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HEADLINE: President Bush Gives a News Conference

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GUESTS: Charlie Rangel

HIGHLIGHT:

President George W. Bush gives a news conference in which he announces Secretary of Defense Donald Rumsfeld's resignation.

BODY:

KYRA PHILLIPS, CNN ANCHOR: Let's listen to the president, Barbara. Let's listen to the president.

GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES: Say, why all the glum faces?

Yesterday, the people went to the polls and they cast their vote for a new direction in the House of Representatives. And while the ballots are still being counted in the Senate, it's clear the Democrat Party had a good night last night. And I congratulate them on their victories.

This morning I spoke with the Republican and Democrat leadership in the House and the Senate. I spoke with Republican leaders, Senator Frist and Senator McConnell and Speaker Hastert and John Boehner and Roy Blunt. I thanked them for their hard-fought contest. I appreciated the efforts they put in for our candidates.

I'm obviously disappointed with the outcome of the election and, as the head of the Republican Party, I share a large part of the responsibility.

I told my party's leaders that it is now our duty to put the elections behind us and work together with the Democrats and independents on the great issues facing this country.

This morning I also spoke with the Democrats. I spoke with Senators Reid and Durbin. I congratulated them on running a strong campaign in the Senate. And I told them that, regardless of the final outcome, we can work together

over the next two years.

I also congratulated Congresswoman Pelosi and Congressman Hoyer. They ran a disciplined campaign. Their candidates were well organized and did a superb job of turning out their votes.

I told Congresswoman Pelosi that I looked forward to working with her and her colleagues to find common ground in the next two years.

As the majority party in the House of Representatives, they recognize that in their new role they now have greater responsibilities.

And in my first act of bipartisan outreach since the election, I shared with her the names of some Republican interior decorators...

(LAUGHTER)

... who can help her pick out the new drapes in her new offices.

I believe that the leaders of both political parties must try to work through our differences. And I believe we will be able to work through differences.

I've reassured the House and Senate leaders that I intend to work with the new Congress in a bipartisan way to address issues confronting this country. I invited them to come to the White House in the coming days to discuss the important work remaining this year and to begin conversations about the agenda for next year.

The message yesterday was clear: The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner, and work together to address the challenges facing our nation.

We live in historic times. The challenges and opportunities are plain for all to see.

Will this country continue to strengthen our economy today and over the long run? Will we provide a first-class education for our children? And will we be prepared for the global challenges of the 21st century?

Will we build upon the recent progress we've made in addressing our energy dependence by aggressively pursuing new technologies to break our addiction to foreign sources of energy?

And, most importantly: Will this generation of leaders meet our obligation to protect the American people?

I know there's a lot of speculation on what the election means for the battle we're waging in Iraq. I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there.

Yet, I also believe most Americans and leaders here in Washington from both political parties understand we cannot accept defeat. In the coming days and weeks, I and members of my national security team will meet with the members of both parties to brief them on latest developments and listen to their views about the way forward.

We'll also provide briefings to the new members of Congress so they can be fully informed as they prepare for their new responsibilities.

As we work with the new leaders in Congress, I'm also looking forward to hearing the views of the bipartisan Iraq Study Group, co- chaired by Secretary James Baker and Congressman Lee Hamilton.

This group is assessing the situation in Iraq and are expected to provide -- and the group is expected to provide recommendations on a way forward.

And I'm going to meet with them, I think, early next week. The election has changed many things in Washington, but it has not changed my fundamental responsibility, and that is to protect the American people from attack.

As the commander in chief, I take these responsibilities seriously. And so does the man who served this nation honorably for almost six years as our secretary of defense, Donald Rumsfeld.

Now, after a series of thoughtful conversations, Secretary Rumsfeld and I agreed that the timing is right for new leadership at the Pentagon.

Our military has experienced an enormous amount of change and reform during the last five years while fighting the war on terror; one of the most consequential wars in our nation's history.

Don Rumsfeld has been a superb leader during a time of change. Yet he also appreciates the value of bringing in a fresh perspective during a critical period in this war.

Don Rumsfeld's a patriot who's served our country with honor and distinction. He is a trusted adviser and a friend, and I'm deeply grateful to his service to our country.

I've asked Bob Gates to serve as the secretary of defense. Bob is the former director of the CIA and current president of Texas A&M University.

If confirmed by the Senate, Bob will bring more than 25 years of national security experience and a stellar reputation as an effective leader with sound judgment.

He's served six presidents, from both political parties, and rose from an entry-level employee in the CIA to become the director of central intelligence.

During his service at the CIA and at the National Security Council Bob Gates gained firsthand knowledge that will help him meet the challenges and opportunities that our country faces during the next two years.

He is serving as a member of the Baker-Hamilton commission. He is a steady, solid leader who can help make the necessary adjustments in our approach to meet our current challenges.

I will have more to say about Secretary Rumsfeld and Bob Gates later today here at the White House.

Amid this time of change, I have a message for those on the front lines: To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will. Our nation is committed to bringing you to justice. Liberty and democracy are the source of America's strength, and liberty and democracy will lift up the hopes and desires of those you are trying to destroy.

To the people of Iraq: Do not be fearful. As you take the difficult steps toward democracy and peace, America's going to stand with you. We know you want a better way of life, and now is the time to seize it.

To our brave men and women in uniform: Don't be doubtful. America will always support you.

Our nation is blessed to have men and women who volunteer to serve and are willing to risk their own lives for the safety of our fellow citizens.

When I first came to Washington nearly six years ago, I was hopeful I could help change the tone here in the capital. As governor of Texas, I had successfully worked with both Democrats and Republicans to find common-sense solutions to the problems facing our state.

While we made some progress on changing the tone, I'm disappointed we haven't made more. I'm confident that we

can work together. I'm confident that we can overcome the temptation to divide this country between red and blue.

The issues before us are bigger than that and we are bigger than that.

By putting this election and partisanship behind us, we can launch a new era of cooperation and make these next two years productive ones for the American people.

I appreciate your interest. Now I'll answer some questions.

QUESTION: Thank you, Mr. President.

Does the departure of Don Rumsfeld signal a new direction in Iraq? A solid majority of Americans said yesterday that they wanted some American troops, if not all, withdrawn from Iraq. Did you hear that call? And will you heed it?

BUSH: I'd like our troops to come home too, but I want them to come home with victory. And that is a country that can govern itself, sustain itself and defend itself.

I mean, I can understand Americans saying, "Come home." But I don't know if they said: Come home and leave behind an Iraq that could end up being a safe haven for Al Qaida. I don't believe they said that.

And so I'm committed to victory. I'm committed to helping this country so that we can come home.

Now, the first part about...

QUESTION: New direction...

BUSH: Oh, new direction. Well, there's certainly going to be new leadership at the Pentagon. And, as I mentioned in my comments, that Secretary Rumsfeld and I agreed that, sometimes, it's necessary to have a fresh perspective.

And Bob Gates will bring a fresh perspective. He'll also bring great managerial experience.

And he is -- I had a good talk with him on Sunday in Crawford. I hadn't -- it took me a while to be able to sit down and visit with him. And I did. And I found him to be of like mind. He understands we're in a global war against these terrorists. He understands that defeat is not an option in Iraq.

And I believe it's important that there be a fresh perspective, and so does Secretary Rumsfeld.

QUESTION: Thank you, Mr. President.

Last week you told us that Secretary Rumsfeld would be staying on. Why is the timing right now for this? And how much does it have to do with the election results?

BUSH: Right.

No, you and Hunt and Kyle (ph) came in the Oval Office and you asked -- Hunt asked me the question one week before the campaign, and basically it was: You going to do something about Rumsfeld and the vice president? And my answer was, you know, they're going to stay on.

And the reason why is I didn't want to inject a major decision about this war in the final days of a campaign.

And so the only way to answer that question and to get you onto another question was to give you that answer.

The truth of the matter is, as well -- I mean, that's one reason I gave the answer. But the other reason why is I hadn't had a chance to visit with Bob Gates yet, and I hadn't had my final conversation with Don Rumsfeld yet, at that point.

I have been talking with Don Rumsfeld over a period of time about fresh perspective. He likes to call it "fresh eyes." He, himself, understands that Iraq is not working well enough, fast enough.

And he and I are constantly assessing, and I'm assessing, as well, all the time, by myself, about: Do we have the right people in the right place with the right strategy? As you know, we're constantly changing tactics. And that requires constant assessment.

And so he and I both agreed in our meeting yesterday that it was appropriate that I accept his resignation. And so, the decision was made -- actually, I thought we were going to do fine yesterday. Shows what I know. But I thought we were going to be fine in the election.

My point to you is that, win or lose, Bob Gates was going to become the nominee.

QUESTION: Thank you, Mr. President. You said you're interested in changing the tone and committed to changing the tone in Washington.

Just a few days before this election, in Texas, you said that Democrats, no matter how they put it, their approach to Iraq comes down to: Terrorists win, America loses.

What has changed today, number one? Number two, is this administration prepared to deal with the level of oversight and investigation that is possibly going to come from one chamber or two in Congress?

BUSH: What's changed today is the election's over. And the Democrats won. And now we've going to work together for two years to accomplish big objectives for the country.

And, secondly, the Democrats are going to have to make up their mind about how they're going to conduct their affairs. And I haven't had a chance to talk with the leadership yet about these issues.

But we'll begin consultations with the Democrat leadership starting Thursday and Friday.

QUESTION: Mr. President, thank you.

You acknowledged that this is a message election on the war in Iraq. And so the American public today, having voted, will want to know what you mean in terms of course correction on Iraq, and particularly in light of this fact that last week the vice president pointed out that you and he aren't running for anything anymore and that it's, quote, "Full speed ahead on Iraq."

So which is it? Are you listening to the voters or are you listening to the vice president? And what does that mean?

BUSH: I believe Iraq had a lot to do with the election, but I believe there's other factors as well.

People want their Congress -- congressmen to be honest and ethical. So in some races, that was the primary factor.

There were different factors that determined the outcome of different races, but no question, Iraq was on people's minds.

And, as you have just learned, I am making a change at the secretary of defense to bring a fresh perspective as to how to achieve something I think most Americans wants, which is a victory.

We will work with members of Congress. We will work with the Baker-Hamilton commission.

My point is is that, while we have been adjusting, we will continue to adjust to achieve the objective. And I believe that's what the American people want.

Somehow it's seeped in their conscience that, you know, my attitude was just simply "Stay the course." "Stay the course" means let's get the job done, but it doesn't mean staying stuck on a strategy or tactics that may not be working. So perhaps I need to do a better job of explaining that we're constantly adjusting.

And so the fresh perspective (ph) on what the American people here today is we're constantly looking for fresh perspective.

What is also important for the American people to understand is that if we were to leave before the job is done, the country becomes more at risk. That's what the vice president is saying. He said, if the job is not complete, Al Qaida will have safe haven from which to launch attacks.

These radicals and extremists have made it clear they want to topple moderate governments to spread their ideology. They believe that it's just a matter of time before we leave so they can implement their strategies.

We're just not going to let them do that. We're going to help this government become a government that can defend, govern and sustain itself and an ally in the war on terror.

QUESTION: Your message today is not full speed ahead? Is that right...

BUSH: We got another man with the mike, David. Please.

QUESTION: Mr. President, thank you.

Can I just start by asking you to clarify, sir, if in your meeting with Steve and Terry and Dick, did you know at that point...

BUSH: I did not.

QUESTION: ... you would be making a change on Secretary Rumsfeld?

BUSH: No, I did not. And the reason I didn't know is because I hadn't visited with his replacement -- potential replacement.

QUESTION: But you knew he would be leaving, just not who would replace him?

BUSH: No, I didn't know that, at the time.

QUESTION: OK. May I ask you about Nancy Pelosi...

BUSH: The other thing I did know, as well, is that that kind of question, a wise question by a seasoned reporter...

(LAUGHTER)

... is the kind of thing that causes one to either inject major military decisions at the end of a campaign or not. And I had made the decision that I wasn't going to be talking about hypothetical troops levels or changes in command structure coming down the stretch. And I'll tell you why I made that decision. I made that decision because I think it sends a bad signal to our troops if they think the commander in chief is constantly adjusting tactics and decisions based upon politics. And I think it's important in a time of war that, to the extent possible, we leave politics out of the major decisions being made.

And it was the right decision to make, by the way.

And secondly, I hadn't visited with Bob Gates. I told you, I visited with him last Sunday in Crawford. You can't replace somebody until you know you've got somebody to replace him with.

And, finally, I hadn't had my last conversation with Secretary Rumsfeld, which I had yesterday.

QUESTION: Mr. President, I'd like to ask you: Nancy Pelosi has been quite clear about her agenda for the first 100 hours. She mentions things like raising minimum wage, cutting interest rates on student loans, broadening stem cell research and rolling back tax cuts.

Which of those can you support, sir?

BUSH: No, I knew you'd probably try to get me to start negotiating with myself. I haven't even visited with Congresswoman Pelosi yet. She's coming to the Oval Office later this week. I'm going to sit down and talk with her.

I believe, on a lot of issues, we can find common ground. And there's a significant difference between common ground and abandoning principle. She's not going to abandon her principles and I'm not going to abandon mine.

But I do believe we have an opportunity to find some common ground to move forward on.

In that very same interview you quoted, one of these three characters asked me about minimum wage. I said: There's an area where I believe we can make some -- find common ground.

And as we do, I'll be, of course, making sure that our small businesses -- there's compensation for the small businesses in the bill.

QUESTION: Thank you, Mr. President.

In our discussion with you last week, which you've referenced here several...

BUSH: Are you bringing this up so everybody else gets kind of jealous?

(LAUGHTER)

QUESTION: Certainly. BUSH: Gregory, for example, and Steve were there.

QUESTION: This is a very competitive environment we're in here.

No.

But we asked you about the fate of Secretary Rumsfeld and Vice President Cheney. Vice President Cheney, of course, has made -- takes many of the same positions as Secretary Rumsfeld did on the war. Does he still have your complete confidence?

BUSH: Yes, he does.

QUESTION: Do you expect him to stay to the...

BUSH: The campaign is over. Yes, he does.

QUESTION: And he'll be here for the remainder of your term?

BUSH: Yes, he will. Thank you.

QUESTION: Thank you, Mr. President.

With all due respect, Nancy Pelosi has called you incompetent, a liar, the emperor with no clothes and, as recently as yesterday, dangerous.

(LAUGHTER)

QUESTION: How will you work with someone who has such little respect for your leadership and who is third in line to the presidency?

BUSH: I've been around politics a long time. I understand when campaigns end and I know when governing begins.

And I'm going to work with people of both parties.

You know, look, people say unfortunate things at times. But if you hold grudges in this line of work, you're never going to get anything done. And my intention is to get some things done, and soon -- we're start visiting with her Friday with the idea of coming together.

Look, this is a close election. If you look at race by race, it was close. The cumulative effect, however, was not too close. It was a thumping.

But nevertheless, the people expect us to work together. That's what they expect.

And as I said in my opening comments, you know, there comes responsibility with victory.

And that's what Nancy Pelosi told me this morning. She said in the phone call she wants to work together. And so do I. And so, that's how you deal with it. This isn't my first rodeo. In other words, this is not the first time I've been in a campaign where people have expressed themselves in different kinds of ways.

But I have learned that, you know, if you focus on the big picture -- which in this case is our nation -- and issues we need to work together on, you can get stuff done.

For example, the No Child Left Behind Act is going to come up for reauthorization. There's an area where we must work together for the sake of our children and for the sake of a competitive America. And I believe we can get a lot done.

And I know it's the spirit of the new leadership to try to get some -- to get a lot done, and I look forward to talking to them about it.

QUESTION: Thank you, Mr. President.

You just described the election results as a thumping...

BUSH: I said the cumulative -- make sure. Who do you write for?

QUESTION: The New York Times, Mr. President.

(LAUGHTER)

BUSH: Oh, yes...

(LAUGHTER)

Let's make sure we get the facts. I said that the elections were close -- the cumulative effect...

QUESTION: Yes, is a thumping.

BUSH: Thumping.

(LAUGHTER)

QUESTION: But the results have been...

BUSH: It's a polite way of saying, you know -- anyway, go ahead.

(LAUGHTER)

QUESTION: But the results are being interpreted as a repudiation of your leadership style in some quarters. I wonder what your reaction is to that. And should we expect a very different White House, should we expect a very different leadership style from you in these last two years, given that you have a whole new set of partners?

BUSH: You know, I really haven't -- I'm still going to try to speak plainly about what I think are the important priorities of the country, and winning this war on terror is by far the most important priority. And making sure this economy continues to grow is an important priority. And making sure our children have a good education is an important priority.

Obviously, there's a -- there's a shift in the Congress. And therefore, in order to get legislation passed, we've got to work with the Democrats. They're the ones who control the committees. They're the ones who will decide, you know, how the bills flow.

And so you'll see a lot of meetings with Democrats and a lot of discussion with Democrats.

And in terms of the election, no question, Iraq had something to do with it. And it's, you know, it's tough in a time of war, when people see carnage on their television screens.

The amazing thing about this election, and what surprised me somewhat, which goes to show I should not try punditry, is that this economy's strong. And, a lot of times, off years are decided by the economy.

And yet, you know, obviously there was a different feel out there for the electorate. The economy -- the good news in the economy was overwhelmed by the toughness of this fight and toughness of the war.

And so, look, I understand people don't agree -- didn't agree with some of my decisions.

I'm going to continue making decisions based upon what I think is right for the country. I've never been one to try to fashion the principles that I believe or the decisions that I make based upon trying to, kind of, short-term popularity.

I do understand where the people -- the heart of the people. I understand they're frustrated. I am too, as I said the other day. I wish this had gone faster. So does Secretary Rumsfeld.

But the reality is that it's a tough fight. And we're going to win the fight. And I truly believe the only way we won't win is if we leave before the job is done.

QUESTION: (OFF-MIKE)

BUSH: I know. Terrible principle. I'm sorry.

QUESTION: Thank you, sir.

BUSH: Think I'm nuts?

(LAUGHTER)

You think my sensibilities left me as a result of working hard on the campaign trail?

(LAUGHTER)

(CROSSTALK)

QUESTION: But to follow, we were speaking about the war. And during the campaign, two very different viewpoints of the war came out. You spoke a lot, as he mentioned, about what you saw as the Democratic approach to the war, which you were greatly concerned about.

Are you worried that you won't be able to work with the Democrats? Or do you feel like you have to prevail upon them your viewpoint?

BUSH: Well, I think we're going to have to work with them, just like I think we're going to have to work with the Baker-Hamilton commission. It's very important that the people understand the consequences of failure. And I have vowed to the country that we're not going to fail; we're not going to leave before the job is done.

And obviously we've got a lot of work to do with some members of Congress.

I don't know how many members of Congress said: Get out right now. I mean, the candidates running for Congress and the Senate, I haven't seen that chart.

Some of the comments I read, where they said: Well, look, we just need a different approach to make sure we succeed.

What -- you can find common ground there.

See, if the goal is success, then we can work together. If the goal is get out now regardless, then that's going to be hard to work together.

But I believe the Democrats want to work together to win this aspect of the war on terror.

I'm also looking forward to working with them to make sure that we institutionalize, to the extent possible, steps necessary to make sure future presidents are capable of waging this war.

Because Iraq is a part of the war on terror. And it's -- you know, I think back to Harry Truman and Dwight Eisenhower. I mean, Harry Truman began the Cold War and Eisenhower, obviously from a different party, continued it.

And I would hope that would be the spirit that we're able to work together.

We may not agree with every tactic, but we should agree that this country needs to secure ourselves against an enemy that would like to strike us again.

This enemy's not going away after my presidency.

And I look forward to working with them. And I truly believe that Congresswoman Pelosi and Harry Reid care just about as much -- you know, they care about the security of this country like I do. They see -- you know, no leader in Washington is going to walk away from protecting the country. We have different views on how to do that, but their spirit is such that they want to protect America. That's what I believe.

Just like I talked about the troops, I meant what I said.

Look, people that's going to be looking at this election, the enemy's going to say, "Well, it must America is going to leave." And the answer is no, that doesn't what it means.

Our troops are wondering whether or not they're going to get the support they need after this election. Democrats

are going to support our troops just like Republicans will.

And the Iraqis have got to understand this election -- in other words, I said, "Don't be fearful." In other words, don't look at the results of the election and say, "Oh, no. America's going to leave us before the job is complete." That's not what's going to happen, Jim.

Yes, sir, Fletcher?

QUESTION: Thank you, sir.

There's a bill that could come before the lame-duck session of Congress that would extend voting rights in the District of Columbia in Congress and also give an extra seat to Utah.

You've been passionate about democracy in Iraq. Why not here in D.C.? And would you support this bill?

BUSH: Yes, I -- this is the first I've heard of it. I didn't know it's going to come up from the lame-duck.

QUESTION: (OFF-MIKE) bill?

BUSH: Well, it may or may not come up.

I'm trying to get the Indian deal done, the Vietnam deal done and the budgets done.

But I'll take a look at it. It's the first I've heard of it. Thanks.

Let's see here, yes, sir?

QUESTION: Mr. President, you mentioned the prospect that your successor would be dealing with the war.

You'll be making your first trip to Vietnam in roughly a week. Some people are looking at the war as another Vietnam War. Are they wrong to do so? And, if so, why?

BUSH: I think they are. I think they are.

First of all, Iraq is -- after the overthrow of the tyrant, voted on a constitution that is intended to unite the whole country. And then they had elections under that constitution where nearly 12 million people voted for this unity government. Secondly -- which is different from Vietnam -- secondly, in terms of our troops, this is a volunteer Army. Vietnam wasn't a volunteer Army, as you know. And in this volunteer Army, people -- the troops understand the consequences of Iraq in the global war on terror.

That's why re-enlistment rates are up, and that's why enlistment is high.

Thirdly, the support for our troops is strong here in the United States, and it wasn't during the Vietnam era.

So I see differences, I really do. And, you know, you hear all the time, well, this may be a civil war. Well, I don't believe it is, and the Maliki government doesn't believe it is. Zal, our ambassador, doesn't believe it is.

But we've got to make sure it isn't by implementing a strategy which helps -- a political strategy which helps unify the country and a security strategy which makes sure that the Iraqis are better capable of fighting off the extremists and the radicals that want to stop progress in Iraq.

So I don't think it is a parallel.

QUESTION: Thank you, sir.

During this campaign season, some religious conservatives expressed support and appreciation for the work you've done.

But some also expressed that they felt like they expended a lot of effort on your behalf without a lot of results.

I wonder if you could tell us what parts of their agenda are still on your radar screen and if you think the right should be frustrated.

And also, Mr. President, I'm asking you if you have any metrics you'd be willing to share about your reading contest with Mr. Rove?

BUSH: I'm losing. I obviously was working harder on the campaign than he was.

(LAUGHTER)

He's a faster reader.

(LAUGHTER)

You know, I must confess I cannot catalogue for you in detail the different criticisms. In this line of work, you get criticized from all sides. And that's OK. It's just part of the job.

And so I'm not exactly sure what you're talking about, but I can tell you that I believe the faith-based and community-based -- the faith- and community-based initiative is a vital part of helping solve intractable problems here in America. And I would hope that I could work with Congress to make sure this program, which has been invigorated, remains invigorated.

And the reason why I believe in it so much is that there are just some problems that require something other than government help. And it requires people who have heard a call to help somebody in need.

And I believe we ought to open up grants to competitive biddings for these types of organizations. And we have done that. And it's very important that that program stay strong.

But you know, you're probably following all these different lists of concerns people have with my presidency. And I respect that. I just, frankly, I'm not sure exactly what you're talking about in this question.

I'm sure there's some people who aren't perfectly content -- but there's some people who aren't perfectly content from different parties and different philosophies. All I know to do is to make decisions based upon principles that I believe are important, and now work with Democrat leaders in the Congress, because they control the committees and they control the flow of bills.

And I'm going to do that, for the good of the country.

QUESTION: Thank you, Mr. President. If you had any do-overs to do in this race...

BUSH: You don't get to do them.

(LAUGHTER)

QUESTION: ... or if Mr. Rove had any do-overs to do in this race...

BUSH: You don't get do-overs. Anyway, go ahead.

QUESTION: Well, what would they be? I mean, are there any tactical...

(LAUGHTER)

BUSH: Look, I -- yes, well. I, frankly, haven't analyzed the election nearly as much as some of you have.

You know, again, I think when you really look close at the results -- first of all, there's a lot of close elections. No question Iraq had an impact. But it's hard to win an election when you're trying to win a write-off -- write-in campaign in our state of Texas.

I mean, you could have the greatest positions in the world on the issues and be the most articulate person on an issue, but to try to get to win on a write-in is really hard to do.

We had, you know, the race in Florida, the Foley seat. That's a hard race to win, in a Republican district, because people couldn't vote directly for the Republican candidate.

All I'm telling you is that there's a -- when you dig into the races, there's a -- look, I had to go down to Houston and Sugar Land and act as the secretary of state -- you know, "Take your pencil into the box and then write it in."

And the reason I bring that up is, you know, I'm not sure Iraq had much to do with the outcome of that election. Now, it certainly did in other places.

One of the interesting observations I had from last night was that, if you take a look at New York state, Senator Clinton ran a very strong race, but she ran a race that appeared to me to be on just a Senate race. She wanted to show people she had the capacity to help others win.

And the same thing happened in Pennsylvania with Governor Rendell. He ran a very strong race, as did Senator-elect Casey.

And my only point to you is I'm sure Iraq had something to do with the voters' mind, but so did a very strong turnout mechanism in those two important states.

So they're just going to have to analyze all the different results.

As far as do-overs, I -- look, talk to them.

QUESTION: Americans have heard it before: "There's going to be cooperation, we're going to get along." What can you do to show Americans that you'll stop and avoid any gridlock, because they've seen it come anyway?

BUSH: Well, you know, we had some pretty good success early on in this administration. We got the No Child Left Behind Act passed, which is an important piece of bipartisan legislation. We got some tax cuts passed with Democrat votes.

QUESTION: (OFF-MIKE)

BUSH: Look, let me -- all right, I'm anxious, but, you know -- but -- so we've just now got to show people we're capable of doing it.

I mean, you're right. I mean, people are skeptical. And the way you defeat skepticism is perform.

And I was very pleased with my conversation with Congresswoman Pelosi. It was a very gracious conversation, albeit a little early in the morning; I must confess. But, nevertheless, it was a good one. And my fault since I was the person who initiated the call.

But I do believe we can get some things done. I think we can set an agenda. I hope so. I hope so. I didn't come to

Washington just to occupy the office. I came to get some positive things done on behalf of the country. And there are some big issues we got to deal with. No Child Left Behind is one. Entitlements. That's going to be an interesting issue to try to deal with. And it's going to be very important in entitlements for people to feel comfortable about bringing ideas to the table, and people being Republicans and Democrats.

If we do not have Republicans and Democrats at the table for entitlements, nothing is going to happen. And, therefore, I instructed Secretary Paulson to reach out to folks on the Hill to see if we can't at least get a dialogue started that will enable us, hopefully, to move forward on a very important issue that will affect this country for a long time, if we don't solve it.

And that is the unfunded liabilities inherent in these entitlement programs. We need to continue to talk about energy.

Dependency upon foreign oil is a national security and economic security problem. And it's a problem that requires bipartisan cooperation.

I know the Democrats are concerned about this issue, as am I. So, in other words, there's areas where I believe we can get some important things done.

And to answer your question, though: How do we convince Americans that we're able to do it?

Do it; that's how you do it. You get something done. You actually sit down, work together, and I sign legislation that we all agree on.

And my pledge today is I'll work hard to try to see if we can't get that done.

QUESTION: I want to ask you about the thump that you took in yesterday's rodeo. You said you were disappointed, you were surprised...

BUSH: See, there you go.

QUESTION: You said you were...

BUSH: You notice that -- taking one...

QUESTION: That was something without a "g," correct? I just want to make sure we have it right for the transcript.

You said you were surprised. You didn't see it coming. You were disappointed in the outcome.

Does that indicate that after six years in the Oval Office you're out of touch with America for something like this kind of wave to come and you not expect it?

And on a semi-related note, does Nancy Pelosi look much like Bob Bullock to you?

(LAUGHTER)

BUSH: It's an inside joke; I'm not commenting on it.

Secondly, I'm an optimistic person. That's what I am. And I knew we were going to lose seats. I just didn't know how many.

QUESTION: How could you not know that and not be out of touch?

BUSH: You didn't know it either.

QUESTION: A lot of the polls showed it.

BUSH: Well, there was -- I read those same polls. And believed -- I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security.

But the people have spoken, and now it's time for us to move on.

QUESTION: Mr. President, you mentioned entitlements. And one of the big hot-button issues for the Democratic Party is Social Security and the idea of partial privatization, which you have talked about.

And I wonder if there's anything in your agenda in that way that you're willing to adjust in the spirit of bipartisanship or back off from, given how important that is to the core of the Democratic Party?

BUSH: I told him -- I told Hank Paulson to tell the members that we'd sit down and we'd listen to everybody's ideas. I put out my ideas, as you recall, I think, in the State of the Union last time. And we want to hear their ideas.

And hopefully, out of this concept of folks sitting around a table sharing ways forward, that we will come up with commonality that we're able to then say to the American people we've helped solve this problem.

It's a tough issue. Look, I fully understand how hard it is.

Social Security is -- you know, people are generally risk-averse when it comes time to Social Security. My problem with that is that the longer you wait, the more difficult the issue's going to become.

And so I'm going to keep pushing it. And hopefully, you know, we can get something done.

QUESTION: A little earlier, you said that you truly believe that the Democratic leaders care about the security of this country as much as you do. Yet just about at every campaign stop, you expressed pretty much the opposite. You talked about them having a different mindset...

BUSH: I did.

QUESTION: ... about having a different philosophy, about waiting, about being happy that America gets attacked before responding. BUSH: No, what did you just say? Happy?

QUESTION: You said they will be satisfied to see America...

BUSH: No, I didn't say "happy." Let's make sure...

QUESTION: You left that impression. Forgive me.

BUSH: With you. Go ahead.

QUESTION: Well, I'm wondering: Looking back at the campaign and previous campaigns, do you think that it's been harder to pull the country together after the election by making such partisan attacks about national security?

BUSH: I do believe they care about the security. I disagree -- I don't -- I thought they were wrong not making sure our professionals had the tools. And I still believe that. I don't see how you can protect the country unless you give these professionals tools.

They just have a different point of view. That doesn't mean, you know, they don't want America to get attacked. That's why I said what I said.

QUESTION: On immigration, many Democrats had more positive things to say about your comprehensive

proposal than many Republicans did. Do you think a Democratic Congress gives you a better shot at comprehensive immigration reform?

BUSH: You know, I should've brought this up. I do. I think we have a good chance. Thank you. It's an important issue, and I hope we can get something done on it. I meant to put that in my list of things that we need to get done.

I would hope Republicans have recognized that we've taken very strong security measures to address one aspect of comprehensive immigration reform.

And I was talking to Secretary Chertoff today. You know, he thinks that these measures we're taking are beginning to have measurable effects and that catch-and-release has virtually been ended over the last couple of months.

And that's positive, and that's what some members were concerned about prior to advancing a comprehensive bill.

In other words, they said, "Show me progress on the border, and then we'll be interested in talking about other aspects." Well, there is progress being made on the border in terms of security, and I would hope we can get something done.

It's a vital issue. It's an issue that there's an issue where I believe we can find some common ground with the Democrats.

QUESTION: What are the odds for a guest-worker provision?

BUSH: Well, that's got to be an integral part of a comprehensive plan.

When you're talking comprehensive immigration reform, one part of it is a guest-worker program, where people can come on a temporary basis to do jobs Americans are not doing.

I've always felt like that's been an important aspect of securing the border. In other words, if somebody's not trying to sneak in in the first place, it decreases the workload on our Border Patrol and lets the Border Patrol focus on drugs and guns and terrorists.

But I appreciate you bringing that up. I should have remembered it.

Listen, thank you all very much for your time. I appreciate your interest.

PHILLIPS: President of the United States responding publicly to -- for the first time with reporters about the resignation of his secretary of defense Donald Rumsfeld. When everything went forward with the elections, the headlines were reading that even though the Democrats were winning the majority, that analysts felt that that alone would not drive Rumsfeld out of office. Within the past hour, when we got the word, as you can imagine, the rumbling that went through the newsroom and the surprise that took place when we got the word that, indeed, the secretary of defense had resigned.

The president saying a number of things, that he feels it is ready -- he feels it is ready for a fresh perspective for victory in Iraq. He said that the tactics -- you should never be stuck on certain tactics that aren't working, and that he is hoping that this change in this position will help this country move forward and make a difference with regard to the Iraq policy.

Also announced the man who will replace Donald Rumsfeld, Dr. Robert Michel Gates, served as director of central intelligence from 1991 to 1993, had a 26-year career in the CIA and the National Security Council. He is currently the president of Texas A&M University.

John King joining us now to talk more about this next man who will take to the helm.

John King, he's got quite a job on his hands.

JOHN KING, CNN CORRESPONDENT: He does have quite a job on his hand, Kyra. It is a challenge for Mr. Gates. It is a challenge for the president of the United States as well. And it is a reminder, a reflection, the clearest evidence yet of the new political environment we find ourselves in.

Secretary Rumsfeld's resignation was a key demand of the Democrats, but it was about to be a much more vocal demand of the Republicans. And you heard Mr. Bush acknowledge that at the press conference. He was thinking about this even before he learned yesterday the Democrats, at a minimum, would take power in the House of Representatives, and they have a pretty good chance still. It's about a 50-49 split, I think, at the moment. But they're still in play to take control of the United States Senate as well.

Mr. Gates will inherit the Pentagon at a time even people in the administration acknowledge the strategy in Iraq is struggling at best. When there are calls from some Republicans, like John McCain to send in more troops, calls from other Republicans and many, many Democrats to start having a plan to bring the troops home.

In a way, Kyra, this is back to the future for the president, if you will. He brought his own team to Washington. Many have always asked, how much does he talk to his father? How much does he rely on the old Bush I team for advice? Mr. Gates served his father on the National Security Council in the White House. He was the dean of the George Bush School of Government down in Texas. He's currently the president of Texas A&M University. He is someone who as a CIA director was obviously close to the former President Bush, and he is a good friend of former Secretary of State James Baker, who is about to present the president, we are told, with a report on his observations in Iraq, that is quite damning of the strategy there. So Mr. Bush reaching back to his father's administration, to somebody he trusts, somebody he knows quite well.

And somebody who will inherit now a monumental task. Trying to, as the president just insisted again, yes, there was an election yesterday. But he's the commander in chief. He is not going to pull U.S. troops out of Iraq until he thinks the job is done. Democrats will be in his face on that point. Some Republicans have serious questions about this strategy. Mr. Gates has a huge job awaiting him.

PHILLIPS: John King, once again, though, the president of the United States, reaching into that family pocket and selecting somebody that has a connection to his father, to his family, has a history. Is that the right way to go at this juncture? He could receive a lot of criticism for that, considering where he stands right now with his foreign policy.

KING: Well, there are many who say they wish he would listen to his father's team more often and more frequently over the past six years. Instead, has listened more to his vice president and his secretary of defense. Colin Powell, of course, his first secretary of state, came from the former Bush administration. And many would say the president would have been better served if he'd listened to Colin Powell more.

In going back to his father's team, though, it's quite interesting. Because Secretary Baker is now involved, Mr. Gates is someone who has the respect of many of the former Bush administration and former Republican administration officials who have been most critical of this Bush administration for not doing more to change the strategy in Iraq, and he also has -- based on my memory, Kyra, which we know is failing in my old age, but pretty good relationships with Democrats on Capitol Hill. He is not known as an ideologue. He is someone who came up through the ranks of the CIA. He's not a political appointee. I am sure there are some Democrats who disagree with this decision or this decision, but he carried over into the Clinton administration when the former Bush administration expired. And my memory is that he has pretty good relationships with Democrats on Capitol Hill.

And the big question will be, will he be confirmed in a lame duck Congress? Will they move that quickly to do that, while the Republicans still control the Senate? Will this carry over into January?

But I know of nothing of his years in Washington that would have people thinking, while they would have tough

questions about the administration's strategy and what will come next after Rumsfeld steps aside, I don't know of anything in Mr. Gate's background which would raise any flags at all, if you will, that the Senate, whether it is under Republican control or Democratic control, would not move as quickly as possible to confirm him as new defense secretary.

PHILLIPS: John King, we'll be talking more about the new defense secretary, and also the elections from yesterday and the results.

Thanks so much.

LEMON: Kyra and John, we have more breaking news here in the CNN NEWSROOM. which will decide how our government is going to be run over the next coming years.

This just in, CNN projects Democrat Jon Tester is the winner in the Montana Senate race. Montana's secretary of state has not officially declared a winner, but reports that Tester leads by more than 3,000 votes. There's one precinct still outstanding with a maximum of 500 votes and 1,000 provisional ballots.

Tester's win brings the Senate's balance of power to 50 for the Democrats and 49 for the Republicans. The only state that still hangs in the balance is of course Virginia, where Democratic challenger Jim Webb has a slim edge over Republican incumbent George Allen. If Democrats win Virginia, they'll be in charge of the Senate. If not, a 50/50 split would favor Republicans since Dick Cheney as the vice president, breaks all those ties.

Let's move on and talk about all of this. A big night for the Democrat means big changes on Capitol Hill. Among the Dems now in line to chair a House committee is Charles Rangel of New York, and he joins us from there.

First of all, Mr. Rangel, welcome, and thank you for joining us. What do you make of this resignation of Donald Rumsfeld?

U.S. REPRESENTATIVE CHARLES RANGEL (D-NY): I think symbolically it makes a lot of us feel more comfortable because we knew where Donald Rumsfeld was coming from. But I don't think the president made it too clear as to whether or not he was staying the course or what the new CIA secretary is going to bring to us in getting us out of Iraq.

LEMON: There are those who say, of course, you are the person who will control the purse strings. What does that mean for Iraq? Does that mean a removal of troops? Does that mean less money? What does it mean? RANGEL: Actually, I am not the person that controls the purse string...

LEMON: As far as taxes go and as far as spending.

RANGEL: No. The spending comes from the Appropriations Committee, but I understand the thrust of your question. And believe me, no member of Congress, Democrat or Republican, would cut any funds that would put our troops in harm's way.

I think more than anything else it's the vote that took place yesterday that should send a message to the president: No president can possibly succeed in furthering a war if he doesn't have the support of the American people.

RANGEL: This goes beyond funding.

LEMON: A Democratic House, a Republican White House -- how will that affect, if at all, anything -- obviously it will -- the way things happen on the Hill?

RANGEL: Well, the answer to that is in the president's hands. We Democrats only have two years to give some assurances to the voter that they made the right decision.

So we can't come up with Democratic solutions. We have to work with the Republicans. And I'm hopeful that we will create a bipartisan atmosphere that the whole Congress can feel proud.

Of course, at the end of the day, it's what the president does on Social Security, on Medicare, on tax simplifications. And if he doesn't stay the course, as relates to privatization, I look forward to working with him on all of these important issues.

LEMON: We're talking about raising taxes. And just days before the election, you and Dick Cheney talked about this. You -- I think was very critical of it. Dick Cheney said that you would raise taxes and destroy the economy if Democrats would take control of the House.

What happened with that? And what's your response to that now?

RANGEL: Dick Cheney has nothing to do with Ways and Means or the economy. Every time I've seen him on television, he's always talking about the war and not the economy.

What they're pressing for is for someone to say that the tax cuts that the president has put in for the very wealthy, they expire in 2010, and they want some type of assurance that Democrats will allow this to continue.

I think it's irresponsible for any member of Congress, especially on the Ways and Means Committee, to say what the economy's going to look like in 2010 and promise a continuation of that law.

There's a lot that has to be done before then. And what happens with the war, to a large extent, will determine our resources. LEMON: Yes. Let's get back to the war and talk about the war. Of course, Donald Rumsfeld, resigning. And you've been talking about that -- the Democrats have been saying there needs to be a change in the course of the war. The president mentioned stay the course, even saying that maybe I should have explained myself better when I meant stay the course.

What does this mean? Does this mean a troop pullout? How are you going to change what's happening with Iraq, the Democrat's plan, as far as you...

RANGEL: I think the first thing you have to do is admit that you made one big mistake, to reach out to our friends in the area -- Egypt, Saudi Arabia, Jordan, to ask our European friends and NATO -- that collectively we should be coming up with some plan to turn the administration and the governorship of that area to the people in that region.

Americans are the last people in the world to be teaching somebody how to get along culturally. We have our own problems in this country.

So I think we're pretty unified in saying: Staying the course is not working. It's not up to Democrats or members of Congress to say what is going to work. We've got a new secretary of the defense.

Once you admit that what we're doing is not working, then we have to find some way to keep our young people out of harm's way.

Once that decision is made, believe me, it's easy to find out how we execute it.

LEMON: Congressman Charles Rangel of New York, thank you, sir.

RANGEL: Thank you.

PHILLIPS: Word of Rumsfeld's resignation has reached Iraq. Let's get straight to CNN's John Roberts. He's embedded with the 172nd Stryker Brigade. He join us by the phone.

John, what's the reaction from the troops?

JOHN ROBERTS, CNN CORRESPONDENT: Hey, Kyra.

I was going in to talk with one of the commanders here at the base that I'm stationed at about the Rumsfeld resignation. I went into his office, and he was watching the press conference on CNN Pipeline. The news travels fast around here.

Of course, none of the military personnel, none of the active duty, at least, want to talk about this on camera. They say it's not their job, it's not the right thing for them to be questioning the leadership or even commenting on it.

But off camera, they've got some pretty interesting things to say. First of all, it came as quite a shock to everybody there. As I walked into this tactical operation center, they were all, you know, buzzing about it, saying this is -- comes as quite a surprise, the timing of it is very unusual.

I want to get down to the nuts and bolts of it, though. They seemed to think that it was a good idea, because they were saying with all the hits that Rumsfeld has taken from retired military officers who have come out publicly saying it's time for him to go. Or as Major General Paul Eaton did, wrote that scathing editorial in "The New York Times," that he was becoming a bit of a distraction to the military, in particular, to the operations here in Iraq. And they told me that, bringing in some new blood at this particular point, which they see as a critical juncture in the war for Iraq was probably a good idea.

The intelligence officer was talking about Robert Gates coming in as the new secretary of defense, saying he seems like a really good guy, an intelligence background, also an academic, the head of A&M University. So they seem to be positive here (INAUDIBLE) the field as to this change, although, as they said, it did come to them as quite a surprise.

PHILLIPS: Our John Roberts, embedded there with the U.S. Army, the 172nd Stryker Brigade. We'll continue to check in John, get reaction from Iraqis, and also U.S. troops on the front lines.

The president, when talking about the resignation of the secretary of defense, said that he did have a message to the military there on the front lines, and also to the people of Iraq, and that is not to be fearful.

He also had a message straight to the enemy, as he said, don't be joyful, you all will be brought to justice.

We're going to have more on this developing news. Congressman John Murtha, a strong critic of the war in Iraq, joins me live.

We'll be right back.

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