

## Message to the Senate Transmitting a Treaty Between the United States and Australia Concerning Defense Trade Cooperation

December 3, 2007

*To the Senate of the United States:*

I transmit herewith for Senate advice and consent to ratification the Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, done at Sydney, September 5, 2007. I transmit also, for the information of the Senate, the report of the Department of State that includes an overview of this Treaty.

My Administration is prepared to provide to the Senate for its information other relevant documents, including proposed implementing arrangements to be concluded pursuant to the Treaty, relevant correspondence with the Government of Aus-

tralia, and proposed amendments to the International Traffic in Arms Regulations.

This Treaty will allow for greater cooperation between the United States and Australia, enhancing the operational capabilities and interoperability of the armed forces of both countries. I recommend that the Senate give early and favorable consideration to this Treaty.

GEORGE W. BUSH

The White House,  
December 3, 2007.

NOTE: This message was released by the Office of the Press Secretary on December 4.

## The President's News Conference

December 4, 2007

*The President.* Good morning. I appreciate the fact that the United States Senate is going to take up the free trade agreement with Peru today. This agreement will level the playing field for American goods and services. It will create new opportunities for investment. It will strengthen our friendship with a fellow democracy. The House of Representatives has passed this bill. I congratulate the House leadership. And I certainly hope the Senate will pass it as well. This will be a very positive step.

But Congress still has a lot to do and doesn't have very much time to do it. Three weeks from today, Americans will celebrate Christmas, and three groups of Americans are waiting on Congress to act. The first group are the troops. Our troops are waiting on Congress to fund them in their operations overseas. Nearly 10 months

ago, I submitted a detailed funding request. Congress has not acted. Our men and women shouldn't have to wait any longer.

Second, our intelligence professionals are waiting for Congress to act. The legislation Congress approved early this year to make sure our intelligence professionals can continue to effectively monitor terrorist communications is set to expire in February. Allowing this law to lapse would open gaps in our intelligence and increase the danger to our country. Our intelligence professionals need these tools to keep our people safe, and they need Congress to ensure that these tools are not taken away.

Third, American taxpayers are waiting on Congress to act. Congress has failed to pass legislation that will protect middle class families from the burden of the Alternative

Minimum Tax. If Congress doesn't act, millions of Americans will be hit with an unexpected tax bill. And even if Congress does act by the end of the year, this action could delay the delivery of about \$75 billion worth of tax refund checks. Congress expects Americans to pay their taxes on time, and the least the Congress can do is make sure Americans get their refunds on time.

Americans also expect their tax dollars to be spent wisely. Yet today, 11 of the 12 annual spending bills that fund the day-to-day operations of the Federal Government remain unfinished. And now congressional leaders are talking about piling these bills into one monstrous piece of legislation which they will load up with billions of dollars in earmarks and wasteful spending. Taxpayers deserve better. And if the Congress passes an irresponsible spending bill, I'm going to veto it.

The holidays are approaching, and the clock is ticking for the United States Congress. Based on the record so far, Americans could be forgiven for thinking that Santa will have slipped down their chimney on Christmas Eve before Congress finishes its work. Let's hope they're wrong.

And now I'll be glad to answer some questions, starting with Terry Hunt [Terence Hunt, Associated Press].

#### *Iran/National Intelligence Estimate*

*Q.* Mr. President, a new intelligence report says that Iran halted its nuclear weapons program 4 years ago and that it remains frozen. Are you still convinced that Iran is trying to build a nuclear bomb? And do the new findings take the military option that you've talked about off the table?

*The President.* Here's what we know. We know that they're still trying to learn how to enrich uranium. We know that enriching uranium is an important step in a country whose desire it was to develop a weapon. We know they had a program. We know the program was halted.

I think it is very important for the international community to recognize the fact

that if Iran were to develop the knowledge that they could transfer to a clandestine program, it would create a danger for the world. And so I view this report as a warning signal that they had the program; they halted the program. And the reason why it's a warning signal is that they could restart it. And the thing that would make a restarted program effective and dangerous is the ability to enrich uranium, the knowledge of which could be passed on to a hidden program.

And so it's a—to me, the NIE provides an opportunity for us to rally the international community—continue to rally the community to pressure the Iranian regime to suspend its program.

You know, the NIE also said that such pressure was effective, and that's what our Government has been explaining to our other partners in keeping the international pressure on Iran. The best diplomacy, effective diplomacy, is one in which all options are on the table.

#### *Intelligence Reform/Iran*

*Q.* Mr. President, Iraq's WMD turned out not to be there, and now Iran halted its nuclear program in 2003. Are you concerned that the United States is losing credibility in the world and now may be seen as the boy who tried—who called wolf?

*The President.* Actually, I am—I want to compliment the intelligence community for their good work. Right after the failure of intelligence in Iraq, we reformed the intel community so that there was a lot of serious considerations of NIEs in a way that would give us confidence. And here's a, I think, a very important product that is a result of the reforms we've put in place. As a matter of fact, the American people should have confidence that the reforms are working and that this work on the intel community is important work.

People said, "Well, why is it that you can't get exact knowledge quicker?" Well, the answer is, is because we're dealing with

a regime that is not very transparent, and frankly, we haven't had a very good presence in Iran since 1979. And that's why I instructed the intel community to beef up its intelligence on Iran. So we could have a better sense for what they're thinking and what they're doing. And this product is a result of intelligence reform and, more importantly, the good, hard work of our intelligence community.

One of the reasons why this is out in the public arena is because I wanted—and our administration believed that, one, it was important for people to know the facts as we see them; secondly, that members of my administration had been very clear about the weapons program earlier this year. And therefore, it's important for the American people to see that there has been a reevaluation of the Iranian issue.

David [David Gregory, NBC News].

#### *Intelligence Analysis/Iran*

Q. Mr. President, thank you. I'd like to follow on that. When you talked about Iraq, you and others in the administration talked about a mushroom cloud; then there were no WMD in Iraq. When it came to Iran, you said in October—on October 17th, you warned about the prospect of world war III, when months before you made that statement, this intelligence about them suspending their weapons program back in '03 had already come to light to this administration. So can't you be accused of hyping this threat? And don't you worry that that undermines U.S. credibility?

*The President.* David, I don't want to contradict an august reporter such as yourself, but I was made aware of the NIE last week. In August, I think it was, John McConnell—Mike McConnell came in and said, "We have some new information." He didn't tell me what the information was; he did tell me it was going to take a while to analyze. Why would you take time to analyze new information? One, you want to make sure it's not disinformation. You want to make sure the piece of intelligence

you have is real. And secondly, they want to make sure they understand the intelligence they gathered. If they think it's real, then what does it mean? And it wasn't until last week that I was briefed on the NIE that is now public.

And the second part of your question has to do with this: Look, Iran was dangerous; Iran is dangerous; and Iran will be dangerous if they have the knowledge necessary to make a nuclear weapon. The NIE says that Iran had a hidden—a covert nuclear weapons program. That's what it said. What's to say they couldn't start another covert nuclear weapons program? And the best way to ensure that there—that the world is peaceful in the future is for the international community to continue to work together to say to the Iranians, we're going to isolate you. However, there is a better way forward for the Iranians.

Now, in 2003, the Iranian Government began to come to the table in discussions with the EU-3, facilitated by the United States. In other words, we said to the EU-3, we'll support your efforts to say to the Iranians, you have a choice to make: You can continue to do policy that will isolate you, or there's a better way forward. And so that was the sticks-and-carrots approach.

You might remember, the United States said at that point in time, we'll put the WTO on the table for consideration, or we'll help you with spare parts for your airplanes. It was all an attempt to take advantage of what we thought was a more openminded Iranian regime at the time—a willingness of this regime to talk about a way forward. And then the Iranians had elections, and Ahmadi-nejad announced that—to the IAEA that he was going to—this is after, by the way, the Iranians had suspended their enrichment program—he said, "We're going to stop the suspension; we'll start up the program again." And that's where we are today.

My point is, is that there is a better way forward for the Iranians. There has been a moment during my Presidency in

which diplomacy provided a way forward for the Iranians. And our hope is we can get back on that path again. But what is certain is that if Iran ever had the knowledge to develop a nuclear weapon and they passed that knowledge on to a covert program, which at one time in their history has existed, the world would be more dangerous. And now is the time for the international community to work together.

*Iran/National Intelligence Estimate*

*Q.* Mr. President, thank you. Just to follow, I understand what you're saying about when you were informed about the NIE. Are you saying at no point while the rhetoric was escalating, as "world war III" was making it into conversation, at no point nobody from your intelligence team or your administration was saying, maybe you want to back it down a little bit?

*The President.* No, I've never—nobody ever told me that. Having said—having laid that out, I still feel strongly that Iran is a danger. Nothing has changed in this NIE that says, okay, why don't we just stop worrying about it. Quite the contrary, I think the NIE makes it clear that Iran needs to be taken seriously as a threat to peace. Their—my opinion hasn't changed.

And I just explained, Jim [Jim Axelrod, CBS News], that if you want to avoid a really problematic situation in the Middle East, now is the time to continue to work together. That's our message to our allies, and it's an important message for them to hear. And here's the reason why: In order for a nation to develop a nuclear weapons program, they must have the materials from which to make a bomb, the know-how on how to take that material and make it explode, and a delivery system.

Now, the Iranians—the most difficult aspect of developing a weapons program, or as some would say, the long pole in the tent, is enriching uranium. This is a nation—Iran is a nation that is testing ballistic missiles. And it is a nation that is trying to enrich uranium. The NIE says this is

a country that had a covert nuclear weapons program, which, by the way, they have failed to disclose, even today. They have never admitted the program existed in the first place.

The danger is, is that they can enrich, play like they got a civilian program—or have a civilian program, or claim it's a civilian program—and pass the knowledge to a covert military program. And then the danger is, is at some point in the future, they show up with a weapon. And my comments are, now is the time to work together to prevent that scenario from taking place. It's in our interests.

Yes, ma'am.

*Iran*

*Q.* Mr. Bush, how can you say nothing has changed when you may see it this way, but the rest of the world is going to see the lead as the fact that the nuclear weapons program was halted in 2003?

*The President.* Right.

*Q.* When you first saw this, weren't you angry? You didn't know about Syria. In 2005, you had the same assessment, "with high confidence that Iran currently is determined to develop nuclear weapons." And now, quite the opposite. How can you possibly think the rest of the world is going to continue—to the degree it did—to rally around you and your intelligence?

*The President.* Because many in the world understand that if Iran developed a nuclear weapon, the world would be a very dangerous place. Secondly, many of the world are going to take heart in noting that it's diplomatic pressure that caused them to change their mind. And plenty of people understand that if they learn how to enrich, that knowledge can be transferred to a weapons program, if Iran so chooses.

And I think this is a—it's a—to me, it's a way for us to continue to rally our partners. That's why I'm working the phones, and Condi Rice is working the phones. All

of us are calling our partners. And I appreciate many of the comments that have come out of the capitals.

One thing is for certain: The NIE talks about how a carrot-and-stick approach can work. And this is heartening news to people who believe that, on the one hand, we should exert pressure, and on the other hand, we should provide the Iranians a way forward. And it was working until Ahmadi-najad came in. And our hope is that the Iranians will get diplomacy back on track.

Yes, ma'am.

### *Intelligence Analysis*

Q. Why should you trust this intelligence since it's different than 2005? Why should we trust this any more?

*The President.* Well, you know, I'm—without getting into sources and methods, I believe that the intelligence community has made a great discovery. And they've analyzed the discovery, and it's now part of our Government policy.

Toby [Tabassum Zakaria, Reuters], I apologize for getting immediately to the TV people. That's just bad protocol; I should have called on you.

Q. She went already, didn't she?

*The President.* Oh, she already has—[*inaudible*].

Q. Yes, you're getting on to TV. [*Laughter*]

Q. Yes, I've got another question, though.

*The President.* I'm having such a good time, I forgot the past.

Q. I have more questions. You're just afraid I'll ask another followup, which I'd love to.

*The President.* No, but you're just kind of belting them out. [*Laughter*] Yes.

Q. Okay, 2005, why—the poll says—

Q. Thank you—

*The President.* Ed [Ed Henry, Cable News Network].

Q. —Mr. President.

*The President.* Excuse me, Toby.

### *Saudi Arabian Sexual Assault Case*

Q. Thank you. Another issue—on another issue of credibility in the Mideast, at the Annapolis summit, you used your influence to get Saudi Arabia to the table. But I wonder whether now you will use your influence to do something about the Saudi rape case that's gotten so much international attention. What goes through your mind when you hear about a 19-year-old Saudi woman getting gang-raped by 7 men and basically a Saudi court blames the victim and sentence her to 200 lashes? You spoke to King Abdallah by telephone in the last couple of weeks. Did you press him on this case? If so, what did you say? And if not, are you giving him a pass?

*The President.* My first thoughts were these: What happens if this happened to my daughter? How would I react? And I would have been—I'd have been very emotional, of course. I'd have been angry at those who committed the crime, and I'd be angry at a state that didn't support the victim. And our opinions were expressed by Dana Perino from the podium and—

Q. But did you press King Abdallah about it personally?

*The President.* I talked to King Abdallah about the Middle Eastern peace. I don't remember if that subject came up.

Q. But if it's that important to you, why wouldn't you bring it—at that level, bring it directly up to King Abdallah?

*The President.* We'll have plenty of time. He knows our position loud and clear.

McKinnon [John McKinnon, Wall Street Journal].

### *National Economy*

Q. Maybe we could switch to the economy just for one second, Mr. President.

*The President.* Wait a minute. That's not a dis on the front row, is it?

Q. Not at all, sir.

*The President.* Okay. Well, they're not taking it that way, it doesn't look like—

Q. You're misreading it. [*Laughter*]

There's a lot of indications that people are increasingly concerned about the state of the economy and the outlook for the next couple of years. Your administration is considering a plan to help people out with their mortgage payments, but I wonder if there's anything else beyond that that you've got in mind. If you could just give us your thoughts about all this.

*The President.* First of all, let me talk about the Paulson-Jackson initiative. They're working with lenders, service industry people, and investors to come up with a plan that would make it easier for qualified home buyers to stay in their homes. And I appreciate their efforts. And that's an important part of what I'm about to say, and that is this: First of all, the economy—basics in the economy are good. Inflation is low; job creation is good; interest rates are low; productivity is up; exports are up. In other words, the basic underpinnings of the economy are strong.

Secondly, we are addressing the current issues, and homeownership is a current issue. And no question, it's a headwind; it's a part of why many people are saying that the economy is slowing down.

Thirdly, Secretary Paulson has worked with the private sector on a credit reinsurance fund.

Fourthly, we have called consistently on Congress to pass measures that will help keep the economy strong. And one—such as the free trade agreement, which I heralded today. That's a signal, John, that as you keep opening up markets, it will help the psychology of the country. There's not going to be an immediate impact on Peru; I mean, it's not going to happen next month. But nevertheless, when the country is confident we'll continue to open up markets for goods and services, it should say that this administration is aggressively pursuing progrowth policies.

And the main thing we're going to do is make it clear that Congress is not going to raise taxes during a time when this

slow—when this economy could be slowing down.

So I'm optimistic. I recognize there's some serious issues—the credit crunch, as well as the home building industry. I am concerned about people who may not be able to stay in their homes. That's of concern to me and our administration. That's why we're taking the action we're taking.

Ed [Edwin Chen, Bloomberg News].

#### *Home Mortgage Industry*

Q. Mr. President, good morning.

*The President.* Yes. Good morning, Ed. Thank you; appreciate that. A little ray of sunshine here. [Laughter]

Q. We do all we can. [Laughter]

Sir, was the Government too slow in this case to recognize the subprime mortgage problem? And what specific expects—do you expect to see with the economy on the proposals that will be coming later this week?

*The President.* We've been working on this since August, Ed. And ours is a belief that, one, we shouldn't bail out lenders. And so, in other words, we shouldn't be using taxpayers' money to say, okay, you made a lousy loan; therefore, we're going to subsidize you.

Secondly, that we recognize there's—this is a—the home mortgage industry is a little more complex than in the past. The old days, you'd go to your local savings and loans, say, or your bank, get your home mortgage, and if you had a problem, you go back to the banker that loaned you the money and renegotiate if possible. Now what has happened, as you know, people have taken those mortgages and bundled them up as securities. And somebody else owns the mortgage; it's not the originating bank; it's somebody else owns the mortgage.

And so Secretary Paulson is working with a more complex industry than we've had in the past. And that's why it's taken a while, Ed, because not only do you have the lender, you now have a whole service

industry that has arisen that will, hopefully, help people stay in their homes—that's their job—but you've also got people all around the world who now own U.S. mortgages, invest—and assets that are U.S. mortgage—bundles of U.S. mortgages.

And so it's a complex assignment. I'm pleased with the work that the Secretary is doing—both Secretaries are doing. I think they're making pretty good progress.

*Iran*

*Q.* Mr. President, to go back to Iran for a minute, the Non-Proliferation Treaty doesn't prohibit a country like Iran from having the knowledge to enrich uranium. Are you setting a different standard in this case and a different international obligation on Iran? And is that going to complicate the efforts to keep the pressure on when it comes to sanctions at the United Nations?

*The President.* The problem that most of the world has seen in Iran stems from the fact that they hid their program. That's what the NIE says. The '68 agreement that Iran signed contemplated full transparency and openness. They didn't contemplate a regime that would have a covert nuclear weapons program, all the more reason for the international community to continue to work together. If somebody hid their program once, they could hide it again. If somebody defied the agreement that they signed, the codicils of the agreement they've signed, they could do it again. And most of the world understands that Iran with a nuclear weapon would be a serious danger to peace, and therefore, now is the time to work together to convince them to suspend their program.

People say, "Would you ever talk to Iran?" For you veterans here, for those who have been following this administration for a while, you might remember that I have consistently said that we will be at the table with the EU-3 if Iran would verifiably suspend their program, and the offer still stands.

What changed was the change of leadership in Iran. In other words, we had a diplomatic track going, and Ahmadi-nejad came along and took a different tone. And the Iranian people must understand that the tone and actions of their Government are that which is isolating them. There's a better way forward for Iran. There's a better way forward for the Iranian people than one in which they find themselves isolated in the world. Their economy can be stronger. But their leadership is going to have to understand that defiance and hiding programs and defying IAEA is not the way forward.

And my hope is, is that the Iranian regime takes a look at their policies and changes their policies back to where we were prior to the election of Ahmadi-nejad, which was a hopeful period. They had suspended their program; they were at the table. The United States had made some very positive gestures to convince them that there was a better way forward. And hopefully, we can get back to that day.

Bret [Bret Baier, FOX News].

*Iran/National Intelligence Estimate*

*Q.* Mr. President, thank you. I'd like to ask for one clarification and one question, if I may.

*The President.* Sure. Depends on what the clarification is.

*Q.* The clarification is, are you saying that this NIE will not lead to a change in U.S. policy toward Iran or shift in focus?

*The President.* I'm saying that I believed before the NIE that Iran was dangerous, and I believe after the NIE that Iran is dangerous. And I believe now is the time for the world to do the hard work necessary to convince the Iranians there is a better way forward. And I say, "hard work," here's why it's hard. One, many companies are fearful of losing market share in Iran to another company. It's one thing to get governments to speak out; it's another thing to convince private sector concerns that it's

in our collective interests to pressure the Iranian regime economically.

So I spend a fair amount of time trying to convince my counterparts that they need to convince the private sector folks that it is in their interests and in the—for the sake of peace that there be a common effort to convince the Iranians to change their ways and that there's a better way forward.

So our policy remains the same. I see a danger. And many in the world see the same danger. This report is not a “okay, everybody needs to relax and quit” report. This is a report that says what has happened in the past could be repeated, and that the policies used to cause the regime to halt are effective policies, and let's keep them up; let's continue to work together.

Question, please.

*Venezuelan Referendum/Venezuela-U.S. Relations/Colombia-U.S. Free Trade Agreement*

Q. What does the vote in Venezuela mean for the U.S.? Obviously, this is a major loss for Hugo Chavez, a leader who has repeatedly referred to you as the devil. Before his effort for this never-ending terms in office, he told a crowd confidently, quote, “Anyone who votes ‘no’ is voting for George W. Bush. Our true enemy is the U.S. empire, and on Sunday, December 2d, we're going to give another knockout to Bush.” What's your reaction to Chavez's opponents winning?

*The President.* The Venezuelan people rejected one-man rule. They voted for democracy. And the United States can make a difference in South America, in terms of Venezuelan influence. And here's how: The Congress can pass a free trade agreement with Colombia. People say, “Well, how does that affect U.S.-Venezuelan relations or the relations of Venezuela in South America with other countries?” And here's how—and I like to quote Prime Minister Stephen Harper, who said, “The biggest fear in South America is not the leader

in Venezuela, but the biggest fear for stability is if the United States Congress rejects the free trade agreement with Colombia.”

It would be an insult to a friend. It would send a contradictory message to a country led by a very strong leader who is working hard to deal with some very difficult problems, one of which is armed gangs of people that are ruthless and brutal, people who just kidnap innocent people for the sake of achieving political objectives.

And so a vote for democracy took place, a very strong vote for democracy. And the United States policy can help promote democracies and stability. And again, I'm going to repeat to you: If the Congress does not pass the free trade agreement with Colombia, it will be a destabilizing moment.

Olivier Knox [Agence France Press], yes.

*Russia-U.S. Relations/Iran*

Q. Yes, sir. Thank you very much. This morning you spoke for, apparently, about 40 minutes with President Putin. I was wondering if you could shed a little light on what you talked about? Specifically, did you ask him to not go ahead with the sale of uranium or the shipment of uranium to—

*The President.* I'm not going to get into the specifics of conversations I have with any world leader. Otherwise, the next time I have a phone call it might be a short one.

Q. Do you have a message—

*The President.* But I'd be glad to talk about the themes.

Q. Please do.

*The President.* I don't particularly like when people read out my phone calls with them. Sometimes the words get mischaracterized. Sometimes what I say might not be exact—what they say I said might not be exactly what I said.

But we did spend a lot of time on the Iranian issue. And one of the interesting tactical decisions that Russia has made that

the United States supports is the notion that Iran has a sovereign right to have a civilian nuclear power program. What they don't have is our confidence that they should be able to enrich uranium so that those plants would work. Why? Because they had a covert weapons program that they did not declare and have yet to declare. Secondly, we understand that if they were to develop that weapons program, it would be a real danger.

And so the Russians said, "Well, would you support us on this notion, that because they're untrustworthy when it comes to the fuel cycle, we will provide the fuel, and we will collect the spent fuel?" And I have, publicly. I'll say it again. And we discussed this part of our strategy.

Secondly, I explained to him the content of the NIE and what it meant and how our working together has been effective. And thirdly, we talked about ongoing efforts to come up with another U.N. Security Council resolution if the Iranian regime doesn't suspend.

#### *Russian Elections*

Q. Sir, did the elections come up, sir—the Russian elections?

*The President.* They did. They did. And I said we were sincere in our expressions of concern about the elections.

Wolf [Richard Wolf, USA Today].

#### *2008 Presidential Election*

Q. A question on the upcoming elections that doesn't require you to—

*The President.* Which ones would those be?

Q. The ones that begin in January—

*The President.* Of course.

Q. —that does not require you to take any—to take sides. What is your feeling right now about the tone of the campaign and, in particular, on the Republican side, some of the talk on immigration?

*The President.* Wolf, for the next 3 months, you and your august colleagues will—trying to get me to be pundit in chief.

And I unfortunately practiced some punditry in the past; I'm not going to any further. I know, I know, it's just—

Q. A little analysis, maybe? [Laughter]

*The President.* You can ask another question. I really am going to—look, we got—it's hard to believe—like, a month away from the Iowa caucuses, and it's going to get intense. And elections are intense. They are intense experiences, and they're intense on both sides. This is the first time in a long time that both parties haven't had, kind of, a clear nominee, and it's going to be interesting to watch.

Q. Do you miss it?

*The President.* Yes, I'm going to miss the campaigning. I like campaigning. And if somebody ever says they don't like campaigning, they're not telling you—either that, or they're a lousy candidate. I mean, it's fun. [Laughter] I enjoy it. I enjoy the crowds; I enjoy the noise; I enjoy giving that message; I enjoy the competition. And yes, I'm going to miss it.

On the other hand, what I'm not going to miss is what we all—some of us went through in 2000, which was getting out on an airplane and having my friend Candy Crowley pass a virus around and—[laughter]. I got a respiratory infection; so did half the press corps. They got off the plane; I didn't get to get off the plane. [Laughter] And it was tough; it was a tough experience. And—well, look, I'm not dissing Candy; I said, "my friend." Look, it can happen to the best of them, you know.

Yes, I know, Wolf.

#### *Cooperation With Congress/Legislative Agenda*

Q. I get another one. [Laughter] This is a good deal. Can you tell us whether you think your personal relationship with the Democratic leaders in Congress has had a negative impact on your ability to get your legislation through? And how important is that personal relationship?

*The President.* I have got cordial relations with the leaders when I talk to them. I

saw Speaker Pelosi last night at the Congressional Ball at the White House, and we have very cordial relations. Here's—Congress—the Democrats in Congress, in the House and the Senate, need to work out their differences before they come to the White House. You can imagine what it's like to try to deal on an important piece of legislation, and the Democrats in the House have one opinion, and the Democrats in the Senate have another opinion. FISA is a good example.

And in order for us to be able to reach accord, they've got to come with one voice, one position. And it's—nobody—like, the most disappointing thing about Washington has been the name-calling and this kind of—people go out in front of the mikes, and they just kind of unleash. And I've tried hard not to do that. I've tried to be respectful to all parties. And that's disappointing.

On the other hand, I think we can get some things done. The Peruvian trade vote is one; there's an example. And the Congress needs to get their differences sorted. One of the worst ways to negotiate is to negotiate with one group. They pocket your negotiations, and then another group shows up and says, "Well, you've said this to them, now give us this."

And hopefully, as we come down the stretch here, that they're capable of coming forward with, "Here's what we believe; here's our plan; here's what we would like you to consider," as opposed to some examples, which is passing legislation for the sake of the headline, as opposed to passing legislation to get it passed. And SCHIP is a classic example. They knew I was going to veto the bill. They knew that was going to happen. They knew the veto would be sustained. But they ate up valuable time and passed the bill anyway.

And so we sit here in the White House trying to figure out why. Why would you waste time? Why wouldn't you sit down and try to seriously negotiate an agreement

on a bill that they knew was going to get vetoed and sustained?

Now, hopefully, in the next—however long they intend to stay here, that we're capable of working together. But if not, I'm going to stand strong for certain principles, and one of which is to make sure our troops get funded. We've got men and women in combat. We've got people risking their lives for the United States of America. And this Congress has yet to fund them, and it needs to. And it needs to fund them without telling our military how to conduct this war. Arbitrary dates for withdrawal are unacceptable, particularly given the fact that the strategy is working—it's working.

And it seems like to me that this Congress ought to be congratulating our military commanders and our troops. And one way to send a congratulatory message is to give them the funds they need, and now is the time to do it.

Let's see here, Mark Silva [Chicago Tribune].

Q. Thank you, Mr. President.

*The President.* That would be you back there.

#### *Iran/National Intelligence Estimate*

Q. I may want to apologize in advance because I—

*The President.* Please do.

Q. —I can't help but read your body language this morning, Mr. President. You seem somehow dispirited—somewhat dispirited.

*The President.* I think you need to apologize for advance—[laughter]. This is like—all of a sudden, it's like psychology 101, you know? [Laughter]

Q. A question related to that, sir, is, twice now—on Iran and Iraq—the facts have failed you on things that you've been outspoken on telling the American people. Senator Harry Reid is saying on the war spending issue that, quote, "The President is not leveling with the American people."

*The President.* On the war spending issue?

Q. Yes. Are you, in fact, troubled by—  
*The President.* Why don't you clarify that for me?

Q. Well, are you—

*The President.* What aspect of it? That I don't think we ought to fund the troops?

Q. No, sir.

*The President.* I think we need to fund the troops. I submitted a supplemental last February. Anyway—

Q. My question, sir, is, are you feeling troubled about your standing here today, about perhaps facing a credibility gap with the American people?

*The President.* No, I'm feeling pretty spirited, pretty good about life, and have made the decision to come before you so I can explain the NIE. And I have said Iran is dangerous, and the NIE doesn't do anything to change my opinion about the danger Iran poses to the world. Quite the contrary. I'm using this NIE as an opportunity to continue to rally our colleagues and allies.

Q. Do you think it—

*The President.* It makes it—the NIE makes it clear that the strategy we have used in the past is effective. And the reason why we need to make sure that strategy goes forward for the future is because if Iran shows up with a nuclear weapon at some point in time, the world is going to say, what happened to them in 2007? How come they couldn't see the impending danger? What caused them not to understand

that a country that once had a weapons program could reconstitute the weapons program? How come they couldn't see that the important first step in developing a weapon is the capacity to be able to enrich uranium? How come they didn't know that with that capacity, that knowledge could be passed on to a covert program? What blinded them to the realities of the world? And it's not going to happen on my watch, Mark.

And so, kind of, psychology 101 ain't working. It's just not working. I understand the issues; I clearly see the problems. And I'm going to use the NIE to continue to rally the international community for the sake of peace.

Thank you very much.

NOTE: The President's news conference began at 10:01 a.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to President Mahmud Ahmadi-nejad of Iran; King Abdallah bin Abd al-Aziz Al Saud of Saudi Arabia; Prime Minister Stephen Harper of Canada; President Alvaro Uribe Velez of Colombia; and Cable News Network reporter Candy Crowley. Reporters referred to President Hugo Chavez Frias of Venezuela; and President Vladimir V. Putin of Russia. The Office of the Press Secretary also released a Spanish language transcript of this news conference.

## Statement on Senate Approval of a Free Trade Agreement With Peru December 4, 2007

I commend the Senate for approving the free trade agreement with Peru with strong bipartisan support. This agreement will level the playing field for American exporters and investors and will expand an important market in this hemisphere for U.S. goods and services, which will help

strengthen economic growth and job creation in the United States. Approval of this agreement also signals our firm support for those who share our values of freedom and democracy and expanding opportunity for all.