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DOCUMENTS

(1 JAN- 31ST JUNE 2006)

DOCUMENT NO. 1

PRESIDENT GENERAL PERVEZ MUSHARRF'S ADDRESS TO THE NATION

My dear Pakistani brothers and sisters!

Today Pakistan is faced with such problems about which I thought I must address you. Besides, there are some elements who, while taking undue advantage of these, are trying to create an environment of unrest. Therefore, I thought that to set things right it was important that I must address you. Before speaking about the important issue, I would like to deliberate upon two important matters. The first is the earthquake tragedy, which we have faced and are facing. An impression is being created as if we have forgotten the earthquake because it is projected as something less important in the news. On this occasion I would like to assure all the affected people that you are very much in our minds and hearts and the strategy that we have chalked out for your relief, reconstruction and rehabilitation, is under implementation and we will pursue it fully. First of all the relief operation in my view has progressed in the best possible way and for that I would like to pay tributes to the Pakistani nation who contributed and came forward from Khyber to Karachi in aid of the affected. Secondly, I would pay tributes to the Pakistan Army which started a sustained operation in the quake zone from the beginning and they will remain there and are extending maximum help to the survivors. In addition, I pay tributes to the NGOs, the United Nations Organizations and the international community who helped Pakistan a lot. Besides, I would specially like to praise Relief Commissioner General Farooq and his organisation dealing effectively with this tragedy through his organisation and is now working successfully. In my view, the first component of relief operation was to provide medical facilities and aid to the injured, provide them treatment and taking them to the hospital. It was all done very amicably. If we look at the casualty figures - the number who were injured and treated and those who were martyred - according to the international standards this ratio is impressive and speaks of excellent medical treatment. Secondly, there were some apprehensions that some sort of epidemic would erupt. I would pay tributes to all the doctors working in the earthquake affected areas that no epidemic erupted. Then, we were faced with the problem of providing shelter to the affected people. We needed some 500,000 tents. The whole Pakistani nation, our factories and the international community helped us. 850,000 tents have been distributed so far in the area and nearly 605 tented villages have been established where people are living. Besides this we went further ahead and started erecting shelters and assisted people in constructing shelters. We thought the people who are living above 5,000 feet needed 'pucca shelter' with tin-roof hut and I am happy to announce that so far nearly 300,000 shelters have been constructed for those living

above 5,000 feet and between 2,000 and 5,000 feet. In my view the people would now be able to spend the snow and winter season in a proper way I would also like to mention that some elements on television and in the newspapers were propagating that people were living in miserable conditions and medical assistance was not reaching them, and that people would die of epidemics and cold weather. Now they should be questioned what has really happened? Everything has gone smoothly; relief operation has proceeded very well.

In my opinion, either these elements are weak-hearted or weak-minded that they lose heart and don't understand or these are the elements who are doing it deliberately. But overall, I want to mention here, the relief operation has proceeded successfully. Besides, we started the distribution Of compensation money because that area had become demonetized. And we thought to distribute money so that the people could start business activity and start construction of their houses. I would very proudly like to say that it was a very important decision that we took. So far 18 billion rupees have been distributed in 9 districts of the affected areas among the poor and affected people. I have not received a single complaint that compensation was given to an undeserving person or that somebody has not been given money. I would like to pay tributes to those who have distributed the compensation money with transparency and accountability.

This money has reached the common people. This has started the business activity and people are busy in trade activities and constructing houses on self-help basis. Now we are entering the phase of reconstruction and rehabilitation. In this phase we have to construct 400,000 to 500,000 houses which were destroyed. This is an 'owner driven strategy' in which 175,000 rupees will be given to every household in three instalments. Along with this guideline will be given on how to make houses earthquake-proof. Army teams and volunteer groups will help them in constructing earthquake-proof houses. This phase will now Inshallah start and it would be done through an owner-driven strategy. Besides this, we will re-construct, the health and education institutions like basic health units, rural health centres, Tehsil and district hospitals, primary schools, middle schools, secondary schools, colleges and Muzaffarabad University. We will construct these facilities on a 'need based strategy' keeping in view the requirements of the areas The construction would be modern and quake-proof with all the facilities. In my view, when we will do this, we will be able to convert this challenge into a real opportunity Then, we are also planning separately to restore the government infrastructure. I am sure we will be able to do all this in a very amicable way as we have, by the grace of God, the required resources. We held an international Donors' Conference and the international community gave us a commitment of \$6.2 billion against the required \$5.2 billion. The Pakistani nation has donated Rs 6.5 billion which is a big amount for which I pay tribute to them and to the overseas Pakistanis and the foreigners for their contribution. Therefore, there is no shortage of resource. We are also receiving donations and offers from people from all over the world who want to construct houses - some of them have even offered to construct 500 houses - villages, schools and medical facility We will designate special places for all this and Inshallah, it would be done accordingly. All the record has been computerized and put on web site for the sake of transparency and accountability Overall, we have set up an establishment about which I am confident, it will face the challenge of reconstruction and rehabilitation in an effective manner. I am very happy

that Relief Commission and the Earthquake Rehabilitation and Reconstruction Authority have been set up and are performing well. Because these two organizations are on ground and we have an effective strategy and its execution in place, I am confident that we will meet the challenge of this tragedy in an appropriate manner and will convert this challenge into an opportunity.

I would also like to mention here that the international agencies are considering our handling of the disaster as a text book case - an example for the world how effectively we dealt with this tragedy. I would be in Davos later this month and I have been told that I will give a presentation on the handling of this disaster. This is because the world knows we have taken an exemplary action and may be they would like to learn from us as how to deal with such like disasters. I would very proudly like to say that we have acted promptly and I again reassure the affected people that my personal involvement and commitment will always be there with you until the completion of earthquake rehabilitation and reconstruction. Whether these are the people of AJK or NWFP, there would be no paucity of resources in the way of this objective and we will accomplish this task. Now, Balochistan. It is not a matter of Baloch people but a handful of tribal chiefs, who create law and order situation while an overwhelming majority of the Baloch people are patriotic Pakistanis and want to see their province progress and prosper. The tribal chiefs have held the country hostage for the past 30 to 40 years for their interests. These tribal chiefs have no interest whatsoever in the well being and progress of common man and subject their own sub-tribesmen to torture because of their pro-development thinking. They do not want the people have access to education and 3 health services. What was Kohlu package? I went to Kohlu and announced a Rs 1.5 billion for development of roads, schools and dispensaries and what happened. The anti-development elements fired rockets during the visit.

Let me talk candidly and openly. These very tribal "Sardar" and clique were behind the PIDC bombings in Karachi and blast on a bicycle in Ichra Lahore. They carry out subversive activities, blow off gas pipelines and railway tracks, attack Sui-gas installations, and kill the non-Baloch, who have contributed so much to the development of the province. They even killed Chinese workers, who are working for development of the province.

They run "farari" camps at three places, I know of them. Now, where do they get money for all this. They extort money from their own people in the form of "Bhatta", who are forced to pay them from their earnings. They blackmail coal miners. And then, they are being funded from abroad. We will address this issue. They also get money from oil and gas corporations.

These tribal chiefs run their private army (militia) numbering 1000 to 2000, they pay them Rs 5000 to Rs 6000 per month and buy expensive weapons. They want to crush their own people so that they can perpetuate their feudal hold on people. While the Government has initiated Rs 140 billion development projects in the province. Any talks of army action in Balochistan are absolutely wrong. There has been no action in Kohlu and Dera Bugti and no army has been moved there. The army is based in Quetta and, yes, only one battalion has been kept in Sui and that has not been moved from there. There is no army elsewhere in the province. The army is not taking action in any area and only the Frontier Corps is acting in self-defence.

Those who speak of army action have vested interest. No women or children are being targeted. No soldier is doing that nor will we ever allow anyone to do that. This operation is targeted only against ferrari camps where their militiamen are based and that too has now been stopped. Now the Frontier Corps have been ordered to act in self-defence and deal with anti-development elements. This is their job and they are doing that very effectively. Let's now move to the subject for which I decided to address the nation. There are two problems here. One pertains to, what I call national unity, inter-provincial harmony and the issue of National Finance Award. The second problem is of national development and prosperity, the problem of poverty alleviation and this problem relates to the complex issue of water and dams. I will like to dilate on these issues.

Unfortunately, no government in the past resolved the water problem as they did not try to grapple with the issue. This is unfortunate that this government has to deal with the issue but we have to resolve these problems as I stated earlier, it is a question of national unity and prosperity. Any delay in addressing this issue would push the country into further problems.

So, we will not allow any delay in this regard. Lets' take the issue of National Finance Award (NFC). My brothers and sisters, there are two aspects to which I will try to explain in a very simple manner. Firstly, it has a vertical distribution, that is, how much funds will be transferred from the federation to provinces. It has two parts - one is a divisible pool, how much of Pakistan's total revenues will the federation share and how much will go to the provinces Apart from this, a few billions rupees are given to NWFP and Balochistan, called subventions, which are over and above the funds given from the divisible pool. These two make up 42.7 per cent of the revenue, going from the federation to provinces till to date. The second aspect is the horizontal distribution that is, distribution of the provincial share among the provinces. It is strange that while the federal government is willing to give more to the provinces - up to 50 percent - the NFC dispute is rooted in horizontal distribution, problems of distribution of funds among the provinces. They have kept aside, what I call a strategic gain which the federation wants to give them, and are fighting over lesser issue of distribution of funds among themselves. This does not make any sense in any case. I have to intervene in the issue of NFC as no government could be able to take a decision on it. I called a meeting of the Chief Ministers that was also attended by the Prime Minister. I take pride in saying and I am also grateful to all the chief ministers for reposing confidence in me and said they will accept any decision I take. But, when I asked them to give their consent writing to avoid any future grievances, the NWFP unfortunately sent it with extra conditionalities. So we came back to from where we had started.

Now, it is not possible for me and also under the Constitution the NFC cannot be instituted if 4 any of the provinces does not agree to it. But the article 165 (6) empowers the President of Pakistan to amend the NFC, which remains there as long as all the provinces accept and adopt the new award. Therefore, after consultation with the Prim Minister and the government's finance team, I have decided to increase the subventions from the federal to provinces as long as all the provinces come to an agreement on the distribution of funds so that there financial health can be improved. In this connection, the decision of the amendment follows as under: Number one, the share of provinces from to the federal divisible pool has been enhanced from 42.7

percent to 45.33 per cent. This will continue to increase by one per cent annually and in five years touch 50 per cent of the federal resources. In addition, under the new NFC award, an increase has been affected in the subventions for the provinces. The subventions have been increased that will take the total share of provinces up to 50 per cent. The subventions have been increased from Rs.8.7 billion to Rs.27.75 billion. Accordingly, the subventions for Balochistan will increase from Rs 4.8 billion to Rs 9.16 billion, for North West Frontier Province the increase will be from Rs 3.9 billion to Rs 9.71 billion. Whereas Sindh and Punjab, which earlier did not receive any subventions, will from now onwards get Rs 5.83 billion and Rs 3.05 billion respectively. This way in the 2006-07 financial year, when will become applicable, I am pleased to say that the total increase in funds - both through divisible pool and subventions - from the federal government to provinces will be to the tune of Rs.51 billion. In my view, this is an excellent decision in the given circumstances and will benefit all the provinces, specially the smaller ones. Now we come to the last issue which is the most important and complex that is water and dams. As I said, it is the issue of national development and I would like to say to my brothers and sisters of Sindh that for you especially, it is a question of life and death. I have said it many a time in Sindh and would again say it emphatically on television that it is a matter of life and death for you.

My brothers and sisters, the issue of dams is not merely technical but economical as well. I would like to talk on these two aspects. Pakistan's economy is greatly dependent on agriculture, as it makes 25 percent of our Gross Domestic Product. We realized 8.4 percent economic growth this year as against the last year's 6.5 percent and Inshallah we will chalk up over 7 percent growth in the coming year. If we have to sustain all this and take it further ahead, we will not be able to do this without the development of agriculture sector and Pakistan's economy will also not grow substantially. Then how to raise the agriculture production. There are only two ways, one is yield intensification, that means you have the land and you can increase your production from one pound to three pound through modernization and betterment, with good seed and better input. The second ways is what I call the area intensification, that means an area which is cultivable but has no water and should be brought under irrigation so that the agriculture production is increased. These are the only two ways.

And I would like to mention that the development of agriculture sector is the only and effective way to check poverty, as 70 percent of our population lives in rural areas. Secondly, it would not only benefit the land holders, but will also help in betterment of non-land holders, as they would get increased employment opportunities through the financially affluent land holders. This has been mentioned in the international report which is correct. This benefits both the land holders and non-land holders. Area intensification depends solely on availability of water. More water will help us irrigate more land along with the construction of canals and it will help increase our agriculture production and Pakistan's economy will Inshallah prosper further. Now what is the best way for the optimum use of water. In my opinion there are three ways. One is the appropriate management of available water. We have two crops - Kharif and Rabi - the management and distribution should be done in such a way that water is available wherever needed. Then the distribution of water among and within the provinces should be fair where there is no theft. The big land holders

should not take away all the water depriving the poor ones of their share. This is also part of water management.

Second is the conservation of available water. Some 35 to 40 percent water is wasted from dam till it reaches the tail ends. Some of it evaporates, some is absorbed in the land while part of it disseminates. We have to remedy the situation through better conservation and we have a strategy in place for this. Brick-lining of water courses is part of conservation.

Process of laser levelling is also going on in Punjab and Sindh and it should be done in NWFP 5 and Balochistan as well. This will not only conserve water but also increase agriculture production. Besides, there are modern technologies like drip irrigation and sprinkler which the farmers should adopt to increase production by using less water.

Third, the most important, is the construction of water reservoirs and proper and timely usage of water, which is urgently needed. Therefore we come to the necessity of dams. As I said we have already a strategy for distribution, management, proper utilization and conservation for water. Why dams are needed? There are some misperceptions. Common man does not understand the issue and they are misled. The dams are not only needed for agriculture but also for drinking water both for humans as well as livestock. The water is also needed for hydro-electricity as water is the cheapest source of power generation. Hydro electricity and thermal power has 1:7 ratios. It costs one rupee to produce one unit of hydro power against 7 rupees for thermal electricity. Some people are creating misunderstanding that if 40 percent of water is lost on way from dams.

So what is the rationale behind building dams. Stop any further wastage of water and that is enough, they plead. We have to conserve water for usage - so all these are baseless rumours, which should not be spread. Now let's come to an interesting aspect. The World Bank on November 22 last brought out a report on Pakistan's water issues. This is entitled - Pakistan, Country Water Resources Assistance Strategy. Its subtitle says, water economy running dry. Some extracts from it: Number one, Pakistan has exhausted its current water capability and needs to take immediate measures to sustain its water-driven economy.

Second, Pakistan only stores thirty days of river water. India stores 120 to 220 days. Colorado River in the US 900 days. Pakistan's per capita water storage is just 150 cubic metre while that of China is 2200, Australia 5000 US 5000. Pakistan's economy can be propelled into the future only through building new water projects and canals.

Every new mega dam will add four to five per cent to Pakistan's GDP. That means one dam will take our GDP from 110 billion to 115 billion US dollars, two dams to 125, three dams to 135 billion dollars. Tarbela dam directly benefits every three billion dollars per year and 40 per cent of total population (60 million) benefited from it. Pakistan has 50,000 mega watt economically viable hydro power potential, of which it harnesses only 14 per cent.

Unfortunately, we have 50,000 MW generation capacity against our total requirement of 20,000 MW. We can fulfill all our energy needs through water.

China and India produce 30 per cent of their required power through water. Developed countries harness 70 to 80 per cent as they know water generates most economical power.

Unfortunately, instead of generating hydro power, we produce expensive thermal power and then also complain of its being costly. Curiously enough, the most vehement opposition to new dams come from Sindh, the Report notes.

My Sindhi brothers and sisters should be attentive to this fact. The Report says in countries around the world it is the lower riparian which often pay for construction of upstream storage.

But here the opposite is in vogue. Our people say do not construct dams, we will remain hungry and thirsty. This is the report, drafted by foreign eminent consultants not by Pakistanis, lest anybody should say that it was done at our behest. After looking into all this I felt grieved that Nature has blessed us with flowing rivers - Indus, Jehlum and Chenab in addition to a number of small rivers but we do not make use of the vital resource. We produce 70 per cent of our energy through oil, which has been brought to 59 per cent lately as we have switched over to gas usage for power generation. This has benefited the country to the tune of one billion dollars per annum. Plus, 33 million acres of our land which is cultivable remains without any water supply. The supply of water will change the fate of a large number of people, in fact, of the entire country.

The majority of our rivers are seasonal. In the last three decades, we have not built even a single dam. Now, in the last few years, we have brought about raising in the level of Mangla 6 dam. Besides, we have started building Mirani and Gomal Zam, and Subakzai dams. But, here I would also like to mention that China is constructing seven major dams (above 200 ft), Turkey 22, Japan 35, Iran 28, India 6. We are sleeping over the issue. Turkey has gone ahead with the construction of hundreds of dams. We are still asleep. We are faced with a precarious state of affairs. I would like to dwell on that. We face an existing water shortage nine million acre feet. By 2020, this shortfall will swell up to 25 maf. If, we implement our projects successfully and are able to conserve enough water through such measures as drip irrigation and bring into use modern technology for laser leveling, we will have achieved the capacity to save five to 10 maf of water. Another figure. Silting in Mangla, Tarbela and Chashma Barrage will result in shortage of 6.3 maf of water by 2010.

What do we derive from this? Quite clearly, in my view constructing two to three dams is inevitable for us by the year 2020. This is about the health of our economy, about reducing poverty. Having realized the gravity of the situation, we had three committees. The parliamentary committee was headed by Senator Nisar Memon, who hails from Sindh. The technical committee was headed by AGN Abbasi, another man from Sindh. The third committee, we hired foreign consultants so that they may determine how much of water should flow downstream Kotri. All these reports have been made public.

I would like to inform you of its salient points. The parliamentary committee headed by Nisar Memon acknowledges additional reservoirs. They also consider Basha and Kalabagh Dam technical feasible. They also recommend that 91 accord on water should be implemented in totality and new dams built.

The technical committee's report, headed by Abbasi, says that all nine members favour building new water reservoirs including Kalabagh Dam. Chairman Abbasi called for prioritizing Katzara dam, for which feasibility is yet to be completed. He adds that pending study of the Katzara dam, Kalabagh and Bhasha dams may also

be considered. A member from rural Sindh favoured Kalabagh dam but said no canals should be taken out of it.

The remaining seven members pleaded that Bhasha and Kalabagh dams be built simultaneously. So these are the findings of the report, which has already been made public. Third, foreign consultants on flow of water downstream Kotri. They conducted a good study which says every year 3.6 maf of water should flow down Kotri, which means 5000 cusecs of water daily should flow into the sea. Apart from this, 25 maf of water should flow in a cycle of five years. Now, I would like to speak of advantages of having large reservoirs. Let's see what advantages these dams would accrue to Pakistan. First of all our canals will become perennial and no longer be seasonal. And all objections of Sindh that water will be stolen will be removed. Sindh, Punjab, NWFP and Balochistan, all will have enough water. So the contention will be over. Secondly, we say that the unpopulated areas of Sindh, may also have new canals as there would be enough water. There is a scheme under which a barrage is built at the site of Sehwan and five canals are taken out of it. I have been told there are better schemes. So Sindh, its peasants, the poor will benefit from it.

Then downstream Kotri will witness flow of water. The people of Badin and Thatta, who are complaining of devastation of their lands, will see permanent flows of water. Some people are trying to air the impression that the building of dams will result in stoppage of water flowing downstream Kotri. This is absolutely incorrect. It is the reservoirs which will make possible the flow of water downstream. Reservoirs do not consume water but store it. It's like a glass full of water, whenever we require we can drink water from it.

So do not pay any heed to those who are wrong. These reservoirs will ensure supply of their due share of water. Katchi canal will also be built. These reservoirs will generate about 10,000 MW of power. These will certainly bring down the rate of electricity. The annual flow of water in Pakistan's rivers is 83 per cent in Kharif season while it is just 17 in Rabi season.

Whereas, we need 60 per cent of water in Kharif and 40 per cent in Rabi. We can strike a balance if we have large dams. Now, I want to address my Sindhi brothers and sisters. First of all, the reservoirs will help stop sea intrusion at Thatta and Badin. 7 Secondly, water will definitely reach tail end areas of the province. Small dams will be filled, which will bring back livelihood for fishermen. One dam will bring an additional two maf of water to Sindh, two dams will fetch four maf and implementation of Indus River System Authority Accord and another dam will bring water equal to storage capacity of Mangla dam - five to six maf. You should know that underground water in Sindh is brackish, which is not suitable for irrigation or drinking. You cannot have tube-wells installed. So you depend heavily on irrigation water. The people in rural areas have no other means of earning other than agriculture. Your livelihood hinges on agrarian growth. This is a matter of life and death for you. Here, I am not talking about the affluent. I am talking about the small peasants, who will be at the mercy of shortage of water.

Therefore, I want to urge the Sindhi people not to pay attention to disinformation and see the reality. Have trust in me. The NWFP will also benefit from large reservoirs. As much as 800,000 acres of land in its southern districts like Dera Ismail Khan will become cultivable. From all these considerations, I have come to

conclude that we must build all proposed water reservoirs. There should be no doubt on this count. Now we have to see where these dams can be built.

We have three rivers. There can be no dam on either Chenab or Jehlum Rivers. There is no other site. Only on the Indus River, we have four sites, namely, Katzara, Bhasha, Kalabagh and Akori. The feasibility study and structural design of Kalabagh dam are ready and feasibility of Bhasha dam is also ready. The feasibility studies of Akori and Katzara are not ready as yet. Now I want to present a contrast between Bhasha and Kalabagh Dam.

Bhasha dam receives water from glacier meltdown. Katzara will also have glacier meltdown water. You should know that monsoon accounts for 70 per cent of water in Pakistan while glaciers make up for just 30 per cent. The total amount of water flowing from glacier at Bhasha is 50 maf. Now let's look at Kalabagh dam. The Kalabagh received monsoon rains as Swan and Harro Rivers from Punjab flow into the place. Secondly, Kabul, Swat and Chitral rivers also confluence into the Indus at the site of Attock barrage, ahead of Kalabagh.

The Kalabagh dam, when built, can store their water. Therefore, Kalabagh is the site where 90 maf of water flows. We should be cognizant of this fact. In the last two years, 24 maf and 30 maf of water flowed down the site - equal to the capacity of three dams. There are some misperceptions about Kalabagh dam in NWFP. In the areas of Charsada, Swabi, Nowshera, Mardan, misperceptions are being aired that these will submerge in the event of construction of Kalabagh dam and there would also be water logging. We must understand that the maximum height of Kalabagh dam would be 915 feet while all these districts are above this height, with the lowest point in Nowshera located at 940 feet.

Swabi is at 1000 feet, Mardan 980 feet. So how is it possible that water can flow up these areas. These are absolutely unfounded impressions. The people are being offered bait. It is being made a political issue for vested interests and against the government. So please, do not heed such unfounded impressions. In spite of all these facts and figures, the people of Sindh have been misled. We are trying to correct their perceptions. I fully believe that the power of the truth will win over the public opinion in Sindh.

There are some misperceptions that building of dams will render Sindh into a desert. Sindh will never become a desert. The Harris of Sindh will become prosperous as their province will be greener. There would be prosperity and progress in the province. So please do not be misled. I want to speak about the disinformation against Punjab or the federation.

These will damage interests of Sindh. I consider myself a Sindhi. How come that I would let something happen against the interests of Sindh. When every province has enough water, there arises no question of any misappropriation. It can happen when there is shortage of something. When there will be water reservoirs, and rivers will be perennial, why would any province try to usurp the right of the other province. Every province will be prosperous. 8 Another thing, we have taken a host of steps at the behest of Sindh in order to remove their apprehensions. First of all, it was pointed out as to why the IRSA was headquartered in Punjab. We shifted it to Islamabad. Then we had an additional member from Sindh in IRSA.

Again, when the country faced drought, Punjab, which itself was confronted with drought like conditions, gave 6,000 cusecs of additional water to Sindh. The

Punjab did not take any additional water when there was shortfall of the resource. Why would it do so when there is enough water. Finally, there is a network of telemetry stations across the country. Each barrage, dam and canal has telemetry stations, which provide exact reading of water flows. These have been installed at the behest of Sindh at a cost of Rs 400 million. I say that someone from Sindh be appointed here to keep a watch on water flows. We are ready to do that. Now, my brothers and sisters, this is the time for decision, this is the time for action. We cannot delay. I will not let Pakistan commit suicide on account of water shortage. But at the same time I am conscious that being the President of Pakistan I represent unity of the federation. I feel that I have to maintain this unity among all provinces.

In the last few months, I have seen that people have some reservations due to which public in Sindh and to some extent in NWFP is not fully on board. I greatly value the public opinion.

But I have an unflinching commitment to the country that I shall strive for taking this public opinion to the direction of the truth. The cabinet has taken some right decisions today. First, by 2016, Pakistan will have to build all dams including Bhasha, Kalabagh, Akori, Munda Dam, Koramtangi dam. The construction of Bhasha and Munda dams should get underway immediately. The earth-breaking of Bhasha dam should take place in the first week of February. I myself shall perform this. The Munda dam will also be built soon.

On Kalabagh dam, in Sindh and NWFP, I shall remove all apprehensions and continue efforts in this regard. I have a strong hope that I shall be able to change the public opinion.

By 2016, all dams including Bhasha, Kalabagh, Akori, Munda and Koramtangi would be built.

These were important things I wanted to lay before you. I am sure that after this address, normalcy will prevail and efforts of some people who are trying to create an environment of unrest would come to an end. May Allah Almighty guide us all that we may decide in favour of the country and its poor people so that the country moves towards progress and prosperity.

Pakistan Paindabad." ■

17 January 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/118200665651PMPresiden t%20address.pdf>>

DOCUMENT NO. 2

JOINT STATEMENT, INDIA-PAKISTAN FOREIGN SECRETARY LEVEL TALKS HELD IN NEW DELHI

1. The Foreign Secretaries of India and Pakistan met in New Delhi on 17-18 January 2006 to commence the third round of talks under the India-Pakistan Composite Dialogue framework. Foreign Secretary of India Shri Shyam Saran led the Indian delegation while the Pakistan delegation was led by Foreign Secretary Mr. Riaz Mohammad Khan. They discussed issues related to 'Peace and Security including

CBMs' and 'Jammu and Kashmir'. The talks were held in a cordial atmosphere and were constructive.

2. The two Foreign Secretaries assessed the developments in bilateral relations and expressed satisfaction at the progress made during the Composite Dialogue process. The two sides reaffirmed their commitment to move forward the peace process in a meaningful way during the third round. They recalled the outcome of the discussions between the President of Pakistan and Prime Minister of India reflected in the Joint Statements of 6 January 2004, 24 September 2004, 18 April 2005 and 14 September 2005. Recalling the Joint Statement of 4 October 2005 issued at the conclusion of meeting of the Foreign Minister of Pakistan and the Minister for External Affairs of India, the two sides reiterated their resolve to carry forward the peace process and maintain its momentum.

3. On the issue of Peace and Security including CBMs, the two Foreign Secretaries reviewed and assessed positively the progress made during the meetings of experts on Nuclear and Conventional CBMs. The two Foreign Secretaries, with the objective of promoting a stable environment of peace and security, agreed to mandate the two experts groups to continue consultations on security concepts and nuclear doctrines to develop measures for confidence building in the nuclear and conventional fields aimed at avoidance of conflict, including, inter alia, consideration of the following:

- (i) Continue discussions with a view to finalising an agreement on "Reducing Risk of Nuclear Accidents or Unauthorised Use of Nuclear Weapons", on which a draft has been presented by India;
- (ii) Conclusion of an agreement on prevention of incidents at sea in order to ensure safety of navigation by naval vessels, and aircraft belonging to the two sides. The Pakistani side indicated that they will present a draft of such an agreement;
- (iii) Elaborating, consistent with its intent, the agreement reached on no development of new posts and defence works along the LoC. The Indian side handed over proposed elements;
- (iv) Modalities for the conduct of already agreed monthly flag meetings between local commanders at the selected sectors. Both sides handed over suggested modalities.

4. The two Foreign Secretaries had a detailed exchange of views on Jammu & Kashmir and agreed to continue the sustained dialogue in a purposeful and forward looking manner to find a peaceful and negotiated final settlement.

5. The Foreign Secretaries noted with satisfaction the opening of the five crossing points across the Line of Control, and hoped that the process of promoting greater interaction between the divided families would get further impetus. They reiterated their commitment to start a bus service between Poonch and Rawalakot and a truck service on Muzaffarabad-Srinagar route for trade in permitted goods as soon as the infrastructure damaged during the October 2005 earthquake is restored.

6. The two Foreign Secretaries recalled their decision of 2004 regarding provision of consular access to all civilian prisoners and fishermen and their early repatriation on humanitarian grounds.

7. Both sides reiterated their resolve to simultaneously reopen their respective Consulates General in Mumbai and Karachi and to facilitate the process.

8. Both sides discussed the schedule of meetings, including technical level meetings, under the Composite Dialogue framework. The Foreign Secretaries and Foreign Ministers will meet thereafter to review the third round of the Composite Dialogue.

9. Both sides also agreed to hold early meetings of the technical level working groups of the Joint Commission on Agriculture, Health, Science & Technology, Information, Education, I.T. & Telecommunication, Environment and Tourism so that they can report their progress to the Joint Commission.

10. The Foreign Secretary of Pakistan called on Prime Minister Dr. Manmohan Singh and Minister of State for External Affairs, Shri E. Ahmed during the course of his visit to New Delhi.■

New Delhi, 18 January 2006

Source: Ministry of External Affairs, Government of India, New Delhi.

<http://www.satp.org/satporgtp/countries/india/document/papers/India-Pakistan-Joint-Statement_Jan2006.htm>

DOCUMENT NO. 3

MESSAGE OF FELICITATIONS

FROM PRESIDENT GENERAL PERVEZ MUSHARRAF TO HIS HIGHNESS SHEIKH SABAH AL-AHMAD AL JABER AL SABAH ON ASSUMING THE OFFICE OF THE AMIR OF THE STATE OF KUWAIT

The following is the text of message of felicitations from the President General Pervez Musharraf addressed to His Highness Sheikh Sabah Al Ahmad Al Jaber Al Sabah on assuming the office of the Amir of the State of Kuwait: - "Quote Your Highness, It gives me immense pleasure to extend to Your Highness, on behalf of the people of Pakistan and my own behalf, our sincere felicitations on your assuming the office of the Amir of the State of Kuwait. We pray that brotherly country Kuwait, under your experienced leadership, continue to prosper in all sectors of life. The Government and the people of Pakistan are committed to strengthen the bilateral relations, which so happily exist between the two fraternal countries. I am confident that under your sagacious and able leadership the relations between the two brotherly countries will further be strengthened to the mutual benefit of the two countries. I wish you good health and personal well being and all success in your efforts and endeavours to achieve progress and development of brotherly country Kuwait. Please accept, Your Highness, the assurances of my highest consideration. (General Pervez Musharraf) President of the Islamic Republic of Pakistan His Highness Sheikh Sabah Al Ahmad Al Jaber Al Sabah Amir of the State of Kuwait.■

Islamabad

30 January, 2006

<<http://www.mofa.gov.pk/PR715.htm>>

DOCUMENT NO. 4**PRESIDENT'S ADDRESS TO THE EUROPEAN CENTER FOR
NUCLEAR RESEARCH- CERN**

Dr Robert Aymar Director General of CERN, ladies and gentlemen, today is a very special day for me because I had the pleasure of visiting your flag ship project, the LHC which is the largest and the most sophisticated particle physics experiment in the world. First of all I would like to convey gratitude to the CERN community, management, staff and workers of the outside companies for collecting and donating 56,000 Swiss francs for the victims of the Pakistani earthquake, gestures like the ones made by CERN have touched the hearts of the people of Pakistan. You responded spontaneously to a natural disaster and express solidarity with your Pakistani colleagues at the LHC project. I have learnt that one person donated a whole month salary to the Pakistan fund, my very special thanks to him. I would like to tell you that CERNs IT infrastructure and internet access has been supporting UNOSET, the UN initiative to provide satellite imagery and geographic information service to the humanitarian community in Pakistan involved in the earthquake. Your facilitation as immensely helped Pakistani and international community at the earthquake sites and in the surrounding areas.

Ladies and gentleman we have along association with basic sciences Professor Abul Salam the only noble laureate from Pakistan and one of two in the entire Islamic world with his vision to influence scientific thinking. He has left a deep imprint on the experimental work being done in CERN. His research work was of seminal character. Dr Salam encouraged Pakistani scientists participation in the work of CERN. His spirit lives on at what you are doing in CERN today. We feel humble in the presence of so many scientists here today. We owe industrial post industrial post modern and industrial revolution to the scientific community without them the humanity will not be there where it is today. I feel proud that Pakistan as been associated very closely with CERN for the past 11 years almost. Our scientist engineers and technicians have been contributing to the important work you are doing at LHC and particularly its two state of the art detectors the ATLAS and CMS Pakistan has limited resources but we know the importance of associating ourselves with this advance scientific endeavour in particle physics. Pakistan and CERN signed a cooperation agreement in 1994 and a protocol in 1998 in 2000 we enhance our contribution to CERN from 1 to 2.5 million Swiss France. In 2003 we enhanced our cooperation to LHC programme to \$10million by signing a protocol with CERN to contribute equipment and to support software development lasers and human resources. I am glad that in the past decade our cooperation has been growing fast in detectors Physics research mechanical engineering and computing. it is now poised to expand further. In Pakistan we are created a national centre of physics which aim to expand research capacity in Pakistan universities it also works as inter phase between CERN and Pakistani scientific institutions. We appreciate that over the years CERN has been providing assistance to many Pakistani scientists for research work in your laboratories here. In 2000 we designated science and technology telecommunications and information technology as our highest national priorities that was may be one of

the first decision that I took when I came on the scene in Pakistan. We needed this commitment to stimulate social and economic development and to make affective interventions in health, education agriculture industry and communications. We are moving down this road with satisfactory results one of the problems we identifies early on was inadequate funding for education and application of sciences. During the last 5 years we have increased spending on education you will be surprised by one thousand two hundred percent and on science and technology by six thousand percent sixty times. we are targeting one thousand five hundred PhDs annually maximum by 2010 and I hold the higher education commission responsible for that I am sure he will meet the target to support research which have launched nation wide digital library which uses content of 20thousand journals and is accessible to all universities of the country, grants are available to scientists for advance research. Those who have recently completed PhDs degrees get assistance for post doctoral research. We are giving financial incentives for publication of research articles in reputed international journals. Higher education remains our top priority in the last three years the govt has increased the budget for higher education 15 fold each coming year we will continue 2 to enhance it by 50percent that is what we have decided until we reach the goal of one percent of GDP.A programme has been launched to establish six world class engineering universities in the major industrial cities of Pakistan in collaboration with Germany, France, Sweden the Netherlands Austria and South Korea. Greater incentives have been offered for higher education teachings under this programme the professors get four times the salary for the federal minister. Video conferencing facility in universities is being started which would facilitate lectures MIT, Howard, Cambridge and other prestigious universities may I say that we made this special allowance for professors to really draw our PhDs and doctors abroad for teaching in various universities in US and UK specially all over the world to come back home so there is reverse a brain drain going on these days in Pakistan. I know there are about two hundred and fifty Pakistani doctors from all over the world who have returned to Pakistan. Of course one of the facilities that we had to give to them was to increase pay scale otherwise they would not come back. Even then there is sacrifice that they are giving because the pays we are offering them are lower then what they are getting in the country there were serving. So I think the pays we have given is merely a comfortable pay to them, it happens to be much more than the ministers sitting here. In this effort ladies and gentlemen we are not relying on public sector initiatives alone, under a program called science and technology for economic development, public private partnership in being fostered to reinforce cooperation in technology based education and production, for a developing country Pakistan has a strong industrial base for scientific pursuits as well as for applying and using outcome of research.

The Pakistan Atomic Energy Commission over the years have made contributions in the areas of energy, health, education, agriculture, medicine, industry and biotechnology as well as basic research and human resource development they have even produced laser levellers which are to level agricultural ground, it saves a lot of water otherwise these grounds with various undulations used to consume a lot of water and the farmers used to waste a lot of water, with the laser levellers, the output of the agriculture increases and with less consumption of water and I must say that the production they have made of these laser levellers is One fifth I think roughly of the cost of what it cost when we were importing these therefore we can today think of

sending these laser levellers all over the countries and trying to encourage the farmers to carry out the laser levelling of their agriculture fields as it saves water and increase production. We feel that we are ladies and gentlemen on the right track.

Our policies are sound and results are encouraging, our domestic capacity needs to be strengthened and expanded. The government knows that interaction and cooperation with the developed world is essential for further advancement of science and technology. It is in this context, we shall profit immensely from our close collaboration with CERN and I have no doubts about it and I would like to encourage that. CERN is widely admired in Pakistan and other parts of the Muslim world, it thus provides natural basis for cooperation, and this cooperation must not be confined to applying or acquiring technology it should be extended to scientific development and development. Let us use scientific cooperation to strengthen human and economic development and to manage natural resources for the benefits of man kind. Today Mr. Director General, Chairman PAEC will sign a statement of intent with you, this would lay down the framework of further cooperation and fundamental science, physics and accelerators as well as in training research and education. Our scientists stand ready to participate in your grand experiment; next your success will be celebrated by scientists all over the world.

In keeping with the past traditions I would like to announce allocation of 5 million Swiss Francs for collaboration between CERN and Pakistan for the next three years. These funds will be available to PAEC for coordinating the collaboration of CERN with different scientific academic institutions of Pakistan. Mr Director General we admire you and your premier institution, we would like to emulate you in Pakistan. Let us hope that some time in future we would built something as astounding as CERN in our part of the world in a country like Pakistan so we can pool the resources of the developing countries, let us hope that our collaboration today will be seed for further international collaboration for peace and development for harmony and understanding. Let me say that when I came in 1999, I had a double dilemma that I understood that we have to first of all revive the economy of Pakistan and secondly we must go for improving the quality of education at all tiers right from improving our literacy level, improving the quality of primary and secondary education and improving higher education so we launched a holistic approach towards improving the education and in higher education on the assistance and persistence of my minister of that time Mr. Atta ur Rehman, we went for actually engineering and science and technology and I realize the importance of this because this is the future, economic development depends on our expertise in engineering and science and technology so there is no doubt in my mind that we had to do this. Let us use new technologies as a tool for betterment of man kind and science as a way of thinking. I would like to invite you sir to Pakistan, I told you informally but your predecessor I know came twice and I had the honour of meeting him at various forums, we would like to have you over in Pakistan and it will be our honour receiving you there and for me to meet you there.

I thank you all ladies and gentlemen, it was indeed a honour, privilege and indeed a pleasure to come here and to see what this wonderful world of science is and how Pakistan and our scientists are participating in this great facility of the world.

Thank you very much ladies and gentlemen. ■

Geneva Switzerland, 29 January 2006
<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/1302006122700AMCern.pdf>>

DOCUMENT NO. 5

TEXT OF IAEA RESOLUTION ON IRAN

The following is the text of the resolution passed Saturday by the UN's International Atomic Energy Agency (IAEA) on Iran:

The Board of Governors,

- (a) Recalling all the resolutions adopted by the Board on Iran's nuclear programme,
- (b) Recalling also the Director General's reports,
- (c) Recalling that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the Treaty,
- (d) Commending the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement in Iran, to resolve outstanding safeguards issues in Iran and to verify the implementation by Iran of the suspension,
- (e) Recalling the Director General's description of this as a special verification case,
- (f) Recalling that in reports referred to above, the Director General noted that after nearly three years of intensive verification activity, the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme or to conclude that there are no undeclared nuclear materials or activities in Iran,
- (g) Recalling Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement and the absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes resulting from the history of concealment of Iran's nuclear activities, the nature of those activities and other issues arising from the Agency's verification of declarations made by Iran since September 2002,
- (h) Recalling that the Director General has stated that Iran's full transparency is indispensable and overdue for the Agency to be able to clarify outstanding issues (GOV/2005/67),
- (i) Recalling the requests of the Agency for Iran's cooperation in following up on reports relating to equipment, materials and activities which have

applications in the conventional military area and in the civilian sphere as well as in the nuclear military area (as indicated by the Director General in GOV/2005/67),

- (j) Recalling that in November 2005 the Director General reported (GOV/2005/87) that Iran possesses a document related to the procedural requirements for the reduction of UF₆ to metal in small quantities, and on the casting and machining of enriched, natural and depleted uranium metal into hemispherical forms,
- (k) Expressing serious concerns about Iran's nuclear programme, and agreeing that an extensive period of confidence-building is required from Iran,
- (l) Reaffirming the Board's resolve to continue to work for a diplomatic solution to the Iranian nuclear issue, and
- (m) Recognising that a solution to the Iranian issue would contribute to global non-proliferation efforts and to realising the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

1. Underlines that outstanding questions can best be resolved and confidence built in the exclusively peaceful nature of Iran's programme by Iran responding positively to the calls for confidence building measures which the Board has made on Iran, and in this context deems it necessary for Iran to:

- re-establish full and sustained suspension of all enrichment-related and reprocessing activities, including research and development, to be verified by the Agency;
- reconsider the construction of a research reactor moderated by heavy water;
- ratify promptly and implement in full the Additional Protocol;
- pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may request in support of its ongoing investigations;

2. Requests the Director General to report to the Security Council of the United Nations that these steps are required of Iran by the Board and to report to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue;

3. Expresses serious concern that the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme, including the fact that Iran has in its possession a document on the production of uranium metal hemispheres, since, as reported by the Secretariat, this process is related to the fabrication of nuclear weapon components; and, noting that the decision to put this

document under Agency seal is a positive step, requests Iran to maintain this document under Agency seal and to provide a full copy to the Agency;

4. Deeply regrets that, despite repeated calls from the Board for the maintaining of the suspension of all enrichment-related and reprocessing activities which the Board has declared essential to addressing outstanding issues, Iran resumed uranium conversion activities at its Isfahan facility on 8 August 2005 and took steps to resume enrichment activities on 10 January 2006;

5. Calls on Iran to understand that there is a lack of confidence in Iran's intentions in seeking to develop a fissile material production capability against the background of Iran's record on safeguards as recorded in previous Resolutions, and outstanding issues; and to reconsider its position in relation to confidence-building measures, which are voluntary, and non legally binding, and to adopt a constructive approach in relation to negotiations that can result in increased confidence;

6. Requests Iran to extend full and prompt cooperation to the Agency, which the Director General deems indispensable and overdue, and in particular to help the Agency clarify possible activities which could have a military nuclear dimension;

7. Underlines that the Agency's work on verifying Iran's declarations is ongoing and requests the Director General to continue with his efforts to implement the Agency's Safeguards Agreement with Iran, to implement the Additional Protocol to that Agreement pending its entry into force, with a view to providing credible assurances regarding the absence of undeclared nuclear material and activities in Iran, and to pursue additional transparency measures required for the Agency to be able to resolve outstanding issues and reconstruct the history and nature of all aspects of Iran's past nuclear activities;

8. Requests the Director General to report on the implementation of this and previous resolutions to the next regular session of the Board, for its consideration, and immediately thereafter to convey, together with any Resolution from the March Board, that report to the Security Council; and

9. Decides to remain seized of the matter. ■

Vienna, 4 February 2006

<<http://www.hindu.com/thehindu/nic/iaea.htm>>

DOCUMENT NO. 6

PRESIDENT'S MESSAGE ON KASHMIR SOLIDARITY DAY

Islamabad: 5 February 2006

The Kashmir Solidarity Day is observed every year to mark the just struggle of the Kashmiris for their right to self-determination and to remember the countless sacrifices of those Kashmiris who had laid down their lives in the struggle to attain their inalienable right to freedom.

Pakistan has always extended its moral, political and diplomatic support for a just and peaceful solution of the Jammu and Kashmir dispute in accordance with the relevant UN resolutions and aspirations of the Kashmiris. We are engaged in a sincere and purposeful dialogue with India to resolve all outstanding for bold decisions and 'out of box' thinking to resolve this long outstanding dispute. Given sincerity, courage

and flexibility, we can work for a solution of the Kashmir dispute that is acceptable to all parties especially the Kashmiri people. Pakistan is prepared to show flexibility provided there is reciprocity from the other side.

We have always emphasized the need to end violence and human right abuses in Indian Held Kashmir. In this context, my proposal of demilitarisation from population centres is aimed at raising the comfort level of the Kashmiris. An enabling environment is necessary for the success of the peace process. Rigidity and violence must give ay to flexibility and positive engagement.

This year the Kashmir Solidarity Day is being observed in the aftermath of a devastating earthquake in which thousands of precious lives were lost and millions were rendered homeless. The government with support from the entire nation and generous held from the international community is engaged in rebuilding the lives and communities in the affected areas. With the resolve and determination of the people of Pakistan and the Kashmiris on both sides of LoC, we, Insha Allah, will be able to overcome this tragedy.

We are grateful to Almighty Allah for keeping us steadfast in the face of tragedy, and strengthening the bond of solidarity. I would like to assure our Kashmiri brothers and sisters that we are with them every step of the way in their valiant struggle for self-determination. ■

5 February 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/252006102848PMKashmirDay.pdf>>

DOCUMENT NO. 7

MESSAGES OF CONDOLENCE

Following is the text of the messages of condolence from President General Pervez Musharraf and Prime Minister Shaukat Aziz, addressed to H.E. Mr. Hu Jintao, President and H.E. Mr. Wen Jiabao, Premier of the State Council of the People's Republic of China, on the killing of the Chinese engineers in a terrorist attack in Hub on 15th February 2006 respectively: -

“Quote

Message from the President

Excellency,

I wish to convey to you, the Government and the people of China our sense of shock, indignation and deep sadness on the loss of precious Chinese lives in a dastardly terrorist attack near Hub yesterday.

The Government and the people of Pakistan share the pain of the Chinese people and in particular the sufferings of the members of the bereaved families.

This despicable crime committed against our Chinese friends was perpetrated on the mistaken belief that it could undermine the time-tested friendship and multiple bonds of goodwill and solidarity between our peoples. In fact, it will further strengthen our resolve to pursue with even greater vigour our campaign against terrorism in all its forms and manifestations.

I wish to assure you that all those involved in this terrorist act will be tracked and meted out the most severe punishment. We will also ensure the safety and security of all Chinese nationals in Pakistan.

We greatly appreciate the valuable contribution made by the Chinese nationals working in Pakistan to the country's economic development.

I wish to convey to Your Excellency and through you to the members of the bereaved families and the entire Chinese people, our heartfelt sympathies and most sincere condolences.

(General Pervez Musharraf)
President of the Islamic Republic of Pakistan
His Excellency

Mr. Hu Jintao
President of the State Council of the People's Republic of China

Message from the Prime Minister

Excellency,

On behalf of the people and Government of Pakistan and myself, I wish to convey to Your Excellency and to the Government and the people of the People's Republic of China our sense of shock, indignation and heartfelt sorrow at the most horrifying act of terrorism that caused the death of three Chinese Engineers working in Hub.

Our hearts go out in sympathy to the families of our Chinese friends who fell victim to this sordid terrorist act. In this hour of grief the entire Pakistani nation shares the pain of their Chinese friends.

I wish to assure Your Excellency that all those behind this sinister terrorist act will be tracked and meted out the most severe punishment. This heinous crime has been committed by our common enemies in the mistaken belief that it could damage our rock solid friendship and multiple bonds of goodwill and solidarity between our peoples. In fact it has only further fortified our shared resolve to combat terrorism in all its forms and manifestations.

The safety and security of all Chinese nationals in Pakistan will be ensured and all necessary measure in this regard will be taken. I wish to convey to Your Excellency and through you to the members of the bereaved families as well as to the Chinese people our most sincere condolences.

(Shaukat Aziz)
Prime Minister of the Islamic Republic of Pakistan

His Excellency
Mr. Wen Jiabao, Premier of the State Council of the People's Republic of China,
Unquote”
Islamabad■

16 February 2006
<<http://www.mofa.gov.pk/PR768.htm>>

DOCUMENT NO. 8**INDIAN PRIME MINISTER'S STATEMENT ON IRAN****Hindi Version**

Taking into account the concerns that have been raised about India's vote on the Iran nuclear issue at the meeting of the Governing Board of the International Atomic Energy Agency in Vienna, on February 5, 2006, I rise to apprise this august House of the facts of this matter.

Let me begin by affirming that India's vote on the IAEA resolution does not, in any way, detract from the traditionally close and friendly relations we are privileged to enjoy with Iran. Indeed, India-Iran ties, as we have repeatedly emphasized, are civilisational in nature. We intend to further strengthen and expand our multifaceted ties with Iran to mutual benefit.

Let me also state that the importance of India's relations with Iran is not limited to any single issue or aspect. This relationship is important across a wide expanse of cooperation, both bilateral and multilateral. We also cooperate on regional issues. We value this relationship and intend to do what we can to nurture our bilateral ties. Let me reiterate in this context that we are committed to the proposed Iran-Pakistan-India gas pipeline. The economics of this project is currently under professional investigation by internationally reputed consultants. This is a necessary step in taking the pipeline project forward.

On the specific issue of Iran's nuclear programme, let me reiterate what I have said publicly on several occasions. As a signatory to the NPT, Iran has the legal right to develop peaceful uses of nuclear energy consistent with its international commitments and obligations. It is incumbent upon Iran to exercise these rights in the context of safeguards that it has voluntarily accepted upon its nuclear programme under the IAEA.

These rights and obligations must also be seen in context of developments since 2003, when IAEA began seeking answers to a number of questions arising from Iran's nuclear activities, some of which were undeclared to the IAEA in previous years. Subsequently, in context of these demands, Iran did extend cooperation to the IAEA in investigations of its some of these activities.

In November 2004, Iran agreed with the EU-3 (France, Germany, and the UK) to voluntarily suspend all enrichment and reprocessing activities until questions relating to its past nuclear activities were clarified by the IAEA. However, since August last year, Iran has renewed production of uranium hexafluoride and thereafter, has resumed uranium enrichment.

Successive reports of the Director General of the IAEA have noted that while Iran's cooperation has resulted in clarifying a number of questions, there remain many unresolved questions on key issues. These include the use of centrifuges imported from third countries, and designs relating to fabrication of metallic hemispheres. Hon'ble Members are aware that the source of such clandestine proliferation of sensitive technologies lies in our own neighbourhood, details of which have emerged from successive IAEA reports. This august House will agree that India

cannot afford to turn a blind eye to security implications of such proliferation activities.

The objectives of upholding Iran's rights and obligations and our security concerns arising from proliferation activities in our extended neighbourhood have shaped our position. Therefore, our approach has been consistently in favour of promoting all efforts to find a solution, based on acceptable mutual compromises, in which Iran's interests and the concerns of the international community would be addressed. We have consistently worked to promote a consensus in the IAEA towards this end. This has been the logic of our stand at the IAEA Board of Governors Meetings both in September 2005 and earlier this month.

I might remind Hon'ble Members that it is only on these two occasions that the Resolution that resulted has not been a consensus one, and a vote has been necessary. Despite that, in the latest vote this month, the Resolution not only had the support of all P-5 countries including Russia and China, but also of important NAM and developing countries such as Argentina, Brazil, Egypt, Ghana, Singapore, Yemen and Sri Lanka.

The resolutions passed in September last year and earlier this month underlined the need for time to be given for diplomatic efforts to continue. The recent resolution of February 5 asks the Director General of IAEA to inform the UN Security Council of the status of negotiations with Iran, and the steps that Iran needs to take to address these questions. It calls for continued diplomatic efforts including through exploration of the option provided by Russia, which we have supported. Hon'ble Members are aware that Russia had offered to locate a joint venture project on Russian soil to address Iranian needs for enriched uranium, provided Iran suspends its enrichment programme to increase international confidence regarding the unresolved questions of the last two decades. Russia and Iran are currently in discussions on the subject, and we remain hopeful of a positive outcome. It is our hope and belief that the issues that have arisen can still be resolved through discussion and dialogue.

Mr. Speaker, Sir,

I have set out the background in which we have taken a position at the IAEA. I would like to reiterate our unshakeable conviction that such a sensitive issue, which concerns the rights and international obligations of sovereign nation and a proud people can only be addressed through calm, reasoned diplomacy and the willingness on all sides to eschew confrontation and seek acceptable compromise solutions. We are therefore deeply concerned by escalating rhetoric and growing tensions and the possibility of a confrontation over this issue. This is a matter of concern for us as tensions in this region $\frac{3}{4}$ where our vital political, economic and security interests are involved $\frac{3}{4}$ affects us directly. The region hosts 3.5 million Indian citizens whose welfare is a major concern of my Government.

We therefore call upon all concerned to exercise restraint, demonstrate flexibility and continue with dialogue, to reach an amicable solution. As I mentioned, there will be another meeting of the IAEA Board in March this year at which a full and regular report will be presented by the IAEA Director-General. In the days to come, we will support diplomatic efforts in this regard, drawing upon our friendly relations with all the key countries involved.

The Government is conscious of the need to balance several important considerations in this regard. We have a strong and valuable relationship with Iran which we would like to take forward in a manner that is mutually beneficial. We have great respect and admiration for the Iranian people with whom our fraternal ties go back several millennia. We have every intention of ensuring that no shadow is cast on these bonds.

In the overall context that I have outlined in detail, I am confident that this august House will agree that the stance taken by this Government has been consistent and in keeping with our own well considered and independent judgment of our national interests. I am confident that this policy will receive the support of this House and our nation. ■

New Delhi, 17 February 2006
<<http://pmindia.nic.in/lpeech.asp?id=279>>

DOCUMENT NO. 9

PRESIDENT MUSHARRAF'S LECTURE TO THE ACADEMY OF SOCIAL SCIENCES, BEIJING

Mr. Chen Kui-yuan, President of the Chinese Academy of Social Sciences, Excellencies, ladies and gentlemen. I consider it a unique privilege to be talking to this honest and very intellectual gathering of this academy and I would like to express my gratitude to the chairman for giving me this opportunity to interact with you.

I would first of all like to extend warm greetings from the people of Pakistan to the people of China on the 55th year of all weather friendship between our two countries and this all weather friendship will keep rising. It will keep rising because of two very important factors I believe, Number 1 is that this relationship is very broad based, it doesn't have a very narrow fake focus, it is based on political and diplomatic coordination and understanding full consonance, it is based on relationship of economic, trade and commercial relations it is based other than that on Defence cooperation of strategic cooperation and cooperation in the social sector, health and education which are so broad based. Secondly it permanent down at peoples level, the people of Pakistan and people of China. We respect you governments and leaders it's the people who love each other therefore I have no reason, not to believe that Pakistan and China relationship in the future will keep rising as time passes as somebody said that it will continue to be deeper than the ocean and higher than the mountain in the future. I would also like to take this opportunity of expressing very deep gratitude on my behalf, my wife's behalf and on my delegation's behalf for the extreme warmth, hospitality the cordiality and the very courtesy being extended to us since the time we are coming to China into your great country and we would also like to express out gratitude to the very generous assistance given by China in our hour of needs when we were meeting the challenges of the earthquake that struck us on 8th Oct last year. My visit ladies and gentlemen today has a desire to strengthen relations in all fields, the field which I have said and take them to new heights that is my desire and with the interaction which I had with the President and which I am going to have

with the PM and the leaderships in China, I have reason to disbelief that why it should not be pride.

The subject given to me ladies and gentlemen is contemporary issues of peace security and development. In the time frame available I would like to cover in terms of three very broad headings, firstly I would like to give you my assessment of the global environment then I will come on to the security perspective of our region and finally I would like to give Pakistan, my country's policy priorities. This in its complexities will re-recover my reflection of the issue of peace, security and development in the world in the region and within Pakistan. If we take on the global environment first of all ladies and gentlemen today's world has tremendous challenges but at the same time there are equal kinds of opportunities available, it now depends on the leadership of the world to meet the challenges and take the world on the side of opportunities but however because of these opposing challenges, land opportunities available, the global environment keeps in a state of flux, in a state of uncertainty therefore as I have said that it needs deep understanding of the issues involved and all embracing strategy to meet the challenges and go towards opportunity. The last decade of the 20th century I must say, saw momentous developments and the greatest development was the end of cold war.

The end of cold war raised a lot of hopes in the world with the lot of optimism but however all that very soon evaporated. Why did that evaporate, although the global confrontation between east and west like NATO, Warsaw Pact etc fades away, however the world still remained insecure because of new threats of terrorism and extremism emerged and other than that, new interstate, interregional threats emerge because of old disputes persistent without resolution like the Palestinian dispute, the Kashmir dispute and the Afghanistan was added, Iraq was added and now Iran is also at boiling point so these are new disputes, interregional, interstate which have emerged in spite of the confrontation between east and west having receded also lately we have seen the resurfacing of religious and cultural prejudices leading on to the wrong notion of clash of civilization which is extremely dangerous in context so therefore I said that this hope and optimism of the end of Cold War came to a very rapid and rude end. if I was to identify the dangers of peace security ad development, I would like to 2 point out four dangers. Number one is unresolved political disputes and conflict which is the first and biggest danger and this gives rise to the second danger of terrorism and extremism.

Terrorism and extremism are the fallout of unresolved political disputes then as I have said before is the resurfacing of the cultural and interfaith prejudices specially may I say against Islam and lastly widening inequalities within country and between countries specially economic inequalities. These are the four areas which I feel can lead to dangerous trends in peace against peace, security and development with the world. If I was to give a blue print for peace resolution, for more secure world firstly I think we need to uphold the principles of United Nation Charter, make the United nation more potent so therefore Pakistan favours the reforms of United Nations. Secondly, resolve all long standing political disputes with justices and I personally see that Palestine and Kashmir disputes at this moment are right for resolution. I personally think that all the power states specially the West, United States and China must put in their efforts towards the resolution of the long standing disputes because they fall into a core of terrorism and extremism. The third point I would like to make we have to

combat terrorism and extremism collectively but here we have to adopt a holistic approach, in this holistic approach, first of all we must understand the difference between terrorism and extremism. We tend to confuse both of them together, terrorism is an act, it is pro active act of killing innocent people activities so therefore you counter it with equal action, military force using an kind of force against the terrorists but extremism is not an act in itself, it is a state of mind you cannot act militarily against an extremist, you have to adopt a different strategy to change the mind set so two are very different now while we are addressing terrorism militarily and with force how to address extremism is the question? Extremism does lead to terrorism, it is extremism that cause terrorism, extremist becomes terrorist but till he don't become terrorist you cant take military action against him, so you have to have a different strategy to change his mind, mind sets need to be change. Now when we talk of how to address extremist, I feel there ought to be a three tier approach, it has very deep merits therefore it needs strategizing with three tier approach has to be taken by whole world. Secondly at this moment Islamic world is involve greatly second tier is action by Islamic world and third is action by individual nation, individual countries and every country has a different environment so they have to take action according to their environment. However in this three tier actions, we must understand the root cause of terrorism and extremism are unresolved political disputes, poverty and lack of education. These form root causes so when we now talk of three tier approach, I myself propose a strategy of Enlighten Moderation to address these three root causes at the world level and at the Islamic world level, at these two tiers and very simply impose it is two prong approach. One prong is to be delivered by Muslim world to reject terrorism and extremism and to go on the path of socio-economic development; poverty alleviation, education, health and welfare of the people so this is to be deliver by Islamic world. While the second prong is to be deliver by the West especially United States and also may I add China with all the power, the future the great country is having, resolve political disputes and assist the Muslim world in its socio-economic development, so these two prongs implied together we need to success. In military strategy those of you who study military strategy, there is strategy called Double Envelopment, double pincer; this double envelopment can only succeed if both the prong succeed. if one of the prong is not succeeding and only launching one it will never end in success it will fail. So both the prong by the World and by the Islamic world has to succeed in order to get to the root cause to terrorism and extremism.

These were the two tiers and third tier as far individual nation I will not get into individual nation but as far as Pakistan is concern let me ensure you that we have strategize how to deal with extremism and we have adopted six points agenda how to deal with it, these six points are three in short term and three long term issues and we are already executing them, these six points are administrative actions that we are taking to address the root causes of extremism, vis-à-vis extremist towards moderation. Other then that there are political agenda we are following so that we suppress extremism religions forces from arising on the political platform, so this is a strategy we are applying within the Pakistan. so in view of the shortage of time I will leave at this that as far as the world and the economic world is concerned the enlightened moderation is the answer and as far as nations are concerned Pakistan has Strategize its requirement its methodology of dealing with extremists and it s following that strategy in letter and spirit and as time passes I am sure we will be addressing the

root causes of extremism and that is what will be the need of terrorism also. So this was the third as I said the blue print for peaceful and secure world the fourth one is that we need to promote 3 tolerance, understanding and respect for each other's values, culture and trade. In other words we have to develop interfaith harmony and this notion of clash of civilization has to be rejected. Ladies and Gentlemen we are not living in an era of crusade we have entered in the era of geo economics this I the 21st century and there is no clash of civilisation is going on let us not take the world back to the crusade therefore I would like to say at this point it saddened me when one hear of the recent provocation against the Muslims n the form of publication of the blasphemous sketches against our Prophet, this is most unacceptable to the Muslim world this can not be tolerated because it gives rise it encourage the notion of Clash of Civilization and it is more disappointing when the so called enlightened progressive and civilized society and tolerance society give freedom o press as an excuse for this act, I certainly believe that freedom should also have responsibility and that responsibility is towards promoting peace and harmony in the world and not for promoting tension and discord in the world. So there fore I believe that nobody has the right to hurt anybody else sentiment and insult and humiliate their values. There very differed values. So therefore ladies and gentlemen this is important incident and it has been raised now is lately the issue of now interfaith problem has a reason against Islam. I thought it is relevant to say that tolerance understanding and respect for each other has to be harmonized has to be promoted to bring harmony and peace into the world. There are points for peaceful and secure world that I would like to also give out as my recipe certainly to have equitable and just economic order and we have to ensure a better trade terms and opportunity for the developing countries and when I say better trade terms and opportunity to developing countries I strongly believe that the playing field ought to be uneven in favour of the developing countries or at least we should have even playing filed for the developing and the developed but as the world stands today I think the playing field in uneven in favour of the developed countries this is most unjust and therefore when I talk of equitable economic order I believe that we should have an uneven playing field in favour of the developing countries and the developed countries must have the spirit of sacrifice so that the developing countries also emancipate. Otherwise I use the tem once before and I would like to use it again that these islands of prosperity will be drowned in the oceans of poverty this much for the world order. Ladies and Gentlemen I would like to talk of the regional environment now, first of all Pakistan stands for peace harmony in the region creating an environment for economic integration for mutual progress that is what we desire in our region. There are some schools of thought who believe that I being a soldier talking of peace I am basically a man of war and I talk of peace my answer to that is yes indeed I have fought two wars and I have been involved in number of other skirmishes and not sitting in the offices but in the frontlines that makes me imminently qualified to talk of peace because I know the ravages of war I have seen ravages of war with my own eyes when my friends and colleagues died with me in my own arms so therefore I understand the ravages of war and therefore I am the most imminently qualified to talk of peace and therefore I am talking of peace.

Pakistan ladies and gentlemen I feel can pay a key role if we are talking of development. If development is desired Pakistan is in a geo-strategic situation to pay a key role. Pakistan geography if we see, we lie at the centre of the Gulf and the Middle

East in our west Central Asia to our North China to our northeast and India and South Asia to our East. Any interaction between these regions whether it is for trade or energy it is not possible without Pakistan. Central Asia is looking at the word for trade access and energy access India is looking for energy from Iran from Qatar from Turkmenistan and the shortest access to China to the world is all through Pakistan. So therefore Pakistan is today well I shouldn't say today the geography is permanent but I would like to project Pakistan now as a hub of this entire region.

Pakistan provides the trade and energy corridor to this whole region therefore Pakistan has a key role to play in the development in the peace security and development of the whole region. Therefore I made a strong case with the Secretary-General Shanghai Cooperation Organization that Pakistan ought to be a full member of the SCO. And now we have an observer status but if SCO agenda is peace security and development in which Pakistan is a key player; how Pakistan cannot be a full member then, I hope we do become.

The other point that I want to make on the regional issue is regionalism. Ladies and Gentlemen regionalism is on the rise and I personally feel this is the right path forward for development. Regionalism does good to the haves not to the weaker to the poor because the 4 region the haves or the stronger the richer will pull the poorer upwards if there is regional cooperation if there is regionalism and the good example of regionalism is European Union and ASEAN where the weaker are benefiting through the pull of the stronger of the richer but unfortunately when we look at South Asia my region Pakistan region regionalism is not succeeding its not successful so either channelised either why regionalism is not succeeding in our region I feel the answer is very very clear I feel that security sovereignty and development of its people are common urge of every nation of the world. Unfortunately security sovereignty and development issues are being violated in our part of the world so until there is trust and confidence that every nation a nation will remain secure its sovereignty will be guaranteed and the people will develop towards prosperity there will be no domination from the bigger forces, regionalism will never succeed, regionalism can never succeed in an environment of lack of trust lack of confidence so that is why the regionalism in South Asia is not progressing and may I also say that in order to build trust and confidence the role of the bigger the ore powerful the richer is much more than the weaker because the more powerful and the bigger has to give it has to have a spirit of sacrifice in it, the smaller the weaker is the taker not the giver so it is the bigger countries which is the giver so that giver has to have a spirit of sacrifice a spirit of accommodation magnanimity large heart now if that is not there of that is not there regionalism will never succeed so therefore while some region pf the world are on a prospering path the growth path collectively the bigger and the stronger sacrificing for the weaker unfortunately South Asia is far from that we only hope that the spirit is generated in South Asia so that we can also go on the path of growth and progress and prosperity. But I believe that such prosperity and growth and development take three steps the first step is intra-regional cooperation within the region then it ought to go on to inter regional cooperation and finally global. In our context intra regional is obviously is SAARC we must make SAARC potent so that all seven countries progress the smaller and the bigger and then we are talking of inter regional cooperation of SAARC with ASEAN. SAARC with Central Asia SAARC with SCO Shanghai Cooperation Organization and Pakistan as I said is the bridge can

be bridge between SAARC and SCO because of its geographic location so the path forward to regionalism is intra regional inter-regional and then global.

I was talking of region again and I would like to say that Pakistan is contributing its best towards the harmony of the region. In Afghanistan we support President Karzai and we supported the Bonn process which is over but now through the London conference decision we support that we support the political developments we support the constitution that has been adopted in Afghanistan we support the election of the President Karzai and the election of the Parliament therefore we are contributing our bid towards political development in Afghanistan and towards building peace and harmony to our combine fight against terrorism and extremism.

On the Indo Pakistan rapprochement that is the other regional issue which has bedevilled relations between India and Pakistan and contributed to the instability of the region. And as somebody remarked that if you take South Asia and India and Pakistan conflict they said when two elephants quarrel the grass gets trampled therefore when two elephants of the region Pakistan and India are at war then the other nations also get trampled they don't progress now I believe that if you have to find a solution all the three parties involved and there are three parties involved that is India Pakistan and the people of Kashmir have to step back we have to step back to reach an agreement and I always believe I always believed that the courage required to confront and to fight is much lesser than the courage required to reconcile and accommodate. Because their egos are involved and it is not easy for nations to give up egos and reconcile from their position to get back their position but that is what is required that courage is required to reconcile and accommodate and step back so that we reach a solution. Pakistan is willing to do that, Pakistan has put forward many ideas for the solution and the main that I have put forward is that we need to demilitarise the region and give self governance to the people of Kashmir and then have a joint management system over this entity that we create for managing spheres which are left from the self governance the residual affairs this need to be refined and new ideas to be brought up but we have to move forward towards peace and in this I would like to urge the world the US and China and all world leaders to put in their voice for Pakistan and India to resolve dispute for the sake of peace and harmony in the world for the sake of peace and harmony in the region the world 5 must raise its voice and tell all parties involved to resolve the Kashmir dispute unfortunately this voice is not raised in the world we are not asking for mediation because we are trying for mediation because we are trying to go on follow a bilateral path on resolution other than mediation raising one's voice and putting pressure on parties involved to go for a resolution of a dispute is what I would suggest to all world leaders.

Lastly Ladies and Gentlemen I will come to Pakistan's domestic policy priority. May I say based on the vision of the founding father Quaid-e-Azam and the vision and the philosophy of Allama Iqbal we want to build Pakistan into progressive economic re-vibrant moderate Islamic state living in peace with all countries This is our aim and objective and all our strategies and policies are now based on towards taking Pakistan through this end. First of all when I came in the scene in 1999 economic revival of Pakistan because unless the nation is economically vibrant it can not develop in any other field so I must very proudly say that Pakistan economy is now at an upsurge with the GDPO that has grown to 8.4% last year and all the macro

economic indicators positive and I don't want to go in detail our industries doing exceptionally well or all our industries we have created an investor environment foreign direct investment is coming if you compare between 99 and today FDI has risen to 600% although the base was low and I am not satisfied with the 600% we are to be rising by thousand of percents and the minister for investment is sitting here and he knows my target so as far as the economy is concerned its revived its on upsurge and we will continue on this upsurge. Now to transfer these economic gains to the people of Pakistan so that is what we are doing through a well thought out strategy, we have introduce a self government system so they can directly get involve in development at grass root levels and as far as strategy toward is concern we are strategizing on poverty alleviation, reduction in unemployment and the social sector and in he social sector I personally got involve in transferring the gains to the people in bridging the gaps between policy formulation and policy implementation and I got involve in ensuring electricity to every village of Pakistan, safe drinking water availability to all the population of Pakistan, provision of gas to the people of Pakistan, education and health, good education and health at the grass root level to the people of Pakistan and water management issue which is the base because we are agrarian society, base of agriculture and even the base to sustainable economic growth so therefore involvement in all these and plus I taken upon by self now to get involve also in the foreign direct investment, I myself chair meeting of the investors and government officials to put them together on the same table and give decision right there so that investment get encourage. This is my personal involvement to transferring the economic gains to the people. Fighting terrorism and extremism in Pakistan, we have succeeded in the cities; we are succeeding in the mountains now. We have captured the sanctuaries of Al-Qaeda in the valleys they are on the run now in the mountains, I won't go into the details. Second thing which we are doing very briefly, wont go into details, we are bring about societal transformation in Pakistan through a well thought out strategy, a societal transformation where as I said we are vastly moderate Islamic country but unfortunately moderate are silent majority. it is very vibrant extremists which are minority who try to dominant in the streets of Pakistan, we are trying to transform, bring about societal transformation and take these extremists on toward moderation. All that I would like to say we want to move Pakistan towards moderate, progressive and enlightened society. This is all I have to say ladies and gentlemen . I don't know how much time have taken but to concluded, I think there are few world leaders today owe it to the world, owe it to the future generations to make this world to peaceful harmonious progressive world so that our future generations and enjoy the fruits of progress and prosperity that sun provides and what if world remains in the same tensions, conflict scenarios I am afraid we be letting down our future generations.

Thank you very much.■

Beijing, China, 21 February 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/222200633218AMChina.pdf>>

DOCUMENT No. 10

PAKISTAN-CHINA 55 YEARS OF CELEBRATION OF DIPLOMATIC RELATIONS

His Excellency, Excellencies, ladies and gentlemen, it indeed gives me immense pleasure to visit this brother country of China soon after commencement of Chinese New Year. I wish the Chinese leadership, government and people a very happy and prosperous new year. This is a year where both Pakistan and China commemorate 55th anniversary of establishment of diplomatic relations. On this occasion we salute and pay homage to our leaders who had envision the great dividends that can crew by building close and corporate links between two countries.

Succeed generation in both countries has every since carefully nurtured this friendship which blossom into beautiful and all comprehensive partnership for peace and development. Pakistan China friendship is rooted in the ethos of our peoples. It evokes spontaneous love, respect, administration and touches a respective cord in every heart that resonates and energizes this unique relationship. On this occasion I wish to convey our very sincere determination to take this friendship to ever-new height. I have no doubt that our close corporative relation which is now time tested and broad base will grow in strength every passing year.

On this occasion may I say as his excellencies Mr Tang had remark that Pakistan and China are connected by rivers and by mountains but I would like to add to this that while the relationship at government level and leadership level remains, when this relationship permeates down to the peoples level it becomes permanent and as it becomes permanent and then as former defence minister Chi Haotian remarked it becomes deeper than the ocean and higher than the mountain and that is what the relationship of China and Pakistan at the moment is.

May I therefore on this relationship congratulate the leadership, the government and the people of China on their great economic and technological accomplishment which are source of pride and joy to the people of Pakistan. Pakistan is also embarking on the road of economic and social development, we are determined to expand the horizons of our mutually beneficial corporation in all spheres. I also want to pay an especially tribute to the great Chinese nation for the contribution they continued to make to enrich the human civilization. The audacity, genius and skills of Chinese people impelled admiration and respect. China today is a model for the development states of Asia, Africa and Latin America. You can count on Pakistan for steadfast support for all your national endeavours for peace, progress and prosperity in the region and in the world. I would like to take this opportunity to thank the government of China and the people of China for all the warmth, hospitality, cordiality and the great esteem that they are showing for my wife, entire delegation and me. I wish to thank you for joining us to celebrate the 55th anniversary of establishment of Pakistan China diplomatic relations.

Long live Pakistan China friendship. ■

Beijing China, 21 February 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/223200653134AMBismillah.pdf>>

DOCUMENT No. 11**JOINT STATEMENT BETWEEN THE PEOPLE'S REPUBLIC OF
CHINA AND THE ISLAMIC REPUBLIC OF PAKISTAN**

At the invitation of President Hu Jintao of the People's Republic of China, President Pervez Musharraf of the Islam Republic of Pakistan paid a state visit to the People's Republic of China from 19 to 23 February 2006.

President Hu Jintao held official talks with President Musharraf, Mr. Wu Bangguo, Chairman of the Standing Committee of the National People's Congress, Mr. Wen Jiabao, Premier of the State Council, and Mr. Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference, met President Musharraf respectively. In a cordial and friendly atmosphere, leaders of the two countries had in-depth exchange of views and reached broad common ground on strengthening China-Pakistan strategic partnership of cooperation and on international and regional issues of mutual interest.

During his visit, President Musharraf addressed leading Chinese scholars at the Chinese Academy of Social Sciences, met members of the Chinese business community and attended a special commemorative event marking the 55th Anniversary of the establishment of diplomatic relations between China and Pakistan. President Musharraf and his delegation also visited Chengdu, Sichuan Province.

The leaders of the two countries reviewed with satisfaction the growth of China-Pakistan relations over the past 55 years. They were glad to see that China-Pakistan friendship featuring sincerity, cooperation, mutual trust and support has struck deep root in the hearts of the two peoples. The all-weather friendship between China and Pakistan has withstood the test of time and prospered notwithstanding changes in the international, regional and domestic environment. Both sides agreed that at a time when major and profound changes are taking place both internationally and regionally, to strengthen good-neighbourliness and friendship, develop cooperation and deepen strategic relations between China and Pakistan serves the fundamental interests of the two countries and peoples and will promote peace and development in the region. Both sides emphasized that the two countries are committed to enhancing China-Pakistan strategic partnership of cooperation featuring good-neighbourliness, friendship and mutual cooperation. The two countries will continue to take steps to deepen and enrich China-Pakistan relations.

Both sides expressed satisfaction with the successful implementation of the Joint Declaration between the People's Republic of China and the Islamic Republic of Pakistan on the Direction of Bilateral Cooperation issued by the two Heads of State in November 2003 and the signing and coming into effect of the Treaty of Friendship, Cooperation and Good-neighbourly Relations. They agreed to maintain exchange of high-level visits and contacts and conduct regular consultation and coordination on major international and regional issues and bilateral relations and to make unremitting efforts to promote stability and prosperity both in China and Pakistan and in the region.

On behalf of the Pakistani Government and people, President Musharraf expressed appreciation to the Chinese Government and people for the provision of

emergency relief material and humanitarian assistance in the wake of the earthquake in Pakistan. He stated that the selfless assistance of the Chinese side reflected the true friendship between China and Pakistan tested by adversity. President Hu Jintao said that the Chinese side will take an active part in the reconstruction of disaster-hit areas in Pakistan and help the affected people rebuild their homeland.

The two sides decided to use the occasion of the 55th Anniversary of the establishment of diplomatic ties to lift China-Pakistan relations to a new height. The two sides agreed to hold this year the "Cultural Week" and "Film Week", and to exchange media and academic visits.

Both sides expressed their firm resolve to strengthen cooperation in all spheres. They held that to maintain trade and economic links is not only an important part of China-Pakistan cooperation and good-neighbourly relations but also a bond of common interests between the two countries. Both sides agreed to explore new ways to expand economic cooperation and trade to promote common development for the two countries and peoples.

The two sides expressed satisfaction with the implementation of the Early Harvest Programme, and agreed to expedite negotiations on the Free Trade Agreement. They emphasized that overland trade through the Karakoram Highway should be promoted and were ready to adopt measures to facilitate such trade.

Both sides also expressed deep satisfaction with the progress being made on various Chinese-assisted economic projects in Pakistan, including Gwadar Port, Sandhik Gold and Copper and Dudar Zinc and Lead. They agreed to encourage cooperation between Chinese and Pakistani companies, including setting up joint ventures, and supported the early launching of a joint study on expanding economic cooperation and trade. Both sides agreed to set up a China-Pakistan Joint Investment Company between the financial institutions of the two countries. Both sides also reached agreement in principle upgrade the Karakoram Highway. Special emphasis was placed on cooperation in agriculture, especially agro-based industry, pesticides, drip irrigation and fisheries. A framework agreement on expanding and deepening economic cooperation was signed.

Both sides agreed to enhance their cooperation in the energy sector and signed the Framework Agreement on Energy Cooperation, a wide-ranging document. Pakistan expressed its interest in construction of oil refineries, gas terminals, oil and gas storage and transit facilities. The Chinese side welcomed these proposals and agreed to assist in the development of oil and gas sector in Pakistan.

Both sides expressed satisfaction with the performance of Chashma Nuclear Power Plant-I and the start of the construction of the Chashma Power Plant Unit-II. They agreed to enhance cooperation in the peaceful use of nuclear energy.

Both sides attached considerable importance to broadening cooperation in social sectors, including health, human resources development, education and vocational training.

Both sides agreed to enhance cooperation in high technology, including space technology for peaceful purposes. They agreed to enhance close cooperation between relevant institutions in the earth, marine and space sciences and promote the application of relevant technologies in industry and agriculture. They also agreed to cooperate in seismology, geology and Antarctic sciences.

China reaffirmed its respect for Pakistan's independence, sovereignty and territorial integrity. It appreciated and supported Pakistan's efforts to promote peace and stability in South Asia and supported all efforts by Pakistan to safeguard its sovereignty, territorial integrity and independence. Pakistan reaffirmed its long-standing commitment to the one China policy and recognized that the Government of the People's Republic of China is the sole legal government representing the whole of China and that Taiwan is an inalienable part of China's territory. Pakistan opposed "Taiwan independence" and fully supported China's peaceful reunification.

The two sides discussed in depth the international and regional developments. They reaffirmed their firm opposition to terrorism in all its forms and manifestations as well as the proliferation of weapons of mass destruction and their means of delivery. They expressed their commitment to maintaining international peace and stability. Both sides agreed that the United Nations reform should aim at strengthening its authority and unity and give priority to the issue of development. The reform of the Security Council should take into full consideration the interests of all its members, and a formula acceptable to all should be sought through extensive and thorough consultations.

Pakistan welcomed China becoming an observer of South Asian Association for Regional Cooperation (SAARC). China welcomed Pakistan becoming an observer of Shanghai Cooperation Organization (SCO) and invited it to participate in the SCO Shanghai Summit in June 2006. Both sides expressed their support for the process of regional cooperation in Asia and the need to promote inter-regional cooperation.

The two sides signed the following Agreements/MoUs: -

1. Framework Agreement on Expanding and Deepening Bilateral Economic and Trade Cooperation;
2. Framework Agreement on Cooperation between the Defence Ministries of the two countries;
3. Framework Agreement on cooperation in the field of energy between the Ministry of Petroleum and Natural Resources & National Development and Reform Commission;
4. MOU on Vocational Training Institutions between the Ministry of Labour and Social Security, PRC and the Ministry of Labour, Manpower and Overseas Pakistanis;
5. Memorandum of Understanding between Ministry of Communications of P.R. China and Ministry of Communications of Pakistan on cooperation in Up-gradation of Karakoram Highway;
6. Memorandum of Understanding for Cooperation on Pesticides Management between Ministry of Agriculture, People's Republic of China and Ministry of Food, Agriculture and Livestock.
7. Memorandum of Understanding (MOU) in the Field of Health between the Ministry of Health, PRC and the Ministry of Health of Pakistan.
8. MOU on cooperation between the State Family Planning Commission of the Government of PRC and the Ministry of Population Welfare, Government of Pakistan.
9. Memorandum of Understanding between the Ministry of Agriculture of P.R. China and Ministry of Food, Agriculture and Livestock of Islamic Republic of Pakistan on Cooperation in the Field of Fisheries.

10. Memorandum of Understanding on the Launching of the Joint Programme of the Five-Year Plan for Bilateral Trade and Economic Cooperation between the Ministry of Commerce, Government of Pakistan and Ministry of Commerce, P.R. China.
11. MOU on Cooperation in the field of Earthquake Research.
12. MOU on cooperation in the Field of Meteorological Science and Technology between China Meteorological Administration (CMA) and Pakistan Meteorological Department (PMD).
13. General Loan Agreement regarding utilization of the Preferential Buyer's Credit from the Government of the People's Republic of China to the Government of Islamic Republic of Pakistan between EXIM Bank and EAD.

President Musharraf invited President Hu Jintao to visit Pakistan this year and to participate in commemorative events celebrating the 55 th Anniversary of diplomatic ties between the two countries. President Hu thanked President Musharraf for the invitation.

Islamabad ■

22 February 2006

<<http://www.mofa.gov.pk/PR782.htm>>

DOCUMENT NO. 12

THE INDIA-US JOINT STATEMENT

President George W. Bush and Prime Minister Manmohan Singh today expressed satisfaction with the great progress the United States and India have made in advancing our strategic partnership to meet the global challenges of the 21st century. Both our countries are linked by a deep commitment to freedom and democracy; a celebration of national diversity, human creativity and innovation; a quest to expand prosperity and economic opportunity worldwide; and a desire to increase mutual security against the common threats posed by intolerance, terrorism, and the spread of weapons of mass destruction. The successful transformation of the U.S.-India relationship will have a decisive and positive influence on the future international system as it evolves in this new century.

Reviewing the progress made in deepening the global partnership between the United States and India since their Joint Statement of July 18, 2005, the President and the Prime Minister reaffirm their commitment to expand even further the growing ties between their two countries. Consistent with this objective, the two leaders wish to highlight efforts the United States and India are making together in the following areas, where they have:

For Economic Prosperity And Trade

- (1) Agreed to intensify efforts to develop a bilateral business climate supportive of trade and investment by:

1. Welcoming the report of the U.S.-India CEO Forum, agreeing to consider its recommendations aimed at substantially broadening our bilateral economic relations, and directing the Chairs of the Indo-U.S. Economic Dialogue to follow up expeditiously with the CEO Forum;
 2. Endorsing the efforts of the U.S.-India Trade Policy Forum to reduce barriers to trade and investment with the goal of doubling bilateral trade in three years;
 3. Agreeing to advance mutually beneficial bilateral trade and investment flows by holding a high-level public-private investment summit in 2006, continuing efforts to facilitate and promote foreign direct investment and eliminate impediments to it, and enhancing bilateral consultations on various issues including tariff and non-tariff barriers to trade in goods and services, and preventing the illicit use of the financial system.
- (2) Sought to expand cooperation in agriculture by:
1. Launching the Knowledge Initiative on Agriculture with a three-year financial commitment to link our universities, technical institutions, and businesses to support agriculture education, joint research, and capacity building projects including in the area of biotechnology.
 2. Endorsing an agreed work plan to promote bilateral trade in agriculture through agreements that: lay out a path to open the U.S. market to Indian mangoes, recognize India as having the authority to certify that shipments of Indian products to the United States meet USDA organic standards, and provide for discussions on current regulations affecting trade in fresh fruits and vegetables, poultry and dairy, and almonds.
- (3) Reaffirmed their shared commitment to completing the WTO Doha Development Agenda (DDA) before the end of 2006, and agreed to work together to help achieve this outcome.

For Energy Security and a Clean Environment

- (1) Welcomed the successful completion of discussions on India's separation plan and looked forward to the full implementation of the commitments in the July 18, 2005 Joint Statement on nuclear cooperation. This historic accomplishment will permit our countries to move forward towards our common objective of full civil nuclear energy cooperation between India and the United States and between India and the international community as a whole.
- (2) Welcomed the participation of India in the ITER initiative on fusion energy as an important further step towards the common goal of full nuclear energy cooperation.
- (3) Agreed on India's participation in future generation, an international public-private partnership to develop new, commercially viable technology for a clean coal near-zero emission power project. India will contribute funding to the project and participate in the Government Steering Committee of this initiative.
- (4) Welcomed the creation of the Asia Pacific Partnership on Clean Development and Climate, which will enable India and the U.S. to work together with other countries in the region to pursue sustainable development and meet increased energy needs while addressing concerns of energy security and climate change. The

Partnership will collaborate to promote the development, diffusion, deployment and transfer of cleaner, cost-effective and more efficient technologies and practices.

(5) Welcomed India's interest in the Integrated Ocean Drilling Program, an international marine research endeavour that will contribute to long-term energy solutions such as gas hydrates.

(6) Noting the positive cooperation under the Indo-U.S. Energy Dialogue, highlighted plans to hold joint conferences on topics such as energy efficiency and natural gas, to conduct study missions on renewable energy, to establish a clearing house in India for coal-bed methane/coal-mine methane, and to exchange energy market information.

For Innovation and the Knowledge Economy

(1) Emphasizing the importance of knowledge partnerships, announced the establishment of a Bi-National Science and Technology Commission which the U.S. and India will co-fund. It will generate collaborative partnerships in science and technology and promote industrial research and development.

(2) Agreed that the United States and India would work together to promote innovation, creativity and technological advancement by providing a vibrant intellectual property rights regime, and to cooperate in the field of intellectual property rights to include capacity building activities, human resource development and public awareness programs.

(3) Agreed to continue exploring further cooperation in civil space, including areas such as space exploration, satellite navigation, and earth science. The United States and India committed to move forward with agreements that will permit the launch of U.S. satellites and satellites containing U.S. components by Indian space launch vehicles, opening up new opportunities for commercial space cooperation between the two countries.

(4) Welcomed the inclusion of two U.S. instruments in the Indian lunar mission Chandrayaan-1. They noted that memoranda of understanding to be signed by ISRO and NASA would be significant steps forward in this area.

(5) Welcomed the U.S. Department of Commerce's plan to create a license exception for items that would otherwise require an export license to end-users in India engaged solely in civilian activities.

For Global Safety and Security

(1) Noted the enhanced counter-terrorism cooperation between the two countries and stressed that terrorism is a global scourge that must be fought and rooted out in every part of the world.

(2) Welcomed the increased cooperation between the United States and India in the defense area, since the New Framework for the U.S.-India Defence Relationship was signed on June 28, 2005, as evidenced by successful joint exercises, expanded defence cooperation and information sharing, and greater opportunities to jointly develop technologies and address security and humanitarian issues.

(3) Reaffirmed their commitment to the protection of the free flow of commerce and to the safety of navigation, and agreed to the conclusion of a Maritime Cooperation Framework to enhance security in the maritime domain, to prevent piracy and other trans-national crimes at sea, carry out search and rescue operations,

combat marine pollution, respond to natural disasters, address emergent threats and enhance cooperative capabilities, including through logistics support. Both sides are working to finalize a Logistics Support Agreement at the earliest.

(4) Welcomed India's intention to join the Container Security Initiative aimed at making global maritime trade and infrastructure more secure and reducing the risk of shipping containers being used to conceal weapons of mass destruction.

(5) Reiterated their commitment to international efforts to prevent the proliferation of weapons of mass destruction.

(6) Building on the July 2005 Disaster Relief Initiative, noted the important disaster management cooperation and their improved capabilities to respond to disaster situations.

(7) Recognized the importance of capacity building in cyber security and greater cooperation to secure their growing electronic interdependencies, including to protect electronic transactions and critical infrastructure from cyber crime, terrorism and other malicious threats.

Deepening Democracy and Meeting International Challenges

(1) Recalled their joint launch of the UN Democracy Fund in September 2005 and offered the experience and expertise of both Governments for capacity building, training and exchanges to third countries that request such assistance to strengthen democratic institutions.

(2) Welcomed the decision of India and the United States to designate a representative to the Government Advisory Board of the International Centre for Democratic Transition (ICDT) located in Budapest to facilitate cooperative activities with ICDT.

(3) Agreed that the Virtual Coordination and Information Centres set up in September 2005 should be further strengthened and a bilateral meeting aimed at developing a practical programme for utilization of its services be held soon.

(4) Expressed satisfaction at the expedited USFDA drug approval processes that strengthen the combat against HIV/AIDS at the global level and encourage greater corporate participation to meet this challenge, including the establishment of the Indo-U.S. Corporate Fund for HIV/AIDS.

(5) Agreed to expand bilateral efforts and continue cooperation in the area of medical research and strengthen technical capacity in food and drug regulation in India as well as address the concern on avian influenza, including agreement to reach out to the private sector, develop regional communications strategies, and plan an in-region containment and response exercise. The President welcomed India's offer to host the International Partnership on Avian and Pandemic Influenza meeting in 2007.

(6) Welcomed India's membership in the Coalition Against Wildlife Trafficking, a partnership through which we will collaborate in the fight against illegal trade in wildlife and wildlife parts; we also welcome the opportunity to strengthen longstanding work together on the conservation of wildlife through cooperation on park management and ecotourism.

President Bush thanked Prime Minister Singh and the people of India for the warmth of their reception and the generosity of their hospitality. ■

New Delhi, 2 March 2006

<<http://meaindia.nic.in/speech/2006/03/02js01.htm>>

DOCUMENT No. 13

PRESIDENT'S MESSAGE ON THE OCCASION OF PAKISTAN DAY, 23 MARCH 2006

“It was on this historic day, in 1940 that Muslims of South Asia assembled at Lahore under the leadership of Quaid-e-Azam Muhammad Ali Jinnah and passed a resolution to establish a separate homeland for themselves. The Resolution later became known as the “Pakistan Resolution”. It is truly a tribute to their dedicated struggle and the peerless leadership of Quaid-e-Azam Muhammad Ali Jinnah that in a short span of seven years, this resolve was carved out into a reality and the independent sovereign state of Pakistan emerged on the map of the world.

Our beloved country was created on the principles of Islamic social justice and as a result of prudent policies over the last seven years, Alhumdulillah, we stand tall in the comity of nations and have assumed a key role amongst the Muslim Ummah. Pakistanis have also demonstrated to the world that our people have the courage, fortitude and resolve to meet all challenges of our times. This fact has been amply proven by the people of Pakistan once again by the tremendous response, display of generosity and philanthropy in the wake of the devastating earthquake of 8th October 2005. It certainly goes to the credit of the Pakistani nation that they have always risen to the occasion, demonstrating unswerving faith in Almighty Allah and perseverance in the face of adversity.

Pakistan is today a country rapidly moving on the path of progress and development. Reforms in all sectors have been successfully introduced and are being implemented. A new direction has been given to our nation's destiny through 'Enlightened Moderation' in light of the principles given to us by our founding father. We are, indeed, at the crossroads of historic changes and civilization challenges that call for greater demonstration of national unity, inter-faith harmony and self-discipline. It is therefore incumbent upon us to rededicate ourselves for the realization of the ideological foundations on which our country came into being and pledge to spare no efforts to present the true picture of Islam to the world at large by adopting the message of peace & brotherhood for the mankind and making Pakistan a shining example of a tolerant and progressive nation.

I am confident that if we continue to tread this path, we will, Insha Allah, be able to transform our country into a truly Islamic Welfare State as envisaged by the Father of the nation, Quaide-Azam Muhammad Ali Jinnah, Allama Iqbal and leaders of the Pakistan Movement.

May Allah Almighty Be our Protector and Guide. Ameen! Pakistan
Paindabad. ■

Islamabad: 22 March 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/3222006101936PM23MarMsg.pdf>>

DOCUMENT NO. 14**JOINT STATEMENT, INDIA-PAKISTAN TECHNICAL LEVEL TALKS
ON ENHANCING INTERACTION AND COOPERATION ACROSS THE
LOC**

In pursuance of the Joint Statement of 18 April 2005 and as mandated by the Foreign Secretaries on 18 January 2006, India-Pakistan technical level talks on enhancing interaction and cooperation across the LOC were held in New Delhi on 2-3 May 2006. The Indian delegation was headed by Shri Dilip Sinha, Joint Secretary, Ministry of External Affairs and the Pakistan delegation was led by Mr. Syed Ibne Abbas, Director General, Ministry of Foreign Affairs.

The talks were held in a cordial atmosphere. Both sides reviewed the operation of the Srinagar-Muzaffarabad bus service and of the five crossing points. Both sides agreed to expedite clearances of applications.

Both sides also agreed to start the Srinagar-Muzaffarabad truck service to facilitate cross-LOC trade in the first half of July 2006. The two sides exchanged indicative lists of goods for trade. It was agreed that the delegations from Chambers of Commerce from either side of the LOC will undertake visits at the earliest to discuss various aspects of the trade.

The two sides agreed that Poonch-Rawalakot bus service would commence from 19 June 2006. The procedures, documentation and modalities will be the same as for the Srinagar-Muzaffarabad bus service. Initially the bus service will operate on a fortnightly basis.

The two sides discussed modalities for operationalising the meeting points along the LOC as agreed upon earlier.

The two sides will report the progress in their talks to their respective Foreign Secretaries. ■

New Delhi, 3 May 2006
<<http://meaindia.nic.in/speech/2006/05/03js01.htm>>

DOCUMENT NO. 15**JOINT STATEMENT - UNITED STATES-PAKISTAN STRATEGIC
PARTNERSHIP**

President Bush and President Musharraf have affirmed the long-term, strategic partnership between their two countries. In 2004, the United States acknowledged its aspirations for closer bilateral ties with Pakistan by designating Pakistan as a Major Non-NATO Ally. The U.S.-Pakistan strategic partnership is based on the shared interests of the United States and Pakistan in building stable and sustainable democracy and in promoting peace and security, stability, prosperity, and democracy in South Asia and across the globe.

The two leaders are determined to strengthen the foundation for a strong, stable, and enduring relationship. This will require a significant expansion of U.S.-

Pakistan bilateral economic ties, including mutual trade and investment. As a key step in this direction the United States and Pakistan are making meaningful progress toward concluding a Bilateral Investment Treaty.

Both leaders commit to working together with Afghanistan to make Pakistan and Afghanistan a land bridge linking the economic potentials of South Asia and Central Asia.

The American people feel profound sympathy for the victims of the tragic earthquake that struck on October 8, 2005. President Bush reaffirmed the United States' determination to stand by the Pakistani people as they recover and rebuild.

President Bush and President Musharraf reaffirm their condemnation of terrorism in all its forms and manifestations. Following the September 11 attacks, the United States and Pakistan joined international efforts to fight the scourge of terrorism. President Bush is grateful for President Musharraf's strong and vital support in the war on terror. The two leaders underscored the need for a comprehensive strategy for addressing the threat of terrorism and extremism. President Bush and President Musharraf will continue to work together to address political injustice, poverty, corruption, ignorance, and hopelessness. They resolve to maintain their close counterterrorism cooperation and to increase their efforts to reduce the threat of terrorism regionally and internationally.

The two leaders recognize the need to promote tolerance, respect and mutual understanding, and inter-faith harmony to strengthen appreciation of the values and norms common to the world's religions and cultures. The two leaders acknowledge with appreciation the various international initiatives in this regard including President Musharraf's concept of Enlightened Moderation. The two leaders agreed that acts that disturb inter-faith harmony should be avoided.

President Bush and President Musharraf support the peace process and composite dialogue between Pakistan and India for improvement of relations and resolution of disputes and building a better future in South Asia.

Both leaders share concern about the threat to global stability posed by the proliferation of Weapons of Mass Destruction (WMD) and the threat of terrorist groups acquiring such weapons. President Bush and President Musharraf commit to play leading roles in international efforts to prevent the proliferation of WMD, their delivery systems, and related technology and expertise.

Strategic Dialogue

President Bush and President Musharraf are launching a Strategic Dialogue under the Strategic Partnership. The Dialogue will be co-chaired by the U.S. Under-Secretary of State for Political Affairs and Pakistan's Foreign Secretary. They will meet regularly to review issues of mutual interest.

In implementation of the strategic partnership, President Bush and President Musharraf commit both countries to undertake the following steps in the areas of economic growth and prosperity, energy, peace and security, social sector development, science and technology, democracy, and non-proliferation:

Economic Growth and Prosperity

- Establish and implement strong financial sector controls that can defend against illicit finance.

- Facilitate Pakistan's economic growth through increased trade and investment links with the United States and within the region and the global economy, including through an enhanced economic dialogue encompassing bilateral cooperation for Pakistan's economic development, regional economic cooperation, and the global economy.
- The United States will provide financial support for the establishment of a Centre for Entrepreneurship in Pakistan under the Broader Middle East and North Africa (BMENA) Initiative. The Centre will promote entrepreneurial training and skills development to young women and men to launch business initiatives that would generate employment opportunities.

Energy Cooperation

- Hold a High-Level Energy Meeting to inaugurate an energy working group, which will explore ways to meet Pakistan's growing energy needs and strengthen its energy security.
- Work together to develop public and private collaboration on a broad range of energy sources.

Peace and Security

- Build a robust defense relationship that advances shared-security goals, promotes regional stability, and contributes to international security.
- Continue robust U.S. security assistance to meet Pakistan's legitimate defense needs and bolster its capabilities in the war on terror.
- Deepen bilateral collaboration in the fields of defense training, joint exercises, defense procurement, technology transfers, and international peacekeeping.
- Decide to increase the frequency of defense policy discussions to strengthen collaboration in the identified sectors.
- Work together to ensure the maintenance of peace, security, and stability in the South Asia region and beyond.
- Cooperate closely in international institutions, including bodies of the United Nations, on matters of mutual concern.

Social Sector Development

- Continue U.S. support in the health sector through collaborative projects and programs.
- Reinforce Pakistan's efforts to reform and expand access to its public education through continuing U.S. cooperation.
- Encourage educational programs and greater interaction and linkages between the research and academic institutions of the two countries.
- Promote exchange of students and scholars, fellowship programs, and strengthened research collaboration, including through institutional support for higher education and training.

- Establish a wide-ranging High Level Dialogue on Education to enhance and strengthen cooperation in the education sector.

Science and Technology

- Build capacity in Pakistan and work toward increased cooperation in science, technology, and engineering.
- Improve the quality, relevance, or capacity of education and research at Pakistan's institutions of higher education in the field of science and technology.
- Establish Pakistan-U.S. Joint Committee on Science and Technology to develop collaborative activities and relationships between the scientific and technological communities and institutions of both countries.
- Enhance institutional capacity of Pakistan in the area of environment through exchange of experts and developing linkages and collaborative projects with relevant U.S. institutions.

Democracy

- Support Pakistan as it develops strong and transparent democratic institutions and conducts free and fair elections to ensure sustainable democracy.

Non-Proliferation

- Support Pakistan's non-proliferation efforts and strengthen its capabilities, by:
 - Supporting Pakistan's measures for implementation of its new export control law, including adoption of enforcement regulations and establishment of a new export licensing body; and
 - Providing U.S. assistance through the Department of Energy's Second Line of Defense Program (Megaports) and the Department of Homeland Security's Container Security Initiative.

Presidential Visit

- President Bush thanked President Musharraf and the people of Pakistan for the generous reception and warm hospitality accorded to him, Mrs. Laura Bush, and members of the Presidential delegation during their stay in Pakistan.■

4 March 2006

<<http://www.whitehouse.gov/news/releases/2006/03/20060304-1.html>>

DOCUMENT No. 16**JOINT STATEMENT, CIVIL AVIATION TALKS BETWEEN INDIA
AND PAKISTAN**

Civil Aviation talks between India and Pakistan were held in New Delhi on 6-7 March 2006 to review existing bilateral arrangements. The Indian delegation was led by Shri Satendra Singh, Director General of Civil Aviation, Government of India and the Pakistan delegation was headed by Major General (Retd.) Mohammad Ashraf Chaudhry, Additional Secretary, Ministry of Defence, Government of Pakistan.

The talks were held in a friendly and cordial atmosphere. Both sides expressed desire to expand the scope of the existing Air Services Agreement and agreed to continue discussions for the enhancement of capacities, frequencies, and gateways for the benefit of the traveling public of the two countries. ■

New Delhi, 7 March 2006

<<http://meaindia.nic.in/speech/2006/03/07js01.htm>>

DOCUMENT No. 17**THE PAKISTAN-US JOINT PRESS STATEMENT ON US ENERGY
SECRETARY SAMUEL BODMAN'S VISIT TO PAKISTAN**

As agreed during President Bush's visit to Pakistan on 3-4 March 2006, U.S. Secretary of Energy Samuel Bodman visited Islamabad today to discuss a wide range of issues related to Pakistan's growing energy needs. Secretary Bodman's visit symbolizes the strengthened and expanded relationship between the United States and Pakistan over the last five years.

Closer U.S.-Pakistan ties and cooperation have helped to bolster Pakistan's economy, which registered the second fastest growth in Asia last year. To continue this solid economic growth, Pakistan must have sufficient energy through a broad range of energy sources to ensure its energy security. Pakistan has prepared an Energy Security Plan (2005-2030), which forecasts a seven-fold increase in total primary consumption and an over eight-fold increase in the requirement of power over the next twenty-five years.

As President Bush underscored during his recent visit, the United States recognizes the urgency of Pakistan's energy needs and stands ready to assist Pakistan in developing sustainable options that meet both countries' requirements and concerns.

Secretary Bodman called on Prime Minister Shaukat Aziz and held an expanded delegation-level meeting with Foreign Minister Khurshid M. Kasuri, who later hosted a working lunch. The talks provided Secretary Bodman and his delegation an opportunity to meet with key Pakistani officials working on a variety of energy issues.

Secretary Bodman and Foreign Minister Kasuri discussed key issues and the next steps for collaboration in the energy sector. The Pakistan side briefed the U.S.

delegation on the country's energy needs and the possible alternative sources, including hydel, gas, coal, nuclear and renewables. The U.S. private sector will be important to helping Pakistan achieve its energy objectives, and the United States will consult with its energy sector on Pakistan's energy needs.

As part of the Strategic Partnership announced by President Bush and President Musharraf last week, the U.S. and Pakistan agreed to explore ways to meet Pakistan's growing energy needs to strengthen its energy security, and affirmed their commitment to establish an energy-working group.

In furtherance of this aim, Secretary Bodman invited Pakistan to send a team to Washington to discuss how the two countries can work together in energy cooperation and the steps that can be taken to attract more U.S. investment. The United States will also discuss with Pakistan the importance of an investment climate that will accelerate new energy investments and encourage further exploration of energy development opportunities for Pakistan.

The U.S. and Pakistan's ongoing cooperative efforts include renewable energy resource assessments by the National Renewable Energy Lab and funded by the USAID South Asia Regional Initiative – Energy.

Secretary Bodman appreciated the Government of Pakistan's gracious hospitality. ■

Islamabad, 13 March 2006

DOCUMENT NO. 18

JOINT STATEMENT, SECOND ROUND OF TECHNICAL LEVEL TALKS BETWEEN CENTRAL BUREAU OF INVESTIGATION (INDIA) & FEDERAL INVESTIGATION AGENCY (PAKISTAN)

The second round of Central Bureau of Investigation (India) - Federal Investigation Agency (Pakistan) Technical Level Talks was held on March 21 and 22, 2006 at CBI Head quarters, New Delhi. The CBI (India) delegation was led by Mr. Vijay Shanker, Director, CBI, while the FIA (Pakistan) delegation was led by Mr. Tariq Parvez, Director General, FIA.

2. The talks were held after a gap of almost 17 years following a decision during the Home Secretary Level talks in New Delhi in August, 2005. The deliberations were constructive and were held in a cordial atmosphere. Both sides identified areas of mutual interest and agreed to work out the modalities of cooperation.

3. A Joint Study Group will be set up to decide upon the modalities of future cooperation in the areas of human trafficking, counterfeit currency and illegal immigration. It was also agreed by both sides to designate an officer each as the nodal point to pursue cooperation between CBI and FIA in these areas.

4. A decision was also taken to have periodical meetings at short intervals between the Interpol nodal points. All efforts will be made by both sides for expeditious disposal of pending Interpol references.

5. It was agreed that the two agencies will explore possible avenues of professional training and share experience in various fields of criminal investigation.

6. Director, CBI accepted an invitation from DG, FIA to visit Pakistan with his team of senior officers by the end of this year. ■

New Delhi, 22 March 2006

DOCUMENT NO. 19

JOINT STATEMENT ON THE MEETING OF THE INDIA-PAKISTAN JOINT STUDY GROUP

The Meeting of the Joint Study Group, led by the Commerce Secretaries of Pakistan and India was held at Islamabad on 27th March 2006.

2. The lists of delegates of Pakistan and India, respectively is at Annex-I.
3. Commerce Secretary, Government of Pakistan welcomed the visiting delegation of India and stated that the primary objective of the Joint Study Group was to focus on putting in place facilitation measures to enhance bilateral trade; and to supplement deliberations on substantive trade issues being addressed in the Composite Dialogue Meetings. He emphasized the importance of facilitation measures to reduce cost of doing business and make exported products competitive in the markets of importing countries.
4. The Commerce Secretary, Government of India concurred with the views expressed by the Secretary Commerce, Government of Pakistan and intimated that the facilitation measures for trade are being emphasized by the Government of India at bilateral, regional and multilateral fora. Initiatives like computerization and electronic data interchange have been taken up and are likely to be completed during this year.
5. The Sub-Groups on “Customs Cooperation and Trade Facilitation Measures”; and “Non-Tariff Barriers” met after the Plenary Session.
6. The Sub-Group on “Customs Cooperation and Trade Facilitation Measures” reached consensus on:
 - a) To explore the possibility of a bilateral agreement on Customs Cooperation.
 - b) To exchange information on the Certificates of Origin; import and export declarations; customs laws & procedures; valuation; trade statistics.
 - c) To encourage exchange of information electronically between the Customs of the two countries.
 - d) To identify areas for mutual technical assistance and capacity building.
7. The Sub-Group would endeavour to complete these exercises before the meeting of the next Joint Study Group.
8. The Sub-Group on Non-Tariff Barriers established the following two Working Groups:-
 - a) Working Group on Standards and Conformance
 - b) Working Group on Sanitary and Phyto-Sanitary Issues.
9. Both the Working Groups had in-depth discussions and worked out a roadmap to finalise the Mutual Recognition Agreement (MRA) to facilitate trade.

10. The reports of the two Sub-Groups were presented in the Second Session of the Joint Study Group in the afternoon of 27th March 2006.
11. The Joint Study Group appreciated the outcome of the deliberations by the Sub-Groups and decided to continue the deliberations in the future meetings of the Joint Study Group.
12. The next meeting of the Joint Study Group shall be held at India on a date convenient to both sides.
13. The Commerce Secretary, Government of India appreciated the excellent arrangements made for the meeting and the hospitality extended by Pakistan to the visiting delegates. ■

Islamabad, 27 March 2006

<<http://meaindia.nic.in/speech/2006/03/27js01.htm>>

DOCUMENT NO. 20

TEXT OF THE STATEMENT BY PAKISTAN'S FOREIGN OFFICE SPOKESPERSON AT THE PRESS BRIEFING ON 27 MARCH 2006

As stated earlier, in addition to the general cordial sentiments, there are a number of positive and important elements in the Indian Prime Minister's speech.

Prime Minister Manmohan Singh has spoken about finding pragmatic, practical solutions to the Jammu and Kashmir dispute. In that context, he has suggested that the two countries can work towards making the Line of Control irrelevant.

President Musharraf has stated on a number of occasions that the status quo can not be a solution to the Jammu and Kashmir dispute and suggested that the Line of Control should be made irrelevant for Kashmiris.

The Indian Prime Minister has also stated that Kashmiris on the two sides of the Line of Control should work out cooperative, consultative mechanisms so as to maximize the gains of cooperation in solving problems of social and economic development of the region. He has also called for freer movement and trade across the Line of Control.

The President and Prime Minister of Pakistan emphasize that the time has come for India and Pakistan to have focused and meaningful discussions for a settlement of the Jammu and Kashmir dispute. The President has offered the ideas of self-governance, demilitarisation and joint management which have found resonance among Kashmiris on both sides of the Line of Control. We also believe that Kashmiris should be involved with the peace process. Their intensified interaction with the Governments of Pakistan and India is a welcome development.

It was the initiative of the President of Pakistan to open the five points across the Line of Control soon after the devastating earthquake of October 8 2005. While agreement in principle exists, these points have yet to become operational. Pakistan favours simplification of procedures for freer movement of Kashmiris across the Line of Control. We hope that the Indian Prime Minister's public endorsement that people on both sides of the Line of Control should be able to move freely and trade will lead to immediate activation of the five points.

The ideas of a non-aggression pact or a friendship treaty have been suggested by both sides in the past. The fact remains that distrust caused by persistence of problems and disputes have prevented these ideas from becoming a reality. This further underscores the need for meaningful dialogue to address problems especially the Jammu and Kashmir dispute.

There is no doubt that progress towards the settlement of the Jammu and Kashmir dispute along with improved environment through interaction among Kashmiris on both sides of the Line of Control will greatly help the process of normalization of relations between Pakistan and India. Eventually the peace process must lead to the resolution of the Jammu and Kashmir dispute, which would usher in an era of good neighbourly relations between the two countries. That environment would also be conducive to the conclusion of a treaty of friendship.

The Indian Prime Minister's speech encourages us to believe that the peace process will be strengthened and enter a new important phase. ■

Islamabad, 27 March 2006

DOCUMENT NO. 21

JOINT STATEMENT, THIRD ROUND OF PAKISTAN-INDIA TALKS ON ECONOMIC AND COMMERCIAL COOPERATION

The Third Round of Pakistan-India talks on Economic and Commercial Cooperation within the framework of the Composite Dialogue was held on March 28-29, 2006 at Islamabad.

The Pakistan delegation was led by Secretary, Ministry of Commerce, Syed Asif Shah and the Indian delegation was led by Commerce Secretary, Shri S.N. Menon.

The talks were held in a cordial and constructive atmosphere. The two sides recognized the satisfactory progress on the initiatives agreed during the Second Round of the talks held in New Delhi on August 9-10, 2005. It was emphasized that the new Shipping Agreement would be signed in the near future at New Delhi; and the talks on Air Services Agreement would be concluded expeditiously.

The two sides agreed on the following:

- In line with the announcement of the Prime Minister of Pakistan on his visit to India in November 2004, to open branches of scheduled banks in each country, the central banks would process applications by banks expeditiously.
- To facilitate import of tea from India, both sides would encourage delegations of importers/exporters of tea to visit respective countries. It was also felt that after the new Shipping Agreement comes into effect, import of tea from India would be facilitated further.
- To identify the problems of transportation of goods by train between India and Pakistan, the relevant Ministries of both sides had a meeting on the sidelines of the talks. It was decided that they would continue their dialogue.
- Pakistan and India would constitute a Working Group to discuss the issues relating to joint registration of Basmati rice SGI.

- Pakistan would consider enlarging the list of importable items from India in consultation with stakeholders and after fulfilling legal and procedural requirements.
- India will provide detailed proposals for trade in IT-enabled medical services and export insurance cooperation for consideration by Pakistan.

It was noted with satisfaction that the laying of optical fibre on the Indian side would be completed in the near future.

It was also noted that the initiative on liberalization of visa regime would be discussed in the relevant segment of the Composite Dialogue.

The Indian proposal to convene a meeting of the relevant technical level experts at the Attari-Wagah Border to draw up proposals to upgrade infrastructure to facilitate trade including export of transit cargo of Afghanistan, was noted by Pakistan.

An MOU on Assistance of Mutual Cooperation in Capital Markets has been conveyed by Pakistan SECP to their counterpart in India. It was agreed that India would communicate its response soon.

Both sides welcomed the ratification of SAFTA Agreement by all SAARC Member Countries and expressed the confidence that it would enhance regional trade. ■

Islamabad, 29 March 2006

<<http://meaindia.nic.in/speech/2006/03/29js01.htm>>

DOCUMENT NO. 22

THE INDIA-AFGHANISTAN JOINT STATEMENT ON THE STATE VISIT OF PRESIDENT HAMID KARZAI TO INDIA

1. At the invitation of His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India, His Excellency Hamid Karzai, President of the Islamic Republic of Afghanistan is currently paying a State visit to India (April 9-13, 2006).
2. During the visit, the two leaders held talks on a wide-range of bilateral issues as well as regional and international matters of common interest. They welcomed the progress achieved in bilateral relations since President Hamid Karzai's visit to India, February 23-25, 2005 and Prime Minister Manmohan Singh's visit to Afghanistan, August 28-29, 2005, and agreed to take this relationship further into a new paradigm of friendship and cooperation. They affirmed that the time-tested friendly relationship between the two countries, underpinned by historical and cultural ties, had overcome many challenges and were today based on a shared commitment to the ideals of democracy, peace and security.
3. India expressed full support to the goal of a sovereign, democratic and prosperous Afghanistan, which is also necessary for peace, security and stability in the region. It expressed admiration for the courageous steps taken by the Afghan people and Government under the leadership of President Hamid Karzai towards the adoption of a democratic polity, including the holding of the Parliamentary elections and convening of the new Parliament, while addressing the challenge of economic development and reconstruction.

4. President Hamid Karzai thanked India for its demonstrated commitment to Afghanistan by providing more than US \$ 600 million for projects in all parts of Afghanistan, in different sectors - including infrastructure, human resource development, and humanitarian assistance. Prime Minister Dr. Manmohan Singh reaffirmed India's continued commitment to Afghanistan's reconstruction and pledged an additional US \$ 50 million under India's Assistance Programme for Afghanistan. To broaden cooperation between the two countries, three cooperation agreements were signed today in the areas of Rural Development, Education and Standardization in the presence of President Karzai and Prime Minister Singh.

5. In the field of institutional and human resource development, both sides expressed encouragement at the ongoing process of annual award of 500 Scholarships for Afghan students for University education in India and 500 short-term ITEC Programme for Afghan nationals, as announced during Prime Minister Dr. Manmohan Singh's visit to Afghanistan in August, 2005. They agreed that this initiative had great potential of contributing significantly towards skills development of the Afghan youth, which could be expected to become the vanguard in tackling the challenge of institution building in Afghanistan.

6. Going beyond the core areas of government-to-government developmental cooperation, both leaders also explored the possibilities of expanding business-to-business cooperation, particularly between the small and medium entrepreneurs of the two countries. President Karzai is also accompanied by a strong business delegation on this visit, which will be interacting with Indian business and industry counterparts from CII, FICCI and ASSOCHAM this afternoon. Prime Minister Dr Manmohan Singh offered to consider extending a US \$ 50 million Line of Credit facility to promote trade and investment between the two countries.

7. As provided for under Article 11 of the Preferential Trade Agreement signed between the two countries on March 6, 2003, the two sides agreed to constitute a Joint Committee at Ministerial level to review the progress in the implementation of the Agreement, thereby promoting mutually beneficial bilateral trade.

8. Tomorrow, President Karzai will be inaugurating a Festival of Afghanistan in India which would be displaying traditional Afghan products and having components of dance, music and cuisine, as a follow-up to the recently concluded MoU on Tourism.

9. Tomorrow, President Karzai will also go to Hyderabad where he will visit the Hi-Tech City, Tata Consultancy Services Ltd., the National Remote Sensing Agency and a Rural Development Pilot Project.

10. At the regional level, the two leaders reiterated their vision of Afghanistan regaining its strategic position at the cross roads of Central Asia and the Indian subcontinent. The need for greater regional cooperation by encouraging trade and people-to-people contact among the countries of the region was emphasized. President Karzai thanked Prime Minister Dr. Singh for India's strong support for Afghanistan's membership of SAARC and pledged to work together with the member countries in all fields to effect greater harmonization of political, economic, social and security policies.

11. President Karzai welcomed that India would host the Second Regional Economic Cooperation Conference for Afghanistan in New Delhi, November 18-19, 2006, with participation of all the regional countries, G-8 member States and

international organizations. This Conference will also have a business-to-business component to promote private sector linkages.

12. Confronting the shared challenges of fundamentalism and terrorism, the two leaders condemned global terrorism as a threat to democracy and declared that there can be no compromise with its perpetrators. India expressed its support to the efforts made by Afghanistan in recent months in tackling the increased terrorist activities in certain provinces in the country.

13. The two leaders reaffirmed that India and Afghanistan have a common interest in reinvigorating the past ties and developing a new, strategic partnership for the 21st Century. The two leaders emphasized the importance of regular high-level exchanges between the two countries for taking this partnership to greater heights.■

New Delhi, 10 April 2006

<<http://meaindia.nic.in/declarestatement/2006/04/10js01.htm>>

DOCUMENT NO. 23

JOINT PRESS COMMUNIQUÉ ON THE CONCLUSION OF THE STATE VISIT OF H.E. ALI ABDULLAH SALEH PRESIDENT OF THE REPUBLIC OF YEMEN TO PAKISTAN ON 10-12 APRIL 2006

President Ali Abdullah Saleh of the Republic of Yemen paid a state visit to the Islamic Republic of Pakistan from 10 to 12 April 2006, at the invitation extended by General Pervez Musharraf, President of Pakistan. President Saleh was accompanied by a high level delegation including cabinet ministers, parliamentarians and government officials. A very warm and cordial welcome was accorded to him on his arrival in Pakistan reflecting the excellent and strong relations existing between the two brotherly countries.

President Ali Abdullah Saleh held separate meetings with President Musharraf and Prime Minister Shaukat Aziz on wide ranging bilateral issues aimed at strengthening their relations, as well as on regional and international issues of common interest and concern to both countries. The two sides signed five cooperation agreements, memoranda of understanding and protocol in the field of Media, Sports and Youth Affairs, Tourism, Standards, Quality and Specifications, and Export Promotion.

The two sides agreed to work closely to promote relations in the economic, commercial, science and technology areas. The two Presidents stressed on the concerned authorities in both countries to encourage investments and to remove all impediments faced by their investors. They also agreed on close collaboration between the relevant authorities on both sides to allow Yemen to benefit from the technical and scientific expertise in Pakistan to strengthen the research and academic institutions in Yemen.

The two sides agreed to cooperate in the security field to eradicate terrorism and its sources of financing, as well to benefit from each other's experiences in the fight against terrorism. They reiterated their call for a clear definition of terrorism, and recognition of the legitimate rights of all people resisting occupation as stipulated in the United Nations Charter.

The two leaders reaffirmed their commitment to the Palestinian peoples' right to establish their independent state with Al-Quds Al-Sharif as its capital in accordance with the road map, the Arab peace initiative and UN resolutions. They also called on the international community to respect the democratic and free choice of the Palestinian people reflected in the result of the recent parliamentary elections, and to continue supporting the Palestinian people.

The two Presidents emphasized the need for national unity in Iraq to prevent sectarian and ethnic conflict in the country. They called for the formation of a national unity Government representing Iraqis from all political and ethnic groups, and emphasized the need to preserve its territorial integrity and sovereignty. They also condemned violence targeting Iraqi holy sites and innocent civilians.

The two Presidents called upon the Organization of Islamic Conference to play an active role in resolving disputes in the Islamic world, and to implement its decisions adopted at the Makkah Summit and at the Ministerial meeting in Sana'a held in 2005. They also stressed the importance of promoting inter-faith and inter-civilisational dialogue.

President Musharraf expressed his appreciation for the role being played by President Ali Abdullah Saleh in resolving regional conflicts, especially his efforts to achieve the Somali reconciliation. He also praised the pragmatic steps President Saleh had taken to introduce democratic reforms in Yemen, as well to promote international peace and security.

President Saleh commended the efforts undertaken by President Musharraf for the stability and economic progress in Pakistan, and his role in galvanizing support for Islamic causes.

President Saleh further expressed his support for President Musharraf's initiatives for the resolution of the Jammu and Kashmir conflict through peaceful means. He expressed the confidence that a just solution of this conflict in accordance with the aspirations of the people of Kashmir would undoubtedly bring lasting peace in the region.

President Ali Abdullah Saleh expressed his appreciation to the President, the Government and the people of Pakistan for their generous hospitality and the reception extended to him and his delegation. He also expressed the hope that his visit would lead to the strengthening of relations between the governments and peoples of Yemen and Pakistan.

Issued at Islamabad on 12 April 2006, corresponding to 13th Rabi-ul-Awal 1427 H, in Arabic and English languages. ■

Islamabad, 12 April 2006

<http://www.mofa.gov.pk/PR/2006/April/PR146_06.htm>

DOCUMENT No. 24**PRESS RELEASE ISSUED BY PAKISTAN'S MINISTRY OF
FOREIGN AFFAIRS ON MEMORANDUM OF UNDERSTANDING
BETWEEN PAKISTAN AND CANADA****Press Release**

Pakistan and Canada have signed a Memorandum of Understanding (MOU) on 20 of April 2006 regarding Pakistan-Canada Debt Swap amounting to C\$449 Million. This is the highest ever debt conversion ever undertaken by the Canadian government.

At the ceremony at the Canadian International Development Agency (CIDA)'s premises in Gatineau (Quebec), the MOU was signed by Mr. Hau Sing Tse, Vice President, CIDA and by Mr. Khalid Saeed, Secretary, Economic Affairs Division of the Government of Pakistan. High Commissioner of Pakistan, Mr. Shahid Malik, was also present at the occasion.

Both governments have agreed that Canada will write off its entire outstanding ODA loans of C\$449 Million against additional expenditure in Education Sector, particularly teacher training, to be made by the Federal and Provisional Teacher Training institutes over the next five years.

Economic Affairs Division will establish a special account for the Pakistan Canada Debt Conversion. A Bi-national Steering Committee will be established to oversee the implementation of debt swap agreement. The agreement was signed in pursuance of the Paris Club III Rescheduling Agreement signed in 2001. The debt swap agreement is a significant step in reducing Pakistan's external debt burden over the next few years. ■

Islamabad, 21 April 2006

DOCUMENT No. 25**JOINT STATEMENT, FOURTH ROUND OF PAKISTAN-INDIA
EXPERT LEVEL DIALOGUE ON NUCLEAR CBMS HELD IN
ISLAMABAD ON 25-26 APRIL 2006**

The fourth round of Pakistan-India Expert Level Dialogue on Nuclear Confidence Building Measures was held in Islamabad on 25-26 April 2006. The Pakistan delegation was led by Mr. Tariq Osman Hyder, Additional Secretary (United Nations), Ministry of Foreign Affairs. Mr. K.C. Singh, Additional Secretary (International Organizations), Ministry of External Affairs, led the Indian delegation to the talks. The visiting Indian delegation also called on the Minister of State for Foreign Affairs Makhdum Khusro Bakhtyar.

The two sides held discussions in a cordial and constructive atmosphere, in the framework of the Lahore MoU of 1999. As mandated by Foreign Secretaries the two sides continued consultations on security concepts and nuclear doctrines to develop measures for confidence building. They reiterated their desire to keep working towards further elaboration and implementation of Nuclear CBMs within the

framework of the Lahore MoU, with the objective of promoting a stable environment of peace and security between the two countries.

The two sides expressed their satisfaction on the signing of the Agreement on Pre-Notification of Flight Testing of Ballistic Missiles and the operationalisation of the hotline link between the two Foreign Secretaries. These measures are, *inter alia*, intended to prevent misunderstanding and reduce risks relevant to nuclear issues.

The two sides held detailed discussions on the draft text of an agreement, the objective of which is to reduce the risk from accidents relating to nuclear weapons, and agreed to work towards its finalization.

Both sides discussed modalities for further securing the Foreign Secretaries hotline.

Both sides agreed that future periodic Expert Level talks on Nuclear CBMs would discuss, review and monitor the implementation of Nuclear CBMs as called for by the Lahore MoU of 1999. They also agreed to report the progress made in the present round of the talks to the respective Foreign Secretaries who will decide on the date and venue of the next Expert Level meeting on Nuclear CBMs. ■

Islamabad, 26 April 2006

<<http://meaindia.nic.in/speech/2006/04/26js01.htm>>

DOCUMENT NO. 26

JOINT STATEMENT, THIRD ROUND OF PAKISTAN-INDIA EXPERT LEVEL DIALOGUE ON CONVENTIONAL CBMS

The third round of Pakistan-India Expert Level Dialogue on Conventional Confidence Building Measures (CBMs) was held in Islamabad on 27 April 2006. The Pakistan delegation was led by Mr. Tariq Osman Hyder, Additional Secretary (United Nations), Ministry of Foreign Affairs, and Mr. Dilip Sinha, Joint Secretary, Ministry of External Affairs, led the Indian delegation to the talks.

The two sides held discussions on Conventional CBMs in a cordial and constructive atmosphere.

As mandated by Foreign Secretaries the two sides continued consultations on security concepts to develop measures for confidence building in the conventional field aimed at avoidance of conflict.

As indicated in the Joint Statement of 18 January 2006, the Pakistan side presented a draft Agreement to the Indian side on the Prevention of Incidents at Sea in order to ensure safety of navigation by naval vessels, and aircraft belonging to the two sides.

The two sides agreed on the following CBMs aimed at avoidance of conflict:

- i) Finalisation of Border Ground Rules for implementation along the international border.
- ii) Modalities for holding quarterly flag meetings, and on needs basis, at sector level commanders in already agreed sectors. Modalities for communication in this context would be further discussed.
- iii) Elaborating, consistent with its intent, the agreement reached on no development of new posts and defence works along the LoC.

- iv) Finalisation of an agreement on speedy return of inadvertent line crosser(s).

Both sides agreed to periodically discuss further CBMs and to review and monitor the implementation of existing Conventional CBMs as called for in the Lahore MoU of 1999 and as mandated by the Foreign Secretaries in the Composite Dialogue process. They also agreed to report the progress made in the present round of the talks to the respective Foreign Secretaries who will decide on the date and venue of the next Expert Level meeting on Conventional CBMs. ■

Islamabad, 27 April 2006

<<http://meaindia.nic.in/speech/2006/04/27js01.htm>>

DOCUMENT NO. 27

JOINT PRESS STATEMENT, INDIA-PAKISTAN TALKS ON SIR CREEK

India-Pakistan talks on Sir Creek were held on May 25-26, 2006 in New Delhi as part of the Composite Dialogue. The Indian delegation was led by Maj. Gen. M. Gopal Rao, Surveyor General of India and the Pakistan delegation was led by Rear Admiral Ahsan-ul-Haq Chaudhri, Additional Secretary, Ministry of Defence. The Pakistan delegation called on Shri Shekhar Dutt, Defence Secretary.

2. The talks were held in a friendly and cordial atmosphere.
3. The two sides discussed the delineation of India and Pakistan boundary in the Sir Creek Area and delimitation of India-Pakistan Maritime Boundary.
4. Both sides agreed on the early settlement of the land boundary in Sir Creek area and the maritime boundary and to conduct a joint survey of the Sir Creek and adjoining areas and waters between November 2006 and March 2007.
5. It was decided that:
 - a) Technical experts of the two sides would meet in Pakistan in August 2006 to work out the extent and modalities for the joint survey;
 - b) The hydrographers of the two countries, in the same meeting, would discuss modalities and propose options for delimitation of the maritime boundary. ■

New Delhi, 26 May 2006

<<http://meaindia.nic.in/speech/2006/05/26ss01.htm>>

DOCUMENT NO. 28

PRESIDENT'S SPEECH AT APNS AWARD CEREMONY

I am very pleased to speak to such a large gathering. Mr. Mir Shakeel-ur-Rehman has raised certain questions during his address. I am not going to say about what we are doing and what we have achieved. I will talk on what has to be done. What we have to

do and what is remaining to be done overall for Pakistan. I will talk on that and all your questions will be covered in it.

Now come to the issues to be discussed:

First of all the national issue: What is National Interest? If the perception is that Pakistan is an extremist, intolerant and terrorist state and someone from us also projects the same way, then it will further reinforce these perceptions against National Interest.

Secondly, if someone says that there is no progress in the economy - this is wrong. Then naturally nobody will invest here. It is a wrong attitude because if you look at international level, we float the bonds i.e. Islamic, Euro and dollar bonds in the world. On Euro bonds in America we had lot of interest, people, not the government, have given 2.5 million dollars for 30 years. On the interest rate of more than 2% on their own interest rate. In this way, this country will earn and will progress. They can see that their economy is progressing. That is why, we are getting investment as nobody is mad to hand over 300 million dollars. So, if we are saying here that economy is dying then this leads to disappointment. Also investment will be affected and naturally the National Interest will suffer.

If we are dealing with A. Q. Khan or dealing with the nuclear issue then it would have serious impact on our country. If somebody who has no idea about this, exaggerates this, then it is against national interest. So, I can't give the exact definition. But one has to speak with honesty and truth.

I believe in freedom of press. And if somebody says that we are continuing with the same record then I totally disagree. People are saying that you have given too much freedom. I said, "No we have to gain some maturity." And this is the only way.

I don't have a problem personally; I don't have skeletons in the cupboards by the Grace of God. You can write any thing about me. I will justify everything I do. So I don't have a problem. Neither do I hide, nor do I need your help in this because I don't have anything to hide.

1 You should write objectively even if it is against the government so that we come to know what is wrong. But currently 95% is criticism and there is no good thing being seen. Secondly, most of the criticism is wrong, since it is not based on facts, it is painful.

I know many positive articles are being written but never been published. It pains and hurts. There is one mistake by the government which we have to accept that we don't give out the information. I always stress to open up this mindset has to be changed.

I was telling the information minister that we should have a regular briefing on all government issues so that people should know and talk openly so that our side is covered that we haven't told anything to you.

I don't believe the poll system, in which you have discussed that we are the 9th failed state even worse than Afghanistan. God save us if we are that way! I was analysing it, why is it like that? And I would share it with you.

This was done by Thomson dialogue. The first time I heard about that company, they had collected the raw data from our newspapers. I don't want to quote the newspapers. They have built computer-based program in which there are 12 indicators. There are 9 earthquake related indicators, the other are ethnic polarization. They are all collecting from our newspaper and is that all-national interest?

You talked about the press council: No, I am not waiting for the next elections frankly I was too busy to think about this. But I said to do it and not every thing is related to 2007.

You said we are fastest growing economy but there is no electricity. Yes indeed there is an increase in sale of air conditioners by 15%; their prices have dropped a lot. Every person is installing air conditions in his house because there is money in the pocket to buy the air conditioner. There is plenty of commercialisation. So, when there is a growth in industrialization there would be a shortage of electricity. If the cars selling has increased from 35,000 to 135,000 and motorcycles have gone up from 87,000 to 700,000, the traffic would become a problem. We would have to build under passes and flyovers. But since they are not there, we have problems.

Ladies and gentlemen please analyse these issues; these are due to economic growth. We have to do something when criticize the government. Why there is delay in such things? Why there isn't electricity? Why we are not getting gas from Iran? Why we are not making electricity from coal? Analyse these things and then criticize. Tell the government that they are going slow or whatever. But don't say that we are asleep and we don't know anything.

I want to tell you that we have addressed every issue and we have made a strategy for the last 5-6 years. The problem lies in the implementation/ execution. Some implementations take time. Some implementations have failure and shortages; there you should printout the shortfalls/weaknesses. You should also come out with solutions.

2 I do realize that you (the media) are the fourth pillar of the state. And I facilitated your growth and bonding. I will also say that you will be the first line of defense in my point of view.

I will discuss with you whenever we got time to discuss about Kargil, although it's a sensitive subject. How a successful military operation was converted into a perception of defeat by the media. But I leave this for a moment. To defend the country is not only my or government's job, it is also your duty. And to improve its perception is not only my duty, it is yours as well and we should all realize that.

Not much has been done. There are millions of things which have not been done. A lot is to be done and there is no doubt in my mind. It's not the job of 3 yrs. Strategies have been developed and implementation is in process.

If you look at the developmental issue which will impact the economy and growth, all those are being developed. You have seen how it affected trade and social activities. Mirani dam that started four years ago would be completed in September this year. Mangla Dam raising started two years ago, Gwadar deep sea port Coastal Highway and all the projects water supply plan to bring the Indus water to Hub started four years ago and have now been completed or nearing completion.

I always give the example of half full and half empty glass. Do we want to have an optimistic approach? Or want to look at what has not and keep on cribbing.

The cynics and pessimists focus only on half empty, create a negativism and dependency. The one who look at the half full will always remain happy. I always look both empty and full part to have a wholesome view. I am not cynic or pessimist. I have faith in this country, this nation and in the people of Pakistan. We have to achieve this, we have to do it. We will fill up the glass (InshaAllah). This is how I look at those things. Now I come to what is to be done.

No. 1: We have to stabilize the Frontier province. This is our issue because it is related to extremism and terrorism. Unfortunately, it is destabilizing our nation. Whereas there had been terrorism by al-Qaeda and foreigners have ended, they have been made to run away but they are still there and they are hidden. Earlier their number was in hundreds but now they are small in number, in penny packets. But now the ball game is different, spread of extremism, do not shave beard, do not listen to music etc.

If you don't want to watch TV, don't watch. Don't ask others to do the same. They are spreading now outside the tribal areas i.e. Bannu, D.I.Khan. They have to be arrested. A multiple prong strategy is required and that strategy is under application. A new governor has been appointed. He is the man who made it possible for the army to move into tribal areas. Invited by Maliks, he was garlanded. He is the person who established fully functional girl's hostel in the tribal areas and where the girls were staying before 9/11.

3 So we were trying to facilitate the people of tribal areas and finally absorb them in Frontier. Unfortunately, due to 9/11 our strategy could not be implemented.

In brief, we want to reinvigorate the political agent institution of FATA. We will appoint best political agents there. They will have special privileges, special salaries. They will be backed up with the force not the force of army but Frontier constabulary and levies. Frontier Constabulary is the one that guards the people will be the political agents. Political Agent will have Agency council composed of few Maliks and Lungi holders. They will make developmental plans. Thus, political agent and FATA secretariat will be reinvigorated and a FATA development authority will be created.

Our ten billion rupees will be annually spent on the development in tribal areas for poverty alleviation and job creation. A comprehensive plan has been developed and a study has been conducted. This task was given to Mr. Imtiaz. He prepared it in three weeks, presented and we have adopted it. Its details will be released later on. So it is a four-track approach in frontier. First of all military is working against terrorism but we want to bring forth other administrative, political agent, FATA Development Authority, Governor to the president. This is the channel there and we will handle the whole situation. Secondly 30 billion rupees will be spent for the development and thirdly we will adopt political administration to liberate these people from extremist. Political Agent will have Agency Council composed of few Maliks and Lungi Holders.

Balochistan has to be stabilized. I want to give credit to the Governor and to the Frontier Corps of Balochistan. There is winning situation. I request you to go there and observe the situation. I just want to tell you that there had been dissatisfaction and blackmailing against government which was mentioned in the newspaper. I just want to give a hint because people think that entire Balochistan is on fire. It is just a perception and who is creating this perception? I leave it to you.

Regarding Bugti, there are two lacs Bugties in all. And regarding Marris, they are one lac or so, total 3 or 3 ½ lacs. Is this representing the entire Balochistan?

Let me also tell you that 45 thousands Marris are Bijranis and I have met Bijrani's chief. He is very friendly and the Gazeeni tribe which is of Khair Buksh Marri are only 18,000. You can ask the Balochi people here, if I am wrong in figures. So,

they are only 18,000 out of one lac and the remaining, many of them are with us. They are asking us to come to Kohlu and start development.

The coal mines which were occupied by them have now been returned to their owners. The Mushineris and Bugties are out. Mangals are about 4 lacs, but they are spread in the entire Balochistan and the ones who are antagonistic are in Khuzdar or in Wad in small in numbers. Naseer Mangal is from there and he is with us.

What is the issue? These are few people who have been blackmailing the whole country and governments. Balochistan's 95% area was considered 'B' and 5 % 'A'. Bases are being converted into an area with proper police, judicial system etc.

4 So, if we say that Balochistan is on fire, it will be destroyed and Pakistan will be destroyed, it is wrong. Actually a change can be seen there. Black flag was hoisted in Dera Bugti but now Pakistani flag is hoisted on 23rd March. If someone sits and talks in UK that we are killing women and children and using chemical weapons even when we don't have chemical weapons. Previous governments have been buying missiles and they will be able to buy tanks and artillery guns in a few years if we do not check them today. Whereas Bugti and Marri have raised private Malatias have been giving them millions of rupees and they have made their own force. After a few years they will be like Dostum of Afghanistan with full army and you will have to fight with the whole army.

Whatever I want to do is not for myself, it is for this nation. We do not want to continue the 'B' area policy. The people who exiled their own people and snatched away their lands; we brought those people back to their lands, made schools for them, provided road, and water facility. There is no shortage of money. PSDP has exceeded 100 billion for the first time in just 11 years. And for the coming years, we have 415 billions. So if anybody says we cannot develop, our economy is going down, we are a failed state, then it seems funny and is a sad statement.

We'll do development in Balochistan and FATA. 100 million have been given to every district. 3 or 4 billion are given to these districts. The problem is that we don't have the capacity to use this money honestly. We will stabilize Balochistan in a few months.

You have said there is daily rocket firing in Quetta but let me tell you that today there is nothing like that. So please know the facts correctly. Balochistan is in a changed situation, you can see and if someone is still saying that Balochistan is on fire, then he is talking against the national interest.

Go and see in Balochistan what we have done and achieved. I myself will go to Dera Bugti. Unfortunately, we will have to bear it, pay a cost for what we are doing, but we will stabilize Balochistan. Thirdly, we will continue our struggle against extremism in our society.

I have told 6 point strategy to deal with extremism. Three short-term measures: ban militant organizations, ban hate material and misuse of mosque loudspeakers. In long-term syllabus improvement, especially Islamiyat syllabus. The rituals which are creating differences should be removed and we should make children learn the essence of Islam. The real values of Islam should be stressed upon. Madarasa reforms and a debate on creating/ adopting the real values of Islam.

Then we have to sustain our economic growth and it will be sustained in spite of oil process, in spite of earthquake, we would have 6.5 % economic growth and next year it would be above 7%. But according to our strategy if we could maintain the

economic growth between 6-8% it would be fine. And I am not doubtful about it. We will keep it near 8%.

5 We will have to do lot of things, many dams are to be constructed. We are moving to agro-based industries and bringing a white revolution. We are 4th or 5th largest milk producing country. We will have to attract investors-foreign and Pakistanis. And it is coming to Pakistan too. US\$ b300 billion target.

I want investment in every sector and I want the investment in our strong points like textile, new machines should be imported, value added investment and you will be happy to know that only textile industry has invested 5.2 billion dollars. Our exports are to be increased; our target is to cross 20 billion dollars. Energy sector is a great problem; we are doing a major planning. We are trying to be energy corridor with China, I have asked. China KKH had been the eighth wonder of the world. We can create ninth wonder of the world by constructing a gas and oil pipeline through Pakistan and tenth wonder of the world by constructing a railway track to China and all these are being given serious attention. We will make Pakistan energy corridor. Gwadar port will be a trade corridor and I am saying it because we can make Gwadar a container terminal/ hub, and if refineries are built here in which many people have shown interest then it can be an energy hub/ corridor.

Mining has been ignored in the past. You know we have found a mine in the south of Sandak. This is one of the world's biggest copper-gold mine. Australians were working on this. Biggest copper miners are from Chilli and gold miners from Canada. They have taken over and they are saying they will speedily finish it. We have Gems and stones; we don't know how to take them out, neither cut nor polish them. We are making a park on Karachi airport where they would be polished and value added. I went to the marble city of Balochistan. We mine marble with the help of explosives and 70% marble is wasted. We want to do its mining, cutting and polishing in the best technical manner. What I am trying to say is that is the path to growth. So it was the sustenance of economy. We will have to move forward. It will reduce poverty and end unemployment. Jobs do not mean government jobs. Government sector cannot create jobs for 15 million people. It is the growth of private sector that will create jobs.

Way forward is something much bigger. We have to sustain the economy, reach out to the middle class, lower class, we have to reach out to the people and let these benefits go to the poor people of Pakistan. Efforts will have to be made. We have conducted a survey and completed study that poverty increased from 18% to 34 % from 1988-99 and now it is 24.2% and international organizations are agreeing with it. Don't think poverty and unemployment are increasing, it is decreasing.

Millennium goal post that every country has to bring poverty level to 13% InshaAllah till 2015 we will bring it to the level, if we carry on doing what I am saying we will do it. You can see poverty because 24% of poverty is terrible. One man in every four is poor. So please don't say that it is increasing. How can you say that when industrial growth is there? Motorcycles, fans, mobile phones have increased from 6 million to 30 million. Who is buying all this and if any industry is not there then who is selling it. Look at the telecom industry, construction industry how can you say there is no job creation, they are there. It does not even need a survey.

6 Industrialist used to hire a labourer at Rs. 96 daily, now they are willing to pay Rs. 130-140 and they cannot get labour even at this price. So jobs are there, situation is still not good, we have to improve but don't say that it is going down. Get

your figures renewed. A visible proof of this is the last page of the Economist. ISI has not forced them to include Pakistan's name. It is because it's a fact. We are a performing economy of the world. We have not gone down. We have to reduce poverty, unemployment, prices. This is our failure I admit.

Inflation has increased and prices have gone up but look at the reason. The reason is increase in oil prices and the other thing is economic growth. When the economy grows it effects per capita income and per capita is not a hard and fast rule that everybody is getting \$800. But it should not be thought as to be a useless gauge. It is a gauge, per capita income has its effects on poor and rich, maybe more on rich, but it is not the period of 22 families, it is the period of SME's. People are coming to the industries, everything is open. So our financial gains have lot of spread on economy.

Its spread is very big of our financial gains with the people. You yourself know this when you go to Karachi, Lahore, Faisalabad, Gujranwala, and Sialkot. Look how many people are coming into this industry. Now we are encouraging SME's. The money is wide spread. Our Honda Atlas motors Mr. Sherazi told that 700,000 motorcycles have been sold. And majority of them are being bought in the rural areas. Those who have cycles are now buying motorcycles. In a lot of rural areas people are buying motorcycles because they have the money to buy. Please understand the realities.

We have to do the price reduction and there is an improvement in poverty. We will give subsidies in the price reduction. We will control prices. We will do capping of these. We should give subsidy in sugar, and in pulses.

I know that in Pakistan, Dall Chana has maximum consumption. Its consumption is 0.5 million and consumption of rest of the pulses is 0.1 million. We will do the maximum subsidies on the 6-8 items. And the government will announce this. The government will do price reduction for the poor people. We will do proper marketing so that it would be available and it will reach them. The Chief Ministers are sitting and they would do that. We have to improve the common man's quality of life - their poverty, price reduction, employment. We are making plans for safe water, electricity and gas. We have to do human resource development, improve education and health.

I want to tell you two things about education that you should know. What is our strategy on education? Other than that we are looking every aspect of education. I want to talk about higher education. Atta-ur-Rehman has contacted people all over the world. Nine countries will help us in technical and engineering universities set up. We are selecting places in the country where they will be located. Insha Allah they would be of international standard. They all will start in 2008. We will produce qualified engineers. A PhD program is running beside this. Currently, there are 1,200 people doing PhD's overseas. By the time 2010 we will produce 1,500 PhD's every year.

7 Secondly we don't have technicians. We have industries but we don't have technical people. So, we have National, Vocational and technical institution which Altaf Saleem is running. We should have vocational and technical schools in every part of the country to produce technicians through them. There would be job creation, poverty alleviation and its benefits reaching to the masses.

We will stabilize Frontier. We will stabilize Balochistan. We will sustain the economy and reach out to the people and masses. We are doing sustainable democracy in the country and we will do it. Every action would be according to the constitution

that is all what I want to say. There should be consultation with the constitution of Pakistan. I will not violate the constitution of Pakistan.

We have made local government system. For the first time they have completed their four years. New elections happened and new people came. There were elections after three years in Senate and new people came. First time national and provincial assemblies will complete their tenure and elections will be held according to the constitution. Fair and transparent elections will happen. There is sustainable democracy in Pakistan. It will sustain and we will make it more sustainable.

Lastly, we have to sustain our international stature. We will maintain our friendly relations with other countries and if we have concerns we will have to minimize them. We are trying to solve the problems with India. We have to address conflict resolutions. In this we have Siachen, Kashmir and Sir Creek. Let us hope for the best that good sense prevails and we will come out with the solutions, acceptable to Pakistan, people of Kashmir and people of India. I feel that there is a solution. We are to generate the moment between the two countries to solve the Kashmir issue. And we move forward to the solution.

Now it is a new Pakistan. It is rising and forward moving Pakistan if we all join our hands and see what National Interest is. I have given my views. You will all see and genuinely say. Government is keeping you informed about everything that is for National Interest. I want you to do it for Pakistan not for the government. And please cover up things that are not in National interest - that is my request to you.■

Thank you.

Islamabad, 27 May 2006

<<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/624200665311AMAPNS%20Awarding%20Ceremony.pdf>>

DOCUMENT NO. 29

JOINT STATEMENT, THIRD ROUND OF THE PAKISTAN-INDIA INTERIOR/ HOME SECRETARY TALKS ON TERRORISM AND DRUGS TRAFFICKING

The Third Round of the Pakistan-India Interior/ Home Secretary talks on Terrorism and Drugs Trafficking under the Composite Dialogue was held in Islamabad on 30-31 May 2006. The Pakistan delegation was led by Syed Kamal Shah, Secretary Ministry of Interior, Government of Pakistan, and the Indian delegation was headed by Mr. V. K. Duggal, Home Secretary, Government of India.

2. The talks were held in a frank, candid and cordial atmosphere.
3. Both sides reiterated their commitment to fight terrorism in all its forms and manifestations, and re-emphasized the need for effective steps for the complete elimination of this menace. They also underlined the need to pursue effective and sustained action against the terrorists.
4. Both sides welcomed the release of fishermen by each other on the eve of these talks. They also agreed to release the remaining fishermen by 30 June 2006.
5. Both sides agreed that fishermen and civilian prisoners, who have completed their prison sentences and have been granted consular access and whose national

status has been verified, would be released by 30 June 2006. In addition, they also agreed to exchange lists of civilian prisoners by 15 June 2006 to facilitate consular access by 31 July 2006 and subsequent release. They also agreed to the early release of inadvertent crossers, minors, senior citizens and disabled persons, who are not involved in any specific cases.

6. It was also decided to ensure implementation of an earlier decision arrived at the second round of talks in August 2005 for immediate notification of prisoners, grant of consular access within three months, and immediate repatriation on confirmation of national status/completion of sentence. Both also agreed on the need to ensure humane treatment of prisoners.

7. Both sides noted with satisfaction the exchange of information between the Anti Narcotics Force of Pakistan and Narcotics Control Bureau of India. In this regard, they agreed to the early finalization and signing of the MoU between the narcotics control agencies of the two countries.

8. Both sides appreciated the progress made at the meeting between the Federal Investigation Agency of Pakistan and the Central Bureau of Investigation of India in March, 2006. They agreed on the need to take measures to check human trafficking, illegal immigration and counterfeit currency.

9. The two sides agreed to continue discussions within the framework of the Composite Dialogue.

10. The Home Secretary of India and members of his delegation paid a courtesy call on H.E. Mr. Aftab Ahmad Khan Sherpao, Minister for Interior, Government of Pakistan. ■

Islamabad, 31 May 2006

<<http://meaindia.nic.in/speech/2006/05/31js01.htm>>

DOCUMENT NO. 30

JOINT STATEMENT, THIRD ROUND OF SECRETARY-LEVEL TALKS BETWEEN INDIA AND PAKISTAN ON PROMOTION OF FRIENDLY EXCHANGES IN VARIOUS FIELDS

The third round of Secretary-level talks between India and Pakistan on 'Promotion of Friendly Exchanges in Various Fields' within the framework of the Composite Dialogue was held in New Delhi on 1-2 June 2006. The Indian delegation was led by Shri Badal K. Das, Secretary, Department of Culture, Ministry of Tourism & Culture and the Pakistan delegation was led by Mr. Jalil Abbas, Secretary, Ministry of Culture. The Pakistan delegation called on the Hon'ble Minister of Tourism and Culture, Smt. Ambika Soni.

The talks were held in a cordial atmosphere. Progress since the first round of talks in August 2004 was reviewed. The two sides discussed various proposals for cooperation in the fields of arts & culture, education, Ayurvedic & Unani medicine, archaeology, tourism, youth affairs, sports and media.

The two sides underlined the importance of interaction in the field of culture and related areas as part of efforts to expand people-to-people contacts and agreed to work on the modalities of proposals identified by them. ■

New Delhi, 2 June 2006

<<http://meaindia.nic.in/speech/2006/06/02js01.htm>>

DOCUMENT NO. 31

PRESIDENT'S ADDRESS TO THE SHANGHAI INSTITUTE OF INTERNATIONAL STUDIES ON PAKISTAN-CHINA PARTNERSHIP FOR PEACE AND DEVELOPMENT

Madam Yuxian Tian, President of the Shanghai Institute for International Studies, Excellencies, Scholars, Members of the Academia and Friends, I consider it a special privilege to have the opportunity to address this distinguished gathering of the political thinkers, academicians and scholars at the prestigious Shanghai Institute for International Studies. The institute has a rich intellectual tradition for which I wholeheartedly compliment you and wish you continuing success.

It is also a matter of great pleasure for me to be visiting, once again, this great and beautiful city of Shanghai that is now the proud symbol of the momentous transformation of China. The vigor and pace of development of your great city is an inspiration and sets the tone and direction for the twenty-first century. I am in Shanghai to participate in the Shanghai Cooperation Organisation to which Pakistan was admitted as an observer last year. We wish to make a contribution to the endeavors of this important organisation for the promotion of peace, security and development. This year also marks the 55th year of the anniversary of Pakistan-China diplomatic relations. We in Pakistan take great pride in the close friendship and cooperation that our two countries have developed and maintained for over half a century.

Our friendship is often described as "all-weather and ever-green" and remains an outstanding example of mutually beneficial cooperation based on the principles of peaceful co-existence. This friendly cooperation has been important to both countries; it has contributed in a significant measure to peace and stability of our region as well as to the promotion of international understanding and amity. The two countries are formally bound in a Treaty of Friendship and Cooperation that provides the framework for an all round strategic partnership rooted in the popular ethos of our people and their common aspirations for regional and global peace and progress.

Review of Global Environment, ladies and gentlemen. In today's global environment, the need to sustain and further reinforce our friendly partnership has assumed even greater significance. Today's world is marked by challenges, uncertainties and danger on one side while opportunities and hope exists on the other side. The world remains insecure with the new threat of terrorism. New conflicts have afflicted Iraq and Afghanistan while old problems of Palestine and Kashmir continue to fester. Inequities persist between and within regions. Intra-state strife and implosion have caused enormous human suffering. The impact of globalisation varies from

region to region and country to country. Countries that have seized the opportunities offered by this sweeping phenomenon have gone very far, while those left behind have led to widening disparities and dangerous inequalities in the world.

On the positive side, the great transformation of China, that is unprecedented in history for its scale and pace, is perhaps the most important development of the last quarter century. This has the most far-reaching implications for Asia and the world. We have also seen the rise of powerful economic and trading blocs exemplified by the European Union and ASEAN that have served as engines of growth and development in the world. On the negative side, regions failing to institutionalize cooperation within themselves suffer economic disadvantage and tend towards marginalisation. In confronting the challenges and seizing the opportunities, we need a clear vision and determination. In pursuit of our common interest for ensuring a better, peaceful and prosperous future we need to focus on key areas.

First, promotion of a strong UN system based on Charter principles that must discourage unilateralism and encourage collective approach to prevent and redress new crises and conflicts. Resort to diplomatic and political approach remains the most rational option for promotion of peace in the world.

Second, resolution of existing conflicts and disputes. We desire to see a just resolution of the Palestine issue that has been the cause of so much suffering in the world. On our part, we are committed to find a peaceful solution of the long-standing Kashmir dispute. Concerted international action is required to bring conflicts in Iraq and Afghanistan to an end. We see no alternative to a diplomatic solution to the Iran's nuclear issue or to the six-party talks on North Korea.

Third, sustained fight against terrorism and extremism by also addressing comprehensively the root causes. Extremism and violence grow in an environment where people feel denied of justice, basic dignity and freedom.

Fourth, tolerance and understanding among cultures and peoples. We need to reject the false and dangerous notion of clash between cultures and civilizations in particular between Islam and the West. These are dangerous ideas that only breed prejudice and hatred.

Fifth, promotion of an equitable and just economic order in which globalization is managed to bring greater benefit to all countries and regions of the world - especially the under developed.

In our region we believe in the vision of the Asian century and the higher objective of peace and prosperity of our ancient continent. The peaceful rise of China, that also signals transformation of Asia, points to break from the past centuries of hegemony and exploitation. With our economic strength, 3 demographic advantage and expanding technological and entrepreneurial base, we have the opportunity to build a bright future for the Asian region and for the world.

Pakistan's Role in the Region for Peace and Development ladies and gentlemen. In the interest of the noble endeavor for regional peace and development we see Pakistan and China as partners and our policies as complementary. Here I would like to pause and first elaborate on the role of Pakistan for peace in the region, our national priorities for development and our vision as a hub for economic activity promoting trans-regional linkages.

Let me say that Pakistan is in the forefront of the fight against terrorism and extremism. We are engaged in this struggle first and foremost in our own interest and

motivated by our conviction that terrorism and extremism are a new danger that cause instability, chaos and turmoil and retard progress. We believe that terrorism must be rejected and countered with all force as it threatens and disrupts modern societies.

On the ground we are engaged in countering Al-Qaeda and other terrorist groups that had found havens in Afghanistan and tried to flee that country, many coming into Pakistan, after the American military action in the wake of 9/11. We have gained significant successes fighting and suppressing these groups thus helping the stability of our own society and contributing to security in the world. However, I always emphasize that in the war against terrorism and extremism it is also important to address the root-causes that lie in political disputes and deprivation in poverty that breed extremism. Eliminating individual terrorists and groups is like plucking leaves and branches of a tree, whereas resolving conflicts and disputes is like hitting the roots.

In this context I have suggested the concept of 'enlightened moderation'. One prong of this approach requires the Islamic countries to undertake reforms for socio-economic emancipation and to counter extremists. The other prong calls upon the West to help with the resolution of conflicts that concern Muslim societies and have long impacted on their psyche. We are making every effort to help Afghanistan rehabilitate itself politically, economically and achieve success in the ongoing Bonn process. We want to see a strong government in Afghanistan which can ensure stability in the country and overcome internal strife as well as the menace of drug and arms culture.

Pakistan is also engaged with India in the search for a peaceful settlement of Kashmir. Confidence building relations between the two countries have improved; giving rise to an unprecedented opportunity that must be seized to resolve the long-standing dispute and all other differences. Success will depend on sincerity, flexibility and courage from both sides. There is no alternative to a durable peace that should allow the people of South Asia to devote their energies for socio-economic development.

4 Ladies and Gentlemen, the top priority in our domestic policies which also represents the greatest challenge in Pakistan relates to socio-economic development, reforms and strengthening of political institutions in the country. Our goal is a strong economy, stable political institutions, good governance, and credible security. Through sustained efforts, sound management, financial discipline and consistent reforms based on liberalization, privatization and de-regulation of economy, we have achieved economic recovery and sustainable growth of over 7% in the last four years. Today Pakistan stands among top Asian countries in terms of economic growth. Since I took over in 1999, our reserves have grown from virtually nothing to over US \$ 13 billion that represents our seven months of import bill. Today, we are attracting substantial investments. FDI for the past year was over US \$ 3 billion. Accordingly, there is a bounce and confidence in our economy which is evident in all indicators including poverty reduction, increased employment, higher GDP and per capita income which is close to US \$ 850 with purchasing power parity index of US \$ 2350.

We have also increased allocation of resources for education, health and other social sectors. Pakistan has a comprehensive strategy in the education sector which along with the promotion of universal education also emphasizes quality higher

education. We believe that human resource is our most valuable asset that demands maximum focus.

Pakistan's Position as a Regional Economic Hub.

Ladies and Gentlemen, We are determined to build on the sustained economic growth, political stability and peaceful environment that we are determined to achieve. Also, Pakistan needs to keep in step with global trends that are being shaped largely by economic forces. In our future planning, we need to leverage our strategic location at the crossroads of Central Asia, South Asia and West Asia and in the vicinity of regions rich in natural resources and energy. This advantage can also be channeled into mutually beneficial cooperation and partnership with China. Pakistan can serve as the hub of economic activity linking these regions by developing energy corridors, transit trade routes and communication links through Pakistan.

Offer of energy corridors: We are actively working on Iran-Pakistan-India gas pipeline as well as Turkmenistan-Afghanistan-Pakistan gas pipeline with possibility of extension to India. These two projects are important to meet the growing energy needs of Pakistan and India. Another extension of the Iran-Pakistan segment of the gas pipeline could be its extension to China along the Karakoram Highway on to Xinjiang. Pakistan is planning to build refining facilities at Gwadar Port that has been constructed with the help of China. The port is significant as it lies outside the narrow and sensitive Straits of Hormuz. The port can become an important alternate energy and trans-shipment port. Oil and gas from the Caspian basin can have an outlet at Gwadar which can develop as a distribution point for Southeast Asia and Africa. The port will have the advantage of a land link with China. Pakistan is developing road infrastructure linking Gwadar and other ports of Pakistan to Central Asia. This will provide resource- 5 rich region, shortest route to the Arabian Sea and the world. Pakistan has requested China to help with the up-gradation of the Karakoram Highway that was regarded as a wonder of engineering (even called the eighth wonder of the world) when constructed through Pakistan-China cooperation almost thirty years ago. This road when upgraded will provide the shortest route to the Sea for products manufactured in China. The same road can serve to provide overland route for trade between China and India thus linking two of the largest markets in Asia.

In parallel with the up-gradation of the Highway, we can plan for gas pipelines and even a railway link connecting Western China with Pakistani railway network. These will then be ninth and tenth wonders of the World. Modern technologies should make it possible to overcome the difficulties of the terrain. Pakistan can thus act as the trade and energy corridor for China.

Strategic communication and trade linkages between South Asia and Central Asia and South Asia and West Asia passing through Pakistan will transform the country into an economic hub giving boost to inter-regional economic activity, Pakistan's membership and association of the regional organizations namely SCO, SAARC and ECO lends the country a unique position to facilitate inter-regional cooperation. Geography has endowed us with unique potential to become the hub of economic activity in our region. In the process, we will be able to build a dynamic economy for ourselves and help advancement of communications and beneficial economic interaction between our neighboring regions. Energy corridors would add to energy security which preoccupies many expanding economies. Pakistan-China Partnership for Economic Progress in our endeavors, we look forward to a very

strong partnership and engagement with China. You are now reaching out to the world with investments.

Pakistan is an attractive destination given our long tradition of stable and friendly relations and the opportunities that we offer. Already, a large number of Chinese companies are based in Pakistan. You have helped with Gwadar and the Karakoram Highway. Your companies are engaged in extraction and development of mineral resources in Pakistan. We would like you to engage with us in a substantive manner in the energy sector. I am happy to say that last April, a joint Pakistan-China Energy Forum meeting was held in Islamabad in which several of your major corporations had participated and identified areas of cooperation.

Ladies and gentlemen, we view our strong friendly relations, understanding and cooperation as an indispensable factor for peace and stability in the region. Similarly, our growing, economic partnership is not only mutually beneficial, it would also contribute towards the realization of the full potential of economic interaction, trade and development of neighboring regions especially Central Asia and South Asia. We in Pakistan see a great role for China in Asia and the world. China has a unique position as a neighbor of all major sub-regions of Asia; your great economic strength augurs well for Asia and the world. With this strength you can help growth and economic stability in your vast neighborhood and also contribute to reshaping a more balanced and equitable global trade and economy.

Ladies and Gentlemen, it has been a special pleasure to share my thoughts with the intellectual elites of Shanghai. I request you to continue to contribute towards further strengthening of Pakistan-China partnership and friendly cooperation that has always benefited our two countries and our region and contributed to promoting global peace and understanding.

I thank you. Long live Pakistan-China friendship. ■

China, 14 June 2006

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/6152006124522AMPRe_Address_SIIS.pdf>

DOCUMENT NO. 32

PRESIDENT MUSHARRAF'S ADDRESS AT SCO SUMMIT HELD AT SHANGHAI

Your Excellency, President Hu Jintao, Leaders of the SCO States, Distinguished Secretary General, Excellencies, Ladies and Gentlemen. It gives me great pleasure to participate in this important Summit meeting of the Shanghai Cooperation Organization. I bring to you warm greetings and good wishes of the people of Pakistan. I wish to thank President Hu Jintao, the Government and the people of China for the warm hospitality extended to us since our arrival in Shanghai. This year we are celebrating the 55th year of diplomatic relations and close fraternal ties between Pakistan and China. Pakistan greatly values and cherishes this long relationship. This year also happens to be the 5th anniversary of the founding of the SCO. I congratulate the member states and the SCO Secretary General for the remarkable progress achieved in diverse fields in such a short span of time. I take this opportunity to

congratulate His Excellency President Hu Jintao for assuming chairmanship of the SCO. I also take the opportunity to express appreciation for the outgoing chairman President Nazarbayev for his able stewardship of the Organization. Last year in Astana, the SCO took an important decision to admit Pakistan as an Observer. It was an acknowledgement of the close friendly ties that exist between Pakistan and the SCO member states. We thank you for that decision and assure you of our strong commitment to the principles and purposes of the SCO.

Excellencies, the Asian economies are, by and large, on a fast growth trajectory, spearheaded notably by China. There is no doubt that given its strong economic, technological, demographic and market fundamentals, the wider Asia-Pacific region will, to a large extent, define the shape of the 21st century. The SCO, along with other regional and sub-regional organizations, must lead the way to promote a framework for trans-Eurasian cooperation. With its rich reserve of expertise and resources it is strategically placed to play this role. Excellencies, at this august forum I wish to affirm Pakistan's readiness to work closely with the SCO and contribute constructively to the realization of its objectives. Both in geo-political and geo-economic terms, Pakistan is most suitably positioned to promote the interests of the SCO. Pakistan provides the natural link between the SCO states to connect the Eurasian heartland with the Arabian Sea and South Asia. We also offer important overland routes for mutually beneficial trade and energy transactions. While we remain grateful for Pakistan being given the observer status in SCO, I would like to express our keenness towards securing full membership of this Organization. May I mention that Pakistan has strong credentials to substantiate its desire. I say this in relationship and in full knowledge of the Goals and Tasks set out in Article 1. Principles in Article 2 and Areas of Cooperation in Article 3 of the SCO Charter.

In geo-political, geo-strategic and geo-economic terms, Pakistan is most suitably positioned not only to promote but also to play a key role in all interests espoused in the SCO charter. Pakistan provides the natural link between the SCO states to connect the Eurasian heartland with the Arabian Sea and South Asia. We offer critical overland routes and connectivity for mutually beneficial trade and energy transactions intra-regionally and inter-regionally. Pakistan is located at the crossroads of Central Asia, West Asia and South Asia. We are surrounded by regions which have immense natural resources. We have a vision to develop Pakistan as a hub of economic activity linking the neighbouring regions through our highways, railways and ports thus serving as a trade and energy corridor. Pakistan would strengthen SCO's endeavours towards peace, security and overall harmony in the region. Besides playing a critical role in countering terrorism and extremism, we could also contribute effectively against drug and arms trafficking. I also see our contributory role in the social sector towards promoting education, tourism and cultural exchanges leading to enhanced people to people contact.

While, hopefully examining Pakistan's case for full membership positively, may I suggest firming up more substantive participation of Observer States in the SCO processes? Excellencies, SCO represents the hopes and aspirations of a quarter of humanity. It has the potential to emerge as a most potent force of stability in the region. I have no doubt that in the years to come, SCO will make further progress in diverse fields, particularly security and development, in the Eurasian region, Pakistan,

with its strong commitment to SCO's charter, principles and purposes, would spare no effort to promote the objectives espoused by the Organization.

I thank you, ladies and gentlemen.■

Shanghai China, 15 June 2006

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/6152006103647PMAddress_SCO_Summit.pdf>

DOCUMENT NO. 33

PRESIDENT MUSHARRAF'S ADDRESS AT CICA MOOT HELD AT ALMATY

Your Excellency President Nursultan Nazarbayev, Chairman of the CICA Summit, Distinguished Heads of State and Government, Excellencies, Ladies and Gentlemen, I consider it a special privilege to represent Pakistan at the Second CICA Summit and continue my association with this important endeavour initiated by you Mr. Chairman many years ago to promote confidence, trust, understanding and security in Asia. I am also happy to be in the beautiful city of Almaty and wish to thank you for the splendid hospitality extended to us in the generous traditions of your people. CICA has been making steady headway since the last Summit. In particular, the adoption of the CICA Catalogue of Confidence Building Measures in 2004 was a significant development. The establishment of the CICA Secretariat is yet another landmark development.

Mr. Chairman, old and new conflicts, tensions and menace of terrorism afflict many parts of our Asian continent. Regional conflicts and tensions also retard economic progress, aggravate poverty and cause despair and anger that can breed extremism and terrorism. In this context, CICA is a valuable forum for interaction and dialogue, focusing on security situation and challenges we face together. It encourages adoption of CBMs that can help manage conflicts. However, we feel these must pave the way for final settlement, which alone can ensure durable peace. In regions that are fortunate to be relatively free of tension, intra-regional mechanism to reinforce trust and confidence can help accelerate economic development and consolidate peace and security. These mechanisms can promote peaceful environment conducive for socio-economic advancement by allowing people to devote their resources and energies for this purpose.

Mr. Chairman, terrorism is a new and pervasive threat to peace and security that threatens the entire international community. Pakistan has long been its victim. We have been consistently opposing terrorism in all its forms and manifestations and have been in the forefront of the global campaign to combat and counter terrorism and extremism. We believe that in addition to local action to eliminate terrorist groups and individuals, it is also important to address the root causes. Terrorism often stems from conditions where people have been long denied freedom and fundamental rights and suffer a deep sense of humiliation. International failure to resolve long-standing issues only serves to aggravate them. Another danger that must be focus of our concerns is a similarly sinister phenomenon that tends to associate terrorism with religion, particularly Islam. We must firmly reject and counter campaigns to malign Islam, which is a religion of peace, tolerance and compassion. Terrorism has no

religion. There is also need to reject the false notion of clash between Islam and the West. What we need today more than ever before is harmony and congenial coexistence between diverse cultures and religions. We greatly appreciate your efforts, Mr. Chairman, to bring together scholars of all faiths to promote inter-faith harmony. In this context, I would like to mention the relevance of my suggestion of "Enlightened Moderation" that emphasizes reforms in the Islamic societies to counter extremism on the one hand and the need, on the other hand, for the West to help with resolution of conflicts that continue to cause suffering to the Islamic world.

Mr. Chairman, when we talk of peace and confidence building in the Asian continent, we cannot escape the responsibility to find just solutions to the long standing Palestinian and Kashmir conflicts and the need to help Iraq and Afghanistan gain stability and normalcy. The establishment of an independent Palestinian state is essential to bring the Palestinian tragedy to a close and achieve durable peace in the Middle East. This has been the objective of all peace efforts including the Oslo Peace Accord, The Arab League Declaration of 2002, the Quartet Peace Process and earlier the UN Security Council Resolutions 242 and 338. We must not fail in their implementation.

In South Asia, we are engaged with India in a peace process to resolve all outstanding issues including the Kashmir dispute. The implementation of a number of CBMs in diverse sectors has improved relations and security environment in South Asia. This offers a unique opportunity that must be seized to resolve the Kashmir dispute and usher in a new era of peace and cooperation in South Asia. This is achievable through leadership, sincerity, courage and flexibility. In neighbouring Afghanistan, we desire to see success of the people and the government of the country in their efforts aimed at reconciliation and rehabilitation. Pakistan supports the Bonn Process and will contribute to reconstruction of Afghanistan. We believe that a stable, strong and prosperous Afghanistan is vital for regional peace and development. The recent tension over the Iranian nuclear issue has been a source of deep concern to all of us. Therefore, we welcome the renewed diplomatic efforts to find a negotiated settlement as well as the US decision to directly engage with Iran. We have been supporting Iran-EU-3 dialogue and search for a diplomatic solution especially by Russia and China. We believe that peaceful resolution of disputes implies compromise and accommodation of opposing views. Therefore, it follows that each party has to step back from their maxima list positions. We hope this is realised for the sake of ultimate peace.

Mr. Chairman, it is encouraging that a CICA Special Working Group is exploring cooperation among member states in the Economic, Environmental and Human Dimensions. It signifies a desire to benefit from respective strengths of CICA member states. Many of CICA member states are richly endowed with natural resources. Others, such as Pakistan, can facilitate trade and communications and provide access to markets. Close cooperation can make a difference in the economic uplift of our respective regions and the lives of our peoples. I would like to mention here the pivotal role that Pakistan can play, given its strategic location at the crossroads of Central Asia, South Asia and West Asia. Pakistan provides to the Central Asian States the shortest route to sea and an energy corridor.

We have completed work on a deep-water port at Gwadar and wish to develop it as a trans-shipment port. At the same time, we have undertaken major

infrastructure projects for road and rail transportation networks to complement air links with these three vital regions. We also plan to up-grade the existing road link with Western China. We have a vision to transform Pakistan into a hub of economic activity and communication linking the neighbouring regions.

Mr. Chairman, in the recent past, we have seen the catastrophic consequences of natural disasters like the devastating earthquake in Pakistan and the Tsunami which have taken a massive toll of human lives and resulted in widespread destruction. We are grateful for the generous support we received from the international community. This prompts me to suggest disaster management as an area for interaction among CICA member states. CICA membership represents the diversity and richness of Asia that also faces a range of daunting challenges. We are optimistic about Asia's future as we enter the twenty first century. However, much will depend on our success in building confidence and trust for cooperative endeavours to ensure peace and prosperity in our regions and our continent. Pakistan is ready to play its part for the realization of this vision that has motivated the CICA process. ■

I thank you Mr. Chairman.

Almaty, 17 June 2006

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/618200694109PMAddress_CICA.pdf>

DOCUMENT NO. 34

JOINT STATEMENT ISSUED ON THE VISIT BY HIS HIGHNESS SHEIKH SABAH AL-AHMAD AL-JABER AL-SABAH, AMIR OF THE STATE OF KUWAIT, TO THE ISLAMIC REPUBLIC OF PAKISTAN ON 19-20 JUNE 2006

On the Occasion of the Visit by His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah Amir of the State of Kuwait to the Islamic Republic of Pakistan from 19 to 20 June 2006

In response to a gracious invitation by His Excellency President General Pervez Musharraf of the Islamic Republic of Pakistan, and within the framework of relations of friendship and cooperation between the State of Kuwait and the Islamic Republic of Pakistan, as well the desire to strengthen and expand those relations, His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait, paid a State visit to the Islamic Republic of Pakistan from 19 to 20 June 2006.

The Pakistani side accorded special importance to the visit by His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait to the Islamic Republic of Pakistan, stressing that the visit provided a valuable occasion to reinvigorate efforts aimed at strengthening cooperation between the two countries.

During the visit, a session of formal talks between the two countries was held. His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait, was the head of the Kuwaiti side, while the Pakistani side was led by His Excellency President General Pervez Musharraf of the Islamic Republic of Pakistan.

Discussions covered all aspects of bilateral relations. While the two sides expressed satisfaction over the development of their relations, they underscored their intention and full willingness to strengthen those relations in order to promote the common interests of the two friendly nations. The views of both sides converged on the full spectrum of issues of common concern, and on the need for further interaction to serve better the interests of the peoples of the two sides. With a view to promoting and expanding economic relations, the two sides agreed on exploring new avenues of cooperation with a focus on increasing the volume of investments and mutual trade flows.

They noted with satisfaction the steady progress being made in bilateral economic and commercial cooperation, and expressed the confidence that the considerable potential that existed would be fully utilized to the mutual benefit of the two countries. To achieve this, they agreed that ministerial and official level exchanges between Kuwait and Pakistan would be intensified further. It was also agreed that the Joint Ministerial Commission for economic and commercial cooperation would be held by the end of 2006. The two sides further agreed that the Joint Ministerial Commission would meet regularly and frequently. Both sides noted that there were considerable opportunities for the development of bilateral economic, trade and investment cooperation, and that steps would be taken to actively promote investment cooperation in all sectors, including the petroleum, petrochemical, fertilizers, energy, civil aviation, and infrastructure sectors in each other's country. They further agreed to encourage private and public sector participation in this regard.

They welcomed the conclusion of five cooperation agreements during the visit of His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait to Pakistan. They acknowledged that these agreements, and those already existing, would strengthen the framework for the consolidation of friendship and cooperation between Kuwait and Pakistan.

The State of Kuwait outlined its perspectives on the acceleration of its national development process against the backdrop of the current robust economic activity in the region which should be favourable to attract friends to participate in the ongoing development efforts. The Pakistan side expressed its readiness to engage in these activities. Furthermore, the Kuwaiti side underlined the fact that the State of Kuwait has passed regulations and laws that allowed favourable treatment to foreign investments, including amendment of the tax system, which is now geared more to particularly help the attraction and encouragement of foreign investors.

The two sides were in agreement that a stable global oil market is critical for world economic growth. In this context, the Pakistan side expressed its appreciation for the role played by the State of Kuwait in ensuring the steady flow of oil supplies. The two sides agreed on the importance of cooperation in the development of the oil and gas sectors in a bid to bolster bilateral relations. Furthermore, the Kuwaiti side expressed its full appreciation for the role played by Pakistan in the international fora. For its part, the Pakistan side expressed its gratitude to the State of Kuwait for its kind initiative to provide assistance to Pakistan in the wake of the earthquake in October 2005.

The two sides denounced terrorism in all its forms and manifestations and reaffirmed their intention to strengthen their cooperation to combat terrorism both at the bilateral level and within the multilateral system of the United Nations.

Kuwait and Pakistan welcomed the formation of the new Government in Iraq headed by Prime Minister Nouri Al-Maliki, which represents all sections of the Iraqi society, and wished the Prime Minister and his government success in their efforts to bring peace, prosperity and stability in Iraq. Both sides expressed their willingness to continue their assistance for the reconstruction of Iraq.

The two sides reiterated their support for the establishment of a sovereign, independent, united and viable state of Palestine within a reasonable time through negotiated settlement, as envisaged in the Quartet Roadmap and the relevant UN Security Council Resolutions. Both sides condemned the killings of innocent civilians. Kuwait and Pakistan emphasized the importance of reinvigorating the peace process in the Middle East in accordance with the Arab Peace Plan of 2003 and the Quartet Roadmap, and pledged to continue their development and humanitarian assistance to Palestine.

They took note of the current situation around the Gulf and stated that while Iran had the right to develop nuclear energy for peaceful purposes, it should be done in consonance with its international obligations. They also underlined that the resolution of the current issues should be through dialogue and consultations, giving diplomacy a chance and that confrontation should be avoided at all costs. Both sides expressed their hope that Iran would positively and carefully consider the European offer.

President General Pervez Musharraf briefed His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait, on the ongoing process of composite dialogue between Pakistan and India, and emphasized the centrality of the outstanding dispute of Jammu and Kashmir between the two countries. While supporting the initiative of confidence building between the two countries, His Highness the Amir expressed the hope for its success and wished for durable peace in the region in accordance with the UN Resolutions.

The two sides expressed satisfaction over the positive spirit of cooperation that permeated throughout their talks, a testimony to the close bonds of friendship between the two countries. Hence, they stressed the significance of maintaining constant contacts along those lines.

His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait, extended a formal invitation to His Excellency President General Pervez Musharraf of the Islamic Republic of Pakistan to visit the State of Kuwait which he cordially accepted. ■

Islamabad, 20 June 2006

<http://www.mofa.gov.pk/Press_Releases/June06/PR_217_06.htm>

DOCUMENT No. 35

THE CHINA-AFGHANISTAN JOINT STATEMENT

China and Afghanistan issued a joint statement in Beijing Tuesday. The following is the full text of the document.

Joint Statement Between The People's Republic of China and the Islamic Republic of Afghanistan

At the invitation of President Hu Jintao of the People's Republic of China, Hamid Karzai, President of the Islamic Republic of Afghanistan, paid a state visit to the People's Republic of China from 18 to 21 June 2006.

President Hu Jintao held official talks with President Karzai. Mr. Wu Bangguo, Chairman of the Standing Committee of the National People's Congress and Mr. Jia Qinglin, Chairman of the National Committee of the Chinese People's Political Consultative Conference, met with President Karzai respectively. In a cordial and friendly atmosphere, the leaders of the two countries had in-depth exchange of views and reached broad agreement on expanding and deepening China-Afghanistan relationship of good-neighbourliness, friendship and cooperation, on international and regional issues of mutual interest.

During his visit, President Karzai gave two speeches to representatives of the Chinese academic and intellectual communities at the China Institute of Contemporary International Relations and Beijing University. He met with business leaders of the two countries to brief them on trade and investment opportunities in Afghanistan and had numerous interviews with the Chinese media.

The leaders of the two countries spoke highly of the growth of bilateral relations since the establishment of diplomatic ties in 1955 and expressed satisfaction with the rapid resumption and fast growth of bilateral relations after the formation of the Interim Administration of Afghanistan. Both sides held that enhancing China-Afghanistan good-neighbourly relationship and mutually beneficial cooperation serves the fundamental interests of the two countries and their peoples, and contributes to peace, stability and development of the region and the world at large. The two sides agreed to establish China-Afghanistan Comprehensive and Cooperative Partnership in order to consolidate their traditional friendship and broaden cooperation in all fields.

The two sides reaffirmed the guiding role of the Treaty of Friendship and Non-Aggression between the People's Republic of China and the Kingdom of Afghanistan signed in 1960 in deepening the bilateral relationship and agreed to sign, on that basis, the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Islamic Republic of Afghanistan. The two sides agreed to abide by the principles of the Treaty and continue to enrich the partnership of all-round cooperation for the benefit of the two countries and their peoples and in the interest of peace, stability and development in the region.

The Chinese side spoke highly of the achievements made by the Afghan Government and people in the peace process and economic reconstruction over the past four years since the beginning of the Bonn Process. The Chinese side expressed the hope and belief that with the concerted efforts of the Afghan Government and people, Afghanistan will realize enduring peace and prosperity in the nearest future.

The Chinese side reiterated that it will continue to support and take an active part in Afghanistan's economic reconstruction. China will provide Afghanistan with another 80 million RMB gratis this year. On behalf of the Afghan Government and people, President Karzai extended sincere thanks to the Chinese Government and people for their long-time and selfless help to Afghanistan's peaceful reconstruction.

The two sides held that trade and economic relations are an important part of China-Afghanistan good-neighbourliness and friendly cooperation. To strengthen their trade and economic ties, the two sides decided to sign the Agreement on Trade and Economic Cooperation Between the Government of the People's Republic of China and the Government of the Islamic Republic of Afghanistan, establish the China-Afghanistan Joint Economic and Trade Committee. Both parties agree to intensify cooperation in infrastructural areas such as natural resources development, power generation and road construction. To help increase Afghanistan's export to China, the Chinese side announced that it would grant zero-tariff treatment to 278 items of Afghan exports to China as of 1 July 2006. The two sides will continue to explore new channels and ways to expand and deepen trade and economic cooperation.

The two sides agreed to expand cooperation in agriculture, culture, education, transportation, energy and investment on the basis of equality and mutual benefit. To support Afghanistan's national reconstruction, the Chinese side will train 200 Afghan professionals in the coming two years and will offer 30 government scholarships to Afghanistan annually starting from 2007.

The two sides emphasized that strengthening cooperation in national defense, security and police affairs is an important part of their bilateral relationship. They will actively enhance cooperation in pragmatic terms in the aforementioned fields.

The Afghan side reaffirmed that there is only one China in the world that the Government of the People's Republic of China is the sole legal Government representing the whole of China and that Taiwan is an inalienable part of the Chinese territory. The Afghan side expressed support to China's efforts in safeguarding sovereignty and territorial integrity and its opposition to any attempt of the Taiwan authorities to create "two Chinas", "one China, one Taiwan" or "Taiwan independence", including "de jure Taiwan independence". The Chinese side reiterated that it respects the independence, sovereignty and territorial integrity of Afghanistan, supports its efforts to safeguard its independence, sovereignty, territorial integrity and internal security, and opposes any attempt that will jeopardize Afghanistan's stability.

Both sides agreed that terrorism constitutes an international menace, as it poses a grave threat to world peace and security. China and Afghanistan are both victims of terrorism and they both firmly oppose terrorism of any form. The Chinese side supported Afghanistan's efforts in combating terrorism and safeguarding national stability and is ready to work with the Afghan side to fight terrorism, separatism, extremism, organised crime as well as illegal immigration, drug trafficking and illegal arms trade. The Afghan side reaffirmed its strong support to the Chinese side in combating the three forces.

The Chinese side appreciated the efforts of the Afghan side in promoting regional cooperation and welcomed Afghanistan's relationship with the Shanghai Cooperation Organization within the context of "Contact Group Protocol". The

Chinese side expressed readiness to enter into cooperation in pragmatic terms with the Afghan side within the framework of regional cooperation. The Afghan side welcomed China becoming an observer of the South Asian Association for Regional Cooperation (SAARC) and supported China in carrying out mutually beneficial cooperation with SAARC.

During the visit, the two sides signed: Treaty of Good-Neighbourly Friendship and Cooperation between the People's Republic of China and the Islamic Republic of Afghanistan, Agreement on Cooperation between the Government of the People's Republic of China and the Government of the Islamic Republic of Afghanistan in Combating Transnational Crime, Agreement on Trade and Economic Cooperation between the Government of the People's Republic of China and the Government of the Islamic Republic of Afghanistan, Agreement on Economic and Technical Cooperation between the Government of the People's Republic of China and the Government of the Islamic Republic of Afghanistan, Exchange Letter for China Granting Zero Tariff Treatment to Certain Goods Originated in Afghanistan, Air Service Agreement between the Government of the People's Republic of China and the Government of the Islamic Republic of Afghanistan, Protocol on Institutionalising Consultations between Officials of the Ministry of Foreign Affairs of the People's Republic of China and the Ministry of Foreign Affairs of the Islamic Republic of Afghanistan, Memorandum of Understanding on Agricultural Cooperation between the Ministry of Agriculture of the People's Republic of China and the Ministry of Agriculture, Animal Husbandry and Food of the Islamic Republic of Afghanistan, Memorandum of Understanding between the State Administration of Cultural Heritage of the People's Republic of China and the Ministry of Information, Culture, Tourism and Youths of the Islamic Republic of Afghanistan on Cooperation in the Maintenance and Preservation of Cultural Heritage, Memorandum of Agreement between the Afghanistan Chamber of Commerce and Industry and the China Council for the Promotion of International Trade, Memorandum of Agreement between the Afghanistan Investment Support Agency and the China Council for the Promotion of International Trade.

President Karzai invited President Hu Jintao to pay a state visit to Afghanistan at a time convenient to him. President Hu expressed his thanks for the invitation. ■

Xinhua

<http://english.people.com.cn/200606/21/eng20060621_275755.html>

DOCUMENT NO. 36

JOINT STATEMENT, INDIA-PAKISTAN DISCUSSION ON THE WULLAR BARRAGE & STORAGE PROJECT/TULBAL NAVIGATION PROJECT

As part of the Composite Dialogue between Pakistan and India, the delegations of the two countries met in Islamabad on 22-23 June 2006 for discussion on the Wullar Barrage & Storage Project / Tulbal Navigation Project. The Pakistan delegation was led by Mr. Ashfaq Mahmood, Secretary, Ministry of Water and Power, Government of

Pakistan and the Indian delegation was led by Mr. J. Hari Narayan, Secretary, Ministry of Water Resources, Government of India.

2. Mr. J. Hari Narayan and the members of the Indian delegation called on H.E. Mr. Liaquat Ali Jatoi, Minister for Water & Power, Government of Pakistan.

3. The talks were held in a cordial and constructive atmosphere. The two sides exchanged views on the project and had a better understanding of each other's views. They reaffirmed their commitment to the Indus Waters Treaty 1960.

4. The two sides agreed to continue discussions during the next round of Composite Dialogue with a view to resolving the issue in accordance with the provisions of the Treaty. ■

Islamabad, 23 June 2006

<<http://meaindia.nic.in/speech/2006/06/23js01.htm>>