 18th century but inspired progressive and radical pan-European politicians in the post-War years. Cynics say that the Schroeder plan may carve a greater role for German leadership in the future. The concept of a "United States of Europe" will obviously dilute the authority of national governments and parliaments of member-States of the European Union. The Social Democratic party's national executive committee will review the Schroeder plan on May 7 and present it to the party's annual convention in November. According to a party spokesperson, "The plan has not yet been discussed



The German Chancellor, Mr. Gerhard Schroeder, holds a symbolic, over-sized key during the official opening ceremony of the new Chancellery in Berlin on Wednesday. The total cost of the Chancellery, already nicknamed "The Colosseum," has run to 237 million euros. — AFP

by the party's committee and hence it is not yet public material."

Germany has been in the forefront of the movement for expanding the E.U. States aspiring to join the E.U. are former communist ruled countries and mem-

bers of the now defunct Soviet Union. Germany, by lending credits and economic cooperation, has helped the former communist ruled countries to adopt to a free-market economy and multi-party democracy. The introduction of

euro currency notes in January 2002 will pave the way for further European economic integration. The Schroeder plan now ranks as the most ambitious and dynamic pan-European proposals after the 1999 adoption of euro — the European single currency.

Germany is still considered the locomotive economic powerhouse of the E.U. and its traditional role as the most generous net contributor to the E.U. budget has prompted its leadership to seek further consolidation of the E.U. With a population of over 80 million, Germany is also the E.U.'s most populous and economically most powerful nation. The German coalition Government comprising the Social Democrats and the Greens will seek a fresh mandate in the parliamentary elections in 2002 and the country's role in the Europe of 21st century will be a key issue, apart from tax, administrative and welfare reforms.

In recent weeks, the German Chancellor has gained much popularity and his lacklustre image of yesterday is fast fading. Many find it difficult to distinguish between German self-interest and pan-European idealism. Slowly but surely, German investment and commitment in Russia's economic regeneration is growing at an impressive pace and critics argue that the German leadership is seeking to assert its leadership with further European integration. Many Germans feel strongly that the process of European integration and expansion of the E.U. are both inevitable and irreversible. The changes which Mr. Schroeder seeks have been described as grand but many Europeans wonder if the timing will have the desired impact.

THE HINDU

3 MAY 2001

Political turmoil affecting ASEAN economies

By Amit Baruah

SINGAPORE, MAY 2. The dramatic events of the last few days in the Philippines and Indonesia have once again placed the focus squarely on South-East Asia and the troubles in this region.

While Indonesia can be excused in some ways for its problems—given the more recent transition to democracy there, the fragility of the democratic process in the Philippines is evident despite the fact that Ferdinand Marcos was deposed 15 years ago. With South-East Asia limping back to normality after the 1997-98 economic crisis, the issues and implications of transition from an authoritarian system of governance to democracy in key countries and political troubles in others have held up regional economic integration and investment.

The tiger economies, it would appear, have taken to grazing. While statistics tell a tale of relatively improved growth across the region, political developments have cast a pall of gloom. Countries like Singapore and Malaysia, which are heavily dependent on the United States as an export destination, worry about the "slow down" of the American economy. According to Ms. Melina Nathan, senior research associate at Singapore's Institute for Defence and Strategic Studies (IDSS), the "big picture reinforces the perception growing in the last two years of political uncertainty, weak government and heightened economic risk" in the region. Investors, she said, were turning to China — an area of concern to the Association of South East Asian Nations (ASEAN) — for some time now. ASEAN, Ms. Nathan argued, had suffered due to the internal problems faced by individual nations as well as the problem of enlarge-

ment following the entry of countries like Myanmar, Cambodia, Laos and Vietnam.

In his May Day message, the Singapore Prime Minister, Mr. Goh Chok Tong, said: "The ASEAN economies are under severe stress...they have not fully recovered from the Asian financial crisis. In addition, several of them face domestic political problems...."

"The region's uncertain political and economic outlook will affect investor confidence and interest. Some companies invest in Singapore for the larger ASEAN market. Hence, while we may manage our politics and economy well, the negative assessment of the region will diminish investor interest in Singapore," Mr. Goh added. In a separate address, Singapore's Trade Minister, Mr. George Yeo,

NEWS ANALYSIS

referred to China taking the lion's share of investment coming into East Asia. "It used to be that China took 20 per cent of the total foreign direct investment coming into East Asia (excluding Japan), while ASEAN had 50 per cent, now, it is the opposite...." the Minister said. "This is the reason why we are the strongest proponent of ASEAN economic integration. Unless the countries of ASEAN combine their markets into a free trade and investment area of 500 million people, we will lose many investment projects to China," he added.

Yet another problem area for ASEAN is the distaste among most ASEAN members to discuss their internal problems. With Thailand at the head of ASEAN last year, Bangkok took a more "activist" role — in pushing ideas like the ASEAN "troika" for a consensus-

based role. However, ever since Vietnam took over as chair of the ASEAN Ministerial Meeting (AMM) Standing Committee in Bangkok last year, little has been heard about the "troika" issue. In one case, where the Thais, under the then Prime Minister, Mr. Chuan Leekpai, pushed for the creation of a "troika", Vietnam rejected the idea. Economic, political and ethnic troubles are nothing new to the world. In the case of South-East Asia, the perception at one time was that stability of the authoritarian kind would deliver uninterrupted economic growth.

Like everyone else, ASEAN is watching the troubles of its individual components. While Foreign Ministers of the ASEAN-10 met in an informal session in Yangon over the weekend, it is not known what exactly they discussed. Indonesia, described as the "engine room" of ASEAN, is unable to play the kind of role it played in the past. Its leadership has time only to look inwards. In Thailand, there is suspense whether the Prime Minister, Mr. Thaksin Shinwatra, will remain in office once the Constitutional Court hands down its verdict in a case of misdeclaration of assets.

Malaysia, too, is seeing a concerted challenge to its model of ethnic management. Malay unity is proving to be a myth while a big question mark remains over ethnic relations in the country. The challenges posed to these individual parts of ASEAN by the forces of democracy and change promise to be long drawn-out. No early end is in sight. It is time, perhaps, for ASEAN and its components to abandon looking at the region through the stability prism. Given the ground realities in the region, individual nations will have to deal with their own, daunting problems.

THE HINDU

3 MAY 2001

Reserve
Am

MOSCOW / A MAJOR STEP FORWARD

HD-12

29

Shanghai Five to fight terrorism

By Vladimir Radyuhin

MOSCOW, APRIL 28. The Shanghai Five group will expand its agenda to cover the fight against terrorism, economic ties and humanitarian issues, it was announced here today at the end of a one-day meeting of the Foreign Ministers of the member-states.

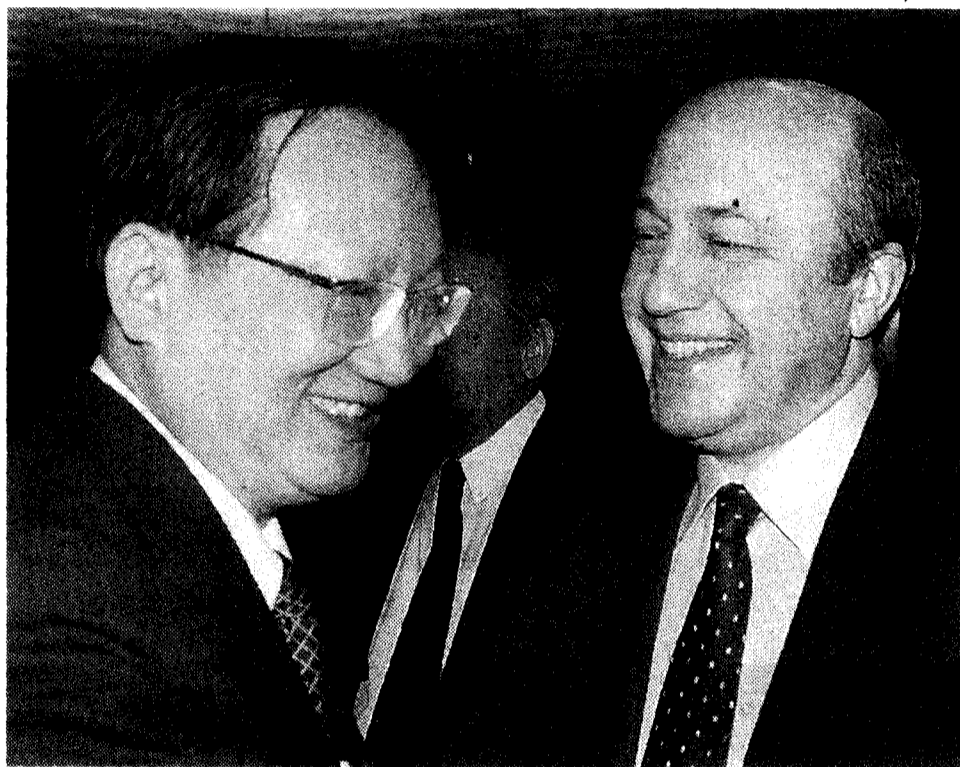
Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan, who form the Shanghai Five, will sign a treaty on joint struggle against terrorism, separatism and extremism during their coming summit in Shanghai in July, Russia's Foreign Minister, Mr. Igor Ivanov, told reporters after today's meeting.

This will be a major step forward for the Shanghai Five, which was initially set up five years ago to boost border security and reduce troop levels along China's frontiers with the former Soviet republics.

Earlier this month, the Chiefs-of-Staff of the group met for the first time in Bishkek to discuss plans to set up an anti-terrorist centre in the capital of Kyrgyzstan, as well as military and technical aid to Kyrgyzia and Tajikistan in dealing with the growing threat of Islamic insurgency.

In a joint statement issued after the talks, the group voiced concern over the escalation of conflict in Afghanistan and called for observance of the 1972 Anti-Ballistic Missile Treaty as a cornerstone of strategic stability.

The Russian Foreign Minister, Mr. Ivanov, said Saturday's meeting of the Shanghai Five had "given green light" to a meeting of their heads of government in Autumn to promote trade and economic cooperation within the



The Chinese Foreign Minister, Mr. Tang Jiaxuant (left), and his Russian counterpart, Mr. Igor Ivanov, smile during their meeting in Moscow on Saturday. — AP

grouping. The member-states also approved China's proposal for a meeting of the Ministers of Culture to discuss interaction on humanitarian issues. Mr. Ivanov did not

comment on earlier reports that the Foreign Ministers of the Shanghai Five were to discuss applications from Uzbekistan and Pakistan to join the regional grouping.

How free will the trade be?

The Third Summit of the Americas has set an agenda of "free trade with democracy". Sridhar Krishnaswami takes a look at the prospects and the problems.

THE 34 leaders who attended the Third Summit of the Americas in Quebec City, Canada, seemed hardly distracted by the thousands of protestors demonstrating against a range of policies from labour to the environment. Neither were they deeply perturbed that the Cuban leader, Mr. Fidel Castro, was openly sympathetic to those manning the barricades. They had other things on their minds; not the tug-of-war between the Royal Canadian Mounted Police and the demonstrators over a two-mile-long wire and concrete wall, dubbed The Wall of Shame.

From Mr. George W. Bush, who

many Latin American and Caribbean leaders pointed out, has to be fashioned in such a manner as not to leave the less fortunate behind.

And the protests are getting louder each year with the demonstrations — and stray instances of violence — getting "more professional". It is easy to dismiss the thousands who gathered in Quebec City — or for that matter in Washington D.C. at the time of the World Bank- IMF Meetings and in Seattle in 1999

would free additional resources Bogota to fight drugs and narcotics traffickers for which the U.S. spends some \$1.3 billions. But some have been openly sceptical of what Washington has been trying to do with Colombia.

The Free Trade Area which is set to take firm shape in four years — by 2005 — is not a simple thing, by any stretch of imagination. Neither is the conditionality of democracy — the threat being that if a system deviates

competition on society. Human rights activists constantly make the point that the lure of setting up export plants in Latin America is not a worthwhile proposition for it tends to perpetuate poverty. The argument that exports leads to jobs and therefore are good need not always be the case.

For a long time, the critics of big business moving capital from the developed to the developing countries have said that this is being done with a purpose — to duck the tough environmental laws and regulations. "The Governments say this will create more capital, more jobs. That's a lie. That capital will end up in banks on Cayman Islands," argues a human rights activist.

The Free Trade Area is not the only problematic aspect that the leaders of the Americas will have to handle in the coming years. One argument has been that the leaders have chosen the issue of democracy to be linked with free trade quite deliberately — out of a fear that a potential surge in the economies may result in the return of autocratic individuals.

The American President's view that running open economies generates pressure for open societies is disputed by many. "Without a doubt, the lack of economic growth puts democracies under an almost unmanageable strain... Simple economic growth doesn't solve social problems or the problems of democracy," argues Mr. Caesar Gaviria, Secretary- General of the Organisation of American States.

There is another perception of the linkage between free trade and democracy — that expulsion of countries for moving away from the democratic fold would itself be done for political and economic reasons or with a view to getting rid of "uncomfortable" regimes.

The track record of relationships between the nations lends an air of scepticism irrespective of what long-standing democracies may have to say on the issue. In Quebec City, Mr. Jean-Bertrand Aristide of Haiti had to hear some sharp words from his Canadian host but was able to get away with some vague promises of "cooperation", with no firm plans on advancing democracy.

It may sound fashionable to coin phrases such as "From Arctic to Argentina" or "From Canada to Chile"; but the Free Trade Area that is to encompass 800 million people is not going to be an easy task. The Bush administration has said that even while pursuing this objective by 2005 it will be going ahead with other market opening arrangements such as with Chile. And Mr. Bush has his own domestic political agenda — he will be pushing Congress to give him the trade negotiating authority by the end of the year.



Protestors and police square off at the venue of the Summit of the Americas in Quebec City.

heads a \$10 trillion economy, to Mr. Denzil Douglas who oversees some 40,000 people in St. Kitts and Nevis, their focus was on free trade but with democracy. "This Third Summit of the Americas will take the next step toward creating an entire hemisphere that is prosperous and free. It is a great task and an extraordinary opportunity to make the Americas the land of opportunity", Mr. Bush said.

But some of the leaders at the summit were clearly worried about the implications of free and freer trade going over and beyond plain formulations of the rhetoric that people can only stand to gain from such an arrangement. Globalisation,

protesting the World Trade Organisation — as being misguided. But the fact remains that a good many are genuinely concerned at the state of the world and are increasingly vocal about the goings-on.

In fact, even the more developed are quite sceptical of the arrangement taking place in the absence of abolition of agricultural subsidies and anti-dumping provisions that the U.S. has in its books. Brazil, for instance, has been demanding these of Washington before anything formalises.

And there has been this view in some quarters in the U.S. and Colombia that a Free Trade Area

from the democratic path it gets to be shown the door. Just how soon and in what fashion the Rest of the Americas is going to take aim on the democracy front has been left vague, and perhaps deliberately.

The notion of a Free Trade Area of the Americas by 2005 — getting rid of most tariffs — is not a simple thing, critics and sceptics argue. On the surface, it would seem that it would be as easy for Brazil to export steel to the U.S. as it would be for the latter to literally take over the consumer good industry in any of the nations of the continent.

The flip side to this "free trade area" has always been the "costs" — the effects of this so-called free-for-all

ASEAN hopes Sino-U.S. ties will improve

By Amit Baruah

SINGAPORE, APRIL 27. A tense relationship between the United States and China has impacted on South-East Asia with Governments and analysts closely watching the fallout of recent statements from the Bush administration on Taiwan and the spy plane incident.

While there is no single impact on ASEAN as such, individual nations have differing perceptions. However, even pro-American countries are understandably worried about how the equation between China and the United States develops. "For Malaysia, these developments present a dilemma since we have friendly relations with both China and the U.S.," Mr. Abdul Razak Baginda, Executive Director of the Malaysian Strategic Research Centre, told *The Hindu* from Kuala Lumpur.

Hanoi, for its part, said through a Foreign Ministry statement: "Vietnam is of the view that the parties concerned take specific measures to contribute to promoting trends of peace, cooperation, development and refrain from taking actions that can undermine peace and stability in the region." Writing in the April issue of *Comparative Connections*, an E-journal on East Asian relations, Prof. Sheldon W. Simon of the Arizona State University, argued that actions of the Bush administration would directly affect ASEAN.

"For ASEAN, the Bush administration's early decision to up the ante against Beijing on sensitive issues such as national missile defence, Taiwan arms sales, and human rights has directly affected South-East Asia," he wrote. "The ASEAN States fear a Chinese military build-up in reaction to U.S. missile defence programmes and the sale of advanced

weapons...should these fears come true, ASEAN States may have to increase their own defence spending since the PLA (People's Liberation Army) military capability could also be directed towards the South China Sea," Prof. Simon said.

However, Mr. Baginda feels that the U.S. decision not to sell Aegis destroyers comes as a "relief" but "anxiety" has been generated by Mr. George Bush's latest remarks on Taiwan. Writing in the latest issue of *Contemporary South-East Asia*, Prof. Bob Catley of the University of Otago, New Zealand, said: "The instruments of U.S. power in East Asia are the global power-projection capabilities which have been able to transform almost the entire U.S. military structure into a medium-term

NEWS ANALYSIS

(about a month) deployment force; a naval and air power-based military command which extends from California to the Persian Gulf; and pre-positioned forces and installations in States as diverse as Japan, South Korea, and Australia."

"These forces have stood behind U.S. diplomacy in the region for the last decade and are the foundations for U.S. capacity to constrain China, deter North Korea, and assist in restructuring East Timor," Prof. Catley maintained. Referring to ASEAN, he said individual countries in the group have concerns relating to maintenance of "regime stability" and the residual consequences of the 1997-98 financial crisis. "In the foreign policy arena, the ASEAN States have also had some collective problems stemming from the ambitions of

China, U.S. pressures for an acceleration of globalisation, and, in several countries, disputes with neighbours," Prof. Catley said.

Prof. Catley felt that China is a "frustrated aspirant" for the status of a regional dominant power and has a long way to go to match the United States in military, economic or political terms. "Its (China's) military capabilities do not enable it to project power against Taiwan merely 100 miles across the waters of the Taiwan Strait. Its economy is between 10 and 20 per cent of the size of that of the United States..." he added.

According to Prof. Simon, ASEAN's concerns extended to mapping out a strategy to deal with a more competitive U.S.-China relationship at a senior officials' meeting in Hanoi on March 15-16. "ASEAN's own hopes for a regional code of conduct with China (for the South China Sea) appear stalemated...so far, the Bush foreign policy team has shown little appreciation of South-East Asian concerns about how the two great powers get along," he claimed.

In comments published yesterday, Singapore's Senior Minister, Mr. Lee Kuan Yew, said America's relationship with China was the "single most important relationship" in Asia. "If it is troubled, there will be turbulence in Asia," Mr. Lee said, adding that the handling of the April 1 spy plane incident has shown that "neither side wanted the relationship to break". Given the new ideas of the Bush administration on China and Taiwan and the American decision to continue with surveillance flights, the rest of Asia can only hope that there are no more collisions or close calls of the type that happened on April 1.

Russia, Nato to discuss Europe's defence system

REUTERS

MOSCOW, April 25. - The strategic security adviser to the Russian President, Mr Vladimir Putin, is flying to Brussels today to hold talks with Nato on Russia's proposal for an European anti-missile defence system, which the alliance says it is ready to listen.

Marshal Igor Sergejev, who is also the former defence minister, along with the defence ministry's international relations chief, Colonel-General Leonid Ivashov, will meet Nato ambassadors at a regular meeting of the Nato-Russia Permanent Joint Council - a consultative body - tomorrow, Nato and Russian defence sources said.

In February, Russia had handed Nato a broadbrush anti-missile proposal on assessing potential threats, working out how to deal with them and only then deploying defence systems if necessary.

THE STATESMAN

APR 26 1999

R Am

Trade winds from Quebec

HF 8 25/4

FOR PRESIDENT George W. Bush, the Quebec declaration committing all American nations other than Cuba to forming a regional trade agreement by 2006 is more than just a diplomatic milestone. There is also a sense of personal accomplishment: a son finishing a task initiated by his father a decade ago. The proposed Free Trade Area of the Americas will be the world's largest trading bloc, spanning economies whose worth totals \$ 11 trillion. After Quebec, the issue is not whether the FTAA will come into existence but rather what shape it will take.

Two factors will work in favour of a liberal agreement. First is the relative success of the North American Free Trade Agreement. Many Latin American countries have noted how Mexico's economy has boomed following its joining NAFTA. All of them would like guaranteed access to the US market, something more likely with a regional trade agreement. Second is a general lack of opposition. The biggest stumbling block has been Brazil,

which had ambitions of forming its own trading bloc. Washington wrecked this by wooing Brazil's neighbours with bilateral trade agreements. More problematic is whether Washington will secure the authority to negotiate such an agreement from Congress. The key will be bridging the Republican-Democratic divide over labour and environmental standards in an FTAA treaty.

Quebec has global implications. The US and the EU are aware that the coming WTO conference in Qatar could mark the kickoff of a new round of world trade talks. Both sides are lining up support on various trade issues. The EU's agricultural commissioner, for example, was recently in India to sound out New Delhi's views. The Quebec declaration puts many countries in the US net. Expect the tempo of international trade to quicken. Quebec should serve as a warning to New Delhi. India needs to iron out its trade positions and sign up more overseas support before the coming WTO conference.

THINK IT OVER...

Silence is the virtue of fools

FRANCIS BACON

THE HINDUSTAN TIMES

25 APR 2001

QUEBEC SUMMIT

25/9
Riotous as before 5/1-6
Control of Latin America

SETTING up a free trade zone for the western hemisphere, which is what 34 heads of state met at Quebec to deliberate over, may be a different kettle of fish than establishing a common market throughout Europe. George Bush sounds optimistic that free trade will promote democracy, and therefore benefit everybody in the region, in which case the large numbers of people participating in protests, riots and streetfights that free trade parleys of this sort inevitably attract, are simply wasting their time. But the democracy that Bush promotes can cut both ways, as city authorities in Seattle, Prague and Quebec have ruefully discovered. Pure free trade seldom works, unless complemented by a social welfare system to support those who happen to "fall through the cracks." The point, however, is that welfare conditions in many Latin American countries today resemble pre-1929 Europe. The poor in New York or Montreal have access to welfare cheques, slum dwellers in Lima and Sao Paulo don't.

It is possible that the majority of citizens in Latin American countries will benefit from free trade arrangements, but if food prices were to become unaffordable for even a significant minority, that in turn would create pressure on the political system in a democracy and abort the potential of free trade. Globalization of trade looks unworkable without at least some globalization of social concern, and this is what Bush and leaders of other rich as well as not-so-rich nations need to consider. Such concern is forthcoming nowadays in the case of spectacular natural disasters, for example, the Gujarat earthquake. But concern is less forthcoming in the case of Third World poverty. The leaders who deliberated at Quebec should avoid accusations that they cater only to business interests. They should also explain how they intend to meet some of the social concerns that arise, which would facilitate less riotous trade summits in future.

THE STATESMAN

25 APR 2001

Pro-Chechen gunmen give up after Turkish hotel siege

Baris Atayman
Istanbul, April 23

PRO-CHECHEN gunmen stormed a luxury hotel on Istanbul's Bosphorus Strait and held more than 100 hostages overnight to protest Russian military action in Chechnya before surrendering to Turkish police on Monday.

The incident, led in part by a man who hijacked a Russian ferry carrying 200 passengers off Turkey's Black Sea coast in 1996, drew fire from Russia, which has complained Turkey supports the Chechen militants who kill its troops almost daily.

Istanbul Police Chief Kazin Abanoz told reporters 120 hostages had been released unharmed, and said police had detained 13 suspects.

"The men have been taken to Istanbul police headquarters for questioning," a ministry official said. The group had fired shots and rounded up guests and staff at the Swissotel, favored by business visitors and wealthier tourists, before settling into a siege that many feared could end in bloodshed. Hundreds of police backed with armored cars flanked the hotel as officials negotiated.

"We will not shed blood," the group said in a statement faxed from the hotel's business centre. "If one drop of blood is shed we will not be responsible in the least. The politicians, soldiers and bureaucrats who order this possible operation will be."

Erol Cakir, governor of Istanbul,



A hotel employee checks damage behind a broken window in Istanbul's Swissotel on Monday.

AP PHOTO

bul, Turkey's most populous city of some 10 million people, had earlier said the gunmen had made political demands. But by midday they walked out of the screened-off hotel, surrendering their pump-action shotguns and automatic rifles.

"There are 13 weapons but no explosives. We are searching the hotel," Abanoz said. The action, although over in less than 12 hours, may force a review of security policy toward the large

number of Caucasian and more specifically Chechen groups operating in Turkey.

Cakir told reporters he had negotiated with Muhammed Emin Tokcan, who along with a group of Turkish and Chechen gunmen hijacked a Russian ship in the Black Sea in 1996 to protest Russia's campaign in Chechnya. Tokcan escaped from a Turkish prison, only to be arrested en route to Kosovo in 1999.

Reuters

THE HINDUSTAN TIMES

24 APR 2001

Summit endorses free trade zone

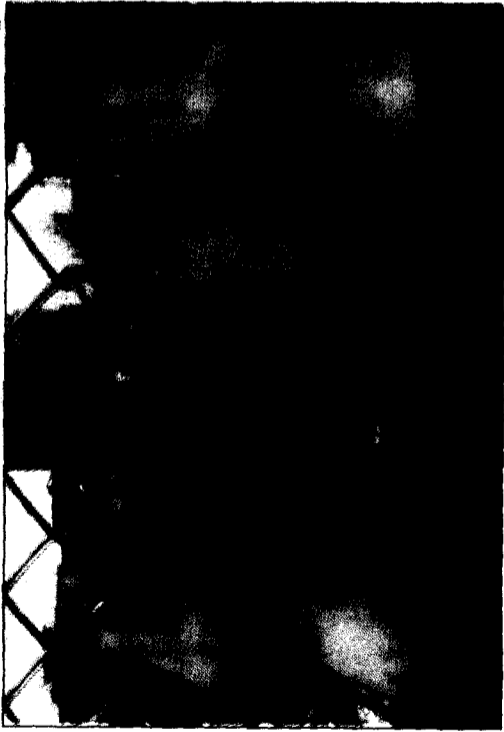
S Rajagopalan
Washington, April 23

UNDETERRED BY street protests, the 34-nation 'Summit of Americas' has endorsed plans to create the world's largest free trade zone by the end of 2005.

A significant addition is a "democracy clause", which warns that countries giving short shrift to democracy could lose their membership of the trade bloc.

Venezuela, the only major dis-senter at the three-day summit held in the Canadian city of Quebec, indicated its inability to stick to the 2005 deadline. It also announced that it would hold a referendum on whether or not to join the bloc. Brazil is another South American nation to voice certain reservations.

The Free Trade Area of the Americas (FTAA), stretching from Canada to Chile, will have a combined annual output of over \$11 million. The 34 rich and poor countries of the region account for a population of 800 million.



AP PHOTO
THROUGH A PROTESTER'S EYES: Riot police guard the Summit of the Americas enclosure in Quebec City on Sunday.

The only nation to be kept out of the dispensation is communist Cuba. Some analysts view the summit's outcome as a significant foreign policy success for President George W Bush. It is another matter that he now faces a tough battle on the home turf, trying to persuade a divided US Congress to give him the requi-

site negotiating authority.

Compared to the violence of the first two days, when anti-globalisation demonstrators took to the streets, the summit's conclusion on Sunday was markedly peaceful. The turnout was chiefly aided by the weather gods as it rained continuously. Some 400-odd protesters were arrested in the first two days.

Brazil is among countries assailed by doubts whether membership of the FTAA would confer greater access to the US market since the US's tariffs on manufactured imports are already among the lowest in the world. They also fear that Washington is unlikely to go soft on its anti-dumping rules or farm subsidies.

Bush, who has been actively pushing the free trade agenda, told a summit Press conference after the signing ceremony: "The benefits of free trade for all the countries of this hemisphere are strong. And I intend to vigorously pursue a free trade agenda."

As per the time-table agreed upon, the 34 member-countries

are required to complete the negotiations by January 2005. The FTAA is expected to be in place by the end of that year. A stock-taking summit will be held in Argentina in 2004 to resolve outstanding issues.

The Quebec summit was the third in pursuit of the FTAA, the earlier two having been held in Miami (1994) and Santiago (1998). The distinguishing aspect of this summit, it is said, is the formulation of an "action plan" with the backing of international financial institutions. The World Bank and the Inter-American Development Bank have committed more than \$20 billion.

Apart from the action plan, the high point of the Quebec declaration is its democracy clause. The summit's only concession to the anti-globalisation protesters is its planned release of a draft of the agreement as it stands after seven years of FTAA talks. The release will give environmentalists, labour unions and other opponents a chance to review the various provisions.

Pact on Free Trade Zone by 2005



The Mexican President, Mr. Vicente Fox, the Canadian Prime Minister, Mr. Jean Chretien, and the U.S. President, George W. Bush, clasp their hands together after a meeting between the three leaders after the closing of the summit of the Americas in Quebec City on Sunday. — AP

the demonstrators. The protesters argued that they were not against free trade but that the present scheme worked out for the Western Hemisphere would only worsen poverty. The proponents responded that the coming together of the \$13 trillion economies would eliminate national subsidies and increase competition. "I am very optimistic about what took place here. It gives us a great chance to expand the opportunities around our hemisphere knowing that it will help our own country," Mr. Bush said.

The U.S. President also responded to the pointers from other parts of the world. For instance, the European Union was striking deep roots and it continues to grow; ASEAN is thinking of an Asian Union that will also include Japan, China and South Korea.

What is significant is that participants while trying to emphasise the importance of democracy as a vital component of this Free Trade Zone took a shot at Haiti and its President, Mr. Jean-Bertrand Aristide for the flawed elections and the ensuing political mess and chaos. The next Summit of the Americas will take place in Argentina, at a date to be determined later.

By Sridhar Krishnaswami
WASHINGTON, APRIL 23. Leaders of the Western hemisphere — numbering 34 in all but minus Mr. Fidel Castro of Cuba — have put their signatures to a wide-ranging agreement that will usher in the world's most powerful trading bloc by 2005. The U.S. President, Mr. George W. Bush, while expressing optimism over the turn of events, said he would work on getting the Fast Track Authority from Congress by year-end.

The Summit of the Americas ended on Sunday in Quebec City, Canada, with the Presidents and Prime Ministers of the world's largest to some of the smallest economies agreeing on a Free Trade Zone by the end of 2005. The leaders also agreed that this Free Trade Zone was reserved only for democracies and that any country that veered away from democratic principles would be thrown out of the arrangement. The leaders, however, stopped short of saying that a member would be automatically thrown out if democracy was in danger in that country. Instead, the leaders said they would "conduct consultations" if a particular system was disrupted from the democratic process. Democracy was "funda-

mental to the advancement of all our objectives," it was stressed. The accord would create a barrier-free trade zone from the Arctic to Argentina involving a market of about 800 millions and economies ranging from the most powerful to some of the tiniest nations in the world. The leaders also pledged to bring down by

half the number of people living under extreme poverty conditions by 2015. The three-page final document was finalised against the backdrop of the anti-globalisation protesters who tried their best to disrupt the meeting. But Canada would certainly dispute any claims of "success" on the part of

ASEAN nations lobby for lower duties on palm oil

New Delhi, April 22

HC-13
22/4

INDONESIAN AND Malaysian industry ministers will lobby India for lower duty on palm oil during their visit starting Monday but the world's largest oil importer is unlikely to oblige, industry officials said.

Indonesia's Trade and Industry Minister Luhut Pandjaitan and Malaysian Primary Industries Minister Lim Keng Yaik would hold meetings with India's finance, commerce and food ministries to seek duty at par with soyoil.

Malaysia and Indonesia, the world's number one and two palm oil producers respectively and traditional rivals, agreed in February to form a world palm oil association to help lift palm oil prices from 10-year lows.

"We do not expect any cut in

duties because the prices are too low, and any fall in import duty will hit farmers and the domestic oil industry," a leading trader said.

In its federal budget in February, India imposed a steep import duty of 75 percent on crude palm oil (CPO) and 85 percent on refined palm oil.

The duties compare to 45 percent for crude soyoil and 50.8 percent on refined soyoil, driving buyers to switch to soyoil.

Indian traders said COP and refined palm oil prices have fallen in the last one month and any reduction would be "suicidal for the local industry".

"The CPO is down to \$203 a tonne and refined oil has also fallen. We do not see the import tariff coming down," a leading oil importer said from the western city of Ahmedabad.

"We rather want the govern-

ment to increase duty on soyoil as a safeguard measure so that its import does not hurt prices," B.B.Mehta, Executive Director of Solvent Extractors Association of India (SEAI) told Reuters.

Analysts said India might consider a small reduction in palm oil duties if there are possibilities of counter trade of rice.

"We have huge stocks of rice and Indonesia has a demand of two million tonnes and if they agree to buy our rice then the government might consider their case," a Bombay-based commodity analyst said.

India had planned to export about two million tonnes of rice from government stocks, which were at 20.7 million tonnes in January this year.

But traders say the country was not likely to meet its target due to lower global prices.

Reuters

THE HINDUSTAN TIMES

23 APR 2001

Leaders stress free trade

REUTERS

5/9/2004
QUEBEC CITY, April 22. - Western hemisphere leaders hammered out final negotiations over free trade and democracy here today, even as protesters defied tear gas shells and rubber bullets fired by the police.

US President, Mr George W Bush and 33 other leaders planned to issue a statement, closing the three-day Summit of the Americas here, vowing to form the world's largest free trade zone and cement democracy in a region plagued by poverty.

Meanwhile, anti-globalisation demonstrators, who claim free trade makes the poor hungrier, and masked anarchists have overshadowed the summit - as they did during similar events in Seattle and Prague in recent years.

Tens of thousands of anti-globalisation demonstrators crowded to this French-Canadian city to protest peacefully and about 6,000 others constantly challenged the police at a perimeter fence erected to protect some of the world's most powerful men.

Throwing rocks, Molotov cocktails and tear gas canisters fired by police demonstrators have breached

SUMMIT OF THE AMERICAS



A protester washes her eyes after police teargas demonstrators near the venue of the Summit of the Americas in Quebec City.

Canada, on Saturday. - AP/PTI

the 3-metre-high chain-link fence several times only to be beaten back by rubber bullets, water cannons and baton charges.

"If they don't stop, we won't stop," said a protester, who - protecting his mouth from the gas with a scarf

- expected clashes to continue throughout the day. "Sure I'll get arrested. But then I'll be released," the protester, who gave his name as Antoine, said.

Police, who cleared a jail before the summit in preparation for violent protesters, said they have arrested at least 150 people. More than 30 police officers and scores of demonstrators have been injured in clashes only hundreds of metres from the venue of the summit ringed by the fence. Meanwhile, the leaders called for creating a free trade area from Canada to Chile by 2005, with a combined annual output of over \$11 trillion. But some Latin American Presidents called for greater efforts for the economic progress of the poor.

"You cannot have genuine democracy in a society where there is so much inequality of poverty, as happens in many areas of Latin America, including Mexico," Mexican President, Mr Vicente Fox, said. "We cannot allow ourselves to drift ... At the mercy of the whims of market forces."

To ward off would-be dictators in the region, where several nations suffer political instability, the leaders agreed to throw out nations deemed undemocratic from future summits.

THE STATESMAN

23 APR 2004

'Free trade will usher in prosperity'

By Sridhar Krishnaswami

WASHINGTON, APRIL 22. Even as protesters tried their best to disrupt the second day's proceedings, the 34 leaders attending the Summit of the Americas in Quebec City, Canada have ratified a plan on Saturday that denies participation of undemocratic nations in a massive free trade zone, the details of which will be presented on Sunday.

In acknowledging that globalisation did not mean all good news for everyone, the leaders have taken the position that the Free Trade Area now aimed at for 2005 and stretching from Alaska to Argentina will usher in more prosperity across the borders.

"There is a lot to celebrate, but there is also a lot to lament. We need a strong expansion of economic citizenship, to democratise the markets. Only by doing that can we develop the energy of the millions who have been excluded from economic development," argued the President of Mexico, Mr. Vicente Fox.

Outside the conference rooms, protest leaders scoffed at the notion that the leaders were speaking for the people who are really concerned about the implications of the Free Trade Area to such issues as environment or labour. Nearly 30,000 demonstrators have gathered at Quebec City, but law enforcement authorities maintain that only some 2000 or so were troublesome and violent. There have been at least 150 arrests.

The protesters' main target seems to be the chain link security fence which has been dubbed the Wall of Shame. The Royal Canadian Mounted Police — vivid of memories of Prague, Seattle and perhaps even the APEC meeting of 1997 in Vancouver — have been determined not to let the protesters anywhere near the



First Ladies (from front left) Mrs. Laura Bush (U.S.), Mrs. Ines Pertines (Argentina) and Mrs. Susana de Gonzalez (Paraguay) lead their counterparts from the Americas on a sightseeing tour of the old part of Quebec City, on Saturday. — Reuters

main conference venue. In the two days of unrest, reports say that some 34 police officers and 57 demonstrators have been injured.

"We knew there were some

people who wanted to come and stop us. But look what happened. We discussed democracy. We have a clause on democracy. We have discussed all the elements that are needed to help the 800

million people living in the Americas to prosper in the future," remarked the Canadian Prime Minister, Mr. Jean Chretien.

The so-called Democracy Clause was supposed to be one of the main highlights of the Summit of the Americas. The hemispheric meeting saw a notable absentee, Mr. Fidel Castro of Cuba, who was not invited to the conference for the simple reason that the country is not democratic.

But for the leaders who are participating, Quebec City has different messages for the hemisphere and beyond. To the American President, Mr. George W Bush, the notion of free and freer trade would only go the distance in democracies taking root.

"Together, let us go forward to build an age of prosperity in a hemisphere of liberty," said Mr. Bush. Leaders from small nations in the hemisphere see the Free Trade Area of the Americas as an opportunity for expanding the economy; and some others like Colombia see the utility in terms of being able to fight drug-trafficking on a better and stronger footing.

Mr. Bush, participating in his first major international summit, took the opportunity to reach out to Central and South America by offering assistance to modernise judicial institutions and rooting out corruption.

At a time when protests against globalisation are taking firm roots on a regular and sustained basis, the hemispheric leaders too seemed not to be too dismissive of the protests and demonstrations. Globalisation, in the view of the Prime Minister of St. Lucia, Mr. Kenny Anthony, has brought prosperity to some "but we cannot deny it has destroyed the lives of others".

THE HINDU

23 APR 2001

Clashes mar free trade summit

By Sridhar Krishnaswami

WASHINGTON, APRIL 21. Thousands of anti-globalisation protesters disrupted the opening of the Summit of the Americas in Quebec City, Canada, again trying to impress upon the 34 leaders attending the three-day meeting of the dangers of the efforts to create the world's largest Free Trade Area stretching from Canada to Chile.

Coming from various economic backgrounds, the leaders are hoping to hammer out the creation of a Trading Area by 2005 that would encompass some 800 million people. Supporters of the Free Trade Area of the Americas say that the arrangements will spread prosperity which will be underpinned by democratic rule. The FTAA plans see a lowering of tariffs and easing of customs rules. Opponents argue that the rich will exploit the poor.

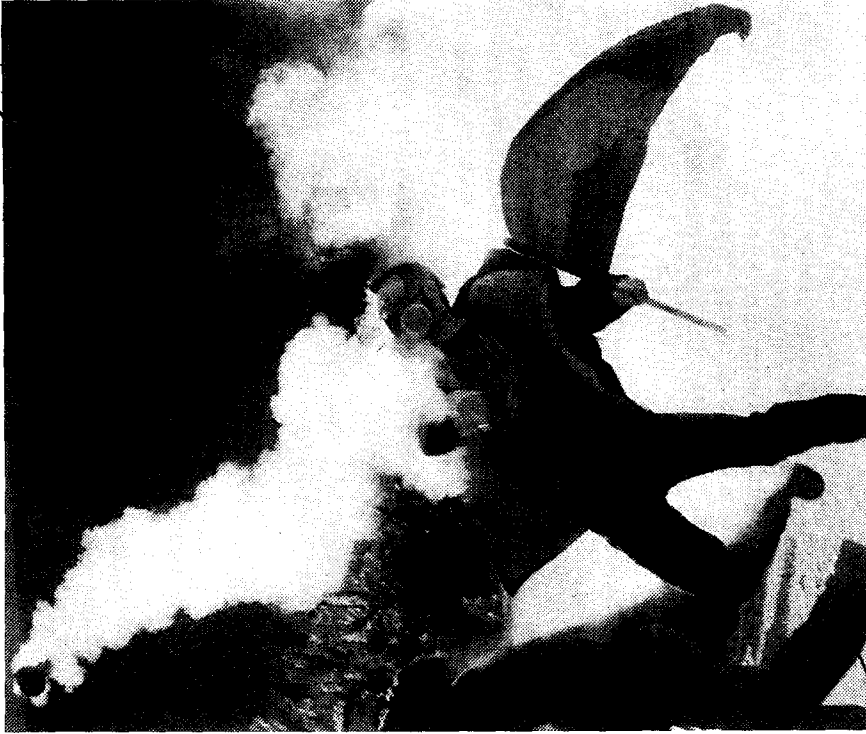
The U.S. President, Mr. George W Bush, prior to leaving for his first major summit of Presidency, said the goal was to build "a hemisphere of liberty". But his call to approach it "with a spirit of civility, mutual respect and appreciation for our shared values" met with hostility in the streets around the Summit venue when protesters clashed with police, indulged in stray acts of vandalism and in reports of demonstrators using petrol bombs.

Authorities in Canada have been bracing themselves for "trouble" in the aftermath of what happened in Seattle in 1999 over the World Trade Organisation meeting and the next year in Prague. And the Royal Canadian Mounted Police had its hands full during the meeting of the Asia Pacific Economic Cooperation Forum meetings in Vancouver in 1997 even if the protests were of a different nature. Protesters tried to storm — and were successful in some ways — the 6.4 km 10-ft high chain

link fence, dubbed by demonstrators The Wall of Shame, that was put up around parts of the historic city. Nearly 7000 police forces and 1200 troops have been pressed into service to ensure that the meeting goes on without major disruptions. In spite of all precautions and the actual venue itself being "sealed off", the Opening Ceremonies had to be postponed by 90 minutes. Police in Canada have blamed a small group of anarchists from the United States for the violence that resulted in a handful of arrests and injuries to some demonstrators and police personnel as well. But the protests in Quebec are no comparison to the kind of events that took place in 1999 at the time of the WTO meeting in Seattle when the city had to be virtually shut down by a curfew that lasted several days.

In his opening address, the Prime Minister of Canada, Mr. Jean Chretien, argued that a small group of extremists were to blame for the violence. "I welcome those who have come to Quebec City to make known their views on how best to advance the social and economic interests of our fellow citizens. But violence and provocation is unacceptable in a democracy." The only note of political support to the demonstrators came from the President of Cuba, Mr. Fidel Castro. The Cuban leader, the only one in the hemisphere not invited to the Summit, opposes the Free Trade Proposals, expressed admiration for the demonstrators and denounced the "brutal" actions of the Canadian police.

Mr. Bush, whose meetings with Latin American leaders have had to be delayed and postponed as a result of the disturbances, is facing some plain talking by Latin American leaders who on the one hand favour a free trade zone but at the same time point out the need to put on a human face to economic globalisation.



A protester against the Summit of the Americas in Quebec City, Canada picks up and throws a smoking tear gas canister back at police during rioting on the first day of the summit on Friday. — Reuters

Survey foresees E.U. recession

By Batuk Gathani

10-17
107A
BRUSSELS, APRIL 9. According to the latest survey by Europe's leading financial newspapers, the euro-zone's economic growth prospects for the first half of this year does not look favourable.

A consortium of European economic research institutes also predict that the growth rate will slip to less than 2.5 per cent compared to 2.8 per cent predicted only a month ago. There is concern that current economic slump in the U.S. may also affect major European Union economies. The common perception in major financial capitals of the E.U. suggest that the U.S. will not pull out of its current economic problems easily or in the immediate future. Hence, the speculation that major E.U. economies could be plunged into a longer bout of trade and economic recession.

So far in recent weeks to contain worst ravages of the economic recession, the U.S. Federal Reserve, the Bank of England and the Bank of Japan have all cut interest rates. Hence, all eyes this week are focused on the European Central Bank when its governing council meets on Thursday, to decide the interest rate policy.

Analysts expect a 0.25 to 0.5 per cent cut from its current 4.75 per cent base rate. There is also pressure on the Federal Reserve to further cut its base rate ahead of its scheduled meeting on May 16. The pattern of the current

slowdown in major E.U. economies is patchy and according to current data, manufacturing is faring worse than services. Among the major E.U. economies, France is rated as a top performer but the economic performance of Germany and Italy is rated as "lacklustre".

Further evidence that Britain's economy is slowing is provided by two new surveys. Then there are major question marks about the way the ECB is functioning.

There is also concern about the current twists and turn of the spy plane crisis between China and the U.S. The European perception is that China has much to lose from a trade and economic confrontation with the U.S. The Sino-American trade reached \$ 116,000 millions in 2000 with an American trade deficit in China's favour of almost two to one rate.

The U.S. companies operating in China have warned their expatriate staff to be "on alert". The American and European observers are concerned about the "spill-over" effect of the spy-plane crises. Negotiations on China's entry into the World Trade Organisation are still under way. The Bush administration has classified China as a "strategic competitor" and in the background of the current WTO negotiations, the U.S. Congress may have to reissue normal trading status for China.

All this obviously depends on mutually satisfactory outcome of the "spy-plane" controversy.

On the domestic economic front, small and

large European companies are working on novel ways to cut costs to boost profits and keep investors and shareholders happy. Senior executives of European and American companies dread the prospects of entering into another long bout of economic recession. Many also feel it is illusory to think that Europe and Asia can escape a serious downturn. Apart from drastically cutting personnel, company executives are told to fly economy class, save on taxi costs, use public transport and cut down on business entertainment. All this may make a minuscule dent in the company's profit and loss accounts, but has a psychological impact.

Some Western economists have suggested that the risk of global recession may be rising, as prospects of the U.S. economy's "soft landing" may be rougher than expected. This has triggered nervousness in financial markets, as prominent fund managers in Europe are opting for higher cash positions. Many are nervous about volatile stock markets. The current European cash levels are at their highest point since the market meltdown in 1998 triggered by Asian cash crises.

Fund managers are seen sitting on cash piles as they look for long-term strategic bargain stocks. Some of European investment firms' equity funds have as much as 20 per cent of their assets in cash, as fund managers ponder on ways and means to cope with the downturn.

THE HINDU

10 APR 2001

MS-17
9/4

ASEAN fears yen slide may hit region's growth

By Amit Baruah

SINGAPORE, APRIL 8. A weakening yen has the potential of undermining growth prospects in South-East Asia, a joint statement issued by Finance Ministers of the 10-member Association of Southeast Asian Nations (ASEAN) in Kuala Lumpur said today.

According to the Ministers, who concluded their two-day meeting today, the weakening Japanese currency "has created uncertainty and instability in regional financial markets and could adversely affect the prospects for continued growth of ASEAN economies".

The Ministers, who meet periodically to discuss the economic prospects for the region, also discussed the slowdown of the U.S. economy and its impact on exports from the region.

"The outlook for the ASEAN economies will be less favourable... export growth in the ASEAN economies has moderated since last year and foreign direct investment is expected to remain subdued," the statement said.

An AFP report from Kuala Lumpur said the Finance Ministers had "made little headway" in expanding a regional currency swap plan to deal with future financial crises.

The news agency claimed that the issue of International Monetary Fund (IMF) supervision of disbursements was creating problems in implementing what has been termed the Chiang Mai initiative formulated in the Thai city in May 2000.

(Under the bilateral swap arrangements, the idea is to provide short-term financial assistance in the form of swaps to a country, which is need of balance of payment support or short-term liquidity from China, Japan and South Korea).

"Malaysia, which is deeply suspicious of IMF prescriptions



Malaysia's Finance Minister, Mr. Daim Zainuddin, speaks during the joint press conference in Kuala Lumpur after the fifth ASEAN Finance Ministers Meeting on Sunday. On his left is Mr. Khin Maung Thein of Myanmar and right Mr. Alberto G. Romulo of the Philippines. — AP

and refused to help in 1997-98, has led objections... in the end, Ministers agreed only that there should be no agreement, saying that individual countries should be left to negotiate their own terms with each other," the report added.

As per the discussions that took place during the ASEAN plus 3 summit in Singapore in November 2000, several bilateral arrangements were to be in place by the next ASEAN plus 3 (the ASEAN-10 plus China, Japan and South Korea) Finance Ministers meeting in Honolulu in May 2001.

The ASEAN Finance Ministers, in their joint statement, stressed

that the bilateral swap arrangements would be "complementary and supplementary" to IMF facilities.

"To be beneficial to the individual ASEAN countries, the terms and modalities of the bilateral swap arrangements should take into account the differing economic fundamentals, specific circumstances and financing needs of individual countries," the statement said.

The Malaysian Finance Minister, Mr. Daim Zainuddin, said the swap scheme must offer a better deal than existing IMF arrangements, which had been felt to be inadequate in the wake of the 1997-98 economic crisis.

"We are not under IMF. Our view is that the facilities must be better than IMF. If it is the same as IMF, then we might as well go to IMF," he said at a press conference in Kuala Lumpur.

"We are dealing with friends in Asia and we expect the facility to be far better than what is offered by the IMF".

To a question if the bilateral swap arrangements would be negotiated by the time the ASEAN plus 3 Finance Ministers meet in Honolulu, the Malaysian Minister said: "It would be too soon because each country has to negotiate its own conditions with Japan, China and South Korea."

THE HINDU

- 9 APR 2001

Asean FMs brace for global downturn

ASSOCIATED PRESS

51-9 913
KUALA LUMPUR, April 8 — Southeast Asia's finance ministers said today that they are bracing for lower growth this year, expecting the plunge in the U.S. stock market and Japan's fragile economy to put smaller countries at risk.

With some Southeast Asian currencies sinking to levels last seen during the Asian financial crisis of 1997-98, the ministers said in a statement that they would be taking "pre-emptive measures to mitigate the economic slowdown." The ministers from the 10-member Association of Southeast Asian Nations (Asean) concluded a two-day meeting early today.

Officials met later in the day

with representatives from Northeast Asian powerhouses Japan, China and South Korea.

The Southeast Asian minister issued a statement noting their economies had bounced back in 2000 from the Asian crisis, collectively posting 5.3 per cent growth, but said the outlook this year was "significantly more adverse." Recent currency volatility, particularly the sinking Japanese yen, had already created uncertainty in financial markets that could harm growth prospects for the region, the statement said.

A Japanese official said here that Tokyo would take "concrete action" to curb extreme fluctuations in the yen. But he declined to say at what level Japan would intervene.

THE STATESMAN

9 APR 2001

US slowdown hits ASEAN economies

Kuala Lumpur, April 8

STUNG BY sagging US demand for their exports and worried by a falling yen, Southeast Asian countries said on Sunday they expect the region's growth to slow to three to five percent this year from 5.3 percent in 2000.

The 10 members of the Association of Southeast Asian Nations (ASEAN) made the bearish forecast in a communique issued at the end of their finance ministers' two-day meeting in Kuala Lumpur. "In view of the expected slowdown

in the global economy, the outlook for the ASEAN countries will be less favourable," the communique said.

"Export growth in the ASEAN economies has moderated since late last year and foreign direct investment are expected to remain subdued in the near term." Fast-dropping US demand for goods like computer and electronic equipment have hit the region's export-oriented economies hard. The benefits of making their products cheaper by weakening their currencies will be offset if the

overall market for their goods is shrinking, and southeast Asia will be hoping the American consumer will come to its rescue by the year-end. Meantime, the yen's recent weakness, which has dragged down their currencies in its wake and dulled Japanese demand for their goods, has added to worries. "We noted with concern the recent volatility of financial markets and the major currencies, particularly the depreciation of the Japanese yen, which has created uncertainty and instability in regional financial markets and could

adversely affect the prospects for continued growth of ASEAN countries," the finance ministers said in their communique.

Unable to agree on a common model for operating an Asian currency support scheme, the ministers decided each country could negotiate terms individually with lender countries.

The ASEAN-3 group hopes to wrap up and sign the bilateral swap arrangements on the sidelines of the Asian Development Bank's annual meeting in Honolulu next month.

Reuters

THE HINDUSTAN

29 APR 2001

E.U. plan to rebuild Yugoslavia's economy

By **Batuk Gathani** 110-16

BRUSSELS, APRIL 3. Following the arrest of the former Serbian leader, Mr. Slobodan Milosevic, there is speculation in the European Union about the future of Yugoslavia.

The Balkan country is still rated as a key power in the region. With Yugoslavia's democratic institutions reformed and liberalised, Belgrade's membership of the E.U. and NATO is considered a probability.

Many Europeans are wondering if Mr Milosevic will ever face the International Court in Holland to answer charges of "war crimes".

It is also argued that "pragmatists" in the Bush administration and the E.U. appear to have won the day, with simultaneous announcements in Washington and Brussels of plans to continue economic aid to Yugoslavia.

The American and European aid packages have been approved on the premise that the elected Government of Yugoslavia "keeps its democratic record clean", amid E.U.-American pressure for

extradition of the Serbian leader to the International Court. For diehard Serbian nationalists and members of the former Yugoslavian Communist or Socialist party, this issue evokes strong sentiments about their country's sovereignty.

The Yugoslavian President, Mr. Vojislav Kostunica, is not likely to "hand over" Mr. Milosevic to the International Court, at least not in the immediate future.

To start with, the Serbian prosecutors are preparing their case on the premise that the former President, his family and allies who ruthlessly ruled Yugoslavia for 13 years, could be charged with corruption, abuse of power, inciting violence and resisting arrest. The trial is slated to be the most dramatic and longest in Yugoslavia's history.

The European Commission is preparing to release a fresh \$133-million aid package for Yugoslavia. This is rated as an "emergency aid" following the arrest of Mr. Milosevic. According to E.U. officials, Serbia is also due to receive euro 240 millions in aid this year. The European officials are simul-

taneously working on a plan to restructure Yugoslavia's \$12-billion plus debt owed to international institutions and commercial lenders. Yugoslavia stopped repaying its debt in 1992.

Ten years of ethnic war has left the country's economy in ruins. Yugoslavia's public debt to GDP ratio is currently 175 per cent and it needs to have large chunks of debt written off if it is to regain economic health.

Mr. Milosevic fell from power after the general elections on September 24. Most of the Opposition parties then endorsed the candidacy of Mr Kostunica, leader of the single largest Opposition party.

The present day Yugoslavia, with a population of just over a crore, consists of two republics — Serbia and Montenegro. Tension has been rising between Belgrade and the pro-Western Government of President Djukanovic of Montenegro who refused to take part in the September general elections. Mr. Djukanovic has argued that recent changes in the Yugoslavian Federal Constitution have provided Serbia with an unequal

clout in terms of political and economic power.

The Western world was in a quandary as the U.S. and its NATO allies, often wondered whether Mr. Milosevic can be rated as part of the solution in Kosovo or alternatively he was a major part of the ethnic problem. Such a debate was both emotive and divisive.

Kosovo, which is a 'province' of Serbia, is currently ruled by U.N. peace-keepers. Many Albanians in Kosovo are now demanding full independence from Belgrade, as Serbia accuses Albania of fuelling the ethnic war in a quest to create a "greater Islamic Albania". Traditionally, Russia and Greece are rated as "real allies" of the Serb nation. Senior Russian officials and Ministers visit Belgrade regularly and Greece eased the burden of international blockade on the country. The U.S.-initiated NATO air strikes against Yugoslavia two

years ago were bitterly opposed by Russia, France and Greece. Moderate NATO allies like Germany, then had "second thoughts" about launching air strikes.

The European Court of Justice & the E.U.

By Arvind Sivaramakrishnan

49-12
20/3

IN 1988, in the beautiful Belgian town of Bruges, the then British Prime Minister, Mrs. Margaret Thatcher, told an European Commission summit that Europe had civilised the rest of the world, especially Africa and Asia. That kind of opinion is very widespread in the former imperial powers, and for sections of the British press the fact that Mrs. Thatcher said it made it automatically true.

Of course, in the European political climate of the day, the underlying assumptions went unremarked, namely that all was for the best in Europe and that Europe was the best of all possible worlds. At that time, the idea of Fortress Europe was much touted; Europe, apparently, was a bastion of organisation, efficiency, and clean democratic government, in sharp contrast to the brutalities of communism and the chaos, corruption, and suffering of the Third World.

The reality of life in what later became the European Union was and is very different. For example, the temptations of power are the same in the E.U. as they are anywhere else. The former German Chancellor, Dr. Helmut Kohl, was very lucky to escape impeachment in 1986 over a corruption scandal and has recently paid several hundred thousand deutschmarks in fines over undeclared donations to his party, the CDU, in return for the dropping of criminal charges. In France, the son of the former President, Francois Mitterand, faces criminal charges over a corruption scandal, as do at least one former Cabinet Minister and the mayor of Paris, who appears to be implicating the current President, Mr. Jacques Chirac, as well. In the U.K., the multi-millionaire boss of Formula 1 motor racing, Mr. Bernie Ecclestone, is widely perceived as having bought his sport an exemption from a statutory ban on tobacco advertising in sport. He had given a million pounds to the Labour Party's 1997 election campaign, and in the subsequent row the party even gave him back his money. Even more sinister was the fact that in 1979 the incoming Conservative Government abolished significant regulations on food-safety standards in U.K.

slaughterhouses and animal feed. The result was the permeation of the entire U.K. animal food chain by mad cow disease, BSE, which is transmissible to humans in a variant and deadly form. As one British doctor said publicly of the whole U.K. population, "We are the experiment." The Conservative Party has age-old links with commercial farming and food-producing lobbies.

In the light of all that, it is surprising that more attention has not been paid to the role of the E.U.'s court, the European

expanded the definition of the term "public" to cover privatised utilities, and thereby extended the scope of E.C. Directives. Also in Foster, the court ruled that member-states' domestic courts were to interpret all domestic law in conformity with E.U. law. In the respective cases of Francovich, von Colson, and Marleasing, the court ruled that individuals can claim damages from member-states which fail to implement E.C. directives. Perhaps most strikingly, the European Court of Justice has even imported case-law from

sparkling wines from anywhere else have to be labelled as sparkling wines and not champagne.

In addition, the allegations, especially made in the U.K., that the E.U.'s employment legislation harms private business are not borne out by the facts. The British motor manufacturers Vauxhall recently said the main reason they located a factory in the U.K. was that its law made it easier to sack staff. Yet British industry is in significantly worse shape than industry in, say, Germany, which has some of the toughest labour-protection legislation and some of the most generous social-security provision in the E.U. Also in worse shape is the British labour force, which has repeatedly been shown to work longer hours in worse conditions, under more bullying management, and for poorer pay than their counterparts in several other E.U. states. There are no apparent gains in the productivity of the British workforce. (In this debate, the part played by the attitude of the British financial establishment, which has a reputation for wanting high paper returns in a hurry at the expense of long-term research, development, and staff training, is usually ignored.)

The differences in the respective member-states' attitudes to E.U. law and the ECJ constitute a wider issue, but here again it is significant that public attitudes vary greatly in the E.U. For example, in France a recent BSE scare caused great anger among French farmers not because of the temporary ban on the sale of French cattle, but because they perceived themselves as being treated differently from other farmers in the E.U. The part to be played by the European Court of Justice in developing public knowledge of E.U. law is likely to become much more important in even the near future; the bulk of the E.U.'s citizens are apparently still unaware that the World Trade Organisation agreement requires all services and industries to be put out to worldwide private tender. The ECJ is going to have plenty of battles on its hands; on its previous record, it will not give in easily.

(The writer is Lecturer in Politics and Law, Taunton's College, Southampton.)

The temptations of power are the same in the E.U. as they are anywhere else... It is surprising that more attention has not been paid to the European Court of Justice in protecting E.U. citizens against their own politicians and vested commercial interests.

Court of Justice, in protecting E.U. citizens against their own politicians and vested commercial interests. Indeed, the Court's decisive part in this is largely unknown to the bulk of the E.U.'s 400 million inhabitants. The ECJ exists to resolve disputes over E.U. law, which for its part is drafted by the European Commission and the European Parliament, and ratified by the Council of Ministers, the body of Ministers from all 15 member-states. Any dispute over E.U. law must go through a member-state's domestic courts first, and if those courts cannot reach a decision then the case goes to the ECJ, whose decisions are binding throughout the E.U.

The ECJ's decisions are often highly activist and far-reaching, and cover a very wide range of issues in law and public policy. In the case of Factortame 1991, the court stopped a U.K. violation of the E.C.'s Single European Act and further confirmed that E.C. law must take precedence over domestic law in the event of an actual or possible clash between the two. (The violation cost the U.K. 100 million pounds in all.) In Marshall 1986, the court ruled that making women retire before men violated the E.C.'s Equal Treatment Directive. In Foster 1991, the court

a completely separate jurisdiction, namely the European Court of Human Rights in Strasbourg; in P v S and Cornwall County Council 1996, the ECJ explicitly followed the Strasbourg Court in ruling that sacking an employee who had had a sex-change operation violated the Equal Treatment Directive.

In other areas of public policy and anti-discrimination law, the U.K. in particular will be substantially affected by enforceable E.U. law; among the issues involved are rights to parental leave, and job-security for pregnant women. In addition, the E.U.'s Treaty of Amsterdam 1997 extends the E.U.'s commitment to unanimous action against a range of forms of discrimination, against the misuse of the colossal amount of personal data held by E.U. institutions, and to cooperation in environment protection and related issues.

Of course complaints are made that the European Court of Justice is part of the development of a European superstate, but the Court has at times taken care to protect regional identities against the homogenising pressures of the free market. In the case of Bollinger 1974, the Court ruled that the term "champagne" could be applied only to sparkling wines grown in the Champagne region of France. All

THE HINDU

30 MAR 2001



An angry farmer taunts police officers during a demonstration in Brussels on Monday. Farmers blocked roads into the capital on Monday in an effort to disrupt a meeting of E.U. Agriculture Ministers. — AP

E.U. Ministers meet amid protests

By Batuk Gathani

BRUSSELS, FEB. 27. As the 15 European Union Agriculture Ministers have gathered here to chalk out a plan of containing the impact of the British 'foot and mouth' and 'mad cow' diseases, which may now be spreading across Europe, hundreds of Belgian farmers with their tractors blocked major roads in central Brussels.

Since Monday, European authorities have been concerned that the disease affecting the British livestock could spread to Europe. In Britain, it has taken a ghastly toll of many farmers' livestock inventory, as authorities have destroyed livestock and burnt the carcasses. The same could happen in Europe if the spread is not immediately contained.

Britain has recently exported some 47,000 lambs to France. According to observers, these are for sale to France's large Muslim community for ritual slaughter during the 'Id' festivity next month.

In Britain, authorities have acted instantly by placing special veterinary inspectors at slaughter houses. The elimination of livestock in areas where the 'foot and mouth' disease has been either suspected or detected has commenced in earnest. This is a highly contagious viral disease that can be even carried by the wind and hence authorities are suspecting that it may spread from Southern England to Europe. It mainly affects cloven-hoofed ani-

mals — pigs, cattle and even horses. In Holland and Germany, some livestock slaughter has already begun as the WHO experts say the disease can spread like 'bush fire'. The impact is highly unpredictable. During the last break out in Britain, some half a million animals were destroyed. The European authorities are making sure that there is no such repeat on the continent.

The European Commission is working on allocation of an urgent aid of some 200 millions euros to immediately compensate the affected farms. According to European officials, the final compensation amount may be four times more. The European farmers are seen facing financial ruin because of the recent 'mad cow' disease and the widely suspected slow advent of the other.

A spokesman of the protesting Belgian farmers said the crises had reached 'seismic proportion'. Afflicted animals suffer from blisters, fever and loss of appetite. The disease is common in Third World countries and there are seven separate virus types that trigger it among livestock.

In January, Germany's centre-left government of the Chancellor, Mr. Gerhard Schroeder, suffered a major political setback when two prominent Cabinet Ministers - Anrea Fischer of Health and Karl-Heinz Funke of Agriculture — resigned amid persistent allegations that they 'mishandled' the problem of the mad cow which triggered a national alarm over the beef crisis.

THE HINDU

28 FEB 2001

Nato chief wants to forge new ties with Russia

Ron Popeski

Moscow, February 20

NATO SECRETARY-GENERAL George Robertson began talks with top Russian officials today to build a "crisis-resistant relationship" between the alliance and Moscow.

The talks, which started with a meeting with Defence Minister Igor Sergeev, are likely to focus on rival concepts of anti-missile shields advocated by the new US administration and Russia and Nato's plans to expand eastwards.

Russia believes the US National Missile Defence (NMD) scheme, set to protect the US from potential missile attacks from "rogue states", could trigger a new arms race and is planning to present its own concept of "non-strategic" defence.

Moscow also opposes Nato's plans to grant membership to its Cold War allies in Eastern Europe and possibly to the Baltic states of Latvia, Lithuania and Estonia, which once were part of the Soviet Union.

However, most political and military analysts in Russia say that Russia, which has lost much of its former military might and faces serious economic problems, will have to compromise on both issues.

"I think we can do a lot together," Leonid Ivashov, head of the Defence Ministry's foreign relations department, told Robertson before the meeting with Sergeev. Robertson is to meet President Vladimir Putin, Foreign Minister Igor Ivanov and leaders of Parliament, where anti-Nato sentiment is especially strong.

The visit culminates with the reopening of a Nato information centre, shut down when relations between Moscow and the alliance ruptured over the air campaign against Yugoslavia in 1999. Robertson said on his arrival in Moscow last night that he was willing to hear Putin's proposals on anti-missile defences.

"Nato and Russia together are building a crisis-resistant relationship that will allow us to deal with the tricky issues as well as the common issues at stake in the world today," he said. Robertson said he had brought "a package of confidence and security building measures on nuclear issues and I look forward to receiving the Russian proposals on missile defence".

Robertson praised the centre to be reopened as "a symbol of growing understanding and

engagement between Nato and Russia". His visit follows a week of diplomacy and military action which have sharpened the debate on NMD.

A Russian general said last week that Moscow's theatre defence plan for Europe with a mobile anti-missile force may be presented to Robertson.

A US Congressional delegation, led by Curt Weldon, a Republican from Pennsylvania, was also in Moscow to discuss arms issues. Itar-Tass news agency quoted Weldon as saying he had brought a proposal from US President George W. Bush for joint development of a missile defence system.

Moscow acknowledges US concerns of a missile threat from Iran, Iraq or North Korea, but says NMD is aimed at itself. Russian officials have discounted Ger-

man suggestions that Moscow was mellowing its opposition to the US system and Washington's European allies remain sceptical. Russia at the same time sent warplanes on exercises near its borders with Japan and Norway and test-fired three strategic missiles.

With Russian Foreign Minister Igor Ivanov meeting US Secretary of State Colin Powell in Egypt this week, Russian patience has worn thin at US accusations that Moscow is spreading missile technology.

Before his arrival, Robertson said he would assure Russia that it had nothing to fear from new Nato expansion. Moscow is particularly concerned ex-Soviet republics, like the Baltic states and Georgia, may be invited to join in future.

Reuters

THE HINDUSTAN TIMES

21 FEB 2001

Putin asks NATO chief to consider Russia's plan

10-16
M/P
MOSCOW, FEB. 20. The Russian President, Mr. Vladimir Putin, on Tuesday pressed the NATO Secretary-General, Mr. George Robertson, to give serious consideration to Moscow's European missile defence proposal, and said NATO's eastward expansion was one of Russia's top concerns.

"We have noticed your statement that the alliance does not view Russia as an adversary. We welcome this statement and appreciate it," Mr. Putin told Mr. Robertson in a Kremlin meeting. "But the expansion of the defensive union to the borders of Russia cannot be explained by anything else than a (perceived) threat from Russia."

The Baltic states of Lithuania, Latvia and Estonia very much want to join the Western alliance, but NATO as a whole has made no firm commitment. Their membership would allow NATO jets to reach vital sites in western Russia within minutes.

Mr. Robertson said, "An open-door policy to NATO membership in no way threatens Russia, because we do not see Russia as an adversary but a partner... in Europe and in the Euro-Atlantic area."

The Defence Minister, Mr. Igor Sergeev, presented Mr. Robertson with Russia's official proposals on a possible joint European missile defence, Moscow's answer to the U.S. plan to construct its own limited missile defence



The NATO Secretary-General, Mr. George Robertson (left) and the Russian President, Mr. Vladimir Putin, shake hands during their meeting at the Kremlin in Moscow on Tuesday. — AP

shield to protect against possible attacks by such countries as North Korea.

If an expert commission decides that Europe is vulnerable to missile strikes and the threat cannot be combatted militarily, then the proposal calls for creation of mobile anti-missile units, Defence Ministry officials said.

"These elements will be mobile and will be deployed in the directions of the greatest risk of mis-

siles to cover the most important objects," the Interfax news agency quoted a top Defence Ministry official, Col. Gen. Leonid Ivashov, as saying.

Mr. Putin said once NATO specialists had studied Moscow's proposals, Russian experts could travel to NATO headquarters in Brussels to press their case with the alliance and with the European public. — AP

THE HINDU

21 FEB 2001

BIMSTEC to explore free trade arrangements

By Amit Baruah

HD-12
1772

YANGON, FEB. 16. The third BIMSTEC Trade/Economic Ministers meeting has referred to the "need for exploring the possibility of a free trade arrangement" between Bangladesh, India, Myanmar, Sri Lanka and Thailand that make up the economic cooperation grouping launched in June 1997.

A joint statement issued at the end of the meeting yesterday said: "The Ministers noted the importance of trading within the group, as well as, amongst Asian nations in accordance with the rules of the multilateral trading system."

"The Ministers agreed to set up an expert group consisting of officials, academia and private sector to study approach and modalities and make recommendations to the next meeting (to be held in Colombo in February next)."

Officials familiar with BIMSTEC said that in the initial stages, a preferential trading arrangement was likely which could then lead to a free trade area. In the immediate term, BIMSTEC countries would be looking to harmonise their customs regulations.

The Ministers also examined how to approach the preferential trade arrangement — whether by using negative or positive list of goods to be indicated by each country. This issue is to be discussed further, they said. The BIMSTEC was in its early stages, but the organisation had enormous potential. Its members are said to be keen in taking the process of cooperation further in this Bay of Bengal grouping.

According to the statement, the Ministers also agreed that "member countries have one voice in sending the message of commitment to integration in international fora".

"The Ministers shared the view that BIMSTEC should have a coordinated position to the extent possible and form a common position in international trade related fora, such as the World Trade Organisation (WTO). Developing countries should be

proactive and formulate initiatives, rather than be reactive to proposals put forward by developed countries."

"They agreed on the need for a balanced agenda and for the interests of developing countries to be taken into account in future WTO negotiations. The commitments made so far for the integration of LDCs (least developed countries) in the global trading system should be addressed adequately," it added. The statement referred to BIMSTEC Ministers as agreeing that trade liberalisation measures be considered together with trade facilitation measures. "To begin with, the Ministers concentrated on short-term deliverables such as customs matters, standards and conformity, and establishment of customs experts group."

The Ministers took note of the request by Nepal to become a permanent member of BIMSTEC and the issue of setting up a permanent secretariat for the grouping. Nepal, which has been participating as an observer, will become eligible for membership in 2002 when a five-year moratorium on new members expires. The Indian delegation was led by the Minister of State for Commerce, Mr. Omar Abdullah.

Berthing curbs in Kandla port

MUMBAI, FEB. 16. The Kandla Port Trust (KPT) has imposed berthing restrictions with immediate effect to ensure safety of its berths, damaged due to the devastating earthquake of January 26 in Gujarat.

The restrictions were being imposed at the cargo berth number one to six, which had developed circular cracks, KPT said in a release here.

"If the velocity exceeds 60 km an hour, berthing and working restrictions will be imposed and the vessels camping at the respective berths will be removed," KPT said. — PTI

THE HINDU

17 FEB 2001

Europe and the U.S.

By Arvind Sivaramakrishnan

110-12
1072

THE AMERICAN professor exploded with anger. Europe makes no waves! His voice echoed round his quiet house in a comfortable English suburb. This professor is no compliant academic puppet of any defence or military establishment, but instead a scholar of the humanities and fine arts; he has spent all 30 years of his working life in western Europe, has been married twice — to European women, and speaks at least two Continental European languages effortlessly well. Yet on this issue he thinks the same as any number of American politicians and military personnel.

They have a point. The post-war western European diffidence, even timidity, in international affairs is very striking, given that Great Britain and France were, in recent times, the greatest imperial powers in history, and that Germany, in a previous avatar, embarked upon no less than a programme of racially-motivated world domination, and before it was stopped carried out the greatest programme of genocide the world has ever seen. (This diffidence, as tens of millions in the third world have painfully discovered, does not extend to matters cultural, but that is another issue.) The reasons for post-war European political diffidence may not be far to seek. Britain and France have retreated, at times with great speed and sometimes in headlong flight, from their empires. Germany, bound by the terms of surrender, has a constitution which before its recent amendment did not even allow German troops to participate in U.N. operations.

And above all, post-war western Europe has relied almost totally upon the United States for its military protection. Faced at the end of the war with a new superpower, an apparently implacable ideological and military enemy, to the east, the Governments of western Europe have stayed firmly under the military umbrella of their enormously wealthy and ideologically heavily-committed ally, the U.S., which having been persuaded to police the non-communist world found itself landed with an unenviable reputation for propping up large numbers of vicious regimes. One senior Indian diplomat once went so far as to see the apartheid South African state as no more than an incidental beneficiary of this U.S. role.

The western European states have, inevitably, paid a price in American contempt, interference, and even near-abandonment. In the early 1970s, the German Chancellor, Willy Brandt's attempts at *Ostpolitik* to reduce tension with the Warsaw Pact were roundly abused and seen with deep suspicion in the U.S., which fact may well have contributed to Brandt's own downfall shortly thereafter. In the mid-1980s, the United Kingdom, which has been called a poodle by some American newspapers, immediately obeyed Washington's orders to ban trade unions from the U.K. communications headquarters in western England, despite the fact that most of the staff involved had been union members since the end of the war 40 years earlier. (Today, such a ban would breach the European Convention on Human Rights, which creates a right to trade

sensationalism in the western press, made far-reaching bilateral agreements with the Soviet Union and its allies. In 1969, the Federal Republic of Germany signed a 20-year contract with the USSR for natural gas in return for credit worth \$ 160 millions. Also in 1969, the U.K. signed a 10-year scientific and trade deal with the Soviet Union; both agreements were renewed in 1979 and 1989 respectively, despite the open hostility of both those European Governments to the Soviet occupation of Afghanistan. (That the Afghan occupation and war kept a substantial part of the Soviet military machine heavily and embarrassingly engaged thousands of miles away from Europe was a bonus the European states did not hasten to publicise.) In 1978, no less a dictator than Nicolae Ceausescu of Romania was awarded an honorary knighthood during a visit to the U.K. In

The European Union-United States relationship continues to be riddled with contradictions and tensions.

union membership.) In 1986, dissenting British opinion called the U.K. an aircraft carrier for the U.S., which of its own accord had launched attacks on Libya from some of its 140 military bases in the U.K.

In 1987, immediately after the then Soviet President, Mr. Mikhail Gorbachev's one-to-one meeting with the then U.S. President, Mr. Ronald Reagan, in a forest cottage in Iceland, the Western European Union, the European members of NATO, held a little publicised and panicky meeting; one official said publicly that they had to decide what to do if Reagan, who by then wanted to be seen as a peacemaker, had given away European security. At that time, the former CIA director, Stansfield Turner, said, live on the main British radio news, that the U.S. would not go to war for Europe.

The message for Europe could not have been clearer; further, western Europe, unlike the U.S., has had borders with the European communist states, and, also unlike the U.S., has known on its own soil the horrors of modern mass warfare. All the western European states, irrespective of their public stances and equally irrespective of what even some of their own diplomats abroad privately called mindless

1983, at the height of western fury over the Soviet shooting down of a Korean airliner over the Sea of Japan, a Soviet trade delegation to the U.K. was welcomed by a Cabinet Minister, and left with a deal worth £ 1.8 billions.

The European diffidence could not be sustained indefinitely, and the contradictions began to emerge in the early 1990s. German recognition of Croatia in 1991 provoked nothing less than genocide in Yugoslavia. Live TV coverage of the war in Vietnam had been one thing, but live coverage of renewed genocide in Europe about which the European Governments did nothing, largely for fear of upsetting the Russian Government, was quite another. Long delays and the slaughter of countless thousands of civilians ensued while the European Governments tried to persuade their transatlantic mentor to get involved. In Bosnia, only U.S. aircraft flew combat missions. Meanwhile, European political inaction received severe public criticism right across the continent. In the Kosovo crisis, British and U.S. aircraft flew missions, but both Governments were so fearful of casualties that the bombing from 15,000 feet was hopelessly inaccurate and caused Serb civilian deaths. (Meanwhile

the European public was asking why the U.N. was not given a decisive mandate to intervene.)

The U.S.' own attitude was also changing; an intensely partisan and isolationist Congress refuses to ratify the Comprehensive Test Ban Treaty, and has only recently authorised the part-payment of U.S. arrears to the U.N. Severe trade tensions with certain European Union states have emerged in the form of U.S. embargos on a wide range of goods; the alleged western commitment to free markets apparently counts for nothing. Yet certain European attempts to walk unaided have been sharply rebuked by Washington. The British Prime Minister, Mr. Tony Blair, was told very firmly by the then U.S. President, Mr. Bill Clinton, that he should not intervene in the Middle East; he promptly went silent.

Another source of tension, and even extreme suspicion, lies in the very different social understandings that obtain in the U.S. and western Europe respectively. Western European attitudes to public services, especially health, to taxation, and to trade union membership and participation, have led even some moderate American commentators to regard them as quasi-communists. Therefore, the recent announcement of a European Union Rapid Reaction Force is hardly a surprise. Inevitably, British anti-Europeanists have called the force an abdication of British sovereignty and a weakening of NATO; the British Government's protestations that it would only undertake low-level duties such as delivering relief supplies cut no ice with either the anti-Europeanists or most of the British print media. The inconvenient facts are, however, that the U.S. Government is very much in favour of the idea, and that at least in the U.K. the proposal was first put forward in 1985 by Margaret Thatcher.

The E.U.-U.S. relationship, then, continues to be riddled with contradictions and tensions. In addition, the E.U. is will almost certainly find that becoming, in the words of one of its leaders, a superpower, will entail some very awkward responsibilities indeed.

(The writer is Lecturer in Politics and Law at Taunton College, Southampton)

THE HINDU

1 0 FEB 2001

Future of NATO in question

By Batuk Gathani

BRUSSELS, FEB. 8. The Munich visit of the U.S. Defence Secretary, Mr Donald Rumsfeld, paves the way for a new Euro-American defence debate.

The European Union has reacted cautiously to the U.S. plans for a national missile defence system. The security conference held in Munich last weekend shows that it may take some time for the U.S. and Europe to agree on a new plan for security. Mr. Rumsfeld made it clear to the E.U. and NATO countries that the U.S. was determined to move ahead with the President, Mr. George Bush's controversial missile defence plan. In European and Asian capitals, this plan is considered as the first major American initiative to protect the U.S. armed forces not only in Europe but in regions like South Korea, in the Far East and in West Asia from missile attacks by the so-called rogue States — North Korea, Iran and Iraq.

The Munich conference on security policy was attended by Defence Ministers and also defence specialists. Russia and China have threatened to build more weapons if the U.S. goes ahead with its plan. Mr. Rumsfeld said the U.S. would not be dissuaded by existing non-proliferation treaties or European concerns about the missile defence programme. The Europeans have also expressed concern about the planned reduction of U.S. troops from the Balkan region. The Bush administration has said the U.S. needed to rethink its policy of troop deployment in NATO-led peacekeeping missions in the Balkans. But Mr. Rumsfeld reassured U.S. allies that the U.S. would not act "unilaterally" and would consult NATO on troop deployment in the Balkan region.

The proposed NMD system may take a decade or more to be implemented. A senior European official was quoted as saying that though the U.S. had belatedly taken note of the concern of its allies "neither Europe nor Russia has any real leverage to stop the U.S." The Greek Defence Minister called the U.S. plan a one-sided decision and warned that if handled badly it could antagonise Russia and China. The German Foreign Minister, Mr. Joschka Fischer urged the U.S. not to endanger existing nuclear agreements with Russia and added that the size and importance of Russia must be considered while shaping European security.

The U.S. have also expressed reservations about the E.U.'s proposed launch of a 60,000 strong military force. This has highlighted the difference of defence perceptions between the U.S. and Europe. The U.S. feels that the creation of a European force may undermine the NATO alliance. Eleven of the E.U.'s 15-member States are also members of NATO but six other European NATO allies are not members of the E.U. Turkey, which is a founding member of the old NATO alliance, has objected to the creation of an independent European force as it will have no say in it not being a member of the E.U.

New York Times warned in an article: "The incoming Bush administration risks making an early mistake if it rushes to build a national missile defence. A hasty move in this area could quickly deplete the goodwill generally accorded to new President by foreign leaders, especially those of Russia, China and Washington's main European allies...Mr. Bush should instead expand research and testing to determine what kind of defensive shield can best meet America's security needs against the future threat of nuclear missile attack from unpredictable nations like North Korea, Iraq and Iran."

Over a decade ago, central Europe was the most militarised region in the world guarded by the Western NATO military in the west and the then Soviet Union-led Warsaw Pact military alliance in the east. The debate at the height of the Cold War was who would attack first. All that is now history after the ignominious collapse of communist rule in eastern Europe and the demise of the Soviet Union in December 1989.

THE HINDU

- 9 FEB 2001

HD-19

Goh calls for strengthening ASEAN

By Amit Baruah 3/1

SINGAPORE, JAN. 2. The current situation in South-East Asia presents Singapore with "a difficult external challenge", the Prime Minister, Mr. Goh Chok Tong, said in his New Year message.

"Investors and analysts have a negative image of the region. This perception has also affected Singapore," Mr. Goh said.

"To overcome this problem, we should work closely with ASEAN countries to get ASEAN going again. The core ASEAN membership rests on a strong foundation



built up over several decades. Given time and political will ASEAN can overcome its current difficulties. Together, ASEAN can convince investors that opportunities still exist in South-East Asia," Mr. Goh stated.

The Prime Minister also announced that Singapore's economy grew by 10.1 per cent in 2000, well above the projections at the beginning of the year.

Referring to prospects for 2001, Mr. Goh said according to the Ministry of Trade and Industry, Singapore's economy would grow a moderate five to seven per cent in the current financial year. However, we will "have to watch closely how these events unfold", the Prime Minister added. "The strong economic growth has benefited most Singaporeans. Many jobs have been created. Fewer workers are being retrenched, although older workers are still taking longer to find new jobs..." he said.

According to Mr. Goh, "Globalisation and the knowledge economy hold great promise for Singapore. Our young must work hard to master IT, while our old should learn how to use it for at least simple functions. We must avoid being left behind by the digital revolution... we will work together to carry all Singaporeans with us, as we enter the knowledge economy".

In what appeared to be a response to Indonesia and the recent remarks by its President, Mr. Abdurrahman Wahid, Mr. Goh said: "Relations with our neighbours are not always as smooth as we would wish. We will do our part to improve and strengthen ties."

"Now, several of our neighbours are in political transition. We will continue to develop our relations with them, on the basis of equality. We should render assistance within our resources and abilities. But when necessary, we will have to stand our ground quietly, to establish the principle of mutual respect," the Prime Minister said.