A: I'd like to open up generally with the subject of India-Pakistan. We are the verge of war in another part of the world nearby, and, when that happens, what do we expect out of those two countries? Both in terms of their support or lack of support for the war effort, but probably more importantly, their interaction. What can we expect there?

A: First, let me say, this is speculative because I don't think the decision has been made to go to war.

A: True.

A: And therefore I don't want to in any way imply that it is. But both countries have equities in the Gulf. But overall we are expecting that their relationship--let me back up a little. The tensions eased at the end of last year. The troops went home and are still pulling back. I think, it is almost complete now and we are definitely in a situation where the military build up is, that imminent threat that we had of a major war between the two nations because of the build up, is past. The rhetoric is still high. There are still tensions between the two and we are working to help diffuse those tensions, but we have no reason to think right now that hostilities are imminent or that a war in Iraq would necessarily--or anywhere else--would necessarily bring up the tensions, inflame the tensions between the two. Obviously, we are talking to both of them about the need to diffuse the tensions, irrespective of what happens in the world situation, because it is a dangerous situation overall.

A: As you said, they both have equities in the Gulf. It seems to me that there should be a concern that military action begins in that general part of the world, that one side or the other sees an opportunity to advance its interests. Do we have, have we had any kind of discussions with those governments along the line of "keep a lid on it. This is very dangerous."
A: Once again, I've got to get back to the sort of the premise of the question is that something is going to happen. And the president hasn't made that decision and we don't know that he is going to, therefore it is a little hard to go to other governments to say, um, because of the way you phrased it. But the fact that we are constantly working with both sides to diffuse the tensions no matter what happens. It is a conversation that we have with them all the time. In fact, the foreign secretary is in town this week and we require discussions with him as well. We need to see some kind of stability and peaceful resolution.

A: Back to the subject of the stand down or the relaxation of tension on their border. Did I hear you say that forces have almost completely pulled back now to where it was before the latest unpleasantness?

A: Yes. It took some time to build up; it takes some time to pull back and I think it is complete. Am I right?

Aide: You can't say it is exactly the way it was before. Both sides probably learned some lessons on how to position units in different places.

A: But generally a pull back has occurred.

Q: In the fall we revived the Defense Consultative (inaudible). I'd like to get your comment on coalition support Pakistan is providing. The Administration is asking for a pretty significant amount of money to pay for allied support in the ongoing war on terror. Last year's amount, a pretty significant amount of that went to Pakistan. How much are they looking for over the next year?

A: Can you repeat the first part of your question?

Q: It was about the Defense Consultative talks.

A: I'll start with that. This was an important part of the overall policy to move the relationship with Pakistan beyond where it has been. When this Administration came in, it was very, we wanted to improve relations both with Pakistan and India. 9/11 helped us move with Pakistan a lot faster than we had expected, because we were then able to get waivers for some of the legislation that prevented us from moving forward on these things.

We've had a long hiatus since we've been able to have military contacts with Pakistan. The military relationship with Pakistan was very close until the early 1990s. There had been a long hiatus where we didn't even have any training. So, we are picking that up and we are reinstituting IMET. It is an important component of the relationship. The military of Pakistan plays a part in the social structure and it is a country that is of importance to the United States and the military component of it is important. It was a good beginning and we hope to continue it.

In terms of coalition support, I haven't seen the announcement that we are requesting this year,
but there are commitments in, a chunk of the supplemental of the '02 supplemental. After 9/11, we provided $600 million for Pakistan. That $600 million was kept to help the government of Pakistan have the budgetary leeway to invest more in social programs and the arrangement was we gave them $600 million and in exchange for which they used $600 million for social programs, for job creation, health and social sector overall. And that is what they did and the idea was to show the man on the street that the decision that was made on the 13th of September was one that was for the good of Pakistan, that it set Pakistan in the right direction and helped the common man as well as the government. I don't know what--we also have commitments pay Pakistan, to reimburse Pakistan for the assistance that they've provided and we do that on a regular basis.

Q: Renewal of violence inside India, can't be making things any easier for our relationship between the two countries. Is there any threat that will exacerbate the situation, the Hindu-Muslim conflict inside India continues, that Pakistan will feel any obligation to respond? How is revival of Hindu nationalism in Kashmir affecting things?

A: The communal violence is not something that--I mean, the government of India is very concerned about it and working hard to try to tamp down exactly those, the events in Gudra (?) Were horrible and really, recognized as such by the government of India and I think communal violence is the last thing they want to see and are working hard to try to tamp it down. Pakistan's response to that, I don't think, they have their own internal problems and I don't--we haven't really seen any correlation.

Q: What diplomatically keeps the United States from sweeping into Pakistan to search for Al Qaeda? How stable does Musharref's government seem to be right now?

A: Our sense is that the current government is stable, in Pakistan. It is still finding its feet. For example, the senate elections still haven't taken place, or are going to take place at the end of February. So they are still essentially forming this government and working out sort of this return to democracy or move toward return to democracy. And our sense is that it is stable, in terms of going in, Americans going in--and I can't remember how you put it. I don't now about the towns in question that you are talking about, must be in Karachi, but we are working very closely with the government of Pakistan and they have shown themselves more than able to take care of the problem themselves. They've had close to 500 Al Qaeda arrests and this is done by Pakistani law enforcement entities. There is no--I don't think there is any question of Americans needing to do it. This is something that the Pakistanis see as in their own interest to do as well.

Q: But there are questions, because in Bagram, the US military official is saying, "we can go in, in hot pursuit in Pakistan to get folks." Within 24 hours the Pakistani government said, no you can't." What is the truth? Can we or can't we?

A: I think the issue is really are we getting the cooperation we want from the government of Pakistan. After this, I want to characterize this as a "dust up" incident, General McNeil met with his Pakistani counterpart and they worked out how this would work. We have had General Franks go to Islamabad this weekend and we've got close cooperation and understanding with
the government of Pakistan so this was sort of the kind of incidents that happen in the fog of war.

Q: So, we can't go in, in hot pursuit or it has to be discussed on a case-by-case basis?

A: I think the government of Pakistan is very sensitive to any foreign entity sort of coming over its borders and it can take of its own problems and has proven that they do, in close coordination with (inaudible).

Q: Can you put a number on how much money you've compensated Pakistan?

A: Can I get back to you on that? Are you talking about the compensation for military assistance?

Q: Whatever it was you were referring to earlier.

A: There have been different types of assistance. For military assistance, I'll have to get back to you. That is something the Pentagon can give you the number with, immediately. Should be able to provide you. But the thing is, we've also, in addition to that, we've provided in the '03 budget there is $200 million for Pakistan which is intended to go for debt relief. And it will buy about $1 billion of debt relief out of the close to $4 billion that they owe the United States, bilateral debt. And there has been a lot of assistance in terms of education and law enforcement and border security and border control. I can get you a breakdown of exactly what that was. With the various supplementals, it is I'm afraid it is blurring in my mind, but I can get you those figures.

Q: Was that the '03 budget or the '04 budget?

A: The debt relief is in the '03 budget.

Q: And you said that is $200 million?

A: $200 million is the base and we've asked for congressional authorization to spend that $200 million for debt relief and it will buy us the equivalent of a billion of debt relief.

Q: Speaking of being nice to Pakistan in the wake of 9/11, two things. Number one, how much more difficult is your job made by congressional tendencies to protect textiles? Does that make your job a lot tougher given what we said we would do with Pakistan in the wake of 9/11 regarding textiles? Secondly, is the F-16 deal totally completely irrevocably dead? Is that one with a bow on it and that is all done?

A: I think, on the F-16, you probably phrased it a little too broadly. It is not on the table now. So it is not dead or alive. It is just not on the table.

The textiles, textiles is an issue which is of great concern not only to the government of Pakistan, but a number of governments in South Asia overall. We did get some concessions from Pakistan. We got $140 million a year over four or five years for Pakistan. We got that through the
Q: How much does he want?

A: They wanted--I can't remember exactly because now we are getting into various categories and all--but I believe they wanted more concessions, I know they wanted more concessions. But the fact is if there American jobs at stakes, then our interests collide in that area and we did what we possibly could for them. They were happy at the time. The fact is, these quotas are going away in early 2005 and all the governments in the region need to figure out a way to make themselves competitive for that. That is what they should be focusing on because there is not much time left. And that is the message that we reiterate both to Pakistan, especially Bangladesh and the 12 (inaudible).

Q: There is concern among some officials that when the tensions ratcheted up between Pakistan and India the last time about the security of the Pakistani nuclear arms arsenal. Can you tell me what the US comfort level is with that? Are there any changes in security arrangements?

A: I heard a lot of press reporting on that. I think that our overall assessment is that Pakistan has control of its nuclear arsenal and there is very little doubt about the fact that they have got it under wraps.

Q: They've got good, solid control. There is no misgivings on the US side?

A: We are always concerned with certain circumstances like this and we want to work--and we do--we've got conversations that go on with the government of Pakistan in terms of export controls and exports in general and things along those lines. So we work that, of course. There is always a concern with anyone. But our overall assessment is that their nukes are controlled.

Q: In terms of security, not only proliferation, but also security within the country against seizure, diversion, or accidents, theft?

A: That is what I am referring to.

Q: Has there been any change you are aware of, that they've spent more for that security?

A: I know that they have had numerous conversations with us and that they are working with us and that we've got assistance in small amounts to help them, if they need it.

A: You mean assistance for nuclear assurety?

A: No, for talking about export control and technical type of assistance, not...

A: But on the other part of the question, which is just surety of the weapons themselves in the country, that is not an easy thing to do. This country developed permissive action links and helped the Russians with that. Have we had that kind of relationship with Pakistan on nuclear
A: No.
A: Have they asked for it?
A: No. And we haven't felt that they needed it based on...
Q: Inaudible
A: You are getting beyond my (inaudible). Others know more about the intricacies of it.

Q: Given the numerous press reports that Pakistan has share nuclear know-how with North Korea, can you give me your assessment of those reports? How the Pakistanis have responded to them and the likelihood of the need for missile sanctions?

A: This is a very short answer. There is not much I can tell you about this because this involves intelligence and I will just reiterate what the secretary said which is that he has had the conversation with President Musharref and President Musharref assured him. We've gotten a 400% assurance and that we are looking forward and they have definitely responded. You've seen how they've responded. They've been pretty categorical in their denials. That is as far as I can go to answer that issue.

Q: There have been recent press reports that India and Iran have signed a military cooperation accord. Can you verify that and comment on US response to that?

A: We talked to the government of India about this. It is not as was depicted in various press articles. There is a document called the Delhi declaration, which we got online. I think the area of--there are a number of areas of concern, which initially were of concern, but if you read that document and talk to the government of Indian, they have good relations with Iran. They want to continue to have good relations with Iran. They've made steps forward in that, but nothing yet that...

Q: So it is not actually military transfers, arms transfers so much as...

A: No, obviously this was an issue that we explored and it is very vaguely termed, there are no agreements to do anything. There is a lot of things coming out of Teheran which seem to not be so, they've categorically said that there is no--I'll let them speak for themselves. The (inaudible) secretary is here so I'll let him answer these questions because I'm sure these will come up to, but we are reassured that there is not, that they have no intention right now of a military-to-military type of relationship, which would obviously cause (inaudible).

Q: Question about arms sales/arms transfers. Can you talk about exactly what restrictions have been lifted? Which ones haven't? With regard to both countries and talk in general about the transfers that have been approved. Are they being directed to specific areas, like surveillance,
obviously, and when do you think things will be opened up to do a much broader conventional forces modernization effort?

A: Ok, coincidentally, it happened after September 11th, but we were already in the process of removing a number of sanctions prior to September 11, 2001. Sanctions were then lifted, were waived and we were able to resume full arms sales with India. On Pakistan there remained sanctions for, proliferation sanctions for having received...from China. They were sanctioned in November 2000. It was missiles. Those sanctions remained in place to Pakistan still had a layer of a sanctions. They were waived for all equipment related to Operation Enduring Freedom. And to their support for Operation Enduring Freedom, because as you know, they've done a lot of things for us in flying their planes and doing things. So we were able to provide them spare parts and whatever was needed in that context. Those sanctions sunsetted in November 2002. So now we are in a new phase and each of these arms transfer requests is essentially studied on a case-by-case basis. But there is no more legal impediment.

Q: Do you see a more opening up to a larger number and type of transfer to Pakistan?

A: You know, all these things are related to the amount of, there are certain costs implied here and we have some foreign military financing funds. Don't know what the government of Pakistan will want at this point, but there is certainly discussion and everything is on the table. Each case is decided case-by-case and the details of how that works is (inaudible)'s area.

Q: What about cooperation on the engine for their light combat aircraft?

A: I haven't seen that particular request.

Aide: Not recently. I would have noticed it.

A: I remember they were pushing that while they were still under sanction. But it has not come to my attention, let me put it to you.

Q: They mentioned it when they made a visit here last year.

A: I'm sorry.

Q: You spoke about the cooperation between the Musharref government and the United States. Clearly there are global officials who doubt about the cooperation. To what degree are you concerned about sympathetic behavior of Pakistan toward Taliban? Is that a problem?

A: The fact that there are tribal leaders along the border who were/are sympathetic to the Taliban is not a surprise. Those are areas where the government has had no writ, much less anybody else, for a very long time. There are efforts underway by the government of Pakistan because they recognize the move to extend their control over some of these areas and remember we are talking 50 years of history or longer. These tribal areas are not run by the government or the government does not have too much control there so they are trying to extend their authority to those regions.
in various ways and they've done it in many ways to protect themselves but also to help
Operation Enduring Freedom and others to prevent Taliban and Al Qaeda from crossing the
border. Are there concerns there? Yes. A lot about the problems in the border areas, but we've
had very good cooperation with the government of Pakistan to help us try to do what we can to
get (inaudible).

Q: How effective are they in extending their authority to these areas?

A: You've seen, Pakistani soldiers have been killed in Enduring Freedom so it is not an easy one.
We've had Pakistani deaths there as well. Is it done? No. Are we hoping that they will make
progress? Absolutely. Do they want to? Yes. It is our understanding that they do. It is not just for
the United States what they are doing.

Q: The Clinton Administration saw Musharref as a bad guy. And until 9/11.....

[end side 1, begin side 2]

.... Why did the US decide to totally engage with Musharref? Sort of putting aside all the
diplomatic questions that we had had before, perhaps for the last as long as a decade?

A: Well, it wasn't more than a decade. Musharref came into power in October of 1999. Let me
just argue a little bit with the premise here and that is that when this Administration took over,
the intent was to improve relations with Pakistan as well as with India, but since you asked the
question about Pakistan, it was very much, this is a relationship that for 12 years has not worked
because of sanctions. What is a better way to handle it? So already the process of lifting
sanctions had started prior to 9/11. The intent to move forward with Pakistan and improve
relations with them had long pre-dated 9/11. In fact, one of the early meetings that I had after I
was confirmed was meeting with them on the subject of Afghanistan because this was the major
thorn in the relationship. It was the Taliban. It was their support for the Taliban and the problems
related to Afghanistan. And so we'd already started a dialog on this conversation. And it figured
very prominently in my conversations with President Musharref in August of 2001.

Then 9/11 happened and the world changed and the government of Pakistan made the decision to
cut off all support for the Taliban and not only to cut off the support, but to join the world in a
fight against them. That was a major decision and it is one that deserved recognition. As Pakistan
had taken this position, which was not necessarily an easy one domestically, we suddenly were
able to escalate our relationship, accelerate our relationship a lot faster than we ever expected to.
The Congress helped us when it became clear that Pakistan was going to offer its bases and its
military assistance as well, the Congress offered us a waiver for the coup sanctions, the 508
sanctions and just so that you don't think this was sort of done, there are other aspects to this as
well and one of them is that Musharref had laid out a road map for the return to democracy. He
had said there would be elections in October of 2002. The Pakistani Supreme Court had given
him three years and that he intended to abide by it, and he gave a big "road map" speech that
summer of 2001. It was August 14. This was something that not only were we going to hold him
to, but that gave us the indication that there was the intent to return to democracy and that was
critically important to us to have a democracy and provide a democracy.

Q: I want to ask about Central Asia.

A: Not my region, sorry.

Q: In mid-December you met with some officials in Nepal. Give us a sense on how we are increasing aid to them and are cooperating with us?

A: This is actually an area of great concern to us, the situation in Nepal is really not looking very good. There was a cease fire in the last couple days, the Maoists have gone further than just calling for a cease fire, agreeing to a cease fire. They've also canceled a general strike which they had planned on the 13th and 14th, or postponed it. Maybe this is a reason for hope, but the fact of the matter is that it is a deteriorating situation. The Maoists are doing very well. The government of Nepal seems to be unable to pull together to deal with the issue. Part of our policy, it has basically got four parts. One of them is there is security assistance, which is to help the government of Nepal handle--this is a government that has a relatively new army that is under equipped and not experienced in insurgencies. So we are helping them in terms of training and some equipment but it is really to help the government of Nepal have enough force to be able to bring the Maoists to the table because this is not a dispute that is going to be resolved through force. So we've been calling for an end to the violence and for the Maoists to come to the table, but really, the government needs to pull together as well. We also have a development component which is to get at some of the root causes of the insurgency and a lot of it has to do with the non-provision of social services by the government. The inability, they haven't, it is a new democracy. It is only 10 years old, maybe 12. They need help in terms of understanding how this works with respect to your constituents. The social services are not provided government wide. By that I mean, hospitals and the stuff that we take for granted. We have a development. We have stepped up and sort of refashioned out development assistance to Nepal as well in order to help that situation.

We are also working closely with the international community because this is not just (inaudible). There are a lot of countries that have equities there. India primarily obviously. This is a real threat to India. This is a threat to regional stability. They have an open border with India. The threat of Nepal becoming victim to ever escalating violence--we are already seeing people leaving. This could lead to a tremendous humanitarian problem. We'd see refugees, we'd see large-scale humanitarian concerns evolving, they are already evolving. And so we are working closely and coordinating with the government of India, with the British and other parties that have an interest and worry about the region.

Q: Looking back on the war in Afghanistan, is this what you expected? Is the current situation what you expected to see in Afghanistan? Is this what you wanted to see? If the current state of chaos and warlordism continues, is that something that the United States can live with indefinitely in Afghanistan?

A: First, just wanted, we don't think that the war is over and though we have shifted a lot of the,
we're not only in combat mode at the moment, we are also in the construction mode. The fact is, there are still pockets of Al Qaeda and Taliban and Operation Enduring Freedom continues. It is not over, so I just want to make sure I got that out.

Is this what we wanted to see? Or what we expected? I think in many ways, yes. If you look back to where we were a year ago, or 15 months ago, we were, you had a country on your hands which was totally unstable, where there was absolutely no infrastructure whatsoever and it wasn't a question of rebuilding something where there already was a basic infrastructure. We are talking about absolute basics--agriculture was ruined. There were no roads. You know the situation, you've been there. A year later, we've made tremendous strides. No one would have expected that there would be a Loya Girga so quickly, that the interim government would turn into, peacefully, a transitional government with the prospect of elections in two years. The Bonn agreement is being implemented so I would say that without wanting to oversell the situation there, it is certainly a lot more stable than it was before. Is it totally stable now? I'd say it is stable but fragile. The issue of the warlords or the tribal leaders is one in which we are working on in a variety of ways and a lot of it has to do with bringing reconstruction to the country and giving people a stake in the economy, giving them jobs, giving them other alternatives to being in the militia and these are things that we are working on. We've got the provincial reconstruction teams out there. We've got a number of projects where essentially jobs are being created, like the road, which is a major infrastructure project. Agriculture is up some 82 percent in the last year. There is hope there. And we've got to give everybody a stake in keeping it stable. A not insignificant part of this is the non-interference of neighbors and the agreement that was signed in December. Everybody needs to be pulling together on this and we are working hard with everybody to make sure that they do. So, I think we are relatively pleased with where we are right now, considering what we had to start with.

Q: I wasn't quite clear from what you said whether you saw an possibility of the Maoists actually winning this war in Nepal? Is that possible?

A: I don't have a crystal ball. I think that, our basic analysis is that this can't be won through violence or militarily, that ultimately there will have to be, some kind of dialog or some kind of negotiation.

Q: You mentioned non-interference. What is level of US concern about Iranian influence in Afghanistan?

A: The Iranian picture is one that is mixed. We have got a portion, a part of the Iranian government that worked very well with the Bonn agreement, where they were a positive element. And then you've got other forces that are trying to undermine some of the things that are going on.

Obviously, we are concerned. We are concerned that nobody, that Afghanistan not become a battlefield for any outside powers again.

Q: Is it true the Iranians are equipping anybody militarily?
A: I am not sure I can answer that question. I can't talk about intelligence matters.

Q: What limits are placed on the equipment we're involved with?

A: Right now, there aren't any. We've got financial constraints. There is a war going on. They are allowing us to use their bases and it has been a long time, I think people under-estimate how long it has been since there has been a tradition of any kind of equipment whatsoever to Pakistan.

Q: There seems to be a long history of short-sightedly arming our friends and then things blitz and we have an Afghanistan or Iran. Is it a concern, what are we doing here?

A: Our concern is to maintain regional stability, so obviously, it factors in, but we are so from that at this moment.

Q: The 82 percent increase in agricultural production, is that poppies? Or is that segregated out?

A: It is not counted. Recently, we did the drug certification, we went through the drug certification exercise and it cleared that poppy production is up dramatically in Afghanistan in 2002. This is a topic of great concern and it is something that we are working very closely with and the Afghans are concerned about it. As the writ of the central government extends, we hope to get this better under control. Karzai has said himself, he banned the growth of poppies. Now we've got to help them with crop substitution, and other efforts. The Europeans, especially the British, are taking the lead on this subject.

Q: My other question dealt with Pakistan. The present (inaudible) was imposed because of nuclear proliferation issue on Pakistan. Is that now totally gone? Any remnants of it?

A: It has been waived.

Q: And that was pre-9/11?

A: It would have been, had 9/11 hadn't happened. We were going through the paperwork of a waiver for everything that we had the waiver capability for with Pakistan. Section 508 we did not.

Q: What is the logic of that? If you are punishing them for getting nuclear capability. They are not relinquishing it, yet you are giving up the sanction on it.

A: The sanctions didn't work. So we've decided there had to be a better way to deal with Pakistan than to essentially tie our hands and not be able to--We wanted to have a relationship with them. We had literally 12 years where it was a very restricted number of things that we were able to actually make any progress on. Because...
Q: How would you define the nuclear sanctions working? Islamabad giving up the nuclear capability? The sanctions were imposed after. Do you believe that they were getting that.

A: When they detonated in May of 1998, a whole new set of sanctions became super imposed over Pressler and Pressler was for the acquisition. Once they detonated, they had them. And so the attempt was to get them to sign the C3TB and to get them to roll back the nuclear program. But that hadn't worked. And we are where we are and we wanted to be able to deal with the government of Pakistan in a way--the foreign minister of Pakistan often quotes, talks about how Pakistan has been the most sanctioned ally of the United States. In a way his statement was true. There were so many sanctions on them, it was hard for us to deal with them. So we thought a better way to deal with them would be to be able to free our ourselves to have a conversation with them about these things in order to see whether we can make any progress on the nuclear proliferation issue.

A: As we were discussing downstairs, there are a lot of wild stories about you going around CIA days, you were not even assigned to this part of the world, when you were doing operations.

A: It was a great story, but (inaudible) were disappointed, but none of it was true.

A: I did want to ask you about STAIRS. There was a buyback program that was underway in the early 1990s. Today, given the increased terrorist threat and the actual use of these man-pads a couple months ago in Africa, shooting at the Israeli aircraft, there is a heightened sense of concern about the use of those kinds of weapons. What, if anything, is the United States doing in your part of the world to try to sweep up whatever is left over there that the United States supplied to the Muj back in the 1980s.

A: This gets into intelligence issues and I really can't talk about it.

A: Are we doing anything?

A: I really can't talk about it. Sorry.

Q: Follow-up on the poppies question. Do you have any sense of who these farmers are growing these?

A: I don't know the full answer to your question. I do know that despite the wide availability of heroin in the market, we are still talking about tremendous prices being paid for poppy and I do know that there were a number of small farmers, the people who the Taliban had control over and sway, and here they were able to enforce the ban, a number of small farmers had gone back to it. The connection between that and organized narco-trafficking, I don't have the answer to. Somebody might. I just want to sort of be up front--I don't have the answer.

Q: The logic you were talking about for changing or removing sanctions on Pakistan prior to 9/11 is interesting to me. Doesn't that send a message to folks that hey if you get nuclear or are a big pain in our ass, that we are going to deal with you as opposed to what the sanctions were
originally hoped they would, say, you get on our bad side, we are not going to deal with you. It sounds North Korea-esque.

A: No. Really not. The fact is Pakistan has been severely punished, paid a very high price for going nuclear. They clearly saw it in their national interest and national necessity to go forward with this. And they paid a heavy price for it. But once they had detonated and we'd gone through three years of the US having to oppose them on international financial loans, not to mention no assistance whatsoever and very little for us to engage them with in order to influence their nuclear program, do you go on down a path which hasn't worked? Or do you try something else? That is what is the decision we made. This is an important country in an important part of the world and it is in our national interest to have good relations and to deal with them. That in no way implies that there is any lessening of our non-proliferation efforts. But we were where we were.

END TEXT