President Putin: Good evening, ladies and gentlemen. In your presence may I once again cordially welcome the President of the United States and his team to Russia.

We are very pleased that Mr. President accepted our invitation. And let me say that our conversations -- and this is exactly the way I'd like to quote this meeting -- our conversation on long-range of our bilateral issues and our cooperation in the international arena have been very productive and very, very frank.

And we discussed practically everything between the sky and the earth. We discussed our cooperation in the energy sector, our energy dialogue. We discussed our cooperation in the high technology sector. We also (inaudible) on the problem of NATO expansion and the development of relations between Russia and NATO. And, of course, we also addressed the problem of terrorism. And of course we also discussed the prospects for our cooperation on the matters of strategic stability.

I think that Mr. President will agree with me -- and he'll have an opportunity to say what he thinks on this -- but I think he'll agree with me that our meeting in this point a very frank meeting, without prepared statements has been very productive and has been very fruitful.

President Bush: Yes, it has. I consider Vladimir Putin one of my good friends.

Are you going to translate. (Laughter.)

Like other good friends I've had throughout my life, we don't agree 100 percent of the time. But we always agree to discuss things in a frank and -- in a frank way.

Every time I come to St. Petersburg, he keeps showing me more and more beautiful rooms. So I'm coming back next May. I always enjoy our conversations.

I have just come from NATO. My visit with Vladimir was my first stop after Prague. The mood of the NATO countries is this: Russia is our friend; we've got a lot of interests together; we must continue our cooperation in the war on terror; and the expansion of NATO should be welcomed by the Russian people. After all, there are new nations on our border that are members of -- nations that are new members of NATO, but nations pledged to peace, and pledged to freedom.

But the President was right, we had a -- we discussed a lot of issues. And I would define our bilateral relations as
very good.

We might answer a couple of questions.

Q This is a question to both Presidents.

PRESIDENT BUSH: Okay, fine; fire away.

Q (Speaking Russian.)

PRESIDENT PUTIN: As regards partnership, it is on a very high level. And it is very pleasant for me to note that we not only have lost nothing of what has been generated, has been produced by the previous generations of politicians -- but we keep going on further, we keep achieving new results and we are moving ahead very expeditiously and very productively.

And I'd like to stress -- and this is a very important point -- that that interests of Russia and the United States coincide well in many economic fields. But they are also identical in many strategic areas.

As regards our relations with NATO, let me say the following. As regards the expansion, you know our position well. We do not believe that this has been necessitated by the existing pact, but we take note of the position taken by the President of the United States and we hope to have positive development of our relations with all NATO countries.

As regards our relationship with the alliance as a whole, as the alliance keeps transforming -- and this is something that Mr. President talked about recently -- we do not rule out the possibility of deepening our relations with the alliance. Of course, in the case if the activities of the alliance are in accord with Russia's national security interests. At least within the Group of 20, we are interacting, are cooperating in a very well way, in a very good way.

PRESIDENT BUSH: Yes, the Russian NATO Council is very important. But the strategy of NATO is going to be based upon the fact that the Cold War is over; Russia is a friend; Russia is not an enemy. And I told the President as I was leaving, the NATO summit, a lot of leaders came up and asked me to send their personal regards to them.

And in terms of our bilateral relations, we'll continue to work to make them as strong as they can possibly be, and there's a lot of areas -- in trade, in commerce, in energy -- that we're working together to make progress.

I think it's only fair we ask one American. Jim.

Q Thank you, Mr. President. The public now knows that the U.S. has in its custody a terrorist who has the blood of many Americans on his hands, Mr. Al Nashiri. How significant is his arrest?

And since we see President Putin so rarely, Mr. President, I hope you won't object if I ask President Putin a question, as well. And that is, sir, has the U.S. asked you to participate or contribute to any military action in Iraq if it becomes necessary, and what is your view on that?

PRESIDENT BUSH: A couple of points. First, I want to thank Vladimir and his foreign policy team for working together to pass a strong resolution out the United Nations on Iraq.

Secondly, we did bring to justice a killer. And the message is we're making war on the -- we're making progress on the war against terrorists, that we're going to hunt them down one at a time, that it doesn't matter where they hide. As we work with our friends, we will find them and bring them to justice. And America and Russia and people who love freedom are one person safer as a result of us finding this guy.

PRESIDENT PUTIN: I'm very pleased to see the mood the President of the United States is in. It is what we
need. Let me assure you that we will work together and our work will be effective.

Now there is something I would like to draw your attention to. And we ultimately discussed this matter with our U.S. colleagues. We should not give a chance to anyone who is either engaged in terror or who is supporting terror.

As I understood the second part of your question, concern was -- has to do with Iraq. We should not forget about those who finance terrorism. Of the 19 terrorists who committed the main attacks on September 11th against the United States, 16 are citizens of Saudi Arabia, and we should not forget about that.

Now, where has Osama bin Laden taken refuge? They say that somewhere between Afghanistan and Pakistan. We know what Mr. Musharraf is doing to achieve stability in his country and we are supporting him. But what can happen with armies armed with weapons that exist in Pakistan, including weapons of mass destruction, we are not sure on that aspect and we should not forget about that. And we agree with the President of the United States and his colleagues who say that we have to make sure that Iraq has no weapons of mass destruction in its possession.

Diplomats have carried out a very difficult, a very complex work. And we do believe that we have to stay within the framework of the work being carried out by the Security Council of the United Nations. And we do believe that together with the United States we can achieve a positive result. As you know, our recent past gives us -- we have a example of that kind; and the level achieved in our bilateral relations between Russia and the United States gives us hope that we can achieve such results.

PRESIDENT BUSH: Thank you, all. We've got a plane to catch; don't keep us waiting. Thank you, all. Thank you very much.

END 6:10 P.M. (L)