

A REGIONAL OVERVIEW OF SOUTH ASIA

HEARING
BEFORE THE
SUBCOMMITTEE ON
THE MIDDLE EAST AND SOUTH ASIA
OF THE
COMMITTEE ON FOREIGN AFFAIRS
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WEDNESDAY, MARCH 7, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND SOUTH ASIA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:35 p.m., in room 2172, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. Good afternoon. The Subcommittee on the Middle East and South Asia will come to order.

South Asia and the United States are confronted by all of the transnational foreign policy threats that have been thus far dominating during the early years of the 21st century—terrorism, nuclear proliferation, narcotics trafficking, infectious diseases—and, with the exception of India, the rest of the nations in the region are either ill-equipped to confront these challenges or simply chose not to.

These states suffer under varying degrees of dysfunctionality stemming from weak political institutions, poor governance, and corruption, and could, if pushed the wrong way at the wrong time, fail. We already know the potential consequences of a failed state. September 11 taught us that.

And as a result of September 11, our nation is now deeply engaged in South Asia, both militarily and diplomatically, in a way we have not seen since the Soviet invasion of Afghanistan in the 1980s. While we would all prefer that our engagement in the region was purely diplomatic, I think we all believe that the fight in Afghanistan is one we have to win and one we can win. No one thought our work in Afghanistan would be easy, but I do think there was an expectation that, after 5 years of effort, we would be further along in displacing al-Qaeda and the Taliban as entities that could threaten us or undermine the development of a democratic and prosperous Afghanistan.

The fundamental problem in Afghanistan is a lack of security. To many of us on this committee, it has been obvious for some time that the place we need to surge is not Baghdad but Kandahar. The place where our money, our diplomacy, and our soldiers can still win is not Iraq but Afghanistan.

Secretary Rice recently said, and I quote her, “America is committed to Afghanistan’s future and will be committed,” the Secretary said. The fact that she had to say this at all is very telling. It demonstrates that 5 years of United States efforts have, to date,

failed to convince the Afghan people that we are committed to their success. The President's request for an additional \$10.6 billion for Afghanistan over the next 2 years further underlines that he took his eye off the ball when he took us to Iraq.

And while we were preoccupied in Iraq, the problems in Afghanistan grew, in the form of poppy and in the form of a revived Taliban. The U.N. estimates that Afghanistan produced \$3 billion worth of opium last year, as disillusioned Afghan farmers returned to the crop that they know will allow them to feed their families. The State Department, last week, received estimates that this year's crop will be yet another record. While the farmers get only a small portion of the take, alarmingly, the Taliban and al-Qaeda capture an ever-growing share, ensuring that they will have more than enough money to operate against the Afghan people and against us.

In addition to money, the Taliban and al-Qaeda have something else terrorists need, and that is sanctuary. That sanctuary comes courtesy of our great friends in Pakistan, whose inability or unwillingness to control the frontier provinces of their own territory allows the movement of goods, money, and terrorists back and forth across the border. Indeed, I have long believed that the Government of Pakistan has made a strategic decision to help us with al-Qaeda but turn a blind eye toward the Taliban, in the belief that their former allies will once again prove useful to them in their regional maneuvering against India and Iran.

What other conclusion could one draw, when our own military commanders testify that it is "generally accepted" that Taliban leaders operate openly in Quetta, one of Pakistan's largest cities? Indeed, the showboat arrest of the former Taliban defense minister, Mullah Obaidullah, in Quetta, during Vice President Cheney's visit reinforces the conclusion that Pakistan could act against the Taliban, if they were only willing. Even if you believe that Pakistan is doing all that it can to assist us in the War on Terror, the evidence shows that this is not enough, and it is harming United States interests in Afghanistan and undermining the Afghan efforts to establish a stable, secure, and democratic government.

But uneven effort against terrorism is not the only place where Pakistan's cooperation has fallen short. There are still grave concerns about the nature and extent of the "nuclear Wal-Mart" run by A.Q. Khan. To date, no agent or investigator of the United States has had any great access to him. We have only the purported information from Khan passed to us by the Government of Pakistan, a government which, in one breath, places him under house arrest and, in the next, celebrates him as a national hero. Meanwhile, we are left to wonder whether Dr. Khan's former associates have been arrested, decided it was time for a career change, or merely changed their aliases.

The return of Pakistan to democracy is an issue that has slipped in emphasis, if not in actual importance. Elections are scheduled for later this year or early next year, but if past is prologue, these elections will be no freer and no fairer than any others. Those candidates who might actually be able to mount a significant political challenge to President Musharraf will either be undercut or barred outright from participating, clearing the field for only a challenge

from Islamist candidates and setting before the voters the false choice of Musharraf or militants in control of Pakistan's nuclear arsenal. The choice is obvious but not appetizing and clearly one we should be working to change.

Democracy is also under threat in Bangladesh, where the caretaker government, apparently with the military's blessing, postponed elections scheduled for last January, declared a state of emergency in response to street demonstrations, and has arrested somewhere between 33,000 and 40,000 people, including some former cabinet officials on charges of corruption. The caretaker government has announced that elections will be held but only after "revisions" in the voter rolls. No date has been announced for when the new voter rolls will be ready or when the new elections will be held. Since the caretaker government is mandated by the constitution in the run-up elections, I am not sure that this qualifies as a coup, per se, but the military's apparent support of the unusually expansive agenda set out by what is nominally a temporary government should raise serious concerns.

Sri Lanka, on the other hand, remains a democratic government but is under renewed threat from the LTTE after the 2002 ceasefire broke down, resulting in over 4,000 dead last year in renewed conflict. I hope that President Rajapaksa's government will move quickly to address legitimate concerns of Sri Lankan Tamils, but the recent addition of a hard-line Buddhist party to the ruling coalition appears to make political compromise less rather than more likely.

But the news is not all bad in South Asia. In Nepal, the King has reestablished a Parliament, and the Maoists have agreed to lay down their arms and participate in the upcoming elections for a constitutional assembly that will draft a new constitution. Obviously, this could go off the rails at any point, but they are hopeful signs, nonetheless.

And then there is India. As has been remarked many times, inside and outside the corridors of power both here and in New Delhi, this is a new era in Indo-U.S. relations. This relationship reached new heights last year, as the Congress passed legislation authorizing civilian nuclear cooperation between the United States and India. Negotiations are ongoing, and I am sure that both sides are eager to reach a satisfactory conclusion, and we, in Congress, just as eagerly await those results.

Truthfully, this is but the latest development in a relationship that has expanded dramatically in the areas of defense cooperation, space exploration, global HIV/AIDS, and counterterrorism, to name but a few. But only a little more than 2 weeks ago, we had another sad reminder that India is not just a valued ally in the fight against terror but is also too often the victim. Two bombs placed on the "Friendship Express" train that was bound for Pakistan killed 68 people, mostly Pakistanis. To their credit, the governments of both India and Pakistan have decided to press on with peace talks and are committed to sharing intelligence regarding the latest attack.

U.S. effort, energy, and money can often make the critical difference in nations struggling to establish themselves as free and democratic states. In the President's budget request and in the

supplemental, I am pleased to see more funding for Afghanistan, where it has long been needed, and more for Bangladesh. I am less convinced that our money is well spent in Pakistan, and I am greatly concerned that we are cutting assistance in Sri Lanka by over half of what we provided in 2006. In Nepal, in particular, a \$9 million cut over 2006 levels strikes me as coming at precisely the time when we should be increasing our assistance to support political reconciliation.

Lastly, while India has clearly benefited from a decade of strong economic growth, I believe the needs of India's desperately poor remain, and a 35 percent cut in assistance is unwarranted.

The lesson of September 11 is that we cannot afford to allow any state to succumb to any individual or combination of transnational threats, that even if the smallest states fail, it poses a threat to us and our allies. The challenges in South Asia, therefore, are enormous, but our record thus far has been mixed.

I would like to recognize my good friend, the acting ranking member, Mr. Wilson.

[The prepared statement of Mr. Ackerman follows:]

PREPARED STATEMENT OF THE HONORABLE GARY L. ACKERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH ASIA

In South Asia, the United States is confronted by all of the transnational foreign policy threats that have thus far dominated the early years of the 21st Century, terrorism, nuclear proliferation, narcotics trafficking, and infectious diseases. And with the exception of India, the rest of the nations in the region are either ill-equipped to confront these challenges or simply choose not to. These states suffer under varying degrees of dysfunctionality stemming from weak political institutions, poor governance and corruption and could, if pushed the wrong way at the wrong time, fail. We already know the potential consequences of a failed state. September 11 taught us that.

And as a result of September 11, our nation is now deeply engaged in South Asia both militarily and diplomatically in a way we have not been since the Soviet invasion of Afghanistan in the 1980's. While we would all prefer that our engagement in the region was purely diplomatic, I think we all believe that the fight in Afghanistan is one we have to win and one we can win. No one thought our work in Afghanistan would be easy. But I do think there was an expectation that after 5 years of effort we'd be further along in dispatching al Qaeda and the Taliban as entities that could threaten us or undermine the development of a democratic and prosperous Afghanistan.

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And while we were preoccupied in Iraq, the problems in Afghanistan grew, in the form of poppy and in the form of a revived Taliban. The U.N estimates that Afghanistan produced \$3 billion dollars worth of opium last year as disillusioned Afghan farmers return to the crop that they know will allow them to feed their families. The State Department last week released estimates that this year's crop will be another record. While the farmers get only a small portion of the take, alarmingly, the Taliban and al Qaeda capture an ever growing share ensuring that they will have more than enough money to operate against the Afghan people and against us.

In addition to money, the Taliban and al Qaeda have something else terrorists need: sanctuary. That sanctuary comes courtesy of our great friends in Pakistan whose inability or unwillingness to control the frontier provinces of their own terri-

tory allows the movement of goods, money and terrorists back and forth across the border. Indeed, I have long believed that the government of Pakistan has made a strategic decision to help us with al Qaeda but turn a blind eye towards the Taliban in the belief that their former allies will once again prove useful to them in their regional maneuvering against India and Iran. What other conclusion could one draw when our own military commanders testify that it is “generally accepted” that Taliban leaders operate openly in Quetta, one of Pakistan’s largest cities? Indeed the showboat arrest of the former Taliban Defense Minister Mullah Obaidullah, in Quetta, during Vice President Cheney’s visit reinforces the conclusion that Pakistan could act against the Taliban, if they were only willing. Even if you believe that Pakistan is doing all it can to assist us in the war on terror, the evidence shows that it is not enough and it is harming U.S. interests in Afghanistan and undermining Afghan efforts to establish a stable, secure and democratic government.

But uneven effort against terrorism is not the only place where Pakistan’s cooperation has fallen short. There are still grave concerns about the nature and extent of the “nuclear Walmart” run by A.Q. Khan. To date no agent or investigator of the United States has had any direct access to him. We have only the purported information from Khan passed to us by the Government of Pakistan, a government which in one breath places him under house arrest and in the next celebrates him as a national hero. Meanwhile, we are left to wonder whether Dr. Khan’s former associates have been arrested, decided it was time for a career change or merely changed aliases.

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U.S. effort, energy, and money can often make the crucial difference in nations struggling to establish themselves as free and democratic states. In the President's budget request and in the supplemental I'm pleased to see more funding for Afghanistan, where it has long been needed, and more for Bangladesh. I'm less convinced that our money is well spent in Pakistan, and am greatly concerned that we are cutting assistance in Sri Lanka by half over what we provided in 2006. In Nepal, in particular a \$9 million cut over 2006 levels strikes me as coming at precisely the time when we should be increasing our assistance to support political reconciliation.

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The lesson of September 11 is that we cannot afford to allow any state to succumb to any individual or combination of transnational threats. That even if the smallest of states fails, it poses a threat to us and our allies. The challenges in South Asia therefore are enormous but our record thus far has been mixed.

Mr. WILSON. Thank you, Mr. Chairman, and thank you for calling this important hearing, and I look forward to our distinguished witness. His State Department career is notable, as he has served in high-level positions across several administrations of both parties.

Mr. Chairman, there are fewer areas of the world more critical in the War on Terrorism and United States foreign policy success than South Asia. The countries of this region are critical to our foreign policy, promoting economic growth and national defense. I commend Secretary Boucher for his efforts and for his strong statement here today.

The administration can point out numerous success stories in our dealings with India. Secretary Boucher, you have described India as "the world's largest democracy" and will soon be the most populous nation in the world. Perhaps more importantly, India and the United States are both multi-ethnic, multilingual, multireligious democracies with increasingly converging interests on the world's most important issues.

I share your view, and, as the co-chair of the Caucus of India and Indian-Americans, which is the largest country caucus here in Congress, I have had the privilege of working with Congressman Ackerman, also a past co-chair, and, in fact, Congressman Ackerman was crucial in helping pass the Civilian Nuclear Agreement last year that I think is so mutually beneficial for India and the United States.

We recognize that India as the world's largest democracy and America as the oldest democracy, with shared values. The administration's efforts toward India promoting the peaceful use of nuclear power have made great strides and are vitally important. To that end, I sponsored a bill that will encourage their diversification of energy and greater reliance on coal. I think the Indian economy and industry have a bright future.

Mr. Chairman, I praise the administration's efforts in dealing with our ally in the War on Terrorism, Pakistan, and the modest progress there. I believe there are even grounds for cautious optimism in Afghanistan, and I am honored to be serving as the co-chair with Congresswoman Sheila Jackson Lee of the Afghan Caucus. Our success in these countries is pivotal to our overall efforts in the War on Terrorism.

I thank the witness and the chairman and look forward to a stimulating discussion of these important issues.

Mr. ACKERMAN. I thank the distinguished gentleman for his kind words and acknowledge the important role that he played in passing the legislation, proof positive that we can work together across the aisle on things that are of such great importance to our country and its security.

I recognize the gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. I, too, want to certainly welcome the Ambassador and look forward to his comments on what is certainly the most critical part of the world when it comes to the War on Terror, being the centerpiece of which is right along that Pakistani-Afghan border.

I just returned last week from a NATO conference. I am a member of the NATO Parliamentary Assembly. At that assembly and various meetings, there appeared to be some growing concern among our allies in terms of their commitment into the NATO alliance and the effort in Afghanistan. While we were there, for example, in Italy, the government became unformed just as we were going into Italy. I think, since then, they have begun to patch it back together, but the two fundamental reasons were, one, the expansion of a military base up in Bensai, the northern part of Italy, and the other was a demand that Italy get out of Afghanistan.

The other concern that was raised, in terms of Canada had another concern about it, and a part of that concern comes from the rather, what I think is not a good policy of this administration to couple Iraq-Afghanistan, Iraq-Afghanistan because what happens is it puts downward pressure on many of our allies who are with us in Afghanistan, but the public begins to view this as one, and they are opposed to Iraq.

I would like to get your comments on the state of our allies and what we can do to strengthen that.

The other is that, in a visit recently over to Afghanistan and in meeting with President Karzai, two situations came to light that concern me, and I would like to get your comment on that. I asked him, I asked President Karzai, if he would serve as President for another term. He was not sure. I would be interested to know from you, Ambassador, the importance of that and the importance of him continuing in that role. What would be the negative fallout of him not being there, and who else is in line? What stability or instability would that accrue?

The other point that came to light was the fact that we learned that President Karzai's brother is one of the largest drug dealers in Afghanistan. I am wondering, what does that portend, particularly when we know that the drug industry, shall we say, is the primary support base for al-Qaeda and especially the Taliban?

And then, finally, in Pakistan itself, there is some question of allegiance, on the part of Pakistanis, to either al-Qaeda or the Taliban. In other words, they could help us with al-Qaeda, but they are hedging their bets with the Taliban. There is not an evenness of approach from them.

But there are so many questions, and this is such a fascinating time for us to deal with this, and I look forward to your testimony going forward. Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Scott.

The distinguished gentlelady from Texas, Sheila Jackson Lee.

Ms. JACKSON LEE. I thank the chairman for yielding and, again, thank him for his leadership on so many of these issues of this subcommittee, of which I am a new member. I also appreciate and welcome the remarks of the acting ranking member, who has indicated that he serves as a co-chair with me on the Afghan Caucus, and I welcome the Secretary and look forward to his remarks, even as I might be delayed somewhat for another hearing.

But I wanted to briefly give just a few points of either instruction or questions and my remarks in saying that the South Asia area is strategic, but also there are opportunities. I start, first, with India, for it remains as the largest democracy, and I think we welcome it as a natural partner of the United States, specifically and particularly because of its commitment to democracy.

At the same time, we have shown ourselves to be a friend in the Civil Nuclear Initiative, and I want to emphasize that because there was a great deal of debate and angst and continues to be, but, I think, if you have an alliance and a friendship, you need to show that friendship. I would welcome the Secretary's comments on the meticulousness of the monitoring that we will engage in as we go forward with that initiative.

At the same time, I happen to believe in seeing the cup as half full in that region, and I next speak, of course, of Pakistan. Having a number of constituency members, but, more importantly, having gone along with the chairman on the first initiative into Pakistan with President Clinton a few years ago, I think there is much room for celebration. Does it mean that we do not have challenges of human rights? Does it mean that we do not have challenges of dealing with a transparent government? Certainly not.

But it does mean that the steps that have been taken should be applauded and challenges should be accepted, and the steps of success clearly have to be, after the tragedy of the Friendship Train bombing, that the two leaders of those governments came forward and did two things: One, mourned with each other and indicated that we will keep that pathway of reconciliation open, that train will continue to go forward, and they moved, I think, in the next 48 hours, or couple of days, for a nuclear pact or initiative. I think that was a miraculous step forward.

Having been on the Afghan-Pakistan border with the NATO leadership that had just transitioned, I think, about a couple of months ago, General Richards, I believe, he pointed out that this is a challenging area. We have raised questions with the Pakistan Government on that. Where are the allegiances? You might help us with that and help us be guided on how we are to be constructive, along with transparency issues, but also in the protection of that region.

Let me finish very quickly by saying Afghanistan continues to be a serious problem in itself, and I do not know what solutions the administration will offer us on this poppy growth. There are many, many other issues I could ask about, but I am sure you will raise them: The poppy growth, and then, of course, what is the next step for the government?

I will conclude by saying that the whole area has some growth points that we can be pleased with. However, I think the whole

area suffers from questions of human rights, human trafficking, that hopefully this committee can be helpful.

But the one element that I think that all of us should have a common thread and a common view is that the region, strategically but also culturally and from a perspective of friendship, if you will, the alliance of friendship, has to be a strong governing factor when we deal with South Asia. We have too many bonds and too many friends on both sides of the ocean who have heritages there, and I believe it will be very important for us to strengthen that relationship.

With that, Mr. Chairman, I thank you, and I yield back.

Mr. ACKERMAN. I thank the gentlelady from Texas.

The gentleman from Missouri, Mr. Carnahan.

Mr. CARNAHAN. Thank you, Mr. Chairman and ranking member and welcome, Mr. Secretary, for being here with us on this important topic.

I just wanted to focus my brief remarks in the area of this Afghan heroin issue. In my area, in St. Louis, Missouri, we had a series in our local newspaper, the *St. Louis Post Dispatch*, back in May 2006, talking about this issue and how the spillover from that drug trade is not only impacting across the border into Iran and up into Europe, but also this high-potency heroin is winding up on the streets of the United States. We have had some deaths in my area, in the Midwest, because of it.

I would like to hear you address strategies that are in place and new initiatives we need to do to address that issue because it has so many tentacles in so many areas, but it is also winding up here on the streets of the U.S. So I would appreciate you highlighting that and working with you on that issue.

Mr. ACKERMAN. Thank you very much. This being our first hearing on South Asia, we could have no better witness than the one who appears before us today. Assistant Secretary of State Richard Boucher is a career Foreign Service officer. He has provided distinguished service to our country for, I believe, over 30 years.

He was sworn in as the Assistant Secretary of State for South and Central Asian affairs on February 21, 2006. Over the course of his career, Ambassador Boucher served as the Department of State's spokesperson or deputy spokesperson under six secretaries of state, if I have that right, and has served as the chief of mission overseas twice.

In 2005, Ambassador Boucher became the longest-serving Assistant Secretary for public affairs in the history of the State Department. He began his most recent tenure as spokesman for the State Department in May 2000, under Secretary Albright, and continued as spokesman throughout the tenure of Secretary Powell and for Secretary Rice until June 2005.

He had previously served as the Department's deputy spokesperson under Secretary Baker, starting in 1989, and became the spokesman for Secretary Eagleburger in August 1992, and for Secretary of State Christopher until June 1993.

Ambassador Boucher's early career focused on economic affairs, China and Europe. From October 1993 to June 1996, he served as the U.S. Ambassador to Cyprus, and from 1996 to 1999, he headed the Consulate General's Office in Hong Kong as the consul general,

where I had the pleasure of being his guest during a trip to Asia in 1997, and he was a great host. Put that in the record.

He led United States efforts, as the senior official for Asia-Pacific Economic Cooperation, or APEC, from July 1999 to April 2000.

So, Ambassador, we are delighted to see you again now, for the first time, before our committee. Your entire statement, without objection, is placed in the record, and you can proceed however you will.

The Chair will note that, so far in his tenure, he has not had to use a gavel, and we have not turned on the clock. So I will trust the members to try to keep within what they think is reasonable, and if we need to go to a second round, we will.

Mr. Ambassador, please proceed.

STATEMENT OF THE HONORABLE RICHARD A. BOUCHER, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. BOUCHER. Thank you, Mr. Chairman. It is, indeed, a pleasure to be with you today, and, Mr. Chairman and members of the committee, thank you for inviting me, and thank you for holding a hearing on the whole area of South Asia. We tend to focus on some of the very specific regions sometimes, but, as several of you have pointed out, it is important to look at the whole region, which is critical to our interests and in great need of sustained attention.

Mr. Chairman, thank you as well. I think, actually, you just reminded me that it is either today or this week, exactly 30 years since I came in the Foreign Service. I will have to go back and check my piece of paper from the entry class and figure out what date it was that we actually showed up at Rosslyn. I have done a lot of things in my career, I think, none of them quite so fascinating and challenging as this one.

We have a very important region, a region where we have very fundamental goals. Our fundamental goals are to champion democratic stability, facilitate the integration of South and Central Asia, to stop the flow of narcotics from the region, and to bolster political and economic modernization throughout the region.

As members have pointed out, failure to achieve these goals can lead to increasing threats from regional terrorism, an explosion of narcotics trafficking, and a succession of dangerous failed states.

Mr. Chairman, as you pointed out, sometimes it seems like we have all the threats in the world somewhere in this region, from Maoists to global warming to terrorism and drugs. We are trying to confront them all, and I think we are meeting them head on, especially in places like Afghanistan and Pakistan.

In Afghanistan, we are taking a comprehensive approach that addresses not only security but also focuses on developing the global capacity, the capacity of the Afghan Government that builds the infrastructure necessary for the nation, that builds democratic institutions for the nation, and promotes economic growth and trade.

To date, for Afghanistan, we have provided over \$14.2 billion in security and reconstruction assistance, and we have just requested an additional \$11.8 billion for the remainder of 2007 and for Fiscal Year 2008. This represents a very significant increase in resources,

and we think it is necessary to make sure we really get the job done.

Mr. Chairman, you used the \$10.6 billion figure. We have gone back in the last few weeks and tweaked that little bit to identify some other money that was being put into the effort, particularly by the Defense Department. So we now count it at 11.8.

The area of narcotics is as important as everything else. I think if we identify the challenges of security, the challenges of extending government, the challenges of providing economic opportunity, they all come together in the fight against narcotics. Narcotics have exploded in the South, where there is not security, where there has been weak government.

We have got a better handle on it in the northern part of the country, where there are, indeed, some provinces that are already poppy free and maybe another half-dozen or so that may become poppy free through the efforts this year, and I can talk about the expanded program in more detail, if you would like to.

But at its core, the effort in Afghanistan is to extend the reach of the Afghanistan Government more broadly throughout the country, especially in areas where there is conflict, and to give all of the people of Afghanistan the benefits of government and the opportunities that come with government—safety, justice, economic opportunity, roads, electricity—all of the things one has a right to expect from their government.

Next door, Pakistan is a vital partner and an ally in the fight against the Taliban and al-Qaeda. We strongly support President Musharraf's efforts to combat terrorism and eliminate violent extremism in the border regions. We are supporting him in terms of the kind of cooperation we have, we are supporting him with economic development of this area, and we will support him with the military transformations that he wants to make in order to get effective control in this area.

As Presidents Bush and Musharraf agreed in March 2006, another United States priority is to assist Pakistan in building strong and transparent democratic institutions, and we will continue to work with the Government of Pakistan to develop a long-term, strategic partnership that is multifaceted and is committed to the peace and security of South and Central Asia.

Mr. Chairman and members of the committee, I want to take a moment and thank you, as well as Chairman Lantos, Representative Ros-Lehtinen, and so many other members of the House Foreign Affairs Committee and your staffs, for their strong support for the Henry J. Hyde U.S.-India Peaceful Atomic Energy Cooperation Act of 2006. This law that you crafted and passed represents a major step forward toward realizing President Bush's and Prime Minister Singh's vision of a strategic partnership between the world's oldest and the world's largest democracies, and we look forward to working with India to fully implement this agreement. There are a number of key steps that remain, but those are underway.

Beyond the Civil Nuclear Agreement, we are building an even stronger relationship with India in a whole host of areas. We are deepening our security ties. We are expanding our economic and business collaboration. We are working with India in the Doha De-

velopment Round negotiations. We are exploring how we can work with India to expand cooperation, for example, in the education sector and in agriculture and other areas that are important to their people and to our people as well.

As countries that are linked by a deep commitment to freedom and democracy, we do believe that our strategic partnership will deepen and grow.

Throughout the larger region, the United States always plays an important and active role. As you pointed out, in January, in Bangladesh, the President declared a state of emergency and postponed planned parliamentary elections until after electoral reforms are implemented. We do believe that elections should be held as soon as possible, but we also know that the government and the Bangladeshi people have to determine exactly how and when they will hold free, fair, nonviolent, and credible elections and looking for the steps to be able to do that soon.

I would note as well, a member of this subcommittee, Congressman Chabot, was just out there and, I think, expressed this very well in his remarks and his meetings and made a major contribution, I think, to the U.S. involvement there.

In Nepal and Sri Lanka, we remain very engaged with the international community to support the ongoing peace processes and conflict resolution, and with each country in South Asia, the United States maintains very important and vital relationships. I would point out as well, the countries are developing their relationships with each other. I am pleased to report that we will participate in the South Asian Association for Regional Cooperation's upcoming meeting in New Delhi. Our membership gives us an opportunity to work with the members of the committee on regional potential and realizing the full potential of South Asian free trade.

Members of the committee, the obstacles to peace, freedom, and prosperity in South and Central Asia make this an ambitious agenda for the United States. I hope to be able to continue to collaborate closely with you and with all of the members of the committee, and I look for your support as we pursue jointly goals of peace, democratic stability, and development in this part of the world.

So thank you again for the opportunity to testify and to talk about the region, and I am pleased to answer any questions that members have.

Mr. Chairman, I did take note of some of the questions asked during the opening statements, and I will take your instruction on when I should try to plunge into the list.

[The prepared statement of Mr. Boucher follows:]

PREPARED STATEMENT OF THE HONORABLE RICHARD A. BOUCHER, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Members of the Committee, thank you for inviting me to appear before you today. There are few places more critical to our interests or in greater need of sustained U.S. attention than South Asia. With nearly a quarter of the world's population, the region has the potential to serve as a democratic and economically vibrant force, and a positive influence on neighboring regions. It is also home to some of the world's most dangerous threats—weapons of mass destruction, violent extremism, terrorism, narcotics, poverty, pandemics, illiteracy, and corrupt institutions.

Our overarching aims in the region are to champion democracy and its foundations of education, information, and the rule of law; to facilitate the integration of South and Central Asia; to stop the flow of narcotics; and to bolster political and economic reform throughout the region. Specifically, we need to win the war and secure development and democracy in Afghanistan; jump-start the Pakistan Frontier Strategy; establish a firm partnership with India, including completion of the U.S.-India civil nuclear cooperation initiative; and advance the President's Freedom Agenda. Failure to achieve our goals could lead to increasing threats from regional terrorism, an explosion of narcotics trafficking and a succession of dangerous failed states. To capitalize on the many opportunities and counteract the very real and immediate threats to this agenda, the Department of State will practice what Secretary Rice calls "transformational diplomacy," utilizing traditional diplomacy as well as harnessing the regional and bilateral assistance tools Congress provides us to pursue these goals.

In recent meetings with President Musharraf in Pakistan and President Karzai in Afghanistan, Vice President Cheney reinforced our commitment to fighting terrorism and strengthening security and reconstruction in Afghanistan and the tribal areas of Pakistan. We are meeting these challenges in both Afghanistan and Pakistan head on. In Afghanistan, in conjunction with the Afghan Government and our international partners, we are taking a comprehensive approach that addresses not only security but also develops local capacity, builds infrastructure and democratic institutions, and promotes economic growth and trade. After being very heavily engaged in Afghanistan for five years, we believe it is the sustained combination of these elements that will give the Afghan people what they need and deserve.

To date for Afghanistan, we have provided over \$14.2 billion dollars in security and reconstruction assistance, and we have just requested an additional \$11.8 billion for the remainder of 2007 and for Fiscal Year 2008. This represents a significant increase in resources for Afghanistan compared to prior years. We think the time is right to reinforce all that we have done, and to send a clear signal that the United States has a long-term commitment to the people of Afghanistan. This funding, if approved, will go into training and equipping the police and the military; constructing a road system, principally in the south and the east; building electricity grids; extending government by building government and justice centers, and training government employees; and fighting narcotics and building a new rural economy. At its core, it is an effort to extend the reach of the Afghan Government more broadly throughout the country, especially in areas where there is conflict. There is international consensus on this approach. We will continue work with our partners not only within Afghanistan but also in foreign capitals to ensure that this effort is strengthened, broadened and coordinated.

Pakistan continues to be a key ally in the War on Terror. More than that, the United States and Pakistan share a long-term strategic partnership that is strong and multi-dimensional. During his visit to Pakistan in March 2006, President Bush initiated a strategic partnership with Pakistan that is committed to making the region stable, open, and prosperous. In 2006, the United States and Pakistan signed a \$64.4 million agreement to improve primary and higher education in Pakistan and designated \$45.7 million for activities to improve maternal and newborn health services, accessibility and availability of family planning products, prevention of major infectious diseases and access to clean drinking water.

Pakistan is a vital partner and ally in our fight against the Taliban and Al Qaeda. During his visit to Pakistan, Vice President Cheney held positive and serious talks with President Musharraf about how, together, we can take strong measures to eliminate the threats from the Taliban and Al Qaeda. While we continue to encourage the Government of Pakistan to take action against violent extremists, we recognize that purely military solutions are unlikely to succeed. We therefore strongly support President Musharraf's efforts to adopt a more comprehensive approach to combating terrorism and eliminating violent extremism in the border regions, which include the Federally Administered Tribal Areas (FATA), parts of Baluchistan, and the Northwest Frontier Province. We are committed to supporting this initiative, in order to bring economic and social development and governance reform that will render these areas inhospitable to violent extremists.

As Presidents Bush and Musharraf agreed in March 2006, another U.S. priority is assisting Pakistan to build strong and transparent democratic institutions on its path to sustainable democracy. We continue to support Pakistan's efforts to conduct fair, free, and transparent elections, expected later this year.

We will continue to work with the Government of Pakistan to develop a long-term strategic partnership that is multi-faceted and committed to the peace and security of South Central Asia.

Mr. Chairman, I would like to take a moment to thank you and also Chairman Lantos, Representative Ros-Lehtinen and so many other members of the House Foreign Affairs Committee, and your staffs, for their strong support for the Henry J. Hyde U.S.-India Peaceful Atomic Energy Cooperation Act of 2006 (the "Hyde Act"). Without your intensive efforts, close coordination with the Administration, and willingness to prioritize this initiative, this historic achievement would not have been possible. The law represents a major step forward toward realizing President Bush's and Prime Minister Singh's vision of a strategic partnership between the world's oldest and largest democracies. Successful implementation of the civil nuclear cooperation initiative will help India meet its burgeoning energy needs, enhance cooperation on energy security and on global nonproliferation efforts, and increase economic investment opportunities.

We look forward to working with India to fully implement this agreement. A number of key steps remain. They include: completion of ongoing negotiations on a U.S.-India agreement for peaceful nuclear cooperation, as required under the Atomic Energy Act of 1954 as well as the Hyde Act, and approval of that agreement by the Congress; negotiation of a safeguards agreement between India and the International Atomic Energy Agency that will be applicable to India's separated civil nuclear sector; and the achievement of a consensus in the Nuclear Suppliers Group to make an India-specific exception to the full-scope safeguards requirement of the Group's export guidelines. Progress is being registered on all these fronts, perhaps not as rapidly as we might desire, but in a manner that is consistent with the complexity and weight of the issues under consideration. Although I cannot predict when we will be in a position to recommend to the President the determinations required by the Hyde Act as a condition of submission of the bilateral cooperation act to Congress, recent meetings with the Indian Government give us reason to hope that the necessary steps can be completed this year. We expect that cooperation in the civil nuclear arena, when it becomes a reality, will provide an impetus for heightened collaboration with India in many other areas.

Beyond the civil nuclear initiative, we are working to realize the President's vision of a strategic relationship with one of the world's rising powers that addresses global and regional political and security challenges, encourages mutual economic growth and prosperity, and fosters constructive Indian engagement in international organizations. We are deepening our security ties to undertake more complex joint military exercises, cultivate long-term partnerships between our defense industries, and enhance U.S. and Indian interoperability in global peacekeeping operations. Over the near term, we are encouraging India to adopt a more constructive role in forging a compromise between developed and developing nations in the Doha Development Round negotiations. We are also encouraging the Government of India to open its higher education sector to U.S. institutions and exploring ways of partnering with India on joint educational programs for South and Central Asians. As our relationship continues to develop, we likely will encounter areas where we do not share the same approach. But as countries linked by a deep commitment to freedom and democracy, we believe our strategic partnership will grow and deepen.

Bangladesh has made impressive progress since gaining independence in 1971, but it still faces many daunting challenges. Severe poverty, rampant corruption and bitterly divisive politics dominated by polarized, dynastically-oriented parties exacerbate weak governance. Constructive engagement and assistance to Bangladesh are in the interests of the United States—prosperity and stability would make Bangladesh a model for democratizing Muslim—majority states, while a floundering or failed Bangladesh could be a potential haven for anti-U.S. extremists and have a destabilizing effect on the entire region.

On January 11, 2007, Bangladesh's president declared a state of emergency and indefinitely postponed planned parliamentary elections until after electoral reforms are implemented. Although we believe that elections should be held as soon as possible, the government and the Bangladeshi people must determine exactly when and how they will hold free, fair, nonviolent, and credible elections in which all parties can participate. We encourage all parties to work to resolve issues peacefully and advance the democratic electoral process. In recent years, Bangladesh has also struggled with a rise in violent extremism, reaching a crisis point in 2005 with the near-simultaneous countrywide detonation of more than 400 bombs on August 17. Combating corruption is another long-standing priority of the U.S. Government, and Bangladesh's interim Caretaker government has embarked on a major anti-corruption campaign. We urge the Caretaker government, however, to make certain those arrested in this campaign receive full due process and treatment consistent with Bangladeshi law and international standards.

In Nepal and Sri Lanka, we have remained engaged with the international community to support ongoing peace processes and conflict resolution. In Nepal, the his-

toric People's Movement of April 2006 that forced the autocratic King to transfer power back to the parliamentary parties, as well as the Comprehensive Peace Agreement between the Government and the Maoists in November 2006, have opened a window of opportunity for that country to emerge from conflict and establish lasting peace and democracy. We are doing our utmost to help Nepal take full advantage of that opportunity. We have focused our development assistance and diplomacy on helping conduct free and fair elections scheduled for June 2007 to a constituent assembly that will draft a new constitution. In doing so, we have placed a high priority on coordinating with our international partners, especially India and the United Nations. Success is not guaranteed, as the Maoists continue to commit abuses that call into question their stated commitment to peaceful, multi-party democracy, but we are cautiously optimistic that the commitment of the Nepalese people and the support of the international community will produce a positive outcome.

The conflict in Sri Lanka between the Government and the Liberation Tigers of Tamil Eelam (LTTE), a designated foreign terrorist organization, is preventing the country from fulfilling its potential as a prosperous, stable democracy. Peace would reduce the threat of regional and international terrorism and stabilize Sri Lanka as a partner for the United States in South Asia. Unfortunately, the situation is unlikely to change in the near-term, as escalating violence has caused the peace process to break down and has led to an undeclared war with myriad human rights violations and a humanitarian crisis. Ambassador Robert Blake recently came under the Tigers' mortar fire on a visit to the Eastern Province and was slightly injured. Resolving the conflict through a political settlement requires moving the Sri Lankan Government and the Tigers to a durable cessation of hostilities. The international community is engaged in the peace process and is working toward bringing both sides back to negotiations. Continued divergence between economic and social indicators in the Western Province and those in the rest of the country will only entrench inequalities. U.S. assistance will thus target workforce development, job creation, and niche market development for the most vulnerable populations from the conflict outside of the Western Province. A stronger and more geographically inclusive economy will make implementing and sustaining a peace agreement faster and easier.

The United States has important relationships with each country in South Asia and they have important relationships with one another. We are working in close cooperation with our friends and partners to achieve important economic and trade linkages within the region. Our strategy includes collaboration with other donors, the private sector, and appropriate regional organizations in meeting our common regional integration goals. In recognition of our commitment to such home-grown efforts, the South Asian Association for Regional Cooperation (SAARC) recently invited the United States to join as an observer member and I am pleased to report that we will participate in the SAARC's upcoming summit meeting in New Delhi. Our membership will give us the opportunity to assist SAARC members in realizing the full potential of the South Asia Free Trade Area and address persistent impediments to the cross-border movement of goods that has stunted the economic growth of the region. Beyond trade, our membership in SAARC will allow us to leverage a broad range of our other technical assistance efforts, including in the areas of education, the environment, and humanitarian relief.

Concurrent to pursuing bilateral and regional efforts within South Asia, it is our priority to further integrate the South and Central Asia region, with the aim of fostering long-term stability between Afghanistan and its neighbors; encouraging energy exports from Central to South Asia; and jump starting trade within the region to accelerate growth. All three components are necessary, interlocking pieces from a geo-strategic viewpoint. As Russia, China, and Iran try to place their own imprints on the development of Central Asia, we have to acknowledge that even though we do not subscribe to the so-called "Great Game," others do, to the detriment of regional stability and U.S. goals.

Regional integration will be more effective if focused on concrete steps that lead to tangible progress. We are working with other partners and donors, as well as the private sector, to initiate programs in building energy, transportation (road, rail and air), and telecommunications links across the region. Building on the success of the London Conference, where over 60 donors made available over \$10.5 billion to reconstruct Afghanistan, we will continue to engage our partners on building technical linkages between South and Central Asia. We plan to use Fiscal Year 2008 funds to stimulate construction of transportation and energy-related infrastructure. We foresee roads reaching from the high tech corridor of India and the port of Karachi in the south to Almaty in the north.

As infrastructure alone will not lead to real integration, we are also aiming to promote regional dialogue with a focus on education and access to the media, which

are fundamental to improving social development in all areas. We will work closely with the Government of India to increase access for U.S. students and U.S. universities to the Indian higher education sector. We will continue to support the American University of Central Asia in Bishkek, as a locus for free inquiry and debate for young people in a region where such possibilities are limited.

Free and independent information is the number one means to clearly portray U.S. interests in South Asia's economic growth and democratic reform. To this end, we are launching a comprehensive strategy to support our spring offensive against the Taliban and limit the effect of their corrosive propaganda. We will support journalism training to attract students and journalists from across South Asia region. Throughout the region, we maintain aggressive, active press and public diplomacy efforts to promote democratic values, counter the influence of extremists, and highlight our contribution to the political freedom and economic prosperity of ordinary citizens.

Members of Congress, the obstacles to peace, freedom, and prosperity in South and Central Asia pose an ambitious agenda for the United States. I hope to continue to collaborate closely with this Committee and look forward to your support as we pursue peace, democratic stability and development in this pivotally-important part of the world.

Thank you again for this opportunity to testify today. At this time I would be pleased to answer any questions.

Mr. ACKERMAN. Those that were addressed by members during this phase, we will afford you some time to address as we move along—

Mr. BOUCHER. Okay, as we move along.

Mr. ACKERMAN [continuing]. Or you could work them into the answers to your other questions.

Mr. BOUCHER. I will try to do that.

Mr. ACKERMAN. You are pretty good at winging it, I have noticed. It is hard to imagine you without a TV frame around you.

Mr. Secretary, as you know, H.R. 1, which was passed by the House in January, contained language that tied future military assistance and arms sales to Pakistan to a Presidential determination that Pakistan was cooperating fully, the operative word, in the fight against terrorism. In that regard, could you tell us the current status of the F-16 sale to Pakistan, and should the sale be terminated if Pakistan does not do more to eliminate the safe haven that terrorist have found on their soil? The F-16 is not just a carrot; it is a whole carrot patch, and we should have strong expectations.

Mr. BOUCHER. Mr. Chairman, first, if I can point out, there is a statement of administration policy on the provisions of H.R. 1 that have to do with conditioning assistance to Pakistan. To put it simply, the administration opposes that provision. We really do not think it is productive. We think it is counterproductive to the important goal of fostering more cooperation with Pakistan against a common enemy, against the Taliban and al-Qaeda, militant extremism. We do think it is important for the United States and Pakistan to position themselves as partners in this effort, and we think that this provision would undercut that.

The F-16 sale is proceeding. I would have to check on exactly where the various contracts and understandings stand, but some of the work has been concluded, some of the necessary paperwork, and we are moving forward with the sale.

I think it is important to remember that when it comes to fighting al-Qaeda, no country has done more, and no country has lost more men in the process, than Pakistan, and they have made an enormous effort and suffered enormous costs.

I would point out as well that the Taliban are under pressure from Pakistan. You referred to the arrest of Mullah Obaidullah. There have been other actions on the part of the Pakistani Government. There have been arrests, there have been attacks on training camps and facilities in Pakistan. And I do think it is important to remember that the Taliban are under pressure in Pakistan. They have even responded.

Pakistan has probably lost several dozen men in the last several weeks due to retaliatory attacks from the Taliban, so whatever they can do more, and we can all do more. We are coming into Congress to ask for the money to do more ourselves. We do have to remember that there is enough pressure on the Taliban, that the Taliban are fighting back against the Pakistanis, and they are losing men, they are losing people in this fight.

They are doing it because it is important for the nation because President Musharraf has set a course for the nation of moving the society in a moderate direction and getting rid of violent extremism in the society. This is a difficult process, but it is one that he is very committed to.

Mr. ACKERMAN. Ambassador, as you know, this H.R. 1 is not law. It has not been taken up as yet by the Senate, and it is forward looking.

Your response was basically that the provision would not be helpful. I do not understand. If we make a determination that Pakistan is not doing all that it can to assist us, and we just look the other way because they help us when they want to, or when they think they can, rather than us pushing them to cooperate to the max, aren't we really letting them off the hook?

They just give us little dribs and drabs, and they will arrest some high-profile person that they could have most likely arrested last year or the year before, whatever. Why should we let them off the hook? Why shouldn't we push them as hard as we can? I know we do not want to destabilize Mr. Musharraf, but certainly there are many who think that his government could be doing a lot more.

Mr. BOUCHER. Congressman, I do not think it is a matter of letting anybody off the hook. We are all on the hook—Pakistan, Afghanistan, the United States, and NATO—to do this job effectively. We all understand the dangers.

Mr. ACKERMAN. If the President thinks they are not doing everything, why would we go ahead and—

Mr. BOUCHER. I think the simplest answer I can give you is the conditionality element. It is one thing for us to come up here and to talk about what Pakistan is doing and to encourage them to do more, sit down with Pakistan, go through what they are doing, what they can do, and to encourage them to continue. But to make it a condition of legislation implies, I think, a different kind of relationship than we want to have with Pakistan and, I think, a different kind of relationship than the Congress would like to have with Pakistan.

Mr. ACKERMAN. I do not mean to belabor it, but there is a key problem here, in my view, in policy. If we have made a determination, and the President has, that they can be doing more, but they are not, why would we go ahead with our end of the bargain if they

are not going ahead? They should be wanting to further this relationship also.

This relationship helps with their stability, helps keep their administration in control, and helps them do the positive things that they and we want them to do. Why would we have an escape clause for them, to say it serves our purpose now not to cooperate with whatever the issue is before them?

Mr. BOUCHER. I do not think we are giving anybody an escape clause. Let us remember, they are doing this, first and foremost, because it is important to Pakistan. Second of all, we are all doing more every day, and I think we are all looking for ways to do more, to support them and work with them as they step up their effort, even as we step up the effort on the other side.

So it is just this implication of a conditionality that implies that people are forced to do something for us when, in fact, they are doing it for themselves, and they are stepping up their effort, as we have seen with some of the recent arrests.

Mr. ACKERMAN. But we are doing what we are doing because it is important to us and it certainly helps them. Sometimes it is not that important to us, but it is something that helps them.

I do not mean to belabor this, and I do not know that I am going to get a better answer by doing that, but the question, if left as is, and, I suppose, it is going to be after the response, is going to leave a lot of us puzzled as to why we should not be putting some backbone into our end of the bargain, and if it is difficult for the administration to do it, well, then it is a brilliant reason for having several different branches of government.

I am not suggesting we are playing bad cop so the President can play good cop or whatever, but somebody has to remind the administration that, if the War on Terrorism is so important to us, and I believe the President on that—it is important to us—everybody believes that it is important to us—why, if we are giving somebody F-16's, or we are giving them whatever they ask might be, and we have a full expectation, that expectation is not being fulfilled.

It is like buying a car. You give the guy the money, and he decides not to give you the whole car because he has a need for a couple of wheels and a hood or something, for whatever reason.

If it is a bargain, it is a bargain. We are doing this for that. We do not give F-16's out all over the world for free.

Mr. BOUCHER. It is a purchase.

Mr. ACKERMAN. Yes. The ability to purchase is a gift.

Mr. BOUCHER. Is a gift.

Mr. ACKERMAN. The point being, we would like to see a little bit more muscle behind the policy; otherwise, the policy becomes, in my view, becomes mushy, and, therefore, other people with whom we have deals understand that as well.

Mr. BOUCHER. Sir, I do not wish to give the same answer again.

Mr. ACKERMAN. We can move on.

Mr. BOUCHER. Let me just say one thing. I do not think any of us resent or object to the Congress expecting a maximum effort from all of us and all of our friends in this fight. It is vitally important, and we do exert what we think is a maximum effort, and we expect of everybody involved in this fight to do a maximum effort. But as you said, Pakistan, Afghanistan, and others; they are doing

it for them, and it also helps us, and the conditionality implies that it is the other way around.

Mr. ACKERMAN. I thank you for expressing the view.

Mr. BOUCHER. Okay.

Mr. ACKERMAN. And I will run the clock on myself right now. Mr. Wilson?

Mr. WILSON. Thank you, Mr. Chairman. Mr. Secretary, I am very interested in our activities in Afghanistan. I have a personal interest in that the National Guard unit that I was in for 25 years, the 218th Mechanized Infantry Brigade of South Carolina, Army National Guard, is in training currently at Camp Shelby, Mississippi, and soon will be deploying to Afghanistan to work with Afghan security forces. I was happy to see that, indeed, \$8.6 billion is going to be provided to train and equip the security forces.

Can you tell me, as to the professionalism, the adequacy of the recruits in Afghanistan?

Mr. BOUCHER. The answer is they are terrific, but there are not enough of them. They are stretched. The ones that we have been able to train so far have been, in some cases, fighting near nonstop. Congress was very supportive last year, with a supplemental request that went to the Defense Department. So, in the later part of the year, we were able to expand the training, expand the equipment.

These guys are getting body armor and Humvees, and the equipment they need to do the job, and we have been able to increase the rate of training, so you will see a lot more soldiers and policemen coming through the pipeline this year, and, with the additional money that we are requesting, we look for them to be better equipped and start to develop new capabilities.

It is a very important mission that the National Guard guys are going on, and it is ultimately the Afghans that are going to secure their nation.

Mr. WILSON. Absolutely. We are really proud that they are serving.

In terms of the equipment that we are providing to the Afghans, it has concerned me that sometimes it seems that we are not giving our allies, whether they be in Iraq or Afghanistan, the same level of equipment that our troops have, and then we expect the local forces to be as effective. Indeed, are we providing comparable equipment?

Mr. BOUCHER. I think we are providing the same sort of basic necessities, what a soldier would need in those circumstances. To some extent, they fight differently and with a different mission than the U.S. force might. I suspect United States forces have a lot more technology with them than an Afghan army unit would have, for example.

But, yes, thanks to the support of the Congress, we are providing more of those basics, like armored vehicles and body armor and communications, the things you need to operate a modern force in a flexible manner. As they move into the next phases, you will see more mobility, more ability to collect and use information, the kinds of things that are the mainstays of the U.S. Army these days.

Mr. WILSON. Additionally, on my first visit to Afghanistan, I went with Congresswoman Sheila Jackson Lee, and I saw firsthand

her warm appreciation of the people of Afghanistan. She provided books from the children of Houston to schools in Afghanistan, and I am happy to see the funding for civilian reconstruction, and what is the level of school building attendance? Is it improving? What is the status?

Mr. BOUCHER. It is constantly expanding, and we just sat down with the minister of education not too long ago. The international community had a meeting in Berlin, and they have very specific plans about how to expand the education system, but there are 5.8 million children in school in Afghanistan. This is compared to about 900,000 boys in the Taliban period. Over the last 5 years, there are now 5.8 million kids in school. About 40 percent of them are girls. There are more and more school buildings being built. If you go to Afghanistan, you probably saw this in Kabul, that some of these schools are tents, some of these are empty yards, but they are studying, and they have books, and they have the ability to study.

There is a lot of investment continuously going into the education system at all levels, and we are just starting a major effort called "Afghans Building Capacity" that is designed to do more at senior levels, either retraining and training personnel who are in the government or expanding sort of college-level capabilities as well.

Mr. WILSON. What is the status of building roads? During the civil war, there was such destruction. Is that coming along positively?

Mr. BOUCHER. It is, and a big chunk of the additional requests that we are making is for roads. We have built, pretty much finished, the ring road in Afghanistan. It not only speeds up transportation, offers opportunities for integration with Central Asia, with Pakistan, but it actually creates a sense of nation. It creates a sense of wholeness to the country that they have not had for decades.

So we have moving from the basic transportation, the ring road, to the provincial roads, and then the provincial capital, the district roads. A great chunk of that supplemental request, if we get the money, will be used to build roads in the South and East. The government rides the roads. Roads are how you extend government. Road are how you fight narcotics. Roads are how you fight the Taliban and the insurgents. Roads are how you give people new economic opportunity, the ability to grow other crops and develop new industries.

So roads, electricity, water are really very high priorities in terms of the requests we are making in this current budget.

Mr. WILSON. You mentioned electricity. What is the level of electricity, in terms of percentage of the availability to the public, and what has it been over decades?

Mr. BOUCHER. It has been very, very low. I think it is about 6 percent of the people connected to the national grid. It is important for everybody to remember, in the fifties, sixties, and seventies, Afghanistan was one of the least-developed countries in the entire world, and then it went downhill for 25 years. There is a lot of work to do. A lot of this is not reconstruction; it is construction.

We are going to be repairing some facilities we built in the fifties, the Kajaki Dam, but also building new facilities to generate electricity. Major projects right now are Northern Power Grid, Southern Power Grid, and developing more power for Kabul, for the Kabul area. We are also trying to content Afghanistan to its northern neighbors, who generate gas or hydro-electricity, especially lines down from hydro power in Tajikistan, a big effort put into electricity. But even that, as far as I know, those northern and southern grids will connect maybe 40 to 50 percent of the country to the electric grid.

There are still a lot of people on diesel power and still a lot of people doing without.

Mr. WILSON. Currently, you say it is 6 percent. Is that an improvement over zero?

Mr. BOUCHER. I would have to look back at where the numbers were in 2001, but I am sure they were much smaller. And there is a lot more industrial growth and other things that are fueled by—people in companies buy diesel generators and things like that, so there is off-grid power more widely available.

Mr. WILSON. It is sadly startling. The Congressional Research Service has provided us information from the U.N. that the record opium poppy crop production in Afghanistan supplies 92 percent of the world's illicit opium. Those numbers are just incredible. I know that great efforts have been made to reduce that. Is there any progress? What is the solution?

Mr. BOUCHER. Sir, I am happy to address this. A number of members addressed it in their opening statements, and I tried to refer to it.

There is a very broad and comprehensive strategy to address the narcotics problem. It goes from the education that needs to be done, the interdiction of shipments and traffickers, the building of a law enforcement infrastructure, eradication of poppy in the fields, and the development of an alternative economy so that people can make money in other ways.

If you look at the experience of countries which, at one time, were the major producer of opiates for the West—Turkey, Thailand, Pakistan—you see three big factors. One is time; you have got to keep at it. Two is government determination through what they say, who they arrest, how they proceed. And the third is the development of a different rural economy. I think we have all of those elements in solid play now in Afghanistan.

We saw an explosion of poppy production, particularly in the South, last year. There were declines in some other parts of the country. There were further declines in some parts of the country this year, but the big production is down in the South, where there is instability, where the Taliban are operating, and where the government does not have complete and effective control.

So establishing that control, building the alternative economy, and reinforcing each pillar of the drug program have been the major tasks this year. So we do have innovations this year, things like a Good Performance Fund for governors that achieve major decreases so they have money they can spend on projects and economic development, based on what they have done for making their

province poppy free, or reimbursements for governor-led eradication.

So far this year, 6,700 hectares have been eradicated, whereas at this time last year, it was a couple of hundred.

So we are doing better in terms of the enforcement and eradication this year. I do not know what the final totals will be. I hope we will get them down from last year's totals. But I do know that we have a half a dozen poppy-free provinces and another half a dozen maybe a few more that we can achieve as poppy free this year, and that we will continue to battled not only the Taliban but the poppy problem in the South.

Mr. WILSON. One final question. Is there any alternative crop that is realistic?

Mr. BOUCHER. Not really. There is no single crop that you can say, "Grow this." What it is, and this is, again, the experience of other countries, is I started growing fruit. I get electricity so I can have a processing and packing plant. My brother-in-law starts driving a truck because we just got a road. My sister is starting a handicraft thing, a store that she can sell nearby in the markets. Other people get the opportunity to get education and maybe get a job in the city and send money back home.

A different kind of rural economy is what supplants the drug trade. So that is why we are involved in all of these things. We have involved in roads, electricity, processing private industry expansion, lots of things, to create a different alternative rule economy, not just say, "Stop growing this. Start growing that." The economics are not there.

Mr. WILSON. Thank you.

Mr. ACKERMAN. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. I would like to ask you a series of questions.

First, I would like to ask you the status of the Karzai administration and your comment on the stability, volatility of it, particularly in view of the fact that, from my knowledge—you may have other knowledge—of his rather willingness to continue to serve another term. What would that portend if he does not? Is a structure in place to contain that?

Secondly, how serious can we really take the narcotic effort when it is known that Karzai's brother is a big drug dealer, number one. Number two: It is also suspected that we have to deal with high-level officials that are involved in the narcotics trade itself.

And, thirdly, with 90 percent of the world's poppy production in Afghanistan, it is doubtful that could exist without high-level involvement in the government.

So my point is, particularly with the President's brother involved in it, could you briefly just comment on the status of the Karzai administration, particularly in relationship to the brother's influence.

Mr. BOUCHER. Mr. Scott, President Karzai was elected, as we remember, in a very exciting and open and free election with an enormous voter turnout that far exceeded any estimates that people had made. We did not know how many voters there were. The totals really showed a great popular enthusiasm.

Polls indicate there is still very strong support for the government and for democratic government, but they also indicate that the people of Afghanistan, like people everywhere, expect the government to deliver. And I think it is not so much a question of the composition of the government as it is of how well the government does to deliver the benefits of safety, of justice, of opportunity, which is what the people expect of their government.

So President Karzai is a couple of years into a term and has a couple of years left. As far as whether he will run again and who else will run, I guess I would just say that we have to see. It is a democratic system now. We have a Parliament. President Karzai is learning how to deal with a Parliament that is more and more effective. There are a lot of different voices.

There are different leaders emerging—some old leaders, some new leaders—and I think there is a lot of politics in Afghanistan, and that process will probably settle in in the next couple of years, and we will see, when it comes time for the next election, who is going to run and see who wins. But it will, again, be a choice the Afghan people can make.

Mr. SCOTT. Is the administration concerned about this, within 2 years?

Mr. BOUCHER. I think we are concerned about the progress of the democratic system in Afghanistan, but, so far, I would have to say it is very good. We will let the Afghan voters decide who they want as their next President. The individuals will decide who is going to run.

As far as corruption in the administration or allegations about the President's brother, I guess what I would have to say in this forum is the United States has been a very strong supporter of efforts against corruption of all kinds. There can be no one spared. Everybody who is involved in the drug trade has to be subject to prosecution. There is a very active attorney general, and we have made very clear our support for his efforts to identify and prosecute people.

There is a new supreme court that leads the judicial system, and the judges there, especially the chief justice, are absolutely committed to having a fair and effective judicial system. A lot of effort is going to go into improving justice, improving anticorruption efforts, making government programs less susceptible to corruption, making sure that eradication, when it takes place, is thorough and not distorted by friendships or payoffs.

So there are a lot of pieces to this puzzle, but I think we are going after them all, and we have made absolutely clear that there can be no one spared and no one privileged.

Mr. SCOTT. Do you believe that our Government should work with Afghan officials who are known to be involved in the drug trafficking or facilitating it or profiting from it?

Mr. BOUCHER. No. We believe the people who are known to be involved in the trafficking and facilitating should be prosecuted for that, and we, I think, are very careful in our relationships but also very active in helping the Afghan Government identify people who should be prosecuted.

Mr. SCOTT. Even if it meant working with them that are involved in drug trafficking, if that would help our counterterrorism effort.

Mr. BOUCHER. I do not think it is that easy to separate the two, frankly. I think, if you look, first of all, at the experience in other countries and at the experience in Afghanistan, the Taliban is making money off the drug trade. The drug trade is a threat to the government just as much as the terrorists are. Both are causes of insecurity. Both undermine legitimate government. Both threaten the people and their future, and we need to know how to go after both, and I think, in terms of the kinds of policies we set, we set both as parallel and even connected goals to go after the poppy and after the Taliban.

Mr. SCOTT. Let me just ask a couple of more on Afghanistan, and then I have just a couple of more on Pakistan.

Tell me about NATO and what the other nations are doing. As I mentioned, on my recent trip, I was very concerned about some of that. Could you kind of give us an idea of that fulfillment, especially in relationship to—Are we ready for this spring offensive?

Mr. BOUCHER. NATO is very active in Afghanistan, and some NATO members are more active than others. I think we have appreciated every contribution that has been made. We have had a series of very intense discussions with our allies in recent months, starting with the President's discussions at the Riga summit last fall to the Secretary's discussions with foreign ministers in Brussels and Secretary Gates' discussions in Seville.

We have had G-8 meetings that dealt with the subject of Afghanistan. We have had what is called the Joint Coordination Monitoring Board meetings to talk about Afghanistan, and I, myself, have made the rounds of European capitals and been up to Canada and elsewhere to continue to pursue this.

We have seen, in the last several months, a number of allies step up to the plate. Indeed, there have been, I think, announcements of 7,000 more troops for Afghanistan, about 3,200 of those being American, but still the majority being from other countries. There have been announcements of, I think, over a billion dollars of new assistance to Afghanistan. We work very intensively with the European Union on their efforts to expand their program of police training and get more police trainers and money for police training out to Afghanistan because we see that as a crucial element.

You noted that the Italian Government had fallen on one of the issues with Afghanistan, but it was really an issue for a small, left-wing party. If you looked around the Parliament, I think some 70 or 80 percent of the Parliament, as a whole, were supportive of the mission in Afghanistan. It is not only a U.S. priority; it is a NATO priority, it is an EU priority, it is a U.N. priority, and it is something that most countries, I think, understand is critical to the safety of all.

Mr. SCOTT. Thank you. Let me just quickly, if I may, just go to Pakistan very quickly, and I would like to pick up on the chairman's line of questioning because there is a great concern in the Congress that Pakistan is, indeed, not doing enough, and it is especially true for the amount of support we are giving them. We provided them with \$4.75 billion. That is \$80 million every month that we are providing them just for support of a counterterrorism operation.

Wouldn't you think that it is counterproductive, on our part, to provide Pakistan with that kind of money plus access to our sophisticated weaponry, like the sale of the F-16s, if they are not cooperating fully with the fight on terrorism?

I just do not believe, Mr. Ambassador, that we are making all of the progress we should be making. If we know that Osama bin Laden and his henchmen are right there on the border, and it is clear to me that, from having gone over there, just from talking to our folks in Afghanistan, our command, that the basic area where they feel they are is on the Pakistan side of that border and that there is a feeling of safe haven there. Then there is the uneven treatment that the Pakistan Government gives in joining our efforts to go after al-Qaeda and the Taliban.

There is just evidence that they are not doing everything they need to do, and I am wondering how the administration handles that and what your response is to that, particularly in view of the huge amounts of money and aid and assistance that we are giving to the Pakistanis. It just does not seem like we are getting our money's worth.

Mr. BOUCHER. Mr. Scott, I think you need to look at the big picture, and I am not saying you are not. I think you understand all of the elements, but it is important to remind ourselves of all of the elements. The overall direction of Pakistan to become a more moderate, more democratic, less extreme nation is one that is very important to us.

Yes, we have put a lot of money and effort into that. I think our budget last year was something like \$738 million. A big piece of that was for earthquake relief because they suffered terribly in an earthquake. But we provide \$600 million or so to support their military and their budgetary needs, their economic development needs because it is important to us. We put over \$100 million a year into education in Pakistan because that, in the long run, is how to reorient the nation in a more moderate direction.

So there are a lot of things we do in Pakistan generally, and there are things we do with Pakistan along the border as well. We support, through coalition support funds, their military. They have got 80,000 military along that border. Yes, maybe they have not been as effective as they could have been, maybe there are ways we can all become more effective. I have no problem with people saying, "You need to make a bigger effort. Your friends need to make a bigger effort." We are coming to you to ask for the money and the support to do that.

So you have every right to expect a maximum effort from all of us, but I think you also have to recognize the effort that is being made. There is pressure. There is a maximum, major effort on al-Qaeda. There is pressure on the Taliban. There are arrests. There are attacks, and, unfortunately, there are Pakistani soldiers dying in this fight. I think we need to look to ways to support them in the effort, to make it as effective as possible, from all of us, including from Pakistan.

Mr. SCOTT. My final question on that—thank you, Mr. Chairman, for your indulgence of the time and not bringing the hammer down. Apparently, Vice President Cheney feels the way the Congress does on this issue, and I certainly commend him for that and agree with

him for doing that. The reports are saying that, in his last visit, recent visit, to Pakistan that he laid the hammer down, that he gave a very blunt message to the Pakistanis that they had to do more.

Can you share with us what the Vice President said? How strong was that message?

Mr. BOUCHER. I think a lot of those reports are somebody else's characterization. I do not think the Vice President would characterize his efforts that way.

Vice President Cheney went to Pakistan on what we think was a very important and a very successful visit. He made clear our support for President Musharraf, our support for the effort they are making against al-Qaeda and the Taliban, our desire to further support them, frankly, in their efforts in the border areas and our encouragement to look for more things that can be done to be more effective against the Taliban.

I think that was the way he put it. I think that has been the way we have all put it, in terms of our discussions with the Pakistanis. It is a very clear message that we all need to be doing everything possible, that the risk to all of us of another attack, whether it is an attack in Pakistan or an attack in London or an attack in the United States, are enormous, that we cannot allow ungoverned spaces to exist, and that Pakistan has to exercise effective control over all of its territory, just the way we are trying to help Afghanistan exercise effective control over all of its territory on the other side of the border.

Mr. SCOTT. Thank you very much, Mr. Chairman. Thank you, Ambassador. You are quite the diplomat.

Mr. BOUCHER. I am not sure that is a compliment, but I will take it as one.

Mr. ACKERMAN. I will not translate that.

Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman. Good afternoon, Mr. Ambassador. I want to discuss the U.S.-India Civil Nuclear Agreement. Last year, we spent considerable time on this committee with the framework of the potential agreement, and one of the concerns that was expressed is the potential diversion of nuclear fuel by the India Government, if the agreement goes forward, into nuclear weapons production.

We put some safeguards into the overall framework that would, I assume, be translated into a potential agreement to ensure that we are not participating in that unintended consequence and have appropriate, safeguard check measures to ensure it does not happen. Nonetheless, given that question that lies out there, how does that complicate the issue of a potential nuclear arms race with Pakistan, given the tensions in the area?

I think the two countries are now talking, but, again, India's noninvolvement in the Nonproliferation Treaty is a concern, and speak to this as a complicating factor in the region as a potential unintended consequence of a policy we may be pursuing shortly.

Mr. BOUCHER. Thank you, sir. First of all, I appreciate the effort Congress put into passing the legislation. It was landmark legislation and, we think, very important and very well crafted in terms of letting the President and the prime minister move forward in a

way that is prudent and in a way that meets their own expectations that they put down when they negotiated this.

There have been a lot of studies and a lot of statements—you heard them all during the debate—about what this would do for India's military programs, whether it would do anything at all. I still believe it would not. I do not think the incentives are there. But, indeed, there is a series of safeguards that will be negotiated between Indian and the International Atomic Energy Agency. That is one piece of the package that will be looked at, will be ready for the Congress to look at, when we ask you to vote again on finalizing the deal.

We will have a standard, bilateral agreement between the United States and India that has the provisions required by law to make sure that there is adequate legal basis for our cooperation. Congress will get a chance to look at that as well when it comes down to it.

So I think, really, on the issue of military versus civilian, the essence of the deal was a separation between the two and a separation that can be maintained, that will be maintained, by the Indians, based on their decisions and policy, but also in cooperation with some of these international agreements.

So we stand by that, and I think they stand by it, too, and those understandings are the basis on which we are negotiating these particular agreements.

As far as the potential for an arms race in the region, we have talked quite clearly to both India and Pakistan. Both of them tell us they do not want to see an arms race. They have no intention of starting one, and, indeed, as you, yourself, noted, they are not only talking but making a lot of progress.

I think the signs are quite positive, and certainly the United States has been encouraged, and we have been encouraging them to continue conducting their conversations in a very open and statesmanlike manner that they have proceeded in and to continue making progress.

They did, in fact, reach some agreements on confidence building in the nuclear era very recently, in January, and those are signs, I think, that they are looking to reduce these tensions, not to increase them, and that is certainly a direction we have encouraged them.

Mr. ACKERMAN. Ms. Jackson Lee.

Ms. JACKSON LEE. I indicated in my opening remarks, Mr. Secretary, that this region is both strategic in its importance to the United States, but also I base part of our strategy, or, I believe, our strategy, based upon the potential for friendship and alliances because there is a true sense of friendship, either on our values or the mutual opportunities that we have had to work together.

I am reminded of traveling with Secretary Albright to Bangladesh dealing with human trafficking, at that time, specifically sex trade and the importance of emphasizing that issue. I would ask for an update on that, but let me just continue on a theory that several of my colleagues have mentioned, and they are certainly, I believe, both pointed and certainly factual in some of the aspects of their questioning.

I look at Pakistan and Afghanistan that have drawn most of the questions as areas that we believe, in the foreign policy perspective, are worth saving, in essence. I look at Afghanistan as seriously in trouble, and, of course, I am part of the sentiment that I wish we had emphasized Afghanistan after 9/11 with resources and fighting the War on Terror and not been distracted by the Iraq War. That debate left for another day.

I would indicate that I know, in speaking to many of the parliamentarians, many of the women who are elected in Afghanistan, that the people—the girls, the boys, the families—want a better quality of life and want a safe and secure Afghanistan.

Likewise, and I set that precedent to ask you this question, and I ask you to speculate, would you give me the percentage of people in Pakistan that you believe wholeheartedly support Osama bin Laden? I think what we forget in foreign policy is that there are people in these countries, there are governments, but that the people themselves have a sense of hope somewhat associated with the support, hopefully, the factual support and the transparent support of the United States—I do not think we should be duped—in continuing the alliance.

So I really do ask you to speculate on the percentage of those who may support it, and then give me, again, as you have said, give me a sense of the difficulty of that region so that if you have a head of government, I am concerned, one, about human rights in Pakistan and the region and concerned about a forthcoming transparent elections.

I think we need to be far more active. I do not think we should just be spectators on the Pakistan elections. There is the suggestion that we will see only one candidate or a couple of candidates. It will be of no value, and then President Musharraf will ride in on a gleaming horse.

I would like to think that we would be diligent and vigilant in ensuring our monies are well vested or invested. I would like to thank that we will still be fighting for human rights and transparent elections, but I think it is important for you to enunciate some of the sense of the people of Pakistan who want to be part of a free and democratic society but also want to be part of the War on Terror and do not want to be part of the existence of, whether it is the Taliban or other terrorist groups.

Speculate on the percentage of those that you think have the heart of Osama bin Laden or have the hopes and dreams of terrorists in their hearts and the other group that really wants to survive and make it and be part of the world society of peace. I yield to you.

Mr. BOUCHER. Ma'am, I could not agree with you more. I think it is fundamental that people are people, and if you look at the people of Pakistan, what they want for themselves and their kids are education, a chance to travel, technology, the benefits of modern society, the jobs that you get by merit, opportunity, particularly for their children, and to the extent—

Ms. JACKSON LEE. Forgive me for interrupting, but this is what you, from travels, from State Department research, from other than CRS, this is what you sense in the policy—

Mr. BOUCHER. First of all, I take that as doctrine around the world, but I think I also see it in the developments in Pakistani society, in terms of you just go there, and the number of signs proclaiming Internet or computer education, the number of small, large private schools of all kinds for education, the people that want visas—the whole tenor of society and where it is going economically and where it is going politically, I think, is in a much more modern direction, and the polls, I think, sustain that.

The percentage, the hardcore, that support the terrorists and Taliban, I have not seen any numbers—

Ms. JACKSON LEE [continuing]. Or Osama bin Laden.

Mr. BOUCHER [continuing]. Or Osama bin Laden—I have not seen numbers. I am sure it is less than 1 or 2 percent, but a violent few can do a lot of damage, and one needs to fight them.

The tribal areas are different. They always have been different. They were governed understood different arrangements under the British, where the government was sort of at arm's length and dealt through the tribal leaders. A lot has changed there socially, but the governing arrangements have not.

So what President Musharraf is trying to do is to get more government control there and to use the authority of the tribal leaders to assert more control over—kick out the foreigners, stop the cross-border, and stop Talibanization. We are trying to support that. We have worked with them now on an economic development plan that President Musharraf has estimated he needs about \$750 million over 5 years. They are going to put about \$100 million a year into this and are looking for our support. We are going to try to support them with—

Ms. JACKSON LEE. 100 million U.S. dollars?

Mr. BOUCHER. He is putting about \$100 million, U.S. dollars, into it from his own budget and has asked us for \$150 million a year.

Ms. JACKSON LEE. I think that is an important statement.

Mr. BOUCHER. And I think we have worked out how to do that. It is a good strategy. It is a strategy of economic development, of education, of training. In addition, as the President announced last spring in Pakistan, we will be coming to the Congress for authority to support reconstruction opportunity zones in the border regions of both Pakistan and Afghanistan so that they can attract new industries, so that they can develop jobs and opportunities in industry and export duty free to the United States.

That kind of economic development not only gives people something else to do other than join the Taliban and pick up a gun, but it gives them a stake in the national economy and the global economy. It brings them into a nation in a way that they had never been part of it before.

So I think, in the end, that is what people want. I think the polls show that, the support for government shows that, and, certainly, when you talk to people in those areas, they want health care, they want education, they want opportunity, and to the extent the government provides that, and we provide that, we will do well.

Mr. ACKERMAN. Mr. Carnahan.

Mr. CARNAHAN. Thank you, Mr. Chairman. I wanted to follow up. We have heard the statistics cited many times about the 90 to 92

percent of the world's heroin coming from Afghanistan. President Karzai, in our materials, had a quote here that said, "The single greatest challenge to the long-term security, development, and effective governance of Afghanistan is this production."

I cited some information from our areas in the Midwest where these articles have cited—our law enforcement, health officials, our local drug recovery centers, our St. Louis chapter of the National Council on Alcoholism and Drug Abuse has cited this influx of this high-strain heroin that is really getting people more addicted and causing several deaths.

So there seem to be concerns in the people that were talked to in this feature article about the administration's policy, by itself, perhaps was not enough and that we needed to look at some new areas. You mentioned an alternate economy for these.

I guess I would like to follow up on some questions with regard to that. The report that was in the defense appropriations bill recently, where it asked the administration to report back on their plan to address drug production, drug smuggling, narcoterrorism financing in Central Asia to the Congressional Appropriations Committee in March 2007; has that report been submitted, to your knowledge?

Mr. BOUCHER. I would have to check, sir. I do not know, frankly.

Mr. CARNAHAN. Okay. I think that would be helpful for us on the committee to see that, and, in particular, I would like to talk about some other points from this article in the *St. Louis Post*, which is looking at legal markets for heroin production but also advances in plant science.

My understanding is, in the seventies, there was a treaty with Turkey and India to help them with access to legal markets for their products, and we have also had research done in St. Louis about creating a trade for morphine-free opium.

My understanding also is, in Australia, they have done a lot of work with altered morphine-free poppies that cannot be easily used to produce heroin. It is used as painkillers, and there is a demand for this around the world.

So I guess I would like to ask, where in the administration's efforts, under the alternate economy, are we working on providing legal markets but also looking for and using plant science for some of these altered plant types and how that could also help keep a local economy going to really cut down on the worst part of this trade.

Mr. BOUCHER. Congressman, to tell you honestly, the answer is nowhere in our strategy is legal trade and legalization part of the strategy. We have looked at this. We have seen various people talk about it.

We really think that, in the circumstances of Afghanistan, this is not the right way to go, that, if you start telling this guy over here it is okay to grow the stuff, and you still expect that guy over there not to, it raises an awful lot of questions of the moral choices and the validity of it.

Unless you have real control over the situation, over who grows and who does not, you are just saying it is okay, and, at this point, we do not think that kind of control exists in Afghanistan.

Mr. CARNAHAN. How is that different than what happened decades ago in Turkey and India that has had some success?

Mr. BOUCHER. I do think, in India, there was probably much more government control and effective government in terms of developing it in a controlled and restricted environment. I would have to check, though, on the experience with some of the experts about Turkey and Indian and how it was done there.

I think the second issue is that the pricing. The markup on drugs is such that the difference between what the farmer gets and what the trafficker gets in the end is so great that if you start buying drugs, trying to buy the crop, you just get into a bidding war with somebody who ultimately has a whole lot of room to pay more, and you just start to get into a bidding war for the people who are selling drugs, and they decide who they are selling to, depending on the price.

So there are a lot of reasons that, when we have looked at this, we just do not think it is right.

I think the other thing is to say, you know, we have seen what works in Afghanistan. What has worked in Afghanistan against poppy as well as against the Taliban has been effective government, has been more police, more eradication, more effort by the government, and has been the investment in alternate livelihoods, an economy that gives people other ways of supporting their families and making money. We need to do that. In our view, we need to do that better and more broadly in Afghanistan, and we think that is the way to beat the drug problem.

Mr. CARNAHAN. Well, I would encourage you and others to look at the successes of that and how that might apply from the experiences in Turkey and India—

Mr. BOUCHER. Certainly.

Mr. CARNAHAN [continuing]. And also with what is being done in Australia with regard to altered plants that are morphine free, that there is a market out there for. Have you looked at that at all?

Mr. BOUCHER. I have not personally looked at that, sir, but I definitely will ask my experts about all of these questions to make sure that we understand them thoroughly.

Mr. CARNAHAN. Thank you. I yield back.

Mr. ACKERMAN. Thank you very much.

Ambassador, it is my understanding that the President is considering sending a budget amendment to the Congress to ask to move \$110 million from the Iraq request over to Pakistan for use in economic development in Waziristan and the northwest frontier province. First, is that accurate?

Mr. BOUCHER. We are in the final stages of deciding how to fund the economic development of the border areas. Some of these things are being looked at right now. I suspect, very soon, we will be able to get you a final decision, but I cannot confirm that precisely at this point.

Mr. ACKERMAN. Maybe this is unfair, based on that answer, but could you give us some understanding of what the discussion is, at this point, as to what it would be spent for, and would it go to the government or through NGOs, and is that something that you contemplated in what you referred to in your written testimony as the "Pakistan Frontier Strategy."

Mr. BOUCHER. Yes, it is, sir. I am happy to tell you why it is important for us to support the development of the frontier areas, the border areas, and tell you what kind of effort we think needs to be made. Precisely how it needs to be financed is the only question I will beg off on until we have a chance to communicate more directly with the Congress, more formally with the Congress.

But we have worked with the Pakistanis. They have developed, over the past year or so, a development strategy for the border areas, for the tribal areas, that concentrates on basic human services: On natural resources, communications and infrastructure, and economic development.

Projects like improving civilian security and security capabilities, expanding the availability of health, education, road construction, things that meet basic economic needs, basic human needs and economic growth: Developing a secretariat and the authorities of government in that area, including the necessary infrastructure to manage and monitor programs that are essential to long-term development; building roads, bridges, irrigation networks, dams, community water schemes, small hydro-power schemes, augmenting rural support, meaning local ownership, community mobilization, and things like that.

So it is a very integrated strategy. It is a comprehensive strategy. It is something the Pakistanis developed, in consultation with us, that we think is very good. We think it is a way of not only providing an economy in this area that is different than the one they have had and the choices that they have made, but it is also a chance to bring these areas more into the national economy and the global economy and that essentially that stabilizes the region and brings it into a more moderate direction, and that is why we think it is worth our support.

Mr. ACKERMAN. It sounds like comprehensive planning, and we will await the announcement.

Mr. BOUCHER. It is very thorough. I am glad to talk about it, at whatever length you—

Mr. ACKERMAN. We are happy, at last, to hear that about something. I do have another question, but the House has just reconvened. There is not a vote that has been called for yet, and there will be four, and Mr. Wilson and I want to make sure that all of our members who have not asked questions get a chance to do so. So I will reserve whatever questions that I have. Mr. Costa?

Mr. COSTA. Thank you very much, Mr. Chairman. I have two questions, and, hopefully, we will get them before we go and vote.

The first question: I have been to Pakistan and Afghanistan within the last 18 months. We met with President Musharraf. How would you describe the current discussions that are taking place between India and Pakistan today, given their history and the progress they are attempting to make, not only within Kashmir but also the other issues that are on the agenda between the two countries?

Mr. BOUCHER. I think it is quite positive. They have both acted in a very statesmanlike manner. They have expanded the range of discussions and, I think, the depth of the discussions as well. There are a number of new ideas in play on the question of Kashmir, and they are dealing with some of the specific disagreements, like Sirk

Creek and Siachen and some of these particulars, but they are also discussing other things: Confidence building and nuclear and conventional forces. They just had, this week, the counterterrorism discussions, a new mechanism to discuss terrorism problems and discuss the bombing of the train, which affected them also deeply.

So it has really broadened quite a bit, and I think they are a lot better conversations than ever before, so we have been tried to encourage this as much as we can and really welcomed it.

Mr. COSTA. So you think the framework makes sense and that it is in their mutual interests to continue the progress they have made.

Mr. BOUCHER. Absolutely.

Mr. COSTA. Let me move it over to Afghanistan quickly. I have been critical of the administration, since I came back from Afghanistan, about the need to not take our eye off the ball. I know we have been preoccupied for many reasons with Iraq, but I do not think Afghanistan is a done deal, although I think there are tremendous opportunities there.

Much has been talked about the spring offensive, and we are all expecting it. Do you think, under the current circumstances that you are aware of, that we are adequately prepared to deal with the spring offensive that is anticipated, and what do you think will be the possible outcomes that we should be anticipating?

Mr. BOUCHER. I think we are better prepared than ever before. When we talk about a spring offensive, we see it every year when the snows melt. We have, "we" meaning the Afghan Government, the United States, and NATO, taken a lot of steps this year to make sure that we were on the offensive, not just with military actions like the one, Operation Achilles, that is going on now, but also with building roads, providing assistance, extending government. President Karzai made a number of government appointments in January and reappointments. So it is all of these pieces.

Mr. COSTA. I have visited some of the—units there with the ring road and some of the efforts in Kandahar with improvement of the municipal water system and such. The women that are part of the Parliament are still oftentimes not allowed to even discuss or debate and their microphones are cut off. It is a whole combination of strategies, I think.

I remind people that South Korea is a success today, but we still have almost 30,000 troops there. It has taken five decades to bring it to this place. With 90 percent of the population of Afghanistan illiterate, there are tremendous challenges at hand. Any thoughts about President Karzai becoming more than just the mayor of Kabul?

Mr. BOUCHER. I think he is more than the mayor of Kabul. I think the basic issue, though, is extending the authority of government throughout the country. His appointments in January helped do that. He has replaced governors, replaced police chiefs, district chiefs. A lot of the effort of his ministries: People are getting out more and doing more work in the provinces.

We are supporting that effort with provincial reconstruction teams and with our aid projects. This whole effort to extend government, extend authority of government, extend the benefits of government to the people is really what is going on, and, frankly,

as we face the springtime, we will see a lot of very nasty people. We will see suicide bombers.

The Taliban failed last year. They failed to take towns, cities, and territory, and, this year, the government has more police, more Army, more NATO, more aid projects, more effective government, and is better positioned to deal with the problems that the insurgents might create.

Mr. COSTA. I will submit the balance of my questions, Mr. Chairman, realizing for the sake of time. But the issue of the poppy fields that you spoke of earlier and the situation of trying to get this basically agrarian economy based on alternative modes, I think, is going to be a large part of what success we are able to make here in the next several years: Smart money, cost-effective money.

Mr. BOUCHER. Very much agreed.

Mr. ACKERMAN. Thank you, Mr. Costa.

A final question, which, I think, you may not be able to answer in a week, but I do want to ask it, and we may have it as the subject of a future hearing, as likely as not. You mentioned, at the outset, Mr. Secretary, that one of our prime objectives, and you listed it first of several, was to champion democratic stability, which is the phrase that you used. This is very differently nuanced than to establish democracies, which means, I think, that we are thinking and learning. What is your understanding of the difference of the nuance between establishing democracies, or is that too evocative of the West, stick it in your eye?

Mr. BOUCHER. I think it is a phrase, sir, that I am in the habit of using, particularly out in the region, because people somehow equate democracy with chaos. We equate democracy with having a stable set of institutions and a stable government that can outlast any individual or any crisis to the system. We have seen that in our own case and many others.

So we kind of advertise the virtues of democracy, in and of itself, and we are building democracies—I have no hesitation in saying that—but also as a means to achieve long-term goals of society. So we put a lot of money into it. Somebody asked earlier about Pakistan. I think, last year, we put \$20 million into democracy programs. We have increased it this year. We will increase more in the 2008 request, up to \$40 million.

So it is very important to build democracy but to build the institutions: The foundation of education, information technology, and law; the institutions, like the election commissions, the judicial systems, the Parliaments, all of these things that can really create a stable democracy for the long term.

Mr. ACKERMAN. I appreciate that, and I appreciate your talking in those terms. One of the things we are going to be looking at is the “be careful of what you wish” theory because sometimes, without the institutions to which you refer, which are non existing in many places, putting in a democracy would elect people that we would not be very happy with and would be doing the opposite of what our goals and aspirations are for the people in that region, as well as for regional and international stability.

Mr. BOUCHER. Can I tell you one small story?

Mr. ACKERMAN. Sure.

Mr. BOUCHER. Talking to the King of Bhutan—you said you wanted to cover the whole region, so we have to talk about Bhutan. He decided that he was going to change his country into a constitutional monarchy, and they are building those institutions, they are building the political habits and the political system.

But he said that a lot of people ask him, “What are you talking about democracy for? What kind of democracy do you want? Look around the neighborhood. We cannot be India. Do you want us to be Bangladesh or Pakistan, Afghanistan, Sri Lanka, all of these troubled places?” He says, “People ask, Why democracy?” But he still believes it is the most beneficial, open, and creative system, in the long term, for his people. And I think that is the case we have to make as well and make sure it is done right.

Mr. ACKERMAN. God save the King.

Mr. BOUCHER. God save the constitutional monarchy.

Mr. ACKERMAN. Constitutional democracy.

Mr. BOUCHER. Constitutional democracies. Sorry.

Mr. ACKERMAN. Let me thank the members of the committee, those who are here, those who participated, those who made appearances, and especially you, our chief and only witness, for providing us with tremendous enlightenment. The committee stands adjourned.

Mr. BOUCHER. Thank you very much, sir.

[Whereupon, at 4:18 p.m., the subcommittee was adjourned.]

