



REAGAN NATIONAL DEFENSE FORUM

PEACE THROUGH STRENGTH IN AN ERA OF COMPETITION

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PANEL 12

A TOUR OF GLOBAL HOT SPOTS: HOW ARE WE DOING TODAY AND WHAT'S THE OUTLOOK FOR TOMORROW?

Panelists:

- The Honorable H.R. McMaster, Former National Security Advisor
- The Honorable Michael Morell, Former Acting Director of the CIA
- The Honorable Leon Panetta, Former Director of the CIA; Former Secretary of Defense

Moderator: Mr. Bill Hemmer, *Fox News*

Video:

https://www.youtube.com/watch?v=azbOidJlwk&index=15&list=PLHNOi2zcxo7sBxM7HfhmB_tf6QXeqj48K

Zakheim: Well, thank you everybody. And it's been an extraordinary day out. We're about to begin our closing session, so I've just a few remarks before we get to the people you are all here to listen to. First, a special thanks to the Congressional Delegation that's here today, remarkable group, participated throughout the day. So please give them a round of applause for being here. I've got four of these, so keep the applause going. To all the officials from the Department of Defense, great support and participation, thank you to the Department of Defense for being here today, and amazing remarks from Secretary Mattis, another round. To all of you, our distinguished guests, and the amazing support from our sponsors, and most importantly to the men and women in uniform who faithfully serve.

Zakheim: This has been a wonderful day, that's what's important, applause. There's a couple other notes. I really want to thank our Board of Trustees from the Ronald Reagan Presidential Foundation and Institute, whose forward looking approach helped us not only create this wonderful forum, but now also the Reagan Institute in Washington DC, which I had the great privilege of leading. While no one does a better job of archiving and preserving the president's legacy, it is the job of the institute to promote the timeless principles that President Reagan championed.

Zakheim: And I'm really privileged that we have the opportunity to do this in Washington DC. A couple other thank yous, please indulge me here. First, to the Ronald Reagan National Defense Forum, Executive Committee, John Heubusch the Executive Director of the foundation, Bob Cochran and Shahla Seaborn who do an amazing job. To the amazing Ronald Reagan Presidential Foundation and Institute team, as well as the DC team at the Reagan Institute, who are really responsible for everything going well today, and making it go so seamlessly, we thank you very much. Two more points. This has been an amazing day, discussing all the different elements of Peace through strength in error of competition.

Zakheim: And just to quickly note about those who will be on the stage in just a moment, I can't think of anyone better than two former CIA directors, and a former national security advisor, to provide us with their thoughts and insights, to tell us how the United States can accomplish the most important element, in my view, of the National Defense Strategy. And that is, how do we remain the preeminent military power in the world in this era of great power competition. So, to lead us in that discussion, we are honored to have the co-anchor of Fox News America's Newsroom, please join me in welcoming to the stage, our moderator, Bill Hemmer.

Hemmer: Thank you.

Zakheim: Thanks for joining us.

Hemmer: You bet. Great to be here. It's a high, high honor, and thank you for all being here. We have a terrific panel, no pressure. But, we hope to engage you over the next hour and 10 minutes or so. Say hello to the former Secretary of Defense, head of the CIA, Leon Panetta. Former National Security Advisor, retired General, HR McMaster. Former CIA Director Mike Morell. Gentlemen, thank you for being here today. Please go ahead and have a seat. Oh, we're going to get a picture real quick guys, get together, we got to do this, it was mandatory. Yes. All right on.

Hemmer: I got to make sure I follow the rules, especially when I'm in Reagan's house. America's Newsroom 9:00 a.m. to noon, Fox News Channel, tell a million people, we take all viewers, all right. You can tweet that if you want. I've always, one of the things I love about this guy right here, is that his parents not only immigrated from Italy to the United States, but they didn't choose Akron like the Morell family, or Cincinnati like the Hemmer family, they chose Monterey, California, and a walnut farm. You know what I call that? Good research. Well done. And Director Morell, as a fellow Buckeye, welcome here, we can debate the Northern Ohio, Southern Ohio aspects later. And to General McMaster, he has a new book coming out, it's called Battlegrounds. Set for release in 2020. My query is whether that's before or after November 3, 2020?

McMaster: It's before, but it's not what you think it's about.

Hemmer: You know, you could sell more books.

McMaster: Some people told me that.

Hemmer: I've been to the Reagan Library twice in my life, and the first time I was here was the passing of Ronald Reagan. And the second time I'm here is passing of George Herbert Walker Bush, number 41. And to you three gentlemen, Jennifer Griffin, Lucas Thomas

and [inaudible 00:05:08] of the Fox News Channel were talking earlier today, and they said 41 stood up to Saddam Hussein first in August of 1990. But 28 years later we are stilling wars in that region of the world. And I just wondered, Secretary Panetta, what's the legacy of President Bush in that region in the Middle East?

Panetta: Well, first of all, thank you for inviting me here. I enjoy to come back to this Reagan forum, it's really, every year it becomes more successful, and I want to thank everybody associated with it. It is a sad day with a loss of President Bush. I had the opportunity in the Congress to work with President Bush on a number of issue. In particular, I was chairman of the Budget Committee on the house side. And it was President Bush that had us go to Andrews Air Force Base, Republicans and Democrats, to try to work on a budget agreement that would help reduce the deficit. And we did ultimately, that agreement plus the Clinton budget, led to a balanced budget. So, it was something that I was very appreciative of his leadership on that.

Panetta: But more importantly, I think President Bush was someone who was honest, direct, truthful, believed in what America was all about, believed in our strength, and provided tremendous, tremendous leadership with regards to foreign policy. He knew foreign policy. He was a great director of the CIA, and someone that Mike and I continued to recognize for his contribution to intelligence. But more importantly, he was somebody who was a world leader, and believed deeply in the role of the United States as a world leader. And I think the steps he took in the Middle East to deal with what Kuwait was doing was the right step to take. We were able to push Saddam Hussein out of Kuwait. And the president also had a great sense of when to put the brakes on in terms of our relationship with the Middle East in general.

Panetta: In many ways, we continue to face controversy in the Middle East. We continue to deal with problems that were there. But I think the fact that President Bush had the strength to take the position he did, assert United States leadership along with a group of allies in that whole effort, I think that actually was a step in the right direction for the United States.

Hemmer: General?

McMaster: Well, I would say, I admired President Bush tremendously, and I came into the army as a young officer under President Reagan, and then was serving on the border in Germany, when East Germany lifted travel restrictions to the West, and then the Wall came tumbling down. A real sea changed geostrategically in connection with American Defense. Nobody could have managed that transition period better than President Bush. And he laid out a very bold vision, maybe that vision wasn't realized. But it was the right vision at the time, which was an attempt to integrate the former Warsaw Pact countries, and ultimately even Russia, into a new world order. And then I had the privilege of deploying from Germany to Operation Desert Storm. And his leadership was apparent there, because we could clearly connect what we were doing militarily to what the objective was in that war.

McMaster: And it was a relatively, narrowly circumscribed objective, right? The status quo ante. And you might recall that many people criticized President Bush after that war. Well, why didn't you go to Baghdad? Well I think we know the answer to that now probably, right? But what we know ... and he realized what we could control, but he also realized limits on the degree of agency and control we had. And he crafted an objective and a

multinational effort that achieved that objective. And I felt tremendously fortunate to have led soldiers under those conditions. And it's really the contrast between that, and the difficulty of the Vietnam war. Where the heroes who fought that war had a really hard time connecting the risk that they were taking, and the sacrifices they were making, with achievement of an aim worthy of those risks and sacrifices. And that's what led me to my research on Vietnam.

McMaster: But it really all began for me, in terms of recognizing what this new world order would be, or trying to think about it, and then the experience I had in combat, it began with President Bush and his extraordinary leadership.

Hemmer: Oh, thank you for that. Director Morell?

Morell: You know, I worked for six presidents, and I think as I look back, that he may have been the best in terms of delivering on foreign policy, leaving the world better than what he found. His time at the agency was very special. He came to the agency at a time of deep morale problems, and within a year he turned those around. He is beloved at CIA, so beloved that we named our compound after him. And then I had a very special time with him. So in 2001 when I was President Bush 43's Daily Intelligence Briefer, he would often join the briefing. So I would have two presidents sitting there. And to hear them talk about the world was really a remarkable thing.

Morell: And I remember one morning we were talking about a particularly difficult policy issue, and in the middle, Bush 41 said, "You know what? I've done this before, I'm going to go play with the grandkids. You guys take care of this problem."

Panetta: I put him up for that, indeed. By the way, let me just add, this was a decent human being.

Hemmer: Yes.

Panetta: He was somebody you could immediately relate to, and somebody who loved to relate to others. I'll just give you one story. The chairman of the committees, obviously oftentimes get invited to the White House. And when President Bush invited us, he invited us not just to the White House, but to his Family Quarters on the second floor. We had the chance to go up to the Family Quarters, and there were these, a lot of these old cardinals who had never been around before in terms of seeing the entire White House. And there was President Bush, Barbara, welcoming us to their Family Quarters up there. I can tell you, unlike some of the other presidents I've known, this guy really invested in the relationship between the president and the leadership in the Congress, and it paid off for him.

Hemmer: Wow. You naming names today by the way? I don't know. You can file your questions on the app, and I just want to remind you about that. If they're good ones, we'll get to them in the last 10 minutes, if they're good ones, all right? So think about that. General McMaster, I've been looking for a lot of comments from you over the past eight months. I didn't find many. I found a podcast, but other than that I think you've been, I don't want to say reserved, how about quiet?

McMaster: I had an interview on Rugby.

Hemmer: Oh you did?

McMaster: I did.

Hemmer: I would like to hear about that. Is life better for you on the inside, or the outside of the West Wing?

McMaster: Well, I'll just say, every day that I've served, for 34 years, was a privilege. And I would say almost especially those last 13 months as National Security Advisor. And I got to work with extraordinary people, and do important work. And I found it immensely rewarding. So it's the first time I've had a new job since I was 17, I'm at the Hoover Institution at Stanford and I'm loving that as well. So, when I look back on it, which I've had an opportunity to do now a little bit, I'm just grateful for the opportunity.

Hemmer: Why do you think it ended after one year?

McMaster: Well, I think it was the right time for it to end, you know? And I think that my philosophy going in from the beginning was to do my best to serve the president and the country. And when it was time to leave and everybody would kind of know that, the president would know that for sure. And it was the right time for a transition I think.

Hemmer: Could you name one thing that you were not able to accomplish that you wish you would have?

McMaster: Well, lots of things. Because it is a complex that is I think now manifesting a number of very serious challenges to national and international security. And it's very difficult to point to one thing that you just get done, and then it's finished, you've won that and can move on. It's a continuous interaction with determined threats, adversaries and enemies. But I think what I'm most proud of is that we did put in place, I think, a very disciplined process that assisted the president and his cabinet in framing these challenges to national security. Identifying what vital interests were at stake, viewing those challenges through the lens of those vital interests, crafting clear goals and objectives.

McMaster: And then engaging across our departments and agencies, and with like-minded partners, allies, leaders in the private sector when that's appropriate, and like-minded countries to identify what we can do, how we can integrate efforts to make progress toward those objectives. We made a deliberate effort at restoring our strategic competence as a nation. And I think we were in large measure able to do that. And it's the great work that Dr Schadlow did, you heard from earlier today, on the National Security Strategy. But really underpinning that unclassified National Security Strategy, our integrated strategies that aim to advance and protect our interests in light of these very significant challenges.

Hemmer: But not one thing, you wouldn't, sorry, you would not single out one individual thing that you wish you would have accomplished or succeeded or whatever word you want to use.

McMaster: Yeah, well you know, of course what we emphasize as matters of urgency we've all talked about, and all of those efforts are works in progress, right? We want to denuclearize North Korea, we want a China that stops its unfair and economic practices,

a form of economic aggression against us that is tied to what they are doing from a security perspective with predatory and extractive behaviors and [inaudible 00:16:03] policies internationally. We want to confront Russia's destabilizing behavior and deter further aggression in this sustained campaign of disinformation and propaganda and subversion against the United States and other free and open societies in the world.

McMaster: We want to stabilize the greater Middle East. We need an end to the Syrian Civil War that addresses the humanitarian crisis, leads to the enduring defeat of ISIS, but then also limits Iranian influence in the region. And we need an Iraq that's stable and not aligned with Iran. I think that's actually going in a pretty decent direction now. You know, we need to resolve the problems set in South Asia, around Afghanistan. So none of these were going to be a-

Hemmer: One year, busy, busy-

McMaster: A one year, but I guess what wound up saying in that long answer is, there are no short-term solutions to long-term problems. And what many panelists have talked about earlier today, is what it requires is the integration of efforts across all departments and agencies, and with like-minded partners in sustained efforts, reliable from the perspective of or allies over time.

Panetta: HR should have used the quote that I used when I left Washington. We have a walnut farm in Carmel Valley, and when I was announced to leave as Secretary of Defense, I said, "I'm going home to work with a different set of nuts."

Hemmer: One more question, and I want to bring in Director Morell in a different category. On Thursday morning when the president was leaving the White House, he said he would meet with Vladimir Putin in Argentina. And when he got on board Air Force One 30 minutes later, he tweeted that the meeting was off. In your 13 months inside the West Wing, who counsels him from the helicopter to the plane to suggest we should not go forward with Putin in Argentina? How does that happen in the current context of the White House?

McMaster: Well, you know, it's typically going to be the National Security Advisor who is with the president, right? The National Security Advisor is the one person in the foreign policy National Security realm in the administration whose only client is the president, right? Others are heads of departments, or directors of agencies. And so what you owe that president I believe, is not just your opinion, but the assessment and recommendations across those departments and agencies. So that's what I try to do, very much on the model of Brent Scowcroft, as the honest broker, to say, "Mr. President, here are your options." It's always best to give a leader, I think, multiple options. I can't think of one historical experience, in which less options were better for somebody, with more options.

Hemmer: So based on that answer, John Bolton would have been the one who's-

McMaster: I would imagine, but I'm not sure, but I would imagine.

Hemmer: I want to talk about America's threats, and all three of you gentlemen referred to them in some order here. Secretary Mattis was with my colleague Bret Baier a few hours ago here at the Reagan Library. And he said that North Korea is the most urgent concern,

Director Morell. He was given a list of Russian, China, North Korea and Iran. He said North Korea in terms of urgency. Do you agree?

Morell: So I would say this. I'd say one of the defining characteristics of today are the number of National Security threats and challenges that our country and our partners and allies face, and that the President of the United States needs to almost on a daily basis. It's a long list, you know, there's probably 15 to 20 things on that list. And they're all wickedly hard problems as HR said, none of them are easy. But if you were to prioritize them one to end, there would be one issue that for me is at the top of the list. And for me there's a big gap between one and everything else. And that number one is China. And it is, what is our relationship going to look like with China? How is going to evolve?

Morell: Because I believe that that's going to determine more than anything else, what the world is going to look like in the next 15, 20, 25, 30 years. And it's incredibly important that we get that relationship right because, the range of possible outcomes in that relationship range from cooperation on one end of the spectrum. The kind of cooperation you saw fleetingly between Obama and she on climate change, all the way to war on the other end of the spectrum. So we got to get this right, and this is an extraordinarily difficult problem. So I think it is the most important issue. It doesn't mean we don't pay attention to those other issues, it doesn't mean we don't work them really hard. But that is the, to me, the most important.

Hemmer: I want to hear from both you gentlemen. But just to complete his answer, what James Mattis said was, "I would break it down in three ways. For urgency it would be North Korea, for power it would be Russia, for will it would be China." Mr. Secretary, what do you think.

Panetta: Well, I think Jim Mattis probably has it right in terms of the three at the top of the list. But as Michael said, look, we're dealing with a lot of flash points in the world today. I've never seen this many flash points since the end of World War II. It's not just ISIS, it's Iran, it's the failing states in the Middle East, it's North Korea, it's Russia, it's China, it's cyber, and a group of other threats as well that are out there. There are series of very dangerous flash points that we're dealing with in the world. And to even begin to prioritize which are the worst, the fact is, the United States has to deal with all those flash points.

Panetta: Because similar to ... you know, we just celebrated 100 years from World War I, I think the reality is, if you look at that period in the 1910s, 1914, 1916, we had a series of threats that were out there in the world. We had terrorism, territorial disputes, we had fragile alliances, and we had failed leadership. And the result was that, because of that, there was no capability to deal with all of these challenges. And suddenly we were in World War I. I think that's the danger today. And the reality is that we've got to have the capability to exercise leadership in every one of these areas. Yes, we have to deal with a China, you know, on a geopolitical basis and because of the economic ties, et cetera.

Panetta: And obviously the president hopefully is trying to do that this evening, and trying to deal with the tariff issue. We've got to deal with Russia in a new chapter of the cold war with Putin. In terms of the most immediate threat, I do still worry about North Korea. Because even though there's been the Singapore meeting, the problem that I see is that there has not been any progress on denuclearization. And at the same time that there has been no progress. We've got North Korea, and intelligence is telling us this, are

continuing to develop their nuclear capabilities, continuing to develop their missile capabilities, they're avoiding the sanctions through a number of steps.

Panetta: And what I worry about is a point where if North Korea is continuing to develop their missile capability, if at some point they test an intercontinental ballistic missile that has some kind of ... that can carry some kind of nuclear at the top that, that will bring down, in a very critical way, all of the groundwork that has ... the effort has been made to establish better relations. And I think it could create the kind of counter reaction that could immediately have us in some kind of direct confrontation with North Korea.

Hemmer: Do you think General, that Chairman Kim would do that?

McMaster: Well I think that's a possibility, but there are a number of possibilities. The real danger is what the secretary pointed out already, which is that they'll just continue the program. And what they're going to try to do potentially ... I would think we have to at least be open to the possibility that Kim Jong Un wants to keep his nucs. And so what he would want in that instance is to extract as much of a payoff from the international communities he has, as he's done in the past, get a relaxation of sanctions, maybe negotiate for a long time, get to some weak agreement that locks in the status quo as the new normal, while he continues the program.

McMaster: So, I think any administration that would have come in, when President Trump came in, would have had to make some serious adjustments. If you think about it, what was our policy toward North Korea? It was strategic patience. How did that work out? It didn't work out. The strategy of maximum pressure has a chance. What we had said from the beginning is, that what we can't do is alleviate the pressure prematurely, just based on the promise of progress. Now, it's tough to keep China on board with that, it's tough to keep South Korea on board with that, with the pace of the inter-Korean dialogue. But I think this is the most important aspect of that problem now, is to keep that pressure going.

McMaster: And I would just add quickly, the stakes are very high. Not only because of an ICBM, but because North Korea has never developed a weapon it didn't sell to somebody. In fact, it was developing an nuclear program for Assad in Syria. So, how can we insure that there's not going to be a proliferation problem based on him just selling weapons, maybe even to a terrorist organization. And then what happens to the non-proliferation regime? How long does it take Japan to conclude? Hey, I need a weapon, or Vietnam, or Taiwan-

PART 1 OF 3 ENDS [00:26:04]

McMaster: To conclude. Hey, I need a weapon, or Vietnam, or Taiwan, or pick one, right. So I think this is a grave danger and so we do have to keep our attention on and the emphasis ought to be on maintaining those sanctions. Kim Jong Un, but also to maintain the possibility of a military option. So it's not diplomacy and then war, it's diplomacy integrated with military options, with economic pressures, with diplomacy, it all has to be together. So that's what I think we have to do, is convince Kim Jong Un essentially that you're safer without them than you are with them. And so I think that's our best chance and that may not even work.

Hemmer: Two of three agree it's North Korea.

Morell: But let me say something about North Korea, okay, because I think it's really important to look at the problem from the other guy's perspective. It's one of the jobs of the intelligence community is to tell our president how the other guy sees it. So how does Kim Jong Un look at this. He sees himself as having two potential paths, one path is staying on the road that he's on which is maintaining the strategic weapons program to deter us primarily but also to show his own people that he is strong. Stay on that path, deal with sanctions, deal with being isolated by the rest of the international community, so that's one path for him. And maybe try to chip away at the sanctions as he is doing right now. He is doing that right now.

McMaster: On enforcement for sure.

Morell: Yes. On the other side, the other path, that we seem to be offering him, right, negotiate away those weapons in return for what? And end to the Korean war, an opening of relations with us, engagement with the rest of the world, and a better economic future for your people. So we with think that's a good deal. He does not see that as a good deal. He sees that as his death. He sees an opening to the world as his death. So when he looks at those two choices, number one looks much better to him than number two which is why I believe he's never going to give up his weapons.

McMaster: Unless that also looks as bad as option two.

Morell: Now, I believe it is really really important to have a conversation with him and try to negotiate away those weapons but we should not kid ourselves on how difficult this is going to be and as HR said, you've got to keep the pressure on.

Hemmer: You have to always remember too, I think, in the context of that conversation, what he's looking at in terms of family lineage based on his father's grandfather, that was their ambition as well.

McMaster: And just quickly too, the point that Mike's making and of course the director understands, you always have to look at these problems from the perspective of the other, right. This is something we don't do very well a lot of times. The intelligence community does it but a lot of times policy makers don't listen to it and so from a North Korean perspective, these are now generations of brainwashing have occurred under this [inaudible 00:29:08] ideology in which they have made deprivation a badge of honor and a sign of their racial superiority. So we have to take all of this into consideration when you're looking at the various options.

Hemmer: Fair point, now to Russia. Earlier today James Mattis called Putin a slow learner. Is that the case or is he something else?

Panetta: Well, I don't know that he's a slow learner to be truthful. I think he's a bully who understands that if he reads weakness he's going to try to take advantage of it. That's what Putin's all about and I think he has been reading weakness into the United States' position going back a number of years, not just with this president but I think the prior administration as well and once he senses weakness and that he can take advantage of it that's exactly what he did. That's what he did in the Crimea, that's what he did in the Ukraine, that's what he did in Syria, nobody checked him in Syria, that's what he did with the cyber attacks on our election system and the issue is going to be whether or

not what he did in the Black Sea, anybody is going to check him on that and take a position that he cannot simply get away with that kind of behavior.

Panetta: And if that doesn't happen then he will continue to exert an aggressive approach to dealing, not only with his neighbors, but with other issues as well. If you're going to deal with a bully, if you're going to deal with Putin, you have to deal with him from strength, not from weakness. You've got to make very clear to Putin where the lines are that can't be crossed and frankly if you do that and he believes that you're going to abide by those lines then I think you could sit down and negotiate with him. But if he doesn't believe those lines are real, then that's when you have trouble with Putin.

Panetta: So we've got ... If we're going to approach Russia and deal with them, and we're going to have to because I think he is much more aggressive and because I do think we're in a new chapter of the Cold War, we have got to be much stronger in drawing lines with Putin. Frankly, I regret that the president didn't meet with Putin. I think the opportunity at these G20 meetings is to sit down and directly confront an adversary with regards to the concerns that you have. That's what diplomacy's all about and when you evade that I think unfortunately what that does is it sends again, the wrong signal to Putin.

Morell: So a couple of things I think, one is, who is this guy? And I think Bob Gates got it right when you look in his eyes you see KGB, KGB, KGB, KGB. He is a thug, he is a bully, he only believes in relative power, how much does he have, how much do you have. He doesn't believe what everybody in this room believes, which is that it's possible to have a negotiation and end up with win win. He only believes that it's win lose in a negotiation. He is not the great strategic chess player that he pretends to be, he's actually a great tactician. He is a risk taker, he's an entrepreneur, but he's a particularly dangerous kind of risk taker. When he'd take a risk and succeeds, he's often willing to take even a bigger risk. So whenever he does something and in his mind is successful, then I worry about what comes next. So I couldn't agree more with the secretary on the importance of standing up to him.

Morell: That's point one, number one. Point number two is again from his perspective. Really important to realize that he believes, he fundamentally believes that we are trying to undermine him politically. He believes that the CIA is working every day to undermine him. He believes that the CIA caused the protests in the streets of Kiev back in 2013, not true, not true at all but it's what he believes and it puts in context than what he tries to do to use politically. Doesn't excuse it, but it explains it.

Morell: Third point and I think this is general Mattis' point, is by doing what he has done he has undermined the strategic future of his own country. The only future that Russia had was an integrated economic future with Europe and by doing what he has done since Georgia. He has thrown that potentially future away, so he has weakened his own country and he has hurt his own people and they don't understand.

Hemmer: Mattis also said the relationship has gotten worse over the past year, I take it from that answer you probably agree with that.

Morell: Absolutely.

Hemmer: General?

McMaster: Well, I'll just say, to relate to Mike's point and the secretary's point. Tulsidas said 2500 years ago, nations fight or engage in conflict for three fundamental reasons, fear, honor, and interest. We always talk about interest but we don't consider fear and honor. Fear that we were behind the 2013 uprisings, fear that as he's the next color revolution. Sense of honor, if you go back to the speech he gave on New Year's Eve in 1999, New Year's Eve, the turn of the century and the white paper that he wrote. He wrote in that white paper, I think it's going to take about 15 years for us to begin to compete again and to be able to regain our greatness. Guess when he annexed Crimea, invaded Ukraine, and then a year later intervened in Syria. So he is a strategist who does what, as the secretary said, is that he operates tactically and opportunistically but he has a vision in mind.

McMaster: A vision that is based on fear and a vision that is based on the need to regain Russia's sense of honor as a great power and so over the years we have tried to, put famously, looked into his soul. Secretary Clinton famously brought a reset button and I just say, we just have to look at the world as it is. Look at him as it is and do exactly what secretary Panetta said, make it clear that we are going to confront his destabilizing behavior and we need to begin to impose costs on him well above those he factored in at the outset of these aggressive actions.

Morell: HR said something really really important, there is one thing this guy really fears, which is a color style revolution, an Arab spring style movement in the streets of Moscow. He is afraid of that, he is afraid of his middle class coming out into the streets and saying, we don't like the direction our country is going, we want a greater say in how we're governed and by the way we want you to go away.

McMaster: And we don't agree with this aggressive foreign policy as well. As so, just a quick point on this, his approval ratings are not super reliable as you guys know.

Panetta: That's true everywhere by the way.

McMaster: But today's approval ratings for Putin are about where they were in 2013 at the same time. So was the incident against the Ukrainian navy, was that related to his domestic approval rating, it may have been, I don't know.

Morell: But it can tell you ... His fears should tell you something about how we can pressure him.

Hemmer: On a related Manner. General McMaster, you said the evidence is quote, incontrovertible about interference by the Russians in the election of 2016. What in your view is not in dispute?

McMaster: Okay, so I think what happens with the Russian interferences, it conflation of really three questions, did they do it, did they meddle? The answer to that is hell yes they did, everybody knows that, right. The second is, did they really care who won the election. I think that's still open to debate because I think Russia's had a long range of experience by this time in trying to rig elections and it didn't work for them, it didn't work for them most of the time and I think what they were really trying to achieve above all, at least their primary objective was regardless of who won, to polarize our polity, pit communities against each other and reduce our confidence in who we are and in our democratic principles, institutions, and processes.

Hemmer: You think that happened or is that a creation on behalf of the media and America?

McMaster: I think it's both and my colleague at [inaudible 00:38:04], Neil Ferguson has done some great work on this. He wrote a great book called 'The tower in the square' and he has a recent paper that'll come out soon on this. What they did is, they did what they did in the cold war, this is Maskirovka, right. Deceit, deceptions, but now it's super powered by social media and social media algorithms. So hey if you like something on social media, hey well you're probably going to like this even more and guess what, the even more is going to be even more radical and pull you more to the right or to the left. And guess what, Russia's efforts at propaganda, disinformation, subversion, increased after the election. So this ... I think their opportunity ... I think they got what they wanted.

McMaster: I think that if you look at our public discourse now, I mean they're probably very happy with the result.

Panetta: Look, the basic problem that ... You know, we haven't fully come to realize, even though bells have been going off, is that cyber warfare is the battle field of the future and it's going to continue to develop. And we were aware of it when we were there, that there were all kinds of cyber attacks that were taking place. China was using cyber to take our intellectual wealth, Russia, Iran, North Korea, all using cyber to disrupt our society. And the problem is that I don't think we ever really anticipated that the kind of bold cyber attack that Russia implemented in that election would really take place. I think we missed the boat very frankly on that.

Panetta: And that when we began to find out that it was happening, that we were caught with our pants down and rather than having some kind of effort to make the Russians know that we know and that they should back off, that there was this attitude of, well we don't quite know, it's enmeshed in the election, we have to be careful about how we respond. And I think it again encouraged them to continue to implement that aggression. You know, what the goals were, what the purpose was, it's very basic, Russia is always trying to undermine the United States of America. Let's not kid ourselves, that's what they're about. Anything that will weaken us, anything that'll have us at each others throats, anything that will disrupt our society is what the Russians want and they were successful at it. I will say that at least it's my sense that we are still unprepared to deal with that kind of assault.

Morell: I just want to pick up on the secretary's point about being surprised here, because I think it's absolutely right and I think this was a strategic intelligence failure. I don't ... I wasn't there at the time so I don't know how quickly we picked it up and saw it happening but if you go back and look at the last 10 years of DNI and director of CIA annual threat testimony every January, you know there's always a big section on cyber and it always talks about cyber espionage, stealing of intellectual property, risks to our critical infrastructure. There was never ever, ever, ever any mention about somebody weaponizing social media. We did not see this coming, there was a lack of imagination on this issue, not dissimilar than the lack of imagination prior to 9/11.

Hemmer: And those companies grew quickly in all fairness. The speed by which Facebook and Twitter and now Instagram have gained traction, that was warp speed out of silicon valley.

McMaster: Just a quick point. I mentioned Maskirovka in previous subversive efforts, one of the most important elements of political subversion and propaganda in the past was consistency of message. Now that's not the case with the Russians, again it goes to the overall objective of polarizing us. A new Rand study has just come out, it describes this as the fire hose of falsehood, right. And I think ... They really want to just pull us apart as American's and I think we have an opportunity and congress ... I met with my counterpart and I tried to just turn it on him, said, you guys think you're winning in this, you're losing. The only thing our congress can really agree on overwhelmingly is to sanction you because of this and so I think there is an opportunity for us to come together, to recognize this threat and work together in a nonpartisan, bipartisan way.

Hemmer: Okay, Saudi Arabia, what do you do about Saudi Arabia, the relationship, etc.? Secretary Pompeo made the case on Capital Hill this week that the middle East is filled with bad actors. He wrote in the Wall Street Journal this past week on Wednesday, I'm just taking one sentence for, two sentences from that piece. He writes, the kingdom is a powerful force for stability in the Middle East. Saudi Arabia is working to secure Iraq's fragile democracy and keep Baghdad tethered to the west's interests and not to Iran's. Those sentences say a lot about the strategy on behalf of the administration and what they would like to see in terms of development in that part of the world. How do you find a balance Mr. Secretary, in dealing with these relationships that you know are less than perfect?

Panetta: Well that's what diplomacy is all about for God sakes. You don't have a choice here between destroying the relationship or doing nothing. It's about balance, it's about how do you approach this, uphold the values that we think are very important. This country has always had a set of values that relate to human dignity, to the rule of law, to how we treat people that go to the core of what the United States is all about. That's been the core of our ability to provide leadership in the world and when it's clear that Saudi Arabia did what they did in this horrendous murder, you've got to make very clear to the Saudi's ... And I just think it's really important for the President to work with the congress to develop the kind of targeted sanctions that send a message that this kind of behavior is unacceptable.

Panetta: It doesn't have to undermine our relationship with Saudi Arabia. Frankly we'd get a hell of a lot more respect if we made that clear. We'll continue to work with you, we'll continue to be cooperative with you but we cannot tolerate this kind of behavior. That's the way the United States is supposed to act, not to run from this case, not to say, oh my God we're so dependent on this relationship that we're not even going to pay attention to this murder. We can't do that or we undermine our position in the world.

Panetta: So, there's a way to do this that frankly balances both of these objectives but right now I get this sense that the congress is going to do what they want to do in order to send a message and the President's not going to pay attention to it for whatever reason and all of that sends exactly the wrong message to the world about what the hell the United States stands for.

Hemmer: What Congress and the Senate has done is they voted two to one to take the funding away from Saudi Arabia and the war they're fighting against Yemen. General Mattis was asked about that today with Bret as I mentioned earlier today. He talked about accountability and he also talked about a counter to Iran, he said we need to do both and acting with Yemen is in our best interest, we need to protect this country and that's

his position. Do we know General if the message that Secretary Panetta's relaying to us today, if that has been relaid to the kingdom.

McMaster: Well I don't for sure. I'm at Stanford now.

Panetta: You're working with a different set of nuts.

McMaster: But I think that this is the kind of message that has to go to the Saudi's but other partners in the region. To clarify what are our expectations, really, I want to highlight the importance of the relationship but also make clear what our expectations ought to be of each other. So with the Saudi's with the Emiradi's, other sort of like minded countries in connection with the Iranian threat, we all need to do more. Of course, everybody's very troubled about this horrible more, we have to also be troubled about why is Saudi Arabia buying S400 missiles from Russia. Why is the crown prince high fiving with Vladimir Putin when the Russians are the key enablers of Iran in the region.

McMaster: If Saudi Arabia, UAE others, are really concerned about Iran's role in the region, why aren't they imposing more costs on the Russians for being Iran's prime sponsor. So I think there are a lot of conversations we can have about expectations. Their expectation of us is that we be more reliable. They believe that under the last administration, that that administration saw our disengagement from the Middle East as an unmitigated good and contributed to the humanitarian and political catastrophe that centered on the Syrian civil war and then actually enabled Iran across the region with the JCPOA who did not do what it was assumed they would do which is once the JCPOA signed the Iran nuclear deal, that Iran would moderate their behavior. They did the opposite and they took the payoff that they got and they all the promised future revenue with letters of agreement and contracts to actually up the budget of the Islamic revolutionary guards core and to strengthen the control that the clerical order has on the country.

McMaster: And so it demanded a change in strategy but I think that the reason why our golf partners and Mike I'd be interested to know what you think about this, one of the reasons they're hedging with Russia is they don't think we're reliable in the long term. They think they're going to get another administration that says, hey the Middle East, forget it, we're going to disengage. I think that's their perspective. Again, this put yourself in the perspective of the other.

Morell: So they're afraid of two things. Alright, they're afraid of that slow American withdraw from the Middle East which they saw, which they thought they saw in the Obama administration. And then there's something else they really fear which is that the United States will eventually come to see Iran, maybe a different kind of Iran than we have today, that we'll eventually come to see Iran as a better strategic partner in the Middle East than the Sunni Arabs. They are scared to death of that and we kind of sent them that message with the JCPOA. And doing secret negotiations with the Iranians without telling them, that was a big deal.

Morell: I want to say something about NBS. There's an on the one hand and on the other hand here. On the one hand he is the only Saudi that I have ever talked to and he is the only Saudi that I have ever seen who understands that they need to reform their economy, their society and their religion if they are going to save that nation from going off the cliff. On the other hand he is young, he is impulsive, he is paranoid, he doesn't listen, he's got only a small circle of advisors all of them young, nobody with gray hair around

him and he has a string of bad judgment calls. From Yemen to Cutter, to kidnapping a Lebanese Prime Minister to locking up a bunch of business men to the Khashoggi issue, to putting women in jail who were advocating for a policy that he actually put in place. A string of bad judgements, so at the end of the day, whether this guy is actually going to end up being the [inaudible 00:50:41] of Saudi Arabia, the father of a modern Saudi Arabia or whether he's going to end up being the Gorbachev of Saudi Arabia, the guy who actually takes them off the cliff, is an open question.

Hemmer: So none of you is saying that we should withdraw relationship with Saudi Arabia. General, the first trip for this administration overseas was Saudi Arabia, did they embrace it perhaps in the right way or did they get too close too quickly.

McMaster: Well I mean, I think that it's not the United States that is fundamentally responsible for the behavior of the regime and whoever made the decisions in this brutal murder. You're right though that the beginning though of the relationship was one of tremendous promise. I mean a tremendous promise that, as Mike was saying, we would want to realize. I think that Riyadh trip was a tremendous success for a number of reasons but the number one reason for me was, there was an explicit recognition on the part of king Salman and all those there that Saudi Arabia had created a monster beginning in the 1970's with the propagation of the Salafi Jihadist [inaudible 00:51:52] ideology and that there had to be a fundamental correction to that. And we had to work together, not just anymore against designated terrorist organizations but ...

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McMaster: ... just anymore against designated terrorist organizations, but against extremists who are propagating in extremist mosques and madrasas this message that it's okay to murder those that fall outside of your narrow definition of Islam, or at least begin to create the pipeline to that. And so there was concrete progress at least in gaining assurances of working together on the ideology and working together on the finance, the financial flows to these extremist groups, and we have made some progress in both areas. If you take King Solomon speech and you put it up next to President Trump's, I mean, it's striking. No one would ever have thought that a King of Saudi Arabia would have said what he said in the context of that conference. The key is, can we regain that momentum now? And to achieve the kind of progress, not just internal to Saudi Arabia, but Saudi Arabia helped create a global problem, but to enlist Saudi Arabia in trying to address that global problem.

Panetta: Yeah. Let's talk about, those are all important issues, but the reality is we know what happened in that consulate in Turkey. We know. Now, I know there's been this argument, "Well, there's no smoking gun." There are a hell of a lot of people in prison where there wasn't smoking gun because you had overwhelming evidence of a crime being committed, and in this instance there's overwhelming evidence. Not only by the CIA, but by Turkey and all of those that have looked at this issue. Rather than try to somehow excuse that evidence, the president of the United States ought to accept the presentation that was made by the CIA, that the high degree of confidence ... We think the crown prince was involved in this issue, and then use that as a way to say, "We're going to take steps to make very clear that this behavior is unacceptable and at the same time recognize that it is important to work with Saudi Arabia in terms of dealing with the issues in the Middle East."

Panetta: We can walk and chew gum at the same time. That's not a problem. Other presidents have done that. When we've had to send a clear message to an ally that they screwed up. We've done that, but they remained allies because we continue the relationship, and we can do that here. This is not an all or nothing situation.

Hemmer: I want to touch on three more areas and then hopefully we'll get some questions from some of the folks here in the audience today in the Reagan Library. Military budget, kind of a big turn here fellows. But there was a debate whether it's \$733 billion or a reduction to 700 billion in two years from now. I heard a gentleman earlier today say, "How do you know the right number?" How do you know that right number?

Panetta: I mean, look ...

Hemmer: What's the right number?

Panetta: The right number from the defense point of view is always more, because that's the way the Defense Department approaches these things, and why not? The problem is, and look, I support funding for our defense department. I think we've got to maintain a defense that is the strongest military on the face of the earth. That's what we are, and we have to continue to do that. But I also don't think we ought to kid ourselves that there is a real danger lurking in the out years, and it is the debt. It's a \$20 trillion debt that is going to expand even more in these next 10 years.

Panetta: We are now at a point where we are approaching a trillion dollar annual deficit. Yeah, that's going to eat us up alive in terms of interest payments. It's going to diminish our resources for the future, and at some point, it's going to blow up our economy. Now, do we face that now and pretend that, "Oh my God, we'll have all of this money in the future," and just pass it on to the future to blow up it for our children? Or are we going to confront that now? That's the real challenge, and the reality is, look, Republicans, Democrats, president Trump, nobody wants to confront this issue. Nobody wants to confront it.

Panetta: Nobody's talking about what you have to do to deal with that kind of deficit. Why? Because it's tough politically. You've got to deal with entitlements. You have to deal with discretionary spending. You've got to deal with defense, you have to deal with taxes. If you're serious about doing it, if you want to deal with, but nobody has the leadership to deal with that issue, and so we're playing this game of basically kind of hoping that we can continue to borrow the money in the future to try to do it. What we need to do is to have a comprehensive budget agreement that begins to reduce the deficit and then allows the defense department and everybody else to have some sense of certainty about what that budget is going to look like, rather than raising it now only to have to tear it down in the future, which is the worst thing you can do in the defense budget.

Hemmer: So national security is you two, what you described there with the debt. Gentlemen, do you have an answer as to what the right number is?

Morell: I was going to say I know what the CIA budget is, but it's classified.

Hemmer: General?

McMaster: I'd just like to say that there's a relationship between technological capability and what our technological capabilities have allowed us to do a really since World War I, to go back to World War I, and what our enemies have done, our potential enemies and our adversaries have done, which is develop niche and disruptive technologies to take apart what they see is our technological differential advantages.

McMaster: If you think about it, since World War I, smaller and smaller forces have had a bigger and bigger impact over wider areas. I think that relationship is changing fundamentally due to counter-satellite capabilities, offensive cyber capabilities, and electronic warfare that go after precision navigation and timing, that will go after our ability for imagery, will go after our assured communication, our ability really to conduct effective joint operations. I think that now the size of the force is more important, and what we've done over the years is cut the size of our force back so we can save money to apply to exquisite weapons systems, which I think are now prone to catastrophic failure. And the path we were on was to invest more and more and more and more on exquisite weapons, which I think could lead to exquisite irrelevance in future war.

McMaster: What we need is, we need different systems that are less expensive, where industry can help tremendously, that degrade gracefully and don't depend on exquisite communications, and have redundancy in systems and we have to figure out a way, I think, to grow depth in our force. That's the land, air and naval forces. I think that this is something that has not received enough attention, is capacity, the size of the forces.

Hemmer: Quickly on this. It's a big question, but I just want to go through all three of you quickly. Then we're going to move to some audience questions here. What Matt has said earlier today about the Trump legacy is that 15 years from now we will be judged by whether or not we were able to create a new way to interact with China. It's a very interesting phrase. It probably wasn't the answer I was expecting, but Director Morell, you mentioned China, not North Korea as the number one urgency. And General McMaster, I know you've done ... You've been quite vocal about the Chinese government and what our relationship should and should not be with them in terms of technology, information sharing, etc.

Hemmer: Is he right? 15 years from now that how well they do perhaps on the trade deal they're negotiating at the moment, whether or not they can make gains in intellectual property and get that under control for the future? Perhaps 15 years from now, if you stabilize that relationship around this time that the legacy of this administration will be judged on that. what do you think?

McMaster: Do you want to go first?

Morell: No, please.

McMaster: I would just say that we shouldn't care about as much about the relationship as we do about our interest vis-a-vis China and how we advance our interests. We've had the illusion of good relations with China while they've been taken advantage of us, taking advantage of us not competing as they applied unfair trade and economic practices, as they stole intellectual property or forced a transfer of intellectual property, as they financed projects throughout the world well below rates that the market would bear and then trade debt for equity and take over that infrastructure. Where they coerced countries and companies to adopt their view of the world while they now, to maintain

the Chinese communist party's grip on power, have incarcerated in concentration camps a million people, are creating the true Orwellian surveillance state.

McMaster: And so we have to recognize that we have to compete against a different system that is offering a different vision to the world and this has to be our free and open societies working together. Not just on tariffs, not just on trade policy, but on the broad range of issues. And the question is again, going back to what is the Chinese communist party, President Xi, perspective? We have policy issues, but these might be structural because the mandate of the Chinese communist party in the post-ideological communist ideological period, has substituted nationalism and China taking center stage again, if you quote from Xi's speech. For the party to maintain their grip on power, they have to prioritize state enterprises, which are inherently unfair and they're prioritizing this civil military fusion in a way that is structural and isn't just going to result in a change of policy. I think we need a sustained strategy of competition.

Hemmer: Do you think they can win in this negotiation or they're going to fight to draw?

McMaster: To withdraw from the-

Hemmer: To a draw.

McMaster: I think there's not going to be a win in this. I think this is going to be a sustained competition for a long time. And I think what we have to do with like-minded countries, the other free and open societies of the world and with industry is say, "Do you really want to do business with them? You might make a profit in the short-term, but you're signing your own death sentence in the long-term because they're going to steal your intellectual property, and they're going to use it to produce products at below market rates and dump them into your economy and the world market and run you out of business."

McMaster: What we have to do is we have to say, "Who do you want as a trusted partner?" We have to do a much better job at this. You know, this is what doing business with China looks like. This is what doing business with us looks like. I mean, look at South Korea. look at what South Korea was in 1953 and what they are today. We ought to hold that up as a badge of honor. This is what you get when you work with the United States.

Panetta: Let me, let me ... I think the legacy of this administration is not going to rest with China, and part it will. I think the larger question is going to be with an administration that has used chaos to deal with a number of areas, whether it's pulling out of the TPP or whether it's the climate change issue or whether it's tariffs, or whether it's Iran pulling out of the Iran agreement. All of which, and now the tariffs on China, all of which are chaotic in the approach and a certain amount of chaos sometimes makes sense.

Panetta: But the real problem, in my mind, is going to be whether or not the administration in view of this chaos is going to develop a long-term strategy for where it wants to go in all of these issues, all of these issues. Not just China, but all of these issues. What is our long range strategy to ultimately deal with Iran and the situation in Iran? What is our long-term strategy to deal with trade and with a global world, which it is? What is our long-term strategy going to be in terms of dealing with issues like the debt? I mean, those are the questions that I think will determine the future of this administration's place in history is whether or not we are going to be left with chaos or whether or not

this administration is ultimately going to figure out strategic goals and strategies that will deliver on trying to produce a more stable world.

Morell: I just wanted to come back to China to say that the reason this competition that HR talked about is so important is because if they become the leader in the world and began to replace us, two bad things happen. Is there anybody here who believes that the Chinese will treat the rest of the world any better than they treat their own people? And you can already see examples of it in the places where they spent a lot of time. And two, as HR said, they are aggressively out there selling their model, their model of managed capitalism and their model of authoritarianism, and the more they lead, the more they will be successful at selling those two models. That's why this competition is so critical.

Hemmer: Well, great answer.

Morell: And the only way to win it ... I know you want to move on, I can tell. The only way win it is with a coalition of nations together, the Chinese will pay attention.

Hemmer: Great. My job is to keep the plates spinning, though.

Morell: I got you.

Hemmer: Yeah. You understand that, right?

Morell: I got it.

Hemmer: Okay. A couple of great questions here, too. I want to get to all three of them, but I guess the one last question I had was, we talked a lot about public service when we reflect on president Reagan, especially today with president Bush and his passing last night. What was the one thing that you thought ... What was the hardest part about your job that you wanted the public to understand? Maybe you couldn't communicate it, maybe you couldn't get them to understand. Well, I mean, when you're sitting on the beach in Carmel, I mean, certainly there's got to be something that, "Man, I've tried to do this, but I just kept bumping into this or that or the other said person. And if people could see that from my eyes ..." Maybe they would understand or appreciate perhaps the job you did.

Panetta: No, look, I think the toughest part of the jobs within any administration, the toughest part of the job is the ability to speak the truth to power. And that's the toughest thing, and the toughest problem that people have. I've seen this in the White House, that ultimately people refrain from really speaking the truth to the president because they're afraid of doing it. And so they don't. That is frankly one of the biggest problems. I think it's important to speak the truth to the president and to anybody else. I think that it's important that you say what you think in terms of policy and what needs to be done. The president has the right to make the decision, he's the president, the one who was elected to make those decisions. But you as somebody who operates, whether it's in the white house or in the administration in any capacity, you have to have the courage to be able to say, "You're wrong, Mr. President, this is what needs to be done."

Hemmer: Question number one to General McMaster from the audience. Which should be the end game strategy in Afghanistan? How was that different from what we've been doing the last 18 years?

McMaster: Yeah. Well, we haven't had an 18-year strategy in Afghanistan. We've had, you know, 18 one-year ... Or 17, at least, one-year strategies. I think if you would set out to screw up Afghanistan, you wouldn't have done anything worse than what we did over the year. Obviously it's a very difficult problem. The course of events they're dependent not just on what we did obviously, but on determined brutal, murderous enemies, right? Who have a say in the future course of events, and what's required in Afghanistan is to try to achieve an outcome that's worthy of our effort, that is connected to our vital interests, and that's to ensure that transnational terrorist organizations who want to kill our children don't gain access to territory sources and population and use that to plan, resource, organize, and they conduct those attacks.

McMaster: What Afghanistan needs to be to be able to do that, to deny that safe [inaudible 01:10:14], it needs to be Afghanistan. It doesn't need to be Switzerland. It needs to be Afghanistan, and so it's really going to take four fundamental things. First, it's going to take the internal communities of Afghanistan coming together around a vision for the country in which they believe their interests will be advanced and protected. The second thing it will take is regional powers playing a less destructive role or a more productive role. This is Pakistan in particular. One of the things that's different about the strategy now is that the policy toward Pakistan is you can't have it both ways anymore. You can't act like you're a major non-NATO ally and receive the benefits of our large S, and then kill our soldiers and help facilitate mass murderer attacks in Afghanistan by the use of proxies and groups that you don't go after because you're only going up to these groups selectively.

McMaster: The third thing that has to happen is Afghanistan has to be hardened, strengthened, against the regenerative capacity of the Taliban, which lies across the border in Pakistan. There's been some progress made, but it's tough and Afghans are taking too many casualties to sustain, so that has to be better. And then the fourth thing is there has to be sustained international commitment. When I came into this job, the Afghanistan strategy was not only ineffective, I would say it was unethical, and the reason it was ineffective is because it neglected the fact that war is a contest of wills. As the previous administration sent troops to Afghanistan, they announced the withdrawal the same day. How does that work? I thought in war, winning means convincing your enemy or your enemy has been defeated or in this case, to get a deal with the Taliban to convince them they can't accomplish their objectives through violence. And then we negotiated with them to cut a deal as we said we're leaving and that they're making battlefield games. How does that work?

McMaster: It was completely disconnected what we were doing militarily from what we said we wanted to achieve politically. We created all these myths. We drew a bold line between the Taliban and Al Qaeda. There's no bold line between the Taliban and Al Qaeda. Osama bin Laden's son is commanding a Taliban unit. [inaudible 01:12:20] when he was there. I mean, it's the Taliban training center setup for Al Qaeda, so we created a whole mythology about them. We didn't explain it to the American people that generate our will in this contest of wills, and the reason I said it's unethical is Thomas Aquinas said, "One of the tests for a just war is you have a just end in mind." It wasn't really even

defined, I don't think, and certainly we weren't doing anything to achieve it, so what were our soldiers dying for? I mean, was it just?

McMaster: I think now the strategy is designed to get to a sustainable outcome. The arbitrary time limit was lifted, right? Which was a key element of integrating what you're doing militarily with what you want to try to achieve politically, and so it is a fundamentally different approach. I think, go back to that August speech the president made. I think it really lays out the strategy clearly. Now, will we stick to it? Will we have the will, right? I mean, the question people ask, can you win in Afghanistan? Yes, you can win. You can get to a sustainable outcome consistent with your vital interest. The question is, can we win there at a cost acceptable to the American public? I think we can. At the height of the war, \$112 billion a year. Now, it is \$22 billion a year, and it could go down further with more burden sharing.

McMaster: At the height of the war, 120,000 US troops or 115, and 160 total with the coalition. Now, down to 14,000 US troops. The troop numbers matter? I don't think they should, but I believe it's a level of effort that is sustainable, and that is consistent with our vital interests, and just consider what happens if Afghanistan would collapse, which I don't think they would, but if Afghanistan would collapse, think of the physical threat, but think about the psychological threat of these terrorist organizations, who say, "We defeated the United States, NATO, and the west."

McMaster: Now think about them with access to the narcotics trade, and the riches associated with that, and what they can do to destabilize the region, including Pakistan, a country with nuclear weapons. I believe it's in our interest to sustain this effort, and I believe we do now have a strategy in place that can achieve that outcome in the long-term.

Hemmer: Question number two, and I'm afraid it's going to be the last question. We're running out of time, and Roger is going to have some closing remarks up here in a moment. The question is this, Americans under the age of 30 today grew up without the historic experience with the Cold War or major great power competition. Do you think that has impacted how our next generation views national security and America's role in the world? And if so, how? And I guess Director Morell, you can start here. I would add to that 9/11 notwithstanding.

Morell: Here's what I would say. I spend a lot of time on college campuses. I spend a lot of time talking to kids who are interested in national security. This is not a difficult conversation with them. They understand it.

Hemmer: Amen.

Panetta: I think that we've got to have a different approach in terms of really letting young people understand that they owe something back to the country. I realize that there was debate about Jim Mattis mentioned the draft and what have you, and I understand the concerns about that, but I really do think in this country we have got to think seriously about a national service system that requires every young person to give two years of their life to this country in some capacity, whether it's to the military, education, conservation. I don't give a damn what that is, but we need to go back and have young people understand that they owe something back to this country, and they have a responsibility to give back to this country.

Hemmer: Gentlemen, thank you. I knew it'd be the best panel of the day. Leon Panetta, HR McMaster, Mike Morell. Thank you. Roger? Thank you, buddy. Great to be with you ...

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