THE WEEK IN REVIEW

May 05-11, 5(2), 2008

CONTENTS

•	COUNTRY REVIEW3
•	POK REVIEW10
•	INTERNAL SECURITY REVIEW11
•	NUCLEAR REVIEW12
•	ENERGY SECURITY REVIEW15

EDITOR: S. SAMUEL C. RAJIV

REVIEW ADVISOR: S. KALYANARAMAN

CONTRIBUTORS

MEDHA BISHT – Nepal, Sri Lanka, Bhutan
JAGANNATH PANDA – China, Japan
S. SAMUEL C. RAJIV – Iraq, Afghanistan
M. AMARJEET SINGH – Internal Security Review
GUNJAN SINGH – Bangladesh, Myanmar,
Maldives

PRIYADARSHINI SINGH – Energy Security Review, US Election Review

PRIYANKA SINGH – Pakistan, PoK Review ARUN VISHWANATHAN – Nuclear Review (INDIAN PUGWASH SOCIETY)



INSTITUTE FOR DEFENCE STUDIES AND ANALYSES, 1, DEVELOPMENT ENCLAVE, RAO TULA RAM MARG, NEW DELHI - 110010

IN THE CURRENT ISSUE

CONTENTS 1. COUNTRY REVIEW	HIGHLIGHTS	PAGE 3-10
Iraq	US: Hezbollah training Iraqis in a camp near Tehran; Truce reached between Baghdad and Sadr militias; Balckwater's contract renewed year	
China	Hu visits Japan; Su Chi appointed as Secretary General of Kuomintang government	
Myanmar	Over 100,000 killed in Cyclone Nargis; US pledges \$3 m in aid	
US Election Review	End of the Democratic nomination nears as Obama registers a decisive win in the North Carolina primary, while Clinton edges past Obama in Indiana; More super delegates pledge to Obama; McCain targets Obama	
SOUTH ASIA		6-10
Afghanistan	Al Qaeda blamed for attempt on life of Karzai; Afghan Intelligence Chief calls for pressure to be put on Pakistan's tribal areas	
Pakistan	Continued predicament over restoration of judiciary; Senate demands revision of pro-US policy	
Nepal	Prachanda calls on the SPA to respect the mandate of the people; NC not to join the government; Controversy over selection of PR candidates	
Bhutan	Bhutanese refugees resettlement progressing; King Wangchuk calls for	
Bangladesh	moving towards a vibrant democracy EC: Elections to be held in December 2008; AL not to take part in elections	
Sri Lanka	if Sheikh Hasina not released 20,000 security personnel deployed for provincial elections; Colombo calls	
Maldives	on international community to curb activities of LTTE- front organisations Final draft of the new constitution agreed upon	
II. POK REVIEW	Demand for self rule in Gilgit-Baltistan; Gilgit Baltistan Democratic Alliance (GBDA) criticizes the Karachi Agreement; Leaders from J&K and POK meet in New Delhi	10-11
11I, Internal		11-12
SECURITY REVIEW		11 12
Jammu and Kashmir	Five hostages rescued in J&K BSF foils infiltration attempt	
Northeast	Twelve Dimasa militants killed in Assam; Manipur Government recruits	
Other Developments	300 Special Police Officers Political activists quit over Maoists Threat	
1V. NUCLEAR		12-14
REVIEW India	UPA-Left committee meeting on nuclear deal inconclusive; France ready to	
nau	sign nuclear cooperation agreement with India; India tests Agni-III	
Iran	Iran to present a new package to the international community	
North Korea	Pyongyang hands over 18,000 pages of nuclear documents to the US	
Pakistan	Pakistan successfully tests Hatf-VIII air launched cruise missile; Bhutto carried nuclear secrets to and from Pyongyang during official visits	
V. ENERGY		15-16
SECURITY REVIEW		
US on Rising Oil Prices	US blames India and China for rise in oil prices	
Natural Gas	Bids for Akkas oil field postponed, lack of security cited as main reason	
Energy Security	The Consumers First Energy Act introduced in US Congress by Democrats	

1. COUNTRY REVIEW

IRAQ

• US: Hezbollah training Iraqis in a camp near Tehran; Truce reached between Baghdad and Sadr militias, supposedly brokered by Iran; Balckwater's contract renewed for another year

Meek after an Iraqi parliamentary delegation went to Tehran to urge authorities to cease their alleged support to insurgents inside Iraq, *The New York Times* citing American officials reported that the Lebanese militant group, the Hezbollah was training Iraqis in a camp near Tehran. Iran on its part has consistently denied such allegations. Iraqi government spokesperson Ali al-Dabbagh meanwhile called on Iran to keep its commitments to play a positive role. Iran also announced that it was suspending its talks with the US on Iraqi security due to the continued American and Iraqi actions in Sadr City. However, Tehran did help to broker a ceasefire deal with the Sadr militias late in the week to end more than a month of fighting which claimed several hundred lives. ²

Meanwhile, the wife of Iraq's President Jalal Talabani escaped unhurt in a roadside bomb attack in the Karadi neighbourhood of Baghdad on May 4. The US military also reported that 4 marines were killed in Anbar province in the previous week in a roadside bomb attack. Reports noted that this was the deadliest attack on US forces in the province which had experienced relative calm over the past few months.³

In other developments, reports noted that the contract of the controversial private security firm Blackwater had been renewed for another year by the US State Department. The firm had been under a cloud since the September 2007 shooting at a Baghdad intersection which left 17 Iraqis dead. Over 800 guards of Blackwater provide security to diplomatic personnel working for the US State Department in Baghdad.⁴

CHINA

• Hu visits Japan; PLA Assistant Chief: Regional governments should join hands to meet common challenges; Su Chi appointed as Secretary General of Kuomintang government

Chinese President Hu Jintao visited Japan during the week. Chinese Foreign Minister Yang Jiechi note that Mr. Hu's tour had opened up new prospects for the development of strategic relations between the two countries. The two sides issued a six-point statement to promote strategic and mutually beneficial

¹ "Hezbollah Trains Iraqis in Iran, Officials Say," *The New York Times*, May 5, 2008, at http://www.nytimes.com/2008/05/05/world/middleeast/05iran.html?ref=todayspaper

² "Sadrists and Iraqi Government Reach Truce Deal," *The New York Times*, May 11, 2008, at http://www.nytimes.com/2008/05/11/world/middleeast/11iraq.html?ref=todayspaper

³ "Iraqi President's Wife Not Hurt by a Roadside Bomb," *The New York Times*, May 5, 2008, at http://www.nytimes.com/2008/05/world/middleeast/05iraq.html?ref=todayspaper

⁴ "Iraq Contractor in Shooting Case Makes Comeback," *The New York Times*, May 10, 2008, at http://www.nytimes.com/2008/05/10/world/middleeast/10blackwater.html?ref=todayspaper

relations. These included consolidating political foundation of bilateral ties, promoting strategic mutual trust, building an overall framework for a long-term, healthy and stable development of China-Japan ties and deepening bilateral strategic and mutually beneficial relations.⁵

In other developments, Chen Xiaogong, Assistant Chief of General Staff of the PLA, addressing senior officials from the 27-member ASEAN Regional Forum (ARF), expressed the hope that all regional government and defense establishments in the region would join hands to meet the regional security challenges and promote common security. Chen stressed that due to the complex and changing regional and international situation, all defense establishments and militaries had to share the common tasks of maintaining peace and stability.6

Reports noted that Beijing was on the verge of initiating a project to transmit thermal power resources from the country's northwest to the Tibet Autonomous Region in the southwest to boost the local economy. Sources indicated that the 1,100-km long electricity transmission line would start from Golmund in Qinghai Province to Lhasa, the capital of Tibet.⁷

In Taiwan political developments, Su Chi, a Tamkang University professor who once served as Taiwan's top China policy coordinator was nominated to serve as secretary general of the incoming Kuomintang government. During Ma's election campaign, Su was a key strategist, particularly in international and cross-straits affairs.8

MYANMAR

Over 100,000 killed in Cyclone Nargis; US pledges \$3 m in aid

In spite of the protests from the opposition and the difficulties being faced after cyclone Nargis hit Myanmar, the military junta went ahead and conducted the referendum on May 10.9 Reports noted that the cyclone might have killed over 100,000 people. Among others, the United States, China, India, Russia, Bangladesh, Canada and Australia sent immediate aid. The US on its part promised an aid of \$3 million while other countries urged the authorities to wave the visa restrictions in order to enable the aid workers to move into the country.¹⁰

6 "China calls for strengthening regional security cooperation," People's Daily, May 8, 2008, at http://english.people.com.cn/90001/90776/90883/6406933.html

⁷ "China to build Qinghai-Tibet electricity transmission line," People's Daily, May 10, 2008, at http://english.people.com.cn/90001/90776/6408146.html

"Constitutional referendum ends Myanmar," Xinhua, Mav 10. 2008, at http://mathaba.net/news/?x=591852

⁵ "FM: President's 'warm spring' visit to Japan a complete success," People's Daily, May 11, 2008, at http://english.people.com.cn/90001/90776/6408193.html

^{8 &}quot;Incoming National Security Council line-up announced," Central News Agency, May 11, 2008, at http://www.cna.com.tw/cnaeng/EnglishTopNews/TopNewsDetail.aspx?TopNewsSerialnum=1046&str TopNewsDate=20080511&strTopNewsID=200805110020

^{10 &}quot;US offers three million dollars in aid for Myanmar," Associated Foreign Press, May 6, 2008, at http://afp.google.com/article/ALeqM5hIm7p84dFBUFNVy5JQuNIL90lPzQ; "Myanmar's government over comes under pressure aid," Euro News, 2008, http://www.euronews.net/index.php?page=info&article=485453&lng=1

US ELECTION REVIEW

• End of the Democratic nomination nears as Obama registers a decisive win in the North Carolina primary, while Clinton edges past Obama in Indiana; More super delegates pledge to Obama; McCain targets Obama

The end of Democratic nomination race finally appears closer now. Though Senator Hilary Clinton won the Indiana primary, it was only by a small margin. On the other hand, Senator Obama took the North Carolina and Guam Primaries by decisive margins. The results from the two primaries, the largest remaining Democratic ones, have given Mr. Obama the lead in both pledged democrats and popular votes providing him with new ammunition as he seeks to persuade Democratic leaders to coalesce around his campaign¹¹. This win for Mr. Obama has been crucial as he has been able to prove that he can face up to questions about race, patriotism, economy and political mettle - issues that the Clinton campaign had suggested would leave him vulnerable in the general election.¹²

Other factors also pointed towards the impending end of Mrs. Clinton's candidacy. More super delegates were moving towards the Obama campaign with his staff announcing the support of four new super delegates - Jerry Meek, chairman of the North Carolina Democratic Party; Jeanette Council, a member of the Democratic National Committee from North Carolina; Inola Henry, a member of the national committee from California; and Jennifer McClellan of the Virginia House of Delegates. McClellan had switched from the Clinton camp.

Even as political pressure on Clinton to withdraw was growing, she announced that she was going to start campaigning for the upcoming primary in West Virginia. Bad news for her however continued with former Senator George McGovern of South Dakota, the 1972 Democratic nominee, a widely known supporter of Mrs. Clinton, announcing on May 7 that he would endorse Obama . McGovern also called on Clinton to drop out as he believed it would be mathematically impossible for her to win the nomination 13.

Faced with an increasingly difficult situation, reports noted a more conciliatory tone in Mrs. Clinton's speeches. She shied away from the more spirited attacks that she earlier made on Mr. Obama and instead engaged him more gently on issues while concurrently aiming her fire on Sen. McCain. McCain on his part started targeting Obama and charged that the Illinois Senator

http://www.nytimes.com/2008/05/07/us/politics/07elect.html?_r=1&th&emc=th&oref=slogin

"Clinton's Options seem to dwindle," New York Times, May 7, 2008, at, http://www.nytimes.com/2008/05/07/us/politics/07assess.html?th&emc=th

¹¹ Jeff Jeleney, "Obama Wins North Carolina Decisively; Clinton Takes Indiana by Slim Margin," New York Times, May 7, 2008, at,

¹³ Patrick Healy and Jeff Zeleny, "Support for Clinton Wanes as Obama Sees Finish Line," May 8, 2008, at http://www.nytimes.com/2008/05/08/us/politics/08campaign.html?th&emc=th

was a favorite of Hamas and that he would also be friendly with Iran, another Hamas ally, for having favoured negotiations with that country.¹⁴

SOUTH ASIA AFGHANISTAN

• Al Qaeda blamed for attempt on life of Karzai; Afghan Intelligence Chief calls for pressure to be put on Pakistan's tribal areas

Afghanistan's Defence Minister Abdul Rahim Wardak on May 4 told reporters that a police captain and an Army officer involved in the attempt on the life of President Hamid Karzai were arrested. The intelligence chief Amrullah Saleh had earlier blamed the Al Qaeda for carrying out the attack. Mr. Saleh also called for more pressure to be put on terrorist bases in the tribal areas of Pakistan, where, he noted, the suspects received training and finances. 15

In other developments, even as US forces detained 13 suspected militants during a raid in Paktia province on May 6, 2 NATO soldiers were killed in the Sabari district of Khost province on May 7 in an explosion. Another NATO soldier was killed in an operation near the Pakistani border on May 9.

PAKISTAN

• Continued predicament over restoration of judiciary; Parliament to determine the working relationship between the government and President; Senate demands revision of pro-US policy

The stalemate over the restoration of the judiciary continued even though the leaders of the coalition government reportedly met in London on May 9 to resolve the issue.¹⁷ Soon after the meeting, Nawaz Sharif asserted that if the Bhurban Declaration on reinstating the judiciary was not abided, his party would withdraw support to the government.¹⁸ Earlier, a legal committee comprising of members of both the PPP and the PML-N finalized a draft resolution on reinstatement of judges in Islamabad on May 7.¹⁹ Reports indicated that due to the current impasse over the issue, the May 12 deadline was not likely to be met.

Prime Minister Gillani meanwhile stated that the nature of the working relationship with the Presidency would be decided by the Parliament in

.

¹⁴ Larry Rohtar, "Check Point: On McCain, Obama and a Hamas Link," New York Times, May 10, 2008, at http://www.nytimes.com/2008/05/10/us/politics/10mccain.html?th&emc=th

¹⁵ "Police and Army Officers Tied to Attempt on Karzai's Life," *The New York Times*, May 5, 2008, at http://www.nytimes.com/2008/05/05/world/asia/05afghan.html?ref=todayspaper

¹⁶ "2 NATO soldiers among 10 people killed in Afghanistan attacks," *International Herald Tribune*, May 7, 2008, at http://www.iht.com/articles/ap/2008/05/07/asia/AS-GEN-Afghan-Violence.php

¹⁷ "PPP, PML-N leaders in London to put their heads together; Pirzada says he is yet to receive resolution draft," *The News*, May 9, 2008, at http://thenews.jang.com.pk/top_story_detail.asp?Id=14574

¹⁸ M. Ziauddin, "Impasse threatens to break up coalition: Nawaz disappointed as last-ditch efforts being made," *Dawn*, May 11, 2008, at http://www.dawn.com/2008/05/11/top1.htm

¹⁹ Nasir Iqbal, "BACK TO SQUARE ONE: Breakthrough claimed, but ball again in court of Asif, Nawaz," *Dawn*, May 8, 2008, at http://www.dawn.com/2008/05/08/top1.htm

accordance with the constitutional norms.²⁰ The newly-elected senators on their part called for a change in Pakistan's pro-US policy, which they termed was a legacy of the preceding military government.²¹ Their call interestingly coincided with reports noting the Pentagon's decision to block aid to Pakistan for allegedly not using US funds optimally.²²

In developments in FATA, the government sought support from the tribal Jirga to negotiate the peace process. Accordingly, talks with the Taliban leader Baitulla Mehsud were held by the Jirga in Peshawar on May 8.²³ Troops from the South Waziristan Agency (SWA) were also withdrawn to facilitate the peace making process.²⁴

NEPAL

• Prachanda calls on the SPA to respect the mandate of the people; NC not to join the government; Controversy over selection of PR candidates

Maoist chairman Prachanda called on the Seven Party Alliance to respect the mandate of the people and warned of a revolt if his party failed to lead the new government.²⁵ He also refuted the idea of a one-party state, insisting that without competition, "a vibrant society could not be created."²⁶

The Maoists have also been upfront in declaring that the outgoing Prime Minister Mr. Kiorala would not be accepted as the President. Some sources indicated that he has been 'requested' by the Maoists to take the guardianship of the ruling alliance.²⁷

To complicate issues for the Maoists, Nepali Congress leaders have decided against joining the next government, stating that they would play the role of the opposition party. Lacking the popular mandate of the public to join the government has been cited as one of the main reasons for this decision.²⁸

The CPN-UML and the Nepali Congress meanwhile have been plagued by political disagreements over the selection of PR candidates. While a senior NC

²⁰ "Working ties with president to be decided by parliament," *Dawn*, May 5, 2008, at http://www.dawn.com/2008/05/05/top4.htm

²¹ Raja Asghar, "Call in Senate for change in pro-US foreign policy," *Dawn*, May 9, 2008, at http://www.dawn.com/2008/05/09/top2.htm

²² "Pentagon blocks Pak request for military aid," *The News*, May 8, 2008, at http://thenews.jang.com.pk/arc_default.asp

²³ Syed Irfan Raza, "Jirga help sought to restore Fata peace," *Dawn*, May 6, 2008, at http://www.dawn.com/2008/05/06/top7.htm

²⁴ Mushtaq Yusufzai, "Troops pulled out of SWA," *The News*, May 9, 2008, at http://thenews.jang.com.pk/top_story_detail.asp?Id=14576

²⁵ "Prachanda warns of revolt," *Nepal News*, May 9, 2008, at http://www.nepalnews.com/archive/2008/may/may09/news05.php

²⁶ "Nepal boosts global communism," BBC News, May 5, 2008, at http://news.bbc.co.uk/2/hi/south_asia/7382830.stm

²⁷ "We won't accept Koirala as President: Maoist leader," *Nepal News*, May 9, 2008, at http://www.nepalnews.com/archive/2008/may/may09/news16.php

[&]quot;NC Leaders Against Joining Next Govt," Nepal News, May 10, 2008, a http://www.thehimalayantimes.com/fullstory.asp?filename=aFanata0scqzpca4Wa1ra.axamal&folder=a HaoamW&Name=Home&sImageFileName=

leader resigned from the party due to intra-party wrangling over the issue, 14 central committee members of the CPN-UML also resigned citing ineffective leadership. They criticized as unfair the selection processes for the PR seats.²⁹

BHUTAN

 Bhutanese refugees resettlement progressing; King Wangchuk calls for moving towards a vibrant democracy

 ${\bf R}^{\rm eports}$ noted that the resettlement drive for Bhutanese refugees was progressing fast, with around 65 Bhutanese having made their way to the United States. 30

Meanwhile, in his first address to the parliament, the Bhutanese King Jigme Khesar Namgyal Wangchuk called for moving forward towards a vibrant democracy.³¹

In other developments, the Bhutan National Environmental Commission set standards for around one hundred and twenty industries in Bhutan to follow certain industrial emission standards. According to the deputy minister of the Commission, the industries not complying with the regulations would be "fined or shut down."³²

BANGLADESH

• EC: Elections to be held in December 2008; AL not to take part in elections if Sheikh Hasina not released; Pak PM: Islamabad keen on developing close relationship with Dhaka

Reports noted that the Election Commission reported to the High Court through an affidavit that elections would be held in December 2008, though the dates were not specified.³³ The Awami League on its part has declared that it will not take part in the upcoming parliamentary elections if Sheikh Hasina was not released.³⁴ The Left parties were also planning to file a petition against the EC for not inviting them for the electoral reform dialogue.³⁵

In other bilateral developments, the US State Department Coordinator for Counterterrorism, Amb Dell L. Dailey arrived in Dhaka on May 7, to discuss issues related to counterterrorism and US-Bangladesh cooperation on the global

²⁹ "Indecision mars meetings of NC, UML central bodies," *Nepal News*, May 10, 2008, at http://www.nepalnews.com/archive/2008/may/may10/news03.php

³⁰ "Bhutanese population in US goes up," Bhutan News Service, May 10, 2008, at http://www.apfanews.com/news/?id=393832

[&]quot;His Majesty's address at the first session of parliament," *Kuensen Online*, May 10, 2008, at http://www.kuenselonline.com/modules.php?name=News&file=article&sid=10367

[&]quot;Cleaning up Bhutan," Bhutan News Service, May 10, 2008, at http://www.kuenselonline.com/modules.php?name=News&file=article&sid=10364

³³ "EC skips specific date for polls, Informs HC through affidavit elections by Dec," *The Daily Star*, May 7, 2008, at http://www.thedailystar.net/story.php?nid=35399

³⁴ "AL won't take part in polls if Hasina not freed," *The Daily Star*, May 8, 2008, at http://www.thedailystar.net/story.php?nid=35552

³⁵ "Left parties to file writ petition against EC," *The Daily Star*, May 8, 2008, at http://www.thedailystar.net/story.php?nid=35560

war on terror.³⁶ Finland's Ministry of Foreign Affairs has also urged Bangladesh to remove tariff and non-tariff trade barriers in order to boost the volume of trade between the two countries.³⁷ On May 7, Pakistani Prime Minister Syed Yousaf Raza Gillani stated that his government was keen on developing a close cooperation with Bangladesh. This was conveyed to Foreign Adviser Iftekhar Ahmed Chowdhury, who met him in Islamabad.³⁸ Bangladesh and Oman also signed a MoU on two bilateral agreements relating to manpower and avoidance of double taxation on May 10 with the aim of increasing manpower exports to Oman and for augmenting bilateral trade.³⁹

SRI LANKA

 20,000 security personnel deployed to oversee provincial elections;
 Colombo calls on international community to curb the activities of LTTE front organisations

Even as the government deployed a 20,000 strong contingent of security personnel and 15,000 poll officers to oversee the provincial elections, 17 international poll observers arrived at the Eastern districts of Ampara, Batticaola and Trincomalee to monitor the elections in these regions. The National Peace Council has alleged that the campaigning for elections have been carried out under a security environment which was not conducive for free and fair elections.

The Sri Lankan government has also launched a tirade against the LTTE front organizations working internationally. Colombo's Permanent Representative to the United Nations linked the failure of the government to sustain peace to the continuing transfer of illicit arms to the rebels. He called on the international community to take action under international law and curb these activities.⁴² In a related development, the British police arrested four men for supporting LTTE cause under the British terrorism Act.⁴³ The LTTE on its part made an attempt to sink a cargo ship docked in the Trincomalee harbour

2

³⁶ "US coordinator for counterterrorism arrives today," *The Daily Star*, May 7, 2008, at http://www.thedailystar.net/story.php?nid=35418

³⁷ "Finland seeks removal of trade barriers with Bangladesh," *The Daily Star*, May 7, 2008, at http://www.thedailystar.net/story.php?nid=35365

³⁸ "Pakistan keen on close ties with Bangladesh: Gillani," *The Daily Star*, May 9, 2008, at http://www.thedailystar.net/story.php?nid=35680

³⁹ "Bangladesh signs MoU on manpower export with Oman," *The Daily Star*, May 11, 2008, at http://www.thedailystar.net/story.php?nid=35960

⁴⁰ "International monitors for Eastern Provincial polls arrive in Sri Lanka," *Colombo Page*, May 5, 2008, at http://www.colombopage.com/archive_08/May5113941CH.html

⁴¹ "Eastern election must not lead to further alienation says Sri Lanka's National Peace Council," *Colombo Page*, May 8, 2008, at http://www.colombopage.com/archive_08/May8172806SL.html

⁴² "Sri Lanka seeks international help to stop arms flow to rebels," *Colombo Page*, May 5, 2008, at http://www.colombopage.com/archive_08/May5115710CH.html

^{43 &}quot;Four Tiger suspects charged in UK," Daily News, May 9, 2008, at http://www.dailynews.lk/2008/05/09/sec01.asp

during the week. Also, 11 people were killed and 29 injured in a bomb explosion in Ampara district. 44

MALDIVES

• Final draft of the new constitution agreed upon

Maldivian Deputy Foreign Minster Abdullah Hameed stated that political parties and groups which participated in the Constituent Assembly had agreed to the final draft of the new constitution. The new constitution does not allow a member of parliament to be in the cabinet and it also prohibits the president to run for a third term after serving two four-year terms. Like in the US, the president's nominees for the cabinet posts have to be ratified by parliament. It also calls for freedom of religious practice.⁴⁵

II. PAKISTAN-OCUPIED KASHMIR REVIEW

 Demand for self rule in Gilgit-Baltistan; Gilgit Baltistan Democratic Alliance (GBDA) criticizes the Karachi Agreement; Leaders from J&K and POK meet in New Delhi

The Balwaristan National Front (BNF) put forth a three-fold demand for self-rule in the Gilgit Baltistan region.⁴⁶ Reports noted that the BNF demanded the dissolution of the Legislative Assembly of Northern Areas and the election of a Constituent Assembly to frame a Constitution for the region.⁴⁷ In a related development, the Gilgit Baltistan Democratic Alliance organized a public meeting in Gilgit to protest against the Karachi Agreement of 1948.⁴⁸

Meanwhile, a group of journalists marched from Gilgit Press Club to the Supreme Appellate Court on the occasion of the World Press Freedom day on May 8. The journalists charged the government of committing excesses against the media persons and criticized state control over the freedom of expression.⁴⁹

In a significant development, a Conference on Kashmir was held in New Delhi on May 6 wherein 38 leaders from POK and J&K exchanged views on the potential efforts towards the resolution of the Kashmir issue.⁵⁰

In other developments, the Prime Minister of the POK, Sardar Atiq Ahmad Khan expressed faith in the newly-elected government of Pakistan. Khan

⁴⁹ "Rally condemns violence against journalist," May 8, 2008, Weekly Bang-e-Sahar, May 10-May 16, 2008.

⁴⁴ "Tamil Tiger bomb attacks fail to disrupt polls in Eastern Sri Lanka," *Colombo Page*, May 10, 2008, at http://www.colombopage.com/archive_08/May1051400CH.html

⁴⁵ "Winds of change bringing multi-party polls to Maldives," *Sunday Times*, May 11, 2008, at http://www.sundaytimes.lk/080511/News/news0015.html

[&]quot;BNF demands self-rule for Gilgit-Baltistan," *Dawn*, May 7, 2008, at http://www.dawn.com/2008/05/07/nat18.htm

⁴⁷ "Self-rule' in Gilgit-Baltistan demanded," at http://www.topnews.in/self-rule-gilgit-baltistan-demanded

⁴⁸ Press Release by Gilgit Baltistan Democratic Alliance.

Falash Kumar, "Malik, Mehbooba, Shaheen meet at 'quiet' conference," at http://etalaat.net/english/?p=1775

stated that the number of entry points would be increased across the line of control (LoC) in Kashmir to facilitate free movement for the people on either side.⁵¹

III. INTERNAL SECURITY REVIEW

JAMMU AND KASHMIR DEVELOPMENTS

• Five hostages rescued in J&K; BSF foils infiltration attempt

Security forces on May 11 stormed a house in Sambha district in Jammu region and rescued all the five hostages, including three women, from militants' clutches. The militants, who had sneaked from across the border into Jammu region on May 9, had taken five people hostage after gunning down a couple.⁵²

Meanwhile, the Border Security Force (BSF) foiled an infiltration attempt by a group of militants from the international border at Ragwal village in the Samba sector on May 9. The militants escaped back to Pakistan following effective retaliatory action.⁵³

NORTH-EAST INSURGENCY

 Twelve Dimasa militants killed in Assam; Manipur Government recruits 300 Special Police Officers; Central Government reviews law and order situation in Nagaland

Twelve militants of the Jewel Gorlosa faction of the Dima Halam Daogah (DHD) were killed in an encounter with the Army at Harelu in Assam's NC Hills district on May 10. The incident occurred within a fortnight of the state government officials being called for meeting at the Prime Minister's Office on the law and order situation in the district. The Dimasa rebel group was involved in a series of attacks on NEEPCO and other companies engaged in the gauge conversion and East-West Corridor projects.⁵⁴

The Manipur government, which announced its decision to provide arms to villagers to enable them to protect themselves from militants, has completed recruitment of 300 Special Police Officers (SPOs) at Heirok in Thoubal district on May 8, despite objections from civil organisations. Reports noted that another 200 SPOs would soon be recruited at Chajing in the Imphal West district.⁵⁵

⁵² "Five hostages rescued in Jammu," *Daily Excelsior*, May 11, 2008, at http://www.hindu.com/thehindu/holnus/000200805111761.htm

"Manipur recruits 300 SPOs," *The Hindu*, May 8, 2008, at http://www.hindu.com/2008/05/08/stories/2008050855431300.htm

⁵¹ "More entry points on LoC being opened: AJK PM," *The News*, May 10, 2008, at http://www.thenews.com.pk/daily_detail.asp?id=111660

[&]quot;Border Security Force foils infiltration attempt in Jammu and Kashmir," SATP, May 10, 2008, at http://www.satp.org/satporgtp/detailed_news3.asp?date3=2008%2F5%2F10&image2.x=12&image2.y=4 #3

⁵⁴ "12 Gorlosa rebels killed - Arms and ammunition found, search on for bodies," *Telegraph*, May 11, 2008, at http://www.telegraphindia.com/1080511/jsp/northeast/story_9254031.jsp

Meanwhile, the central government reviewed the law and order situation in Nagaland in the wake of the escalation in factional clashes between the rival NSCN factions in and around Dimapur that have claimed at least 24 people since April 15. Officials of the Union Home Ministry assisted by local officials and security officials held a meeting in Dimapur on May 10 with the representatives of the National Socialist Council of Nagaland-Khaplang (NSCN-K) to clear doubts cast over the outfit and the recently floated NSCN-Unification. Separately, thousands of women organised a torch-lit rally in Dimapur on May 10 to protest against the factional clashes in civilian areas.⁵⁶

In another development, 40 insurgents, including 35 of the outlawed National Liberation Front of Tripura (NLFT), surrendered before the security forces in North Tripura district on May 8.57

INTERNAL SECURITY: OTHER DEVELOPMENTS

Political activists quit over Maoists Threat; Two persons arrested for posting letter bombs

eports noted that as many as sixty-four Janata Dal-United and Bharatiya INJanata Party activists in Bihar resigned from the primary membership of their parties on May 4 following a diktat from the Maoists.⁵⁸

Meanwhile, two persons were arrested for allegedly posting over 150 letters containing an explosive powder to senior officials including judges and senior officials in Kanpur district on May 9. The powder contained in the letters was identified as TNT (Trinitrotoluene). 59

IV. NUCLEAR REVIEW

INDIA

UPA-Left committee meeting on nuclear deal inconclusive; Jaswant Singh: Vajpayee does not support Brajesh Mishra on nuclear deal; Abdul Kalam voices support for the nuclear deal; France ready to sign nuclear cooperation agreement with India; India tests Agni-III successfully

The UPA-Left Coordination Committee meet for the eighth time on May 6 during which the UPA made a strong plea to the Left parties to allow it to confirm the India-specific safeguards agreement with the IAEA. EAM Pranab Mukherjee noted that India did not have much time to confirm the safeguards

"Delhi rushes team to Nagaland for review," Telegraph, May 11. 2008, at http://www.telegraphindia.com/1080511/jsp/frontpage/story_9255345.jsp

at

held for posting letter bombs," Hindu, http://www.hindu.com/2008/05/10/stories/2008051050350100.htm

insurgents surrender in Tripura," SATP, May 10, 2008, at http://www.satp.org/satporgtp/detailed_news.asp?date1=5/10/2008#12

[&]quot;Politicians quit on Maoist diktat," The Hindu, May 2008, at http://www.hindu.com/2008/05/05/stories/2008050557760100.htm 10, 2008, May

agreement as a change in the composition of the IAEA Board next September-October could imperil the current draft safeguards agreement. The government also underlined that the safeguards agreement was unique as it recognized India's strategic programme and restricted the application of safeguards only to the civilian side.⁶⁰ The next meeting of the UPA-Left committee is slated to be held on May 28.

In other developments, Jaswant Singh of the BJP stated that the former PM Atal Bihari Vajpayee did not support the favourable views on the Indo-US nuclear deal expressed by former NSA Brajesh Mishra.⁶¹ Meanwhile, former President Dr. A.P.J. Abdul Kalam voiced his support for the nuclear deal, stating that India would need the uranium supplies that the pact will facilitate to power its energy needs.⁶² Prime Minister Manmohan Singh hoped that the country would listen to the views expressed by the former President.⁶³

The French Ambassador to India, Jerome Bonnafont stated that France was looking forward to "large-scale nuclear co-operation" with India in the civilian arena once India reached a satisfactory agreement with the IAEA and the NSG. He revealed that the agreement for civil nuclear cooperation between India and France had already been technically finalised.⁶⁴

India also successfully test-fired its nuclear-capable intermediate range ballistic missile (IRBM) Agni-III, which has a range of more than 3,000 kilometres from the Wheeler Island off Orissa's coast in the Bay of Bengal on May 7. The Programme Director of the Agni missile system Avinash Chander stated that the missile was "ready for induction." 65

IRAN

Iran to present a new package to the international community; US refuses to send envoy to Tehran to help present the deal

R asoul Movahedian, Iran's ambassador in London disclosed that Iran had worked out a new package aimed at breaking the diplomatic deadlock over the country's nuclear programme. Amb. Movahedian stated that the initiative would be presented over the weekend to the five permanent members of the UN

⁶⁰ D.K. Singh and Cithara Paul, "Let us seal IAEA, others may scuttle: UPA to Left," *Indian Express*, May 7, 2008, at http://www.indianexpress.com/story/306411.html

[&]quot;Atal, Mishra differ on N-deal: Jaswant," NDTV, May 10, 2008, a http://www.ndtv.com/convergence/ndtv/story.aspx?id=NEWEN20080049475&ch=5/10/2008%207:34: 00%20PM

^{62 &}quot;Kalam backs Indo-US nuke deal," NDTV, May 11, 2008, at http://www.ndtv.com/convergence/ndtv/story.aspx?id=NEWEN20080049554&ch=5/11/2008%207:30: 00%20PM

⁶³ Vinay Kumar, "Manmohan: hope nation will heed Kalam's counsel on nuclear deal," *The Hindu*, May 11, 2008, at http://www.hindu.com/2008/05/11/stories/2008051159590800.htm

⁶⁴ Ananth Krishnan and Priscilla Jebaraj, "France for nuclear pact with India," *The Hindu*, May 9, 2008, at http://www.hindu.com/2008/05/09/stories/2008050961271200.htm

⁶⁵ Soumyajit Pattnaik, "India takes giant leap with Agni-III," *Hindustan Times*, May 7, 2008, at http://www.hindustantimes.com/StoryPage/Print.aspx?Id=7218f5ba-d617-4f4c-acee-6537045120ed

Security Council as well as Germany.⁶⁶ The US has however refused to send its envoy to Tehran to receive the contents of the deal. The US reluctance has however not deterred the other members from sending their representatives to Tehran.⁶⁷

NORTH KOREA

Pyongyang hands over 18,000 pages of nuclear documents to the US

Fulfilling a long-awaited promise, Pyongyang handed over more than 18,000 pages of nuclear weapons documents to the State Department's Korea expert, Sung Kim. It is expected that these documents will help the US verify North Korean plutonium stocks.⁶⁸

PAKISTAN

 Pakistan successfully tests Hatf-VIII air launched cruise missile; Book: Benazir Bhutto carried nuclear secrets to and from Pyongyang during official visits

Pakistan test launched its air-launched cruise missile Hatf-VIII or Raad. The missile can carry nuclear warheads over a 350-km range. The Pakistani test came a day after India successfully test fired its IRBM Agni-III.⁶⁹

In other developments, a recent book *Goodbye Shehzadi* by Shyam Bhatia has revealed that the late Pakistani Prime Minster Benazir Bhutto had played an active role in furthering Pakistan's clandestine nuclear programme. It claimed that Bhutto personally took CDs containing scientific data about uranium enrichment to and from North Korea on an official trip. The North Koreans in return gave disassembled parts of an entire missile in order to enable Pakistani scientists to study it. Till her assassination, the late Mrs. Bhutto had always maintained that the North Korean missile was acquired in a cash deal and unaccompanied by a quid pro quo in the form of transfer of technology.⁷⁰

67 "U.S. Declines to Help Present Nuclear Deal to Iran," New York Times, May 8, 2008, at http://www.nytimes.com/reuters/news/news-nuclear-iran-offer.html?sq=nuclear&st=nyt&scp=10&pagewanted=print

⁶⁶ Julian Borger, "Iran offers nuclear deal but refuses to stop enrichment," *The Guardian*, May 8, 2008, at http://www.guardian.co.uk/world/2008/may/08/iran.nuclear

⁶⁸ Sue Pleming, "North Korea hands over plutonium documents: US," *Washington Post*, May 8, 2008, at http://www.washingtonpost.com/wp-dyn/content/article/2008/05/08/AR2008050801778.html

⁶⁹ "Pakistan tests Hatf-VIII missile," *The Hindu*, May 9, 2008, at http://www.hindu.com/2008/05/09/stories/2008050950080100.htm

⁷⁰ "Benazir was a courier in illegal nuclear arms trade, says book," *The Hindu*, May 11, 2008, at http://www.hindu.com/2008/05/11/stories/2008051159811100.htm

V. ENERGY SECURITY REVIEW

US BLAMES INDIA AND CHINA FOR THE RISE IN OIL PRICES

• The remarks come a week after blaming India for rising food prices

After blaming the consumption patterns of the Indian middle classes for the rise in the global food prices, the US now attributed the surge in oil prices to the growing economies of China and India. White House deputy spokesman Scott Stanzel stated as such responding to a question on the crude oil prices crossing the \$120 mark.⁷¹ The remarks were not expected to go down well especially after the furor that was caused across party lines by President Bush's remark on food prices.

NATURAL GAS

• Bids for Akkas oil field postponed, lack of security cited as main reason for failing to lure enough bids

Traq's oil ministry stated on May 6 that the deadline for bids to develop the Akkas gas field - a prized natural gas field in western Iraq, has been postponed until May 18. The announcement was made two weeks after the previous deadline had expired. The ministry did not earlier state the reasons for the move but later revealed that it was not able to lure enough bids from foreign or local companies for oil and gas projects due to lack of security. The Akkas field, located in the former Sunni insurgent stronghold of Anbar province, has estimated reserves of more than 2.15 trillion cubic feet. Reports noted that development of the field could boost the economy in Sunni areas, where support for the government has remained tenuous.⁷²

ENERGY SECURITY

• The Consumers First Energy Act introduced in US Congress by Democrats, provisions target big oil companies and members of OPEC

Democratic leaders in the US Congress unveiled new energy legislation, 'The Consumers First Energy Act', which targets big oil companies and members of the Organization of the Petroleum Exporting Countries (OPEC). It features a 25 percent windfall profits tax on oil companies operating in the United States, a rollback of existing tax breaks for oil and gas companies worth \$17 billion over 10 year period, and an authorization for the U.S. Attorney General to bring price collusion charges against OPEC members. The bill would also suspend additions to the Strategic Petroleum Reserve until the price of crude oil fell back to \$75 -a-barrel from the current rates of over \$120. It also would target price gouging and speculation.

^{71 &}quot;Now, US links high oil prices to demand in India, China," Times of India, May 6, 2008, at http://timesofindia.indiatimes.com/Now_US_links_high_oil_prices_to_demand_in_India_China/article show/3014005.cms

⁷² "Iraq sets new May 18 deadline for bids to develop Akkas gas field," *International Herald Tribune*, May 6, 2008, at www.iht.com/articles/ap/2008/05/06/business/ME-FIN-Iraq-Gas-Field.php

The legislation has been strongly criticized by the Republicans, foreign policy experts and oil firms. The Republicans on their part unveiled their own legislation for boosting U.S. oil production, which calls for opening protected areas on the Outer Continental Shelf and in Alaska to oil and gas drilling.⁷³ It might be recalled that during the debate on increasing fuel prices in India, the left parties had made similar calls on the Government of India to decrease the taxes on crude oil products to compensate for the increase in the global prices.

_

⁷³ Stephen Mufson, "Bill Targets Oil Firms and OPEC," Washington Post, May 8, 2008, at www.washingtonpost.com/wp-dyn/content/article/2008/05/07/AR2008050703693.html