

Address by

H.E. Mr. Khurshid Mahmud Kasuri, former Foreign Minister of Pakistan

on

**Evolution of Pakistan-India relations in the
first decade of the twenty first century**

at

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Mr. Mani Shankar Aiyar, M.P.,
Mr. Sudhir T. Devare,
Director General,
Indian Council of World Affairs.
Distinguish Guests,
Ladies and Gentlemen!

It is indeed a great privilege to be asked to speak at this prestigious forum on the evolution of Pakistan-India relations in the first decade of twenty first century. It gives me particularly great pleasure that my old friend Mani is presiding over this function.

Before going into details of this relationship, taking a look at the nature of our peculiar relationship would be in order. India and Pakistan's relationship is perhaps of a unique character. In order to understand this strange and complex relationship which arouses the best and the worst of emotions at different times, and has resulted in a strange obsession with each other, we have to delve long into history.

From Pakistan's perspective ever since Partition, a section of the Indian leadership was predicting an early end to this new country. From the very early days, therefore, Pakistani leadership was determined to do everything in its power to prevent this from happening. This naturally increased animosity between the two countries. The Kashmir dispute served to ensure the continuation of such feelings between the two countries. Both countries were not able to resolve their disputes, and the rift deepened. The issues of major and immediate concern between the two countries other than Kashmir are of course terrorism, water, Sir Creek and Siachen.

Our relations are, therefore, laced with suspicion and mistrust, and pose a serious challenge to peace and stability in South Asia. At the heart of this lie the unresolved disputes which not only adversely affected regional peace and security but also hindered economic development and efforts to eradicate poverty, illiteracy and disease in the two countries. Were it not for the almost perpetual tension, Pakistan and India could have achieved much better social indicators than they have at the moment.

It may be pertinent to mention here that from 1947 to 1951 Pakistan and India had almost the same voting record in the UN General Assembly, for example on South Africa, decolonization and Palestine which were the most important issues on the international agenda of that time. Both Pakistan and India took active interest in the non-aligned movement in its early days. Non-alignment can however, genuinely flourish only if the neighbors are not divided by major disputes. In Pakistan's case, therefore, as the smaller country, its founding fathers sought external support as a balancing factor with a neighbor vastly larger in size and resources. We can, therefore, draw a conclusion without going into details that, if external meddling in South Asia is to be avoided, we would have to resolve our disputes bilaterally. This will also take care of the zero-sum approach prevalent among some circles in the two countries.

I will now discuss the evolution of Pakistan-India relations in the first decade of the twenty first century. This was a period which witnessed many ups and downs in our relationship. It started rather ominously in the backdrop of Kargil. Let me quickly review it with you. The period between 1999 and 2002 witnessed a high level of tension between India and Pakistan due to a number of developments - Kargil in 1999, the inconclusive Agra Summit of 2001, and the attack on the Indian parliament in 2001, resulting in the mobilization of a million troops on the border, which ended in 2002.

India and Pakistan have different narratives on the most contentious issues that divide us. I am not going into the details of Pakistan's position here but I think it necessary to make a brief reference to Siachen because the Kargil operations that took place in mid 1999 formed the back drop to the developments that took place much before the first decade of twenty first century. In Pakistani mind there is a link between the two, however much Indians might disagree with this. It is, therefore, necessary to understand each other's perspective to remove the trust deficit. From Pakistan's perspective, India's occupation of Siachen was a violation of the Simla Agreement which bound the parties not to alter the situation there.

The Kargil issue in 1999 aroused a lot of passion not just in India but in the case of Pakistan, controversy as well, as to who knew how much. Without going into the details of the respective positions of the two countries, it is clear that while Kargil according to former president Musharraf highlighted the need to resolve the Kashmir issue, in my opinion, Pakistan paid a big diplomatic price and Kargil exposed Pakistan to a lot of international criticism.

This was the **first media war that India conducted rather successfully**. Pakistan at that time did not have private electronic news channels. Interestingly, one of the reasons that encouraged the government to open the media to private news channels was the experience of Kargil in which India dominated the airwaves.

Given the bitterness that Kargil generated in India, and the criticism of General Musharraf at the time, it is interesting to reflect why President Musharraf, when he was invited to visit India by Prime Minister Vajpayee in July, 2001 was lionized by the same Indian media. It has always intrigued me how this could have come about in such short a period. There can be quite a few reasons for this

transformation. Firstly, some circles in India felt that the resumption of the dialogue would lead to the easing of the situation in Kashmir. Secondly, since both the countries became nuclear powers in 1998, it had begun to sink in that there was no substitute for talks. Thirdly, India had begun to grow very fast economically and there was a desire by the rising middle class of India to play a major role in world affairs. India, however, realized that it could not play such a role effectively as long as the confrontation with Pakistan continued. In fact Prime Minister Vajpayee said that “you could choose your friends but not neighbours”

It may be recalled that the then foreign Minister of Pakistan Mr. Abdul Sattar has referred in his book to an article written on the New Year’s Day 2001 by Prime Minister Atal Bihari Vajpayee in which he highlighted the need for India to address two outstanding issues, namely, Kashmir and the Babri Mosque in Ayodhya. This article was welcomed in Pakistan and, just four months after the publication of the article, Prime Minister Vajpayee sent an invitation to the Pakistani President to meet him at Agra on 15-16 July, 2001.

At the same time despite Kargil, in the intervening period, President Musharraf being very media savvy, was able to project the need for friendly relations and was able to spread positive vibes in Pakistan about the need for peaceful relations with India.

Speaking to the press before the summit, the then Indian External Affairs Minister Mr. Jaswant Singh said that Kargil was a part of history. He spoke of India’s readiness to forget the bitterness of the past and move towards a “lasting peace and amity with Pakistan “. When asked about General Musharraf’s efforts to make Kashmir the focus of the Agra summit, the Indian External Affairs Minister said that India has never “shied away” from discussing the issue and was prepared for a substantive discussion on it at Agra adding that India had its own “core concern” to take up “including cross border terrorism.”

The people in the two countries also saw the visit as a significant step towards peace. The existence of 24 hours news channels at the beginning of the century made this the first television summit in India and Pakistan, and raised very high expectations not just in South Asia but also worldwide and international media and major news channels projected it as the leading story for many days. Unfortunately, however, despite a strong desire in both Pakistan and India at least at the level of the public for the meeting between the two leaders to succeed, Agra did not live up to its expectations.

Many reasons have been given for the failure of Agra and Pakistanis and Indians have, quite unsurprisingly, very different versions regarding the causes of the failure. This is not the place to go into that; although I do plan to go into this more analytically in my book which, hopefully, will also help promote peace between two countries since it will facilitate in understanding each other’s perspective better. In my view, however, there was perhaps a more important reason for the inconclusive outcome at Agra; this was the relative lack of any preparatory work or staff work before the meeting was held. My own experience tells me how difficult, pains-taking and time-consuming our efforts were on the back channel, spread as they were over a period of 2-3 years in numerous meetings at different locations of the globe before we could hope to achieve some concrete outcome regarding our bilateral disputes.

The popular version in India regarded the breakfast meeting that President Musharraf had with Indian editors, where he emphasized the centrality of the Kashmir dispute, as ‘grandstanding,’ and was held to be the major cause of the failure. The popular version in Pakistan speaks of differences within the

then Indian government, but it is not appropriate for me to speak about that here, since I am more interested in the future.

The last major event before the assumption of office by me as Foreign Minister of Pakistan was the largest mobilization of troops on our borders, since the First World War (Operation Parakram), when a million soldiers stood eye ball to eye ball for almost a year. This ended in October, 2002 and occurred following a terrorist attack on the Parliament House in New Delhi. Unfortunately, there were casualties among security forces guarding the Lok Sabha but mercifully none of Ministers or Members of the Parliament were hurt.

Many in Pakistan saw the end of mobilization as indicating a realization by India that bilateral disputes could only be resolved through a dialogue. This was considered a welcome development in Pakistan. This was the immediate backdrop of the assumption of office by me in November 2002.

I have always believed that **peace with honour** is the way forward in relations with India. **The two countries had tried wars and mini-wars.** I did not believe that there could be a military solution to the Kashmir issue. In the end, we all have to come to the negotiating table. The world was changing very fast, more so, after 9/11. There was a growing confidence in the country after the establishment of nuclear parity in South Asia. Furthermore, our economy was also doing very well as was India's and new terms BRIC referring to Brazil, Russia, India and China as rising economic powers and N11 standing for 'next eleven' emerging economies including Indonesia, Turkey and Pakistan were in vogue. No wonder there was so much confidence and optimism in the air at that time. I strongly believed then, as I do now, that we had to move forward, notwithstanding the legacy of suspicion and mistrust – and that war was not an option. I always believed that peace with honour was possible with India. That is what guided my stance at the Foreign Office and remains my position today.

I was also conscious of the fact that we had to start by building trust and avoid useless propaganda, rhetoric and 'grandstanding.' We had to be patient while maintaining contacts at the highest level. I have already said that war was not an option. The only feasible alternative was to continue to seek a peaceful resolution of our disputes. Such an approach would be good for our economy and security as well as for stability in the region which alone could guarantee the level of economic development, investment and a focused planning effort that a burgeoning population demanded.

For many reasons, it was being felt increasingly in Pakistan that an attempt at peace with India on a mutually acceptable basis was worth trying. Firstly, as already noted that nuclear tests provided a sense of security and confidence to the people of Pakistan to move forward on relations with India including that on Kashmir. Secondly, given the lack of success in the official dialogue and the history of wars, suspicion and mistrust, it was felt that there was a need to widen the base of engagement through contacts with the media, think-tanks and civil society representatives. Informal contacts, described as Track II diplomacy involving former diplomats and military officials as well as civil society activists were resumed. The aim of widening the base was to create a constituency of peace in the two countries that would begin to affect the official positions which had remained largely frozen over the years. The room for maneuver in negotiations had been quite limited. I was a strong supporter for using informal contacts. I also decided to interact with the Indian media more regularly, so that Pakistan's message could get through to the people of India directly. **I started doing this at a time when it was considered unconventional and risky for Foreign Ministers in office to do so.** I also interacted intensively with civil society in Pakistan to enlarge the constituency of peace in our country.

Thirdly, examples of the success of regional organizations like ASEAN and EU were beginning to evoke a positive response among the people of Pakistan. The example of ASEAN was particularly inspiring, because despite the suspicions and tension between the members of ASEAN and including expressions of public anger (such as Indonesia's call to 'crush Malaysia' in the pre ASEAN days) considerable progress in regional cooperation had been achieved. There was a feeling that the world today was moving away from a period of tension and hostility and inching towards an era of cooperation, understanding and peace. While EU's example was visionary, and perhaps one to follow in the fullness of time, ASEAN offered a good example of how regional countries even with tense and difficult relations and situated closer to our region could overcome their history and move on in promoting regional cooperation, peace and understanding.

Similarly, as noted earlier there were factors on the Indian side in favour of a forward movement in relations with Pakistan. This change became possible also because of the following broader realizations on both sides: A conclusion by the leadership in India and Pakistan that tension in the region would have disastrous impact on their economies. It may be recalled that the Federation of Indian Chamber of Commerce and Industry had appealed to the Indian government to take steps to end the tension during this period.

The Indian economy, which had registered a growth of 8% in the early nineties, experienced a decline following tensions with Pakistan during 1999-2003. Travel advisories by major Western countries advising their citizens to avoid traveling to India and Pakistan had a major effect on the business community. Similarly Pakistan's economy had also suffered as a result of increased tension with India.

Pakistanis felt that there was a growing realization in India that despite its larger size and resources, it could not impose its will in the solution of bilateral disputes between hetwo countries. Pakistan's military doctrine, anyway, was aimed at maintaining a minimum credible deterrence. It thus followed that we would have to think of an alternative strategy for a solution to the Kashmir dispute which would satisfy the people of Kashmir, India and Pakistan.

The changing international environment also played a role. This included not just the major powers but also close friends of Pakistan including China, Saudi Arabia, Iran, Turkey, the Gulf countries and others who did not want a confrontation between the two nuclear powers. Gradually, in view of the above reasons, a popular sentiment in favor of peace was emerging in both countries.

Following the above, and, the realization of a changing political landscape internationally, as well as the fact that both the countries had begun to realize that they could not wish each other away, and having tried everything else, it was decided to take a road less travelled; and this made a huge difference.

Prime Minister Vajpayee on April 18, 2003 offered in his own words "a hand of friendship" to Pakistan. Prime Minister Jamali welcomed the announcement and telephoned the Indian Prime Minister inviting him to visit Pakistan and thus started the process of the normalization of ties which resulted in significant improvement in relations.

Progress on the Resolution of Key Issues including
Kashmir, Siachen and Sir Creek

Ladies & Gentlemen,

In my view, the prospect of an enduring relationship built on mutual trust will only be possible if the two countries engage in a frank and candid dialogue as, we were able to do this during our tenure i.e. 2002-2007; it is my fervent hope that we would be able to do that again. In fact we have no alternative. While there can be no guarantee that dialogue will always produce results in resolving issues between any two countries, it is absolutely clear that the absence of a dialogue will not lead to any result whatsoever. In fact given the history of Pakistan-India's relations, in the absence of a positive impetus, there is a strong likelihood of the relations deteriorating.

We did resume a dialogue with India in 2004 discussing all outstanding issues and were near resolving some of the most intractable ones including those on Kashmir, Siachen and Sir Creek by the end of 2006. Unless and until we resume the dialogue, the stalled process would only make things worse, since this deadlock increases the existing distrust between the two countries. I am happy to note that serious efforts are afoot, on both sides, to resume the dialogue process. I understand that the two Foreign Secretaries would be meeting early next month in Thimphu to set the ball rolling. I wish the two sides every success.

It is with pleasure that I recall that as a result of our dialogue, during the period November 2002 to November 2007 a lot of progress was also made in people to people contact. Who would not remember the Lahore and Mohali cricket Tests with youngsters holding Pakistani and Indian flags which were also painted on their cheeks and in many cases cheering both the sides. This had at that time been aptly described as a **public celebration of peace**. We saw in this period a relatively more liberal visa regime, progress on the Composite Dialogue and as well as on the backchannel on Kashmir, Siachen and Sir Creek. Perhaps it is because I saw progress at such close quarters on the outstanding issues as well a noticeable improvement in the overall context of our relations, that I have the confidence to believe that lasting peace can actually be achieved between our two countries. I strongly disagree with those cynics that Pakistan and India are incapable of resolving their issues bilaterally. (I also read, with considerable satisfaction, of the tumultuous and spontaneous applause which our Commonwealth contingent received at the recent games in Delhi). This shows that perhaps our ordinary people know something which the two foreign Officers take longer to grasp.

If you were to measure the level of progress made and the confidence generated between the two sides you had to only look at the joint statement on the irreversibility of peace process on 18th of April, 2005 in New Delhi under the leadership of Prime Minister Manmohan Singh and former President Musharraf. At that time we felt that in making the peace process irreversible, we would not be handing over a veto to the terrorists over the peace process. We felt that this will make the peace process sustainable.

Ladies & Gentlemen,

I believe that the two countries need to move forward on the Kashmir issue. Recent events in Kashmir make the need for a negotiated settlement all the more important. Again, I agree with those perceptive Indian analysts who say that India could achieve its real potential after resolving its disputes with Pakistan.

Speaking for myself I can say with confidence that as a politician all my life, belonging to a political family as I do, also as one who has been elected a member of parliament from a constituency in Central Punjab on the Indian border - and as former Foreign Minister for five years, that peace with

India is not only in the national interest of Pakistan but can also be sold to the people of Pakistan provided it is peace with honour. History teaches us that only peace with honour can be lasting. India is a big country and may have extra regional ambitions. As far as Pakistan is concerned, our very doctrine is one of minimum credible deterrence aimed at protecting Pakistan's national security.

Another reason that gives me confidence is that every major political party of Pakistan supports a negotiated settlement of all outstanding issues, including Kashmir. This implies that if India were to show some flexibility, Pakistan would reciprocate in full measure. In this connection it is correct that while a lot of progress was made during our tenure in office, earlier former Prime Ministers Nawaz Sharif and Atalbihari Vajpayee also had shown leadership and courage in restarting this process in February 1999 when Mr. Vajpayee undertook his famous bus journey to Lahore on the invitation of the then Prime Minister Nawaz Sharif.

Similarly, Mohtarama Benazir Bhutto during both her tenures made concerted efforts to improve the relationship between the two countries. MQM, ANP and even Jamiat Ul Ulema Islam, under the leadership of Maulana Fazal-ur-Rehman, have supported a negotiated settlement on Kashmir. Equally in India, an almost similar situation prevailed among major political parties. Prime Minister Vajpayee started the process which Prime Minister Manmohan Singh continued with equal passion. During my tenure, I found the leaders of the Left Front were very supportive of the peace process. This was equally true of leaders of different regional political parties in India as well.

As Foreign Minister, I made it a point to deal with a large spectrum of Indian political leadership, since I felt that this would sustain the quest for peace. Ironically, in Pakistan major efforts were made by both former President Musharraf and former Prime Minister Nawaz Sharif, who can find little else to agree on.

Perhaps one reason why there is such a strong need for a negotiated solution of Kashmir is the recognition in both countries that Pakistan and India have tried everything in their power to enforce their version of a Kashmir settlement. They had fought five wars if you include the two minor ones in the Runn of Katch and in Kargil. There had been various mobilizations of troops, including the largest one since First World War (Operation Parakram), in which a million soldiers remained eye ball to eye ball for almost a year. After nuclearization of South Asia, following tests by India and Pakistan, war between the two countries has become nearly impossible.

That being the case, it was equally clear that any solution we found would not be an ideal one from the perspective of the Kashmiris, Pakistanis and the Indians. It could be the best under the circumstances. It had to be one that the Kashmiris would accept, and one, that the leaderships of India and Pakistan could sell to their respective peoples whose perspectives were radically different. **It would seem to many people that such a solution could just not be found.** It was precisely to find such a formula that the two leaderships directed their representatives involved in the backchannel to remain engaged. No wonder the non-papers went to and fro innumerable times.

The backchannel negotiators met in different locations in many countries to preserve the secrecy of the process. They brought the drafts to the principals in the countries, where changes were made and sent back to the other side and so on and so forth. It was after approximately three years of such painstaking work, which sometimes even involved changing punctuation in different drafts that the two governments felt that they had almost agreed on the draft of an agreement towards the end of 2006 beginning 2007. **They felt that on the basis of this diplomatic work they would be in a**

position to present the draft of an agreement to their respective constitutional authorities for their approval. It was also felt that this draft would be acceptable to an overwhelming majority of Kashmiris, Indians and Pakistanis. There never could be a draft which would meet with 100% approval of Kashmiris, Indians and Pakistanis, and we never pretended that we had produced one.

The major features of the draft Kashmir agreement involved, inter alia, a gradual demilitarization as the situation improved, self governance and a joint mechanism involving Kashmiris from both sides as well as presence of Pakistani and Indian representatives in this process in some form or another. **The purpose was to improve the comfort level of Kashmiris.** The joint mechanism envisaged cooperation in various fields including exploitation of water resources and hydro-electric power. Self governance also provided maximum possible powers to Kashmiris to manage their political, economic, financial and social matters and those pertaining to economic development as well as for enhanced travel and economic interaction on both sides of the LOC. For practical purposes, as far as the Kashmiris on both sides are concerned, the LOC would be made irrelevant for movement of goods and people and mitigate the misery of the divided families of the Kashmir.

The agreement provided for a review after 15 years. The Pakistani and Indian sides realized that in view of the history of the Jammu & Kashmir dispute, no solution that they could think of would be an ideal one since it had to be made acceptable to all three. We were aware of the fact that there would be general support for this agreement; but, we also realized that there would be criticism from some sections in Kashmir, Pakistan and India. As already indicated, in the very nature of things, it is impossible to produce a solution which will be equally acceptable to everyone. It was for this reason that we decided that the arrangement that we had arrived at would need a review at the end of 15 years during which its implementation would be monitored with great care by all the parties concerned, and in the light of the experience, this arrangement could be further improved.

In the words of the Pulitzer Prize winning author, Steve Coll in the New Yorker of March 2, 2009, in an article titled 'The Back Channel' it was not just the settlement of Kashmir itself, but, an end to covert wars and suspicion and would have led to greater trade cooperation between the two countries and this would in his words have become **“a cleansing peace and a transformational peace between Pakistan and India.”**

Such was the degree of progress on Sir Creek and Siachen that agreement on the two could be signed at anytime. On Sir Creek, the two countries have carried out a joint survey and they have an agreed map which would facilitate early decision about demarcating the land boundary of Sir Creek. As regards Siachen the two countries have worked out schedules of disengagement whereby the concerns of both India and Pakistan could be met.

If there are still people in India or in Pakistan who doubt that progress was indeed made during our tenure, I can do no better than to quote the current leaders of Pakistan and India. President Asif Ali Zardari in his very first press conference at the Awan-e-Sadar standing next to President Hamid Karzai of Afghanistan said in September, 2008 and I quote “The nation will soon hear good news on Kashmir.” But the question arises how he could have come to the conclusion immediately after his inauguration and obviously before the new government could have done anything at all in this connection. The reason is obvious. He had been fully briefed about the progress on the back-channel and thus felt confident that there would be good news on Kashmir soon.

Similarly, during this period, Prime Minister Manmohan Singh spoke optimistically about Paksiatn-India relations. On one occasion, he said “I dream of a day when, **while retaining our respective identities, one can have breakfast** in Amritsar, lunch in Lahore and dinner in Kabul; that is how my forefathers lived. That is **how I want my grandchildren to live.**” He also spoke periodically about the need for strengthening business to business relationship between the two countries business communities. Prime Minister Manmohan Singh while recounting the achievements of his Government on the eve of general elections on 2nd May, 2009, confirmed that the two countries had nearly reached an agreement to all outstanding problems between the two countries. Regrettably, however, after the national focus turned towards the judicial crisis in Pakistan, the process was halted-----temporarily I hope.

A related question that people sometimes ask me in hushed tones these days is whether the agreement that we had arrived at had the support of the Pakistan Army. **Of course, it had the support of all the stakeholders.** It is unthinkable that an issue of this nature could be negotiated without having all **the stakeholders on board.** Besides the Presidency and the Foreign Office, the Military was appropriately represented. Former President Musharraf in response to a question whether he took into confidence his Corps Commanders, is on record in saying on more than one occasion that he used to take everyone on board. Furthermore, Pakistan Army high command understands clearly that national security is a very broad concept and military preparedness is only one, albeit, a very important component of it. The concept of national security includes economic and political stability and a settlement with India on honorable terms strengthens Pakistan’s national security.

It is also pertinent to mention here that while President Musharraf may not be on the scene presently, national interest does not change radically over a period as short as two or three years and more so while some of the major actors involved on the back-channel are still very much around. I am aware that some of you may refer to certain statements attributed to army leadership in Pakistan. Since I left office, quite a few people have asked me the question whether the Army had staged a U-turn on the agreements on the back-channel on Kashmir. Since I currently do not hold office, I could only speak on the basis of analysis, of course informed by own experience, that those statements are tactical in nature and in the background of approaching end-game in Afghanistan. I felt vindicated when a cable from Ambassador Patterson sent from Islamabad to Washington was disclosed through the Wikileaks. I read with interest a news item published in Pakistan in the major national newspapers that General Kayani supported the back-channel. It is also important to point out that this cable was sent in October 2009, almost two years after I left office. Since the news leak has made that cable public property, I would like to quote an extract of this news item regarding the cable to illustrate my point. In a two hour meeting in October 2009, Ambassador Patterson asked General Kayani about the likelihood of restarting the back-channel talks with India. Referring to me she said that former Foreign Minister Kasuri had spoken of the progress on the back channel and that he (that is me) supported the appointment of former Foreign Secretary Riaz Mohammad Khan as the back channel negotiator to continue the process forward since he was fully involved in that process. According to the cable General Ahmed Shujaat Pasha DG ISI also attended the meeting and that both General Kayani and General Pasha wanted this channel to succeed and further that General Kayani also expressed his confidence in Ambassador Riaz Mohammed Khan as the back channel negotiator. It is thus clear from the leaked document that the Pakistan Army still supports the peace process with India and even wants the former Foreign Secretary, a person who was fully involved earlier on both the front and back channels to continue with this process.

I feel I must address another issue here and that is the institutional one. Quite a few Indians believe that the Pakistan Army is the major hurdle in the process of normalization between the two countries. I have already, in this speech, given some details of the type of agreement that was being negotiated on the back channel and that it had the full support of all the stakeholders, inter alia, including the Army. I can do no better to further support this argument than by quoting a speech delivered by my friend, former Petroleum Minister Mani Shankar Ayer, who is presiding over this function today and who was gracious enough to quote me in his speech delivered recently in Delhi. Mani has greater awareness of Pakistan than most Indians, and not only because he was posted in Karachi for three years as Consul General and frequently travels to Pakistan. He does not agree with the view that India cannot deal with the Pakistani military, and goes on to give details about India's dealings with various military leaders. Starting with the takeover of General Ayub Khan in Pakistan which according to Mani, created nervousness in India lest similar Bonapartism spread to your country, Mani correctly mentions the agreement signed on the Indus Waters Treaty during his time. He also refers to the fact that Sheikh Abdullah and Mr. Jayaprakash Narayan and others went on a successful, or at least a promising peace mission to Pakistan when Pandit Jawaharlal Nehru suddenly died. He also notes, General Zia-ul-Haq efforts to lower the temperature which began building up over an Operation Brasstacks. I agree with all of this as well as his comment that during General Musharraf's time more progress was made than perhaps at any other time in India-Pakistan relations.

As I have indicated in my speech progress has ofcourse ,also been made when talks have been at the helm e.g. Indira-Bhutto talks led to Simla Agreement and Nawaz.and Vajpayee signed the 'Lahore Declaration' you may have also noticed,that over the years, that through Composite Dialogue and the back channel, the position of the two countries on various issues of mutual concern, including Jammu and Kashmir, has come relatively close to each others. We have to therefore, think of a meaningful way forward but in order to do so we have to first overcome the impasse in the stalled dialogue following the Mumbai attacks.

Ladies & Gentlemen,

I am very aware of the deep anguish and pain felt by the government and people of India following the Mumbai terrorist attack. The Indian side has insisted that Pakistan must give visible signals on the follow up action in punishing those who carried out the Mumbai attacks, as a precondition for the resumption of the Composite Dialogue, which had in recent years made considerable progress. I do, however, feel that the instincts of Prime Minister Manmohan Singh were right at Sharm-el-Sheikh in July 2009 when he met with Prime Minister Yusuf Raza Gilani and the two agreed to resume the dialogue I know that the joint statement that was issued there had a negative reaction around many quarters in India.

Pakistan has maintained that it is doing its best and that the case is in the Court, while noting that the Pakistani Judiciary is very independent. Unfortunately, however, the legal processes in South Asia take a very long time. Fortunately, our two countries follow the same legal system which makes it easier for us to understand and appreciate the legal intricacies as well as the delays. The judiciary in Pakistan is very independent and even the President, the Prime Minister and Cabinet Ministers have not been spared in judicial proceedings, and many ministers have been forced to appear personally before the Supreme Court. Many people accused of even terrorist attacks in Pakistan, including attacks on its Security establishment have been released on the orders of Supreme Court of Pakistan for what the Courts consider to be insufficient evidence. I know that this poses a major problem. There is yet another problem; the judicial process throughout South Asia moves at an extremely slow

pace. I remember that when I came to Delhi in February 2007, His Excellency Mr. Pranab Mukherjee, the then Minister for External Affairs, promised to share with us the results of the investigations in the Samjhauta Express terrorist attacks and in which a large number of Pakistanis were killed & an even larger seriously injured. I believe that perhaps ,at least in part due to , the slowness of the judicial process, not much concrete evidence has been shared with Pakistan. I may also add that the Samjhauta blasts took place on the eve of my visit to India. I was advised by a number of persons as well as by sections of the media, to postpone my visit to send a signal to India. I decided to go ahead with the visit, in the larger interest of our bilateral relations.

I would also like you to consider that Pakistan is perhaps the greatest victim of terrorism in the world today. 4678 lives were lost through acts of terrorism in 2010 and there were 2060 military casualties in counter terrorism operations in the federally administered tribal areas. Pakistanis also realize linkages between different terrorist organizations. There are a very few people in Pakistan who are not conscious of the Pakistan's own national security. Despite all our efforts, United States continues to ask us to do more while we continue to ask the United States to do exactly that. So where is the catch? It **perhaps lies in the capacity or incapacity of a state to enforce its writ in areas under its control.** What else would explain the failure of the United States of America to stop cross border movement of Afghans into Pakistani territories or for that matter Mexican drugs peddlers across the border into the US. I would like to state, that one reason lies in the relative incapacity of most modern states to tackle the latest form of asymmetrical warfare that conventional armies are forced to confront. Even powerful states are finding it difficult to combat motivated terrorists who are prepared to die for their cause.

Coming to Mumbai again, I remember during our tenure we had also faced a grave situation after the serial train bombings in Mumbai in 2006. We were able to save the peace process then because we had made lot of progress by that time not just over discussing our contentious issues but also because the people to people contact had given a stake to the ordinary people of Pakistan and India in preserving this process . I still feel that the best way to tackle this issue is to deny the terrorist the satisfaction of disrupting the peace process. I am aware of the fact that following 26/11 after the admission of Ajmal Kassab, India has proposed a video conference, which was not accepted by Pakistan since according to Pakistani legal experts such evidence is not permissible under our law. I believe that Pakistan has proposed a Judicial Commission to go from Pakistan to India to speak to officers who interrogated Ajmal Kassab to satisfy the requirements of Pakistani Law. This, I believe, is awaiting response from India. I am, however, heartened by the reports that Pakistani and Indian Home Ministers had a good meeting in June 2010 in Islamabad. I hope that this will be followed through and that Foreign Minister Shah Mahmood Qureshi and the External Affairs Minister S.M. Krishna will be able to break this deadlock during their next meeting. For the sake of peace in South Asia I wish them all the success.

Indus Waters Treaty and the water issue

Another issue that has taken the centre stage in Pakistani public perception is the issue of the water sharing between India and Pakistan . Concern is growing in Pakistan that India is controlling the **timing of the flow of water** of the rivers from India into Pakistan, especially the Indus, Chenab and Jhelum rivers.

Water is a matter of vital concern to Pakistan: In accordance with the Indus Waters Treaty between the two countries in 1960 while Pakistan receives unrestricted use of the western rivers,

India is allowed exclusive rights to the waters of Ravi, Sutlej and Beas, with the stipulation that the natural timing of the inflow of water reaching Pakistan should not be affected, since Pakistan's agriculture depends upon waters availability during the sowing season. India has the capacity to have a major impact on the timing of the flows into Pakistan. If the Indian dams are filled in the wet season, it would matter much less to Pakistan. During the period of low flow, this would affect Pakistan very severely and as you know, despite massive urbanization over the recent years, and the growth of the middle class, a large majority of our population still lives in the rural areas and depends for their livelihood on timely availability of water for agriculture. I know the Indus Waters Treaty has stood the test of time; however, since it was concluded more than 40 years ago (1960), we have witnessed global warming, climate change, massive increase in populations coupled with a remarkable improvement in technology. There is a need, therefore, that while we maintain the Indus Waters Treaty, we need to approach it in the context of changes referred to above to make it more effective through greater trust and cooperation.

Trade between Pakistan and India

Bilateral trade between India and Pakistan has had a checkered history. It was stopped due to the 1965 war and was revived in 1974. The period before 1965 witnessed perhaps the best period of our bilateral trade relations. Trade, however, was restricted to public sector only. In 1979, the private sector was also allowed to trade in a restricted number of goods. India granted MFN (Most Favored Nation) status to Pakistan in 1995 and has been calling for reciprocity. However, according to Pakistani businessmen, due among other factors to non-tariff and para-tariff barriers, trade balance has been disproportionately in favor of India. Pakistani businessmen attribute this, in part at least, to the absence of a level playing field.

South Asian Free Trade Agreement (SAFTA) was signed at the Islamabad SAARC Summit in January 2004. The objective was to, inter-alia, promote regional trade and economic cooperation amongst various countries of SAARC including India. However, according to the Indian position, Pakistan did not comply with the provisions of SAFTA and during the composite Dialogue, at a meeting in August 2004, India demanded MFN status.

Nonetheless, when the matter was raised in Dhaka at a meeting of the SAARC Council of Ministers, in July, 2006 it was decided to refer the issue to SAARC Commerce Ministers meeting. Pakistan took the position that non tariff and para tariff barriers needed to be removed by India for creating a level playing field consistent with the SAFTA Charter. I, myself raised this issue with the honourable Prime Minister of India Dr. Manmohan Singh. He was gracious enough to agree to appoint a Committee to look into these concerns raised by Pakistani businessmen. Since I am not currently in office, I do not know the latest position on this issue. Be that as it may, I remember we tried to increase bilateral trade by vastly increasing the size of the Positive List. I recollect with satisfaction that as a result of these efforts direct trade with India went up by about 1000 % from an embarrassing 200 million dollars to more than 2 billion dollars by the time I left office. It may be higher now. I know that in view of the potential of these two countries and given the political will, sky is the limit. As we resume dialogue, **we should revisit these issues.**

If our trade relations with India were to normalize, perhaps it will agree not to block Pakistan's entry into regional blocks like the Indian Ocean Rim Association for Regional Cooperation (IORARC). IORARC was launched in 1997 and provides a vibrant trading network to the economies of the Indian Ocean states which have been bound together in a cooperative economic community.

In fact, the peace process, supported by trade, will strengthen both the process itself and the commercial exchanges, as in many other regional organizations, including, the ASEAN. In fact there are examples of countries where differences amongst nations are slowly and gradually resolved once they begin to trade freely. This happened in Europe after the Second World War and in ASEAN. The strong support extended by our government during its tenure on the Iran-Pakistan-India gas pipeline and on the Turkmenistan-Afghanistan-Pakistan-India gas pipeline, also known as TAPI, was made in this spirit.

The Way Forward

The way forward is to move towards a positive sum approach dealing with common challenges and focusing on the welfare of the people. The leadership of the two countries can provide a lead in this regard by giving peace a chance

We should **set our eyes on the future**, while recognizing this to be one of the most complicated and unpredictable relationship. We should approach this objective with a positive mind by addressing the trust deficit at the government and at the people to people levels. There is, of course, no magic formula but it is incumbent on all of us to pave the way forward for a resumption of the dialogue on issues of mutual concern including **Kashmir, Terrorism, Water, Siachen and Sir Creek**.

The biggest problem between India and Pakistan currently is the absence of trust. Anything that addresses this trust deficit is, therefore, helpful in the way forward. In this regard let me recall what Prime Minister Vajpayee had said **‘that you can change history but not geography’** during a debate in the Lok Sabha. Prime Minister Manmohan Singh echoed similar sentiments also in a debate in the Lok Sabha, where he said “as neighbours it is our obligation to keep our channels open. **Unless we want to go to war with Pakistan, dialogue is the only way forward**”.

In this situation of distrust, the political leadership in **the two countries should show political will to resolve the outstanding issues**. They have to initiate a peace process in which the two countries address each other’s core concerns including those on Jammu and Kashmir, terrorism, Siachen and Sir Creek and water or for that matter any other issue that either side wishes to raise. I am sure despite the specified items listed in the Composite Dialogue, this would not and did not pose any problem in the past where Foreign Ministers and Foreign Secretaries were able to raise any issue and discuss any matter of concern to either side.

Media and more particularly, the electronic media plays a major role in influencing public opinion all over the world. In this connection a tie up between two major media groups, ‘The Times of India’ and ‘The Jang/Geo’ group in Pakistan is a very promising development. I sincerely hope that similar tie ups will occur among other media groups in Pakistan and India. In fact, during my current visit to India, I have met people from other Indian network who are planning similar tie ups with groups in Pakistan to promote to peace. I am very happy to hear this. As Foreign Minister, I engaged extensively with the Pakistani and Indian media to carry forward my endeavors regarding peace between Pakistan and India. I particularly encouraged SAFMA (South Asia Free Media Association), an organization of journalists in South Asia dedicated to promoting greater understanding and cooperation. I would like to acknowledge that they played a very useful role in supporting the Peace process during our time. I would appeal to the media in both the countries to be more careful in handling contentious issues including acts of terrorism. This positive role by the media is particularly required at this time so that the peace process that has been interrupted can be resumed.

In this connection I would like to point out that India TV channels are carried by cable operators and are widely viewed in Pakistan. Pakistani channels are, however, not allowed to be shown in India, although, I am told that they are prepared to meet all the requirements in this regard.

I also feel that politicians, particularly the parliamentarians, have to rise above partisanship in Pakistan-India relations which impact both the countries in various complex ways. In my own humble way, I have always tried to rise above partisanship on issues of major national concern in our country and I definitely regard Pakistan-India relations of vital interest, not only to the peoples of both these countries, but to the well being of the South Asia as a whole. It is with this spirit that I come here today and wish Foreign Minister Shah Mehmood Qureshi a successful visit to India, despite the fact I am currently in the opposition. It was also in that spirit that I had earlier referred positively to the efforts of former Prime Minister Nawaz Sharif who belongs to a different political party. In India as well, I am sure this is possible because the peace process was started by former Prime Minister Atalbihari Vajpayee of the BJP and carried forward with great dedication by Prime Minister Manmohan Singh of the Congress.

In my opinion the parliamentarians belonging to different political parties of the two countries need to play a dual role - both public and private. Private role which could perhaps be performed more effectively by a group of like-minded persons behind closed doors can be very helpful. I attended one such meeting in Islamabad recently, where there were a large number of parliamentarians from India and Pakistan who spoke from their heart and this catharsis was helpful in many ways. It greatly helped in understanding each other's perspective without any public grandstanding. It was useful also because almost all major political parties of Pakistan and India were represented in this meeting organized by PILDAT an important NGO in Pakistan. I have no doubt that those who attend such meetings are in a position to mould opinions in their respective political parties. I feel we need more of such meetings. Those parliamentarians who feel strongly enough and are prepared to expend political capital for this purpose, can go public through media interaction, organizing lectures and holding conferences to promote a better understanding of each other's concerns.

Our relationship has witnessed **many vicissitudes and periods of missed opportunities**. We should not let this happen again. The future of our relationship need not look like the present. It should rather look more like the recent past when there was cautious optimism about the relationship and when the two sides were committed to the irreversibility of the dialogue. It is abundantly clear to me that only an engagement can lead to a solution while a deadlock in dialogue leads us nowhere.

I have spoken of the need for the irreversibility of the peace process. My friend Mani has gone even further and has spoken of the need for an uninterrupted and an uninteruptable dialogue. If such a suggestion had come from somebody like me it might have been construed as mere romanticism, but, coming as it does from an old and experienced Foreign Service hand such as Mani, I feel his suggestion deserves a serious consideration. His logic that the dialogue process has to be made immune to periodic episodes that continue to apply pressure on the peace process and end up disrupting it, is very sound indeed. It was similar logic that led to the Joint Statement in New Delhi in April 2005, regarding the irreversibility of the peace process.

To address India's concern about terrorism, I have a proposal. The Anti-Terror Mechanism which was agreed by the two countries in Havana in September 2006 has met four times, the last meeting being in 2008. I am aware that India is not satisfied with the working of the Anti Terror Mechanism. I am sure that Pakistan would be ready in the light of the experience, as well as of the shortcomings

pointed out by India, to strengthen this mechanism. Furthermore, according to press reports, in view of the importance of subject. The Government of Pakistan would be open to any suggestions to address India's concerns in this regard. I am making this proposal because I was present in Havana when this mechanism was agreed to and there were high expectations at that time which have unfortunately not been fulfilled.

The threats to Pakistan and India from terrorism are so great that a joint approach by both countries would help to stamp out this menace. As already indicated above, the meeting of the Indian Home Minister P. Chidambaram with his Pakistani counterpart Mr. Rehman Malik in June 2010 in Islamabad provided a useful opportunity for the two countries to agree on the need for cooperation on the issue of terrorism.

On Siachen, I recall that **both sides had agreed to work towards a settlement based on redeployments** and establishing a zone of **disengagement in the area**. India's fears of a possible Pakistani ingress into the vacated areas were also addressed because the agreement would have a monitoring mechanism and attached schedules indicating current positions as well as the position before disengagement. In fact, the Prime Minister of India expressed his desire to make Siachen a **Mountain of Peace**. It goes without saying that he was aware of the progress being made on the issue. He could not have been speaking in a void and was hopeful about a positive outcome. The agreement awaits signature for a number of years. This issue can easily be resolved given the political will .

Likewise on the Sir Creek issue ,the two sides have conducted a joint survey and have an agreed map which should facilitate an early decision on demarcating the boundary of Sir Creek. Now,the political leadership has to decide how to demarcate the area for which all the technical work has been completed.

I have also informed you of the progress made on the Kashmir issue and references to that were also made by Prime Minister Manmohan Singh as noted earlier. We have to therefore, pick up the threads from where we left in 2007.

Pakistan wishes to have friendly, cooperative and good neighborly relations with India. We have to work with you to resolve all outstanding issues peacefully and to promote and enlarge the constituency of peace in our countries. We can then work out modalities for a win-win situation with a thrust on economic and trading partnership. This would throw up enormous opportunities which can be realized through mutual cooperation. We are not destined to live as adversaries forever. The press, the electronic media and think tanks like yours, can play an important role in promoting peace and developing a well thought out approach towards relations with each other, so that we can pursue our legitimate security concerns without denying the economic benefits that regional cooperation can bring to each other.

Thank you all very much!