



REAGAN NATIONAL DEFENSE FORUM

PEACE THROUGH STRENGTH IN AN ERA OF COMPETITION

NOVEMBER 30 - DECEMBER 1, 2018
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SIMI VALLEY, CALIFORNIA

DECEMBER 1, 2018
7:30 AM – 8:45 AM

PANEL 1

THE AMERICAN PEOPLE BELIEVE...HOW ARE THE AMERICAN PEOPLE LOOKING AT OUR MILITARY AND THE PENTAGON AFTER THE MIDTERMS?

Panelists:

- Congresswoman Liz Cheney, U.S. House of Representatives, Wyoming
- Mr. Pete Hegseth, Co-Host, Fox and Friends
- Senator Angus King, U.S. Senate, Maine

Moderator: Mr. Tunku Varadarajan, *Hoover Institute*

Varadarajan: Good morning ladies and gentleman. Welcome to the first panel. All of you got up just as early as I'd suspect. It's my honor to share the podium today with three highly knowledgeable on the subject we have for us. I'll introduce each one of them very very briefly. Senator Angus King to my right. Maine's first independent US Senator. He serves of the armed services committee in the Senate and is a former governor of his state. And has the finest mustache in Washington.

Varadarajan: Congresswoman Liz Cheney who [inaudible 00:00:54] the flag of Wyoming in the house and serves on the armed services committee. And is, she tells me, just as proud as being a part of the Western states caucus. And to the far right we have Pete Hegseth, a co-host of Fox and Friends weekend. An army veteran whose had tours of Afghanistan and Iraq. And is currently in his latest battles that of American journalism.

Varadarajan: Before we get down to the topic at hand, I wish to share in everyone's sorrow on the death of President Bush. And I would like to invite my fellow panelists to say a few words on the subject. And we'll start with you Senator King.

King: We feel particularly keenly the loss of President Bush because Maine was a sort of geographic constant in his life as he moved from Connecticut to Texas to Washing. But it was always Maine in the warm weather months. And when I think of President Bush, who I met in Kennebunkport on a number of occasions, the world gentleman is what comes through to me. He was warm and courteous and thoughtful. And really Maine people always felt that he was one of us. So I

know my friends in the southern Maine region Kennebunkport and throughout the state feel his loss very keenly. He was a very special guy. A life of public service. But he never was arrogant in any way. He was always humble and thoughtful and close to the people that he knew and represented.

Cheney: Well, I share everything that Senator King said. I think that everyone in this room knows President was a man who at every moment of his life showed service to our nation. I want to tell one personal story though. Because while he was the incredible historical leader we all know he also was a very kind and good man. And we were in the White House residence on election night in 2004. And we had some of our kids there. One of my daughters was about eight or nine. And President Bush came across the room when he saw her and he said to her, "You know what?" He said, "You're the youngest person here and I'm the oldest person here. So you come sit by me." And they sat together in an arm chair both of them engaged in deep conversation for quite a long time. And as a mother I was really scared. What in the world is she saying to him. And he was so interested and held her. Listened to what she was saying very earnestly. And so as we left I said, "Katey, what were you talking about?" And she was so excited. She said, "Mom, I told him all about my art teachers 17 cats."

Cheney: And I thought what a kind man on election night to sit there and listen to that. So he was a great man in our nation. We'll forever be a better place because George Bush served at so many levels including as President.

Hegseth: Absolutely. So many ways you could go but I think of him as a selfless patriot emblematic of the World War 2 generation. Here's a guy who went to Phillips Academy. His father was a senator. Could've gone to Yale where he's admitted. Instead the minute he turned 18 he enlisted in the Navy so he could go and fight in World War 2. And in the Pacific, of course, was hit by enemy gunfire. His engine was on fire. Still delivered the payload on target. And then flew another two miles to eject. Lost two of his crew members in the process. He survived. He was picked up on wrath. Continued and flew 58 combat missions in World War 2 and then came back as that generation did and went to work.

Hegseth: And some of it was in the private sector but the rest of it was in the service of our national. And I think his timeline started on December 7th, 1941 when our nation was attacked all the way to the fall of the Berlin wall and the collapse of the Soviet Union. Who saw it from start to finish the way that George H.W Bush did. And we're lucky to have someone in the positions he was in during those tumultuous for sure.

Varadarajan: Thank you for that. Can we have the first slide up. I can't see it from where I'm seated. Can everyone see it? Perfect. Wonderful. This slide offers results on many things from a poll that was done by the Reagan Foundation. We're going to talk about the American people's views of the military and the Pentagon and national security after the midterms.

Varadarajan: So if you could look at the first slide. Ponder it for a bit. Swirl it around. You'll find the midterms show America to be notably divided. I think we can all agree. With partisan bitterness a plenty. And yet there seems to be clear agreement at least on trust in the military if not in it's CNC. 70 percent as you can see from the slide have great confidence in the military. With only about eight percent showing little or no confidence. So how do you explain that? And I'd like to

invite our panelist to take a shot at answering that question. Maybe we'll start with you King.

Hegseth: Sure. I think that number starts with the legacy of the president here that this institution honors and George H.W Bush in the Gulf War. If you think about what the Gulf War ultimately was. It was the reaffirmation that American power was capable of defeating enemies that we knew we ruthless. And in the hangover from Vietnam and what happened there. There was a lot of questions about what that war would look like. The Gulf War was won more decisively than anyone thought. The military came back and those members got the parade that the Vietnam generation never got. Re-establishing a lot of faith in the institutions of our military.

Hegseth: And through that I think we learned a lot of lessons as a body politic, as an American people, about the treatment of our men and women in uniform. So today that number is high because since then ... And I think because of Ronald Reagan and George H.W Bush and Chaney and others did in making sure that our military was strong and robust and decisive. The general public trust that institution. I also think just in modern times the military has a code and an ethos and an honor that is sorely lacking elsewhere in our public generally speaking. As we see institutions eroded from the basic values that we've always held dear. Public schools, things like that.

Hegseth: I think people still are drawn to selfless sacrifice and risk. Look at police and law enforcement. The number right underneath it at 83 percent. I have the great honor on Fox and Friends to travel the country all the time and meet with regular people in regular towns all over the place and ask them their opinion. And I think there is just such a deep reservoir of goodness and patriotism in the American people that look at those who are willing to put their lives on hold and their life on the line for the freedom that we have. And they love that. And so I think it is on our leaders to maintain the purity of the institution, the bipartisan nature of the institution. I think so far that has been done. And I think we need to cline to that credibility. And so far that's one thing Washington has completely yet to mess up is the perception of our military.

Varadarajan: Thank you. Congress woman.

Cheney: Yeah. I think that number obviously as it should be I think you've got broad bipartisan support for the military across the country. But I also think we have to make sure that we don't sort of take false comfort in that. And I think to be blunt we've got to put our money where our mouth is. And particularly as members of congress. When you look at Mac, Sharon Thornberry mentioned the NDS commission study. And the military is such a revered institution because of everything it stands for, everything it's been able to accomplish because of the resources as Pete said that were provided in large part during the Reagan administration and following.

Cheney: But we're in a situation today where the threats we face across the country, I don't believe the American people understand the crisis that we're in. And when you look at the list of threats we face I was particularly struck reading the NDS Commission report that you've got the five adversaries we all know of and then a sixth threat is United States Congress. So for those of us who are elected officials to be in a position where we are affirming our support for the military that affirmation is hollow if we don't provide the resources necessary.

Cheney: And I'm very proud of what we've been able to do in the last two years. But I'm very concerned that there are those who think the job's done. And that somehow now we can cut the budget. I want to particularly draw your attention to and commend Chairman Thornberry and Chairman Inhofe for their piece in the Wall Street Journal yesterday. Which really makes the case not only are we in a situation where we can not afford a defense cut. We have got to have at least three to five percent annual growth.

Cheney: And I think the American people, because we've had this combination that's in some ways been stealth of our own capabilities declining because of policies of the administration the last administration. Because of the budget control act and sequestration. And at the same time you've had our adversaries gaining capacity and capability that has put us in a crisis. And I don't think there is that level of recognition around the country. I don't think there's that level of recognition in congress frankly. We certainly have much more to do.

Varadarajan: Senator King.

King: Why is that number so high. I think the first reason is the military is competent. They perform. They do their job. They perform their mission. And I think there's a sort of unconscious yearning for competence. And then everybody's referring to Macs' opening remarks. This is the first time we've had the appropriation in ten years. We're incompetent. We're literally unable to do one of the fundamental jobs, that we being Congress, that we're called upon to do.

King: So I think a perception of competence which I think people want to have some confidence in. And I think that's definitely part of it. I think another part of it is ... And I suspect if you did this pole and talked about firefighters, police officers, first responders you'd get similar numbers. I think part of it is a realization that when people sign up for the military or to be a fire fighter, a first responder they are literally putting their life on the line. Few of us do that when we sign our name to take a job whatever the job is. Whether it's in industry or finance or Congress. We're not promising that if the occasion presents itself we will put our life on the line. I think people realize that and that's part of it.

King: I think the final piece for me that is reflected in these numbers is a kind of recognition that the military represents the best traditions of our country. It's a reaching back through history. I'm reading the biography of Grant, of US Grant right now. Which is absolutely fascinating. And the outpouring for him. He was elected President by the way without a single speech, campaign, trip, rally, didn't spend a dime. He was nominated, six months later he was elected. What a world that is. But it reflected the fact that there's an unconscious yearning for sacrifice, competence, and an embodiment if you will of the American values of courage and commitment to freedom.

King: So I don't think that is a surprising number. And I just hope it stays that way.

Varadarajan: Thank you. Several interesting themes emerged from there. Unconscious yearning for competence you say. Let's not take false confidence from that" says Congress woman Cheney. And you attribute this to Presidents Reagan and George W. Bush to a large extent. Let's move onto the next slide which says that support for the military doesn't however mean unconditional support for the military's' budget. There is support but it's not unconditional and there are variations in support depending on who you ask. I'd like you to talk maybe

about the Gulf between democrats and republicans here. And also between those under 30 and those over 65. Maybe we could start with you sir.

King: Well, of all the politicians in this room. I had the unique experience in this election of having both a democratic and republic opponent. And one of the interesting things that happened in my campaign were several debates where both of those individuals were critical of the defense budget. And were critical of our engagement around the world. And I thought that was interesting that both the republican and democratic opponent came at it from that point of view. I think and we'll talk about, I hope, the sort of separation of the all volunteer force from the society. I think that's an important issue to talk about.

King: But I think the general public ... You constantly here the raw number 700 billion, 733 billion. Huge amount. And the most common thing I would hear was, "That's ten times more than the rest of the world combined." Or those kinds of things. What hasn't come through to people and I think is so important is we are spending now as a percentage of GDP the-

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King: ... we are spending now as a percentage of GDP the least money on defense in any time in the last 70 years. It is also the lowest percentage of the overall federal budget in the last 70 years. That's what people aren't getting, that, yes, it's a big number, but relative to the size of our economy, relative to the responsibilities that we have around the world, it's in proportion. I think people often miss that, because it's often set up between Democrats and Republics you've got to have so much for defense and so much for domestic, but I think we need to make the case better.

King: The theme is peace through strength. The truth is if you don't have a strong deterrent on all fronts, there are bad people in the world who will take advantage. There are aggressors. I think of them as hotel thieves. They go down the hotel room and try every door until they find one that's open. If we leave doors open, there are bad people that are gonna come through those doors. So, I think we need to make that case.

King: We tried cutting defense substantially. We tried withdrawing from the world. We tried avoiding our responsibilities worldwide during the 30s, and the result was a horrible war that cost 55 million people. Had we been better prepared, had we been willing to confront Hitler in 1938, instead of later on in the early 40s, that result could have been different. I think we need to make that kind of commitment. That's what's the budget number ... I think in a sense we haven't made the case generally about why this is important to people's lives and security.

Varadarajan: Thank you, sir. Congresswoman?

Cheney: I think Senator King is right. I think that part of the challenge we face is in a way translation. You know, we absolutely know and the poll numbers show the United States Armed Force is the greatest fighting force the world has ever known, greatest manmade force for good the world has ever known. Along with that comes this sort of can-do, yes, we can complete the mission. One of the things that I've been struck by, sitting on the Armed Services Committee, is how difficult the challenge is, because as we have testimony, and the testimony from

the joint chiefs, from the civilian leaders, you never want to be in a position where, they never want to be in a position where they're saying, "We can't complete that mission. We can't do that." So, the language then sort of goes into, "Well, we could complete that mission with moderate risk. We can complete the mission with high risk." The American people don't know what that means.

Cheney: I think when you combine that challenge with the fact that the American people have grown completely accustomed, because of our military, to assuming we'll have dominance, to assuming if we ever have to use it in any kind of an engagement, we'll prevail. So, we really have an obligation, I believe, to get beyond the numbers and to get into the situation of explaining, "Look. If you want to be able to defend our interests around the globe, if you want to be able to ensure that we don't create a vacuum that the Chinese and the Russians step into, if you want to make sure that you prevent the Iranians or the North Koreans from using nuclear weapons against us or our allies, these are the things that it will take. These are the programs that must be funded. This is what it means.

Cheney: I also think we've got to be in a position where we are conveying that notion down to a personal level. When I talk to my colleagues, many of whom are here, and we all have the same experience, if you're just talking with someone who may disagree about the numbers, you will find no disagreement when you say, "You know what? If we're gonna deploy young men and women, and we're gonna ask them to put their lives on the line for all of us, are we really gonna do that without giving them the resources they need?" Nobody will say, "Yes. We're gonna do that." We never should be in a position where we're accepting that. Sadly, I think too often today that's where we're finding ourselves, and it will only get worse if we don't stop the kind of budgeting process that we've seen for far too long.

Varadarajan: Thank you. Pete.

Hegseth: Yeah. I should have started my remarks with this by commending the Reagan Foundation for doing this survey in the first place. You know, I went to school with a lot of people who told me time and time again, "Foreign policy, national security matters, international affairs, that is the conduct of the elites. The elites dabble in that, because they can understand the nuances and the complications. The people can't grasp it." I don't know if we can put the numbers back up there for support in increasing military spending, but I'm actually heartened by those numbers.

Hegseth: Yes. There's a disconnect, but to see 63% of those under 30 believe we need to increase our defense spending ... When you look at the pressures on the right, whether it's isolationists who don't see America that should be engaged in the world, or whether an increasing share of the hard left that doesn't want a military budget growing or staying the same ... They want it smaller, and they want different priorities domestically and domestic focus. You see that in the struggle on Capitol Hill. Those numbers to me are reflective of a healthy understanding that the military is a force for good.

Hegseth: Back to that initial question. I think part of what unites people around the military as well as we live in a world that is awash right now in identity politics. Who are you by your race? Who are you by your gender? Who are you by your

economic status? Who are you by your sexual orientation? When it comes to the military, it's all green, or it's all camouflage, and it's all commitment to the flag on your shoulder. People love that. They crave that, because that's always been the idea of America, that we're in this together, and we shouldn't be divided.

Hegseth: So, when I see that number of military spending, that's good to me. I think the difference between Republicans and Democrats comes down to some of the ways they view the nature of threats. I think generally speaking, today, in the world today, those on the right of center look at things like radical Islam and the threat from terrorism as something to be vigilant on and be focused on. We might not have done it the right way for years, but we gotta get it right, because that threat continues to grow.

Hegseth: Then on the left you see threats that are less addressed by DoD, like climate change, as something they're more focused on. Well, if you're gonna address that, you do it differently. So, we do have disconnects in how they live in history and how they react to the world, but, listen. That's a pretty good number for me. It could be better in my mind, but an increase in defense spending, for the public to grasp that means they still understand how valuable defense is as an institution.

Varadarajan: Thank you. Congresswoman Cheney mentioned the op-ed written by James Inhofe and Mac Thornberry in the Journal yesterday. I just happen to have a copy of it.

Hegseth: You just happen to work for the Journal. Right?

Varadarajan: Well, it is a fine paper. I wanted to read the first paragraph of this op-ed and ask all of you to comment briefly on it. It plays off the polls to some extent, but this is a little tangent. "President Trump," they write, "Inherited a military in crisis. The Obama Administration asked a shrinking force with aging equipment and declining budgets to fight wars and perform other missions around the world. Gridlock on Capitol Hill added to the problem, delivering late and inadequate budgets for nearly a decade. The result was a readiness crisis with tragic, sometimes fatal, consequences for American troops." Discuss. We'll start with you maybe, Congresswoman.

Cheney: Well, even if he weren't the chairman of the committee I serve on, I would wholeheartedly agree with that assessment. There's a real cognitive dissonance in Congress, on the committee, and I would say probably broadly. This sense of support for the military, we know that it's crucial, but we in Congress have got to face facts. The Budget Control Act, as you all know, was passed with good intentions, but has been an absolute disaster. We're still living under that. I think that we're in a situation today where we have to, I believe, in Congress, do our job. I don't think that our job should be saying, "Well, if you want this much for defense spending, we have to have this much for domestic spending." I think our job should be to say, "What do we believe are the priorities of the nation?"

Cheney: Let's debate that, and let's go home and explain it to our constituents, and let's explain it to the American people, and defend the decisions we make, instead of having arbitrary caps and limits, caps that will put us in a position where we can't defend ourselves. I mean, the American people I don't think fully recognize across the board that our adversaries have weapons systems we can't defend

against, that we cannot count on air superiority in all circumstances, that we have lost supremacy and lost dominance across many, many aspects of the challenge that we face. So, I think it's important for us to recognize that it's actions we have taken in Congress that have put us in that position.

Cheney: I think what Chairman Thornberry and Chairman Inhofe are trying to do with that article frankly is say to the administration, and that's the headline, "Mr. President, please don't cut the defense budget." The president, our OMB director, and those on both sides of the aisle need to recognize this job is not done, and we have a very long way to go. We've got to make sure that we continue on the path of providing the resources.

Cheney: Let me just say one other thing. Again, this is a plug for the National Defense Strategy Commission Report, but they make the very important point that if we continue on the path we're on, if we just continue with the status quo, if we say we'll try to adjust a little bit here or there, that is an affirmative decision not to provide the resources the nation needs for our defense. It's a decision not to do what's necessary. "We can't just kind of bury our head in the sand", as Mac quoted from Ronald Reagan, and think, "You know what? It'll be all right," or, "The next guy will handle it." We are deciding, as the elected representatives of this country, not to defend the nation. I think that's shameful, if that's the path we go down.

Varadarajan: Senator King, do you agree with all of that?

King: Well, first, I think it should be pointed out, that's a letter to one person that happened to fall into the hands of the newspaper. I think it's pretty clear what the two chairs were talking about.

Varadarajan: Correct.

King: My only issue with that paragraph you read is the Budget Control Act was passed by Congress. President Obama was engaged in those negotiations, but John Boehner and the leadership on both sides were involved as well. That was a let's all join hands and jump over the cliff moment. The problem was that they created the sequester as being so utterly stupid and unacceptable that of course it would compel Congress to come up with a better solution, which Congress didn't do. So, that leaves us where we are.

King: Clearly, for all the reasons that we've talked about and one reason we haven't talked about is we're at a moment of recapitalization. We're in the Reagan Library. We're now at a moment of recapitalizing a lot of the great investments that were made during the Reagan era that are now 30 and 35 years old, the Ohio-class submarine, long range strike fighter. There's a big bubble of expenditures coming, in addition to readiness and those kinds of things, and that gets to the final, quick point. I know you're shifting in your chair.

Varadarajan: No. Please. Keep going.

King: Politicians get a sense of that when a moderator's going like this, it's time to quick.

Varadarajan: I know when I hear something [inaudible 00:28:35].

King: No, but there's another threat to our national security that we haven't touched on yet, and that's the debt, the debt and the deficit. The joint chief several years ago pointed out they thought that was one of the most serious threats to national security. Just a couple of quick points. Interest rates now are at an all time low. We're in a Never Never Land in terms of interest rates. If interest rates return to about 5% ... It's a really easy calculation, by the way. Every 1% that interest rates go up is \$200 billion a year of money out of the system, dead money. In fact, the irony is as China is buying our bonds, we're paying more and more interest, and they can build aircraft carriers with money that we're sending them. I mean, it's just nuts.

Varadarajan: We're paying for their defense.

King: We're paying for their defense. This is a really serious problem. We are at the highest level of debt to GDP since World War II. We're in an economic boom, and yet in the last 10, 15 years we've had major tax cuts, and the difference between what we're spending and what we're taking in is about three and a half percent of GDP with no end in sight. We're talking about a trillion dollar deficit this year. It's all well and good to talk about funding the military, and readiness, and recapitalizing. That's great, but we've got to pay for it. If we don't pay for it, we're undermining with one hand what we're building up with the other hand.

Varadarajan: Thank you. Pete?

Hegseth: No. I think the Senator makes a great point. Our debt is a serious problem. Washington hasn't taken it seriously. The problem is, as the piece points out, you're not gonna balance the budget on the backs of the Defense Department. Serious entitlement reform is what is actually needed. I think things like the audit, some of the reforms that have been made on acquisitions, and personnel management, and healthcare at the defense Department are important. Your house has to be clean before you ask for money as well.

Hegseth: I think that's all part of the calculation, but looking at the sort of indictment of the previous administration, I feel like the Obama Administration was content to manage the decline of America, manage the military decline status of our country on the world stage. They papered it over with smart, highfalutin sound word salads, like strategic patience, and leading from behind, and focus on soft power, all the things that sound good and brief well, but ultimately when you cut the military budget, you're cutting ... whether it's sequestration or not, everyone was complicit at some level, and they weren't pounding the table to increase the defense budget, unless it included commensurate increases on the domestic side, which they're always welcome to as well.

Hegseth: When you cut the budget, you cut training. You cut people. You cut readiness. You cut bullets. You cut ships. You cut planes. You cut brigades, combat teams that are prepared to deploy. Then you ultimately start to, by default, cut back your obligations in the world, whether you should be obligated to that place or not, because your resources are spread thin. You see some of the shell games that were played in combat zones, where we ignored enemies, or we surged a little bit here, but we pulled back here. We waited to be engaged in certain locations. So, I do think there was a managed decline to a sort of more international equity, as the Obama Administration saw it.

Hegseth: The last couple of years, as far as funding as the Defense Department is concerned, and I think the ethos within the military is a recognition that America is a force for good, that the American military is the greatest peace department the world has ever seen. If we don't keep it the biggest, baddest monster on the block, then we invite uncertainty. We ...

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Hegseth: -Monster on the block, then we invite uncertainty, we invite vacuums. China and Russia are trying to exploit that, they're testing us right now. Look what happened in the international waters with the sailors from the Ukraine. That's a continual test of whether or not we will uphold the norms that American put into place, because we won world wars thanks to aviators like George H.W. Bush, to put us in a place to shape the world. We cannot forget that our military's ultimately what undergirds our strength and ability to project it because there are plenty of people that don't want human freedom flourishing in powerful places with big armies that want to see the future different than we do.

Varadarajan: Thank you. I'm now going to-

King: Don't forget [inaudible 00:32:45]. You haven't touched on-

Cheney: No, I think I answered.

Varadarajan: She started.

King: Okay.

Cheney: It was clearly very memorable.

King: I just wanted to be sure you weren't left out.

Varadarajan: Now, I'm going to scroll through the next two slides and combine them in the question. The first one looks at regional threats and how they're perceived, and they're perceived as coming most likely from the Middle East and East Asia in that order of magnitude. And then I'm going to scroll through to the next one, which shows that there's agreement between Democrats and Republicans on North Korea and its general nastiness. But I'd like you to look at the divergence between Democrats and Republicans on China and Russia. The Democrats fear Russia more than they do China, and the Republicans fear China more than they do Russia. It wasn't that way with Republicans during the Cold War, what happened/ How do you explain all of this? Maybe we'll start with you, Pete.

Hegseth: You want me to talk about what happened with Russia? No, I'm just kidding. I think we know the dynamic there-

Varadarajan: Well, this is the place to talk about it anyway.

Hegseth: This is the place to talk about anything. First I want to go to the previous slide. I think it's very interesting that ... I don't know if we can go back one.

Varadarajan: I think I can.

Hegseth: Views of threats in the Middle East, it's 27 percent for the general population, but for active duty military it's 17 percent. And I think that active duty households, I think that speaks to the fact that you have a generation of guys and gals that went and fought big, expensive, complicated wars and don't necessarily at this point see a wonderful return on investment. And that doesn't mean you have to be against the war or why it started or whether the surge worked and who's to blame, but you also look at that level of investment and wonder whether it's commensurate with, A, the outcome we have, and B, the ongoing threat, recognizing that ongoing threat is very real and has to be managed. I do think the military sees some of these things, especially in the reflection of a focus on East Asia.

Hegseth: What happened on the perception of Russia? We're still a partisan country with partisan views of the way things happen. I think Republicans have supported this president, Donald Trump, who vowed to take a different approach on Russia, and Republicans feel like Russia's been weaponized against him, and as a result they minimize the extent to which Russian collusion and election interference was the single greatest threat facing our democracy that we must talk about on TV for 24 hours a day for two years in a row. And you add all that up and pretty soon that's going to be reflected. Again, in the view of average people, average Americans being asked what the threat is, and that's where I think elites and media can overplay their hand and then undersell a very real threat, because this whole crowd knows who Vladimir Putin is and what he wants to do in the world.

Hegseth: But if you demagogue the issue for too long, you can turn people off to that reality. I think the counter is at play with China. There just still isn't a deep enough understanding of the depth of the strategic showdown that we have looming with them. The president has talked about it in a trade context, but things like the Belt and Road Initiative, things like the islands in the South China Sea, they're still not resonating in the minds of average Americans who are voting on national security. That's where education comes into play, that's where the think tanks and the politicians have to meet the campaign trail and the education of average voters who need to know how real that threat really is.

Varadarajan: Thanks. How about you, Senator King?

King: Well, I think it's ironic that six years ago Mitt Romney was somewhat mocked for saying Russia was our greatest strategic threat. Some of you are old enough to remember a guy named Mort Sahl who was a ... He was sort of the John Stewart of the 50s. He once said, "If you maintain a consistent political opinion in this country long enough, you will eventually be tried for treason." And this is sort of an example of that where the tables turn. I think why does that poll show what it does among the parties is pretty obvious, that Russia has itself become a political issue in this presidency. I don't think ... Frankly, those things come and go. I think it's the role of those of us that are engaged in these issues to have a clear eye and not a partisan eye about where the threats are. And clearly, Russia and China, we've got newly rising, we've got an aggressive Russia, we've got a rising China with very far reaching goals, we've still got terrorism.

King: There's one concern I have is that in the new national defense strategy we turn from counter terrorism to state competition, and we don't want to forget about terrorism, it's still there and there still are some very serious risks. And to me,

the thing that keeps me up at night is cyber, and that can come from Russia, China, Iran, or a non-state actor-

Varadarajan: You said cyber?

King: Is cyber-

Varadarajan: Yeah, we've got to [inaudible 00:37:55].

King: Where it comes from is a different question. I think that's a place where we're woefully unprepared, and I'm sure ... I hope this conference today, we'll talk about it, because if we don't develop some offensive cyber capability and a cyber deterrent, we're going to continue to lose on that front, and it could be catastrophic.

Cheney: I think it's crucially important that we all make sure the partisanship isn't part of this assessment. And I think that there's a requirement of leadership here in terms of making sure that the American people understand that the threat, and the threat environment as you all know, is probably more grave, more complicated, more serious than it's been certainly since World War II, I would say, since the end of World War II. Russia is a crucial and growing threat. Politics aside, I think people need to understand that. China is a threat. We don't have the luxury of being able to say, "We're no longer going to be focused on terrorism because we're now going to focus on great power conflict." And I think that's one of the real challenges we face is the ... I commend the national defense strategy for the focus on great power of conflict, but essentially going to a one war strategy, which is where we seem to be, is totally insufficient given the magnitude of the threats we face.

Cheney: And I think we've got to make sure that the American people know, that the elected leaders know, that we're making decisions and choices here, that when we say we are going to be able to only prevail in one conflict while we attempt to hold others at bay, that puts us in a situation of doing exactly what Ronald Reagan urged us not to do, the quote that Mac opened with, in terms of not ignoring our duty and blindly hoping for the best. But I think we have to have a real analysis and a real assessment. And those of us in this room and those of us who are in elected leadership positions, elected representatives, have got to make sure that for all of the partisan back and forth that goes on, that we keep our eye very squarely focused on the security of the nation in a non-partisan way and in a way that accepts that the threats are serious and grave, and it is not an exaggeration to say it is a crisis. And I think that makes it incumbent upon all of us to make sure that we provide the resources to make sure that we really can defend the nation.

Varadarajan: Thank you. I'll move on to the next slide, which alludes to the subject that Senator King was talking about before I cut him off. Maybe you could pick up the thread. Americans are extremely concerned about the threat of cyber attacks. Are we prepared for them? Let me rephrase that. How unprepared are we really?

King: Very. Essentially, my belief is that we have no deterrent, that there's no price to be paid, that it's a cheap attack. Putin can hire 4,000 hackers for the price of one F-35, and it's a low cost way, and so far it's been low cost in terms of response. And they are going to continue, they being whoever, is going to continue to do

these things until they feel that they're going to pay a price. And right now we're a cheap date and I think we need to develop a strategy and an announced strategy of deterrents. It doesn't do any good for NSA to have all kinds of exotic tools that could knock out the hot water in Putin's bathroom, you've got to tell people you have the strategy. Dr. Strangelove, if you'll recall, the doomsday machine was ineffective because they didn't announce it. And the president said, "Well, Dimitri, why didn't you-"he said, "The Premiere likes surprises."

King: If you're going to have a deterrent it's got to be a public deterrent and they have to feel that they're at risk. Because right now if you're a boxer and all you can do is bob and weaver, you can be the best bobber and weaver in the world but if you can never punch you're going to lose that battle. And that's where we are now, we're trying to patch and defend, and our adversaries have to understand if they come at us ... And the response doesn't necessarily have to be cyber, it can be cyber or it could be sanctions, it could be a lot of things, but if we don't have that, number one, offensive capability that is announced as a doctrine, we're ultimately at grave risk, I believe, in this society.

Varadarajan: We have three minutes left, if we don't finish on time we won't be asked back, so, Congresswoman Cheney-

King: I thought we had all day.

Varadarajan: I wish.

Cheney: That's how the senate works.

King: Beautiful.

Varadarajan: She is memorable.

Hegseth: I love it.

Cheney: I don't have much more to add. Senator King is right. I would just say that it strikes me that our conversation on this issue and on many others has been especially focused on, and maybe almost entirely focused on defense. And I think we can't miss the importance of not just being a deterrent force, not just making clear if they attack us there will be a very severe price to pay, but also taking steps that leapfrog over the kind of technology our adversaries have developed and putting us into a position so that we can hold them at risk so that they've got to adjust their behavior and their operations in order to make calculations about us because we're on the offense. And I don't believe that we are today in too many places, and I think that's clearly something that has to change.

Varadarajan: Pete, do you have as much time there is on that-

Hegseth: I'm used to working on a time clock.

Varadarajan: Okay, go for it.

Hegseth: Talk in my ear and tell me when I'm done. We have a larger problem on our hands when it comes to this issue. These numbers don't surprise me because it's where people ... their personal computer, their personal security, their

government security. I don't think we've figured out in the modern era ... I think the reason America first resonates with people is they have a sense the elites, the institutions, a lot of the companies, the media, the media giant, big tech, they're playing a global game without much allegiance to what happens in Kentucky and Pittsburgh and Miami. This idea that we live in a globalized world, globalization is real, but globalism is a mindset where you put your own corporate interests, or you're willing to sacrifice something before putting America first and bringing your company here. And that's where politicians have a responsibility to make this the greatest country in the world, so our companies are here, and they're invested here. And it happens in our institutions, it happens in our schools, in our civic groups. Belief in American and that America is great needs to percolate our entire society, otherwise you're asking companies and media giants to do things that are antithetical to their global business interests. And I think we haven't figured that out yet, especially when it comes to cyber and information and media that crosses all boundaries in today's world.

Varadarajan: Well, thank you. Perfect time keeping.

Hegseth: See?

Varadarajan: Congratulate my panel and myself. And I've done it in such a way as to leave myself with no time to summarize, which is always a great relief. But thank you very much for that entertaining conversation and stimulating conversation. I wish it could have gone on longer, I'm sure the audience does so too, but we must stop now.

King: Thank you. There area lot of patriots in this room. Thank you very much.

PART 3 OF 3 ENDS [00:46:04]