

The United States & South Asia: New Possibilities

*Senate Foreign Relation's Committee
January 28, 2004*

It is an honor to appear before the Senate Foreign Relation's Committee again and a particular pleasure to be invited to comment on the new and most welcome changes in relations between India and Pakistan. In the course of my testimony, I will try to provide the background and identify the dynamics in the new situation. I will also assess their importance to the United States and offer thoughts about how the United States should position itself to assist the parties as they embark on very difficult negotiations, the outcome of which could profoundly effect South Asia's future and key American national interests. But that prognosis will not be easily achieved and the dangers on the way are many, especially given the history of the Indian and Pakistani relationship, marked as it is by deep seated animosity which resulted in three wars over the past 55

years, serious military clashes short of full scale warfare, typified by the Kargil Crisis of 1999, and almost two decades of cross border violence and terror. The path to the present is also marked by frequent attempts to negotiate differences, including meetings and agreements at the Chief of State and Prime Ministerial levels.

I bring to the table today my experience as Ambassador to India in the 1990's; time with my corporation, the American International Group, which is active in the Indian market; my work with the US-India Business Council; and the contribution I made over the past two years to the Council on Foreign Relations and Asia Society Task Force which assembled leading experts on South Asia and resulted in a recent publication, "New Priorities in South Asia: US Policy Toward India, Pakistan, and Afghanistan." My co-chairman, the Asia Society's President, former Ambassador Nicholas Platt, and I took the conclusions of our study to Afghanistan, Pakistan and India in early December 2003 to obtain reactions from governments, media, intellectual and

business. We were joined by former Ambassador Dennis Kux, whose hard work made the study possible and Mahnaz Ispahani of the Council on Foreign Relations and a great scholar of South Asia. The conclusions of our study and the reactions we garnered will be included in my testimony today.

Background

First, a brief word of background to provide perspective to your deliberations. India and Pakistan began 2003 with daggers drawn. The terrorist attack on the Indian parliament in December 2001, followed by a mobilization of nearly a million men along the Indo-Pakistani border and the line of control in Kashmir brought tensions, borne of history, war, decades of insurgency and cross border violence and terror to a head. Armed as both nations are with nuclear weapons, the Indo-Pak rivalry shot into international prominence. We now know that incidents which followed the 2001 attack in New Delhi brought the two nations to the brink of open conflict.

India, in the wake of these events, set out her conditions -- an end to Pakistani supported violence before talks between New Delhi and Islamabad could begin. Buried were attempts at détente and normalization begun with Prime Minister Vajpayee's visit to Lahore and the Vajpayee-Musharraf summit in Agra.

In April, 2003, India modified her position, with Vajpayee proposing a fresh initiative, provided, of course, that Pakistan would make good on repeated pledges, given in public and through the United States, to end support for violence. In the wake of this initiative, India undertook a series of carefully calibrated steps to lessen tensions and build confidence. Pakistan, which had called for negotiations and a new look at Kashmir, reciprocated. Diplomatic representation in New Delhi and Islamabad was restored; air links between the capitals were reinstated, followed by an Indian proposal to open a road service between Srinagar in Jammu and Kashmir and Muzaffarabad in Azad Kashmir; a veritable stream of "people to people" contacts began and

was accelerated with prominent citizens from the two sides visiting for the first time. Pakistan offered a ceasefire along the line of control, and extended it to the Siachin glacier which India accepted. Long awaited trade ties were advanced during the South Asian regional summit in late December.

More confidence building gestures of this nature are planned. Direct negotiations between the two governments overall outstanding issues, including Kashmir, are scheduled to begin in February and will add thereby an important diplomatic and political dimension to the confidence building measures which the two governments have undertaken.

Of great importance is the signal sent by both governments to their security establishments, political institutions and publics at large that the time is right to lessen tensions, seek settlements, and create a condition of peace between the two countries. The Indian and Pakistani bodies politic have responded positively, reminding us of the response Americans and the peoples of the Soviet Union

evinced during the Cold War, when, despite the deep divide in positions and outlook, our governments found their way to summits and negotiated our differences.

India & Pakistan: the road ahead.

The steps taken by President Musharraf and Prime Minister Vajpayee deserve the broadest possible commendation. This hearing provides the United States and our Congress another opportunity to speak out and signal our support for the course these two great nations have set. The route traveled thus far is impressive, marked as it is by carefully considered steps, an absence of grandstanding and publicity, and a willingness to steer clear of promises which cannot at this stage be predicted with confidence, given history and tough, present realities.

It is my impression that despite two attempts on Musharraf's life and the presence in Pakistan of strong, deeply rooted, radical political groups dedicated to violence, the great majority of Pakistani's accept the legitimacy of Musharraf's efforts to pursue a new understanding with

India. Like Indians, Pakistanis recognize the subcontinent's rivalry has vitiated both nation's strength and ability to address the pressing needs of their populations. Pakistan's businessmen tell me they welcome the prospect of doing business directly with India. They believe they can compete and will be able to take advantage of larger markets and cheaper sourcing.

The world at large, notably the United States, see the great advantages in Indo-Pakistani détente and understanding. We need stability in Pakistan and progress in its dialogue which India can contribute to that objective. Less distracted by their historic quarrel, India and Pakistan can play positive roles in their region and beyond. Lessened tensions also diminish the awful threat of a nuclear exchange.

This said, it would be foolish to argue that the road ahead is either safe or easy. It is decidedly not, and given history of past Indo-Pakistani negotiations, there will be setbacks, including dangerous ones. This venture will only

succeed if there is an unmistakable and sustained abatement in cross border violence and terror. Fresh confidence building measures and even the prospect of successful negotiations will be negatively effected by cross border violence. I contend Americans understand and support India's insistence in the regard, but I argue equally that terror and the groups that propagate it are a threat to the Pakistani state and Pakistan's ability to restore national strength and international standing.

Success will also depend on a broad recognition among Pakistanis and Indians that force will not alter realities, including the status of Kashmir. Neither side can advance if the other is humiliated. National pride and honor are as compelling sentiments in South Asia as they are anywhere else in the world. Finally, as regards Kashmir, no settlement is possible without the contribution and consent of Kashmir's peoples. For this reason, it is important that New Delhi's dialogue with Kashmiris in opposition, or in dissidence, be pursued with vigor and that Kashmiri dissidents pick up a

clear message from Islamabad that the time is right to restore peace and engage politically.

Successful, negotiations are possible if New Delhi and Islamabad seek "win-win" solutions. Those in authority in both countries have firsthand experience with the trauma of partition and the bitter conflicts which followed it. They have an opportunity to spare future generations the pain they have suffered, provided they seek understandings which are based on respect and are pursued quietly and confidently. For the first time in years, India's and Pakistan's political clocks are ticking on the same time; both have strong leaderships, backed by favorable public dispositions.

This is precisely the spirit inherent in the joint Indian-Pakistani statement of January 6, 2004. I suggest it be included in the Congressional record. It contains the views of both governments in a balanced, respectful fashion. The statement calls for negotiations in February. We must all wish the negotiators well.

When negotiations are joined, they must be pursued with all the skill India's and Pakistani's leaders can muster -- skill with which South Asia's leaders are amply endowed. We will know progress is possible if the negotiators selected, include those committed to peace, and if their work is superintended closely by both country's highest authorities. The channels of exchange should also be carefully considered. Negotiations can progress if they are pursued outside the glare of publicity and in a manner where ideas can be tested and compromises achieved. The record of restraint and careful deliberation of recent months is instructive.

Above all, we need to hope and argue that India and Pakistan set the right objectives and negotiate in a manner that successes can be scored, momentum achieved and further gains registered. At heart the key objective is to reduce tensions and build confidence. Concrete negotiating results will be hard to achieve and slow in coming. If the threat of conflict between the two nations can be contained, the world and India and Pakistan will profit.

It has been my strongly held view over a number of years, the conclusions of those I have worked with in the Council on Foreign Relations and the Asia Society, the opinion of many thoughtful observers in India and Pakistan that the right way to proceed is to put all issues on the negotiating agenda, including Kashmir in its several dimensions; negotiate each with urgency and seriousness; but as a conclusion is reached, to permit it to take effect, while solutions to other differences are sought. In other words, agreement on many of the issues dividing India and Pakistan should not be held hostage to agreement on all questions, particularly Kashmir where the differences are greatest and at this stage offer no ready prospect of early compromise.

United States diplomacy, India and Pakistan.

The United States has important national interests at play in South Asia. For the first time in our history we are directly involved in the region. Our soldiers are fighting in Afghanistan, where our most significant gain in the war on

terror, the elimination of al Qaeda's base, was registered. We need Pakistan's full cooperation in eliminating al-Qaeda's networks and leadership and we need Pakistan's unstinting cooperation if the extremely difficult situation along the Pakistan-Afghanistan border is to be brought under control. We require, moreover, Pakistan's commitment to control its nuclear and missile systems and technologies. Above all, we need a stable, progressive Pakistan.

India is finally emerging as a major force on the world's stage. Its economy is registering huge gains, especially in fields important to our future -- information and bio technologies. Our trade is robust and growing; Americans of Indian descent are a vital force at home. India's growing strength, rooted in democratic traditions, is key to Asia's peace and the balance of power.

While we have an important stake in peace between India and Pakistan, we are not mediators. Nor do we have solutions, including for Kashmir, which are not outcomes borne of Indian and Pakistani imagination and pursued with

their political will. We have strong ties to both governments, most recently with India, but our image in the region, while on the whole positive, is open to contest, especially in Pakistan where its Islamist minority regards American influence with deep suspicion, verging on hostility.

We can facilitate a reduction of tensions in the region and the pursuit of negotiations, but we cannot make or even broker peace between India and Pakistan. To be successful as facilitators, it is incumbent upon the United States to build its influence in both countries. With regard to the present, promising developments in the region, our best interests are served by discretion, not claiming credit for gains registered, nor articulating outcomes the parties have not accepted. We work best through quiet, diplomatic channels with a vision of where we wish India and Pakistan to be, but eschewing the limelight. More now than at anytime in the recent past, discretion is important.

Equally important is focus -- keeping a close watch on the situation, engagement at highest levels, at carefully

considered moments and pursuing relations with both New Delhi and Islamabad, but not linking the progress in our relationship with one party to the imperatives of our ties with the other.

With these considerations in mind, I have the highest regard for the Administration's record in South Asia. The President, the Secretary of State, his colleagues in cabinet and across government have worked steadily to build American influence in South Asia, giving substance and stability to our approach and intervening effectively, generally in the shadows, during the crisis that beset India and Pakistan in December, 2001. American diplomacy helped diffuse that crisis, not once, but on several occasions. The Administration has made clear its commitment to détente in the region and its support of negotiated settlements.

It has built bridges to Pakistan, drawing red lines when necessary, but acting with understanding and providing support. With India, the Administration has set out to

broaden and deepen political, security and economic ties. At a time when the United States is heavily taxed on many fronts, the Administration has given India and Pakistan the attention and importance they deserve.

Our engagement in South Asia requires more of the same; it also needs the full support of the Congress. This hearing is a timely example of the Senate Foreign Relations Committee's attention to our policies in South Asia. As we move ahead, it is deeply important to provide Pakistan with the \$3 billion which the Administration has requested and to my view to commit the lion's share to areas which will contribute to Pakistan's stability, education being a major example. Textile imports from Pakistan call for sympathetic consideration. Pakistan poses one of the more difficult foreign policy challenges the United States faces. Dealing with terror and its supporters in Pakistan, containing nuclear and missile proliferation; and bringing order to the Pakistan-Afghanistan border area must also be treated simultaneously and at the same time we pursue ways to support a lessening

of tensions and negotiations between India and Pakistan. Central to our approach to Pakistan is a willingness to be frank when key boundaries are crossed; our assistance can in part be linked as incentives to Pakistani accomplishment of objectives which we jointly agree are important. A successful policy with Pakistan requires stability and must be free of threats of sanctions and rhetorical attack.

The requirements of our engagement with India are of similar importance. The Administration's recent decision to deal with high technology trade impediments deserves Congressional support. The imperatives of non proliferation are important to us; they are also significant to India and Pakistan. We make a serious error if we leave a searching review of global non proliferation, especially nuclear, norms off our foreign policy agenda. The global, non proliferation system, which the United States supported over the past four decades, does not include space for India and Pakistan, which are now nuclear powers. It is in no ones interest that they remain outside a system of international controls and

no such system presently exists. Equally, I hope that nuclear threat abatement measures will be part of the Indian-Pakistani dialogue.

Conclusion:

It is not my purpose today to list the many requirements of our new engagement with India and Pakistan. Rather, I wish to underscore the importance of our approaching the needs of both relationships as a vital component of the influence we need to exert during the current phase of India's and Pakistan's relationship. The particular cannot be pursued without equivalent attention to the whole.

Returning to the subject at hand, American policy and the prospects for dialogue between India and Pakistan, I contend we can take calm comfort from recent developments, but we must be vigilant and engaged, sharing perceptions, offering ideas through diplomatic channels and lending public support on special occasions. There is reason to argue for an approach which includes the strongest possible marker on terror and cross border

violence, a negotiation which concentrates on the introduction of further confidence building gestures in trade, the movement of peoples and communications and at the same time addresses the issues which divide the two nations, especially Kashmir, where large concentrations of troops are deployed and where the interests of Kashmiris in peace and greater prosperity have long been neglected. The nuclear issue must not be far from our minds.

In closing, I wish to thank the Committee for the privilege of appearing before you today. I am prepared to answer questions.

Attachment: Joint Press Statement