Exhibit 4

May 2009 Panetta Speech
Director's Remarks at the Pacific Council on International Policy

Remarks of Director of Central Intelligence Agency, Leon E. Panetta, at the Pacific Council on International Policy

May 18, 2009

DR. JERROLD GREEN, PRESIDENT OF THE PACIFIC COUNCIL ON INTERNATIONAL POLICY: Our speaker's going to be introduced by Congresswoman Jane Harman, a very, very good friend of the Pacific Council. We’re lucky to have a congressman — person — in our district who knows more about international affairs than almost anybody in the room, and intelligence issues, and others. She’s a good friend, and we’re always happy to have her.

So I’m going to give the microphone to Congresswoman Harman. She will introduce Leon Panetta.

We’re going to run on a machine here because I promised the CIA we will get the director out in a timely way. So I am nothing if not efficient, particularly for them. So — (applause).

REPRESENTATIVE JANE HARMAN (D-CA): Good afternoon, everyone. I'm back. You will remember that just a few months ago Amy Zegart — sitting over there — and I did a little riff on homeland security and intelligence issues. We were the warm-up act for Leon Panetta, but who knew then?

Six weeks ago Leon and I spoke about his coming out to the best congressional district on earth. That’s a little west of here. Thank you, all. (Applause.) And he is here because this morning we did a tour of some of the amazing technology that is produced in Southern California. For anyone who’s missed it, it is best in class worldwide, and it has a huge role in keeping us safe. And so we were at several places this morning and we’re going to several more this afternoon before heading back to Washington.

It is wonderful that Leon would take the time to come down here. But it does give me an opportunity not just to show off but also to show off about him. Let me make just a few points.

In the world, as we know — and I said this a few months ago — there are people who work for our Intelligence Community whose identities are not known, who right at this moment it’s probably dark in the places I’m thinking of, are doing things that are incredibly personally dangerous. They’re doing those things so that we can learn about the plans and intentions of some who might try to harm us. And if anyone thinks this is a safe world, think again. It is not a safe world.
And I think no one has missed the lead story in the New York Times this morning about Pakistan adding to its nuclear arsenal. I think probably as bad a nightmare as what could happen with Iran might be a worse nightmare right now is what could happen in Pakistan if that state should fail. And I know that the Obama administration, most of us on the Hill, and surely our intelligence agencies are doing everything they can to make certain that Pakistan gets the right kinds of support in the nuclear arsenal, and those who would in other ways sell nuclear materials are kept from doing any of that. A bomb in the hands of the bad guys is a story we never want to read about.

So my thanks and my prayers go out to our Intelligence Community folks who are in harm's way now. And that is always on my mind.

Also on my mind is the kind of leadership we have in our Intelligence Community. Amy and I talked about that briefly a couple of months ago. It really matters who's in charge. And it really matters to me, and I hope to all of you, that Leon Panetta is now in charge of the Central Intelligence Agency.

Six months ago or so Sidney and I were in Monterey — beautiful Monterey, California — the other half, the less appealing half of the state, Leon. But we were at the Panetta Institute. It's a magnificent philanthropy that Leon and Sylvia have created. And I was there with Governor Schwarzenegger and several others receiving the annual bipartisan award. I really appreciated getting that.

And Leon and I were chatting about the Obama administration to-be. I think he didn't know at that point that the CIA was in his future. No, I'm sure he didn't know at that point; he's shaking his head. But six months later he's in the thick of it, and he's doing several things that I really commend.

One of them is he's providing a strong hand to support the people who work there and a vision of the values of the Agency and the values of the United States, which I think we would all share. That's number one.

Number two, very personal to me, he understands the importance of the separation of powers. And he is bringing respect to the relationship that the executive branch has with the Congress. In Leon's tenure — over eight terms in Congress, ending when he chaired the Budget Committee — he got it that Congress is an independent branch of government, performs valuable oversight, and needs to do that role if we are to make certain that our policies and practices follow the laws of the United States. And Leon got that then and gets it now, and I applaud some of the tough decisions that he's making.

For anyone who doesn't know California, Leon, you need to know that he started his career with Tom Kuchel — maybe some of you did — as a Republican. He then eventually saw the light and came on over, served in Congress for the eight terms that I mentioned, was OMB director, Chief of Staff to President Clinton, and in the recent years has been living in paradise and promoting bipartisanship. He is the 19th director of the Central Intelligence Agency.

And I forgot one thing that he did before he assumed this role. That is, he co-chaired a commission formed by Governor Schwarzenegger to advise California on the round of BRAC closures — the Base Realignment and — Base Realignment and — Closure Commission. I didn't want to mention that word because I wouldn't accept it. The largest issue in California — the largest potential closure was the Los Angeles Air Force Base, which Mel Levine will remember; he first told me about it. He said, Jane, it doesn't look like an Air Force base.

But it is in El Segundo, California, in the heart of my Congressional district, and it is the home of the Space and Missile System Center, which does procurement for missiles and satellites for our defense agencies. It is an economic engine for Southern California and had it realigned to Colorado or some other place, we would have lost a huge — the huge and impressive synergy between our aerospace base and this Air Force base that doesn't look like a base.

Leon was instrumental in figuring out how to fight to keep it here. Governor Schwarzenegger was enormously helpful, as was Congressman Jerry Lewis. But by a thread we persuaded then Defense Secretary Rumsfeld to keep it off the base closure list. And the result is what Leon saw this morning and what many of you know to be: true California excellence.

So in that spirit let me introduce to many good friends true California excellence, the 19th CIA director, Leon Panetta.

(Applause.)

CIA DIRECTOR LEON E. PANETTA: Thank you very much, Jane. And ladies and gentlemen, thank you for the opportunity to be able to be here with the Pacific Council.

I really appreciate this opportunity. I've had the opportunity to be here before, and I appreciate Jane urging that I do this again. And thank both Jerry Green and Warren Christopher for their leadership and their willingness to have me.
I want to pay particular tribute to Jerry Green and the leadership that he's provided here for the Pacific Council. I think it's been outstanding. This has really been a center for discussion and for understanding of the tough foreign policy issues that face the country and that face all of us.

And Warren Christopher, of course, has exercised tremendous leadership in dealing with the issues in foreign policy. I had the honor of working with Chris when he was Secretary of State and I was Chief of Staff and there really — when you think about the dedication to public service that's involved in the jobs in Washington, Warren Christopher is the quintessential example of public service for the sake of public service. He didn't bring any other agenda to the job he was in. His sole agenda was to serve the interests of this country; and I pay tribute to you, Chris, for that service.

And Jane, the leadership that she's provided on homeland security, on intelligence issues, she's been an outstanding member of the Congress. And I enjoyed having her lead me around these various facilities that we saw. She did that before when I was head of the BRAC commission. She was a lot more uptight doing it at that time because she wasn't sure what was going to happen. None of us were.

I went through a BRAC closure. As many of you know, I represented Fort Ord. Monterey, California and Fort Ord installation was one of the largest closures that took place. It's nothing pleasant to have to go through. And so I had the opportunity, having gone through it, to try to exercise hopefully some leadership in the effort to try to maintain those military facilities that are important not only to California but more importantly to the country. And that's certainly true in this area.

The stuff I saw at Northrop Grumman, SpaceX, what I'm going to see at Boeing, this is really on the cutting edge of the future and the cutting edge of our ability to protect this nation. But more importantly, it introduces the kind of technological know-how that is going to be so important to our ability to continue to lead in the 21st century. So I'm really, really honored to do that.

I'm in California. I guess most importantly, thank you for getting back — me back — to my state. This is — it's a great state. As you know, I was born and raised in Monterey, son of immigrants from Italy. My dad was the 13th in his family and had a number of brothers who came here. Actually, I think one brother settled in Sheridan, Wyoming; another one settled here in California.

When my father came with my mother, supposed to visit your older brother first, and he did. And so they went to Sheridan, Wyoming to visit with his older brother. They spent one winter in Sheridan, Wyoming, and my mother suggested that it was time to visit the other brother in California, which I'm glad they did and finally wound up in Monterey. And that's where I was raised.

They had a restaurant in downtown Monterey during the war years and I — my earliest recollections were washing glasses in the back of that restaurant. They believed that child labor was a requirement in my family.

And they settled in Carmel Valley, which is where we live now with — our home is there. And had the honor of representing that area in the Congress. That's where we built our Institute for Public Policy.

And I have — I love this state. Worked with California Forward. The speaker here has now taken my job in helping to lead that effort and, man, do you have a hell of a lot of work to do here in California to try to get this state back on the right track.

And now I serve as Director of the CIA. It is one of the great challenges that I've faced throughout my career and it's — I've been in a lot of challenges, going back to being Director of the Office for Civil Rights during the days when we were pushing to desegregate the Southern school system. And then obviously as a member of Congress and as director of OMB, the challenge of facing at that time what kind of meager 2, 300 billion dollar deficit. We were able to deal with it and balance the budget.

Anyone remember balancing the federal budget? It was one of the great accomplishments, I thought, during that time, and I thought it would be something that would be with us into the future. That, unfortunately, did not happen. But it was a great challenge going through it. With the help of President Clinton and others in the Congress we were able to achieve that.

And then, obviously, as Chief of Staff to the president.

This job in particular represents some huge challenges, and it's really important to listen in this job. This is — generally throughout your political career you do a lot of talking. But in this job you've got to listen to a lot of people in order to really understand what's going on.

There's a great story I often tell of the Nobel Prize winner who was going throughout the state of California giving exactly the same lecture on this very intricate area of physics. And same lecture. Chauffeur just kind of was driving him around, finally leaned back when they were heading towards the San Joaquin Valley and said, "You know, professor, I've heard that same lecture so many times, I actually think I could give it by memory myself."
So the professor said, “Why don’t we do that? Why don’t you put on my suit, I’ll put on your chauffeur’s uniform and you give the lecture?” So they did.

Chauffeur got up before a standing room audience, gave the lecture word for word, and got a standing ovation at the end of the lecture. And the professor dressed as the chauffeur sat in the audience and couldn’t believe what had happened.

Then somebody raised their hand and said, “Professor, that was an outstanding lecture in a very intricate area. But I have some questions.” And so he went into a three-paragraph question with some mathematical formulas and equations and finally said, “Now, what do you think about that?”

There was a long pause. The chauffeur dressed as a professor looked at him and said, “You know, that’s the stupidest question I’ve ever heard. And just to show you how stupid it is, I’m going to have my chauffeur answer it out in the audience.”

(Laughter.)

I’m finding that there are a hell of a lot of chauffeurs — (laughter) — in the job that I’m in that you have to listen to and that you have to pay attention to. And there are chauffeurs in this audience who deal with a lot of the issues that I’m involved with. And we have to listen to all of that because there are a series of challenges that we confront.

The Central Intelligence Agency and the Pacific Council in many ways share a common goal. Both aim to better the understanding of the world that we live in and to try to help policymakers make the very difficult decisions that have to be made with that understanding; and in particular, the decisions that have to be made if we’re going to protect our national security and if we’re going to achieve those vital foreign policy goals that will protect our future.

I’m going to take a few minutes to discuss several of our most pressing foreign intelligence areas and priorities. And then obviously I’m happy to have a discussion with all of you about these and other issues.

As you know, my Agency’s mission is as wide as the world. I just returned from visiting several of our stations abroad. Went to the war zone, started with India, then went to Afghanistan, and then Pakistan. Just came back from a trip to Iraq and also had the chance to visit in Israel and Jordan, as well as other areas.

When you visit stations abroad and see the role that is played by the people that are out there, you understand that the CIA in many ways is on the front line of the defense of this country. We are literally the point of the spear because the reality is that we could not accomplish much militarily — or for that matter from a foreign policy point of view — without having good intelligence, without knowing and understanding what’s out there and what’s involved. So intelligence is crucial to our ability to understand those issues. And the people that work for the CIA are very much on that front line and are really dedicating themselves to the effort to develop the kind of information that is crucial to policymakers in this country.

I realize that there are many that focus on the past. And I understand the reasons for that. And I don’t deny Congress — as a creature of the Congress, I don’t deny them the opportunity to learn the lessons from that period. I think it’s important to learn those lessons so that we can move into the future. But in doing that we have to be very careful that we don’t forget our responsibility to the present and to the future. We are a nation at war. We have to confront that reality every day. And while it’s important to learn the lessons of the past, we must not do it in a way that sacrifices our capability to stay focused on the present, stay focused on the future, and stay focused on those who would threaten the United States of America.

Let me talk about some of the issues that we are working on. Fighting terrorism is obviously at the top of our agenda. Counterterrorism is CIA’s primary mission. Al-Qaeda remains the most serious security threat that we face, most serious security threat to America and to U.S. interests and our allies overseas. Its leaders in Pakistan continue to plot against us. Its affiliates and followers in Iraq, North and East Africa, the Arabian Peninsula, and other countries continue to work to develop plans that threaten this country and that threaten the potential for our ability to survive. The main threats we face from al-Qaeda are to our homeland and the threats we face to the troops that are in the war zones throughout the world.

The President has basically said very clearly what our mission is, and he repeated it when he announced the Afghanistan-Pakistan policy. He said that our nation’s primary objective is that we have to disrupt, dismantle, and defeat al-Qaeda and its extremist allies. That is the mission — the fundamental mission — that the CIA has.

Serious pressures have been brought to bear on al-Qaeda’s leadership in Pakistan, particularly Pakistan’s tribal areas — where they’re located — in Waziristan and in the FATA. There is ample evidence that the strategy set by the President and his national security team is in fact working, and we do not expect to let up on that strategy.
I’m convinced that our efforts in that part of the world are seriously disrupting every operation that al-Qaeda’s trying to conduct and is interfering with their ability to establish plans to come at this country. And we will continue that effort.

Al-Qaeda is known for seeking shelter, however, elsewhere. And so one of the dangers we confront is the fact that as we disrupt their operations in Pakistan and in the FATA, that they will ultimately seek other safe havens. Today Somalia and Yemen represent that potential as potential safe havens for al-Qaeda in the future. They also present a very high risk for terrorist attacks in that part of the world.

The continuing plotting by al-Qaeda, these individuals who are working continue to develop an agile and a persistent kind of effort to threaten this country. Disrupting the senior leadership in Pakistan is crucial, but it alone will not eliminate the danger. The goal must be to pursue al-Qaeda to every hiding place, to continue to disrupt their operations, and continue ultimately to work towards their destruction so that they do not represent a threat to this country or to our troops in the future. That’s why CIA continues to work with partners across the world in intelligence, in law enforcement, and in military to understand and counter the constantly evolving threat, both tactically and strategically.

The war zones. We are involved obviously in the war zone areas directly. The thousands of U.S. servicemen and women engaging the enemy in Iraq and Afghanistan. Intelligence support to the military remains a top priority for the CIA.

I recently visited both countries, as I mentioned, and got a first-hand look at the situation on the ground. In Iraq, as security improves and as the military draws down, there remains a continuing focus for intelligence, the kind of intelligence that will focus on what al-Qaeda is doing, that will focus on other efforts to disrupt that country. So as the U.S. draws down on its military side, you can expect that we will continue to maintain a robust intelligence presence in Iraq in order to provide the kind of intelligence that will be necessary for Iraq to establish stability.

The threat of sectarianism remains very real as well, as does the potential for further al-Qaeda attacks. Al-Qaeda has moved principally to the area of Mosul. We’ve been able to go after them in most other areas, but they have a presence in Mosul. We are continuing to focus on that. The government is still trying to figure out how to govern and how to secure Iraq on its own.

Helping policymakers and military commanders manage these continuing challenges requires the best possible intelligence. In Afghanistan, the Taliban insurgency is spreading in a country with weak political institutions and a failing economy. Stabilizing the situation there requires not only a military surge, it will require from the United States a strong intelligence surge as well to be able to protect our coalition forces and to build the kind of durable peace that will be needed for the future.

The President is taking a comprehensive approach here. CIA will inform that approach at all levels of influence. Hard and soft power are being applied in Afghanistan, and it needs to be if we are to have a chance at being able to establish stability there.

On the larger global mission, even as CIA leads the fight against al-Qaeda and directs tremendous resources to the war zones, our attention has to be focused on other priorities as well. We cannot and we will not diminish that effort.

The threat posed by Iran has our full attention. This country is a destabilizing force in the Middle East, a region that needs just the opposite. As you know, the administration is moving towards a diplomatic effort, diplomatic engagement with Iran. But no one is naïve about the challenges that we confront. Tehran aspires to be the pre-eminent power in the area. Its nuclear program, meddling in Iraq, ties to Syria, support for Hamas and Hezbollah, all are connected to that aspiration. And it is no coincidence that as Iran works to expand its influence, it also seeks to limit the influence of the United States and our allies, particularly in that part of the world.

On the nuclear front, the judgment of the Intelligence Community is that Iran at a minimum is keeping open the option to develop deliverable nuclear weapons. Iran halted weaponization in 2003, but it continues to develop uranium enrichment technology and nuclear-capable ballistic missiles. And that represents a danger for the future.

Assessing Iran’s intentions is a top priority. This is not an easy target in terms of being able to gather intelligence. It’s a tough target. But just as important, we have to focus in order to develop an accurate picture of what’s going on. What are its capabilities? And we are focused on that threat.

And while the Iranian nuclear program in and of itself is cause for significant concern, there also is a very real risk that other countries in the region will be tempted to follow suit. The last thing we need in the Middle East is a nuclear arms race.

Of course, no discussion of the dangers of nuclear proliferation is complete without mention of North Korea. Our intelligence agencies are all working together to try to assess that country’s nuclear weapons program and its long-range missile capabilities. The country’s interest in selling technology and expertise to anyone willing to pay the price is a very serious concern. Like Iran, North Korea is a tough
target to penetrate for intelligence purposes, but we’re making good progress. The fact is, we had good notice about the fact that they were going to deploy the Taepodong missile and knew pretty well within an hour when that was going to happen.

There also are legitimate questions being raised about the internal stability of North Korea, given Kim Jong-Il’s health problems, uncertainty about succession, the weak economy, and the persistent food shortages. The result is that North Korea remains one of the most difficult and unpredictable threats that we face in that part of the world.

Finally, let me talk a little bit about CIA’s role in national security. Paying attention to the security risks posed by these challenges — and of course, many, many others — is the fundamental mission of the CIA. I’ve only scratched the surface today in the threats I’ve discussed. There are enduring threats that we also face, such as China and Russia, and priorities tied to current conditions, the potential impact of the drug war in Mexico, the swine flu, the global economic crisis, new openings with Cuba, global warming; all of these are areas that represent important intelligence gathering material that we have to have and present to opinion makers and policymakers.

In addition to shedding light on the recent and most pressing problems that we face, we know and understand the strategic landscape across the globe. We’ve got to understand the additional threats, whether they come from Latin America, from Africa, or from the Far East.

The key, it seems to me as Director of the CIA, is the responsibility we have to make sure that we are never surprised. That really is our fundamental responsibility to this country and to the world. To accomplish this very broad mission, CIA officers are on the front lines, as I said, in the war zones and beyond. They are identifying and confronting the full range of threats and opportunities facing our nation.

CIA’s duty is not only to provide intelligence but to minimize the risk, as I said, for surprise. That means we must anticipate issues in areas of the world that represent potential threats. We have to be ahead of them and stay ahead.

After only a short time on this job, I can tell you that we have some of the finest, most skilled and professional and dedicated men and women that are serving this country. My job is to ensure that they have the resources and the authorities to accomplish that mission and they do it in full accord with the nation’s laws and our values. I’m personally committed to that, as is everyone at CIA.

I’ve also indicated that in the training process there are a couple areas that I hope to stress. One is to increase the diversity of the people that are part of the CIA. We have got to reflect the face of the world at the CIA. And while there’s been some progress in diversity, not enough has taken place. If we’re going to deploy, if we’re going to have people abroad, they have to have the same face and have the same understanding of the areas that they are seeking intelligence on.

In addition, they have to have better language training. I’m a believer that, frankly, without language training it’s very difficult to get the kind of intelligence that you need. You have to understand people. You have to understand their culture. And the key to doing that is language training. I hope we can reach a point, frankly, where every officer in the CIA is required to undergo language training of some kind. It is an essential key to being able to do their job.

I’ve had a good deal of exposure to the Agency’s work in previous jobs, but not until I became Director did I finally appreciate the extent and the significance of what CIA does for our country. It is the most professional, as I said, the most effective organization that I’ve ever run — and I’ve had the honor of representing a lot of organizations throughout my career in government. It is full of people who are very silent in their work; they’re called silent warriors. And they make real sacrifices for the country. There’s a wall in the lobby of the Central Intelligence Agency in which there are stars representing those who have given their life for this country as members of the CIA. And many of their names are not known because they remain undercover. Now, that’s the kind of sacrifice that’s been involved. I’m honored to lead them and represent their work to the President, the Congress, and to groups like yours.

Let me make clear that although we are an intelligence agency, and although we have the obligation, obviously, to protect the nation through covert actions and covert operations, we are also an agency of the United States of America. And as such, we have to make clear that we will always uphold the Constitution and the values that are part of the United States of America. As the President has said — and I deeply believe — we do not have to make a choice between our values and our safety.

As I mentioned, I am the son of immigrants. And I used to ask my father, why would you travel thousands of miles to a strange country, no money, no skills, not knowing really what they were getting into? And my father said, the reason we did it is because my mother and I believed we could give our children a better life. And I think that’s the American dream. That’s what all of us want for our children and for their children is to ensure that they have a better life.
And I think the fundamental responsibility of the CIA — and for that matter, all of us — is to ensure that we do give our children that better life, that we protect the security of all Americans, and most importantly that we always protect a government of, by, and for all people.

Thank you very much.

(Applause.)

DR. GREEN: (Off mike) — has agreed to answer some questions. I promised he will be out of here at five minutes to 2:00, so I will be merciless in just cutting this off at the end.

First question, please, sir?

Q: (Off mike.) You mentioned — I don't think it's on. You mentioned — (inaudible, laughter.) My precious time is disappearing.

You mentioned that you believe the strategy in Pakistan is working — the President’s strategy in Pakistan in the tribal regions, which is the drone — the remote drone strikes. You’ve seen the figures recently from David Kilcullen and others that the strikes have killed 14 midlevel operatives and 700 civilians in collateral damage. And his assessment as a counterinsurgency expert is it’s creating more anti-Americanism than it is disrupting al-Qaeda networks.

And then secondly, President Musharraf told me when he was in office that the Pakistan nukes are safer than those in the former Soviet Union. Do you agree with that? Safely guarded — more safely guarded?

MR. PANETTA: On the — are you hearing me okay? On the first issue, obviously because these are covert and secret operations I can’t go into particulars. I think it does suffice to say that these operations have been very effective because they have been very precise in terms of the targeting and it involved a minimum of collateral damage. I know that some of the — sometimes the criticisms kind of sweep into other areas from either plane attacks or attacks from F-16s and others that go into these areas, which do involve a tremendous amount of collateral damage. And sometimes I’ve found in discussing this that all of this is kind of mixed together. But I can assure you that in terms of that particular area, it is very precise and it is very limited in terms of collateral damage and, very frankly, it’s the only game in town in terms of confronting and trying to disrupt the al-Qaeda leadership.

Secondly, with regards to Pakistan nuclear capability, obviously we do try to understand where all of these are located. We don’t have, frankly, the intelligence to know where they all are located, but we do track the Pakistanis. And I think the President indicated this yesterday in an interview, that right now we are confident that the Pakistanis have a pretty secure approach to trying to protect these weapons. But it is something that we continue to watch because obviously the last thing we want is to have the Taliban have access to the nuclear weapons in Pakistan. We’re fighting, obviously, that potential in Iran. We’re fighting it elsewhere. The last thing we would want is to give al-Qaeda that potential. So we continue to watch that very closely.

DR. GREEN: Next question? Kimberly?

Q: Mr. Director, my name is Kimberly Marteau Emerson, and I am vice-chair of Human Rights Watch executive committee here in Southern California. I want to commend you on the closing of secret prisons and the change in interrogation rules on torture by the CIA. I think you’re doing great work there, and I loved what you just said at the end about upholding American values and the Constitution.

I know you also said earlier that some people want to look back and not look forward. And I agree. We are in the middle of many crises, and it is really important to look forward and be present. However, if we don’t draw a line in the sand now on past actions, what happens when the next CIA Director and President get in who actually carry the same policies and same ideals as the last eight years? We have not set any kind of precedent or laid down any kind — other than by example and by our current rules, to basically look at this issue and really have an open inquiry on it. And I’m not talking about accountability or prosecution; I’m talking about actually looking at whether it works or not so that we have a public accounting of that. What do you think?

MR. PANETTA: You know, I’m — as I said, I’m a creature of the Congress, and my view is that if Congress makes that decision to move forward on that kind of study then, as Director of the CIA, I’ll do everything possible to cooperate with that effort. As you may know, the Intelligence Committee on the Senate side, under the chairmanship of Dianne Feinstein, is now conducting that kind of review. And they are going back over that material, and we have provided access to that material. We are working with their staff and working with her and her co-chair to make sure that whatever questions they have, whatever information they would like to have, we will provide it to them, and obviously then they’ll draw their own conclusions.
But my view is I’m not going to tell the Congress or anybody else what they should or shouldn’t do with regards to this issue. I do believe it’s important to learn the lessons from that period. I think that the study by the Intelligence Committee in the Senate will give us that opportunity. But I guess what I’m most concerned about is that this stuff doesn’t become the kind of political issue that everything else becomes in Washington, D.C., where it becomes so divisive that it begins to interfere with the ability of these intelligence agencies to do our primary job, which is to focus on the threats that face us today and tomorrow.

DR. GREEN: Next question. Sir, if you could identify yourself, please.

Q: My name is Arash Faran, and my question has to do with your comment about dismantling and defeating al-Qaeda around the world. And if you look at the example of Israel, you may argue Israel is engaged in some of the same tactics and some of the same battles as the United States. And one of the things you often see is as they take out terrorists and other people who are plotting against the country, often times there’s a deep bench behind them. And year after year you often have leaders who rise out of nowhere who take their place.

As we engage and spend a lot of time and resources to fight that same battle, how can we — what more can we do so as that bench disappears, as we take out high-level operatives, there is no one standing behind them?

MR. PANETTA: Well, obviously that’s — that has to be a concern. As we go after them, as we try to disrupt and dismantle their operations, we have to be concerned about how do we block them from moving to other areas, to finding new safe havens. And that’s why I mentioned both Somalia and Yemen, because what happens is that in these countries that are — in terms of governing are not doing a very good job, that’s probably the kindest I could say about it — the reality is that those become grounds for al-Qaeda to develop future efforts.

And I think what we have to do is we have always got to be one step ahead of them, which means we’ve got to backstop them. If they’re going to go to Somalia, if they’re going to go to Yemen, if they’re going to go to other countries in the Middle East, we’ve got to be there and be ready to confront them there as well. We can’t let them escape. We can’t let them find hiding places.

And I do have to tell you that Israel is — you know, we have a close working relationship with Israel and working with them has been very helpful in terms of being able to identify these threats.

DR. GREEN: Mark Nathanson.

Q: Thank you. Leon, I wanted to ask you, now that you’re the head of the CIA. There’ve been problems in the past with the CIA working with local law enforcement, such as in Southern California. For example, after 9/11, they wanted local law enforcement to investigate student visas that were over here, and there was over 5,000. And when local law enforcement asked the government for a priority as to them, they said, we can’t give it to you because you aren’t cleared.

So the question I have is how are you going to improve relations with local law enforcement? And also, how can the local business community help the CIA?

MR. PANETTA: Well, you know, I — let me first of all say from my own background, both as a member of Congress and then serving in a number of capacities, I think it is very important to develop a partnership here. We can’t do this alone. The CIA can’t do this alone. We have to work with the FBI. We have to work with the Homeland Security operation. We have to work with state government. We have to work with local government to develop the kind of partnership we need in order to meet these threats. You can’t just do this at one level.

And so I’m a believer that, frankly, we need to sit down and work with local government and not just simply task them to do things that they can’t deliver on, but work with them to try to make sure that we can achieve these goals working together.

I’ve mentioned this to the Director of National Intelligence as a priority. I think we have to share more of the intelligence we gather both with state and local governments so that they’re aware of the threats that we’re confronting. I think we have to develop the kind of communication that allows us to not only share information but to work together to confront these threats. It doesn’t work — I’m just — I’m not a big believer of the federal government kind of walking in and telling people what to do and then getting the hell out of town. I don’t think that works.

Q: Good afternoon. My name is Salam Al-Marayati. I’m with the Muslim Public Affairs Council.

The President said in a major speech in Istanbul that we — the United States — are not at war with Islam and that we must engage the Muslim world beyond counterterrorism. However, based on your speech and based on a number of activities, it still remains that the relationship is very tense, confrontational — at least, defined by confrontation — and there’s really not much that is said in terms of
other areas such as nonmilitary means to fight terrorism.

So could you expand on that and how engaging the Muslim world beyond this issue of terrorism could serve our national interests?

MR. PANETTA: I appreciate that question. Obviously our focus is on going after those who obviously are planning and involved with threats not only to our homeland but obviously are developing — those forces that are actually going in and confronting our military, particularly in Afghanistan and Iraq. And so that does remain a focus.

But clearly we can’t — we cannot re-establish a relationship with the Muslim world on the basis of these kinds of operations alone. We have to look at a broader strategy of building that relationship. I mean, the place I see it most directly is obviously in these war areas, where in — whether it’s Pakistan or whether it’s Afghanistan, clearly we’re going to confront the threats that are on the ground. Clearly we’re going to obviously fight back when we’re attacked and that needs to be done.

But if we’re going to develop long-term stability, whether it’s Pakistan or Afghanistan, we have got to be able to engage the tribal areas. We’ve got to work with them. It is about education. It is about food. It is about security. It is about trying to develop a relationship that gives them more responsibility to be able to care for them own and to be able to work to ensure that kind of stability.

On the broader picture, clearly what happens is people in al-Qaeda or other terrorist groups feed on the frustration of people who feel they have no opportunity to be able to succeed. And so we have got to build a broader message with the United States of America, a broader message that reaches out to them and says we understand those problems. And we’ve got to show that we’re willing to work to deal with those kinds of problems.

I think the President, by virtue of not only what he said in Turkey but what he’s going to say in Egypt, is trying to build that relationship with the Muslim world. We cannot just win this militarily. We can only win it when we ultimately capture their hearts and minds as well.

Q: My name’s Asef Mahmoud. I have like two questions. One is that intelligence supposed to be working with time ahead. And we have seen in this Pakistan/Afghanistan thing that we react only when things are already happening, just like the recent event in Swat. For last one year, Taliban, al-Qaeda has been moving to Swat. Everybody knew that people had been actually reporting this thing. And a few months ago the Sufi Muhammad — basically main person behind this — was in Pakistan in custody. Why could not remove at that time when the problem was not that bad and stop it there?

And second part is, is there a role of CIA to work not only to topple government or prevent national security but to change the view of the people? We are killing thousand or 2,000 but we are making millions of people our enemies. Right now the sympathy for Pakistan — for the Pakistanis for America is actually I think historically low, although America is trying to be a friend of Pakistan.

Thank you.

MR. PANETTA: Thank you very much. Let me deal with the second question first because in many ways it takes us back to the other problem. One of the challenges we face is that in confronting al-Qaeda and the Taliban and other terrorist groups that are within these tribal areas in Pakistan, that one of the things we have struggled to do is to make Pakistan recognize that they represent a threat to their stability.

Pakistan, as you know, their primary focus has always been on India and the threat from India, and that to a large extent these areas have been ignored. I mean, I remember talking to a — one of our people in Pakistan, and I said, can you give some sense of the history here and why that is? And he said whether it was the British Empire or whether it was the Pakistanis, that in many ways they treated these tribal areas like Indian reservations, that if — they kind of left them alone. If they raised hell, you send the cavalry in to basically deal with the problems. And then you go out and not pay much attention to them.

And so a consequence was that in many ways while we continue to say, look, there’s a real threat here that we’re confronting, that you have to view this as a common threat. It’s not just the United States. It’s not just Afghanistan. It’s Pakistan. You know, when they blow up things in your streets, when they’re — you know, when the Marriott is blown up, this is a threat to your stability.

If the Pakistanis recognize that as a real threat, then we can create the partnership we need in order to deal with it. Now, I think they’re beginning to. There obviously are, as we speak, military operations going on in Swat and Buner and other areas. The key is not whether they simply go in and — you know, bring the tanks in and clear out the Taliban and then back out and allow the Taliban to go back in. They’ve got to clear these areas and hold them. That’s very important if it’s going to work. So it is extremely important for Pakistan to recognize the threat that it constitutes to their stability.
We had a trilateral meeting in Washington where the President engaged both President Zardari and President Karzai, and I engaged my intelligence counterparts at the same time. And I think as a result of that we began to develop some plans to confront this on a partnership basis, where they will provide that information, and we will share intelligence on these threats. And frankly, it's working. We're beginning to make that happen. And I do sense that President Zardari and the other leadership in Pakistan recognizes that they've got to do more to confront that issue.

Part of the reason for the Swat agreement, part of the reason for some of the deals that were made in those tribal areas really goes back to the history I talked about. They really thought they could cut a deal. If these areas could take care of themselves, they could get the hell out and not pay a lot of attention to them. I have to tell you, when I first came into office I sat down with the Pakistanis and I said, you have got to take a look at this because it is dangerous. And they said, no, we think we've — this is different. This isn't like the other agreements, and they won't fall apart. Well, they did. And I think they've learned a lesson from that, hopefully.

So I guess what I'm hoping for is that Pakistan recognizes the danger that is involved in dealing with these areas and the threat it constitutes to their stability. And I understand the concern about India. I understand the historical concern that's always been there. But I have to tell you that if they don't pay attention to these areas while they're worried about India, this threat could undermine the stability of the country, and that's why they have to face it.

Q: Thank you for your comments. I'm Nancy Aossey, head of International Medical Corps, an NGO based right here in Los Angeles. I just want to go back to your comment that you made earlier — that I really appreciated — about I guess the role of NGOs in civil society.

One of the concerns that we've had as an organization operating in Afghanistan and Pakistan and Somalia and Iraq all these years is that the interface for the local population, the people who form their opinions about our country certainly, is often the military because of these conflicts. Could you expand a little bit more about the role of civil society NGOs that they can play, especially during a time when people often just see people with guns and soldiers, et cetera, and get the wrong impression of what we're trying to do?

MR. PANETTA: Well, this is the great challenge in trying to deal with those areas and to try to bring stability to those areas. As I said, while I have tremendous respect for the military, while I have tremendous respect for our people in the work that we're doing, in the end none of this is going to work without the Afghanistan people themselves and the tribes — and I can apply that to Pakistan as well — but none of this is going to work unless they assume the responsibility they have to assume to try to deal with these issues as well. And that means that when it comes to providing food, when it comes to providing education, when it comes to providing infrastructure, we can provide the funds and the support systems, but it's the NGOs that are on the ground and that are working with them every day to try to advance that.

I do think that it's very important — for example, when the military goes out they ought to be able to, in Afghanistan, have an Afghan face with regards to their operations. That's really important. Same thing, frankly, is true in Pakistan, that there ought to be a face of the country that they're involved with.

Secondly, we have got to make the tribal leaders understand that — look, the reason the Taliban is successful in those areas is because the Taliban comes in when there's a lot of disruption and they basically say, we can provide order. And that's what hurts us the most is that in the search for order, in the search for security, the Taliban represents that.

We've got to be able to obviously achieve security. But if you're going to achieve it, you've got to back it up with a system that provides and meets the needs of the people.

I remember when I was in Iraq for the first time with the Iraq Study Group there was a general there who basically sat down and said, you know, we're not going to win this war militarily, and we're only going to win it if we provide human needs: we provide jobs, we provide education, we provide infrastructure, water, sanitation, the kind of basics that people need. When we recognize that, then we'll begin to win.

And I think part of the surge effort that went into Iraq would not have worked if it was not complimented by other efforts, by the State Department, by the NGOs to fulfill those other needs. We've got to learn those lessons and apply them in Afghanistan and Pakistan if we're going to win.

Q: (Off mike.)

MR. PANETTA: Can I refer this question to your wife?
Q: Mr. Director, I hope you do recognize me. I am your chauffeur. (Laughter.) Very expensive chauffeur. And I assume that you will treat this question with appropriate respect for my role.

One of the great ironies in history is that both al-Qaeda and the Taliban are devoted to the destruction of modernity but nonetheless made remarkably effective use of modern digital technology. And it is my impression that the old CIA — that CIA that preceded you — somehow failed to recognize the asynchronous character of that threat.

Without revealing any of the algorithms, which I know you personally do create — (laughter) — could you reassure us that there is a sensitivity and awareness of the CIA today that the use of old analog responses to new asynchronous digital threats isn’t likely to work very well?

MR. PANETTA: I’m going to have my chauffeur answer that question. (Laughter.) Sydney, you’ve introduced something that I have really, you know, in the time that I’ve been director of the CIA have recognized, that as we in this country try to stay on the cutting edge of technology and communications and internet activities and computers, our enemy does the same thing. And they are making use of it all the time, and they’re making effective use of it.

We have developed, obviously, approaches to try to confront that. I mean, the whole area of cyber security is a huge threat to this country and to the world in ways that we haven’t even begun to understand. I mean, shutting down the power grids, shutting down — I mean, the kind of introduction of worms that go into some of these systems that disrupt our computers or disrupt our connectivity, suddenly that kind of thing is becoming a very real threat, as other countries develop the capacity to be able to use that kind of technological weapon.

We have to be ahead of that. And I do have to kind of pay tribute to the NSA, which spends an awful lot of its time basically focusing on these issues in this area and has developed some absolutely fantastic technology to try to confront some of these potential threats for the future. It’s changing and being developed all the time; every day changes are taking place. We have got to make sure that we stay ahead of it. If we fall behind, any one of these areas could be extremely dangerous to us.

But what we’re finding, for example, is that in the middle of the FATA, somebody using a computer. It happens. They’re using cell phones. They’re using other technology. Our ability to be able to have the intelligence to go after that capacity is what gives us our edge right now. We’ve got to continue to stay ahead of it because it is a rapidly changing threat.

DR. GREEN: We’re on our last question. Quite appropriately, I’m going to turn to Professor Amy Zegart, who has written a book, which I wish I could give you a copy of, but I’m sure you’ve read. And Amy will have our final question.

AMY ZEGART: Nothing like being a “Z.” Mr. Director, you’ve talked a lot today about external threats that the Agency confronts. I’d like to ask you to comment on a domestic challenge the Agency’s been confronting very much in the headlines in the past of weeks, and that is its relationship with the Congress. You’ve played on both sides of that contact sport in your career. From where you sit now as CIA Director, what does good Congressional oversight look like to you? Do we have it? And if we don’t, what kind of changes could Congress make that would enable you to do your job better?

MR. PANETTA: Thank you for that question because one of the things that I really want to do as Director of the CIA is to improve the relationship with the Congress and to make the Congress a partner in this effort. I mean, I realize that we’ve been through a rough period. And the problem with that is that when that relationship is not working, when the Congress and the CIA don’t feel like they’re partners in this effort, then frankly it hurts both. And more importantly, it hurts this country.

Congress does have a role to play. I am a believer — as I said, as a creature of the Congress — that Congress, under our checks and balances system, has a responsibility here. We’re not the only ones that have the responsibility to protect the security of this country. The Congress has the responsibility to protect the security of this country.

When I first went back as a legislative assistant to Tom Kuchel, as Jane pointed out, you know, there are some people here that will remember, but it wasn’t just Tom Kuchel. There were people like Jacob Javits and Clifford Case and Hugh Scott and George Aiken and Mark Hatfield and others on the Republican side who were working with people like Hubert Humphrey and Henry Jackson and others on the Democratic side. And yes, they were political. Yes, they had their politics. But, you know, when it came to the issues confronting this country, they did come together. And they worked together not only on national security issues; they worked together in domestic issues and laid the groundwork for a lot of what we continue to enjoy today. I’m a believer that that’s the way our system works best.

There’s been a lot of poison in the well in these last few years. And I think in 40 years that I’ve been in and out of Washington, I’ve never seen Washington as partisan as it is today. And I think we pay a price for that in terms of trying to deal with all the problems that face this country. And I feel it in particular when it comes to issues that we’re involved with. My goal is to try to do everything I can to try
to improve that relationship.

The Intelligence Community does have a responsibility to oversee our operations. And what I intend to so is to make sure that they are fully informed of what we’re doing. I do not want to just do a Gang of Four briefing — in other words, just inform the leaders of the party. My view is — and I said this at my confirmation hearings — I think it’s very important to inform all the members of the Intelligence Committee about what’s going on when we have to provide notification.

I'm going up tomorrow morning to meet with the Congressional group and just have coffee and talk about some of the issues that are involved with it. I think we ought to have more of those opportunities. Not in a hearing setting where everybody can kind of do “gotcha.” I think I would rather operate on the basis of let’s talk about it, tell me what your concerns are, I'll tell you what my concerns are, and do it in a way in which we can be honest with one another.

But I do believe in the responsibility of the Congress not only to oversee our operations but to share in the responsibility of making sure that we have the resources and capability to help protect this country. The only way that's going to work is if both parties are working in the same direction. If they start to use these issues as political clubs to beat each other up with, then that’s when we not only pay a price, but this country pays a price.

DR. GREEN: Thank you so much.

(Applause.)

I want to thank all of you for coming. I want to thank Director Panetta for his comments. We all wish you well in your new assignment. And thank you all for coming.

(END)