



# FOREIGN POLICY ASSOCIATION

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**47th annual FPA / NBC Luncheon  
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*Featuring:*

**Brian Williams, NBC Nightly News Anchor and Managing Editor**

**Andrea Mitchell, Chief Foreign Affairs Correspondent**

**David Gregory, Chief White House Correspondent**

MR. BRIAN WILLIAMS: —From the panel up front, a few things first, as Andrea and David make their way up. Thank you very much for the Herbert Hoover letter. It's nice to know that the world was in the same shape in 1938 as it is today. This has become, of course, a great tradition in my life as well.

And it's always fun for me to see Mary Belknap at this lunch. And to pretend that we don't see each other all year, except for once a year, on this day. That's our joke together, anyway. Mrs. Belknap has always been a great sport. And is huge part of the FPA.

I have to say that we have in our midst, I think the only person in this room who attended last night's white-tie state dinner. We have another person up here who is leaving from LaGuardia to go attend tonight's dinner, the reciprocal dinner at the British Embassy. And your humble moderator is just back from the garden party yesterday afternoon at the British Embassy, which my wife and I refer to as the JV event for the Queen and Prince Phillip.

So I think with all that we're going to cover with our Chief White House Correspondent, David Gregory, with our Chief Foreign Affairs Correspondent, Andrea Mitchell, I am duty bound and further would be remiss if I didn't ask David to tell us about last night's dinner. David?

MR. DAVID GREGORY: Thank you, Brian. Good afternoon, everyone. It's a pleasure to be here. You know, there was a question that came up in the State dining room last night from somebody at my table who said, as we were looking at the Queen's jewels and her diamond tiara, do you think it's real?

And the question was about do you really think she travels with that? Wouldn't she keep the real thing back home and have this as, kind of, the carry-on version? And I went out on a limb and I said, you know, what's the point of being the Queen if you can't travel with the real thing? You know what I'm saying? So that was rather striking.

It was such an honor to be there last night. As many of you know, George W. Bush cannot entertain enough.

[Laughter]

If it's not a cocktail party, it's a State Dinner, it's dinner and dancing with friends. It's opera. So this was really a perfect event for him. Actually, no, I think he's only had four or five other state dinners. And it was, in fact, Mrs. Bush and Secretary of State Rice who prevailed upon him to throw a white-tie dinner.

And he likes to joke around at these things. You recall back in 1991, he apparently was told not to speak to the Queen, and proceeded to speak to her and told her about his cowboy boots. And I saw him last night. And he said you look pretty good in tails.

So it really was a lovely event; a thrill of a lifetime for myself and my wife to meet the Queen. I had a chance to take my 4½-year old son to the arrival ceremony in the afternoon. And he got a good glimpse. And didn't understand why she didn't come talk to him. I had to explain that.

But as I say, there are some moments in this job and in life generally, no matter how often you may go to these events. And I'd never been, where you have a certain oh, wow moment. And for me it was sitting at the adjacent table to the President and the Queen. The Queen on the President's right, Nancy Reagan on his left. And you know, watching the three of them talk, just a few feet away from me, sitting underneath a portrait of Abraham Lincoln. And that was a wild moment for me.

So it was interesting also to note some people you may not expect to have been there. Colin Powell was there among the other secretaries of state, Republican secretaries of state, although James Baker was not there, as Andrea and I talked about. And Trent Lott, who has a rather frosty relationship with this White House, was there as well.

As was the House Speaker, Nancy Pelosi, who took to the dance floor right away after Itzhak Perlman performed, so she didn't waste any time. And who knew that John Roberts, Brian, Chief Justice, was such a dancer. He and his wife, Jane, were out there dancing the night away, so it was a real thrill.

MR. WILLIAMS: So this is the kind of texture, I think over at the council, they're having some dry event right now.

[Laughter]

But you're going to leave here today with some real added value. I did note the Chief Justice was sitting those of us who had to watch CSPAN I noticed that the Chief Justice was sitting on the other side of the Queen. Who was at your table? We're not near done with this by the way. Who was at your table, David?

MR. GREGORY: It was a lovely table. I sat with

MR. WILLIAMS: [Interposing] David there's no [unintelligible] here. He can't remember a thing.

MR. GREGORY: The Secretary of Agriculture was our host. I was a little disappointed, because apparently you're supposed to sign your menu card. And everybody at the table signs it. And he did not carry out that tradition. And it goes downhill from there. No.

Itzhak Perlman's wife was with us and some others. It was not a star-studded table. But as I say, did I mention that we were sitting close to the President? I don't know. The table was very close. My wife, however, sat with Colin Powell, and Nancy Pelosi, and Mrs. Bass and others, so good, clean fun.

I mean, you know, look, I mean, they talked about the Atlantic Alliance. But let's be honest. We know what that's all about. Let's talk about the tiara? You know what I'm saying?

MR. WILLIAMS: And Andrea, you were the host of an event on Saturday in Jamestown. And you'll be seeing the Queen again tonight. Can you add, Andrea, to the texture that we're trying to impart here today?

MS. ANDREA MITCHELL: Well, actually, as a trustee of the Williamsburg Foundation, we had the privilege of having the Queen, Her Majesty, in Jamestown and Williamsburg for two days last week. And she was very interested in the educational components.

And what has happened in 50 years since her last visit to Jamestown. The recent excavation in the last two years, where they have actually found and identified the bodies—the remains, rather, of some of the original settlers is quite extraordinary.

And what we're trying to do there is what we try to do with all reporting, is do a reality check. And really rewrite American history, as Michael Beschloss and Jon Meacham and other have been trying to do in Newsweek, memorably, to explain what really happened in Jamestown.

And why - for those of you from the Boston area - the Plymouth narrative has superceded Jamestown. Even though Jamestown and that area preceded what happened in New England, probably because Jamestown was not a very pretty story. And it's a much more child friendly, school friendly, story to talk about the

Native Americans and the new colonists, escaping for religious freedom and sharing a Thanksgiving feast than what really happened in Virginia.

But what we're trying to do is make people more aware. And I think Queen Elizabeth was really engaged in that. It was quite remarkable. So tonight is the return dinner that the British are hosting.

I was struck last night, again, watching on CSPAN, along with Brian and Jane Williams, watching the toasts on CSPAN. The Queen's toast was rather remarkable, which is of note for this audience in particular, because she talked about the Atlantic Alliance.

And the continuity of our relationships, despite differences and changes in administration and in governments in Great Britain. And we're about to see another change in the U.K. She talked about the continuing engagement of our two countries, our two peoples, our shared traditions, and called for a new focus on world poverty and also global warming. So it was a rather substantive toast.

And if you were watching CSPAN, they also played some of the remarks from the Reagan visit in San Francisco. I attended that, as a reporter in 1983 and attended the dinner in 1991, and you could see the evolution. The Queen is clearly thinking back on her half-century-plus reign. And thinking about some of the larger issues; much more substantive than you might expect from someone who is a monarch and not a head of government.

MR. WILLIAMS: I was actually thinking, while you and I were among the housebound last night, forced to watch the State Dinner on CSPAN, as opposed to being, say, a guest at the dinner like David was. That we did receive that added value that David couldn't see were those added clips of dinners in years past, while he was talking to the Agriculture Secretary and Itzhak Perlman.

Veering, as we must, into the subject and purpose of our gathering today, it is time to abandon Her Majesty and talk about policy. The chief issue before us is as it has been since 2001. And that's this nation's war in Iraq, and the dual wars, of course, being fought in Iraq and Afghanistan.

And David, this brings us to you first. What is it we just witnessed with the fight on the Hill, the President's veto? What are we seeing now? And for people who attach a value to every spent or lost day of Congress, what have we just learned in this whole period?

MR. GREGORY: Well, we're learning about the consequences of elections in this country, and about the fact that the American people want the war to end. And this is effectively the end of Chapter One of the war on terror. And it's impossible to say exactly when that chapter's going to end.

But the American people want it to end. Democrats in Congress want it to end. Republicans want it to end. The President wants it to end. But it's a question of how.

And in the White House right now there's a lot more of a sense of resignation than I've seen in the past several years. They recognize they really can't control events any longer.

They have two final stands. A political final stand by backing the government of Nouri Maliki, despite being public about the fact that they're not certain he's got either the willingness or the control to affect a result that results in a stable government where there's actual reconciliation between Shia and Sunni and Kurd.

And a military final stand, which is this so-called surge strategy, which is all about saying if you're going to have politics that work in Iraq, you've got to have a capital city that works. Where people aren't being blown up, where you can effectively pick up the garbage and have running water. And that's not the case now.

What I think you've got, and you read the headlines today, as much as Democrats wanted this vote, Brian, to say that the liberal base of the Democratic Party wants an end to the war. While the President can reject that, because he's got Republicans behind him; 75% of Republicans still support him. You see by the fall, most Republicans who were looking some looking forward to an election in 2008, others who have stood, as patiently as they could behind the President on this war recognizing that by the fall, if this new strategy doesn't bear fruit that will be their final stand as well. And you'll see, I think, a beginning of the end.

And so I think we've seen that first page of the end of this first chapter and there'll be other appropriations battles starting in the fall that will become, I think, a lot nastier.

MR. WILLIAMS: Andrea, I was in Iraq. I guess it's been seven weeks ago. I went for several days, based out of Baghdad. We went on several day trips, most of them with high-ranking U.S. military officials. On one specific day trip outing, we went to the towns of Ramadi and Hit. There had not been a journalist in downtown Ramadi of any stripe for weeks if not months.

And the U.S. officials there were so enormously proud that albeit with dismounted fire teams and armored vehicles around us, and wearing body armor, and with air cover overhead, we were able to walk, nonetheless, outdoors in Ramadi. And that they put to us as an enormous victory.

The same situation we encountered in Hit. The U.S. commanders who are out in these forward operating bases are enormously proud that they are putting in the legwork and the hours in the neighborhoods, talking with the local religious officials. We helicoptered back to Baghdad that particular night, 93 Shia pilgrims killed in two vest bombings and the news cycle starts again.

And you come home from a trip like that and people say are we winning over there? How would you describe the war effort?

Well, the question to you, Andrea, is this has required a lot of the President's surrogates in the years of his Presidency to go out and sell this policy. What's been the effect on someone like Secretary of State Condoleezza Rice?

MS. MITCHELL: It's such a good question, because I think we all have to acknowledge that Iraq is the war that has swallowed the rest of our foreign policy. That everything else has become secondary by necessity to this war. Not only because it is so much absorbing our treasure and our military. But it is absorbing all of the energy and all of the best efforts.

And there are unintended consequences that we can all see regionally and also globally. Secretary Rice, in January, met privately with correspondents individually, and with others, and talked very hopefully about this new initiative, this new

opening.

She viewed Iran's ascendance, as a way of perhaps frightening the Sunni leaders in Saudi Arabia and other places into, for the first time, being willing to acknowledge Israel openly. And do something of great consequence on the Israeli-Palestinian front, which would in turn please King Abdullah—both Kings Abdullah—and then open the way toward more regional pressure on the Syrians and the Iranians in terms of stabilizing Iraq.

Great goals and a wonderful concept on paper, but we've seen what the result was when all of her hopes for dealing with the Israeli-Palestinian front—not all perhaps, but many of them—were dashed by a surprise, an unwelcome surprise, in Mecca from Saudi King Abdullah. In forging the new coalition government, his concern was more of civil war among the Palestinians than of pleasing the Americans.

And as we speak today, the Vice President is flying to the Emirates and then on to Saudi Arabia. And I think there's going to be a rather tough conversation with the King. Because there have been so many unwelcome surprises from our Saudi allies.

But I think the Saudis are reading the electoral calendar, as well as anyone else, and seeing that we are appreciably weakened, especially in that region. Because of the consequences of what's happened in Iraq. And frankly, what may still happen in Afghanistan. There is, sort of, an uncertain situation at best in Afghanistan and even in neighboring Pakistan.

We have some huge challenges, and perhaps, some missed opportunities. I think it can fairly be said that the administration's focus on Iraq took attention away from the Israeli-Palestinian front. And while that might have not have seemed as central to the war on terror in a post-9/11 war, we have to understand the mindset after 9/11, and how, obviously, challenged this administration was, uniquely challenged. It has had the unintended and undesirable consequence of making everything else, sort of, a second-place starter and they're running out of time.

They no longer have leadership in either the Palestinian—maybe they never had leadership—but there were moments when Abbas, perhaps, in the winter of 2004, if he had been—right after Arafat's death—propped up more. If the President and the administration had been more engaged, they perhaps had an opening



there, despite their corruption. And if they had not misread the situation on the ground and helped the Israeli misread it, in terms of how we and they handled that election.

Now there is no longer Palestinian leadership that we are prepared to deal with. Because of the Hamas engagement in this coalition government, although you're seeing some flexibility from the administration on that front as Condi Rice runs out of time. And there is certainly no longer leadership on the Israeli side with Olmert at historically low popularity and completely discredited by the successive investigations.

So the Secretary of State, for her grand hopes of achieving a Middle East peace, I think is possibly probably waging a losing battle. And perhaps, reaping the seeds that were sown during the first term when she acquiesced to some of the hard-line policies that prevented Colin Powell from engaging more aggressively.

MR. WILLIAMS: David, the term "axis of evil" is fairly final. And this White House has shown its reluctance, because of the boss and who he is, to go back on anything, to admit any failure or defeat, even change positions and even incrementally, though we've seen some of that.

How does it happen? Is there an M.O.? Or do you know it when you see it? Can you anticipate that they're going to start walking back from a position?

MR. GREGORY: It's not sudden. They start walking back gradually and under duress. You talk about the "axis of evil." They've certainly made compromises when it comes to engaging North Korea from their initial stance. Andrea can speak to that in more detail.

When it comes to Iran, while there was a period, several months ago, where there were flashes of tough rhetoric toward Iran, it was also limited to Iran's presence in Iraq and its destabilizing presence in Iraq, and rather concrete steps that the administration believes Iran was taking to target U.S. soldiers.

And when it comes to diplomatic engagement, they've really let the Europeans take the lead. And that hasn't changed. Because you know, with carrier groups moving into the Gulf, a lot of people think the administration may be spoiling for a fight. I

think that's not the case. I think they recognize that they don't have the diplomatic muscle or anywhere near the kind of berth within American public opinion to mount such a campaign.

So you see tacking changes, a change in tactics when it comes to how we engage the rest of the world. As Andrea mentioned the Vice President going to speak to some of the regional countries about playing a larger role in Iraq. The tone has changed, primarily. It was one of, you better do this to hey, we really need your help. And I think that's what's changed, primarily out of a position of weakness.

Again, this administration has certain realities it faces in terms of affected the result in Iraq any longer. It's a question of how to extricate the United States from Iraq, without leaving behind a failed state, which they're committed not to do if they can. But the only way to do that is to get regional powers involved in helping shore it up. And getting the Europeans back involved, so there's something, you know, of an international order when it comes to Iraq.

So bottom-line answer is that I think the shift is in tone. And it's happened gradually to a point where the President is making moves that are possible to make at this stage.

MR. WILLIAMS: Andrea, same question. Take us wherever it is the answer will take us.

MS. MITCHELL: Well, I think May 31st a year ago was significant in that that was the day when Condoleezza Rice had, after secret negotiations internally, persuaded the President to go public with the offer to join the European Three on Iran. That if Iran came to the table that we would consider just about anything.

And we flew almost immediately to Vienna and the talks there proceeded. And the offer was made. And the deadlines were extended. And you all know what happened. We reached the end of August. And there was no counteroffer from the other side that was rational or reasonable according to the Europeans, as well as the United States.

And then the sanctions ensued. And what we're finding now with the sanctions, it's very interesting. The sanctions on the individuals in Iran, mirroring what they did with the BDA Bank in Macau on the North Koreans, have had real teeth. And you're

seeing; if you track some of the global investments - Germany and elsewhere - you see a lot of money going into Dubai and a lot of money not going into Tehran. So they've had a real affect, whether that is enough to get their attention.

The signals from Tehran last week - when the Secretary was in Sharm el-Sheikh - were that Motakki, the Foreign Minister, was not the man that they wanted her to meet with, they really wanted the track to be through Larijani, the nuclear track. And so they really didn't want her to meet with the foreign minister.

So he used the excuse of being offended by the low cut red dress of the Ukrainian violinist at the dinner, to walk out before the dinner began. So that there was no moment where he could even have an informal conversation with the Secretary, prompting Sean McCormack, the Assistant Secretary of State, to say that he wasn't sure whether the Iranian was more afraid of the Secretary than of the woman in the red dress. But in any case, the meeting didn't happen. Whether or not there is going to be another contact.

There are overtures to the Syrians now, as you saw last week. So I think you're beginning to see the concrete, you know, beginning to shatter, as Ronald Reagan said so famously before he ended up, you know, raising taxes. But there may not be enough time. And they may have misjudged their adversaries.

I don't think they've misjudged the nuclear cycle. I think the alarmist rhetoric that we're hearing from Tehran. And that some of the media have mimicked is false. From everyone I know who knows something about centrifuges, the Iranians are not that close to reaching, you know, the red lines that would precipitate something that we really can't achieve very effectively, given how strained we are militarily elsewhere. Obviously, the United States military can do almost anything it wants from the air, but it would be challenging.

North Korean; we can talk more about this. I was there two weeks ago. And had an extraordinary insight into what's been going on there. And from what you can tell from the hermit kingdom, they're ready to make a deal. And interestingly, people at the National Security Council believe that as well.

So even though this has stretched and stretched beyond what anyone had predicted, everyone seems to think that this really is the case of unwinding what OFAC (Office of Foreign Assets Control) over at Treasury put in place. In that, it's a

lot easier to lay these sanctions down than it is to disentangle some of these bank accounts to the satisfaction of rather unsophisticated financial entities in Koyang.

MR. WILLIAMS: I'm getting some great questions. And this next one for David has to do with policy and policy nuances, but I think we can get through it.

Any chance you might start a morning radio show now that we no longer have Imus? You did a great job filling in for him once. That type of morning program is sorely missed.

MS. MITCHELL: Go for it, Dave.

MR. WILLIAMS: In case you think I'm making this up -

[Laughter]

I'm just your moderator.

MR. GREGORY: Well, thank you, the author of that question. It was interesting to fill in. I think there were some real strengths to the Imus program. I was obviously a frequent guest, as were Brian and Andrea.

And you know, it was a place where he went over the line sometimes, a lot of times when I never called him on it. And in the last case, with the Rutgers team, most certainly went over the line and suffered the consequences of that.

But yeah, it was a serious show for, I think, smart political dialogue, and got all of us who were on it to speak a little bit differently, and, sort of, out of our normal modes. But I'm very happy doing what I'm doing at the moment. And I'll leave it at that.

MR. WILLIAMS: Andrea, what do you expect will be the conclusion to the World Bank President scandal? What will be the impact on the future of the World Bank

mission?

MS. MITCHELL: I think the institution is damaged. And I think it inevitable now that people will start to look at the other salaries at the bank. Wolfowitz's own salary, considerably larger I've been told, than Wolfensohn's was when he left. And other perks of the tax-free status of the largely tenured-for-life bank managing directors.

The bank's mission is, I think, critically important. And as we can read the hints and leaks coming out of the negotiations, it seems that you've got a split. The President and the Vice President want to stick with Wolfowitz, the Treasury Secretary does not is the way I would read the signs and portents.

And I think this might be one area where they are going to have to yield. And where the only real negotiation is going to be over the terms, and over whether Paul Wolfowitz leaves the bank with some sort of statement absolving him of any wrongdoing.

I should point out that Shaha Riza was a well-known Middle East analyst and feminist long before Paul Wolfowitz came to the bank. And clearly, she felt aggrieved in having to make a career switch. He didn't handle it properly. And the rest is history.

I think the bank's mission is severely damaged. And there's even now the issue, as you've read, where Angela Merkel believes Wolfowitz should go, and believes as the head of the EU right now that she has to speak to the European interest. And he's got some African support for what he did, quite notably, on Aids relief and other assistance to the African countries.

But he barely could survive this with perhaps 30% of the votes necessary. And clearly, the recommendation that is coming down is going to be either that he leaves. That the contract be cancelled. And if he won't leave gracefully that the Americans not be able to dictate the choice.

Now obviously, with our contributions, the tradition has always been that we can dictate the choice of the World Bank President. There's talk of the Afghan prime minister and others being another choice that the Americans could support. But this has been a very damaging episode, which is an understatement. And I think it's

going to end with Wolfowitz's exit from the bank.

MR. GREGORY: There's also talk, by the way, if he does exit that Alberto Gonzalez may take his place, so it's just weird how that happens.

[Laughter]

MS. MITCHELL: That would be face saving, wouldn't it?

MR. GREGORY: Yeah, yeah.

[Laughter]

MR. WILLIAMS: David, an actual question here. You know W. personally. How is he dealing with the realization he and his Administration are seen as weak?

MR. GREGORY: Are seeing as what? I'm sorry.

MR. WILLIAMS: Weak.

MR. GREGORY: You know, I'm asked a lot whether, you know, I have impressions about whether he's not looking well or wearing the strains of the office. And I don't know that I'm as good of a judge of the superficial, because he's clearly aged in office.

But my personal sense is that he has, through the force of his own will, taken a much longer view here. I can't speak to whether he tells Laura Bush or other close confidants that all of this is getting to him. I suspect not.

I suspect that there is some parallel personally, though he doesn't like to be analyzed psychologically. Just as he dealt with his own drinking, that he has a very strong force of will. He made a decision to change course in his life. It led him to the Presidency.

After 9/11, he made a decision, heavily influenced by others who were around him. That he put around him, like the Vice President and Don Rumsfeld to set a course for the United States on how to deal with the war on terror.

That was successful initially. And I don't think he's veered. I think he comforts himself in the knowledge that—at least what he believes to be knowledge—that he'll be vindicated at some point by the decision to support a democratic movement in the Middle East.

And that strength, the projection of U.S. power after 9/11 was not only necessary to reflect the anger and outrage of the American people. But it was vital to transform a region that was sorely in need of change.

And so I think what is perceived as weakness now, he will acknowledge as weakness. But won't lose hold of what he thinks will be a longer term vindication. And the knowledge, at least to his own self, that turning around now would be disastrous, not only for the country currently, but for foreign policy going forward.

MR. WILLIAMS: We'll call this our lightning round. I've just discovered we have more fascinating questions than we would ever have time to answer. So let's have at these, if we can, in rapid order.

A question to you, Andrea, what is your opinion—this is so interesting—of the state of education for girls and young women in the developing world around the world today compared to ten years? Progress and setbacks?

MS. MITCHELL: Well, in fact, I think that that has been one area of progress that the World Bank should take credit for. Through my own experience, the work of people like Elaine Wolfensohn, known to many of you, in leading education efforts.

Queen Rania and others in some of the Arab countries have done, I think, some very important things. There are areas, though, that are still so underserved, particularly in Africa. But I think that Afghanistan is beginning to make real progress, and so are some areas of the Middle East.

MR. WILLIAMS: David, is there any difference - this is tough one and pass if you wish - any difference between the futility of the Vietnam war and the war in Iraq?

MR. GREGORY: Well, I mean, I think these are both about the longer term consequences for the country and for foreign policy. And the reality is that 30 years later, when the President - this President - visited Vietnam; he found that there was a peace dividend.

That in fact, the U.S. had won the peace; that the Vietnamese very much wanted to be like America. And that Ho Chi Minh didn't like U.S. soldiers, but he liked Coca Cola. And that's been the story of Vietnam.

We should be so lucky in Iraq that 30 years on, there's a stable enough Iraqi society, let alone government, that is open to U.S. commerce. That is open to democracy at that level.

And again, it goes back to the previous question, Brian. I think that the President holds in his mind, and in his heart and in his will that there is something that was started here. That there was a movement started that in the Middle East, democracy is possible. That tyranny will no longer be acceptable to the populations. And they will demand the sort of change that other democracies have experienced.

And that the analogy may not hold up. But just as the Ottoman Empire started to break up, as there was more exposure to Europe and the young Turks came back. And said no, we want things to be like they are in Austria, or in France, or in Great Britain; that there may be a similar effect. But there's a long way to go.

And certainly, the legacy of Vietnam on foreign policy, in terms of how it affects American policymakers, is likely to be the same. And we're seeing that, I think, in the election, especially on the Democratic side, as they approach foreign policy.

MR. WILLIAMS: Andrea, this next question for you would be a good conversation starter at tonight's dinner. Is the U.S. now, where Britain was then, at the decline of their world power and dominance?



[Laughter]

MS. MITCHELL: I think not. I think that the productivity and the technology that is so built into our system, our financial structures, the incredible innovation of our financial system, really carries us into world leadership in ways that, perhaps, some of our foreign policies do not. And so I don't see us in that state of decline.

A state of decline that's what I was going to ask when the questioner thinks was the decline of dominance of the British Empire. Some would say it's a more recent history than, you know, pre-Thatcher history, before she took over.

But I don't see that for the United States, even though we are at historic lows in terms of public perceptions. There is still an American miracle that I see. And perhaps it's only the naiveté of being trapped in my own prejudices. But I really do feel, even as I travel and find an anti-American or anti-Bush Administration spirit, I still find young people, whether it's in Havana or Pyongyang, who want to know more about America.

MR. WILLIAMS: By the way, I think most people in the modern era trace the decline of the Empire to the breakup of the Beatles.

[Laughter]

MS. MITCHELL: Yeah, right you are.

MR. WILLIAMS: A second one for you, Andrea, do you think the appointment of a new U.S. Permanent Representative to the U.N. signals more reliance by this administration on the U.N. for U.S. foreign policy?

MS. MITCHELL: Very hard to say. Obviously, this new U.N. Ambassador carries a lot more weight, a closer relationship with many of the principals in the administration than did his predecessor. Clearly, there was no tie or binding relationship between Condoleezza Rice and John Bolton. And while, to his credit, Ambassador Bolton did the bidding, he clearly didn't have his heart in a lot of the policies, particularly when it came to Iran and North Korea.

So I think that Ambassador Kalizad has a great opportunity here. But again, you're in the waning years of this administration. And it's a very hard place after so much china has been broken.

MR. WILLIAMS: David, this is interesting. Do you foresee additional problems and/or has this been a problem that's been overlooked, has not received the attention it's deserved. And that is what's going on in Latin America, Venezuela for starters?

MR. GREGORY: Well, you know, I think the administration would have liked to have had greater engagement with Latin America, generally, starting with Mexico certainly and a focus on immigration, which went by the wayside with 9/11. But I think there has been relative inattention and it just hasn't been a top-priority item.

Even issues of trade have been subsumed by Iraq. And what's happened as a result is a certain amount of neglect that has allowed Third World players, like Hugo Chavez to gain more attraction and to, sort of, feed off the anti-Americanism that, you know, generates in other parts of the world and really plays out on the streets in Latin America.

MR. WILLIAMS: Many people who were upset at the defeat of Segolene Royal, not all over policy, Andrea. A lot of people were watching that election closely for reasons that had nothing to do with politics, sadly. Mr. Sarkozy will mean what for the United States?

MS. MITCHELL: It will mean a real ally, an ideological ally. Obviously, there are limits on that, as he telegraphed in his victory speech. But he is a George W. Bush style leader in a lot of ways.

And I think if Royal had deficits, it was on the substance. She was a more interesting symbolic figure than a real political leader in this contest. And that having Sarkozy there will be of great support.

I'm very curious as to how the G8 plays out in Berlin, where Angela Merkel - assuming the President doesn't try again to give her a backrub - will be a great ally. And there'll be the transition, you know, he's going to see the departure of Tony

Blair in the coming weeks and months. But the President will have a great opportunity, if he knows how to utilize it with these European leaders.

And if you think back, as many of us in this room do, I see Rick Ranell [phonetic] and others here, who remember well the period in '02 and '03, when we had so much friction with the French. When Colin Powell felt so poorly treated by his French counterpart during the U.N. debates.

And this could be a real opportunity, again, for the administration to try to salvage some of the policies that have not worked.

MR. WILLIAMS: And David, knowing your love of and grasp of the French language, I can't believe you're going to take a pass on this question.

MR. GREGORY: No, I actually was, kind of, hoping to get it. I think the relationship between Bush and Chirac was misunderstood. I think they were closer than people realized.

I can remember being there at the first press conference at the Elysee Palace. And Bush said to Chirac, you know, Jacques keeps telling me how good the food is here.

[Laughter]

And there was that kind of instant bond that you could see, it was palpable. Will you indulge me if I just - I mean, I've told this before. But so then when I asked Bush why, you know, why Europeans loath him. And then I asked Chirac in French - I had studied there - to comment on that as well.

And Bush took off his headset and he said Gregory, what are you doing? Guy memorizes four words; he plays like he's intercontinental. And then Bush wouldn't let it go.

So we return the next year to the Elysee Palace and we were in Chirac's office. And he turns to Chirac. And said, Mr. President, I brought back my French-speaking

reporter. I was the embodiment of France to him.

And Chirac just had this look, as he would look at Bush, which was, kind of, this is not funny. I don't like you. So I thought it was amusing that Bush called about 27 seconds after Sarkozy was elected to say, here I am.

MR. WILLIAMS: It is true. I remember that incident. And I saw it coming in on the feed. And we are always such traveling boors. And for once a member of the White House press core had the class to address a foreign head of state. You know, and it was beautiful. It was as if you had studied for years at the Sorbet.

[Laughter]

And it was perfect Parisian, Mr. President. And it was all there. And wow, it just wowed them. And there was this, just silence. And then Bush takes off the headphones and hits him. And it was terrible to watch.

MR. GREGORY: And I actually said to him - I was horrified that Brian or somebody else might think I only spoke four words of French - and so I said to Bush, in kind of a smart aleck-y way. I said, you know, Mr. President, I could go on.

And he said, really? I'm impressed. Que Bueno. Now I'm bilingual. And it was at that moment that he and Chirac knew they were like this.

MR. WILLIAMS: Every word of it true.

Ladies and gentlemen, this is going to sound a lot like those banquets you attend where they ask you to remain seated until the President and First Lady have left the building.

All three of us today have to get to separate locations; David, to the White House; Andrea, to the British Embassy. I'm just going over to 30 Rock. But we have our editorial meeting to layout "Nightly News."

And allow me; on behalf of all of us, this has become a very special part of our lives at NBC. And all of you have by extension.

Once a year, a dreaded email arrives in the computer of Andrea Mitchell and David Gregory. And they know what it is. And they know what I'm asking. And every year, they get on the shuttle. And they answer the call.

And I don't think there could have been a better discussion on this topic anywhere in the city of New York today. So please join me.

[Applause]

MS. MITCHELL: Thank you all, so very much. And we always look forward to this.

And especially, I want to thank you for this significant award. It really means a lot to me. Thank you.

MR. GREGORY: Thank you all.