

Press Conference by Secretary of State Condoleezza Rice

Secretary Condoleezza Rice

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SECRETARY RICE: Good morning. I'm here principally to take your questions, but I'd like to make a few remarks before doing that.

2007 has been a busy and challenging year, but also a positive one. I want to highlight just a few issues on which we've focused. I was just in Iraq and I can tell you that Iraq today is a different country than it was two -- a year ago. The surge of troops has made an undeniable dent in the violence there and in restoring security. And the surge of our Provincial Reconstruction Teams is facilitating reconstruction and reconciliation at the local level, as I just saw firsthand in Kirkuk. All of this, of course, is still fragile and in the year to come, we will need to continue to help Iraqis translate security gains into lasting political progress. To be sure, serious challenges remain in Iraq, but they are increasingly the challenges of building on positive developments.

Another top priority, as you know, has been to bring Israelis and Palestinians together in order to open final status negotiations for the establishment of a Palestinian state. Annapolis was the culmination of a patient and painstaking diplomacy of almost a year. The negotiating teams have now held their first meeting. And in the year to come, the President and I will actively facilitate and support these negotiations. We will look for ways to engage positively and support the parties in turning their discussions into substantive agreement. And building on the recent Paris donors conference, we will continue to support President Abbas' efforts to build an effective democratic state.

We will also continue to support the legitimate government of Lebanon. This backing for moderate leaders and citizens will advance our goal of marginalizing and isolating violent extremists and their state sponsors. And as you know, the President will visit the region at the beginning of next year to give support to the process.

With Syria and Iran, we remain open to better relations, but they must choose cooperation, not confrontation with the international community. We will continue, in the meantime, to step up the pressure behind our diplomacy. And on that effort, we have made progress this year, with regards particularly, to Iran. We have strengthened international cooperation to pressure Iran to give up its pursuit of a nuclear capability, including through a second UN Security Council sanctions resolution. We are now negotiating and I believe that we will achieve, next year, a third sanctions resolution. We have increased financial pressure against Iranian agencies, banks, and front companies that abuse the international financial system. And we have targeted Iran's provision of lethal support to extremists who attack U.S. and coalition troops and innocent civilians in Iraq and Afghanistan.

In Central Asia, Central and South Asia, we and our NATO and Afghan allies are fighting together in Afghanistan and it is a fight that we will win. We will support the Afghan Government. In Pakistan, President Musharraf has taken off his uniform and stepped down as chief of the army and all major civilian leaders have now returned to that country. Free and fair elections in January will advance the goal of a moderate, democratic Pakistan that is a partner in the war on terrorism. At the same time, we will continue building a new and very important strategic relationship with India.

In East Asia, we have made progress this year toward our goal of denuclearizing the Korean Peninsula. After agreeing to implement the September 2005 joint statement, North Korea shut down and is now disabling its Yongbyon facilities. We expect North Korea to honor the pledge it made in the six-party talks, to make a complete and accurate declaration of all its nuclear programs. Of course, other challenges and flashpoints of conflict remain in East Asia and we will monitor those closely. In the Taiwan Strait, for example, the United States remains committed to peace and security. We oppose any threat to use force and any unilateral move by either side to change the status quo. We have a One China policy and we do not support independence for Taiwan.

As we have stated in recent months, we think that Taiwan's referendum to apply to the United Nations under the name "Taiwan" is a provocative policy. It unnecessarily raises tensions in the Taiwan Strait and it promises no real benefits for the people of Taiwan on the international stage. That is why we oppose this referendum.

In Africa, a top priority this year is to remain steadfast with our partners in Africa who are working to end conflict and build prosperity. That is especially true in Sudan, Somalia and the Democratic Republic of the Congo. That is why I was just in Ethiopia. The United States will continue to keep the pressure on Sudan's Government to get an AU/UN peacekeeping force into Darfur. We will continue our efforts to do the same in Somalia.

In Latin America, we have worked hard this year to promote democracy and prosperity and to support our allies who are trying to build more just and open systems. Congress' passage this year of our Free Trade Agreement with Peru is good for our democratic partner there and an important sign of our nation's enduring bipartisan support for free trade. We hope that significant support -- the significant support that the Peru FTA won on both sides of the aisle will create positive momentum for the quick passage of the Colombia and Panama agreements and also, in Asia, of the Korean FTA.

Those are a few thoughts on this year and on the year to come. I believe that on the whole, 2007 has been a successful year for U.S. foreign policy, but stress that the progress we have made has been the result of sustained diplomacy over the course of several years.

We are dealing with a lot of serious challenges right now, but we must never let that obscure a deeper and more meaningful fact and that is the one that I'd like to leave with you today. America's engagement in the world today is defined not only by our challenges, but by our opportunities -- opportunities to help shape a future in which more men and women than ever before in human history enjoy lives of peace, prosperity and freedom.

Americans remain a generous and idealistic people. And in our final year in office, we will continue to use America's power to advance the great purposes for which we stand. And now I'd be happy to take a few questions.

QUESTION: Madame Secretary.

SECRETARY RICE: Yes.

QUESTION: I'm wondering if you can tell us what you think the significance is of the discovery of enriched uranium on these -- the samples of aluminum tubes from the North Koreans. Will this complicate the six-party process and will it -- does it raise any flags ahead of the declaration which they are supposed to present in about 10 days?

SECRETARY RICE: Well, I'm not going to comment on specific reports or certainly on intelligence matters, but we have been very clear that we expect a declaration from North Korea that is complete and that is accurate. As you know, we have long been concerned about highly enriched uranium as an alternative route in North Korea and so we expect there to be a declaration that is complete and accurate.

I also want to note that there is a considerable diplomatic effort underway not just by the United States, but by other members of the six-party talks to make certain that we can complete this second phase, both with the disablement, which I should underscore is going very well, and with the declaration. I sincerely hope that we'll -- it'll be by the end of the year. But the key here is to get the process right and we're going to stay at this until we get it right.

Yeah, Elise.

QUESTION: Madame Secretary, on Libya, the Libyans have expressed a lot of frustration with the fact that you've said that you would go there, that they're expecting some kind of benefit to their giving up their WMD and some of the other things that they've done with the Pan Am 103 families and that you haven't been to Libya. What does this say to other countries that you're hoping to improve their behavior, like Iran and North Korea, if they see that the U.S. isn't delivering on their promises?

SECRETARY RICE: Well, our promise had been to significantly improve U.S.-Libyan relations and to open -- help open the door for Libya to receive investment and engagement with the international community. And I think that the decision by Colonel Qadhafi to give up their weapons of mass destruction has benefited Libya. It's why there are new investment opportunities in Libya, it's why so many companies are talking to the Libyans, it's why a number of leaders have been to Libya and the leader has been to other countries.

And I'm going to meet with Foreign Minister Shalgam shortly after the first of the year. And I actually look forward to the opportunity to go to Libya. I think it will be an important step. So I would simply not agree with the notion that this decision has not benefited Libya. I think it's benefited Libya greatly. If you look at where Libya is now in terms of its interaction with the international community, in terms of its ability to receive foreign visitors, in terms of its ability to get investment, it's day and night from where it was before it made these strategic decisions. But, of course, I'm looking for an opportunity to extend our relationship further.

QUESTION: Do you -- can I ask you a follow-up? Do you see opportunities to visit countries like North Korea and Iran and Syria before the end of your term if they were to significantly improve their (inaudible)?

SECRETARY RICE: Look, we don't have permanent enemies; the United States doesn't. What we have is a policy that is open to ending conflict and confrontation with any country that is willing to meet us on those terms. And we've given very clear paths with our allies. It's not a unilateral U.S. policy, but with our allies, we've given very clear paths and very clear pathways for improving relations with all of those countries. If, in fact, we continue on a path of completing the next stages on North Korean denuclearization, if the denuclearization continues, then the agreement that we signed in September 2005 and the February 19th agreement of last year is very clear on a pathway toward better political relations between the United States and North Korea. And there can be many different opportunities within that context of improved relations.

And on Iran, I continue to say that if Iran will just do the one thing that is required of it by the Security Council resolutions that have been passed, and that is suspend its enrichment and reprocessing activities, then I'm prepared to meet my counterpart anyplace and anytime and anywhere and we can talk about anything. So let's not get ahead of ourselves. Let's see if countries are prepared to take that path. But the United States doesn't have permanent enemies. We're too great a country for that.

Yeah, James.

QUESTION: Two very quick things on two different subjects if I might, Madame Secretary. First, on the NIE on Iran, when was the first time that you were presented with the notion that the Iranians might have suspended or halted the weaponization program?

SECRETARY RICE: Well, I can't give you an exact date.

QUESTION: I didn't ask you --

SECRETARY RICE: No, no. Look, not very long before the release of that NIE, the National Security principals were briefed on the NIE. And I mean a matter of, I think, days, not very long at all. And so the intelligence community had let it be known that they had some interesting new leads about what might have happened in the Iranian nuclear program on the weaponization side. And I want to just emphasize this was about weaponization, not about the enrichment and reprocessing and not about the missile program, but that they had some interesting new leads, but that those leads needed to be pursued, followed up, they wanted to do a careful analysis, and then when that careful analysis was done, it was presented to the National Security principals. That wasn't very long before the NIE was made public.

QUESTION: So the notion that the weaponization program had been halted never was presented to you prior to the 2005 NIE?

SECRETARY RICE: Oh, that it had been halted? No. In fact, the 2005 NIE was to the opposite side of that.

QUESTION: Okay. And the other subject matter was the Israeli-Palestinian issue.

SECRETARY RICE: I thought you had two questions. I'm being generous in the holidays, but not that generous.

QUESTION: (Laughter.) These are two different subjects.

SECRETARY RICE: Oh, two different subjects.

QUESTION: Yes.

SECRETARY RICE: Okay, sorry.

QUESTION: And I appreciate your generosity, as always. Are you prepared to see any old Palestinian state declared before the end of the Bush term or must it meet certain conditions or requirements of functionality and transparency and so on?

SECRETARY RICE: Well, one reason that the roadmap obligations are so important is that they point toward a Palestinian state that would actually be able to govern, would be able to fight terrorism, would be able to deliver for the Palestinian people. And so, that's one reason that we believe the implementation of any agreement would be subject to fulfillment of the obligations of the Roadmap. It's hard to imagine a Palestinian state coming into being and living side by side in peace and security with Israel, unless both sides have met those Roadmap obligations and I think they're pretty much embedded there. But we're not just stating that as a principle, we're actually, with Tony Blair and with the Paris donors conference and with what is being done by General Dayton and by General Jones, we're actually working actively with the Palestinians to build that capacity.

And so of course, you're going to want to have a Palestinian state that is capable of governing, that has proper security forces, that is transparent. The good news is that across the board, people admire the leadership of this government and believe that these are transparent people who are not given to wanting to use violence and who are trying to build a modern and democratic state.

One of the most important documents, and if you haven't read it, I would recommend it to you, is the document that Salam Fayyad presented at the Paris donors conference, which is a comprehensive plan for the establishment of a transparent, democratic, rule of law governed Palestinian state. It is going to take some time for that state to fully achieve all of those goals, but I do believe that the prospect of statehood, the reason that it is important to have a political process that ends in an agreement, is that it's not going to be possible, I

believe, for them to deliver on what they want to deliver on, which is in that document, unless there is a prospect for -- a real prospect for a state.

QUESTION: The reason I ask this, only because there is some smart money that holds that basically, the President and the Secretary of State are going to countenance the declaration of some kind of Palestinian state before they leave office just as something they can hang their legacy hat on and if it looks very much like the Palestinian state that we have right now, that's for their successors to deal with. Can you disabuse us of that?

SECRETARY RICE: Jim, as I've said, there are a lot easier ways to build a legacy than to try to solve the Palestinian-Israeli issue.

Yeah.

QUESTION: Thank you. You could use another question.

SECRETARY RICE: (Laughter.)

QUESTION: Madame Secretary, Mike Huckabee recently said that this Administration has a go-it-alone foreign policy, that it has an arrogant, bunker mentality that has hurt America around the world. And we also just recently heard from John Bolton who said that the Bush Administration's foreign policy is in a free fall and it's because the President has been listening to you too much. So I'd just like to give you an opportunity and how do you -- what do you make of this?

SECRETARY RICE: Look, I don't comment on other people's comments. I don't have time, all right. I really don't have time to worry about this. Let me just tell you what I think of where we stand in America's policy. We have, right now, probably the strongest transatlantic relations -- interactions that we've had, certainly during this Administration, and I would say in a very long time.

If you look at the relationship with France, which is being put to good use in Lebanon, the kind of interaction the President had with President Sarkozy when he came here, if you look at the relationship between Angela Merkel's government, and it's not just the Chancellor, it is the relationship I have with Frank-Walter Steinmeier, the relationship that I have with Bernard Kouchner, you know, the British, it's always been a solid relationship. We go to NATO. We solve problems together. We've got NATO fighting in Afghanistan.

The idea that somehow this is a go-it-alone policy is just simply ludicrous and one would only have to be not observing the facts, let me say that, to say that this is now a go-it-alone foreign policy. We're working with allies in Asia on North Korea. We're working with allies in Europe, Russia and China on Iran. We're -- the alliance is mobilized together in Afghanistan. We had 50-plus countries at Annapolis to launch the peace process between Israelis and Palestinians. We're working together with allies in Lebanon. I can go on and on and on and on. And so I would just say to people, look at the facts.

QUESTION: Secretary Rice.

SECRETARY RICE: Yes.

QUESTION: In Iraq, you mentioned that the surge is getting results and we're seeing reconciliation at the local level. But reconciliation at the national level still seems to be lagging. What do you propose to do about this?

SECRETARY RICE: Well, I think that we've seen the process in Iraq, in effect, a little bit in -- of a reverse of what we would have predicted earlier. But let me just say that, in part, we set out on a strategy in January to try to bring the local and provincial level into play for politics. It's why we built the Provincial Reconstruction Teams. Starting in 2005 -- November of 2005 -- with their initiation, but then I

think making them much more effective by embedding them with the military. We wanted -- I remember testifying last year in January and saying that we wanted to build multiples points of success in Iraq, not just work singly through Baghdad. And so it's this effort to build local governance, provincial governance, has been a conscious one. But I think it's come along more quickly than we might have predicted. Now, the key is to make those provincial and local developments -- that political reconciliation, to national level legislation, political processes, some of it is happening.

One of the most important links is the budget process. And we've seen budget numbers -- I believe we're going to see something like a 40 or so percent improvement in their budget allocation processes over this last year. That's important because you're getting resources. We talk about a revenue-sharing law, but you're actually getting revenue sharing from the center out to the provinces and the localities.

One of the things that struck me about my conversations about the national leader -- with the national leaders when I was there this time, is they're much more aware of, much more in contact with, much more concerned about frankly, the views of provincial leaders. But it's incumbent on them, and we hope to help them, to now take those positive developments and make sure they're linked up. So, for instance, a provincial powers law becomes very critical to fully defining the powers of the provinces so that it is on a de jure basis, although I think de facto a lot is happening in that regard.

So, yes, the national reconciliation has been somewhat slower, particularly in terms of the legislation, but they have done some things. The pension law has been passed. The investment law has been passed. They should, after the first of the year, pass their next budget. The current budget is being -- we're helping them with budget execution. So, yes, I think we have to work very hard on the national level, but we shouldn't underestimate the degree to which just the strengthening of the provincial and local levels is requiring the national-level government to pay attention.

QUESTION: Okay. A quick follow-up on that.

SECRETARY RICE: Mm-hmm.

QUESTION: Do you have other -- you just mentioned a bunch of specific agreements they've reached, do you have other benchmarks you're hoping the national government will reach before you leave office?

SECRETARY RICE: Well, the thing -- big remaining legislative pieces that people talk about when you're there, are the accountability and justice law, sometimes called de-Baathification, which is -- and it's about to have its third reading before the congress -- before their parliament. There is the provincial palace law and there is the oil law. There are also other issues like preparing for electoral -- an electoral law, an electoral commission so that they can perhaps have elections some time in the near future. So those are the sorts of things.

I wouldn't -- I no longer think of them so much as benchmarks as the pieces that they are now presenting as what they need to do over the next year. There are also some issues that, I think, we'll be working with them on like Kirkuk, where I found the new UN Special Representative Mr. de Mistura has really hit the ground running. He's diffused the short-term crisis on Kirkuk, which would have had a December 31 deadline for a referendum and now has a plan over the next six months to help for a resolution of that issue. So I think you'll see a lot of problem solving of that kind.

Glenn.

QUESTION: Yeah, the -- your offer of meeting with the Iranians if they would suspend enrichment was made more than a year and a half ago, and the Iranians have not shown much interest in taking that offer. In light of the NIE, Robert Kagan recently suggested that the

U.S. just drop that condition and just test the Iranians and see what would happen if you were to meet directly with them in this final year of the Administration. Is there any consideration being given to that as you end up your term here?

And then finally, or secondly, I noted you didn't mention Burma in your review of the year. The Saffron Revolution was quite an amazing event and what is the Administration doing on Burma?

SECRETARY RICE: Yeah. I did not mean to try to be all inclusive, Glenn. But, yes, Burma has been a focal point for the Administration. And in fact, I thought that at the time of the General Assembly when the monks were in the streets, that there was an energy in the international community to try to do something about it. And frankly, as the international community unfortunately sometimes does, that energy dissipates. And it's our responsibility, along with others, to try to keep a focus on that effort. And there the Gambari mission that the Secretary General launched needs to have more profile, it needs to have more vigor, it needs to be, I believe, more insistent on the junta that a Special Representative of the United Nations Secretary General cannot be treated the way that the junta has treated Mr. Gambari. It's simply unacceptable.

And so we will return again and again to the Security Council to discuss this issue. We will return again and again to those states that have influence, like China, to move this forward, because there needs to be a process of political reconciliation. Aung San Suu Kyi and her compatriots need to be listened to and dealt with, and so we're going to continue to press this case, absolutely.

I'm sorry, your other question was --

QUESTION: Kagan's suggestion of dropping that condition and just trying to talk to the Iranians.

SECRETARY RICE: The condition is a UN Security Council resolution, two of them, not to mention an IAEA Board of Governors resolution. And one has to ask why is that. Why is it that these -- this is at the center of the international effort on Iran? And it is because Iran should not be allowed to practice enrichment and reprocessing to solve -- in order to solve the engineering problem of keeping cascades going in sequence so that they can learn to enrich at, first, 4 percent, then 15 percent, then 50 percent and eventually, 98 percent and have fissile material for a nuclear weapon. And one of the reasons that suspension has continually been a condition even for negotiations with the Europeans, if you remember the Paris agreement, is because as long as the Iranians are talking and practicing enrichment, you're not getting anywhere. In fact, they're using the cover of negotiations to perfect this technology. That's why the suspension is important.

And look, we've given every opportunity. I remember when the Iranians said, well, how about -- or someone floated a kind of two-month suspension; fine, do it for two months, let's see. But I don't see the -- I see the NIE as reinforcing the need for there to be a suspension and we'll see if the Iranians can be brought to the view.

Yeah, Libby -- oh no, go ahead.

QUESTION: I just wanted --

SECRETARY RICE: You're sort of taking complete advantage of (inaudible).

(Laughter.)

QUESTION: No, but I just wanted to -- I mean, don't you run the risk that -- because in this year and a half, you -- they haven't been talking, yet they have been enriching. So if you were to open the door to discussions, do you have any sense at all that you might be able to get -- if you move down that track, you'd get them to suspend after that start?

SECRETARY RICE: They've been enriching at a cost, however, and that cost is two Security Council resolutions which put them in Chapter 7 status, which then have an effect, a collateral effect of having companies, financial institutions, start to assess the investment and reputational risk of dealing with Iran. And if they're enriching under cover of negotiations, I think that's a different circumstance for the Iranians.

And so it has cost them to keep enriching, and if one reads the quite open debates and criticisms about which most of you have written inside the Iranian system of their current policies, one would note that there appear to be some people who think they're on the wrong course and the question is, can you give more reason for those people to come forward.

A couple others?

QUESTION: Yeah, my question is only one part. I just wanted to ask you about President Bush's upcoming trip. Why did you guys calculate this was the time to go to Israel and the Palestinian territories? And what specifically are you looking for as an outcome of the trip? Do you plan to offer any U.S. proposals possibly to bridge the gaps or is this not the right time for that?

SECRETARY RICE: We have yet to see where the parties are. They'll meet again on the 23rd of December. I suspect they may meet even again before the President gets there. But this is really to lend support to their efforts, to talk, to see if, through the conversation, we can help them to find perhaps where there are points of convergence that sometimes, parties, when they're negotiating, don't see. But I think it's early to try and set a specific set of tasks for the President when he's there.

I do believe that his going, in and of itself, will continue to give some momentum to the process. When the President is coming to the region, people tend to want to be moving forward, not standing still, and so that in itself will have, I really do believe, an important effect.

Yes.

QUESTION: This is (inaudible) from Al Arabiya. Is the -- 2008 -- a target for your Administration to reach a final settlement in between Israelis and Palestinian or you are just happy of supporting the two parties to get into the process?

SECRETARY RICE: Well, 2008 is a goal of the parties to reach agreement, so it's our goal too. And we will want to try to help them to get there, but if I look back over the last year, I really do think that the launching of permanent status negotiations was not to be taken for granted. At the beginning of last year, I don't think that the prospects for actually getting to permanent status negotiations looked very good. Now that they are there, there is a certain momentum; there is a certain premium on succeeding. And I do believe that you will see very serious efforts on the part of these two leaders who have now staked a lot on completing this agreement, to try to do what they can, everything they can to complete it. And we'll be a part of that process with them.

QUESTION: There is further talk in Israel about expanding or building new settlements. Did you officially tell the Israelis what is the U.S. Administration position on this?

SECRETARY RICE: We have told the Israelis repeatedly that the settlement activity is both against U.S. policy and against the Roadmap obligations. And I would note that my understanding is that even the Israelis themselves have taken some decisions that suggest that they understand the seriousness of this issue.

Yeah.

QUESTION: Madame Secretary, U.S. encouraged Syria to come to the Annapolis conference and praised it afterwards, but hasn't that gesture worked against U.S. goals in Lebanon? Hasn't it discouraged some of our allies who are trying to work toward a new government?

SECRETARY RICE: First of all, the United States invited to the -- to Annapolis the states that were relevant to this process, including the members of the Arab Follow-On Committee, of which Syria is one. And we made it possible for Syria to come, given that Syria was concerned, apparently, that there would not be a mention of a comprehensive peace. So that's what the United States did.

I do think that there are those who had hoped that Syria would show a more constructive attitude toward the region as a whole, having started down this path. That has not yet happened and it's extremely important that Lebanon be able -- the Lebanese be able -- to go to their parliament and elect a president. By all accounts, they have a consensus candidate that they believe they could elect and one has to ask, why can't they get to the parliament and elect it, so the -- and elect this president.

So Syria should prevail upon its allies to let this go forward and should not block the Lebanese people in doing what they need to do. I can tell you that throughout the region, it was -- those with whom we spoke -- believed that it was important that no one be excluded in the Arab world from the Annapolis conference.

MR. MCCORMACK*: Last question.

SECRETARY RICE: Last question? Yeah.

QUESTION: The Kosovo talks seemed to not go terribly well the last round and I'm wondering if you would advise the Kosovars to put off any independence move until the diplomatic situation can be resolved a bit?

SECRETARY RICE: I think we have -- the United States believes that after the Troika effort -- which I think was a very good faith effort and frankly, produced more than many of us thought it might because it got the parties talking to each other one last time. But that effort is at an end and I -- over the next several weeks, it's going to be important to take decisions because not taking decisions about the status of Kosovo is not -- it will not be stabilizing for the Balkans. It'll be destabilizing for the Balkans.

And so we're working with -- very closely with our European allies. They are having a series of discussions within the European Union about a way forward. They're also -- we're all trying to reach out to the Kosovars to make certain that they are attentive to the responsibilities that they would get from the Ahtisaari plan. And we're reaching out to the Serbs to make sure that they understand that there is a European perspective for them.

But the fact is that Kosovo and Serbia are never going to be a part of the same state again. I think that's quite clear. It was the logic, really, even of 1244 that the special status accorded Kosovo as a result of the war. And the important thing is for these two peoples to get on with their futures. But we will be consulting very closely with the Europeans. We'll be working through it. We'll be talking to the Kosovars. We'll be talking to the Serbs. And we will talk to all parties and this includes the Russians, because it is really incumbent on all of us to make sure that we take actions in the Balkans that are stabilizing, that allow us to bring to an end the tragic chapters and the tragic circumstances of the Baltic -- of the Balkan states so that the European construction can finally be completed some 17 years after the end of the Cold War.

Thank you.

QUESTION: Happy Holidays.

SECRETARY RICE: Happy Holidays, everybody.

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