

# THE CHALLENGE OF TERRORISM IN ASIA AND THE PACIFIC

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## JOINT HEARING

BEFORE THE  
SUBCOMMITTEE ON ASIA AND THE PACIFIC  
AND THE  
SUBCOMMITTEE ON  
INTERNATIONAL TERRORISM, NONPROLIFERATION  
AND HUMAN RIGHTS  
OF THE  
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## **THE CHALLENGE OF TERRORISM IN ASIA AND THE PACIFIC**

**WEDNESDAY, OCTOBER 29, 2003**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ASIA AND THE PACIFIC, AND  
SUBCOMMITTEE ON INTERNATIONAL TERRORISM,  
NONPROLIFERATION AND HUMAN RIGHTS,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittees met, pursuant to call, at 1:36 p.m. in Room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. The Committee will come to order. On behalf of my colleagues, let me express a warm welcome to our distinguished witnesses before the Committee.

Leading off our first panel is Ambassador J. Cofer Black, who is the State Department Coordinator for Counterterrorism. He is joined by Christina Rocca, Assistant Secretary of State for South Asian Affairs; and Matthew Daley, our Deputy Assistant Secretary of State for East Asian and Pacific Affairs. Following our administration of witnesses, we will hear from our second panel of distinguished outside experts.

At the outset I would like to note my appreciation to Chairman Gallegly for his cooperation in scheduling this joint hearing. Likewise, I also want to express my appreciation to our distinguished Ranking Member Mr. Faleomavaega for his interest in this semi-annually important and timely subject.

The purpose of today's hearing is to assess the environment for terrorism in Asia and the Pacific and the success of the United States and others in combatting this terrible scourge.

Before turning to our first panel, I would like to make a few brief comments. There are many lessons of 9/11, but one that stands out is that it is relatively easy to destroy. If you can inflict great havoc on many, anarchy is terrorism's fellow traveler. And more sobering still is the premise that for the first time in history weapons exist that jeopardize life itself on the planet, and access to these weapons has become wider not only between nation states, but between—potentially by terrorist organizations accountable to no government. Just as the invention of gunpowder made possible the nation state because it made the castle-based feudal system indefensible, so terrorism makes modern civilization itself vulnerable.

As an instrument of envy and fanatical hatred, terrorism cannot be guarded against simply by maintaining a strong army. Its causes must be understood and dealt with at their roots. As we

think about what must surely be the long-term nature of the terrorist challenge in Asia and its implications for the United States, it is critically important that we strive to maintain the right balance of our policies. In this region and elsewhere, policymakers would be wise to remember Teddy Roosevelt's admonition that America should speak softly, but carry a big stick. The greater our power, the more important it is to use it with restraint. Otherwise America will be seen as hubristic, fostering resentments and no cooperation abroad.

Throughout Asia we need to address the root causes of despair, disease, hunger, the perceived lack of respect, dispiriting of society that occurs when governments succumb to the practices of corruption that are robbing so many of their future. On the positive side, the Creative Education Initiative announced by the President in Indonesia, and is meeting there with leading Islamic leaders, sets a constructive new tone.

Turning for a moment to South Asia, I am profoundly troubled by indications of this year's opium crop in Afghanistan. It could be one of the largest ever in spite of efforts by President Karzai to reduce production. There can be little doubt that profits from narcotics and other illicit activities are central to the efforts of al-Qaeda and Taliban to reconstitute their operations and plan deadly new attacks on Americans in Asia and around the world.

It is, of course, also evident that Pakistan is a vital linchpin on the campaign against terrorism. Both our countries have enormous vested interest in developing a broad and stable relationship that helps foster modern democratic Pakistan. We deeply appreciate Pakistan's extensive cooperation with the United States, including President Musharraf's commitment to end Pakistan's use as a base for terrorism. Nonetheless, many of us in Congress remain concerned that more needs to be done to ensure that Pakistani military and intelligence forces are fully committed to preventing jihadists from carrying out their grievous attacks in Afghanistan and Kashmir.

In Southeast Asia the good news is that deepening regional intelligence and police cooperation are reaping substantial dividends. The more awkward news is that al-Qaeda-affiliated groups like Jemaah Islamiyah appear to be more capable, more active and more deeply rooted than many previously believed. We look forward to your assessment of progress against the JI and other terrorist organizations in the region.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of my colleagues, let me express a warm welcome to our distinguished witnesses before this joint hearing of the Subcommittees on Asia and the Pacific, and International Terrorism, Nonproliferation, and Human Rights.

Leading off our first panel is Ambassador J. Cofer Black, who is the State Department Coordinator for Counterterrorism. He is joined by Christina Rocca, Assistant Secretary of State for South Asian Affairs, and Matthew Daley, Deputy Assistant Secretary of State for East Asian and Pacific Affairs. Following our administration witnesses, we will hear from a second panel of distinguished outside experts.

At the outset, I would like to note my appreciation to Chairman Gallegly for his cooperation in scheduling this joint hearing. Likewise, I would also like to express

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The purpose of today's hearing is to assess the environment for terrorism in Asia and the Pacific, and the success of the United States and others in combating this terrible scourge. Before we turn to our first panel, I would like to make a few brief comments.

There are many lessons of 9/11, but one that stands out is that it is relatively easy to destroy. A few can inflict great havoc on many. Anarchy is terrorism's fellow traveler.

More sobering still is the premise that for the first time in history weapons exist that jeopardize life itself on the planet. And access to these weapons is becoming wider, not only between nation states, but potentially by terrorist organizations accountable to no government.

Just as the invention of gunpowder made possible the nation-state because it made the castle-based feudal system indefensible, so terrorism makes modern civilization vulnerable.

As an instrument of envy and fanatical hatred, terrorism cannot be guarded against simply by maintaining a strong army. Its causes must be understood and dealt with at their roots.

As we think about what must surely be the long-term nature of the terrorist challenge in Asia and its implications for the United States, it is critically important that we strive to maintain the right balance in our policies.

In this region and elsewhere, policymakers would be wise to remember Teddy Roosevelt's admonition that America should speak softly but carry a big stick. The greater our power, the more important it is to use it with restraint. Otherwise, America will be seen as hubristic, fostering resentment instead of cooperation abroad.

No country, no matter how powerful, can triumph even in a well intended war if its strategies are based on assertions of power which, to paraphrase the late theologian Reinhold Niehbur, are "heedless of all the moral and cultural factors" in international affairs. To prevail, thoughtful leadership needs to be sensitive to the views of others; it also needs to inspire.

Throughout Asia, we equally need to address the root causes of despair—the disease, the hunger, the perceived lack of respect, and the dispiriting of society that occurs when governments succumb to the practices of corruption.

Fortunately, the creative education initiative announced by the President in Indonesia and his meeting there with leading Islamic leaders sets a constructive new tone. But we must endeavor to do more to recognize and address genuine grievances, poverty, economic imbalances, and the troubling division between the "haves" and the "have nots"—not simply in economic terms but also in terms of that most precious of human commodities, hope.

Turning for a moment to South Asia, I am profoundly troubled by indications that this year's opium crop in Afghanistan could be one of the largest ever recorded in spite of efforts by President Kharzai to reduce production. There can be little doubt that profits from narcotics and other illicit activities are central to the efforts of Al Qaeda and the Taliban to reconstitute their operations and plan deadly new attacks on Americans in Asia and around the world.

It is of course self-evident that Pakistan is a vital linchpin in the campaign against terrorism. Both our countries have an enormous vested interest in developing a broad and stable relationship that helps foster a modern, democratic Pakistan. We deeply appreciate Pakistan's extensive cooperation with the United States, including President Musharraf's commitment to end Pakistan's use as a base for terrorism. Nonetheless, many of us remain concerned that more needs to be done to ensure that Pakistani military and intelligence forces are fully committed to preventing jihadists from carrying out their grievous attacks in Afghanistan and Kashmir.

In Southeast Asia, the good news is that deepening regional intelligence and police cooperation are reaping substantial dividends. The more awkward news is that Al Qaeda affiliated groups like Jemaah Islamiya (JI) appear to be more capable, more active, and more deeply rooted than many had previously believed. We look forward to your assessment of progress against the JI and other terrorist organizations in the region.

Mr. LEACH. At this point let me ask Mr. Faleomavaega if he has an opening statement.

Mr. FALEOMAVAEGA. Mr. Chairman, thank you for your leadership in calling this hearing this afternoon, and I also certainly

want to offer my commendation to my good friend and colleague from California, the Chairman of the Terrorism Subcommittee, as well as the Ranking Member, Mr. Sherman from California, for joining together and holding this important hearing this afternoon.

Mr. Chairman, thank you for agreeing to hold this hearing. Regarding the challenges of terrorism in the Asia Pacific region, as the Ranking Member of the International Relations Subcommittee on Asia and the Pacific, I am deeply concerned about regional terrorism and weapons proliferation, especially in South Asia. I would like to clearly state that I do not believe we will see an end to terrorism in the Asia Pacific region until Congress becomes actively involved in this part of the world.

In June of last year, the United States received a pledge from the Pakistani leadership that it would prohibit the infiltration of Islamic extremists across the Line of Control into India and Kashmir. Pakistan renewed its pledge in May of this year, after the House Committee on International Relations unanimously passed an amendment which would require Pakistan to live up to its promises.

In July of this year, the U.S. Envoy to New Delhi, Under Secretary of State Armitage, declared that there are still terrorists coming from Pakistan across the Line of Control. Conversely, India has not crossed the Line of Control since 1972. In fact, India is exercising incredible restraint in not waging full-scale war to defend itself against these terrorist acts. We are fortunate, Mr. Chairman, that neither country has yet resorted to the use of nuclear weapons.

We also should be very concerned that both Pakistan and India have tested and fired short-range ballistic missiles in March of this year, which incidentally was the same day that Prime Minister Jamali said that Pakistan and China will enhance their defense ties.

Beyond this, and of critical concern to both Congress and the Administration, is the suspected Pakistan/North Korean proliferation relationship. Prior to September 2001, when President Bush issued a Presidential determination waiving a number of sanctions against Pakistan, sanctions were the primary means by which the United States attempted to compel Pakistan to terminate proliferation activities with North Korea. Now that sanctions have been waived, the situation merits congressional attention.

Like my colleagues, Mr. Chairman, I am appreciative that Pakistan has provided some support for the United States-led antiterror coalition and allowed the U.S. military to use bases within its country. However, I do not believe Pakistan should be allowed to renege on its promises to shut down terrorist training camps and cross-border terrorism and cease proliferation activities. I also do not believe we should provide billions of dollars of aid to Pakistan with no strings attached. I support the President's efforts and the Administration in placing conditions on the aid to Pakistan, and I believe that this should be the proper course to pursue.

I believe that the proposed provision that was unanimously passed by this Committee; that is, that the Secretary of State is to submit a report to Congress on Pakistan's efforts and pledge of commitment to assure that terrorist training camps in Pakistan be

terminated or disbanded along the Pakistan/India border lines. Also, that the Pakistan Government move aggressively to end border crossings by extremists or terrorist factions from Pakistan along the Line of Control or the boundaries between Pakistan and India. Pakistan is also to give assurance that there will be no transfer of nuclear weapons of mass destruction to third-party countries. As I have expressed concern earlier, regarding its relationship with North Korea.

I also believe, Mr. Chairman, that we must turn our attention to Indonesia, the Philippines and Malaysia. We must not take lightly the growing influence of radical Islamic groups and other terrorist organizations operating in these countries, nor should we ignore the reluctance on the part of the Philippines and Indonesian leaders to fully support United States antiterrorism efforts.

It is clear, Mr. Chairman, that the war against terrorism is not over. It is just the beginning, and, unfortunately we must prepare for the worst to come. I look forward to hearing from our panel of witnesses this afternoon, and I am hopeful we that can work together to build a more peaceful future for generations to come. Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A  
REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Chairman Leach, Chairman Gallegly:

Thank you for agreeing to hold a joint hearing on the challenges of terrorism in Asia and the Pacific. As the Ranking Member of the International Relations Subcommittee on Asia and the Pacific, I am deeply concerned about regional terrorism and weapons proliferation in South Asia.

I would like to clearly state that I do not believe we will see an end to terrorism in the Asia-Pacific region until Congress becomes actively involved in this region of the world.

In June 2002, the U.S. received a pledge from the Pakistan leadership that it would prohibit the infiltration of Islamic extremists across the Line of Control into Indian Kashmir. Pakistan renewed its pledge in May 2003, after the House Committee on International Relations unanimously passed an amendment which would require Pakistan to live up to its promises.

In July 2003, as part of the U.S. envoy to New Delhi, Deputy Secretary of State Armitage declared that "there are still terrorists coming [from Pakistan] across the Line of Control". On the other hand, India has not crossed the Line of Control (LoC) since 1972. In fact, India has exercised incredible restraint in not waging full-scale war to defend itself against these terrorist acts.

We are fortunate, Mr. Chairman, that neither country has yet resorted to the use of nuclear weapons. We also should be very concerned however that both Pakistan and India test fired short-range ballistic missiles on March 26 of this year which incidentally (or not) was the same day that Prime Minister Jamali said that Pakistan and China will enhance their defense ties.

Beyond this and "of critical concern to both Congress and the Administration is a suspected Pakistan-North Korean proliferation relationship. Prior to September 22, 2001, when President Bush issued a Presidential Determination waiving a number of sanctions against Pakistan, sanctions were the primary means by which the U.S. attempted to compel Pakistan to terminate proliferation activities with North Korea" (CRS Report, October 17, 2003). Now that sanctions have been waived, the situation merits Congressional attention.

Like my colleagues, I am appreciative the Pakistan has provided some support for the U.S. led anti-terror coalition and allowed the U.S. military to use bases within its country. However, I do not believe Pakistan should be allowed to renege on its promises to shut down terrorist training camps, end cross-border terrorism and cease proliferation activities. I also do not believe we should provide billions of dollars of aid to Pakistan with no strings attached.

On May 7, 2003, the House Committee on International Relations unanimously passed an amendment I introduced which would require the State Department to report to Congress on the progress Pakistan is making to end cross border terrorism, to close down all known terrorist training camps, and to cease the transfer of nuclear technology and weapons of mass destruction to third party countries, especially North Korea. In June, 2003, President Bush publicly stated that he supports a similar provision and I am appreciative of the Administration's efforts to place conditions on aid to Pakistan.

I believe this must be a top priority and I also believe that we must turn our attention to Indonesia, the Philippines and Malaysia. We must not take lightly the growing influence of radical Islamic groups and other terrorist organizations operating in these countries. Nor should we ignore reluctance on the part of the Philippines and Indonesian leaders to fully support U.S. anti-terrorism efforts.

It is clear, Mr. Chairman, that the war against terrorism is not over. It is just beginning and, unfortunately, we must prepare for the worst yet to come. I look forward to hearing from our panel of experts and I am hopeful that we can work together to build a more peaceful future for generations to come.

Mr. LEACH. Mr. Gallegly.

Mr. GALLEGLY. Mr. Chairman, I would like to thank you for taking the lead on today's hearing on the challenge of terrorism in Asia and the Pacific.

This hearing will focus on a region of the world that is often overlooked in the war against international terrorism. Since the attacks of September 11, the single most deadly terrorist attack occurred in Asia. On October 12, 2002, over 200 persons were killed by a suicide attack in a nightclub in Bali. The attack was carried out by Jemaah Islamiyah, a Southeast Asian terrorist group based in Indonesia. This group is also responsible for the car bombing at the JW Marriott Hotel in Jakarta on August 5. This attack resulted in 12 deaths.

These two attacks, both aimed at targets which were known to contain a large number of Westerners, demonstrate the growing problem of radical Islamic terrorism in Southeast Asia. In fact, just 2 weeks ago National Security Advisor Condoleezza Rice said that Southeast Asia is a very important front in the war on terror. I could not agree more with the statement from our National Security Advisor.

It is clear from the attacks in Bali and Jakarta that Jemaah Islamiyah is one of the most deadly terrorist organizations in the world. This group reportedly has cells in Malaysia, Singapore, Indonesia, the Philippines, Thailand, and Australia. It has up to 3,000 members spread across Southeast Asia and established alliances with other terrorist groups in the region despite the recent arrest in August by Thai authorities of Hambali, Jemaah Islamiyah operations chief.

It is my opinion that this group continues to be a dangerous and active terrorist organization. It is also becoming increasingly clear that the al-Qaeda is establishing a presence throughout all of Asia through related or affiliated organizations. Al-Qaeda not only works together with Jemaah Islamiyah, but also with Kashmir militant extremists, the Abu Sayyaf group in the Philippines and other groups. Working with al-Qaeda or operating by themselves, these Asian terrorist groups pose a threat not only to the governments in the region, but also to the United States, our citizens living or visiting Asia, and our regional allies.

I look forward to listening to the views of our panelists on Jemaah Islamiyah, the growing nexus between al-Qaeda and its af-

filiated organizations in Asia, and the United States strategy for achieving victory against these terrorist groups spread throughout Asia and the Pacific.

I thank you for holding this hearing today, Mr. Chairman, and I yield back.

[The prepared statement of Mr. Gallegly follows:]

PREPARED STATEMENT OF THE HONORABLE ELTON GALLEGLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SUBCOMMITTEE ON INTERNATIONAL TERRORISM, NONPROLIFERATION AND HUMAN RIGHTS

I would like to thank Chairman Leach for taking the lead on today's hearing on the challenge of terrorism in Asia and the Pacific. This hearing will focus on a region of the world that is often overlooked in the war against international terrorism.

Since the attacks of September 11th, the single most deadly terrorist attack occurred in Asia. On October 12, 2002, over 200 persons were killed by a suicide attack at a nightclub in Bali. The attack was carried out by Jemaah Islamiyah, a Southeast Asian terrorist group based in Indonesia.

This group is also responsible for the car bombing at the J.W. Marriott Hotel in Jakarta on August 5th. This attack resulted in 12 deaths.

These two attacks—both aimed at targets which were known to contain a large number of westerners—demonstrate the growing problem of radical Islamic terrorism in Southeast Asia. Just two weeks ago, National Security Advisor Condoleezza Rice said that Southeast Asia is a “very important front” in the war on terror. I could not agree more with the statement of the National Security Advisor.

It is clear from the attacks in Bali and Jakarta that Jemaah Islamiyah is now one of the deadliest terrorist organizations in the world. This group reportedly has cells in Malaysia, Singapore, Indonesia, the Philippines, Thailand and Australia. It has up to 3,000 members spread across Southeast Asia and has established alliances with other terrorist groups in the region. Despite the recent arrest in August by Thai authorities of Hambali, Jemaah Islamiyah's operations chief, it is my view that this group continues to be a dangerous and active terrorist organization.

It is also becoming increasingly clear that Al Qaeda is establishing a presence throughout all of Asia through related or affiliated organizations. Al Qaeda not only works together with Jemaah Islamiyah, but also with Kashmir militant extremists, the Abu Sayyaf Group in the Philippines and other groups.

Working with Al Qaeda or operating by themselves, these Asian terrorist groups pose a threat not only to governments in the region, but also to the United States, our citizens living or visiting Asia, and our regional allies.

I look forward to listening to the views of our panelists on Jemaah Islamiyah, the growing nexus between Al Qaeda and its affiliated organizations in Asia, and the U.S. strategy for achieving victory against these terrorist groups spread throughout Asia and the Pacific.

Mr. SHERMAN. I want to thank my good friends Chairmen Leach and Gallegly and Ranking Member Faleomavaega for holding these important hearings on terrorist activity in Asia. Iraq has become a preoccupation, and we cannot allow it to prevent us from focusing on terrorism and proliferation that takes place outside of Iraq, and these hearings are part of an effort. They may get us to focus on terrorism on other fronts.

East Asia and South Asia have become very active fronts in the war on terror in the recent months and will no doubt remain a focus of attention. Al-Qaeda and its affiliates have found Southeast Asia offered an opportunity to hide, plan, raise and launder money, and also conduct attacks on civilized society, Bali, Jakarta and other centers. And as the noose has tightened in Afghanistan and perhaps elsewhere in the Middle East, Asia has provided a relatively safe haven for some of these terrorist organizations. Our cooperation with Indonesia, the Philippines, Singapore and Thailand has improved greatly, and I look forward to hearing from our wit-

nesses on those ties, where they stand now, and how they can be strengthened.

However, I want to take note of recent events in Malaysia. That state has taken positive steps to combat terror, and its government is under threat itself from certain terrorist organizations. The Prime Minister of that country was rewarded for his cooperation, our common fight, by an invitation to visit Washington and President Bush, which he did in May 2002. By all estimation the Prime Minister has been an ally of ours in the war on terror, but I note the damage that Mohamad did with his recent anti-Semitic remarks at the Organization of the Islamic Conference, which, of course, was meeting in his country. While he has fought terrorism at home, he has criticized terrorists, he has even criticized those terrorists that have struck against Israel, he unfortunately decided at that meeting that it was okay as a parting shot to attack Jews and those in the West in a most extreme manner. In his remarks he called Israel the enemy allied with the most powerful nations, and called for a final victory against, "the Jews who rule the world by proxy." He went on to state that Muslims will forever be oppressed and dominated by Europeans and Jews.

Frankly, this is not consistent with the war against terrorism. This is incitement that could inspire some terrorists. It is our duty to speak out, as Congress has in this case, against incitement by government officials and government-controlled press.

I also want to note that conditions in South Asia—terrorism is evil in all its forms, and we are involved in a worldwide struggle against it. South Asia involves something even more dangerous, and that is a nuclear tinderbox that could be set off perhaps by a single act of terrorism. Rather than tens or hundreds or even thousands killed, nuclear war could kill millions. We came close to the brink before, and once again a single terrorist incident could bring us to the brink of nuclear war in Southeast Asia, if not put us over that brink.

While this causes the United States to stress to both parties the need to restrain themselves, I think we need to go beyond that and be frank with our friends in Pakistan. It is time for Pakistan to end its support for terrorism. And it must shut down the terrorist bases and close its frontier to terrorists who operate in Pakistan and then strike out into India. It is clear that such incursions continue despite Musharraf's stated commitment to end them, and it is not just a matter of porous borders. There is significant evidence that the Pakistani Intelligence Service provides critical support to terrorists operating in both India and Kashmir and in the rest of India.

The United States cannot solve the Kashmir problem, but it can do more to impress upon our Pakistani friends that their opposition to terrorism must be universal and applied to its relationship with India, and not just its relationship to the United States and its concerns in Afghanistan.

I thank my distinguished colleagues for holding these important hearings. And I look forward to hearing from this distinguished panel.

Mr. LEACH. Thank you, Mr. Sherman.  
Mr. Burton.

Mr. BURTON. You know, Mr. Chairman, I have been involved with the issue of Kashmir for 10, 12 years, and it amazes me the misinformation that continues to come out about Kashmir. In 1948, the United Nations—when England decided to give up that part of the world, there was a resolution passed which said that the people of Kashmir would have the opportunity by plebiscite to decide what happened, whether they go with Pakistan, India or become independent. That resolution is still in force, and it has never been carried out.

Now, there are 700,000 to 800,000 Indian troops in Indian-occupied Kashmir. There are women who are being gang-raped by the Indian troops. There are people who are found in the streams and tributaries there with their hands bound behind them, who have been tortured, and who have been thrown in there and drowned. Men have been dragged out and had their hands cut off while their wives were raped in front of them, and nobody talks about that. We talk about the terrorism perpetrated on the Indian troops by the people of Kashmir and the people who support their independence, and we never talk about these atrocities.

I will urge my colleagues to go back in the *Congressional Record* and read, and I will be glad to give them firsthand information that I received from people who have been over there, about these atrocities that have been going on for years and years. I am against terrorism in any form, and that is why we are fighting the war against terrorism, but we must not forget that terrorism does not mean just attacking people and killing them. It means terrorism put upon a population by 7- to 800,000 Indian troops sponsored by the Indian Government and these women and kids and men are tortured and mistreated daily in Kashmir, and yet the only thing we are focusing on are the people who are fighting to make sure that there is a plebiscite so that India-occupied Kashmir can have their day in court. I would venture to say if there were a plebiscite in Kashmir, the overwhelming number of people would vote for independence or vote to be connected to Pakistan. There is no doubt in my mind about that, and yet the Indian Government continues to occupy them by force.

Let me just say a couple things about Pakistan, and there is a whole list of things I want to talk about regarding our friends in Singapore, Malaysia, Philippines, Thailand, and so forth. But after listening to my good friend Mr. Faleomavaega, I think it is important that we get these facts out in the open and make sure the American people and anybody paying attention to this knows what has been going on over there.

Pakistan is our friend. During the Cold War they were with us. When Russia went in, when the Soviet Union went into Afghanistan, Pakistan was with us. They were with us when we had problems in Somalia. They have been with us day in and day out for 25, 40, 50 years, while at the same time India supported the Soviet Union, built T-55 tanks. When we had our plane shot down, 007 I think it was—I can't remember the name of the plane—the only country in the region that did not support a condemnation of the Soviets for shooting that down were the Indians, the Indian Government, because they were tied very closely to the Soviet Union.

So when we are talking about allies and President Musharraf, we should remember the past. We shouldn't just think about the people who have not been our friends. We should think about the people who have been our friends year in and year out, decade in and decade out, and we shouldn't continue to criticize them.

And finally, once again let me just say that I think the people of Kashmir deserve freedom. Freedom. I think they deserve what the 1948 U.N. resolution requested and demanded that is still in force, and that is a plebiscite deciding whether or not they go with India, Pakistan or vote for independence. That is what the U.N. passed, and we say we support the U.N. in these endeavors, so I think we should support that and push for that instead of just criticizing those who have been fighting for freedom in Kashmir.

And with that, thank you, Mr. Chairman.

Mr. LEACH. Mr. Chairman, thank you for those shy words.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

Thank you Mr. Chairman. I am very pleased that the Subcommittee on Asia and the Pacific and the Subcommittee on International Terrorism, Nonproliferation, and Human Rights have come together to hold this joint hearing. Unfortunately, I will not be able to stay for the entire hearing. At 2pm today, I am chairing a hearing on the topic of international slavery and human trafficking, so I have to depart shortly.

Mr. Chairman, I don't think any of us would underestimate the importance of today's hearing—the challenges of fighting terrorism in Asia and the Pacific.

In the wake of the terrorist attacks of 9/11, the U.S. launched major military operations in South Asia as part of a global anti-terrorism effort. The U.S. is working with both new and old allies in the Asia and Pacific region to eradicate and stem the flow of terrorist networks. In many cases, we are working with and receiving cooperation from world leaders who previously had been ambivalent toward the United States, but who are now successfully helping us to prosecute the war on terror.

Intelligence sharing between Singapore, Malaysia, the Philippines, Thailand, and the U.S. has led to the arrests of dozens of suspected Jemaah Islamiya members, a regional terrorist group with ties to Al Qaida, including several of its top leaders. Shortly after September 11, the Philippine President agreed on deployment of U.S. military personnel to the southern Philippines to train and assist their military against another regional terrorist threat known as Abu Sayyaf.

Mr. Chairman, I would like to take a moment to highlight the level of cooperation we have received from our friend and ally, Pakistan. Pakistan has offered the U.S. unprecedented levels of cooperation by allowing the U.S. military to use bases within their borders, helping to identify and detain militant Islamic extremists, and tightening border controls between Pakistan and Afghanistan. In 2002, U.S. military and law enforcement personnel reportedly began engaging in direct efforts to assist Pakistani security forces in tracking and apprehending fugitive Al Qaida and Taliban fighters on Pakistani territory. In June of this year, Islamabad for the first time in history sent troops into the western Federally Administered Tribal Areas in search of Al Qaida and Taliban fighters. Under President Musharraf's strong leadership, the Pakistani government has facilitated the transfer of more than 400 alleged terrorists to U.S. custody, including several top suspected Al Qaida leaders. Pakistan also ranks third in the world (behind the U.S. and Switzerland) in the seizing of terrorist's financial assets.

Following September 11, the Bush Administration declared Southeast Asia to be the "second front" in its global anti-terrorist campaign, after Afghanistan. A simple fact about fighting terrorism is that we cannot do it alone, and we need the continued full cooperation of all of our partners to successfully prosecute this war and bring the terrorists to justice.

The U.S. government needs to continue to be vigilant and responsive in shaping our foreign policy so that it fits our post September 11 national security needs. We can't let up now. This requires the U.S. to rethink its diplomatic, military and economic relations with the countries of Southeast Asia and the Pacific rim. It is in

our national and international interest to work with all of the countries in the region to form strong security alliances.

However, governments that are widely viewed as anti-U.S., corrupt and weak continue to complicate our anti-terrorism policies in many parts of Southeast Asia and the Pacific. Furthermore, regional leaders who adopt pro-Western policies are still faced with occasional hostilities from domestic groups who don't support our war against terror.

To their credit, there are many government leaders in Asia and the Pacific, Pakistan and Indonesia to name just two, who continue to stand shoulder-to-shoulder with the U.S. in fighting terrorism.

Despite what has been properly characterized as crucial cooperation from many countries in Southeast Asia and the Pacific, there are some legitimate concerns that continue to exist about the long-term reliability and commitment of that cooperation. Mr. Chairman, these are valid concerns.

It is my sincere hope that the witnesses here today will provide this Committee with factual and unbiased testimony about U.S. terrorism challenges in South Asia and the Pacific. The purpose of today's hearing is not to undermine any particular regime in the region, but rather to provide this Committee with insight as to what our greatest challenges are in fighting terrorism in Asia and the Pacific, and how best to work with our allies to secure lasting peace and prosperity in the region.

Thank you Mr. Chairman for convening this important hearing. I look forward to hearing from the witnesses, and ask that my questions be submitted for the Record.

Mr. FALEOMAVAEGA. Since my good friend from Indiana has specifically cited me as the culprit of this whole dialogue, I would like to respectfully respond to the gentleman's statement that I am anti-Pakistani.

Mr. LEACH. By unanimous consent the gentleman has 30 seconds.

Mr. FALEOMAVAEGA. Thank you.

The fact of the matter is we did have a duly elected President of Pakistan a couple years ago. What happened to that? I am not trying to point fingers at what my good friend from Indiana has alluded. I would like to know more, because my understanding is that India was never against the Kashmiris in holding a plebiscite or referendum. I would like to know more about this, and maybe our witnesses can give us a better understanding, with greater specifics about this very issue.

I would like to respectfully say to my friend from Indiana, he has totally misconstrued my statement. I am not anti-Pakistani.

Mr. LEACH. We have distinguished witnesses, but I do want to give anyone who wants to make an opening statement a chance.

Mr. MEEKS, would you like to make an opening statement?

Mr. MEEKS. I will be brief, Mr. Chairman.

Mr. LEACH. Surely.

Mr. MEEKS. I thank the Chairman for holding the hearing, and the Ranking Member. I would hopefully hear from the witnesses as the co-chair of the Malaysian Caucus here in the United States House of Representatives, and we know that Malaysia has recently made a lot of news with the statements of Prime Minister Mahathir and his deplorable anti-Semitic remarks that were made some weeks ago. And I say fortunately he soon will be the former Prime Minister because he won't be there as of Friday, given these kinds of remarks.

But this has prompted many in our government to want to sever our relationship with Malaysia. For instance, the United States Senate is attempting to cut United States military aid to Malaysia through the international military education and training program, and quite honestly, some of my colleagues who are also members

of the Malaysian Caucus are talking to see whether or not we should continue our relationship and continue the caucus, and it is a decision that we have to make.

And clearly in my head, while Prime Minister Mahathir's remarks were and are reprehensible and cannot go unacknowledged, and I think that the resolution that was introduced by my colleague and friend Shelley Berkley condemning Mahathir's statements was a good one, and I supported that resolution, however I am still concerned about our security, our homeland security and the security of the region.

According to the State Department, Malaysia is one of the staunchest allies for us in the war against terror. They assist us in counterterrorism efforts by allowing our U.S. troops to train at their jungle warfare center. And Malaysia also hosts the Southeast Asia Regional Counterterrorism Center, where earlier this month our government led a training session on countering terrorist financing. In addition, Malaysia is a progressive, moderate Muslim democracy that in many ways fits the example of what we would like to see in more Muslim countries around the world.

While I believe we must be critical of Mahathir's speech, I believe that we cannot allow this criticism to spill over into our defense measures and risk one more American life. It is for this reason that I ask that we be cautious in our reaction to Mahathir and to work to preserve any relationship we have with developing and have developed in fighting this war on terrorism. And I think that we need to give the new Prime Minister, who will be taking office this coming weekend, an opportunity to stand and further the relationship that we have with them.

It is my hope that during the testimony today, we will hear some detailed information on the status of JI, because I understand that over 70 JIs were arrested by the Malaysian Government; and other terrorist groups operating in Malaysia and the region; our counterterrorism and defense relationship with Malaysia, and how you believe the United States would be impacted if Malaysia were to cease antiterrorism efforts with our government. I would like to continue to hear the debate with regards to what we are doing with helping Pakistan and India and the whole issue of Kashmir.

So I look forward to hearing the testimony and look forward to learning more, as Mr. Faleomavaega said, on all the issues and how we can work together to fight terrorism in Southeast Asia.

I yield back.

Mr. LEACH. Thank you, Mr. Meeks.

Mr. Rohrabacher, did you have an opening statement?

Mr. ROHRABACHER. Thank you. Mr. Chairman, I will try to be short, and let me just note we are discussing today terrorism in South Asia, and let us note what the definition of terrorism is. And so often that word is just bandied around, and you talk about attacks on soldiers as being terrorists in some parts of the world. And I will tell you that is not my definition of terrorism, and I would like to make sure we know what we are talking about.

I will just use my working definition until someone corrects me, and that is the use of force or violence against noncombatants in order to achieve a military or political objective, and to me that is terrorism. And certainly the bombing in Bali of that discotheque

designed to kill innocent Westerners, one from my district, Webby Webster who was a surfer from my district and a guy who I knew, and along with 80 or 90 people from Australia, that certainly was an attack of terrorizing a population by targeting innocent non-combatants.

When we talk about the Kashmir—and let me say I sympathize a lot with what Mr. Burton had to say, but let us note that in the Kashmir where there is a great deal of terrorism, terrorism committed on both sides, and I say both sides because the Indian Government has, from what I can see, targeted noncombatants in order to terrorize a population. And obviously there is terror going back on the other side now as well, but we have not been engaged—our government has not been engaged in these last 20 or 30 years as it should have been to bring peace to Kashmir, and I would challenge this Administration and I would challenge this Congress to engage in Kashmir.

It is clear that the people of Kashmir have a right as was delineated by the United Nations to determine their own destiny through a vote. Well, the Indians have not permitted that vote to take place. There has been every reason not to, but let me suggest that we work out a compromise with India and with Pakistan and the people of Kashmir. Perhaps if we permit the people of Kashmir to vote and say that those parts of Kashmir that vote most strongly to become part of India or independent or part of Pakistan or independent, that those portions will be able to go in the direction that they want to go, because I understand that there is a large segment of the Kashmiri population that would like to remain part of India, as well as there is a large part that is next to Pakistan that would like to be part of Pakistan.

So a compromise is possible, but we need to engage in it, but we need to engage based on two concepts. Terrorism is wrong, meaning targeting innocent people, noncombatants, with violence is wrong. Number two, people have a right to determine their destiny through the ballot box. If they are denied that right, the second right, you can count on them to go toward the violent way, and we need to make sure that we support solving problems peacefully and solving problems democratically.

One last note. I am very concerned about the flow of drugs and the relationship between drugs especially in Afghanistan and the terrorism and the financing of terrorism throughout Asia, and it is another issue that I think this Administration needs to focus on and has not been as successful as we would expect this Administration to be.

So with that said, thank you very much, Mr. Chairman. I thank Mr. Gallegly for his leadership as well. These are issues that if we do not engage in and try to solve these problems, it will hurt America in the end, just as ignoring Afghanistan hurt us on 9/11 and has caused a change in our way of life. Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much, Mr. Rohrabacher.

Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman.

One of the advantages of a parade of opening comments is that we have a chance to review the materials that are here that I

hadn't before, and I am pleased with the quality of the presentations we are going to be hearing even in this summary form.

One area, as I have been glancing through, does not appear to have received significant focus and I would like to engage witnesses from our two panels, deals with the state of the environment, the infrastructure, the urban setting that is in significant disarray in many of these countries. The United States has been retreating dramatically from its investments, like USAID urban programs, to help in places like Manila and Jakarta and literally from Cairo to the Philippines, which I do not think help us in terms of stabilizing those communities, in strengthening their economies and having a positive influence in the United States that is hard to misconstrue. So, again, I may have missed it because I have only been able to scan the statements, but I would appreciate help from the two panels in understanding whether or not that is significant, and if so, what the United States could be doing with a modest investment that would be dramatically greater than what we are doing now. The last I checked, the AID was equivalent of two cruise missiles, two cruise missiles, and I think we might be able to do better.

Mr. LEACH. Thank you, Mr. Blumenauer.

Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you so much, Chairman Leach, and I want to commend you as well as Chairman Gallegly for holding this hearing on such a critical issue. Many of the countries in East and South Asia are the crux of our antiterrorism strategy and can be the difference between success or failure. This, however, depends on the willingness and the commitment of our allies in the East and South Asia to truly fight against terrorist acts.

And within this context I would like to raise some questions for the distinguished Administration panel. Perhaps they could address them in their testimony, questions like to what extent does the achievement of our counterterrorism goals depend upon the stability of the regime in Afghanistan, a nation under the jurisdiction of the Subcommittee that I Chair?

Also, Pakistan banned some terrorist groups in 2002, but many newspaper reports say that all those groups are up and running using different names. And what has been the U.S. response to the release of the leaders and the reopening of these specific groups considering their direct connection to al-Qaeda, and is the United States interrogating the Pakistani Army officers recently arrested for their links with al-Qaeda? How can we ensure that these people and their sympathizers do not get access to Pakistan's nuclear weapons?

And much has been reported about the achievements of the war on terrorism in Pakistan after 9/11, but what specific contributions truly have been made? What else remains to be done?

And I hope that they can address some of the information that we continue to receive about the Pakistani ISI, the intelligence service, knowing the location of bin Laden or other al-Qaeda leaders as well as Taliban leaders, but refusing to provide us with the information or access to these areas on the border with Afghanistan or these credible reports. And is there evidence to suggest that

the Taliban were linked to the Pakistani Government before 9/11, after 9/11, or currently?

And then, lastly, Mr. Chairman, what impact does the strengthening of the sentiments of the extremist Islamic thought in Pakistan have on the al-Qaeda operations there? According to United States estimates, how many jihadi training camps were active in Pakistan and Pakistani Kashmir last year, and how many are currently operational?

So I have broader issues, but from looking at the written testimony, I know you will be discussing most of those. So I will stop here and reiterate my appreciation to the two Chairmen for giving me the time to raise these questions, especially since I am not in either Subcommittee.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much, Ms. Ros-Lehtinen.

Mr. Ackerman.

Mr. ACKERMAN. Thank you. I want to thank you, Chairman Leach, as well as Chairman Gallegly and Ranking Member Faleomavaega, for scheduling today's hearing. Clearly our friends in East Asia face a significant threat from global terrorist organizations. Abu Sayyaf and the Communist People's Party, New People's Army continue to be serious threats to the Philippines, while Indonesia, in the wake of the horrific bombing in Bali last October, struggles against Jemaah Islamiyah. These groups are serious and extremely deadly, as they unfortunately have been able to prove, but I believe the true locus of terrorism in Asia is Pakistan.

Pakistan presents the United States with a plethora of policy challenges on the question of terrorism. There is no doubt that Pakistan has provided assistance to the United States in the fight against al-Qaeda and the Taliban. I was listening very carefully to the gentleman from Indiana, and I have to say that it really strains credulity if not the imagination to think that there are 700,000 to 800,000 Indian troops in Kashmir who every day rape men, women, and children, as I understood the gentleman to say. That is quite a statistic, if indeed it is a statistic at all. I have not seen that anywhere. I have heard it quite often from the gentleman from Indiana, but nowhere else. Not even in the Pakistani press did they make such an overly exaggerated claim.

We know that every once in a while unfortunately a misguided American soldier gets arrested for rape in some country. That doesn't mean that the United States is committing acts of terrorism all over the world. Those are regrettable things that are done by individuals on very rare occasions, and if the gentleman can cite 1 or 2 days during the year that he can give us the name of one or two of those people who do this every single day, maybe we can look into it.

General Musharraf, I guess now President Musharraf, I visited with him with President Clinton on our trip to India. We made a side stop on the way in Pakistan. I got a card from the general, his business card. He prints up his business card, General Musharraf, CEO of Pakistan. If indeed he was a CEO, he became such in what I guess the business community would call a hostile takeover. I do not know of any other way to think of it.

I do know that the Prime Minister of India, who represents close to a billion people, has to stand for election in a democratic way, and if we are going to have a resolution to the problem in Kashmir, Jammu And Kashmir being an integral part of India, being a state of India, in order to have such a real discussion, the first thing that has to happen is a cessation of the outside fingers meddling and committing acts of terrorism, and then a discussion perhaps can be held. We are not having democratic elections in Iraq until the terrorism stops, until people can get together and do things in a way when it stabilizes. Hopefully that will happen in Iraq, and hopefully Pakistanis will do that as well.

As I said, there is no doubt that Pakistan provided assistance to us in the war against al-Qaeda and the Taliban, but it really is questionable whether they are wholly with us in this total fight. As Ahmed Rashid points out in his recent article in the *Far Eastern Economic Review*, he says,

“In Qetta Taliban fighters reside in mosques and madrassas with the full support of a provincial ruling party and militant Pakistani groups. Taliban leaders wanted by the United States and Kabul governments are living openly in nearby villages.”

That is his quote.

The question I ask, Mr. Chairman, is if the Far Eastern Economic Review can find them, why can't we? Or even more importantly, why can't our ally, the Government of Pakistan, arrest them? This, of course, says nothing about Pakistan's continued support of terrorist organizations that openly act out in Kashmir. Violence there continues. Grenade attacks this weekend, yesterday and today demonstrate that the terrorists of Lashkar-e-Taiba intend to make good on their promise to escalate the violence during Ramadan. LET is but one terrorist organization that finds more than political support inside Pakistan.

Mr. Chairman, Pakistan has long used support of terrorist organizations as an instrument of state policy in the region as their support for Taliban and Kashmiri terrorists shows. They are obviously not following President Bush's dictum of either being with us or with the terrorists. Truly Pakistan is trying to have it both ways. Even Deputy Secretary Armitage admitted last month that while President Musharraf may be with us, he said,

“I do not think that affection for working with us extends up and down the rank and file of the Pakistani security community.”

And that has to change.

This summer I and 15 of our colleagues wrote to President Bush outlining for him conditions that we thought Congress would expect to see met before we provide the proposed 5-year, \$3 billion aid package announced during President Musharraf's visit this past June. Among those conditions was continued cooperation on al-Qaeda and the Taliban, but also the dismantling of terrorist networks inside of Pakistan that support terror in Kashmir. In addition, in the context of the debate of the Iraq supplemental, Mr. Lantos and I wrote to the Appropriations Committee urging them not to extend unconditional waiver authority for assistance to Paki-

stan to President Bush for money in the supplemental for the fiscal year 2004 assistance. Happily the House bill contained only assistance for debt relief in Pakistan.

With your permission, Mr. Chairman, I would like to insert both letters along with the responses from President Bush and Chairman Young into the record.

Mr. LEACH. Without objection, so ordered.

Mr. ACKERMAN. And Mr. Chairman, finally, we face a difficult task in reaching a successful conclusion to the war on terror, but success is what we must have. In order to achieve that success, I believe that we need an uncompromised effort from our friends, the Pakistanis, effort that we have not received to date.

And I thank you, Mr. Chairman, and I eagerly look forward to hearing from today's witnesses.

Mr. LEACH. Thank you very much.

Mr. Pitts.

Mr. PITTS. Thank you. Mr. Chairman, thank you for holding this important hearing.

For the sake of time, I will submit my opening comments for the record.

Mr. LEACH. Without objection.

Mr. PITTS. But I would just like to say a couple of words, since this is turning into a bash Pakistan time, in defense of the efforts of President Musharraf and his government help us in this war. As most people know, in the border area tribal law supersedes national law. We asked the Pakistani Government to go in there and seal that border. For the first time in their history, they negotiated with the tribal elders, sent in their troops and interdicted hundreds of al-Qaeda and Taliban types, many of whom were turned over to us. So I think in some ways President Musharraf has made some politically risky decisions in standing with us, and he should be thanked for that.

On the issue of Kashmir, I, too, would like to see India and Pakistan find a peaceful solution to the conflict of Kashmir. I don't think there is a military solution that is appropriate. It should be done peacefully. But I have visited Kashmir a couple of times on the Pakistan side. I have seen the boys and the men whose arms and legs have been hacked off. I know that violence goes both ways. In particular, they have targeted women as a weapon of terror for rape on both sides. I think if there is one thing we can all agree on it is that both sides should clamp down on this effort to use rape as a weapon of terror.

I will go to India in January. I will ask again to visit the India side of Kashmir to try to learn a little bit more about that situation, but in my trips to Kashmir and Pakistan, I have been briefed that there are 600,000 Indian troops on the Indian side of Kashmir. That is something that I have heard more than once. I don't think that comes as a surprise.

But I would just like to take this opportunity, while we have the Administration officials here, to urge that we focus also on the insecurity in Burma and the possible or actual haven it could be for terrorist activity. We have communicated to the Administration some of the atrocities that have been conveyed to us by IDPs, refugees coming from Burma. I think if democracy and freedom are not

established in Burma, this could be a real haven for more terrorist activities in Southeast Asia.

So with that, I will thank you again, Mr. Chairman, for holding this important hearing, and I look forward to hearing from our distinguished witnesses.

Mr. LEACH. Thank you very much, Mr. Pitts.

[The prepared statement of Mr. Pitts follows:]

PREPARED STATEMENT OF THE HONORABLE JOSEPH R. PITTS, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF PENNSYLVANIA

Madam Chair, I would like to thank you for convening this hearing today on the religious, political, and security conditions in Central Asia.

As Co-Chairman of the Congressional Silk Road Caucus, which is devoted to engaging the countries of Central Asia, and Co-Chairman of the U.S.-Kazakhstan Interparliamentary Friendship Group, I have long been deeply involved in this region.

After decades of Communist rule, the countries of Central Asia have faced a tough road toward economic reform, development and prosperity, and the cultivation of a democratic society.

I believe that it is vitally important for Congress to continue to engage this critical region, for many reasons—not the least of which being that China and Russia are vigorously trying to project their influence on these countries, in some cases at the expense of U.S. interests.

These countries deserve our time and attention.

- 1) Central Asia petroleum reserves have the potential of expanding the world's oil supply, resulting in better prices for U.S. consumers.
- 2) Some Silk Road countries possess weapons of mass destruction, left over from the Cold War, which could pose a direct danger to our security if sold on the black market or passed to terrorist groups.
- 3) Finally, Islamic extremists are attempting to disrupt and dominate politics in the region. Central Asian governments, however, must be careful to arrest only the extremists and those who have committed crimes. Unfortunately, there are many peaceful religious believers who have been arrested in the sweep to crack down on extremists. I urge the governments of Central Asia to continue the fight against terrorism without violating fundamental human freedoms.

On the issues of human rights and democratization, it is vital that we engage this region to help stop the myriad human rights violations and help promote the development of democracy. There are lawyers, journalists, religious leaders, and others in this region who deeply desire to see the development of freedom and democracy for all people in Central Asia. We must support these courageous leaders who stand for freedom in the midst of fierce opposition from secret security forces and official government pressure.

Madam Chair, I welcome the opportunity today to hear this important testimony, and I yield back my time.

Mr. LEACH. Mr. Tancredo, do you have any opening statements?

Mr. TANCREDO. No opening statement.

Mr. LEACH. Mr. Chabot?

Mr. CHABOT. No opening.

Mr. LEACH. If not, we will turn to our panel, and let me briefly introduce the Honorable J. Cofer Black, who is Ambassador-at-Large and Coordinator for Counterterrorism at the United States Department of State. He previously served as Director of the CIA Counterterror Center and is National Intelligence Officer for Counterterrorism. A veteran of numerous foreign tours of duty, Ambassador Black earned two degrees in international relations from the University of Southern California.

The Honorable Christina B. Rocca is Assistant Secretary of State for South Asian Affairs. Previously Assistant Secretary Rocca

served under Senator Brownback as well as an intelligence officer during a 15-year career with the Central Intelligence Agency.

The Honorable Matthew P. Daley is Deputy Assistant Secretary of State in the Bureau of East Asian and Pacific Affairs. During his 28-year career in the Foreign Service, Mr. Daley has served in numerous capacities, including as Deputy Chief of Mission in United States Embassies in Thailand and India, Director of the Office of Philippine Affairs, and senior advisor in South Asia. Before joining the State Department, Mr. Daley was a special agent with the United States Secret Service.

We will begin with Ambassador Black.

**STATEMENT OF J. COFER BLACK, AMBASSADOR-AT-LARGE  
AND COORDINATOR FOR COUNTERTERRORISM, UNITED  
STATES DEPARTMENT OF STATE**

Mr. BLACK. Mr. Chairman and distinguished Members of the Subcommittee, it is my pleasure to have this opportunity to appear before you today to discuss our counterterrorism policies and program in Asia and the Pacific. Today's hearing is particularly timely coming as it does on the heels of the President's recent trip to Asia, which dealt in no small part with terrorism and related issues.

I am particularly pleased and honored to be here today with Assistant Secretary Rocca and the Deputy Assistant Secretary Mr. Daley.

I have a long statement, and with your permission, Mr. Chairman, I would like to summarize it and place the full statement in the record.

Mr. LEACH. Without objection, your statement and all statements will be placed in the record. You may proceed as you see fit.

Mr. BLACK. Asia Pacific and South Asia figure prominently in the war on terror. Many of our efforts have been successful. Attacks have been thwarted, cells disrupted, and terrorists arrested. Governments in the region have joined in the fight, too.

Vulnerability in regional counterterrorism regimes leaves gaps terrorists can exploit, which we must address. Our short-term strategy essentially has been to arrest terrorists before they strike, with the cooperation with regional governments. In the medium term, we work with governments to build a counterterrorism capacity and close the gaps that remain open to exploitation by terrorists. Our assistance helps those governments prevent the movement of money, manpower, and material through banks, orders, and brokers. In the long term, we work with allies and partners in the region to build open and democratic societies to make it more difficult for terrorists to gain a foothold.

We have made great strides, but much remains to be done. The Asia Pacific region was the scene of the largest post-September 11 attack in Indonesia, and al-Qaeda and JI remain active there. All aspects of our counterterrorism strategy must be and are coordinated both within the United States and with our partners and our allies. We urge nations to adhere to international standards for counterterrorism regime as defined by U.N. resolutions and conventions, by the Financial Action Task Force.

We support counterterrorism efforts on the agendas of international fora. Counterterrorism was the primary component in this

year's recent APEC meetings, and the President supported APEC efforts in various areas.

With Congress's support we have built counterterrorism capacity in the regions where it is needed most urgently. We have used our Antiterrorism Assistance Program, the Terrorist Interdiction Program, or TIP, and workshops and conferences to train and equip and educate foreign counterterrorism forces. In Afghanistan we used the antiterrorism assistance to train a protection unit for President Karzai. In Pakistan and Indonesia we used it to create dedicated national police counterterrorism units.

Indonesian graduates have already begun working on counterterrorism investigations with positive results. Other antiterrorism assistance is enhancing local police security forces' counterterrorism capacity and building more cooperative relationships with India, the Philippines, Thailand and several other countries in South and Southeast Asia. The Terrorist Interdiction Program has been launched in Pakistan, Afghanistan, the Philippines, and the TIP systems for Nepal, Bangladesh, Thailand, and Cambodia are under development. In Indonesia, we worked closely with the recently established Financial Intelligence Unit as we undertake new procedures to screen the banking system for terrorist financing and money laundering.

There have been significant results. Al-Qaeda and the Taliban have been uprooted from Afghanistan. United States-Pakistan cooperation resulted in the arrests of 9/11 plotter Khalid Shaikh Mohammed and Ramzi bin al Shibh. More than 550 suspects of al-Qaeda and Taliban have been arrested. In September, five more al-Qaeda were arrested in Peshawar and Karachi, and 13 Jemaah Islamiyah suspects were arrested in Karachi in October. Hambali, a key link between al-Qaeda and Jemaah Islamiyah, was arrested as a result of United States-Thailand cooperation. More than 120 JI members, Mr. Chairman, have been arrested in Indonesia. ATA graduates were an integral part of many of those investigations.

There is a continuing threat. Despite these rapid and broad successes, we need to look no further than the August 2003 Marriott bombing in Jakarta. Terrorists are flexible and adapt their strategy as nations—are flexible and they—when we are attempting to increase our capacity. They seek new havens and seek new or remaining weaknesses to exploit. Many countries have much work remaining before they have truly robust counterterrorism regimes.

Our funding resources are limited, but our commitments are global. In 2 years we have not gotten beyond the first and second tier of priority countries in providing assistance. This is very important, Mr. Chairman. The House foreign operations appropriations bill cut \$24.6 million, or 21 percent, from the Administration's request for three counterterrorism programs in the bill. Antiterrorism assistance, the Terrorist Interdiction Program, and counterterrorism engagements and policy workshops are key to this country's defense. These cuts could affect at least 11 training courses and installations in Asia.

I hope that you can help encourage the conferees on the foreign operations appropriations bill to approve the full funding levels in the Senate bill. There is no better investment to ensure the security of our Nation than programs such as these which engage ter-

rorists in their homelands rather than our home. Our programs have proven effective. The region remains challenged by long and porous borders, inadequate resources, and vulnerable societies. This is a long-term threat. We must remain committed to a long-term fight. We appreciate your support in this, and I thank you for the opportunity to testify today. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Black.

[The prepared statement of Mr. Black follows:]

PREPARED STATEMENT OF J. COFER BLACK, AMBASSADOR-AT-LARGE AND  
COORDINATOR FOR COUNTERTERRORISM, UNITED STATES DEPARTMENT OF STATE

U.S. COUNTERTERRORISM POLICY IN ASIA AND THE PACIFIC

Mr. Chairman and distinguished members of the subcommittees, it is my pleasure to have this opportunity to appear before you today to discuss our counterterrorism policies and programs in Asia and the Pacific. Today's hearing is particularly timely, coming as it does on the heels of the President's recent trip to Asia, which dealt in no small part with terrorism and related issues.

The Asia-Pacific region and South Asia figure prominently in the global war on terrorism. Our efforts in the war on terrorism in Asia have been largely successful: many attacks have been thwarted, terrorist cells have been disrupted, and governments in the region have joined the fight. But much remains to be done. Sadly, the Asia-Pacific region has been the venue for the largest terrorist attack since September 11th—the Bali bombings—and contains one of the more active and dangerous international terrorist groups in the world, the al-Qaida-related Jemaah Islamiyah (JI). Gaps in counterterrorism (CT) regimes throughout the region give rise to concerns about the ability of al-Qaida, JI, or other groups to hide, plan new operations, raise money, and recruit members. Such groups present a direct threat to the United States and to the countries of the region in which they operate.

This type of cross-border danger requires a coordinated international response. Direct law enforcement and intelligence actions carried out by the U.S. or in cooperation with our partners are aimed at preempting the activities of terrorists presenting an immediate threat. In the mid-term, our approach is to directly interdict, or build local capacity to prevent, the movement of terrorist money, manpower, and materiel through banks, borders, and brokers. We also support the development of open, prosperous and democratic societies that will not readily produce individuals who would be attracted to the rhetoric of extremists or recruitment by terrorists.

DIPLOMACY

Diplomacy is a vital and ever-present component of our approach. We believe that only through cooperation and coordination with like-minded nations can we close the gaps that international terrorists exploit. Building upon a network of already-close relationships in the region, we work closely with allies and partners in Asia to share information and intelligence about terrorist suspects on the move to catch them before they strike. We coordinate counterterrorism training and assistance with other countries that provide it, in order to deconflict training programs and make them complementary.

In addition to coordinating with others, we are also encouraging other nations to increase their contributions, and share information that helps foreign governments understand the threat that terrorism poses to their national security and their economies.

Using tools of diplomacy, we assert the United States' adherence to the principles of United Nations Security Council Resolution (UNSCR) 1373, other UN resolutions, the 12 UN conventions on counterterrorism, Financial Action Task Force (FATF) recommendations on CT financing, and other international CT standards, and we advocate these standards and best practices for achieving them to all of our foreign interlocutors.

We also take advantage of international fora such as the Asia Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF) and the Pacific Islands Forum (PIF), on issues ranging from the global threat of terrorism and the importance of implementing best practices to improve CT regimes, to specific measures on terrorist financing and border security.

At the October 19–21 APEC meetings, the President forged agreements to work with APEC nations to dismantle transnational terrorist groups, eliminate the dan-

ger of weapons of mass destruction, establish a trade and security initiative within the Asian Development Bank to enhance port security and combat terrorist financing, and to strengthen efforts to confront the threat of Man-Portable Air Defense Systems (MANPADS). APEC also endorsed support for a U.S.-Australian agreement to explore the development of a computerized regional alert system to prevent terrorist and criminal movements.

#### ASSISTANCE TO OTHER COUNTRIES

We train, assist and equip those who are working to increase their technical CT skills across all fronts—law enforcement and the judiciary, regulators and legislators, CT financing and anti-money laundering units, and militaries. We work within the U.S. government as well to ensure that programs and policies are coordinated. For instance, my office, as well as others in the Department, is working closely with the U.S. Pacific Command on a number of CT programs. These include creating cooperative arrangements with the newly created Malaysian regional CT center, the Department of Defense's CT Fellowship Program, the various elements of the multi-agency and multinational Regional Maritime Security Program, and a series of bilateral CT exercises. Five such exercises have been held to date, with Malaysia, Singapore, the Philippines, and Thailand. These and other programs are designed to expand effective cooperation with other governments as well as enhance and encourage institution and CT capacity building.

In Indonesia, we are training and equipping a national police CT unit, and are coordinating with Australia and other nations on the provision of additional assistance to the police. Graduates of that training are already assigned to active terrorism investigations. The Indonesian CT unit is being trained using Anti-Terrorism Assistance (ATA), our primary program for providing foreign security forces with training across a variety of investigative, managerial, and tactical skills. We work closely with Indonesia's recently established Financial Intelligence Unit as they begin to implement procedures to screen the banking system for terrorist financing and money laundering.

In Malaysia, the U.S. was the first country to provide training under the auspices of the Southeast Asia Regional Center for Counter-Terrorism (SEARCCT) in Kuala Lumpur August 25–29, 2003. Fifteen South Asian and Southeast Asian nations received training in financial analysis for their Financial Intelligence Units or equivalents.

The Philippines has been a close partner in the war on terrorism. The U.S. assisted the Philippines in amending their anti-money laundering legislation to meet international standards. The U.S. has also offered to support the peace process between the Moro Islamic Liberation Front and the Philippines government. The U.S. has installed the Terrorist Interdiction Program (TIP) in the Philippines with equipment, software and training to enhance their capacity to secure their borders, and in Cambodia as well.

In South Asia, also a critical front in the global war on terrorism, there are 7 designated Foreign Terrorist Organizations operating, and several other groups that are on the list of "Other Terrorist Organizations" found in the State Department's annual report, "Patterns of Global Terrorism".

Al-Qaida, the Taliban, and other organizations hostile to the Transitional Islamic State of Afghanistan continue to target members of the coalition working to rebuild that country. Several Pakistani terrorist groups are suspected to be using Pakistani territory as a base for their operations in and around Kashmir, poisoning relations between India and Pakistan. Non-Islamic terrorist groups in Nepal and Sri Lanka threaten those governments.

We have used the ATA program during the past year to train an indigenous presidential protective unit for the Afghan government. ATA has also recently completed training of a dedicated civilian investigative unit in Pakistan that will significantly increase that country's capacity to investigate terrorist groups and their activities. Other ATA training conducted throughout the region is building stronger partnership in the war on terrorism between the U.S., Pakistan, India, Indonesia, the Philippines, and many other countries in South and Southeast Asia.

Pakistan and Afghanistan have both received the Terrorist Interdiction Program to help achieve effective border watchlisting capabilities. TIP systems for Nepal and Bangladesh are likewise under development.

Mr. Chairman, distinguished members of the Committees, I have highlighted some—but not all—of the dangers in South Asia and the Asia-Pacific regions. I have noted many of the diplomatic steps and training programs we have launched to address immediate threats, and build regional capacity to reduce future threats, but

this is by no means a comprehensive discussion of the threat, nor of efforts to counter them. There are many other efforts, large and small underway.

#### RESULTS

These efforts have produced results. Al-Qaida and the Taliban have been uprooted from Afghanistan. September 11th plotters Khalid Shaikh Mohammed and Ramzi bin al Shibh were among the more than 550 suspected al-Qaida and Taliban suspects taken into custody since 9–11. Khalid Shaikh Mohammed is believed to be a key planner of the 9–11 attacks. His apprehension has been hailed as the most significant removal from the playing field of an al-Qa'ida figure since those attacks, and he is also implicated in the 2002 murder of Wall Street Journal reporter Daniel Pearl. Counterterrorism finance cooperation continues, and Pakistan ranks fourth worldwide in terms of terrorist assets frozen. In September, five more al-Qaida suspects were picked up in Peshawar and Karachi. This month Pakistani military forces conducted a raid on al-Qaida and Taliban elements in the politically sensitive tribal region that resulted in 8 killed and 12 apprehended. Clearly Pakistan is making excellent use of American CT assistance.

Hambali—a key link between al-Qaida and Jemaah Islamiyah—was apprehended as a result of U.S.-Thailand cooperation. Hundreds of Jemaah Islamiyah members have been taken into custody in Southeast Asia, Australia, and Pakistan. Dozens of al-Qaida members have been apprehended in the region, and many countries that face the most serious terrorism threat have greatly enhanced the effectiveness of their CT regimes, often with direct assistance from the U.S. In Indonesia, graduates of U.S. ATA training courses were used immediately to investigate the August 5, 2003, J.W. Marriott Hotel bombing in Jakarta, and made rapid progress in identifying and apprehending suspects. In September, an interagency CT Finance/Anti-Money Laundering assistance team led by the State Department conducted an on-site review of Indonesia's CT finance needs with a focus on expediting assistance for the financial aspect of the Bali bombing investigations. The trip was also successful in assisting Indonesia in drafting legislation that avoided the issuance of economic countermeasures against Indonesia by the Financial Action Task Force (FATF).

And yet, we need look no further than the Marriott bombing, or the bombings in Mumbai earlier this year, to know that, despite the dramatic progress that has been made, much work remains to be done. As terrorists find one nation increasingly inhospitable, they seek out new havens, or look for remaining weaknesses to exploit. They will find them. Our task remains closing the gaps in international CT regimes and systems before terrorists can find them. We must continually adapt to the emerging threat environment as terrorists try to circumvent counterterrorism measures.

Some countries can do this task alone. Some need only access to information about best practices to be able to implement changes. Others require significant assistance in order to make improvements. Our funding and resources are limited, and our commitments are global. We continue to urge our CT partners to play a larger role, because we recognize that the U.S. is not able to engage all nations to close all gaps on its own. Although our partners are responsive, the size and scope of the mission and our task is not decreasing. This is a task that requires more, not less, from the U.S. if we are to succeed.

#### RESOURCES NEEDED

We urge Congress to approve full funding of our budget requests to strengthen our training programs. Terrorists in Asia have proven their resilience, and many Asian nations have large and porous borders, and inadequate resources, training, and infrastructure to adequately interdict terrorist activities. This is a long-term threat, and we are committed to a long-term fight.

Mr. Chairman, Committee members, I submit that there is no better investment for scarce tax dollars than counterterrorism programs such as these. This is not the time to be cutting funding for these programs, which are designed to help defeat terrorism overseas before it comes to our borders.

The House Foreign Operations Appropriations Bill cut \$24.6 million dollars—or 21 per cent—from the President's request for our three CT programs in the bill—the ATA program, the Terrorist Interdiction Program and the CT engagements and Policy Workshops Program. The cuts could affect at least 11 courses and installations in Asia.

We hope you can help encourage the Conferees on the Foreign Operations Appropriations bill to approve the full funding levels requested by the President for CT programs. We need these resources to work to ensure the safety of Americans and

of American interests here and abroad. We need these resources to help our CT partners defeat our common enemy before terrorism reaches our shores again.

We appreciate your support in this effort. As President Bush said, "we shall not falter, and we shall not fail."

Thank you for the opportunity to discuss these issues today.

Mr. LEACH. Secretary Rocca.

**STATEMENT OF CHRISTINA B. ROCCA, ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS**

Ms. ROCCA. Thank you very much, Mr. Chairman, distinguished Members. I want to thank you for giving my colleagues and me the opportunity to talk about United States counterterrorism policy toward Asia and the Pacific. You requested that we provide some insights into our assessment of the environment for terrorism in this region, including successes and challenges. My colleague Ambassador Black has already addressed our wider counterterrorism goals in the region, so I would like to take this opportunity to share with you our views on the environment, including political and institutional, within South Asia specifically.

Since the events of September 11, 2001, counterterrorism policy has risen to the top of our priorities worldwide. Around the world we have worked closely with friends and allies to limit and, where possible, destroy, the ability of terrorists to act against the United States and others. Within South Asia itself since 9/11, we have helped establish a democratic government and dismantle the repressive regime of the Taliban, in Afghanistan. We continue to support dialogue and peaceful solutions to disagreements in the region, and oppose the use of violence whether it be generated by the Maoists in Nepal, the LTTE in Sri Lanka, or militants in Kashmir.

In the past 2 years there have been significant counterterrorism advances in South Asia. We are working closer than ever with and getting enormous support from the Government of Pakistan to capture or destroy the remaining remnants of al-Qaeda and the Taliban that remain in the region. We have coordinated closely with Prime Minister Vajpayee and the Indian Government in helping them respond to the attack in 2001 on the Parliament and the bombings earlier this year in Mumbai.

Across the region we are involved in training military and police to better combat terrorists and providing military and law enforcement personnel with the necessary resources to do the job. Our Anti-Terrorism Assistance in South Asia totalled over 37 million in fiscal year 2003.

We continue to share information with these allies, building a security network to counter the terrorist network that we are working to bring down. Together, through the U.N. 1267 committee, we have blocked the financial assets of terrorists groups and individuals, thus limiting their ability to move money and fund activities. Our tools are plentiful, and we are using all of them, as appropriate, to destroy terrorist groups.

Mr. Chairman, I would now like to take the opportunity to briefly go through our specific efforts and the constraints in a number of the countries in the region.

Pakistan's cooperation in counterterrorism efforts has been excellent since 9/11. Despite skeptical public opinion and bitter criticism from a coalition of opposition parties, President Musharraf has

maintained Pakistan's policy of supporting U.S. OEF operations with practical results. Our two nations have coordinated with intelligence, law enforcement, finance and military authorities to successfully apprehend well over 500 suspected al-Qaeda and Taliban operatives to date, including, as Ambassador Black said, Khalid Shaikh Mohammed and Ramzi bin al-Shibh.

Pakistan ranks fourth in the world in the amount of terrorism-related assets frozen, and the Government of Pakistan is working against terrorist groups and has recently increased their patrols, operating now in the mountainous, historically off-limits, Pakistan/Afghanistan border.

We continue to monitor actions taken to curb such extremist groups as Lashkar-e-Taiba and Jaish-e-Mohammed and others. Those groups pose a serious threat to Pakistan, to the region and to the United States. We continue to work with the Government of Pakistan on this challenge.

We look to Pakistan to do everything in its power to prevent extremist groups operating from its soil from crossing the line of control. The Government of Pakistan has taken many steps to curb infiltration, but we are asking it to redouble its efforts.

The United States supports all these counterterrorism efforts by providing funding for enhanced border security, including intense training, equipment, road-building and logistic support.

Investing in Pakistan's capacity to interdict terrorists has begun to pay off. Earlier this month the Pakistan forces killed 8 and captured 18 suspected al-Qaeda and Taliban, along with foreigners and local tribesmen on the Afghan border. This was followed a week later by detention of 32 people suspected of collaborating with or harboring Taliban remnants. Pakistan is bearing its share of the human cost of fighting the war on terror over a dozen of its soldiers have been killed in such operations.

India is another close ally of the United States in the global war on terrorism, and it continues to support our efforts in this area. India is also a victim of terrorism, with a tragic attack on its Parliament on December 13, 2001, and the more recent bombing in Mumbai that killed more than 50. We are working closely with the Government of India to help them prevent such attacks, providing them with better border security systems and training, and through better intelligence. Increasingly intensive Indo-US counterterrorism cooperation reflects the closer relations that the United States seeks across the board with India.

The Maoist insurgents' use of terrorist methods to coerce the people and overthrow the government of Nepal poses yet another threat. This poses a threat to democracy and stability and to U.S. interests in the region. At the same time, tensions between the king and the political parties in Nepal have given the Maoists greater room to maneuver. On August 27, the Maoists unilaterally withdrew from a 7-month cease-fire and peace negotiations, returning to extortion, bombings, assassinations and forced recruitments into their military cadre. In recent weeks we have seen Maoist forces continue to attack security forces.

The United States Government is helping to address the Maoist threat by focusing our assistance programs on the root causes of the insurgency—poverty, corruption, and government inattention—

and on strengthening the ability of the government to respond to this threat. We are one of many countries that together are working to improve the Royal Nepalese Army through security assistance.

Since December 2001, the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam have kept a cease-fire and conducted several rounds of peace negotiations. The U.S. supports these negotiations in the hopes of creating a permanent peace and political solution to the conflict with the LTTE. Toward that end, the international community, at a donors' conference co-chaired by the United States, recently pledged 4.5 billion in assistance linked to progress in the peace process. On October the 2nd, the U.S. Government redesignated the LTTE as a foreign terrorist organization and made clear that the designation could be revoked only if the LTTE renounced terrorism and ceased all terrorist activities.

As in Nepal, we are working to alleviate some of the precursors of this conflict—poverty and inequality. We continue to support humanitarian and development efforts throughout the country.

Across South Asia the United States continues to work with our allies to limit the ability of terrorist groups to work and move around. We are supporting these governments through intelligence sharing where appropriate, resources, and training. And we work both bilaterally and multilaterally with these governments.

The response we have received in the region has been exemplary; however, more still needs to be done. Taliban remnants and al-Qaeda remain hidden in the challenging Pakistan/Afghanistan border area, too often coming out to attack United States forces or the ANA in Afghanistan. Tensions over Kashmir continue with ongoing violence across the LOC. The LTTE and the Maoists still pursue violent means to achieve their ends. Until all these activities stop, we will not cease our efforts.

Mr. Chairman, thank you for the opportunity to address this important issue.

Mr. LEACH. Well, thank you very much, Secretary Rocca.  
[The prepared statement of Ms. Rocca follows:]

PREPARED STATEMENT OF CHRISTINA B. ROCCA, ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS

U.S. COUNTERTERRORISM POLICY TOWARD SOUTH ASIA

Mr. Chairman and distinguished members of the subcommittees: thank you for giving my colleagues and me the opportunity to talk about U.S. counterterrorism policy towards Asia and the Pacific.

You requested that we provide you some insights into our assessment of the environment for terrorism in this region, including successes and challenges. My colleagues before me have already addressed our wider counterterrorism goals in the region, so I would like to take this opportunity to share with you our views on the environment, including both political and institutional, within South Asia specifically.

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In the past two years there have been significant counterterrorism advances in South Asia. We are working closer than ever with, and getting enormous support from, President Musharraf and the Government of Pakistan, to capture or destroy the remaining remnants of al'Qaida or the Taliban that remain in the region. We have coordinated closely with Prime Minister Vajpayee and the Indian Government in helping them respond to the attack in 2001 on the Parliament and the bombings earlier this year in Mumbai.

Across the region we are involved in training military or police to better combat terrorists, and providing military and law enforcement personnel with the necessary resources to do the job. Our Anti-Terrorism Assistance in South Asia totaled over \$37 million in FY 03. We continue to share information with these allies, building a security network, to counter the terrorist network that we are working to bring down. Together, through the UN 1267 Committee, we block the financial assets of terrorist groups and individuals, thus limiting their ability to move money and fund activities. Our tools are plentiful, and we are using all of them, as appropriate, to destroy terrorist groups.

Mr. Chairman, I would now like to take the opportunity to take you through our specific efforts and the constraints in a number of countries in this region.

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Our two nations have coordinated with intelligence, law enforcement, finance, and military authorities to successfully apprehend well over 500 suspected al'Qaida and Taliban operatives, to date, including al'Qaida operational commander Khalid Sheikh Mohammed and September 11th conspirator Ramzi bin al-Sheibh.

Pakistan ranks fourth in the world in the amount of terrorism related assets frozen, and the Government of Pakistan is working against terror groups and has recently increased their patrols, operating now in the mountainous, historically off-limits, Pakistan-Afghan border.

We continue to monitor actions taken to curb such extremist groups as Lashkar-e-Toiba, Jaish-e-Mohammed and others. These groups pose a serious threat to Pakistan, the region and the United States. We continue to work with the Government of Pakistan on this challenge.

We look to Pakistan to do everything in its power to prevent extremist groups operating from its soil from crossing the Line of Control. The Government of Pakistan has taken many steps to curb infiltration, but we are asking it to redouble its efforts.

The United States supports all these counterterrorism efforts by providing funds for enhanced border security, including intense training, equipment, road building and logistics support.

Investing in Pakistan's capacity to interdict terrorists has begun to pay off. Earlier this month Pakistan forces killed 8 and captured 18 suspected al'Qaida along with foreigners and local tribesmen, on the Afghan border, followed a week later by detention of 32 people suspected of collaborating with or harboring Taliban remnants. Pakistan is bearing its share of the human costs of fighting the war on terror—over a dozen of its soldiers have been killed in such operations.

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On August 27, the Maoists unilaterally withdrew from a seven-month cease-fire and peace negotiations, returning to extortion, bombings, assassinations, and forced recruitment into their military cadre. In recent weeks we have seen Maoist forces continue to attack security forces.

The United States Government is helping to address the Maoist threat by focusing our assistance programs on the root causes of the insurgency—poverty, corruption, and government inattention—and on strengthening the ability of the government to respond. We are one of many countries that together are working to im-

prove the Royal Nepal Army through security assistance. The United States is providing 20,000 M-16 rifles to the Nepal military along with other security equipment and training. Since the U.S. began assisting the Army, the Maoists have eschewed direct attacks on Army outposts, instead favoring ambushes on Army patrols and attacks on infrastructure, civilian targets, and the Armed Police Force. The U.S. support is paying a dividend, although more help is needed.

Since December 2001, the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) have kept a cease-fire and conducted several rounds of peace negotiations. The United States supports these negotiations in the hopes of creating a permanent peace and political solution to the conflict with the LTTE. Towards that end, the international community, at a donors conference co-chaired by the United States, recently pledged \$4.5 billion in assistance linked to progress in the peace process.

On October 2, the USG redesignated the LTTE as an FTO, and made clear that the designation could be revoked only if the LTTE renounced terrorism and ceased all terrorist activity.

As in Nepal, the USG is working to alleviate some of the precursors of this conflict—poverty and inequality. We continue to support humanitarian and development efforts in the country.

Across South Asia the United States continues to work with our allies to limit the ability of terrorist groups to work and move around. We are supporting these governments through intelligence sharing where appropriate, resources and training. We work both bilaterally and multilaterally with these governments through such organizations as the UN 1267 Sanctions Committee for terrorist financing, and fully support the involvement of regional multilateral organizations.

The response we have received from governments in the region has been exemplary. However, more still needs to be done. Taliban remnants and al'Qaida remain hidden along the challenging Pakistan-Afghan border, too often coming out to attack U.S. forces or the ANA in Afghanistan. Tensions over Kashmir continue with ongoing violence across the LOC. The LTTE and the Maoists still pursue violent means to achieve their ends. Until all these activities stop, we will not cease in our efforts.

Mr. Chairman, thank you for the opportunity to address this important issue. We look forward to working with Congress as we confront these challenges. The resources your provide are critical to our efforts and, as I have said, are making a difference. We would be happy to answer any questions you now have.

Mr. LEACH. Secretary Daley.

**STATEMENT OF MATTHEW P. DALEY, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS**

Mr. DALEY. Mr. Chairman, and other distinguished Members of the Subcommittees, it is a great privilege to again appear before you. Thank you for putting the remarks into the record. I will just touch on a couple of themes very quickly and try to keep my remarks as brief as possible.

I think the first observation I would make, Mr. Chairman, is that in the months both immediately before and after September 11, we did not have a very good appreciation of the nature of the terrorist threat in Southeast Asia and in the Pacific. Particularly after September 11 our concern was about the possible displacement of al-Qaeda and Taliban terrorists from Afghanistan to Southeast Asia, and in particular to Indonesia. Neither we nor the countries of the region appreciated the extent to which terrorists were already there, and they were there as indigenous groups. They were not foreign imports.

The second observation I would make is that their networks existed in countries that were both authoritarian and democratic, in countries that had both strong and weak security forces and structures. And in particular, in the countries which had strong security forces, the surprise was all the greater.

I would also say that in addition to being international in scope, international in the area of operations, these groups have also shown themselves to be transnational in outlook and ideology. Their members do not have a particularly strong allegiance to the nation state, and indeed in the case of Jemaah Islamiyah, they articulate a vision of an Islamic caliphate that would span the borders of quite a number of Southeast Asian countries. So they are a transnational phenomena.

I think our response in the region, with the exception of operations in support of the Armed Forces of the Philippines directed against the Abu Sayyaf group, our response has appropriately been one that has relied on intelligence, law enforcement and efforts to go after their financial base.

Since 9/11, we have seen dramatic improvement in cooperation both with the United States and between the countries of the region. Almost without exception we find serious efforts to deal with this problem. In some cases it is a fully seamless kind of cooperation as we see in Australia. In other cases it has required a little bit more planning to put into place. But virtually without exception, the countries of the region take our concerns seriously and are working with us.

Mr. Chairman, why don't I stop at that point and be prepared to respond to questions.

Mr. LEACH. I appreciate that very much, and appreciate the testimony of all three.

[The prepared statement of Mr. Daley follows:]

PREPARED STATEMENT OF MATTHEW P. DALEY, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS

U.S. COUNTER-TERRORISM POLICY FOR EAST ASIA AND THE PACIFIC

Mr. Chairman and distinguished members of the subcommittees, I appreciate the opportunity to meet with you. The President has just returned from East Asia, where he met with our Asian allies and partners in the war against terrorism, not just at the APEC Summit in Thailand but also during his visits to Japan, the Philippines, Singapore, Indonesia and Australia.

In East Asia and the Pacific, counter-terrorism moved to the top of our foreign policy priorities after September 11. Southeast Asia, home to more than 200 million Muslims, is threatened not only by Al-Qaida but also by regional terrorist organizations such as the Jemaah Islamiyah. With the murder of 202 people in the October 2002 bombing in Bali, Indonesia, East Asia suffered the worst terrorist attack since September 11.

Southeast Asia was often viewed as on the fringe of the Muslim world. Thus, immediately after 9/11, Islamic-based terrorism was often portrayed as a foreign import to the region. We ourselves were most concerned that members of Al-Qaida would make their way from Afghanistan to Southeast Asia. But that was a misunderstanding. To one degree or another the states of the region, like the U.S., have been forced to readjust their views, and acknowledge the extent and sophistication of indigenous terrorist organizations and networks. Moreover, these networks are not composed of the wretched of the earth, but often of educated and well-off recruits. We continue to be impressed by the depth of the links that connect Southeast Asian terrorists with their counterparts inside and outside the region. For example, a cell of the Southeast Asian regional Islamic terrorist Jemaah Islamiyah was recently dismantled in Karachi, Pakistan. We are not confident that we have yet identified all the tentacles of the terrorist networks or the boundaries to their presence and influence.

The new terrorism all of us face is transnational. Thus, defending ourselves demands unprecedented international cooperation. Just as terrorists work together to move men, materiel and money across borders, coordination with our allies, partners and friends is essential to prevent terrorists from slipping through the cracks between national authorities and, indeed, within some countries. Thus, diplomacy

is the bedrock on which intelligence, law enforcement, financial and, in specific cases, military cooperation against terrorism, has expanded in East Asia.

In two years, Southeast Asian states have come a long way toward developing effective, cooperative strategies against international terrorism, while continuing to wrestle with demands to strengthen democracy and restore prosperity after the Asian Financial Crisis of 1997–98.

Australia, China and Japan, among others, have made significant contributions to the international campaign against terrorism, both within and outside the region. Japan, our linchpin ally in Asia, continues to back the international war against terrorism. It supports our counter-terrorism efforts during Operation Enduring Freedom in Afghanistan by supplying coalition naval vessels with operating fuel at its own expense. Japan is a major contributor to Afghanistan reconstruction, and is vital to the demobilization, disarmament and reintegration efforts for that country. At the recent Madrid conference, Japan committed over a billion and a half dollars to Iraq's reconstruction to promote a civil society that does not harbor terrorists. Japan is also a partner in freezing and disrupting the flow of terrorists' assets.

We have no more staunch and valued ally across the board than Australia, whose troops fought side by side with American forces in Afghanistan and Iraq and which contributes personnel and funds for Iraq stabilization and reconstruction. Australia has also assumed an important role in combating terrorism in Southeast Asia, closely coordinating with Asian countries and the U.S. on strengthening police, customs, immigration and intelligence capabilities.

We have worked with China on sharing counter-terrorism information and blocking the flow of terrorist finances by designating terrorists and terrorist organizations under the appropriate UN resolutions. China's awareness of the terrorist threat informs its global perceptions of the role of the United States' military operations in Central Asia. Equally important is the fact that our joint efforts against this threat have, in turn, built trust and strengthened our relations with these countries as a whole.

At the recent meeting of Asia Pacific Economic Cooperation (APEC) Leaders, the President stressed our fundamental belief that security and prosperity are inseparable. Leaders of the 21 APEC economies committed to take all essential actions to dismantle, fully and without delay, transnational terrorist groups that threaten APEC economies. Among the specific measures they agreed to this year was to control MANPADs. Over the past two years, the United States has also worked very closely and productively with the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF) and the Pacific Islands Forum (PIF) to develop multilateral responses to a threat that knows no boundaries.

Concentrated attention on and coordinated policies to combat terrorism have degraded terrorist networks in East Asia. More than 200 terrorists have been detained or arrested by our partners. Hambali—a key link between Al Qaida and the Jemaah Islamiyah—is now in custody. Malaysia has established a nascent regional CT center and regional training and cooperation is at an all time high. Nonetheless, we are well aware of the costs should complacency re-emerge, and of the long road many nations still have to travel to improve CT capabilities. Moreover, as they come under pressure in former havens in Southeast Asia, terrorists search for softer targets, in neighboring countries or potentially in piracy-infested waters, such as the Strait of Malacca.

While I have stressed, appropriately, the international and regional nature of the terrorist threat, and outlined the multinational response to this threat, inevitably much of the war against terrorism takes place within national boundaries. Mr. Chairman, I would now like to take the opportunity to review our specific efforts and the constraints we face in several countries in the region.

#### *Indonesia*

As the world's most populous Muslim country, Indonesia demonstrates daily that democracy and Islam are compatible.

Indonesians were inward-looking and, frankly, often reluctant to acknowledge the reality of the terrorist threat until the Bali bombing last October led to a dramatic shift in public opinion. Since Bali, and especially since the Marriott Hotel bombing in August this year, Indonesian authorities have aggressively pursued and brought terrorists to justice. Domestic counter-terrorism legislation has received parliamentary approval and the government has increased cooperation and consultation with its neighbors. Indonesian courts sentenced Jemaah Islamiyah spiritual leader Abu Bakr Bashir to imprisonment, though this sentence is now under appeal. Indonesia has convicted nearly 30 Jemaah Islamiyah terrorists in connection with the Bali bombing, sentencing some to death. And finally, Indonesia's important moderate

Muslim organizations are speaking out against violence, and recapturing the lead in public discourse.

However, while the will to combat terrorism has grown, Indonesia remains a country whose counter-terrorism efforts face the challenges of porous borders, an often-lax judicial system, corruption, and a generally poor educational system, a small part of which has proved to be a breeding ground for extremists and terrorists. Moreover, some in Indonesia continue publicly to attribute part of the blame for international terrorism to U.S. Middle East policy. A key challenge for the political system in Indonesia will be the sustained pursuit of terrorists even as sensitivities are heightened by the approach of elections next year.

Our counter-terrorism cooperation with Indonesia is designed to strengthen Indonesia's capabilities, through ongoing programs for police, judicial, and financial training, and through investigative assistance. We are working with the Indonesian government and several other donors to bolster that country's border controls and to coordinate anti-terrorism assistance. Moreover, the President proposed, during his recent visit to Indonesia, a major educational initiative designed to support educational reform and provide an opportunity to obtain modern education free of extremism.

#### *The Philippines*

The government of President Arroyo is a committed and valued partner in the war on terrorism, but limited resources and internal weaknesses constrain our close ally's efforts to fulfill its commitments.

While Philippine CT operations, involving U.S. military training and operational support, achieved significant results against the Abu Sayyaf Group (ASG) in 2002, more recent operations planned for February 2003 sparked an internal Philippine debate, and were postponed. The Philippine Congress did agree to amend its Anti-Money Laundering law to meet international standards, but the institutional weakness that is endemic among the security organizations in the Philippines was dramatically displayed with the escape of three dangerous terrorists from a high security facility in Manila on July 14, 2003. Subsequently one Jemaah Islamiyah bomb-maker, Fathur Al-Ghozi, was killed as he encountered the Philippine police in Mindanao, and another was recaptured on October 7.

The most hopeful development is President Arroyo's initiative to explore the possibility of peace negotiations with the separatist Moro Islamic Liberation Front (MILF), the largest remaining Muslim insurgency in the Philippines. Unfortunately, some factions of the MILF have maintained links with terrorists. The United States has set aside funds to support a peace process and the U.S. Institute of Peace, in support of the Government of Malaysia, which has the lead for the international community, will help facilitate that process. Our funding in Mindanao is contingent on the MILF separating itself from terrorist organizations and personnel in deed as well as word and also on a successful negotiating process. I should add that the U.S. support for the territorial integrity of the Philippines is unshakeable even as we recognize that the Bangsamoro people have legitimate and long-standing grievances that must be addressed.

Additional U.S. help for Philippines anti-terrorism efforts is extensive, and includes security assistance, such as the training of anti-terrorism Light Reaction Companies, other programs to increase the efficiency of the Philippine Armed Forces, the Terrorist Interdiction Program, and new educational assistance for Muslim areas. The key factor, however, is institutional reform, without which U.S. assistance will not avail.

#### *Malaysia / Singapore / Thailand*

Singapore and Malaysia have been highly effective in their pursuit of terrorists. In fact, they were the first states in the region to crack terrorist cells and detain their members. Their commitment to fight terrorism in Southeast Asia is undiminished. Malaysia hosts a nascent regional counter-terrorism center, through which we offer training, and has detained nearly 100 members of the Jemaah Islamiyah and other terrorist organizations. In two waves of arrests in 2001 and 2002, Singapore also detained domestic Jemaah Islamiyah terrorists planning attacks against U.S., Singaporean and other interests. Singapore was the first Asian port to go operational with a program, known as the Container Security Initiative, which allows U.S.-bound cargo to be pre-inspected and cleared. Singapore has supported U.S. actions in Afghanistan and Iraq. Both nations will be critical to programs to implement maritime CT programs. Thailand's recent capture of Hambali, al Qaida's point man in Southeast Asia, demonstrates the support of this long-standing ally that prefers to say less and do more. Thailand has signed the Container Security Initiative. The U.S. Trade and Development Agency has signed a

grant to start a port and supply chain project to promote secure and efficient trade between Bangkok's Laem Chabang port and Seattle. The Thai government has recently passed tough anti-terrorism legislation and amendments to its anti-money laundering law. It has also dispatched over 400 soldiers to Iraq and recently completed a deployment in Afghanistan.

*Conclusion*

Throughout East Asia, we support other governments and encourage them to cooperate with each other and with us against terrorism. We are determined to limit the ability of terrorists to carry out terrorist acts or find refuge, and eventually to eradicate terrorism. Bilaterally and multilaterally, we share intelligence, where appropriate, and provide and coordinate training, as well as other essential resources. In addition to helping our allies and partners to enhance their capacity to combat terrorism, we lay the groundwork through active diplomacy to build a coalition that will protect American citizens and interests in Asia against terrorism. We believe this effort has reassured Asians of America's commitment to their welfare, degraded terrorist capabilities, and strengthened U.S. relations with its East Asian allies and partners.

Mr. LEACH. In terms of process, there were a number of long opening statements, and so I am going to yield my time to Mr. Tancredo.

Mr. TANCREDO. Thank you very much, Mr. Chairman.

I would like to ask specifically Secretary Rocca and Daley, let's concentrate for just a minute here on one part of Pakistan, specifically the Sindhi area in Pakistan. And this is an area of the country populated by people who have been historically both supportive of the United States and also have a tradition of secular government. They are opposed to the radicalization of Islam. They really, for all intents and purposes, are just exactly what we would like to see in terms of an expanded governmental arrangement, I guess, in that area of the world. And yet Pakistan, the Government of Pakistan, is quite oppressive toward this group and has impoverished them. They are contemplating, of course, the construction of a dam on the Indus River that will, if it goes into—if it is completed, will severely damage the country and certainly the livelihood of the people in that area of Pakistan.

Now, why I bring this to your attention is this: That because the way that the government, the Musharraf government, is treating the Sindhi people, there is—we are seeing a resurgence in that area of pro-Islamic, proradical Islamic fundamentalism and tendencies. I am wondering if you can help me by just thinking aloud with me. What, if anything, can we do to help the Sindhi people? And also, to—that would entail, I am sure, pressuring the Musharraf government to change their policies vis-a-vis the Sindhi.

First of all, do you agree that there is a problem? I guess that is number one. Does the State Department think there is a problem there? I happen to, but oftentimes my interpretation of the problems is not shared by the State Department. So do you think that there is, and how, if there is a problem, should we address it? Either one, Mr. Daley, Ms. Rocca.

Ms. ROCCA. Congressman, let me just say that there are similar problems throughout the country, and that this is a country that is undergoing a—some severe social problems, which extend to Sindh as well.

What we have been doing is we have been working on the education system, for example, in order to help address some of the deficits of the central government. Education is one of the biggest.

We have a project, a school project, where we are starting with preschoolers. We have started in Baluchistan, but the next project is in Sindh specifically if the pilot projects works out. This is the kind of—this along with the assistance that we are helping to provide NGOs and others with respect to moving along with democratization are the two areas where we are addressing the problem as best we can.

Mr. TANCREDO. And are you in communication with the Musharraf government specifically about this problem?

Ms. ROCCA. We talk to them about the problems in all the provinces countrywide. And the education one is one which is one that we are very closely working with them on and have dedicated an awful lot of funds towards.

Mr. TANCREDO. It is—just as I say, this particular part of the country seems to me to be ripe for our involvement in terms of offering support, because their attitude toward this whole game that we are—not a game, but this very serious clash is one that we could, I think, benefit from, and so could the rest of the world. So that is why I really want to push you to concentrate on Sindh and on the Sindhi people. And I think it would be to our benefit, I truly do.

Mr. Daley, do you have anything to add?

Mr. DALEY. Congressman, my responsibilities do not include South Asia, and so I will take a pass.

Mr. TANCREDO. That is fine and understandable.

Let me ask you in terms of the madrassas, Mr. Musharraf promised that there would be a crackdown on some of these more radical madrassas, and I do not know—the stuff that we have here from Congressional Research Services indicates that this is not happening. And I quote:

“While President Musharraf has in the past pledged to crack down on the more extremist madrassas in the country, there is little concrete evidence that he has done so.”

Do you agree with that analysis?

Ms. ROCCA. No. There has been—there hasn't been as much progress as we would wish in an ideal world. However, I don't think this is a problem that lends itself to an overnight fix either. The government has taken some steps to register the madrassas, which also will give them some say on the syllabus and extending the syllabus and moving these madrassas into—transforming them into areas where the children who come out of it will actually have some skills that will be able to provide them with work when they get out. The problem—the madrassas that are of concern, however, there are number of them of concern that still exist, which are the ones that don't—that refuse to be registered, where we don't have a handle on who, what foreign financial assistance they are receiving. And that is something that we are continuing to work on. It is not because of where they are located and the whole issue of provincial governments. This is something that they are taking in a step-by-step approach.

But back to our assistance on education, part of the—part of our objective also is to help the public school system get back up and running so that there is an alternative to madrassas. But this is

a long-term project, and it is not something that is going to be fixed overnight, but it is something that is of concern to us.

Mr. TANCREDO. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Tancredo.

Mr. Sherman.

Mr. SHERMAN. Secretary Rocca, turning first to Sri Lanka and the LTTE, I believe the LTTE has stopped terrorism. I believe they have renounced it. Which criteria for being delisted do they fail to meet at the present time, or are these sins of the past unforgivable?

Ms. ROCCA. No, sir, they continue—we have made it very clear that there is a way off the list. But renouncing terrorism in word and in deed, and it is the deed part where we have some problems. The extrajudicial assassinations continue. The recruitment of child soldiers and conscription of children continues. The rearming continues.

Mr. SHERMAN. The rearming.

Ms. ROCCA. The smuggling of arms into—

Mr. SHERMAN. So if a group is—because, you know, George Washington did that, too. He wanted to secede from the British Empire, and he did import weapons as part of that process. Are we classifying a group as terrorist simply because they are seeking some degree of autonomy and using military means, and if so, would George Washington so be listed?

Ms. ROCCA. Well, I think our concern is more with the fact that they are using these weapons to engage in activities which kill non-combatant—which—for example, the extrajudicial killings. Those are the two—

Mr. SHERMAN. The extrajudicial killings I can see being on your list, but once you say that a dissident or a secessionist group cannot import arms without being listed as a terrorist group, that comes close to putting Washington on the list. And of course, there were acts he did not control that violated the rules of war in our own Revolution. Hopefully there will be a distinction between revolutionaries on the one hand and terrorists on the other, not that revolutionaries always deserve our support.

But I would discuss with you later the assassinations and realize that that could be a reason to continue to list an organization; although I am not at all sure that any leader of the LTTE would be safe from government military action directed at that individual, even if they should do everything that we would suggest.

Turning to mainland South Asia, and either Ambassador Black or Secretary Rocca could address this. What has been done to investigate recent revelations of ties between those who killed Daniel Pearl and the ISI?

Mr. BLACK. There has been an active investigation by all relevant parties into the perpetrators of this crime. There have been individuals arrested. Trial process is underway. And there is no information that I am aware of linking these individuals to ISI as an organization. That is where it stands now.

Mr. SHERMAN. I will try to furnish for the record these press reports so that you can respond to them, and I hope very much that they lack credibility since nothing could disturb our relationship with Pakistan more. Or a few things would.

Is there—we know that the Taliban began as an ISI invention, or at least had ISI support. Do you believe that the ISI continued to be involved and that Pakistan continued to support the Taliban after September 11?

Mr. BLACK. I believe that is a formal ISI policy, and as an organization, that they do not support the Taliban. That is their approach to the issue is in contrast to the relationship certainly before 9/11. The Congressman is well aware that there was an historical relationship between the two keyed to Pakistan's search for domestic security depth in Afghanistan. That was then. This is now. And it is their organizational policy to be nonsupportive and to consider that to be part of the problem.

Mr. SHERMAN. So even after al-Qaeda hit us in East Africa, the USS Cole, and so even after there were several years in which it was obvious that al-Qaeda was in Afghanistan, had the support of the Taliban and the protection of the Taliban and was killing as many Americans as they could get their hands on, the ISI continued its relationship with the Taliban and abandoned that relationship only after the number of American deaths hit an all-time high on September 11.

Mr. BLACK. Well, I think the situation changed for them. The realities on the ground were different. I think there was an appreciation among numerous countries that al-Qaeda was in Afghanistan. But at that time it was not the Taliban that was specifically involved directly in these operations.

Mr. SHERMAN. Is Pakistan doing all it can to prevent Taliban and al-Qaeda forces from moving—you know, being based in Pakistan, crossing the border into Afghanistan, coming back?

Mr. BLACK. This is a key issue. Obviously the future and the security of Afghanistan is involved, and also the lives of coalition troops. I can assure you that this is a very important issue for President Musharraf, the national security establishment in Pakistan and the ISI. Their contribution to the war on terrorism has been outstanding. They have been directly involved in the arrest and detention of over 500 al-Qaeda operatives and supporters. They put their personnel at risk on a daily basis. There are regions of Pakistan that historically have been if not independent, somewhat outside of the central control of the central government.

Watching the Pakistani establishment deal with this, I think, contrasts with the past, shows every indication that their success in the future will grow. And I would also point out that there really is not much of a substitute for the forces that they put against the problem and the success that we have enjoyed in the United States that people have benefitted from.

Mr. SHERMAN. Pakistan banned some terrorist groups in the year 2000. Many newspapers report that these groups are just operating under new names. These include the leaders of the—I am going to mispronounce this quite badly—Lashkar-e-Taiba, from whose safe house Abu—I am going to mispronounce this name, but you know what it is—Zabaida was arrested, and also those wanted in the church bombings. Has the United States Government responded to this tendency of Pakistan to allow these terrorist groups to continue to operate albeit under different names?

Mr. BLACK. There is an active effort on their part to keep up with the changing personalities of these groups and the name-changing. I would say that their dedication to the mission is solid, and in terms of their capability, what they are able to utilize against this problem I think is solid.

Mr. SHERMAN. And I don't know if you can answer this in a public session, but what steps has the Pakistani Government taken so that even if there is an Islamic militant or extremist takeover, that the nuclear weapons would not fall into the hands of the extremist groups that seized power in Islamabad?

Ms. ROCCA. Congressman, that is one we would have to address in a different forum.

Mr. SHERMAN. I look forward to getting that answer in a different forum. Perhaps your staff can contact mine and figure out how we can get that information.

I yield back.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much.

Just to reiterate a point made earlier, and this is when we talk about the instability of the subcontinent, and we talk about all of these things that are going on, the frightening things that are going on with Pakistan and some of the more radical things, groups that are emerging in that part of the world, there is not going to be peace in the subcontinent until we take care of Kashmir. I mean, it is just as simple as that. I have been saying that for about 15 years. And whether it is this Administration or the last Administration or the one before that, and probably the one before that and the one before that, no one seems to want to engage, and no one wants to confront India with the fact that they are not permitting the plebiscite. And then no one wants to confront Pakistan, which is arming people on the other side who are committing heinous acts against the civilians as well.

And because the Kashmir is not being addressed, what we have got is an arms race. We have two poor countries, two countries which do not have adequate education systems or health care for their people, who are pumping money into nuclear weapons of all things as well as massive armies, I might add. This is a disgrace. And whatever instability we have, it threatens the peace of the world. America needs to engage in that issue, and we need to make sure that the democratic process, the right of the people of the Kashmir to determine their destiny through an election, is made part of America's program, because that is the only thing that is going to be successful anyway. Because you can't—unless the people of Kashmir are part of the solution, there will be no solution.

So with that said, let me go on to something more, which even what we are talking about won't be solved until that is solved. But Pakistan is a pivotal country, and Afghanistan is a pivotal country. And the situation is going downhill. It continues to go downhill. Of course, it looked worse maybe 2 years ago.

My first question is, in terms of the production of opium coming from Afghanistan, maybe Secretary Rocca can tell me, 3 years ago what was the guesstimate on the value of the opium crop being produced in Afghanistan?

Ms. ROCCA. I don't have the answer to that.

Mr. ROHRABACHER. Okay. What about the guess this year?

Ms. ROCCA. We are aware that it has gone up, but it is something that we continue to work on assiduously.

Mr. ROHRABACHER. Okay. So we have introduced a large amount of American presence and control, troops, et cetera, and the problem of opium has not only not decreased, but dramatically increased; has it not?

Ms. ROCCA. I believe it has.

Mr. ROHRABACHER. Okay. So someone is failing. Don't you think that reflects a failure on someone's part?

Ms. ROCCA. As I said, it is a matter of great concern, and it is one that we continue to work on assiduously.

Mr. ROHRABACHER. Okay. So this Administration has failed in that area, and I would suggest we need to pay attention to that, too. And even though this Congressman over and over and over and over again has been talking to this Administration about this problem, the decisions have not been made.

Let me note that from this seat and this body, for 5 years prior to 9/11, I kept warning people about Afghanistan and we had to do something about it, or it was going to hurt America in the end.

And I would like to compliment Ambassador Black. You have been as frank in a monotone voice—you have been as frank about policy, our policy and Pakistan's policy, with the Taliban as anyone I have ever seen testify here, because, yes, the Pakistanis were there and, for their own reasons, their security reasons, that they needed to project their power into Afghanistan, were there at the creating of the Taliban and had a major impact on the Taliban. Let us note, however, the United States was in the room. We weren't outside the room. The Saudis were in the room. Pakistanis were in the room. And the United States was in the room and—when the Taliban was created. And this was not diligence on our part either. There were mistakes based on some mistaken decisions that we have made.

I would hope that we are not making the mistake again of what we made then, when the Taliban was created, in order to placate the Pakistanis' desire for that type of influence in Afghanistan. I would hope that now we are not judging Afghan policy based on what is good for Pakistan. But it seems to me that is what is going on, and that is why we are failing in Afghanistan.

The—let me just ask the panel. Is there evidence that the Pakistanis, especially the ones that we know that the ISI was up to their eyeballs in the drug trade at one point—has Pakistan now cut off this flow of drugs if they are no longer involved in the drug trade in Afghanistan?

Ms. ROCCA. I believe our information indicates that they were not in the first place. I know we have a disagreement on that. We have talked about it last time I was here. But certainly—

Mr. ROHRABACHER. By the way, since the last time you were here, the Pakistanis have purged the ISI. When you were telling us they weren't involved in the drugs, purged them with the excuse that they were involved in the drug trade. Let me note that for the record. And we can ask Mr.—Charlie down there, and he will confirm that. So while you were testifying here last time that they

weren't involved, the Pakistanis have gone back and purged the ISI because they were involved.

I think what we need is to be—more frankness like on the part of Mr. Black, or Ambassador Black, for us to understand the dynamics of what is going on. And let me just say that we need pluses and minuses. We need to understand the pluses and minuses of Pakistan. Thank you very much for all of you and the panel presenting that. Pakistan has got some bad parts, and I have pointed some of them out today, and they have also got some very important things that are important to our security to work with them. But we must keep them in perspective and what is important for the United States and the cause of peace if we are to succeed, and not just to say, oh, Pakistan is so important, we are going to placate whatever they want.

And so with that said, thank you very much, Mr. Chairman. And I am pessimistic for one reason, and that is there is so many hundreds of millions of dollars going into the hands of evil people right now because we didn't make the right decisions about drugs 2 years ago and 3 years ago and make the tough stands that we should have, that those hundreds of millions of dollars are going to hurt us in the end and are going to hurt our ability to bring peace and stability to that region. And that is an unfortunate mistake on the part of this Administration. Thank you.

Mr. LEACH. Thank you, sir.

Mr. Meeks.

Mr. MEEKS. Thank you, Mr. Chairman.

Let me, I guess, switch gears a little bit and go to Secretary Daley and just ask—see if I can get an answer to some of the questions that I had asked in my opening statement.

Real quickly, just—first Secretary Daley, one, could you tell us the status of the JI and other terrorist groups that are operating in Malaysia; two, our counterterrorism and defense relationship with Malaysia; and three, most importantly, how you believe that the United States will be impacted if Malaysia were to cease antiterrorism efforts with our government.

Mr. DALEY. Thank you, Mr. Meeks.

First, Jemaah Islamiyah (JI) in Malaysia has been a deeply rooted organization. For the first part of its existence, it was not involved in acts of terrorism. It was involved in acts that actually were of education, proselytizing, and community service. It made an astoundingly abrupt shift a couple or 3 years ago to becoming an operational terrorist organization. And many of its members had studied in Malaysia and had received inspiration in religious institutions in Malaysia.

I think it is fair to say that the Malaysian Government, as it became aware of the danger that was posed by JI, has reacted with dispatch and with high efficiency. They have proven to be extremely solid partners in trying to deal with the phenomenon of international terrorism. They also have their own reasons for wanting to deal with Jemaah Islamiyah that are separate and apart from the concerns that the United States had.

Our defense relationship, like the counterterrorist relationship, has proceeded on excellent terms despite sometimes very, very high-level, difficult issues, such as those occasioned by the most re-

grettable remarks that the Malaysian Prime Minister made recently. Were we to lose that cooperation, I think it would severely impair our ability to go after not only Jemaah Islamiyah, but other groups in Southeast Asia. Were the Malaysians to withdraw their cooperation, we would find that the country would become almost a safe haven, a free transit point, and it would be a profoundly dangerous development from the standpoint of American security interests.

So, on our end we are going to work very hard to try and ensure that the bilateral relationship remains in good repair. When we do have the most profound political differences, as we have had recently, we are going to be engaged at all levels. President Bush himself addressed this issue with the Prime Minister in Bangkok, and it has been done at other levels of our government.

Mr. MEEKS. Let me just follow up on that. Just—I know that in July 2003, Malaysia announced the opening of the South Asia Regional Center for Counterterrorism. Can you tell us the status of that project, and what is the United States' role, and how significant is this center likely to be, and what role should we play?

Mr. DALEY. In its inception the center is going to focus on providing training to officers, both law enforcement, intelligence, treasury officials of the region. We have encouraged that project. We are contributing resources in kind and in money. Malaysia is clearly in the lead. The first courses have focused on the financial aspects of going after terrorist organizations. But as the center develops and adds additional staff, we expect that it is going to expand into a very broad range of activities that are going to increase the capability of these security forces, both intelligence and law enforcement in the region, to deal with terrorism. It is an important development, sir.

Mr. MEEKS. Thank you.

Ambassador Black, in your testimony before the House Select Committee on Homeland Security, you stated, and I agree with you, that global systems structures and networks would serve as the foundation for all our efforts to bring freedom, prosperity and security to people around the world. This presupposes that we provide overtures to foster alliances, partnerships and friendships in a manner that will not portray our allies as merely representing Washington's interests, and that they, too, will benefit from working with us.

Based upon this, I wonder what efforts we are engaging in to change the perception of the United States around the world such that we can gain more allies, especially when some countries that have worked to aid us in fighting terrorism have yet to be adequately compensated for their efforts, such as Kenya. Can you please tell me more about our diplomatic and humanitarian efforts we are engaging in to gain more allies and prevent the spread and the advent of more terrorism?

Mr. BLACK. Yes, sir. As I indicated in my testimony, we have essentially a three-part strategy. The most immediate is to develop actionable information so that we can stop terrorist attacks.

The second level from that is to build counterterrorism capacity among our friends around the world so that they can defend them-

selves. They have the will to resist, and we will give them the capacity to resist.

The third level is to help to build the infrastructures that support them to achieve and to sustain the first two.

Our approach is one of openness and transparency with our allies. It is the policy of the United States Government that the global war on terrorism is fought with allies; we are all in this together. We, as a government, and various agencies in this government, conduct themselves in such a way to be seen as such by our foreign partners. There is a difficulty in any country going it alone. We are all interconnected. We use our resources.

I made reference a bit earlier to our Antiterrorism Assistance Training Program. You referred a little bit earlier to Kenya. The President announced a \$100 million initiative in the Horn of Africa to be used for counterterrorism. Recently the President of Kenya came on a state visit here to Washington. We were able to meet with their security officials, heads of national security. We have across the board the spectrum of relationships with our Kenyan partners. It is our policy around the world with each country individually on a bilateral basis to work with them and try and identify areas in which we can cooperate effectively to produce counterterrorism capability.

We also encourage regional relationships. An example would be the “three plus one” in the triborder area of Latin America; also working with significant regional partners like the Australians to work with us so the United States does not have to carry more than its share of the burden everywhere over the long term.

So it is an allocation of resources. We certainly have the programs and the policy. We as a government approach this in an interagency context. I think it is increasingly effective. We do that, and we interact with foreign countries in a way that I think that makes us all safer, sort of like a global network of community of nations. Their security services, their law enforcement, their treasury departments are combining, coming together to stop terrorists from harming innocent men, women, and children. That is the first point.

The second point is the fruits of this in that information of a counterterrorist nature, let’s say, that is developed in Nairobi or in Arusha very often is applicable in Manila or Jakarta. And as each week goes by, I think we are increasingly effective, Congressman.

Mr. MEEKS. Thank you.

And I just—you know, because one of the things I want to hear is how—you know, what we are doing with reference to either media companies or other mechanism so that it will be targeted directly to normal citizens, because as I travel the world, the problem that I see is that they have a negative reaction or a negative impression in regards to the United States, and that is what I want to start hearing. I know a relationship sometimes with the government does not seem to be permeating to the ordinary citizens and mechanism and means that we are doing that, good or bad.

I just want to get to one last question, and then I am done, Mr. Chairman, and that is to Secretary Rocca.

Just hearing—and I have been listening to this debate in regards to Pakistan and India and the Kashmir conflict, and I know the

Washington Post recently stated that both sides are attempting to forge new ties to resolve it. But yet, of course, you know, 35 people were wounded in the conflict. And I hear back and forth—what I haven't heard yet, or maybe I missed it if you did say this, is exactly what the Administration is doing to support the efforts of both our allies, because I think that we have here India as our allies and Pakistan as our allies in this war. What is the Administration doing to help both of them to end the terrorism within their own borders? What can we do, what are we doing, what should we do? And finally, can you speak about the relevance of these efforts to our antiterrorism efforts in Afghanistan?

Ms. ROCCA. Okay. We have—first let me talk about the diplomatic aspect of it. I will let Ambassador Black address the actual programs that we have going in both countries.

In terms of our diplomatic efforts, we have been working very closely with both governments. We are in a position now which we haven't been in historically before, which—that we have a very good relationship with the Government of India and a very good relationship with the Government of Pakistan. And we think this helps us also to help diffuse tensions in the region.

We had a situation a year and a half ago where we were on the brink of war, where India and Pakistan were on the brink of war over this issue, and we, along with the international community, helped walk them back from the situation. And we continue to work with both to encourage them to sit down and resolve their differences. That is a very—it is something that we are intimately engaged in. It doesn't make the headlines all the time, but we are definitely continuing to work that issue.

In terms of our projects with—our programs with each country, as I said, I will let Ambassador Black address them, but we have counterterrorism working groups with both countries. The programs are different and are more tailored to the needs of each country specifically. So I will just address that.

Mr. BLACK. Thank you very much.

I think it is important to underscore the aspect of the joint working group. This is a bilateral arrangement where we meet with regularity. In fact, the oldest such relationship that the State Department enjoys is with India. So we have been dealing with them for a significant period of time. We also deal with the Pakistanis on the basis of, you know, every 6 months, and we have programs with Pakistan. The Antiterrorism Assistance Program that I referred to is one in which we provide training in law enforcement, investigative techniques, forensics. And in fiscal year 2003 as an example, Congressman, we spent \$10.6 million. In addition to that, we spent another \$10 million for a specific counterterrorism unit, and the remainder of these monies were spent on other antiterrorism assistance courses.

We have in Pakistan installed the Terrorist Interdiction Program at the airport and in other facilities in Pakistan. This has been roughly \$3 million worth of equipment and expertise. It is a system that Pakistanis use for their purposes and ours to identify the movement of terrorists so that they can be interviewed and, if turned out to be legitimate cases, stopped from conducting any further acts of terror.

Likewise, with India, we spent \$1.93 million in antiterrorism assistance funds in fiscal year 2003.

We have good relationships with both. We meet regularly, and I think that both relationships are likely to progress even further in the future.

Mr. LEACH. Thank you, Mr. Meeks.

Mr. Pitts.

Mr. PITTS. Thank you, Mr. Chairman. First of all, it is good to hear about the efforts of our State Department to encourage the governments of both India and Pakistan to come to a peaceful resolution on the Kashmir issue. I would encourage you to continue to work to that end. I would like to commend Prime Minister Vajpayee for his recent statements and efforts to increase or improve relations with Pakistan through confidence-building measures with such things as opening up transportation routes, bus services and holding athletic events. That kind of measure, I think, will be very, very helpful.

Regarding the effort at the airports in Pakistan to identify and interdict terrorists, I am aware of that happening in Pakistan. Is that being done in Southeast Asia, in Indonesia, Philippines, other places where these terrorist networks operate? Do we have any plans to do such?

Mr. BLACK. Yes, sir, we do. We have launched this program, the Terrorist Interdiction Program which you are familiar with, in Pakistan, Afghanistan the Philippines and Cambodia, and we have under development similar programs in Nepal, Bangladesh and Thailand.

I would like to just caveat this. This is not sort of the thing where you throw a switch. It is a very complicated process. It goes over a considerable period of time. We want to make the American taxpayers' dollars that you so kindly allocate to us pay off for the purpose of identifying and stopping terrorists, so we do surveys. We work with our partners. We develop systems that are going to be effective for the long term and indeed in place, sort of an underlying aspect of counterterrorism that doesn't get much play. But it is a system that is in place, always working for you, that identifies individuals on passports coming through. Local law enforcement can, as a result, when appropriate, devote special attention to these people.

Mr. PITTS. I would urge you to consider working with Indonesia, Malaysia, and other Southeast Asia countries which are being utilized by many of these organizations.

Regarding the jihadist threat to Pakistan, would you agree or disagree that in Pakistan, radical Islamic groups seek revolutionary changes in the Pakistani political and social order, that they support violence to achieve these changes, and that they may be actively involved in violence and terrorism across Pakistan's frontiers? And if so, how serious is that threat?

Ms. ROCCA. I think generally we would agree with it. Also it is something I just want to note that is of concern to the Government of Pakistan and to average Pakistanis as well. And President Musharraf has repeated a number of times in recent speeches and, in fact, over the last couple of years, but more recently as well, that Pakistan cannot be allowed—it cannot allow the radicals to win the

struggle, that it is critical for the country that it remain a moderate state. And this is a vision of Pakistan that we would like to help support.

Mr. PITTS. What is the status, in your opinion, of Pakistani security operations in the tribal areas? How is it that Osama bin Laden continues to elude capture, and what, if anything, can the United States do to support Pakistani operations to promote a more vigorous Pakistani effort?

Ms. ROCCA. I will take the first part of that, and then I will let Cofer address the rest of it.

We have definitely seen Pakistan take the right steps on the Pak-Afghan border. We have got a situation now where they have figured out internally how to go about this better. They have increased their capabilities to do so. They are—they have launched—they have moved in the tribal areas, which, as we mentioned earlier, is the first time in 150 years that they have been able to do that. We are also providing assistance for that. They are helping conduct operations along these borders. They are conducting operations on their own to round up Taliban and al-Qaeda. They are setting up fences at the border areas in order to try to prevent the infiltration going through.

But this is a very wild area, and it is a very difficult area to control, and as I mentioned, it hasn't historically had much control. They are building roads and schools in order to try to get in there and help maintain stability in that region and prevent exactly what you are talking about.

Mr. PITTS. Ambassador Black.

Mr. BLACK. For—from the standpoint of the State Department, our Antiterrorism Assistance Program is particularly well placed to provide the training necessary for the government officials in that area of Pakistan, particularly such things as police investigative techniques, how to interact with other elements of the national government such as the Pakistani Government, the army and the like, and particularly how to effectively transfer information on a timely basis having to do with terror relationships to the national authorities for consideration and possible prosecution.

I think Secretary Rocca really emphasized the key point, which is that historically this area has been somewhat outside the control of the central government. And I think we need to work with the Pakistani Government to provide training and establish the mechanisms whereby elements representative of the government, particularly the police and the military, can operate efficiently and effectively and communicate, which means including training on skills of how to interact with the local population.

Mr. PITTS. Finally, Ambassador Black, on Burma, what actions has the State Department taken regarding counterterrorism in relation to Burma? And does the State Department have any plans to raise Burma at the U.N. Security Council this week while the United States still holds the presidency?

Mr. DALEY. Sir, I will respond to those questions. First on counterterrorism, we have had good cooperation from the Burmese. We exchange information with them. They have been most responsive to our request to improve physical security at our facilities.

We are concerned about the potential for terrorism in particular in the areas that are somewhat beyond the reach of the Burmese authorities. As we know, there is a number of dreadful things we can say about the state of internal developments in Burma. But as a country which has predominantly a Buddhist population and a military government, it is not by and large at its core hospitable to the kinds of external terrorist influences that we have been dealing with in the post-9/11 world.

There are concerns on the border. We do discuss those with them and, again, we have had fairly decent cooperation.

Mr. PITTS. They just shot a Buddhist monk who was demonstrating with a number of Buddhists in a peaceful manner, and the atrocities occurring in the ethnic minority area by the military is something that I think we should be concerned about, too.

Mr. DALEY. Well, Mr. Pitts, we are very concerned about it. And just, I think, about 3 weeks ago there were hearings on that topic where Assistant Secretary Lorne Craner and I went into some considerable detail about the many and manifold human rights abuses and the suppression of the democracy movement in Burma. But I am sorry, sir, I was trying to respond to a question on terrorism, so I restricted my remarks to that point.

Mr. PITTS. Will we raise it at the Security Council?

Mr. DALEY. We have raised it at the Security Council before, but we are not going to make a concerted press for Security Council action this week. We don't have the support of the Council in a particular actionable form to go ahead. We are supporting the effort of the Secretary General's Special Representative, who should be going back to Burma in the relatively near future. The President and Secretary of State raised Burma in the APEC meetings in Bangkok last week and also on a bilateral basis as the President was traveling through the region.

Mr. PITTS. Thank you, Mr. Chairman.

Mr. LEACH. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I offer my apologies to the members of the panel for not being here for their testimonies earlier. I was necessarily absent because of another commitment. However, I would like to ask a couple of questions.

As you know, my good friend Mr. Burton had made some very interesting observations, especially in regards to the problem in Kashmir. Secretary Rocca, I know you are coming from a neutral corner, being instinctively objective about the situation in Kashmir. I kind of got the impression that all the faults and problems attending Kashmir is due to India and its activities there. I was wondering if perhaps that maybe Pakistan might also be part of the problem. I would like to ask you, why has there been a delay from the time of the United Nations resolution by not giving the Kashmiran people the right to conduct a plebiscite? I get the impression from my friend Mr. Burton that the Indians are responsible for this. Is this true?

Ms. ROCCA. Congressman, this is a very—I don't think that the blame lies on any particular side. And the fact of the matter is, I mean, we could go into great detail of the events over the last 50 years, but what we are trying to do today I think is what really matters, and that is to find a way for these two countries to reach

agreement, to sit down and discuss this in order to, first of all, reduce the tensions between them, address the needs and desires of the Kashmiri people, and reach this so that we don't have a recurrence of the events of last year which brought us to the brink of war, which could have had potentially very serious consequences worldwide.

This is something that we are very much focused on. We are working very hard to try to convince the parties to sit down and work this out at the table together, all the issues that lie between them, the numbers of them, not just Kashmir, but that is obviously a very important one.

Mr. FALEOMAVEGA. With your expertise in understanding this region of the world, Madam Secretary, my concern here is that this is a very strong statement, saying that the atrocities committed against the Kashmiris were by Indian forces. I wouldn't necessarily doubt that this may have happened, but is this the only thing that happened? I mean, was it only the Indian Government that is responsible for these atrocities?

Ms. ROCCA. I think there is fault to be found on both sides, sir.

Mr. FALEOMAVEGA. All right. I thank you for that.

The other issue that I wanted to raise to the members of the panel is that this Administration, all previous Administrations, even the Congress, has always advocated for principles of democracy throughout the world. In fact, we encourage other countries to establish democratic forms of government.

A couple of years ago I did visit Pakistan. And at that time I met with the newly elected President of Pakistan whose name was Sharif. After that problem there was a military coup, and I would like to ask what is the Administration's policy toward a military coup?

Ms. ROCCA. I think there is a law in place, sir.

Mr. FALEOMAVEGA. What is the law?

Ms. ROCCA. Section 508, which obviously prevented assistance to Pakistan with respect to—until it had been—until the military government had turned it back over and held elections. When he came into power, President Musharraf set out a road map to go toward elections. There have been elections at the provincial level and at various district levels. There is still a way to go, but he is holding to the road map that he set out when he took office.

Mr. FALEOMAVEGA. I met Mr. Musharraf and I was impressed. He is a good man. I have no reason to believe that he is an evil dictator by any means. But there is also a saying that "power corrupts, and that absolute power corrupts absolutely." My understanding is he is very reluctant to let go of his authority as President of Pakistan.

Do you have any idea when that gradual evolvement is going to be? That Pakistan does return to a democratic form of government?

Ms. ROCCA. I don't have a crystal ball, but I know they are working on it. There is a functioning parliament; there is an elected prime minister. This is something that obviously needs a lot more work, but there is something. We need to encourage them, and we have got a number of programs also working at the grass-roots level, as well, for a better democratization of that country.

Mr. FALCOMA. We have always advocated over the years for nonproliferation, preventing other countries from getting into the nuclear club. Now we find that Pakistan had a secret agreement with Saudi Arabia on the nuclear issue; Pakistan with North Korea. This is not in any way a condemnation. This is a sovereign nation's perfect right.

Do you agree that countries should tell other countries not to do this or that, especially when it comes to nuclear proliferation?

Ms. ROCCA. I am sorry. I didn't understand—

Mr. FALCOMA. We have a nuclear power, what is it, five countries now, unofficially? Additionally, Pakistan and India. I recall years ago India pleaded with the United Nations, with the members of the Nuclear Five Club, "Let us get rid of nuclear weapons altogether," and nobody paid any attention. This had been since 1974, and India is still making the same plea to get rid of nuclear weapons altogether, especially to the original five nuclear members.

My question I wanted to raise, Madam Secretary, is what is the policy of the Administration toward nonproliferation? Should we continue holding on to our nuclear weapons or should there be some kind of a timetable to make sure that we do get rid of these weapons of mass destruction once and for all?

Ms. ROCCA. Sir, with respect to India and Pakistan, there are also laws on the books. We have come—our concern is—this Administration came to the conclusion that we would achieve our goals of nuclear restraint at the minimum better without the sanctions and having—being able to have an open dialogue with both countries on this topic. So we have made a step forward in that direction.

We have moved—we have a number of conversations, of ongoing dialogues with India and with Pakistan. We are working very hard to get both countries to improve their export control regimes; and we are confident that both countries have good control of their numbers, of their nuclear weapons. Where we go from here is part of the continuing dialogue—obviously, in an ideal world there wouldn't—these weapons wouldn't exist, but as we move towards—as we are moving toward a direction of at least ensuring restraint and control over these weapons.

Mr. FALCOMA. One more question for Ambassador Black, Mr. Chairman. Thank you.

Do you consider the Muslim movement terrorists in Malaysia and Indonesia as critical, as far as our foreign policy is concerned? Consider this, in terms of how we should prepare, how we should be more proactive. I know Iraq seems to be in the picture every day. But I am very, very seriously concerned about the largest Muslim nation in the world, with the likes of Muslim political leaders like that Mahathir Mohamad. It is not in the proper level of our attention, it seems to me, in regards to terrorism in this part of the world. I want to ask if I am wrong in that observation.

Mr. BLACK. I really do appreciate that question. When we read our newspapers, when we watch television, we see a lot of information about Iraq. I want to absolutely assure you, Congressman, that this government looks upon counterterrorism as a global issue, the President's global war on terrorism. We look at all potential

venues for terrorism either where they are now, or to take a step farther, we look where the survivors are likely to go. So it is all connected.

We think Indonesia, Malaysia, the Philippines and their ability to conduct counterterrorism is absolutely vital, not only to their future and their security but to the security and the future of the United States. And we appreciate it. We embrace it. We take it very seriously.

Mr. FALCOMA. Thank you.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

Mr. Crowley.

Mr. CROWLEY. Thank you Mr. Chairman.

Good to see you all. Thank you for your testimony today. I am sorry, I was running in and out with phone calls. I have two points I want to raise and ask response on.

First, I read recent reports of the CIA, FBI, and this Administration that there is belief now that Khalid Shaikh Mohammed, a leading al-Qaeda figure, was behind the murder of the reporter and journalist Daniel Pearl. A Pakistani court had earlier found three other people guilty for the same murder and sentenced them to death. They included individuals known to have strong links to Pakistani terrorist organizations, including ostensibly Jaish-e-Mohammed, which operate in Jammu-Kashmir. The findings on Mohammed and the earlier Pakistani convictions, taken together, reveal in my opinion the reality of the nexus between al-Qaeda and various Pakistani terrorist organizations, and in spite of Pakistan's belief that it can compartmentalize the war against terror, having the good terrorists and the bad terrorists, the reality at the end of the day, as I believe this case shows, is that the people who commit acts of cross-border terrorism against India belong to the same fundamental groups as the ones who had targeted attacks in Europe, Middle East, and also in our country, September 11 being the first of those attacks.

Do you agree with that statement and how, if you do believe it, should it factor into how we approach cross-border terrorism by these groups in Pakistan against India?

And the second question I have is, in a recent meeting we had with King Hussein of Jordan, I raised the question of the issue of fundamentalism and its spread throughout the Islamic world; and really zeroing in on the question for the King was the issue of education, what is getting out there in terms of the Muslim nations of the world. And his response was, he believed that there was an ability to control much of the rhetoric that is being espoused in schools within the Arabic-speaking world because the Koran is in Arabic, it can be translated and the populace understands what the translation is. But his real concern was in countries specifically mentioned, Pakistan and Bangladesh, for instance, where it is not the native tongue, where it is not something that is readily understood by the common practitioner of the faith within those countries and that they could be easily misled by those who use the faith for illicit purposes and for terroristic purposes.

What are we, the United States, doing about that problem within Pakistan and in other countries, as mentioned, that there can be

a fomenting and formation of hatred toward our country based on what is a skewed view of the Muslim faith?

Ms. ROCCA. Congressman, I think part of the problem is this madrassa problem which we were discussing earlier, which is clearly a conduit, exactly, for the message that you just laid out.

What we are doing is—certainly in Pakistan we have a lot of resources committed to helping the education system in Pakistan to provide an alternative to the madrassas. There are efforts—the public school system is broken and there is a longing among the people to educate their children, and often the madrassas are the only alternative, the only alternative present.

We are trying to help the government reestablish its public school system and this is a long-term project. It obviously isn't something that is going to be fixed overnight because it was so broken, but we have a lot of funds dedicated to that. And we intend—it is over a 5-year—we have a 5-year commitment at the minimum to help work toward that.

At the same time, the Government of Pakistan is working on registering the madrassas and bringing them under some control in the sense of being able to have some input into their syllabus, and also—and this may be even more important—know who is funding it and where the funding is coming from. Part of the problem with the madrassas is that the funding is unclear and often there are other outside parties that are funding these schools, and their objective is precisely to accomplish the goal you are talking about. So we have programs under way both in the education field and also in our public diplomacy field, specifically in Bangladesh, where we have programs where our Ambassador and others go out and talk to imams and we have actually gotten a 2-day imam training course so that we can help modulate the message a little better, but also to basically get out our side of the story.

Mr. BLACK. If I could add a little bit to that, you referred to King Abdullah and his concern about fundamentalist education and the impact that that has on terrorism. I think a good example of progress being made is an example of Saudi Arabia. Looking at the same problem, the Saudi Government is reviewing textbooks from school, is cutting out the verbiage that had been there before—radicalized, inflammatory anti-Semitic, and that is being changed. Mullahs and mosques, those that preach hatred and violence are being looked at. There is a vetting process. It is no longer considered fair game, and people who espouse violence and terrorism no longer are given the opportunity to conduct sermons.

Charities, we have always been concerned about charities, the way moneys are collected and where do these moneys go. The Saudis are looking at that and have made it a function of law that all charities can only have one bank account. It can't be double books, can't be slipshod. Things have to be looked at.

So—this isn't the end of the process, but it is the beginning. So I would submit to you, Congressman, that we are aware of it and we are on the right track.

Mr. CROWLEY. I go back to the first part of my question: Do you think there is a compartmentalization taking place within Pakistan in terms of terrorist organizations, allowing them to exist, going after them sometimes to show that they are fighting this war

against terrorism, at the same time allowing them to remain sometimes in place and active especially as it pertains to Jammu-Kashmir?

Ms. ROCCA. I don't think we could put it like that. I think we have seen efforts, we have seen the Government of Pakistan take on efforts against these groups. I think these groups may be harder to go after than al-Qaeda and the Taliban because they have a fair amount of domestic support, but we have also seen them take action against them. We would like to see more.

Mr. BLACK. I think we are to consider Assistant Secretary Rocca as an expert on international relations. The politics of that, essentially I look at counterterrorism and it is also a resource allocation issue. These groups can be difficult.

We talked about the northern frontier area. It is very difficult for the police to operate there, and when you have a finite amount of resources and there is a global war on terrorism and support for the United States and our warfighters in Afghanistan, there is only so much to go around. While we are helping them, they can't address all the issues at the same time. They just don't have the capability yet to do that.

Mr. CROWLEY. These same groups, what threat do they pose to our fighting men and women in Pakistan who are working with the government to root out al-Qaeda and other terrorist organizations? Our concern about Jammu-Kashmir and their efforts to retake that territory into Pakistan—

Mr. BLACK. If you look—classically, looking only at the issue of counterterrorism, there is always the concern of linkage and mutual support. I am not saying there is, but if you took it to—some of the terrorists in Chechnya, for example, were found in Afghanistan when the coalition forces were in there. I think from our standpoint we will always be looking at concern about cross-over, and certainly, in a very parochial sense, in particular, a cross-over of two groups that are actually engaged against U.S. forces.

I am not saying that is true. It is always a concern of any terrorist group, and that has been true essentially since the late 1960s, which was the advent of modern terrorism. The more that these groups are put under stress, invariably, to ameliorate the situation, they reach out and make contacts, and some of these contacts are not classically associated with being anti-American.

Ms. ROCCA. I just want to reiterate, I don't want to imply that we don't work on this issue as well, because we do—assiduously. It is very high on our agenda and there are very serious discussions with the Government of Pakistan on this.

Mr. CROWLEY. Thank you.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you. I deferred questions in the beginning and I just want to raise one perspective that ties into a number of questions.

From a philosophical and very practical perspective, the United States Government is looking at the word "religion" and the word "education" in new ways. It has to. Forty or fifty years ago, in terms of education, we assumed we had a responsibility to educate American citizens, the public education system. The Federal Government had a very small role, and partly out of demand, the Fed-

eral Government's role started to rise. We started to look at education as a Federal responsibility.

Now, suddenly, it is dawning on us; for humanity's sake and for United States national interest's sake, we have got to be concerned with education in other countries in ways we have never been before. We are just beginning that process, and I think the State Department has taken some very symbolic steps lately.

The President, in his last trip, made a symbolic announcement, and I think we are going to have to institutionalize this to a greater extent.

Secondly, in the term "religion," we have had in this country what is understood as separation of church and state. We have also found, as time has gone on, aspects of our culture that the religious community can provide assistance with, and it is worth working with; and internally the United States has begun to do that. We began to do it a little bit with foreign affairs, with some federally assisted funds going through religious organizations.

Now, it is interesting to me as someone who once worked at your department several decades ago, there was no such thing as the "department of outreach for religion"; I doubt if there is today. We had a few people—or a lot of people that served in the Middle East knew something about Islam, but there is no such thing that I know of, of someone at the United States of Department of State that was an Islamic scholar. There were people who knew a lot about Pakistan or Saudi Arabia or Turkey or whatever, but not an Islamic scholar; and there was no such thing as outreach to religious organizations and groups other than truly incidental things might have happened in consulates or whatever.

I think that the Department is going to have to think this through both in terms of personnel—although we sometimes think about planning for a scholarship, but just simply in terms of true religious scholars—and also how you reach out. We are finding that the power of culture is substantially greater than our own politics, and religion is a major part of international culture.

So all I want to say to all of you is, it is clear from your testimony today that there is a new reaching out and probing in directions that we have never done before as a government and as a department, but we are really going to have to, I think, further that direction, and obviously in a listening as well as asserting way. We need to be respectful, which has not been at the forefront of world perceptions of the United States' attitudes in recent years.

In any regard, I am very impressed with the professionalism, as always, of the three witnesses from the United States Government today, and we thank you for your service.

Mr. ROHRABACHER. Mr. Chairman, may we have a second round possibly for a couple of extra questions?

Mr. LEACH. I was thinking in those terms. My problem is, we have another panel, and we have a day where we are going to have votes very soon, and—I mean, if the gentleman would like unanimous consent to ask another question I would be happy to respond to that, but I would really like to get to the next panel. It is an important panel and possibly questions can be asked in that framework.

But I know the gentleman has been very active in this area, so if the gentleman wants unanimous consent to ask a question, I am happy to respond.

Mr. ROHRABACHER. I would ask unanimous consent and just before my question I would like to put on the record that I am deeply concerned about the constitution in Afghanistan, the new constitution, and that I would think that it would be a dereliction of our duties as people who now have such influence on that society to permit a constitution to move forward that does not have freedom of religion and the guarantee of the freedom of the women of Afghanistan within it. I am concerned about that. That is not a question, but I wanted it to be on the record to make sure people understood that is something we should focus on.

My question deals with Burma—and I am sorry, Mr. Daley, I was in outside in a meeting with Baroness Cox, who is also very involved with Burma. The people of Burma live under one of the most heinous dictatorships that I can imagine, and since the defeat of the major ethnic groups, which 15 years ago controlled huge areas of Burma, but now have been relegated to very small areas of Burma, the heroin production is, from what I have seen, gone up, just as it has in Afghanistan, which is interesting.

It is my understanding that your testimony is that we are more concerned about what is going on in the nongovernment-controlled areas than what the government is doing in Burma itself, these people who are recognized as one of the black dictatorships of the world?

Mr. DALEY. No, Mr. Rohrabacher. That was not my testimony.

I was asked about the question of terrorism in Burma. And on the question of terrorism, my observation was that in this predominantly Buddhist country, which has a military regime, the core areas are not especially hospitable to the kinds of terrorist organizations that concern us most today in the post-9/11 environment, that our concerns regarding terrorism in Burma are concerns that focus more on the periphery, on Burma's borders where the government's reach is somewhat tenuous.

Most specifically we are concerned about the Rohingya Solidarity Organization which we have seen has ties with terrorist groups well outside of Southeast Asia and also within Southeast Asia itself; but I was not in any way trying to establish a prioritization of United States Government concerns. As I mentioned, there were hearings not long ago on Burma where we focused specifically on the many and very grievous human rights abuses that take place there and the very serious oppression of the democracy.

Mr. ROHRABACHER. My definition, meaning terrorism as a deliberate act of violence against noncombatants that the Burmese Government is itself a terrorist element on the people of Burma because they have no restriction on the use of violence against people who do not have guns in order to maintain their power. And couple that with the heroin production that is evident in that part of the world, I mean in Afghanistan and Burma—

Mr. DALEY. Mr. Rohrabacher, I am never going to satisfy you on the heroin question. Opium production in Burma is down by approximately three-quarters over the last 5 years. It was down by roughly 20 percent this year compared with last year, despite im-

proved weather. Our DEA's judgment is that Burma perhaps 10 years ago accounted for over 50 percent of American heroin imports. Today, it is well under 10 percent. But you and I will never find words in common to describe the situation.

Mr. ROHRABACHER. It could well also be the fact that we have so much more heroin being produced in Afghanistan that as a percentage—that is a nice percentage to quote, but—

Mr. DALEY. Sir, the Burma curve has been independent of the Afghanistan curve as far as I can tell. It has been steadily declining whether opium production in Afghanistan was totally suppressed or flourishing.

Mr. ROHRABACHER. And you think that is as a result of a the benevolence of the Government of Burma?

Mr. DALEY. Sir, I am not going to respond to that.

Mr. ROHRABACHER. So they are just doing us a big favor going out there and doing that?

Mr. DALEY. No, sir. They are not doing us any favors at all.

Mr. ROHRABACHER. So what is their motive on that?

Mr. DALEY. Their motive is to gain more effective control of their territory and over groups which abuse heroin production to engage in insurgent movements. That is their motive.

They are also responding to pressure from China, which is very seriously concerned about this. The Chinese counternarcotics assistance runs into many, many millions of dollars each year. We don't even have a good handle on it, but it is not in response to us, sir.

Mr. ROHRABACHER. All right. We have a disagreement fundamentally.

Mr. LEACH. If I could thank the panel very much and move to the next panel. I appreciate very much your testimony and patience in the length of your stay. Thank you.

Our next panel is composed of Dr. Zachary Abuza, who is Assistant Professor of Political Science and International Relations at Simmons College. A graduate of Tufts College and the Fletcher School of Law Diplomacy, Professor Abuza specializes in security issues and politics in Southeast Asia, and has lectured and published extensively on these subjects.

Dr. Timothy Hoyt is Associate Professor of Strategy and Policy at the U.S. Naval War College, where he lectures on strategy, terrorism and contemporary conflict. Dr. Hoyt, who previously taught at Georgetown, recently has published studies of the war on terrorism in Southeast Asia.

Mr. B. Raman is a Director of the Institute for Topical Studies in Chennai and a former member of the National Security Advisory Board of the Government of India. A former official responsible for counterterrorism research and analysis in India's external intelligence agency, Mr. Raman specializes in regional security and terrorism issues.

Finally, we welcome back to the Committee Ambassador Robert B. Oakley, who is a Fellow with the Institute for National Strategic Studies at the National Defense University. During his distinguished 34-year career in the United States Foreign Service, Ambassador Oakley served in Zaire, Somalia, and Pakistan as Ambassador, as well as Director of the State Department Office of Ter-

rorism and as Deputy Assistant Secretary for East Asia and the Pacific. A two-time veteran of the NSC, the Ambassador is also associated with the U.S. Institute of Peace and the Council on Foreign Relations.

We will begin in the order of the introductions with Dr. Abuza.

**STATEMENT OF ZACHARY ABUZA, Ph.D., ASSISTANT PROFESSOR OF POLITICAL SCIENCE AND INTERNATIONAL RELATIONS, SIMMONS COLLEGE**

Mr. ABUZA. Mr. Chairman and Members, thank you very much for having me here. It is a great honor and pleasure.

Mr. LEACH. If I could interrupt for a second, all of your testimony will be submitted for the record. I will ask, if I can, each of you to summarize. I apologize for the way the day has lengthened. You have been waiting a long time; I recognize that.

And I also apologize because I think there are likely to be votes in the not too distant future. So to the degree you can stay under 5 minutes, we would appreciate it.

Mr. ABUZA. Mr. Chairman, thank you very much. I have been asked to talk about the state of Jemaah Islamiyah and also talk about some of the aspects of U.S. counterterrorism policy that are continuing to pose problems for us.

Let me just say that JI is down; they are not out. The number of arrests that have taken place in the past 2 years have hurt the organization, but still we should not lose sight of the fact that they are still able to plan and execute major attacks against soft targets that can cause innumerable damage to the economies of our allies.

I have outlined 12 different reasons that I am concerned about Jemaah Islamiyah, how they are rebuilding. Suffice it to say here that I am very critical of U.S. strategy that focuses on eliminating simply the leadership of these organizations and not addressing some of the root causes of terrorism. In general, I think that we are simply making them faster than we are arresting them.

This organization is going to be lying low. They have a very long-term agenda. They are in full recruitment mode. And one thing that I hear so much from the Members of your Committee is that you are focused on the madrassa system. One thing that is so impressive to me about Jemaah Islamiyah is that they are able to recruit across the socioeconomic and educational spectrum. Some of the most important recruiting grounds, and where their leadership comes from, are technological universities. So this is more than sheer religiosity driving this organization.

In many ways, they are driven by a virulent anti-Americanism, so the motivations for jihad have continued. If you look at mass unemployment, frustration, aggression, the desire for Southeast Asians to link up their jihad with the jihad of the international community, that you can look at the Al-Jazeera effect, you can look at their attitudes toward Palestinians and the Iraq war.

The fact is, anti-Americanism is at an all-time high in Southeast Asia right now.

If I could just address some of the problems that we are having in our counterterrorism policies in the region and where we have done well and where we are not doing so well:

Intelligence sharing is absolutely essential, but the criticism I get when I do my interviews in Southeast Asia is that intelligence sharing is a one-way street to Langley, Virginia, and that governments in the region are not getting the access to people like Hambali that they need.

Our intelligence services are smaller than one thinks; their presence abroad is smaller. We rely on our allies abroad for the boots on the ground. We cannot always irritate them in these ways. Interstate cooperation in Southeast Asia has improved dramatically in the past 2 years. That said, it is starting from a very low level. To that end, we need to continue to support things like the regional counterterrorism center in Kuala Lumpur. We need to assist ASEAN in their counterterrorism efforts.

Third, the United States must get very involved with the Government of the Philippines and the Morol Islamic Liberation Front in creating a durable peace process. I don't think the financial incentives that America has put on the table are enough to buy off the MILF. We must get them to understand how seriously we take their relationship with Jemaah Islamiyah and al-Qaeda and that there will be costs entailed if they maintain such a relationship. To that end, I encourage the United States to get troops back into the Philippines not simply in training exercises but to send a very strong signal to the MILF.

I think we are doing a very poor job in terms of terrorist financing in Southeast Asia. While governments have been cooperative in seizing accounts and they want more training in terms of—or assistance in setting up financial intelligence units, they are not shutting down the Saudi charities, they are not shutting down local charities. They are funding militant activities, and they are not shutting down any of the known front companies.

I think we have also failed in that our counterterrorism policies, and assistance programs have not focused on overcoming bureaucratic competition amongst the different agencies in Southeast Asia. If you think that cooperation between CIA and FBI is bad, go to Indonesia; it is a lot worse in conditions of much great scarcity.

Our visa policy is very insulting. It has little efficacy and must be changed in Southeast Asia. It is bad for our economy. It is our bad for our universities and our counterterrorism efforts as it breeds ill-will and resentment.

Finally, I want to make sure that the Committee Members understand how important, how salient the Middle East peace process is in the war on terror in Southeast Asia. It resonates very deeply. The United States must take the lead in getting the peace process back on track.

Thank you.

[The prepared statement of Mr. Abuza follows:]

PREPARED STATEMENT OF ZACHARY ABUZA, PH.D., ASSISTANT PROFESSOR OF  
POLITICAL SCIENCE AND INTERNATIONAL RELATIONS, SIMMONS COLLEGE

This testimony will first describe the current state of Jemaah Islamiya and 12 reasons that are of concern as to why this organization will pose a long-term threat to the United States and her allies. The second part will address 9 aspects of US counter-terror policy strategies and the ongoing challenges of counter-terrorism in Southeast Asia.

## A. THE STATE OF JEMAAH ISLAMIYA

The war on terror has continued apace in Southeast Asia, and the governments in the region and their Western counterparts deserve credit for the arrests of some 200 Jemaah Islamiya (JI) members through September 2003, including more than 30 in Singapore, 80 in Malaysia, approximately one dozen in the Philippines, 8 in Thailand and Cambodia, and some 100 in Indonesia. Several of the members of JI's regional *shura*, its leadership body, were arrested, including Hambali, its operational chief. Hambali has revealed more names of JI members throughout the region. The spiritual leader of the group, Abu Bakar Ba'asyir, will be incarcerated for an additional three years. Although Hambali may have been leading his interrogators astray he has stated that the JI organization has been devastated.

The Bali investigations, in particular, have led to a far greater understanding of how the network operates and their command and control structure leading to subsequent arrests. These arrests were significant, especially as the JI is not a large organization, between 500 and 1,500 people. Those who have been arrested have been forthcoming in their interrogations, which have greatly assisted on-going investigations. Many of the detainees have cooperated and revealed a significant amount of information about the scope and modus operandi of the organization. The quality of new members may decline as they have not been as thoroughly trained. They are less able to plan and execute terrorist attacks than they were a year ago, especially against hardened targets, such as US embassies, though they still maintain their capacity to attack soft targets, such as the 5 August 2003 bombing of the JW Marriott Hotel in Jakarta, or other venues such as nightclubs or malls. One cannot forget that since the 11 September attacks on the United States, Jemaah Islamiya has been one of the most active Al Qaeda affiliates, and Southeast Asia one of the most important theaters of operation. Although Al Qaeda has suffered severe setbacks and the arrest of two-thirds of its known senior leadership, the organization will continue to rely more on regional affiliates. One would be foolish to underestimate JI's capabilities or goals. As many of the key operatives are still at large, the organization retains the capacity and will to launch devastating terror attacks throughout the region. In particular, there are 12 causes for alarm that this paper will address.

1. *The Psychology of Terror*: There is no single psychological makeup of terrorists, yet there are traits, that have emerged in the vast literature of the psychology and sociology of terrorism:<sup>1</sup> Terrorists are violent, stimulus seeking, zealots. They are true believers who tend not to waiver from the cause. For example, although one of the Bali bombers, Ali Imron, expressed guilt for the bombings, he disagreed with the means, not the ends.<sup>2</sup> More cynically, one could also argue that he was simply trying to escape the firing squad, which he did, unlike his two brothers and Imam Samudra. Terrorists are rational and engage in cost-benefit analysis; they are not psychopaths. (Mentally unstable individuals pose a great security risk for terrorist groups and can jeopardize entire operations.) They are driven by small-group dynamics, which tend to create in and out groups and engage in "group-think behavior," alienating members who do not conform ideologically.

Finally, they are often driven by a desire for revenge. When the Bali bombers were arrested in the fall of 2002, they expressed confusion that most of the victims were Australians and not Americans; which they only rationalized by stating that Australians were allied to the United States and their prominent role in East Timor. Yet, Australians have become targets of JI in their own right. For example, Hambali has already admitted that because of the prominent role of the Australian Federal Police (AFP) in the Bali investigation (in addition to their role in East Timor), Australians are targets, not simply seen as an extension of the Americans.<sup>3</sup>

<sup>1</sup>For an excellent overview of the literature, see Rex Hudson, *The Psychology and Sociology of Terrorism* (Library of Congress Federal Research Division, 2000), available on line at <http://www.loc.gov/rr/frd/Sociology-Psychology%20of%20Terrorism.htm>; Also see the articles by Marsha Crenshaw and Jerrold M. Post, in Walter Reich, ed., *Origins of Terrorism: Psychologies, Ideologies, Theologies States of Mind* (Princeton: Woodrow Wilson Center Press, 1998).

<sup>2</sup>In his trial, Ali Imron stated that the attack was un-Islamic: "First, the target was not clear. In jihad, the target must be clear, meaning that we should have authentic evidence of the target that they really hate Islam. Second, there was no warning before the attack, but in jihad it is necessary to give warning or give proselytizing before doing the attack. Third, killing women. In Jihad, we are not allowed to kill women, except those who join the war [against Islam] . . . As a normal human being who has many weaknesses and made mistakes, I also want the prosecutor to give me the lightest punishment. But, on the other side, my heart is not strong when I remember the tragedy is very tragic and my mistake is very big." Cited in Wayne Miller, "It Was a Mistake: Bali Bomber," *The Age*, 16 September 2003; "Repentant Bali Bomber Gets Life Sentence," Reuters, 18 September 2003.

<sup>3</sup>Hambali interrogation.

As such, Australian Federal Police are now preparing for time-delayed bombs that would specifically target them; they believe that JI clearly has the technical capability to do this.

An arrest and seizure of a stockpile in Semarang, Indonesia in July 2003, revealed a huge cache of not just explosives, chemical precursors and detonators, but of light arms and sniper rifles. This raised alarm that JI was adopting a new tactic: politically-motivated assassinations. As the intended targets, noted on a JI list found in the safe house, were all members of President Megawati's PDI-P, clearly indicates a desire for revenge against the leadership that authorized the crackdown on JI.

2. *Lying Low*: Jemaah Islamiya, like Al Qaeda, is not event driven. Terrorism is asymmetric warfare and terrorist groups tend to strike when they have a high probability of success; they cannot afford failure. JI has suffered setbacks in the past year and a half and will have to patiently rebuild its ranks in order to remain a viable organization. On the one hand, an attack is important for morale and to reassure their constituency that they are still a viable fighting force. Many members may simply want to lash out and cause as much pain as possible. On the other hand, JI must give priority to rebuilding their network, recruiting and training. Hambali seems to have confirmed that there was a debate within the organization whether to continue the pace of attacks or lie low and rebuild in the wake of the post-Bali arrests. Hambali, himself, seemed to support the latter course.

These principles are long-standing. The PUPJI, a 1996 document that codified the authority structure and ordering principles and philosophy of JI, also includes the *General Manual for Operations*, which is a vague and somewhat philosophical document, and a far cry from the Al Qaeda training manual that was found in the Manchester house.<sup>4</sup> It does however talk about how operations should be conducted. The document calls for four-stages of operations: 1) Planning, 2) Execution, 3) Reporting, 4) Evaluation. Emphasis is placed on education, meticulous planning, and learning from past acts (including mistakes). Later the document discusses how members should focus on Intelligence Operations, Strength Building Operations, Strength Utilization Operations and Fighting Operations. Almost all emphasis is placed on Strength Building Operations, which is defined as a lengthy process that includes spiritual and physical strengthening. The goals of this educational period, include enlightenment, discipline, instilling a sense of loyalty, physical readiness and skills to use weapons, tactical and strategic thinking, and leadership development.

One of the lasting legacies of Hambali is the importance placed on maintaining the integrity of the organization. Press reports indicate that he has confessed that Dr. Azahari and Zulkarnaen have replaced him, indicating that they had contingency plans in place.<sup>5</sup> Although the Mantiqi structure—the middle level of the organization that was based on geographical commands—seems to be in disarray, there seems to be more direct interaction between the top leaders and the *fiah*—the individual cells that have more operational autonomy.

JI leaders have always placed a premium on maintaining the integrity of the organization, and in particular, its command and control. When leaders are arrested, they are quickly replaced. JI, like Al Qaeda has an ability to quickly tap new leaders to maintain the organization's command and control network. On the one hand, the new leaders may not have as much experience or authority; yet the organization is still able to hold meetings and maintain some degree of command and control. On the one hand there was a conscious decision to make sure that the organizational command and control system remained in tact. There was an authority system, and there were rituals, such as pledging *bay'at* or an oath of duty. There was always an attempt made to have a reasonable quorum of leaders when important decisions were made.

There is also a philosophical point to the idea of lying low. In the philosophy of Al Qaeda, a strategic retreat is not demoralizing or anything to be ashamed of. If one looks at the works of Abdullah Azzam, especially *Join the Caravan*, who created the ideological model for Al Qaeda, the organization is based on the life of the Prophet. After god spoke to the Prophet Mohammed, and he tried to convert people, he was driven from Mecca. Mohammed had to retreat (*hijra*) to Medina to regroup, recruit, and train (*tarbiyyah*) so that he could defeat the enemies of Islam (*qital*) and impose Islamic law (*sharia*).<sup>6</sup> Lying low and regrouping is nothing to be ashamed of or become demoralized over in the thinking of Islamic militants. Both organizations, Jemaah Islamiya and Al Qaeda, have always placed a high premium

<sup>4</sup>This can be found at <http://www.usdoj.gov/ag/trainingmanual.htm>.

<sup>5</sup>Simon Elegant, "The Terrorist Talks," *Time Asia*, 5 October 2003.

<sup>6</sup>For an excellent analysis of this, see Elena Pavlova, "An Ideological Response to Islamist Terrorism: Theoretical and Operational Overview," in Rohan Gunaratna ed., *Terrorism in the Asia Pacific: Threat and Response* (Singapore: Eastern University Press, 2003): 30–46.

on education, training and meticulous planning. There is no evidence that they are trying to lash out with ill-timed and conceived attacks to take the pressure off themselves.

JI is in full recruitment mode. One aspect of JI that is so impressive is their ability to recruit across the board, irrespective of education or class. Their recruits are not just students from the *madrasa* of the region, but young technical students and disenfranchised youth with little prospects. They are younger, angrier, and they are technically savvy. JI members also include many technical faculty members, including architects, engineers, geo-physicists, chemists, and robotics engineers. So much of the JI motivation is driven by extreme anti-Westernism that is simply cloaked in simplistic interpretations of Islam.

One of the prime motivating factors and recruitment mechanisms is often a charismatic spiritual leader who can inspire people to *jihād*. Since the arrest of Ba'asyir and his successor Rusdan, there is no apparent *amir*, or spiritual leader. It is of course possible that Ba'asyir has remained the spiritual leader of the organization. From behind the porous walls of his Jakarta prison, his speeches and writings are still available to his audience, and his jail sentence makes him a martyr for the JI cause. It is clear that in the near future no one will be willing to take on as high a profile as Ba'asyir did. One interesting thing to look at in trying to ascertain where future JI religious leaders will emerge from is which *madrassas* JI members are educating their own children and which clerics they entrust the spiritual upbringing to. There is a lot of concern on the part of regional intelligence officials regarding the Thai Wahhabi leader and anti-western firebrand Ismail Lufti, whom they suspect is a member of JI. Although there is no evidence that he is a leader of JI, he is a very prominent and respected cleric with a similar world view.

In short, we must be concerned about the current counter-terror strategy of simply trying to decapitate the organization. Leaders are replaceable and there is an endless pool of recruits. The failure of counter-terrorism in Southeast Asia is that it has not necessarily targeted the institutionalized aspect of JI.

3. *Motivation for Jihad*: The underlying conditions that drove these people to terror have not diminished. The economies of Southeast Asia have not fully recovered from the Asian Economic Crisis, nor are they likely to in the face of intense economic competition over trade and investment now posed by China. Mass unemployment, especially in Indonesia, is very destabilizing. Diminished expectations and frustration-aggression, especially amongst educated youth, will provide fertile recruitment grounds for years to come. Although President Bush announced \$157 million in educational aid to shore up Indonesia's secular and non-secular schools (much of the aid had already been pledged and committed) during his two-hour and thirty-six minute stopover in Bali following the APEC summit in Bali, such aid will do little to diminish anti-American sentiment unless there are concurrent steps to increase trade, investment, lower tariffs, and import quotas on Southeast Asian goods. A key component of our counter-terrorism strategy must be job creation.

But there are other important motivating forces and factors at work. When one analyzes the motivation for suicide bombing and terrorism in the Middle East, and especially amongst Palestinians, it is clear that one of the most important factors is a deep seeded sense of humiliation. This is quite easy to understand in the context of the daily lives Palestinians live and across the Arab world, there is a deep seeded sense of humiliation on the part of Muslims by the West. It is obvious that Southeast Asian extremists also feel humiliated to be driven also to terrorism. What is causing this sense of humiliation?

First, there is a desire to identify the Southeast Asian jihad with the global Islamist jihad. Simply, militants in Southeast Asia want to identify themselves with the Muslim core, and no longer want Southeast Asians to be considered the Islamic periphery. They are seeking to inculcate Southeast Asians in Islamic values; and they are clearly tapping into the rapid growth of Islamic consciousness that has transpired across the region.<sup>7</sup> Southeast Asians, through greater media coverage

<sup>7</sup>The Pew Research Center for the People and the Press, Global Attitudes Survey, *Views of a Changing World* (June 2003). One of the most surprising results, showing a growing degree of Islamic conservatism was the figure that only 22 percent of Indonesians felt that women should be permitted to work outside the home; a sentiment that was shared closely by both men (20 percent) and women (24 percent). (P42-43) There is a sense that religion should be a personal issue, rather than a state imposed one: 86 percent of Indonesians believed that the decision to wear a hijab—the headscarf—should be made by women themselves; only 14 percent believed that it should be a legal policy. (P44) With regards to madrassas, 92 percent of respondents disagreed with the statement that religious schools should focus less on religious education. (P45) And 99 percent of the respondents believed that it was necessary to believe in god in order

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and the so-called Al Jazeera effect are identifying more with the plights of their co-religionists around the Islamic world especially the Iraqis and Palestinians. The Palestinians have become a metaphor for injustice around the region.<sup>8</sup> The Pew Charity's Global Attitudes poll found that the number of Muslims in Indonesia who believed that Islam was under siege almost doubled: from 33 percent in 2002 to 59 percent in 2003. Moreover, 80 percent of the respondents felt more solidarity with the Islamic world than they did in the past; and we must also worry about the glorification of martyrdom.<sup>9</sup>

A second way that Southeast Asians are feeling humiliated, again ties in with their changing attitudes towards their co-religionists. The same poll found that with regards to Iraq, 82 percent of the Indonesian respondents were upset that the Iraqi regime did not put up a stronger fight against US forces, and that the cost of victory for the Americans was not higher; the third highest rate behind Moroccans (93 percent) and Jordan (91 percent) and ties with Lebanon and Turkey. (P4) In simple terms, they didn't want the west to humiliate the Muslim world by defeating one of its stronger states so easily. Southeast Asians in general see the US occupation of Indonesia as the paramount of hegemonic arrogance and some are starting to rally around the *jihadi* campaign.

The West tends to be too focused on the *madrasa* education; both Al Qaeda and JI were able to recruit across the spectrum—and successfully at the technical schools. Does Indonesia, Thailand, Malaysia or the Philippines, in the current economic conditions, need another 22 year-old computer science graduate? Simply, no. They sit around, blame the West and globalization for their predicament, hack, create malicious computer viruses and worms, and learn their *jihadi* on-line. This *jihadi* is as much about anti-Western-ism (especially anti-Americanism) as it is about Islam. The Pew Global Attitudes Project reported one of the most precipitous drops in support for the United States in the past three years among Indonesians. Whereas 75 and 61 percent of Indonesians had positive images of the United States in 2000 and 2002 respectively, only 15 percent did in 2003.<sup>10</sup> Whereas 31 percent of Indonesians supported the global war of on terror in 2002, only 23 percent supported it in 2003, despite the deadly terrorist attacks in Indonesia in October 2002.<sup>11</sup>

The war on terror is as much a war within Islam; and to that end, the United States needs the support of moderate Muslim leaders throughout the war to attack terrorism and intolerant radicals and to provide an ideological counter to them. Yet, we seem to undermine them at every chance with our policies. Moderate Indonesian clerics who supported the war on terror were often leading demonstrations against the war. And even those that did not have a hard time assuaging popular anger against the United States and her policies.

Such sentiments have only increased with the Iraq war. For Muslims of the world, there is only one lesson to be learnt from Iraq: no state can confront the United States and her allies; the only way that they can be made to pay and "taste" the humiliation that Muslims feel every day is through terror. States in the Islamic world have failed to stand up to the United States and defend fellow Muslims; only Al Qaeda and its affiliates have the will and capacity.

4. *The Colonels*: Although a number of *shura* members were arrested, the majority of the 2000 arrests to date have been of foot soldiers with no knowledge of operations or the organization. These individuals performed specific functions (running safe houses, meet and greeters, surveillance, procurement). Very few "operatives" have been arrested; i.e. people with technical proficiency and who are able to plan, coordinate and execute attacks. They have the rank and stature to command foot soldiers. Most of these individuals were trained either in Al Qaeda camps in Afghanistan or Camp Abu Bakar in Mindanao. These include Zulkaraenen, Syawal, Dulmatin, Dr. Azahari Husin, Noordin Mohammed Mop Top, Abu al-Furkan, Abdul Jabar, and others. These individuals have technical and bomb-making expertise, a knowledge of secure communications, where to go for funding, how to communicate with the diversified Al Qaeda center, and finally the clout to bark orders at their underlings.

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to be moral. 93 percent of Indonesians polled believed that homosexuality should not be permitted by society. (P114)

<sup>8</sup>Most believed that the US favored the Israelis to the detriment of Palestinians and 58 percent of Indonesians polled believed that there was no way for an Israeli and Palestinian state could exist side by side. (P5)

<sup>9</sup>Global Attitudes Survey, *Views of a Changing World*, 46.

<sup>10</sup>Global Attitudes Survey, *Views of a Changing World*, 19.

<sup>11</sup>Global Attitudes Survey, *Views of a Changing World*, 28.

One of the key variables is who these people are training to serve as their own lieutenants as well as the question as to how well new members are being trained. What counter-terrorist operations hope to achieve is the “degrading” of JI members. As one American CT official said to me recently, “Yes they’re actively recruiting, but they’re not as good.”

We have all seen the Al Qaeda training video-tapes that give bomb-making lessons. Likewise, Dr. Azahari’s bomb “cook books” were written in a way that nearly anyone, even someone with only a limited Koranic education, could understand. Indonesian and Australian police have found pre-weighed bags of chemicals in some quarter-master dens allowing for quick construction of bombs with little technical expertise.<sup>12</sup> Moreover, the Bali and Jakarta bombs indicate a sharp learning curve over the 2000 bombings, in terms of the complexity and lethality of the bombs. Has that knowledge been effectively transmitted? How are JI recruits being trained? Can the training be as effective while they are on the run, and spending most of their resources on trying to ensure their own survival? The September arrests of 19 JI members in Karachi, Pakistan, may indicate that JI is moving further afield to conduct its training in a more secure environment.<sup>13</sup> But the issue of training also brings into question the next variable, the role of the MILF.

5. *The MILF*: The MILF has been fighting for a homeland since the 1970s, and began to receive significant amounts of funding (lethal and non-lethal) from Al Qaeda beginning in the early-1990s. In return for the aid, the MILF opened its doors to Al Qaeda trainers, who instructed not just MILF cadres in terrorism but also local JI operatives who were unable to get to Pakistan and Afghanistan in significant numbers.

Until the MILF cuts its ties to JI, there will be a terrorist problem in the region as without the MILF camps and secure base area JI cannot train effectively. Yet, to date there have been no incentives for the MILF to cut ties or cooperate. Although they strenuously deny it, the MILF resorts to terror when it suffers battlefield losses, such as this past spring when it bombed the Davao airport or after the 1999 offensive when it bombed the LRT in Manila. It has become standard operating procedure for them. They deny every act of terror—or when confronted with overwhelming evidence that implicates them, blame the attack on “lost commands.”<sup>14</sup>

Although peace talks are set to resume again at the time of writing (there have been preliminary talks and negotiations since early August though they have come to nothing), there seems to be no willingness on the part of either side to compromise on the three issues that led to the breakdown of talks in late-2001. First, the MILF has given no indication whatsoever that that they have abandoned their quest for an independent state or would accept the government’s offer of autonomy. The MILF rejected the 1996 peace treaty between the government and their rival Moro National Liberation Front which created the nominally self governing Autonomous Region of Muslim Mindanao (ARMM). The MILF believes (not without reason) that the ARMM has been a failure, and refuse to accept a similar proposal.

Second, the MILF is unlikely to accept “joint development projects” that the Philippine government hopes to use to legitimize their position; despite the \$30 million that was put on the table by the Americans, or the \$130 million offered by the Philippine government. The MILF has demanded that the government simply give them the funds to use for development projects, through the Bangsamoro Development Agency. The government obviously refuses as they want the money to legitimize their position, not to buy political support for the MILF.

Third, the MILF sees cantonment, disarmament and demobilization as tantamount to surrender.

On top of the three issues that led to the talks breaking down in 2001, are four additional concerns: The first is the very palpable sense of mistrust on the part of the warring parties. It will take a long time to get back to the level of trust that was reached in the fall of 2001. Both sides blame each other for violating cease fires, seizing land, or perpetrating terrorist attacks.

The second concern is the apparent unwillingness of each side to implement the ceasefire, or alternatively, the inability to exert command and control over their troops. Third, the death of Hashim Salamat, the MILF’s founder and leader, also calls into question the ability of the MILF Central Committee to cut deals with the

<sup>12</sup>Interview with a senior Australian Federal Police official, Jakarta, 9 June 2003.

<sup>13</sup>“Pakistan Rounds Up Hambali’s Brother, Terrorist Suspects,” Associated Press (AP), 22 September 2003; “Indonesian Held in Karachi is Hamabali’s Brother,” Reuters, 22 September 2003. Gunawan and the others were arrested at the request of Indonesian and Malaysian investigators.

<sup>14</sup>Interview with Eid Kabalu, MILF Spokesman, Cotabato, 9 January 2002.

government. The fact is, we know very little about generational and factional differences and how this will play out in the peace process. The new MILF leader, Ebrahim al Haj Murad is known to be a pragmatic individual and a more moderate leader than Hashim Salamat, but we do not know how well he is holding the organization together or his ability to make significant compromises. He has been a vice-chairman for political and military affairs for over a decade and is well respected amongst the rank and file, yet the senior ranks of the MILF have been monopolized by the same individuals for a long time, thus limiting opportunities for a new generation of leaders to emerge. Fourth, the Philippine government, in the midst of a presidential election, is unlikely to yield much at the negotiating table. Although President Arroyo's poll numbers are substantially up, despite breaking her December 2002 vow not to run for re-election, the best indications are that she will win. Certainly she has the backing of Lakas, former President Fidel Ramos and the recently retired and politically powerful prelate, Cardinal Jamie Sin. Her appeal is not based on her policies, but on the fact that none of the current crop of presidential aspirants has yet captured the imagination of Filipino voters or has national stature or integrity.

Perhaps the only tangible difference is that the United States is more involved in the peace process.<sup>15</sup> Deputy Assistant Secretary of State Matt Daley secretly met with members of the MILF leadership in Kuala Lumpur and warned them to cut their ties to JI, and tried to indicate the seriousness the US attaches to this issue. Daley offered \$30 million to the MILF as an incentive to signing a peace accord. Yet the MILF is insistent that this revolution is about principles and they cannot be bought off.

The outbreak of hostilities between government forces and the MILF is likely, and to that end, terror will remain part of their arsenal, thus necessitating ties to JI and Al Qaeda. There is now significant evidence that there are two new camps in operation deep in MILF territory where Indonesians are being trained. There are other reasons to be concerned about the MILF:

First, the growing closeness of the MILF and the Abu Sayyaf is also going to complicate matters. Although there have been talks between the two organizations in the past, they have never consummated an alliance due to differences over strategy, ideology and jealousy over foreign money. Yet recent reports of the MILF shipping an arms cache to the recently reconstituted Abu Sayyaf is very alarming. Although differences between the groups remain, clearly like their terrorist strategy, the MILF views the Abu Sayyaf as an effective way to keep the Philippine armed forces spread thin.

Likewise, there is now evidence of cooperation at the unit level between NPA and MILF units. Again, there is little ideological affinity, but there is a shared enemy. One also has to look at the evidence of collusion between the two with regards to arms shipments. For example, when Philippine troops over-ran the Buliok Complex they found evidence that the MILF was purchasing weapons from North Korea; a tie that was likely facilitated by the NPA.

6. *Countries of Convenience*: Terrorism differs from transnational crime in that it has no profit motive; but the underlying conditions that benefit one, benefit the other. Thus effective counter-terrorism must be based on rigorous law enforcement that targets gun-running, people smuggling, anti-corruption, money-laundering, and document forging. All of these are endemic in Southeast Asia; indeed that is a reason Al Qaeda was first attracted to the region. The will of states to crack down on these activities—especially in concert with one another is sorely lacking. The states of the region have not addressed the issue of terrorist-transnational crime convergence.

7. *Range of Vulnerabilities*: Although JI has lost the capacity to target a hard-target such as a well defended standing US embassy, there is an enormous range of targets to defend against. In one of his last major recorded statements, in October 2002, Ayman al-Zawahiri, Al Qaeda's number two leader, warned that "We will strike at the nodes of your economy."<sup>16</sup> We must take him very seriously. The goal of Al Qaeda is to rock the economic foundations of the west and its allies. Mass unemployment leads to frustration which leads to aggression. Although I refuse to accept the proposition that poverty causes terror, poverty does create the underlying conditions that allow terrorism to prosper. The west and its policies of globalization are convenient scapegoats.

Likely targets include less-guarded Western embassies (in particular Australia and the United Kingdom), especially those in office towers; symbols of US economic power, such as office towers with corporate logos; critical infrastructure such as re-

<sup>15</sup> Simon Elegant, "The Terrorist Talks," *Time Asia*, 5 October 2003.

<sup>16</sup>[No footnote supplied.]

fineries or pipelines and power-grids (that the MILF has started targeting with ease and effectiveness). JI cell members arrested in conjunction with the Semarang raid stated that US gas and mining firms were being specifically targeted (Unocal, Halliburton, ExxonMobil, Caltex, Conoco-Philipp, and Union Texas) while footage of Freeport McMoRan appears to be on a video produced by an Al Qaeda suspect detained in Indonesia.<sup>17</sup> These firms represent the core of the Indonesian economy.

In addition, there is a huge range of soft targets: hotels, shopping malls, bars-nightclubs, housing complexes, and international schools. Airport security is abysmal in smaller regional airports and thus suicide-hijackings remain a distinct possibility. The potential for a plane taking off from Riau or Batam and being crashed anywhere in Singapore is not an unreasonable scenario; and it is an attack that would devastate the Singaporean economy.

The Mombasa attack and the apparent Al Qaeda attempt to procure surface to air missiles are significant in Southeast Asia as the two most prominent corporate symbols of Australia and Singapore are their airlines. An attack on airliners would be economically devastating in this region that is so dependent on foreign investment and tourism. Hambali has admitted that he and a colleague were planning to purchase shoulder-launched SAMs (MANPADS) to attack jetliners in Thailand.<sup>18</sup> Indicating the concern that the US government places on the threat of such attacks, the single most important agreement that came out of the October 2003 APEC summit in Bangkok was an agreement that pledged states to control the sale and transfer of these weapons; though it fell short of a complete ban.

Although there is still no consensus on this amongst law enforcement officials regarding whether Iqbal was a suicide bomber at Paddy's Bar in Bali,<sup>19</sup> the psychological threshold for suicide bombings has been crossed in Southeast Asia. A former Darul Islam member, which in many ways was a ore-cursor organization to JI, stated "Suicide bombings are a new development in Jemaah Islamiya activities. When I was in the movement, we never had the concept. But what we did have is the understanding that we will face death in our struggle."<sup>20</sup> Interrogations in Malaysia revealed that Hambali had recruited some six individuals for martyrdom missions. Sydney Jones of the International Crisis Group contends that a JI leader, Zulkarnaen established a suicide cell of the JI, known as the Laskar Khos, which has approximately 15 members. Martyrdom missions are not going to become a regular occurrence in Southeast Asia, but they are now part of the arsenal and cannot be discounted.

Two recent arrests portend the future of JI attacks. Malaysian authorities arrested one person with 10kg of Bali-like chemicals, as well as sodium azide which can be used to make poison gas.<sup>21</sup> This fits into a pattern of Al Qaeda activity indicating a strong desire to operationalize WMD. He confessed that he was in a 6 person cell, of which each member was charged with the procurement of similar chemicals; none of whom have been arrested. In a 2003 raid on a JI safe house in the southern Philippines, a manual on bio-weapons was found.

8. *Independent Al Qaeda Cells:* Much of the focus of the war on terror in Southeast Asia has been on Jemaah Islamiya, yet there has been little attention paid to independent Al Qaeda cells and operatives. States in the region feel threatened by JI, yet not by Al Qaeda. This is a dangerous attitude. First, if we begin with the premise that Al Qaeda seeks to expand its war, to spread American and Western resources too thin, than we should expect that Southeast Asia will only increase in its importance as a theater of operations. Indeed Southeast Asia has emerged as one of the key theaters of operation. Second, we cannot forget that Al Qaeda first came to Southeast Asia in the early 1990s, years before JI was founded. It developed its network slowly and deliberately without attracting the suspicion of the region's security services.

There is no way to ascertain the number of operatives in the region, yet Al Qaeda has been a more dispersed organization. One should not forget that when Abdullah al-Rahim al-Nishiri was arrested in Yemen in early-October 2002, the senior Al Qaeda operative was reportedly on his way to Malaysia. It is a more dispersed and decentralized organization, with multiple nodes of power, and thus operations.

Obviously states in the region have become more vigilant about the inflow of Middle Easterners. Yet, the economic costs of heightened vigilance, over time, will be

<sup>17</sup> Simon Elegant, "Jakarta Bombing," *Time Asia*, 11 August 2003; also Australian Broadcast Corporation, "Indonesian Police Reveal Marr iott Was on Target List," 7 August 2003.

<sup>18</sup> Simon Elegant, "The Terrorist Talks," *Time Asia*, 5 October 2003.

<sup>19</sup> Interview with a senior Australian Federal Police official, Jakarta, 9 June 2003.

<sup>20</sup> Ellen Nakashima and Alan Sipress, "Southeast Asia's New Corps of Suicide Bombers," *Washington Post*, 16 August 2003.

<sup>21</sup> Eddie Chua, "Poison Gas Link to J.I.," *Malay Mail*, 12 July 2003.

too great. This was already seen in Malaysia, which following 9/11 no longer had visa-free entry requirements for members of OIC states. Yet, as Malaysia poised itself as a center of Islamic banking and business and an important tourist destination for Middle Easterners, it lifted most of those visa requirements. The porousness of Southeast Asia's borders and its tourist-friendly lax visa requirements will continue to attract operatives.

9. *Lands of Jihad*: From 1999–2000, JI leaders were actively engaged in leading sectarian conflict in the Maluku and Central Sulawesi, and to that end, established two paramilitary arms. The logic was simple: if Al Qaeda's first generation of members were veterans of the anti-Soviet Mujiheddin, then new generations of recruits to Al Qaeda and affiliates, had to have their own holy war to radicalize them. Although the Indonesian government finally stepped in, restored order and negotiated fragile peace accords, since this summer, there have been a number of deadly attacks in Poso, both bombings and assassinations, to wreck the peace process and rekindle sectarian violence. The outbreaks of sectarian violence will play into the hands of militants who will manipulate these conflicts and use them to propagandize against the state, recruit and fundraise.

10. *The Money Trail*.<sup>22</sup> The financial war on terror has failed in Southeast Asia and to date almost no assets have been frozen although the region has become more financially important to Al Qaeda.<sup>23</sup> Much of the fundraising is impossible to stop: *hawala*, cash being brought in on person, and petty crime. Hambali has revealed that JI was increasingly dependent on cash infusions for terrorist acts. But even the money that we should be able to curtail, we have not. Although the US Department of the Treasury identified 300 individuals, corporations and charities, the list was winnowed down to 28 individuals and corporations, many of which are already arrested or defunct. The designations that were finally announced on 5 September 2003 were a diplomatic compromise and really belied the scope of the problem.<sup>24</sup> The US government designated 14 individuals while Malaysia submitted a list of 10 terrorist funders directly to the United Nations. Yet, of those 24 individuals, 9 had already been arrested, while none of the others are expected to have significant assets.<sup>25</sup> The list included none of the charities and known front companies.

Saudi charities remain very active in the region, despite considerable evidence that they have directed funds to JI and its paramilitary arms. They, like their domestic counterparts, are maintaining a lower profile, but in part that is due to the fact that there is less overt sectarian conflict. The banking sectors remain weak and under-regulated, especially the Islamic banking sectors. Even states that are threatened by terrorism either question the utility of going after terrorist funding, or fear the adverse effect that such measures will have on their economy.

The Arabization and spread of Wahhabism in the region is deeply troubling. Although there is no centralized body or over-arching plan, the fact is the charities are the primary vehicle for the spread of Wahhabism throughout the region.

11. *JI Reaches Out*: Between 1999 and 2000 JI held a series of three meetings that included members of other small and radical Muslim groups from around the region, including Thai and Bangladeshi organizations. This was known as the Rabitatul Mujiheddin.<sup>26</sup> There is significant evidence that JI cadres are using south-eastern Bangladesh to regroup and there are close ties between Fazlul Rahman's HUI—Rohinga Solidarity Organization and JI. Bangladesh has been off most peo-

<sup>22</sup>For more on the financial aspect of Jemaah Islamiya, see Zachary Abuza, *Funding Terrorism in Southeast Asia: The Financial Network of Al Qaeda and Jemaah Islamiya*, National Bureau for Asian Research (Forthcoming, December 2003).

<sup>23</sup>Jane MacCartney and Simon Cameron-Moore, "US to Freeze 'Terror' Funds in SE Asia-Sources," Reuters, 13 March 2003. AFP, "FBI Watching al-Qaeda Funds in Southeast Asia," *Financial Times*, 31 March 2003.

<sup>24</sup>Department of the Treasury, Office of Public Affairs, "Snow Announces Designation of 10 Jemaah Islamiyah Terrorists," Press Release, 5 September 2003.

<sup>25</sup>The designations have four ostensible purposes. First, to freeze assets so that they cannot be used to perpetrate terrorist acts. Second, in addition to freezing the assets, such a designation also means that it is illegal for citizens of any-UN member country from having financial transactions with these entities or individuals. It criminalizes the act of doing business with the designees. I.E., if a certain charity in Indonesia was designated, then it would be a crime for people in the United States to make donations to it. It is, if nothing else, an attempt to isolate them. Third, the designations give law enforcement officials another tool to use to disrupt terrorist cells. For example, in Indonesia where Jemaah Islamiya has not been outlawed as an organization, the designation of Imam Samudra is very important. If investigators can prove that someone had a financial transaction with Samudra, then the individual committed a crime and a case can be opened. This law applies across borders, so that a Thai citizen would also be guilty of committing a crime if he had a financial dealing with Samudra. Finally, designations serve as a deterrent and forces terrorist organizations to constantly shift their financial mechanisms.

<sup>26</sup>Interrogation report of Faiz Bin Abu Bakar Bafana (Singapore, no date).

ple's radar screen and there has been an appalling lack of transparency on the part of the Bangladeshi government, whose mantra eerily sounds like the one that emanated from Jakarta pre-Bali.

The May-August 2003 arrests in Thailand-Cambodia further highlight the penetration of societies that were thought to be fairly immune to Islamic radicalism. Thailand and Cambodia became important staging grounds, but also very important financial conduits.

The 19 arrests in Pakistan, a group led by Hambali's brother, in September 2003 are also indicative of how JI has developed its network overseas and how it uses foreign territory to regroup and rebuild.<sup>27</sup>

12. *Political Will*: 2003-04 is a seminal year in the politics of the region that will see parliamentary and a presidential election in Indonesia; a presidential election in Philippines; the first leadership transition in Malaysia in 23 years, as well as a parliamentary election and a parliamentary election in Thailand. The war on terror will be a major campaign issue in all of these countries. Secular nationalists are all vulnerable to charges of being lackeys of the Americans.

Second, the underlying economic conditions are beneficial to the Islamic parties who can argue that globalization has led to the impoverishment of their country and especially the *bumiputera/pribumi* community.

Third, there is a lack of political will to take on the Islamists or expend the political capital to challenge them on small issues. For example, in Malaysia UMNO has become increasingly Islamic to court the Muslim electorate and win them back from the Islamic opposition party PAS. In Indonesia, although the Jakarta Charta failed, there is an Islamic component to more than 20 bills in parliament; to which no party is willing to stand up to. The Islamist vice president Hamzah Haz was to open the MMI congress, despite the fact that many MMI leaders have either been arrested for terrorist activities or linked to JI. It was only the Jakarta bombing that forced him to not attend.

In Indonesia, JI still has not been designated a terrorist organization and under the Indonesian legal system, there are no conspiracy laws. Despite the arrest of one JI suspect in conjunction with the arrests in Semarang, he was released for "lack of evidence." Indonesian officials fear a political backlash if they designate JI as a terrorist organization as proponents also want the MMI designated as well. One must also consider what effect the acquittal of Ba'asyir on terrorism charges will have on the Islamists in Indonesia. If anything, it will motivate them and vindicate their position that Ba'asyir was arrested on politically motivated charges under intense pressure from the United States. The Pew poll found that there is considerable support for Islam's political role in Indonesia: 86 percent of respondents agree that currently Islam plays a large role in Indonesian politics, while 82 percent agreed that Islam should play a role in politics.<sup>28</sup>

We have to be prepared that some states no longer have the incentive in continuing the war on terror. Thailand seems to already be in "denial mode" following the arrest of Hambali. This is our war on terror, not necessarily theirs. In some cases they do not have the resources to maintain the current pace in the fight against militants, in other cases they are being hampered by intense bureaucratic competition.

I should briefly mention some of the key electoral issues as they pertain to the war on terror. In Thailand, although Prime Minister Thaksin Shinawatra's Thai Rak Thai Party is almost guaranteed to be returned to power, it wants to deal the Democratic Party a crushing defeat. The Democrat Party's regional stronghold is in the Muslim dominated south, which limits the degree to which Thaksin will allow the war on terror to be conducted.

In the Philippines, President Arroyo broke her 30 December 2002 vow to not run for re-election, despite her eligibility to run for her own full 6 year term. She made the decision for a number of reasons, but most importantly she stated that she wanted to focus on making hard choices that though politically unpopular would benefit the economy. Her popularity ratings were also quite low at the time. Hovering around 15 percent, though which not unprecedented in Philippine politics, it was enough to give her pause. She has a lot of pride and could not countenance an election in which she would be humiliated. Yet since then, her position in the polls has risen steadily, while no other candidate has yet captured the imagination of Fil-

<sup>27</sup>"Pakistan Rounds Up Hambali's Brother, Terrorist Suspects," Associated Press (AP), 22 September 2003; "Indonesian Held in Karachi is Hamabali's Brother," Reuters, 22 September 2003.

<sup>28</sup>There, however, was less consensus over the political role that religious leaders should play: while 51 percent argues that religious leaders should play a larger role in politics, 48 percent disagreed. 34-35.

ipino voters. The party system in the Philippines is quite weak; parties are more vehicles for personalities, and thus it is hard to have nationwide appeal. Regardless, it will be difficult for Arroyo to make concessions with the MILF and a durable peace is unlikely. There are concerns that now resigned Secretary of National Defense Angelo Reyes is a potential presidential candidate. There are also attempts by the opposition parties to form a broad coalition, though that seems unlikely to succeed as the parties will likely clash regarding the presidential nominee.

In Malaysia, Prime Minister Mahathir Mohammed and UMNO milked 9/11 for all it was worth, linking Malaysians in Afghanistan and those detained under the ISA to the Islamic opposition party PAS, which did much to discredit the party. The PAS party paper *Herakah* afterwards complained that Mahathir was “fear mongering.” Mahathir clearly hoped to increase the 60 percent of the Malay population who support UMNO. There are a few key issues: first, in the 1999 election, PAS had substantial gains at the expense of UMNO—winning 20 seats. For the first time, UMNO did not win the majority of Bumiputera community. The ruling coalition Barisan Nasional held 148 of 193 seats, but only won 56.3 percent of the votes cast, down 7 percent. To what degree was the 1999 election a protest vote? Has PAS been able to hold onto those UMNO voters that it captured in 1999? Following the death of Fadzil Noor, the spiritual leader of PAS, UMNO was only able to win the by-election by 283 votes—in Prime Minister Mahathir’s home state of Kedah. PAS is poised to not only retain control of Kelantan and Terengganu in the 2003 elections, but to make substantial inroads and possibly gain control of the BN-controlled states of Perlis, Perak and Kedah. Due to the considerable gerrymandering on the part of the Barisan Nasional, PAS will not win in any of those three states, but it looks as though they will win more votes absolutely.<sup>29</sup> If PAS makes significant gains in the election, the ability and willingness of the government to maintain its high degree of cooperation in the war on terror will be constrained. With the retirement of Prime Minister Mahathir on 31 October 2003, Malaysia will experience its first leadership transition in over 30 years. His heir-apparent Deputy Prime Minister Abdullah Badawi is a much less charismatic figure, and has a much weaker political base. Although Badawi is a capable man who will continue to maintain the hard line on militants that he has shown while Home Minister, he will be a weaker leader who will have to bargain more with political rivals. There will be more dissent and factionalism in the ruling Barisan Nasional coalition. Although the deputy prime ministers have pledged to support Badawi, this is not a certainty and this is the first time in 23 years that there has been an opening at the top. Although Badawi has Islamic credentials, as the current Home Minister, he ordered the detainment of all JI and KMM suspects.

In Indonesia it is really too early to make any predictions. The new constitutional reforms allow for a direct election of the president, some 3 months after the parliamentary (DPR) elections in April. Parties that win at least 3 percent of vote will be allowed to field candidates. Over the summer, Jakarta was filled with rumors regarding backroom negotiations between the heads of parties and mass-based organizations over potential coalitions. Golkar is clearly in a much stronger position and is fielding a number of candidates; it also has the strongest grass-roots network across the archipelago. Their decision not to nominate their candidate until after the April 2004 parliamentary election is a smart one, as it allows 4–5 candidates to constantly tour the archipelago and drum up grass-roots support. The fact that Bambang Yudhono Susilo, the current Coordinating Minister for Politics and Security Affairs, has emerged as one of the strongest Golkar candidates must be troubling to Megawati; and has grave implications for how the war on terror is being conducted. Megawati no longer has the cache of being an outsider, and her party the PDI-P is riddled with allegations of egregious corruption and factionalism. This is her election to lose, which she will, unless she can form a durable coalition with the PKB/NU. It is telling that Megawati did not meet with Australian Prime Minister John Howard who came to Bali to commemorate the first anniversary of the Bali attacks.

Of immediate concern is the question of how well the Islamic-based parties will fare in 2004. There is no consensus at present. While some people see a natural and inevitable swing to the Muslims, a slight majority expect that they will poll roughly at the same rates they did in 1999. However, this has more to do with their inherent weaknesses than their ideological appeal. There are pockets where Islamic parties are strong, but not across the nation. The Islamic parties are riddled with factionalism and rivalries and have trouble working together. The Crescent and Star Party has a very weak organizational structure and has more or less split into two

<sup>29</sup> Bridget Welsh, “Malaysia’s Transition: Elite Contestation, Political Dilemmas and Incremental Change,” Wilson Center, *Asia Program Special Report No. 116*, (September 2003): 4–8.

factions. The only Muslim party that stands to gain from the election is the Justice Party, which is a very un-Indonesian party. Although they were courted by the government, they have turned down ministerships, preferring to remain in opposition, to maintain their integrity. The Justice Party is by far the cleanest party in Indonesia and ministers have a good reputation for eschewing graft. Moreover, it has a strong party organization and can assemble huge numbers of people. Most importantly, there are no discernable factions within the party.

#### B. ONGOING COUNTER-TERRORISM CHALLENGES AND POLICY RECOMMENDATIONS

1. Intelligence sharing and cooperation is essential. However, the criticism one hears from across the region is that intelligence sharing is a one way street to Langley, Virginia; that the United States gives little to these states on terms of what they need. The issue of access to Hambali is a case in point. Whereas I understand that it is critical to the long-term interrogation process to control the environment, it is insulting to the Southeast Asians, as well as the Australians, to not have direct access to him and other leaders. We must put in place a mechanism that would allow our allies to have access to these suspects. Our intelligence presence around the world is smaller than one thinks, and we rely on our counterparts to provide the "boots on the ground." Therefore we must build up trust and a close working relationship with them. Adding irritants such as this will set us back in the long-run.
2. Inter-state cooperation has improved dramatically, though it began from a very low level. The instances of joint operations are no longer the exceptions. States are cooperating with one another more regarding the handing-over of suspects (recently Hambali's wife was turned over by Thai officials to Malaysia, while Malaysia turned over Abu Jibril to Indonesia). There seems to be consensus that if tele-conferencing is to be used in the future, there should be universal ground rules and procedures. There is some momentum regarding getting each state to amend their existing laws to bring them into line with other states. There still, however, has been no interest in developing an ASEAN extradition treaty. The United States should facilitate inter-state cooperation, and assist states in developing courses at the Regional Counter-Terrorism Centre in Kuala Lumpur.
3. The United States must get involved in the Government of the Republic of the Philippines (GRP) and the Moro Islamic Front (MILF) peace process. Yet financial incentives are not enough to buy off the MILF. The MILF must understand how important the United States Government takes their ongoing relationship with JI and Al Qaeda, and they must understand that there will be costs entailed if they maintain such relationships. To that end, the United States must reach an agreement as soon as possible to get troops back into the Philippines for "robust training exercises." We must be sensitive to Philippine law and political sensitivities. We cannot afford the fiasco of stating that the troops will be there in a combat capacity for as long as it takes. But we do need troops on the ground in the Philippines providing training and equipment; and also, keeping the Philippine armed forces honest. Most importantly it will send a strong signal to the MILF. The MILF never believed that the US troops that were stationed in the Philippines in the first half of 2002 were there for the Abu Sayyaf. They believed the US presence was directed at them. That is a feeling that we should maintain.
4. Terrorist Financing in Southeast Asia must be addressed. First, we must continue to pressure the Government of Saudi Arabia to control its charities that are very active in Southeast Asia. Many of these charities have been implicated in financing terrorism and militant activities. Second, we should pressure governments to shut down domestic charities, such as KOMPAK, that have been involved in fomenting sectarian violence. Third, whereas the governments of the region have expressed willingness to freeze individual bank accounts, none has been frozen. Moreover, they have resisted shutting down front companies for fear of any commercial backlash against their economies. This is particularly true with regard to Malaysia. Fourth, the US government must continue assisting governments in the region who have limited capacities to regulate their banking systems, to establish and or train financial intelligence units in these states, and to strengthen regulations and put into place laws and regulations that criminalize terrorist financing.
5. Counter-terror policies and assistance programs must be developed and implemented that focus on overcoming bureaucratic competition amongst the Southeast Asian security services. One of the most critical issues should be getting tactical level cooperation between the police and intelligence services, which seem

to be more concerned with discrediting one another and competing for foreign assistance programs.

6. Whereas US investment in Southeast Asian education is important, especially in the Philippines and Indonesia, it alone is not enough. \$157 billion in educational assistance to Indonesia is important, but unless we create jobs, we are sowing the seeds of more unrest. Policy-makers cannot remain transfixed on madrassas. JI recruits across the socio-economic spectrum. We need to put in place economic policies and incentives that will facilitate job creation. For example, increasing the amount of Philippine tuna or other agricultural products or Indonesian textiles and shoes.
7. Our visa policy is insulting and has little efficacy and must be changed for Southeast Asia. It is bad for our economy, universities and counter-terrorism efforts as it breeds ill-will and resentment.
8. The Middle East peace process is a metaphor for injustice throughout the region. The plight of the Palestinians resonates widely amongst the vast majority of the population, while members of the elites believe that America is doing nothing to facilitate a return to the negotiating table. Islamic militancy and the threat of terrorism will grow around the world unless America uses its political and economic clout to restore the peace process. There can be no progress in the war on terrorism until a durable political solution that necessarily entails Palestinian statehood is reached. The war in Iraq, likewise, was universally unpopular in Southeast Asia. Southeast Asians now view the war on terror as patently anti-Muslim. Until there is a quick transition in Iraq to self rule, there will be strong anti-American sentiment. Radicals in Southeast Asia are actively trying to identify with their radical co-religionists in the Middle East, thus we must take the wind out of their sails.
9. The hypocrisy of US policies must be ended. Americans often ask themselves "why do they hate us?" The fact is most people in Southeast Asia do not. They admire us for our economic and technological success, for our entrepreneurial spirit, hard work and determination, for our cultural values and freedoms. What people hate is the hypocrisy of our policy: demanding others to do one thing why we do otherwise. Because of that we alienate even our allies. There are two good examples of this. First, the United States was very unhappy that the alleged spiritual leader Abu Bakar Ba'asyir was acquitted of the terrorism charge, and received 4 years, rather than the 15 years Americans had hoped for. While we pressured the Singaporeans to make a JI suspect, Faiz Bin Abu Bakar Bafana, available for video testimony, the United States refused to give the Indonesian prosecutors access to Omar al Faruq, one of the most senior Al Qaeda operatives caught in Southeast Asia. The second case has to do with America's condemnation of the Internal Security Acts that are used in Singapore and Malaysia, which allow the state to hold people without charge indefinitely. Yet while we routinely criticize the ISA, we are doing the same thing in Guantanamo.

Mr. LEACH. Let me say to the rest of the panel that was one of the shortest, most succinct and thoughtful 3 minutes the Committee has heard. And you are challenged.

Dr. Hoyt.

**STATEMENT OF TIMOTHY D. HOYT, Ph.D., ASSOCIATE PROFESSOR OF STRATEGY AND POLICY, U.S. NAVAL WAR COLLEGE**

Mr. HOYT. Thank you, sir. Mr. Chairman and Members, it is a pleasure to be here.

Briefly speaking, I would argue that South Asia represents the single most likely environment for al-Qaeda to regroup. Al-Qaeda has close links with the region, a network of terror developed over 2 decades of cooperation, joint training and combined operations. The terrain is rugged, transportation facilities are limited, government control in many areas is weak, and the local population remains friendly and supportive.

The United States faces three major short-term dilemmas in this struggle: Pakistani sanctuary for terrorist groups, the degree of of-

ficial support for these groups, and possible threats to the Musharraf regime. The core of the problem here, I would argue, is the sanctuary that Pakistan provides for terrorist forces.

Well-organized, sophisticated terrorist groups operate freely across Pakistan's borders with India and Afghanistan, backed by local political parties and sympathetic publics. This terrorism predates President Musharraf's coup in 1999 and has strong ties among active and retired army officers and intelligence officials. So long as Pakistan relies on terrorism to achieve its political objectives, it will be impossible for the United States to eliminate terrorism and the al-Qaeda presence in the region. In these circumstances, Pakistan, an ally in the war on terror, is both part of the problem and a key part of the solution.

The short-term problems we face with Pakistan are all part of a larger issue, that being the dominant role that the army has in Pakistani society and the collapse of civilian and political institutions in that country over the last 25 years. These two factors have locked Pakistan into an ever-shrinking spiral as its economy collapses under the weight of excessive military spending and corruption, and it continues to rely on increasingly powerful antiseccular Islamic groups to wage proxy war in Kashmir. Unchecked, these pressures in time will lead to crisis, the splintering of the state, seizure of power by radicals, civil war and/or a regional war with India. Each of these outcomes will be a disaster for the U.S. war on terrorism.

Like Pinochet in Chile, the Pakistani military must be encouraged to professionalize and remove itself from politics, transitioning to a general civilian-led democracy. Any aid that we offer in return for Pakistan's clear and unambiguous cooperation against terror must be tailored to the development of a strong civil society, education, economic development, creation of a strong and fair judicial system, and a permanent, lasting constitution.

The long-term objective of United States policy must be to encourage a democratic Pakistan with civilian oversight of the military. This will help the U.S. in the war on terrorism in several crucial ways. First, the current relationship involves a simple transaction: United States financial assistance in return for Pakistani military cooperation. When the terrorist threat recedes in the absence of some broader strategic policy, the United States will have no reason to continue financial assistance. Therefore, Pakistan has every incentive to make slow progress in achieving the United States policy goals in the war on terrorism.

So long as United States aid continues flowing, Pakistan can defer difficult economic and political choices indefinitely. An alternative vision of the United States-Pakistan future provides a rationale for future cooperation with some guarantee of longer-term commitment.

Second, support for terrorism has corrupted Pakistan's government and its military. The strategy of calibrating the insurgency in Kashmir, providing enough assistance to tie up substantial Indian resources, but not enough to goad India into regional war, has produced perverse results. These include support for the Taliban, the use of Afghanistan as a training area for Kashmiri terrorist groups, links between the Pakistani military, al-Qaeda, and promi-

ment Pakistan-based terrorist groups, and bringing Pakistan and India to the brink of regional war on several occasions. The result is that it is now unclear whether and to what extent the army can police itself on this issue as there are no checks or balances.

There is no independent institution in Pakistan that can provide reliable oversight for the army or for ISI. Under these circumstances, terrorism will continue to find supporters and the military will continue to use them in ways that satisfy strictly tactical or institutional objectives at the risk of long-term stability and security. Only strong civilian institutions and a formalized civil-military relationship can resolve this dilemma, ensuring that military leaders are incapable of acting independently or covertly in violation of Pakistan's obligations and commitments.

Civil institutions can be rebuilt and must be a U.S. priority. The recent elections provide an important reason for why this is the case. The MMA, the opposition party, won 11 percent of the vote in an election in which a candidacy and voting rights were restricted and where voter turnout was roughly 33 percent. The result is that a group representing only 3 percent of the potential electorate now controls or shares control of the two regions that border Afghanistan and which provide sanctuary for al-Qaeda and Taliban. This is a significant problem for ending terrorism in the region because the MMA is pro-Taliban. In a more open election, these groups would be marginalized as a tiny minority party, a vastly superior outcome for both the United States and Pakistan.

Finally, the Pakistan army remains committed to the recovery of Kashmir and to the use of terrorism to maintain that conflict in perpetuity. This creates two dilemmas for the United States. The first is that in pursuing this policy, Pakistan continues to run the risk of nuclear war with India. Whether Kashmir is the cause or the symptom of Indo-Pakistani tensions, avoidance of such a conflict in this region should remain a United States and an international priority.

In addition, by supporting terrorist groups in Kashmir—Lashkar-e-Taiba, Jaish-e-Mohammed, Harakat-ul-Mujaheddin—with past and present al-Qaeda links, Pakistan is aiding and abetting groups which may strike the United States or assist others that aim to do so in the future. This means that Kashmir remains an incubator for a future wave of international terror, a further reason to consider encouraging a settlement to this dispute.

To address terrorism in the region, the United States must have a two-stage policy with Pakistan. In the short term, we must continue to work with the current regime because its assistance has been vital in the early stages of the war on terrorism. Pakistan continues to be a critical intelligence resource against al-Qaeda and the Taliban.

In the longer term, however, we must systematically and conscientiously work for regime change and democratization in Pakistan. Our aid must be unequivocally earmarked for the development of civil institutions, education, and the improvement of Pakistan's economy. Our public rhetoric must focus on democratization and the rule of law, and our diplomacy should publicly demonstrate our support for elected civilian leaders like Prime Minister Jamali, rather than focusing on Musharraf. The role of the Pakistani army

in political life must be systematically delegitimized in the interest of strong civilian institutions.

Democracy is not a panacea for combating terrorism or for regional security. It is simply a necessary step. However, it is a step that, as we have seen elsewhere, can only be accomplished through foresight, planning and vision. Pakistani political instability and the role of the army are important contributing factors to both regional and global terror networks.

Defeating terrorism requires a new vision of Pakistan which will hopefully contribute to a new and lasting relationship with its neighbors, the United States, and the international community.

Thank you.

Mr. LEACH. Thank you, Dr. Hoyt.

[The prepared statement of Mr. Hoyt follows:]

PREPARED STATEMENT OF TIMOTHY D. HOYT, PH.D., ASSOCIATE PROFESSOR OF STRATEGY AND POLICY, U.S. NAVAL WAR COLLEGE

*Note: The views contained in this testimony are solely those of the author. They do not represent the policy of the Naval War College, the US Navy, the Department of Defense, or any other official organization.*

Mr. Chairman, and members of the committee, thank you for the opportunity to testify at this hearing. I must begin by stating for the record that the views expressed here are my own, and not those of the US Navy, the Naval War College, or the US government.

The war on terrorism in South Asia is a complex and daunting task, and requires the acknowledgment of certain realities. First, the US cannot win this war alone. We need the support of friends in the region—but we also must recognize that US interests will not always coincide perfectly with those of other nations. Second, ending terrorism in the region will not be accomplished cheaply, requiring the continued presence of U.S. military forces in Afghanistan and significant economic assistance to regional partners. Third, and most important, defeating terrorism in this region requires greater attention and greater priority. The accomplishments of 2001, including the liberation of Afghanistan, are now threatened by competing priorities for the U.S. and the resurgence of the Taliban.

South Asia represents the single most likely environment for Al Qaeda to regroup. Al Qaeda has close links with the region—a network of terror developed over two decades of cooperation, joint training, and combined operations. The terrain is rugged, transportation facilities limited, government control in many areas is weak, and the local population remains friendly and supportive. The US faces three major short-term dilemmas in this struggle—Pakistani sanctuary for terrorist groups, the degree of official support for these groups, and possible threats to the Musharraf regime.

The core of the problem is the sanctuary Pakistan provides these terrorist forces. Well-organized, sophisticated terrorist groups operate freely across Pakistan's borders with India and Afghanistan, backed by local political parties and sympathetic publics. This terrorism predates President Musharraf's coup in 1999, and has strong support among active and retired Army officers and intelligence officials. So long as Pakistan relies on terrorism to achieve its political objectives, it will be impossible to eliminate terrorism and the Al Qaeda presence in the region. In these circumstances, Pakistan—an ally in the war on terrorism—is both part of the problem and a key part of the solution.

We do not know how much control or leverage President Musharraf has over these terrorist groups, or over hardline factions in the army and intelligence. Pakistan has consistently managed to capture and turn over to the U.S. key, high-ranking Al Qaeda leaders—Abu Zubaydah (March 2002), Ramzi Binalshibh (September 2002), Khalid Sheikh Mohammed (March 2003), and Walid B'Attash (April 2003). More recently, the military staged a major raid in the tribal areas this October, virtually coinciding with Deputy Secretary of State Armitage's visit.

Not all signs are positive, however. Khalid Sheikh Mohammed was reportedly found in the apartment of an opposition political official, and Deputy Secretary Armitage hinted last month at cooperation between elements of Pakistani Inter-Service Intelligence (ISI) and the Taliban and Al Qaeda. Several Pakistani Army officers suspected of Al Qaeda sympathies have been arrested. We also know that

Pakistani nuclear scientists consulted with Al Qaeda charities before 9–11. Infiltration across the line of control in Kashmir dipped during last year's crisis, particularly in June and July of 2002, but has since been restored to roughly its 2001 levels. The UN has recently warned of Taliban's recovery in Afghanistan, announcing that Taliban controls several provinces. All of these incidents indicate substantial support for Al Qaeda and Taliban within Pakistan's government, military, and intelligence services.

An additional concern is the threat of the collapse of Musharraf's government and a takeover by a radical coalition. The recent elections and a series of related press reports suggest that radical Islam has enormous influence in Pakistan. A coalition of Islamist parties—the MMA—is now the official opposition party following the October 2002 elections. The MMA controls the regional government of the Northwest Frontier Province, and shares authority in Baluchistan—the two regions bordering Afghanistan.

The short-term problems we face with Pakistan are all part of a larger issue—that being the dominant role the Army has in Pakistani society, and the collapse of civilian political institutions over the last 25 years. These two factors have locked Pakistan into an ever-shrinking spiral, as its economy collapses under the weight of excessive military spending and corruption, and it continues to rely on increasingly powerful anti-secular Islamic groups to wage a proxy war in Kashmir. Unchecked, these pressures will lead to crisis—the splintering of the state, seizure of power by radicals, civil war, or a regional war with India. Each of these outcomes would be a disaster for the US war on terrorism.

Like Pinochet in Chile, the military must be encouraged to professionalize and remove itself from politics, transitioning to a genuine civilian-led democracy. Any aid we offer—in return for Pakistan's clear and unambiguous cooperation—must be tailored to the development of a strong civil society—education, economic development, creation of a strong and fair judicial system, and a permanent, lasting constitution. The long-term objective of US policy must be to encourage a democratic Pakistan with civilian oversight of the military.

This will help the U.S. in the war on terrorism in several crucial ways. First, the current relationship involves a simple transaction—US financial assistance in return for Pakistani military cooperation. When the terrorist threat recedes, in the absence of some broader strategic policy, the US will have no reason to continue financial assistance. Hence Pakistan has every incentive to make slow progress in cooperating to achieve US goals in the war on terrorism. So long as US aid continues flowing, Pakistan can defer difficult economic and political choices indefinitely. An alternative vision of the US-Pakistani future provides a rationale for cooperation, with some guarantee of longer-term commitment.

Second, support for terrorism has corrupted Pakistan's government and its military. The strategy of calibrating the insurgency in Kashmir—providing enough assistance to tie up substantial Indian resources, but not enough to goad India into regional war—produced perverse results. These include: support for the Taliban; use of Afghanistan as a training area for Kashmiri terrorist groups; links between the Pakistani military, Al Qaeda, and prominent Pakistan-based terrorist groups; and bringing Pakistan and India to the brink of regional war on several occasions.

The result is that it is now unclear whether, and to what extent, the Army can police itself on this issue—as there are no checks and balances. President Musharraf has made pledges to India and the U.S., but these have not yet been realized. There is no independent institution in Pakistan that can provide reliable oversight for the Army or ISI. Under these circumstances, terrorism will continue to find supporters, and the military will continue to use them in ways that satisfy strictly tactical or institutional objectives at the risk of long-term stability and security. Only strong civilian institutions, and a formalized civil-military relationship, can resolve this dilemma, ensuring that military leaders are incapable of acting independently or covertly in violation of Pakistan's obligations and commitments.

Some will argue that President Musharraf is our only alternative to a “Talibanized” Pakistan. We must be careful not to create a “cult of personality” or to rely too heavily on President Musharraf himself. There have already been several attempts on his life, and he continues to rule through the support of the Army—a situation which could change abruptly. Civilian rule after the death of Zia was marked by a decade or more of venality and corruption. However, the system failed at least in part because of the pervasive influence of the Army, particularly over foreign policy, the defense budget, and the nuclear program.

Civil institutions can be rebuilt, and must be a US priority. The recent elections provide an important reason for why this is the case. The MMA won 11% of the vote in an election in which candidacy and voting rights were restricted, and where voter turnout was roughly 33%. The result is that a group representing 3% of the

potential electorate now controls or shares control of the two regions that border Afghanistan and which provide sanctuary for Al Qaeda and Taliban. This is a significant problem for ending terrorism in the region, as the MMA is pro-Taliban. In a more open election, these groups would be marginalized as a tiny minority party—a vastly superior outcome for both the US and Pakistan.

Finally, the Pakistani army remains committed to the recovery of Kashmir and the use of terrorism to maintain that conflict in perpetuity. This creates two dilemmas for the US. The first is that in pursuing this policy, Pakistan continues to run the risk of nuclear war with India. Whether Kashmir is the cause or the symptom of Indo-Pakistani tensions, avoidance of such a conflict in this region should remain a US and an international priority. A Kashmir settlement is more likely under a civilian Pakistani government.

In addition, by supporting terrorist groups in Kashmir—Lashkar-e-Taiba, Jaish-e-Mohammed, Harakut-ul-Mujaheddin—with past and present Al Qaeda links, Pakistan is aiding and abetting groups which may strike the US, or assist others that aim to do so in the future. This means that Kashmir remains an incubator for a future wave of international terror—a further reason to consider encouraging a settlement to this dispute.

To address terrorism in the region, the US must have a two-stage policy with Pakistan. In the short-term, we must continue to work with the current regime, because its assistance has been vital in the early stages of the war on terrorism. Pakistan continues to be a critical intelligence resource against Al Qaeda and Taliban.

In the longer-term, however, we must systematically and conscientiously work for regime change and democratization in Pakistan. Our aid must be unequivocally earmarked for the development of civil institutions, education, and the improvement of Pakistan's economy; our public rhetoric must focus on democratization and the rule of law; and our diplomacy should publicly demonstrate our support for elected civilian leaders like Prime Minister Jamali, rather than focusing on Musharraf. The role of the Pakistani Army in political life must be systematically delegitimized in the interest of strong civilian institutions.

Democracy is not a panacea for combating terrorism or for regional security. It is simply a necessary step. However, it is a step, as we have seen elsewhere in Latin America and in the Far East, which can only be accomplished through foresight, planning, and vision. Pakistani political instability, and the role of the Army, are important contributing factors to both regional and global terror networks. Defeating terrorism requires a new vision of Pakistan, which will hopefully contribute to a new and lasting relationship with its neighbors, the United States, and the international community.

Thank you.

Mr. LEACH. Mr. Raman.

**STATEMENT OF B. RAMAN, FORMER HEAD OF COUNTER-TERRORISM AT THE RESEARCH AND ANALYSIS WING, INDIA'S EXTERNAL INTELLIGENCE AGENCY AND FORMER MEMBER OF THE NATIONAL SECURITY ADVISORY BOARD OF THE GOVERNMENT OF INDIA**

Mr. RAMAN. Thank you, Mr. Chairman. What I am going to do is, with your kind permission, I am going to offer clarifications on some of the points which were raised earlier with regard to Kashmir and then make my own presentation. I will try to be as brief as possible.

A reference was made to the United Nation's resolution on Kashmir which was passed some years ago. That resolution consists of a number of parts. Part One called for the withdrawal of the Pakistani troops from Kashmir before a plebescite can be held. Pakistan violated that resolution by refusing to withdraw its troops from the part occupied by it.

Number two, Pakistan committed a second violation of the resolution by transferring part of the Kashmiri territory to China without the clearance of the United Nations Security Council. That part which was transferred to China in 1963 has been integrated by China into the Xinjiang Province of China.

Number three, Pakistan committed a third violation of the U.N. Resolution by separating what is called the northern areas (Gilgit and Baltistan) from Pakistan-Occupied Kashmir and merging it into Pakistan. Today that area is directly administered from Islamabad by the Federal Government of Pakistan.

And number four, it committed another violation of the U.N. Resolution by permitting the Chinese to construct a highway along this Gilgit-Balistan area.

And number six, the sixth violation it committed was, it used this highway for nuclear proliferation.

In 2001, *The Washington Times*, quoting American intelligence sources, reported that some of the consignments of M-9 and M-11 missiles from China were brought by this highway because the Chinese and the Pakistanis were afraid that if they used ships for bringing these missiles from China, American satellites might detect their movement; so they brought them by roadway, by this road that had been constructed. In view of all these reasons, that resolution of the United Nations has ceased to be valid.

Mr. Kofi Annan, the U.N. Secretary-General, visited New Delhi and Islamabad in the year 2000. When he was in Islamabad, he was asked about the U.N. resolution and he replied, and I quote him. He said that resolution has become irrelevant. "Irrelevant" was the word used by Mr. Kofi Annan.

Reference was also made to allegations—these are Pakistani allegations—of many atrocities in Kashmir. In certain situations, sometimes violations of human rights do occur, and the Government of India, whenever such violations occur, has taken action. They have got a National Human Rights Commission.

Mr. Robert Blackwell, who was the Ambassador until recently, visited Kashmir a number of times. I don't think any other U.S. Ambassador to India had visited Kashmir as frequently as he used to do. He had one diplomatic officer under him in the U.S. Embassy whose only charge was to monitor the situation in Kashmir, and that officer used to visit.

Last year, before the elections, the U.S. Ambassador as well as the Ambassadors of European Union countries were given free access. They could go anywhere in Kashmir, and I don't think any of them had ever referred to anything about violations like gang rapes of women, et cetera. So I prefer to go by the conclusions of U.S. Ambassador in Delhi and by the conclusions of his own officers in Delhi rather than by the allegations made by President Musharraf.

Then I come to my own presentation. Recently, as I was coming here, I read in the media about a memo reported to have been recorded by Mr. Donald Rumsfeld, U.S. Defense Secretary, in which he reportedly expressed his exasperation over the fact that the more the number of jihadi terrorists which the United States forces put out of action in Afghanistan and Iraq, the more the number of jihadi terrorists will come out of the madrassas to replace them. He did not mention the country in which these madrassas were located. From the context of the memo, it was apparent that these madrassas are the madrassas in Pakistan.

Last year, Mrs. Jessica Stern, a counter-terrorism expert of the Harvard University, wrote a widely-read study on the working of

the madrassas in Pakistan. She describes them as jihad factories. In India, the problem—the same problem we face, the more the terrorists coming out of these madrassas that are put out of action, the more the terrorists who come out of those madrassas to replace whom we put out of action.

The problem which we are facing today in Kashmir is not because of Kashmir militancy, but because of large-scale infiltration of people into Kashmir from Pakistan. Until 1993, the average number of foreigners killed by the security forces in Kashmir used to come to 32. It went up to 172 per annum between 1993 and 1998. Since 1999, our security forces have been killing 951 foreign mercenaries per annum in Kashmir. The majority of them are Pakistani nationals; the rest of them are of 18 different nationalities.

I would like the distinguished panel to read the reports, the annex of the report of the State Department, *Patterns of Global Terrorism 2002*, which was submitted to the Congress in May of this year. There they refer to the fact that most of these terrorist organizations which are operating today in Kashmir, they are foreigners.

And I will just mention one sentence about the Lashkar-e-Toiba. The State Department report says that almost all Lashkar-e-Toiba members are foreigners, mostly Pakistanis from madrassas across the country and Afghan veterans of the Afghan wars. With respect to each organization, the State Department report says, in anticipation of asset seizures by the Pakistani Government, the organization withdrew funds from bank accounts. This shows how insincere the Government of Pakistan has been in acting against terrorist funding.

I would like to draw the attention of the panel also to two other recent documents of the U.S. Government. On the 14th of October, the U.S. Department of Treasury issued an order freezing the bank accounts of a supposed charity organization of Pakistan called the Al Akhtar Trust. I propose to mention two significant observations in that order issued by the U.S. Department of Treasury, one observation, it says this charity trust was founded by the Jaish-e-Mohammed (JEM), the same organization which reportedly played the leading role in the kidnapping and murder of Daniel Pearl and which has been very active in Kashmir.

This organization is supposed to have been banned by Musharraf by an order issued on January 15 of last year. If it was a banned organization, how did the Pakistani Government allow it to start a charity fund, a charity organization and collect funds?

The second significant observation in that order of the U.S. Department of Treasury is that the Al Akhtar Trust funded jihad not only in Pakistan and Afghanistan, but it is also suspected to be funding jihad in Iraq. That means an organization founded in Pakistan has been collecting funds and funding attacks on the American troops in Iraq.

How did this happen? What action did Musharraf take against this organization? Was this action taken by the U.S. Treasury Department on its own or at the instance of the Pakistan Government, what cooperation it got from the Pakistan government? It calls for a detailed inquiry.

The other order was also of the U.S. Department of Treasury issued on October 16. There is a man called Dawood Ibrahim. He is the head of a mafia group, transnational crime group, which is closely involved with terrorist groups. He was suspected—he was involved in the explosions in Bombay in 1993, along with five others. They have been given shelter in Pakistan. The Government of India has been repeatedly asking for their arrest and handing over to India so that they could be tried for involvement in terrorism, but the Government of Pakistan has all the time been maintaining that they are not in Pakistani territory.

This order, which has designated Dawood Ibrahim as a global terrorist, it says, number one, he had links with al-Qaeda and with the Taliban and had been helping them by placing his ships at their disposal, number one.

Number two, it also says that he has been living in Karachi and has given his passport number. In spite of that, the Pakistan Government to the United States also has denied that he was in Karachi and it has denied that this passport belonged to him. It said that this passport did not belong to him. For these reasons, we find it very difficult when Pakistan's Musharraf says that he has been taking action against terrorists. We in India find it very difficult to accept it and find it difficult to believe it.

One last point I would like to make, with your kind permission. We were all grateful in India recently by the fact that justice has at long last been done to the families of the victims of the Lockerbie tragedy. Their plane was blown up. It was blown up by a Libyan intelligence officer who planted explosives, and the United States imposed punitive sanctions against Colonel Qadhafi. They held him responsible for allowing his intelligence agency to blow up the aircraft, and ultimately justice was done.

There have been seven instances of attacks, acts of terrorism directed against Indian civil aviation, five instances of hijacking by Sikh terrorists of Punjab; one instance of hijacking by a Wahabi terrorist organization in Pakistan, the Harkat-ul-Mujahideen, in 1999; one instance, in which an Air India plane, Kanishka, was blown up off the Irish coast, resulting in the deaths of over 200 civilians; and one instance in which an unsuccessful attempt was made to blow up an Air India aircraft in Tokyo. All these instances took place when the military was in power.

There has not been a single attack on civil aviation from Pakistan—by terrorist groups from Pakistan—when a democratically elected government was in power. All these people who were involved in these offenses, the hijackers, the people who were involved in explosions, they have been given sanctuary in Pakistan. Is it not the responsibility of the international community to see that these people who were responsible for acts of terrorism directed against civil aviation, that they are brought to trial, that the Government of Pakistan cooperates with the Government of India by arresting them and handing them over to India so that they could be tried?

The international community, does it not have an obligation to do justice to the families of all those people, to the families of all the victims of the aircraft which was blown up, just as justice was

done to the families of the victims of the Lockerbie aircraft? These are some of the questions that I would like to put before this panel.

Thank you very much, Mr. Chairman.

Mr. LEACH. Thank you, Mr. Raman.

[The prepared statement of Mr. Raman follows:]

PREPARED STATEMENT OF B. RAMAN, FORMER HEAD OF COUNTERTERRORISM AT THE RESEARCH AND ANALYSIS WING, INDIA'S EXTERNAL INTELLIGENCE AGENCY AND FORMER MEMBER OF THE NATIONAL SECURITY ADVISORY BOARD OF THE GOVERNMENT OF INDIA

Hon'ble Chairmen, Hon'ble Members of the Sub-Committees on Asia and the Pacific and International Terrorism, Non-Proliferation and Human Rights,

I thank all of you for inviting me to testify at this joint hearing today and to give my assessment of cross-border terrorist challenges facing India and their implications for the counter-terrorism policies of the United States.

#### THE BACKGROUND

India has been the victim of the use of cross-border terrorism by the State of Pakistan and its intelligence agencies since 1956 to achieve their strategic objectives, which are three in number. First, to create a religious divide between the Hindus, who are in a majority, and the Muslims, who are in a substantial minority. Second, to keep the Indian State destabilised and preoccupied with internal security tasks in order to hamper the economic development of the country. And third, to annex the State of Jammu & Kashmir (J&K), which is an integral part of India.

When India and Pakistan became independent in 1947, the Muslims constituted about 11 per cent of India's population. Today, they constitute about 14 per cent. In 1947, in the territory, which is now known as Pakistan, the Hindus constituted a little over 10 per cent of the population. Today, they constitute about two per cent. The rest of them were either massacred or driven out of the country or forcibly converted to Islam.

Today, India has the second largest Muslim community in the world with about 140 million plus, after Indonesia. India has more Sunnis and more Shias than Pakistan. They are guaranteed equal rights under the Constitution of India, which was inspired by the Constitution of the United States of America.

The Indian Muslims suffer from no discrimination from the State and are entitled to occupy any office of the Governments of India and the constituent States, however highly placed, however sensitive. Three distinguished Muslim sons of India have held office as the President of India. Mr. Abdul Kalam, the current President of India, was a distinguished space scientist and had served as the Scientific Adviser to the Ministry of Defence of the Government of India before he was elected as the President of India.

Illustrious Muslims of India have held office as Cabinet Ministers, as the Chief Justice of India, as Ambassadors to important countries, including the USA, as the Cabinet Secretary, which is the seniormost post to which an Indian civil servant can aspire to rise in his career, as the Home Secretary, as the Chief of the Air Staff, as Lieutenants-General in the Army and as the heads of Police and Para-Military organisations. The Cabinet Secretary co-ordinates the functioning of the different Ministries of the Government of India and of its sensitive intelligence agencies. The Home Secretary exercises important internal security tasks and, in that capacity, monitors the working of India's Intelligence Bureau (IB), which is responsible for internal intelligence. No Hindu has ever been posted to such sensitive posts in Pakistan. Hindus have served as members of the Council of Ministers in Pakistan, but without any sensitive charge.

If one leaves aside the State of Jammu & Kashmir, which has been affected by Pakistan State-sponsored terrorism since 1989, no Indian Muslim from other parts of India went to Afghanistan in the 1980s to join the jihadi mercenary force which fought against the Soviet troops. When the US-led international coalition launched its Operation Enduring Freedom in Afghanistan on October 7, 2001, no Indian Muslim, not even from J&K, responded to the call of the jihadi terrorist organisations of Afghanistan and Pakistan to go to Afghanistan to wage a jihad against the US troops. There were no major anti-US demonstrations by the Indian Muslims to protest against Operation Enduring Freedom.

Similarly, at a time when pro-Osama bin Laden jihadi terrorists are gravitating towards Iraq to wage a jihad against the US troops there, not a single Indian Muslim has responded to the call. Whereas the various fundamentalist and jihadi

organisations in Pakistan have been collecting funds for the so-called jihad against the Americans in Iraq, there have been no such instances in India.

Hon'ble Chairmen, Hon'ble Members, if you happen to take a stroll in the streets of many Asian cities, you will find bin Laden T-shirts, bin Laden caps and other mementoes glorifying him. But not in India. Since 9/11, many books on bin Laden and his Al Qaeda have been published—some correctly projecting him as a contemptible terrorist and some glorifying him as a great Islamic leader. Many of these books figure in the best-sellers' lists of other countries. But not in India.

It is often not realised that as many young Muslim students from other countries come to India for their higher education as they go to Pakistan, if not more. There have been only two instances in the history of jihadi terrorism of foreign Muslims, who had studied in India, joining jihadi terrorist groups. In 1992, the Israeli security forces arrested a Palestinian terrorist, who was found to have been educated in India. The second instance is that of Abu Zubaidah, who used to be reportedly No.3 in Al Qaeda, and who was arrested in Pakistan in March, 2002. He was a law-abiding student of computer technology in India, but when he crossed over into Pakistan, he joined Al Qaeda.

All other foreign Muslim students, who were educated in India, went back to their countries of origin as constructive, modern and law-abiding citizens of their country and are doing well as public servants, academics, media personalities etc. The most illustrious example of recent times is that of Mr. Hamid Karzai, the interim President of Afghanistan, who has rightly won the admiration of the international community and of the leaders and people of the USA as a proud, modern Muslim wedded to liberal ideas. Why? He did his higher education in India and spent some of his formative years in the two greatest democracies of the world—India and the USA.

Kindly do compare this with foreign Muslim students who go to Pakistan for their studies. Many of them returned to their countries of origin as destructive citizens—as jihadi terrorists, as narcotics smugglers, as counterfeiters of US dollar notes etc.

It is said that the USA's counter-terrorism experts have been interrogating in the detention centres in Guantanamo Bay in Cuba and other places nearly 6,000 jihadi terrorists arrested during Operation Enduring Freedom. They are of many nationalities, but reports say that there is not a single Indian Muslim amongst them.

The USA has a large number of Muslims of Pakistani and Indian origin. In the 1990s, a Muslim extremist organisation called the Jamaat-ul-Fuqra was active in the US and Canada. Its activities figured in the annual reports of the Counter-Terrorism Division of the State Department on the Patterns of Global Terrorism. It had indulged in acts of violence against the Hindus and the Jewish people in the USA. It is said that Daniel Pearl, the young American journalist, who was kidnapped and brutally killed by the jihadi terrorists of Pakistan last year, had gone to Karachi to investigate reports of possible links between the so-called shoe bomber and the Jamaat-ul-Fuqra.

It was reported in the media that last year the FBI had arrested some Muslims of Yemeni origin at Lackawanna, near Buffalo, in the USA who were found to have been taken to Pakistan and Afghanistan by the Pakistani branch of an organisation called the Tablighi Jamaat (TJ) and brainwashed there. The TJ has its headquarters in India. Its Indian branch does the humanitarian work for which it was established during the British days, namely, to help the Muslims to become better Muslims. But, its Pakistani branch has degenerated into a front organisation for the recruitment of foreign Muslims to various jihadi terrorist groups.

Recently, the US law enforcement authorities were reported to have detected in US territory the activities of a secret cell of the Lashkar-e-Toiba (LET), a Pakistani jihadi terrorist organisation, which was designated by the US in 2001 as a Foreign Terrorist Organisation. It has been reported in sections of the media that some of its members were Muslims of Pakistani origin.

In February 1995, the "News", the prestigious daily newspaper of Pakistan, had carried a series of investigative reports on the activities of the Harkat-ul-Ansar (HUA), a Pakistani jihadi terrorist organisation, which re-named itself as the Harkat-ul-Mujahideen (HUM) after it was designated by the US as a Foreign Terrorist Organisation in October, 1997. The articles quoted an unidentified representative of the HUA as claiming that amongst the foreign Muslims trained by it were 16 Afro-American Muslims from various cities of the US.

The paper reported on March 27, 1995, as follows: "Official investigation has revealed that dozens of Saudis committed to jihad all over the world have been visiting the military training camps inside Afghanistan. Sources estimated that at least 2,000 persons, mostly Pakistanis and Arabs of different nationalities, are currently engaged in military training in those camps for jihad in Kashmir and elsewhere in the world. These sources estimated that since the expulsion of the Soviet

troops from Afghanistan, at least 10,000 Pakistanis belonging to the Islamic parties such as the Jamaat-e-Islami, the HUA, the Markaz Dawa Al Irshad and the Jamiat-ul-Ulema Islam have acquired training in making bombs, hurling grenades, firing from light and heavy weapons and in laying mines. The Harkat and all other militant organisations committed to Islamic jihad all over the world have acknowledged sending their guerillas to Tajikistan, Bosnia, Chechnya, the Philippines, Burma and Kashmir. The Jamaat-e-Islami, the Harkat and other organisations have never been challenged by the Government in their campaign to recruit committed Muslims to commit jihad anywhere in the world. These organisations are also permitted to collect jihad funds anywhere in the country.”

One would be entitled to ask : How is it that the Muslim migrants from India conduct themselves as constructive and law-abiding citizens or residents of the USA and do not indulge in activities which could threaten US nationals or interests, but many Muslim migrants from Pakistan indulge in clandestine activities for carrying the jihad to the US homeland?

An objective examination of this question would show that one cannot blame Islam as such for the spread of jihadi bloodshed in the world. What one has to blame is a particular interpretation of Islam by some religious clerics and madrasas of Wahabi-Deobandi orientation in Saudi Arabia and Pakistan. This interpretation holds, firstly, that a Muslim's first loyalty is to his religion and only then to the country of which he is a citizen or a resident; secondly, that Muslims recognise only the religious frontiers of their Ummah and not the national frontiers; thirdly, that they have a sacred right and obligation to go to any country to wage jihad to protect the Muslims of that country; and, fourthly, that they have a religious right and obligation to acquire and use weapons of mass destruction (WMD), to protect their religion and the Ummah, if necessary. They project Pakistan's atomic bomb as the Islamic bomb to counter the Christian bomb, the Jewish bomb or the Hindu bomb.

This interpretation of Islam emanating from Saudi Arabia and Pakistan for some years now is as subversive of democracies and as threatening to international peace and security as international communism was before 1991 and has to be combated as resolutely by the liberal democracies of the world as they combated the evil of international communism. In fact, even more resolutely, because one did not find in international communism the kind of irrationality that one finds in pan-Islamic jihadi Islamism. International communism projected itself as forward looking and moving ahead. Pan-Islamic jihadi Islamism is backward looking and wants to take the Islamic world back to the medieval ages, with the Muslim communities of the world organised into a number of Caliphates.

The Indian Muslims have largely remained uninfluenced by the winds of medievalism blowing from Pakistan. The religious fundamentalists and the military-intelligence establishment of Pakistan cannot understand how a Hindu majority State like India can produce such good Muslims. What is called the two-nation theory is the basic philosophy of Pakistan. It holds that Muslims and non-Muslims cannot be part of the same nation. It is in pursuance of this theory that they campaigned for the partition of India.

This theory was falsified by the independence movement in the former East Pakistan and the consequent birth of Bangladesh. The remarkable spectacle of millions of moderate Muslims, not subscribing to the jihadi ideology, living and working peacefully and side by side with non-Muslims in the democratic State of India further negates this theory. They are, therefore, determined to create a religious divide in India through the use of jihadi terrorism in order to re-establish the validity of their two-nation theory.

It is this determination, which has been behind the use of State-sponsored terrorism by Pakistan against India. Its claim that the so-called dispute over J&K is the cause of the terrorist violence killing thousands of innocent civilians is a spin and a diversion. Kashmir is not the cause, but only a pretext for creating bloodshed in India. Just as Palestine is not the cause, but only a pretext used by Al Qaeda and others of the same persuasion for killing hundreds of Israelis and Americans. Unless and until this jihadi terrorism is crushed by the common understanding and joint efforts of India, the USA and Israel, the three greatest democracies and pluralistic societies of the world and the most bleeding victims of it, the international community will continue to bleed at the hands of the jihadi terrorists.

Since 1993, the international community has seen a prairie fire of jihadi terrorism spread across the world by Osama bin Laden, his Al Qaeda and the various constituents of his International Islamic Front (IIF) For Jihad Against the Crusaders and the Jewish People. Thousands of innocent civilians have been killed by the jihadi terrorists owing allegiance to bin Laden in New York, Washington DC, Nairobi, Dar-es-Salaam, Bali, Jakarta, southern Philippines, various cities of India, Karachi, Islamabad, Mombasa, Casablanca, Riyadh, Moscow, Chechnya, Xinjiang etc .

If one makes an objective analysis of these incidents, one would invariably find that practically all of them had a linkage to the jihadi terrorism triangle of Pakistan-Afghanistan-Saudi Arabia. Many of the terrorists were either the nationals or residents of these countries; or had studied there and had been brainwashed by the religious fundamentalists there; or were funded from there; or were trained, armed and motivated from there ; or provided sanctuary in those areas.

#### INDIA'S NORTH-EAST: THE BEGINNING

It is against this background that one should examine Pakistan's use of terrorism as a weapon against India. Its initial use of the weapon in the tribal areas of India's North-East starting from 1956 had nothing to do with Islam. It exploited the grievances of the tribals of this region to instigate them to start a movement for independence from India on the ground that they were ethnically different from the people in the rest of India.

Its Inter-Services Intelligence (ISI) provided the tribal insurgents sanctuaries in the then East Pakistan, where they were imparted guerilla training and given money, arms and ammunition. The birth of Bangladesh in 1971 considerably reduced Pakistan's ability to sponsor insurgency and terrorism in India's North-East.

This led to a peaceful political solution being found to the problem of insurgency in Mizoram where normalcy has been prevailing since 1985. In Nagaland too, a large section of the Naga insurgents gave up violence and reached a political solution to their grievances through negotiations with the Government of India in 1975. Only a small section belonging to the National Socialist Council of Nagaland (Issac Swu-Muivah group) has not yet given up its insurgency, but it has been observing a cease-fire and is presently negotiating with the Government of India.

Insurgent groups in other parts of the North-East such as Assam, Manipur and Tirupura are still active. Some of them remain in touch with Pakistani intelligence agencies through clandestine contacts in Bangladesh and other third countries.

#### PUNJAB

After its ability to use insurgent and terrorist groups in the North-East was weakened because of its loss of East Pakistan in 1971, it instigated some sections of the Sikh diaspora in Western countries such as the UK, the USA, Canada and the then West Germany to start a movement for an independent State for the Sikhs to be called Khalistan in the State of Punjab in India bordering Pakistani Punjab.

Over half a dozen Sikh terrorist organisations came into existence. Their cadres were trained by the ISI in camps set up in Pakistani territory and provided with arms and ammunition and explosives. During their training in Pakistan, the ISI motivated them to emulate the Palestine Liberation Organisation (PLO) and other anti-Israel terrorist groups and indulge in attacks on civil aviation and large-scale use of improvised explosive devices (IEDs) in order to cause indiscriminate civilian casualties and weaken the confidence of the population in the ability of the State to protect them.

Religion was sought to be used as a weapon to drive a wedge between the Hindus and the Sikhs. Dozens of civilians were killed in explosions in Punjab and New Delhi, five aircraft of the Indian Airlines Corporation were hijacked to Lahore in Pakistan, an aircraft of the Air India called Kanishka was blown up in mid-air in 1985 off the Irish coast by an ISI-motivated and trained group of Sikh terrorists of Canadian origin, resulting in the death of about 200 passengers, an unsuccessful attempt was made to blow up another Air India plane in the Narita airport in Tokyo the same year, an abortive attempt was made to kill the Indian Ambassador to Rumania in 1991 and, the same year, a Rumanian diplomat posted in New Delhi was kidnapped in order to secure the release of some Sikh terrorists who were then in detention.

The Sikh terrorist movement in Punjab petered out after 1995 due to a lack of support from the local people and the close co-operation between the intelligence agencies of India and the West in countering the activities of the terrorists following their action in organising acts of terrorism in foreign territory. However, some of the Sikh terrorist leaders, including a hijacker of Indian aircraft, continue to enjoy sanctuary in Pakistan, which has consistently refused to arrest and hand them over to India for trial.

It was during the Sikh terrorist movement that the ISI tried unsuccessfully to inject suicide terrorism into Northern and Western India. During the training of some terrorists of the Babbar Khalsa, a Sikh terrorist organisation, the ISI asked them to join the Mumbai (Bombay) Flying Club, take a trainer aircraft up and crash it on the off-shore oil platform off Mumbai. They did not carry out the instructions since they did not believe in suicide terrorism.

It was also during the Sikh terrorist movement that the ISI started teaching the terrorists the importance of attacking economic targets such as the irrigation canal systems, oil production facilities, stock exchanges etc in order to disrupt the Indian economy. They did not carry out these instructions either as they were afraid that the resulting economic hardships for the population might turn public opinion against them.

#### JAMMU & KASHMIR AND OTHER PARTS OF INDIA

In 1989, the Pakistani military-intelligence establishment turned its attention to Jammu & Kashmir and to the Muslim community in other parts of India in order to spread terrorism to the Muslim-inhabited areas and exploit the anger caused by the State's counter-terrorism operations for driving a wedge between the Muslims and the Hindus and between the Muslims and the State.

Even before 1989, there had been sporadic incidents of terrorism in J&K, but these were few and far between. For example, in 1971 two members of the Jammu & Kashmir Liberation Front (JKLF) hijacked a plane of the Indian Airlines Corporation to Lahore and blew it up with explosives given at Lahore by the Pakistani authorities after asking the passengers and the crew to leave the aircraft. In 1983, some members of the JKLF in the UK kidnapped an Indian diplomat posted in Birmingham and killed him when the Government of India refused to concede their demand for the release of their leader from jail.

In the late 1980s, the ISI set up a number of training camps in Pakistan-Occupied Kashmir (POK) and the North-West Frontier Province (NWFP) of Pakistan where recruits brought from J&K were trained and armed. They were then sent to Afghanistan to get jihad experience from the Afghan Mujahideen and thereafter infiltrated into J&K to indulge in acts of terrorism.

Since then, the Pakistan Army and its ISI have been waging a proxy war against the Indian Security Forces through these surrogates without themselves getting involved in any direct confrontation with the Indian Army. This proxy war has passed through the following phases:

- 1989-93: The terrorists involved were mostly Kashmiris from India and Pakistan. Very few foreign mercenaries were involved. They initially operated mostly with hand-held weapons, but subsequently started using explosive devices, land mines and hand-grenades to indiscriminately kill civilians. The average number of local terrorists killed by the Security Forces came to 848 per annum. As against this, the average number of foreigners, mostly Pakistanis, killed came to 32 per annum only. The average recoveries of military material other than AK-47 rifles, light-machine guns, rocket launchers etc by the Security Forces came to 100 KGs of explosives, 426 mines and 2760 hand-grenades per annum.
- 1994 to 1998: Finding that the indigenous terrorists were not making any headway in their operations against the Indian Security Forces, the Pakistan Army and the ISI started infiltrating foreign mercenaries, who had fought against the Soviet troops in Afghanistan, most of them Pakistani nationals, in increasing numbers. There was an increase in the use of explosives, land-mines and hand-grenades. The average number of local terrorists killed came to 1069 per annum and the average number of foreign jihadi terrorists killed came to 172 per annum. The average recoveries per annum came to 405 KGs of explosives, 628 mines and 4085 hand-grenades.
- 1999 to 2003: This period saw two important developments. The Pakistan Army headed by Gen. Pervez Musharraf staged a coup and seized power in October, 1999. Four Pakistani jihadi organisations operating in J&K joined Osama bin Laden's International Islamic Front (IIF) for Jihad Against the Crusaders and the Jewish People, which had been formed in 1998. These were the HUM, the HUJI, the LET and the JEM. Under the influence of bin Laden, they introduced suicide terrorism for the first time in J&K. Before 1999, there was no suicide terrorism in the State. Since, 1999, there have been 46 acts of suicide terrorism or fedayeen attacks, of which 44 were carried out by the LET and the JEM. The remaining two were by unidentified (possibly local) terrorists. The infiltration of foreign mercenaries, mostly Pakistani nationals, increased and they started operating under the guise of Kashmiris and took over the leadership of the militant movement. The average number of local terrorists killed came down to 726 per annum and the average number of foreign mercenaries killed went up steeply to 951 per annum. The average recoveries per annum were 866 KGs of explosives and 5336 hand-grenades. Figures in respect of mines are not available.

The killing of a large number of foreign mercenaries has not yet affected the capability of the Pakistani terrorist organisations to maintain a high level of violence since those killed are immediately replaced through fresh infiltration of trained mercenaries. The Pakistan Army and the ISI have managed to maintain a total of about 1,600 foreign mercenaries always active in J&K—more in the Jammu Division where the Hindus are in a majority and less in the Kashmir Division, where the Muslims are in a majority.

In addition to the foreign mercenaries, about 1,700 Kashmiris recruited from J&K as well as the Pakistan-Occupied Kashmir (POK) have also been got trained by the ISI in camps located in the POK and elsewhere and infiltrated into J&K. They largely belong to the Hizbul Mujahideen (HM), the militant wing of the Jamaat-e-Islami, which calls for the merger of J&K with Pakistan. The JEI of J&K is an appendage of the JEI of Pakistan, which is a strongly anti-US, anti-India and anti-Israeli organisation. Khalid Sheikh Mohammad, of Al Qaeda, believed to be the master-mind of the 9/11 terrorist strikes in the US which brought down the World Trade Centre in New York killing over 3,000 innocent civilians and damaged the Pentagon building in Washington DC killing many more, was caught in the house of a women's wing leader of the JEI in Rawalpindi in Pakistan in March last. Some other Al Qaeda members were also found to have been sheltered by the JEI of Pakistan.

An idea of the extent of the Pakistani assistance to the terrorists in J&K could be had from the fact that the total recoveries since 1989 of hand-held weapons, rocket-launchers etc supplied by the ISI to the terrorists would be sufficient to equip one Division of a conventional army. One does not know how many weapons are still left with the terrorists. None of the countries which have been designated by the US as a State-sponsor of International Terrorism is known to have issued hundreds of mines of different kinds to terrorists as Pakistan has been doing.

#### ECONOMIC TERRORISM & USE OF DAWOOD IBRAHIM

There have been three other significant developments since 1993. Having failed in its efforts to motivate the Sikh terrorists to take to economic terrorism, the ISI started making use of trans-national crime groups for organising terrorist strikes against economic targets. Before March 1993, the Dawood Ibrahim group, which indulges in large-scale smuggling, money-laundering and other criminal activities, was operating from Dubai. In March 1993, this group organised at the instance of the ISI a series of explosions directed at important economic targets in Mumbai—such as the local stock exchange, which is the biggest in India, a local hotel for tourists run by the Air India etc.

Subsequent investigation brought out that the perpetrators of these acts of terrorism, all Indian nationals, had been got recruited, at the instance of the ISI, by Dawood Ibrahim in Mumbai, taken to Pakistan via Dubai for training in the use of arms and ammunition and explosives and then sent back to Mumbai via Dubai. The Pakistani Consulate in Dubai issued them plain paper visas so that their passports did not carry any entries of their visit to Pakistan for training. However, Indian investigators managed to get xerox copies of the passenger manifests of the flights by which they went to Pakistan via Dubai for training. After they returned to Mumbai from Pakistan after the training, the explosives and other arms and ammunition required by them for organising the terrorist attacks were sent by the ISI by boat with the help of Dawood Ibrahim and clandestinely landed on the Western coast of India.

After carrying out the explosions, the perpetrators escaped to Pakistan, some via Dubai and some via Kathmandu, and were given sanctuary in Karachi by the ISI. When the Govt. of India took up with the Dubai authorities the question of the involvement of Dawood Ibrahim, the Dubai authorities pressured him to leave their territory. He took shelter in Karachi and has been living there since then along with some of the perpetrators, who have been given Pakistani passports under different names. Repeated requests by the Govt. of India to Islamabad for arresting and extraditing/deporting them to India have been turned down by Pakistan, which denies their presence in Pakistani territory. Red-cornered notices of the INTERPOL for their arrest have not been honoured by Pakistan.

This matter was again taken up by the Govt. of India with President Pervez Musharraf of Pakistan when he visited India in July, 2001. He denied their presence in Pakistani territory. Subsequently, "Newslines", a prestigious Pakistani monthly, in its issue for September, 2001, carried a detailed article on their presence and activities in Karachi. The Pakistani media reported that the journalist who wrote this article (Ghulam Hasnain) was detained and harassed by the Pakistani authorities. The "Herald", the prestigious monthly journal of the "Dawn" group of Karachi,

has also (August 2003) carried a detailed report on their presence and activities in Pakistani territory.

On October 16, 2003, the US Department of Treasury announced that it was designating Dawood as a Specially Designated Global Terrorist under Executive Order 13224 and that it would be requesting the UN to so list him as well. The designation would freeze any assets belonging to Dawood within the U.S. and prohibit transactions with U.S. nationals. The UN listing will require that all UN Member States take similar action.

"This designation signals our commitment to identifying and attacking the financial ties between the criminal underworld and terrorism," stated Juan Zarate, Deputy Assistant Secretary for Terrorist Financing and Financial Crimes. "We are calling on the international community to stop the flow of dirty money that kills. For the Ibrahim syndicate, the business of terrorism forms part of their larger criminal enterprise, which must be dismantled."

A press release of the US Department said: "Dawood Ibrahim, an Indian crime lord, has found common cause with Al Qaida, sharing his smuggling routes with the terror syndicate and funding attacks by Islamic extremists aimed at destabilizing the Indian government. He is wanted in India for the 1993 Bombay Exchange bombings and is known to have financed the activities of Lashkar-e-Tayyiba (Army of the Righteous), a group designated by the United States in October 2001 and banned by the Pakistani Government—who also froze their assets—in January 2002. "

A fact sheet attached to the press release said: "Ibrahim's syndicate is involved in large-scale shipments of narcotics in the UK and Western Europe. The syndicate's smuggling routes from South Asia, the Middle East and Africa are shared with Usama Bin Laden and his terrorist network. Successful routes established over recent years by Ibrahim's syndicate have been subsequently utilised by bin Laden. A financial arrangement was reportedly brokered to facilitate the latter's usage of these routes. In the late 1990s, Ibrahim travelled in Afghanistan under the protection of the Taliban."

It added: "Ibrahim's syndicate has consistently aimed to destabilise the Indian Government through inciting riots, acts of terrorism and civil disobedience. He is currently wanted by India for the March 12, 1993, Bombay Exchange bombings, which killed hundreds of Indians and injured over a thousand more."

It also said: "Information from as recent as Fall 2002, indicates that Ibrahim has financially supported Islamic militant groups working against India, such as Lashkar-e-Tayyiba (LET). For example, this information indicates that Ibrahim has been helping finance increasing attacks in Gujarat by LET. "

The US authorities also indicated that Dawood Ibrahim was living in Karachi and held a Pakistani passport, whose number was also given by them. The Government of Pakistan has denied the US contention that he was living in Pakistan and claimed that the passport No. given by the US authorities belonged to another individual and not to Dawood.

#### SPREAD TO OTHER PARTS OF INDIA

The second significant development after 1993 relates to the spread of jihadi terrorism to other parts of India outside J&K. The Kashmiri terrorist organisations describe their objective as confined to J&K and claim that they do not have any agenda outside the State. But, the four Pakistani jihadi organisations, which are members of bin Laden's IIF, follow his pan-Islamic ideology and call for the reorganisation of the Islamic Ummah into a number of Caliphates, including one in the South Asian region.

In pursuance of this, they describe J&K as the "gateway to India" and say that after having "liberated" J & K, they would "liberate" the Muslims living in other parts of India, as a prelude to the formation of an Islamic Caliphate consisting of Pakistan, the "liberated Muslim homelands" of India, Bangladesh, the Muslim majority areas in the Eastern Province of Sri Lanka and the Maldives Islands in the Indian Ocean.

To achieve this objective, the LET has already set up secret cells in other parts of India such as New Delhi, Mumbai, Hyderabad in Andhra Pradesh, Chennai in Tamil Nadu etc. While the LET headquarters at Muridke, near Lahore, in Pakistan co-ordinate the activities of its cadres in J&K and other parts of North India, a branch of it located in Saudi Arabia has been co-ordinating the activities of its cadres in Mumbai and South India. The LET has been using a banned Muslim extremist organisation of India called the Students Islamic Movement of India (SIMI) for this purpose and has been making recruitment amongst Indian Muslims working in the Gulf region.

The JEM and the HUM have also been setting up secret cells in New Delhi and other parts of India. Since 1999, the LET has carried out a number of terrorist strikes in New Delhi (attack inside the Red Fort and on the Parliament House), Ahmedabad (attack on Hindu worshippers in a temple in Gandhi Nagar) and Mumbai, where a number of explosions has been organised, the latest being the twin blasts on August 25, 2003, which killed 53 innocent civilians.

#### HIJACKING AS A WEAPON

The third significant development relates to the ISI's resumption of the use of hijacking as a weapon to force the Government of India to release Pakistani terrorists arrested and detained by the Indian Police. The ISI had instigated the Sikh terrorists to carry out five hijackings in the 1980s, but it gave up the use of hijacking as a weapon in its proxy war against India after the death of Gen. Zia-ul-Haq in 1988 which led to the restoration of democracy in Pakistan.

Between 1988 and 1999, when democratically elected civilian Governments were in power in Islamabad, there was no hijacking by Pakistan-trained terrorist groups. In December, 1999, hardly two months after the army, under the leadership of Musharraf, seized power again, an aircraft of the Indian Airlines flying from Kathmandu to New Delhi was hijacked by terrorists belonging to the HUM and forcibly taken to Kandahar in Afghanistan, which was then controlled by the Taliban. On the way to Kandahar, they killed one of the Hindu passengers. Because of the non-helpful attitude of the Taliban in terminating the hijacking, the Government of India had to concede the demands of the hijackers for the release of three Pakistani terrorists, who returned to Pakistan via Kandahar. One of them subsequently played a role in the kidnapping and murder of Daniel Pearl.

In the 1980s, the Pakistani military-intelligence establishment refused to extend mutual legal assistance to India for bringing the Sikh hijackers to trial and gave them sanctuary in Pakistan. Similarly, the Musharraf Government too has refused to extend legal assistance to India for bringing the December, 1999, hijackers to trial and given them shelter in Pakistan.

#### CONTINUED SUPPORT TO TERRORISM AFTER 9/11

During his visit to India in 2001 for the summit talks at Agra with the Indian Prime Minister, Atal Behari Vajpayee, Musharraf refuted Indian charges of jihadi terrorism in J&K and described the terrorists as "freedom-fighters similar to the Palestinian freedom-fighters". While he did not deny that innocent civilians had died, he contended that such deaths could not be helped during a "freedom struggle."

However, after 9/11, apparently under US pressure, he started condemning attacks on innocent civilians as terrorism, but denied that these attacks were carried out by Pakistan-based organisations. In his telecast of January 11, 2002, he said that resort to terrorism could not be justified whatever be the cause. Subsequently, on January 15, 2002, he banned the LET and the JEM and ordered the arrest of their leaders and many of their cadres. All of them have since been released on the ground that there was no evidence of their involvement in acts of terrorism in Pakistani territory. Pakistan does not accept evidence of their involvement in acts of terrorism in Indian territory.

During 2002, following a visit by Mr. Richard Armitage, US Deputy Secretary of State, to Islamabad for talks with Musharraf, the latter gave an assurance that no more infiltration of trained terrorists into J&K would be allowed. Despite this, infiltrations continue to take place as would be evident from the following figures of detected infiltrations of armed terrorists into J&K from Pakistan-Occupied Kashmir (POK):

- 2000—2284
- 2001—2417
- 2002—1400
- 2003—1410 upto September 30.

The number of armed terrorists infiltrated came down in 2002, but has gone up this year. 1410 new terrorists were infiltrated till September 30, 2003, as against 1028 during the corresponding period of 2002.

While co-operating with the USA in its operations against terrorists of Al Qaeda and other organisations such as the HUM, the JEM and the Lashkar-e-Jhangvi (LEJ), who pose a threat to American lives and interests in Pakistani territory, the Pakistani Government has refused to act against terrorist organisations and their members indulging in acts of terrorism in Indian territory. It has avoided imple-

menting the provisions of the UN Security Council Resolution No. 1373 as would be evident from the following:

- **MUTUAL LEGAL ASSISTANCE IN BRINGING TERRORISTS TO TRIAL:** It continues to refuse to arrest and hand over to India for trial 20 terrorists involved in major acts of terrorism in Indian territory. Of these, one (a Sikh terrorist, who is an Indian national) is wanted for trial in the 1981 hijacking of an Indian Airlines aircraft to Lahore; five Pakistani terrorists, all members of the HUM, which is a founding member of bin Laden's IIF, are wanted for trial in the 1999 hijacking of an Indian aircraft to Kandahar; five terrorists (all Indian nationals) of the Dawood Ibrahim gang, which has links with Al Qaeda and the LET according to the notification dated October 16, 2003, of the US Treasury Department, are wanted for trial in the Mumbai (Bombay) explosions of March 1993, in which 250 innocent civilians were killed; four Sikh terrorist leaders, all Indian nationals, are wanted for trial in connection with acts of terrorism in Punjab before 1995; one Pakistani national is wanted for trial in the case relating to the attack on the Indian Parliament in December, 2001; two terrorists are wanted for trial in connection with a conspiracy to assassinate the Deputy Prime Minister of India; and two other terrorists, both Indian nationals, are wanted for trial in connection with some other terrorist incidents. Pakistan continues to ignore the red-corner notices issued by the INTERPOL for their arrest and handing over to India for trial. In the case of the Indian nationals, it has been taking up the stand that they are not in Pakistani territory despite the fact that the Pakistani media has been reporting about their presence and activities in Pakistan. In the case of the Pakistani nationals, it has been contending that there is no evidence of their involvement in terrorism.
- **SANCTUARIES TO TERRORIST LEADERS:** Five Sikh terrorist leaders, the Amir of the Hizbul Mujahideen, and Dawood Ibrahim, the leader of a transnational crime group supporting Al Qaeda and the LET, continue to enjoy sanctuary in Pakistan. All of them were Indian nationals, when they sought sanctuary in Pakistan, but Dawood Ibrahim, who was declared by the US on October 16, 2003, as a specially designated global terrorist, has been given a Pakistani passport under a different name.
- **CONTINUED USE OF PAKISTANI ORGANISATIONS FOR SPONSORING ACTS OF TERRORISM IN INDIAN TERRITORY:** The ISI continues to use the HUM, the LET, the JEM, the HUJI and Al Badr, all Pakistani organisations, for sponsoring acts of terrorism in Indian territory. Of these, the HUM is a founding member of bin Laden's IIF. The HUJI, the LET and the JEM joined it subsequently. The US State Department designated the HUM as a Foreign Terrorist Organisation in 1997 under its then name of HUA. It designated the LET and the JEM as Foreign Terrorist Organisations after 9/11. The HUM has not so far been banned in Pakistan despite its involvement in acts of terrorism not only against Indian nationals, but also against American and other Western nationals. There has been no ban on the HUJI either. Musharraf banned the LET and the JEM on January 15, 2002, but the ban order applied to only their activities in Pakistani Punjab, Sindh, Balochistan and the North-West Frontier Province (NWFP). It did not apply to their activities in Pakistan-Occupied Kashmir (POK), the Northern Areas (Gilgit and Baltistan) and the Federally-Administered Tribal Areas (FATA). Their leaders and many of their cadres were arrested and kept in jail or under house arrest for some weeks. They were subsequently released on the ground that there was no evidence of their involvement in acts of terrorism in Pakistani territory. Both these organisations continue to be active under different names. Their leaders travel all over Pakistan to collect funds and recruit volunteers for jihadi training. The Pakistani media has reported that even after the so-called ban the LET has acquired immovable property of considerable value in Pakistani Punjab and Sindh. On October 14, 2003, the US Treasury Department moved for the freezing of the accounts of a Pakistani charity organisation called Al Akhtar Trust on the ground that it was funding jihadi terrorist activities not only in Afghanistan and Pakistan, but also in Iraq. This Trust was founded by the JEM after Musharraf had ostensibly banned it. In September, 2003, the Pakistani authorities claimed to have rounded up Gungun, the brother of Hambali, who is reported to be the operational chief of the Jemaah Islamiya (JI) of South-East Asia and some other Indonesian and Malaysian students studying in two madrasas of Karachi. The JI is stated to have masterminded the Bali bombing of October last year. According to the Pakistani media, one of these madrasas is run by the LET

and Hafiz Mohammad Sayeed, the chief of the LET, was taking a class in the madrasa when the police went there for the arrests. Even though he is the head of a banned organisation, he was not arrested.

- **CONTINUED TERRORIST INFRASTRUCTURE IN PAKISTANI TERRITORY:**No action has been taken by Pakistan against the training camps in Pakistani territory run by the Pakistani and Kashmiri terrorist organisations. These training camps are located not only in the POK and the Northern Areas, but also at Muridke, near Lahore, in Pakistani Punjab and at different places and madrasas in Sindh and the NWFP.
- **CONTINUED SUPPLY OF ARMS AND AMMUNITION, EXPLOSIVES, DETONATORS, TIMERS, LANDMINES AND HANDGRENADES:** There has been no decrease in their supply.
- **AVOIDANCE OF ACTION AGAINST TERRORIST FUNDING:**The action taken by the Pakistani authorities against all suspected bank accounts in Pakistan under the UN Resolution continues to be an eye-wash. The "News" of Islamabad reported as follows on January 1, 2002: " Experts said the policy to freeze the accounts in "pieces" gave ample time to most of these account-holders to withdraw their money." On June 14,2003, Shaukat Aziz, Pakistan's Finance Minister, placed on the table of the National Assembly a statement giving details of the accounts frozen by the authorities. In the statement figured three accounts in Peshawar banks held in the name of bin Laden and one in the name of his No.2 Ayman Al-Zawahiri (name of the branch not given). Of the three accounts of bin Laden, two were joint accounts held by him along with others and one was an account only in his name. The three bin Laden accounts, according to the statement, had balances of only US \$ 306, US \$ 342 and US \$ 1585 and the account of Al-Zawahiri had a balance of US \$ five only.The statement contained a remark that the account of Al-Zawahiri had remained dormant since 1993. There were no such remarks in respect of the accounts of bin Laden. Hence, they are presumed to have been active. The statement remained silent as to what were the various deposits made in the accounts and withdrawn or transferred from them before they were frozen, who were the beneficiaries etc.According to the same statement, the HUM had three accounts with balances of US \$ 62, US \$ 48 and US \$ 35. The JEM had one account with US \$ 14.The seizure of only such paltry amounts speaks eloquently of the insincerity of the Pakistani authorities in circumventing the directives of the UNSC to act effectively against terrorist funding.When the State of Pakistan itself, through its Inter-Services Intelligence, has been distributing an estimated US \$ 40 million per annum to different terrorist groups, where is the question of its acting against terrorist funding? More than a half of this goes to the four Pakistani terrorist organisations, which are members of bin Laden's IIF.

#### IMPLICATIONS FOR THE US COUNTER-TERRORISM POLICY

The USA's continued reluctance to act against Pakistan and make it pay a prohibitive price for helping the jihadi terrorists is coming in the way of an effective counter-terrorism strategy.Encouraged by this US reluctance, the Pervez Musharraf regime continues to keep the jihadi terrorists alive and active in the hope of using them to retrieve the lost Pakistani influence in Afghanistan and achieve its strategic objective of forcing a change in the status quo in India's Jammu & Kashmir.

One is already seeing the result of this not only in the continuing acts of terrorism in Indian territory by terrorists sponsored, trained ,armed and infiltrated by Pakistan, but also in the similar cross-border infiltration of re-grouped,re-trained and re-armed cadres of the Taliban from the sanctuaries in Pakistan into Afghanistan.According to Ahmed Rashid,the internationally renowned Pakistani expert on the Taliban, about 2,500 well-trained and well-equipped Taliban cadres are presently in the Pakistani territory waiting to be infiltrated into Afghanistan.About 1,400 plus trained and armed terrorists are infiltrated into India every year by the ISI.

The continued availability of the terrorist infrastructure in Pakistani territory poses a serious threat not only to peace and stability in India and Afghanistan, but also to the US and other allied troops and the personnel of international organisations in Iraq, which are trying to restore normalcy in Iraq and lay the foundation for its emergence as a modern, liberal democracy. Osama bin Laden and his Al Qaeda and the Pakistani jihadi organisations subscribing to his ideology look upon India, the US and Israel as the main obstacles in their efforts to spread jihadi terrorism across the world and achieve their pan-Islamic objectives.

Any counter-terrorism policy followed by the US, in its capacity as the head of the international coalition in the war against terrorism, cannot be effective unless it acts firmly not only against terrorist organisations and their leaders, but also against States using terrorism as a weapon to achieve their strategic objectives.

Even if the US has difficulties in taking punitive action against Pakistan, it should at least ensure that Pakistan sincerely implements the provisions of the UNSCR 1373 against all terrorist organisations whether their terrorist activities are directed against the USA, India, Israel or any other country. Any further US economic and military assistance should be linked to this condition. As a first step, the US should insist on Pakistan arresting and handing over to India the 20 terrorists wanted for trial in India, effectively enforcing a ban on the HUM, the LET, the HUJI and the JEM and removing all training and other terrorist infrastructure in its territory, whether of Pakistani or Kashmiri organisations. Pakistan's claims of freezing terrorist accounts need to be closely scrutinised. If they are found to be false, Pakistan should be held accountable before the UN Security Council. (22-10-03)

Mr. LEACH. Ambassador Oakley, welcome back.

**STATEMENT OF THE HONORABLE ROBERT B. OAKLEY, FELLOW, INSTITUTE FOR NATIONAL STRATEGIC STUDIES, NATIONAL DEFENSE UNIVERSITY**

Mr. OAKLEY. Mr. Chairman, I have been very impressed by the exchanges between Ambassadors Black and Rocca and this panel. I think they have been very enlightening. They show how complex the situation is.

Cofer Black talked a little bit about the history of the situation here, which I think it is useful to think about. In the 1980s, the United States was very deeply involved with Pakistan, working with Saudi Arabia, Egypt, the Pakistanis and others to encourage growth and development of Islamist organizations in Pakistan and Afghanistan in order to use them against the Soviets, successfully when they left Afghanistan in 1988.

Then, in the early 1990s, the United States, because of concerns over nuclear proliferation in Pakistan and because the war in Afghanistan with the Soviets was over, the Cold War was over, pulled out in essence. We lost our influence in Afghanistan; we lost much of our influence in Pakistan.

The Islamist organizations became much more powerful in Pakistan, in Afghanistan. They extended their operations into Kashmir.

Coincidentally, Mr. Chairman, thinking of your point about education, in our righteous anger over Pakistan's developing a capability, not a nuclear weapon, we cut off not only military assistance; we cut off a very promising primary school education program, thereby contributing to the collapse of Pakistan's public education system.

During the 1990s, Dr. Hoyt's point is a very good one; one needs to have civilian politicians and a genuine civilian democracy, but the rather venal, self-serving politicians who were in charge of Pakistan's democracy in the 1990s produced a backlash amongst the Islamists, amongst the popular opinion and the army, making the army look better than it should.

So you had this problem of Islamic radicalism in Afghanistan and Pakistan in the 1990s which culminated really with September the 11th. Then the question was, which way is Pakistan going to go. As Ambassador Black has pointed out, they were complicit. A lot of things were going on and they didn't fully understand—

Mr. LEACH. Excuse me, Ambassador, if you could pull the microphone a little closer. Our former colleague Mr. Wilson's ears are not as strong as they used to be.

Mr. OAKLEY. All right.

Which way was Pakistan going to go? With us? Abandoning al-Qaeda? Or continuing to operate against us?

They made their decision. Then the question was, will Musharraf and his regime survive having made this decision? Now the question is, when will they achieve 100 percent success in eliminating Islamic radicalism and terrorists?

Fortunately, the United States is back, and I think Dr. Hoyt has a good point. You heard we are helping with counterterrorism, to help Pakistan develop the skills and capabilities as well as to encourage them to develop the will to deal with terrorism. We are helping with education, and they have a vision for educational reform.

It is going to take a while because it has been going the other way for 25 years. We are having trouble enough reforming education in this country; they are having a lot of trouble reforming it in that country, but there is an effort under way.

And we are helping with the economy, which is very big because people need jobs. Otherwise, they are going to be disaffected and potential terrorists because there have nothing better to do.

This combination of things produces a lot of uneducated youth in the madrassas—frustrated, no future. Where do they go? We have some of this even in this country; in some of our inner cities young children, boys, join the mobs.

So there is a big problem out there, but I think that the vision as expressed by President Musharraf in his speech of January last year is indeed the right vision; but it is going to take a long time to get there, and we are not going to be satisfied with the pace of progress, and there are going to be plenty of other problems because over the last 25 years, all these things have contributed to a climate inside Pakistan and in Pakistan's involvement in Kashmir and Afghanistan which allow the sort of problems that you alluded to to take root and fester and to make it very hard to get rid of them.

But I think that the results are positive. I agree with Cofer Black and Christina Rocca, things are moving in the right direction. We need to keep them moving in that direction. We need to keep working on the India-Pakistan problem with Kashmir. We need to keep working to bring about genuine cooperation between the United States—the Karzai regime in Afghanistan and the United States with respect to the future of Afghanistan. We need to stop the Taliban Pashtun drive to reassert a prominent role in Afghanistan. All these things contribute to a climate of terror on both sides.

To me at least, the United States policy is in the right direction. I think some—well, to a fair degree Pakistani vision for the future is a sensible one. The question of Kashmir is a big one. It still remains unanswered and leaves a lot of work between India and Pakistan.

Thank you.

Mr. LEACH. Thank you.

Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you, Mr. Chairman.

I am sorry Mr. Daley had to leave, but just to note that I do accept that heroin production has declined, I don't know how dramatically, in Burma. But at the same time we have had a huge increase in methamphetamine production in the areas controlled by the government which—there is no doubt about that. In fact, the different briefings I have had indicate that actually the methamphetamine can be traced to Burmese military camps and is being sold all over Southeast Asia. So I am sure I will continue to have my discussion with the State Department and their desire to bestow upon the Government of Burma a mantle of respectability as compared to what I we would bestow upon them.

Mr. Raman, just to note, you can come up with every excuse in the world. India is not permitting the people of Kashmir to have a vote, to determine their destiny by a vote. This will all be over if the people of Kashmir will be given the right to determine their destiny with a vote.

All the other things you say may be true. Forty years ago somebody stepped on somebody's toe. Twenty years ago somebody didn't go by the rules. Ten years ago somebody gave somebody a passport; he shouldn't have had a passport. The bottom line is, right now we need to solve the problem, and Americans believe, and I believe the Indians believe, as well, that people have the right to control their own destiny via the ballot box; and I would suggest that people of good faith in India and in Pakistan get together to try to find a solution which the people of Kashmir will vote for and approve.

My personal suggestion is, as a compromise, knowing that there are large chunks of people in Kashmir that want to remain part of India, if you accept the idea that people have a right to determine their destiny, Kashmir need not remain a whole unit, and those parts of Kashmir that want to remain part and vote to remain part of India in the ballot box, they should remain part of India. But I have heard no one ever deny the fact that a large proportion of the people of Kashmir are not satisfied and would vote either to be independent or to be part of Pakistan.

Let's try to solve it. Let's quit lying. Let's quit changing the subject, which is every time you turn around. I happen to have more sympathy with India because it is trying to be a democratic society than I do with Pakistan because they have a military dictatorship. You know, but it is as simple as that. And, Charlie, when they have a free election I will be happy to reassess that. But the people of India have tried to have democracy, and I respect that. I think they have tried a lot harder and their leaders have tried a lot harder at democracy than the people who led Pakistan have.

But to solve this problem it goes right down to let's give the people of Kashmir a right to determine that. It is going to go on and on and on until that.

I want to give kudos to India on one thing. I noticed in the paper that some of the leadership India have been talking about—were willing to discuss autonomy for Kashmir, and that is a step in the right direction. And until we solve that problem, all the rest of these problems are going to fester. Pakistan will continue to be destabilized, because what we are doing is we are empowering the

most radical elements in Pakistan by keeping the Kashmir an issue.

So I would hope that we can do that. I—let me put it this way: I would admonish my own government for not taking as sufficient a stand on trying to find a solution for Kashmir, and, again, I—the testimony of this panel has been terrific, and I have learned a lot from each and every one of you, and I appreciate that. And so I would—let me just ask one question. Is there a reason that—for optimism that we can in South Asia? We have got terrorism running amok now because we haven't paid attention to some of these fundamental problems. Is there a light at the end of the tunnel? Are people beginning to see that, a solution, a way out of this, or is this a—or are we going to go through a lot more turmoil before there is even hope?

And just very quick, maybe a 30-second answer down the panel.

Mr. RAMAN. Well, the Honorable Member said that India is trying to be a democracy. India is a democracy. It is not trying to be a democracy. India is the most well-functioning democracy in the Third World. It is as healthy a democracy as the United States. It is as healthy a democracy as the United Kingdom. There is no question of India trying to be a democracy.

So far as the question of Kashmir is concerned, we have got a political process going in Kashmir. There are many parties. There are mainstream political parties which have been with the government of India, which have been strongly opposed to the activities of the terrorists in the territory. And even at the height of terrorism, we had held elections in Jammu and Kashmir. Last year, we held elections in Jammu and Kashmir. In 1996, we held elections in Jammu and Kashmir. Last year we told everybody, every Embassy in Delhi, if you want to go and observe the elections there, you are welcome to go and observe the elections. And the Election Commission—we have an independent Election Commission in India. This commission was recently given the Magsaysay award for the way it conducted the elections in Kashmir last year. And all the Western Ambassadors who went there, including the U.S. Ambassador, the Ambassadors of the European countries, they all certified that the elections were free and fair. In spite of threats held out by Pakistan that they will kill people who participate in the election process, people went out and voted.

Mr. ROHRABACHER. And so then why not give them a chance to vote on what country they want to be part of?

Mr. RAMAN. Well, there is no question. Will the United States, if tomorrow one of the States here, it says it wants to have a referendum in order to decide—for example, if Hawaii tomorrow says it wants to have a referendum in order to decide whether Hawaii should continue to be a part of the United States or not, would the United States tolerate? Is there a provision in the U.S. Constitution?

Mr. ROHRABACHER. Actually I happen to believe this: If a large part of the United States wanted to vote to become a part of another country, then we should permit them to vote and become part of another country, and if we don't have faith that those people will stay Americans, and so we don't permit them to have a vote, then

that says something about us. But I think that we have faith in every American to vote to stay part of America.

Mr. RAMAN. There are many federations in the world, India is one example, Australia is another, which do not give the right of secession to their constituents; otherwise, there will be anarchy.

Mr. ROHRABACHER. It is not the right of secession to the State. We are talking about people's right to make their own determinations.

Mr. RAMAN. A group of terrorists get hold of arms and ammunition, they get hold of mines, they get hold of explosives and they say, we don't want to be part of India.

Mr. ROHRABACHER. Okay. Well, let me just say that attitude for people who believe in democracy, people who believe in the human rights of a person to determine their own destiny, will always be insulted by that, and you are going to continue to have bloodshed by people who want to maintain the same rights that other people have. And let India just provide them a vote where you want to be, which was mandated by the United Nations, and which was agreed to. Let them have that vote, finally, and get this conflict behind us. It will continue until that happens. And we are going to have instability. We are going to have bloodshed. We are going to have radicalization of people who should not be radicalized, and we are going to have India spending money on weapons and Pakistan spending money on weapons that they don't need to waste for poor countries like this.

So, I mean, I am sorry. I know you are an honorable person, and I do respect India. I, as I say, actually have more of an attraction to the Indian people than the Pakistani people because I think they are much more dedicated to democratic principles than the Pakistanis that I have seen. But I know what the solution is going to be, and it has got to include a free vote. And every time you talk about it, the Indians come up with this and that and this and that, and that is why we are not going to permit it.

Mr. LEACH. The time of Jefferson Davis has expired.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

The solution is there is no solution. No, I was just kidding, Mr. Chairman.

I do want to thank Ambassador Oakley for his observations during these hearings, and although expressed with some sense of humor, we do know the seriousness of the problems these two nations face.

If I could just go back to Mr. Raman's statement about this resolution passed by the United Nations. Was it required that the Pakistani military forces had to be cleared from the Kashmir territory? Is that the understanding, Mr. Raman?

Mr. OAKLEY. I think so, yes.

Mr. FALEOMAVAEGA. Yeah. And that did not occur, or has not occurred since that time; am I correct on this?

Mr. OAKLEY. In my judgment it was a shared responsibility or a shared fault, not one side or the other. Furthermore, I think today one needs to move ahead and find a different way to deal with it, perhaps the way Congressman Rohrabacher was talking about.

In any event, there are a lot of efforts being made both informally and formally to assist India and Pakistan to grope toward some sort of agreement on Kashmir. I am not optimistic it is going to come anytime soon, but compared to a year and half ago when India had a million troops mobilized, and the tensions were extremely high, and everyone was worried about nuclear conflict between India and Pakistan, and then all diplomatic relations were broken, no travel, things are somewhat better than they used to be, and let's hope that they can continue to go that way.

Mr. FALEOMAVAEGA. If I understand it correctly, that part of the U.N. Resolution required that Pakistani military forces withdraw themselves from the Kashmiran territory. But at the same time, because of its refusal, India ends up with 700,000 military forces on its border because of the fear of attacks.

I am curious, how many Muslims live in India, Mr. Raman?

Mr. RAMAN. We have over 140 million Muslims in India. We have got the second largest Muslim population in the world after Indonesia, and the Muslims enjoy equal rights in India. Presently our President is a Muslim. He is the third Muslim to become the President of India.

Mr. FALEOMAVAEGA. Did you say 140 million more?

Mr. RAMAN. 140 million Muslims in India. More than Pakistan. Second largest Muslim community in the world after Indonesia.

Mr. FALEOMAVAEGA. Am I correct in observing that the only division between the Pakistanis and the Indians is their difference in religion, but ethnically and culturally they are the same people?

Mr. RAMAN. Culturally, yes.

Mr. FALEOMAVAEGA. Okay, I got that right. I wanted to ask you, Dr. Abuza, about some very interesting observations you made regarding the lack of U.S. effort in really addressing some of the issues that you had mentioned in your statement. Do you see the problem that our government has in terms of spreading ourselves so thinly throughout the world that we seem to have difficulties putting emphasis on South Asia, with respect to some of the problems and the resources they have? I mean, I can understand and appreciate where you are coming from, to say we are not doing this, we are not doing that, but if you were to divide the pie in terms of the priorities, do you consider South Asia more important than the situation in Iraq, where we now have to expend \$87 billion?

Mr. ABUZA. You would like me to speak about South Asia or Southeast Asia?

Mr. FALEOMAVAEGA. Both.

Mr. ABUZA. Well, I am really unqualified to speak about South Asia.

Mr. FALEOMAVAEGA. Let's stay with Southeast Asia then.

Mr. ABUZA. Since September 11, two of the most deadly attacks have taken place there. I think that we have to look at al-Qaeda as an organization that is like water going down a mountain. It is going to go to the path of least resistance. And Southeast Asia, Jemaah Islamiyah was established in 1993, 1994. It did not engage in a single terrorist act until 2000. All of a sudden now it has become a theater of operations, indeed a very important theater of operations.

I think as the al-Qaeda center has really been so devastated and the numbers of arrests, and that they have been spread thin, they are—that they are going to be relying more and more on regional affiliates to pick up the major attacks against the United States, our interests and our allies. And to that end, Jemaah Islamiyah and some of the other affiliated groups in Southeast Asia are in a very strong position right now. I, too, watch with concern. I am not an expert. I encourage people to study this. In South Asia, in Bangladesh, but also Horn of Africa, there are certainly areas that we have got to focus on more. But Southeast Asia is very important. America has very longstanding economic and political interests in this region.

Mr. FALEOMAVAEGA. Do you consider Jemaah Islamiyah an equal power with the al-Qaeda as far as an organization?

Mr. ABUZA. No, it is not equal, and to say that they are the same is wrong. There was overlapping membership on behalf of some members. Jemaah Islamiyah for many years was at al-Qaeda's disposal. It set up bank accounts, front companies, things like that, back-office operations. You all know about the Kuala Lumpur meeting for September 11.

The organization was also very important in joint operations. For example, some of the major attacks that were planned in 2000, 2001 were based on Southeast Asians' doing the reconnaissance, acquiring the material, but Middle Easterners coming in for the martyrdom operation. So it is not above. They work together.

Mr. FALEOMAVAEGA. You feel very strongly that U.S. resources have not been provided properly in order to counter terrorism?

Mr. ABUZA. No. I think in terms of what we have done and the number of arrests, there have been more than 200 arrests. This—and including the top leaders, this is a much crippled organization. But I am concerned that there are several other things that we are doing in terms of policies in Iraq which is wildly unpopular across Southeast Asia.

You know, Southeast Asians believe that the war on terror is patently anti-Muslim, and so I am very concerned that we are doing very well with the organization; we are not doing so well on the root causes.

Mr. FALEOMAVAEGA. I suppose the recent speech by Prime Minister Mohamad Mahathir reflects that situation in terms of the anti-Semitism expressed, not just to them, but toward the Western nations.

Mr. ABUZA. Yeah. Absolutely. You know, Southeast Asians view the plight of the Palestinians—it is a metaphor for injustice in the region. But also, please put in context what Mohat—I do not condone what he said. I am absolutely aghast. But I think we also have to look at it.

This is a man who is prone to rhetoric. At the operational level Malaysia has been great partners with the United States, except that from Mahathir, except the fact that in 2 days he is retiring, and this is a man who is looking for a global position, a platform for his retirement. This is not going to be someone who will be—retire quietly in Kuala Lumpur. He is looking for an important platform. He wants to be a spokesman for the Muslim world, and

you are not going to get there by being the moderate he has been in the past.

Mr. FÁLEOMAVAEGA. Thank you. I want to thank the members of the panel.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman.

In your written testimony, Mr. Abuza, and, I mean—Abuza, is that correct? And as I understand, in your oral testimony, although I was not here at that time, you indicate the following: That our visa policy is insulting and has little efficacy and must be changed for Southeast Asia. It is bad for economy, universities and counterterrorism efforts as it breeds ill will and resentment.

What exactly about our visa policy is so abhorrent to people in that area?

Mr. ABUZA. Well, especially right now that all the—especially in Malaysia and in Tunisia, the men have to go through a very rigorous screening program. It is slowing down university enrollment. These are countries—

Mr. TANCREDO. I understand that our universities are upset about this, but I must get to the—remember this is a hearing on counterterrorism efforts, and whether our universities are upset by it or not is totally irrelevant to our efforts to try and stop people from coming into this country to do us great harm, as, of course, the people involved in 9/11 did on student visas and other kinds of visas that we then should have been much more aware of and should have done something about because they overstayed them and didn't—and all that sort of thing. So I am just trying to figure out why somebody in Indonesia is mad because we aren't—they are having to go through a more rigorous process, so they therefore hate America. That is what you are saying.

Mr. ABUZA. We rely on the states in the region to support our counterterrorism efforts. Our intelligence services, our—the FBI cannot operate alone. We require the goodwill and the active cooperation of states. And there are certain issues that they need, you know, that we have to give them in return. There has to be some degree of reciprocity. I am simply trying to convey to you that this is a real irritant.

When I go around and do interviews with policymakers in Southeast Asia, this is the top of the agenda.

Mr. TANCREDO. I am still trying to figure out what they feel is the problem. Here we are a country that was attacked. We are doing those things necessary that I think almost any sane, rational country or government would do to try to make sure that doesn't happen again. We are trying our best to establish a visa policy that helps us be a tiny bit more selective about who comes in, and as a result of that, as a result of actions that are completely and totally reasonable, these host governments are upset at us.

Well, you know, I guess I would almost have to say that is tough. I mean, what in the world would they do if the tables were turned? Would we, in fact, make a claim to them if just exactly—if the things were turned around that they were doing something wrong by trying to actually strengthen their visa process? Would we actu-

ally make that claim if things had—you know, just turn the situation around. I can't believe that we will. And I can't believe that if this is true, that the State Department is not making every effort to explain to them exactly what it is we are trying to do here.

But I understand that you are just conveying the message here. It is just incredible to me, here we have a hearing on counterterrorism, and part of the testimony is that we should probably do something to reduce and make less secure our visa process in order to make these governments feel a little bit better about who we are.

I have to tell you in my heart of hearts, Mr. Abuza, I don't think that that really is going to help. And I think maybe it is a little bit of misplaced aggression or something. I can't imagine that they are really and truly concerned about the fact that we are trying to protect our country.

Mr. ABUZA. No. No. I agree with the statement that this is somewhat misplaced aggression. Their attitude, though, is, look, what we really need is more interaction, more trade, more business links, more students going to the United States, coming back, getting a better understanding to counter some of the other people who just don't know much about the United States. And yet we throw up roadblocks. And I just think that we have got to find a finer line than what we are doing right now.

Mr. TANCREDO. Yeah. Okay. Well, certainly, that is an easy claim to make and a desire to state. We all wish that that were true. I wish that we could make actually even the claim that having done what we have done in the past, having a huge number of people here from the Middle East as students and visitors, in other capacities, had somehow changed their opinion about the United States. But what we have seen, what we have—certainly I have read plenty about the fact that when these folks go back home, they don't have a different opinion. They go back home still committed fundamentalist Islamists and whatever. But they don't come back Jeffersonian in any shape or form, or even with a good impression of the United States. I wish that that had been the case. I know it was the case made for doing it. But it has not accrued to our benefit in that regard.

And my time is up. Thank you, Mr. Chairman.

Mr. FALEOMAVAEGA. Will the gentleman yield?

Mr. TANCREDO. I have no time. I would yield whatever time I do have.

Mr. LEACH. Let me say that the gentleman has listened to people speak well beyond their time and has been very patient about it. He has extra time if he would care to use it.

Mr. TANCREDO. I will yield to my friend.

Mr. FALEOMAVAEGA. I thank the gentleman for yielding, because it is my understanding over half a million foreign students attend American colleges and universities. And I can share the gentleman's concerns about the security of our Nation, and I would even put into play that some of these students do have ulterior motives that would tend to compromise the security of our Nation.

But on the other hand, the vast majority of these foreign students go back to their countries with tremendous resources, improving the lot of those countries where they come from. I can't

give the specific statistics on this, but I do know for a fact, at least for the many foreign students that I have come in contact with, they have nothing but the highest praise for the experiences they gained here in our country not only academically, but culturally. The diversity is why this democracy works so well. The tremendous diversity existing among your citizens. The fact that we have the largest enrollment of foreign students than any other country in the world I think should be something that we ought to be proud of.

Mr. TANCREDO. Reclaiming my time. I am certainly happy and proud that that is—you know, that our higher education system is, in fact, a beacon to the world and a magnet to the world. And there are millions of people who have come here, benefitted by it, not only benefitted personally, but benefitted the host country, the country from which they came, I should say, when they returned with certain skills.

But there is a certain segment—I mean, I encourage you to read, is it Kingdom of Hatred—a fascinating look at this whole—at least this part of the topic. And we find that there are—is another segment of student population in this country that doesn't have that phenomena, that phenomena doesn't occur, and these are the committed fundamentalist Islamists who come here. They don't come and get modernized. They still are radicalized, and that is who we are trying to identify.

It is not all the rest of the folks that you are pointing out that I think are additions to our own Nation and to the nations from which they come. But in doing that, in trying to identify who they are, who these people are, we naturally have tightened up visa requirements, and I just think it is only, again, natural. It is only sane for us to do it. And to have other countries then suggest that, you know, this is some affront to them, that—what, entrance to our country is a right to every single human being on the planet? Well, no, it is not, no matter if there are folks that think so.

I relinquish my time, Mr. Chairman.

Mr. LEACH. The gentleman's time has expired. It has been a long day. And there is a question of Mr. Rohrabacher's I think is really worthy of some interest. I mean, what optimism is there? And I am trying to think of the most optimistic, fun thing I can think about South Asia, and I am reminded of a recent conversation with a member of my family who was a student of Indian history, and she is extraordinarily excited that satellites, which we sometimes think of being involved in military uses and whatever, have been used to find some sites of early Indian civilization, and that we are now dating India back several thousands of years further than we thought, maybe even 3- or 4,000 years.

And we are looking at one of the oldest civilizations on the planet, and it is interesting to ask what caused people to come together in the first place and what caused a deterioration. I mean, were there natural disasters, were there famines, wars of one kind or another? How did people live together? Then what is the role of modern institutions to try to bring people back together instead of tear them apart, as well as the role we are looking at increasingly of religion, which we think of as something that gives meaning to life instead of otherwise. We think of the great religions of the

world, and most are rooted in civilized, very civilized, values, the 10 Commandments, for instance, Judaism, Christianity and Islam, and how it is that we live together rather than otherwise?

And then we think of all these intermixes of thought patterns, and I am reminded that Henry David Thoreau read the Bhagavad Gita, and Ghandi had read Henry David Thoreau. And so you have this mishmash of philosophy going back and forth. And I think if there is any optimism, that it might come from some diversity of thought and some perspective that goes back a millennium rather than decades, and maybe we all ought to get together and dig in India and find out about these old civilizations instead of build walls between Israel and Palestine.

But we are in a real dilemma as a world society, and it is important to have us all trying to figure out what it is that people are thinking and why they are thinking it. And this panel has been very good to reflect views that are diverse, thoughtful, and academic and involved. I am very respectful of all your views, and I thank you all for coming. If there is anything America might contribute to the world, it comes back—and I think Mr. Rohrabacher has a great point—to this question about optimism. We are the most optimistic society on the face of the Earth, and sometimes that optimism misleads us because we think it is easy for people to get along. We are finding we are having a hard time ourselves sometimes.

How to create grounds for hope and optimism. If we center on that, we might come up with a very different set of foreign policies, rather than how to think about security and think about fear and apprehension. And so maybe we ought to have a center of optimism studies in the academy and in the government. We might find out if other societies have views on this that are more helpful.

Now, my little niece graduated at the top of her class at Columbia Law School, and she is teaching yoga as the answer to life. And so maybe we are all off base in what we are doing. And I just want to say it is hard not to have a lot of wonderment as we think through these issues.

Anyway, thank you all very much, and I appreciate the time you have spent, and I am sorry the Congress is now accountable to vote on some issues of the day. Thank you.

[Whereupon, at 5:05 p.m., the Subcommittee was adjourned.]



A P P E N D I X

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MATERIAL SUBMITTED FOR THE HEARING RECORD

LETTER ADDRESSED TO THE HONORABLE THOMAS G. TANCREDO, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF COLORADO, FROM THE HONORABLE PAUL V.  
KELLY, ASSISTANT SECRETARY, LEGISLATIVE AFFAIRS, U.S. DEPARTMENT OF STATE



United States Department of State

*Washington, D.C. 20520*

DEC 1 2003

Dear Mr. Tancredo,

Thank you for your letter of November 6<sup>th</sup> with the accompanying information concerning Madrassas in Pakistan. I am responding on Ms. Rocca's behalf.

President Musharraf has pledged to fight terrorism and religious extremism within Pakistan and recently demonstrated his commitment to this cause by banning several terrorist and militant groups and conducting successful raids in the Federally Administered Tribal Areas (FATA), a region until recently outside the reach of law enforcement and the Pakistani military.

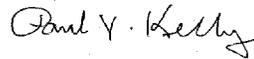
Madrassa reform is an important part of this overall effort, as the material you have forwarded indicates. Political challenges notwithstanding, Pakistan's Madrassa reform program has made progress, though it is slow. The Government of Pakistan recently announced an incentive program, whereby Madrassas which register voluntarily with the federal government and agree to provide mathematics, science, English and other courses, and in exchange become eligible for benefits such as teacher training and salary subsidies, text books, computers, etc. Some 8,000 Madrassas are reportedly either registered or waiting to register for the program.

Further, the Government of Pakistan announced a new initiative this month that would monitor the Madrassas by regulating their accounts, promoting needed curriculum change, curbing sectarian agitation and banning military training. The law, if passed, would impose penalties for non-compliance with the requirements of the law. We hope that this proposed legislation will be acted upon promptly.

The Honorable,  
Tom Tancredo,  
House of Representatives.

We sincerely appreciate your interest and concern in this matter, and hope that you find this information useful. Please let us know if we can be of further assistance.

Sincerely,



Paul V. Kelly  
Assistant Secretary  
Legislative Affairs

LETTERS AND OTHER MATERIAL SUBMITTED FOR THE HEARING RECORD BY THE HONORABLE GARY L. ACKERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

**Congress of the United States**

Washington, DC 20515

July 25, 2003

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

We write concerning the recent visit of President Musharraf, during which you announced a 5 year, \$3 Billion assistance package for Pakistan. We are pleased that your Administration has raised the question of "conditionality" of any future assistance for Pakistan and below we have outlined the issues and the progress needed before we would support additional assistance to Pakistan.

Pakistan presents the United States with a plethora of policy challenges concerning nuclear non-proliferation, terrorism, and democratization and on each of these President Musharraf should demonstrate real progress beyond the verbal commitments he has made on each.

On non-proliferation, we will expect that President Musharraf keep his word to Secretary Powell and that there will be no more dealings between Pakistan and North Korea on weapons of mass destruction and missile technology. Additionally, we have seen references in the media that the centrifuges that Iran is using for uranium enrichment at their Natanz facility are of Pakistani design. We will expect that no Pakistani weapons of mass destruction or missile technology will go to North Korea, Iran nor any other U.S.-designated terrorist state, entity, or person. In fact, we will expect Pakistan not to export weapons of mass destruction or missile technology to any state, entity or person.

On terrorism, we will be looking for continued cooperation on al Qaeda and the Taliban, which Pakistan has given us and for which we are grateful. It is also time, however, to dismantle the terrorist networks that threaten Pakistan's internal stability and engage in terrorism across the line of control in Kashmir. Pakistan can no longer afford its dalliance with Jaish-e-Mohammed, Lashkar-e-Tayyiba, Harakat-ul-Mujahidin or Hizb ul-Mujahidin. It is not enough to move terrorist camps from Pakistani-controlled Kashmir to the Punjab: the camps, and the groups, must be dismantled, the terrorist financial networks must be eliminated and the terrorists must be arrested and prosecuted, not merely put under house arrest or other informal detention.

On democratization, we will be looking for a quicker pace for democratic reform. The unilateral constitutional changes President Musharraf imposed last August have caused a deadlock in the parliament and threaten already fragile democratic institutions. If, as President Musharraf maintains, most Pakistanis don't want a theocracy, then those political parties that support a moderate, secular state, must be given the political space necessary to operate. In addition, we will be watching closely Pakistan's efforts to protect ethnic and religious minorities.

The President  
The White House  
Washington DC 20500  
July 25, 2003  
Page two

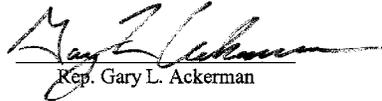
The steps outlined above are neither simple nor easy, but if Pakistan is to achieve President Musharraf's stated vision of a modern, moderate, secular state at peace with its neighbors, then they are steps that Pakistan must take. The United States can and should help but only to the extent that Pakistan has demonstrated progress in these three areas.

Thank you for your consideration and we look forward to your response.

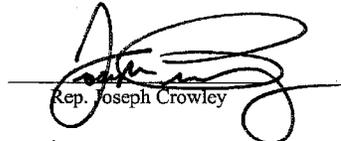
Sincerely,



Rep. Jim McDermott



Rep. Gary L. Ackerman



Rep. Joseph Crowley



Rep. Tom Lantos



Rep. Ileana Ros-Lehtinen



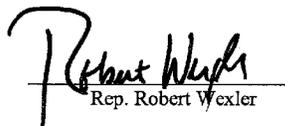
Rep. Frank Pallone



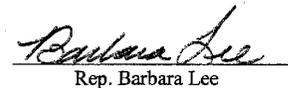
Rep. Harold E. Ford



Rep. Melvin L. Watt

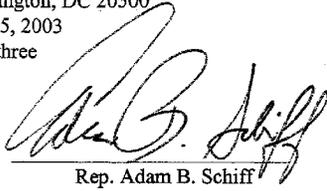


Rep. Robert Wexler



Rep. Barbara Lee

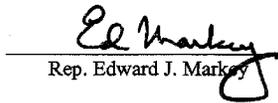
The President  
The White House  
Washington, DC 20500  
July 25, 2003  
Page three



Rep. Adam B. Schiff



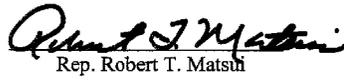
Rep. Howard L. Berman



Rep. Edward J. Markey



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**RECEIVED**

SEP 25 2003

Gary L. Ackerman, M.C.  
Washington Office

United States Department of State

Washington, D.C. 20520

SEP 24 2003

Dear Mr. Ackerman:

Thank you for your letter of July 25 to President Bush regarding the visit to the United States of Pakistani President Pervez Musharraf. The President has asked that I respond on his behalf. We appreciate your sharing with us your thoughts on how to advance key U.S. interests in developing our relations with Pakistan.

As you quite rightly observe, our relationship with Pakistan is complex and cuts across a number of U.S. policies and interests. We cannot, of course, forget the essential role that Pakistan has played in support of the international coalition's efforts in the Global War on Terrorism. We could not have achieved the successes that we have recorded to date were it not for Pakistan's cooperation. Beyond that, Pakistan is also a key interlocutor on other issues that we believe are central to achieving regional and, indeed, global peace and security, including our non-proliferation policies as well as the effort to promote peaceful resolution of Indo-Pakistani differences and an end to cross-border infiltration and violence in Kashmir.

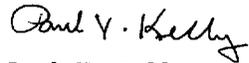
For all of these reasons, the Administration believes that our economic and security assistance programs are central to our ability to advance our goals and objectives with Pakistan. U.S. support for the efforts of the Government and people of Pakistan to build a strong, stable, democratic society, capable of providing prosperous and secure lives to its people is a core element of our relationship with Pakistan. We believe that it is these programs that are the most promising in terms of building a durable partnership with Pakistan that can lead to our long-term success.

The Honorable  
Gary L. Ackerman,  
House of Representatives.

We have made it clear to the Government of Pakistan, however, that success is a two-way street. While we are committed to working with the Members of Congress over the coming years to provide Pakistan with the assistance that we have discussed, we also expect that the Government of Pakistan will understand the need to demonstrate progress towards achieving our shared goals and objectives. In that regard, certainly the concerns that you expressed will be very much a part of the dialogue that we intend to maintain with the Pakistani leadership as well as with the Congress.

We look forward to working with you on these important issues over the coming years. If we can be of any further assistance, please do not hesitate to contact us.

Sincerely,



Paul V. Kelly  
Assistant Secretary  
Legislative Affairs

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STAFF DIRECTOR/GENERAL COUNSEL  
ANN WALSH BOELETS  
DEPUTY STAFF DIRECTOR

ONE HUNDRED EIGHTH CONGRESS  
CONGRESS OF THE UNITED STATES  
COMMITTEE ON INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515

TELEPHONE: (202) 225-5021

October 3, 2003

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The Honorable C.W. Bill Young, Chairman  
The Honorable David R. Obey, Ranking Member  
House Committee on Appropriations  
H-218 The Capitol  
Washington, DC 20515

Dear Chairman Young and Ranking Member Obey:

We write to you on a matter of profound importance to U.S. national security – the U.S. relationship with Pakistan. Since September 11<sup>th</sup>, 2001, the United States has embraced Pakistan as a stalwart ally in our war against terrorism. Indeed, we agree that Pakistan has taken certain steps regarding investigation and arrest of al-Qaeda operatives.

However, other aspects of Pakistan's behavior continues to be troubling. The uncertain steps towards democracy, disturbing reports of the proliferation of destabilizing weapons by Pakistani entities, and continuing evidence that Pakistan is a safe haven for terrorist and insurgent groups that are involved in attacks in neighboring countries should all be of grave concern to every member of this House. In particular, the fact that Taliban forces operating out of Pakistan are targeting coalition forces in Afghanistan, killing and wounding U.S. forces and destabilizing President Karzai's government, is a direct threat to U.S. national security interests.

In the context of the supplemental, if the Committee chooses to extend the authority contained in Public Law 107-57, as requested by the President, we strongly urge the Committee to establish three benchmarks for continuing U.S. foreign and military assistance to the Government of Pakistan -- progress to democracy, cooperation in counter-terrorism, and halting cooperation with other countries engaged in the spread of weapons of mass destruction. These criteria have been enunciated by the Administration as the basis for further foreign assistance to Pakistan. We have attached our proposed revision of the general provision proposed by the President.

The Honorable C.W. Bill Young, Chairman  
The Honorable David R. Obey, Ranking Member  
Page Two  
October 3, 2003

Pakistan's efforts in the war against terrorism should be recognized. However, we must ensure that we hold them accountable on issues of critical importance to the United States or our efforts to support President Musharraf will have proven to be ineffective.

Cordially,

  
TOM LANTOS  
Ranking Democratic Member

  
GARY L. ACKERMAN  
Ranking Democratic Member  
Subcommittee on Middle East and  
Central Asia

Specifically, we believe that the provision of the State Department "General Provisions" section of the Supplemental bill that renews the FY2002 exemption in PL 107-57 for Pakistan from prohibitions on U.S. foreign assistance to countries in which a democratic government was overthrown by a military coup should be altered so that a waiver of these prohibitions is allowed, so long as the President determines that Pakistan has satisfied these criteria. A similar waiver was authorized in PL 107-57 for FY03, although the criteria were less extensive than those the President has since enunciated.

We recommend the following:

Revise paragraph (1) to read as follows, adding nonproliferation and Taliban certification requirement:

#### 14. Pakistan

1. Sec. \_\_\_\_\_. Public Law 107-57 is amended --  
(1) in section 1(a), by striking "2002" wherever appearing (including in the caption); and  
inserting in lieu thereof "2004";- by having section (1)(b) read as follows:

**(b) FISCAL YEARS 2003 AND 2004.--**

**(1) WAIVER.--**The President is authorized to waive, with respect to Pakistan, any provision of the foreign operations, export financing, and related programs appropriations Act for fiscal year 2003 or for fiscal year 2004 that prohibits direct assistance to a country whose duly elected head of government was deposed by decree or military coup, if the President determines and certifies to the appropriate congressional committees that Pakistan --

**(A)** is making consistent and demonstrable progress in a transition to democratic government;

**(B)** has halted any cooperation with any state in the development of nuclear or missile technology, material and equipment or any other technology, material or equipment useful for the development of weapons of mass destruction, including exports of such technology, material or equipment; and

**(C)** is making consistent and vigorous efforts to respond to, deter, and prevent acts of international terrorism, is providing full cooperation with U.S. counter-terrorism activities in the region, and is taking significant steps to halt all cross-border terrorism and insurgent activity into India and Afghanistan, including shutting down all terrorist training and other relevant camps in Pakistan and apprehending and arresting members of terrorist organizations and the Taliban operating in Pakistan, including members of organizations that the United States has designated as foreign terrorist organizations.

**(2) Prior consultation required.--**Not less than 15 days prior to each exercise of the waiver authority under paragraph (1), the President shall consult with the appropriate congressional committees with respect to such waiver.

(2) in section 3(2), by striking "Foreign Operations, Export Financing, and Related Programs Appropriations Acts, 2002, as is" and inserting in lieu thereof "annual foreign operations, export financing, and related programs appropriations Acts for fiscal years 2002, 2003, and 2004, as are"; and

(3) in section 6, by striking "2003" and inserting in lieu thereof "2004".

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Congress of the United States  
House of Representatives  
Committee on Appropriations  
Washington, DC 20515-6015

October 8, 2003

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JAMES W. DYER  
TELEPHONE  
(202) 225-2771

Honorable Gary L. Ackerman  
Ranking Democratic Member  
Subcommittee on Middle East and Central Asia  
Committee on International Relations  
U.S. House of Representatives  
Washington, DC 20515

Dear Gary:

I received your letter requesting that three benchmarks be established for continuing U.S. foreign and military assistance to the Government of Pakistan – progress to democracy, cooperation in counter-terrorism, and halting cooperation with other countries engaged in the spread of weapons of mass destruction.

As we proceed with action on the Iraq supplemental appropriations bill for fiscal year 2004, we will certainly consider your interest.

Sincerely,

  
C.W. Bill Young  
Chairman

cc: Subcommittee on Foreign Operations,  
Export Financing, and Related Programs

○