

**PAKISTAN'S FUTURE: BUILDING DEMOCRACY
OR FUELING EXTREMISM?**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

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FIRST SESSION

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PAKISTAN'S FUTURE: BUILDING DEMOCRACY OR FUELING EXTREMISM?

WEDNESDAY, JULY 25, 2007

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:33 p.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry, presiding.

Present: Senators Kerry, Feingold, Menendez, Cardin, Casey, Webb, Lugar, Hagel, and Isakson.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

Senator KERRY. Good afternoon. The hearing will come to order.

Thank you, Secretary Burns, for being here with us today. We really appreciate it. And we look forward to this, what I consider to be an important hearing.

Ambassador Burns has had a long and distinguished career as a Foreign Service Officer. He served as our Permanent Representative to NATO, Ambassador to Greece, and State Department spokesman, as well as on the National Security Council staff. He currently serves as the Under Secretary of State for Political Affairs, which makes him the third-ranking official at the State Department, with oversight responsibility for U.S. policy throughout the world.

I might add, he comes with special credentials, because he's from Massachusetts. He's a graduate of Boston College, and he's a life-long Red Sox fan. And that means he knows how to persevere through great adversity, ladies and gentlemen. [Laughter.]

Secretary Burns, this is clearly a pivotal moment in Pakistan, and I wanted to have this hearing today because, while we are spending hundreds of billions of dollars in Iraq, and, while there is such significant focus on Iran—and we are appropriately focused on Iran, but to the exclusion of other concerns, in some people's judgment—places of enormous importance have, in our judgment, not received some of the focus that, perhaps, they should.

Our intelligence agencies have just issued a dire warning about the threat posed by al-Qaeda in the tribal areas of Pakistan. The Taliban is using Pakistani territory as a base for attacks in Afghanistan. There has been a major increase in extremist violence, following the attack on the Red Mosque, and the political turmoil surrounding the ouster and reinstatement of Chief Justice Chaudhry has put President Musharraf in a precarious position,

with new elections scheduled for the fall. So, obviously, all of these issues, we look forward to hearing your views on them, and the administration's strategy for Pakistan, going forward.

But I want to say just a few words about this. People I have talked with and met with privately in the past months indicate to me that events in Afghanistan are going a lot less well than we would like. And that has not necessarily received the public attention that it ought to. And it is related—directly related, intimately related—what is happening in Pakistan, and, most notably, to what is not happening in Pakistan.

This relationship is one of the most important, I want to underscore, that we have, strategically and substantively, anywhere in the world right now, and it is also one of the most complex. We need to make it clear to Pakistan—and I want to emphasize, here today, when I say “Pakistan,” I don't just mean the Musharraf government. Pakistan, to America, cannot just mean Musharraf, it must mean Pakistanis and the country, and the country's aspirations. And we need to make it clear to Pakistan, to both the government and the people, that we are committed to sustaining and building this relationship over the long term in a manner that serves both of our countries' interests.

We appreciate the very significant contributions and sacrifices that Pakistanis have made in the fight against al Qaeda and Islamic extremists. At the same time, it is clear that our current strategy in Pakistan has not been working as well as it should, or must, particularly when it comes to our core objectives of fighting terrorism and promoting democracy. We understand that it's a delicate balance between moving Pakistan in a more positive direction and not causing a major rupture in the relationship—not encouraging the worst outcomes—that we hope to avoid.

So, I hope we'll come away from today's hearing with a better understanding of the administration's views, and particularly its plans, and how we can all work to build an effective long-term strategy.

Clearly, the most pressing and direct national security concern that we face in Pakistan is the resurgence of al-Qaeda in the tribal regions bordering Afghanistan. We were all deeply troubled by the recent National Intelligence Estimate, entitled “The Terrorist Threat to the U.S. Homeland,” which made clear that, while we've been distracted and bogged down in Iraq, al-Qaeda has grown stronger than at any time since 9/11. I would remind the President, who took pains yesterday to point out in South Carolina the importance of dealing with al-Qaeda, that this is our own National Intelligence Estimate; these are our own intelligence personnel, who are warning us of al-Qaeda's strength, not in Iraq, but in Afghanistan and Pakistan.

Al-Qaeda has grown stronger. The NIE brings home to all of us, in the starkest possible terms, that al-Qaeda has—and I quote the NIE—“regenerated key elements of its homeland attack capability, including a safe haven in the Pakistan federally administered tribal areas, operational lieutenants, and its top leadership.” Osama bin Laden and top al-Qaeda leaders are likely still hiding out somewhere in the region, and none of us here need to be reminded of

the nightmare scenario of the potential of Pakistan's nuclear arsenal falling into the wrong hands.

We also know that the Taliban is using the tribal areas as a base for launching attacks against coalition forces in Afghanistan. And our generals tell us that Taliban leaders have maintained a headquarters in Quetta. It is clear that we can't succeed in the vital mission of stabilizing Afghanistan if the enemies of the coalition and the Karzai government enjoy a safe haven right across the border.

General Eikenberry, the former commanding general in Afghanistan, summed it up simply: Al-Qaeda and Taliban leadership presence inside Pakistan must be satisfactorily addressed if we are to prevail in Afghanistan and if we are to defeat the global threat posed by international terrorism. I don't think anybody could put it more directly or succinctly or accurately.

I might add that one of the reasons, I am told by some experts, that we've lost a little foothold with respect to the Taliban is because of the lack of success in Iraq, coupled with the lack of success in Afghanistan, which is coupled to the lack of delivery on the civil side, which has disillusioned Pashtun from believing, somehow, that the outcome will be what they thought it would be at the outset. And when the outcome is in doubt, people play their own games and align themselves differently.

So, the lack of focus has cost us, very significantly, folks, and that's part of what we want to deal with here today.

The central front in the fight against terrorism is right where it always has been, along the Afghanistan-Pakistan border. We simply cannot allow history to repeat itself, and many of us here are concerned that there may not be the implementation of an effective strategy, if there is a defined, effective strategy, in order to counter this threat.

Our intelligence community has linked the resurgence of al-Qaeda and the Taliban in this area directly to an agreement that President Musharraf struck with tribal leaders in Waziristan. I was in Pakistan at that period of time, and I remember commenting then to President Musharraf and to the press, publicly, that the treaty raised serious questions about whether or not it was an appeasement and abdication of our responsibilities. The administration has now finally acknowledged that the treaty has not worked for Pakistan, and it has not worked for the United States.

After the attack on the Red Mosque, the Taliban declared the deal was dead, and we've even seen increased presence of Pakistani troops in the tribal areas since then. Yet, still we hear that President Musharraf is actually trying to revive that agreement. And I would say, today, as firmly as I can, that going back to a failed strategy is not the answer. The administration has also made it clear that they haven't ruled out U.S. military operations in the area. We must be prepared to use force, if necessary, to protect our interests, but sending United States ground troops into Pakistani territory obviously raises many difficult issues for us, as well as it does for Pakistan.

We also have a 5-year, \$750 million plan for winning over the local population in the area. But real concerns have been raised about whether that money can actually be put to good use. We'll

be interested to hear your views, Mr. Secretary, about the strategy for dealing with this threat, both in the short term and the long term.

We also need to consider the role of U.S. aid in advancing our interests. Since 9/11, we've given Pakistan roughly \$10 billion in aid, and, likely, billions more in covert assistance. Roughly 75 percent of this aid has gone to reimbursement of counterterrorism expenses and other security assistance. We clearly have a right to expect more in return for the investment of \$10 billion, a massive amount of aid in the fight against terrorism. At the same time, less than 10 percent of our aid goes to development and humanitarian assistance. And I think we have to give strong consideration to whether targeting more of that assistance to projects that help the Pakistani people understand the stakes of this fight and the benefits of this fight may, in fact, make a difference, or not.

One area we should pay particular attention to is funding for education, which the bipartisan 9/11 Commission emphasized was key to promoting moderation. This is especially important, given that more than half of Pakistan's population is under 15 years of age. Again, when I was in Pakistan, I had the privilege of visiting the northern territories, near the Himalayas, where the earthquake had taken place, and we did a remarkable job in providing disaster relief. I think all countries who took part in that should be very proud of their efforts. But one thing that struck me when I was in the high country, I met hundreds of kids who were in school, all of them for the very first time in their lives. That was the first time that they had come out of the mountains and actually been organized in a way that could educate them.

So, these are enormous tasks and challenges, and I think they deserve to be on the table as we consider the longer term strategy.

Finally, we've reached a critical period for the future of democracy in Pakistan. It's clear that reinforcing our strong commitment to democracy, human rights, and respect for rule of law is in the best interests of all Pakistanis and of the United States. President Musharraf's term is set to expire this fall, and, under Pakistani law, the national and provincial assemblies must conduct new Presidential elections by October, with new legislative elections to follow. The Pakistani Supreme Court may have to rule on whether President Musharraf can stay on in his role as chief of the military and whether he can legally be reelected by a lame-duck Parliament. These are big issues for any country.

Now that Chief Justice Chaudhry has been reinstated to the court, there appears to be a strong possibility that it will rule against President Musharraf on these questions. So, we need to be prepared for that eventuality and the possibility that President Musharraf might leave office, or be forced out of office.

In fact, although he may be hedging on this now, President Musharraf has said in the past, and he said it to me personally in my visit with him, that he will live up to his promise, and that he will relinquish his military role. And Khurshid Kasuri, the Foreign Minister of Pakistan, said, during this recent visit, that President Musharraf was still planning to do so. We must make it clear that we expect President Musharraf to live up to that promise, that it's

an important one, in terms of our relationship with Pakistan, and with him, personally.

It's also critically important that the upcoming elections are free and fair, and we should work to ensure that they are conducted transparently and legitimately. This sends an important message of support to the people of Pakistan, who are increasingly insistent on restoring true democratic rule and will help to undermine extremists, in the long run. That is part of a strategy against terror.

We must also continue to raise our strong concerns over the unexplained disappearance of some 400 people, the arrest of hundreds of political activists from opposition parties, and the recent crack-down on the media.

Finally, we must also consider Pakistan's relationship with India, especially when it comes to Kashmir, the security of Pakistan's nuclear arsenal, and the current status of our efforts to ensure that the proliferation disaster we experienced with A.Q. Khan, that that network can never be repeated.

With these comments, I turn to Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman.

As you've mentioned, the United States relationship with Pakistan is one of the most critical in the world today, and also one of the most complex. I'm especially pleased that we will be able to gain the insights of Nick Burns, who has played such an important role in our diplomacy in the region, and to hear from a distinguished panel of experts.

While Pakistan was a long-time and important friend of the United States, the September 2001 terrorist attack led us to intensify our engagement to ensure a strong and productive relationship. Voices in Congress now have been calling for a review of this policy. The common refrain is that American aid should be conditioned on improved performance in the war on terror and progress toward democracy and away from military rule.

Recent events in Pakistan have once again thrown our relationship into high relief. President Musharraf's decision, last spring, to suspend the Chief Justice of the Supreme Court aroused considerable controversy, especially among those already unhappy that he has declined to relinquish his role as military chief. The court decision, last week, which reinstated the Chief Justice, while auguring well for judicial independence, nonetheless puts President Musharraf in a difficult political position. His decision, earlier in June, to order a commando assault against Islamic militants illegally occupying an Islamabad mosque provoked a violent reaction among some Islamists.

Setbacks in the security situation, especially in the areas along the Afghan border, have been detrimental to both United States and Pakistani interests. The collapse of the cease-fire in the federally administered tribal areas could presage more fighting for the Pakistani military, which lost hundreds of soldiers in the unfor-giving terrain prior to this truce. A new United States intelligence report says al-Qaeda has reconstituted itself in the tribal areas, stronger than at any time in a year. In addition, Taliban fighters,

bent on destabilizing Afghanistan, move between the tribal areas and Afghan villages. There has been considerable discussion about the appropriate United States response to this al-Qaeda and Taliban activity inside Pakistan, and I hope Under Secretary Burns will be able to clarify the administration's position.

Moreover, Pakistan's army is designed, trained, and equipped to fight India and Kashmir, and to deter India with nuclear weapons. This requires a dramatically different capability from that needed in the tribal areas, which is why the United States is rushing to supply the military with more money and weapons. The United States is said to be planning to provide \$750 million over the next 5 years in these troubled areas to help win over the general populace and persuade them to end their support for al-Qaeda and Taliban militants. But there are obvious dangers in distributing so much money in a hostile region, where oversight is virtually impossible, even by the Pakistani Central Government, much less by the United States. After all, the tribal chiefs have, for years, accommodated the very groups that America seeks to drive out. This committee and the Congress would like to know what safeguards and monitoring mechanisms the administration would employ to ensure that such funds are effective. I believe it's fair to ask whether it was wise to try to use development aid as a counterinsurgency tool in this remote hinterland; and, if it is, can we do it in a way that maximizes our chances of success?

Mr. Secretary, I know, from your experience with this committee, that you have given these important questions great thought already. Many in Congress who have supported the administration's policies in South Asia for nearly 5 years are now asking whether it is time for a course correction, and we look forward to hearing your analysis and your recommendations today.

Thank you, Mr. Chairman.

Senator KERRY. Thank you, Senator Lugar.

Senator HAGEL.

Senator HAGEL. Mr. Chairman, I have no statement, and look forward to the Secretary's comments.

Thank you.

Senator KERRY. Thank you very much.

Secretary Burns, thanks, again, for being here, and we look forward to your testimony.

STATEMENT OF HON. R. NICHOLAS BURNS, UNDER SECRETARY FOR POLITICAL AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Secretary BURNS. Mr. Chairman, thank you very much. Senator Lugar, members of the committee, it's a pleasure to be here.

And I think you're right, Mr. Chairman, to have called this hearing. I agree with you—I listened carefully to your opening statements—that there is no more important challenge for our country than the battle in Afghanistan and Pakistan and on the border area, the battle that we have, and they have, with al-Qaeda and with the Taliban. And I hope that, by the end of this hearing, you will become convinced that we are focused on this. We have 27,000 American troops in Afghanistan. We have the fifth-largest aid program in the world in Pakistan. We've brought all of the efforts and

will of our government to bear, diplomacy and militarily, on this crisis area for many years, since 2001.

I'm here today to underscore that we need to have a successful American engagement with Pakistan, because that speaks to our vital national security interests.

Pakistan, right now, is one of our closest partners, globally. It is, without any question, our indispensable—our most indispensable partner in the fight against al-Qaeda and the other Islamic terrorist groups in South Asia. It is also, without any question, the most important country affecting our efforts in Afghanistan, given the degree of involvement of the terrorist groups crossing back and forth over that eastern border between Pakistan and Afghanistan. It's also, of course, one of the leading Muslim countries in the world, and it's—it is situated in an area that is now of vital importance to the United States: South Asia. I don't think we would have said that 20 years ago, or 30 years ago, but, of course, we say it now.

At the same time that we debate American policy, as you note very correctly, Pakistan is facing tremendous internal challenges. And these challenges are its own to manage, but we have a clear interest in the outcome of the struggle within Pakistan itself; and its future stability and prosperity, and whether or not it can become a fully fledged democracy, will be important indicators of whether or not the American policy in the region can succeed. So, we hope that Pakistan will become a more democratic country. We hope that the government will lead the country, and, as you say, all Pakistanis, to that place. And we're committed to remaining a close partner to the Government of Pakistan, but also the people of Pakistan, as we proceed.

We have a rather unusual history with that country. And I know you all are well aware of that history over the last half-century. It's been tumultuous. We had very close cooperation after Pakistan's independence in the 1950s, through CENTO and SEATO. But, then we gave way to a period of inaction, in the 1960s. There was President Nixon's famous tilt toward Pakistan, and then, of course, some of his successors tilted away. We had a very close period of partnership against the Soviet invasion of Afghanistan in the 1980s, but then we parted ways over Pakistan's unwelcome development of its nuclear weapons program.

Post-9/11, Musharraf threw in his lot with us, and we are, together with him, and, we believe, with the Pakistani people, the great majority of them, in wanting their country to be peaceful and stable, and wanting their country to resist al-Qaeda and the Taliban. And, as I said before, I think the single greatest change to our strategic interests, perhaps even globally, has been the new-found realization that what happens in South Asia—in Afghanistan, with Pakistan, with our new strategic relationship with India—is now of singular importance to us and of vital importance to our most important national interests.

And so, we see Pakistan through this historical prism, but we also see it through the strategic prism of what's important to the United States as we try to fight these radical terrorist groups and stabilize Afghanistan, and then take advantage of the more positive opportunities with India and the other countries.

I wanted to say this, and just reflect a bit on the history, because I think the Pakistani people—average Pakistanis—many of them say, “Well, the United States has been very inconsistent in its engagement with our country over many decades. Are you going to be consistent?” And I think the answer is that there’s nothing more important, at this time, than that we Americans be consistently engaged and committed to try to do the right thing with Pakistan and help that country to become more stable. And so, I hope that Pakistanis will see the United States as a reliable friend and a reliable partner. I hope they’ll understand, as well, and the government will understand, that, as a good friend, we need to speak frankly from time to time with them and about them. We’re going to disagree with Pakistan, as we have in the last several weeks, sometimes, about how to prosecute the war against al-Qaeda and the Taliban. We will disagree, perhaps, about the right way to build a democratic state. But there’s no question that we Americans have a stake there, and it needs to be a long-term stake, and we need to sustain this over the period of the next decade, or more.

Now, obviously, as you mentioned, Mr. Chairman—and Senator Lugar did, as well—by far, our most important interest is to work with the Pakistanis to get right this question of the best strategy and the best set of tactics to fight global terrorism and extremism. President Musharraf, I think, as you know, has been the victim of several terrorist attacks on his own life. He has lost 600,000—600 soldiers—excuse me—since 9/11 on the border with Afghanistan in the northwest frontier province, fighting the terrorist groups. We don’t question the will of President Musharraf. But there’s a legitimate question about what kind of policies should be pursued by the Pakistani government and our Government in order to be successful.

They have killed or captured more al-Qaeda than anybody else—Pakistan has—over the last 6 years. They have arrested hundreds of terrorist suspects. They have turned over to the United States senior al-Qaeda figures, such as Khalid Sheikh Mohammed and Ramzi bin al-Shibh, and Abu Zubaida. They’ve stationed, now, 100,000 troops on the Pakistan-Afghan border, and that was a very lightly defended border, as you all know, unfortunately, before 9/11. And, as I said, a number of those troops, 600, have lost their lives in battles against the terrorists groups.

So, I think, as Americans, we should give the Pakistani Government and people their due. They’ve been committed. They have made a great effort to try to fight the terrorist groups, but not always with the kind of success that we would expect, or desire, to see.

Now, this month, after their efforts to find a peaceful resolution through this Waziristan agreement clearly failed, the Pakistani Government has moved in a different direction. They’ve moved to confront the terrorist groups. They did that, certainly, in the Red Mosque incident in Islamabad, but they’ve also done it on the border.

We have to have a perspective on this fight. We know that it’s going to be long and extremely challenging. We know the tribal areas of the mountainous border regions with Afghanistan have never been within the effective control of any central government.

We know that the regions of north and south Waziristan have become safe havens for terrorism and extremist activity. And we know—and, in part, Mr. Chairman, you quoted the unclassified portion of the National Intelligence Estimate—that al-Qaeda has found a refuge inside Pakistan, as has the Taliban. And so, we hope that the Pakistani Government can now strengthen and elevate its efforts to fight these groups.

In the tribal area, just in the last several weeks, the dominant story has been the increase in fighting between the insurgent groups and the Pakistani military. And the Pakistani military has recently brought in a group number of additional troops, just over the last several weeks, to deal with that threat, and they have just recently captured some major Taliban figures, such as Mullah Obaidullah.

Now, it's also expanded its political efforts to try to work to boost the capacity of the local tribes to resist and expel extremists. They've had some successes. They've been limited. There has been a success in leading to the expulsion of al-Qaeda-affiliated Uzbek terrorists in and around south Waziristan. But, from—these initiatives apart, I think we need to see a more sustained and effective effort by the Pakistani Government to defeat the terrorist forces on its soil.

Our assistance to Pakistan is twofold. We have a great deal of military assistance that has been going into the country since 9/11, and that will continue, with the support of the Congress and the agreement of the Congress, in the next several years. But we are also paying attention, Mr. Chairman, to what you suggested, and that is the life of the Pakistanis themselves, particularly the poor Pakistanis. We have a large program to try to build schools, to try to help change curriculum, and try to give kids an opportunity, not just to go to the madrassahs, but to go to other schools that will teach tolerance and reason, and teach peace. And we also have a large-scale program underway—you mentioned it—to help Pakistanis, particularly in the Kashmir region, to overcome the vestiges of the earthquake. So, there's a lot that's happening on the economic and humanitarian and reconstruction side of the country, building roads in the tribal areas, that is very important for the future. But there's no question that we also have to be concerned about helping the Pakistani military to be equipped appropriately and to be trained appropriately to fight a different kind of war than they had been anticipating over several decades. And Senator Lugar made that point. Their battle in the future is not with India. They should have a peaceful relationship with India, through the composite dialog and through the improvement that we've seen between the Indian and Pakistani governments over the last several years. Their battle has to be with al-Qaeda and the Taliban and the other terrorist groups.

So, we would like Pakistan to do more here in this effort against the terrorist groups, and we'd like them to try to think through—and I know they are—the appropriate strategy.

Now, you referred to this North Waziristan agreement. It was designed to empower local tribes to fight al-Qaeda, and to do so in a way that the Pakistani military wouldn't have to intervene and inadvertently kill Pakistani civilians. But, apart from that success-

ful expulsion of Uzbek terrorists, that agreement did not work. And, as you said, Mr. Chairman—we have said so publicly in the last couple of weeks—it didn't work well for the Pakistanis, and it certainly didn't work well for American interests there. So, we've now seen this resurgence of the military going in, and we applaud that and encourage them to be robust in fighting the terrorist group.

But, beyond that, I think that—I know that the Pakistani Government recognizes that it cannot defeat terrorism in the north-west frontier province by military means alone. There does have to be a political dialog in the tribal areas with the people who are influential in those areas. There must be an effort to help rebuild the tribal areas, to provide it the kind of infrastructure that's lacking access to education. And that's behind the administration's request for \$750 million over 5 years to do that, to underwrite social and economic, humanitarian and infrastructure development in tribal areas. And so, it has to be a combination of a military strategy, but also an economic and political strategy, to win the battle for hearts and minds. Just as we Americans can't win the battle against terrorists by military means alone anywhere in the world, the Pakistanis cannot do that in their own country either. That's an important point that they tell us, that the Pakistani Government and people outside the government tell us. And I think we are—we would all be mindful to build our strategy based on that—based on that principle.

But there is more that that Pakistani Government itself can do to fight terrorism. We're particularly concerned about terrorist groups who exploit charitable donations. Their tactic is to re-form themselves, once they're identified, under new names, and they continue their work in financing extremism. We think the government needs to pay attention to that.

We urge the Government of Pakistan to work with us to accelerate joint efforts to prevent the financing of these band terrorist organizations. And we urge Pakistan to pass an antimoney-laundering bill that meets international standards, and to establish a financial intelligence unit within the state bank of Pakistan.

But, beyond those steps, and beyond a more assertive military strategy, the Government of Pakistan wants to pay attention to the—its ability to help poor people resist the lure of terrorism, and, instead, turn their lives in more productive directions.

So, that lies behind the two major programs that we've put in front of the Congress. We are asking for support, for this \$750 million over the next 5 years. This is President Musharraf's personal request to our Government, to underwrite the humanitarian development of the tribal areas. And we think that has the prospect of being effective over the long term. We may not see immediate benefits. But, as a long-term measure, it is the right thing to do in the way to fight—to root out the roots of terrorism.

Second, we're trying to jumpstart the reconstruction opportunity zones that President Bush and President Musharraf and President Karzai have all talked about. When President Bush visited both Afghanistan and Pakistan, in March 2006, President Musharraf said, "One of the problems in the border regions, on both sides of the border, in the Pashtun areas, is that people don't have access to

jobs. And so, would it be possible for the United States to bring into the United States, on a duty-free basis, goods produced by local people on both sides of that border, and, in fact, in enterprises that might straddle the border between Afghanistan and Pakistan?" And we've put this concept of a reconstruction opportunity zone before the Congress, in staff briefings in February, and now we're going to ask for congressional support for this type of tariff reduction. It's a complicated proposal, and it deserves a lot of study. And I know that the Congress will ask lots of questions. And you should. But we think this initiative on trade, along with the initiative to help to try to bring some economic support to the tribal areas, is an effective long-term strategy.

I'm happy to answer questions on any of this, Mr. Chairman. I would just say two more things before I close.

You mentioned—and were right to mention—the fact that, by the end of January 2008, Pakistanis will go to the polls, both for a Presidential election and a parliamentary election. President Musharraf has said, many times, that he's pledged to hold free and fair elections in accordance with Pakistan's Constitution and within international standards. We have a partnership with the Pakistanis, and so, it gives us the opportunity to comment and to say that we would like to support the long-term objective of the Pakistani people to achieve a more—a fuller democracy and a better-functioning democracy, and to see democratic rights bestowed on all the people of Pakistan. And so, we've tried to be helpful. We're providing some technical assistance, as we do in many countries around the world in this situation, to the Pakistanis, to help them organize their elections. We're working with NGOs to do that, and with international organizations. But we believe the Pakistani people should be free to elect their own leaders. And we hope this is done in a way that would withstand international scrutiny. And we hope that there'll be a sustainable democracy, and a free press, and the right to free assembly. And I think we're beginning to see an independent judiciary assert itself, with the actions of the Supreme Court, just over the last week, in restoring to his position the Chief Justice.

And so, it is a dynamic time for Pakistani democracy. And, of course, we'll have to balance the interests that we have in that country, in terms of our public comments—we don't want to seem to be as—at least our Government—as intrusive. But we do have a point of view, and we don't shy away from voicing that point of view.

We believe the Pakistani Government can do more to help build this kind of evolution toward a full democracy, and that it's in its best interests to do that.

And we'll all see the credibility of these elections. What will the result be? Will people be able to go to the polls freely and without fear of intimidation? Will they be able to go to election, free of government manipulation? Will political parties be able to organize and to contest the election? These are elementary standards in our country and in any country. And so, we assert them as interests.

Finally, I would say—and my last point would say, Mr. Chairman—is that we are interested in education. We have a major program to help rebuild schools and, as I said, to be involved in cur-

riculum development. And so, we're trying to pay attention, in a comprehensive way, to all the different interests that the United States has.

I think you raise, quite rightly, the fact that we have to pay attention to the regional element of stability. We have been very, very active in promoting, mainly through private dialog, this nascent good beginning of better relations between India and Pakistan. My two counterparts, the Foreign Secretaries of both India and Pakistan, have a composite dialog, and they meet frequently, and they discuss the Kashmir issue, they discuss the Siachen Glacier issue, Sir Creek, and the other disputes that have been so difficult between the two countries for so many years, and we are optimistic that President Musharraf and Prime Minister Singh are dedicated to improve the relations between the two countries.

And one of the largest strategic moves that I think President Clinton made, and now President Bush is making, as well, is to assert a bigger relationship with India, a strategic partnership. And, of course, we have this very close relationship with Pakistan. So, this is an opportunity for our country to be part of the development of a more stable relationship between the two biggest powers, and to see South Asia be a more peaceful region in relations among the great powers there in the future. And I—we're paying attention to that, and we're very much involved in it. And Secretary Rice, in particular, in her discussions with the Prime Minister of India and the President of Pakistan, has been very keen to make sure that the United States plays mainly a behind-the-scenes role, but a role that can be productive.

So, forgive me for going on a little bit longer than I had anticipated. I have submitted testimony in written record, which is longer, still. And I'd be happy to answer any questions you have.

[The prepared statement of Secretary Burns follows:]

PREPARED STATEMENT OF UNDER SECRETARY OF STATE R. NICHOLAS BURNS

Mr. Chairman, thank you for this opportunity to appear before the Foreign Relations Committee. I am here today to underscore that successful American engagement with Pakistan serves our vital national security interests. Pakistan, one of our closest partners globally, has been indispensable in our world-wide struggle against radical Islamic terrorist groups. As Afghanistan's most influential neighbor, Pakistan plays a pivotal role in the prosecution of our war effort. Pakistan is also, of course, a leading Muslim country, whose future will be decisive in the search for stability in South Asia—a region of vastly increased importance to the United States.

At the same time, Pakistan faces enormous internal challenges. While these challenges are its own to manage, we have a clear interest in its future stability, prosperity, and success. We hope the country will become more democratic, and are committed to remaining a close partner as Pakistan makes a full transition to democracy. Our national interests as well as the interests of 160 million Pakistanis depend on it.

As this committee knows well, the history of America's relations with Pakistan during the last half-century has been especially tumultuous. We had early close cooperation in the 1950s after Pakistan's independence through SEATO and CENTO, but that gave way to disillusionment in the 1960s. President Nixon engineered a famous "tilt" toward Pakistan, and then his successors tilted away. We partnered closely to defeat the Soviets in Afghanistan in the 1980s, but then parted ways over unwelcome advances in Pakistan's nuclear weapons program. Our post-9/11 cooperation takes place against this historical backdrop, as President Musharraf chose in 2001 to cast his country's lot with ours in the fight against terrorist groups.

Indeed, September 11th brought the South Asia region to singular importance in our foreign policy for the very first time, and redefined our relationships there. The

last six years have reinforced the dramatically changed nature of the global threats we face and the importance of our cooperation with Pakistan to counter them. South Asia, as a whole, has become central to our security, especially as we help Afghanistan to develop its fragile democracy and nurture institutions of governance in their infancy. Pakistan is critical to these efforts. For Pakistan's own development, we have pledged and delivered significant economic and military assistance, which I will address in greater detail. And yet we know that despite this clear indication of our commitment to their country, many Pakistanis believe we will again pull back—just as we did numerous times in the past. For this reason, I can think of nothing more important to this relationship at this moment than continued American attention, commitment, and engagement with the government of Pakistan, as well as with the people of Pakistan. Pakistanis should be assured that we will be a good and reliable friend. But, as a good friend, we will speak frankly and sometimes disagree on vital issues such as the best way to defeat terrorist groups, and the right way to build a democratic state. Our continued partnership will build Pakistan's confidence that indeed we share its interests. We seek for Pakistan nothing less than the fulfillment of the great promise that its founder, Mohammad Ali Jinnah, envisioned. We Americans should work to help Pakistanis build durable foundations for sustainable democracy, a moderate society, and an open economy that offers prosperity and opportunity for its citizens.

PAKISTAN AS A COUNTER-TERROR PARTNER

Mr. Chairman, you and the members of the committee know how important Pakistan has been to our ongoing mission in Afghanistan. While the threat of the Taliban remains, this group of violent extremists no longer subordinates an entire country to its bizarre and cruel policies. Without Pakistani support and cooperation for our current military operations, we would face severe difficulties in supplying, reinforcing, and protecting our troops and those of our allies who are defending the democratically elected Afghan government.

Countering terrorism and violent extremist ideology is a priority in our agenda with Pakistan. Terrorism threatens Pakistani security, too: President Musharraf himself has been the victim of several assassination attempts. And Pakistan does a great deal on this front, having killed or captured more al-Qaida operatives than any other country in the world. Since 2001, the Pakistani government has arrested hundreds of terrorist suspects, turning over to the U.S. such senior al-Qaida figures as Khalid Sheikh Mohammed, Ramzi bin al Shibh, and Abu Zubaida. Pakistan has stationed 100,000 troops on the rough terrain of the Afghanistan border, and more than 600 members of Pakistan's security forces have sacrificed their lives in support of anti-terror efforts. This month, after all decisively against extremists in Islamabad's Red Mosque.

Despite these achievements, we know this fight will be long and extremely challenging. We know that the tribal areas of the mountainous border regions inside Pakistan have never been within the effective control of any central government. We know that the regions of North and South Waziristan have become safehavens for violent extremist and terrorist activity. Recent reports of al-Qaida's activity there underscore the need for Pakistan to continue its efforts, and elevate its efforts, to fight this enemy. In the Tribal Areas we have already seen an increase in violence at the hands of groups who stand in the way of security and peace. To quell the renewed violence in these areas, the Pakistani government has brought in additional troops, strengthened border posts and controls, and helped kill or capture major Taliban figures such as Mullah Obaidullah. It has also expanded its political efforts by working to boost the capacity and will of local tribes to resist and expel extremists in their midst, achieving some successes such as the expulsion of al-Qaida-affiliated Uzbeks in and around South Waziristan.

These initiatives apart, we would like to see a more sustained and effective effort by the Pakistani government to defeat terrorist forces on its soil. Al-Qaida remains a potent force inside Pakistan, as is the Taliban. Defeating these enemies is essential to our effort to defeat terrorism in South Asia and around the world.

STRENGTHENING PAKISTAN'S COUNTER-TERROR CAPACITY

Our assistance to Pakistan has significantly strengthened Pakistan's capability to combat extremist forces. Assistance comes in two forms: security assistance, which enhances Pakistan's ability to fight terrorist actors, and bilateral assistance in areas such as governance and economic reform, focused on creating an environment inhospitable to terrorists and violent extremists.

Our military and border security assistance has allowed Pakistan to establish a permanent presence in previously unpatrolled sections of the rugged Pakistan-Af-

ghan border for the first time. We have provided equipment such as helicopters and radios to make these forces more effective, and we have also provided training. We work closely with the Department of Defense, with our Pakistani counterparts, and with Congress to keep these border forces appropriately equipped and properly trained to conduct counter-terror operations effectively.

Mr. Chairman, counter-terror operations in the border areas of the Federally Administered Tribal Areas take place in a uniquely ungoverned environment. In recent days there has been increased attention on more aggressive actions, which we welcome, on the part of the Pakistani government to deal with these problems, and we would frankly like Pakistan to do even more here. The committee members will all be aware that President Musharraf has tried a number of methods to enlist counter-terror cooperation from local tribal groups, most notably with the North Waziristan Agreement. That agreement was designed to empower local tribes to fight al-Qaida directly, in order to reduce incidents of Pakistani Army forces fighting against their fellow citizens inadvertently. Apart from the successful expulsion of Uzbek terrorists, the tribes proved too often unable or unwilling to control the al-Qaida elements within their territories. This agreement has not worked well for the Pakistani government, nor has it worked well for us. As a result, the Pakistani government has recently reinserted its forces into the tribal areas. We would like to see the top al-Qaida and Taliban leaders, who we believe intentionally use Pakistan as a safehaven, brought to justice. Long term denial of these areas to terrorists will require local cooperation, and Pakistan will have to find a more effective and successful way to do so.

We want to see Pakistan use all tools at its disposal to choke the flow of funds to terrorist groups. We are particularly concerned about terrorist groups exploiting charitable donations, and by their tactic of re-forming under new names to evade international prohibitions on donations to terrorist organizations. We urge the government of Pakistan to work with us to accelerate our joint efforts to prevent financing of banned terrorist organizations. We urge Pakistan to pass an Anti-Money Laundering bill that meets international standards, and to establish a Financial Intelligence Unit within the State Bank of Pakistan.

THE LONG-TERM: DEVELOPMENT TO COUNTER TERRORISM

Beyond these specific counter-terror efforts, we seek to diminish the effectiveness of terrorists in the Tribal Areas and elsewhere by changing the economic opportunities available to the desperately poor and chronically ungoverned. President Musharraf shares with the USG a recognition that we cannot counter terrorism and other forms of violent extremism by military means alone; we must create an environment inhospitable to future terrorism. To this end, we have a major program of economic assistance to Pakistan, our fifth-largest aid program worldwide. This year, we worked with Congress to provide \$843 million for economic and security assistance to Pakistan, including expanded efforts in the Federally Administered Tribal Areas (FATA). We tailor our development assistance in Pakistan to build sustainable growth, improve living standards, and promote good governance, responsible citizenship, and foreign investment.

During President Bush's visit to Islamabad in March 2006, President Musharraf asked for a substantial U.S. effort to help implement the FATA Sustainable Development Plan. In February, we briefed the Congress on our multi-year plan to assist Musharraf's effort. We plan to seek \$150 million per year for five years—a total of \$750 million from FY 2007 to FY 2011. These funds will be used to assist the government of Pakistan to improve livelihoods and employment, improve access to health and education, improve infrastructure and roads, and assist the government to improve communications with the people of the Tribal Areas on the programs planned and delivered. We believe this initiative will help eliminate extremist safe havens on the Afghan border and reduce the appeal of extremist ideology.

The Tribal Areas are some of the poorest regions in all of Pakistan. Domestic extremists inside Pakistan rely heavily on a large population of young men lacking access to a modern education and to quality employment. Economic and educational reform can play a significant role in Pakistan's domestic anti-extremist efforts. We believe this Pakistani strategy, supported by the U.S. and other international donors, has the potential to make these areas less hospitable over the long term to al-Qaida, the Taliban, and other extremist groups, while improving the quality of life for citizens there. We also intend to support the local security force, the Frontier Corps, by developing its capacity to extend the rule of law throughout the Tribal Areas. Our funding will be used to boost the capacity of the local governmental agencies to implement these funds over a 5-year period.

Mr. Chairman, President Bush has also announced his intention to jumpstart the creation of Reconstruction Opportunity Zones as a critical part of our broader counterterrorism strategy, designed to connect isolated regions to the global economy and create greater employment opportunities in territories prone to extremism. Through these zones, located in the border regions of Pakistan and Afghanistan, we hope to encourage investment and economic development by granting duty-free entry to the United States for certain goods produced on both sides of the border. We hope that new investment will, in turn, create employment alternatives for working-age young men who may otherwise be drawn into terrorism, narcotics trafficking, or other illicit activities. We expect the zones to be a focal point for interconnected efforts by the governments of Afghanistan and Pakistan as well as the international donor community to build better roads and other infrastructure improvements, and to remove bureaucratic barriers to investment and export. We want to work with Congress to pass the legislation necessary to create this trade preference program so that we can utilize this important economic tool in our fight against terrorism.

PROGRESS ON COUNTER-PROLIFERATION

Mr. Chairman, in the last three years we have seen some progress by Pakistan in disabling the A.Q. Khan proliferation network and taking steps to deny its reconstitution. A.Q. Khan did enormous damage to international efforts to restrain the spread of nuclear technology. The government of Pakistan has direct responsibility to help us undo that damage and ensure it does not happen again. During President Bush's visit to Pakistan in 2006, President Musharraf committed that Pakistan would take a leading role in international efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, and related technology and expertise. We welcome the action Pakistan has taken to bring its export controls in line with international standards, including the recent establishment of a Strategic Export Control Division within its Ministry of Foreign Affairs to centralize licensing and enforcement. Pakistan continues its cooperation with the United States under the Export Control and Related Border Security (EXBS) program. We welcome Pakistan's participation in the Container Security Initiative and the Secure Freight Initiative, under which the United States and Pakistan worked together to install screening and radiation detection equipment to scan U.S.-bound cargo. We are also pleased that, in early June, Pakistan joined the Global Initiative to Combat Nuclear Terrorism. We remain engaged with Pakistan on this full range of nonproliferation and counter-proliferation issues, as they remain vital to U.S. and global interests and key to ensuring a shadow proliferation network does not arise again in Pakistan. Additionally, the U.S. Department of Energy is working with their counterparts in Pakistan on radiation source security and is in the process of finalizing an agreement to install radiation detection equipment at Pakistani ports and border crossings. We hope Pakistan will continue to take steps to join additional international nonproliferation programs and regimes so it can finally move beyond the stigma of the A.Q. Khan era.

SUPPORTING DEMOCRATIC TRANSITION

Before the end of January 2008, Pakistanis will go to the polls—both for president and parliament. President Musharraf has pledged to hold free and fair elections in accordance with Pakistan's Constitution and with international standards. Our partnership with the Pakistanis gives us an opportunity to support the long-term objective of Pakistan's transformation to a modern, democratic state, and a moderate voice in the Islamic world.

To support Pakistan's electoral process, we are providing technical advice and assistance. We believe that Pakistani citizens must be able to freely and fairly choose their own leaders, and chart their own course through a civilian-led democratic government, in accordance with the Pakistani Constitution, as President Musharraf has promised. But we in the U.S. also know that democracy means more than just holding elections. It means building the foundations of sustainable democracy: a free and vibrant press, the right to free assembly, an independent legislature and judiciary, active civil society organizations, and broadly participative and internally democratic political parties. The Pakistani government will need to do more to help build such a system of government. Our governance and democracy assistance programs aim to strengthen institutions such as a free media, a responsive legislature and issue-based political parties and support nongovernmental organizations, with an eye to bolstering Pakistan's civil institutions and long-term political stability. Department of Justice programs in Pakistan, supported by the State Department, work to ensure an accessible, viable, secure justice system. These efforts also work

toward ensuring that Pakistan has the legislative tools necessary to meet international conventions.

Throughout the world, the United States backs democratic institutions with training, assistance and political support. We plan to intensify these efforts in Pakistan in the months and years ahead. The credibility of Pakistan's elections will rest on the ability of Pakistani political parties to campaign and seek votes openly; the ability of Pakistani voters to vote on election day for the political parties and candidates of their choice, in an election free of government manipulation; the ability of political parties to adjudicate post-election disputes in a timely fashion; an election commission that is viewed by political parties as independent and impartial; and the ability of those political parties who emerge with a majority of the votes to form a democratic government reflecting the will of Pakistan's electorate.

SUPPORTING OPPORTUNITY FOR ALL

Nothing determines individual, and therefore societal, success more than access to education. We have thus made education a core focus of our economic assistance. We are supporting the Pakistani government's efforts to upgrade public education, placing emphasis on improving the quality and affordability of Pakistan's public schools. USAID is helping increase school enrollment by constructing and furnishing sixty-five primary, middle, and high schools in five agencies within the Federally Administered Tribal Areas. These efforts will allow impoverished parents to give their children educational opportunities beyond religiously oriented madrassahs.

We are pleased that the increased resources to Pakistan's education sector have already shown encouraging results. National school enrollments have increased 5.7% from 2000 to 2005. In the Punjab, Pakistan's largest province, provision of free textbooks and stipends paid to female students have increased enrollment by more than two million students since 2001, many of them female. In the Federally Administered Tribal Areas, enrollments have increased 38% since 2000 with female enrollment accounting for 27% of the total. National female literacy rates increased from 32% in 1998 to 40% in 2005.

Pakistan has undertaken a comprehensive reform of its school curriculum, which aims to remove teaching material encouraging violent extremism, and to modernize school curricula in areas such as English-language, science, history, and mathematics. In addition, in recognition of the critical role that international study and higher education play in developing the next generation of Pakistani teachers and leaders, we have partnered with Pakistan to make available over the next few years 500 Fulbright Commission scholarships for graduate degree study in the United States. This represents the largest U.S. government dollar contribution to any Fulbright program in the world, and helps Pakistan strengthen its human capital base to support its university system and build an innovation society. Programs for youth and their teachers have also been quite successful. To date, 157 Pakistani high school students have spent an academic year with U.S. host families under the YES (Youth Exchange Study) program. Fifty-five more students are expected for the upcoming academic year.

The State Department's Bureau of Educational and Cultural Affairs is also funding teacher training programs in Pakistan, including in the Federally Administered Tribal Areas, as well as bringing Pakistani teachers to the U.S. for additional training. This summer, for example, for the fourth consecutive year, teachers from across Pakistan have studied educational methodologies at Plymouth State College in New Hampshire. Since 2004, the teachers returning from Plymouth State have trained 10,000 more of their colleagues.

We are also working closely with our Pakistani and non-governmental partners on women's rights and legal protection for ethnic and religious minorities, and combating forced child labor and human trafficking. The State Department's Office of Democracy, Human Rights, and Labor plans to provide \$150,000 to the Mukhtaran Mai Welfare Organization for gender-based violence training for its resource center workers, and will also offer capacity building and strategic planning technical assistance.

Women's health is a particular challenge in Pakistan, but we believe the rate of maternal mortality can be lowered significantly with properly trained rural health providers. The U.S. Agency for International Development (USAID) provides such training. In December 2006 President Musharraf signed the Women's Protection Act amending the Hudood Ordinance, marking a significant step toward improving the legal rights of women in Pakistan by allowing criminal courts (rather than religious courts) to try rape cases. The Act marks the first time in nearly three decades that a Pakistani government has modified discriminatory laws that have stood virtually untouched since the time of General Zia-ul-Haq.

GETTING OUR MESSAGE ACROSS ACCURATELY

Mr. Chairman, as you can imagine, we face an active and often hostile press in Pakistan. Our public diplomacy programs in Pakistan disseminate our message to the widest possible audience and expose influential people and institutions to U.S. policies, views, and values. Despite considerable security constraints, our outreach programs include long-established and respected exchange programs such as the Fulbright, Humphrey, and International and Voluntary Visitor programs, as well as innovative use of print and electronic media, the internet, five new Lincoln Corners centers, a visiting speakers program, and an enhanced public speaking engagement program for mission personnel to further share our policies and values with the Pakistani public. Pakistan is one of 19 pilot countries that will receive significant new funding from the \$40 million allocated to public diplomacy as part of the Global War on Terror FY 2007 supplemental.

But it is our concrete assistance to average Pakistanis that has been the best form of public diplomacy. I was impressed and moved by the Pakistani reaction to U.S. earthquake assistance in 2005, where the immediate and overwhelming support of the U.S. military, USAID disaster relief and reconstruction assistance, and the donations of private Americans saved many lives. The U.S. government provided nearly \$280 million in emergency and reconstruction assistance in the response to the earthquake in FY 2006. This year, the Pakistani government will direct \$50 million in local currency to earthquake reconstruction expenses from the local currency generated by the \$200 million we provided in budget support. Nothing could have been more effective in demonstrating American values and disseminating a message of friendship between our peoples. Indeed, we have data which illustrates the impact of this visible aid: public opinion surveys in Pakistan carried out right after the earthquake and subsequent American relief efforts showed favorability ratings of the U.S. doubling, from 23% to 46%.

WORKING TOWARD REGIONAL PEACE AND STABILITY

Mr. Chairman, it is very much in our interest to see Pakistan's relations with neighboring states improve. We continue to work with the Pakistani and Afghan governments to strengthen stability along the twists and furrows of their 1500-mile-long border. The joint statement issued by President Musharraf and President Karzai in Ankara this spring demonstrates some hope that cooperation between the two countries might improve. But tensions remain, and the two governments need to make a greater and more sustained effort to work effectively together. U.S. and NATO policies must continue to foster expanded Pakistan-Afghanistan bilateral dialogue, stronger economic and trade ties, and deeper cooperation between Pakistani and Afghan border security forces. With U.S. assistance, Pakistan is working to secure its border with Afghanistan to prevent the smuggling of arms, terrorists, and illegal drugs which are fueling the Taliban insurgency. The difficulties of this terrain cannot be overstated but we will continue to work with Pakistan to place it under control.

On the eastern border, we have been pleased to see renewed commitment to Indo-Pakistan reconciliation. Pakistan and India opened the fourth round of the Composite Dialogue this past March, a process originally launched in 2004. The Dialogue addresses their long-standing differences, not only over the Kashmir issue, but over other issues such as the Siachen Glacier and Sir Creek. They have also opened a direct channel to discuss counterterrorism, which we think is extremely useful. We have been encouraged by the success of confidence-building measures such as bus and rail links that restore old connections severed at partition, allowing ordinary people to visit relations and friends. We will continue to support both countries to improve their relations. Secretary Rice and I have made a long-term improvement in relations between India and Pakistan, and especially resolution of the Kashmir dispute, a very high priority in our frequent high-level discussions with both countries.

When she became Secretary of State two and one-half years ago, Secretary Rice also promoted the creation of new economic and technological links between South and Central Asia as a major American priority. Pakistan and South Asia in general offer dynamic new markets for energy from the landlocked nations of Central Asia. The largest country in the region, India, has seen 8-9% economic growth in recent years, accompanied by a rapid increase in energy consumption. It is now the third-largest energy consumer in the world. Through infrastructure projects such as roads and hydroelectric power in Turkmenistan, Afghanistan, and Pakistan, we envision helping to tie these countries closer together so they can provide a long-term and oil and gas bridge from the Central Asian north down to South Asia. As economic relationships develop to knit the countries of this broader region into new areas of

interdependence, we believe changed calculations of national interests will offer dividends of peace and stability for all.

Pakistan is attempting to expand its sources of energy, and like India, is looking at Iran as a source. We have made it abundantly clear to both the Pakistani and Indian governments that a proposed pipeline project with Iran is a bad idea, given Iran's refusal to comply with its international nonproliferation obligations. We will continue to urge Pakistan to pursue other sources for its growing energy needs.

OUR PEOPLE IN PAKISTAN

Our embassy in Islamabad is currently led by one of our most experienced and accomplished diplomats. Anne Patterson, who was recently confirmed by the Senate, has already led the mission through the Red Mosque standoff and its fallout, as well as the recent post-cyclone flooding.

Embassy Islamabad and our consulates in Karachi, Lahore, and Peshawar are dangerous and difficult posts, designated as unaccompanied for families and loved ones, but our fine men and women serve with distinction to advance key U.S. interests and to construct our important strategic relationship with Pakistan.

CLOSING STATEMENT

Mr. Chairman, in closing let me reiterate that the partnership between Pakistan and the United States is successful and improving. Both of our peoples have spilled blood in our common struggle to defeat the terrorist enemy. Much remains to be done, however. We must continue to focus on bringing top al-Qaida and Taliban leaders to justice. We must continue the momentum engendered by Pakistan's recent success in capturing or killing several Taliban leaders. And we must continue our joint focus on moderating the extremism that emanates from Pakistan, which our long-term development assistance targets.

We applaud the efforts of Pakistan, ask for its continued support to defeat the extremists, and commit our support in return. In this year of momentous transition for Pakistan, we are determined to ensure that the substantial resources the American people provide to Pakistan are utilized efficiently, effectively, and to support what all of us want: Pakistan's transformation into a more stable, open, and secure nation where its people can, in the future, live peacefully.

We look forward to working with Congress toward this goal.

Thank you, and I would be happy to take any of your questions.

Senator KERRY. Thank you very much, Secretary.

Your full statement will be placed in the record as if read in full, and we appreciate that. And we're glad you did go on. I think it's important to do so.

Given the number of Senators, what we'll do is have a 7-minute round, and then, hopefully, we can come back a second time, if people want to do that.

Mr. Secretary, in your testimony, you separated—and I want to separate, for the purpose of this early discussion—the, sort of, democracy and some of the issues, on one side, and then the effort to fight terror, on the other. And you certainly made the effort to deal with the increase in terrorism and al-Qaeda paramount. And I think we would agree with that.

That said, as I listened to your testimony, and I listened to the talk of dealing with the charities and the financing, and dealing with the money-laundering and financial accountability, and then, of course, the economic side that you talked about, the sort of humanitarian investment, and I don't see, in any of that, a clear or comprehensive analysis with respect to how you're going to deal with al-Qaeda and with the increased influence of the Taliban, and the movement of weapons and people between Afghanistan and Pakistan. You did say, in your testimony, that—I think you agree—that there are areas which clearly are under Taliban, and or, al-Qaeda control. You agree with that, correct? There are areas in the

territories, as well as in the border region, including in Waziristan, where it's almost a no-man's land.

Secretary BURNS. Mr. Chairman, I think I remember saying that al-Qaeda has certainly found a refuge, as have many members—many leaders of the Taliban—inside the Pakistan part of that border. I think I also mentioned that one of the cruel historical facts of that area is that it's been—

Senator KERRY. Is that they've—

Ambassador BURNS [continuing]. Ungoverned—

Senator KERRY [continuing]. Never been fully under control.

Ambassador BURNS [continuing]. Or—

Senator KERRY. I understand.

Ambassador BURNS [continuing]. All of Pakistan—

Senator KERRY. I understand. But let me come to where we're in a critical struggle against an individual without ideology who is determined to blow people up, kill them. And we all understand the threat of al-Qaeda. I don't have to go through that repetition here. But I don't hear from you the strategy that suggests anything that's going to really alter that in any fundamental way. And I think the question that a lot of Americans and other people ask, is: How is it that you can have a relationship with a country, and you give them \$10 billion, and they're ostensibly a democracy, and you hear these words, but here are these folks who are criminal, No. 1, to the world—again, ostensibly—and they live, sort of, with impunity in this area, continuing to plot against the United States and other countries?

Now, recently, Frances Townsend, the White House Coordinator for Homeland Security, was quoted as saying, "All options are on the table when it comes to intervening in Pakistan." Can you share with the committee, are those really thoughts that, sort of, go to the far end of what I'm saying about how you deal with this? If there is no capacity to effectively find them, capture them, "take them out," what is the option that we're looking at, realistically?

Secretary BURNS. Thank you, Mr. Chairman.

I would answer your question by saying the following. We have to have an effective strategy to defeat al-Qaeda in that region, based on three factors:

First of all, there has to be an effective effort by the Pakistani military to deal with the threat inside Pakistan. And, I think, in my written testimony, and I tried to capture in this in my oral comments, they've done some good things. We know there's a commitment there. But it has not been as effective as it should, and we are asking the Pakistani Government to do more.

Second—

Senator KERRY. So, that's exclusively a Pakistani effort?

Secretary BURNS. Well, I was just going to answer in three parts. I mean, that's—

Senator KERRY. Right.

Ambassador BURNS [continuing]. The first thing that has to happen.

Second, we have a responsibility, with the Afghan authorities, on the Afghan side of the border. Most of the American forces, as you know, in Afghanistan are stationed in the east, along the border, and then, we have four principal NATO-country forces in the south.

We have the British, we have the Dutch, we have the Canadians, and we have other forces in the south. That's the force—that NATO force—that needs to deal with the Taliban as it comes across the border, as it finds refuges inside of Afghanistan.

And, third—and what we have been lacking and need to see an improvement on—we need to see effective cooperation between Afghanistan and Pakistan. You know, President Bush has tried very, very hard, on a personal level, to bring President Karzai and Musharraf together. That's been at the command level. You mentioned General Eikenberry. He was involved in a tripartite effort, as his successors are, on a regular basis, to try to bring the three militaries—United States, Pakistan, and Afghan—together.

Senator KERRY. Well, it's my information that that was a dreadful meeting, had a dreadful outcome, that the relationship between President Karzai and President Musharraf is strained, at best, and that there isn't really a high level of cooperation.

Secretary BURNS. There have been many meetings. Sometimes the United States is present at the meetings, sometimes Pakistan and Afghan leaders, including the two Presidents, meet together, and they must continue, because they are fated to live next door to each other, and they confront the same challenge on both sides of that one border.

I would then just say, finally, Senator Kerry, that—you asked about Fran Townsend's remarks—as we've reflected on this—and, I think, to be fair to her and what she said the other day—we understand that Pakistan is sovereign in its own country. We understand that Pakistani forces are in the battle. And it is always the preference to work with Pakistan on this issue of counterterrorism. Fran said, the other day, and quite correctly, that, given the primacy of the fight against al-Qaeda and Osama bin Laden, if we have, in the future, certainty of knowledge, then, of course, the United States would always have the option of taking action on its own, but we prefer to work with the Pakistani forces, and we, in most situations, nearly every situation, do work with them.

Senator KERRY. Well, do you have any confidence, at this point, that President Musharraf is, in fact, prepared to change his strategy with respect to what the forces will be used for, and how, in those territories what their engagement will be now? Because last time, as you said, they went in there, it was sufficiently tough for them, and negative, that they decided to come out. And that's what prompted the agreement, in the first place. Is there any indication that that would be any different today?

Secretary BURNS. Well, there's every indication. It's hard to predict the future. And it's really difficult to say how successful the Pakistani forces will be. But, just in the last several weeks—

Senator KERRY. Was there something that's happened that's changed what that outcome might be?

Secretary BURNS. Well, I think so. I think it's—I think it's been apparent, over the last few weeks, that the Waziristan agreement, to let the tribal leaders taken on al-Qaeda and the Taliban, did not succeed. And so, we've seen a reintroduction of Pakistani military forces. And there's been a tremendous amount of military activity, and lots of fighting, by—on the part of the Pakistani military, against these forces, just in the last few weeks. And you've seen

lots of terrorist bombs, suicide bombings, as well, particularly since the Red Mosque incident. So, we've definitely seen a change of tactics by the Pakistani Government, and we want to be supportive of them. But, as I said before, the Pakistanis, quite rightly, are also focused on the longer term battle for the hearts and minds of the people who live in the tribal regions; thus, the need for us to work with them on the economic and humanitarian support within the tribal areas itself.

Senator KERRY. Well, that certainly is a long-term task, but I'm not sure it's particularly encouraging or instructive with respect to what happens to those known enclaves and safe harbors that exist today. I mean—well, I'll come back. My round is a minute over, and I don't want to abuse it, so I'll come back afterward on that.

Senator Lugar.

Senator LUGAR. Well, thank you very much, Mr. Chairman.

In this hearing, and in others that the committee has conducted on Pakistan, we've always touched upon democracy. You've mentioned, specifically, elections are going to occur for President of the country, and the legislature, within the next 6 months, more or less. Now—

Secretary BURNS. Yes, sir.

Senator LUGAR [continuing]. Sketch out your judgment about what we would call a speedy return to democracy—in other words, a reintroduction that would allow for much greater participation; potentially, political parties. If such free and open elections were held in Pakistan in the coming months, who would likely win? What would this mean for U.S. strategic interests? And how does this greater political participation meld together with, clearly, the militants who are involved in Pakistan, attempting to destabilize the country, if not the democratic process?

Secretary BURNS. Thank you, Senator Lugar.

We do have an interest—a real interest in the fate of Pakistani democracy. Now, obviously the country has gone through a very unusual period over the last 7 or 8 years, where there's a lack of a full democracy. But the country, the government, has also been fighting this extraordinary rise in terrorism against the people of Pakistan and the government itself. So, as the government has tried—the Government of Pakistan—has tried to balance both a professed open commitment to want to return to democracy, but a priority, I guess it would say, in dealing with the terrorist threat, we have tried to encourage it to continue on that democratic path and not to let it founder.

It's hard for me—and I think it probably would be naive of me to try to predict—and unwarranted of me—to predict election results, except to say these are important elections, because Pakistan has a very lively set of political parties and a very rich political history and some quite dynamic politicians. And our hope would be that the political parties that are democratic and that are patriotic and that do not support terrorism, of course, would be free to contest these elections. And it shouldn't be, I think, for the United States to favor anybody in those elections, or to predict who might win, but we should certainly support that process. And we're trying to, as I said, through our technical training, but, more importantly, through our voice, in saying that, even in a difficult terrain—place

like Pakistan, where this huge battle is underway between extremists forces and the government, countries can still practice democracy and at least find their way back to a full democracy. And so, that would be, I think, the way I would summarize our views and what we're trying to do, as an outsider, commenting on what are really their internal affairs.

Senator LUGAR. Could one of the results of this election and the new officials be some sort of difference in the safe-haven situation for al-Qaeda, but, likewise, A.Q. Khan? We've talked a lot about al-Qaeda, but some would say that, as a matter of fact, out of Pakistan has come the intelligence, sometimes materials, perhaps even guidance, for weapons-of-mass-destruction systems in other countries. We know, from our experience in Libya, specifically, a great deal of testimony about the A.Q. Khan network. Yet, for the moment, in the current situation in Pakistan, he [A.Q. Khan] is out of reach, out of touch, certainly with us. This is of great consequence in our foreign relations and in our nonproliferation situation around the world. Do you have any comment about potential events in that realm?

Secretary BURNS. Well, I would just agree with you, Senator Lugar, that A.Q. Khan and his network did enormous damage to our global efforts in the international community to try to restrain nuclear proliferation. And we trust, and we will expect, that the Pakistan Government will continue to make sure that that network can never arise again, or any similar network can arise again. And the Pakistani Government knows full well the determination that we have to make sure that doesn't happen again.

So, I would agree with the thrust of your question, and you can be sure that, for many years, we've been impressing—we've been pressing that point on the Pakistani authorities. It's really their obligation—he apparently is under some form of house arrest there—sort of, their obligation to make sure that he or his associates or acolytes are never again in a position to trade, on the black market, a nuclear technology, the way that that network did in such an insidious way.

Senator LUGAR. Does this have any relationship to democracy in Pakistan, and to much more of a free flow of ideas and debate, or would, regardless of who is elected, all of the group want to protect A.Q. Khan? In other words, I'm trying to develop at least—is there some scenario in which things change from the rigidity that we observe?

Secretary BURNS. That's a—I guess I would say, Senator, that, you know, as we look ahead, we would expect that any responsible Pakistani politician would have to stand—we would want them to stand with us in two ways: First and foremost, against al-Qaeda and the Taliban; and, second, against those who would proliferate Pakistan's nuclear technology. Those are vital national interests that extend to our global foreign policy, and we have not been shy about making that point, not just to the government, but to some of the politicians in Pakistan who are outside the government, at the present time.

Senator LUGAR. In other hearings on Pakistan, we have heard testimony about the lack of public schools, and, therefore, the reliance upon the madrassahs. As you say, we would like to try to help

that situation. As a practical matter, given the size of the country, really, how can we help the Pakistanis organize a public school system so that there could be development through education for the children of the country?

Secretary BURNS. Well, it's a major priority for us. We are—as you know, we, with the agreement of the Congress, have committed a great deal of money to try to support the Ministry of Education—and I've met with the Minister of Education in Islamabad—to try to build public schools; No. 1, to give kids access—as Senator Kerry said, kids who haven't had it—to schools; and, No. 2, to the right kind of schools, not to those—at least some of the madrassahs who—that have been so much the source of intolerance in Pakistani society. And so, we're funding that, both school construction—we're encouraging curriculum change, and we're trying to help the Pakistani Ministry of Education free up some money to do those very things. But, as you say, it's an enormous challenge. It's a poor country, 160 million people, and a country that doesn't have as much—of a strong central government with a pervasive influence throughout the country as, say, you find in many other countries. So, it's a big challenge, but we're on to it, and we're working very hard, and we appreciate the support of the Congress in committing the funds necessary to achieve that purpose.

Senator LUGAR. Thank you.

Senator KERRY. Thank you, Senator Lugar.

Senator Feingold.

Senator FEINGOLD. Thank you very much, Mr. Chairman.

And, Under Secretary Burns, thank you for coming before the committee today to discuss Pakistan. As we were reminded in the recently declassified National Intelligence Estimate, Pakistan is, of course, vital to our fight against al-Qaeda.

Mr. Chairman, I have a full statement I'd like to put in the record, if I could.

Senator KERRY. Without objection.

Senator FEINGOLD. Thank you.

The latest NIE only reinforces my—and many of my colleagues'—belief that this administration has failed to focus on the true threats to our national security, and in particular, the threat posed by al-Qaeda. If Pakistan is our ally in this fight, why have we not yet gotten at the root of the problem which so directly impacts our national security? Why—while al-Qaeda has strengthened its safe haven, we have watched political and religious upheaval grow across Pakistan. We need to support the tenets of democracy and the rule of law in Pakistan just as much as we support security and counterterrorism initiatives. If we're to truly protect our own national interests, we must commit ourselves to eliminating corruption and poor governance, endemic poverty, and the historic marginalization that has allowed terrorists and other threats to fester.

But I do thank you, again, appreciate your thoughts. And let me ask a couple of questions.

It seems that, in the post-9/11 era, anti-American sentiment in Pakistan has grown significantly as has religious extremism, which recently led to the Lal Mosque crisis. The increased rate of attacks by suicide bombers across the country is also notable. To what do

you attribute these developments, and what steps are being taken to address them?

Secretary BURNS. Senator, thank you.

First of all, let me just say that I would just respectfully, and very respectfully, disagree that somehow the United States Government has not been focused on the fight against al-Qaeda. We have been focused, and we've made a major effort, both in security assistance with the Pakistani military, to the economic assistance that Congress has been good enough to fund, but also in Afghanistan. We've recently, this year, increased our troop presence to 27,000 soldiers. When I first started going to Afghanistan, in 2002, we had less than half that number of American troops in Afghanistan. We've built up, over the last couple of years, because we do understand that our national security interests are on the line there, in both countries—Pakistan and Afghanistan. So, I think we've made the effort.

The question is: Can we sustain an effective effort among three countries—Afghanistan, the United States, and Pakistan? And we bring in, of course, 25 NATO allies into that mix, and lots of other countries in the international force. So, it's a complicated effort. I would say that we can do a better job in trying to elicit a stronger performance from the Pakistani military inside their border. I said to Senator Kerry, in response to one of his questions, that we need, obviously, to improve the cooperation, or see an improvement, between Afghanistan and Pakistan itself. And I think most of us would say that NATO has done very well to go in, to be present, to fight. The Canadians have lost more people there than any conflict since the Korean war. But we haven't had a seamless effort between the NATO military effort and the international civilian effort in Afghanistan.

So, we would never claim that this is a perfect situation. We can do better. But I think we've made a major effort, and we are committed to it.

I wanted to say that, because I believe that very strongly, personally.

Senator FEINGOLD. Well, I recognize the increased effort with regard to Afghanistan. I think it needs to be recognized, in the record, that it came pretty late, after what I consider to be almost an obsessive emphasis on Iraq, to the point where, when I was in Afghanistan, I even had our troops saying, "Where did our resources go, here in Afghanistan?" But I know that you sincerely want to have the proper emphasis on Afghanistan and Pakistan, so I'd ask you to respond to the other part of my question, that had to do with Pakistan itself, and the—

Secretary BURNS. Right.

Senator FEINGOLD [continuing]. Anti-American issue.

Secretary BURNS. On—to answer that question, Senator, I would just say that there—you know, as you know, there's a battle underway between these extremist forces inside Pakistan and the government. And I think that battle will extend to the other democratic political parties, let's face, for the future of Pakistan. And so, we need to be present to give the right type of assistance, and we need to be committed, over the long term, to help them.

Anti-Americanism? I think there are a lot of reasons for it. It's certainly very much present in Pakistan. What's interesting is that, when our military went in to the mountainous areas, after the earthquake, and delivered, in record time, humanitarian assistance, we saw, in the public opinion polls, nearly a doubling of the American approval rating, because people began to see the United States not just as a foreign military force operating close to Pakistan inside the Afghan border, but as a military that could help them in a time of great trouble.

And so, obviously we need to do what's right, continue to assist the antiterrorism effort, but we need to also assist the people, through education, through humanitarian development. That's why we're asking the Congress for this commitment of \$750 million over 5 years for the tribal areas. That's nearly all money to be spent to improve people's lives, and it's through that kind of commitment, I think, that you'll gradually see—probably not overnight, but gradually—an improvement in how people see our country in that—in a very difficult environment.

Senator FEINGOLD. I think that's a fair point. And I'd—same thing with Indonesia, where we saw the numbers go up after the—

Secretary BURNS. Right.

Senator FEINGOLD [continuing]. Tsunami. But, you know, obviously we can't wait for disasters for this to happen. And the problem is, is that when it isn't something like a disaster, it's a little—it's a lot more complex, the way that we're perceived, and what we're doing is perceived; plus, it's harder to persuade the American people to put the resources in, to have them believe that it will have the bang for the buck, in terms of better relations. But I do agree with the general sentiment, very much.

A recent article in *The New Yorker* magazine referenced the "economic empire" run by Pakistan's military, including findings in a recently published book by Ayesha Siddiqi, which estimated that Pakistan's military controls business assets of more than \$20 billion, with interests ranging from cement and dredging to the manufacture of cornflakes and the baking of bread. Can you comment on what positions the administration has taken, publicly and privately with the Pakistanis with regard to these commercial ventures? And how do they impact the military's professionalism in Pakistan? And are we taking any steps to, you know, press the military in Pakistan to relinquish these advancements, as was done in Indonesia? I personally pressed the Indonesians on this with regard to their, sort of, involvement—their military's involvement in business ventures. What's going on with regard to Pakistan?

Secretary BURNS. Well, Senator, I can tell you this, our focus with the Pakistani military is on their fighting and counterterrorism capability. I don't know, personally, to what degree we've addressed this issue, which you often see in developing countries, of state organizations, including militaries, being involved in commercial enterprises. I can get back to you. I think it's a fair question, and I'll be happy to provide a written answer.

[The information referred to above follows:]

Secretary BURNS. We have seen media and other academic reports that Pakistan's military is involved in numerous business ventures. We believe a nation's military forces should focus attention on security affairs, especially countering the threat of terrorism and violent extremism. Our International Military Education and Training (IMET) program in Pakistan is one very effective way in which we help to inculcate professional military values and behavior in the Pakistani security forces. Renewed in October 2001, Pakistan's IMET program has increased opportunities for military-to-military professional contact, improved interoperability/technical capabilities, and enhanced respect for civilian rule. IMET courses focus on professionalism and expose Pakistani personnel to U.S. values, military doctrine, and management as well as human rights and the law of war.

Senator FEINGOLD. Thank you, sir.

Thank you, Mr. Chairman.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSS FEINGOLD

Under Secretary Burns—thank for coming before this committee today to discuss Pakistan. As we were reminded in the recently declassified National Intelligence Estimate, Pakistan is vital to our fight against al Qaeda.

In the few minutes I have, I would like to express my concerns about the ability of al Qaeda to continue to thrive in Pakistan. It has been almost six years since al Qaeda attacked the United States, and I am deeply disturbed that the National Intelligence Estimate indicates that al Qaeda has strengthened its capabilities. Mr. Burns, as you know, Pakistan has received \$3.4 billion in direct U.S. assistance between fiscal years 2002 and 2006, which includes nearly \$1.5 billion in security-related aid. Pakistan also has received nearly \$5 billion in reimbursements for its support of U.S.-led counterterrorism operations since 2001—and yet al Qaeda has reconstituted its strength in the protected safe havens of Pakistan's border region. I can only ask what so many Americans are asking—why have we failed to reduce the al Qaeda threat? What are we doing wrong? And what are we doing about it?

The latest NIE only reinforces my—and many of my colleagues'—belief that this administration has failed to focus on the true threats to our national security, and in particular the threat posed by al Qaeda. If Pakistan is our ally in this fight, why have we not yet gotten at the root of his problem which so directly impacts our national security.

I understand the porous borders and weak governing structure of the Federally Administered Tribal Areas are a challenge to the government of Pakistan and to counterterrorism operations in general. But, I would hope that six years and billions of dollars invested would have led to greater improvement in regional security and stability and, at the very least, a significant decrease in al Qaeda's capacity.

Adding to my concerns about a strengthened al Qaeda is the fragile political state in which we find Pakistan right now. As part of our efforts to combat extremism and terrorism, we should be stressing, not sacrificing, our support for strong democratic principles and I am concerned that we may have abandoned that effort long ago in Pakistan. Promoting democracy overseas helps, not hinders, efforts to promote greater security. While al Qaeda has strengthened in its safe haven, we have watched political and religious upheaval grow across Pakistan. We need to support the tenets of democracy and rule of law in Pakistan just as much as we support security and counter-terrorism initiatives. If we are to truly protect our own national interests, we must commit ourselves to eliminating corruption, poor governance, endemic poverty, and the historic marginalization that has allowed terrorist and other threats to fester.

Thank you again for your testimony today, Under Secretary Burns. I look forward to hearing your thoughts and insight on how we can best work with Pakistan to effectively address al Qaeda while encouraging efforts to make it a fully functioning democracy.

Senator KERRY. Thank you, Senator Feingold.

Senator HAGEL.

Senator HAGEL. Mr. Chairman, thank you.

Welcome, Secretary Burns.

What is your assessment of Pakistan's relationship with Iran?

Secretary BURNS. My judgment, Senator, is that they don't have an extremely close relationship, but they have a relationship: Dip-

lomatic and economic. And one of the issues that's arisen, quite recently, is this prospective natural-gas pipeline that will unit Iran with India and Pakistan. And we've made it very clear to the Indian Government, as well as the Pakistani Government, that, given the fact that Iran is, in effect, an outlaw state, in terms of its nuclear weapons program, we would hope, very much, that that gas pipeline deal would not be consummated.

And so, Pakistan seems to have the type of relationship that lots of the neighboring countries have with Iran, and have had for a long time, that lots of our European allies have had—diplomatic, commercial. But our whole approach—with the Pakistanis, with the Europeans, with the Indians—is to say Iran is not a country that can be trusted, and we would prefer to see that relationship cut down quite dramatically.

Senator HAGEL. Have we worked with, or through, Pakistan, in any way, regarding Iran?

Secretary BURNS. We have certainly been in touch with the Pakistani Government about what we're trying to do to limit Iran—to prevent Iran from becoming a nuclear weapons power. We've also talked to the Pakistanis—we have a strategic dialog with Pakistan—and, in the last meeting that I held with Foreign Secretary Riaz Khan, we had a long conversation about Iran, both about the regional dimension of Iran's funding of terrorist groups in the Middle East, but also about the nuclear program. And we've had the same type of discussion, by the way, with India, just last week, when the India Foreign Secretary was here.

Senator HAGEL. Well, in light of our second engagement with Iran, as of yesterday, I would ask you: Do we consult with Pakistan on those kinds of diplomatic initiatives?

Secretary BURNS. We're beginning to. I think, for a while there after 9/11, our relationship pretty much was focused on the counterterrorism struggle and on Afghanistan, but Secretary Negroponte—my colleague John Negroponte, the Deputy Secretary—was in Islamabad, and had some broader-range consultations. I did, as well, during my last two visits to Islamabad. And we are inviting the Pakistanis into that kind of a regional dialogue, yes.

Senator HAGEL. You mentioned, as has been mentioned here this afternoon, the impending Presidential and parliamentary elections in Pakistan. And if my information is correct, the Presidential election is slated for October—

Secretary BURNS. Yes, two elections—

Senator HAGEL [continuing]. Parliamentary—

Ambassador BURNS [continuing]. Between now and January, Presidential and parliamentary.

Senator HAGEL. If that's the case, then we are about 3 months away, from the end of October. What preparations are you aware of that are ongoing for a Presidential election in Pakistan? Are they proceeding, printing ballots, like a normal democratic election? Ninety days away is not a long time, as you know.

Secretary BURNS. That's right. It's my understanding that they are proceeding toward elections. I said, in my prepared testimony, that President Musharraf has pledged, rather consistently, to uphold both Pakistani constitutional standards and to meet normal

international standards. And we would expect that that would happen. We hope very much that that will happen.

Senator HAGEL. Is there, for example, a slate of Presidential candidates 90 days out?

Secretary BURNS. Well, there are certainly a number of politicians and political parties who want to contest the elections. And—

Senator HAGEL. Can you name two or three primary candidates—

Secretary BURNS. Well, I—

Senator HAGEL [continuing]. For president?

Secretary BURNS. You know, the People's Party, of course, is in—this is the party of Benazir Bhutto. She is not in Pakistan, as you know; she lives outside of Pakistan. But her party is there. The party of Nawaz Sharif is there. There are a number of—four or five major political parties in Pakistan itself. Now, we'll have to watch and see how these elections are conducted and the degree to which these parties can mobilize their supporters and—

Senator HAGEL. Is their presence required—like, Ms. Bhutto, would she have to physically be in Pakistan to stand for election?

Secretary BURNS. I don't believe that their presence is mandatory. It's their choice, obviously, and they'll—as to whether or not they would seek to be present for the elections.

Senator HAGEL. Is there active campaigning going on in Pakistan today?

Secretary BURNS. I believe there is campaigning going on, yes. I will not—I would not want to assert that the environment is, say, the environment you'd find in the United States of America, with all the debates that you—we see on the television, with the Republican and Democratic candidates, and so on. It's not that kind of environment. It's an environment where obviously there have been limitations on the democratic rights of some of the political parties and of individuals. And what I tried to say in my testimony today, what we have tried to say consistently, is that we believe it's a standard that should be met, and the United States, of course, should always voice support for such standards.

Senator HAGEL. What kind of limitations on candidates and campaigns, as you have just noted?

Secretary BURNS. I'm not actually the best person to answer that question right now. I don't have immediate knowledge. I couldn't tell you specific immediate limitations that are being imposed right now. But I can certainly take that question and give you a written answer.

[The information referred to above follows:]

Secretary BURNS. According to the Election Commission of Pakistan, and Pakistani citizen not less than 25 years old (in the case of National and Provincial Assemblies) or not less than 30 years old (in the case of the Senate) or not less than 45 years old (in the case of the President), who is of good moral character, with a good education, who has not defamed the armed forces or judiciary, and has not defaulted on debts or utility fees may contest for parliamentary elections. In addition to these qualification, candidates for President must also be Muslim and qualified to be elected as a Member of the National Assembly.

President Musharraf amended the Political Parties Act in August 2000 to bar any person from a third term as minister. This would make two leaders of prominent opposition parties, Benazir Bhutto and Nawaz Sharif, ineligible for appointment to the post even if their parties were to gain a majority of the seats in parliament.

The Political Parties Act was further amended in August 2001 to bar anyone with a court conviction from holding party office. The amendment created obstacles to the political futures of both Bhutto and Sharif since both have been convicted of corruption.

Under Pakistani law, the Tribal Areas are excluded from the legislative regime in force throughout the rest of Pakistan. Instead, the Tribal Areas are governed primarily through the 1901 Frontier Crimes Regulation, a procedural law distinct from the criminal and civil codes operative elsewhere in Pakistan, which states that no political party can legally campaign or operate an office there. Therefore, political parties are not allowed to operate within the Tribal Areas.

Senator HAGEL. Well, it just—it seems to me, if you have a presidential election in a large country like Pakistan, 90 days away, there would be some kind of activity that would be indicative of preparation for a new administration.

Secretary BURNS. Yes, and I said, Senator Hagel, that the United States—our Government is supplying technical advice and assistance to help support the organization of the elections, and we're working with some other international organizations and with NGOs. So, we'll continue that. So, we're front and center in arguing that there should be democratic elections. I just can't give you some of the specific granularity, myself, that you are looking for.

Senator HAGEL. Well, you see, your last point—and I know you can't control this, but, when you just said—you're arguing strenuously that there should be elections. Does that imply that there is some question whether there will be elections?

Secretary BURNS. Oh, I think there's—I don't think there's any question about the fact that there will be elections. The question will be: Will these elections, the day after—and this—we have this question with any election in a foreign country like this—be democratic? Will it meet a free-and-fair standard? And so, we're working to support that eventuality. But, obviously, given the environment of the last 7 or 8 years, with the original coup in Pakistan, with the departure of at least two of the prominent political party leaders—Nawaz Sharif and Benazir Bhutto—there has been a question about what road the Pakistani Government and people would take, under what conditions would elections be contested, sure. And we've spoken out about that, and will continue to do that.

Senator HAGEL. Do you believe there will be Presidential elections—

Secretary BURNS. We—

Senator HAGEL [continuing]. By October?

Ambassador BURNS [continuing]. Hope very much there'll be a—we have every understanding that there will be, yes.

Senator HAGEL. You—but do you believe there will be? Do you—

Secretary BURNS. I think—

Senator HAGEL. Can you tell this committee that you believe there will be elections held by October?

Secretary BURNS. It would be my judgment that you will see Presidential and parliamentary elections. We certainly hope so.

Senator HAGEL. But—

Secretary BURNS. And we see no reason why that—the government would change and decide not to hold those elections.

Senator HAGEL. Thank you.

Senator KERRY. Thank you, Senator Hagel.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Mr. Secretary, you said, in your statement, that Pakistan is the most indispensable partner that we have. It's also one of the largest recipients of U.S. aid. And, in that respect, it has received more than \$3 billion over the last 5 years in direct assistance, and about another \$6 billion in coalition support funds. And so, I look at what we have—at the record, after \$10 billion of support, in money and years, and I look at the 2007 failed-states index that lists Pakistan among the 15 most unstable countries in the world. I look at the State Department's Country Report on Human Rights practices in 2006, that again determined that the Pakistani Government's record on human rights remained poor, that Pakistan remains a safe haven for the Taliban. And, as we all know, the recent National Intelligence Estimate verified that al-Qaeda is operating in a safe zone along the Pakistan-Afghanistan border, at September 11th strength. And then, we look at that National Intelligence Estimate that tells us that, in fact, al-Qaeda is the single greatest threat to American security. And so, I listen to you say, \$10 billion later, greater anti-American sentiment, and a Musharraf government that either turns a blind eye or acts more in containment than in trying to put al-Qaeda out of business, to the one entity that is the No. 1 threat to our country as they train in that border line between Afghanistan and Pakistan. I don't think that that's sustainable anymore. I don't think that's sustainable anymore.

And I want to talk with you, specifically, in that context, as you comment on that, you know, since October 2001 we have been providing Pakistan with large sums of money as reimbursement for Pakistan's fight against terrorism. According to the Congressional Research Service, this money, which is distributed from the coalition support funds, has provided Pakistan with an average of \$80 million a month, on top of the direct assistance that they receive from the United States—that's about \$6 billion, to date. I've heard estimates that this money may account for more than a quarter of Pakistan's defense budget. And despite this vast quantity of money, there is virtually no oversight or transparency in the disbursements of these funds.

So, my question is: Could you provide details on the oversight that currently exists? How how are we, as a government, ensuring that this money, being given to the Pakistani Government, is being used for legitimate purposes? I'm alarmed, as I already heard the questions from my colleague Senator Feingold about all of these private enterprises by the Pakistani military. We're giving them \$80 million a month. We've given them nearly \$6 billion over this period of time. I mean, what are our receipts to show that this work that we are funding is within the lines of what we meant for it to happen?

Secretary BURNS. Thank you very much.

This effort, since September 11, 2001, has been extraordinarily expensive. I don't disagree with you at all. This effort to try to work with the Pakistanis, have them work with us effectively in the fight against al-Qaeda and the Taliban, militarily, but also the money that we've spent to try to help them economically, it's an expensive proposition. And you're—you have, obviously, an obvious

right to ask the question, “So, what are we getting in return for it?”

We have a country that is, without any question, the most indispensable country in the fight against al-Qaeda, by virtue of the fact of where it’s located and where al-Qaeda is located, and by the opportunity to do something about that.

Now, what I’ve tried to indicate in my testimony today is that we don’t question President Musharraf’s commitment. I mean, this is the guy who has nearly been killed several times by terrorist forces. He has 100,000 troops on the border, and he’s lost 600 troops in the fight against al-Qaeda alone. So, the commitment is there. The question is: Can we work with the Pakistani Government to help them fashion a more effective strategy? And I would say to you, quite honestly, there needs to be a stronger and more effective effort in the fight against al-Qaeda.

Is there transparency and oversight? In terms of the military assistance that we give to any country, including Pakistan, we do spend—the Pentagon spends a lot of time in end-use certification and in oversight, and employ a lot of people to do that. And I’m—be happy to get you the necessary information to answer that question, from the Pentagon.

[The information referred to above follows:]

Secretary BURNS. We are committed to ensuring that monetary assistance the USG gives Pakistan is used for the purpose for which it was intended. All assistance funds are subject to standard USG controls and audit requirements. Monies used for grants, projects, and procurements are subject to U.S. Agency for International Development audit requirements. Funds used under NADR and INCLE programs are also subject to the standard controls and end use agreements, and are monitored accordingly. Money obligated under the Strategic Objective agreements negotiated with the Government of Pakistan is provided to the Government of Pakistan, and results are measured through a variety of measures, rather than by tracing funds. In the case of all DRL programs in Pakistan, monies pass through U.S. partner grantees and non-governmental organizations who submit regular quarterly and financial reports. We maintain clear, established controls and financial records for this portion of our assistance program.

Secretary BURNS. In terms of the economic, educational, humanitarian programs that we’re running, with the support of the Congress, of course we have oversight and transparency through USAID and through our Embassy in Islamabad, and we work hard to achieve that.

Senator MENENDEZ. Well, Mr. Secretary the difficulty is, I think the average American would look and say, \$10 billion later, and we have a reconstituted al-Qaeda, at September 11th strength, we have President Musharraf looking—I think we’ll hear other testimony, later today, of those who will say that he’s basically looking at—with a blind eye, to some degree, that what we’re doing here is containment, versus putting these entities out of business. And yet, we are told, by the National Intelligence Estimate, this is the single most significant threat to us. So, I can’t understand how \$6 billion directly in military funding creates a reconstituted al-Qaeda, with very little effective action, at the end of the day, and rising anti-Americanism, \$10 billion later. It’s just very difficult to understand. And now the administration comes and asks for more money into tribal areas. I mean, at the end of the day, you have to give us a plan here that works. It’s not just about working with Musharraf, which I’m all for, but results matter. And a reconsti-

tuted al-Qaeda and a Taliban that is growing in strength is not, in my mind, a plan that works.

Secretary BURNS. Well, Senator, I'd say to you that we don't have an option here about whether or not to work with President Musharraf. He is a friend of the United States. His government is a partner with our country. They collaborate on military strategy with us. And if the option is walking away from that government and not spending the money, I don't think that's an appropriate—

Senator MENENDEZ. Our option is to make—

Ambassador BURNS [continuing]. Policy—

Senator MENENDEZ [continuing]. It more—

Ambassador BURNS [continuing]. When al-Qaeda is the greatest threat to our country.

Senator MENENDEZ. Our option is to make it more effective, and you—

Secretary BURNS. And that's been the—

Senator MENENDEZ [continuing]. Can't keep coming—

Ambassador BURNS [continuing]. Thrust of my testimony—

Senator MENENDEZ [continuing]. To the Congress and ask for billions more, to achieve the same results. That's my point.

Secretary BURNS. It's—and that's a fair point. And I would just say, Senator, if I could just respond, very quickly to your good question, we're trying very hard to work with the Pakistanis to fashion an improvement in the strategic and tactics, because we would acknowledge that, at—if al-Qaeda has reconstituted itself, or found a refuge, if the Taliban are in Pakistan in greater numbers, we're not satisfied with that situation. We have to have it—see it change. But working with the Pakistanis and continuing to commit to a close military and economic relationship is the way to do it. I fear that, if we walked away or didn't pay attention to the non-military side of the fight against terrorism, it wouldn't work for us, long term.

Senator MENENDEZ. I'm not—

Secretary BURNS. It wouldn't be a successful policy.

Senator MENENDEZ. I don't want to overstay my time. I'm not suggesting that, Mr. Secretary. But pouring more money down, for the same results, is also not acceptable. It's not a blank check for a failed policy. It's a check that ultimately has to lead to a different success. I'll look forward to the responses on the coalition support funds and how those were distributed.

Thank you.

Senator KERRY. Thank you, Senator Menendez. Thank you.

Senator Isakson.

Senator ISAKSON. Thank you very much, Mr. Secretary. Two days in a row. It's been a pleasure to see you. I'm sorry I missed some of your remarks following up on the response and the question of Senator Menendez.

I am correct that Musharraf's effort now on the border with Afghanistan in the tribal areas is the most significant, militarily, since all this began, September 2001. Is that correct?

Secretary BURNS. Whether it's the most significant in number of troops, I don't know, but, I think, in intensity, it is. We've never seen—

Senator ISAKSON. Yeah.

Ambassador BURNS [continuing]. I think, the intensity of exchange that we've seen over the last several weeks. So, they are taking on the militant groups.

Senator ISAKSON. That's my perception. And, second, and this is my perception—I could be wrong, and I'm sure you'll correct me—but the real problem with that area, historically, has been, in the history of this war with terror, or war on terror, they hop back and forth, depending on where the pressure is coming from. "They," being the bad buys, whether they be Taliban or whether they be al-Qaeda. If we do have the most significant intensity of pressure from the Pakistani side, are we putting the proportionate pressure on the Afghan side to narrow the gap?

Secretary BURNS. Yeah. Yes, we are, Senator. In fact, you know, there was a lot of talk, at the turn of this year, that the Taliban would launch a spring offensive. And, as Secretary Gates put it, we launched the offensive before they could. NATO launched a major military offensive, as you remember, in February and March. We have taken—the NATO forces have taken the battle in the east and in the south and in Kandahar, Oruzman, and Helmand provinces, to the Taliban. They've done very well. But the Taliban's strong, and they continue to come across the border. And we can expect that's going to continue.

So, you're very right to assert you need to have an effective strategy from both sides of the border. We've often not had that. And we're trying to arrive at a situation where a—where that happens.

Senator ISAKSON. And that effectiveness requires the word "coordination" —

Secretary BURNS. Yes, it does.

Senator ISAKSON [continuing]. In my judgment. Are we getting any indication that that coordination is, in fact, taking place, with the Pakistani military?

Secretary BURNS. Well, I can say one thing for sure. In my visits to Afghanistan, I've always gone out and seen the U.S. military in action, and they're doing a first-rate job, our people. We are not satisfied at the degree of cooperation and coordination between the Pakistani and Afghan governments. I, in an earlier question by Senator Kerry, referred to President Bush's personal efforts to bring the two leaders together, but also to see this tripartite military cooperation among the United States, Pakistan, and Afghanistan—we can—I think it's fair to say we all believe that that can be improved, and we need to keep our eyes focused on that.

Senator ISAKSON. With regard—Senator Lugar may have asked this, I believe—I heard A.Q. Khan come up, so he may have asked this. If he did, I apologize. But I understand we, and other countries' investigators, have little or no investigatory access to that network or any remnants. Is that correct?

Secretary BURNS. That's also my understanding, that we have not had personal access to him, to A.Q. Khan. But we obviously have told the Pakistani Government that it is its responsibility to sequester A.Q. Khan, his network, to dismantle it, and to make sure that it, or a similar organization, is not created again in Pakistan. It did enormous damage. And to Pakistan's reputation, it did enormous damage.

Senator ISAKSON. I think you just answered my followup question, but, just to be sure, I'll ask it. Do you have reason to believe that the remnants of that network of nuclear proliferation still exist?

Secretary BURNS. That's a very good question. I cannot assert that no part of that network exists, but it's my understanding, based on our conversations with the Pakistanis, that the network has been fundamentally dismantled. But, to say that there are no elements in Pakistan, I'm not sure I could say that. And I—if you'd like, I could take that question and try to get you a more detailed answer, maybe in a classified basis.

Senator ISAKSON. It's probably the most concerning thing to me, in terms of weapons-of-mass-destruction capabilities getting into bad people's hands relatively easily, if you have that type of network existing.

I guess my last point would be—you had mentioned President Musharraf wanted \$750 million in aid, and that was for the economic and educational programs in the border area, is that right?

Secretary BURNS. Yes. When President Bush visited, in March 2006, President Musharraf said that he felt that, in the long-term battle to deprive al-Qaeda and Taliban of sanctuaries in the tribal areas, that the Pakistani Government needed help in trying to help convince young people not to join these organizations. So, job creation activities, infrastructure, health programs, educational programs, he thought, over the long term—and he didn't predict short-term progress—would be essential.

Senator ISAKSON. I want—

Secretary BURNS. And so, we are prepared—you know, we've come to the Congress with a proposal for that.

Senator ISAKSON. I want to just comment. I had the opportunity, post-9/11, to go into Ethiopia and Egypt, with NGOs and State Department representatives, to make sure that United States aid for educational and economic purposes was, in fact, being distributed to make the right influences. For example, we learned that, in Egypt, they weren't letting young girls go to school, or the money to be used for schools where young women could go, and things of that nature. So, I think it's very important in that. I am a supporter of that, because you can win hearts and minds. It's difficult if the Taliban has an equal license. But I'm assuming we're going to continue to dissipate that. But it's very important that we make sure, when it goes into education, that we know the education it is going into, and it is, in fact, the liberating type of enriched knowledge that we'd like folks to have.

I would—because I would point out, Mr. Chairman, Ethiopia was our big friend, here recently, in Africa, really—and 10 years ago, that would not have been the case. But the—that effort in Ethiopia has paid off, I think, big time, for the United States and our relationship, and hopefully it would be a part, in concert with the military cooperation with American forces and Pakistani forces, to clean that area up, or begin to turn the corner in that border area.

Secretary BURNS. I very much agree. In fact, both—in Afghanistan, we do a lot of education work, and Pakistan. We pay attention to the curriculum and what's being taught. And in Pakistan, of course, we have welcomed to the State Department Mukhtar

Mai, who's been a campaigner for women's rights in Pakistan. In fact, we're helping to fund NGOs in Pakistan that stand up for women's rights in the country.

Could I just say—I want to make sure I was fully understood on your question about illicit A.Q. Khan-type networks. I meant, of course, to say that these would be private. I don't—I didn't mean to assert that the government would have anything to do with them. But I can't be sure—

Senator ISAKSON. I did not take that—

Ambassador BURNS [continuing]. I cannot be sure that there are no private groups in Pakistan trying to reconstitute that type of capability.

Senator ISAKSON. That's the way I understood your answer.

Secretary BURNS. Thank you.

Senator ISAKSON. Thank you, sir.

Senator KERRY. Thank you, Senator Isakson.

Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman.

And, Secretary Burns, once again I thank you very much for your service and what you're doing for our country. You're making a very important contribution, and we thank you for that.

And you made a very convincing point about the importance of Pakistan in our fight against al-Qaeda, and the importance of Pakistan in that region, and our relationship with Musharraf government. And—but let me just make an observation. Historically, when we support governments that are moving in the wrong direction on democratic reform, or who are not protecting the rights of the people in their own country, and the human rights records deteriorate, that, over the long term, that's not in our interest. And I'm just concerned whether the current government in Pakistan is facilitating or is an impediment to democratic reform, and to protecting the human rights of its citizens. And I want to get your observations of whether it's moving in the right direction or wrong direction. We all talk about these elections. And obviously that's the immediate concern. But it seems to me that—you look at what happened with the—what he tried it with—the government tried to do with the courts, look at what's happening in many other areas—that the country is moving in the wrong direction. And what impact does that have on the—beyond just today, with the relationship between us and Pakistan?

Secretary BURNS. Well, I think, Senator, it's a fair question. It's been a major concern in our foreign policy over 40–50 years, have dealt, throughout the cold war, with this same issue, in many parts of the world.

I think that there are two recent indications that the Pakistanis may be heading in a better direction, if they can be sustained. The first is the Supreme Court decision to reinstate the Chief Justice. Now, the Government of Pakistan, the President and Prime Minister, have both said that they will abide by it. We have said, publicly, we think this is a positive development, because it's a triumph for the rule of law, and that we do want to see a strong, independent judiciary in Pakistan. So, we'll have to see how this plays out. But we would hope that that court decision would be respected and that this would be something that the government and

judiciary would then have to deal with together to learn to exist together.

Second would be the elections. And, while I don't have a crystal ball, and I cannot now say that the election is going to meet all standards that we would want it to meet, but we hope it will and we're arguing for that, and we're voicing that sentiment, and we're putting our money behind helping to organize the elections, you know, in technical assistance to the election process itself.

And I think those are two issues that are guideposts, and we need to watch them, but we also need to encourage the people of Pakistan and the Government of Pakistan to follow a positive evolution, both in terms of the law, as well as in terms of politics.

Senator CARDIN. Well, I agree with you on the elections. That's coming up soon. I think it is a critical time for Pakistan. And I encourage you to be as aggressive as you can, and be as honest in your assessment as to whether it's a free and open, fair election process that's used. We need to be pretty direct about that, and not be influenced by any other factor than whether it's a free and fair election.

I want to get to the Pakistan-India relationship for one moment. We've been talking about that for many, many, many years. You talked about that there is conversation taking place between the two countries and their leaders, and that there is, at times, some progress that is being made. How would you judge progress? What are we looking for? What are we trying to achieve in improving the relationship between those two countries?

Secretary BURNS. I think we have to judge it against the standard of 1998 and 2001. You remember, there were times when it seemed that India and Pakistan, both during the Clinton administration and during the early years of this Bush administration, were on the brink of a conflict. They're nuclear-armed. Nothing could be worse for the people of the two countries, and for the world.

Since then, I think you've begun to see—and what I would look for is an element of trust beginning to develop between the highest-level leaders on both sides, President Musharraf, Prime Minister Singh, their Foreign Ministers, and their Foreign Secretaries. And they've formed this composite dialog. It's an Indo-Pak dialog of the Foreign Secretaries. And they do get together very consistently, they work through their bilateral differences. They work on the very difficult issue of Kashmir. And they're also trying to break down the barriers that have separated the peoples in the border regions for a long, long time—by the bus routes, that have been enabled relatives to visit each other for the first time in many years, for instance. So, there's a little bit of hope.

We've been encouraged by it. It doesn't mean that they've arrived at a state of full understanding or partnership or friendship. I think they're not there yet. But we've been encouraged by this, and we are, along with some other countries, very much supporting it in our private discussions with both sides. Secretary Rice has done that. I've done it, at my level, with my counterparts who are involved in this dialog. And it's in our interest, because, I would say, if you're looking at the future of American foreign policy, we now have vital interests in South Asia that we did not have before. We

need to have full strategic relations with both Pakistan and India. And we don't need to have a relationship with Pakistan, "hyphen," India, as we did for so long, and balance everything minutely. We can have a relationship with India, which is going to look very different, and be different, than the relationship with Pakistan, but both of them will be important.

Their ability to resolve their bilateral differences will help us, and help them, to create much more stability and peace in the region. So, I think the stakes are very high, and the progress is good. But they need to go a lot farther to consummate this process.

Senator CARDIN. How important it is—is it for the United States to be actively involved in trying to get progress between those two countries, as—I take it, it's going to be difficult for the two countries, on their own, to make the type of progress that many of us would like to see. How important is it for the United States? And you mentioned some other countries. What other countries are important in trying to make progress in this area?

Secretary BURNS. Well, I think it's certainly in our interest to say to both countries, "If we can be helpful, please let us be helpful"—and I think there have been ways when we have been helpful—and to assert that this is a very critical stage for them, and, if they get this relationship right between each other, it will unlock a lot of very positive developments for both of them and—as well as for us.

I also would say this, that these are proud countries, and the issue of Kashmir is especially sensitive. And so, we've been very careful not to assert ourself as a mediator. I don't think they—they don't want that. I think they want private encouragement. We have a certain credibility in India, as well as in Pakistan, and we should—and we can use that influence quietly, but we don't need to be—and I don't think either side wants us to be—a formal mediator in this process.

Senator CARDIN. Thank you, Mr. Chairman.

Senator KERRY. Thank you very much, Senator.

Senator Casey.

Senator CASEY. Thank you, Mr. Chairman. Thank you for calling this hearing.

Senator KERRY. Let me just remind everybody, we do have a panel of three, to follow this, so we want to try to get through there.

Thanks.

Senator CASEY. Thank you very much.

And, Secretary Burns, thank you for your service, in particularly difficult times, in difficult and sensitive matters that you have to deal with.

I wanted to ask a couple of questions about the A.Q. Khan network. We—which we, I guess, charitably refer to as a proliferation network, which is pretty scary to even contemplate. First of all, just a couple of basic questions. It operated out of Islamabad, is that correct?

Secretary BURNS. It operated out of Pakistan, yes. I think, various parts of Pakistan.

Senator CASEY. Various parts of the country.

Secretary BURNS. As far as I understand, yes.

Senator CASEY. And isn't it true, it sold sensitive nuclear technology to Iran?

Secretary BURNS. Well, there is, I think, a great deal of evidence that it sold technology to a great number of states and actors, yes, on the black market.

Senator CASEY. But Iran would be one of them? Are you confident in that assertion, or—

Secretary BURNS. I would be, yes.

Senator CASEY. How about North Korea? The same?

Secretary BURNS. Well, I think there's a lot of evidence to indicate that there was a relationship there, as well, yes. I'm being a little bit hesitant, for one reason. I was not working on this issue during the time that the A.Q. Khan network was unveiled. And so, I don't have a perfect recollection of how it was taken down and of all of its tributaries. So, I would be very happy to give you a written answer to these questions, but obviously, yes, the A.Q. Khan network was involved with both of those countries, and with others, as well.

[The information provided to the committee in response to Senator Casey's question is classified.]

Senator CASEY. And with others. And I just think it's important, for the record, to establish that. And I guess there's no—and you've been asked, by a couple of members of this committee, about where we are now with regard to that. Is it your understanding, right now—you used the word, before, I think, in reference to—I think it was Senator Isakson's question—that it's your understanding now that A.Q. Khan is "dismantled." Is that the word—I think that's the word you used. That's our understanding—our Government's understanding?

Secretary BURNS. When his—when the network was revealed, made known to us, we demanded that the network be completely dismantled. We, of course, follow up regularly with the Pakistani Government to ensure that that remains the case. I'm not aware that we've had substantial access to him, and I am aware that he currently lives in Pakistan, under some form of house arrest, a general—I've used that general term, but I'm not aware of the specifics of his existence and his relationship to the law enforcement authorities there.

Senator CASEY. And you said, before, I believe, that you insisted, or you told—or, I mean, our Government has indicated to the Pakistani Government that it's their responsibility to fully shut him down and shut the network down. When we demand that—and I'd like to ask you about how we enforce that, or how we, as you said, follow up on it—what's the basis for their continuing refusal—Pakistan's refusal to give the United States, or any international investigators, access to the network? What do they say? In other words, when we demand some kind of access or we pursue that.

Secretary BURNS. First, you're quite right that we have made it a point to tell the Pakistani Government it's their responsibility to have fully dismantled the network, and to keep it dismantled, and any similar network. Their responsibility. They have asserted to us that they accept that responsibility, and that, therefore, as I under-

stand it, we haven't had the type of personal, consistent access that otherwise might have been—would have been of interest to us.

But, again, I don't have all the details of everything we've done, and some of it may be better conveyed to you in classified form, as well.

Senator CASEY. Well, I'd appreciate that. And I'm sure the record—the committee would, in the record, would be—it would be helpful for the record.

I guess part of what I'm asking is, to use an old phrase—I think it President Reagan used—how do we “trust, but verify,” here? And what are the mechanics of that, or the steps that we have to walk through to get that done?

Secretary BURNS. Well, we have to have the type of relationship with Pakistan that there has to be transparency in this issue, in our private discussions with them, and a degree of access, in terms of our being able to ask questions and get answers that are credible, because there is nothing more important than containing nuclear fissile material or nuclear technology that can help other countries, irresponsible countries, develop nuclear arsenals. So, I can assure you that we take this very seriously. We're actively involved in it. But, again, I'd like—I think most of this should be done, in terms of conveying information to you, on a classified basis.

Senator CASEY. And the last question on this pertains to timing. If you know—and if you don't know, if you're able to supplement the record—when was the last time our Government had an engagement or a conversation or a discussion about this, even if it's—obviously, if it's classified, you can't talk about it, but are you aware of any engagement recently—say, in the last 6 months?

Secretary BURNS. I will get you an answer on that—to that question.

Thank you.

[The information provided to the committee in response to Senator Casey's question is classified.]

Senator CASEY. All right.

I don't have much time left. I want to keep within the chairman's rules, and the rules of the committee.

I guess, one final question I have—and it—we don't have enough time, but I want—I was looking at page four of your testimony, and I was just underlining the following references. And I'm reading—I'm just reading portions of sentences. But we say—or, you're saying, on page four, we would, quote, “frankly, like Pakistan to do even more.” At one point, you say, “Pakistan will have to find a more effective and successful way to do more on the borders.” The next paragraph, “We want to see”—further in that second paragraph on page four, “We urge.” And then, “We urge,” again.

Now, I realize that we don't have the capacity or the authority to run two countries, so to speak. But how do—how is that going to work, going forward? When we—we know that there's a major problem with al-Qaeda, which we knew before the NIE, and we know it's even more pronounced now. When we say “we urge,” “we hope,” “we want,” “we expect,” how do we—what kind of leverage do we have to go beyond that, so that we can actually have an as-

insurance that they are doing everything possible to prevent the further spread of any kind of influence that al-Qaeda has? I know it's a long—it's a difficult question to answer, but I'd like you to speak to it, because I think a lot of people who read the record of this, or watch this, want to know what we're doing that's definitive.

Secretary BURNS. It's a very fair question. I—you know, we have to—we do know that President Musharraf has the same interests that we do, and that is to defeat the terrorist groups on his own soil. They've attacked him, personally. They've tried to kill him. They've killed a lot of his soldiers. They represent the greatest threat to the internal security of Pakistan itself.

It was interesting to see—

Senator KERRY. Is that al-Qaeda? Or is that radical internal—

Secretary BURNS. Al-Qaeda, the Taliban, and there are a few other radical terrorist organizations inside Pakistan that present a threat to the Pakistani government.

Senator KERRY. But the ones who made attempts on his life.

Secretary BURNS. Excuse me?

Senator KERRY. Do you have a specificity with respect to the attempts on his life?

Secretary BURNS. I don't have, available to me right now, a list of all the organizations that have tried to kill him, but we know that there have been attempts to do so.

Senator KERRY. It's fair to say there are a bunch of organizations, outside of al-Qaeda, that have an interest in doing that, have been trying to, for some time.

Secretary BURNS. It's fair to say that there are other groups, beyond al-Qaeda, yes, exactly, that have tried to do that.

And, just to try to answer your question, we don't doubt President Musharraf's commitment. And we don't doubt the commitment of his army and of many of the other leaders in the government. But there's no question that we have to devise a more effective strategy, because al-Qaeda is present, and the Taliban is present, as well. And so, it's our No. 1 goal in Pakistan and with the Pakistanis.

I think—I was just going to say, I—it was interesting to see the reaction of a lot of average Pakistanis after the Red Mosque incident in Islamabad. In general, as I understand it, from reporting from our Embassy, the public reaction was very supportive of President Musharraf. Most Pakistanis don't want to see their country torn apart, they don't want to see suicide bombers kill innocent people. And so, I think we have that degree of connectivity with the Pakistani people, as well as the Government of Pakistan, on this fight against extremist groups, whether it's al-Qaeda or some of the other indigenous groups in Pakistan.

[Additional information submitted by Secretary Burns follows:]

Secretary BURNS. Al-Qaeda and Pakistani extremists have been involved in past assassination attempts against Musharraf. Although the total number of such attempts is unclear, they include two attempts in December 2003, a poorly planned and executed rocket attack in October 2006, and a badly planned and executed machine gun attack on Musharraf's aircraft in July 2007. For more specific details, the State Department can brief interested Senators and staff in a classified setting.

Senator KERRY. Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

And, Secretary Burns, I'd like to tell you how much I appreciate not only the quality of your testimony, but the care that you've put into your answers. These are—this is a volatile issue, and I think you've been very responsible, in terms of how you've attempted to answer these questions.

I also want to tell you I'm going to talk really fast, because I only have 7 minutes, and you're at the bottom of the food chain, in terms of your interrogators, here.

I couldn't help but react a little bit when Senator Hagel asked you about the relationship between Pakistan and Iran, because, when he was asking you that question, I actually was thinking about the relationship between Pakistan and China, and the fact that, if it had not been for certain elements in China, Pakistan would not have a nuclear capability at all. And I was among a number of people who were writing and warning about that as it occurred. And the end result is what we're dealing with right now. Quite frankly, there are few situations around the world that have the volatility and the potential for miscalculation as the issues in Pakistan, which is, again, why I appreciate the care in which you have answered your questions.

There's been a lot of discussion over the past week or so about the possibility that the United States might enter into these areas along the border to conduct counterterrorism activities. And I think the best thing that we can do right now, in terms of examining the potential ramifications of that is, first, if you could explain to us, in short phrases, the nature—the political nature of these federally administrated tribal areas so that we can understand that, for the record, the issues of sovereignty between the Pakistani Government in these areas.

Secretary BURNS. Thank you, Senator.

These areas have largely—well, have been not governed by central authority since the creation of Pakistan.

Senator WEBB. So, when we are—when we're discussing, for instance, elections and these sorts of things, how are they going to impact this area?

Secretary BURNS. I would have to—actually, I would have to get you a written answer on that.

[Secretary Burns's response to Senator Webb's question follows:]

Secretary BURNS. Presidential and parliamentary elections in Pakistan this year and early next year are not expected to fundamentally affect the political nature of the Federally Administered Tribal Areas ("the Tribal Areas"). Under Pakistani law, the Tribal Areas are excluded from the legislative regime in force throughout the rest of Pakistan, and no political party can legally campaign or operate an office there. Instead, the Tribal Areas are governed primarily through the 1901 Frontier Crimes Regulation, a procedural law distinct from the criminal and civil codes operative elsewhere in Pakistan. Therefore, political parties are not allowed to operate within the Tribal Areas. However, many secular political parties complained that this rule was no longer valid since religious-based political parties have openly campaigned in the Tribal Areas. The long-term objective of the Pakistani government is to bring the Tribal Areas into the mainstream body politic of the Pakistani state. The USG supports the Pakistani government's comprehensive sustainable development plan for the Tribal Areas which seeks to bring economic and social development as well as effective governance to this remote corner of Pakistan. We encourage Congress to support USG plans to contribute \$750 million over five years to this plan to help render the Tribal Areas inhospitable to terrorists and extremist ideology.

Senator WEBB. Well, I think it's fair to say that that part of Pakistan are does not have a representative government, at this time. Is that fair to say?

Secretary BURNS. That's fair to say. There are tribal leaders—
Senator WEBB. Right.

Ambassador BURNS [continuing]. That have authority in the—in these areas. And the Pakistani Government has a relationship with them. The army does move into the tribal areas. The Pakistani Government obviously extends assistance—health, education, job creation—to these—

Senator WEBB. Right. But, in terms of—when we're discussing elections and a movement toward democracy and these sorts of things, these are—these are, in terms of governmental structure, not really considered to be a part of that process. Is that fair, to say that?

Secretary BURNS. It is fair to say, in terms of the political administration—

Senator WEBB. Right.

Ambassador BURNS [continuing]. Of the—

Senator WEBB. The elections that we're talking about, and these sorts of things.

Secretary BURNS. But I do want to make sure that I'm entirely accurate in giving that answer, so I'm going to give you a written answer to that.

[See Secretary Burns's response above.]

Senator WEBB. OK. But I think it's fair to assume that, in terms of normal issues of sovereignty, this is a gray area. And that creates a situation, for us, the United States, in terms of how to deal with international terrorist activities that are in this area. It's not the traditional situation of—for instance, the—parallel to what we had in Afghanistan, when we had a government that was allowing international terrorism, and all the trainee aspects, et cetera, to occur within its area of sovereignty.

Secretary BURNS. I think, Senator, it's not—in my own view, it's not so much a question of complications over sovereignty as it is over effectiveness of organization. I say that, because, you know, President Musharraf did agree to this Waziristan agreement, where he gave the tribal leaders the right to go ahead and organization opposition to al-Qaeda and others. That didn't work out. And so, now you have—the federal troops have moved back in to the area, because that was the only solution left to the government. So, I think the hardest strategic question is: How do you organize a military effort, combining with the tribal leaders, by the way, and the Pakistani forces, to be effective? Because I think one point that the Pakistani Government makes over and over to us is that it can't just be about the application of military force. You also have to have an economic strategy—

Senator WEBB. I understand all that. And you've said it very clearly during your testimony, that—the situation that I'm trying to get some understanding on here is the dilemma, in terms of international law and the ripple effect, actually on the other side, that this might have in Pakistan. On the one hand, I think our position has been, in international law, that if you either cannot—as

in the case, let's say, of Hezbollah—or will not, as in the case of Afghanistan, control international terrorism inside your borders, then we have the right, under the United Nations Charter, to defend ourselves. But then you have a situation, as in Pakistan, where you have an enormously volatile central government that is administering an area where it is attempting—and I want to give them credit for that, they are attempting to control this process—but that if we were to go in, that we would have the potential of causing a ripple effect throughout the country that could truly destabilize the central government.

Secretary BURNS. Yeah. And here's how we look at it. And, you know—as you know, my colleague Fran Townsend spoke to this the other day on the Sunday shows—we want to respect the sovereignty of the Pakistani Government. And it is sovereign throughout all parts of the country, in terms of international—its international legal character. It's sovereign. And we want to work with the Pakistanis. But, I think, you know, she was asked—and other people have been asked—the question, Are there any scenarios under which the United States might take its own action? And, when we're dealing with Osama bin Laden and al-Qaeda, we could foresee—we can foresee such scenarios. But it's always going to be our preference to work with Pakistan, and to prefer that as a course of action.

Senator WEBB. And you would agree with the potential that—or the idea that this has the potential, if we were to do it wrong, by, you know, perhaps, showing that we are not respecting the central government's sovereignty, that we have the potential here of destabilizing a government that is, perhaps, the most volatile in—and, potentially, destabilized country that we have any relationships with.

Secretary BURNS. It's a very important consideration, you're right, that we obviously have thought of, and will continue to think of, because we—you know, we have put—we have—we've put our support behind the Pakistani Government. We are friends. We're partners with them. And we want to be respectful of them, and we don't want to complicate their internal politics needlessly. So, obviously, this is a consideration for us, in this whole set of options that you've drawn for us.

Senator WEBB. Well, and I would say, again—my time is up—but that—with respect to the sovereignty issues in this particular country, I know of no more complicated area, in terms of the use of military force, potentially, for the United States.

Thank you.

Secretary BURNS. Thank you.

Senator KERRY. Thank you, Senator Webb.

There is no question of the level of that complication, which is partly, sort of, the quandary that we find ourselves in.

Secretary Burns, just a couple of last questions before we shift to the next panel.

To what does this administration attribute the rise of the radicalism within Pakistan?

Secretary BURNS. That's an enormously complicated question, but I'll try to give you a good answer.

Pakistan has been roiled by political divisions and tensions over the last 35 or 40 years, and very much divided—badly divided—inside the country by those various tensions. And that has been its first source of conflict and instability.

A second has been the rise of some of the radical—some of the radical Islamists indigenous groups, as well as the presence of al-Qaeda and the Taliban as a factor in parts of Pakistan's political life. And they've been enormously complicated.

Third have been the issues that have grown out of the fact that there was a military coup and a military government took over the country. And the normal political process was denied, at least at the start of that period.

So, you put all of that together, and you have some of the sources of instability and conflict that have been present in Pakistani political life.

Senator KERRY. I agree with the historical component, but it's never produced the kind of intensity, in the suicide bombing and the sort of fragility, that exists today, would you say?

Secretary BURNS. Well, I do—I think that Pakistan is undergoing a period of particularly intense division and instability right now, and we know that al-Qaeda and the Taliban and some of the other groups are, at least in part, responsible for that type of division.

Senator KERRY. So, given that—and I agree with that—are we just in a box that is, not just uncomfortable, but impossible to really maneuver in, in the following sense? President Musharraf, I would wager, is more interested in holding onto power, and survival, than he is in taking a risk for us. I also believe he's probably more interested in doing those things than in taking on al-Qaeda and Taliban, if not taking them on allows him to survive. And I suspect that's been his judgment, to a certain point in time. That may be changing now, I don't know. And you might shed some light on that. But, whatever he does, if he does take them on, or any of those other elements, in a hard fashion, he goes counter to the democratic interests that the administration has expressed, and the world supports, and also encourages people to see him as acting on our behalf, which then emboldens the very elements that he's, sort of, trying to deal with. So, you get this circular relationship that obviously increases the complexity.

Is there a breakpoint here, where you kind of make the cut that the way you survive is, in fact, by full-fledged taking them on, without then becoming, sort of, the tool of the United States? And, if not, are we just stuck, that al-Qaeda sits there with its refuge, safe haven, because the accommodation that exists between them is the easier way to survive and thread the needle, in terms of his own interests—and the army's interest, I might add?

Secretary BURNS. Yeah. Well, I do think it's an enormously complicated landscape, but I don't think, necessarily, we're in a box, strategically. We need a strong friend and partner to fight al-Qaeda and the other terrorist groups. We have that person, in President Musharraf; first point.

My second point would be that obviously what we would like to see is the positive evolution of his government and the country toward a fuller democracy, because we believe that's not just the

right thing for the people, but the right way to help stabilize the country over the long term.

Third, part of our challenge is to combat the Taliban in Afghanistan. We need the Pakistanis to help us do that, through actions on their side of the border. We can contain the Taliban threat to the Karzai government. We have sufficient military force—we and the allies—NATO allies—in the country to do that, but we need to then—we need to do that in concert with Pakistani efforts on that side of the border.

And that leads me back to your question. We need a strong partner, who's willing to take military action on this priority issue. And we have it. And we just hope it—

Senator KERRY. Do you have only with respect to the Taliban—

Secretary BURNS. Excuse me?

Senator KERRY [continuing]. Do you have that partnership, in terms of taking them on, only with respect to the Taliban, because of the Afghanistan connection, but not with respect to al-Qaeda, because of the internals?

Secretary BURNS. We need the partnership to combat both, and I think you—

Senator KERRY. But do you believe—

Ambassador BURNS [continuing]. Have that—

Senator KERRY [continuing]. You have it, with respect to al-Qaeda?

Secretary BURNS. We have the commitment.

Senator KERRY. Do you have the cooperation?

Secretary BURNS. We need to see effective—more effective action.

Senator KERRY. Well, I would agree with that, and I appreciate your saying that.

Let me—we need to move on to the next panel. I think you have answered a number of tough questions, as carefully as possible, in some respects. It's tough to do in the open session, and we all understand that. But I think it's been very helpful, and, I hope, helps to clarify, for some people, just how complicated this is.

So, we thank you, and we look forward to continuing to work with you on this issue in the days ahead.

Thank you.

If I could ask—

Secretary BURNS. Thank you.

Senator KERRY [continuing]. If we could keep everybody, sort of, quiet in place, and we can move right on to the second panel, if possible.

Thank you, Secretary.

Secretary BURNS. Thank you. Thank you very much.

Senator KERRY. Please, sit. Thank you so much for your patience. We have a terrific panel of experts here, and I appreciate your patience. You've had a chance to really listen, which is helpful. So, I welcome the Honorable Teresita Schaffer, director of the South Asia Program, Center for Strategic and International Studies; Dr. Samina Ahmed, South Asia project director, International Crisis Group; and Dr. Stephen Cohen, senior fellow of foreign policy studies at the Brookings Institution.

I don't want to cut off something you have to say—your full texts are going to be put in the record, as if in full. If there's a way to

summarize, somewhere in the vicinity of 5 or 6 minutes, I think it would be helpful, and then we can have some discussion and go further from there.

Dr. Schaffer, please.

**STATEMENT OF HON. TERESITA C. SCHAFFER, DIRECTOR,
SOUTH ASIA PROGRAM, CENTER FOR STRATEGIC AND
INTERNATIONAL STUDIES, WASHINGTON, DC**

Ambassador SCHAFFER. I'll do my best, Senator.

And, first of all, thank you very much for inviting me here to testify today.

My prepared statement describes the three big challenges that I see Pakistan facing today, and they've all been discussed at length. The one point that I think—there's two points that I think need to be underlined, however.

First, there is a distinction to be made between the challenge from, basically, lawbreakers who were in the Red Mosque in Islamabad, who were flouting governmental authority, and the extremist challenge in the northwest frontier province, which is, fundamentally, backwash from the Afghanistan conflict.

The second point has to do with the elections. Obviously, the upcoming elections hang over all of the other challenges that President Musharraf is facing. The problem is, first of all, that there are two elections. There's an indirect election for President. The President is elected by the national and provincial assemblies. And there is a popular election for the assemblies. Both are coming up. Both the sequence of them and the question of whether President Musharraf can run in uniform are legally complex and controversial. My reading is that the government has a stronger case for its argument to have the Presidential election first than it does for Musharraf running in uniform. But, particularly following the Supreme Court ruling reinstating the Chief Justice, it's evident that both of these issues are going to be challenged in the courts. So, Musharraf, I think, to his unhappiness and surprise, is facing a much more uncertain election picture than he was before.

Let me move to my policy recommendations, and focus on them, rather than on going back through, analyzing the situation.

I have three basic recommendations:

The first is that the United States seize the opportunity that the Supreme Court has handed to it, and come out strongly in favor of the rule of law, a free and fair election, and moving toward a truly democratic government. This would include, in my book, supporting a court ruling, should there be one, that Musharraf should resign from the army if he wishes to run for President. That's the bit that's going to be controversial, and that the administration hasn't reached that point yet.

Why am I arguing for this? Not just because it is in line with U.S. values, but it also reflects a hard-nosed judgment about the relationship between the Pakistan Army and the militants who threaten the progressive modern Islamic character of the state. In the past, when the Pakistani state has cracked down on extremist militants, the army has often pulled its punches, making sure that militant groups remained alive and available to work with them across Pakistan's tense borders in the future. I think that extre-

mism cannot be kept half-contained in this fashion. As long as the army remains in charge of policy, without a serious political supervision, I think it's unlikely to treat the extremists as the enemy they have become. Hence, my belief that we have to move back to a government that's elected in a truly democratic process.

My second recommendation has to do with the tribal areas. I strongly oppose the idea of U.S. military intervention. I think—can think of no quicker way of turning all of Pakistan against the antiterrorism goals that are so important to the United States, and turning the Pakistan Army into a hostile force. To use the military terminology, I don't think it would be a permissive environment.

Support for Pakistan's operations in the frontier is another story. There, we should be generous and creative.

As far as economic support for integrating the tribal areas into Pakistan is concerned, I'm in favor of being willing to spend generously, and I'm even in favor of taking the risk that some of that money would go astray, and that is a very significant risk. I think we need to focus on jobs for the youth of the frontier. I think we need to focus on links to the Pakistani economy. The idea of free access to the U.S. market for goods produced there is fine, but, right at the moment, there aren't any. That is looking way into the future.

And, finally, this kind of integration effort normally depends on working with existing structures for social management and administration. At least in parts of the frontier, and in the most troublesome ones, those structures really don't exist anymore. The tribal chiefs are, by and large, gone from the south Waziristan area, where there was so much talk of a deal. So, I think this is—was, in any case, going to be the work of a generation. I think it's gotten harder.

My final recommendation has to do with aid to Pakistan. I think we need to keep economic assistance generous, carefully programmed—meaning, not just cash—and largely immune from the ups and downs of our relationship with Pakistan. This needs to become the embodiment of a long-term commitment, which we need to make to Pakistan in light of the continuing interests we will have there.

As far as military aid is concerned, I think we should try to focus, as much as possible, on equipment that is relevant to the fight against terrorism, and I think that military equipment for general upgrading of defense capabilities should be conditioned on how well Pakistan is doing in these other policy goals.

My final recommendation, I think we need to broaden and deepen the antiterrorism consensus in Pakistan. You asked very pointed questions about the rise of radicalism in Pakistan, and the rise of anti-Americanism. I served in Pakistan 30 years ago, I can tell you it's a different country now.

Lots of things have gone into this, movements that have swept through the Muslim world, the tremendous sense of injustice that pervades a lot of Muslim societies, but I think the "I" word is there, too: Iraq. This has certainly exacerbated public perceptions of the United States, and the sense that the United States is a country that attacks Muslims.

The United States can't turn this around single-handedly. We can't "sell" what we don't "do." But one thing we can start doing is to listen more carefully to what Pakistanis, around the country, say about their hopes for a better future. I think there are a lot of people out there who want enlightened moderation. That should inform the rest of our policy.

I was pleased that Secretary Burns put so much of his testimony in terms of our relationship with Pakistan, and not just our relationship with Musharraf. It's a subtle distinction, but a vitally important one.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Schaffer follows:]

PREPARED STATEMENT OF AMBASSADOR TERESITA C. SCHAFFER

PAKISTAN: TODAY'S CRISIS AND U.S. POLICY

Mr. Chairman, members of the committee, thank you for inviting me to appear before you. Pakistan today is going through the most severe crisis it has faced in the past eight years. Its future matters profoundly to the United States and to the region, so it is a good time to take stock of U.S. policy.

I would like to sketch out briefly the multiple crises Pakistan now faces. I conclude that the United States needs to put its weight behind a return to civilian rule through free and fair elections, a separation between the offices of President and Army chief, and reducing the army's role in domestic politics, while ensuring that the army's essential role in national security is properly institutionalized. Generous economic aid and properly targeted and conditioned military aid are part of this. The U.S. should not intervene in the tribal areas. And the United States urgently needs to try to strengthen and broaden the anti-terrorism consensus within Pakistan.

Three short-term dramas are playing out in Pakistan. The first is a challenge to the basic authority of the government to keep order, best exemplified by the kidnapping and other lawless activities carried out by the Red Mosque leadership and their students. Musharraf's decision to respond was welcomed by all but the most hard-line supporters of the militants, and briefly strengthened his position. Once the death toll became known, however, it was followed by a rash of suicide bombings, not just near the Afghan border but as far away as Karachi, leaving another 200 or so people dead. The extremist threat to Pakistan's government and society is still with us.

The second drama is the spillover from the conflict in Afghanistan. The demise of the agreement between the Pakistan government and the tribal leaders in Waziristan is the latest development on this front, although from my perspective that agreement never really went into operation, so its death should not be front-page news. This relates to the speculation about whether the United States will or should intervene militarily in the tribal areas to prevent Al-Qaeda from using them as a sanctuary.

The third drama stems from Musharraf's decision to suspend the Chief Justice last March, which the Supreme Court has now overturned. The decision and the government's response, including the May riots in Karachi that left 40 people dead, shattered Musharraf's legitimacy and his popular support. It appears to have awakened considerable popular resentment against the army, and concern within the army.

The Supreme Court's ruling last week was a serious embarrassment to Musharraf. It also interferes with Musharraf's strategy of seeking reelection later this year, with the presidential election preceding the legislative elections, and with Musharraf retaining his post as Army chief. The legal provisions governing both the sequence of the elections and Musharraf's dual positions are complex and confusing, but it is clear that both will be challenged in the courts. Musharraf can no longer be confident that the courts will support him.

The United States needs Pakistan as a committed partner in the struggle against terrorism and insurgency, especially in the Pakistan/Afghanistan border region. It needs a Pakistan government that can keep order and has legitimacy, one that will not allow Pakistan to be used as a platform for insurgency or irredentism in either Afghanistan or its nuclear-armed neighbor India.

My recommendations for U.S. policy focus on three things: support for Pakistan's return to elected, civilian government; dealing with Pakistan's frontier area; and military and economic aid.

Pakistan's political future matters profoundly to the future peace and governability of the region. The Supreme Court ruling has given us—and Pakistan—an opportunity to stand up for the rule of law. This is the only way to set Pakistan on the course toward "enlightened moderation" that many Pakistanis believe is their country's birthright. The United States has welcomed the Supreme Court decision. Accordingly, we need to make clear as events proceed that we expect the coming elections to be fully free and fair, with Musharraf choosing between the offices of president or army chief.

This may seem like an odd time for the United States to be taking a strong stand for moving back to a freely elected government and democratic institutions. This policy, however, is not just a reflection of American values. It also reflects a hard-nosed judgment about the relationship between the Pakistan army and the militants who threaten to destroy the progressive, modern Islamic character of the state that underpins real policy cooperation with the United States. In the past, when the Pakistani state has cracked down on extremist militants, the army has often pulled its punches, making sure that militant groups remained alive and available to work with them across Pakistan's tense borders in the future. That policy, I believe, is doomed to failure. Extremism cannot be kept half-contained in this fashion. It poses a mortal danger to Pakistan's domestic well-being. As long as the army remains in charge of policy, it is unlikely to treat the extremists as the enemy they are, and will not be able to end the domestic threat they pose. Doing this requires a committed political government, with full legitimacy. The army will of course play a critical role enforcing the government's policies and defending Pakistan. But this role needs to be anchored in a set of institutions in which elected political power is firmly in charge, and fully accountable.

Musharraf may be in trouble, but he is the leader in Pakistan today, so making this shift of emphasis without undermining his ability to make decisions will be tricky. Since he has said he wants to hold elections on time, and does not want to move toward a state of emergency, the policy I propose is in line with his stated goals. But it also recognizes that Pakistan's best shot at dealing with the danger of violent extremism comes from moving back to a government that enjoys full legitimacy.

Regarding the problem of the tribal areas, I strongly oppose direct U.S. military intervention. I can think of no quicker way of turning all of Pakistan against the anti-terrorism goals that are so important to the United States, and turning the Pakistan army into a hostile force. Support for Pakistan's operations in the frontier area is another story: there we should be generous and creative.

But bringing the tribal areas under control is the work of a generation, and will require political and economic as well as military means. We do not understand the tribal society, its complex web of relationships with Pakistan and Afghanistan, and the fragile economy there, well enough to leave it in better shape than we found it. I support a major development program, despite the substantial risk that some of the money would go astray. Without jobs for the youth of the tribal areas, I don't see how one can begin the long task of bringing them into the government net. But let us be clear that this will not bear fruit for several years.

My final recommendation deals with assistance programs in Pakistan. I have long believed that we need to use our economic assistance to build a long term relationship with Pakistan. We should increase it relative to military assistance, and should hold it largely immune to the political ups and downs of the relationship. We should be programming our economic aid rather than giving it in cash or quasi-cash form, and we should be using our assistance to build up Pakistan's investment in its own people, in education and health.

Military assistance is also an important expression of our long-term commitment to the people of Pakistan, but here it is important to draw some distinctions we have not drawn in the past. Military sales should focus in the first instance on equipment that will help Pakistan with its vital counter-terrorism goals. Military sales that relate more to general defense upgrading should take a back seat, and should be contingent on Pakistan's effective performance in countering militant extremists, both along the Afghan border and elsewhere. If we continue to find that Pakistan's army is hedging its bets in Afghanistan and providing support for the Taliban, or for domestic militant groups, we should put this type of military sales on hold.

My other recommendation is more general. The administration has tended to speak of Musharraf whenever it is asked about policy toward Pakistan. I think we need to shift our emphasis to the whole of Pakistan. Obviously, leaders are impor-

tant, especially in troubled countries at troubled times. But the sustainability of Pakistan's political system and its ability to grow new leaders are absolutely critical to the goal of combating terrorism that has been at the top of our list for the past six years. This means that we need the Pakistani political system—or as many parts of it as possible—to buy into the goal of eliminating extremist influence in Pakistan. Especially since the invasion of Iraq, this has become a very tough job in a country where public opinion now regards the United States as a country that “attacks Muslims.” Hence my final recommendation. We need to listen to what Pakistanis are saying about their hopes for a better future for their country. If, as I suspect, there is widespread but amorphous sentiment for “enlightened moderation,” we need to help strengthen and deepen that, and to show by our actions that this is where we want to go, together with Pakistan.

Senator KERRY. Well, I couldn't agree with you more on that. I tried to emphasize it in my own comments.

Dr. Cohen.

**STATEMENT OF DR. STEPHEN P. COHEN, SENIOR FELLOW,
FOREIGN POLICY STUDIES, THE BROOKINGS INSTITUTION,
WASHINGTON, DC**

Senator KERRY. Can you push your mike a little closer.

Dr. COHEN. Thank you.

Senator KERRY. You're lit. Pull it close to you, too.

Dr. COHEN. I'm a Cub fan, and I know the meaning of hope, even more than a Red Sox fan, but I don't think that hope is the appropriate term to use in dealing with policy. I worked for George Schultz for a couple of years, and he told us, one day, “Hope is not a policy.” And I think that we need to be more specific, more concrete, with our relationship with Pakistan.

But I think that we have, actually, three problems we're dealing with—two short term and one long term:

The short-term problems are the Taliban and al-Qaeda. And clearly, they do present—al-Qaeda, in particular, presents an immediate threat to the United States. Taliban presents a threat—an indirect threat, in that it harbored al-Qaeda in Afghanistan.

But we have a long-term threat, in the case of Pakistan. Pakistan has been the most allied of allied countries, and so forth. It's been a close country to the United States for many years. But Pakistanis, especially the military, say that we have used Pakistan like a tissue paper—I think it's a stronger word, they say a condom—and thrown it away time and time again. So, there's deep distrust in Pakistan with regard to the American relationship, especially among the military. And our billions of dollars have not bought loyalty, they've bought cooperation, to some degree.

I think that part of the problem is that we're not clear exactly what our priorities are. This may well be a bureaucratic problem, it may be differences in the administration, it may be Congress versus the administration. I'm not quite sure. But clearly, we want to—we want the Pakistanis to help us round up al-Qaeda. We want them to stop supporting the Taliban, or tolerating the Taliban. We want Pakistan to reform itself, to become a democracy. We want Pakistan to clean up the madrassahs. We want Pakistan to be a democracy. And we want Pakistan to stop abusing human rights and have good relations with India. From a Pakistani point of view, they look at this list, and they say, “Well, what is their real priority? What do we really have to do? What can we do?” They're not always the same thing that we're concerned about. So, I think that

part of our problem in dealing with Pakistan, especially in recent years, is that we lack a fundamental understanding with the Pakistanis as to what is most important, what is least important. And I don't—until that—until that difference is resolved, I think that we're just going to continue to spin our wheels. In fact, the questions here reflected a wide range of interests in Pakistan. The answers were interesting, but I don't think that we can meet all of the—I don't think we can meet all of the demands I've heard here today.

Let me say a word about the military, because I think that is really the key of—to Pakistan. Musharraf is a product of the military. His most important constituent is the military. He responds to challenges from the United States, from China, from the Saudis, from the Pakistani people. He also—but he really responds to challenges from the military. And I think he's concerned about his position as army commander in chief. And that's one reason he does not want to take off his uniform. He wants to hold the triple position of leader of a political party, President of Pakistan, and commander of the army. And I think that's constitutionally unsustainable. And, in the long run, it's unsustainable for Pakistan. Pakistan is a country that's been walking on one strong leg, which is the army. It needs to grow another leg, which is a civilian side. So, I think, in terms of our policies, we've got to urge Pakistan to move toward a more balanced civil/military relations.

Now, elections may not be the immediate answer to this. Elections are important, but it's always the second election; that's really crucial. And I don't think there's quite yet a political consensus between the military and leading civilian elements in Pakistan to have a free and fair election. There may be an election, but I think it's going to be a rigged election.

From my perspective, that would not necessarily be a bad thing, if it led to a more free election after that, and, ultimately, completely free elections. So, I think we should see Pakistan's democratization as a crucial long-term interest of ours, but something we're not going to achieve overnight. We can't force Musharraf or the military to institute overnight.

Finally, let me add that I agree, just about, with all of Ambassador Schaffer's recommendations. We prepared our testimony separately, but we come up to the many of the same points.

I think that our military assistance should be made conditional on good performance in the case of al-Qaeda and Taliban. In the case of Taliban, the army has an—Pakistan Army has an interest in looking the other way, at least, because they see the Taliban as one of the few instruments they have in their position in Afghanistan. It's a strategic asset for them. It's not simply—it's not—I think that there should definitely be no military intervention in Pakistan. I think it would just simply blow the lid off the place and destroy our relationship with that country.

We should urge the Pakistanis, both civilians and—both civil and military side—to develop a normal civil/military relationship. The models we've had in Latin America, Southeast Asia, other countries, are appropriate for Pakistan; sort of, a phased withdrawal of the armed forces from politics.

And, finally, we need a dialog with India and China regarding the future of Pakistan. The Chinese are vitally interested in Pakistan. I think that the stimulating—the key event that forced the Pakistanis to move against Lal Masjid was the fact that Chinese were being killed, and one Chinese—a couple of Chinese had been kidnapped by the ladies of Lal Masjid. And I think Musharraf responded to that pressure faster than anything else.

So, I think the Chinese have a concern about Pakistan becoming a truly radical state. The Indians, of course, have a vital interest in that. And I think there's an opportunity for the United States to be—to, in a sense, (a) assist Pakistan and India to a strategic reconfiguration of South Asia—that is, get the Pakistan Army back on the frontier, where it used to be in the old days, with the British-Indian Army; get the Indian Army—India military doing global things, in a sense, not fighting each other. But that's a long-term goal that I think we should take a step down that road.

Thank you.

[The prepared statement of Dr. Cohen follows:]

PREPARED STATEMENT OF DR. STEPHEN P. COHEN

Senator Kerry, members of the Committee, I am honored to again be asked to share my expertise with you. Writing about Pakistan since the mid 1960s, and visiting it regularly since 1977, I am the author of two books on Pakistan: "The Pakistan Army" (1985) and "The Idea of Pakistan" (2004), and dealt with Pakistan during my two years as a member of Secretary Schultz's Policy Planning Staff in the Department of State.

A short paper summarizing my understanding of Pakistan and its future is appended, as is an op ed piece that recently appeared in the Washington Post. I ask permission to attach these to my testimony. I have divided my remarks into six observations about the present situation in Pakistan followed by seven policy recommendations.

Pakistan used to be an important state because of its assets, but it is now just as important because of its problems. Pakistan was once truly a moderate Muslim country, the radical Islamists were marginal and it had a democratic tradition even when the military ruled. In recent years virtually all segments of Pakistani opinion have turned anti-American. President Musharraf has not moved towards restoring real democracy, Pakistan has been the worst proliferator of advanced nuclear and missile technology, and the country continues to harbor-partially involuntarily-extremists and terrorists whose dedicated mission is to attack the United States and Pakistan's neighbors.

Recent events show that while Pakistanis may be at times incapable of operating a democracy, they want one. The Supreme Court's reversal of the suspension of the Chief Justice, the restraint of moderate politicians, the courageous actions of the Pakistani press and electronic media, and the outpouring of support for democracy among Pakistani professionals and elites are all convincing evidence that the US was wrong to tolerate Musharraf's contempt for democracy. One more or less free election will not fix the problem, however, and building a workable democracy will take time.

Musharraf is personally moderate but is strategically indecisive and is in political decline. He has led Pakistan by exiling the leading political opposition, co-opting some of the most corrupt elements of Pakistani society and aligning with the Islamists. His survival strategy was to meet external pressure from the US, China, and India with minimal concessions. However, in the last year or so he has systematically alienated most segments of Pakistani society and infuriated his friends, both at home and abroad.

Musharraf will stay on only if he allies with the centrist political forces in Pakistan. If he continues to stumble, mass protests will make his rule impossible. Severe riots in Lahore and other Punjabi cities will likely turn the army against him. If he accommodates the centrist opposition parties he should be able to stay on, albeit without his uniform. While Musharraf has a low opinion of civilian leaders, especially exiled former prime ministers Benazir Bhutto and Nawaz Sharif, other generals understand that their dilemma is that they cannot alone govern a complex so-

ciety such as Pakistan. The time has come to move Pakistan towards a workable civil-military balance.

We do not have to worry overmuch about Musharraf's successor, or a civil-military coalition. However, unless real reform is taken now, the government that follows that may be cause for worry. In theory Musharraf is capable of initiating such reform, but in practice he has been reluctant to do it.

A final observation is that Pakistan's domestic politics remain shaped by its security and foreign policy concerns. To the east there is a continuing threat from India, whose army has now adopted a policy that amounts to attacking in force across the border in retaliation for the next terrorist incident. Fortunately, this may not be the Indian government's policy. Continuing hostility with India ensures that the Pakistani army will indefinitely remain at the center of Pakistani politics. Looking west, the army remains concerned about India's encircling influence in Afghanistan, and there are strong tribal ties between Pakistani and Afghan Pushtuns. This means that American policy has to deal with both sides of the border if it wants to stabilize Afghanistan.

With these observations in mind, I would make the following recommendations.

- Washington cannot again abandon Pakistan, but it needs to change the nature of the relationship with a state whose collapse would be devastating to American interests. The Bush administration was correct in lifting the many sanctions that were imposed on Pakistan, but it was lax in holding the Pakistani government to a high standard of governance, and to President Musharraf's own stated goals and objectives.
- The United States needs to make it absolutely clear to the Pakistani leadership what our highest priorities are, and be prepared to withdraw or reduce our assistance if there is no effective cooperation from Islamabad. The US has provided between ten and twenty-five billion dollars to Pakistan. Yet we ask Pakistan to a) round up al Qaeda terrorists, b) suppress the Taliban, c) stop future proliferation, d) move towards democracy, e) clamp down on radical madrassas, f) normalize relations with India, g) work with Afghanistan, and h) maintain civil liberties and a free press. Pakistanis look at this wish list and offer us what they think would be minimally acceptable. The various United States agencies and department must work out amongst themselves what is desirable and what is essential, and what Pakistan can deliver. Our lack of expertise on Pakistan hampers us in this regard. Pakistanis know how to deal with Americans better than we know how to deal with them.
- Our contacts with Pakistan must be broadened. We made a strategic mistake in basing our entire Pakistan policy on President Musharraf. He, like his military predecessors, knows how to work the American "account." We hurt ourselves by cutting off our contacts with Pakistani civil society, with leading politicians, and with a timid public diplomacy. One bright light has been an expanded Fulbright program, which is educating a new generation of Pakistani academics. Such contacts and programs need to be greatly expanded, even at the cost of some military assistance. They represent an enduring contribution to Pakistan's growth as modern, moderate state.
- While the U.S. should not do anything to undercut President Musharraf's position, it should do everything we can to ensure that he broadens his base. In 1985, I wrote that the army needed a strategy of strategic retreat from politics, but that this could only take place as civilian leaders and institutions developed competence. This remains true. While we should push for elections, they are meaningless unless there are politicians who can govern. Pakistani politics is mostly issue-free: it is about patronage and money. Our officials, scholars and NGOs should concentrate on strengthening civilian competence, and if the opportunity arises, help broker an understanding between the army and centrist political forces in Pakistan. We need to invest in the long-term stability of Pakistan.
- Any American military operations in Pakistan against the Taliban should be conducted jointly with the Pakistan army. The sovereignty issue runs as deep in Pakistan as it does in the United States and most other countries. We should not risk further alienation by unilateral military action. These are in any case difficult, and the removal of a few terrorist leaders, no matter how satisfying, is less important than preventing the radicalization of thousands, if not tens of thousands, of educated and professionally adept Pakistanis. The issue is not just whether unilateral American military action would lead to Musharraf's departure, but whether it would alienate virtually all Pakistanis—it would do both.

- In the case of the Taliban, which is openly tolerated by Pakistan and based in urban centers such as Quetta, our aid should be conditional. Pakistan uses the Taliban to balance supposed Indian dominance (via the Northern Alliance) in Afghanistan. We are not “losing” Afghanistan, although progress could be better. We would be better off attempting to limit the presence of all outside powers and their proxies in Afghanistan. This applies to Russia, China, India, and Iran, as well as Pakistan.
- With the U.S.-India nuclear agreement completed, Washington should talk to New Delhi (and Beijing) about how to normalize Pakistani politics. A successful settlement on Kashmir with Musharraf or another leader would go a long way toward reducing the military pressure on Pakistan, allowing it to concentrate more resources on counterinsurgency in the Northwest Frontier Province and Federally Administered Tribal Areas. Binding the tribal areas to Pakistan proper will take years, and is bound to be disruptive and a major undertaking. Pakistan cannot take it on while preparing to fight a full scale war against India. Some in India will be tempted to “bleed” Pakistan the way Islamabad bled India for years via its surrogates, but that would be shortsighted, and increases the risk of still another India-Pakistan war. Washington, with its good ties to both countries, ought to propose a new strategic deal whereby the issues of the past are settled, enabling both countries to deal with the problems of the future.

Senator KERRY. That was very helpful, thank you.
Dr. Ahmed.

**STATEMENT OF DR. SAMINA AHMED, SOUTH ASIA PROJECT
DIRECTOR, INTERNATIONAL CRISIS GROUP, ISLAMABAD,
PAKISTAN**

Dr. AHMED. Thank you, sir. And thank you for inviting me to testify.

When we start discussing these issues, we—you know, and I thought the title of this testimony—the hearing itself—was important. What does actually serve the interests of the United States and the interests of the Pakistani people?

Senator KERRY. We’ll check it out. Keep talking.

Dr. AHMED. OK.

I don’t think it’s counterproductive to say that, “Well, this serves the interests of the United States, and that is in the interest of the Pakistani people.” What is important right now is to see where the battle lines are, as somebody said, earlier on—and I think it was Secretary Burns—that it’s a fight between moderation and the forces of extremism.

The real battle lines, if you’re in Pakistan and you understand what is happening on the ground, are the divisions between civil and the military. This is—that is really the reason why this is a crucial year. It’s the forces of moderation and democracy versus authoritarianism.

We also have to look at the alliance relationship there. General Musharraf’s government, while it is aligned to the United States in fighting terror, while it pledges to support the United States against the Taliban and al-Qaeda, is in a coalition government with one Islamist party, called JUIF, which is pro-Taliban, and that province where this party is dominant, Balochistan, is where forces right across the border that are being attacked, where Quetta was mentioned, where you actually have—

Senator KERRY. All right, ladies and gentlemen, let me just ask everybody—we have to—we are forced to adjourn the hearing. We

need to evacuate the building.¹ If I could just ask everybody to do so calmly and quietly.

[Whereupon, at 4:47 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF DR. SAMINA AHMED

I want to thank the subcommittee chairman Senator John. F. Kerry and ranking minority member Norm Coleman, for holding this important hearing and inviting me to testify on behalf of the International Crisis Group on U.S. policy choices towards Pakistan that would protect American interests and advance the goals of the Pakistani people.

The Crisis Group has been in Pakistan since December 2001, and has published reports directly relevant to the issues under this committee's review. Assessing conditions in Pakistan and U.S. policy choices, we have repeatedly stressed that military rule does not serve American interests in reducing Islamist threats in and from Pakistan to the United States, creating stability in Afghanistan and ensuring peace in South Asia. Short-term gains after September 11 have been undermined by the long-term risks of a military that is only a grudging ally in the fight against extremism. A transition to an elected civilian government in Pakistan would reduce the influence of Islamist parties in politics, help advance counter-terrorism cooperation, and offer a deeper and wider relationship with the people of Pakistan.

As presidential and national elections fast approach in Pakistan, President and Army Chief General Pervez Musharraf faces the most serious challenge to eight years of military rule. For the first time since the October 1999 coup, Musharraf's authoritarian rule appears shaky. Public opposition has gathered momentum following the general's abortive bid to remove the Chief Justice of the Supreme Court of Pakistan.

We are concerned that President Musharraf appears to have no intention of leaving power voluntarily or holding free and fair elections. However, given an increasingly assertive opposition, it will be impossible for the president and his military backers to maintain the status quo. Western friends of Pakistan, most influentially the United States, should not be or be seen as propping up President Musharraf against a overwhelming popular demand that Pakistan return to democratic government by holding a free, fair and democratic election in 2007.

The worst scenario in Pakistan is the imposition of rule by emergency decree and the use of force to suppress the expected massive opposition. This would immediately produce chaos and violence and ultimately increase the role of Islamist groups and, if Washington supports the move or even tacitly accepts it, further increase anti-U.S. sentiment. The best scenario is Pakistan's transition to democratic rule through free and fair elections that would marginalize extremist forces and reduce growing tensions in society. This could occur if the military feels it is in its interests to pull back from direct rule, as it has in the past.

The United States should urge a peaceful transition by strongly and publicly urging Musharraf and his military against subverting the electoral process or any measures to stifle constitutionally guaranteed freedoms of speech, association, assembly and movement. It should urge President Musharraf and his military to allow a return to democracy through free and fair elections, including the return of exiled political leaders.

MUSHARRAF'S CHOICES

As President and Army Chief General Pervez Musharraf completes his five-year term and the National Assembly, which will elect the new President, also ends its term of office this year; hence two crucial elections are due.

When he took over power in October 1999, Musharraf dissolved the parliament through a military coup and sent the democratically elected prime minister into exile. After having been elected president through a rigged referendum in April 2002 the referendum was itself an unconstitutional device-Musharraf oversaw deeply flawed national elections later that year. National and international observers cited numerous violations and direct fraud. The resulting parliament, packed with his supporters, including the Islamist parties, gave Musharraf a vote of confidence and allowed him to retain his army post. Musharraf's presidency ends in October.

¹On July 25, 2007, the Dirksen Senate Office Building was evacuated due to smoke caused by an electrical system malfunction. The committee did not reconvene the hearing.

The national parliament completes its five-year life in November. The electoral timetable and Musharraf's decision to retain or give up the post of army chief will, to a considerable extent, determine if the military intends to opt for a potentially risky and likely short-lived regime survival strategy or a democratic transition.

Musharraf could opt for one of three choices:

1. *Presidential Before Parliamentary Polls*

In Pakistan's parliamentary democracy, the directly elected parliament elects the prime minister, the head of government who represents the majority in the national legislature. Pakistan's president, the head of state, who symbolizes the federation, is not directly chosen by popular vote but by an Electoral College consisting of the bicameral national legislature and the four Provincial Assemblies.

Musharraf has, however, expressed his intention to obtain another five-year presidential term by using the present lame duck assemblies as his Electoral College, rather than the intent of the constitution, as the opposition insists, the successor assemblies scheduled to be elected this year. He is also intent on retaining the position of army chief, thus maintaining his personal and the military's institutional dominance for another five years.

Holding the presidential before the parliamentary polls would deprive the electoral exercise of legitimacy and could well provoke civil unrest countrywide. The president's plan has evoked opposition from across the political spectrum, including the moderate political parties, the independent media and civil society organizations. Opposition leaders insist that this would amount to pre-rigging the national polls and they will take this issue to the Supreme Court. No moderate opposition party can afford to support Musharraf's re-election by the present assemblies without gravely undermining their own party's legitimacy.

The opposition also strongly opposes Musharraf's intention to retain the position of army chief. Since the 1973 constitution disallows anyone serving in an office of public profit from standing for an elected post for a two-year period, his opposition has vowed to also take this issue to the Supreme Court.

2. *Power Sharing Arrangements*

Pakistan's two major national-level moderate parties, Benazir Bhutto's center-left Pakistan People's Party (PPP) and Nawaz Sharif's center-right Muslim League (PML-N), that had dominated the democratic decade of the 1990s, in government and opposition, had signed a Charter of Democracy on 15 May 2006 to respect democratic norms and functioning, to uphold the rule of law, and to depoliticize the military. Their political competition, including a tendency to seek military support, had created opportunities for the military to repeatedly intervene and disrupt the democratic process in the 1990s.

The dangers of this democratic process being derailed, if either party chose to once again work with and through the military, even if the end goal were the restoration of democracy, cannot be ruled out. For the past few months, Musharraf has held talks through intermediaries with Bhutto's PPP. Musharraf cannot rely on his party, the Pakistan Muslim League (Quaid-i-Azam), which lacks popular support and is internally divided. If the PPP, which has the largest support base in Pakistan, were to support his presidential bid, he could retain power for another five years but with far more legitimacy than he has now.

Bhutto has insisted that any talks with Musharraf were primarily motivated by the desire for an orderly transition from military to democratic rule. However, there is as yet no sign of any agreement on such a political transition since the PPP insists that Musharraf must seek re-election from the new assemblies and must also give up the post of army chief. President Musharraf rejects both preconditions. The prospects of an accord with PPP are in any case fast fading in the aftermath of Musharraf's abortive attempt to dismiss the Chief Justice of the Supreme Court of Pakistan and attacks on PPP workers by the military and its political allies. Bhutto now says that she will return to Pakistan and will not enter into any power-sharing agreement with a military usurper. Sharif's party also refuses to accept Musharraf as president, with or without his army post.

Judicial Crisis.—The higher judiciary of Pakistan has a long history of legitimizing military rule and interventions. After Musharraf's coup, the Supreme Court validated the intervention and the present judges of the Supreme Court even swore allegiance to Musharraf's political order, in violation of their duty of uphold the constitution. However, by refusing to accept military dictates, the present holder of the office of Chief Justice, Iftikhar Mohammad Chaudhry has restored the faith of the Pakistani people in that superior judiciary.

Fearing that this independent-minded judge might rule in accordance with the spirit and content of the constitution and anticipating legal challenges to his plans to seek re-election as president-in-uniform by the sitting assemblies, Musharraf charged the Chief Justice with misconduct and attempted to force him to resign on 9 March. When he refused, the Chief Justice was subjected to pressure and threatened by Musharraf's military and civilian intelligence agencies. Chaudhry's dismissal and subsequent manhandling sparked widespread public outrage and protests by the bar associations, a cause that was supported by large numbers of sitting judges. In a desperate attempt to quell public protests which accompanied the Chief Justice's public appearances, Musharraf's coalition partner in the Sindh government, the Muttahida Quami Movement used indiscriminate force against the opposition, killing more than 40 political party workers in Karachi, mainly from the PPP but also from the PML-N and the Awami National Party, a moderate Pashtun party, on 12 May.

The government's efforts to forcibly suppress public protests and silence the media have only fuelled public anger. Over time, this increasingly vocal opposition, spearheaded by the bar associations, supported by the moderate parties and all segments of civil society, including human rights groups and the media, is channeling public resentment to military rule, and has transformed into a larger political battle for the restoration of democracy and rule of law, unifying all moderate pro-democracy forces.

On 20 July, a full bench of the Supreme Court ruled against Musharraf's suspension of the Chief Justice, certifying it "illegal." The presidential reference to dismiss the Chief Justice was also invalidated. Pro-democracy advocates have termed this a victory for democracy, the judiciary and civil society. They have vowed to continue the movement to its logical conclusion-- the restoration of democracy. With expectations also high that the judiciary would now rule against any extra-constitutional steps, including Musharraf's bid to retain his dual offices of president and army chief and to hold the presidential polls before general elections, the military ruler's options are fast shrinking.

3. Imposing Emergency

While Musharraf should step down as army chief and his military should opt for a democratic transition, with free and fair elections as the essential first step, they might still, despite denials, in a desperate last attempt to retain power, impose emergency rule, which would suspend fundamental freedoms and restore absolute military rule. National elections would also be postponed for another year.

Should Musharraf opt to disrupt the electoral process and to re-impose absolute rule, the military might not have any choice but to bring troops into the streets to suppress the expected massive opposition. This would immediately produce chaos and violence and ultimately expand the influence of radical Islamists, and if the international community—particularly Washington—supports the military government's move, this will cause even further anti-Western sentiment among pro-democratic Pakistanis.

The government could attempt to justify the imposition of emergency to the U.S. Government on the grounds of national security, following an upsurge in militancy after the bloody end to the stand off at Lal Masjid (Red Mosque), a jihadi madrasa complex in the federal capital in July. But the military government was itself responsible for this crisis, failing, as in the Federally Administered Tribal Areas (FATA), to enforce the law against the madrasa's jihadi managers and students when the crisis began in January 2007, choosing instead to appease them for six months. The militants used this time to muster forces, stockpile arms and fortify themselves. In FATA too, where bloody attacks by Islamist radicals are claiming a steadily rising death toll, Musharraf's deeply flawed peace deals, ceding the region's control to the militants, are responsible for the crisis. The militants—Pakistani and Afghan Talibs and their Al-Qaeda allies are understandably emboldened.

IMPLICATIONS OF A RIGGED ELECTION

The Pakistani people have demonstrated their desire for a democratic transition through public protests and demonstrations. It is in Washington's interests to support that demand since a rigged or stalled election would not only destabilize Pakistan but also bear serious consequences for regional and international security.

In Balochistan, where the military's attempts to forcibly crush Baloch demands for democratic functioning have triggered a province-wide insurgency, the support base of the Baloch secular, moderate regional parties has increased considerably, and hence their likelihood of winning a free and fair election. But if Musharraf were to rig the polls, he would have little choice but to fall back on the Islamist alliance,

the Muttahida Majlis-i-Amal (MMA), particularly its largest party, the pro-Taliban Jamiat Ulema-e-Islam (Fazlur Rehman-JUI-F) to marginalize the staunchly anti-military, and anti-Taliban, Baloch. In Northwest Frontier Province (NWFP) too, the military would have little choice but to give the MMA free rein to manipulate the electoral process if it is to retain the mullahs' support—not just in Balochistan but also in the national parliament. This support is particularly important since Musharraf will have to once again obtain parliamentary assent for his dual positions of president and army chief.

At the national level, the president will also need the Islamist MMA's support to counter the opposition of the moderate PPP, PML-N and other pro-democracy parties. In the past, the Islamist parties failed to gain more than 5 to 8 percent of the popular vote. In the 1990 elections, the PPP and PML-N alliances won almost 73.5 percent of votes. In the 1993 elections, the two parties gained 90 percent of votes; and in the 1997 elections, their combined vote was 68 percent. Even in the 2002 rigged elections, with military patronage, the Islamist parties collectively only managed to garner 11 percent of the popular vote, as compared to PPP's 25.1 percent.

Should the JUI-F, the largest MMA component party, and the Taliban's main mentor and political supporter, retain power, courtesy military patronage, in Balochistan and NWFP, bordering on Afghanistan's restive southern and eastern provinces, the implications for regional stability are clear. With the MMA's support, the Taliban and other insurgents will continue to use command and control centers and bases within Pakistan to plan and conduct cross-border attacks against Western and Afghan troops, destabilizing Afghanistan's state-building enterprise. Within Pakistan's Pashtun-majority regions, particularly in FATA, the JUI-F's militant allies, the beneficiaries of Musharraf's ill-conceived peace deals, will continue to flourish, using the political space created by the military's marginalization of the moderate parties to extend their reach to NWFP's settled areas and beyond.

At the national stage, a rigged or stalled election will likely reinforce public perceptions that regime change cannot take place through the ballot box. Since a rigged or stalled election will fuel public opposition, the military will try to further weaken the mainstream moderate parties, leaving the political field open to the Islamist forces.

THE RIGHT OPTION

The right option is a free, fair and democratic election for the national parliament followed by their selection of the next President upon taking office. Ironically, Musharraf's attempts at pre-election rigging, including his onslaught on judicial independence, have helped to create a democratic opening. With the pro-democracy movement gaining momentum, domestic pressures are building on the military to return to the barracks. With the Chief Justice reinstated, this movement has gained further impetus. Musharraf can no longer be sure that a judiciary, more confident of its own independence, which is also under intense public scrutiny, will act favorably on constitutional issues of particular sensitivity, including his re-election from the current parliament or retention of the dual offices of president-cum-army chief.

While a reinvigorated opposition will challenge unconstitutional moves and closely monitor election irregularities, the military high command too must be closely watching the fast changing political environment. Since the high command will also factor in the external costs and benefits of retaining power or opting for a democratic transition, signals from key international supporters, particularly the United States, will influence the course the military takes.

US POLICY: THE WAY FORWARD

The Musharraf government is sensitive to external costs of its domestic actions. The United States has a particularly crucial role in ensuring that Pakistan moves towards a peaceful transition to democracy. Should Washington signal now that it supports a democratic transition, using its considerable leverage, it could nudge the military back to the barracks. Musharraf and his military have certainly benefited enormously from U.S. diplomatic and financial support in return for pledges to crack down on Al-Qaeda and the Taliban. But, despite more than \$10 billion in assistance, the military government has failed to keep its side of the bargain. Al-Qaeda, as the latest U.S. National Intelligence Assessment reveals, is operating out of Pakistani safe havens. The Taliban operating command and control centers in Quetta, Peshawar and FATA, using Pakistani territory for refuge, fundraising, recruitment and recuperation, are once more resurgent.

Despite these concerns, Washington still appears unwilling to pressure Musharraf beyond a point, and seems to be hedging its bets on democracy, not openly criti-

cizing Musharraf on his re-election bid even by the sitting Parliament, or his decision to retain the position of army chief, partly because of an unfounded fear that more pressure could destabilize a valuable ally. There is also concern that elected civilian government might not be able to pressure or persuade the military to cooperate in countering religious extremism in Pakistan and its neighborhood.

The military high command, however, is far more likely to abandon its alliance relationship with the Islamist parties, take action against their militant domestic and foreign allies, and allow a peaceful and orderly transition, through free and fair elections if the United States matches its rhetoric with action, including clearly defined benchmarks and conditionalities on continued military assistance. Congress could certainly play a constructive role if it were to condition diplomatic and military assistance not just on action against Al-Qaeda and the Taliban but also on a free, fair and democratic election.

By supporting a democratic transition, the United States would directly benefit since elected civilian governments will have the legitimacy and popular support to counter domestic extremism and to pursue friendly relations with Pakistan's neighbors. By retaining security and democracy conditionalities after elections, the United States would also send the right signals to the military high command to refrain from undermining the transition or hindering an elected civilian government's efforts to reform domestic security and foreign policy.

Civilian governments are far more likely to reorient Pakistan's internal and foreign policies in a more peaceful direction. Both mainstream parties—Bhutto's PPP and Sharif's PML—have stated their desire to do so. Moreover, U.S. support for a military government is largely responsible for growing anti-U.S. sentiment among pro-democracy Pakistanis. By rethinking its policy directions towards Pakistan, the United States can forge a far more productive partnership with the Pakistani people. The United States should also plan on supporting a democratic transition by rethinking the current ratio of military to economic assistance, which inordinately favors the military. By putting together a package of expanded economic assistance and market access, it could help ensure a democracy dividend, win the goodwill of the Pakistani people and help stabilize a fragile and valuable ally.

The United States must stay engaged with Pakistan, but engaged the right way. American support for the military government is not in the interest of Pakistan or the United States. Supporting a deeply unpopular regime is no way to help fight terrorism and neutralize religious extremism. Pakistan's two national level parties are pragmatic centrist forces whose political interests dictate that Islamist extremism is contained within the country and the region. The choice before the United States in Pakistan's election year, with time fast running out, is stark. It can support a return to genuine democracy and civilian rule, which offers the added bonus of containing extremism, or the U.S. can sit on the sidelines as Pakistan slides into political chaos, creating an environment in which militancy and radicalism will continue to thrive.

RESPONSES TO QUESTIONS FOR THE RECORD SUBMITTED TO UNDER SECRETARY
NICHOLAS BURNS BY CHAIRMAN BIDEN

Question. Do you agree with the opinion expressed by Gen. James Jones at a Senate Foreign Relations Committee hearing on September 21, 2006, that in the view of many U.S. military officers the Taliban central headquarters is located in or near the Pakistani city of Quetta?

Answer. Since the days of the Soviet-Afghan war, Quetta has been home to hundreds of thousands of Afghan nationals. When the U.S. drove the Taliban from power in Afghanistan in 2001, many of the Taliban's fighters and leaders escaped into loosely governed tribal areas of Pakistan as well as parts of the Northwest Frontier Province and Baluchistan. The concentration of these fighters and their arms in sprawling urban centers like Quetta now poses an extremely difficult security problem for Pakistani police and armed forces.

American officials speak regularly and at high levels with Pakistani officials and security forces about our concern that Taliban leaders operate out of Quetta and other parts of Pakistan, and Pakistani security force actions against suspected Taliban targets both in and around Quetta have helped disrupt the Taliban's operations in Afghanistan. In March 2007, Pakistani authorities captured Mullah Obaidullah, a key Taliban leader with strong ties to Mullah Omar, in Quetta. Obaidullah remains in jail. Actions like these have resulted in a series of bomb attacks by militants against Pakistani military and civilian targets in Quetta and

elsewhere in tribal areas of Pakistan. We will continue pressing Pakistani authorities to deny the use of Pakistani territory by the Taliban.

Question. Do you believe that the Government of Pakistan has made satisfactory efforts to dismantle the terrorist groups Lashkar-e Taiba and Jaish-e Muhammad? Are you satisfied with the lack of meaningful punishment given to the leaders of these groups: Hafiz Saeed and Maulana Azhar?

Answer. The Pakistani Government has taken steps to decrease militancy in Kashmir by Lashkar-e Taiba, Jaish-e Muhammad, and other terrorist groups, but problems remain. U.S. officials routinely raise our concerns with Pakistani officials about reports that these groups continue to operate in Pakistani Kashmir. We will continue to press Pakistani officials to take actions that will prevent the use of Pakistani territory by terrorist groups. We will also continue to support India and Pakistan's Composite Dialogue peace process, which includes a mechanism for sharing information related to terrorist groups and to attacks in India and Pakistan.

Indian officials have recently commented that infiltration into Indian Kashmir by Pakistan-based militants has decreased since 2005. There are disturbing reports, however, that terrorist groups in Kashmir are training militants who then move to the Federally Administered Tribal Areas to join groups that are attacking U.S., Pakistani, and Afghan forces in Afghanistan and Pakistan. India and Pakistan have also begun a specific dialogue aimed at cooperating more effectively to combat these groups. President Musharraf and Prime Minister Singh committed their governments to regularly sharing information about terrorist groups through "Anti-Terror Mechanism" meetings. Indian and Pakistani intelligence and defense officials have met twice for Anti-Terror meetings this year and have developed closer working relationships with one another.

We will continue to urge the Pakistani Government to take effective actions to capture and bring to justice Maulana Masood Azhar, founder of Jaish-e Muhammad, and Hafiz Saeed, founder of Jama'at ud-Dawa and Lashkar-e Taiba. American officials speak with Pakistani officials about our concerns through appropriate channels.

Question. Do you believe there can be genuinely free and fair elections in Pakistan so long as the leaders of the two largest political parties remain barred from returning to the country?

Do you consider Pakistan's 2002 elections to have been free and fair? If not, which specific metric referred to in Ambassador Patterson's reply was not met in these elections?

Answer. Political party leaders Nawaz Sharif and Benazir Bhutto remain outside of Pakistan due to pending legal and political matters with the Pakistani authorities. Ms. Bhutto's party, the Pakistan Peoples' Party, has announced her intention to return to Pakistan by October 18 to participate in parliamentary elections in January. Her participation in the elections, and that of her party, Pakistan's largest, would be another step toward ensuring free and fair elections. We understand that Mr. Sharif's difficulties are related to an agreement between his representatives and representatives from Pakistan and Saudi Arabia granting him exile status in Saudi Arabia and relief from pending charges in Pakistan. His abortive effort to return to Pakistan on September 10 resulted in his deportation to Saudi Arabia.

As the Department of State's 2006 Human Rights report notes, international and domestic observers found the elections of 2002 flawed, identifying serious problems regarding the independence of the Election Commission of Pakistan, restrictions on political parties and their candidates, misuse of state resources, unbalanced coverage in the state media and deficiencies in compiling the voter rolls and providing identification cards. We have been working with the Government of Pakistan to provide technical assistance, to encourage a resolution of these problems. We continue to urge that the coming elections be free and fair. Indeed, during their meeting in Islamabad in March 2006, President Bush and President Musharraf agreed that the United States would support Pakistan as it builds strong and transparent democratic institutions and conducts free and fair elections to ensure sustainable democracy. President Musharraf reiterated his commitment to a free and fair electoral process to Secretary Rice in June 2006. Events in Pakistan over the past year related to the judicial crisis, as well as questions regarding whether or not President Musharraf will continue occupying the positions of both president and Chief of Army Staff as he runs for re-election, have heightened international concerns about the upcoming presidential and parliamentary elections. For this reason, we are urging the Government of Pakistan to hold elections that will be free, fair, and transparent.

In light of recent government actions detaining opposition party members, our Embassy has taken a strong stand, noting our concern publicly.

Question. The testimony presented before our committee on July 25 outlined a policy that appears to differ very little from that pursued by the administration for the past five years. Given the radical changes underway in Pakistan—massive pro-democracy street protests, Al Qaeda and the Taliban both resurgent, a looming constitutional crisis over President Musharraf's post-election role—many believe it is long past time for a shift in policy.

(a.) Is the Administration's policy for the next 18 months a continuation of past practices? If not, which specific changes represent the most significant policy shift?

(b.) Does the Administration believe that conditions in Pakistan are markedly different than they were in 2002? If so, how has this urgency been translated into policy?

Answer. Conditions in Pakistan are markedly different than they were in 2002. In some ways they are significantly improved; a rapidly growing economy (8.5% GDP growth in 2005), and strengthened state institutions. In other ways, particularly regarding security in some parts of Pakistan, the situation is markedly worse. U.S. policy has evolved as the situation on the ground has changed. U.S. policy for the next 18 months and beyond will seek to encourage further improvements while, at the same time, working with the Government of Pakistan to address areas of concern, especially the lack of security in the Federally Administered Tribal Areas.

We have, in public and in private, urged the Government of Pakistan to carry out free, fair transparent elections in accordance with the Constitution of Pakistan. We have provided technical assistance to strengthen the democratic process, and continue to work closely with Pakistani officials, as well as NGOs, toward more effective democracy.

In July, after the findings of the National Intelligence Estimate were released publicly, senior Administration officials commented publicly—my own testimony included—that Pakistan's past policies for the Tribal Areas had not worked in the way intended. The Government of Pakistan has now renewed its efforts in the Tribal Areas, and we will continue to encourage a more effective policy to weaken al Qaeda and the Taliban and build the foundation for greater stability and peace there.

We will work with the Government of Pakistan to expand the benefits of growth, to continue support for reform of Pakistan's historically weak education system, to build hospitals and train healthcare professionals and to strengthen democratic institutions by calling for free, fair and transparent elections. We will also work in close coordination with the Government of Pakistan to address abysmal social conditions and declining security in the Federally Administered Tribal Areas. This is a situation that fosters extremism and has been exploited by Al Qaeda and the Taliban to fuel their resurgence, a threat that has global implications. The United States has committed \$750 million over five years in support of the Government of Pakistan's ten-year, \$2 billion program to develop and secure this region.

Question. More than half a decade after 9/11, Al Qaeda continues to enjoy safe haven on Pakistani soil, the Taliban has regenerated and operates from Pakistani soil, and the latest National Intelligence Estimate deems the threat to the U.S. homeland from Al Qaeda to be greater than at any time since 2001.

(a.) Given that the White House acknowledges that President Musharraf's plan for a separate peace with pro-Taliban forces in the FATA has not worked, is there a new strategy in place to deny Al Qaeda safe haven in Waziristan and other parts of Pakistan? If so, what does this new strategy consist of?

(b.) What are the metrics for success used by the Administration in evaluating Pakistan's efforts to root out Al Qaeda and the Taliban from Pakistan's territory? By these metrics, has the past five years produced satisfactory success?

(c.) What specific actions, if any, is the Administration undertaking to produce significant better human intelligence in the FATA, in hopes of targeting Osama bin Laden, Ayman al-Zawahiri and other Al Qaeda leaders?

Answer. The decision by the Government of Pakistan to sign a peace agreement with tribal elders in North Waziristan was designed to give elders greater responsibility in the tribal agency, based upon the assumption that empowering residents would deliver better cooperation and avoid pitting the Pakistani military against Pakistani citizens. The decision to withdraw Pakistani military forces was, in hindsight, a mistake. We objected to this decision at the time. The agreement undermined Pakistan's domestic security and diminished the perception of Pakistan as a leader in the War on Terrorism despite their efforts to date. Tribal councils and tribal elders proved unable or unwilling to restrict the movement and activities of terrorist and extremist groups. This created a situation in the FATA that posed a danger to Pakistan, to Afghanistan, and to U.S. forces in Afghanistan.

Following events at the “Red Mosque” in July, The Pakistani Government quickly moved to reassert Government of Pakistan control in the tribal areas. The Pakistani Army has reestablished a measure of military control but the danger persists. In consultation with the United States, President Musharraf has also reached the conclusion that a purely military solution to problems in the FATA is impossible. Long-term control of the FATA will require reestablishing Pakistani Government presence and addressing the abysmal social and economic conditions that exacerbate alienation in the FATA and in other impoverished regions of Pakistan, such as Balochistan and the Northwest Frontier Province, as well as establishing a security force capable of facing down extremist elements. To this end, the Government of Pakistan has initiated a ten-year, \$2 billion effort to develop and secure this region. The United States has committed \$750 million over five years in support of the development aspects of this program. Since the beginning of July the Government of Pakistan has shifted an additional 20,000 to 30,000 troops into the border region and is working closely with the U.S. to increase the capability of their Frontier Corps and Frontier Constabulary.

Over the past six years no country (other than the U.S.) has done more to fight Al Qaeda and the Taliban than Pakistan. Pakistan has captured or killed hundreds of Al Qaeda and Taliban terrorists and lost over a thousand troops—several hundred in the past months alone—in pursuit of terrorists. These metrics offer compelling evidence of Pakistan’s invaluable efforts in the War on Terror. As important, however, the continuation of terrorist incidents and overall insecurity underscores that the job is far from done. The diminution of the Taliban’s ability to conduct cross-border operations in Afghanistan and the arrest of Al Qaeda operatives and the disruption of their capability to conduct international terrorist operations will be the clearest measure of success.

We would be pleased to provide more information regarding section (c) of your question on a classified basis.

Question. Of the \$750 million proposed for the Federally Administered Tribal Agencies, how much will be devoted to security and how much will be devoted to development?

Answer. The U.S. Department of State and the U.S. Agency for International Development have prepared a five-year, \$750 million development strategy for the Federally Administered Tribal Areas that supports the Government of Pakistan’s ten-year, \$2 billion Federally Administered Tribal Areas Sustainable Development Plan. The \$750 million over five years will be devoted entirely to development.

The Sustainable Development Plan strengthens and expands ongoing U.S. efforts to help Pakistan improve infrastructure, education, health, and economic growth in these areas—with the goal of rendering the area less hospitable to propaganda and recruiting by al Qaeda, Taliban, and terrorist networks. The Plan seeks to:

- Improve economic and social conditions in FATA communities;
- Extend the legitimacy and writ of the Government of Pakistan in FATA;
- Support sustainable permanent change; and
- Change the options available to residents, thus making terrorism undesirable.

The strategy supports short and medium term service delivery such as equipping health clinics with essential drugs and training healthcare workers in their appropriate usage. The strategy also focuses on developing the Pakistani government’s capabilities—at various levels of governance—to deliver essential services with speed and effectiveness in this remote and unsettled area. Long-term success depends upon community participation and building the capacity of government agencies to deal effectively with them, and this Plan addresses this challenge in a comprehensive way.

Question. The Administration portrays its proposed Reconstruction Opportunity Zones as a notable part of its plan for the FATA. Is the ROZ program intended to be a central component of a new policy towards Pakistan, or merely a small-scale program limited to the FATA, with relatively little impact on the overall US-Pakistan relationship and the effort to combat extremism?

Answer. The Reconstruction Opportunity Zone initiative is a critical tool designed to complement existing and planned economic development activities by the United States and other donors. Areas eligible for such zones would include not only the FATA, but also all of Afghanistan and the entire Pakistani border region.

By extending duty-free treatment to certain goods produced within designated territories within these areas, Reconstruction Opportunity Zones can help stimulate private sector economic growth and sustainable development. The resulting employment and income opportunities would provide a vital means to address the poverty

and desperation which provide fertile ground for terrorism, narcotics trafficking, and other illicit activities.

The Reconstruction Opportunity Zone program is designed to complement current, planned, and completed regional aid and development programs. For FY 2007 alone, USAID has budgeted \$44 million for FATA development, and President Bush has pledged to support the Pakistan-led FATA Sustainable Development Plan with \$750 million over five years. The industrial and commercial activity resulting from the ROZ program will build upon and sustain these and other U.S.-funded infrastructure projects and capacity-building efforts by attracting jobs for newly-acquired skills, commerce for travel across recently-built roads, and sustainable, private sector-led investment and organic income growth to bolster the impact of official development assistance. Reconstruction Opportunity Zones also will encourage the formalizing of economic activity and economic cooperation between Afghanistan and Pakistan while helping connect these isolated areas gradually to the regional and global economy.

The Reconstruction Opportunity Zone initiative can also be a focal point for supporting initiatives of the governments of Afghanistan and Pakistan as well as the international donor community, including infrastructure improvements, removal of administrative barriers to investment and exports, and other initiatives facilitating cross-border economic cooperation. We are actively working to involve the international community—including the G8, the European Union, and a number of international financial institutions and non-governmental organizations—to broaden, coordinate, and multiply the impact of our own trade and economic development activities. Taken together, this comprehensive approach to sustainable development can give local populations a greater stake in the security and stability of the region while undermining sympathy and support for violent extremism.

We hope to earn the support of Congress for this important program.

Question. On June 13, in an interview on CNN, you said there is “irrefutable evidence” that the Taliban arms were “coming from the government of Iran.” This statement followed a considerably less definitive one from the Secretary of Defense, who stated a belief that arms were being transferred with the knowledge of the government, but who stated, “I haven’t seen any intelligence specifically to this effect.” On July 17, the U.S. Ambassador to Afghanistan echoed the Secretary of Defense’s position: “We believe that the quantity and quality of these munitions are such that the Iranian government must know about it,” he told reporters. “Beyond that we really can’t go.”

a. What specific pieces of “irrefutable evidence” were you referring to on June 13?

Answer a. My views, and those of our government, are informed by a body of information which has been approved for public release by the Office of the Director of National Intelligence.

Since at least 2006, Iran has arranged frequent shipments of small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, and plastic explosives to the Taliban in Afghanistan. Iran’s primary instrument for providing arms to the Taliban is the Islamic Revolutionary Guards Corps–Qods Force (IRGC–QF), an element of the Iranian government responsible for cultivating and supporting terrorist and Islamic military groups abroad. Specific evidence of IRGC–QF arms shipments to the Taliban includes the following:

- In March 2007, a raid on a Taliban compound in Helmand Province, Afghanistan netted an Iranian manufactured .50 caliber anti-material sniper rifle, with a probable 205 manufacture date.
- In April and May 2007, convoys were intercepted and seized in southern Afghanistan. These convoys were carrying Iranian weapons, believed to be en route to Taliban forces. The two shipments included: plastic explosives, small arms ammunition, several rocket-propelled (RPG) anti-tank grenades, mortar rounds, artillery rockets, and rocket fuses.
- Analysis of interdicted weaponry, ordnance and explosively-formed projectiles recovered in Afghanistan indicate that the Taliban has had access to Iranian weaponry produced as recently as 2006 and 2007.
- On September 6, 2007, Afghan forces interdicted a convoy in Farah Province in western Afghanistan, according to press reports. The press reports noted that the confiscated weapons included explosively formed projectiles (EFPs), which are similar to Iranian-manufactured EFPs provided by the Qods Force to Iraqi militants.

Our intelligence experts believe Iran is providing arms to the Taliban in a bid to raise the cost for the United States and NATO of our presence in Afghanistan, to

inflict casualties on U.S. and NATO forces, and to cause reaction at home in the countries contributing those forces.

Question b. Do you agree with the analysis of Taliban-Iranian arms links presented in the National Intelligence Estimate on Afghanistan of April 1, 2007 (NIE 2007-03)?

Answer b. I am not an intelligence officer, and I think there has to be a clear line between those responsible for intelligence predictions and those in the policy community. That said, I have full confidence in our intelligence community. I think that our analysts are objective and have every confidence in their analytical judgments regarding this issue.

Question c. Did you base your “irrefutable evidence” statement primarily on this NIE? If not, please provide the unclassified titles and reference numbers for any classified items of intelligence which formed the primary basis for your statement.

Answer c. My statement was based on information referenced above that the Office of the Director of National Intelligence has approved for public release.

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