

**Secretary of Defense Leon E. Panetta at the
“Saban Center“ of the “Brookings Institution,”
Washington, DC, December 02, 2011**

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

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

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

One of the members of that exclusive fraternity was [Senator] Chuck Schumer, someone that many of you know and that many of you understand has a tremendous passion for Israel that is deep and infectious. We slept on the bottom of this house – the living room area – and

every night before we went to sleep, he made me say the Shema. (Laughter.) I made him say the Hail Mary. (Laughter.) He learned from my passion as an Italian, and I learned from his passion for Israel, particularly when I think it was a little over 20 years ago he and I and some of our dearest friends had a chance to travel to Israel together.

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

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

In the years since, as director of the CIA and now as the secretary of defense, I've worked closely with a number of

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

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

Yet nothing I have seen compares to the dramatic events of the past year – one of change, one of promise, one of uncertainty, one of turmoil; a year we hope of Arab awakening, a year of setback for al Qaeda, and a year we believe of frustration for Iran. Entrenched leaders were overthrown by peaceful protests in Tunisia and Egypt, and by force in Libya. In Yemen, President Saleh has agreed to step down. We believe it is a very positive development. And yet the terrorist threats from Yemen still persist, and extremists are seeking to gain a foothold across the region.

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

democratic principles and maintains all of its international commitments, including the treaty of peace with Israel. On terrorism, repeated operations have decimated al Qaeda's leadership. Bin Laden, Awlaki, and many others have been successfully targeted by military and intelligence operations. Al Qaeda remains dangerous, make no mistake about it, but the world is safer as a result of these successes.

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

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

All this upheaval – all of this upheaval is posing new challenges for Israel regarding its security position in the region. But in this time of understandable anxiety, I would like to underscore one thing that has stayed constant over the past three years of this administration:

The determination of the United States to safeguard Israel's security. And that commitment will not change.

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

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

First, this administration has pursued and achieved unprecedented levels of defense cooperation with Israel to back up our unshakable commitment to Israel's security. Next year, the U.S. armed forces and the IDF will conduct the largest joint exercises in the history of that partnership, enhancing the ability of our militaries to operate together and also testing our new ballistic missile and rocket defense capabilities. Those new capabilities are themselves a product of this unprecedented defense cooperation.

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

civilians facing rocket barrages from Gaza.

Our work together on these defense capabilities represents only one part of our core commitment to maintaining Israel's qualitative military edge – an advantage that we are determined to expand even further as we continue to enhance our defense cooperation.

As just one example, the United States will ensure that Israel continues to enjoy unquestioned air superiority by delivering to Israel the advanced fifth-generation fighter aircraft, the F-35 Joint Strike Fighter. Yet we recognize that Israel's security cannot be achieved by its military arsenal alone. It also depends on the security and stability of the region, which is the second key pillar of U.S. policy. The success of our efforts in Iran permits us to redouble the long-term commitment of the United States to the security and stability of the Middle East. The Middle East is a vital interest to the United States, and we will not let our commitment to its security and stability waver. That is why we maintain a significant military presence throughout the region to defend our partners, to counter aggression, and to maintain the free flow of resources and commerce that are so vital to the fragile global economy.

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

maritime security, and threats to critical infrastructure.

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

Our approach to countering the threat posed by Iran is focused on diplomacy, including organizing unprecedented sanctions and strengthening our security partnerships with key partners in the Gulf and in the broader Middle East.

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

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

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

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

I believe security is dependent on a strong military, but it is also dependent on strong diplomacy. And unfortunately, over the past year we have seen Israel's isolation from its traditional security partners in the region grow, and the pursuit of a comprehensive Middle East peace has effectively been put on hold. I want to be clear: This isolation is due to a number of factors. Indeed, there is an international campaign underway to isolate Israel. President Obama has stood steadfastly in the way of that effort, especially in the United Nations. But I have never known an Israeli government, or an Israeli for that matter, to be passive about anything, let alone this troubling trend. And so I've been working with the leaders there, Minister Barak and others, to find ways to help Israel take steps which are profoundly in its interests.

For example, Israel can reach out and mend fences with those who share an interest in regional stability – countries like Turkey and Egypt, as well as Jordan. This is an important time to be able to develop and restore those

key relationships in this crucial area. This is not impossible. If gestures are rebuked, the world will see those rebukes for what they are. That is exactly why Israel should pursue them.

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

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

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

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

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

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

I recognize that there is a view that this is not the time to pursue peace and that the Arab awakening further imperils the dream of a safe and secure, Jewish and

democratic Israel. But I disagree with that view. I believe Israel will ultimately be safer when other Middle Eastern states adopt governments that respond to their people, promote equal rights, promote free and fair elections, uphold their international commitments, and join the community of free and democratic nations.

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

Peace requires some difficult steps. And, yes, it will involve risks. But my Italian father used to say that you cannot achieve anything worthwhile without taking risks. All Israelis should know that the United States will always stand behind their country, providing a secure safety net as it takes those necessary risks.

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

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

backing of the United States. And the United States must always have the unshakable trust of Israel.

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

Thank you. (Applause.)