

THE U.S. AND SOUTH ASIA: CHALLENGES AND OPPORTUNITIES FOR AMERICAN POLICY

HEARING BEFORE THE SUBCOMMITTEE ON ASIA AND THE PACIFIC OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

—————
MARCH 20, 2003
—————

Serial No. 108-15
—————

Printed for the use of the Committee on International Relations



Available via the World Wide Web: http://www.house.gov/international_relations

—————
U.S. GOVERNMENT PRINTING OFFICE

85-841PDF

WASHINGTON : 2003

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON INTERNATIONAL RELATIONS

HENRY J. HYDE, Illinois, *Chairman*

JAMES A. LEACH, Iowa	TOM LANTOS, California
DOUG BEREUTER, Nebraska	HOWARD L. BERMAN, California
CHRISTOPHER H. SMITH, New Jersey,	GARY L. ACKERMAN, New York
<i>Vice Chairman</i>	ENI F.H. FALEOMAVAEGA, American
DAN BURTON, Indiana	Samoa
ELTON GALLEGLY, California	DONALD M. PAYNE, New Jersey
ILEANA ROS-LEHTINEN, Florida	ROBERT MENENDEZ, New Jersey
CASS BALENGER, North Carolina	SHERROD BROWN, Ohio
DANA ROHRABACHER, California	BRAD SHERMAN, California
EDWARD R. ROYCE, California	ROBERT WEXLER, Florida
PETER T. KING, New York	ELIOT L. ENGEL, New York
STEVE CHABOT, Ohio	WILLIAM D. DELAHUNT, Massachusetts
AMO HOUGHTON, New York	GREGORY W. MEEKS, New York
JOHN M. McHUGH, New York	BARBARA LEE, California
THOMAS G. TANCREDO, Colorado	JOSEPH CROWLEY, New York
RON PAUL, Texas	JOSEPH M. HOFFFEL, Pennsylvania
NICK SMITH, Michigan	EARL BLUMENAUER, Oregon
JOSEPH R. PITTS, Pennsylvania	SHELLEY BERKLEY, Nevada
JEFF FLAKE, Arizona	GRACE F. NAPOLITANO, California
JO ANN DAVIS, Virginia	ADAM B. SCHIFF, California
MARK GREEN, Wisconsin	DIANE E. WATSON, California
JERRY WELLER, Illinois	ADAM SMITH, Washington
MIKE PENCE, Indiana	BETTY MCCOLLUM, Minnesota
THADDEUS MCCOTTER, Michigan	CHRIS BELL, Texas
WILLIAM J. JANKLOW, South Dakota	
KATHERINE HARRIS, Florida	

THOMAS E. MOONEY, SR., *Staff Director/General Counsel*
ROBERT R. KING, *Democratic Staff Director*

SUBCOMMITTEE ON ASIA AND THE PACIFIC

JAMES A. LEACH, Iowa, *Chairman*

DAN BURTON, Indiana	ENI F. H. FALEOMAVAEGA, American
DOUG BEREUTER, Nebraska	Samoa
CHRISTOPHER H. SMITH, New Jersey	SHERROD BROWN, Ohio
DANA ROHRABACHER, California	EARL BLUMENAUER, Oregon
EDWARD R. ROYCE, California	DIANE E. WATSON, California
STEVE CHABOT, Ohio	ADAM SMITH, Washington
RON PAUL, Texas	GARY L. ACKERMAN, New York
JEFF FLAKE, Arizona	BRAD SHERMAN, California
JERRY WELLER, Illinois	ROBERT WEXLER, Florida
THOMAS G. TANCREDO, Colorado	GREGORY W. MEEKS, New York

JAMES W. McCORMICK, *Subcommittee Staff Director*
LISA M. WILLIAMS, *Democratic Professional Staff Member*
DOUGLAS ANDERSON, *Professional Staff Member & Counsel*
TIERNEN MILLER, *Staff Associate*

CONTENTS

	Page
WITNESSES	
The Honorable Christina Rocca, Assistant Secretary, Bureau of South Asian Affairs, U.S. Department of State	6
The Honorable Wendy J. Chamberlin, Assistant Administrator, Bureau for Asia and the Near East, Agency for International Development [USAID]	13
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable James A. Leach, a Representative in Congress from the State of Iowa, and Chairman, Subcommittee on Asia and the Pacific: Prepared statement	2
The Honorable Christina Rocca: Prepared statement	9
The Honorable Wendy J. Chamberlin: Prepared statement	16
APPENDIX	
Questions for the Record Submitted to the Honorable Christina Rocca, Assistant Secretary, Bureau of South Asian Affairs, U.S. Department of State, by the Honorable James A. Leach	43
Questions for the Record Submitted to the Honorable Christina Rocca by the Honorable Dana Rohrabacher, a Representative in Congress from the State of California, and Responses	50
Questions for the Record Submitted to the Honorable Christina Rocca by the Honorable Adam Smith, a Representative in Congress from the State of Washington, and Responses	50

THE U.S. AND SOUTH ASIA: CHALLENGES AND OPPORTUNITIES FOR AMERICAN POLICY

THURSDAY, MARCH 20, 2003

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 1:08 p.m. in Room 2172, Rayburn House Office Building, Hon. James A. Leach presiding.

Mr. LEACH. The Committee will come to order. On behalf of the Subcommittee, I would like to welcome Assistant Secretary Rocca and Ambassador Chamberlin to the first of what we hope will be many conversations with the Administration and others on South Asia. As my colleagues are aware, all of South Asia, with the exception of Afghanistan, was returned to the Subcommittee's jurisdiction for the 108th Congress.

The hearing today is intended to provide an overview of the United States policy toward a region that has sharply risen in prominence for American policymakers, particularly in the aftermath of the events of September 11th. Although South Asia remains one of the world's most volatile regions, the United States can point to a number of diplomatic achievements in recent years. The United States has forged a new relationship with Pakistan that has produced increasingly significant results in the campaign against terrorism, for which America is most grateful, and helped bring greater stability to Afghanistan.

In a welcome departure from previous historical experience, the rekindling of close ties with Pakistan has not come at the expense of our relations with India, which have strengthened and warmed to a degree unimaginable 5 or 10 years ago. American diplomacy was also instrumental in facilitating a peaceful resolution of the tense Indo-Pakistani crisis a year ago that so nearly brought the subcontinent to the brink of military conflict.

In Sri Lanka, Deputy Secretary Armitage has been personally engaged in lending U.S. support to the ongoing cease fire and hopeful peace process. Likewise, in Nepal, the Administration has expanded essential development assistance while simultaneously strengthening the capacity of the Royal Nepal Army to contain the Maoist threat.

Before we turn to our witnesses, I would like to make several brief points. The first is that at all times, but particularly now, American cultural and public diplomacy needs to be attuned to the fact that a quarter of the world's Muslim population live in South

Asia. India, Bangladesh, and Pakistan each have more than 130 million Muslims, and Pakistan is the only modern state founded explicitly as a homeland for Muslims.

Secondly, the U.S. needs to have a sustainable strategy for helping to facilitate a process that can foster greater political reconciliation between India and Pakistan. Without a serious effort to bridge the Indo-Pakistani divide, the region may yet stumble into a nuclear abyss.

And, finally, let me just stress that from an American perspective, as much as there is animus between several countries in South Asia, there is no reason whatsoever that the United States cannot have good relations with all of the parties, particularly the two truly significant countries, India and Pakistan. We have an enormous vested interest in a warming of relations with both, and that is something that we aspire to not only between countries but both countries have significant populations from that region in our country, and this makes American relations with both India and Pakistan exceptionally important.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to welcome Assistant Secretary Rocca and Ambassador Chamberlin to the first of what we hope will be many conversations with the Administration and others on South Asia. As my colleagues are aware, all of South Asia with the exception of Afghanistan was returned to the Subcommittee's jurisdiction for the 108th Congress.

The hearing today is intended to provide an overview of United States policy toward a region that has sharply risen in prominence for American policymakers in the aftermath of the events of September 11. Although South Asia remains one of the world's most volatile regions, the United States can point to a number of diplomatic achievements in recent years.

The United States has forged a new relationship with Pakistan that has produced increasingly significant results in the campaign against terrorism, for which America is most grateful, and helped bring stability to Afghanistan. In a welcome departure from previous historical experience, the rekindling of close ties with Pakistan has not come at the expense of our relations with India, which have strengthened and warmed to a degree unimaginable five or ten years ago. American diplomacy was also instrumental in facilitating a peaceful resolution of the tense Indo-Pakistani crisis a year ago that so nearly brought the Subcontinent to the brink of military conflict. In Sri Lanka, Deputy Secretary of State Armitage has been personally engaged in lending U.S. support to the ongoing cease-fire and hopeful peace process. Likewise, in strife-torn Nepal, the Administration has expanded essential development assistance while simultaneously strengthening the capacity of Royal Nepal Army to contain the Maoist threat.

Before we turn to our witnesses, I would like to make the following points:

- At all times, but particularly at this critical moment, American cultural and public diplomacy needs to be attuned to the fact that a quarter of the world's Muslim's live in South Asia. India, Bangladesh, and Pakistan each have more than a 130 million Muslims, and Pakistan is the only modern state founded explicitly as a homeland for Muslims.
- The U.S. needs to have a sustainable strategy for helping to facilitate a process that can foster political reconciliation between India and Pakistan. Without a serious effort to bridge the Indo-Pakistani divide, the region may yet stumble into the nuclear abyss.

In any regard, the U.S. has an enormous vested interest in maintaining good relations with all of the countries of the region, most particularly India and Pakistan. We look forward to your testimony and the questions to follow.

Mr. LEACH. Mr. Faleomavaega.

Mr. FALCOMVAEGA. Thank you, Mr. Chairman. I appreciate your calling this hearing for our Subcommittee, and I also would like to offer my personal welcome to Assistant Secretary Rocca and also the Assistant Administrator for USAID, Ms. Chamberlin, and look forward to hearing their testimonies this afternoon.

Mr. Chairman, I know this is a sobering experience for all of us as Members. Even though not related to the substance of our hearing this afternoon, I am sure that this has been a very hard and contemplative experience for most of us, not only the Members of the Committee but, I am sure, all the Members of the House in terms of a most serious development as we are now at war with Iraq. I sincerely hope for all of the success and support that we can lend to our men and women in uniform and that there may be a minimal number of casualties on both sides. I sincerely hope that whatever that we are trying to do that it will produce some positive results in that important region of the world.

Mr. Chairman, at this time in our nation's history, we are facing dramatic change in opportunity, but what concerns me most is the growing threat of nuclear proliferation. North Korea has defied the international community and publicly announced that it has the capability to produce an atomic weapon. According to some media reports, North Korea may already have two or three atomic devices, and this in itself has completely changed the entire spectrum of our strategy interests and foreign policy in the Asia-Pacific region.

I believe it was in 1974 that India exploded its nuclear device, certainly not without the help of other countries, but India had the technology and proved to the world that it also has the capacity and the capability of producing a nuclear weapon. I use India as an example, Mr. Chairman, because I believe that the first instance and opportunity that the leaders of India pleaded with the world community that there definitely has to be a serious policy consideration in terms of the proliferation of nuclear weapons.

I recall some 15 years ago, the late Prime Minister of India, Rajev Ghandi, pleaded to the world community that we need to be free from nuclear weapons, and I would like to share with the Members of our Subcommittee some of his insights and the importance of this issue. I quote,

“We are approaching the close of the 20th century. It has been the most blood-stained century in history. Fifty-eight million perished in two world wars, forty million have died in other conflicts, and in the last 9 decades the ravenous machines of war have devoured nearly 100 million people. The appetite of these monstrous machines grows on what they feed. Nuclear war will not mean the death of 100 million people or even a thousand million. It will mean the extinction of 4,000 million, the end of life as we know it on our planet, Earth.”

I recall also an observation by the late Prime Minister, Ghandi. He said,

“Nor is it acceptable that those who possess nuclear weapons are freed of all controls while those without nuclear weapons are policed against their production. History is full of such prejudices paraded as iron laws, that men are superior to women, that the white races are superior to the colored, that

colonialism is a civilizing mission, that those who possess nuclear weapons are responsible powers, and those who do not are not.”

I think it leaves the question in terms of this most serious crossroads in the world community of nations and what we have to do to find some positive results in resolving these very, very serious issues that we are now confronted with. And without question, as you had mentioned earlier, Mr. Chairman, the current conflict that is now ongoing between India and Pakistan: Both countries now have the capability of producing nuclear weapons, and the tremendous danger that they might be using nuclear weapons against each other if there is a conflict or will be a conflict in the future.

We need to reassess the basic policies about mutually assured destruction, the policy of nuclear deterrence, the question about third-generation nuclear bombs, the question of maybe having a little nuclear bomb maybe not as dangerous as a full nuclear war. We need to reevaluate these issues, and, of course, I feel that this region of the world has just as much potential for a conflict that all of us are sincerely hoping will never come.

Again, I thank you for calling this hearing, and I look forward to hearing from our witnesses this afternoon. Thank you.

Mr. LEACH. Mr. Ackerman.

Mr. ACKERMAN. Thank you very much, Mr. Chairman. Thank you for presiding over this important hearing today.

Although we meet in the shadow of renewed conflict in Iraq, we cannot forget that there are other parts of the world important to the war on terror and, frankly, important in their own right. Today's hearing is aptly titled because challenges and opportunities are what we face in South Asia, and none are bigger than in Pakistan.

The recent arrest of Khalid Sheikh Mohammed is the latest evidence that Pakistan continues to cooperate with us closely in the war against al-Qaeda, but the circumstances of his arrest raise questions. He was in the house of a prominent member of the Jamate-Islami, a political party that is a member of the ruling coalition in Islamabad, and the arrest took place in Rawapindi, the seat of Pakistan's military leadership. I hope that these circumstances are being reviewed by the Administration and that these concerns have been discussed with the government of Pakistan.

On other fronts, Pakistan remains an equally challenging case. The President, last week, formally exercised his authority to waive democracy-related sanctions against Pakistan, and the Administration has determined that the circumstances surrounding the possible transfer of nuclear technology to North Korea “do not warrant the imposition of sanctions.” Both of these decisions send a message, and that message is, as long as you help us with al-Qaeda, we will give you a pass on other issues. The message is clear to those who want to pursue weapons of mass destruction, who want to avoid democratizing, or who want to continue to support their favorite terrorists.

On the subject of favorite terrorists, it is not at all clear to me that General Musharraf has given up supporting Kashmiri terrorists, nor has he kept his word to us regarding infiltration across

the line of control to Kashmir. I recognize that it is still winter in the mountains, but spring is coming, and I think the government of India rightly fears that the Jihadis will be back in full force. At some point, and maybe it is too late, we need to draw a bright, red line for our friends in Islamabad that some conduct will simply not be tolerated.

The situation in Nepal also presents us with a significant challenge. The surprise, cease-fire announcement in January was a welcome development, but disputes among the political parties who object to the king's dismissal of the government last October threaten to undermine any progress. If the negotiations break down, Nepal risks suffering a long, vicious civil war that neither side can win outright and that may invite intervention by Nepal's neighbors. This is an outcome the U.S. should be working to avoid.

Elsewhere in South Asia, there is some cause for hope. The Sri Lankan peace talks still offer the prospect that many years of civil war can be brought to a close, although a recent clash at sea between the government forces and a rebel ship suspected of smuggling arms threatens to derail the talks. Of equal concern is the political competition between the President and Prime Minister, that could diminish the prospects for peace.

In Bangladesh, the political process continues to be marred by violence as partisans of candidates in local council elections fought with each other and disrupted polling in some areas. Additionally, human rights concerns remain over the joint military-police patrols that the government claims are necessary to provide law and order.

On the positive side, I am told that the Prime Minister will appoint members of the long-awaited anticorruption commission during this session of parliament. It is my hope that she will do so and that such appointments will be favorably regarded here as the Congress moves forward with legislation establishing the Millennium Challenge Account.

And last, and not certainly least, I would be remiss if I did not mention the continued positive developments in the U.S.-India relationship. Once cool and distant, our bilateral relations with India have blossomed and expanded. On counterterrorism, defense, global climate change, international trade, and HIV/AIDS prevention, the United States now looks to India as a partner. During the recent visit of Foreign Secretary Sibal, the U.S. and India took another step along this path by agreeing to the principles that would govern high-technology commerce between the U.S. and India. I know that there has been concern expressed over India's export-control system, but I also know that India takes those responsibilities seriously and will do the utmost to protect any sensitive or dual-use technology that may ultimately be transferred.

Mr. Chairman, there is a great deal to discuss this afternoon, and so I look forward to hearing from our witnesses.

Mr. LEACH. Let me just say by introduction, Secretary Rocca was sworn in as the Assistant Secretary of State for South Asian Affairs on May 31 of 2001, and prior to joining the Department of State, she was a foreign affairs adviser to Senator Brownback, and prior to that, was an intelligence officer with the Central Intelligence Agency.

Ambassador Chamberlin was, until June of last year, the U.S. Ambassador to the Islamic Republic of Pakistan. Previously, Ambassador Chamberlin was the Principal Deputy Assistant Secretary in the Bureau of International Narcotics and Law Enforcement at the Department of State, and prior to that, she was the U.S. Ambassador to the Lao People's Democratic Republic.

We are appreciative of having two such distinguished witnesses, and we welcome the both of you. Why don't we begin with Secretary Rocco, please?

STATEMENT OF THE HONORABLE CHRISTINA ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. ROCCA. Thank you, Mr. Chairman. Mr. Chairman, Members of the Committee, thank you for inviting me here to talk to you about our relations with South Asia today.

It has become very clear that the most vital interests of the United States are affected by events in South Asia. It is imperative that our country be actively and effectively engaged in the region, and since it came into office, this Administration has devoted great resources and energy to advancing our relations with this very important part of the world. As a result, we have the close cooperation of all of the countries in the region in the war against terrorism, and we were able to play a helpful role last spring and summer to defuse a dangerous crisis between India and Pakistan that could have led to a catastrophic conflict. There has been development in all of our relationships with South Asian states, which I look forward to discussing with the Committee this afternoon.

I would like to start with India, where we are continuing to transform our relationship. Soon after taking office, President Bush outlined his vision of a transformed and deepened U.S.-India partnership, one that reflects India's emergence as a major regional power and the shared values that unite the world's two largest democratic countries. The scope of that relationship has widened and broadened significantly over the past 2 years. The U.S. and India have overlapping vital national interests: promoting peace and stability in South Asia, combatting international terrorism, and preventing the spread of weapons of mass destruction.

We seek a vital and comprehensive partnership with India that removes as many Cold War and other barriers between us as possible. Over the past year, we have stepped up consultations on strategic and regional issues and greatly fortified cooperations in science and technology, defense exchanges, intelligence dialogue, and law enforcement. We are also working collaboratively with India to stem the proliferation of weapons of mass destruction and their means of delivery. India is committed to preventing onward proliferation, and we are encouraging and supporting India's efforts to upgrade its export-control system to meet international non-proliferation standards. We will deepen all of these initiatives and extend engagement on key global development issues, including climate change, reproductive health, HIV/AIDS, and trafficking in persons.

Mr. Chairman, U.S. relations with Pakistan have broadened significantly over the past 18 months. Starting with our solid partner-

ship in the war on terror and our cooperation in Operation Enduring Freedom, we have expanded the relationship and have established a USAID program, providing assistance in the areas of education and health, we have expanded our cooperation in law enforcement, and we have begun restoring our military ties. In the coming year, we will strengthen further our programs in order to deal successfully with issues of key interest to both of our nations, including counterterrorism, Pakistan's relations with its neighbors, regional stability, strengthening Pakistan's democracy, helping to promote its economic development, and improving life for the people of Pakistan.

As you said, Mr. Chairman, U.S. and Pakistan cooperation on the war on terror has been excellent. Since the fall of 2001, Pakistan has apprehended close to 500 suspected al-Qaeda operatives and affiliates. It has committed its own security forces, some of whom have lost their lives, to pursue al-Qaeda in the border areas, and, equally important, we are encouraging Pakistan to build a positive, mutually constructive relationship with neighboring Afghanistan and support its efforts to establish a stable and secure government.

To promote both regional and global stability, we also seek to reinforce Pakistan's commitment to nonproliferation and to improve its systems of export controls. Pakistan clearly recognizes the seriousness of any proliferation activity, and President Musharraf has personally assured Secretary Powell that his country is not engaged in such activity.

Pakistan's commitment to democracy and human rights is central to the efforts to build a stable, positive future for its people. National elections in October, though flawed, restored civilian government, including a Prime Minister and a national assembly, after a 3-year hiatus. We want to see strong Pakistani democratic institutions and practices, including a national assembly that plays a vigorous and positive role in governance and an independent judiciary that promotes the rule of law. These institutions are required if Pakistan is to develop into a stable, moderate Islamic state.

Pakistan's progress toward political moderation and economic modernization will require sustained growth. We are also providing debt relief and budgetary support, and we are devoting significant resources to assist Pakistan's economic development, particularly in the area of education, so that Pakistanis develop the skills they need to build a modern state that can compete successfully in the global economy.

One of the greatest challenges to advancing our goals of moderation, stability, and development in South Asia is the continuing tension between India and Pakistan, primarily over Kashmir. Last spring, U.S. diplomacy at the highest levels, along with that of the international community, helped prevent an India-Pakistan war. Last fall, Kashmir's state elections gave new hope for progress in addressing issues that contribute to the longstanding dispute, but it was just a first step. Violence inside Kashmir continues and is aimed at exacerbating tensions and undermining reconciliation. An end to this conflict requires continued de-escalatory efforts, increased communication within Kashmir, and a peace process between India and Pakistan. Ending infiltration from Pakistan, of course, remains a key goal.

The Kashmir state government, under Mufti Mohammed Sayeed, has announced a common minimum program of reforms and conciliatory steps to address Kashmiri grievances and lessen conflict in the state. We would like to see the state government move forward on this initiative and for the central government in New Delhi to support these efforts. Last summer's election made it clear that the people of Kashmir want to pursue the path of peace. In the broader context, we will continue to urge dialogue and restraint between India and Pakistan. Continued U.S. attention and creative diplomacy will be essential to move these two nations away from confrontation and toward dialogue and resolution.

Mr. Chairman, Bangladesh is a moderate, democratic, Islamic nation and is the eighth most populous country in the world. It is the top contributor of manpower to U.N. peace-keeping missions and is an active player in regional and international organizations. It is a voice of moderation among developing countries in the Islamic world and in South Asia. The country has made impressive strides in economic development, dramatically reducing its birth rate, improving literacy, delivering more social services, and empowering women through education and employment.

Major challenges remain. Deep and bitter rivalries between the two main political parties, as well as continued corruption, threaten political stability and impede economic reform and growth. Serious law-and-order problems need to be addressed. It is in the interest of the United States to keep Bangladesh firmly in the moderate, democratic camp and to help its economy prosper.

We are working to strengthen Bangladesh's democratic institutions—parliament, local government, civil society, the police, and the judiciary—to make their operations more accountable, effective, and transparent. But the future course for democracy in Bangladesh will depend on the political parties working together to solve the problems facing the nation. We are also advocating greater respect for human rights and are working with Bangladesh to end trafficking in persons.

Bangladesh is a valued South Asian partner in the war on terrorism, and we have worked to enhance its capabilities to deter terrorists and to stop the illicit financial flows that support them. Our goals in Bangladesh can be achieved over the long term if its economy grows and living standards improve. Progress has been made, but additional structural reforms are needed to diversify Bangladesh's exports and strengthen its infrastructure. A decision to allow the export of gas by pipeline to India could attract the foreign investment that Bangladesh needs so desperately to help propel the economy forward.

In Sri Lanka, as you mentioned, the peace process, moderated by Norway and strongly supported by the United States, has continued since the cease fire was agreed to more than a year ago. Actual negotiations between the government and the Liberation Tigers of Tamil Eelam began last September, and the sixth session of these talks will wind up tomorrow in Japan. We praise the commitments of both sides to sustaining the cease fire, moving forward with the peace process, and working toward a final settlement. They have made significant progress toward a political solution that protects the dignity and security of all Sri Lankans and preserves that

country's unity. But the talks are bound to be complex, time consuming, and difficult, and all political parties need to cooperate, put aside their differences, and work together in pursuit of a settlement.

Our support for the peace process has included strengthening our bilateral relationship with Sri Lanka and increasing our assistance, particularly for reconstruction and humanitarian needs. The international community has also shown strong political support for the peace process, as well as willingness to assist with reconstruction and reconciliation.

Mr. Chairman, Nepal's democracy, stability, and its economic and social development are now threatened by a ruthless, Maoist insurgency. The Maoist leadership has made it clear that its ultimate goal is the establishment of an absolutist, communist regime, and such a development could contribute significantly to instability in the region. Fortunately, a Maoist military victory is increasingly unlikely, something the Maoists themselves conceded by agreeing in January of this year to reenter political negotiations with the government.

We would support a meaningful dialogue leading to peace. Unfortunately, the government's ability to mobilize effective resistance to the Maoists and develop a strong position for a peace process is complicated by ongoing rivalries within and between the mainstream political parties. The king and the parties need to cooperate more closely to maximize chances for a successful outcome. Our support for a settlement has led us to increase our development assistance to \$30 million in aid requested in the President's FY 2004 budget. This is an all-time high.

We are also working to restructure our programs better to address the economic causes of the insurgency and provide security assistance to the Royal Nepalese Army. Once a political settlement has been reached, the United States should be in the forefront of donors prepared to help Nepal conduct national elections, strengthen administrative and democratic institutions, protect basic human rights, and provide better health services and rural livelihoods.

Mr. Chairman, I will close by once again pointing out that the United States has significantly changed and deepened its relationships in South Asia. We are making progress in the war on terror. We have contributed to the lessening of tension and supported the resolution of conflict throughout the region. We have been champions of strengthened democratic institutions, development, and economic reform that will lead to a better quality of life for all South Asians.

But there is a great deal still to do. A more secure, democratic, stable, and prosperous South Asia is very much in our interest, and I look forward to working together with the Congress as we continue to pursue these very important goals. I would be happy to answer any questions. Thank you.

[The prepared statement of Ms. Rocca follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTINA ROCCA, ASSISTANT
SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman and members of the committee, thank you for inviting me to come here today to talk about the United States relationship with South Asia.

Mr. Chairman, it has become very clear that the most vital interests of the United States are affected by events in South Asia. It is imperative that our country be actively and effectively engaged with this region. Since it came into office, this Administration has devoted great resources and energy to advancing our relations with this very important part of the world. As a result, we have the close cooperation of all the countries in the region in the war against terrorism, and were able to play a helpful role last spring and summer to defuse a dangerous crisis between India and Pakistan that could have led to a catastrophic conflict. There has been development in all of our relationships with South Asian states, which I look forward to discussing with this committee.

The continuing success of our alliance against terror and other initiatives in South Asia depends on productive and effective long-term relationships with each of the countries in the region, combined with economic growth, stability and the strengthening of democratic institutions. South Asia faces great challenges. But these challenges also provide opportunities to bring positive change. My testimony today will highlight our relations with the individual countries of the region. While I realize that this Subcommittee does not have jurisdiction over Afghanistan, I want to assure you that the continuing political and economic reconstruction of Afghanistan is one of the key U.S. foreign policy goals being managed by the South Asia Bureau.

INDIA:

I would like to start with India, where we are continuing to transform our relationship. Soon after taking office, President Bush outlined his vision of a transformed and deepened US-India partnership, one that reflects India's emergence as a major regional power and the shared values that unite the world's two largest democratic countries. The scope of that relationship has widened and broadened significantly over the past two years. The United States and India have overlapping vital national interests—promoting peace and stability in South Asia, combating international terrorism, and preventing the spread of weapons of mass destruction. We seek a vital and comprehensive partnership with India that removes as many Cold War and other barriers between us as possible. Over the past year we have stepped up consultations on strategic and regional issues, and greatly fortified cooperation in science and technology, defense exchanges, intelligence dialog, and law enforcement. We are also working collaboratively with India to stem the proliferation of weapons of mass destruction and their means of delivery. India is committed to preventing onward proliferation and we are encouraging and supporting India's efforts to upgrade its export-control system to meet international non-proliferation standards. We will deepen all these initiatives and extend engagement on key global development issues, including climate change, reproductive health, HIV/AIDS and trafficking in persons.

India is already one of the world's important economies, but there is much room for further growth through accelerated rapid economic reform. The United States will continue to urge such reforms, particularly the fiscal consolidation necessary to address the government's domestic debt overhang and the continued liberalization of their trading system. A strong and rapidly expanding economy is essential to eradicate India's staggering poverty, which finds more than 300 million of its citizens living on less than a dollar a day. And a robust Indian economy is in the best interests of both our nations as it will provide greater opportunities for business and deepen our commercial ties.

PAKISTAN:

Mr. Chairman, U.S. relations with Pakistan have broadened significantly in the past 18 months. Starting with our solid partnership in the war on terror and our cooperation in Operation Enduring Freedom, we have expanded the relationship and have reestablished a USAID program, providing assistance in the areas of education and health, we have expanded our cooperation in law enforcement and we have begun restoring our military ties. In the coming years we will strengthen our programs of bilateral cooperation in order to deal successfully with issues of key interest to both our nations, including counter terrorism, Pakistan's relations with its neighbors, regional stability, strengthening Pakistan's democracy, helping to promote its economic development and improving life for the people of Pakistan to help this nation continue moving in a positive direction.

United States and Pakistan cooperation in the war on terror takes place on several fronts, including coordination of intelligence and law enforcement agencies in hunting Al-Qaida and other terrorists within Pakistan, coordination with military and law enforcement agencies along the border with Afghanistan and efforts to

strengthen Pakistan's law enforcement and counterterrorism capabilities and institutions. Since the fall of 2001, Pakistan has apprehended close to 500 suspected al-Qaida operatives and affiliates. It has committed its own security forces—some of whom have lost their lives—to pursue al-Qaida in its border areas. Equally importantly, we are encouraging Pakistan to build positive, mutually constructive relations with neighboring Afghanistan and support its efforts to establish a stable and secure government.

To promote both regional and global stability, we also seek to reinforce Pakistan's commitment to non-proliferation and to improve its system of export controls. Pakistan clearly recognizes the seriousness of any proliferation activity, and President Musharraf has personally assured Secretary Powell that his country is not engaged in such activity.

Pakistan's commitment to democracy and human rights is central to its efforts to build a stable, positive future for its people. National elections in October, although flawed, restored civilian government, including a Prime Minister and a National Assembly, after a three-year hiatus. We want to see strong Pakistani democratic institutions and practices, including a National Assembly that plays a vigorous and positive role in governance and an independent judiciary that promotes the rule of law. These institutions are required if Pakistan is to develop into a stable, moderate Islamic state.

Pakistan's progress toward political moderation and economic modernization will require sustained growth. We are also providing debt relief and budgetary support. We are devoting significant resources to assist Pakistan's economic development, particularly in the area of education, so that Pakistanis develop the skills they will need to build a modern state that can compete successfully in the global economy.

INDIA-PAKISTAN RELATIONS, KASHMIR:

One of the greatest challenges to advancing our goals of moderation, stability and development in South Asia is the continuing tension between India and Pakistan, primarily over Kashmir. Last Spring, US diplomacy at the highest levels, along with that of the international community, helped prevent an India-Pakistan war after terrorist attacks led to an Indian, and then Pakistani, mobilization along the border and the Line of Control in Kashmir. Last Fall's Kashmir state elections gave new hope for progress in addressing issues that contribute to that long-standing dispute. But violence inside Kashmir continues and is aimed at exacerbating tensions and undermining reconciliation. An end to this conflict requires continued de-escalatory efforts, increased communication within Kashmir and a peace process between India and Pakistan. Ending infiltration into Kashmir remains a key goal.

The Kashmir state government under Mufti Mohammed Sayeed has announced a "Common Minimum Program" of reforms and conciliatory steps to address Kashmiri grievances and lessen conflict in the state. We would like to see the state government move forward on this initiative and for the central government in Delhi to support its efforts. In this regard, India's appointment of Mr. Vohra as an interlocutor with Kashmiri groups is a welcome development. Last summer's election made it clear that the people of Kashmir want to pursue the path of peace. In the broader context, we will continue to urge dialogue and restraint between India and Pakistan. Continued U.S. attention and creative diplomacy will be essential to help move these two nations away from confrontation and towards dialogue and resolution.

BANGLADESH:

Bangladesh, a moderate, democratic Islamic nation, is the eighth most populous country in the world. It is the top contributor of manpower to UN peacekeeping missions, and is an active player in regional and international organizations. It is a voice of moderation among developing countries, in the Islamic world and in South Asia. The country has made impressive strides in economic development, dramatically reducing its birth rate, improving literacy, delivering more social services and empowering women through education and employment. Major challenges remain. Deep and bitter rivalries between the two main political parties as well as continued corruption threaten political stability and impede economic reform and growth. Serious law and order problems need to be addressed. It is in the interest of the United States to keep Bangladesh firmly in the moderate, democratic camp and to help its economy prosper.

We are working to strengthen Bangladesh's democratic institutions—Parliament, local government, civil society, the police, and the judiciary—to make their operations more accountable, effective, and transparent. But the future course of democracy in Bangladesh will depend on the political parties working together to solve the problems facing the nation. We are also advocating greater respect for human

rights and are working with Bangladesh to end trafficking in persons. Bangladesh is a valued South Asian partner in the war on terrorism, and we have worked to enhance its capabilities to deter terrorists and to stop the illicit financial flows that support them. Our goals in Bangladesh can be achieved over the long term if Bangladesh's economy grows and living standards improve. Progress has been made, but additional structural reforms are needed to diversify Bangladesh's exports and strengthen its infrastructure. A decision to allow the export of gas by pipeline to India could attract the foreign investment that Bangladesh needs to help propel the economy forward.

SRI LANKA:

In Sri Lanka, the peace process moderated by Norway and strongly supported by the United States has continued since a ceasefire was agreed to more than a year ago. Actual negotiations between the Government and the Liberation Tigers of Tamil Eelam began last September and the sixth session of these talks will wind up tomorrow in Japan. We praise the commitment of both sides to sustaining the ceasefire, moving forward with the peace process, and working toward a final settlement. They have made significant progress toward a political solution that protects the dignity and security of all Sri Lankans and preserves that country's unity. But the talks are bound to be complex, time consuming and difficult. All political parties need to cooperate, put aside their differences and work together in pursuit of a settlement. Our support for the peace process has included strengthening our bilateral relationship with Sri Lanka and increasing our assistance, particularly for reconstruction and humanitarian needs. The international community has also shown strong political support for the peace process, as well as willingness to assist with reconstruction and reconciliation.

NEPAL:

Mr. Chairman, Nepal's democracy, stability and its economic and social development are now threatened by a ruthless Maoist insurgency. The Maoist leadership has made it clear that its ultimate goal is to establish an absolutist communist régime. Such a development could contribute significantly to instability in the region.

Fortunately, a Maoist military victory is increasingly unlikely, something the Maoists themselves conceded by agreeing in January of this year to re-enter political negotiations with the Government. We would support a meaningful dialogue leading to peace. Unfortunately, the government's ability to mobilize effective resistance to the Maoists and develop a strong position for a peace process is complicated by ongoing rivalries within and between the mainstream political parties. The King and the parties need to cooperate more closely to maximize chances for a successful outcome. Our support for a settlement has led us to increase our development assistance to \$38 million requested in the President's FY '04 budget—an all-time high—and to restructure our programs better to address the economic causes of the insurgency. We are also providing security assistance to the government. Once a political settlement has been reached, the United States should be in the forefront of donors prepared to help Nepal conduct national elections, strengthen administrative and democratic institutions, protect basic human rights and provide better health services and rural livelihoods.

CONCLUSION:

Mr. Chairman, I will close by once again pointing out that the United States has significantly changed and deepened its relationships in South Asia. We are making progress in the war on terrorism. We have contributed to the lessening of tensions and supported the resolution of conflict throughout the region. We have been champions of strengthened democratic institutions, development and economic reform that will lead to a better quality of life for all South Asians. But there is a great deal still to do. A more secure, democratic, stable and prosperous South Asia is very much in our interest and I look forward to working together with the Congress as we continue to pursue those very important goals.

I would be happy to answer any questions from you and other members of the committee.

Mr. LEACH. Thank you, Madam Secretary. Ambassador Chamberlin.

**STATEMENT OF THE HONORABLE WENDY J. CHAMBERLIN, AS-
SISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE
NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT
[USAID]**

Ms. CHAMBERLIN. Thank you, Mr. Chairman. I am grateful for this opportunity this afternoon to represent the Agency for International Development and to speak to you and the Members of the Subcommittee. With your permission, sir, I will submit a longer testimony and then provide just summary remarks.

Mr. LEACH. Without objection, your statement will be expanded on the record, as Ms. Rocco's if she so chooses. Please proceed.

Ms. CHAMBERLIN. Thank you. All of us are concerned today by the unfolding events in Iraq and the possibility that once again our forces, our U.S. forces, our boys, will be called upon to take decisive measures to ensure that the United States and the international community do not fall victim to terrorism, violence, and the spread of weapons of mass destruction.

As we know from recent events in Afghanistan and along the Indo-Pakistan border, these threats are very real to the people of South Asia. Terrorism, ethnic and religious conflict, nuclear war present imminent dangers to the South Asian continent. Assistant Secretary of State for South Asia Christina Rocca has addressed many of these issues, and I am sure she will be able to expand on them in the question-and-answer period, and I will defer to her. I will limit my remarks to developmental assistance and foreign-aid issues.

A number of the President's initiatives have signaled a radically new approach to foreign aid, and these are welcome. The Monterrey Principles, as envisioned in the Millennium Challenge Account, articulate a fresh and practical policy framework for development that is built on the simple fact that our aid is most effective when governments are democratic and when they are accountable to their citizens.

The Middle East Peace Initiative [MEPI]—I was up here yesterday speaking to that issue—is another welcome initiative, and that also emphasizes the right points: democracy, trade and economic development, and education. Mr. Chairman, although South Asia is not eligible for MEPI, I wish to assure you that the Asia Near East Bureau in USAID is dedicated to applying the principles of MEPI and the Millennium Challenge Account and those of Monterrey to our programs in South Asia. While not all of the governments we assist would meet the high standards of the MCA, we intend to work with them to create those conditions in which all of them will some day meet those standards.

In light of this new vision for development, and in light of the events in the region, we are reevaluating our aid activities to make sure that they adequately address today's challenges. If they do not, we will either reshape them or we will drop those poor-performing projects.

Mr. Chairman, we applaud the leadership of this Committee in addressing many of the key issues, such as HIV/AIDS, tuberculosis, and malaria, as well as your work on promoting international religious freedom, combating the crime of trafficked persons, and preventing famine. We look forward to continued close cooperation

with you and your Committee as USAID implements its developmental programs based on the President's vision of foreign aid, as articulated in the Millennium Challenge Account and in Administrator Natsios's vision for the agency, which he has recently submitted, *Foreign Aid in the National Interest*.

In Pakistan, USAID has opened a field mission in Pakistan recently, only in June 2002, and this was after 12 years of rupture following the imposition of sanctions in 1990. Our objectives there directly reflect our desire to strengthen Pakistan's capacity to combat terrorism by encouraging just governance, investment in people, and economic freedom. Our highest priority is investing in the people of Pakistan. The illiteracy rate is 53 percent, one of the highest in the region. Nearly 40 percent of the young people, ages 15 to 20, are unemployed. Right now, USAID is enhancing teacher training, improving curricula, encouraging community involvement, and supporting literacy programs.

In 2002, Pakistan held a national election that restored civilian government with the Prime Minister and national assembly, but democratic institutions remain weak. Our aid programs aim to strengthen those institutions and the political parties.

In terms of economic development, Pakistan is a poor country, where over 40 percent of the population lives below the poverty line. To stimulate growth at the national level, USAID's focus is on maintaining macro-economic stability, reducing Pakistan's foreign debt, and encouraging the government to meet IMF goals. On a local level, we will promote micro-enterprise development to create jobs in some of Pakistan's poorest and harder to reach regions. We have used the ESF cash-transfer mechanism to address Pakistan's foreign debt. The FY 2003 transfer of \$188 million will be used to buy down a billion-dollar debt.

As Secretary Rocca pointed out, Sri Lanka is a success story. Sri Lanka is another clearly defined example of putting the Administration's policy of accountable foreign aid to work. We are moving swiftly to capitalize on the recent positive events of the cease fire and peace process. Successfully reintegrating the thousands of internally displaced persons and refugees from India will require significant human and material resources.

The FY 2004 budget justification requests \$19.5 million, targeting three main areas: increasing the country's competitiveness in global markets, building constituencies for peace through transition initiatives, and democracy and governance reform.

And Nepal. Nepal today is more hopeful than it has been throughout this last year. Just last week, representatives of the Maoist rebel group and the government mutually agreed on a code of conduct, which is a peaceful foundation for future negotiations toward a longer-term political settlement. A few months ago, however, the future of Nepal appeared much bleaker, as Secretary Rocca pointed out.

The destructive effects of the Maoist insurgency, however, should not detract from the gains Nepal has made over the past 50 years. It has transformed itself from an isolated, medieval kingdom to a constitutional monarchy. Child mortality and fertility rates have significantly decreased. Literacy and food security have improved. Yet these development gains are unevenly distributed. Poor govern-

ance, corruption, the forbidding, mountainous terrain, and lack of basic infrastructure have led to wide disparities across regions and ethnic groups. These inequities provide fertile ground for the insurgency. This insurgency has resulted in over 7,000 deaths since it began in 1996.

Our greatest challenge is to meet the immediate needs of those communities most affected by the conflict through health and employment programs. At the same time, we must maintain our support for the government in the peace process. We must also take advantage of the opportunity to promote government reform and growth in trade, agriculture, and energy and to improve conditions for all Nepalese.

In Bangladesh, governance problems continue to hamper growth. For the second year in a row, Bangladesh was ranked as the most corrupt of 102 countries surveyed by Transparency International's annual corruption perception survey. Since progress in USAID's government-focused, anticorruption initiative is slow, we are also mobilizing civil society to build demand for policy reform. With 3 years of USAID support, Transparency International Bangladesh has become a regional leader not only for Bangladesh but for four other South Asian countries as well.

Looking forward, Bangladesh elections will be held in 2006. Now is the time to start providing constructive assistance. Despite governance issues, USAID has met its targets in the economic sector. In fact, other donors, the small business community, and the Bangladesh government view our small business and agri-business projects as leaders. Building on USAID's landmark success in child survival and family planning in Bangladesh, we are now helping to avoid the destabilizing effects of HIV/AIDS.

Finally, India is a vitally key U.S. ally and has tremendous potential to be a catalyst for growth and development in an unstable region. India, the world's largest democracy, with 1.1 billion people, enjoys fast economic growth, but there is a compelling reason for continuing our aid programs. India is also home for over 300 million people living in abject poverty, more people in abject poverty than in Africa and Latin America combined.

India faces severe health challenges. Over 4 million people are infected by HIV/AIDS. Polio is reemerging in the northern portion of the country, and tuberculosis infections continue. USAID has other ongoing activities, especially helpful in stemming the tide of HIV/AIDS in the state of Tamil Nadu.

USAID has played a key role in establishing the securities and exchange board in India, and in the water sector, the government of Tamil Nadu approved a \$200 million water and sanitation project, which was made possible through loan guarantees by USAID's credit.

In conclusion, Mr. Chairman, I would like to cite President Bush's words:

"We fight against poverty because hope is an answer to terror. We fight against poverty because opportunity is a fundamental right to human dignity. We fight against poverty because faith requests it and conscience demands it. And we fight against poverty with a growing conviction that major progress is within our reach."

We look forward to joining with you and your Committee to continue this work. Thank you.

[The prepared statement of Ms. Chamberlin follows:]

PREPARED STATEMENT OF THE HONORABLE WENDY J. CHAMBERLIN, ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT [USAID]

Thank you, Mr. Chairman. I am grateful for this opportunity to speak with members of the Subcommittee. All of us are concerned today by the unfolding events in Iraq and the possibility that once again U.S. forces will be called upon to take decisive measures to ensure the United States and international community do not fall victim to terrorism, violence, and the spread of weapons of mass destruction. As we know from recent events in Afghanistan and along the Indo-Pakistan border, these threats are very real to the people of South Asia. Terrorism, ethnic and religious conflict, and nuclear war present imminent dangers to the South Asian subcontinent. Assistant Secretary of State for South Asia Christina Rocca will address these political factors and our policy response.

I appreciate this opportunity to represent the Agency for International Development in this critical discussion, because of the important role our assistance programs play in addressing—and if we do it right, preventing—the many threats to U.S. interests posed by terror, violence, weapons, disease, crime, drugs, and hate. In the words of AID Administrator Andrew Natsios, “this Administration has taken development off the back burner and placed it squarely at the forefront of our foreign policy.”

A number of the President’s initiatives signal a radically new approach to foreign aid. The Millennium Challenge Account (MCA) articulates a fresh and practical policy framework for development. The MCA is built on the simple fact that our aid is most effective in situations where governments are democratic and accountable to their citizens. We will achieve more effective results in economies that are open and corruption-free, where governments invest in their people. The MCA offers significant aid for governments that meet high standards of performance. By defining the causal relationship between good governance and economic growth, the President has provided a formula for more effective assistance. Andrew Natsios amplified these theories in his recent report, *Foreign Assistance in the National Interest*.

Another welcomed initiative is the Middle East Partnership Initiative, or MEPI, which emphasizes democracy, trade and education in a region that is desperately in need of all those things. Mr. Chairman, although the countries in South Asia are not eligible for MEPI, I wish to assure you today that the Asia Near East Bureau is dedicated to applying the principles of the MEPI and the Millennium Challenge Account to our programs in South Asia. To be sure, not all of the governments in South Asia where we have programs would meet the MCA high standards of good governance and economic openness today. However, it is our goal to work with governments and the people themselves to create conditions in which all South Asian countries can some day meet those standards.

There are daunting obstacles and much work to be done. Neither we nor the countries themselves can be allowed to fail. As we currently observe in Iraq and as the National Security Strategy states, “America is now threatened less by conquering states than we are by failing ones.” For this compelling reason, we must use all influences available to us to strengthen just governance, encourage investment in people, and assure economic freedom.

Indeed, foreign aid is one among many levers we have to influence our foreign policy interests. Arguably it is the most cost effective. The good news is that we already have a number of successful projects. In a review of our South Asian programs, Sri Lanka stands out as a nation emerging from decades of horrific ethnic conflict with great promise for development. But, in frankness, there are a few troubling challenges as well. The Maoist insurgency in Nepal has caused us to reevaluate our program there. In fact, we are working closely with our Mission Directors and Ambassadors across the region to re-evaluate whether our aid programs adequately address today’s challenges. If they do not, we must either reshape or drop poorly performing activities. This is a continuing and evolving process that takes on new urgency in light of transnational threats such as terrorism. Our success in realigning aid programs to meet urgent needs and uphold MCA principles will depend on our own management flexibility and adequate resources.

Mr. Chairman, we applaud the leadership of this Committee in addressing many key issues such as HIV/AIDS, tuberculosis and malaria as well as your work on promoting international religious freedom, combating the crime of trafficked persons

and preventing famine. We look forward to continued close cooperation with you and your committee as USAID implements its development programs based on the President's vision of foreign aid as articulated in the Millennium Challenge Account and in Administrator Natsios' vision for the Agency, *Foreign Aid in the National Interest*.

PAKISTAN—A NEW PROGRAM

USAID opened a field mission in Pakistan in June, 2002 after 12 years of rupture following the imposition of sanctions in 1990. We currently have seven direct hire employees in the mission to manage a FY 2004 program of \$200 million in ESF, and \$75 million in Development Assistance, including \$25 million for Child Survival and Health.

Our goals and objectives directly reflect our desires to strengthen Pakistan's capacity to combat terrorism by encouraging just governance, investment in people, and encouraging economic freedom. These programs are just getting off the ground now, so we cannot gauge their full effectiveness yet. However, we are convinced they are aiding the Pakistanis to address the country's most critical needs.

Education: Our highest priority is investing in the people of Pakistan. The illiteracy rate is 53 percent, one of the highest in the region. Nearly 40 percent of young people ages 15 to 20 are unemployed, with few marketable skills and little prospect of meaningful employment. Clearly, we need to invest in education, and we are not alone in this assessment. Pakistanis and international organizations also view the education sector as the single most important area for development. Right now, USAID is enhancing teacher training for both public and private primary schools. We are providing funds to improve curricula, encouraging community involvement in the local schools and supporting adult and youth literacy programs.

Governance: In October 2002, Pakistan held a national election which restored civilian government with a Prime Minister and National Assembly, but the democratic institutions in Pakistan are weak. Our focus is on strengthening democratic institutions and political parties, including the National Assembly and locally-elected legislatures. We also have a tremendous opportunity to work with communities and local, provincial and national elected officials on local development problems. To make sure that the people of Pakistan are informed and can take full advantage of these steps toward a stronger democracy, USAID is assisting Pakistan's emerging private radio and television industries as well as the public media.

Health: Democracy and education are not the only serious issues facing Pakistan. Health is also a critical area of need. Infant mortality rates in Pakistan are 83 per 1000 live births, which compares poorly with other countries in the region. Only 31 percent of married women between the ages of 15 and 49 seek prenatal care, and the gap between rural and urban areas is large. In addition, Pakistan's annual population growth rate is one of the highest in the world at 2.8 percent. To address these issues, USAID has formed a partnership with the British that begins in the spring of this year. Our work will focus on maternal and child health, family planning and AIDS prevention at the provincial and community levels. Meanwhile, the British Department for International Development will support the Federal health ministries.

Economic Growth: Pakistan is a poor country of 140 million, with 40 percent of the population living below the poverty line. Recent economic growth rates have been disappointing, and low levels of foreign investment have only made the situation worse. The GDP growth rate, which was at almost 7 percent in the 1960s, slowed to about 3 percent in the 1990s. Since 1993, growth has slowed even further, pulling Pakistan below the regional average by 1.5 to 2 percent. To stimulate growth, we are implementing a two-pronged approach. At the national level, our goal is maintain macroeconomic stability, reduce Pakistan's foreign debt and encourage the Pakistan Government to meet IMF goals. On a local level, USAID will promote microenterprise to create jobs in some of Pakistan's poorest and hardest-to-reach regions.

Overall, we have tailored the USAID program to Pakistan's primary development issues and have used the ESF cash transfer mechanism to address Pakistan's foreign debt. The FY 2003 transfer of \$188 million will be used to buy down \$1 billion in debt. The FY 2002 transfer was used to secure Pakistani spending in the social sector.

SRI LANKA—A SUCCESS STORY

Sri Lanka is another clearly defined example of putting the Administration's policies of accountable foreign aid to work in our region. We are moving swiftly, in response to the promising ceasefire and peace process there, to accelerate our invest-

ments. You may recall that until last year, Sri Lanka was on the road to becoming a non-presence post. We have reversed those staffing decisions and requested additional resources in FY 2004 in recognition that, at last, they are on the right track.

In the near term, a peacefully negotiated settlement of the conflict is essential in order to secure a healthy environment for economic growth and promote U.S. trade interests. USAID's humanitarian assistance and longer-term economic reforms are designed to ensure the 'peace dividend' is distributed equitably among the peoples of Sri Lanka.

Successfully reintegrating the thousands of Internally Displaced Persons and refugees from India into their home communities and resettlement villages will require significant human and material resources. Homes, schools and hospitals need to be rebuilt. Water and sanitation infrastructures must be rehabilitated, and we need to make sure people have ways to earn a living and support their families.

The FY04 budget justification requests \$19.5 million, targeting three main areas: increasing the country's competitiveness in global markets (37%), building constituencies for peace through transition initiatives (31%) and democracy & governance reform (23%). The remaining funds (9%) will be directed to humanitarian assistance and the regional US-AEP activities.

NEPAL—A TROUBLE SPOT

Today the situation in Nepal is more hopeful than it has been in over a year. Just last week, representatives of the Maoist rebel group and the Government mutually agreed to a Code of Conduct, a peaceful foundation for future negotiations towards a longer-term political settlement to the conflict. A few months ago, however, the future of Nepal appeared bleaker. A Maoist insurgency practiced unspeakable brutalities, intimidations and murder. It controls a large share of the countryside. The Maoist insurgency benefited from popular outrage over years of government corruption and denial of service to the people.

The destructive effects of the Maoist insurgency, however, should not detract from the gains Nepal has made over the past fifty years. It has transformed itself from an isolated medieval kingdom to a constitutional monarchy. Child mortality and fertility rates have significantly decreased. Literacy and food security have improved.

Yet, these development gains are unevenly distributed. Poor governance and corruption, the forbidding mountainous terrain and lack of basic infrastructure, like roads, have led to wide disparities across regions and ethnic groups and between rural and urban populations. In the past, these inequities provided a fertile ground for the insurgency that resulted in over 7,000 deaths since it began in 1996.

It is our greatest challenge to meet the immediate needs of those communities most affected by the conflict, former combatants and victims of torture, without losing sight of the Government's needs through successive stages in the peace process. USAID plays an important piece in the USG's larger strategy in Nepal. Our emphasis is on health, economic security and governance reform to combat the poverty and feelings of disenfranchisement that facilitated the six-year insurgency. Our task is to expand opportunities for employment and generate growth in the private, trade, agriculture and energy sectors. We will reinforce that work with efforts to improve public sector management to deter corruption and strengthen the rule of law.

BANGLADESH—HIGHS AND LOWS

Bangladesh is one of a handful of moderate, democratic Islamic nations in the world today. It is also an ally in the U.S. Government's efforts to combat terrorism. Promotion of democracy is an important U.S. objective in Bangladesh, since achieving and sustaining economic growth is based upon a strong democratic system of government. The need to combat HIV/AIDS has recently been added as a high level U.S. interest because the country appears to be on the brink of a serious HIV/AIDS outbreak. While HIV/AIDS prevalence is low today, Bangladesh shares most of the characteristics of high prevalence countries. Action is needed now to avoid the politically, socially and economically destabilizing affects of a widespread epidemic.

This year Bangladesh exceeded USAID's targets for economic growth. In fact, other donors, the business community, and the Bangladesh Government view USAID's small business and agribusiness projects as leaders in innovative, business-driven approaches. Moreover, USAID was able to respond to several opportunities during the course of the past year by initiating new interventions in the areas of information and communications technology (ICT), bank supervision, a national enterprise survey; a new trade leads facility, and a new Government investment strategy that complements longer-term activities. While the U.S. Mission hopes the Government of Bangladesh will export its abundant gas, should it ultimately decide

against exports, USAID will phase out that element of its energy sector assistance strategy and concentrate efforts on further development of the power sector.

Unfortunately, governance problems continue to hamper growth. For the second year in a row, Bangladesh was ranked as the most corrupt of 102 countries surveyed in Transparency International's annual corruption perceptions survey. Power and resources are highly centralized, leaving local government bodies with little ability or authority to control decisions that affect their constituencies. Political parties need support to transform bitter rivalry into constructive opposition. Only then can the Parliament focus on the many complex national issues facing the Bangladeshi people. Elections will be held in 2006. Rather than risk a poor outcome by last-minute, ad hoc activities, now is the time to start providing constructive assistance to level the playing field.

With limited prospects for the Government's real assistance in this area, USAID seeks to mobilize civil society. Our goal is to build demand for policy reform in the areas of local governance, parliamentary and political processes and human rights. This work has already met with some success for better informing the public. With three years of USAID support, Transparency International Bangladesh (TIB) has become a regional leader, coordinating the 2002 household corruption survey for not only Bangladesh, but also four other South Asian countries. We are also working at the community level to improve basic education, introduce innovative learning techniques, and integrate family planning and promote health to reduce long-term poverty and encourage economic growth and democracy.

INDIA—A TRANSFORMING RELATIONSHIP

India has the potential to be a catalyst for economic growth and development in an unstable region, and is a key U.S. ally in the war on terrorism. At the same time, India—the world's largest democracy of 1.1 billion people—is home to over 300 million people living in abject poverty (more than Africa and Latin America combined).

USAID's program in India advances U.S. national interests: economic prosperity through opening markets; global issues of population growth, infectious diseases, and climate change; democracy concerns of alleviating poverty, reducing malnutrition, and improving the status of women; and enhancing India's ability to save lives, reduce suffering, and recover faster after natural disasters.

One of our biggest successes has been in reducing CO₂ emissions from the supply side. Now USAID is focusing on the demand side of the energy equation—distribution reforms. This is where policy changes can be felt at the local level, by providing consistent power for individuals and businesses, a direct result of improved revenue collection. Such reforms will also reduce state subsidies, leaving more budget room for badly needed social sector investments.

USAID is providing high-level technical assistance to the Government of India in the area of economic growth. At the national level, our focus is on reforming state fiscal policies and private pensions. At the local level, we are helping local governments finance public infrastructure and improve policy. We are also emphasizing technology, trade and resource-allocation initiatives. For example, USAID played a key role in establishing the Securities and Exchange Board of India. In the water sector, the Government of Tamil Nadu approved the \$200 million Tirupur Water and Sanitation project—made possible through the USAID credit authorities, by providing loan guarantees for \$25 million to be invested in this project.

India faces severe health challenges: over 4 million people are infected with HIV/AIDS; polio is re-emerging in the Northern portion of the country; and tuberculosis infections continue. USAID has ongoing activities in all these areas to assist the Government of India control these health problems. Our work in the State of Tamil Nadu has successfully tempered the growth of HIV/AIDS, setting a model for others in India.

Illustrative of our deeper engagement as part of America's transforming relationship with India, USAID is starting up new sectors such as education and governance to help address low literacy rates and streamline backlogged courts. Our activities will target improving access to elementary education, justice, and other social and economic services for vulnerable groups, especially women and children. We are also undertaking a new, more proactive approach to disaster preparedness and mitigation that will reduce vulnerabilities for marginalized people, ensure quicker economic recovery, and train state governments to respond in disaster situations.

CONCLUSION

In conclusion, Mr. Chairman, I would cite President Bush's words: "we fight against poverty because hope is an answer to terror. We fight against poverty because opportunity is a fundamental right to human dignity. We fight against pov-

erty because faith requests it and conscious demands it. And we fight against poverty with a growing conviction that major progress is within our reach". We look forward to joining with you and your committee in that fight.

Thank you.

Mr. LEACH. Thank you very much for that thoughtful presentation.

Let me just begin with what, in one sense, is a reflection of circumstances in the region, but which this Committee has to be very concerned with, and that is the security of our people, particularly State Department personnel. I know you have closed consulates in Pakistan. Is that correct? Have you closed any consulates in any other countries?

Ms. ROCCA. So far, the only ones we have closed are Afghanistan and Pakistan, and they are closed to the public, but they are still open for American constituent services.

Mr. LEACH. Okay. And are there recommendations that the department wants to make to the Committee on the security area that you would like to us to bear in mind?

Ms. ROCCA. I do not have anything right now, but I would like to leave that offer open.

Mr. LEACH. I think that is appropriate. Currently, we do not know what events are going to bring in the weeks ahead.

Ms. ROCCA. Exactly. I do want to say, however, that we have had excellent, truly excellent, and immediate cooperation on the part of all of the governments in the region in helping beef up the security of all of our installations, the security of our people, as well as places of worship. All of the countries are taking this very seriously, and we are grateful for that.

Mr. LEACH. The Committee notes that, and we would then second your approval because, under international law, it is the responsibility of the host government to ensure the security of diplomatic personnel, and this is, in difficult times, vitally important, particularly when policies are controversial.

Let me then ask a question that, Ambassador, you raised in your testimony. Forgetting all of the geopolitical kinds of concerns for the moment, in international affairs, health has risen to an enormous extent as a critical issue, and that particularly means HIV/AIDS. And we note the Administration's initiative. We note, the Committee as a whole is going to be, under Chairman Hyde's leadership, coming forth with a bill in the near future. But this seems particularly relevant to South Asia at the moment, and the statistics are very worrisome. Do you have anything you want to comment on or recommend to the Committee with regard to Southeast Asia and the AIDS initiative?

Ms. CHAMBERLIN. Well, thank you very much, Mr. Chairman. You are absolutely right. We are extremely worried about particularly the HIV/AIDS epidemic in South Asia. HIV/AIDS is growing fastest in the world in both India and China. It is an area of growing concern for us. We are moving in there. We are targeting India particularly in USAID for some of our new initiatives. At this point, frankly, the number of infected people in India rivals that of South Africa, and with population densities and with 1.1 billion people in India, the potential for an increasingly dangerous situation is very evident, so it is of great concern.

Of less imminency are the HIV epidemics in the neighboring countries, but they are just as dangerous in the future, and we are developing programs in Bangladesh and Pakistan as well.

Mr. LEACH. Thank you. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Secretary Rocca, as I said earlier, one of the contradictions about nuclear proliferation and, I think, one of the things that I have somewhat at times expressed is singular support of India's concerns when it first exploded its nuclear device in 1974 and later making a plea. I was pleading with the world community as well, as those nations that then, as now, possess nuclear weapons.

How do you view the policy that it is all right for countries like the United States and France and England and China and Russia to possess nuclear weapons, but it is not okay for India and Pakistan or any other nation to do the same? India has been making this case for so many years, and nobody seems to be listening. How can we really be serious, as a world community, to ban nuclear weapons altogether if these five nations continue to hold onto their nuclear arsenals in the name of nuclear deterrence? When can we be serious in this effort, especially when India has been advocating this issue for so long, and nobody seems to be listening?

And now we are at the threshold of having Third World countries like North Korea—there may be others. Seemingly, this is the only way to counterbalance the authority and the might of those countries that do possess nuclear weapons. By the same token, my reading of the boundaries here, India is right next to China. If I were an Indian, I would be very uncomfortable, knowing that China has possession of nuclear weapons, and I may not. Do you see the concerns that I think India weighs very well? Simple logic would dictate that if we are serious about getting rid of nuclear weapons, it should begin with those countries that do possess them, and I wanted to ask what your thoughts are on this issue.

Ms. ROCCA. Well, Congressman, you have put your finger on the difficult situation that we are in. It is one of the priorities of this Administration, as defined in the national security strategy laid out by the President, to deal with the threat of nuclear proliferation and it obviously poses a grave danger.

We have a conundrum in front of us with respect to India and Pakistan, which I will get into in a moment, but we have these two nations adding to their nuclear arsenals at exactly the time that the nuclear weapon states are starting to lower the numbers in their arsenals.

Under the rules of the NPT, India and Pakistan, which are not signatories, cannot be accepted as nuclear weapon states, but they do have nuclear weapons, and we see no realistic prospect that they will be getting rid of them any day soon, and this presents us with a conundrum. As nonsignatories of the NPT, India and Pakistan are not bound by the treaty's obligations of either nuclear weapon states or nonnuclear weapon states.

So we are adopting a pragmatic approach, and we focus on three key areas. One of them is we are working hard with both nations to get them to exercise restraint. We are asking them not to conduct nuclear tests, to minimize missile tests, to announce their missile tests in advance in order to keep the tensions down, to

bring an early end to the production of fissile material, which would be in line with their stated policies of having these weapons as a minimum credible deterrent. We are also asking them not to build a sea launch capability or ICBMs, not to deploy nuclear-capable warheads or nuclear-capable ballistic missiles, and to keep missiles and warheads in separate locations.

The second key area is stopping onward proliferation, and we are working very closely with both countries on this. We have active programs to work with India and Pakistan to bring their export-control regimes and their laws up to international standards in order to prevent nuclear proliferation or the leakage of sensitive technologies.

And, finally, the third key area is one of defusing tensions between the two countries. The high levels of tension, the lack of dialogue, and essentially the cold war that exists at the moment increase the risks that the nuclear threshold might be crossed through misperception of inadvertence. And so, linked with our broader strategy of trying to bring these two countries together, we are encouraging them to update or establish new hotlines to restore full staffing at their Embassies, to have a number of channels of communication to minimize the risk for misunderstandings, and to implement a number of CBMs. This is an enormous focus of the South Asia Bureau and the Nonproliferation Bureau, and it is a matter of daily concern.

Mr. FALCOMA. It is well and good, and I think these are nice rules, telling India and Pakistan, you be good little boys now and do not misbehave. As I recall, in 1995, a country called France—I think at the time President Chirac—broke the moratorium on nuclear testing and decided to resume nuclear testing in the South Pacific. Of course, only after exploding about 232 nuclear devices in the South Pacific, which has caused tremendous damage to the environment and the atolls and the islands in that part of the world, and despite world opposition, despite even U.S. opposition, President Chirac decided to go ahead and conduct nuclear testing.

To me, it is almost like being self-righteous. You tell these countries not to do it, and then here is among the nuclear club five members, and one of them decides to break these basic, elementary rules. Where does the fairness come into play if a country like France decides unilaterally to resume nuclear testing? How can you then say India cannot be justified to do the same?

And that is the very essence, I think, why India has been making this case not only before the world community but to be serious about getting rid of nuclear weapons altogether, and this is where the contradiction comes into play. I was wondering what do you do if a country like France does this, and they did it, by the way, not in the name of their national interest but only to find out President Chirac was doing this as a \$2.5 billion repayment of the nuclear lobby industry that supported him in his bid for election as President.

Ms. ROCCA. I wish I had an easy answer to your very, very good question, Congressman. This is something that we are trying to work out. There is no easy answer.

Mr. FALEOMAVAEGA. And I mean no disrespect to you, Secretary Rocca, to put you on the spot like this, but I am raising the issue because it does have relevance to the very problems that we have in North Korea and other countries who may say, the only way we can counterbalance the weight and the might of these powerful nations is that we have got to have possession of these nuclear weapons. That is the bottom line, and that is the reason why the leaders in North Korea desire to do this, to get the attention of our country. It is a sad way to look at it, but that is the reality. Is there such a country as Bhutan?

Ms. ROCCA. Yes, sir.

Mr. FALEOMAVAEGA. Can you share with us what is happening there? Is that part of South Asia?

Ms. ROCCA. It is part of South Asia. It is a country whose foreign policy is very closely tied to that of India. They have a representative up in New York, and we meet with them a couple of times a year, and I am hoping to travel out to Bhutan in the near future. They have an economy that has hydroelectric potential, and a very small population. Our dealings with them on a day-to-day basis often have to do with the issue of refugees from Bhutan that are in Nepal and trying to repatriate them.

Mr. FALEOMAVAEGA. What about the Maldives? Is that a country also?

Ms. ROCCA. Yes, it is.

Mr. FALEOMAVAEGA. Is it part of South Asia?

Ms. ROCCA. It is part of South Asia. It is a member of the coalition in the war on terror, and it is another Muslim democracy that is a voice for moderation in the world. Thank you for raising those.

Mr. FALEOMAVAEGA. I have one more question, Mr. Chairman.

Mr. LEACH. Could we do this in the second round?

Mr. FALEOMAVAEGA. Oh, I am sorry. All right, Mr. Chairman. Thank you.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. Ambassador Chamberlin, our paths have crossed several times over the years, and so my questions are a little bit more pointed. How would you characterize Pakistan's ISI's involvement in the opium business on the Afghan-Pakistani border over the last 6 years?

Ms. CHAMBERLIN. Should I pass that one to you? We had a deal before we came in here: She would stick to her side of the building, and I would stick to my side of the building. So although I would be happy to answer your question, this really falls within Christina's purview.

Mr. ROHRABACHER. I tell you what. Because you were deeply involved in the issue, holding leadership positions on drug enforcement, as well as being Ambassador there,——

Ms. CHAMBERLIN. Okay. I will take it.

Mr. ROHRABACHER. I made no such deal with you, so you might answer the question.

Ms. CHAMBERLIN. Okay. Thank you very much. Pakistan actually is one of the success stories in our entire involvement in counter-narcotics. In the early 1970s, Pakistan was one of the largest producers of opium in the world, and, as you say, it was largely along the border.

Mr. ROHRABACHER. My question is, how would you characterize the ISI, the Pakistani intelligence organization's, involvement in the drug trade over the last 6 years? I am not asking for a history to eat up all of the time for my questions.

Ms. CHAMBERLIN. Over the last 6 years, very little opium has been produced inside Pakistan. If your question is on trade—

Mr. ROHRABACHER. Ma'am, will you answer the question? You have heard the question very specifically. How would you characterize the Pakistani ISI involvement in the opium business on the Afghan-Pakistan border over the last 6 years? Do I have to repeat this four times for you?

Ms. CHAMBERLIN. Over the last 5—

Mr. ROHRABACHER. Six years.

Ms. CHAMBERLIN. Substantial.

Mr. ROHRABACHER. Substantial. All right. So to get it from you, we had to get this far, that the Pakistanis' intelligence service had substantial involvement in the opium business along the Afghan-Pakistan border for the last 6 years.

Ms. CHAMBERLIN. Over the last 6 years, substantial.

Mr. ROHRABACHER. All right.

Ms. CHAMBERLIN. I will defer to Christina to characterize over the last 1 year.

Mr. ROHRABACHER. Certainly, after 9/11, I imagine things changed. I do not think that we are going to judge people based solely on that. Was Pakistan a primary force behind the creation and the maintenance of the Taliban?

Ms. CHAMBERLIN. Yes, sir. It supported the Taliban prior to 9/11.

Mr. ROHRABACHER. Right, prior to 9/11. Did you ever, as Ambassador, in your involvement in antidrug activities, ever make a report calling the Pakistani government to task for its involvement with the Taliban and its intelligence unit's involvement in the opium trade?

Ms. CHAMBERLIN. I arrived in Pakistan in August 2001. I presented my credentials to the government of Pakistan on September 13, 2001. No, I did not.

Mr. ROHRABACHER. All right. And the Pakistani Prime Minister recently visited California, where he publicly stated that the United States was also a partner in creating and maintaining the Taliban. Ms. Rocca, with your knowledge from the former CIA, would you say that the Pakistani Foreign Minister was lying about the Clinton Administration's involvement in creating and maintaining the Taliban?

Ms. ROCCA. I think, Congressman, that we have actually talked about this before, and there was no U.S. Government involvement in creating the Taliban.

Mr. ROHRABACHER. So the Pakistani Foreign Minister was lying when he said that publicly in California.

Ms. ROCCA. I am not aware of the statement that he made, so I do not want to comment on the statement specifically.

Mr. ROHRABACHER. All right. Over and over again for the last 10 years, I have been talking about Afghanistan, and during the Clinton Administration, I was talking about the Taliban and our government's, at least, acquiescence to it. You apparently had no

knowledge of that, being someone in the CIA. Ms. Chamberlin, of course, just came on board.

Let me note, and I know I am coming down hard on Pakistan during these questions, let me just note, there is a problem in Southeast Asia with the Kashmir. If the Indians would simply permit a plebescite so that people could have their say in the Kashmir, I think that a lot of the tensions would be gone from that region. So please do not interpret what I am saying now as me jumping down on the side of India or Pakistan. The fact is that right now I have two people who were players, and it seems to me that this is the time we could get some questions answered as to what led us to 9/11.

Ms. Rocca, did the State Department, even after 9/11, put forward a strategy in dealing with Bin Laden that would have left the Taliban in power?

Ms. ROCCA. Not that I am aware of, sir. Absolutely not.

Mr. ROHRABACHER. Let me just note for the record that this Senior Member of the International Relations Committee, who dealt very much in depth on that issue, that it was very clear that that was the State Department's position after 9/11 until it was forced to abandon it because it was so humiliating for them to have to admit that they were planning to leave the Taliban in power.

Ms. Chamberlin, you recently were Ambassador to Laos, where I think we first met. Do you now advocate, and did you advocate then, a free-trade treaty with that dictatorship, even though there had been no democratic reforms and even though human rights abuses against the Lao people were escalating at the time?

Ms. CHAMBERLIN. To correct the record, Representative Rohrabacher, we first met in Malaysia, where I was chargeé.

Mr. ROHRABACHER. Right. And then you went to Laos.

Ms. CHAMBERLIN. I did support a trade agreement with the Lao, with the dictatorship, —

Mr. ROHRABACHER. Right.

Ms. CHAMBERLIN [continuing]. And human rights-abusing government in Laos at that time on the basis and on the rationale that strengthening that dismal economy would create jobs and help to address some of the other social issues, such as trafficking of women and the abject poverty. Yes, sir.

Mr. ROHRABACHER. Well, you left one issue out as well. How about the trafficking of drugs, which is the follow-up question? And at this time that you were advocating a free-trade agreement with Laos, were you aware of the Laotian government's deep involvement in the heroin trade?

Ms. CHAMBERLIN. No, I was not.

Mr. ROHRABACHER. You were not?

Ms. CHAMBERLIN. Not of the Lao government's involvement in the heroin trade. I was not aware of that.

Mr. ROHRABACHER. As Ambassador to Laos —

Ms. CHAMBERLIN. While I was Ambassador to Laos, I was not aware of the Lao government's involvement in trade. I have been aware of a history of Lao government's involvement in trade, but during the period I was there, we had good, counternarcotics cooperation from the Lao government.

Mr. ROHRABACHER. Mr. Chairman, just to let you know, the people I have spoken to who seem to know a lot about Laos tell me that there is no drug trade in Laos except the Laotian government. This is a dictatorship that does not permit competition to go on within its own country. Mr. Chairman, thank you very much, even though I have overstayed my time here.

Mr. LEACH. Thank you, Mr. Rohrabacher. Mr. Ackerman.

Mr. ACKERMAN. I have not come prepared for these confirmation hearings. I want to thank both distinguished witnesses for your careers in public service and for being here with us and listening to our questions and sometimes to our rantings and ravings and rattlings and for being so calm and polite about it. We appreciate that.

I have a question for Secretary Rocca. It is good to see you again. Bangladesh has been a very strong supporter in the war on terror, and yet we see reports that al-Qaeda elements have taken up residence there. Would you comment on those reports and describe Bangladesh's cooperation with us on the war on terror?

Ms. ROCCA. Mr. Ackerman, Bangladesh has been an excellent partner in the war on terror. It has provided assistance in every area that we have asked for. It has been a voice of moderation and has been helping us also in freezing terrorist assets.

I have read the same reports that you have, but we have not found—at this point that I am aware of, we have not found Bangladesh to be a nest for al-Qaeda or a harbor for them at all.

Mr. ACKERMAN. So those reports have been generally discounted.

Ms. ROCCA. To my knowledge, they certainly have, but also I think we have a good enough conversation with the government of Bangladesh that should anything substantive come to our attention, we would be able to take it to them, and there would be immediate action taken. We are confident of that.

Mr. ACKERMAN. Thank you. We are looking toward good things happening with our relationship to that country.

The President has waived—this is moving on to another country—waived the democracy-related sanctions on Pakistan, and the State Department has decided not to proceed on the question of the transfer of uranium-enrichment technology from that country to North Korea. But as I recall, there is another piece to this story, and that is that the New York Times has published allegations that Pakistan had purchased North Korean missiles last summer. I assume the Administration at some point will acknowledge that that is the case. Could you tell us when the Administration will make a decision on the potential missile-related sanctions?

Ms. ROCCA. Mr. Ackerman, I would be happy to talk to you about it in a different forum in great detail, but I would like to also take just one point of something you said. You said that we had decided not to proceed on the question of HEU to North Korea. That is not the case. I think the Secretary and others have made it very clear that we have carefully reviewed all of the information available relating to the possible transfer of nuclear technology from Pakistan to North Korea and decided that it did not warrant the imposition of sanctions under applicable U.S. laws.

Mr. ACKERMAN. I thought that is what I said.

Moving on a little bit down the road, the Administration proposed to provide \$389 million in assistance to Pakistan during fiscal year 2004. Will the Administration be seeking additional waiver authority since the authority provided under Public Law 10757 applied only to fiscal years 2002 and 2003?

Ms. ROCCA. Yes, sir. I think Secretary Powell mentioned during his hearing that we think this might be an area where we would be coming for assistance to the Congress as we get a little further down the pike.

Mr. ACKERMAN. And just one further question, if I still have a half a minute, Mr. Chairman. We have continued to press General Musharraf regarding his commitment to halt infiltration across the line of control in Kashmir. What does he tell us about his efforts in that regard?

Ms. ROCCA. He is making every effort and is telling us that he is keeping his commitment to us that there is no government-supported, cross-border infiltration. We continue to keep Pakistan's feet to the fire on this because obviously this is a key to bringing resolution to the problems in the area.

Mr. ACKERMAN. I thank you.

Mr. LEACH. Before turning to Mr. Chabot, I want to be very precise on something Mr. Ackerman has raised. Are you willing to share with the Committee in private your review considerations regarding the nuclear-transfer issue?

Ms. ROCCA. The question of the missile issue, I would be happy to discuss in another forum, and I believe that the Administration has sent letters to the Congress on who has been briefed on its policy and concerns about potential onward proliferation and the fact that we have decided that at this point there is no need for sanctions.

Mr. ACKERMAN. If the Chair would set up that meeting, some of us would be very—

Mr. LEACH. Yes. I would be very happy to. These words are interesting to parse, and I think we will want to discuss the words as well. Mr. Chabot.

Mr. CHABOT. Thank you, Mr. Chairman. Ms. Rocca, you had mentioned in your statement relative to Bangladesh that they have played an important role in sending troops around various U.N. peace-keeping efforts around the world. Could you expound upon that a little bit as far as what countries they have been, what numbers of troops they have sent? You can supply that later. I would agree with your point that that has been an important role. Could you comment on what role they might play relative to Afghanistan or Iraq perhaps down the road?

Ms. ROCCA. I do not have the numbers for you. I was just looking to see if I had them, and I am afraid I do not.

Mr. CHABOT. Okay. If you could supply those later, I would appreciate it.

Ms. ROCCA. But I can tell you, for example, that Bangladesh was very helpful recently in getting some workers off oil rigs in the Gulf. It is also a safety zone at the moment. They are willing to step up to the plate on peace-keeping operations any time they have been asked. Concerning Afghanistan; there is no U.N. mission there at the moment.

Mr. CHABOT. Right.

Ms. ROCCA. But I am sure that if it were ever to come to that that Bangladesh would be an active participant.

Mr. CHABOT. And potentially Iraq, I would assume, could be similar to Afghanistan in that respect perhaps at some point.

Ms. ROCCA. Potentially, but we will have to see how that plays out.

Mr. CHABOT. Okay. Secondly, let me turn to Pakistan. How cooperative has Pakistan been relative to essentially tracking down Osama Bin Laden and other al-Qaeda members in the border region between Afghanistan, partly in Afghanistan and partly in Pakistan? That area of Pakistan has been, for lack of a better term, compared to the Wild West in some regions where there is not necessarily the type of governance that one might expect in most nations, and many have argued that if there was either more cooperation or if perhaps we could get our personnel in there to a greater degree than we have thus far, we might be able to conclude successfully the capture or destruction of Osama Bin Laden and al-Qaeda more quickly than we have thus far been able to do so. Could you comment on that?

Ms. ROCCA. The cooperation of the government of Pakistan in tracking down al-Qaeda throughout Pakistan has been 100 percent solid. They have cooperated in areas where their own men have lost their lives, specifically, in the border areas that you have just mentioned. They are going at it systematically, and we are very happy with the way in which they are doing it.

Mr. CHABOT. Let me follow up on that. To what extent are we allowed to get our personnel in there to do what needs to be done there? Are our people in there at all? Are you allowed to talk about that?

Ms. ROCCA. I think that we are happy with the way they are going about it. What we have done to help them is to put together a program. We have just received \$19 million to work on opening up the federally administered tribal areas, which is the areas we are talking about, to help build roads and to help extend the writ of the government, which will make it easier to penetrate into these areas in the long term.

Mr. CHABOT. I think, obviously, one of our top priorities that ought to be this Administration's and clearly is the American people's as well is to get Osama Bin Laden. If he is in that region of the world, we need to leave no stone unturned to do that.

Let me ask the next question. Let me address this to Ambassador Chamberlin, if I can. You had mentioned the Millennium Challenge Account. Essentially, that is additional money, an additional fund, to encourage democracy and accountability to citizens to reduce corruption and make sure that they are investing in their people, basically good-governance-type practices in return for the aid that they are receiving or assistance that they are receiving.

My question is this. In all of the foreign assistance that we are already giving, shouldn't we already be demanding that? Do we have to have a separate pot of additional money with which they are supposed to do these good things? Shouldn't they be doing all of those things with the billions of other American dollars which are out there in foreign aid all around the world?

Ms. CHAMBERLIN. That is an excellent point, Mr. Congressman. Countries array along a continuum. You have, at the far end of the continuum, failed states, desperately failed states—Afghanistan was certainly one until prior to 9/11—and then you have different levels of both government and economic development.

It is our belief, certainly the principles embedded in the Millennium Challenge Account and the President's Monterrey Principles, that foreign assistance works best in pushing a country up over that threshold of economic development if good development, political will, good governance and the political will of the government is in evidence. If a government is corrupt, if it is a dictator, as Congressman Rohrabacher is so keen about, all the amount of aid that you throw at it is unlikely to have the same boost in economic development than it would in a situation where you have committed leaders, transparent systems, governments that invest in their own people.

The Millennium Challenge Account, the principles of it, is to take those countries that are just below the level of economic development but that do have the elements of good governance and committed leadership to give an extra boost to them in our assistance program to help them where it will help the most, where it is able to be the most effective. Now, this does not mean that we walk away from countries that are in great humanitarian need. We still do believe we have a moral obligation to those countries that are on the verge of famine, whether we approve of them or not. This is the reason to debate North Korea.

Mr. CHABOT. Mr. Chairman, I do not see the clock down there. Do I have 30 seconds that I could ask one more question?

Mr. LEACH. You do not, but you have it.

Mr. CHABOT. Thank you. I would ask unanimous consent to get 30 additional seconds. The question and answer hopefully can come in that time. A \$3.5 million grant for a democracy in Afghanistan, my understanding, is stalled in USAID's contracting office. Would you all check into that? Do you know anything about that?

Ms. CHAMBERLIN. I will certainly check into it. If it has stalled in our procurement office, I will go back and bust down the door.

Mr. CHABOT. We would appreciate whatever action you could take on that. Thank you very much.

[The information referred to follows:]

RESPONSE SUBMITTED IN WRITING BY THE HONORABLE WENDY J. CHAMBERLIN, ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT [USAID], TO QUESTION POSED BY THE HONORABLE STEVE CHABOT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

GRANT TO AFGHANISTAN

The \$3.5 million CEPPS consortium grant for Afghanistan has indeed been delayed due to unusually complex budget and cost-sharing negotiations. USAID's Office of Procurement has now issued a pre-award letter

Mr. LEACH. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman, and following up on Mr. Chabot's remarks, first of all, just a comment on Afghanistan. I know that is not your area, but when it comes to international aid, there is no better place that we could spend our money right now just because part of the international aid issue is the world's per-

ception about how much the U.S. helps. We tend not to get a lot of credit for some of the things we do do.

The advantage of Afghanistan right now is, as the saying goes, the whole world is watching. There is no place that will better reflect people's opinions about whether or not the U.S. is willing to step up and help people who need it than Afghanistan. If the money goes there, it will be noticed, and we could be doing a lot better, is my perception.

This is for another group of people, but just the basic infrastructure issues—getting some roads built, getting the telecommunications structure back up—it seems to me that is the sort of thing we know how to do, and we are not really doing it right at the moment, and it would help us a great deal if we did.

Shifting back to Pakistan and following up on the question of their cooperation, I guess the question I have is you said that cooperation is 100 percent. Certainly officially, how concerned are you that lower level operatives within the ISI or within the government someplace else are not helping or, more problematically, are exactly the opposite, helping the people we are looking for? And I ask that because if, in fact, the people we think are there are there in Pakistan, and that government, which has a fair amount of control, is helping us, why can't we find them? What is going on at the lower levels in Pakistan that is perhaps thwarting us in that effort?

Ms. ROCCA. I would like to answer your question in two ways. One is in terms of cooperation against al-Qaeda. In view of the nature of the operations, if there were people who were participating who were not on board and who were aware of them, then we would not be having the success we are having because we would not have gotten Khalid Sheikh Mohammed. We would not have brought down those that we have been able to capture in Lahore or Karachi if there were people in the system who were aware of an operation that was about to happen.

Mr. SMITH. I do not know that that is necessarily true. Not to be argumentative, but what I mean by that is it seems to me that if we had sort of some cooperation and then not some cooperation, that we would have some successes and some failures. It does not follow that if we have some people not helping us, we will, therefore, never succeed. It will be a mixed bag.

Ms. ROCCA. I did not mean to put it that broadly either. But I would also say that in the border areas it is absolutely possible that there are people lower down who are not on board. I do not have any instances to relate to you, however, but it is absolutely a possibility.

Mr. SMITH. But there has not been any example of that that has had to be rooted out once discovered.

Ms. ROCCA. None that we have been able to verify.

Mr. SMITH. Sticking with Pakistan but on an unrelated note, the education system there is a major concern and was part of what caused the problem in Afghanistan and has caused the number of radicals that exist in Pakistan, the madrasas, which we heard a lot about shortly after 9/11. It occurred to me that giving them some alternative form of education would be one of the best ways to go. How is that going? Have we done anything? If we have, I have not

heard about it, and to what extent are the madrasas still present in Pakistan?

Ms. ROCCA. I will let Wendy talk about the details of the program, but this has been a focus for a long time now. President Bush, last year, committed over \$100 million to help Pakistan's education system, and the idea is to provide an alternative to the madrasas and to support the government's efforts to reinvigorate or rebuild the education system, which was badly broken.

When it comes to the madrasas, they have an internal reform program whereby they want to expand the curriculum, and we want to help with that as well, but, more importantly, we are helping with building up an alternative, and it is not something that will happen quickly, but it is a steady, slow approach that we ultimately hope will be successful. I will let Wendy talk about the details.

Mr. SMITH. Specifically, are there still madrasas out there? How many of them are there? How is that changing? I know it is a long process, but are we making progress?

Ms. ROCCA. There certainly are madrasas out there. There are, I believe, 600, and somebody can jump on me if there are more than that.

Ms. CHAMBERLIN. Thousands.

Ms. ROCCA. Thousands in Pakistan? Okay. There are thousands of them in Pakistan, and they are still operating, and it is not something that can be easily fixed. Absolutely, it is still a problem.

Ms. CHAMBERLIN. Mr. Congressman, I would just like to add to Christina's remarks that not all madrasas are bad madrasas. In fact, the vast majority of madrasas are religious schools. Many of them teach modern curricula. Many of them bestow degrees and train people to work in modern jobs afterwards. There are a few that are highly radicalized, and those are the ones that have been the breeding grounds for the Taliban and for some al-Qaeda. Those, we certainly do not approve of.

In our education assistance that Christina did mention, we are working in the areas of teacher training and curriculum reform. Our curriculum reform and our teacher training will be available to those madrasas who would like to avail themselves of it, and we find this encouraging. But as Christina says, simply building up a stronger public school system is a good counterbalance, a long way to go.

Mr. SMITH. Has General Musharraf ordered any specific madrasas shut down office their radical nature?

Ms. ROCCA. I believe he has, but you were there when that happened.

Ms. CHAMBERLIN. He had an ambitious program requiring madrasas to register with the government, requiring all foreign students coming in, mostly from the Gulf but from Indonesia as well, to register with their government to get essentially a visa to study there, a series of things. I think, regrettably, his madrasa reforms are not moving as fast or as strongly as we would like them to, and I believe, if I am not wrong, that we are still encouraging him to return and reinvigorate his original madrasa reform process, which he has stepped back from.

Ms. ROCCA. Can I just add to that that the process is complicated by the role that the MMA has played by since its advent?

Mr. SMITH. Final question in that area. Have you thought about working with any private groups to drive funds in there? What occurs to me, being from where I am from, is the Gates Foundation, which does a lot of international work on education and health care. Have they shown any effort in coming in and helping with the education system there or any other private funds?

Ms. ROCCA. It would be a great idea. There are a number of groups that were working there and are still working there, the Asia Foundation, for example, and, in fact, up until 9/11 we were not providing any assistance to the government at all, and it was to exactly those kinds of groups that we were providing assistance, and we still are; we just are adding to it.

Mr. SMITH. Okay. Thank you very much, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Smith. Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman. Exactly what is the government of the United States doing, or does it intend to do, about the events in Gujarat that do not seem to be, from everything I can read, anyway, contained solely to that state and also seem to be a reflection of a growing sentiment within the country that is certainly worthy of our attention and concern? And certainly, the information I have about the event is overwhelming in terms of the violence that was committed there, the violence that we saw there, I should say, and, again, I think the implications of it are such that it would require the greatest concern being expressed by the United States and also some plan of action to undertake to get the issue addressed internally and maybe even in terms of what we would think of as a long-term solution in the country. I really have not seen anything significant recently, and I wonder if you could tell me what, if anything, is happening and what, if anything, is planned.

Ms. ROCCA. Congressman, first of all, I want to say that we have spoken out, loudly and often, on the terrible events of Gujarat, and it did not in any way get a pass from anywhere in the world, much less this Administration. It was a cause of great concern. But I also want to say it was a cause of great concern to the government of India as well. They also expressed great concern and sadness and were focused on it very much internally, especially the Prime Minister, and were clear about their intention that this kind of activity and that this kind of event never be repeated.

India has a long history as a secular nation. It is a country that identifies itself as such, and one of the ways the issue is being addressed is internally. It is a democracy. This allows discussion of all of these concerns to take place, and out of this discussion the government is putting together policies to make sure such a tragedy does not happen again.

Mr. TANCREDO. Could you just help me by being somewhat more specific about what that means exactly? We have spoken out against it, which is appropriate, and certainly I think there are other things we could do. Listing it a country of concern, by the way, would be, I think, an appropriate response from our standpoint, but if not that, then something else. But even beyond that,

internally, if you could just help me understand exactly what India is doing.

Ms. CHAMBERLIN. I will defer to Christina on exactly what India is doing. I would like to say that USAID provided close to \$300,000 as a gesture—it was not a lot of money, but to CARE, an NGO, to assist the people of Gujarat after the riots, mostly to provide humanitarian relief, some water supply where it was needed and some trauma counseling.

Ms. ROCCA. The events of Gujarat have resulted in a number of arrests and prosecutions. The legal system in India is agonizingly slow, and I think that also gives the impression that nothing is happening, but the fact of the matter is that they did take action, and they are continuing to take action. This was a stain on their secular record, and no one is more concerned about it, I believe, than the Indians themselves.

Mr. TANCREDO. Thank you very much. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Tancredo. Mr. Wexler.

Mr. WEXLER. Thank you very much. I would like to inquire, if I could, and do so with the greatest amount of respect in terms of is there in preparation or in analysis a post-Iraq diplomatic strategy being developed? And I say this with the preface, and I think, Ms. Rocca, you referenced Secretary Armitage's trip to India and Pakistan, and from my point of view, if we had to highlight the high point of American diplomacy in the past 2 years, it was, in fact, the role that America played in defusing that very confrontational situation. On the other hand, I was in Turkey 2 weeks ago. If I had to point out the low point in America's diplomatic efforts in the past 2 years, I think that would be a good candidate, and I say this without condemning the American effort, but a candidate for the failure of America to reach its diplomatic goals.

I ask, in the context of a post-Iraq, diplomatic strategy in this context whether someone supports the President's position in Iraq or whether they oppose it, I think objectively we would all conclude that the job that the two of you have to do, as well as all of your colleagues throughout the foreign service and the State Department, has become exceedingly more difficult in that America's goals in so many parts of the world, but also in this part, seem to have been presented in a way—in fairness, not presented, but received in a way where we are more arrogant rather than humble, and whether that is correct or incorrect, it would seem to me that for our State Department, to be more effective in the future, there needs to be a calculation where we honestly, objectively weigh how we can best achieve our diplomatic purposes.

My concern is we will have gone through this experience with respect to Iraq, and maybe not do the analysis that is required to determine whether or not we have best achieved our diplomatic goals and whether or not our strategy is designed so as to maximize your ability to perform rather than to minimize it. And I do not know if I have been particularly articulate in describing this, but, in reading the two resignation letters of your colleagues in the State Department, with the recognition that, thank goodness, our State Department is as diverse as America is, and that is what makes us so strong, and those are but two people, their message, I think—

I have heard from not people who are resigning but people within the department who are very concerned that the antagonistic nature that America is received with in so many parts of the world undermines the people who I think are America's unsung heroes, which are you, quite frankly, and the people in the State Department.

So, I guess, my question is, is there an ongoing, or will there be an effort to examine why we have had such a difficult diplomatic turn, and what, if anything, in the future will you and your colleagues recommend so that we can better perform without in any way condemning the individual efforts that you or anyone else has made?

Ms. ROCCA. Well, Congressman, to quote my military colleagues, you have taken me a little bit out of my AOR here, but sticking to my AOR, I want to say that we have had excellent and unprecedented diplomatic relations with all of the countries in the region. We have ongoing discussions with them. The governments of these countries are absolutely aware of what our objectives are in Iraq. There has been transparency in our conversations. We have laid out our positions, and we have taken account of each other's positions, and that is something from which you should take comfort because it is a very good relationship.

I think part of what you may be talking about involves public-diplomacy, and that is an area which I know that Under Secretary Beers, her successor and her staff are working on very closely. We are very focused on why we have had trouble getting out the word about why we are doing what we are doing in the most effective way. I do not just mean about today's events in Iraq. We should be doing more to reach out to the Muslim world, and we actually have in Bangladesh some really truly excellent programs along these lines. Our Ambassador in Bangladesh goes out and talks to imams in training, and we now have a program that is attached to that training course for a few days at the end of the course where there is some training in gender sensitivity and in general presenting our side of the story, and it has been very effective.

This is just one little program, but there are a number of things like this that we should be doing in all of the countries of the region, certainly, and that we are working on doing.

Mr. WEXLER. Jim, can I have 20 seconds?

Mr. LEACH. You may. We have been very generous in the time. You have been here all morning, of course.

Mr. WEXLER. Thank you. I believe Mr. Crowley may follow up with respect to Bangladesh.

I very much respect what you say. I must tell you, though, and this has nothing to do with you and everything to do with the Department of Justice, some of us have engaged in a process of requesting information of the attorney general why Bangladesh has been treated in the fashion that it has, and that, to a very great degree, undermines, in my view, exact opportunities and progress that you are making because Bangladesh seems to have been lumped in with other countries wherein the objective criteria, it does not appear to deserve to be. I will leave it at that, and thank you, Mr. Chairman, for giving me the extra time.

Mr. LEACH. Thank you. Mr. Crowley, you are welcome to join the Committee, and if you have any questions, you are recognized for 5 minutes.

Mr. CROWLEY. Thank you, Chairman. I appreciate the opportunity, not being a Member of the Subcommittee but being a Member of the Committee, the whole, the opportunity to participate here this afternoon. As the Co-Chair of the Bangladesh Caucus and the Indian-American Caucus here in the House, I appreciate the opportunity to participate.

I want to thank both of you for your testimony today and for your presence and, Ms. Rocca, especially, the relationship we have developed over the last year or so as it pertains to South Asia. Particularly, I want to point out the positive nature of both of your statements as it pertains to Bangladesh. Ambassador Chamberlin, maybe less so in your voiced comments about Bangladesh, but in text you both speak very highly about what is taking place there, both in the government sector, at least toward a fledgling democracy but more toward a better democracy, and in the private sector as well in terms of moving forward in that country.

Last year, we were successful in getting positive language included in the Foreign Appropriations Bill dealing with the Asian University for Women that will be located in Bangladesh, and I was hopeful that either both of you or one of you could speak on that, the importance that I see in terms of developing the new attitudes within the Muslim world and the Islamic world and the Arab world and Bangladesh being the host country for that. I know that USAID has committed a million dollars toward that effort. What are other countries doing toward that to help educate young women in higher education and moving those countries forward?

Ms. CHAMBERLIN. Yes, sir. USAID has provided \$1 million. This is a pilot study to assess the feasibility of the concept for possible follow-on assistance by others, we are interested to see what will evolve. We are certainly committed to the concepts of educating young women. We think that the concept is a promising one, and we are following this one very closely.

Mr. CROWLEY. Ms. Rocca, anything?

Ms. ROCCA. Well, I think that we have talked about this project in the past, and certainly the concept is a good one, and I think we are really excited about the prospects of it, but I think everything really depends on the assessment, on its viability as a long-term project. Certainly, the concept is something which no one could argue with.

Mr. CROWLEY. Could either one of you comment on the assistance from other nations or other entities outside the U.S.?

Ms. CHAMBERLIN. To this project?

Mr. CROWLEY. Yes, the support that there may be.

Ms. ROCCA. I am not aware of that.

Ms. CHAMBERLIN. I am told by my assistant that they have received a small amount of private contributions, but I am not aware of any other bilateral donations.

Mr. CROWLEY. It is my understanding that the EU, Japan, and other nations were also interested in contributing to that. If you could possibly get back to us with any progress that is being made in those fields as well.

[The information referred to follows:]

MATERIAL SUBMITTED IN WRITING BY THE HONORABLE WENDY J. CHAMBERLIN, ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT [USAID], TO INFORMATION REQUESTED BY THE HONORABLE STEVE CHABOT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

ASIAN UNIVERSITY FOR WOMEN

According to a letter from J. Alan Schechter of the AUW organizing group, George Soros and others have contributed substantial sums to hold preliminary meetings, a board of supporters has been established, and many of the major foundations have expressed support in a preliminary fashion. The president of Wellesley, Diana Walsh, is on the planning committees.

Mr. CROWLEY. Just to piggy-back a little bit on what Mr. Wexler was talking about, the way in which our country treats Bangladesh, a country that is a fledgling democracy but a democracy all the same, an Islamic country, sometimes it baffles me as well, the way in which we treat Bangladesh, for instance, the re-registration that has been taking place here in this country. I do not know how many countries there are on that list. I know we are not at war with Islam, but all but one of those countries, North Korea, is an Islamic country.

So what we say and what we do tend to be two different things, and I just want to register with you my great concern that I have about treating Bangladesh in this way. I do not really understand what the program is meant to do. I do not know of any terrorist that is actually going to re-register with the United States Government, nor do I know of any person who is here undocumented who is going to re-register with the United States either. So the purpose of the re-registration, I am missing. It is all about a feel-good, and we are doing something about terrorism on the home front here. But I do want to stress the damage that that does in countries like Bangladesh and other friendly Islamic countries as well.

Ms. ROCCA. Congressman, I was just in Bangladesh 2 weeks ago, and this issue came up, and I made a point everywhere that this is in no way aimed at Bangladesh or any specific country or at any specific religion. I also made clear that as we move forward to secure our borders, keep our doors open but secure our borders, that this will be the practice for most nations, and already today we have over 150 nations that have been affected by our new policies on arrival in the United States. It is absolutely in no way intended to undermine our relationship or to signal that there is anything wrong with it. On the contrary, we have a close, strong relationship.

Mr. CROWLEY. Thank you. Mr. Chair, I would appreciate being invited possibly to any meeting that you have with Ms. Rocca concerning the other issue of India-Pakistan and the transfer of technology from Pakistan to North Korea and vice versa.

Mr. LEACH. You would be very welcome, sir.

Mr. CROWLEY. Thank you.

Mr. LEACH. We are going to go with a brief second now, and I would like Members to be fairly brief about this, if it is all right with our two witnesses. Let me begin with Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you. I think there was a statement made earlier by Secretary Rocca, the fact that this region of the

world is one-fifth of the world's population, and about 40 percent of the world's poor are also in this area. I wanted to ask Ambassador Chamberlin, what is the dollar value that the Administration has committed to providing USAID in this region? I will not ask for specifics, but I am just curious. What are we looking at in terms of our government's commitment in providing USAID resources to help this region? And I also would like to know how do we measure? What standard are we using, say, that if a nation is poor, what is the per capita income in that country to be considered or classified as a poor country?

Ms. CHAMBERLIN. The gross number, the total number, for the countries is over \$568 million in FY 2004 request, including Child Survival, Development Assistance, Economic Support Fund, and P.L. 480 Title II. I can break that down into the individual countries, if you would like to. For Bangladesh, a total request of \$102 million; in India, almost \$133 million; in Nepal, almost \$39 million; in Pakistan, 275; and in Sri Lanka, 19.5.

Mr. FALEOMAVAEGA. Now, one of the things that bothers me sometimes, our country or our government has always been criticized by other countries, saying that we are not contributing enough in foreign aid to other nations as compared to maybe Japan or others, but I have a different way of interpreting it, saying we do contribute in a very different way. I am curious to ask both of you if there is any way that you can quantify the dollar value of the financing we provide to the World Bank, the International Monetary Fund, the Asian Development Bank. The fact that all of the nations of the world have the opportunity to make long-term loans at very low interest rates and to that extent, it seems to me that it is just as important, I am just curious if, by chance, you might have some quantification of this resource for which our government does provide a tremendous amount. For that matter, we finance what, 25 percent of the entire United Nations budget every year, so I am curious if you agree or disagree with my assessment that we may not be very visibly saying, this is how much we contribute, but the fact that there are other regional organizations to which we do contribute a substantial amount, and for which other countries of the world are given opportunities to be beneficiaries. Am I wrong in this assessment?

Ms. CHAMBERLIN. No. I think you are absolutely right, sir, and I totally agree with the thrust of your statement. I do not know the breakdown, but I do know and agree with you that it is quite substantial, and I think we are recognized throughout the world as the power that we are.

Mr. FALEOMAVAEGA. And one more question to Secretary Rocca. I was in Pakistan years ago, and at that time we happened to have met with President Sharif. If I recollect, he was duly elected President of Pakistan. Then there was a military coup, the gentleman that now is the President, Musharraf, we had a very difficult time in recognizing that this coup was totally antidemocratic, and yet we are now giving full recognition of a military takeover. Can you help me with this, was President Sharif not the duly elected President of Pakistan?

Ms. ROCCA. Prime Minister Sharif was the elected head of government. In October of '99, when the coup took place, sanctions

were imposed on Pakistan, and they remained until 9/11, at which point the Congress helped us to bring Pakistan on board Operation Enduring Freedom.

Mr. FALEOMAVAEGA. So our policy, then, has changed to a higher level, to suggest that it is all right to depose democratically elected Presidents.

Ms. ROCCA. No, sir, because there were elections last October. Those elections were flawed, but they definitely demonstrated a progress toward a full return to democracy. There is now a vigorous national assembly in place. The senate was elected in the last 3 weeks, and the national assembly will now be fully functional. We want to help strengthen the institutions because they are still weak, but there is a return to democracy in Pakistan.

Mr. FALEOMAVAEGA. But at the same time we are giving full recognition to a military coup in that respect.

Ms. ROCCA. I am not sure I—

Mr. FALEOMAVAEGA. We are recognizing President Sharif as the duly—

Ms. ROCCA. The Prime Minister of Pakistan is coming to Washington in the near future, probably next week, and he is recognized as the head of government of Pakistan.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Thank you.

Mr. LEACH. Thank you.

Ms. CHAMBERLIN. Congressman, to answer another question that you just posed, you asked what the gross national product per capita was for the region. It is \$440. In India and Pakistan, it is both \$450. In Sri Lanka, it is \$850. In Nepal, it is small, \$240, and in Bangladesh, it is \$370.

Mr. FALEOMAVAEGA. Thank you very much, Mr. Chairman. Thank you both.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. I guess my major point, and if repeated over and again, you will understand that, is that there is a relationship between America's commitment to truth and democracy and justice and our national security. And just to note, there is, as we speak, a report from the United States Commission on International and Religious Freedom—is actually issuing its report on Laos. I realize today's focus is not Laos, but this is a Subcommittee that deals with that, and we have a former Ambassador there.

And I guess the point is that 9/11 did not happen on its own and that, whether it is Laos or whether it is Afghanistan or whether it is Pakistan, when the United States turns a blind eye to—as we know, almost all of the world's heroin comes from those areas in Laos and Afghanistan that are dealing with the subject that we are talking about today. Those revenues from that heroin have done what? Have gone to support international terrorism, gone to support those terrorist operations against our own people.

So when we have a dictatorship, or when we do not demand people hold to democratic standards or human rights standards, it comes back to hurt us. The Taliban regime in Afghanistan was, of course, and I have stated, the product of a corrupt involvement by Pakistan's ISI and perhaps by the Saudis, who wanted to get rid of their Wahabe problem, and perhaps by certain people in the

United States Government in the last Administration, which I have yet to track down but will eventually. But whatever we know, we do know that the United States before 9/11 was not playing the forceful role to try to bring a more civilized regime in Afghanistan as it should have, and it was not, and it was not until after 9/11 that the Pakistani ISI, the people in that organization that were involved with the drug trade were fired.

Now, indeed, 9/11 has happened, and it has been a whole new world since then, but I do not think it is unfair, or I do not think it is bellicose for us to take a look at history in relationship to the problems and the challenges we face today. In the past, I believe this country was humbled, unlike which one of my colleagues stated that we were arrogant. No. I think we were humbled during the past 8 years by crooks and kooks and drug dealers, and we let our standards slip during the last 8 years, and we are paying for it today.

So let me just state this. Secretary Rocca, I want to commend you and commend the Administration for a steady hand since 9/11. They were just coming to power, first coming into power before 9/11 for a few months there, so I will not judge this Administration on what it did in those few months before 9/11. But since 9/11, in Afghanistan there has been a tremendous victory for the things that we believe in and bringing civilization and freeing the Afghan people from their tormentors.

However, with that said, it is clear that the drug trade is still thriving in Afghanistan, and let me just say, and maybe you could comment on this, the first year after 9/11 we had to try to work to bring peace to Afghanistan. We cannot solve all of the problems, but will eliminating the drug trade be a priority for the Administration in the second phase of Operation Free Afghanistan?

Ms. ROCCA. Absolutely. The British are taking the lead. I want to be clear on that. There is so much to be done in Afghanistan and so many critical and vital functions that need to be fixed and things that need to be done that it has been divided out among a number of countries. The British are taking the lead on narcotics, we are assisting them, and it is absolutely a priority of this Administration.

Mr. ROHRBACHER. This is not an inexpensive proposition, when you have the only source of income for millions of people being the drug trade. We need to be very proactive, and let me admonish you and admonish the Administration, a year from now, if the drug trade is still going on as it is now, it will not be an excuse that the British failed. It will be us. It will be the United States who will have failed, and so this is as much our responsibility as anyone's.

I would hope that this Administration is active on that problem. I would hope that this Administration in the next year spends more time in trying to bring peace between Pakistan and India, as the last Administration did not, in that we should be insisting, which I do not know if we have publicly insisted or not, on a plebescite for the people of the Kashmir to determine through the democratic process what their future is, and there will be no peace until that happens, and people are fooling themselves if they think

otherwise. Do we have any plans to publicly support the ballot box as a solution rather than the bullet box for the Kashmir problem?

Ms. ROCCA. Congressman, let me talk to your bigger point first, and that is that we are fully focused on peace between India and Pakistan, and it is an absolute priority, for all of the reasons that we have been talking about at this hearing this afternoon. The international community is in agreement on this because we cannot go back to where we were last summer. That was a truly dangerous situation for the world, not just for the region.

Mr. ROHRABACHER. So let me commend you—

Ms. ROCCA. On the issue of the plebescite, the fact of the matter is that both Pakistan and India have agreed that this needs to be resolved bilaterally, and we want to help them resolve it bilaterally, and that is what we are going to do and trying to do.

Mr. ROHRABACHER. You see, that is the wrong answer. Bilaterally means between two governments. The only solution is whether the people who live there will vote and be able to control their own destiny. When we learn that, when we learn that fundamental principle, then we are going to start having some progress. You do not solve it by outsiders bilaterally making a decision between the elites of India and the elites of Pakistan. It is the people of Kashmir who count.

Let me commend the President for his speech at the American Enterprise Institute. I hope this Administration has the courage to follow through on the principles of democracy and human rights that the President laid out. He said that we will hold this standard for the Arab and Muslim world as well as the rest of the world, and I think if he catches on to that, and he holds on to the principle that this Administration, unlike the last Administration, will not only be highly successful in helping the people of the world find freedom but also building a more secure world for us as well as them. Thank you.

Mr. LEACH. Mr. Sherman, we are getting into the second round, but we are delighted to welcome you. If you have any questions—

Mr. SHERMAN. Thank you. I do. I heard my colleague from California talk about the past Administration, and I can just say that the Clinton Administration never dreamed of the level of bipartisan support that is being accorded to the Bush foreign policy today. I realize that Democratic support for the Bush foreign policy is not total, by any means, but when I see what happened to the Clinton Administration when they sought to compel Iraq to allow inspectors to continue in 1998, I am glad to say that we are doing a much better job today of leaving partisanship at the water's edge.

I would also point out that a plebescite for Kashmir might be conducted after the United States endorses a plebescite for the Kurdish areas of Turkey, the Kurdish areas of Iraq, the Shiite areas of Iraq, the Suni areas of Iraq, and for southern California, and when those areas get a chance at self-determination, then maybe we will see a plebescite agreed to by both India and Pakistan.

Mr. ROHRABACHER. I am for it. There you go.

Mr. SHERMAN. Turning to our witnesses here, I do not believe that there has been much discussion of Sri Lanka, which is a bright spot in South Asia, but you have, in effect, two zones now,

and the United States gives development aid to Sri Lanka. What do we do to make sure that a fair proportion of that aid is available to the people in the northeastern section of that troubled island?

Ms. CHAMBERLIN. As a matter of fact, Mr. Congressman, we are focusing much of our aid on the northeastern portion of the country. We are mindful that our assistance has to also be addressed to the Sinhalese. But we are very much interested in assuring that there is, well, a peace dividend to encourage the very promising trends in the peace talks in Sri Lanka.

Our new projects, and they are brand new, are aimed at providing that peace dividend. It is small. It is a beginning, but we are looking at creating jobs, at building some of the small infrastructures, particularly in the Northeast, where much of the conflict has centered over the years, and it has been a very ugly conflict, again, not forgetting those in the southern part of the island as well.

Mr. SHERMAN. I know that one controversy is whether the LTTE will remain on a terrorist list, and this raises the issue of whether there is ever a statute of limitations on wrongful behavior in prior decades. I know that Arafat's sole occupation was terrorist in the seventies, when it appeared as if he was a partner for peace. We treated him with a level of respect that the President of Cameroon can just barely taste and the Presidents of other significantly sized countries are often not accorded.

As peace seems to take hold, do we see removing the LTTE from that list if we believe that on a going-forward basis they are dedicated to peace and, in any case, dedicated that, God forbid, any conflict resumes, that it will be waged in accordance with the legitimate rules of conflict?

Ms. ROCCA. The issue of taking the LTTE off the list is one that has not really come up yet because the LTTE—while they have said that they will operate within a Federal framework and, therefore, have renounced an independent Tamil homeland—still need to renounce violence in deed as well as word, and when that has happened, then we will move forward. But at the moment, they are still acquiring weapons. They are still impressing children soldiers.

Mr. SHERMAN. Isn't the government still acquiring weapons as well?

Ms. ROCCA. They were never on the foreign terrorist organization— [Laughter.]

Mr. SHERMAN. I mean, to say that an entity engaged in a civil war that used to wage a portion of that war inappropriately and now is committed, and you are about to get to the one area where their commitment is lacking, but to say that, in an effort to reach peace, one side can rearm itself, and the other side cannot, I think a balance of power is appropriate. I do not think we ever turned to those who are fighting against the Afghan government and told them they had an obligation to do so peacefully.

But you were going to mention the underage soldiers, and I will save you the time by saying that that is an area where I think we all agree that the LTTE has to improve its record. I hope, though, that we do not let our dedication to individual rights, and there are important ones that you have identified, stand in the way of the

overwhelming peace dividend available if we can get these two sides together.

Ms. ROCCA. We are firmly committed to trying to help them reach a peace settlement, not just for the peace in Sri Lanka, which obviously is critical, but in order to show that one can reach peace through negotiation. They would be a powerful signal around the world.

Mr. SHERMAN. So we will achieve that through negotiation and a Federal structure without involving a plebescite and the creation of a new, independent country. Perhaps my colleague from California will read this transcript and see an opportunity to apply it elsewhere in South Asia. Thank you.

Mr. LEACH. Thank you. Let me thank both of you. I want to do one 30-second follow-on to Mr. Sherman. There is another list with regard to Sri Lanka that I hope gets reopened, and that is a list of countries where the United States Peace Corps is allowed to operate.

Ms. ROCCA. I am sorry?

Mr. LEACH. That you will review whether or not the United States Peace Corps should return to Sri Lanka.

Ms. ROCCA. We already started that,—

Mr. LEACH. You have?

Ms. ROCCA [continuing]. I am happy to report. An assessment team went out last fall—

Mr. LEACH. Good.

Ms. ROCCA [continuing]. To assess the security situation, and they came back with a mixed picture and essentially a need to move forward with a much more granular security assessment, but it has been put on hold temporarily for budgetary reasons. But it remains on the docket, and we are very much in favor of it.

Mr. LEACH. I think maybe the events of the recent days suggest it should be reviewed in the context of security, but I would hope not for budgetary reasons. The budget should not be the constraining factor; security should be.

Ms. ROCCA. We have been having this discussion with the Peace Corps, and they are looking on this very favorably, so we are hopeful.

Mr. LEACH. Good. Well, let me thank the both of you. This has been a long afternoon, and I thank you for your time and attention, and I am sorry there are other intervening events that the Members of the Congress are preoccupied with as well as the executive. So thank you for coming up.

Ms. ROCCA. Thank you.

Ms. CHAMBERLIN. Thank you.

Mr. LEACH. The Committee is adjourned.

[Whereupon, at 3:11 p.m., the Subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

QUESTIONS FOR THE RECORD SUBMITTED TO THE HONORABLE CHRISTINA ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, BY THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC, AND RESPONSES

Question:

In the aftermath of the 1998 nuclear tests, the U.S. has shifted its nonproliferation policy away from preventing India and Pakistan from acquiring nuclear weapons, to one of encouraging them to be responsible nuclear weapons powers. Particularly in light of Pakistan's alleged nuclear cooperation with North Korea, what is your assessment of the success of this policy?

Answer:

We do not recognize India and Pakistan as "Nuclear Weapons States" in the context of the Nuclear Nonproliferation Treaty, but we acknowledge the reality that both countries have nuclear weapons, and there is no prospect that either will abandon its nuclear program in the foreseeable future.

Our focus now, therefore, is to prevent an open-ended nuclear and missile arms race, prevent onward proliferation to programs in other countries that pose more of a direct risk to the United States and our allies, and prevent escalation of the long-running India-Pakistan confrontation over Kashmir into armed conflict that could escalate across the nuclear threshold.

We have made some progress in each of these areas. India and Pakistan have maintained their unilateral moratoria on further nuclear tests, and have reiterated their commitments to develop only a minimum credible deterrent. We have active security and nonproliferation dialogues with both countries, in which we raise our concerns, that are conducted in a much more cooperative atmosphere than had previously been the case. India has begun to crack down on proliferant activity by certain private companies, and is currently prosecuting one of them for customs violations. President Musharraf has assured us his government will have no further arms-related dealings with North Korea. Intensive diplomatic efforts by the United States and others last summer defused a very tense standoff that might otherwise have escalated rapidly into full-scale war.

While we certainly want to make more progress in these areas, there is an accumulating body of evidence that the cooperative approach we are now pursuing is more effective than the previous reliance on pressure and sanctions.

Question:

To what extent have the attacks of September 11 created an opportunity for American statecraft to shift from intermittent attempts at crisis prevention to a more lasting effort to build a process that features reconciliation? In this context, how does the Administration intend to address the Kashmir issue?

Answer:

Since September 11, the United States has significantly improved relations with both India—an emerging world power with which we are striving toward a strategic partnership—and Pakistan—a frontline partner in the global fight against terrorism with which we are also committed to building a broader and deeper relationship. The close ties Washington has cultivated with each country leave us well-positioned to provide a facilitative role in helping them to avoid conflict and to eventually pursue more normal relations. As Secretary Powell has indicated, we are confident that

we can have good relationships with both India and Pakistan—that this is not a zero-sum proposition.

We demonstrated last year that our good offices can be helpful in avoiding conflict, and we continue to work with both sides to avoid another military crisis this spring. In addition to keeping a lid on tensions, we are working with both sides to determine how we can encourage a broad-based process of engagement beginning with people-to-people exchanges and expanded trade and cultural ties, and building toward a political dialogue that addresses all the issues that divide them, including Kashmir.

More groundwork needs to be laid to create an atmosphere conducive for dialogue. In this regard, we continue to press Pakistan to demonstrate its commitment to halt all support to infiltration across the Line of Control. We understand how deeply the Kashmir issue resonates in Pakistan, but we also understand that violence will not resolve the problem. As an end to the violence in Kashmir is vigorously pursued, we will continue to remind India of its important role in helping to foster stability in South Asia, and encourage it to go the extra mile to build a more cooperative and friendly relationship with Pakistan. We will also press them to resume engagement. Finally, we will continue to offer our good offices to facilitate communication between the two countries and to inject ideas on how to move forward with a process of normalization.

Question:

The attacks of September 11 arguably vindicate India's position that terrorism, rather than nuclear proliferation or Kashmir, is the major strategic issue in South Asia. If that characterization of India's position is accurate, does the U.S. agree with Delhi's assessment?

Answer:

The tragic attack on our country certainly highlighted the importance of combating terrorism throughout the world, including South Asia. Making progress on this issue remains one of our most important goals, not least because some of those who perpetrate terrorist attacks in South Asia clearly are determined to spark a wider conflict between India and Pakistan. It is a fact that such a conflict could lead to the use of nuclear weapons, with catastrophic consequences for India and Pakistan. The possession of nuclear weapons and missiles by India and Pakistan, particularly against the backdrop of the longstanding tensions and recurring crises between the two countries, poses a continuing risk to stability in the region. It represents a significant challenge to the global nonproliferation regime and to U.S. interests in South Asia.

In addition, 9/11 underscored the potential danger of the transfer of WMD or missile technologies from South Asia to terrorist groups or rogue states and lent increased urgency to our nonproliferation efforts in the region. These considerations have caused us to intensify our diplomatic efforts to assist India, as well as Pakistan, in bringing their export controls up to international standards.

For these reasons, we would respectfully disagree with any argument that nuclear proliferation has become a 'second-tier' issue. It clearly has not.

Question:

Indian-American cooperation is now expanding at a rapid rate. But I have the impression that there are still barriers in U.S. law or policy to the release of dual-use and high technology items to India, or to areas of peaceful nuclear cooperation. Please explain.

Answer:

Less than 5% of all exports to India require a license. Nonetheless, we continue actively to seek ways to implement the November 2001 commitment by President Bush and Prime Minister Vajpayee to stimulate bilateral high-technology commerce, including clarifying and revising policies governing dual-use and high-tech trade.

In October 2001, the Department of Commerce announced revision of the Entity List, reducing the number of entities from 159 to 56. (N.B. The Entity List identifies foreign end-users involved in proliferation projects and all items, controlled and non-controlled, must be licensed for export.) Licensing requests accordingly dropped by 50% from the level of the previous two years. In August 2002, the Departments of Commerce and State sponsored a Government-Industry Relations Exchange and devised a set of ongoing cooperative projects on export controls.

Finally, the United States and India established the High Technology Cooperation Group (HTCG) in November 2002 to discuss a wide range of issues that affect U.S.-India high-tech trade in areas such as information technology, biotechnology, telecommunications and energy. The HTCG will undertake trade promotion activities,

outreach to Indian and U.S. businesses regarding trade opportunities and export control requirements, and steps to assist India towards improving its export control system.

In February 2003, our two governments signed a “Statement of Principles for U.S.-India High Technology Cooperation” to provide a framework for activities under the HTCG. It recognizes the need to ease tariff and non-tariff barriers to high-tech trade and to work in partnership with the private sector to promote market opportunities. It notes India’s interest in enhancing trade in dual-use items while explicitly recognizing that such trade must take place in a manner consistent with U.S. laws, and national security and foreign policy objectives. It also recognizes the need for India to work with the U.S. to meet modern standards in export controls and enforcement.

The Administration has decided to resume and slightly expand the dialogue between the Nuclear Regulatory Commission (NRC) and India’s Atomic Energy Regulation Board (AERB) that had been cancelled by nuclear sanctions in 1998. In February, NRC Chairman Richard Meserve visited India to discuss possible areas for dialogue and cooperation. We have also announced we are willing to approve export licenses for items not listed on the Nuclear Suppliers Group control lists for “balance of plant” systems (those outside the reactor area) at safeguarded Indian nuclear facilities. Licenses will still be required, and end-use checks of items might be performed as a condition of license approval.

India has informed us of its interest in furthering cooperation in nuclear energy but U.S. law, regulations, policy and international obligations limits the extent of such cooperation. These include U.S. commitments under the Nuclear Nonproliferation Treaty, the Atomic Energy Act, the Nuclear Nonproliferation Act, the Missile Technology Control Regime and the Nuclear Suppliers Group.

Question:

What is your assessment of the situation in Kashmir following elections there in September and October of 2002? In particular, the new government has promised to investigate human rights abuses by Indian security forces and to open dialogue between Kashmiri groups and New Delhi. Has there been any progress on these fronts?

Answer:

The United States is deeply engaged on the situation in Jammu and Kashmir (J&K) and has followed developments there since last fall’s state elections closely. The state government elected last November, led by Mufti Mohammed Sayeed, has made progress on its Common Minimum Program aimed at promoting reconciliation and economic development in J&K. Chief Minister Sayeed has taken initial steps to address human rights concerns, such as releasing a handful of prisoners held without charges and investigating cases of alleged security personnel abuses. The state government has also undertaken small-scale initiatives designed to improve daily life for the Kashmiri people, make governance more transparent, and devolve administrative authority to lower levels. The relatively strong election turn-out, together with the victory of a candidate from the ruling party, in a February by-election in the Kashmir Valley demonstrate that the state government has substantial grassroots support.

Despite an upsurge in violence in Kashmir, the state government has asserted its commitment to moving forward with its “healing touch” program, while at the same time working closely with the central government to increase security in the state.

We welcome New Delhi’s commitment to starting a process of engagement through the appointment of a Kashmir interlocutor. Discussions that involve the full range of opinion in Kashmir will be key to beginning a process toward peace. We continue to support those Kashmiris working toward peace and reconciliation.

We are examining the potential for providing U.S. assistance to Kashmir that could help support some of the recent positive developments there and strengthen constituencies working toward peace and reconciliation.

Question:

The government of India recently announced the formation of a panel to propose amendments to the Prevention of Terrorism Act (POTA) following widespread allegations that the Act was being used to target minorities and political opponents. Given our ongoing partnership in the India-U.S. joint working group on terrorism, as well as the due process concerns that the law itself raises, what is the State Department’s position on the Act and has it conveyed any of its concerns to the Indian government?

Answer:

The United States government does not take a position on India’s Prevention of Terrorism Act (POTA). India’s authorities adopted the measure after a spirited de-

bate; its provisions and execution remain issues of controversy today. Over time, we expect that the authorities will adjust POTA, depending on their experience with implementing it. We fully expect the law will be administered in accordance with the standards enshrined in India's constitution and in keeping with international human rights norms.

Question:

It's been over a year since the beginning of communal violence in Gujarat that left over 2,000 people dead, yet there have been no successful prosecutions in the state against those involved in the attacks. Small-scale violence also continues in the state on a day-to-day basis. Credible reports suggest that witnesses are being harassed and that prosecutors are throwing the cases. How does the Indian government explain the lack of convictions in the state and how does it respond to allegations that state officials were extensively involved in the violence?

Answer:

India's law enforcement machinery is moving against at least some of the perpetrators of the terrible violence in Gujarat. We understand that the authorities have made about 5,000 arrests in Ahmedabad—the epicenter of the killings—and that matters have progressed to the point that about 500 people are now facing trial. We continue to follow developments closely and will monitor whether the prosecutors bringing these cases do their utmost to win them.

Civil rights groups and others inside India and elsewhere have made serious allegations that the state government did not do enough to prevent the riots or stop them after they began. A government-ordered panel is investigating. We await the findings, and expect they will be taken seriously by the government.

Question:

Earlier this month, the U.S. Commission on International Religious Freedom criticized the State Department for exempting India (and Pakistan) from its list of countries of "particular concern." The Commission has criticized India for the violence in Gujarat (which targeted Muslims) and has itself held hearings on the issue. Why then did the State Department exempt India from its list?

Answer:

In making its decision about CPC ("Country of Particular Concern") designees this year, the Department of State took very seriously the U.S. Commission on International Religious Freedom's recommendation that India be named a CPC this year. Although violations of religious freedom in India are serious, we did not believe they rose to the level of "systematic, ongoing, and egregious violations" as defined by the International Religious Freedom (IRF) Act of 1998. However, the IRF Act permits the designation of CPCs at any time during the year. If conditions warrant, we would reconsider this decision. To ward off this unwelcome designation, we will continue to carefully monitor developments and to seek ways to encourage the Government of India to safeguard the freedom of religion for all its citizens.

Question:

Pakistan's size (it will soon become the world's fifth most populous state), ties to many Arab and other Islamic states, nuclear capabilities, and critical location make its survival important to many powers. Yet, its weakened civil institutions, rampant corruption and excessive power of the army will continue to hamper its emergence as a modern liberal state. How does the U.S. policy seek to strengthen and re-professionalize Pakistani governance?

Answer:

The United States is committed to helping Pakistan achieve a transition to a full, sustainable democracy, and Pakistan has made demonstrable progress recently. National elections in October, although flawed, resulted in the restoration of civilian government and represent a good first step. Recent Senate elections and regularly scheduled sessions of the new National Assembly are also hopeful steps.

To bolster Pakistan's efforts to establish a robust democracy, USAID is implementing a \$10–\$12 million per year democracy promotion program focused on strengthening civil society, improving balanced media coverage of policy issues, encouraging democracy at the local level including fostering more public debate, and training new legislators. USAID also provided assistance in recent elections including civic education campaigns, pre-election surveys, get-out-the vote campaigns and training of local election process observers.

Progress toward political moderation and economic modernization will require sustained growth. To this end, we are providing significant debt relief this year, and

have requested funding for budget support in FY 2004. We are devoting considerable resources to assist Pakistan's economic development, particularly in education, in areas such as curriculum reform and teacher training.

Question:

How would you describe Pakistan's Islamic parties and movements? In particular, do you believe that what analysts usually describe as the most "centrist" Islamic party—the Jama'at i Islami (Jama'at) supports the legitimacy of western democratic government? Or does it really have a radical, anti-modern agenda, as well as possible ties to al-Qaida?

Answer:

Pakistan has had a number of political parties in its history that are religiously oriented and cover a broad range of political ideologies from centrist to extremist. These parties include followers of both the Sunni and Shia Muslim faiths. A number of these parties have come together under the Islamic Muttahida Majiles-e-Amal (MMA). It is widely believed that the internal contradictions of the MMA will inevitably lead to an end of cooperation among these parties.

The Jama'at i Islami (JI) is the largest and best organized of Pakistan's Islamic parties. Over time, JI has demonstrated its willingness to work within the political system to advance its political objectives. We believe that if JI were to achieve power, it would continue to work within a political system built on popular support and democratic elections. However, we also believe that JI's platform includes advocacy for radical changes in Pakistan's social structure based on its conservative vision of Islam, and Islam's role as central to both government and society.

We have no information indicating that JI as an organization is linked to al-Qaida.

Question:

In his speech to the nation on January 12, 2002, President Musharraf proclaimed that no internal extremism would be tolerated and no safe havens for terrorists operating across Pakistan's borders would be provided. Has he lived up to that pledge?

Answer:

Pakistan's cooperation in the global war on terrorism has been excellent. Our two nations have coordinated with intelligence, law enforcement, finance and military authorities to successfully apprehend nearly 500 suspected al-Qaida and Taliban operatives to date, including al-Qaida operational commander Khalid Sheikh Mohammed and September 11th conspirator Ramzi bin al-Sheibh. Some of Pakistan's own security forces have lost their lives pursuing al-Qaida units in Pakistan-Afghanistan border areas; we have recently committed an additional tranche of \$30 million in combined FY 2002 Economic Support Funds and INL funds to improving security along the Pakistan-Afghanistan border. Pakistan also ranks fourth in the world in the amount of terrorism-related assets frozen.

The Government of Pakistan has banned terrorist groups, including a number of those we have designated as Foreign Terrorist Organizations (FTOs). With the active involvement of the U.S., including direct engagement by the Secretary and Deputy Secretary, the Government of Pakistan committed last spring to work to end cross-border infiltration into Kashmir. Nevertheless, we also recognize that the challenge confronting the Government of Pakistan in addressing this problem is complex and will require time to resolve completely. We have raised with the Government on several occasions since then the importance of Pakistan upholding its commitments on halting support to infiltration across the Line of Control in Kashmir. We have also made clear to the GOP that violence will not solve the problem in Kashmir. We believe that President Musharraf is committed to working on this problem, and we will continue our cooperative efforts.

Question:

What is the State Department's strategy to deal with human right's abuses in Pakistan, such as honor killings against women and the use of blasphemy laws to prosecute religious minorities?

Answer:

The State Department views human rights violations with grave concern, and we carefully monitor the state of human rights in Pakistan, including the treatment of women and the use of blasphemy laws to prosecute religious minorities. Human rights issues are frequently discussed with the highest levels of the Pakistani government, and the Secretary and Deputy Secretary regularly convey U.S. concerns to their counterparts.

The Department outlines its findings on Pakistan's human rights situation annually in the Country Reports on Human Rights Practices. Both Embassy and Department personnel are in contact with NGOs dealing with human rights issues.

Recently, the Government of Pakistan acted swiftly in arresting all perpetrators of the gang rape of an 18-year-old Pakistani woman and has also recently released several individuals who had been sentenced, including to death, for blasphemy. We continue to work with the Government of Pakistan to improve the human rights situation.

Question:

What is your assessment of the viability of peace talks in Nepal?

Answer:

The people of Nepal have suffered too long from the devastating effects of the violent Maoist insurgency. The January 29 declaration of a ceasefire and the March 13 agreement by both sides to a code of conduct governing this ceasefire are encouraging signs. Many complex social and political issues remain, and the Maoists' past track record on negotiations is not encouraging. We hope, nevertheless, that negotiations, once begun, will continue until a durable resolution of the insurgency is achieved. An important indication of long-term success would be a commitment by the Maoists to renounce violence and rejoin the multiparty political process.

Question:

Is the government in Kathmandu fully prepared for what are sure to be difficult negotiations? If not, is there scope for an outside party to play the role of facilitator?

Answer:

The government is preparing for negotiations but has not yet named its negotiating team. It has indicated that it prefers to manage the negotiations on its own, and has named a panel of five senior advisors to assist it. The government has made it clear that it will not at this time accept the assistance of outside mediators or facilitators. Many in the international community have indicated a willingness to assist, should the government change its stance.

Question:

What are the goals of the Maoist insurgents? To what extent, if any, have they received political or financial support from expatriate Nepalese in India or elsewhere?

Answer:

The preponderance of evidence indicates that the Maoists want to replace Nepal's constitutional monarchy, through violence if necessary, with an autocratic, single-party communist state. We believe this long-term goal has not changed despite recent public statements by the Maoists claiming that they want a new constitution that will make possible an as yet ill-defined "new political order" that will "go beyond" the current multiparty democracy. There have been some indications that the Maoists may receive limited funds from expatriate Nepalis working abroad. We have no evidence of such funding from expatriate Nepalis in the United States.

Question:

Following the breakdown of peace talks in November 2001 the country experienced record levels of violence. Both the Royal Army and the Maoist rebels have committed serious human rights abuses. What safeguards is the US building into its military aid to ensure that support for the Royal Army doesn't appear to lend legitimacy to torture and killings by the army? Has the US ambassador in Nepal spoken out about this issue? What specific human rights and humanitarian law courses are included in US training for the army?

Answer:

There have unfortunately been an unacceptable number of human rights abuses—on both sides. Ambassador Malinowski and other Embassy officers have made, and will continue to make, forceful public and private statements calling on security forces to adhere to international norms for human rights conduct. We continue to seek improvements in the human rights record of the military and police, and have successfully pushed for the establishment of a human rights cell within the army. In accordance with Leahy Amendment requirements, units nominated to participate in joint military exercises undergo a human rights vetting before the training can take place.

All training we provide to security forces includes a human rights component. Two U.S. military lawyers provided training to 50 Royal Nepalese Army senior officers as part of the International Committee of the Red Cross' Law of Armed Conflict

Seminar last year. Each year approximately 20 officers attend International Military Education and Training (IMET) courses that include Law of Land Warfare and/or rules of engagement courses. A Military Law Information Exchange is scheduled to take place in May 2003 that will cover Law of Armed Conflict, Rules of Engagement, Investigative Procedures, and duties and responsibilities of combatant commanders. Human rights training will continue to be provided in conjunction with Mobile Training Team exercises scheduled for later this year. Military training and exercises enhance the U.S. military's ability to influence and improve the professionalism of the Nepali Officer and NCO Corps. This improvement not only increases the Nepali Army's technical and tactical capabilities but builds as well on its discipline and respect for international norms of warfare.

Question:

Despite substantial progress since the February 2002 cease-fire, the peace process faces significant challenges. What are the relative positions of the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) on such key issues as refugee resettlement, security in the Northeast and Tiger disarmament?

Answer:

There has indeed been substantial progress made in the peace negotiations between the Sri Lankan government and the LTTE. Most significantly, both sides have agreed that a final political settlement will be based on the concept of internal self-determination within a federal united Sri Lanka. This was a significant compromise for both the LTTE, which has fought nearly twenty years for an independent Tamil state, and for the government, which had previously ruled out autonomy for the Tamil-majority areas of the country.

Among the hurdles to be overcome before a final settlement can be reached are the issues of refugee resettlement, security in the Northeast, and LTTE disarmament. Both sides have placed priority on facilitating the return of internally displaced persons (IDPs). To address this problem and related humanitarian needs in the Northeast, the two sides have formed a joint Secretariat for Immediate Humanitarian Rehabilitation Needs in the North and East comprised of members nominated by both the government and the LTTE, and a representative from the Muslim community. They also have established the World Bank-managed North East Rehabilitation Fund, through which the international community may contribute funding to humanitarian programs.

Both sides agree that de-mining is a top priority for facilitating the return of IDPs, and de-mining and other humanitarian assistance programs for IDPs have begun but are still in the initial stages. The U.S. government is actively assisting in demining efforts. In 2002, we funded the deployment of a Quick Reaction Demining Force (QRDF) that cleared more than 1000 anti-personnel mines and unexploded ordnance from approximately 125,000 square meters of land. A similar QRDF commenced demining on March 31, 2003, and will continue operations until the end of June. A program to train and equip Sri Lanka military teams to de-mine to international humanitarian standards will commence in the June-July timeframe.

The two sides disagree on aspects of refugee resettlement as they relate to security in the Northeast. The LTTE wants the Sri Lankan military to abandon the numerous "High Security Zones" it presently occupies—which together comprises some 18% of Jaffna District and include previous residential neighborhoods—to allow IDPs to resettle there. The military maintains that withdrawing from the Zones would greatly destabilize security. Both sides commissioned a retired Indian General to draw up a plan to resolve the issue. It is too soon to know if the two sides will move forward with his proposals, but it is encouraging that possible solutions to the problem are being considered. The timing and extent of LTTE disarmament will likely be an issue requiring intense negotiation. The peace talks have not yet reached the point of discussing the issue, but most observers believe the LTTE realizes it will have to disarm eventually.

Question:

To what extent are you able to corroborate reports of persecutions of religious minorities in Bangladesh, and in particular attacks against the Hindu community following the October 2001 elections in the country?

Answer:

The 2002 Human Rights Report for Bangladesh acknowledges that violence, including killings and injuries, occurred both before and after the October 2001 election. There were reports of attacks on Hindus, and others associated with the opposition, including killings, rape, looting, and torture.

We take very seriously any report of persecution of religious minorities. The Embassy attempts to corroborate all reports of sectarian violence. Often, however, particular incidents turn out to have other issues involved, such as personal reprisals and regional disputes. We will continue to investigate reports of abuses of religious minorities and raise the issue with Bangladeshi officials.

Question:

In November 2002 two foreign journalists were arrested and held in custody for several weeks in Bangladesh for their involvement in the filming of a documentary. Numerous journalists and human rights activists have been imprisoned during the recently concluded army led crime clean up drive called "Operation Clean Heart," and there are credible reports that 30 people have died in custody. Has the State department voiced concerns over the excesses of Operation Clean Heart and on violations of the freedom of expression in the country?

Answer:

On November 25 police arrested two foreign journalists while crossing to India at the Benapole border. Ambassador Peters and I both conveyed to senior Bangladeshi officials, here in Washington and in Dhaka, U.S. Government interest in the status of the two foreign journalists as well as Bangladeshi journalists who were also arrested during this period. We made clear that the United States viewed with concern the detention of the journalists and our expectation that they would be treated in a manner consistent with the requirements of a free press. The foreign journalists were eventually released on December 11. We continued to follow the Bangladeshi journalists' cases until they were also released some time later. We continue to make clear to the Government of Bangladesh the critical importance a free press in a democracy.

The United States also made clear both publicly and privately that we were concerned over the nature of the government's actions during Operation Clean Heart, and our expectation that the Government of Bangladesh would ensure respect for the human rights and civil liberties of its citizens. In particular, we viewed very seriously reports of custodial deaths and raised those concerns with senior Bangladeshi officials.

QUESTIONS FOR THE RECORD SUBMITTED TO THE HONORABLE CHRISTINA ROCCA BY THE HONORABLE DANA ROHRABACHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND RESPONSES

Question:

What is your assessment of the involvement by the Pakistani Inter-Services Intelligence Directorate (ISI) in the opium trade on the Afghan-Pakistani border over the last six years?

Answer:

It is not the U.S. view that the ISI is involved in narcotics trafficking on the Afghan-Pakistan border; we are aware of no evidence to suggest that there has been official involvement. We cannot rule out, however, that corrupt low-level officers have been involved in unsanctioned drug activities.

Question:

More generally, what is your assessment of the involvement by the ISI in the illicit drug trade over the last six years?

Answer:

Again, it is not the U.S. view that the ISI is involved in narcotics trafficking; we are aware of no evidence to suggest that there has been official involvement. We cannot rule out, however, that corrupt low-level officers have been involved in unsanctioned drug activities.

QUESTIONS FOR THE RECORD SUBMITTED TO THE HONORABLE CHRISTINA ROCCA BY THE HONORABLE ADAM SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON, AND RESPONSES

Question:

How many madrassas are there in Pakistan? What efforts is the Government of Pakistan making to modernize the curriculum of these schools and ensure that they do not remain potential focal points for recruitment by Al Qaeda or other terrorists?

To what extent is the U.S. engaged in educational reform efforts in Pakistan, including reform of madrassas?

Answer:

The best estimates are that there are between 12,000 and 18,000 madrassas in Pakistan. Although some madrassas adhere to more extremist agendas, not all Pakistani madrassas are radical or extreme; many provide useful training to students who would otherwise have no real access to education.

Last year, President Musharraf announced a plan to mandate nationwide registration of madrassas. In exchange, madrassas would be provided with updated curricula for such subjects as science, math, Pakistan studies, English, and computer science.

Progress, however, has been slow, reflecting divisions within Pakistani society about how to manage this issue. In particular, the Government of Pakistan has been pressed by radical religious groups not to implement the plan.

One key element of the education challenge in Pakistan is the lack of good, available, public education. This lack of available alternatives has fueled the growth of the madrassas. USAID and several European bilateral donors are working with the Ministry of Education to address education shortcomings. The President has committed to a \$100 million multi-year program of assistance to educational reform in Pakistan and in August 2002, USAID signed a Memorandum of Understanding with the Ministry of Education to implement education sector reform over a five-year period. In December 2002, USAID and the Research Triangle Institute concluded a four-year cooperative agreement to undertake education reform in Pakistan, including curriculum development and teacher training, with a particular emphasis on improving teacher capacity, and youth and adult literacy. It is hoped that these programs may over time provide a popular alternative to the madrassa system.

Question:

What international or local non-government organizations and/or private voluntary organizations are active in the field of education in Pakistan?

Answer:

Religious schools, including both madrassas and Christian institutions, remain the primary way local organizations are involved in education in Pakistan. International NGOs are also involved with education programs in Pakistan. The Aga Khan Foundation runs 185 schools in underprivileged regions, providing quality education to several thousand students. Save the Children supports 45 formal schools, 54 home-based girls' schools, and provides 160 box libraries in refugee villages, benefiting a total of 14,087 students. The Asia Foundation is one of the largest private education organizations, supporting approximately 1,000 community-based schools with a total of over 9,000 students.

USAID has selected the Research Triangle Institute to carry out a four-year \$60 million project to implement Pakistan's Education Sector Reform Action (ESRA) plan. ESRA, working closely with Pakistani partners including the Asia Foundation, will build capacity within the Pakistani education system by strengthening education policy and planning, improving the capacity of teachers and administrators, promoting literacy, and expanding public-private partnerships in the education sector.

