



Interview Transcript: Condoleezza Rice

By CNBC.com

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The following is the unofficial transcript of a [CNBC interview with Secretary of State Condoleezza Rice](#) on CNBC's "Closing Bell with Maria Bartiromo" today at 4:00 PM ET. All references must be sourced to CNBC's "Closing Bell with Maria Bartiromo."

[MARIA BARTIROMO](#), host: Secretary Rice, good to have you with us. Thanks for joining us.

Dr. CONDOLEEZZA RICE: Thank you, nice to be with you, Maria.

BARTIROMO: You were present during Russian President Vladimir Putin's visit with President Bush. What came out of that meeting?

Dr. RICE: Well, it was a very good meeting. I think the atmosphere at Kennebunkport was very relaxed and that was good. We have our differences with Russia, but at this meeting, I think we were able to emphasize a potential area of cooperation. The issue of defending against missiles from states like Iran or... (technical difficulties) ...Russia's made some proposals that they will like to explore and indeed we will explore a kind of regional architecture for dealing with long-range missile threats in the future. They had an extensive discussion of other important issues like cooperation to prevent Iran from getting a nuclear weapon. They talked about the importance of trade. Russia's, of course, trying to exceed to the World Trade Organization and they had an extensive discussion of how Russia's domestic politics are unfolding. So all in all, it was a very good meeting, very relaxed.

BARTIROMO: Some people were surprised about Putin's proposals, that it was a little too generous. What was behind it?

Dr. RICE: I think the Russians after a period now of just saying no, no, no to what we intend to do in terms of missile defense decided to come with some of their own ideas. Now, we don't agree. We believe that we still need to continue to move forward with the Czech Republic and with Poland, but we do agree that this could be an area for which US-Russian cooperation could make a gigantic leap forward. Because this is a threat, the threat of long-range ballistic missiles that we all face. It is a threat that needs to be addressed on behalf of the entire international community, and so it was--I think, very heartening and now Secretary Gates and I will join our Russian counterparts, Defense

Minister Serdyukov and Foreign Minister Lavrov for extensive discussions of how to move forward sometime early in the fall.

BARTIROMO: How secure or confident should you US businesses be in terms of investing in Russia? Is it safe for US businesses to be pouring billions of dollars into Russia?

Dr. RICE: Well, of course it's an assessment that every business has to make. I think many businesses are going there and have been doing well. We talk to the Russians all the time about the importance of rule of law, about the importance of not changing contractual terms once they have been made.

Because ultimately, the confidence of the business community in Russia isn't going to be what the US government thinks of it, it's going to be the assessment that businesses make of whether or not Russia is going to live up to its contracts. And I think on balance, it's obviously a better story than it had been in the past, but in the oil and gas sector, we have had concerns about the tendencies toward nationalization of some of the industry and we've made those known to the Russians.

BARTIROMO: Which, of course, is exactly what Russia is doing and some people say it is using oil as a weapon. What is the rule of government when in fact, Russia uses oil as a weapon, when and if it does, and keeps US companies out?

Dr. RICE: Well, we've been very clear with the Russians that this turn in policy toward greater involvement of the Russian state in oil and gas industry and changing the terms of contracts is not going to be good for the international system, because after all, what you want is reliability of supply, you want reliability that is based on very long term contracts that can be understood. Because these are--in the oil and gas industry, extremely long-tail investments. You're not going to see the benefit of some of these investments for a very long time, so people have to have a stable contractual environment and we've made that point to the Russians. It's also important to Russia to be able to attract capital and to attract technology to develop their oil fields, their oil and gas fields, many of which suffer from lack of access to the very best technologies. And it's also important, and this has been the US government's view to have diversification of supply, diversification of supply roots and, of course, diversification in terms of alternative energy. So if you have a comprehensive approach to energy across all of those areas, I think you will help to minimize the affects should there be the effort to use oil and gas as a weapon.

BARTIROMO: Let me ask you about the idea of keeping America great and competitive around the world. Richard Haass, president of the Council on Foreign Relations has said in the wake of the Iraq war quote, "The American era in the Middle East is over." And that as a result, American global power, its super power status, has been seriously weakened in this new century. Your reaction.

Dr. RICE: Oh, Dr. Haass is a very good friend, but I have to just simply disagree. Everywhere that I go in the world, people desperately look to American leadership in all of their world's most difficult problems. Whether in non-proliferation in terms of

weapons of mass destruction, terrorism, efforts at poverty alleviation, efforts at leading the fight against AIDS and malaria as this president has been doing, leading the effort for democracy for those who've been denied it, helping to support those who are seeking democracy. You can look at any region of the world and the United States is still the country to which those regions look for leadership.

SEGMENT #2

Dr. RICE: I think there's a reason for that, Maria, and of course, it has to do with the great military power of the United States, the great economic power of the United States, an economy that is the envy of every economy in the world. But it also has to do with the American example. People look to America and they see a place that is multiethnic in character, where you can be a German-American from a couple of--a century ago, or you can be Mexican-American, you can be African-American and you're still American. And that multiethnic character of America is very attractive to people. They also see a place where you get ahead, not because of where you came from, because--but because of where you want to go. And an educational system that is open and where people achieve on merit. There is much that attracts the world to America. Even if they don't like American policies, this is the place that people want to send their kids to school, this is the place that people still want to come and find their futures. America's still a very, very powerful symbol and a very important place of leadership for the world.

BARTIROMO: And yet some people say protectionism continues to seep in. The Dubai Ports deal could not go through, Unocal was unable to get acquired by CNOOC, there is difficulty in obtaining visa. How can we change that perception?

Dr. RICE: Well, it is absolutely the case that we have to defend what has made us great, and that is to be a place that is open to people from around the world. We've worked very hard here at the State Department, for instance, to improve the ability for students to get visas to the United States.

There's no doubt that after September 11th, there was a downturn in the number of foreign students coming to the United States. It was harder to get here if you were a business traveler. We still have work to do but I think we're making improvements, working with the tourism industry, working with business, to try to make sure that people who are trying to come to the United States can come to the United States. We need to fight protectionism with everything that we have because when there's a level playing field and when you have open markets and when free trade is flourishing, American workers, American farmers, Americans are going to benefit. When the international economy is growing as a whole, I will put my bets on American industry, American workers, American farmers, to get more than their fair share of that open market. But if we become protectionist and we become closed, then we are going to really undermine our own economic strength.

It's true that we have to do more to help prepare Americans for the jobs that are available. I've been, myself, very concerned about education, both at the primary and

secondary levels, and keeping our universities open to the widest variety of people. I'm concerned about math-science education in the United States. Too few engineers being trained here. I come, Maria, you know, now from the Silicon Valley, a place that one in every 10 patents in the country has come out of--in the world has come out of. We have to make sure that we are keeping and strengthening our great advantages. But if we close ourselves off, we're all going to suffer.

BARTIROMO: And Europe is becoming more formidable. You've got China and India strengthening, we've got new leadership throughout Europe. Tell me how the new political face of Europe will impact American business.

Dr. RICE: Well, the political face of Europe is one that has said very clearly that it wants cooperation and friendship with the United States. I was just in France and met with President Sarkozy. He made very clear that he believes in Franco-American cooperation. We have excellent relations with Chancellor Merkel in Germany, and of course, we will have great relations with Great Britain. Those countries that are the strongest countries in Europe, together with our friends in--that have just come to Europe, Poland, the Czech Republic, the countries of East Central Europe, I think, make for a very favorable environment politically for the United States, because there we have very good partners who share our values, who are helping us to carry some of the burdens of international concerns, international problems. And I feel very good about our future with Europe.

BARTIROMO: Let me ask you a question on immigration. Lawyers are planning a class action suit right now over the State Department's offer of visas to highly skilled immigrants last month, even though the Department of Citizenship said there were no more visas available. What happened?

Dr. RICE: Well, this was a case in which for--at a certain point in time, we'd not filled the entire quota for these special immigrant visas. And made an announcement of that. But when they were filled, we had to cut it off at that point. There's a ceiling that's set every year and when that ceiling was reached, then we couldn't issue the visas any longer. But we're prepared to talk to people about what happened here. If there were problems in communication then those should be looked at. But it's pretty simple. We operate under a particular ceiling, and when that ceiling is filled, then we have to--we have to live within it.

BARTIROMO: And unfortunately, aren't these the exact type of people, very highly skilled, some physicians, that America wants to attract?

Dr. RICE: Well, it goes back to the point that I--that I made. A lot of people want to come to the United States. People with skills want to come to the United States. I'm a very big believer in having those people come to the United States, because the truth of the matter is, we don't, ourselves, produce enough of that skilled labor. We need to work on the educational front to make sure that we are producing us the numbers of engineers and the numbers of software people and the numbers of physicians that we need.

SEGMENT #3

Dr. RICE: But we need immigration as well. The ceilings have been set. They are not ceilings that we set, they're set in the--they're set by statute, and I know that there are many who would like to see them raised, but that's a--that's a matter for the administration and Congress.

BARTIROMO: What is the long-term threat to America's national security posed by the fact that we depend on foreign oil, that so much of the global supply of oil is owned by--on one hand, countries who may not like us, or countries that adherence to democratic policies are questionable--Saudi Arabia, Russia.

Dr. RICE: Oh, absolutely. I think our dependence on foreign oil is a real problem, potential Achilles heel, and we have to do something about it. There are a couple things that we can do about it. First of all, increasing supply, even in--within the United States is important. We should be looking to the supply of oil wherever we can get it inside of the United States. I know there have been questions about whether or not we ought to drill, for instance, in @ Anwar. Well, if the United States has a possibly reliable supply of oil, we ought to take it.

Secondly, we need to help diversify through investment abroad, and I hope that in places where there is oil and gas, that that investment can continue.

But really in the long run, best for the diversity and alternative for both environmental stewardship, and for the economy, we need to look to alternative sources that are not carbon-based. And the president has been very clear in his recent proposals on energy diversification and climate change, that there is much that we can do even on the international side, to improve the chances for alternative fuels. We have a partnership with Brazil on biofuels.

Ethanol would be a large part of that. But the Brazilians produce their ethanol from sugarcane. There is...(unintelligible)...that perhaps could be used in places like Central America, where we're going to work with the Brazilians to help the Central Americans develop ethanol from sugarcane. We have, of course, research and development into cellulosic waste produced ethanol. We need to look at, in the longer term, at the potential for better battery technology, so that we can drive our cars on something other than gas, gasoline. These are all important elements of a sound energy diversification policy, and a sound environmental policy.

But the private sector's going to play its role here, too. I was just out in California, in the Silicone Valley, and I took the Australian foreign minister, because he's very interested in alternative fuels. We talked to venture capitalists there, people who two years ago were making big bets on high technology, on information technology, and they're looking to what can be done to invest in alternative fuels. And so I think the markets will have an effect here if the signals are sent that we as a society are looking to diversify our energy supply. And it is most certainly something for both security and the environment that we need to do.

BARTIROMO: Out of all of the countries posing threats to America right now, including Russia, Iran, Korea, China, which do you feel is most dangerous?

Dr. RICE: Well, I wouldn't say that--Russia I don't consider even in that category. Let me be very...(unintelligible)...we have our differences with Russia. And some of those differences produce conflict. But by no means is this the Soviet Union. We have far more areas of cooperation with Russia than we have areas of conflict.

But when I look at Russia, I think that there's a very good reason to have a good relationship with Russia, and it's to deal, for instance, with one of the other countries on your list, Iran. This is a relationship that is, I think, increasingly difficult in a country that is increasingly dangerous. Its support of terrorism around the world in places like supporting Hezbollah in Lebanon, supporting very radical elements of Hamas in the Gaza Strip, in the Palestinian territories. What Iran is doing in the south of Iraq, where it is supporting and arming militias that are then threatening our force presence in Iraq. If you look at Iran's pursuit of the technologies that would lead to a nuclear weapon, despite Chapter 7, the most serious Security Council resolution you can have. Two Chapter 7 resolutions against Iran, they continue to pursue these policies. Not to mention the crackdown on their own population that has caught up some Iranian-Americans--one woman was just going home to visit her elderly mother.

SEGMENT #4

Dr. RICE: And Iraq, if you look at Iran's pursuit of the technology's that would lead to a nuclear weapon, despite chapter seven, the most serious council resolution you can have. Two chapter seven resolutions against Iran, they continue to pursue these policies, not to mention the crackdown on their own population that has caught up some Iranian-Americans. One woman who was just going home to visit her elderly mother. So this is a very dangerous state with very dangerous policies and we need the help and support and intense efforts of the international community to deal with Iran.

BARTIROMO: Should the US consider military retaliation?

Dr. RICE: Well the president's never going to take his options off the table and frankly no one should want the American president to take his options off the table, but the president's made clear that we will leave the diplomatic solutions to the Iranian problem are very much possible. And if the international community acts with the kind of intensity and the kind of commitment that it can, we will solve the problem in Iraq. Right now, something that would perhaps be of interest to your listeners, we are working on financial measures that really will say to the Iranians you cannot use the benefits of the intentional financial system and continue to pursue a nuclear weapon. And, frankly, people are looking differently at investment risk in Iran. People are looking differently at reputational risk in Iran. When we know that there are Iranian banks, like Bank Sepa@, that was actually named in a UN Security Council resolution that are all tied up with terrorism and weapons of mass destruction. I think international financial institutions that depend a lot on reputation are not going to want to be even close to a country that is

under a chapter seven resolution, and so we have means at our disposal to change Iranian behavior.

BARTIROMO: Is there a divide within the administration between our diplomatic efforts and Dick Cheney's?

Dr. RICE: The administration, the president and his administration are completely supportive of what we're trying to do on Iran. Now it's not an either/or. I, myself, believe very strongly in what the president did in January when we have put our...(unintelligible)...strike group into the Gulf to demonstrate that the United States will defend its allies and will defend its interests. It is extremely important that we aggressively go after Iranians and Iranian activities in Iraq when we see them engaging activities that can threaten our forces. So, yes, there has to be an element to this that sent the Iranians a very strong message that there are...(unintelligible)...elements to our policy as well.

BARTIROMO: Some people feel we send billions of dollars to the Saudi royal family and some of that money goes to supporting terrorists. How can we ensure that the relationship with the Saudis is sincere and they're not supporting terrorists?

Dr. RICE: I think the Saudis are not only not supporting terrorism, they're fighting it. And why? Because it is in their interests to fight it. You might have noticed Yesterday that when Zawahiri made his tape, he mentioned the Saudis as one of the targets. Al-Qaeda and their types are very much after states like Saudi Arabia as well, and we've seen in Saudi Arabia, particularly in the last couple of three years very aggressive acts against al-Qaeda, very aggressive acts to fight terrorism. Now, there are still charities that we believe are tied up with terrorist financing and the Saudi government has been working to try to shut those down. Frankly, we didn't understand, the Saudis didn't understand, prior to September 11th these networks that sounded like charitable organizations that were actually fronting for terrorist financing. We had to go through a long process of understanding those networks, of using good intelligence information, good financial information to understand those terrorist networks. But I think we have a good partner in Saudi Arabia. We don't--we don't agree on everything, but I do believe that the Saudis for their benefit, they're fighting terrorism and fighting it quite aggressively.

SEGMENT #5

BARTIROMO: Looking at Afghanistan and Iraq, we have lost almost 4,000 people, closing in at \$500 billion and the end result has been a civil war. In your own heart and in your mind, do you think this war has been worth it?

Dr. RICE: Certainly. The difficulties and the sacrifice in Iraq and the sacrifice in Afghanistan are difficult to look at every day. I think that it's even more difficult for those who had a responsibility in leading the country to war and I know how strongly the presidents feels about that sacrifice. You can never, ever give back the lost family

members--the fathers, the sons, the daughters--you can never do that. I think that it's also true that nothing of value is ever won without sacrifice. And when you look at the Middle East that we faced in 2001, it was not a Middle East that was stable. It was a Middle East that produced al-Qaeda. A Middle East that the absence of freedom, a Middle East that the absence of opportunity produced this virulent hatred of the United States. Now, it is entirely possible to argue that the only thing that you needed to do was to try and bring down the al-Qaeda network and chase the terrorists in a kind of criminal--like they were criminals and perhaps, try to do something to defend the homeland, monitor our ports, monitor our airports and that that would have been enough.

But President Bush did not believe and I do not believe that that was enough. You had to go to the source of the problem. And so whether it was destroying their bases in Afghanistan, throwing out the Taliban, which had sheltered them, bringing to--helping to come to power a new admittedly struggling, but democratic government under Hamid Karzai, that now is a partner in fighting terrorists or finally dealing with Saddam Hussein who himself was the most destabilizing factor in the Middle East for the last 20 years, where he started two major wars. Finally, dealing with him, finally putting--bringing to--helping to bring to power a, again, struggling, but democratic government, for which 12 1/2 Iraq--million Iraqis fought--voted. Yes, it's very difficult, but you will have a different Middle East when you have a different Iraq. You will have a different broader Middle East when you have a different Afghanistan. And that is the only way, ultimately, to deal with the problem of terrorism.

BARTIROMO: Sixty percent of Americans say the war was not worth it--is not worth it. How will Americans know whether the billions already spent and the billions to come was worth it?

Dr. RICE: Well, it's often the case, Maria, that history's judgment is not the same as today's headlines. And I think if you look back on any period in which you had big historical change, whether it was our own founding and our own Revolutionary War or you look at World War II and the struggle that we fought against communism. It's important to recognize that it's very hard when you're in it, but I think there will be an Iraq that is stable. I think there will be an Iraq in which there is a government that is fighting terrorism, not supporting it. And you know, if you look beneath the surface in Iraq now, you're starting to see in many, many neighborhoods, in many towns and places like Baquba and a place that used to be called "The Triangle of Death" in Anbar. The tribes turning against al-Qaeda and fighting with us to expel these foreigners from their territory. That's a very, very good sign.

The Iraqi government, the central government, needs to do more. They need to pass their oil laws. They need to bring about a depacification law. They need to show the Iraqi people that the new Iraq is going to be for all Iraqis, whether you're a Kurd or Sunni or Shia. But these are hard issues and we have to recognize that they are, as they move forward, step-by-step, they are laying the foundation for a different kind of Iraq.

BARTIROMO: Voices are getting louder about a shift in policy in Iraq. Will the administration follow the Iraq Study Group's recommendation to get much of the troops out? Many of the troops out by March?

Dr. RICE: Everybody has the same goal in mind. Everybody has in mind that there will be a time when the responsibilities of the United States are different than those responsibilities now.

SEGMENT #6

Dr. RICE: The United States will, of course, want to help insure the territorial integrity of Iraq from its neighbors. The United States will, of course, want to have a presence to continue to fight terrorism, and the United States will want to train Iraq forces. but you can't skip over the time that we're in now, where we're trying to help the Iraqis provide enough population security so that they can get the political system moving toward reconciliation. That's the phase that we're in now. But we all have the same goal, the same aspiration. We all see the same future, which is a different future than the present, and in which American forces would clearly be doing a different mission.

BARTIROMO: So we will start pulling the troops out by March?

Dr. RICE: I can't talk about a timeline because it has to be based on conditions on the ground. But of course, there will come a time when the responsibilities of the United States look different than they do now.

BARTIROMO: Even with the criticism of the Bush administration, you remain such a popular figure as an individual. A Harris poll earlier this year asked Republicans who they would consider voting for for president, should the field of candidates grow. Interestingly, you came in fourth after Rudy Giuliani, Colin Powell and John McCain, ahead of Fred Thompson and Mitt Romney, just to name a couple. You had to love that.

Dr. RICE: Well, that's--it's very nice, but there are other people who'd like to be president on that list.

BARTIROMO: Would you like to be president someday?

Dr. RICE: No. I don't see myself in elected office roles. I don't. I like what I'm doing now because it's a time when you can make a difference. It's probably the most challenging time for the United States of America since the end of World War II. And I feel very fortunate to be secretary of state at a time of consequences. But for the next several months here, the next 18 months or so, I think the Bush administration has an historic opportunity to solidify a foundation for a more democratic and more peaceful Middle East, to solidify the good work that we've done on poverty alleviation and development in Africa in and Latin America, and to strengthen our chances for an Asia in which we have really--it's just been a remarkable thing. We have, I think, as good a relationship as we've ever had with China, with Japan, with India, with states like

Pakistan and Afghanistan, where the relationship was essentially nonexistent, with South Korea. This is a region that I'm looking forward to really spending some time thinking about how we solidify those gains. We may have a chance to--through the six-party mechanism, do something about the North Korean nuclear program. That would be a real shot in the arm for security in Asia. So, the short of it is, I have a lot to do, but when that's done, I'll be happy to go back to Stanford and reflect and maybe have a chance to teach students about what it's like to be here at a time like this.

BARTIROMO: Would you consider being a running mate of any of the declared or undeclared GOP candidates?

Dr. RICE: I'll be back--I'll be headed back to Stanford and there'll be great people to step forward, I'm sure of that.

BARTIROMO: What about making a run for governor of California?

Dr. RICE: I'm going to go back to Stanford and I'm hoping to do some thinking and some writing. And as I said, some teaching. It's one of my very favorite things to do. I love to teach.

BARTIROMO: You've risen as a woman and as an African-American, to the highest Cabinet post there is. Do you think America is ready to vote for a woman or an African-American to be our president?

Dr. RICE: I do. I think America's ready. I do believe that Americans now want to know from a woman or from a black person the same thing they want to know from any presidential candidate: Does that share my values? Not necessarily even my views, my values, my principles. Can I trust that person to make difficult decisions about keeping me safe? Can I trust that people to have a vision for the future of America that solidifies and recognizes our strengths as an open society that has been open to people from all over the world throughout our history, that distends the proposition that if you're an American, it really doesn't matter where you came from, it matters where you're going. And so we'll distend an educational system.

SEGMENT #7

Dr. RICE: You know, when I first met then Governor Bush, it was actually not foreign policy that attracted me to him, it was because he cared so much about education. And when he talked about the soft bigotry of low expectations of minority children, he had me at that point, because I've seen it. And if I am concerned about anything, it's that we keep our educational system really strong so that Americans are confident in upward mobility, and don't therefore turn to the kind of envy and jealousy that affects so many societies. I'm concerned about it, because it is the confidence that will allow Americans to be very supportive of free trade and open economies, because we believe that we can compete. I think those are the kinds of issues that Americans will ask of their next presidential candidates, and what that person looks like will matter a lot less.

BARTIROMO: Let me ask you about Asia, you mentioned it. Does China play fair when it comes to trade and currency? American business wants a foothold in China.

Dr. RICE: China could play fairer, and my colleague Hank Paulsen, through his strategic economic dialogue with China, has been making all the points about the importance of structural reform in China so that we--there truly is market access; about the reform of the currency to one that will be reflective of the market; to the importance of upholding intellectual property rights; the importance of open sector--opening sectors like the financial sector. So when China had @accession to the World Trade Organization, everyone said that it was important that an economy of the size and potential power of China be encased in, integrated into an international economic system, where the rules became more established. And that's the World Trade Organization. China now has to absolutely live up to those rules.

BARTIROMO: If not, do we put economic sanctions?

Dr. RICE: The president has not been hesitant to use the tools that--to allow the tools to go forward when we've seen that China has not operated that way, for instance, in IPR, that's the rulings on intellectual property rights. But on balance, a growing, strong Chinese economy is going to be a good thing for the international system. But it has to be a growing, strong Chinese economy that plays within the rules.

BARTIROMO: I'm going to ask you a quick question about technology, the story of President Sarkozy@ say--advising his top leaders in government not to use BlackBerry because Americans and British--the Britons can be spying.

Dr. RICE: Yeah.

BARTIROMO: Do you worry that your information is accessible when you travel abroad?

Dr. RICE: Oh, we have to be careful, of course. We're very careful about security measures. Because there are--these new technologies have a great up side for communication. They have a great down side, we're seeing it, you know, with the Internet, that people can get in, they can hack in. We have a very active cyber security policy in the United States. But we have to be concerned about it, because they're technologies that I think we don't fully understand how they can be exploited for the bad side. We've--we--we're seeing all the great benefits from them, but of course we have to be concerned about security.

BARTIROMO: So do you not take your BlackBerry when you go to China?

Dr. RICE: The truth of the matter is that I don't have one. But I used to, but I don't now.

BARTIROMO: Is that because of security?

Dr. RICE: Well, they don't let me play with almost anything technological now, Maria. So it's funny, the things that--they all want to do it for me. And it's too bad, because you know, I love--I love the Internet, I love e-mail and...

BARTIROMO: How about your iPod? Do you have an iPod?

Dr. RICE: I do have an iPod.

BARTIROMO: What's on it?

Dr. RICE: It is an interesting and perhaps rather frank mixture of Brahms and Mozart and Beethoven, and the Gap Band, and Aretha Franklin, and--you name it, it's on there.

BARTIROMO: Are you going to watch Live Earth this weekend?

Dr. RICE: I will--I will tune in a little bit, sure.

BARTIROMO: Quick question on Russia, which I didn't get to earlier. Does the US have a view about the power transition in Russia? Was it discussed, will Putin step down?

Dr. RICE: Well, it is--I do think that--and I certainly hope that I take President Putin at his word that he will allow the constitutional transfer to take place, that the doesn't have any intention of changing the Russian constitution. It would be very bad for Russia if there was some change in the constitution. But everybody seems to be--in Russia, the buzz seems to be...(unintelligible)...elections, and the presidential succession. So I think people expect that there's going to be a change. We've emphasized that the election should be free and fair, and free and fair elections don't start on the day of the election, they start with access to the media. They start with the ability of people to assemble in a...

SEGMENT #8

Dr. RICE: Everybody seems to be in Russia, the buzz seems to be do my elections and the presidential succession, so I think people expect that there is going to be a change. We've emphasized that the election should be free and fair and free and fair elections don't start on the day of an election they start with access to the media, they start with the ability of people to assemble and assemble freely, and on those course I would hope that Russia would commit to making sure that the elections and the run-up to the elections are really free and fair.

BARTIROMO: Are free election always the way to go, though? I mean, you look at free elections in the Middle East, Hamas won. I mean, if we were to see free elections in Lebanon we know who would win. If we were to see free elections in Venezuela, Saudi Arabia do we really want to be going down this path, free elections everywhere, when fundamentalists and extremists could be leading?

Dr. RICE: That we did see free elections in Lebanon and...(unintelligible)...and the March 14th--March 14th coalition won. Sure, free elections are the only way that people can express themselves, and it can't be the policy of the US government that we don't want free elections in places that we might not like the outcome. Yes, Hamas won but with that came certain responsibilities of governing that Hamas has demonstrated it isn't capable of carrying out. And that probably means that the Palestinian people have a clear idea of what their political options are than if we had not supported the idea of free elections. I understand that there are places where Islamists seem to be stronger, but the reason that that is the case, is that politics has been going on in all of these countries. It's just that the space for healthy politics, the space for moderate forces to grow has not been there. The only way that you're going to do that is to open up the political system, allow people to express themselves, have freer press. Sometimes you're going to get outcomes that you're not very fond of, but the ac--in the absence of free elections are you just going to continue to stifle and smother healthy forces and you're continue to have a freedom deficit which is going to fuel extremism.

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