



U.S. Foreign Policy towards Pakistan

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Karachi Council on Foreign Relations

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Ladies and Gentlemen:

Thank you very much for that kind introduction, Chief Justice Siddiqi. It is great pleasure and honor for me to speak before such a distinguished audience this evening. Permit me also to recognize Ahsan Zubairi, Secretary General and a founding member of the Karachi Council on Foreign Relations, Economic Affairs, and Law.

I congratulate you all on the recent founding of this organization, which will no doubt quickly become an important forum in which to discuss the important foreign policy issues of the day.

Let me add that it is always a pleasure for me to visit the city of Karachi, whose atmosphere, dynamism, and, yes, traffic, provide some contrast to life in Islamabad. And since Karachi remains the hub of so much of the economic and intellectual life of this nation, it is an appropriate place to share some thoughts with you about the current state of relations between the United States and Pakistan.

I wanted to take an opportunity this evening to review with you U.S. policy towards Pakistan -- both in terms of its substantive priorities, and more specifically, with regard to the ever-expanding partnership between our two nations in numerous areas. This growing partnership underlines America's long-term commitment to the bilateral relationship, and to Pakistan's continued development.

As I noted in this city almost a year ago, the United States is committed to building a strong, long-term, and comprehensive bilateral relationship with the Islamic Republic of Pakistan. We have just witnessed, in the past few weeks, an unprecedented number of high-level visits between our two nations: President Musharraf, Prime Minister Jamali, Foreign Minister Kasuri, and Education Minister Jalal have all visited the U.S. in the past weeks. From our side, Treasury Secretary Snow, Deputy Secretary of State Armitage, Chief of Naval Operations Admiral Clark, Central Command Commander General Abizaid, and numerous U.S. Senators and Representatives have visited Pakistan for important discussions with your leaders. The number of these visitors and the variety of topics discussed - from bilateral and security ties, to economic, trade, development, and educational reform issues - testify to the breadth and depth of the relationship we are committed to building -- and to sustaining over the long-term.

Foreign policy goals

Permit me to begin by outlining four broad areas that constitute our foreign policy priorities towards Pakistan today:

- working together in the global war on terrorism,
- helping the states of the area to enhance regional stability,
- aiding Pakistan to strengthen economic, social, political, and democratic development, and
- building bridges between our two nations' peoples in order to foster greater mutual understanding between us.

With regard to the global war on terrorism, Pakistan has, since that terrible day in September 2001, become one of the United States' most important partners in fighting this most challenging of wars. We are working closely and cooperatively with the government of Pakistan to neutralize the remnants of al Qaeda and the Taliban that remain in the region.

Our two nations have coordinated among intelligence, law enforcement, finance, and military authorities successfully to apprehend well over 500 suspected al Qaeda and Taliban operatives to date, including Khalid Shaikh Mohammed and Ramzi Bin al-shibh.

Pakistan ranks fourth in the world in the amount of terrorism-related assets frozen. We look forward to continued cooperation by the government of Pakistan in the United Nations and other fora on terrorist finance issues.

The government of Pakistan is also working against extremist groups and has recently increased its border-security patrols, operating now even in the mountainous, historically off-limits tribal areas of the Pakistan-Afghanistan border.

We continue to work with the Government of Pakistan to monitor the effectiveness of actions taken to curb such extremist groups as Lashkar-e-Taiba, Jaish-e-Mohammed, and others. These groups pose a serious threat to Pakistan, to the region, and to the United States. We are particularly concerned that these banned organizations are re-establishing themselves with new names.

The Government of Pakistan has taken many steps to prevent extremist groups from crossing the line of control in Kashmir. We are asking it to continue to enhance these efforts.

The United States will continue to support Pakistan's counterterrorism efforts by providing funding for enhanced border security, including training, equipment, road-building, and logistic support. Investing in Pakistan's capacity to interdict terrorists has begun to pay off. Last month, Pakistan forces killed eight and captured 18 suspected al Qaeda and Taliban, along with foreigners and local tribesmen, on the Afghan border. This was followed a week later by detention of 32 people suspected of collaborating with or harboring Taliban remnants.

Pakistan is bearing its share of the human cost of fighting the war on terror. Approximately two dozen of its soldiers have been killed in such operations. We are mindful that some of the steps taken by the Government of Pakistan have generated controversy and opposition from some quarters here in

Pakistan. But, as we have seen so vividly - whether in Karachi, where Pakistani security guards were killed in front of our Consulate, or just a few days ago in Riyadh, where innocent Arab men, women and children were murdered in their compound -- terrorists and extremists threaten all of us - in this part of the world and in the United States.

The second of our major goals vis-à-vis Pakistan and its neighbors is to help enhance regional stability. Simply put: what happens in South Asia matters to the United States, and it matters to the world. The population of this region is vast; and so is the amount of weaponry - including nuclear - that exists. But it is also the region of the world with perhaps the highest level of untapped human and economic potential anywhere - potential that, if fully exploited, could change the international economic and social landscape in fundamental ways.

In order to realize the full potential of Pakistan, India, Afghanistan, and the other countries in South Asia, regional political and military stability must be ensured. This is one of the highest foreign policy priorities for this U.S. Administration. We are spending much time these days on helping to foster better ties between Pakistan and Afghanistan and between Pakistan and India. Both relationships are fraught with historical tensions and mistrust. But I believe that some good progress is being made on both fronts.

With Pakistan and Afghanistan, we are working with both sides to help them to secure border areas that have for decades been porous. Our goal is to aid both in preventing violent or criminal elements from moving across undetected or from finding safe-haven, particularly in remote, inaccessible areas. To this end, we have established a tripartite military commission among Pakistan, Afghanistan, and the U.S.-led coalition forces and civilian leaders to help coordinate military and border security operations along the border, and to improve their effectiveness in achieving our shared goals of halting cross-border terrorist movements. We are also working with the Pakistan Ministry of Interior to expand border security capabilities.

With regard to Pakistan and India, the United States is today in the enviable position of enjoying excellent and cooperative relations with both. We do not view our relations with Pakistan and India as a zero-sum game, and my sense is that Pakistan and India are coming to accept that America's good relations with both countries is in fact a net positive for all three nations. The U.S. hopes India and Pakistan will move forward with the implementation of those confidence-building measures that both nations have agreed upon during the past month, and to engage in serious discussions on those items - restoration of air links, train travel, and visa issuance - that require further agreement on modalities.

The U.S. believes that expanding the potential for cross-border trade -- whether through bilateral talks in areas such as civil aviation or through regional SAARC initiatives; and increasing contacts and confidence among ordinary citizens -- whether through medical exchanges, easier border crossing, or sports events - are all measures that can help to create the more positive atmosphere that is the sine qua non of tackling the difficult political issues that divide India and Pakistan.

With regard to the issue of Kashmir, there is no doubt that violence there must be reduced; ending violence in Kashmir remains a key goal. For our part, we will continue to look for ways to encourage peace in Kashmir - a lasting solution to this difficult issue can only come through political dialogue and negotiation, not through violence.

Related to the issue of regional stability in the broadest sense is the matter of nuclear and weapons proliferation. We remain confident that Pakistan will continue to comply with existing non-proliferation treaties and regimes to which it has adhered, as well as to other commitments made.

A third priority area in which we are involved is helping Pakistan to strengthen its economic, social, political, and democratic development. We are currently undertaking a multi-billion dollar, multi-faceted assistance program that we hope will ensure the stable and balanced development of Pakistani society. This program, which I will detail in a moment, includes development assistance, balance-of-payment support, debt rescheduling and forgiveness, and agricultural, trade, and investment support. USAID has returned to Pakistan with major assistance programs in such areas as education, health, governance, and micro-finance. The American Business Council based here in Karachi is an important testament to the success American companies have had in Pakistan.

Pakistan's commitment to the further advancement of democracy and human rights is central to its efforts to build a stable, positive future for its people. America wants to see strong Pakistani democratic institutions and practices, including a National Assembly that plays a vigorous and positive role in governance and an independent judiciary that promotes the rule of law. We hope that the case of Javed Hashmi and others in the judicial system will be handled in a fair and transparent and with due regard for fundamental rights, including those of speedy public trial, access to counsel, and family visitation. Democratic institutions are required if Pakistan is to thrive economically and to develop into a stable, moderate Islamic state. Some of our USAID money is directed at this goal of strengthening democracy, good governance, and the rule of law. In fact, USAID just awarded a grant to improve the links between the provincial and national legislatures, civil society organizations, academics, think tanks, and the press.

A fourth area of U.S. interest is our desire, particularly in these troubled times, to increase understanding between the people of the U.S. and Pakistan. There is currently much too much mistrust and lack of understanding between us; for our part, we are intent on working to reduce these gaps. As people coming from different cultures and historical experiences, we may not always agree with each other; but we must continue to strive to listen better, and to attempt to understand the other's point of view.

To this end, we are continuing to expand our cultural and exchange programs, one of the important ways in which we can build bridges among our citizens. Although it is true that we have, for legitimate security reasons, tightened visa and entry procedures to the U.S., and while we are intent on enforcing laws with regard to the length and status of stay, the United States remains open to visitors from all nations - for education, for tourism, and for business.

U.S. Assistance to Pakistan

I would like now to describe in some detail our assistance programs to Pakistan today. They reflect all of the policy goals I have discussed, and are, I believe, a testament to America's commitment to build a strong, deep, and long-term relationship between our two nations.

Since 9/11 and the resumption of an assistance relationship, the United States has provided a multi-billion dollar, multi-faceted assistance package to Pakistan. This has included a cash grant of \$600 million, and forgiveness of \$1 billion in Government of Pakistan debt owed to the U.S. Government. Our strong bilateral economic assistance program includes in addition to these significant outright grants and debt relief, many targeted USAID initiatives, U.S. Department of Agriculture grants and credits, and broad trade and investment support. Our security assistance programs include assistance to help Pakistan secure its border with Afghanistan, counter-narcotics and law enforcement programs, counter-terrorism programs, international military education and training, and foreign military financing. We are also working closely with multilateral institutions, including the IMF, World Bank and Asian Development Bank, to leverage the significant resources needed to reform Pakistan's economy and to alleviate poverty.

For fiscal year 2004, the year beginning on October first of this year, the Bush administration is seeking an appropriation from the Congress of approximately \$400 million dollars. This includes \$200 million in Economic Support Funds that will help ease Pakistan's debt burden, \$75 million in

development assistance, child survival, and health funds, \$75 million in foreign military finance to help support Pakistan's military and security preparedness, and \$38 million to enhance the effectiveness of Pakistan's efforts in border security, law enforcement development, and counter-narcotics. We hope that Congress will appropriate these funds shortly.

As you are all well aware, President Bush has made a commitment to President Musharraf to seek a further \$3 billion in aid over the five years beginning in fiscal year 2005, that is, starting in October 2004. While details of this program are currently under discussion between our two governments, it is expected that half this amount - or approximately \$300 million a year - will be for economic and development assistance, while an equal amount will go towards security and military aid. Again, we are hopeful that the Congress will appropriate these funds.

Permit me to highlight a few of the programs we are currently undertaking. Among the most exciting and important are USAID's ever-expanding programs that are focused on four sectors - education, health, governance, and micro-finance.

Through a five-year, \$100 million agreement with the Ministry of Education (signed in August 2002), USAID is helping to improve Pakistan's educational system, with particular emphasis on expanding access for girls; training teachers and administrators to raise the quality of public and private school instruction; improving national youth and adult literacy programs; testing and using distance education methods; and developing more public-private partnerships to increase community involvement in primary education. The project focuses particularly on Sindh and Balochistan provinces, two regions with very poor social and economic indicators that have received less government and donor attention over the years.

USAID is also implementing a five-year partnership with the British government, the UN, and the Government of Pakistan to expand availability of quality reproductive health services, particularly in rural areas. The U.S. commitment to the health sector overall is for \$115 million over five years.

With regard to fostering more participatory, representative, and accountable governance, USAID is working with Pakistan to strengthen four key institutions: national and provincial legislatures, district governments, civil society organizations, and independent media. Here, our commitment is for \$38 million over three years.

Finally, the U.S. is committing \$53 million over five years to increase access to and availability of micro-credit and micro-finance services, especially in impoverished and underserved rural areas. Soon USAID will offer a scholarship fund to allow deserving but poor Pakistani students to attend the nation's premier business and agriculture universities.

It is, however, important to recall that economic prosperity does not come from direct assistance alone. We also recognize the vital importance that trade and foreign investment play in economic development. For this reason, U. S. Government agencies, including our Export Import Bank and our Overseas Private Investment Corporation, are providing hundreds of millions of dollars in credit facilities, insurance, loans, and loan guarantees in order to support the importation of American products and the extension of credits by American banks to finance projects and companies in Pakistan. Research also plays an important role in promoting prosperity, and our Trade and Development Agency has funded studies on the construction of a desalinization plant in Karachi and the development of a secondary mortgage market to ease housing shortage problems in Pakistan.

We also have a growing array of security assistance programs. In the wake of 9/11, we initiated a \$73 million program to help Pakistan secure its border with Afghanistan against trafficking in weapons, drugs, and other contraband and infiltration by terrorists. The program includes the development of a Ministry of Interior aviation wing with five helicopters and 3 fixed wing surveillance aircraft, delivery of over 1,000 vehicles, communications equipment, and other commodities, and construction of border outposts. Related training and technical assistance also are being provided. We also are expanding programs in the Federal Administered Tribal Areas (FATA) with \$24 million for construction of roads to provide law enforcement access and promote economic development in currently inaccessible areas, and \$1.5 million for construction of outposts, training and other commodities.

We also continue to provide Pakistan with counter-narcotics and law enforcement development assistance. Our counter-narcotics program focuses on sustaining Pakistan's remarkable success in opium crop reduction in the Northwest Frontier Province, which has declined substantially over the past 10 years with the help of alternative crops, aggressive eradication, road building, irrigation, and potable water programs. Our law enforcement assistance program provides an array of training, technical assistance, and some commodities to enhance law enforcement capabilities.

In addition, we are working with Pakistan to enhance its capacities to counter terrorism by providing innovative technologies for use at airports and training and equipment to implement a standardized fingerprint system. We also are helping to train and equip federal and provincial units responsible for counter terrorism investigations and operations.

In terms of military assistance, Foreign Military Financing (FMF) grant money is to be used for the purchase of US military equipment, maintenance, and in some cases, training. A total of \$75 million was included in the FY02 Supplemental Appropriation to support the Pakistan Armed Forces' purchase of aerial transport, surveillance and communications equipment. During FY03, the U.S. Government provided \$49.5 million dollars in FMF grant funding plus an additional \$175 million dollar supplemental grant for a total of \$224.5 million dollars. In August 2003, Pakistan accepted an offer to purchase 6 C-130 cargo aircraft from the United States. That purchase was funded by \$75 million dollars in U.S. FMF grant money.

Importantly, a program providing U.S. military training courses for Pakistani military personnel was resumed in November 2001 following a 10-year hiatus. Courses are usually U.S. military training programs attended by Pakistani students but may also include US training teams coming to Pakistan to provide instruction. Pakistan received \$1 million in training grants in FY02 and a further \$1 million FY03. This has greatly enhanced the professional exchange between our two militaries and our inter-operability in international peace-keeping missions.

Conclusion

These are some of the important programs currently being implemented by the U.S. to help Pakistan realize its own development goals. The amounts of aid are impressive, and the United States and Pakistan are developing multi-year programs that testify to a mutual renewed commitment to a strong and enduring bilateral relationship.

This is an important time in U.S. relations with Pakistan, and in our relations in this part of the world more generally. As most of you are no doubt aware, President Bush gave an important speech last week in Washington, in which he spoke of the importance of democratic development globally and described U.S. policies as a "forward strategy of freedom." The President added that, as we watch and encourage reforms and development in various parts of the world, we are mindful that modernization is not the same as Westernization. Representative governments in different parts of the world will reflect their own cultures and their own historical experience. "They will not, and should not, look like us," said the President.

President Bush concluded his address by making the following points, which in fact describe our vision for successful societies throughout the world. He said, and I quote:

There are essential principles common to every successful society, in every culture. Successful societies limit the power of the state and the power of the military -- so that governments respond to the will of the people, and not the will of an elite. Successful societies protect freedom with the consistent and impartial rule of law, instead of selectively applying the law to punish political opponents. Successful societies allow room for healthy civic institutions -- for political parties and labor unions and independent newspapers and broadcast media. Successful societies guarantee religious liberty -- the right to serve and honor God without fear of persecution. Successful societies privatize their economies, and secure the rights of property. They prohibit and punish official corruption, and invest in the health and education of their people. They recognize the rights of women. And instead of directing hatred and resentment against others, successful societies appeal to the hopes of their own people.

These are words and ideas upon which we can all reflect. None of our societies is perfect. We can all improve in many areas. And through an open and frank dialogue, we can learn from, and help each other to realize the goals we share.

It is in this spirit of cooperation and good will that the United States is committed to continuing to strengthen and deepen the ties between our two nations.

Thank you for your attention, and thank you for the privilege of addressing you this evening.

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