

Senate Committee On Foreign Relations
Chairman Senator Richard G. Lugar
Opening Statement for Hearing On
Pakistan: Balancing Reform And Counterterrorism
July 14, 2004

The Foreign Relations Committee meets today for an important discussion on Pakistan, a key ally of the United States in the global war on terrorism. Pakistan's efforts against terrorists within its borders, its stewardship of its own nuclear arsenal, and its relations with other nations in the region are critical to global security. The commitment of the U.S. government to provide Pakistan with \$3 billion in assistance over five years is a measure of Pakistan's importance to our own national security objectives.

President Musharraf faces immense challenges in rooting out extremism and putting Pakistan on a stable path toward economic development and democracy. He has called for modernization and conciliation across the Islamic world to reverse the spread of terrorist influences and movements. Pakistan has improved its economic performance over the last two years and increased spending on health and education.

To be fully successful, Pakistan's efforts at reform and modernization will require broad-based participation by the Pakistani people. Institutional checks and balances, along with accountability and transparency, are important elements needed for long-term stability in Pakistan. The international community and the United States should support reforms and contribute to the strengthening of Pakistani civilian institutions.

Pakistan's stability also is intricately tied to the pursuit of peace with India through comprehensive negotiations. For many years, Pakistan's conflict with India has sapped its resources and distracted its attention from reducing poverty and enhancing its economic potential. The United States has strongly encouraged Pakistan and India to continue their dialogue on the issues that divide them. The eight-month cease-fire along the Line of Control in Kashmir is the longest such cease-fire in more than a decade. This progress, coupled with the nuclear confidence building measures to which both sides agreed last month, could help build momentum for a more permanent and deeply-rooted strategic stabilization of South Asia.

The substantial increase in U.S. assistance for Pakistan is intended to help Pakistan meet these challenges. We must think carefully about how we balance military and economic assistance to promote security, development, strengthened democratic institutions, and improved education. Military assistance provides communications, firepower, and mobility -- three capabilities that are essential to the Pakistani Army's efforts to track down and apprehend al Qaeda operatives. U.S. economic and technical assistance programs support social sector development, particularly in areas like education reform.

In August 2002, USAID signed a five-year \$100 million grant agreement with the Government of Pakistan to support reform of the public education system, with emphasis on early childhood and teacher education. Currently, only 42 percent of Pakistani children between the ages of five and nine are enrolled in school, and less than half of these children complete five

years of schooling. The failing public education system in Pakistan has prompted many parents to send their children to madrassahs (or religious schools). Some of these schools incite violence and serve as a breeding ground for terrorists. The Pakistan government has taken some steps to address the problems surrounding the religious schools, but more must be done.

Today, we welcome a distinguished panel to help us review the status of U.S.-Pakistan relations and assess the Pakistan government's efforts to combat terrorism and implement reforms. With us are Ms. Teresita Schaffer, the South Asia Program Director at the Center for Strategic and International Studies; Dr. Vali Nasr, Professor of Middle East and South Asia politics at the Naval Postgraduate School in Monterey, California; and Dr. Marvin Weinbaum from the Middle East Institute.

We look forward to the insights of our witnesses and their recommendations for U.S. policy toward Pakistan.

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