



Background Briefing
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Background Briefing by Administration Officials on U.S.-South Asia Relations

(12:00 p.m. EST)

MR. ERELI: Welcome, everybody. We're very please to have with us today three senior officials, three senior Administration officials - Administration Official Number One, Administration Official Number Two and Administration Official Number Three -- to brief us today on the Administration's new strategy for South Asia.

So with that, I will let Administration -- introduce Administration Official Number One, who will give you an overview on what that strategy is, where we're going, and then open it up to questions.

SENIOR ADMINISTRATION OFFICIAL ONE: Hi, I'm Administration Official Number One. (Laughter.) Number one. I'm going to try to do two things. I'm going to try to outline what the Administration's strategy is. I'm going to explain this a little bit because I want you folks to kind of really have an understanding of it, so forgive me if it seems a little bit educational. But I think it's important that you really have a feel for the strategy across India, Pakistan and Afghanistan a little bit, and then I'm going to do a little bit of a tick-tock, a sort of kind of how we got here and where we are.

Secretary Rice's trip last week capped months of work on thinking through American strategy towards South Asia. There were a number of particular issues that were percolating up on India, on Pakistan, Afghanistan. The idea was to try to see this in a broader conceptual framework as a strategy for the region as a whole.

The Administration has made a fundamental judgment that the future of this region as a whole is simply vital to the future of the United States. You've got India, which is the most populous democracy on earth and it's soon to pass China as the most populous country on earth. You've got Pakistan, which is the second most populous Muslim country in the world and, by the way, the only one with nuclear weapons. You've got Afghanistan, which is a fragile but emerging democracy. You have a region that, if you see it from India through Afghanistan, is going to be critical both in the world's future demographically and economically, and also with China on one side, Iran and the Middle East on the other, and as we can see a somewhat turbulent Central Asian region to the north.

So it's important for the United States Government to see how the strategies towards all these countries actually interconnect and it's important for you to see that because the decision was to try to pull a number of these different threads together to weave something that would build long-term foundations of security and friendship for this vital subcontinent with the United States.

Let me start with India. The first Bush Administration did a lot to spotlight the significance of the relationship to India, building on some work that had been done in the Clinton Administration. And that culminated in some things like, in 2004, the announcement of the next steps and strategic partnership, export controls, high-tech cooperation. This year the Administration made a judgment that the next steps and strategic partnership, though very important, wasn't broad enough to really encompass the kind of things we needed to do to take this relationship where it needed to go, and so the President and the Secretary developed the outline for a decisively broader strategic relationship.

Secretary Rice presented that outline last week to Prime Minister Singh. Its goal is to help India become a major world power in the 21st century. We understand fully the implications, including military implications, of that statement. This includes political moves, like the President will invite Prime Minister Singh -- is inviting Prime Minister Singh to visit him in July here in the United States. The President would also like to travel to South Asia later this year or early next year and those presidential meetings, in turn, will be consolidating an enhanced dialogue on three tracks.

First, strategic dialogue. The strategic dialogue will include global issues, the kinds of issues you would discuss with a world power. Regional security issues, things like the tsunami situation or Nepal. And India's defense requirements, high-tech cooperation, expanding the current High Technology Cooperation Group and manufacturing licenses, even working towards U.S.-India defense co-production.

Thus, it would follow that the U.S. will respond positively to the current Indian request for information on its bid to sell -- or its bid for people who are willing to sell India its next generation of multi-role combat aircraft and the U.S. will work with U.S. companies that seek to participate in the competition for this sale.

That's not just F-16s. It could be F-18s. But beyond that, the U.S. is ready to discuss even more fundamental issues of defense transformation with India, including transformative systems in areas such as command and control, early warning and missile defense. Some of these items may not be as glamorous as combat aircraft, but I think for those of you who follow defense issues you'll appreciate the significance.

Naturally, we maintain a common interest in preventing WMD proliferation and we hope India can join in the Proliferation Security Initiative, and the Secretary raised that issue with her Indian interlocutors as well. So you have this very robust strategic dialogue; in parallel, there's an energy dialogue that would include civil, nuclear and nuclear safety issues. Keep building the next steps in strategic partnership process that's already underway and establish a working group on space. India is very much a player in the issue of space launch vehicles, satellites and so on.

Economic dialogue. We have had an economic dialogue. Frankly, it needs to get a little more juice. So the economic dialogue is going to be revitalized with the discussion of energy, trade, commerce, environment and finance. Al Hubbard, Treasury Secretary Snow and Transportation Secretary Mineta are all going to go to India this year.

So you see this Indian track and what we're trying to accomplish on that track and the way the Secretary was deploying that. Now let me talk about the Pakistani track.

It's important here to just think about what Pakistan was and what Pakistan is. I mean, think back to the Pakistan of the 1990s or the Pakistan of September 11th, 2001. This was a state deeply rooted in extremism, passive about al-Qaida, nuclear weapons. A lot of you recall the kinds of things people wrote about Pakistan back then.

In 2005, the Pakistani economy is reviving. Al-Qaida is being hounded. President Musharraf has literally put his life on the line making some strategic choices: against al-Qaida, sending troops into frontier provinces, and improving candor and cooperation with investigation of the A.Q. Khan network that he shut down.

Last year in mid-'04, the 9/11 Commission recommended a major effort to try to stabilize relations with Pakistan. In fact, the exact words of the 9/11 Commission recommendation was last July, the United States Government should "be willing to make hard choices too," as Musharraf had, "and make the difficult, long-term commitment to the future of Pakistan."

That recommendation, which triggered Administration responses internally, was another milestone. So the United States has been moving politically, security and economic. Politically, Pakistan already declared to be a non-NATO ally. During her trip, the Pakistani Government publicly recommitted to elections in 2007. You'll notice that with the aid of U.S. diplomacy, the region now enjoys an atmosphere of unprecedented stability and opportunity. India-Pakistan relations are now thawing to an extent not seen since partition. Musharraf is about to go to India.

On the security side, existing military assistance will be supplemented by moving forward on the sale of F-16s to Pakistan. And we're notifying that to Congress today in a formal Javits Report. Though the numbers involved are relatively small, there is no set limit on what the U.S. is going to be willing to sell Pakistan.

On the economic side, as promised earlier, the U.S. is beginning, this year, the five-year \$3 billion assistance program to Pakistan and that's now being reinforced by negotiations to conclude a bilateral investment treaty. And indeed, during her trip, the Pakistani Government discussed several new initiatives about where the United States and Pakistan might cooperate to further the process of economic opportunity, including in some of the most dangerously impoverished areas of Pakistan.

But it's important to see the goal. A moment ago, I discussed what our goal was with respect to India. Our goal with respect to Pakistan, if you see this going out a couple of years, you see a Pakistan that is moving towards elections. And you think through, well, how do we want to come out of those elections? Do we really want a Pakistan that simply returns back to the way it looked ten years ago? The goal, then, has to be a fully democratic, economically promising Pakistan, that feels secure and is thus at peace with its neighbors, with the previously high tide of anti-Americanism and Islamist extremism gradually receding.

That's an ambitious goal, but it's a plausible goal. And our policies on the Pakistani track are designed to get us to that goal in the timeframe that I've been talking about in parallel with what we're doing with India, which is also in parallel to what the United States is trying to do with Afghanistan.

Secretary Rice and President Karzai continue to discuss a new strategic relationship between democratic Afghanistan and the United States. We're obviously entering a period in which U.S. security and economic relationships are going to adjust to changes in Afghanistan and in the region to a democratic government, and to new challenges, such as the counternarcotics challenge that was spotlighted today on the front page of the *New York Times* today.

As part of the regional approach though, please notice, if you think back to the pre-9/11 era, Afghanistan now is establishing excellent relationships with both Pakistan and India simultaneously. And President Karzai, with American encouragement, has played a key role there.

So again, you step back and you see the bigger picture here. The bigger picture dates back, really if you want, to the first Bush Administration. You look at the National Security Strategy document announced in the fall of 2002. It outlined a vision for strengthened strategic relationships, especially with India and Pakistan, spotlighting the significance of India.

In the case of India in late '02, November '02, the U.S. and India launched a Global Issues Forum, established a High Technology Cooperation Group. In January of 2004, the President and Prime Minister Vajpayee announced the next steps and strategic partnership initiative. Those meetings continued. In August of last year, the U.S.-India Counterterrorism Working Group met. In September of last year, U.S. and India completed phase one of the next steps process.

But what happened this year is a sense that, as I said, the pipeline needed to be expanded to carry a lot more in it, and then, hence, the initiatives that we're announcing today culminating with Administration decisions led through a White House-organized process in the middle of March, at the time of the Secretary's trip, in order to support the Secretary's trip, the elements, key elements of these new relationships, so that the Secretary could outline those to Prime Minister Singh, to President Musharraf, to President Karzai in the course of her trip; and then, today, we're transmitting the Javits Report to the Congress.

Let me stop there and open the floor.

QUESTION: What about jet fighters, F-16s to both countries?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, it's up to India to decide which country they want to buy their jet fighters from. What we've decided is that the United States will compete, is allowed to compete for that sale.

QUESTION: You just mentioned earlier the A.Q. Khan network. Pakistan, in a report in the BBC today, says they're willing to have IAEA inspectors come to Pakistan, or perhaps even send some of the nuclear parts to Vienna. Did this report coincide with what you're saying here? In other words, did you have any advance warning of that?

SENIOR ADMINISTRATION OFFICIAL ONE: We don't want to get into the details of our diplomatic discussions with the Pakistani Government on this very sensitive issue. What we can say is that the A.Q. Khan issue has obviously been an issue the Secretary has been working on very hard and she did discuss it during her trip with the Pakistani Government and we feel like the Pakistani Government is offering good cooperation on this front to address the understandable concerns we have.

QUESTION: President Bush called the Indian Prime Minister yesterday evening to inform him about the sale of the F-16s, and the Prime Minister expressed regret toward the sale. Any comment please?

SENIOR ADMINISTRATION OFFICIAL ONE: Actually, the call was today. And I don't want to characterize the discussions between the President and the Prime Minister. I think you can ask the Indian Government what they think about it and see what they have to say. But I think it's fair to say that both our government and the Indian Government appreciate the broader context that we're outlining here today and which the Secretary discussed with the Prime Minister in person last week.

SENIOR ADMINISTRATION OFFICIAL TWO: Let me add, just on the call which happened this morning at 8:40 a.m., the President spoke with the Prime Minister. They speak fairly often. The last time they spoke on the phone was after the -- about a week after the tsunami. And the President talked about this larger strategic context, some of these initiatives to broaden our strategic cooperation, and he explained his thinking on the decisions that we're talking about today. And they also talked about following up on their plans to exchange visits this year, Prime Minister Singh to Washington and the President to the region.

QUESTION: How were India's objections to the sale in relation to security been considered by the U.S. Administration before moving towards the sale? I mean, India had expressed various concerns over the sale --

SENIOR ADMINISTRATION OFFICIAL ONE: Sure.

QUESTION: -- over the last few years.

SENIOR ADMINISTRATION OFFICIAL ONE: Here's the -- what a big difference is. If you just took the sale of F-16s to Pakistan and said that's the story, that's the policy, is we're selling F-16s to Pakistan, then you can imagine how India would feel about that. And we've heard that kind of concern for years. So then the challenge is how to embed the question of whether you sell F-16s to Pakistan in a broader conception of what do we want to do with Pakistan, but also what do we want to do with India.

And then you have someone talk about it with the Indians, and then if the Indians look at that context, see that larger framework, then they -- it's not the same framework in which they were looking at that issue years ago. It's a different framework. And I think as the days unfold, we'll see the Indian Government making decisions on how it assesses the opportunities that are being offered to them in this new framework of cooperation.

QUESTION: Which is what I am amazed, in the sense that Secretary Rice explained to the Indian leaders about the framework which they were wanting to build with India, after which the sale was basically announced by Mr. Bush to the Prime Minister, and he still expressed --

SENIOR ADMINISTRATION OFFICIAL ONE: No, no, no. Here, I just caution you. I'm not going to speak for the Indian Government, but you should talk to the Indian Government to get a fuller and authoritative read on how they assess the situation, especially as they have a chance to appreciate the larger context here. I would just urge you not to over-interpret the first stuff that's breaking on the wires.

QUESTION: Okay.

SENIOR ADMINISTRATION OFFICIAL ONE: Sir?

QUESTION: Can you talk about the economic impact of the sale of jets or potential sale of jets?

SENIOR ADMINISTRATION OFFICIAL ONE: The economic impact --

QUESTION: The economic impact to the U.S., to companies here. What's its economic impact?

SENIOR ADMINISTRATION OFFICIAL ONE: They like it.

(Laughter.)

QUESTION: How about some --

SENIOR ADMINISTRATION OFFICIAL ONE: Numbers of jobs and dollars? Do you have a figure?

SENIOR ADMINISTRATION OFFICIAL THREE: I don't have a figure.

SENIOR ADMINISTRATION OFFICIAL ONE: I think that it would be best to go to the companies concerned and ask them to talk about the economy of the Dallas-Ft. Worth region and so on.

QUESTION: How many F-16s are you planning to sell and precisely what model? Because there is some concern in India that the F-16s might be equipped with extremely sophisticated electronics and, of course, the Indian concern that F-16s will be used against India since they can't be used in the war on terror in Afghanistan. So could you comment on that?

SENIOR ADMINISTRATION OFFICIAL ONE: Sure. First, on the specifics of how the F-16s will be equipped and so on, things that will be worked out in discussions with the Pakistani Government, are kind of idle to elaborate on right now.

But let me get to the more fundamental point there, which is we don't see any impact of this sale on relevant military balances. And you'll notice, if you look at the size of the number of combat aircraft that India is contemplating buying from somebody -- I mean, the scales are very large. Let me just put it that way. Now, we haven't set any fixed limit on how many aircraft Pakistan can buy from us, but obviously the Indians are contemplating a very large purchase. And we don't think that this sale threatens to change the military balance in any material way. We think that an objective, serious military analysis really couldn't come to that conclusion.

But just one last point that's important to emphasize is that you can get into an argument that says "Well, gee, could the F-16s specifically be used to bomb places in certain parts of Pakistan, you know, in the global war on terrorism?" It really misses a large point.

It is in both India's interest and Pakistan's interest and in America's interest that Pakistan feel secure, if it doesn't obtain that security at the expense of making everybody else feel insecure. But it is important that the Pakistani people and government feel secure, because -- just as it's important that the

Indian Government has to feel secure. Because if those two governments don't feel secure, then all the thaw we're seeing in Indo-Pakistani relations and all the opportunities we're seeing for diplomatic improvement are going to vanish as those mutual insecurities feed a spiral of hostility and suspicion.

And that's what we're trying to avoid here. We're trying to move forward in a way where both countries are able to sustain the sense of security they're going to need to build on the diplomatic openings that you're seeing on the subcontinent.

QUESTION: Could I have a follow-up? Was there any --

SENIOR ADMINISTRATION OFFICIAL ONE: I thought you already had one.

QUESTION: Was there any discussion on selling Patriot anti-missile systems to India and is that another part of your strategy to make both countries --

SENIOR ADMINISTRATION OFFICIAL ONE: The discussions are at the general -- conceptual level I've already described.

Yeah.

QUESTION: You said there's no limit on the number of the aircraft, but there have been reports of 25 aircraft to Pakistan. I mean, is that a ballpark at what we'd be seeing in the --

SENIOR ADMINISTRATION OFFICIAL ONE: Well, they are different -- depending on the methodology you use, there are different numbers and I don't want to get fixed around a particular number because, as I say, it can be calculated differently. The point is, rather than get on the number then you focus on and saying they're going to sell this many and no more, that would be misleading because we're not presenting the sale with that kind of finite cap on it. But, I mean, in terms of the general kinds of scales you're talking about, I mean, yeah, it's that kind of general scale. And the general scale, of course, of the Indian purchase, they can describe, but it's -- at the moment, it's a different kind of scale.

QUESTION: And what timeframe are we talking about?

SENIOR ADMINISTRATION OFFICIAL ONE: To proceed with the Pakistani sale?

SENIOR ADMINISTRATION OFFICIAL THREE: We're going to be consulting with Congress and then working it out with the Government of Pakistan.

SENIOR ADMINISTRATION OFFICIAL ONE: Yeah.

QUESTION: Sort of philosophically, these rapprochements between India and Pakistan have come and gone in the last ten years. Do you see anything more permanent about this one? And because, I mean, the strategy involves, to me, a lot of aircraft sales and weapon sales, and could it be throwing gasoline on a fire?

SENIOR ADMINISTRATION OFFICIAL ONE: There is something novel -- let me just give you a sense of this from what we heard from people when we were on the trip. [Senior Administration Official Two and Three] heard this, too. Or Administration Officials Numbers Two and Number Three heard this, too. (Laughter.) Whatever their names are. (Laughter.)

Here's the point. You have a situation where you talk to President Musharraf and he says, "I'm going to visit Delhi." Musharraf, of course, came from what is now India. He is an expatriate. He is returning back to his homeland, you know, his former homeland in a way he never has before. But we talked to someone like L.K. Advani with the BJP, which is not considered a soft party on Pakistan, and Advani is talking about -- Advani comes from -- his family comes from Karachi in Pakistan. And Advani is now planning a trip to Karachi, the first time he has been to Karachi since he left at the time of partition. This is different. These are things that have not happened before. And by the way, the people in the region are telling us this. They are telling us that this is -- the thaw is at a point that they have not experienced in their professional lives.

But could it slide backwards? Sure it could. But that's one of the reasons why it's important to see this in a strategic framework. If you just took this piecemeal and you just throw -- let's do this sale here and then, you know, let's do that sale there, then you could jangle nerves and feed mutual suspicions and hostilities and actually make this climate worse.

That's why you've got to treat this in context and march forward on this as a parallel process on parallel tracks with objectives for both countries in mind, and Afghanistan, that they think makes sense for their futures. And then that helps nurture the diplomatic openings instead of closing them.

Sir, you've been pretty patient.

QUESTION: There are two things. (Inaudible), the Pakistanis have always argued that acquiring the F-16 with its strengthened existing deterrence -- they said they need the deterrence or whatever for this between India and Pakistan. The other thing is that by offering to sell F-16s to Pakistan and these weapons to India, are you recognizing them as, de facto nuclear states?

SENIOR ADMINISTRATION OFFICIAL ONE: I don't want to comment on the formal diplomatic recognition of India and Pakistan as nuclear states. At the point you start setting off nuclear weapons, a certain amount of de facto recognition occurs.

QUESTION: Well, can I follow up on that, sir?

SENIOR ADMINISTRATION OFFICIAL ONE: Yeah.

QUESTION: But there was a kind of reluctance to -- you know, I mean, the implication by selling them and accepting, like, a growing strategic relationship with this country is that you're tacitly accepting the fact that the region is a nuclear region and that these countries are nuclear countries. Can you put that into context for us? I mean, you know, part of your strategy towards these countries all these years has just been dealing with, you know, the kind of nuclear issue and not setting up anything on that. And if you could put that into context, into, you know, the more deeper security relationship.

SENIOR ADMINISTRATION OFFICIAL ONE: They tested seven years ago, nearly seven years ago. The United States has to live in the world that exists, not the world that we might imagine we wish for; and in the world that exists these extraordinarily important countries have nuclear weapons and I

don't know of a single official in any country on earth who has realistically suggested that those weapons might suddenly disappear at any time in the foreseeable future.

So now the United States has to deal with a potentially unstable, dangerous situation -- and this has been true not just for this Administration but for the Clinton Administration as well -- and try to find a way of defusing tensions and turning what could be a colossal negative into something that could be a positive force.

By the way, not just a positive force in the region, but a positive force beyond the region if these countries will really step up to global responsibilities and all that that implies as they become forces in shaping the 21st century.

QUESTION: Was that -- can I just follow up? Was that part and parcel of your discussions with them that, you know, we're going to do this for you, we're going to deepen our security and economic political relationships, we're looking for you to take more global responsibility?

SENIOR ADMINISTRATION OFFICIAL ONE: That's been the kind of reciprocal dialogue that we've been pursuing for years now with them. So, for instance, the President went to President Musharraf repeatedly and has said, "Mr. President, I need you to make certain strategic choices about the future of your country." And this began right after 9/11. And it's in response to Musharraf making those strategic choices that you can have a development like the one we're announcing today.

SENIOR ADMINISTRATION OFFICIAL TWO: Number one, can I, very quickly, for -- sounds like James Bond. (Laughter.)

The context is important and so is the history. People briefing on this region three years ago would have been talking about a state of intense crisis and possible war and the diplomacy was focused on preventing that. And one reason that both India and Pakistan are in a very different place today and why you have talk of Advani going to Karachi and all of these things is because over the past three years both India and Pakistan have demonstrated some very impressive economic growth and a focus on what really matters in the long run to them, which is the prosperity of their people, peace and stability in the region.

And that's why we've come so far and we think U.S. policy has been helpful in that process. We think it's been helpful that we've improved relations with both and have the best relations we've perhaps ever had with both. And so a large part of the dialogue that Secretary Rice had and a large part of the dialogue that the President and other senior U.S. officials have is not about the things we're talking about, but much of it is about energy dialogue, how do we help understand each other's energy requirements. It's about economic dialogue.

There's a good amount of attention to all of that and that provides the context and that's also the reason why you've seen a lot of the progress between India and Pakistan. Because that's what much of this is really all about: It's prosperity, economic growth, improving the lives of people. That's very much what Prime Minister Manmohan Singh is about. That's very much what Prime Minister Shaukat Aziz and President Musharraf have been about in Pakistan. And I think that context should not be lost in talking about all of this.

MR. ERELI: One more question. Two more questions. These two. Okay, go ahead.

QUESTION: I just have a quick Afghanistan question. The strategic dialogue with Afghanistan, does that involve permanent basing, U.S. basing, there?

SENIOR ADMINISTRATION OFFICIAL ONE: I really don't want to get into the details of discussions that we're having with the Afghan Government on a whole range of issues as they contemplate their future.

SENIOR ADMINISTRATION OFFICIAL THREE: Can I just add to that? Can I just add to that and say that the strategic partnership will have both political, economic and a military component to it, all of which is still under discussion.

QUESTION: Official Number One made a reference in that earlier question to A.Q. Khan about good cooperation, I believe was the phrase, and I would like to ask since you're on background whether you can tell us whether that includes questioning of Mr. Khan by the FBI? Does the FBI still want to question him? And are the Pakistanis cooperating in that?

SENIOR ADMINISTRATION OFFICIAL TWO: I don't want to get into the details of how we obtain information from Mr. Khan, except to say that we are obtaining information from Mr. Khan.

Is there anything you'd like to add to that?

(No response.)

QUESTION: That's as far as you can go.

MR. ERELI: Thank you very much. Appreciate it.

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