

**CARNEGIE ENDOWMENT
FOR INTERNATIONAL PEACE**

**FOREIGN POLICY FOR THE
NEXT PRESIDENT:
ENGAGING PAKISTAN**

SPEAKERS:
AMBASSADOR HUSAIN HAQQANI,
PAKISTAN'S AMBASSADOR TO THE UNITED STATES

ASHLEY J. TELLIS,
SENIOR ASSOCIATE,
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

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ASHLEY J. TELLIS: Well, good afternoon everybody. I'm Ashley Tellis, a senior associate here at the Endowment and it's my pleasure all of you to the Carnegie Endowment. Those of you who have been here before, it's a pleasure to welcome you back. I have an especially pleasurable task this morning because we have Ambassador Husain Haqqani with us and from my vantage point he is not simply the ambassador of Pakistan, which of course he is, but an old colleague and a dear friend who worked at the Endowment for many years and, in fact, was present here when I first joined after I left government service.

I am tempted to start by reading out his biography, but I will desist since one of the propositions that I think that is universally something we can all agree on is that everyone knows Husain. He has been an advisor to a series of prime ministers in Pakistan, has been a prolific writer, and has written a magnificent book on Pakistan, "Between Mosque and Army," which was published by Carnegie a few years ago and, I think, will remain the standard text of the evolution of Pakistan as a state.

I want to say a few words about him, though, nonetheless, from a purely personal perspective. And there are three things that I want to say about him. The first is that he is a patriot who championed the idea of a democratic Pakistan long before it was a feasible idea in Islamabad and long before it was a popular idea in Washington. And at a time when people thought that this was yet another will of the wisp, Husain Haqqani sitting in the Carnegie Endowment and running around on talk shows and public events, was making the case that a democratic Pakistan is fundamentally in Pakistan's own interest and the interest of the United States.

Second, the book that he wrote is as much a work of intellectual detective skills as it is an honest and searing portrait of the various factors that have contributed to Pakistan's maladies. And when one has served in government service, there is always the temptation of being a little too kind to one's former employers. And Husain resisted that temptation and told the story, warts and all.

And third, he is a warm and personable individual and has been a friend. In fact, one of the very first things that I published at Carnegie was a joint product with Husain looking at the state of the India-Pakistan dialogue soon after the 2001-2002 crisis. So from my vantage point, to have Husain come here and release this brief is an occasion of great personal gratification for me.

With his indulgence, I'm going to spend just a few minutes talking about the themes of the brief and then I'm going to invite him to take the floor and make the presentation this afternoon. He has had, unfortunately, a back ailment which is something that I'm very familiar with, so I'm going to keep my remarks especially brief because the easiest posture for him is to stand rather than to sit. (Chuckles.) So he'll have to suffer just a few minutes before I invite him here.

I want to briefly go over the themes of the brief. I'm not going to describe it in any detail. It's a very involved brief and you can read it; it's available outside. But I want to make – I want to address a couple of propositions which kind of sum up the argument there. And I want to start off by noting that when one thinks about Pakistan, one is confronted by a kaleidoscope of images. One thinks about Pakistan as a victim of terrorism and an abettor of terrorism. One thinks of Pakistan as being perpetually overwhelmed by political, economic, and social crises. One thinks about Pakistan as a state with nuclear weapons, a history of proliferation, and possibly a threat to itself and to others.

Irrespective of the truth in these images, all these visions are unified by two elements. The first element is that people often focus on Pakistan for its instrumental importance. That is, Pakistan is important because it is a tool for achieving something else, whether that be success in the war on terror, the war on nonproliferation, or what have you.

The second theme that unifies these images is that many of these problems, if not all of them, essentially are tied to the disfigurement of Pakistani politics, and, in particular, the predominant influence of the military in that politics. And so when I had the opportunity to do this brief, one of the temptations that I thought might lead to resist was to write yet another brief on the current issues of the day, whether that be the war on terrorism or proliferation. Rather what I wanted to engage were the structural problems that really reside at the heart of the issues relating to Pakistan. And to my mind, the core of the structural problem is essentially rebalancing civil-military relations.

And therefore, the brief, in its totality, advances three propositions, which I want to share for your consideration. The first is that rebalancing civil-military relations in Pakistan is absolutely critical to Pakistan's long-term success, not because civil-military relations are particularly sacred in themselves, but because Pakistan's success will hinge critically on having institutions that are essentially responsive to the public will. That is, to the degree that Pakistan becomes successful, it will be because it has put in place a series of institutions of responsible and responsive government, as opposed to being dominated continually by an unrepresentative bureaucracy that pursues its own interest. So that's proposition number one.

However, and this is proposition number two, the pursuit of rebalancing confronts the United States with very difficult dilemmas. The fact that we are engaged in an ongoing war on terrorism necessitates that we continue to engage the military. And if that engagement is not done right, we could end up weakening civilian institutions. And if that policy persists, we will have ended up strengthening the national security state, which will only make Pakistan's long-term vulnerabilities even more salient.

On the other hand, we are compelled by the logic of the argument I just laid out to you to engage Pakistan's civilian institutions. But if we don't get that engagement right, we risk failures in the war on terrorism, which is run predominantly by the army and the intelligence officers. And we could get a double whammy if, in the process of engagement, civilian leadership and institutions in Pakistan themselves failed to deliver.

And so the thrust of my policy brief is that the biggest challenge for the United States will be getting the balance right, engaging both these arms of the state in a way that actually allows for a virtuous interaction rather than a vicious interaction. The third and the last point I want to make is that as the U.S. embarks on this effort, and it will have no choice but to embark on this effort, it can neither escape the dilemmas that I just identified, nor can it resolve them by latching on to one or the other horn. And what this means for us is that the task ahead is going to be extremely difficult and that success is not foreordained. We need to be extremely realistic about accepting that conclusion.

To increase the odds of success, however, we will have to be patient. And it will require continued engagement with Pakistan. There is no alternative strategy to continued engagement, no

matter what the frustrations may be on the part of U.S. policymakers episodically. But this engagement must consist of a long-term partnership with Pakistan as a country and with the Pakistani people, rather than the particular arms of the Pakistani state.

If we don't try, if we don't make the effort to do this, we will end up essentially guaranteeing the triumph of the national security establishment and the continuation of all the maladies that have afflicted Pakistan for the last several decades. Because this is going to be difficult, I make the argument in the brief that Pakistan could well be the most difficult challenge facing the next U.S. president.

Now, these are views of an analyst and an outsider. I know you didn't come here this afternoon to listen to me go on and on. What I want to do at this juncture is really pass the baton to Ambassador Haqqani and invite him to give us his perspectives, both as an insider and as a practitioner, and to talk about what I see as the long-term challenge, which is building a partnership with Pakistan that transcends not only the next administration, but several administrations that will succeed them. Thank you so much, Husain, for coming and I look forward to hearing you.

(Applause.)

AMBASSADOR HUSAIN HAQQANI: Thank you very much, Ashley. Ashley and I have, of course, worked together and remained good friends. And when I first walked into this building on the 2nd of April, 2002, and moved into a cubicle on the fourth floor, I had a very interesting conversation with someone else in this building who still remains at the Carnegie Endowment and we had a little conversation about what was going to be my first brief that I wrote for Carnegie, which was titled, if I'm not mistaken, something to the effect, sort of, U.S.-Pakistan Relations, Learning From the Past, or words to that effect. And so I was giving my basic idea and this gentleman turned around and said, well, Husain, good luck, you are trying to come up with a long-term concept in a city where there is no long-term, it's always short-term, so good luck with your idea.

And reading Ashley's brief, this latest brief, also I came to the same conclusion. But the truth is that Pakistan is a country that requires a long-term approach. And I must make the disclaimer that what I am saying right now are the views of Husain Haqqani in a personal capacity, and not necessarily the views of the government of Pakistan which, as you all know, is a more complex entity, and therefore for me to speak for the government of Pakistan as the ambassador of Pakistan would be unfair because this is more an academic exercise.

The reason why Pakistan needs a more long-term view is because Pakistan actually has a relatively short history. And so Pakistan's nationalism, Pakistan's identity, Pakistan's state are all still in the stages of formation. And in the stages of formation, when nationalism is still defining itself, defining what it means to be Pakistan, what it means to be Pakistani, any short-term solution and fix can actually make the train go off the rails. And that has happened with Pakistan consistently.

Pakistan was born in an environment of insecurity. The insecurity came from the fact that it was carved out of India and India was the much larger country. India inherited the name, the historic name. India inherited the capital. India inherited the reserve bank. And what Pakistan ended up with was 33 percent of the military, but only 17 percent of the revenues. And this is

something that people in Washington, D.C. who have little appetite for history anyway do not take into account.

So Pakistan's entire formation as a state and a nation ended up being trying to solve the problem of the day. And in that, the United States became an important partner. You know, if you have 17 percent of the resources and 33 percent of the military, you have two choices: cut that military down so that you can pay for it or find somebody who will pay for that military. To pay for that military, you have to then find reasons why you and the people who are going to pay for that military will pay for it.

And so in the end, Pakistan has ended up being a partner in various U.S. strategic concerns of the day, but have they necessarily been Pakistan's strategic concern? This is something that Pakistan has always debated. And that creates the dichotomy in Pakistan about attitudes towards the United States. Consistent ally since 1949 when – (inaudible) – arrived in the city to say the United States and Pakistan are nations with a lot in common and President Truman turned around and said, you know, we look forward to working with Pakistan in what was then developing as the Cold War.

Since then, Pakistan and the United States have been consistent allies. But the Pakistanis have always had a suspicion of the United States because Pakistan's major security concerns are not the same as those of the United States. There may be a convergence now with terrorism, but the truth is, during the '50s and '60s, Pakistan was less concerned about the Soviets and their expansion and communist expansion and more concerned about India. And so that created this struggle within Pakistan, if we're going to be America's allies, how can we get the Americans to at least act on our security concerns?

And that problem has continued and there are two views within Pakistan. There is the view that, you know, now at least we have reached a point where our concerns are the same. America is concerned about global terrorism; we are concerned about global terrorism. But again there are people in Pakistan who argue, you know what, our priority is local terrorism and American priority is global terrorism. And again, there is this debate going on. So Pakistan has been an American ally with an ongoing debate with very few people in the United States actually understanding the nature of that debate. And I'm glad that in this latest brief, Carnegie does address that debate at least in a fundamental way of understanding that there are things going on in Pakistan that need to be understood.

Second point, and this is a general commentary after several years in the United States. Every American policymaker knows the cliché that all politics is local, except when they are discussing foreign policy. So all politics is local when you are discussing the U.S. election. All politics is local when you are discussing the Senate race in Virginia. All politics is local when you're discussing Boston local politics. But it's never local when you're discussing foreign policy. Then it's all about who's our guy and what's the solution, et cetera.

Well, guess what? You will have to understand that if Pakistan will be a viable democracy, then a lot of the movement forward of the democracy is going to be dictated by local and domestic concerns and domestic politics. So whether you think so and so is capable of handling global issues or not, it doesn't matter. So and so has supported the people of Pakistan, and so you have to deal with so and so, and learn to do it, and learn to deal with those around him who have a slightly better

understanding of international issues instead of trying to desire the perfect solution for leadership in Pakistan.

And I think that that is very important. Then one has to understand that Pakistan, as long as it is seen through the prism of the immediate American security concern will never be fully understood. I mean, how many people in this audience expected at the beginning of 2007 for President Musharraf to be out of office by the end of 2008, or before the end of 2008? Please raise your hands. Gosh, you know, can I offer you a job as prophet and chief analyst for the embassy of Pakistan in Washington, D.C.? (Laughter.) But the truth is exactly, nobody did, because people did not understand the local dynamic of Pakistani politics.

And so we have to now understand that Pakistan is now at the crossroads of building a democracy. Democracy is not going to be built perfectly in the short term. Pakistan's democrats are flawed, like democrats are all over the world, small "d" democrats are flawed. There will always be issues. But now Pakistanis have the realization that the only viable political system for a diverse nation like Pakistan is democracy. And warts and all, they are willing to work with it. There will be tussles. I can predict that right now. There will be tussles.

You will read a lot in The New York Times about how various coalition partners are not working together, arrangements are not going to be neat, there will be Pakistani officials, elected officials who will come into town and when they are having – appearing before an audience like yourselves, they may not be as adept as expressing themselves in the English language as you may want or you may have become accustomed to, having dealt with officials who previously spent their lifetime working for Citibank or the World Bank.

But that is the choice of the Pakistani people. And it will be better for Pakistan to resolve this internal conflict of who shall rule and how and under what terms. And there will be those grumbling and complaining, urbanites, also, who will say they are frustrated with the political process. And you have that again, also, it's not something that peculiar to Pakistan. We are seeing a similar process in Thailand where they've had two elections, both won by somebody who's power base is rural in a country where the majority lives in the rural areas and an urban intelligence there that is frustrated with democracy as a result because they can't seem to get the majority. But it is a process. And so just as Ashley emphasized patience, I would emphasize process in relation to Pakistan's political evolution.

Where does that leave us with the concerns of Washington? War against terror, nuclear nonproliferation, stability – that phrase that I have spent – now I'm, what, 52, I've been trying to figure out the meaning of the word stability since I was 12, so that's about 40 years of struggle. I have still not figured out what stability means. It means different things to different people. And yet pursuit of stability remains an important goal. What happens to Afghanistan?

Here's my view and I think that the brief that we are discussing does lay out certain basic propositions that are relevant to understanding it. The rebalancing of civil-military relations in Pakistan, it's important from the point of view of U.S. policy and from the point of view of the three concerns that we have highlighted, stability, again with the proviso whatever it means, nonproliferation, the war against terror, and essentially making sure that nuclear-armed Pakistan does not face conflict, a military conflict, a significant military conflict or an important military conflict, other than the insurgency it's already dealing with, with one of its neighbors.

And all of those factors will require a rebalancing of civil-military relationships. And here is the reason. Over the years – and there has to be a second rebalancing and that rebalancing is within the Pakistani military of professionals versus ideologues. And that is already taking place. I think that what has happened is that in the last several years, several decades, with Pakistan's military being the dominant political force, when you become the dominant political institution, then you also get infected with political ideas, so your professionalism gets infected. And you already see people are arguing that there are people in the Pakistani military who have these ideas and those ideas.

The good news is that the Pakistani military also has made an institutional decision that it wants to withdraw from politics. But its ability to withdraw politics will depend on a host of domestic and international circumstances. If the international community starts piling pressure on the Pakistani military, here, your country is failing, things are not working, you know, step in, step in, then you might have a reversal of the current mode and tone of civil-military relations.

So it has to be very carefully calibrated and thought out that the Pakistani military needs to have greater professionalism. It needs to have greater professional strength. And the pendulum in Washington should not swing from only engagement with the military to no engagement with the military. I already feel that on Capitol Hill, people turning around and saying, well, you know, there was the phase when we gave all the military aid, et cetera, now we are willing to give everything in civilian assistance, but nothing in security assistance and no military assistance. That is not going to work.

The Pakistani military should have the ability to be a functioning strong institution and it should continue to have international support. Because after all, if the civilians do decide to fight the war against terror with greater force, who is going to fight it? Certainly not those attending rallies in Karachi and Larkana for the Pakistan People's Party (PPP) or in Lahore for the Pakistan League. And it's going to be the Pakistani military. So choking of the Pakistani military's supplies is not the solution.

The solution is encouraging the Pakistani military towards greater professionalism, appreciating that greater professionalism, and, at the same time, enabling the civilians to build institutions that have never been built, judiciary, parliament, the media. I mean, the media, for example, right now is known for its diversity. But is it really professionally adept and competent? Those are questions that concern Pakistanis as much as Pakistan's friends abroad.

Second thing which follows from that is that if Pakistan's strength as a nation, as a state, has to be built up, the capacity of the state has to be built up, then Pakistan's internal dynamic has to be better understood. And here I'm going to just allude to something without going into the details. Pakistan is a complex nation of different ethnicities, different provinces, different linguistic groups, different religious sects, and different approaches to religion.

Yet, Pakistan's elite comes primarily from one part of the country and while there are other members of the elite in terms of their economic power or their feudal background, et cetera, the intelligentsia more or less, more or less, comes from certain specific geographic regions. And so they actually articulate a viewpoint that is very specific to that geographic region. And therefore, one can actually misread – and this many people did just before the election.

Again, I wish I had taken to gambling in that period and had taken bets and run a book because I would have been the big winner. I was constantly betting on, and Ashley knows this, the PPP winning and emerging as the single largest party. And everybody else who traveled to Lahore and Islamabad came back and said, no, it's going to be a hung parliament with both the Muslim leagues holding the balance of power, et cetera, et cetera, and the PPP is going to be very limited and it's going to have only – and the reason why I was able to do this was whenever these polling data came, I requested the district by district breakdown of the polling data, because that enabled me to understand.

Because after all, you can think of Pakistan as a monolith, but it's not a monolith. Sindh does think differently from Punjab. Punjab does think differently from Balochistan. And Balochistan thinks different from Northwest Frontier on domestic political issues. And yet, it's one nation. And so with these differences, appreciating and understanding what a certain – where an argument is coming from and understanding the internal dynamic of Pakistan is very important if Pakistan's politics has to be recalibrated. I think that is not done enough in this country.

Yes, for example, the Islamists have been routed in the elections. But no, the influence of Islamists in Pakistani society has not ended. They remain a potent force for various reasons. Their influence in the media is disproportionate to their numbers in their electorate, et cetera, et cetera. So many things – and there are certain people who are not Islamists in their personal orientation, but they are Islamists when it comes to understanding Pakistani nationalism. They do see that Pakistan's viability would be much more enhanced if there's a harder line towards India and a harder line on global issues towards perceived enemies of the Islamic faith, et cetera, et cetera. All of those internal complications and complexities need to be better understood than they are if the civil-military relations are to be rebalanced as advocated by Ashley and by this brief.

Now, the United States, of course, has dilemmas. There's the short-term dilemma: immediate success in the war against terror. How do we get that? And here I'm going to make a suggestion that maybe there is no short-term solution to the war against terror either. It's not a war that is going to be won under one president or through short measures. You know, there are those who argue maybe the word war is wrong because the whole perception it creates is that there's going to be an eventual surrender and there's going to the signing of an armistice and that's not going to happen.

So therefore, it's a slightly longer struggle. It has to have much more than a military component. It has to have a political component. It has to have an ideological component. It has to have a socioeconomic component. You have to go to the roots. And yes, none of those are mutually exclusive and none of them are the only factor. It's a combination of factors.

And so I think that the sooner there is realization that there is no one-year, two-year, or three-year program for success in the war against terror, that we need to look at its various components, there is the component of Pakistan-Afghan relations, let's deal with that as Pakistan-Afghan relations, not just under the broad rubric of war against terror. There is a component of India-Pakistan relations. Let's look upon it as India-Pakistan relations, not under the broad rubric of war against terror.

And similarly, there is the question of demilitarizing and decommissioning militant groups in Pakistan, many of whom have in the past have had a relatively sort of freer hand from the state,

partly because of incapacity and partly because of strategic compulsions or strategic considerations. So that is another phenomenon, but that also has a law enforcement component at home. And so if you break it down into components, then the war against terror can be pursued while rebalancing and recalibrating civil-military relations.

And of course, I'm glad that Ashley said it, I of course would say that the Pakistani government, the civilian-elected government, is very committed to continuing and pursuing the war against terror with greater vigor and with all its dimensions. Yet the solutions will not necessarily be the ones that people recommend. You know, for example, if people think that bombing villages in the federally administered travel areas will bring an end to terrorism, that is not necessarily the view of the Pakistani government. It won't. Perhaps there will be a combination of engagement and military action.

There will be – and I'm glad that more and more people are using those terms, which are ordinarily coined in Pakistan, or at least by Pakistanis, that there are reconcilable people in the tribal areas and there are irreconcilable people in the tribal areas. There are foreigners who have a global agenda and there are people who have just been motivated and who have gotten involved in militant and terrorist activities because of circumstances that have erupted, especially since 9/11.

So if they can all be dealt with differently as required, then we will have a more comprehensive and a more successful strategy in the war against terror. And I think that with a combination of patience, willingness to understand the domestic dynamic, and understanding that there is an India-Pakistan dimension to all Pakistani policy concerns, genuine concerns, some of them genuine concerns, some of them just concerns that need to be appreciated by others instead of being dismissed.

It's very easy sitting in Washington – I'll just give you an example, I don't know whether I should be, but we were negotiating or discussing the communiqué that was to be signed after the visit of Prime Minister Gilani to Washington, D.C. And the Pakistani side insisted that it should clearly state that the United States respects Pakistan's sovereignty. And the Americans who were drafting it turned around and said, well, why do we have to say that, that's a foregone conclusion, we respect Pakistan's sovereignty. And so you had to explain to them that there are people in Pakistan who really fear the fact that the United States doesn't give a you-know-what about Pakistan's sovereignty.

And when you have incidents like the one that you had the other day of American troops landing, conducting an operation, getting no one, killing no one significant, you know, just reacting because – (inaudible) – one can understand the frustrations of soldiers also, you had that in Iraq as well in the beginning of the war when soldiers would just react, you know, they didn't know who they were to – somebody rocketed them or shot at them, then they went and they just went and conducted operations. And that is not going to help in an environment in which people will get enraged.

We need more Pakistanis to understand the American perspective and be sympathetic to it rather than to enrage more Pakistanis against the United States. So cooperative relationship between Pakistan, Afghanistan and the United States should be the foundation of efforts against terrorism in that region, not unilateral actions that are going to enrage more and more Pakistanis and thereby do the work of the militants by creating more support for them amongst the people. And again, an

understanding of the domestic dynamic and a willingness to be patient would be very, very necessary there.

I think that the most important thing in terms of U.S. policy towards Pakistan is that the United States has to recognize that Pakistan is a significant and an important country under all circumstances, as a nuclear-armed nation that has demonstrated its nuclear weapons capability, as a nation of 160 million people, a majority Muslim country, a strategically-located nation on the crossroads of the Middle East, South Asia, and Central Asia.

Pakistan is important in its own right. And I think that this is the time to engage Pakistan on a long-term basis. And it is not just the U.S. government and the policymakers. I think it also applies to academia. It also applies to the think tank community. I think Pakistan is only seen through the short-term prism of whatever is the immediate American security concern. It is never seen in its own right, as an important nation that needs to be understood, that needs to be engaged with, and that needs to be transformed into a stable democracy that will then bring stability to the region rather than be constantly be a source of worry.

I mean, how many times have all of us in this room read stories titled, Pakistan on the verge of failure? How many times has it been on the verge of failure allegedly and not failed? There must be something going on that the people who are writing these pieces or recycling them, they are missing. And I think that we need to find – focus more on the missing parts of the Pakistani equation, understand it better.

And I am glad that this brief has come out, but Ashley, it's time to go beyond the brief and get into the nitty gritty of understanding Pakistan and explaining it to people in the United States who know that Pakistan is important, who know that there are issues that they need to address, but whose knowledge of what the details of those issues are is often sadly lacking. It's always a – (inaudible) – kind of caricature, Pakistan's – previously it was Musharraf good, bad politicians, sort of crazy country needs to be put together and kept together by one man. Wrong argument. Now one man is gone, country still has to be kept together, so what are we going to do now?

Understanding the various players, understanding their weaknesses and their strengths, as well as understanding why they don't fade away. Because it's another little thing, which is common to Pakistan's elite and to American observers of Pakistan who are fed that argument by the Pakistani elite, that, you know, why can't we change the leadership. I guess, you know, we Pakistanis could turn around and say, why can't you? I mean, is this the choice you guys offer all the time? But that's not how it happens.

Politics has a dynamic and the political dynamic is that political parties, however badly constituted and organized, they have their own mechanics of throwing up leadership, and if this is the leadership, then learn to deal with that leadership, rather than just to trash it. So those are my comments and I'm looking forward to the discussion on what I think is an excellent brief. Thank you very much.

MR. TELLIS: We want to open the floor to comments and certainly questions addressed to both of us and certainly Ambassador Haqqani because he is with us. I will simply recognize people, trying to keep some geographical distribution around the room. So if you can indicate your interest

by a show of hands and when I call upon you, please identify yourself so that we have a sense of who you are. Let me start there.

Q: Mr. Ambassador, Mark Schneider (sp), International Crisis Group. I'm curious whether or not, as you know, the Senate Foreign Relations Committee now has acted favorably on Senator Biden's legislation that essentially is aimed at engaging Pakistan over the long term, some 10 years. I should add, by the way, that's a bipartisan piece of legislation. But I'm curious whether or not the provisions in there which essentially say – not that security assistance is not going to take place, but that it should take place in the context of a relationship between the civilian government in Pakistan and the U.S. government, whether in fact that kind of conditionality on military assistance that occurs as part of the dialogue between the civilian democratically elected government, not as a military-to-military relationship, is something that you think is important, particularly in terms of the rebalancing of civil-military relations in the country.

AMB. HAQQANI: Mark, it must be understood that relations between two governments should be relations between two governments. They shouldn't be broken down into – for example, you can't have the American Supreme Court having an independent relationship with the Pakistani Supreme Court or – I mean, it shouldn't be. It should be one comprehensive whole of the government. And in case of Pakistan, the Pakistani military is part of the Pakistani government and the Pakistani government, the elected leadership, should, within the framework of the constitution of Pakistan, be making the decisions relating to all matters, civil or military.

Now, of course, we have a peculiar situation in Pakistan. We have had an institution which has exercised tremendous autonomy in the past and the U.S. has autonomously engaged it. I think that the Biden-Lugar bill is a very good move forward towards laying the foundation of long-term engagement between Pakistan and the United States. It commits – if everybody in this room is not familiar with it, it commits the United States to providing \$1.5 billion in non-military assistance for the next five years and possibly for the subsequent five years and it will be basically assistance in areas that are most in need.

Pakistan and India in 1947 started from more or less the same base of literacy, 16 percent for Pakistan, 18 percent for India. India has far higher literacy now, 90 percent or so of school-going age children in India go to school; only 58 percent do in Pakistan. In Sri Lanka, enrollment is 96 percent. Bangladesh is also 98 percent. So there is something missing in Pakistan and I think that it's a very good idea that Senator Biden has proposed and Senator Lugar has supported the idea of tripling non-military assistance to Pakistan.

That said, I think Pakistan continues to deserve and should get a security assistance. But negotiations for all security assistance should be with the elected constitutional government of Pakistan and I think that that is the mood in Pakistan, too, I think in Washington. It shouldn't be that somehow the intelligence people have an autonomous relationship with the intelligence people in Pakistan. It should always be within the context of one government instead of trying to break up the components of the Pakistani government and saying, you know, we're going to have a relationship with these, but not a relationship with those.

Oh, sorry, and on the question of conditionality, Mark, I think that Congress, whenever it's putting conditionality in terms of relations with other countries, needs to be careful because we have seen in the case of the Pressler Amendment, that the conditionality had automatic application and

that, in the end, proved to be – to have negative consequences both for Pakistan and for the United States. And so I think the language has to be very careful if there is going to be conditionality. Ideally, it shouldn't be conditionality in legislation; it should be conditionality in terms of conduct of the business between two governments.

Q: Thank you. (Inaudible) – Stern Group, but also someone who's been involved in the government with economic and trade issues for many years, both in the government and as an advisor. As both speakers have mentioned today, we've had these various paradigms which we sometimes, as nations, get tripped up on. And now we're in a mode, as Mark has just asked a question about, a-ha, now the U.S. should really see the importance of civilian as well as military assistance. My question is where in our thinking is private economic activity as opposed to NGOs and other, if you will, quote, civilian, but non-private activity? And I ask this because of the, quote, dynamic Indian economy vis-à-vis the really serious situation Pakistan is in right now and what is the new civilian government going to do to signal the need for private investors, as they have in India and China, to come into Pakistan and work with the civilian government?

AMB. HAQQANI: Well, if all predictions are proven right, then tomorrow Pakistan will elect a businessman president. And so we will be – the overall direction of the country will be and has been towards private investment. Private investment – the only problem with private investment is that private investors only go where they can make a profit. And you don't blame them for that. And you can't have profit-making, et cetera, without legal guarantees, without a judiciary that functions, you are – I mean, you and I have discussed issues related to that when people cannot get redress, all of that has to do with institutional frameworks.

And I remember as a young journalist covering China and China's gradual opening up, and in those days there used to be a lot of complaints about, you know, the rules change, et cetera, et cetera. Well, China overcame that. And that's what made private foreign direct investment possible. So I think that is the direction we are hoping to move in. Pakistan will attract more investment. The investment climate is – you know, the terms of investment are very positive right now. The incentives are there. I think what we need is a short- or medium-term plan of convincing investors that the rules are not going to change halfway because that is what has annoyed foreign investors in the past.

When the 1993-1996 Pakistan People's Party-led government invited independent power producers, many came with large-scale investment, much more investment committed than at any time in Pakistani history. The subsequent government decided, well, you know what, we are going to investigate all of these companies for the kickbacks they may or may not have paid the previous government.

And so all the projects got stalled and people don't like their money stuck and projects stalled. If the judiciary is independent and people – companies can have redress through judiciary, if the government – if the decisions and the investment policies are made by consensus and by parliament and by legislation rather than by arbitrary orders that can be revoked or changed at short notice, then I think there will be a more conducive climate for private investment. I think that the new government is very committed to attracting foreign direct investment to Pakistan and we will see more and more assurances and guarantees that will ensure that private investors feel secure in investing in Pakistan.

Q: Thank you.

MR. TELLIS: Yes.

Q: Hi Ambassador, I'm Penny Star (ph) with cnsnews.com. We were talking about the stories of the U.S. troops going into Pakistan in recent days. If you bear with me one minute, I wanted to read something from the National Intelligence Estimate, this is from July 2007, on the terrorist threat to the U.S. homeland, and the wording is, we assess the group al Qaeda has protected or regenerated the key elements of its homeland attack capability, including a safe haven in the Pakistani and federally administered tribal areas, or FATA, operational lieutenants in its top leadership. And my question would be in all these – this is from last year, but if this is the case, why would Pakistan object to military action by the U.S. or perhaps helping the Pakistan military to root out the al Qaeda and other insurgent groups?

AMB. HAQQANI: The elected leadership of Pakistan has made a clear decision that it will take on al Qaeda, the Taliban, and any other terrorist groups that operate on Pakistani soil. But Pakistan will not allow foreign troops to conduct operations on Pakistani soil. Never. At this moment, the Pakistani military has the capability. There have been issues in the past. We are resolving those issues. And Pakistan looks forward to working with the United States by sharing intelligence and the Pakistani side acting on intelligence shared with it.

This is a phase in which we are still building confidence. This is a new elected government. And any complaints that people have that are held over from the past government, they are being redressed and I think that I would wait for the next intelligence estimate which will then be able to tell you how the Pakistani government has been more helpful in tackling the al Qaeda and the Taliban threat.

Just in the last few weeks, Pakistan's military has conducted operations which have resulted in the death of at least 560 people that have been counted who are associated either with al Qaeda or the Taliban. I think that is a significant number. In the initial period, the Pakistani military did not or was not able to develop a coherent strategy. We are in the process of working on it. The Pakistani government's approach to fighting terrorism is a multi-pronged one. We have a military dimension, but we also have a political dimension.

And I know that many people in the American press and even American officialdom were very critical of the government's engagement with tribal groups soon after election. But you know what? It was the right political move because after having engaged, they could then turn around and say, we engaged, we tried, and certain people were not reconcilable. You can't distinguish between reconcilable and irreconcilable people without attempting to talk. And so I think that while there was all this hoo-ha (ph) here, now everybody understands that the government engaged, identified who needs to be tackled, and we are tackling them right now.

In the last few days, I don't know, if you've been checking the wire services, but there has been a lot more military action on the Pakistani side. The only problem is that sometimes the problem is not seen as a whole. Afghanistan, which is our neighbor, it's a brotherly country, and a partner, and we look forward to working with them.

And General Musharraf and Mr. Karzai just didn't have any chemistry. That, of course, is the understatement of this afternoon for me. (Laughter.) They just didn't have any chemistry. But there was this Afghan tendency to constantly turn around and said if there are problems on the Afghan side, they have been caused by the Pakistani side. Now, the – we are trying to develop tripartite mechanisms whereby Pakistan, the United States, and Afghanistan will work together. Because look, it's not just Pakistan that has to secure that border with Afghanistan. Pakistan already has 900-odd check posts on its side. Afghanistan is the one with the fewer check posts.

I can understand the frustration of some military officers, the U.S. military officers, or ISAF military officers on the Afghan side saying, oh, well, you know, there are all these Taliban going back and forth, I'm going to go and find them. But if you go and just conduct the operation like this latest one in which you don't get any identifiable target, then all you do is enrage people and create ill will. And that is not what you need if you are going to have a holistic approach to fighting terrorism. You need the people to support those who fight terrorism rather than those who are on the side of the terrorists.

And therefore I think it is much better if Pakistan is allowed to operate on its side of the border and intelligence is shared between Afghanistan, Pakistan, and the United States, rather than unilateral actions undertaken. That said, we are partners and we would like to work together. And if there are things that we can do jointly and together, we will certainly do them.

Q: Al Miliken (ph), American Independent Writers. What is your perception on how the rest of the Muslim world views the way that the United States has recently and historically dealt with Pakistan? Do others believe having nuclear power makes a big difference?

AMB. HAQQANI: I don't think I have an answer to that question. It would be unfair for me to presume to speak for the rest of the Muslim world. After all, we are talking about 1.6 billion people and I haven't seen polling data and that question asked as to what people really think about U.S. attitudes towards Pakistan. So it would be a presumptuous answer whatever I do on that basis. But I think that there is – Pakistan is respected around the Muslim world and most Muslims around the world are concerned about Pakistan and any treatment meted (?) to it and the way Pakistan is dealt with does influence opinion in the Muslim world.

Q: Yeah, I'm Deepak from Voice of America. This is regarding India-Pakistan relations. In recent days, tensions have risen and India has said that there have been many, many ceasefire violations. So with all the political developments happening in Pakistan, how do you – what do you foresee and what do you think is the future of India-Pakistan peace process?

AMB. HAQQANI: Pakistan and India have no option but to become friends and trading partners and to develop a relationship different from the relationship they have had in the past. It is what is good for India. It is what is good for Pakistan. It's only a question of figuring out how to get there. So the engagement has taken place. We are still waiting to figure out how to consummate the marriage.

And the political leadership is very clear. The Pakistani political leadership, both major political parties, you might remember Mr. Nawaz Sharif initiated the Lahore Peace Process, the Pakistan People's Party in both its governments – the second government started the composite

dialogue, the first government of the PPP was the famous Rajib (ph) Benazir Bhutto sort of negotiation. And significant agreements were reached at that time.

Right now, we are looking forward to progress on certain specifics. The – (inaudible) – issue, we hope to resolve that soon. The – (inaudible) – issue, we want to be able to have greater trade and open up more travel between the two countries. Now, will there be issues between our two countries? Of course. Of course there will be. There's a whole historic baggage. There are people in Pakistan who feel that there are people in India who have not yet reconciled to the creation of Pakistan. As the generation changes, that issue becomes less significant. I mean, the younger Indians I meet, none of them ask me the question of why was Pakistan created? The older generations still keep on asking that question.

And so we are moving towards a phase in which both India and Pakistan are recognizing that it is in their interest to continue with their composite dialogue, to continue resolving problems and to have a relationship that will open up South Asia to its real potential. Now, I would advise, just as I was talking about the U.S.-Pakistan relationship, take the long-term view. And in the long-term view, I think that India and Pakistan are headed in the right direction of overcoming their mutual suspicions gradually. It's not going to happen overnight. It will take a while. And so I'm not going to address the specific question of ceasefire violations, et cetera, et cetera. I think that those are spats that keep on happening. The big picture is that the Pakistani government has the will and, from what I understand, so does the Indian government for normal, close, and good relations with their neighbor.

Q: Hello, Mr. Ambassador. Paul Eckert (ph) of Reuters News Agency. You mentioned in passing the expected election tomorrow of the businessman president. Can you elaborate a bit more on what you hope – how you hope he'll be received, especially in the spirit of the counseling of patience and the process going forward. There is a big adjustment, of course, on the United States side, who has been dealing with Musharraf all these years.

AMB. HAQQANI: Well, for one thing, it has to be understood that the leader who emerges from this election will have the will of the people behind him. And that is, in itself, a great strength. There will be no legitimacy question. There are political issues and questions, but then those are always there for any elected leader. There are people in this country who still wonder whether the outcome of the 2000 election was what should have been or et cetera.

So there will be people who would say, oh, but this is not the person who should have been elected, so and so should have been elected or should be – but it will be through a constitutional process and legitimacy will be restored to the office of president of Pakistan. And that is a very important development.

If the projections are correct, then we are expecting Mr. Asif Ali Zardari to be elected president of Pakistan. Mr. Zardari has been endorsed by three of the four provincial assemblies. He is expected to get a clear majority of the electoral college. He is someone who is not withstanding all the criticism that has been piled on, is also appreciated as somebody who has taken over the mantle of leadership after the assassination of his wife and has done a very good job of consensus-building, of negotiating, and certainly of not allowing Pakistan's politics to descend to its previous – (inaudible) – character. He has kept the doors of conversation with all political forces open.

And it's interesting that except two parties that have put up candidates against him, the other major political parties in the country and smaller political parties have all rallied to him. So I mean – my assessment is that after the election, Mr. Zardari will move towards forging a consensus on fundamental national issues. His stance against terrorism is very clear. It has been because, after all, his wife was a victim of terrorism. And her position was very clear. I think that he will also ensure that there is a balance in the powers between prime minister and president instead of the present lopsided – there are constitutional amendments that General Musharraf introduced. So I think Pakistan will enter a phase of democratic politics that it hasn't seen in a very, very long time. Does that answer your question, sir?

Q: I sort of – how do you hope the U.S. –

AMB. HAQQANI: I think that the United States and all other significant powers in the world should accept and appreciate the fact that Pakistan has an elected president. I expect them to work with Mr. Zardari and the prime minister. So far I have no reason to believe that it would be otherwise.

Q: Yes, Ambassador, Hussein (ph) Argani (ph) from the Turkish Embassy. Just one simple question. As we know, President Musharraf was able to make this bold decision vis-à-vis the Taliban and Afghanistan when the time came and there was this kind of a demand, strong demand from the West. Now, with this civilian democratic process and given the fact that the internal political dynamics of Pakistan, will the new political spectrum or leadership, will it be able to give this kind of bold decisions in the coming days on major political issues, policy issues?

AMB. HAQQANI: I think that Pakistan's bold decisions have already been made. The elected – the people of Pakistan voted for political parties that oppose terrorism, that do not have any sympathy for the Taliban. People who ran for election under the argument that they sympathize with the Taliban were wiped out in the election electorally. So I think that that matter – the bold decision has already been taken. The decision-making process will be different.

In the case of General Musharraf, one phone call, one person, one decision. But was the decision ever fully implemented? Well, that's what we saw the whole complaint of people here was that there was always to-ing and fro-ing after the decision rather than before. Now we will have greater contemplation and a little more complex and elaborate decision-making. But once decisions are taken, they will have legitimacy behind them. They will have the force of law behind them and they will have political will behind them. So I think that whatever decisions are taken will be implemented much more fully.

Just to give you an example, the military operations that we've seen in the last few weeks, far more successful, far more effective. Why? Why weren't military operations under Musharraf more effective and more successful? Because they were always taken quickly, without prior planning and they were taken in response to some phone call or some pressure or something. You know, somebody from Washington saying, do this, do that, we are waiting for it, do something, and he would just send in the troops and all. And our troops got massacred in – (inaudible) – at one point.

Right now, the Pakistani military has conducted operations very methodically in – (inaudible) – very methodically in – (inaudible) – and I think that a similar process of decision-making will continue. And the civilians will fully back them. There will be political support behind the military,

so it will not feel isolated in taking those steps. A military that is backed by its own people is far more effective than a military that is isolated from its people.

Q: Sabra (ph) Qureshi (ph), independent consultant. Thank you for your remarks, Ambassador Haqqani. It was particularly reassuring to hear you talk about and emphasize the importance of an independent judiciary in response to one of the questions. We know that the judiciary issue has been at a bit of a stalemate in the last several months and has been the cause for some of the coalition partners breaking away also. Knowing – recognizing the keen importance of this issue and how much depends upon the independence, the true autonomy and independence of the judiciary, how do you see, with your very keen predicting and forecasting skills, this particular stalemate issue working out? And how do you see this along with several of the other civilian institutions really developing in strength, given the kind of situation that exists between Mr. Asif Ali Zardari and if he becomes president tomorrow and the standoff with the judges, the deposed judges?

AMB. HAQQANI: Well, first of all, let me say that after the elections, the two major political parties agreed on the need to restore the judges that were removed from office on the 3rd of November arbitrarily by General Musharraf. What they disagreed upon was how the judges are to be restored. Mr. Sharif took the position that the judges can be restored and should be restored through a resolution in parliament and an executive order. Mr. Zardari took the position that there has to be a constitutional mechanism for the restoration of the judges. That is what was the split. It's about modality, not about the principle.

And then, of course, both sides attribute motives to each other once they've broken up, but that's a different matter. The lawyers' movement, at least a significant part of it, and several civil society organizations that support the lawyers' movement, have supported Mr. Sharif's stance on the judiciary. But in the end, whoever has the parliamentary majority will, prevails. So I think that the judges are being restored right now. We've already seen half of the supreme court judges who weren't – who were removed have accepted to join the bench again today. More than half in the Punjab high court, more than half in the Sindh high court, and more than half in the – (inaudible) – high court have rejoined the bench. So I see the judges being restored.

The question is will those who wanted the judges restored in a specific way be satisfied? No, they won't. And so they will continue to voice their grievance. But I think that the return of the judges who took the principled stance that they will not support General Musharraf's martial law in emergency, that that will restore independence to the judiciary. It will bring independence to the judiciary.

Ideally, all the judges should come back to the bench and there should be consensus on the way of restoring the judges. We haven't seen that, but in politics, sometimes you will have that argument.

I do not see any recrimination between Mr. Zardari and the judges. If he's elected president, as is expected, then even – although I don't agree with that insinuation, but even that insinuation that he is concerned about reopening of cases against him, which, of course, is not true, that ends anyway because the president is immune from prosecution. So it's not a concern that should be on his mind.

And I think that he has never, never suggested that he – people have suggested it, commentators have said it, one or two commentators in particular continue to say that – he has never said that he has any problem with the restoration of the judges. The only question is it's a question of how it is to be done.

And if you'll allow me, here's the problem, because I was part of that discussion before I came out as ambassador. Mr. Zardari's concern is that if we take the first approach that is proposed by some lawyers and by Mr. Sharif, that you do a resolution in parliament and you give an executive order and you say all those judges who were removed are henceforth judges, it basically implies that those who have been appointed judges in their place are going to have to vacate their offices. What if these judges say we don't accept our removal? And you end up with two benches of the supreme court, for example? And then you have a new round of political confrontation because we end up having two benches giving verdicts against each other?

So he wants to go through parliament, he wants to go through a process that will provide for constitutional continuity and that will allow the judges that have been nominated after 3rd of November and those who have been before to work it out in a judicious manner. Mr. Sharif's manner is, it was an illegal action, we all know it's illegal, let's just do it, and if the need be – and I actually was surprised that at one point he even went to the extent of saying, well, if those judges refuse to vacate their offices, we'll ask the police to make them vacate it. I think that would be a recipe for disaster. Pakistan has had those kinds of confrontations before. They always invite undemocratic forces. They always invite military intervention.

Now, I know that there is a strong segment of Pakistani civil society that does not see it that way. They see it's a great way of doing it and all that, but very frankly, there is a legitimate case for that political position. And once the judges have come back to the bench as they are coming increasingly, then I think that the problem will be resolved. I expect almost all of the judges to accept their reinstatement. And if there is somebody who decides that he is not going to be reinstated, they too will have to explain it to the people of Pakistan.

I do not think that there will be the kind of rallying to the cause of judges if all the judges accept and one or two judges say, no, no, no, no, no, we think technically this is not right. I don't think people rally to technical issues. They rally to moral and bigger political issues. And the bigger political issue is Musharraf was wrong in dismissing the judges and the judges are to be reinstated and they are being reinstated.

MR. TELLIS: Is someone in back – is there anyone in the back there? Let me just – thank you.

Q: Hi, my name is Ravi. I'm working with the Department of Defense, but like you, Ambassador, I'm here in a personal capacity. And I wanted to address something you had said earlier about rebalancing civil-military relationships. And I would put forth that we've seen this kind of regression from the political front on the side of the military before, say after the '71 war, after the death of Zia (ph). What is it about this particular regression of the military that makes it different? What is it that's changed that within Pakistan we can look to this pullback and say, okay, maybe now it might be different?

AMB. HAQQANI: Very important. This is the first time that it is the result of a political process, not because of an event. It's not like 1971 when the military got defeated in east Pakistan. It's not like 1988 when Zia (ph) had just died. It is a conscious decision by the military. It's the product of a political process. General Musharraf is the first military ruler of Pakistan to resign from office after actually addressing the nation on television and saying I am resigning and for the following reasons, after he was threatened with impeachment and it was definite that he would be impeached. So I think that the process, the political process is moving forward.

Plus, because of a vibrant media, for the first time, there is a political consensus in Pakistan that messy or not, democracy is the way forward and the second element of the consensus is that the military is best suited for its primary job which is national security and not for – as a tool of political management. I think that that consensus is very widespread in Pakistan. This is not the result of an event. It's the result of a process. That's why this regression is different.

Q: Just a clarification. Ravi – (inaudible) – from Voice of America. You said the judges are being restored. So what is happening to the judges who had already taken their place?

AMB. HAQQANI: They are also on the bench.

Q: So there are two benches now?

AMB. HAQQANI: No. The benches are being merged. It's one bench. Instead of two benches where you would say these judges are no longer judges and reinstating the old judges, thereby creating two benches, now the judges are rejoining the bench, those who were removed, and those who have been appointed remain on the bench.

Q: Thank you.

AMB. HAQQANI: And that is where the political disagreement is. Mr. Sharif says, no, no, no, remove those judges. The problem is constitutionally once a judge of the superior court is appointed, he cannot be removed except through impeachment or through the supreme judicial council. And so to do that would create a constitutional problem, which is what Mr. Zardari has sought to avoid so far.

MR. TELLIS: Husain, does that mean that you're looking at an augmented bench over time?

AMB. HAQQANI: We are looking at an augmented bench over time, which by the way may not be bad given the fact that the docket in Pakistan is really overloaded and there are just a lot of cases that have not yet been decided. So having more judges might be a good thing, that they might actually be able to decide a lot of pending cases.

(Laughter.)

Q: Thank you. How safe and secure are Pakistan's nuclear facilities and nuclear technology? Also, what is the likelihood that Pakistani nuclear physicists share sensitive information with countries such as Iran?

AMB. HAQQANI: Pakistan's nuclear weapons program is under a command and control system that is – that conforms with international standards and everybody who needs to know knows that Pakistan's nuclear program and nuclear assets are safe. There have been instances in the past of certain individuals trading in nuclear technology in a private capacity. They have been incapacitated and that process is now completely stopped. So Pakistan's nuclear technology is now only in Pakistani hands.

Q: Mr. Ambassador, my name is – (inaudible) – and I'm a student of the region here. My question is, well, recently, we're getting an opinion from inside the emerging leadership in Pakistan that the new leadership is, in a way, different or sort of – it's not the Lahore – (inaudible) – Lahore establishment, it's a different people from different geographies. Could you just look into the future and tell us what that can mean for structural changes in places like Balochistan – (inaudible) – and what can we expect from this shift of power?

AMB HAQQANI: I think that the new leadership of Pakistan is more consensus-oriented. It is more egalitarian in its outlook. It was more convinced of the need for provincial autonomy in accordance with the constitution. And it is far more committed to democracy than the old political leadership of Pakistan. You must remember that Mr. Zardari spent 11 years in prison. He could have cut a deal within the first year and got out. But he didn't. Similarly, Prime Minister Gilani stayed in prison for five-and-a-half, almost six years, and he also did not admit to wrongdoing, which was the easy way out. Admit to wrongdoing, get out of politics and you're home.

And now I know that there are people in Pakistan whose priority has always been corruption. They consider – I mean there are people who have always amazed me. People who think that – you know, there were these people who have changed their stance now, obviously, but they used to argue with me four years ago about how Musharraf was a good guy because he was financially not corrupt. And they couldn't see that somebody subverting the constitution is also somehow guilty of some crime. They just didn't see that. So I think that the new leadership is much more clear on the importance of constitution, supremacy of the constitution, on the importance of democracy, on the importance of the process.

There is a – (inaudible) – of managerial talent in the political class of Pakistan, always has been. And the managerial class of Pakistan has always tended to be more willing to work with the military, so you have all these – I hope some of them are not in this audience and will not take offense – but there are all these people who are very competent and capable and who work for the World Bank and the IMF and this and that and they're all willing to go and serve in a military government, but none of them are willing to serve in an elected civilian government because an elected civilian government's tenure is never safe.

And I think that the new government will try and tap managerial talent from all over the world, the Pakistanis in the diaspora. But at the same time, it will be much more rooted in the native politics of Pakistan. And that is why it may occasionally suffer in presentation because it's a bit like our neighboring country where you have these politicians who are not always very adept. They don't always speak English in Oxonian (ph) accents, but they represent the people.

And I think that's a good thing for Pakistan, although some people think that it may not necessarily – some people are already sort of talking about how it was – you know, you have all these guys in native garb rather than the Armani-suited former prime minister who now trots around

the world but doesn't set foot in Pakistan. So I think these guys are native, they are supported by the people, and they are more committed to democracy, much more consensus-oriented, less arbitrary and certainly more committed to provincial autonomy.

Q: I'm Andrew Siddens (ph) with the Yumyuri (ph) Shimbun, it's a Japanese newspaper. Mr. Ambassador, you touched on it briefly, but I'm wondering if you could go into your understanding of the reports of the incidents of the cross-border – the movement by U.S. special forces. The U.S. administration has been refusing any comment on these. And I'm wondering also what sort of the nature of the message you've been giving to the administration over the last few days has been.

AMB. HAQQANI: Having been a journalist myself, I can understand the temptation to try and get a breaking story out of an event like this, but I am certainly no longer a journalist so I'm not going to yield to that temptation. (Laughter.) I've already made some comments on how we view that incident. Other than that, we are not going to go into any further detail. The fact remains that Pakistan prefers action on the Pakistani side to be undertaken by Pakistani forces. Unilateral action by American forces does not help the war against terror because it only enrages the public opinion in the federally administered tribal areas. And in this particular incident, nothing was gained by the action of the troops that undertook that action.

That said, Pakistan and the United States have a resilient relationship and we will not let this incident come between close ties and strong military intelligence and political cooperation between our countries and governments.

Q: Mr. Ambassador, my name is – (inaudible) – I'm here in my own capacity. And just following up on the last question, what would the government of Pakistan do in response to repeated incursions like the one we had two days ago?

AMB. HAQQANI: First of all, I don't agree with your presumption that there will be repeated incursions. We expect the United States to prevail upon NATO and on the Afghan National Army, to look upon Pakistan as the partner that it is. And when you have a partner, you do not conduct incursions into partners' territory. You work with them. You don't work in a way in which it would embarrass them or cause problems for them. So I think that we are – we expect that the United States, Pakistan, Afghanistan, and NATO will work in a cooperative manner in fighting what is an enemy that we all identify together. You're not enjoying my very diplomatic responses, are you?

(Laughter.)

Q: Hi. My name is – (inaudible) – I'm a graduate student at George Mason University and also I'm a research assistant right now in the Middle East Institute. First of all, I want to thank you for your wise remarks on these issues. My question is about the next president's policy among Pakistan after pouring billions of dollars since 9/11 and it is just acknowledged a couple months ago by the State Department as well as the Government Accountability Office, acknowledged that U.S., the United States has failed to address the rooting problems on – about terrorism and also support for terrorism, although most of the resources were allocated on the – (inaudible) – region. My question is – and by many scholars and by the recent research, it is almost certain that the resentment and lack of political rights, poverty, and humiliation, alienation of the people, and also

failure to address the common – the problems of common Pakistani people for the roots of those problems, so what do you think – how should these problems be addressed by the next president and how should be the allocation of resources?

AMB. HAQQANI: Um, you mean the next U.S. president, I assume?

Q: Yes.

AMB. HAQQANI: Okay. First of all, let me say that the bulk of the resources that were transferred to Pakistan in the last seven years were not spent in the federally administered tribal areas. In fact, very little was. And now we have a plan, a \$750 million – (inaudible) – development plan over the next five years and so now we are trying to address those issues. The most important thing is ownership of development activity. If somebody from outside goes and says you're going to build a road and people do not feel that the road is more important for them right now, they're more interested in clean drinking water, then that road even though in dollar terms it's a lot of money, it doesn't serve the purpose. The people have to feel that they are getting something out of it.

That is why the government's counterterrorism policy is a multi-pronged policy. We intend to engage with reconcilable elements politically, bring them on board. We intend to have a socioeconomic plan to address the issues of the kind you spoke about. For example, people don't realize in – (inaudible) – literacy is abysmally low, 3 percent for women, 17 percent for men, very low. There is no economy in that area. There has to be an economy.

And there is legislation that is currently before Congress called the Reconstruction Opportunity Zone legislation for Afghanistan and the Pakistani border areas, moved by Congressmen Chris Van Hollen and Pete Hoekstra in the House and Senator Maria Cantwell in the Senate. And we expect that that legislation will enable American investors to come in a significant way and invest both in Afghanistan and the border areas of Pakistan, thereby giving the people an economy.

In Afghanistan now, the economy is just poppy and that's not a very good economy in case you didn't realize that before I said it. And on the Pakistani side, militancy has become an economy unto its own. And so to change that, we need to have investment, we need to have people have an economy other than militancy and narcotics. And so that's the third element.

And the fourth element is that there are external players there. There are Chechens and Uzbeks and Arabs and people from al Qaeda all over and they need to be dealt with by force, and their supporters from amongst the tribal areas. And so for that, we have the military option. So I think it's a comprehensive strategy, as opposed to a string of tactical approaches that have been implemented over the last seven years.

MR. TELLIS: Well, I'm going to take the opportunity to adjourn at this point. But before I do so, I want to express in a very special way my thanks to Ambassador Haqqani. As all of you who read the newspapers would know, these are really busy times and very engaged times in U.S.-Pakistan relations. And despite the commitments in his calendar and his own personal ailment this morning, he took the time to come here and spend a good hour-and-a-half with us. And I want to thank you, Ambassador Haqqani, for coming back to Carnegie. (Applause.)

And let me thank all of you for coming here as well. Thank you so much. I look forward to seeing you again. Thank you.

(END)