When Tom Foley asked me to speak many months ago, little did I anticipate the situation in Washington would be as it is today. I probably would've declined. But I'm glad I came. I learned something in the first panel from Allan Gregg that I really want to take back to Washington. I envy Canada and the idea that you can have an issueless crisis. I think that is absolutely marvelous.

I also want to say that it is great to see my friend, Ambassador Chrétien, whom I have missed for several years. We did an awful lot of things together during his stint in Washington. But your comment about the Canada free trade agreement in 1988, January 1, 1989, reminds me of learning about Canadian sensitivity.

Because on January 1st, of 1989, the first year the Canada free trade agreement was in effect, I was sitting with President Reagan and Colin Powell at the Annenberg Estate, and we decided that we would call Brian Mulroney, the prime minister, to congratulate him that it was finally going into effect. The White House switchboard, famous for being able to track down anybody anywhere in the world, reached Brian Mulroney on a beach in Palm Beach, and he explained to the White House operator to please place this phone call through Ottawa rather than directly to Palm Beach. So the headline the next morning was that Reagan called Ottawa to congratulate Prime Minister Mulroney on the successful implementation of the Canada free trade agreement. Just a little sensitivity there.

We all know about how important the relationship is with Mexico, Carlos, and with Canada. We know that one-third of all U.S. trade is with Canada and Mexico, and both of your countries are the largest exporters of oil to America. But fundamental to the relationship across the board, I think, is a strong and effective U.S. president. I have often said that to be an effective president, you must be both revered and feared in the United States and abroad. Ronald Reagan certainly was. Jimmy Carter was not.

I worry today about the Bush administration in light of so many of the recent events. I am concerned about the House and Senate in Washington and their ability to govern as well. It is gridlocked and there is a certainly lack of civility, as I'm sure you have all noticed. I also fret about the opposition party, the Democrats, being not up to constructive alternatives, but very content to just say no.

The U.S., let alone the world, cannot afford a weakened U.S. president, adrift in Washington, and paralysis in the political system and yet I am afraid that is what we have today. Look at the most recent poll of this past week. According to the ABC/Washington Post poll, for the first time, on almost every key measure of presidential character and performance, the Washington Post/ABC poll found that Bush has never been less popular with the American people.

Thirty-nine percent approve of the job he's doing; 60 percent disapprove, the highest level of disapproval ever since his election in the year 2000. His approval ratings have been declining for months, but on
issues of personal trust, honesty and values, Bush has now suffered some of his most notable declines. Bush has always retained majority support on his handling of the campaign against terrorism, until now when 51 percent have registered disapproval.

The CIA leak has apparently contributed to a withering decline and how Americans view Bush personally. The survey found that only 40 percent view him as honest and trustworthy, a 13 percent drop in the last 18 months. Six in ten, 58 percent say they now have doubts about Bush's honesty, the first time in his presidency more than half the country doubts his integrity. If you look at issue upon issue, whether it is Iraq, on gasoline prices, the economy, healthcare, Bush's numbers have declined dramatically.

Even on the question of strong leadership, which was, I think, the fundamental differentiation in the most recent presidential election, Bush is now viewed as a strong leader by only 47 percent. Clearly, he has significant problems across the board, even if the White House and the White House staff does not believe that is true.

Remember Bush's numbers declined before Scooter Libby's indictment, Iraq, gas prices, the handling of Katrina, his first failed Supreme Court nominee, the Tom DeLay mess, the questions about Bill Frist. But I must remind you that every two-term president since World War II has gone off track in the fifth or sixth year. Eisenhower had the U-2 affair and his chief of staff resigned because of the so-called vicuna coat. LBJ had Vietnam; Nixon, Watergate; we in the Reagan administration endured Iran-Contra; and Clinton was impeached by the House of Representatives because of Monica.

What causes second term presidents to go off track? I think it's a combination of hubris, the arrogance that comes from annihilating your presidential opponent, the cockiness of believing your own reelection press notices, staff fatigue from a burnout job, new junior staffers not skilled in bringing reality to the Oval Office, and the stress of creating and advocating an agenda as big and bold as the first term. Add to this too much communal drinking from the same Kool Aid, and it is a recipe for disaster for any second term president. And I think all of us who have served in second terms have seen this witch's brew and what it does.

I think second-term presidents need to throw open the doors of the administration, clean house, come up with bold new ideas for a second term, get out of a bunker mentality, do a mea culpa because there has to be accountability even if the president himself was not involved. That's what we did during Iran-Contra, and that restored Reagan from 37 percent in the polls to leaving two years later at 68 percent, the highest job approval of any two-term president since polling began. I think George W. Bush can do so as well, but it is very, very uphill.

I think the House and the Senate are in meltdown. They will try to focus on deficit reduction, but there are splits within the Republican Party on entitlement savings and across the board cuts. Immigration reform, which is so fundamental an issue with our country, I think, is dead in the water because of splits within the president's own party. Even in spite of the John McCain proposal or some that are coming from the Democrats, the administration is hamstrung and will not be able to get anything enacted certainly in this next year.

On soft lumber, a weakened president cannot make the pragmatic compromises that are necessary to get this issue resolved at this time. Condi Rice and George W. Bush cannot afford because of domestic political concerns and the weakened condition of the president right now to make that kind of grand compromise that I think is necessary.

If the 2006 election were held today—thank God, it won't be—I do not think the Republicans will lose control of the House and the Senate even today, but I am willing to bet you a considerable amount of
money that there will be less Republicans in the House and the Senate after the 2006 election than there are today.

And yet, there are many who argue that if President Bush lost one of the bodies, that in fact would help him govern better as our president because he would have to learn the art of bipartisanship and compromise, which he has not had to do in the first five years of his administration.

On that note, if I haven't said anything controversial, I apologize. Thank you.

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