

Remarks by Secretary of Defense Leon E. Panetta at the Saban Center with Question and Answer Session (2 December 2011)

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SECRETARY OF DEFENSE LEON PANETTA: Thank you. Thank you very much for that kind introduction and thank you to my fellow Californian. Haim, Haim is someone who I think has really served his country by bringing the cause of the United States and Israel together. He has served that cause with tremendous distinction. He's provided vision and support for this very important conference.

But more broadly I'd like to thank you, Haim, for your commitment to strengthening the bond between the United States and Israel – a cause that is a key priority for me as secretary of defense. For that reason, it is truly an honor to be here tonight and to join all of you and so many distinguished guests in helping to open this year's Saban Forum.

My personal connection to Israel dates back to my days as a member of Congress. For more than 10 years I shared a house with a group of fellow congressmen right here in the District of Columbia. If you've seen the movie "Animal House," you'll have some idea of what this was like. (Laughter.)

One of the members of that exclusive fraternity was Chuck Schumer, someone that many of you know and that many of you understand has a tremendous passion for Israel that is deep and infectious. We slept on the bottom of this house – the living room area – and every night before we went to sleep, he made me say the Shema. (Laughter.) I made him say the Hail Mary. (Laughter.) He learned from my passion as an Italian, and I learned from his passion for Israel, particularly when I think it was a little over 20 years ago he and I and some of our dearest friends had a chance to travel to Israel together.

That visit – I believe it was in August of '91 – left a very deep and lasting impression on me. At a time when hundreds of thousands of Jews from the Soviet Union were making Aliyah and fulfilling a dream to live a free and more prosperous life in their historic homeland, that trip gave me an even stronger appreciation for Israel's promise as a Jewish and democratic state. And coming just once after Saddam Hussein's SCUD missiles had attacked Tel Aviv and Haifa, the visit also underscored the complex array of security threats facing Israel by virtue of geography, by virtue of politics, and by virtue of history.

As chairman of the House Budget Committee and OMB director, I had the opportunity to work on budget issues regarding military assistance to Israel. And as a member of President Clinton's cabinet, as chief of staff, I had the opportunity to be present at that historic moment on the South Lawn when Yasser Arafat and Yitzhak Rabin shook hands in the effort to advance the peace process. And then, tragically, after Rabin's death I had the opportunity as President Clinton's chief of staff to fly with him so that he could pay tribute to the memory and to the dedication to peace of Rabin.

In the years since, as director of the CIA and now as the secretary of defense, I've worked closely with a number of Israeli leaders – the prime minister, many intelligence and military leaders, one of whom I understand is here this evening. Meir Dagan(ph), who I often work with at Mossad and I understand is participating in this forum. Ehud Barak is also a friend that I've known for years, and we've already had the opportunity to meet a number of times in our capacities and to discuss our shared efforts to strengthen Israel's security.

I was pleased to make my first trip to Israel as secretary of defense just a few weeks ago, and meet with Israeli leaders including my friend, Prime Minister Netanyahu. Over the course of my career, I have witnessed periods of great progress in these efforts, and periods of great challenge and uncertainty for Israel and our shared security interests in the region.

Yet nothing I have seen compares to the dramatic events of the past year – one of change, one of promise, one of uncertainty, one of turmoil; a

year we hope of Arab awakening, a year of setback for al Qaeda, and a year we believe of frustration for Iran. Entrenched leaders were overthrown by peaceful protests in Tunisia and Egypt, and by force in Libya. In Yemen,

President Saleh has agreed to step down. We believe it is a very positive development. And yet the terrorist threats from Yemen still persist, and extremists are seeking to gain a foothold across the region.

In Egypt, the country has held its first elections on the road to democratic transition – another positive step. But as we all know, Egypt will require great leadership in the weeks and months ahead if it is to successfully transition to a fully civilian-controlled government that respects democratic principles and maintains all of its international commitments, including the treaty of peace with Israel.

On terrorism, repeated operations have decimated al Qaeda's leadership. Bin Laden, Awlaki, and many others have been successfully targeted by military and intelligence operations. Al Qaeda remains dangerous, make no mistake about it, but the world is safer as a result of these successes.

These largely positive trends were also accompanied by some dark ones. A discredited regime is still violently clinging to power in Syria, though the pressure against it is increasing dramatically each day. I want to condemn in the strongest possible terms the Bashar al-Assad regime's murder and torture of children that the U.N. reported this week in Geneva. Assad's conduct has deservedly brought scorn and pressure and punishing sanctions not just by the United States and Europe, but now by the Arab League and Turkey as well.

In addition, Iran's continued drive to develop nuclear capabilities, including troubling enrichment activities and past work on weaponization that has now been documented by the IAEA, and its continued support to groups like Hezbollah, Hamas, and other terrorist organizations make clear that the regime in Tehran remains a very grave threat to all of us.

All this upheaval – all of this upheaval is posing new challenges for Israel regarding its security position in the region. But in this time of understandable anxiety, I would like to underscore one thing that has stayed constant over the past three years of this administration: The determination of the United States to safeguard Israel’s security. And that commitment will not change.

I want to be clear that Israel can count on three enduring pillars in U.S. policy in the region, all of which contribute directly to the safety and prosperity of the Israeli people. First, our unshakable commitment to Israel’s security. Second, our broader commitment to regional stability. And third, our determination to prevent Iran from acquiring nuclear weapons. (Applause.)

These are not merely rhetorical assurances. These are firm principles – principles that are backed up by tangible action, a commitment of resources, and demonstrable resolve. Let me explain what I mean in each of the areas I’ve just defined.

First, this administration has pursued and achieved unprecedented levels of defense cooperation with Israel to back up our unshakable commitment to Israel’s security. Next year,

the U.S. armed forces and the IDF will conduct the largest joint exercises in the history of that partnership, enhancing the ability of our militaries to operate together and also testing our new ballistic missile and rocket defense capabilities. Those new capabilities are themselves a product of this unprecedented defense cooperation.

We are especially proud that above and beyond the annual foreign military financing that we provide to Israel, the Obama administration has provided more than \$200 million for the Iron Dome rocket defense system – support that recently enabled the fielding of a third battery. This system – this system has already saved the lives of Israeli civilians facing rocket barrages from Gaza.

Our work together on these defense capabilities represents only one part of our core commitment to maintaining Israel’s qualitative military edge

– an advantage that we are determined to expand even further as we continue to enhance our defense cooperation.

As just one example, the United States will ensure that Israel continues to enjoy unquestioned air superiority by delivering to Israel the advanced fifth-generation fighter aircraft, the F-35 Joint Strike Fighter.

Yet we recognize that Israel's security cannot be achieved by its military arsenal alone. It also depends on the security and stability of the region, which is the second key pillar of U.S. policy. The success of our efforts in Iran permits us to redouble the long-term commitment of the United States to the security and stability of the Middle East. The Middle East is a vital interest to the United States, and we will not let our commitment to its security and stability waver. That is why we maintain a significant military presence throughout the region to defend our partners, to counter aggression, and to maintain the free flow of resources and commerce that are so vital to the fragile global economy.

The United States will continue to have some 40,000 troops in the region to support these goals. We are also implementing our long-term strategic partnership with Iraq, including security ties between our two militaries, facilitated by a robust Office of Security Cooperation that will start on January 1, 2012. And we are building a wider regional security architecture in the Gulf, forging bilateral and multilateral cooperation to confront the common challenges of terrorism, proliferation, ballistic missiles, maritime security, and threats to critical infrastructure.

No greater threat exists to the security and prosperity of the Middle East than a nuclear-armed Iran. And that's why the third pillar of our approach to this region – this critical region is our determination to prevent Iran from developing nuclear weapons, and more broadly to deter its destabilizing activities, particularly those that could threaten the free flow of commerce throughout this vital region. That is a redline for the United States.

Our approach to countering the threat posed by Iran is focused on diplomacy, including organizing unprecedented sanctions and

strengthening our security partnerships with key partners in the Gulf and in the broader Middle East.

Last September I met in New York with members of the Gulf Cooperation Council to underscore the importance of those partnerships. Iran must ultimately realize that its quest for nuclear weapons will make it less, not more, secure. These efforts are increasing Tehran's isolation and I continue to believe that pressure – economic pressure, diplomatic pressure – and strengthened collective defenses are the right approach. Still, it is my department's responsibility to plan for all contingencies and to provide the president with a wide range of military options should they become necessary.

That is a responsibility I take very seriously because when it comes to the threat posed by Iran, the president has made it very clear that we have not taken any options off the table.

Our deliberate and focused approach to Iran, our efforts to enhance regional security and stability, and our unshakable commitment to Israel's security make clear that even at this time of great change, our determination to safeguard Israel's security is steady and sure. Indeed, it is stronger than ever.

But in every strong relationship built on trust, built on friendship, built on mutual security, it demands that both sides work towards the same common goals. And Israel, too, has responsibility to pursue our shared goals to build regional support for Israel and the United States' security objectives.

I believe security is dependent on a strong military, but it is also dependent on strong diplomacy. And unfortunately, over the past year we have seen Israel's isolation from its traditional security partners in the region grow, and the pursuit of a comprehensive Middle East peace has effectively been put on hold. I want to be clear: This isolation is due to a number of factors. Indeed, there is an international campaign underway to isolate Israel. President Obama has stood steadfastly in the way of that effort, especially in the United Nations. But I have never

known an Israeli government, or an Israeli for that matter, to be passive about anything, let alone this troubling trend. And so I've been working with the leaders there, Minister Barak and others, to find ways to help Israel take steps which are profoundly in its interests.

For example, Israel can reach out and mend fences with those who share an interest in regional stability – countries like Turkey and Egypt, as well as Jordan. This is an important time to be able to develop and restore those key relationships in this crucial area. This is not impossible. If gestures are rebuked, the world will see those rebukes for what they are. That is exactly why Israel should pursue them.

Like all of you, I've been deeply troubled by the direction of the Turkish-Israeli relationship. Turkey is a key NATO ally and has proven to be a real partner in our effort to support democratic change and stand against authoritarian regimes that use violence against their own people. It is in Israel's interest, Turkey's interest, and U.S. interest, for Israel to reconcile with Turkey. And both Turkey and Israel need to do more to put their relationship back on the right track. That's a message I've taken to Jerusalem, and it's a message I'll be taking to Ankara later this month.

Meanwhile, even as turmoil continues to rock the region, Egypt's current leaders, along with Jordan, have made very clear to me privately and publicly that they are committed to their peace treaties with Israel. We have been clear to all parties in Egypt that sustaining a peace treaty with Israel is in the critical interests of the United States. While we share Israel's legitimate concerns about instability in the Sinai Peninsula and the attack on the Israeli embassy in Cairo, the best way to address these concerns is through increasing communication and cooperation – increasing communication and cooperation with Egyptian authorities, not by stepping away from it.

Diplomacy – the real essence of diplomacy is not that you have to love one another. The essence of diplomacy is that you respect each other so that you can talk to each other when you must.

I also remain firm in the belief that it is profoundly in Israel's long-term security interest to lean forward on efforts to achieve peace with the Palestinians. I was pleased to see the Israeli government announce that it will release the tax revenues to the Palestinian Authority, averting a situation that would have undermined Israel's security and damaged the important institution- building work of Prime Minister Fayyad and strengthened the hands of extremist Palestinian factions.

Rather than undermining the Palestinian Authority, it is in Israel's interest to strengthen it by contributing and continuing to transfer Palestinian tax revenues and pursuing other avenues of cooperation. For example, the security cooperation between Israel, the Palestinians, the U.S. security forces led by United States security coordinator Lieutenant General Mike Muller, has paid real dividends. Israel should look for ways to bolster this cooperation. And President Abbas must take the difficult steps to do exactly the same thing.

Ultimately, the dream of a secure, prosperous, Jewish and democratic Israel can only be achieved with two states living side by side in peace and in security with full confidence that the United States is willing and capable of ensuring that Israel can safeguard its security as it takes the risks needed to pursue peace. Now is the time for Israel to take bold action and to move towards a negotiated two-state solution.

I recognize that there is a view that this is not the time to pursue peace and that the Arab awakening further imperils the dream of a safe and secure, Jewish and democratic Israel. But I disagree with that view. I believe Israel will ultimately be safer when other Middle Eastern states adopt governments that respond to their people, promote equal rights, promote free and fair elections, uphold their international commitments, and join the community of free and democratic nations.

I believe it is the only real long-term path to security and prosperity and to realize the vision of Yitzhak Rabin for a sustainable peace in the Middle East.

Peace requires some difficult steps. And, yes, it will involve risks. But my Italian father used to say that you cannot achieve anything worthwhile without taking risks. All Israelis should

know that the United States will always stand behind their country, providing a secure safety net as it takes those necessary risks.

I would close by noting that last year, speaking at this forum, my friend Ehud Barak recalled the famous statement by Winston Churchill, who said, and I quote, “A pessimist sees the difficulty in every opportunity. An optimist sees opportunity in every difficulty,” unquote.

There are risks. There are risks in the changes taking place across this critical region, but we will work with Israel to reduce and to mitigate those risks in the effort to achieve something worthwhile in that region. But even as we have seen the challenges across the region grow in this past year, I would urge my Israeli and American friends to remember these words, to see these changes as an opportunity and to take the steps needed to secure our shared interests for peace in the long term. To secure that peace, Israel will always have the unshakable backing of the United States. And the United States must always have the unshakable trust of Israel.

That bond – that bond is the fundamental key to stability and hope in the Middle East, and it is a bond that must never be broken.

Thank you. (Applause.)

KENNETH POLLACK: Thank you very much, Secretary Panetta. We’ve already collected a number of questions. Please feel free to continue to provide some.

Mr. Secretary, you probably won’t be surprised to hear that a great many questions I already have are all related to the same topic. That said, you probably would be surprised that most of those are about the personal life of Chuck Schumer. (Laughter.) I’ll see if I can find something else to do here other than Chuck Schumer’s personal life.

Iran. Iran is growing more and more aggressive, encouraging attacks on U.S. forces in Iraq and Afghanistan, threatening Israel, thumbing their noses at sanctions in the U.N., backing Syria, and now trying to kill the Saudi ambassador to the U.S. here in the U.S.

What level of Iranian aggressiveness should make us pick up the military option from off the table?

SEC. PANETTA: Well, as I said, we have to approach this – as the president said, with all options on the table. But at this point we believe that the combination of economic and diplomatic sanctions that have been placed upon Iran have had a serious impact. That Iran is isolating itself from the rest of the world. It is truly becoming, particularly as a result of the attack on the British Embassy, a pariah in that region. Their own government is off balance in terms of really trying to establish any kind of stability even within Iran.

The combination of that and efforts to make sure that they do not develop a nuclear capability – all of those efforts are having an impact. We have a common goal here. Let's understand we have a common goal. The common goal is an Iran that does not develop a

nuclear weapon. And working together, working with Israel, working with our allies in the region, working with the international community to continue to isolate, to continue to put pressure on, is an effort that we must continue. That's the best way to put pressure on them. It's the best way to, I believe, ultimately weaken this nation so that ultimately they have to make a decision about whether they continue to be a pariah or whether they decide to join the international community.

We always – as Prime Minister Netanyahu said, force should be only a last resort, and if that is truly the case, then I believe it is incumbent on us to implement all of our diplomatic and economic pressure as possible to try to continue this effort to make clear to the world that we are dealing with an international pariah in Iran.

MR. POLLACK: Mr. Secretary, Egypt is undergoing an historic change, but there is no guarantee it will be a positive one. How can America use

its strong relationship with Egypt's military to ensure a good outcome there?

SEC. PANETTA: I think it is important to continue to work closely with the Egyptian leadership at this time in order to ensure that they do move forward with the democratic reforms that they have promised their people. They have in fact now implemented elections. Those elections have taken place. We have rolling elections and they will go on for the next few months. At some point they will establish a constitutional change and at some point this next year they will have a presidential election.

What we should be about is to ensure that they stay on course and that they continue the efforts to move forward to implement these democratic reforms. In many ways – look, the Egyptians have to decide their future, and they have to try to implement this in a way that fulfills the promise of the revolution that took place at the time that Mubarak was brought down.

Our best course is to continue to put pressure on them to make sure that they stand by the promises that they made to the Egyptian people that they will implement these changes and convert to civilian control. That's something we'll do and when they do form a government, we have an obligation to stay with them to make sure that they abide by the commitment to respect the treaty that was signed with Israel and that they abide by the other redlines that we've established with regards to Egypt.

MR. POLLACK: Mr. Secretary, the U.S. backed – intervened in Libya to stop the regime from killing its people. Why not in Syria?

SEC. PANETTA: You know, I think I've been asked this question a number of times, as do others. You can't simply take a cookie-cutter approach to that region and decide that – I mean, apply force in one area, you know, makes sense in another area. I think right now my sense is that, by virtue, again, of the economic and diplomatic sanctions the international community has imposed, the fact that the Arab League has

imposed sanctions, the fact that Turkey is imposing sanctions – all of this I think is, again, isolate the government in Syria.

And, you know, I can't tell you when, but clearly it's a matter of time before Assad is taken off of his position of leadership in Syria.

We are – I mean, it is tragic, obviously, that there are people who are dying, but the key right now is to continue to put pressure on him, to continue the international unity that is continuing to make the effort to replace Assad. That, I think, is working. It's working effectively. Let's give that some time and we will always join the international community if it's felt that further steps are necessary.

MR. POLLACK: Because of America's disastrous economic situation, a lot of people and a lot of presidential candidates are talking about cutting off all U.S. foreign aid. As secretary of defense, how do you think this would affect American and Israeli security?

SEC. PANETTA: Well, you're coming into a town right now in which my greatest concern is with regards to leadership on Capitol Hill and its ability to deal with the issues that confront this country. You know, I served in the Congress and I've served in administrations. I – my time in the Congress – I always felt that while there were always political differences, that when it came to national issues, both parties would work together to try to compromise and find solutions, particularly to the crises that face this country. \

We are at a time now when for whatever reason there seems to be an inability to be able find those essential compromises in order to govern this country. If I had men and women who were putting their lives on the line, who were fighting and dying for this country in battle and they had the courage to do that, then surely our elected leaders on Capitol Hill ought to be able to find just a little bit of courage to find the solutions to help solve the problems in this country. (Applause.)

Now, when it comes to – I've indicated my concerns about this approach on sequestration where because of the failure of the committee of 12 to be able to find the necessary deficit reduction that they were required to

do, they've now implemented this automatic trigger that will take effect not now but in January of 2013. I've indicated, obviously, that if it's put into effect, it would decimate our national defense and tear a seam in our ability to effectively defend this country.

But at the same time, I'm also concerned about what it does on the domestic side of the question. National security is not just dependent on military power. It's dependent on diplomatic power. It's dependent on the State Department being able to provide foreign aid, being able to work with countries, being able to provide development money, being able to provide education money. It's also dependent, frankly, on the quality of life in this country – to educate our kids, to provide health care. All of that is part of our national security. And it's for that reason that I think it's essential that the leadership of the country find the solutions to dealing with the deficit without having America have to pay a price that it will regret in the future. (Applause.)

MR. POLLACK: Mr. Secretary, how long do you believe a military attack on Iran would postpone it from getting a bomb?

SEC. PANETTA: Part of the problem here is the concern that at best, I think – talking to my friends – the indication is that at best it might postpone it maybe one, possibly two years. It depends on the ability to truly get the targets that they're after. Frankly, some of those targets are very difficult to get at.

That kind of, that kind of shot would only, I think, ultimately not destroy their ability to produce an atomic weapon, but simply delay it – number one. Of greater concern to me are the unintended consequences, which would be that ultimately it would have a backlash and the regime that is weak now, a regime that is isolated would suddenly be able to reestablish itself, suddenly be able to get support in the region, and suddenly instead of being isolated would get the greater support in a region that right now views it as a pariah.

Thirdly, the United States would obviously be blamed and we could possibly be the target of retaliation from Iran, striking our ships, striking

our military bases. Fourthly – there are economic consequences to that attack – severe economic consequences that could impact a very fragile economy in Europe and a fragile economy here in the United States.

And lastly I think that the consequence could be that we would have an escalation that would take place that would not only involve many lives, but I think could consume the Middle East in a confrontation and a conflict that we would regret.

So we have to be careful about the unintended consequences of that kind of an attack.

MR. POLLACK: Mr. Secretary, a quick follow-up on this comment. Obviously – capable American policy towards an Iranian nuclear weapon – (inaudible) – also be consequences of Iran firing a nuclear weapon. What do you think the consequences of Iran’s acquisition of a nuclear weapon would be and why do you – (inaudible)?

SEC. PANETTA: Well, you know, again, as I made clear, this is a common goal. This is something that the United States, Israel, the international community does not want Iran to obtain a nuclear weapon. Why? Because obviously Iran’s entire effort of using the IRGC, supplying terrorists in the world, underlining governments throughout the world, clearly supporting terrorists in part of the world – a nuclear weapon would be devastating if they had that capability.

In addition, once Iran gets a nuclear weapon, then they’re not – you will have an arms race in the Middle East. What’s to stop Saudi Arabia from getting a nuclear weapon? What’s to stop other countries from getting nuclear weapons in that part of the world? Suddenly we have an escalation of these horrible weapons that, you know, I think create even greater devastation in the Middle East.

So a key for all of us – for all of us is to work together – together – to ensure that that does not happen. We have made good progress in these efforts. We continue to make good progress in these efforts. That’s where we ought to continue to put our pressures, our efforts, our

diplomatic, our economic, experts working together to make sure that that does not happen.

You always have as a last resort – as the prime minister said – the last resort of military action, but it must be the last resort, not the first.

MR. POLLACK: Mr. Panetta, is the chief priority of U.S. policy toward Iran to moderate the nuclear ambitions of the Iranian regime, or to change the Iranian regime? Will this regime be willing to change its behavior?

SEC. PANETTA: I think the effort that we're concerned about is to make sure that Iran does not obtain a nuclear weapon, first. Secondly, we would like to have an Iran that becomes part of the international community and that it decides that it is going to engage with the rest of the world, as opposed to isolating itself, as opposed to supporting terrorists, as opposed to trying to influence and support those that attack our country and attack others in that region.

That is our fundamental goal – to try to ensure that we have an Iran that becomes part of the international community and that understands its obligations as part of the international community. But most importantly – most importantly – we have to do everything we can to make sure that they never obtain a nuclear weapon.

MR. POLLACK: Back to Egypt, Egypt just had elections, as you discussed, obviously Islamists and particularly Salafist parties did very well in that election. Do you believe this was – this unexpected rise of the extreme religious right in Egypt is a threat to regional security? What would U.S. policy towards an Egypt which is controlled – (inaudible)?

SEC. PANETTA: Well, I guess we can all jump to conclusions, right now, but I think we need to let this play out a little bit. This is the first part of a rolling election. Clearly we need to see what the results are of this first part of the election. They haven't been announced yet. We'll probably get a formal announcement tomorrow. And then they have additional elections that will take place in the parliament that will occur throughout the rest of Egypt. We then will have an election for the upper

body that will take place. We then will have, you know, as a consequence of that, a constitution will come together and then we'll have a presidential election.

I mean, all of that will take place. All of that occurs. This is a democracy. In democracies, we have to allow the Egyptian people to express themselves in that process, and ultimately the pressures within a democracy will have some impact as to its direction. For our purposes, when they come to the conclusion of this process, the United States has to engage with whatever government is established in Egypt and ensure that they abide by their obligations, ensure that they abide by the treaty with Israel, ensure that they abide by international standards, ensure that they continue to be a partner to us in that part of the world.

That's what democracy is all about. Let's give it a chance because they are at the beginning of this process, not at the end.

MR. POLLACK: And this will have to be your last question. Mr. Secretary, you made a strong statement about Israel's responsibility towards peace. What steps should it take now? Withdraw the Israeli army from the Palestinian territories? It's a suggestion and a question. It's a suggestion in the form of a question.

SEC. PANETTA: Just get to the damn table. Just get to the table. (Applause.) The problem right now is we can't get them to the damn table to at least sit down and begin to discuss their differences – you know, we all know what the pieces are here for a potential agreement. We've talked it out, worked through, we understand the concerns, we understand the concerns of Israel, understand the concerns of the Palestinians. If they sit at a table and work through those concerns, and the United States can be of assistance in that process, then I think you have the beginning of what could be a process that would lead to a peace agreement.

But if they aren't there – if they aren't at the table, this will never happen. So first and foremost, get to the damn table. (Applause.)

MR. POLLACK: Mr. Secretary, thank you so much. (Inaudible.)

