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THE HOUSE FOREIGN AFFAIRS COMMITTEE SUBJECT: U.S.-PAKISTAN
RELATIONS: ASSASSINATION, INSTABILITY AND THE FUTURE OF U.S.
POLICY

CHAired BY: REPRESENTATIVE GARY L. ACKERMAN (D-NY)

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REP. ACKERMAN: The subcommittee will come to order.

On December 27th, former Pakistani Prime Minister Benazir Bhutto was assassinated and 20 of her supporters were killed by a suicide bomber as she left a peaceful political rally. That blast not only plunged Pakistan into chaos, it also blew away Bush administration policy. The blinding flash that accompanied the explosion illuminated the narrowness of the policy that relied on individual personalities instead of broad-based institutions and on tactical adjustments instead of long-range, strategic goals. And for anyone who hasn't been paying attention, the blast was just the latest in a long string of attacks announcing that extremists have turned their sites on the government of Pakistan, and anyone who gets in their way will be eliminated.

Two thousand and seven was a year filled with violence and political instability in Pakistan. In March, President Musharraf fired the chief justice and sparked angry protests by lawyers not ordinarily noted for turning out in the streets and hurling stones at police. After the supreme court reinstated the chief justice, President Musharraf insisted on pursuing his re-election as president, even though he was still chief of staff of the army. Many in Pakistan civil society viewed this as unconstitutional. So to avoid a widely assumed decision by the supreme court to nullify Musharraf's candidacy, he imposed emergency rule, fired all the judges, arrested democracy and civil society activists, restricted the media and unilaterally amended the constitution to protect himself and his candidacy for president.

While President Musharraf was busy roiling the political waters of Pakistan, the extremists went about their business. The Lahore-based Pak Institute for Peace Studies recently issued a report which

counted 1,442 terrorist attacks, incidents of political violence and border clashes last year. These attacks along with Pakistani military operations in western Pakistan left 3,448 people dead. Benazir Bhutto's assassination in Pakistan was the exclamation point on what was a very deadly year.

What is clear is that before Pakistan devolves any further in chaos and violence, U.S. policy has to change. It is obvious that the administration's reliance on President Musharraf to bring democracy to Pakistan while fighting against the extremists has not worked. There has been neither success against terrorism nor a return to democracy. The United States needs a new approach to Pakistan that puts as much emphasis on building stable, free and moderate institutions as it does on fighting terrorists.

The foundation for such a policy is already there. A recent survey done by the United States Institute for Peace and World Public Opinion shows that Pakistanis overwhelmingly view having elected leadership as important. The support for democratic governance is there. What is missing is any faith that the current government institutions operate in a way that will benefit Pakistani citizens.

The Bush administration needs to build on the Pakistani view of the importance of democracy and it needs to start by insisting that the elections on February 18th are free and fair. I agree with those who argue that this will be difficult to achieve, especially since the election commission and the courts were stacked by Musharraf while Pakistan was under emergency rule. But at a minimum, the moderate political parties should be allowed to fully participate so there isn't a repeat of the 2002 elections when the Islamist parties fared better than any previous point in Pakistan's history.

International monitors must be allowed reasonably unfettered access to observe the process and should not be encumbered by the 150 pages of rules and restrictions recently issued by the government. And lastly, the media restrictions that remained in place after emergency rule was lifted should be removed. Not allowing anyone to comment or report critically on the government removes a major check on those who would seek to falsify the results.

While these steps will go far, a credible investigation of former Prime Minister Bhutto's assassination will also help restore some level of trust in government. Otherwise, Ms. Bhutto's death will become the province of conspiracy theorists and just another in a long line of mysterious, unresolved deaths of Pakistani leaders.

Along with these steps, the fight against terror must continue, but something fundamental must change. Pakistanis must come to see this fight as their own. They must come to view the suicide attacks against police, the military, government ministers, and moderate political leaders, attacks in which many thousands of innocent Pakistanis have been killed, as attacks against them, against their state, their institutions and against their democracy. I fear that until Pakistanis come to this realization that no government in Pakistan, elected or otherwise, will have the political legitimacy to fight terror in a more aggressive and successful manner.

Lastly, I believe we should undertake a fundamental reappraisal of U.S. assistance to Pakistan. We have for too long provided the military with the bulk of our assistance and neglected assistance aimed at building and strengthening democratic institutions. I'm not suggesting that we cut all military assistance. It is clear that we need to help Pakistan acquire the capabilities necessary to fight the extremists; capabilities, by the way, that Pakistani officials tell me they need. When I see them using their national funds to purchase F-16s or anti-submarine surveillance planes, I can't help but wonder

whether they don't have an enemy other than terrorism in mind. The United States needs to be clear that our first, second and third priorities will focus on counterinsurgency equipment and training whether we are using FMF or authorizing commercial sales that provides the Pakistanis with the counter-terrorism capabilities they claim they need.

The United States is at a crossroads with regard to Pakistan. It is clear that despite the deaths of many, many Pakistani soldiers and police, the fight against terrorism has not gone away as we would have hoped. It is equally clear that Pakistan is no closer to genuine democracy and arguably a good bit further away. It's time to change course and build a new and different relationship with Pakistan. I'd now like to turn to my good friend from Indiana, Mr. Pence for any opening remarks he may wish to make.

REP. MIKE PENCE (R-IN): Thank you, Chairman. Thank you for calling this hearing. Thank you for your yeoman's work on the floor of the House today bringing the issue of Pakistan and the wake of the tragic events of 27 December 2007 before the Congress.

I also want to welcome this panel, distinguished Americans all, and I would express particular pride at your inclusion of Ms. Lisa Curtis, who is a Hoosier, Fort Wayne, Indiana born and bred, whose career at The Heritage Foundation and with the Senate Foreign Relations Committee is a source of great pride to us in Indiana.

In the wake of recent events, the already challenging situation in Pakistan has gone from precarious to nearly disastrous. On October 8th, 2007, President Pervez Musharraf received a perhaps dubious 98 percent of the vote in the parliamentary election. After achieving a tentative agreement with former Prime Minister Benazir Bhutto, Mrs. Bhutto returned from exile on 18 October. Approximately 145 of her supporters were killed in an assassination attempt on that very day.

On November 3rd, 2007, President Musharraf declared a state of emergency in the country, which he partially lifted a month later. Former Prime Minister Nawaz Shariff then returned from exile on the 23rd of November. On the 28th of November, President Musharraf resigned as chief of staff of the army, as the U.S. had long urged, and it appeared at the time that we were headed in the direction of the exercise of democracy. And then, of course, the tragic and catastrophic assassination of former Prime Minister Benazir Bhutto horrified the world at the end of December.

If we were tempted otherwise, we now need to see Pakistan without illusions.

Today, the picture is unquestionably bleak, precarious and unsatisfactory -- an unpopular and increasingly isolated president clinging to power, an election coming next month whose legitimacy may -- whom we'll all be inclined to doubt, unclear and limited success against the Taliban, al Qaeda and other terrorist elements in the northwest territories and in the federally administered tribal areas.

Mr. Chairman, none of us should pretend that President Musharraf's job is easy. As our witness, Dr. Tellis, points out in his testimony, he has to contend with what the old Taliban, Pakistan Taliban and al Qaeda, among many other threats, to his country's stability and his regime. And many of his challenges are our challenges, and our success there and in neighboring Afghanistan and in the war on terror still rest on ensuring the overall success of peaceful actors in Pakistan, like the late Benazir Bhutto.

Our witnesses seem to agree that the process of democracy -- of free and fair elections must be encouraged by the United States but that we must not wed ourselves entirely to the prospects of any one individual or any one institution, and that strikes me as common sense. Our witnesses also make reference to the democratic legitimacy that President Musharraf must recapture if he is to rule with any success. I did note that all of our panelists praised the \$750 million that the United States has committed in development funds to the federally administered tribal areas -- the ungoverned region between Afghanistan and Pakistan. I agree with these sentiments and was pleased to support that funding.

I'll never forget a dinner, Mr. Chairman, that I had a few short years ago in Peshawar, arranged by our mission there with six different tribal leaders from the federally administered tribal areas. And I'll never forget those tribal leaders saying through an interpreter rather repeatedly that if the United States would focus resources beyond Islamabad that all kinds of progress might be possible in the war on terror. I particularly remember one tribal leader saying to me, "You know, if you would invest more in the needs of the people in tribal areas you never know who might turn up." And it would be my hope that we would see progress in the war on terror in that region.

But we should be clear. There are no easy solutions or quick fixes to the problems in Pakistan. A challenging situation there would be daunting under even the best of circumstances and these are far from that. With that, I look forward to hearing from the witnesses, and again, I wish to commend you, Mr. Chairman, for calling this panel together and this hearing so expeditiously. REP. ACKERMAN: Thank you very much. Turn now to the senior member of the full committee, Mr. Berman.

REP. HOWARD L. BERMAN (D-CA): Mr. Chairman, I don't have any opening statement. I just welcome the witnesses. I notice Dr. Fair is here on behalf of Rand. I first met Dr. Tellis when Doug B. Ryder (sp) and I went -- from the Asia subcommittee -- went to Rand and heard him speak. At that time I guess Pakistan has (sic) moved from Asia to Middle East, but good to have all of you with us. Thank you.

REP. ACKERMAN: Mr. Royce?

REP. ED R. ROYCE (R-CA): Thank you, Mr. Chairman. I want to thank you for calling this important hearing and I also want to mention here that I traveled to Pakistan in August. I serve as the ranking member on the subcommittee on terrorism and nonproliferation, and Pakistan is a central focus on that front. Let me say that the loss of Benazir Bhutto makes much more difficult what was already going to be a very difficult challenge, and that's helping Pakistan achieve peace and stability. She took a stand against rising extremism. She pledged to give the IAEA direct access to A.Q. Khan, which is something that many on this committee called for. She was an enemy to al Qaeda.

Pakistan, as we know, is a Muslim nation that sits at the intersection of Islamist terrorism and nuclear weapons, and Pakistan is a case apart, requiring the sustained attention of not just the United States but the world, and to that end involvement of Britain's Scotland Yard is welcome. A well-held election next month empowering those willing to take a stand against extremism can counter those Islamists holding up Bhutto's assassination as a success in their campaign to destabilize Pakistan. Yet even under the best of scenarios this country is going to remain a deeply troubled place -- the challenges of rising Islamist militancy, an A.Q. Khan network that may still be active, 60 nuclear weapons, an intelligence agency that's been described as a state within a state and, frankly, that's used

frequently as a political police against secular and democratic forces, 12,000 active madrassas, significant territory beyond the reach of a central government, and lastly, a country where for the time being you have a military that owns the state politically and economically, from owning banks to airlines to shopping malls to farmland -- a country where 1.7 percent of that budget goes to education and 30 percent goes to the military. So those problems for the time being will remain. I look forward to hearing from our witnesses on the best way to confront these ills. Thank you, Mr. Chairman.

REP. ACKERMAN: Thank you. Mr. Scott?

REP. DAVID SCOTT (D-GA): Thank you very much, Mr. Chair, for having this very timely and important hearing. The situation with Pakistan presented us with the most explosive tinderbox situation in world affairs today, to say the least. It is on the edge, as I mentioned in our previous hearing -- on the edge, if not right at a civil war, on various levels. What I think we need to do here in the United States, however, is to make sure we don't overreact. The situation is already very, very unstable. Violence is creeping up on many levels. Militant groups are out of control and are meandering even closer to the Taliban and al Qaeda as we speak.

We have a government that is teetering on the brink of complete breakdown, largely because as their leader Musharraf is the leading suspect in the minds of many if not most of the Pakistani people as being the force behind this untimely assassination of former Prime Minister Bhutto. We have elections that are coming upon that country, and again, with the Pakistani people with little belief or credibility in the fairness, and the fact that they will be rigged. But sitting on the top of this powder keg is this situation of a nuclear proliferation, and so as we move forward with what we here in the United States do, it is my hope that we understand that the thing we must not do is in our reaction contribute further to the lack of stability.

So I think that we need to make sure the situation is secure. We need to get to the bottom of exactly where and how this nuclear arsenal is put together. How many? Are they in various parts of the country? If an order is given do they have to be assembled from this place or that place? And most importantly, is there a contingency plan that in the event that this government breaks down that civil war happens? Is there a contingency plan for the United States and others around the world to be able to move expeditiously and quickly to control that nuclear arsenal to see to it that it does not pose an extraordinary threat to world civilization? Again, very timely.

And I think also that we must understand that some of our prior commitments, like the F-16 and other military operations, are already in place but beyond that, as the chairman has said, we've got to ask some very serious questions going forward. How much of our aid should be placed in military operations?

Not at the expense of that.

But are we putting enough into where the issue has to be resolved, which is in the political, which is in building the ground blocks to put a democracy in place with the full support of the majority of the people? And finally, the question -- can that be done with Musharraf? Or are we putting all of our eggs in one basket that might be the wrong basket in the eyes of the majority of the people of Pakistan?

Thank you, Mr. Chairman.

REP. ACKERMAN: Mr. Rorhabacher.

REP. DANA ROHRABACHER (R-CA): Thank you very much, and thank you for calling this very timely hearing.

I've been very deeply involved in policy development for this part of the world since the 1980s, when I worked at the White House with Ronald Reagan. Let me just note that American policy since the 1980s has been irrational and it has been so flawed that I believe that it has led us to what is now this current near-crisis in Pakistan. First and foremost, America, I believe, over these last three decades has been manipulated by Pakistani intelligence -- Pakistani intelligence and Pakistani military leaders, as well as by Saudi Arabia, which has had its own agenda in Pakistan -- been supporting a system that will lead to a more radicalization of the population of Pakistan. In fact, they targeted the people of Pakistan and this is one notion that has been totally wrong.

And the United States has been operating all of these years under the assumption that the people of Pakistan are inclined to be radical Islamicists and thus our enemies when in fact, the military and the ISI have been the greatest allies of radical Islam in that country, and that the general population is far less inclined towards accepting the radicals and far more inclined toward democracy than is the military, who we have been supporting. This is something we need to look at. We need -- that policy needs to change dramatically and that -- those policy flaws need to be exposed to the American people of the mistakes that we've made by putting our faith in people like General Musharraf and the ISI. And this has happened even during the Reagan years. We permitted the intelligence service to hand out all of our aid to the mujahadeen, which had serious negative consequences than if we would have handled it ourselves. Again, the assassination of Benazir Bhutto brings all this home. Benazir Bhutto was a friend. Let us note that during the Reagan years in his move towards democracy and against communism, Benazir Bhutto did return during that time period to Pakistan. And it's a very sad thing -- and I met her many times -- and to know that she's been murdered in the way it has. Where do we stand right now? And I'll just leave it with this. I'm looking forward to the testimony today, but I have come to the conclusion that President Musharraf -- who is actually General Musharraf, no matter if he's in uniform or not -- should step down from all office and should run for office as a candidate rather than as someone who holds power -- someone who holds power now. The election should be postponed for six months in order to give the people of Pakistan a chance to organize themselves politically and give the people of that country a real choice.

And during that time period, a government of national unity should be put in place as temporary overseers and no one who's part of that government should be part of a new government that is formed. So we need to make some serious decisions on changing the policy we've had in the past, and we need to back the forces of democracy in Pakistan rather than putting our faith, excuse me -- in generals like Musharraf and murky organizations like the ISI.

Thank you very much.

REP. ACKERMAN: Mr. Costa.

REP. JIM COSTA (D-CA): I thank you, too, Mr. Chairman, for the timeliness of this important hearing this afternoon. I share in many of the comments that were made by my colleagues in their opening statements.

But as we say, I'd like to kind of cut to the chase and give our very esteemed witnesses an opportunity to tell us, really, where we are today. I'm very interested in your testimony to get your take on the current scheduled elections, whether they should be postponed. I'm very interested in whether or not you think this will morph into some type of a coalition government and how you think that coalition government would in fact operate if, in fact, that is the end result of the elections. I'm interested in where you think the interim stability and security lies as it relates to Pakistan today, given all the other countervailing forces that are impacting Pakistan, both from within and from without as it relates not only to the north -- the territories, but also to the situation with India, the situation with Iran and, of course, their role on this war on terrorism.

That -- and finally, it seems to me, having been there as many of my colleagues have been there -- until we can reach some level of stability to allow for a level of economic growth notwithstanding what has occurred in recent years, I think it's going to be very difficult to get the Pakistani people to truly feel like this government gives them an opportunity to serve and that some level of corruption could be reduced. So I'm interested in the testimony of the three witnesses in all of those areas, as I know my colleagues are. At this point, I'll defer to the next member of the dais.

REP. ACKERMAN: Mr. Burton.

REP. DAN BURTON (R-IN): Thank you, Mr. Chairman. I will be very brief.

There's a lot of problems in Pakistan. There's a lot of uncertainty. The one thing that we do know, though, is that they have nuclear weapons and it's very, very important that we assist in making sure that that country is stable, and that the nuclear weapons don't fall into the wrong hands and we have terrorist or terrorist sympathizers controlling them. President Musharraf, although there have been a lot of problems and we have concerns about some of the things that have been done, has been an ally of the United States of America.

And I understand the concerns that my colleagues have, but he has been an ally, and until it's proven otherwise, I think we should give him the benefit of the doubt and the support that's necessary so that we have an ally and a friend, and stability is -- it reigns over there. Down the road, things may have to change. I don't know. But right now, President Musharraf is the only game in town and we ought to be supporting him.

REP. ACKERMAN: Mr. Crowley.

REP. JOSEPH CROWLEY (D-NY): Mr. Chairman, thank you. And thank you for allowing me to sit in. I just want to thank you for the timeliness of this hearing and congratulate you and the ranking member for holding it today.

And I would just, having had a tremendous interest in South Asian affairs, generally speaking, primarily with India and Bangladesh, it was once said that Bangladesh was a basket-case country. I think, unfortunately, Pakistan in many respects is taking the title -- and I think it has left Bangladesh many years ago. But it certainly has taken that title today in many respects, the only difference being

that obviously, as Mr. Burton has pointed out, Pakistan has nuclear weapons and nuclear power and has a radical militant presence in abundance within that country, which has us all concerned. Certainly, the assassination of Ms. Bhutto has escalated an unstable position within that country into a further degree.

And I know that we have supported -- our country has supported military dictatorships in the past when it has suited our needs. If a country is supporting us and they're a democracy, we're all the better for it. But we seem to be willing -- and, I think, much to our detriment -- to support countries that are not fully participants within the democratic experiment. And I think that that's coming back to haunt us more and more often. We've seen it in Iraq. We saw it, obviously, prior to that in Iran. And now we're seeing it here in Pakistan as well. And I think the American people are beginning to wane in terms of their willingness to support regimes like the one that President Musharraf has maintained. So I look forward to hearing the dialogue of our expert witnesses today. I think we could all stand to learn what some of the think tanks are thinking at this point in time.

So I thank you again, Mr. Chairman. I yield back.

REP. ACKERMAN: Any other member seek recognition?

The chair would announce that in light of the fact that there are six pending votes, we will, rather than begin and interrupt, have a larger interruption and proceed to the floor. We will recess the committee subject to the call of the chair, with the advice to our witnesses, members and guests that this will take at least one hour.

We stand in recess.

(Recess.)

REP. ACKERMAN: If no further members who wish to be recognized, I will proceed to recognizing our very distinguished, patient panel.

Dr. Christine Fair is a senior political scientist with the Rand Corporation. Before rejoining Rand, Dr. Fair served as a political officer with the United Nations Assistance Mission to Afghanistan in Kabul and is a senior research associate at the United States Institute for Peace, a center for conflict analysis and prevention.

Dr. Fair has authored or co-authored several books and numerous articles on a range of security-related issues in South Asia. In addition, Dr. Fair is a member of the International Institute for Strategic Studies in London and is a managing editor of *India Review*.

Dr. Ashley Tellis is a senior associate in the Carnegie Endowment for International Peace. He was, until recently, on special assignment to the State Department as a senior advisor to Undersecretary for Political Affairs Nick Burns. Dr. Tellis was also commissioned into the Foreign Service and served as a senior advisor to the U.S. ambassador in New Delhi.

Dr. Tellis also served on the National Security Council staff as a special assistant to the president and senior director for strategic planning in Southwest Asia. Prior to his government service, Dr. Tellis was a senior policy analyst at the Rand Corporation.

Ms. Lisa Curtis is a senior research fellow on South Asia at the Heritage Foundation, focusing on America's economic, security and political relationships with South Asia. Before joining Heritage, she worked on the Senate Foreign Relations Committee as a professional staff member handling the South Asia portfolio for Senator Lugar, former chairman of the committee. From 2001 to 2003, she served as senior advisor in the State Department's South Asia bureau, where she advised the assistant secretary for South Asia on India-Pakistan relations.

Welcome to Dr. Fair and Dr. Tellis, and welcome back to Ms. Curtis. Without objection, each of your full statements will be made part of the record. And please summarize your remarks if you will. And we'll begin with Dr. Fair.

MS. FAIR: Thank you, Mr. Chairman, for inviting me to participate in today's hearing about Pakistan. To clarify, these comments largely draw from my work done at USIP, as I've only recently rejoined Rand.

Pakistan is a crucial ally of the United States, yet it is mired in instability and uncertainty, threatening key United States interests; namely, denying the Taliban and allied militants the use of Pakistani territory as sanctuary, degrading the ability of a wide array of militants to launch attacks in Pakistan, the region, and indeed throughout the world, and fostering greater confidence in Pakistan's command and control arrangements for its nuclear assets.

Without a legitimate democratically elected government, the leader that may emerge from the February elections, should those elections take place at all, will be unable to lead his country in counterterrorism activities that are needed not only for regional security but for that of Pakistan itself.

In the short term, the United States should work towards a democratic transition in Pakistan, not merely a democratic patina for President and General Musharraf. This will likely require creating incentives for the Musharraf government to remove the numerous barriers to maximally free and fair elections and to pursue conciliation with the political parties and civil society.

The United States should support, and indeed insist upon, reinstating the judiciary, forging an acceptable election commission, and securing a voters' registration list acceptable to all parties. It should lift restrictions on the political parties, the media and election observers. And it should certainly work to minimize electoral violence by providing security to the candidates and their functionaries. And, of course, the U.S. should insist upon minimal interference of intelligence and police organizations in the election.

Now, to be clear, Musharraf is very unlikely to undertake these steps, especially without a clarion statement in public and in private from the administration and from Congress that such measures are expected. The United States should consider engaging other states, such as China, that share many U.S. interests, albeit not all, and which have increasing influence in Pakistan's domestic affairs.

The United States should work to support institutions and processes and demur from supporting or undermining particular persons or institutions. As the political situation will most certainly remain turbulent for the foreseeable future, it's imperative that the United States reach out to all political parties, key civilian institutions and civil society groups, while sustaining a working relationship with Pakistan's armed forces.

In coming months, there will be continued discussions or a temptation to restrict or condition various forms of assistance to Pakistan, including military aid. However, I'd like to caution against this in the sense that many Pakistanis have the very firm conviction that the United States cuts aid when there is a transition to civilian governance. Instead the United States should look beyond Musharraf and signal to the emergent leadership that the United States is willing to work with whomever shall emerge as prime minister. However, as expeditiously as possible, the U.S. should structurally reshape the terms of its assistance to Pakistan while expanding programs that enable the Pakistan armed forces to fight their war, as well as ours, through more effective counterinsurgency operations and the provision of other equipment that's desirable for those efforts.

Equipment and platforms that are desired by the Pakistanis for their strategic concerns, such as the F-16s, for example, should increasingly be contingent upon performance and greater alignment between U.S. and Pakistani interests. However, while reoptimizing the assistance to the Pakistan military, the United States should dramatically expand programmed assistance to help reform all of Pakistan's civilian institutions. And I have a number of ideas that we can discuss in the Q&A.

In short, the United States must transition from supporting one person and the army toward supporting key institutions and processes of this critical country under democratic leadership.

With respect to the four areas of inquiry posed to the panel, to state the obvious, maximally free and fair elections are required for near-term stability. With Bhutto's assassination, the clarion need for a stable Pakistan is ever more apparent, as is the realization that President Musharraf is increasingly unable to bring such stability to Pakistan on his own.

As detailed in my statement, there are numerous barriers to free and fair elections that remain and which require immediate redress to ensure legitimate elections. However, to be clear, while legitimate elections are a necessary precondition for stabilizing Pakistan in the near term, on their own they are insufficient.

As I detail in my written statement, there are a number of post- election scenarios that could augur even newer forms of instability, and those can likely only be preempted by a political rapprochement between Musharraf and the various entities that he's alienated.

With respect to the implications of the election for Pakistan's leadership and their will to carry out continued counterterrorism efforts, it's only reasonable that we actually now -- (inaudible) -- Musharraf himself in recent years has been a declining asset in that regard. He has compromised himself politically, and he is now subject to widespread unpopularity and increasing demands for his departure from the political scene.

His army is demoralized by years of fighting a war against its own citizens, which it does not seem capable of winning. And we have seen the numerous defections that have been reported. The army and other armed forces have been infiltrated, as attested to by the various attacks against military and civilian targets. More worrisome is the fact that few Pakistanis embrace this war as their own and increasingly see Musharraf not as part of the solution but indeed the problem.

Yet I am optimistic that an elected prime minister could be motivated to continue the fight and to mobilize the Pakistani polity as well in this effort. Indeed, with the new army chief, who is not seen

as Washington's acolyte, General Kiyani could be able to rally his armed forces more effectively than Musharraf has been able to in recent years, should he find it in the interest of the army and in the nation to do so.

With respect to the federally administered tribal areas, the prevailing situation there, I want to emphasize, is not an accident. Rather, six decades of successive decision-making in Islamabad to deprive FATA of necessary human development resources and political liberalization has been the basic cause of the problems that we now confront in FATA.

Its refusal to dismantle a colonial-era governance system has encouraged, not mitigated, the rise of militant leaders who have risen up through the meritocracy of jihad.

So to be clear, I believe that human development is necessary in FATA. As the Pakistan government itself has argued, human development is likely to be critical to achieving a political solution there. But as I detail in my written statement, my concern is that these investments, without the eventual abolition, but certainly reform of the Frontier Crimes Regulation and the extension of the Political Parties Act to FATA, these investments could likely strengthen militancy, produce stronger military control, more extremism and less security. As I was concerned and remain so that Washington has not intimated the need for political reforms. And not only that, it didn't even consider making political reforms contingent or as a necessary prerequisite for the funding to go forward.

Finally with respect to the Pakistan military -- I'm going to defer to Ashley, who can talk far more authoritatively than I can on nuclear command and control issues -- I have been concerned in recent years about the pervasive belief throughout the U.S. government that Pakistan's army is a modernizing and secularizing force for Pakistan, which in some measure explains the continued preference to support Musharraf against the demands of ordinary Pakistanis. But for reasons detailed in my statement, there are strong reasons to believe that the current Pakistan Army is increasingly anti-American, increasingly conservative and we know from the recent conspiracies and arrests in Pakistan that there are critical pockets of terrorist infiltration among the civilian and military personnel of the armed forces, as well as among the ranks in low and mid-level officers.

These historical and recent trends should caution the United States against tightly aligning itself with an institution it does not and indeed cannot understand. And with those remarks, sir, I thank you for your time.

REP. ACKERMAN: (Off mike.)

MR. TELLIS: Thank you, Mr. Chairman.

I will not seek to reprise the details in my written statement, but use the few minutes that I have this afternoon to summarize my conclusions with respect to the four questions that I was asked to reflect on.

The first question that I was asked to reflect on was what were the prospects of free and fair elections in Pakistan, and what are the implications of the prospect for U.S. policy? Let me start by simply saying that the current electoral process is characterized by irregularities of at least two kinds - irregularities of process and irregularities of structure. The details of these irregularities are in my written statement.

But what is important to note is that these irregularities persist and are likely to continue because President Musharraf seeks an electoral process that guarantees a certain outcome, essentially an outcome where the new prime minister of Pakistan will not challenge his reelection as president, will not seek to revise the ordinances that he has promulgated in the last several years and will not seek to resurrect either the dismissed Supreme Court chief justices or strengthen the Supreme Court as a competing center of power. Given these objectives, it is highly unlikely that the structural and process irregularities that characterize the current electoral process will be eliminated as demanded by the international community.

It is not clear, however, that Musharraf will be able to pull together a coalition that is *prima facie* favorable to his interests after this election. And part of the problem that we have with Pakistan today is that the political market in this country has collapsed so severely after eight years of military rule that accurate information about what the preferences of the Pakistani people actually are is very hard to come by. So the most likely outcome that this election will produce is a coalition of some kind. From the point of view of the U.S., I think the key question is going to be not whether the election is free and fair according to some perfect standards, but rather whether this election will ultimately be acceptable in terms of process and outcome to the Pakistani people. If it is acceptable to the Pakistani people, we will all be spared a great deal of difficulty in our relations with Pakistan. If this outcome, however, is not acceptable to the Pakistani people, it will put the United States in the very awkward position of having to choose.

The most important task, therefore, for us -- at least immediately -- is that we work on Musharraf and prevent the fixing of the election in any egregious way. And the reason for doing that that has much principle is they are self-interested. An egregious election outcome that is seen to be grossly divergent from what the political sense of Pakistan requires opens the door to very serious domestic disorder, which may require committing the Pakistan Army to internal security duties. Such a tasking is likely to be resisted by the army. It will certainly distract from the ongoing operations with respect to counterterrorism and in the limiting case could actually force the army to push Musharraf out of office.

One the second question that I was asked to reflect on, which is the likelihood that the new government would pursue counterterrorism operations more consistently and more energetically than the regime has done in the last eight years, I'm afraid my judgment on this is less sanguine than most. I think the Pakistan military is hobbled by very severe capability limitations, and these capability limitations will persist irrespective of who comes into office after February. The Pakistanis have also fought a war quite energetically against al Qaeda and the Pakistani Taliban; that is, those Pakistani forces that resist the state now and the FATA. They have also done moderately well against sectarian terrorist groups.

What they have not done -- very deliberately -- is target the original Afghan Taliban, especially the Kandahari leadership associated with Mullah Mohammed Omar, which most observers believe lifted a -- not in the FATA, but in Pakistan itself. It is these targets the Kandahari leadership associated with the original Taliban and the former mujahideen commanders like Mr. Hekmatyar that have evaded Pakistan's attention in the last several years. The key question from the point of view of the United States, therefore, is whether the new regime will go after this class of targets, because this class of targets will be important for winning the long-term war against al Qaeda.

My own judgment is that they're unlikely to change the current course in very dramatic ways for at least two reasons. Maintaining this Taliban remnant is important for Pakistan's national interests vis-a-vis Afghanistan. The war against these characters is also conducted predominantly by the military and I think it will be beyond the power of a new civilian government to compel the military to pursue this war if the military believes that it is not in Pakistan's national interest to do so.

On the third issue of reorienting U.S. assistance to Pakistan, let me just make three specific points. The bulk of our assistance over the last eight years has been focused primarily on coalition support funding. The way this program has essentially been operationalized has been remarkably and disgracefully ineffective. We have not had the kind of oversight that we need to satisfy ourselves -- that the bulk of the monies that have been allocated to coalition support funds have either gone to counterterrorism or actually reflect the true value of the services provided by Pakistan. I do not think this program can be reformed unless the authorizing legislation that brought it into being is amended. And, therefore, I would urge Congress to seriously look at authorizing -- to amending the authorizing legislation, to tie CSF to specific programs and services.

Economic support funds, I believe, essentially function as some kind of a resource curse. They provide resources to Pakistan which allow it to avoid facing up to the opportunity costs of its services.

And I think a compelling case can be made for the United States to revisit the issue of whether ESF funds need to be sustained at the levels they have, particularly because the worst of the economic crisis in Pakistan is over.

I would argue with Dr. Fair that there is a strong case to be made for increasing targeted development assistance, particularly assistance that focuses on strengthening Pakistan's institutions. But for the moment, I would urge the Congress not to touch the fundamentals of security assistance. We are at the moment in transition where you have a new chief of army staff, who by all accounts is a professional military officer, very sympathetic to advancing U.S. counterterrorism objectives.

I would prefer to see the United States give him a chance. It's also important, I believe, not to reinforce the image that is widespread in Pakistan of the United States as an inconstant ally. And most important of all, I think we need to move the U.S.-Pakistan relationship away from the transactional paradigm that Pakistan provides services because it is paid to provide services to something that resembles a transactional equilibrium where Pakistan provides services because it values its relationship with the United States.

I will end by briefly saying a few words about the security of Pakistan's nuclear arsenal. It is my judgment that the Pakistani nuclear arsenal today is safe against all external or internal threats that can be imagined in peacetime.

Unless one posits two dramatically different contingencies -- a contingency that involves the Pakistan army fissuring down the line, or the senior leadership of the Pakistan army being infiltrated by Islamists -- I do not believe there is a clear and present danger to Pakistan's nuclear assets.

Now, both these contingencies are things that we need to concern ourselves about, particularly from the perspective of the long term, because the trends that Dr. Fair has identified, particularly the response to the Pakistan army reflecting the changes that are taking place in its own society, these changes need to be monitored, but these are essentially long-term concerns.

The most important policy point that I would make with respect to the security of Pakistan's nuclear arsenal is the following. Whatever future decisions the United States makes with respect to supporting Musharraf, these decisions should not hinge on fears about the security of the arsenal, because in my judgment the arsenal is secure and is likely to remain so, at least for some time to come.

Thank you very much. I look forward to your questions.

REP. ACKERMAN: (Off mike.)

MS. CURTIS: Thank you, Chairman Ackerman, Congressman Pence and the rest of the distinguished members of the subcommittee, for inviting me to testify today.

The dramatic events in Pakistan over the last 10 months, punctuated by the assassination of liberal politician and two-time Prime Minister Benazir Bhutto, cast doubt on the future stability of the country and raise questions about U.S. policy options pertaining to growing unrest.

Conventional wisdom holds that in this part of the world, stability and democracy are mutually exclusive. But in the case of Pakistan, it is increasingly clear that holding a fair and transparent election provides the best chance for stabilizing the country.

Ultimately, a popularly elected civilian government, working hand in hand with a strong military, will provide stability and security for the Pakistani people. A flawed election, viewed as rigged by Musharraf, on the other hand, would lead to further civil unrest that could bring Pakistan to a dangerous tipping point. The violent protests and arousal of ethnic tensions sparked by the Bhutto assassination demonstrate the state's fragility.

The U.S. needs to be clear now on the specific criteria by which it will judge the fairness of the election, working closely with observers before, during and after the process. Washington should increasingly view Musharraf as a transitional figure whose influence is likely to decline in the months ahead.

The U.S. relationship with Pakistan will likely go through an adjustment period as Washington shifts from dealing mainly with Musharraf to a more broad-based government run by civilians.

Confronting terrorism and extremism in Pakistan will be a long-term and multi-pronged effort. In immediate terms, the U.S. and Pakistan should cooperate to address the terrorist safe haven along the border with Afghanistan, which constitutes a threat to worldwide security. Al Qaeda and Taliban-backed terrorists in this region seek to destabilize both Afghanistan and Pakistan and to project terrorism throughout the world through operational support and ideological inspiration.

The Pakistani approach of pursuing tactical peace deals with the terrorists of this region has proved futile. Washington and Islamabad need to develop a strategic approach to the problem. This will involve working together to collect intelligence and target known terrorist hideouts and uprooting terrorism. And modernizing these backward areas also requires economic development and political reform that incorporates these areas into the Pakistani system. The Bush administration's commitment to provide \$750 million over five years to develop the tribal areas is a step in the right direction.

Remaining sympathies and links between elements of the Pakistani security establishment and militant groups that previously fought in Kashmir or with the Taliban in Afghanistan hamper Pakistan's ability to gain the upper hand against the extremists.

The mid-December escape of terrorist Rashid Rauf, who was allegedly involved in the 2006 plot to blow up planes flying between Washington and London, from Pakistani custody is of great concern. Rashid Rauf is connected by marriage to Masood Azhar, head of the Jaish-e-Muhammad, a Pakistani terrorist group operating in Kashmir, with links to Pakistani intelligence.

Pakistan in the past has tried to make a distinction between foreign terrorists and home-grown militants. But this ambiguous approach is now haunting Pakistan, as home-grown terrorists have merged their ideologies and capabilities with al Qaeda and now target the state of Pakistan.

Last July's showdown at the Red Mosque was a turning point in Pakistan's battle with extremism. Most of the suicide bombers over the last six months which were targeted at the Pakistani army, police and intelligence services are retaliations for the military operation at the mosque.

Pakistan has also been cracking down on the Taliban leadership over the last year and contributing to the international effort to stabilize Afghanistan. As Pakistan deals with the extremist threat that is now turning inward, we need to continue to provide robust economic and military assistance programs yet improve the way we monitor and leverage this aid.

The Bush administration's recent decision to begin programming \$200 million annually in U.S. aid projects that touch the grassroots of society rather than providing those funds as a direct cash transfer to the Musharraf government constitutes a major improvement in how the U.S. administers aid programs in Pakistan.

Recent calls to cut military assistance, on the other hand, are unhelpful. The U.S. already cut F-16 sales to Pakistan once in the past, and doing so again will only confirm for many Pakistanis that the U.S. is indeed a fickle partner. Cutting U.S. military assistance to Pakistan would demoralize the Pakistan army and jeopardize our ability to garner close counterterrorism cooperation.

It is because of careful U.S. nurturing of the military-to-military relationship that the U.S. has been able to cooperate with Pakistan to ensure its nuclear weapons stay out of the hands of terrorists.

Recent media hype surrounding the issue of the safety of Pakistan's nuclear weapons, including statements about the possibility of the U.S. having to seize Pakistani nuclear assets, is damaging to the bilateral relationship. The current civil unrest does not directly endanger the safety of Pakistan's nuclear arsenal.

The main threat stems from the potential for al Qaeda to penetrate the system through retired scientists or military officials with extremist sympathies. For this reason it is more important to focus on helping Pakistan institute procedures, like improving its personnel reliability programs, than it is to discuss openly plans for emasculating its nuclear capabilities.

As we manage the challenges of the U.S.-Pakistan relationship, we should take care not to repeat past mistakes.

We failed throughout the 1990s to understand the growing terrorist threat in South Asia, and we failed to develop a strategic diplomatic approach to defeat the ideology of al Qaeda and the Taliban. We also failed to view the problem in its regional context.

So, despite the current frustration over lack of Pakistani success in uprooting the terrorist safehaven in its border areas, the U.S. should refrain from cutting military assistance and instead develop, with Pakistan, a strategic approach to address this problem. Unlike before 9/11, this time around our country should work together to weaken the grip of the Taliban-al Qaeda ideology in South Asia, so that we can diminish the world-wide terrorist threat.

That concludes my remarks. Thank you.

REP. ACKERMAN: Thank you very much.

Dr. Fair, if I can begin with you. In your statement you note that pursuit of the status quo, in terms of policy by the U.S., will lead to more rather than less conflict with Pakistan. What change in U.S. policy would you like to see, in order to create the conditions for change in Pakistan, that will result in the kind of prosperous Pakistan that you described, and we'd all like to see?

MS. FAIR: Well, it might be helpful to, sort of, explain what I meant by that. I share Ashley's analysis of the Pakistan military. It's not just a will issue, it's also a capability issue. But when given the opportunity to make acquisitions, they actually haven't made acquisitions that support the counterinsurgency effort, they've made acquisitions to support their strategic concern, vis-a-vis India.

I am also very concerned that while Musharraf has pursued some militants, other militants have enjoyed sanctuary in Pakistan and, indeed, remain protected assets. The problem with Pakistan is that there is a very complex militant milieu, some of which are considered to be prized assets, in its struggle vis-a-vis India and, of course, to project its interests in Afghanistan.

My concern has been that the United States has episodically encouraged the Pakistanis to focus on al Qaeda -- in recent years, particularly after the resurgence of Taliban in Afghanistan -- to focus on Taliban assets. But there's never been a consistent and clarion demand that all militant groups, and their infrastructure in Pakistan, is bad news -- is bad news for Pakistan, the region. And, in fact, as all of the conspiracies that have been busted up in the U.K., and recently in Germany demonstrate, they've all had footprints in Pakistan.

So the continuation of the status quo, which is making ad hoc, intermittent demands without a coherent strategy, as suggested by Ms. Curtis, actually increases the likelihood for the United States to engage in unilateral actions in FATA. Because we know there are a number of very problematic facilities in the tribal areas, and yet the Pakistanis have not acted on it.

So a straight-line projection of our current engagement, I'm going to argue, will compel the U.S. to take actions that are really not in our long-term interest, and certainly further destabilize Pakistan. So with --

REP. ACKERMAN: Are you saying that the U.S. has not made those demands of Pakistan, even behind the scenes?

MS. FAIR: We have made episodic and intermittent demands. A really important period was in May, 2002, after the so-called Kaluchak massacre took place in the context of the Indo-Pakistan conflict, that began with the Indian parliament attack in December of 2001. There actually was a cessation, in terms of infiltration, in activities in Kashmir, but the actual militant infrastructure still exists in Pakistan. Pakistan has not made a strategic decision to abandon the use of militant proxies.

And this is my concern. The U.S. has not been consistent in making this point. It has allowed the Pakistani government, under Musharraf -- but it's not simply Musharraf, this is a historical long-standing policy of Pakistan to use proxies. And we have not been adequately clear that this is a problem for the entire region. And as the recent developments over the last few years demonstrates, it's very -- (inaudible) --

REP. ACKERMAN: Let me -- let me ask this.

Dr. Tellis, if we made those demands, how likely would it be that Musharraf would be compliant?

MR. TELLIS: I think we began to make those demands in the aftermath of 9/11. Musharraf pushed back by reminding us how difficult it was going to be to mount a comprehensive war against all terrorist groups. That was certainly true in December of 2001. It was not true as time passed. Unfortunately, the argument that he made came to become a permanent fixture of our policy.

And that we -- and we never pushed back to make the war against terrorism comprehensive.

REP. ACKERMAN: With the war against terrorism supposedly the prime focus of the Bush administration, why would the Bush administration not make these demands? MR. TELLIS: Because I think there was a fear that if we pushed too hard we might push him over the edge.

REP. ACKERMAN: Was that well founded?

MR. TELLIS: In my judgment he has been far more resilient than we've given him credit for.

REP. ACKERMAN: Ms. Curtis?

MS. CURTIS: Yeah, I would argue we're sort of in the heart, or the eye of the storm, because, as I argued, the Red Mosque stand-off was a major event in Pakistan, where Pakistan -- actually the army did make the decision to have a confrontation, and that's had wide-ranging impact. We've seen attacks on army installations, police forces, the intelligence services themselves. So I would argue that right now we are seeing this happen, but we have to hold Pakistan's feet to the fire.

I would agree with Dr. Fair, in 2002 we were successful in getting Musharraf to stop a policy of infiltrating militants into Kashmir. But we were not successful in getting him to close down the infrastructure that supported these militants. And this is part of the problem and why we are seeing the blowback in Pakistan right before our eyes.

But I would argue that instead of abandoning Pakistan at this crucial moment, we need to sit down; have a serious discussion, and work together so that we can overcome this ideology of supporting religious militancy to achieve your strategic goals.

REP. ACKERMAN: One question before I go to Mr. Royce.

Dr. Tellis, you said that the Bush administration was probably concerned about pushing him over the edge. Is that because -- I mean, I'm not sure what you mean by over the edge? Does that mean that he would leave us as an ally, or he would not be successful and would be replaced by somebody different, worse, or the Taliban would come in, or --

MR. TELLIS: I think in only 2001 -- in 2001, 2002, the concern was for his physical security. That if we pushed him into a waterfall against all, we would, in a sense, stir the pot up, bring the crazies out of the woodwork, and that could end up in physical threats to Musharraf himself. Now there was clearly some truth to that fear, as subsequent events showed. But over a period of time, the Pakistani polity, I think, came around to the idea that they were involved in a war against terrorism.

And so it simply became an issue of under what terms would this war be pursued. And what the Pakistani leadership did was, essentially, segment the war -- into terrorists that they would go after because they saw the United States to be very invested in a certain class of terrorists, primarily al Qaeda; by giving all the terrorists the pass because they were important to Pakistan's interests.

And we, over the years, have not been consistent enough in getting the Pakistanis to go after these groups which are the residual. In fact, in my recollection, it has -- it was only in 2005, 2006 that we really started pushing Musharraf to go after the Taliban. That's a full three years after these operations began in earnest.

REP. ACKERMAN: Mr. Royce.

REP. ROYCE: Thank you, Mr. Chairman.

There was an article into Wall Street Journal that reported that counterterrorism analysts, they seem to collectively look at this and say 2008 is going to be the pivotal year in terms of operations against al Qaeda in Pakistan. And their argument can be summed up as: We've been making progress against al Qaeda in the Middle East, in Southeast Asia; they're running out of places to operate. I think Arnaud De Borchgrave said, most of the terrorist trails lead to Pakistan -- lead today to the North-West Frontier, according to MI5.

So what we -- what we have is al Qaeda being defeated around the world except there in the North-West Frontier where al Qaeda groups are gaining power. And if Islamist groups gain a greater toe-hold, the terrorist network will have its strongest base of operation there since the Taliban ruled Afghanistan.

Now, they've lost their sanctuary elsewhere. So, you know, is this an accurate analysis? And second, what do we do about a society where 1.3 percent, 1.7 percent, of the budget goes to education, 30 percent goes to the military? How do we get this reformed?

REP. ACKERMAN: Pending the answer, the chair will announce we're in the process of a vote. We will continue the hearing and just roll the members in and out.

REP. ROSS: Great. Thanks, Mr. Chairman.

I mean, the Koranic schools right now are turning out a generation that we're going to confront, you know, in another 15 years. That has not been confronted. We don't want troops on the ground in the North-West Frontier, clearly.

So give me the specifics of how, now that all of this is at risk, how do policymakers bring that kind of pressure for change on that military government in Pakistan? We knew we were waiting for elections. Well, now we're dealing with a situation that's very dire. How do we bring that hammer? How do we get that change, given what's at stake?

MS. FAIR: There are a couple of ways of answering your question, sir. I was a part -- in fact, the USIP survey that the chairman cited initially was a project that I had brought to fruition. I look at those data and I see many things about which I'm encouraged.

When asked about a wide array of militant groups, what I saw was very large majorities of individuals who said, "I also believe that these groups pose a risk to my nation." So in those data, in those respondents, I actually saw many allies among the Pakistani polity.

But I also saw some very disturbing things. I saw as many as 20 percent, or even higher, of individuals who believe that certain sanguinary attacks against civilian institutions, military targets, were acceptable.

So when I look at those data, I see that we have many allies, but we also have many people who clearly don't share our views about the threat that these groups pose.

Now, the issue, though -- REP. ROSS: Dr. Fair, I'm going to go to this vote because I haven't asked it yet, but I'm going to have your answer on the record. And Mr. Tellis and Ms. Curtis, thank you very much.

Please, I would encourage her to continue her line of thought, though.

REP. SCOTT: Thank you, Mr. Ross. We will continue the hearing while members come in and out.

It's my turn for questions. I would like to pick up on and get your responses to what I believe are the three most critical areas right now for us to get a clear vision on. And they all deal with credibility and security in Pakistan, in that nation.

And the first one is the assassination of former Prime Minister Premier Bhutto. What is the feeling within the Pakistani people as to two things? One, do they feel that there will be a fair investigation that they will believe in? And secondly, what level of feeling is there among the Pakistani people that Musharraf had a hand in the assassination?

I'd like to get each of your comments on that one first before I proceed to the next three areas. Dr. Fair?

MS. FAIR: On the first point, you already see op-eds decrying the way in which the Pakistani government is denying access to Scotland Yard. I think there's a very plausible explanation for this.

The most likely set of individuals culpable were associated with these -- (inaudible) -- militant groups, some of whom are either current or previous assets of the ISI. So I wouldn't actually expect the government to be fully forthcoming with Scotland Yard.

On the second point, the Gallup organization just released a poll of Pakistanis, and there is widespread belief that Musharraf and other elements of his government was responsible. In fact, they've renamed -- the PML-Q, of course, is his preferred party. They've renamed it the PML-Qatil. "Qatil," of course, means murderer in Urdu.

REP. SCOTT: So that is the majority feeling of the Pakistani people that Musharraf had a hand in the assassination.

MS. FAIR: The plurality of views was that he and -- they were asked about a variety of institutions that were involved, but the plurality answer was that Musharraf, as well as various agencies in Pakistan, were involved.

REP. SCOTT: All right. Dr. Tellis.

MR. TELLIS: I concur with Chris's judgment that the view in Pakistan is that there is some degree of official complicity. I do want to make the point, though, simply on the basis of a rational reconstruction, as it were. It's hard to imagine Musharraf directing such an event. I think it's very important to recognize that. This assassination fundamentally undermines his own self-interests.

What I think is more plausible is the scenario that Chris laid out, that whoever undertook this act had an internecine web of linkages with people in different parts of the Pakistani intelligence establishment. And those linkages could become an embarrassment if there were a thorough-going investigation, which would account for some of the efforts at retrenchment that are now being perceived.

REP. SCOTT: Is Scotland Yard sufficient enough to defray the charges that this is a whitewash? I mean, does Scotland Yard bring the credibility that's needed, or do we need to go further?

MR. TELLIS: I think Scotland Yard has great credibility, particularly in South Asia, because of the old British links to the subcontinent. The problem is not going to be Scotland Yard's credibility but simply the quality of the material evidence at this juncture, given the fact that there is no appropriate chain of custody maintained with respect to the crime site, with respect to the records pertaining to her medical treatment in the hospital and other such. And it is the inability to get access to this primary material that seems to have been compromised that I think will raise questions about the investigation.

REP. SCOTT: Ms. Curtis, do you want to --

MS. CURTIS: Yeah. I don't think most Pakistanis think there's going to be a fair investigation. The poll that was cited, actually 50 percent of Pakistanis polled believed either the Musharraf government or politicians close to the government were responsible. I think it was divided about half, 25 percent and 25 percent. So this demonstrates where the feeling of the Pakistani population is on this.

And I want to emphasize Dr. Tellis's point that Musharraf in no way benefits from this assassination. In fact, I think it's been a disaster for him. And I think this is one thing to keep in mind. But in some ways the government has been its own worst enemy; for instance, the Interior Ministry coming out the day after, quickly claiming that she died by hitting her head when video footage shows that it probably was by a bullet, really undermined, I think, the credibility of the government from the beginning.

And I think this is why Scotland Yard was allowed to come in and to help with the investigation. And I think that does help a little bit. It shows that the government is willing to have outside investigators. But as Dr. Tellis pointed out, they don't have a lot to work with. It doesn't look like the body will be exhumed. This would be a major -- provide a major breakthrough. But if the family is not going to agree to it, then it will be very difficult, I think, to get to the bottom of the investigation. But just to point out again, the links that exist within the security establishment and extremists and terrorists, like we saw with the escape of Rashid Rauf, this is just, you know, another example. It's opaque. It's not clear. But certainly the way things have proceeded, it suggests that there is a problem there.

REP. SCOTT: All right, let me get to -- Mr. Pence is back and I know he'll want to ask his questions. I maybe can come back with a second turn. But while I'm here, let me get to the next most important issue, and I'll save my third, which is -- that I raised earlier -- the nuclear arsenal.

First of all, who controls Pakistan's nuclear arsenal? And will it remain safe and secure in the hands of responsible Pakistani officials if the country's instability worsens?

I think -- let's start with you, Ms. Curtis.

MS. CURTIS: Well --

REP. SCOTT: I mean, if we know the answer to that, whose hands it's in.

MS. CURTIS: Well, the military is firmly in control of the nuclear weapons. The Security Plans Division organizes the safety and security of Pakistan's nuclear weapons. So I think the sense is that they are firmly under control of the senior military leadership. And I think Pakistan has been working on improving security procedures over the last few years. And certainly Pakistan military officers have no interest in allowing terrorists to get their hands on their nuclear weapons material.

REP. SCOTT: Well, let me ask you -- I hate to interrupt you here, but in earlier testimony it was stated that, first of all, Musharraf -- I mean, the Pakistani army -- I think somebody made that statement -- is very much anti-American. The other statement was the Pakistani army, which controls the nuclear weapons, increasingly is being infiltrated by sympathizers, if not members, to militant groups.

So if this is the case, do you still feel that this is a secure situation with the military that has these leaks and weaknesses in it as far as the nuclear arsenal is concerned?

MS. CURTIS: I would characterize the senior military leadership in Pakistan as pro-West, as interested in fighting terrorism, keeping Pakistan stable and secure. I realize that we don't have good insight into the lower levels of the Pakistan military and what's happening there.

But I would, I guess, agree with Dr. Tellis' earlier statement that the concerns that we have about the Pakistan military would be sort of years, five or 10 years, down the road. But right now I think we believe that the senior military leadership is pro-West, supports a strong U.S.-Pakistan relationship.

In terms of the security threat, as I stated in my opening remarks, I don't believe that the current civil unrest endangers the safety and security of Pakistan's nuclear weapons. The threat is more insidious. It's one of al Qaeda gaining the sympathies of either retired scientists or military officials and gaining access that way. So that's what we need to be guarding against and taking extremely seriously.

REP. SCOTT: I might add, this is one of the main issues that the world, not just we in the United States but the entire world, is worried about somebody getting their hands on this nuclear arsenal in Pakistan while they're going through this very volatile, volatile period.

Dr. Tellis, one question I wanted to ask you about that, in your opinion, or if you have knowledge to this. Are Pakistan's nuclear weapons already assembled, and if you have any (questions?), or are different components stored separately only to be assembled after a decision is made to use them?

MR. TELLIS: Let me address that question, also add something to what Lisa has already said.

I think Pakistan's nuclear weapons routinely are maintained in non-assembled form. That assembly generally takes place under conditions of incipient crisis and in accordance with a set of guidelines, depending on the gravity of the threat.

So on a day-to-day basis, I don't think there is any danger of certainly the safety of the weapon -- that is, the weapon inadvertently being detonated or exploding -- because no fully ready devices, as best one understands from the literature on the subject, seem to exist. So you're really dealing with parts of an arsenal as opposed to a complete ready arsenal.

Let me say something else about the question of security, though. There is a subset of the Pakistan military that controls its strategic assets. It's not the military as a whole. And therefore, you can hold both propositions simultaneously, that there is corrosion in the military, especially at the lower ranks, and (yet from the thesis?) that the weapons are safe, because the subset of the military that controls the arsenal is the Strategic Forces Command, which essentially is becoming quickly an elite force within the Pakistani military. There are a special set of procedures, regulations, safeguards, oversight mechanisms, that apply to this force. And, at least thus far, since the late 1990s, they have put in place a variety of physical and institutional procedures designed to protect these assets.

Think of it from the Pakistani point of view. Pakistan's nuclear weapons are the crown jewels in its inventory. They don't want these to be lost or compromised in a way that would cause trouble for the state.

REP. SCOTT: Finally, let me ask you, is there a contingency plan in place, given the very volatile, unstable situation in Pakistan, as some of the things that we've said about the infiltration possibilities or the military, are there any contingency plans in place that we could use in the event that

the military loses control of this nuclear arsenal, and with that caveat, the involvement of the United States to assist with this and play a role in this contingency plan?

MR. TELLIS: I can't answer the question, sir.

REP. SCOTT: Do you feel there is a need to have a contingency plan in the event such an unfortunate thing could happen? There is, as you mentioned in your testimony, that while you are sure or you feel confident, you're not absolute.

This is what's on the nerve's edge of the people of the world in this situation. And perhaps if there's not a contingency plan, maybe that might be something that is a positive outcome of this hearing that it might need to be explored.

MR. TELLIS: I think, as a prudential measure, it would be useful to think about such contingencies, particularly from the point of view of the demands they would make on the United States, most importantly with respect to assisting Pakistan deal with a crisis of the kind that you describe.

But this is not a subject that I think one can actually discuss in an open forum anyway.

REP. SCOTT: Thank you very much. My time in the chair has expired. I will turn it over back to the chairman. Thank you.

REP. ACKERMAN: Mr. Pence.

REP. MIKE PENCE (R-IN): Thank you, Mr. Chairman. And I thank Mr. Scott for his courtesy in preserving a couple of questions for a second round. I want to thank the panel and apologize for the back and forth you've had to endure today. But I want to assure you that your written testimony and your comments in the record are enormously important to the members of this committee and enormously timely.

Two quick thoughts. And I want to respect my colleagues' time and the lateness of the hour on the day. Ms. Curtis, you said in your written testimony -- and it actually jumped out at me in your presentation here today -- that Musharraf should be seen as, quote, "a transitional figure whose influence is likely to decline in the months ahead."

Seeing that he's dominated Pakistan for nine years, that strikes me as something of a bone-jarring assertion. And I wanted to give you a chance to defend that assertion beyond the scope of your testimony. From where I sit, he can take the uniform off, but he is a military dictator. Where do you see him in the category of a transitional figure?

MS. CURTIS: Sir, I think, for U.S. officials and policymakers, it may seem like a bone-jarring assertion. But I think to many Pakistanis, it, in fact, is not. I think President Musharraf's credibility has plummeted over the last year. It began with the dismissal of the supreme court chief justice. It was compounded by the November 3rd imposition of emergency rule, which was widely unpopular. I think -- they polled, and 73 percent of Pakistanis did not approve of that.

I think the handling or mishandling of the Bhutto assassination has further degraded his credibility with the Pakistani population. And I think what you're hearing from Pakistanis increasingly is that he's starting to become a source of instability in the country rather than a source of stability.

I think that he has an opportunity to play a role, a unifying role, for his country at a time of crisis, and this would be by doing everything possible to ensure the credibility of an election. And if he takes those steps, then I think there's a chance that he can stay on for a certain period of time. But, of course, he'll be sharing power with the prime minister.

And, of course, we have a new chief of army staff. And the chief of army staff, I think, will be holding, you know, his corps commander meetings, a significant decision-making body, without the presence of Musharraf. So I think we just need to start thinking in terms of our policy and our planning of a time where we'll be dealing with a more broad-based government.

REP. PENCE: But you -- forgive me for interrupting you, but you would anticipate his transitional status as derived from the advent of democratic elections in the country. Is that -- are you assuming -- MS. CURTIS: Yes, I think so. I think that is the point.

REP. PENCE: Many of us -- and I am -- you know, I've supported aid to Pakistan. I believe Pakistan has been a critical ally in the war on terror. I think we should continue to make the investments that we're making there, although that's in my next line of questioning. But I'm not altogether certain that we're going to be moving into real elections.

But your assumption is built on the assumption that there will be credible, actually free and democratic elections that take place. And in that environment, you would see him, even if he stayed on, to being a less significant figure, given the power-sharing and the presence of a prime minister.

MS. CURTIS: My assumption is based on what I am hearing from the Pakistani community at large, various officials, et cetera, about his influence in the country and based on a transition that seems inevitable, a political transition. And we've had many transitions, political transitions, in Pakistan in the past, certainly not in the post-9/11 environment, but we certainly have seen political transitions in Pakistan in the past.

REP. PENCE: Well, as you may not have noted, in my opening statement I think I noted the fact that all three of the witnesses said that it was important that we not, as we say back in Indiana, not put all of our eggs in one basket, that we not build U.S. policy on a particular individual or institution. And it seems to me your testimony is very important in that regard, as it underscores the need to develop our investments there and aid there in a way that does not bank on a particular individual, particular government.

MS. CURTIS: And I think, particularly at this time of transition and crisis, that we're engaging broadly with a broad array of civilian politicians, military leaders, and keeping our options open.

REP. PENCE: Let me ask you a question -- and I'd love, Dr. Tellis -- you brought up a very important point about oversight, and I'm very interested. And the chairman and I don't agree on very much, except that I find him to be a very keen intellect and I can kind of tell when he's interested in doing some legislating. At least I get the body-language impression of the chairman of the committee.

And I'll tell you, the ranking member is very intrigued about the idea of amending the authorizing legislation here, if we could do so in a way that would further -- provide further authorization for oversight about the investments that we're making.

And I won't belabor you with a detailed answer, but I'd welcome any written submission after this hearing about what specific legislative fixes do you think we could engage in. And I'm very struck by the suggestion that we move away from a transactional paradigm where we provide Pakistan with certain funds and they do certain activities and then we provide more funds and they do certain activities.

I think, to the extent that we could have the oversight about the investments that we're making, and then have the assurance that resources are being used in an ongoing and a consistent way that would support U.S. interests in the region, it seems to me that that's real useful indeed. But I'd welcome a brief comment on both of those points, if you can. But I'd also especially welcome any suggestion you might have for the committee about specific changes in the authorizing legislation.

MR. TELLIS: Let me just quickly speak to the question of his diminished influence. I agree with Lisa completely on the fact that we have entered essentially a post-Musharraf era in the sense that, until a few months ago, Musharraf was the singular locus of power and authority in Pakistan.

Today what we have is a gradual evolution to at least one more locus of authority, and that is a chief of army staff who is separate from the president. I would be very cautious -- I understand the sentiment that you reflect when you say you think of him as a military dictator. But it's important to recognize that he does not have line-level authority over the Pakistan military anymore. REP. PENCE: Not anymore.

MR. TELLIS: And the interests of the Pakistan military do not always and entirely coincide henceforth with his own interests. And so General Kiyani will have to make some decisions about collaborating with Musharraf, but it will now be a collaboration that involves a tacit or an explicit negotiation. And so, to that degree, there is definitely a diminishment in Musharraf's power.

To the degree that we may get a new prime minister who is charismatic, possibly even powerful, maybe a supreme court or a judicial system that bounces back into the game, we are looking at a Pakistan where power is going to be diffused among multiple institutions. And I think part of the challenge for the administration and for the country is to, in a sense, protect (our equities?) with all these, to maintain a balance with all these forces.

On the second question of the suggestions with respect to how we can fix particularly CSF, I'll be happy to submit a written statement after the hearing, because it is a complex issue, but I think there are things that can be done.

The general principle, though, that I would just restate is move away from a system where we simply cut checks for whatever bills are submitted to us towards a system where we allocate monies for specific tasks or specific programs. And to the degree we can get this kind of congruence between tasks that we support the Pakistanis and underwrite them for or specific programs that we want to see in place, I think we will have gone some way in checking the abuses that currently exist in the CSF program.

REP. PENCE: I very much welcome that. I have a sense that other members of the committee, including the chairman, will be interested in your recommendations. And given the attention the chairman has paid to this issue on the floor today and in the hearing today, I expect we'd welcome it.

Dr. Fair, very quickly, many of us spoke with genuine grief today on the floor commemorating the life and work and the sacrifice of Prime Minister Benazir Bhutto. Hindsight is always 20/20, but did -- and I want to say this in a way that doesn't diminish at all the extraordinary courage that she demonstrated in returning to her country and taking a stand for freedom -- but did it all happen too soon in this transition that we're talking about? And are there any lessons about the environment on the ground in Pakistan that we can derive from that terrible tragedy?

MS. FAIR: Well, I think there are multiple issues. I think the strategy of bringing her back in -- was flawed in the larger sense -- that the United States didn't genuinely see the January '08 elections as a means of restoring Pakistan to democratic governance as much as it saw Benazir Bhutto being able to participate in those elections to give actually President Musharraf some sort of democratic credibility. So this was certainly my concern in the first place -- that this had less to do about shifting the centers of power in Pakistan than it did about extending Musharraf's lease on life.

And with that point I actually want to emphasize what Dr. Tellis said about Musharraf. When he took off his uniform and appointed -- and his successor, Kayani, became chief of army staff, the interests of the army and the interests of Musharraf are no longer necessarily aligned, and I anticipate it is very likely that in these February '08 elections we're going to get a prime minister in place with whom President Musharraf doesn't terribly get along with. Even if it is a prime minister from his -- excuse me, his preferred party, the PML-Q, their interests are very likely to quickly diverge. And then General Kayani has to make a choice. In the past, for example, with Ayub Khan, his decision to step down and pursue other options really came because the army said, "Sir, you know, you've served your country but now you're a source of instability. You're not a source of stability."

So I really do anticipate that given that much of the election has already been sort of precooked that we're going to get an outcome that's either unstable, because it doesn't accord with the wishes of the people, or that you actually get a coalition of opposition parties in place that don't get along with Musharraf. So I actually don't see these elections as sort of bringing more stability but rather different kinds of instability that we've yet to anticipate. So I guess it doesn't necessarily strictly answer your question but I'd like to emphasize that it really is time for a real Plan B. Plan A was to bring Benazir Bhutto back to extend Musharraf's lease on life. We need a real Plan B. Musharraf is, for reasons that we've all stated, a declining asset in Pakistan. Pakistanis already see him that way, and I think parts of the army also see him that way. So we need to really be thinking about who's going to come out of this election should the elections take p

lace. I share your dubiety about the elections taking place for a number of reasons, and we have to be prepared to deal with whoever comes out of that process. And I'm very concerned that we're not in that position right now. REP. PENCE: Very helpful. I'll yield back, Chairman, and I thank you -- thank the witness.

REP. ACKERMAN: Thank you. Mr. Berman?

REP. HOWARD BERMAN (D-CA): Thank you, Mr. Chairman, and I apologize for missing all of your testimony and if you've -- if your testimony commented on this issue just tell me and I'll read the testimony. A recent issue of The New York Times details some of the assistance we provided

Pakistan since 9/11 to help secure its nuclear weapons. It describes a vigorous debate that took place within the administration on whether we should share advanced technology with Pakistan that makes it virtually impossible for unauthorized parties to arm and detonate those weapons. The administration decided at the end not to share this technology because some feared it would teach Pakistan too much about American nuclear weapons, and others believed that such assistance would violate our obligations under U.S. law and the NPT.

Some in the scientific community feel strongly that that was a serious mistake. Do you have any views on this subject? Even if there aren't any -- isn't any immediate threat of Pakistan's nuclear arsenal falling into the hands of extremists, as I gather from your testimony -- what I've been told that your testimony sort of proposes -- suggests that, shouldn't we be -- should we be doing more to minimize the possibility of that nightmare scenario? That's question one. Then I'll ask the second question and then shut up.

Dr. Tellis, we -- you and I have discussed the U.S.-India nuclear deal on a number of occasions. Some believe the deal will make it much easier for India to expand its nuclear arsenal. Others say it won't make any difference. Whatever the reality, isn't it fair to say that this deal has created a perception in Pakistan that India will be able to build more nuclear weapons and that Pakistan will need to keep up, possibly with additional assistance from China? The question -- given the political instability in Pakistan, is this the best time to be pushing a deal that will likely encourage Pakistan to build more nuclear facilities, produce more fissile material, and build more nuclear weapons?

MR. TELLIS: Let me answer the second question first and then I'll answer the other. I think the Pakistanis made a decision that the Indians would ramp up their nuclear arsenal long before the U.S.-India civil nuclear agreement, and the investments that the Pakistanis made both in terms of their nuclear production infrastructure as well as their delivery systems long predates the civil nuclear agreement.

Now, you've put your finger on what I think is a fundamental structural problem in the relationship between India and Pakistan, and that is the gross misperception that exists on each side about the other's intentions and capabilities. I was recently in a conference in Berlin where a very senior member of the Pakistani atomic energy establishment made a statement that was fascinating where he said that India's low-capacity factors in its civilian nuclear power plants going back to the 70s can be accounted only by the fact that the Indians have been using their civilian nuclear plants to produce weapons-grade plutonium going back now close to three decades.

I say this to illustrate the bottom line that I want to convey, which is while it is possible that the civil nuclear agreement will only exacerbate their fears, I would argue that the Pakistani decisions that have already been made with respect to expanding their own capabilities were made long before the civil nuclear program came to fruition. And so at this point I think there will be only marginal changes in Pakistani capacity irrespective of what they believe on the civil nuclear front.

On the larger -- on the first question of whether the U.S. should be doing more, I think there are real limitations legally with respect to the kind of technical assistance that can be provided to Pakistan. Most of the debates historically were about providing them Permissive Action Links -- technical controls in their weapons. I argued for several years that what we ought to do is provide them at least rudimentary PALs -- what they call Category A and Category B PALS -- because these are essentially padlocks on containers which contain strategic materials. This I think the Pakistanis are actually

capable of doing on their own, and it is my judgment that they've already moved some ways in producing technologies indigenously of this kind.

Now, the most sophisticated technologies that in theory could be provided -- everything that goes beyond Category C PALS and beyond -- are design-embedded PALs. They're not locks. They are integral to the design of a nuclear weapon. And even if we were to suddenly in a fit of generosity provide it to the Pakistanis, there's no assurance that they could actually use them because we don't know what the design of their weapons actually are and whether they could actually seamlessly integrate this kind of PAL technology in their existing designs.

So my view is to the degree that we ought to assist -- and I share your concern that our assistance should be ongoing on this issue -- it should be assistance that focuses on doing things that are in many ways the real weaknesses -- personnel reliability programs, because that deals with the whole question of the (seepage ?) of the wrong kinds of people; perimeter security, which is extremely important in South Asia -- these things can be extremely lax; providing technical controls for surveillance of critical sites -- they don't have to be -- necessarily relate to nuclear weapons but any critical site.

These are things that we are permitted to do under law, these are things that we can do readily in a cooperative fashion, and these are things that we ought to do over the long term. But I think we can actually stay away from the more recondite and esoteric technologies because I don't think these are needed right now.

REP. BERMAN: Thank you. Thank you, Mr. Chairman. Sorry -- this hearing has become so disjointed because I've missed most of what you said and some of this will sound I'm sure repetitive as well, but are Pakistani civilian -- civil institutions sufficiently strong and mature to accomplish a diffusion of power? In other words, if we position ourselves to strongly demand democracy in order to promote civil society, justice, and rights with insufficient civil institutions to undergird and support those ends, could we actually undermine those ends?

And this is, I recognize, a delicate balance and I think is the primary parts of some of your testimony. The transcendent question is what, though, what Mr. Berman alerted to is again, if that happens how much more vulnerable are circumstances such as the nuclear weapons issues or vulnerability of nuclear weapons falling into the hands of problematic persons, and so that I think is the big question -- the balance -- this delicate balance here. So if you could comment on that please.

MS. FAIR: I think to answer your first question, Pakistan civilian institutions either are failing, have failed, or never worked to begin with, and one of the facts of prolonged periods of military rule in Pakistan is that those institutions are weaker the day the general leaves than they were on the day the general came. And I think nothing really illustrates to me the fake binary with which we see Pakistan as either democracy or security as was illustrated on the day that Musharraf declared emergency. Just as he was arresting human rights activists, journalists, political party workers, and other members of civil society he was releasing about two dozen high-level Taliban operatives in exchange for some 300 officers and frontier corpsmen that were taken hostage in FATA. My concern is and will remain that we have done too little to support those institutions. And I'm fortunate -- I speak Urdu. I've had wonderful opportunities to speak with Pakistanis from a variety of slices of life, and I'm consistently impressed by how they say, "Why would you say you support democracy yet all you do is support this military dictator who actually erodes the fundamentals of democracy?" And I think that's a really important point that we need to take to heart. The second

issue that I'd like to bring to your attention is that there are very specific sectors that are essential to winning the struggle against extremism in Pakistan. For example, one very important sector is the justice sector. This in course -- of course should involve police training. The Pakistani police are underpaid. They're poorly equipped. They're incapable of even collecting basic evidence. Forensic evidence is far beyond their scope. But even if you had a trained police force that was capable of collecting and managing that evidence, when presented before a court of law the judge wouldn't know what to do with it because the system still relies upon colonial-era legislation on that relies very heavily upon confession as opposed to evidence.

So this is a very important sector. Without a robust sector to provide justice, Pakistan's prospects for dealing with this menace with a law and order approach are, you know, obviously nil. To address the political parties, particularly in the wake of Benazir Bhutto's death, it's become very fashionable to characterize the army as the root of all of Pakistan's problems. Now, of course, it's much more complicated than that. For historical reasons political parties in Pakistan were sort of stillborn. Certainly following the days of Zia in the emergence of the Pakistan People's Party -- Benazir Bhutto's party -- and then with the ISI-created PML of -- affiliate of Nawaz Sharif -- what we've seen the political parties do, they've been very keen to bring the army to broker their disagreements. They have all become very adept at using the military to secure their position when they're in opposition, and the result of this, of course, is the army's very keen to play this role because it fosters the illusion that they're the only responsible managers of Pakistani security and it continues to ensure that the political parties are weak.

As a consequence of this, these parties cannot aggregate interest. The political -- very basic things they're incapable of doing. They don't know how to read the law. They don't know how to get money for their constituents -- things that you all take for granted in the conduct of your job that your Pakistani counterparts cannot do. And yet these are the kinds of institutions that we really need to be focusing on if we want to develop a Pakistan and be a part of developing a Pakistan that's at peace with itself and at peace with its neighbors.

MS. CURTIS: Yeah. I would just point out the importance of the fact that democracy takes time. Pakistan had democratically-elected governments throughout the 1990s. Situation wasn't perfect but you had the institutions functioning. You had the courts working. So, you know, in a sense, democracy was working. There was problems of corruption throughout the society and there were weaknesses, but it was developing, and it takes time. And I would just reiterate what Dr. Fair says -- that every time you stop that development you set it back that much further. And the point also about the mainstream parties -- the Pakistan People's Party, the Pakistan Muslim League Nawaz -- if we allow these parties to weaken -- if we keep delaying elections and -- or don't allow a fair and credible election that the people buy into then we risk people pulling back from the political parties, political parties further weakening, and having a situation similar to what we see in Egypt where you really only have Mubarak's party and the Islamic extremists.

Right now, the Islamic extremists or religious parties -- we'll call them religious parties, not extremists -- poll at about 5 percent. So if you would have an election in -- a credible election, very unlikely that they would win a majority of seats -- highly unlikely. They will win some seats. They might even be part of a coalition government. But they're not going to wield a great deal of influence within the system. However, if we continue to set back the democratic process you're going to risk a

situation where the mainstream, you know, secular parties that largely see eye to eye with the U.S. on many issues are going to weaken and the -- which would benefit the religious parties.

So I think that's the reason that we want to continue to encourage democracy. Granted, the institutions are weak. We should do what we can to strengthen those institutions, to provide assistance. I think it's a very positive step that we are now going to program that \$200 million that was formally a direct cash transfer. The administration has just announced a few weeks ago that money will be (project-tied ?) It's my understanding that USAID is ready to program this into various projects -- education, democracy-building. So I think, you know, we're ready to do this and we need to keep moving in that direction and increasing our assistance to democratic institutions -- education. Education is so important to the future of Pakistan and its development.

REP. BERMAN: And there's a sense of receptivity in Pakistan among certain sectors to this type of change of assistance?

MS. CURTIS: The Pakistani people, you mean? Absolutely. They -- I think if you look back to our assistance programs in the 1980s in Pakistan there was a lot of good will for Americans. There was a very large aid mission in Pakistan -- a lot of grass roots assistance programs -- and it definitely, you know, helped build the image of the U.S. in Pakistan and, you know, I think it was very important, these economic assistance programs.

I would argue the military assistance is also important but the fact now that we're -- we have actually -- we're going to program more of this assistance which we can more closely monitor will, you know, touch the grass roots of Pakistani society. The U.S. will get more credit, frankly, for the assistance rather than if it's provided directly to the Musharraf government. I think this is a step in the right direction and, you know, will pay off for us.

MR. TELLIS: I think the weaknesses of the civil institutions has been the biggest challenge that Pakistan faces with respect to the long-term entrenchment of democracy. And the point that Lisa makes -- that despite the infirmities the temptations to in a sense override them in search of quick solutions has only made things worse. The one institution in civil society that has been quite remarkable in Pakistan has been the press, and even Musharraf to his credit until very recently actually permitted the press to operate as freely as one has seen at the high tide in Pakistani society.

But there are many other institutions that are dreadfully weak. Chris pointed to the fact of the justice system. I would expand the point to even the higher judiciary. The higher judiciary -- the Supreme Court -- consistently failed in its responsibility to uphold the constitution since the beginning of the state. It is almost after a interregnum of about, you know, 50 years that you have a Supreme Court justice who for the first time reaffirms the importance of the rule of law. This is welcome. This is wonderful. Of course, he has come to a sorry end. We hope that we can pick up the threads, you know, in whatever dispensation comes our way.

But if you look at the others, for example -- if you look at institutions like Parliament, the Parliament in Pakistan is essentially a gigantic patronage machine. It's not a body where there is a serious discussion about national policy, leave (sic) alone legislation actions that they regularly vote on. If you look at the political parties, the political parties are institutions that are held together simply by the charisma of individual personalities. There's no such thing as an inner party democracy. Take away the leader and the party essentially folds. If you look, for example, at other institutions like labor

movements, the labor movement in Pakistan was essentially destroyed in the 70s, and it's really unfortunate that Pakistan today has neither a laboring class, which can actually exert political pressure, or a genuine capitalist class. What you have essentially are petty traders and robber baron capitalists as opposed to individuals who are willing to stay

and invest over the long term. And finally, civic associations -- this is an area where there's actually been relatively good news. In the last decade, there have been a plethora of civic associations that have focused on women's rights -- that have looked at the environment -- that have looked at the dispensation of justice at the primary level -- that have looked at education. I would really hope that as we think of our assistance programs, you know, in the next several years we spend some time thinking on how we can strengthen these associations. Very often they are ridden roughshod over by the Pakistani state because they're essentially small players, but they make a real difference at the grass roots and they are motivated by, I think, the highest of liberal ideals.

REP. BERMAN: Thank you, Mr. Chairman. I appreciate your testimony. Thank you.

REP. ACKERMAN: Mr. Fortenberry?

REP. JEFF FORTENBERRY (R-NE): We're done.

REP. ACKERMAN: Mr. Carnahan?

REP. RUSS CARNAHAN (D-MO): Thank you, Mr. Chairman, and thank the witnesses again for their flexibility and being here today. I really appreciate the comments that each of you have alluded to in terms of the broader strengthening of civil society that seems very evident for it have any opportunity for democracy to grow there and take a stronger root. I guess I wanted to focus my questions today really on the status of the political leadership and in what the future holds, and ask -- to really give me a snapshot of what you think we have done from the U.S. perspective to date in terms of cultivating political leadership beyond Musharraf, and give me an idea of where we are with that and what else we should be doing.

MS. CURTIS: Well, sir, I'm sorry to report that I don't think we've done very much on that front. I'll put the clock at the demise of political parties in this current period of military governance at circa 2002. We were fairly acquiescent to a remanufacturing of politics to suit Musharraf's interest. Musharraf had deep antipathy, as we know, towards Benazir Bhutto and of course towards Nawaz Sharif. He sought out to literally eviscerate those two mainstream parties. The opposition that was cobbled together, the centerpiece of which was the coalition of Islamist parties, really comprised Musharraf's opposition of choice.

The way in which the elections were conducted actually created favorable circumstances for that coalition of Islamists to get more votes than they had in the past, but in a tribute to Pakistanis they still didn't do that terribly well even under conditions that were quite favorable to them. We stood by as he let the ISI use various means of suasion to cobble together a new party that would serve his interest -- the PML-Q. I understand that the Europeans were much more critical of those developments, and throughout his tenure he dedicated much effort towards continuing to make the PPP under Benazir Bhutto and the Pakistan Muslim League under Nawaz irrelevant by ensuring that both of those individuals remained outside of Pakistan as Ashley -- as Dr. Tellis noted. The parties really rely upon these charismatic figures, and I think that what was demonstrated was that even in so-called exile they were able to exhibit some control over their parties.

So now we're in a state where the Pakistan People's Party is certainly in disarray, owing at least as much to Benazir Bhutto's personal style of managing that party, and there's similar disarray in the PML-N. In the course of these eight years oddly one of the political beneficiaries have been the religious parties. They were pretty much allowed to be the only voice in Pakistan that made constitutional arguments. So in many ways it was Jamiat-i-Islami and Jammat-e-Ulama-e-Islami (sic) that really came out smelling pretty good and looking pretty credible because they were the ones making constitutional arguments. So for the longest time many of us were concerned that as long as President Musharraf continued to keep at bay the two mainstream parties that in fact the political space for Islamists would expand.

And by the way, this is not a doomsday scenario. In no way do I mean expand to 50 percent, but they are able to have a street credibility that far exceeds their actual ability to collect votes. So I think that's my longwinded answer. It's a more elaborate way of saying we've done very little to ensure that Pakistan's political parties have become more effective over the course of the last eight years.

REP. CARNAHAN: And just if you would briefly, the second part of my question -- you know, what should we be doing to help foster that broader dialogue with emerging political leaders there?

MS. CURTIS: Well, I think what we -- we do in a very small scale through NDI and IRI which is training political leaders at various levels. The main issues with Pakistan's political parties, in the case of PPP it represents feudal interests. It does not aggregate the interests of the electorate. And in the case of the Pakistan Muslim League -- particularly under Nawaz but all the Pakistan Muslim League variants do this -- they represent industrialists' interests. Elections -- people don't vote for someone because they think they're actually going to do something for them. They cast a vote for someone because of family loyalties, professional loyalties, or other elite loyalties. So over time what you would like to see are political parties that truly operate as political parties -- aggregating interests, delivering services to their constituents, and that people vote with that expectation.