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ROSE GOTTEMÖLLER: A warm welcome to everyone in the room. My name is Rose Gottemoller. I’m a senior associate here at the Carnegie Endowment for International Peace. I’m very pleased today to say we have two-fer for you. Not only will be talking about the run-up to the Bratislava summit – to take place in a few weeks time between President Bush and President Putin, which will be a signal event in the early months of the Bush Administration – but we are also launching here in Washington this study, “U.S.-Russian Relations: The Case for an Upgrade.”

I want to underscore for you the unique nature of this product. We have all three authors here today: Andrew Kuchins, Vyacheslav Nikonov, and Dmitri Trenin. They are eminent enough in their own right, but the most important thing about this document is that it was a consensus product between the U.S. and Russian authors. Everybody put their shoulder to the wheel and I understand they had some quite difficult back-and-forth, but it is a consensus document that looks at a future agenda for upgrading the U.S.-Russian relationship.

So, it’s an important document and one that drew in many experts, both here in Washington and also in Moscow, and I understand has been briefed quite widely in Moscow including in the Kremlin, so it has already gotten wide play in the Moscow environment and we’re launching it here today in Washington in the hope that it will have the same impact on the Washington environment as well. In addition to the three co-authors, we have the added bonus of Michael McFaul, who will be commenting on the study today and also providing some perspective on the upcoming summit from the perspective of Russian domestic policy. So I think we really do have an excellent lineup.

Just a few words about each of our speakers: I’m not going to run through their very extensive biographies in detail – I think most of you know them – but just a few words about who they are. Andy Kuchins of course is the director of the Carnegie Moscow Center, where he focuses his research on Russian foreign policy and security policy, and publishes widely both in Russian media and in Western media. He is a member of the governing council of the Program on Basic Research and Higher Education in Russia and is on the editorial board of the journal, Democratizatzya.

Dmitri Trenin is the deputy director of the Carnegie Moscow Center, where he also serves as the co-chair of the Foreign and Security Policy Program. His professional experience takes up half this page here. I’ll just note a couple of things. Of course, that he is a retiree from the USSR and Russian armed forces, having served from 1972-1993 and during that period was a key member of the Soviet delegation to the U.S.-Soviet Nuclear and Space Arms Talks in Geneva, from 1985-1991.

Vyacheslav Nikonov has been, since 1993, the president of the Polity Foundation in Moscow. I told him I was in Moscow last week and saw him being interviewed on
television. He didn’t remember which precise interview that was, so it goes to show you he’s a very significant player on the research, policy, and media scene in Moscow, having published five books and over 400 articles.

And last, but indeed, not least, is Michael McFaul, who is a senior associate at the Carnegie Endowment, but also serves as the Peter and Helen Bing Senior Fellow at the Hoover Institution and Associate Professor of Political Science at Stanford University. Michael’s been spending some extra time in Washington over the last several months, and I have to say, what a welcome thing that has been for all of us. So we have a big roster of speakers today.

Without further ado, I will turn to that roster and just remind us, not only do we want to launch our new consensus document, but also spend some considerable time talking about the agenda, in the run-up to the Bratislava summit. Sergei Lavrov, speaking a few days ago about the summit, said that my own favorite topic, non-proliferation in the fight against terrorism will be key to the summit agenda, and I hope we’ll have an opportunity to talk about some of those issues as well today. So, that will depend on you, the audience, and we look forward to our discussion as well as to the presentations. I will start with Andrew Kuchins. Andy, the floor is yours.

ANDREW KUCHINS: Thanks very much, Rose, for the very generous introduction. It’s always great for me to be back here in Washington. It feels like home and it’s delightful to see so many people here interested in talking about and thinking about the U.S.-Russian relationship. Let me say a few words about the report and introduce our thinking about it and I’ll make a couple of comment, but some more general observations of a few issues on the agenda today.

We were inspired to produce this report in the summer of – this past summer – 2004, because of our perception of the fragile and shallow nature of the U.S.-Russian relationship. The so-called strategic partnership has always been longer on rhetoric than reality, even at the peak moments, since it’s declaration in late-2001. Since then, the relationship has at best drifted. More accurately, I think our differences have grown as has the number of skeptics, both in Moscow and in Washington, about the relationship. We’ve experienced major differences over Iraq, NATO expansion, but especially since the fall of 2003, with the onset of the Yukos case, the conduct of the parliamentary and presidential elections in Russia, and the first critiques of Russian domestic affairs by Bush administration officials, the relationship has become more strained. We felt that both the U.S. and Russia were lacking a common strategic vision about the importance of their relationship and how that importance will likely grow in coming years, and we were compelled to think about trying to outline a roadmap, if you will, to ensure, or to help ensure, that the potential may be realized. We understand the limitations of bilateral relationships but we also submit that the U.S.-Russian relationship, despite the obvious asymmetry of power and the influence of each country, is still critical for both the United States and the Russian Federation to realize their long-term strategic goals.
In a nutshell, as we see it, Russia’s principal goals for the near- and middle-term – the next 15 years, let’s say – are continued economic growth and expanding influence in international affairs, particularly in Eurasia, but also in certain niche capacities globally, like energy. In our view, a positive and productive relationship with the U.S., the world’s leading power, is essential for Russia. For its part, the U.S. has, obviously, great responsibilities, in managing the international system and in providing security around the world. Given its geography, niche capabilities, existing diplomatic and commercial relationships, Russia has got to be an essential partner in this project. It has the capacity to either advance or thwart a number of key U.S. foreign policy goals, notably in the non-proliferation area and in the efforts to combat terrorism, but also, we think, in energy security. And that is the crux – if you will, the kratkii kurs (ph) – the case for the upgrade.

Let me say a bit about the process of the report. It’s the result of the extensive and anonymous consultation with leading experts in Washington and Moscow, mostly outside, but also inside, government about the relationship. Our goal, the Fond Politika, represented by its president Slava Nikonov to my left, and the Carnegie Endowment, was to write a report in one voice that would address policymakers in both capitals, as well as broader interest publics in both places. That, as you can imagine, was a real challenge. And this effort is somewhat unique, in that respect I think, and I want to personally express my gratitude to all those whom we consulted, who informed our thinking, and especially to my co-authors, and especially to Slava Nikonov and Fond Politika, for his intellectual and organizational support. We had an excellent meeting in Moscow on January 20th to launch the Russian version of the report that was organized by Fond Politika.

Now given what has happened this fall with Beslan, Mr. Putin’s reaction to it, the Ukrainian elections, etc., the environment around the U.S.-Russian relationship is deteriorating further, making our task, while we are writing the report harder, but at the same time, perhaps more needed. I recall, a number of years ago, that one Russian observer wrote something to the effect that Russia would eventually be dragged into the West kicking and screaming. Well, there’s a hell of a lot of kicking and screaming going on right now. The differences between Moscow and Washington have become very acute, obviously with the Ukrainian elections. And I’ll let you in on a little secret – the three of us didn’t exactly see eye-to-eye on the Ukrainian elections. But we continue to agree with the major thrust of the report and we managed to complete the project and I think that, in and of itself, is an achievement.

Let me say a few words about the approach. First, it’s a very future-oriented piece. We’re going to leave history to the historians. Not to be too glib, but in earlier drafts, we found that we would end up cutting down forests trying to wade through historical interpretations, the expectations, the disappointments, or the pretensii (ph), as Russians refer to them, for the last decade and a half in the relationship.

Secondly, we approached the relationship from a state-to-state standpoint. We acknowledged the import of non-governmental organizations – we, in fact – all represent
non-governmental organizations – as well as the private sector. But our target audience for the report is our two governments. So, for example, we don’t address here what the United States government should do to support civil society and democracy promotion. My own personal view is that we need to be doing quite a bit more in that regard.

Third, this is more of an interest-based, as opposed to values-based, approach to the relationship. I think it’s become rather too popular, both in Moscow and in Washington, to separate interests from values – with the Russia preferring to talk about interests and the U.S. preferring to talk about values. We heard a lot about this in the run-up to the U.S. presidential election – that Russians prefer Republican administrations because they base relations on interests, realpolitik, rather than values. I thought then, and I continue to think, that this is a misread of U.S. politics – the reality is much more complicated – but it’s indicative of much of the Russian political elite.

As we expressed our view in this document, values and interests are tied very closely together and, in fact, our interests reflect our values. The values gap, noted by many official and unofficial American and European voices, refers principally, but not only, to non-liberal democratic aspects of Russia’s domestic order, and we acknowledge that increasingly different conceptions of what constitutes a strong state is a serious problem for the relationship. But for the purposes of talking about the relationship and our bilateral ties, we speak primarily of interests.

The work agenda rests on an assessment of U.S. and Russian interests, the means available for both sides to achieve them, and areas where those interests overlap. When interests are compelling enough, cooperation should not be held hostage to the status of Russian democracy, or for example, for the U.S. to make its foreign policy more multi-lateral. To the extent that we can successfully cooperate on more issues, I think trust will grow, and our perceptions of our interests and how, in effect, they are tied to our values may grow closer as well. Along with China, Russia is one of the few major countries, besides the U.S., that does have, and will have, an independent foreign policy on, if not a global scale, then at least, a multi-regional scale. But we think this should be viewed as a fact rather than an obstacle. The asymmetry of strength will endure and it will continue pushing the U.S. to ignore many of Russia’s concerns, feeling knee-jerk anti-Americanism among Russian elites.

As for the Russian political and legal institutions, its economic system, the time when they become congruent with contemporary notions of a genuine democracy and market economy is probably some way off. In fact, it may seem further off today than two years ago. But again, regardless of the status of Russia’s domestic transformation, the United States will still have major interests in seeking to engage Russian cooperation on strengthening efforts for non-proliferation of weapons of mass destruction, countering terrorism, as well as promoting energy and wider economic ties.

Let me make a few observations about recent trends. My sense is that the mood in this town about Russia has become extremely bleak, even more bleak than my own, sitting in Moscow. And I think it’s become somewhat overly negative for my tastes. I
think that most Russians and American elites are agreed that Russia’s weak state remains a problem. But the conceptions of what constitutes a strong and effective Russian state in the eyes of the Putin and Bush administrations are diverging. Efforts by the Putin administration to make state power more effective by consolidating central authority are viewed by U.S. and European governments and elites as growing authoritarianism that has troubling foreign policy implications, neo-imperial in the eyes of some observers. I’m pleased that the Bush administration is speaking more clearly about the democratic shortcomings, in my view, of the Putin regime, and the negative tendencies, but I wouldn’t expect too much to come of it. The change in tack of U.S. rhetoric, as it seems to me, is at least as much for U.S. domestic political consumption as it is about the expectations – about the edification of Mr. Putin’s view of democracy in Russia.

But since we’re now talking a little more openly, at the state level, about democracy in Russia, I’d recommend that Washington cast its arguments somewhat differently. And I’m reminded by Winston Churchill’s famous comment: Democracy is the worst form of government, except all those other forms that have been tried from time to time. We are not a democracy simply because of idealistic views about universal enfranchisement, but more importantly, because democratic governments work better. They are likely to achieve more optimal policy outcomes. Why? Because issues are vetted in a more, competitive environment in which different institutions and players have real stakes – independent media, independent courts, independent legislatures, real political parties. All may look like a messier policy process, but strangely it’s a more effective one. In an overly centralized system in which information channels seem to be more limited and the circle of decision-makers much smaller, the system is much more prone to making errors. And in my view, I think we’re finding more evidence of lower-quality policymaking in Moscow now and the mistakes seem to mount, raising increasing questions about the competency of the regime. My concern is that the political risk has arisen, principally as a result of increasing centralization of the state. It’s not simply a concern of democracy for democracy’s sake. Trust me, if democracy didn’t work, we would have blown it off a long time ago.

Now on Russia’s so-called neo-imperialism, I think that this concern is somewhat overplayed. In a larger historical context, looking at this region over the course of the last twenty years, with what I see is a remarkable Russian geopolitical retreat and dismantlement of empire that has occurred relatively peacefully. From the disappearance of the Warsaw Pact, to the collapse of the Soviet Union, to the steadily eastward-advancing European Union and NATO, Russia continues to struggle to deal with geopolitical decline and that’s painful. In 2003, we saw a change of government in Georgia and last year the remarkable change of government in Ukraine. Moscow has tried to avert those outcomes, but in each case, has accepted them, albeit kicking and screaming. These outcomes represent the continuation of geopolitical decline, just as Russia’s status quo positions on frozen conflicts in Georgia and Moldova, in my view, represent efforts to avert the relentless geopolitical decline of two decades.

In 2004, NATO and the European Union expanded, taking in states formerly with the Warsaw Pact and the Baltic states as well. And then, Russia experienced a massive
policy defeat in Ukraine. I find all of that hard to interpret – I find it hard to interpret these phenomena as signs of a neo-imperial resurgence on the part of Moscow. In any event, for those in the United States, and the U.S. government does not accuse Russia of this, to accuse Russia of neo-imperialism is a bit rich.

Let me conclude by saying a couple of words about the energy partnership. Clearly, the much ballyhooed energy partnership declared in 2002 has not exactly panned out to meet expectations. It’s not just the Yukos affair, which has obviously had a major impact in this regard, but to me, it looks like a broader disarray of Russian energy policy. At the Carnegie Moscow Center last week, Vladimir Milov, one of Russia’s leading energy experts and the president of the Institute of Energy Policy, made a powerful argument that there is no Russian government energy policy. Rather, there is an open battle of Russian government officials, who exert their political interest in this field.

There is a personnel policy, rather than an energy policy, and the state is, in fact, at odds with itself. The real danger, in my view, is that by blocking key decisions and discouraging investment and development of new gas and oil fields, as well as the transport infrastructure to support getting into the market, that’s the result. It’s remarkable that in the second half of 2004, with oil prices at historical highs, investment has declined. We’ve declared in our paper that the fundamental U.S. interest is seeing more Russian oil and gas hitting international markets. Although we believe that Russian resources can begin to directly supply the U.S. market in the next decade possibly. The concern now for me, however, is that Russian production of oil and gas will peak in the next two or three years and then begin to decline. And in my view, this is my view, the current policy, which is moving resources back under management control of the most inefficient, least-transparent firms is not the right answer.

Leticia Clark -- unfortunately, the decision of the Houston bankruptcy court in December to give U.S. jurisdiction over Yukos bankruptcy declaration, I think, is having repercussions that probably undercut U.S. interests. We’ll learn next week whether the jurisdiction decision holds, but the initial decision has already had an impact that is to some extent irreversible. This has sent Russian policy into deeper disarray. First, the consortium of Western banks that was to make a loan to Gasprom for the purchase of Yukonsneft Gas had to pull out, which lead Russians to turn to CNPC of China for $6 billion. Now I know that Mr. Kudrin subsequently declared that this loan was not tied to Yukonsneft Gas, but who really believes that?

Secondly, the plans for the Rosneft-Gasprom merger to bring state control to Gasprom to 51% now look in some doubt. Investment bankers have privately conveyed to me in the past week that the possibility of that merger collapsing, they estimate to be around 30% whereas before they put it around 10%. If the merger collapses, then bringing down the so-called Ring Fence, which prevents foreigners buying domestic shares of Gasprom is further delayed. Okay, so some may say so what? That’s only relevant for Western bankers and investors looking to make money in Russia. But I think the ramifications are broader. If Gasprom is not going to be liberalized soon, which unfortunately looks to be the case, then in my view, the more involvement there is by
what the Western financial community, as well as Western energy majors, the higher the likelihood that governance issues at Gazprom will improve, and more importantly, more efficient management and, eventually, production capacity growth will ensue. What has taken place in the last year and a half at Yukos, in my view, is deplorable, and there’s no excuse for that in my view. But I don’t think it’s in our interests or Russia’s, that this energy sector become a pariah to Western investors and energy companies. Okay, I’ll stop there and turn the floor over to my qualities.

MS. GOTTEMOELLER: Thank you very much, Andy, I think you’ve stirred up the pot very well for the first presentation and I’d like to turn next to Vyacheslav Nikonov. Slava, please.

VYACHESLAV NIKONOV: Thank you, Rose. Ladies and gentlemen, it’s a great honor – pleasure for me to address such a distinguished and professional audience on the issue of U.S.-Russian relations. The paper, which we present, is really a unique one. That is probably the first joint Russian-American paper. As close as we got to that in the past was the parallel reports, prepared in the Aspen Strategy Group, where Arnie Orlick (sp) played the key role. Now we try to make a joint paper, in which not only three author but many others could compare their views in one report. Actually, what we did was to make a piece of rock, out of which many people were making a sculpture. At the end, we probably got something else than we had in mind at the beginning, and probably we all three disagree on many things in this report, but that is the consensus document, which is really unusual and, I think, the effort was worth it. Many people, whom we should thank, contributed to this report. On the Russian side that included some key members of the Russian parliament, the Duma, and some key people in the presidential administration. In today’s division of labor, I am to make some conceptual remarks while Dima is coming out with some more concrete proposals. So I have three -- actually five weak points.

One – we are optimistic. Actually, when the paper was presented in Russia, we were criticized for being too optimistic about the prospect of the U.S.-Russian relationship. We were criticized for being too pro-American and I expect that we may be criticized from the other side here and probably even more strongly. But we are optimistic in recognizing the truly revolutionary change that has occurred since the end of the Cold War. This is necessary because this change is now too often being taken for granted. However, no matter how bitter the occasional disappointments or how wide the existing disagreements, the United States and Russia have ceased to be adversaries.

My second point is that we are living in the new realities. The realities are that the U.S.-Russian relationship are no longer central to the international system, or even to either country. Washington’s ability to influence Russian domestic development and Moscow’s ability to influence U.S. foreign policy are very limited. U.S.-Russian relations are essentially asymmetrical, not merely in the sense of the disparity in the roles the two countries are playing on the world stage, but even more so as far as their current and future needs and their interests toward each other are concerned. Thus while Russia and the United States are no longer real threats to one another, they have not become
solutions to each other’s needs. This positive conversion is not being completed due to some real and major differences and conflicts of interest.

My third point is that major constituencies in both countries see few possibilities for mutual engagement until the other side changes; changes itself in the case of Russia or its ways of international behavior in the case of the United States. For the purposes of this report, we treat Russia and America as they are and as they are likely to evolve in the short- to medium-term.

Fourth, the United States’ position of military and economic predominance will likely endure, at least through the first quarter of the 21st century, but how the United States chooses to exercise its power and what the mix will be between unilateral vs. multi-lateral matters remains an open question. To the extent that multi-lateral measures prevail, we believe U.S. efforts should be carefully balanced in this direction. The Russian Federation must be one of the principal partners on security and, to the lesser extent, on economic issues mostly and energy issues. Russia, for its part, is largely preoccupied with the enormous task of domestic reconstruction and integration into the global community. In our view, Russia’s transformation demands a strong and comprehensive cooperative relationship with the United States.

And finally, about values and interests, the differences between political systems of the two states do not preclude cooperation or even true partnership. Russia’s transformation into a mature, law-based, market democracy is probably a multigenerational project over which the United States, the European Union and others hold little leverage. Actually, a value-based approach is quite rare in American foreign policy. It is used vis-à-vis Cuba, North Korea, now Russia. Actually, when we had a presentation in Moscow, the question was raised – why Russia? Why not Mexico, why not Japan, why not China, which are probably no more democratic than the Russian Federation, and Andy then answered, you were born lucky.

Actually, that value-based approach, in my mind, will lead us nowhere. Putin does not see any problem with democratic development of Russia. He personally describes the recent developments in the country as transformation from failed democracy of Yeltsin to functioning democracy of Putin. And I can easily imagine the exchange on values and democratic developments between Bush and Putin in Bratislava. In my mind, Putin’s response will be something to the extent of, you’d better care about how they count votes in Florida. Putin really does not think that he has any problems with human rights. However, each country pursues security and economic cooperation because it views this in its national interests, not as a reward for meeting certain criteria for domestic, political, and social economic development. Russia and the United States can surely proceed without a solid partnership with the other, but in our minds, a strong partnership would help them achieve their national goals more fully and sooner. Thank you.

MS. GOTTEMÖELLER: Thank you very much.
DMITRI TRENIN: Well, thank you, Rose. Everything important has been said so I will provide just a few comments on what Slava and Andy have just said. As you could have guessed, this is a realist report. Hope it’s also realistic. There’s one thing, which I found interesting, important, and not particularly cheerful. We talked about consensus as a means of coming up with this paper, but we found that consensus in the various national groups of outside consultants was more difficult to find than between those on each side – Russian and American – who were prepared to engage. In other words, there are so many people in both societies that essentially prefer their niches. They know pretty well that leaving those niches could place them in a pretty difficult situation, I think, as we have placed ourselves by means of this report. I think that on the Russian side, we found the tendency of turning the United States into a bogeyman most disturbing. And again, a lot of people prefer just that, they prefer to be where they are, they prefer to criticize U.S. foreign policy and they are not prepared to engage. On the U.S. side – and I’m speaking, of course, from my own personal point of view – I’m disturbed by what I see as Russia turning into an abstraction. In other words, when you have a country, which is only good – well, not only good – but mostly good for op-ed theses, it means that you don’t see that country as either a serious threat or a serious opportunity. And that, I think, is a disturbing fact.

When one talks about authoritarianism, two countries – two big countries – spring to mind. One is China and the other one is Russia. Guess which is likely to become the whipping boy. And I think that it has something to do with the scope and depth of the relationship that distinguishes one country from, in this case, the other one. So I believe that what we’ve been trying to say with this report is that interests, too, have a value. And I think that we want to focus – we want leaders essentially to focus – the relationship on the things that will benefit each country separately. In other words, we do not place emphasis on the relationship per se, we’re not in the days of the Cold War when the relationship itself was important. We are in a situation in which the relationship could be an instrument for the United States to reach certain goals better, and sooner, and more fully, and obviously for Russia, a relationship with the United States is extremely important if it wants to reach the goals, which have been officially proclaimed by the Russian government.

I will not spend too much time talking about the various specific issues, they can come up in the Q&A. You can all, of course, read the relevant sections of the report, but I want to highlight that a serious policy to address the Iranian problem calls for engagement with Russia. A serious policy to address the North Korean problem also calls for collaboration with Russia. And Russia has something to deliver, I would say, in both counts. If we are serious about denying certain regions to terrorism and instability, then Central Asia is clearly the region where we need to start collaborating on the ground. If we are serious about ameliorating the situation in the former Soviet states, then again, the frozen conflicts, which are not very frozen these days, need to be addressed very seriously and jointly.
We also make recommendations to institutionalize the growing intel-collaboration between Russia and the United States. We’re calling for nothing less than the establishment of a joint-intelligence committee of the two countries and that, I think, in this day and age, could lead to a better understanding of each country’s security problems in the other country. We’re also talking about the need to supplement the government-to-government relationship by something – what we would call a track one and a half. In other words, recruiting experts with a more independent position to assist the high-level bureaucrats in promoting the goals of each country in this bilateral engagement. We’re also calling for a civic forum that would bring larger groups of Americans and Russians in some institutionalized form to discuss the broader nature of the relationship – and clearly the values thing will be the central thing for that kind of an arrangement.

And lastly, this is not specifically spelled out in the report, but the issue is becoming more relevant every month, I would say. In 2006, President Putin is due to host the G-8 Summit in Russia and clearly, there will be a lot of doubts expressed about whether this is a good idea to have that summit in Russia or whether it’s a good idea to have Russia in the G-8. And I think this is a very important issue that needs to be addressed. And again, I think that it would be important to see the G-8 for what it is. It’s not a club of mature democracies after Russia was made part of it and that needs to be seen very clearly. And that was not the reason why Russia was made member of the G-8. This is an instrument of world governance and as such, it can and, I think, should be expanded to include some other important nations – first of all, China and India. And lastly, this is a socialization vehicle, which I think has been reasonably successful. This is an instrument, which brings the various national bureaucracies – in this case, Russia’s bureaucracy – in the same tent as the bureaucracies of the democratic nations, and I think this has value in and of itself. And that I think, would be my comments that would supplement what Andy and Slava have said.

Thank you.

MS. GOTTEMOELLER: Thank you, Michael.

MICHAEL McFAUL: Thank you, Rose, for your nice comments at the beginning. I wonder if you’ll say them still, by the time I’m done talking. I’m here as the commentator-provocateur and I’m going to take my job very seriously to try to get at the essence of the debate and hopefully, by the end of it, we’ll be closer to each other than we’ll start out now.

I want to start with three really important parts of this study, in my view. First, the very notion of an upgrade, the metaphor that you used with that and that Dmitri has just now used for engagement, I think is absolutely correct. The notion that somehow either of our two countries are going to be better off through disengagement or going our own ways, I think is fundamentally incorrect and this report puts that center stage. It happens to be what I believe and use the word re-engagement in many things I’ve published so, I think that is the most central thing.
Second, we haven’t talked about the specific policy recommendations incorporated in the paper. We’re talking philosophically, and perhaps that’s important in a panel when you don’t have time to do it. But I encourage you to do it because there are some very important, very concrete things in this report, 99% of which I think I agreed with, and one has to wonder why has it taken so long some of the very concrete things that are outlined in the paper. So I encourage you to read those because I’m not going to be talking about them myself.

Third, I want to say in a different way what all three speakers also said – I think the process of trying to write one of these papers, in and of itself, is important. I think everybody who believes that there in this business – and you all believe you’re in this business if you’re here today for this talk – I think you should all be forced and required, every year, to sit down with three or four people that disagree with you in America and then add three or four people from Russia, and then throw in, maybe later, some Ukrainians and Georgians, and try to come up with this because I absolutely agree with something that Dmitri said and was echoed the first before it. To me, what drives me – makes me most nervous about U.S.-Russian relations – is the fact that there aren’t relations. There’s nothing.

My wife says this all the time about friendship. She says, 99% of friendships is just talking to somebody every day, at the kids at school, or whatever. It’s not about some philosophical agreement you have about the way you live – that’s a part of it, yes – but you know, just dealing with each other, that builds relationships, and the absence of that means that relationships drift and then you start inferring preferences on the people that you have relationships with – oh, they didn’t call me on my birthday, maybe that means that they don’t love me – when it fact it just means that there’s not a relationship there.

So I think you should all sit down and write these kinds of papers, and I guarantee you space on the Carnegie website if you do. There’s my pledge because that’s when you really get at what is real and what isn’t. And there is a ton of mythologies floating around this town, I would say there’s even more mythologies, with all due respect, floating around Moscow about the purposes of American power, and that is the greatest enemy, I think, of anybody who would bother to show up in a talk like this today. So that’s the big picture, and let’s not lose sight of that big picture and the accomplishments of this report.

I have four and a half comments – questions, they’re more questions than comments. One – as I was reading the paper last night, I thought to myself, who is the audience? I can understand the audience in Moscow. I’m a little confused as who the audience is in Washington. This is a document of state-to-state remarks, so you’re not trying to convince me – you know, the losers in the last election – about the value of your ideas. You’re trying to write, I presume, to the White House – you said you were talking to the Kremlin, so I presuming these ideas are for the White House. And then I thought, I did word search, and the word democracy appears only once in your document. The word freedom does not appear, nor does the word liberty.
In the president’s speech at Bush’s inauguration, the word freedom appears 27 times and the word liberty appears 12. And it made me wonder – you obviously know this, this isn’t an accident – so why is that? And I came up with three hypotheses and I want to know which is the right one.

One is that you don’t think Bush is serious, that this is all rhetoric, this is all a bunch of la-la-la, and that when we get down to real brass tacks about interests, we’re not going to talk about freedom and liberty. That’s one hypothesis and tell me if that was what your intention was. And by the way, this whole separation that we’re making about interests and values, just throw it out. There’s no national interests – certain people with certain definitions of interests as informed by their values make policy – the United States does not have a national interest. There are individuals who are in the Bush administration that make foreign policy, so let’s just leave the debate aside and basically you guys say that in your report, too, and I think that’s right. So think about Bush. One, he’s not serious. Two, he is serious, but he shouldn’t be serious – would be another thesis, right; that is, these are not things that, in fact, the United States should be talking about in dealing with Russia or, for that matter, Iraq, or Palestine, or Chechnya, or Japan, or Mexico. And I want you to give us your bottom line on this because it’s not clear.

Third is that erosion of democracy or liberty or freedom or human rights in Russia is not a problem for U.S.-Russian relations. I thought that was what you were implying when you made the comparisons – false comparisons, in my view – to Japan and Mexico, which I consider to be much more democratic than Russia, and therefore, they are not the essence – by the way, on Mexico, there’s a lot in this in terms of the bilateral – let’s not talk too much about Mexico – (audio break, tape change ) – was actually big part of bilateral relations. But I would make the argument – if given the time, which I won’t be – that Japan and Mexico are qualitatively different kinds of regimes than Russia. Dmitri, in his remarks right here, just compared Russia to China, not to Japan and Mexico. Well, that’s a big difference. You have a contradiction in what you are saying here. One argument is that Russia is moving toward democracy and it’s just a hiccup in and the other one is that Russia is an autocratic state just like China. Is this – you know, what is the empirics that you are working on in terms of your definition of Russia?

Second, you make a very interesting and I think very compelling analytic point about the flawed attributes of both countries. And you use kind of language to, you know, hide it and I understand why you do that, but I think that both flaws I actually agree with in analytic ways. You say the United States has this flawed attribute of unilateralism – I agree, by the way. And Russia – you don’t talk about it but you basically imply in there that Russia has a flaw – is a non-democracy. In fact, you use this phrase that I wrote in my dissertation about Soviet policy towards Africa and American policy towards Africa and this is a phrase actually from the Soviet days, with all due respect.

The difference between political systems of the two states does not preclude cooperation. So that in – that phrase in and of itself implies that there are differences –
that one is some system – you know, I’m presuming the United States is the democracy or maybe not; maybe it’s something else – but that Russia is a different system, but that shouldn’t get in the way of cooperation.

I actually agree with those two analytic statements about the flaws of the two places. Your approach is to say, let’s just accept those flaws as they are and that they shouldn’t get in the way of cooperation. And you know, I think there is an intellectual tradition that supports that – it reminds me of détente in the ’70s – you know, let’s just get over these difference and get on to things that we want to do. But I wonder if they are so static as you make them out to be in your report.

I won’t talk about Russia because I’ll defer the others that know about whether or not we should be thinking about Russia as a static autocracy in the way that I think about China – that is 30 or 40 years down the road – or whether it is more dynamic. But I am most certainly going to reject the assumption that the United States is basically unilateralist and we just have to accept that as a given. I totally reject that and I hope that we can do something to change that. And if I can think that about my own country, why can’t we think about that shared attribute as not actually being some given – what you see is what you get – but something that should be problemitized as part of U.S.-Russia relations.

Third. Can the flawed attributes – these two that I just identified – of the U.S. and the United States actually be insulated from the other issues that you talk about in the report, which in some ways is your philosophical point of departure? I’m not so sure. I’m not so sure that you can talk about U.S.-Russian cooperation if you don’t talk about things like the United Nations Security Council. How can you be serious about wanting cooperation in this and that, and that and then, you know, the United States grossly – violently violates this notion of cooperation of Russian voice and then you say, oh, well, let’s just – we couldn’t agree there; let’s just move on to things we can?

My sense of Russians -- rightly so -- is like, well, why should anybody take the United States seriously? What credible commitment do they have to cooperation if whenever it’s in their interest, they just go outside of the world order institutions that -- you so rightly write about -- need to be preserved.

On the other side, when you say, Russia – we just have to accept it as it is -- I would make the case that Russia’s internal changes – and I think there have been changes – actually get in the way of all of the things you want to do. So you write, “Russia – it is vital to Russia’s national interests to be treated as a great power.” I think democratic erosion in Russia, not – let’s just leave the U.S. out of it for a while. But in Europe, people think differently about Russia today than they did 10 years ago in terms of its great power status.

“Russia should secure its position in the group of industrialized democracies.” That’s one of – I’m just quoting. What is the greatest threat to that? It’s democratic erosion in Russia – that’s what the debate is about the way I read it in this town anyway.
“Russia should expand oil production. This is in the U.S.-Russian interest.” I totally agree with that and what has been the biggest – (chuckles) – obstacle to that – it has been the arbitrary violation of property rights in Russia. There should be way more oil coming out of Russia and – (chuckles) – I think we can argue that the Yukos affair has had an impact on that – a negative impact. So actually, insulation is not so easy.

Intelligence sharing: we don’t actually share much intelligence with China. And if Russia is China, then prospects for, like, real intimate cooperation I think are actually blocked by this.

Two last comments. Fourth, moral relativism – I think Andy had the reason why. He said, we are not looking to the past, we are looking to future so we don’t want to get into the past. So I accept that as an explanation but I think you pull your punches and make everything kind of relative through the report. So I’ve already said this a couple of times, but, you know, I think you could have been a lot harsher on the U.S. policy and unilateralism. You chose not to for whatever strategic reasons; I understand. But I found that we’re all kind of interests – you know, actually no. There were some things violated there that I think it – when push comes to shove, you actually think we are wrong. I can tell by the code words.

Likewise, I don’t’ think Ukraine is an issue about spheres of influence; it’s about an election that was falsified that the people tried to take back. Now, are you going to tell me that that is – there is some halfway point there? I don’t believe it. I don’t believe there is halfway point about when you say, Russia, we should all – should recognize Georgia’s territorial integrity. Well, if we believe that, then I think that we should do that. (Chuckles.) And I think the moral relativism there – that somehow it is okay to have pieces of Georgia occupied – I just don’t buy. And throw back in Kosovo, by the way, you know, if you want, and say, well, let’s deal with Kosovo and Abkhazia. I would accept that – and throw it in. But don’t – everything is kind of – there is a halfway point because I think there are some rights and wrongs.

Chechnya and Iraq – I hear that all the time in Moscow. Yeah; why isn’t that in the report – bring it in and let’s talk about those two things and let’s also talk about, you know, that maybe there should be an election in Chechnya like Iraq, if you want to get into those moral – if you want to get into right and wrong rather than just say, well, you have your problems there; we have our problems there. I actually think it will be better for engagement if we are more honest about what are real differences – and not on these set of issues.

Finally, on realism – this is a realist approach and détente comes to mind and states as unitary actors with interest. And you know, you can tell I’m not a realist and I think history is on my side and, you know, I would have the chance to debate what is better for American national interest Wilsonian liberalism or Nixonian realism. I think I have got a lot of evidence on my side and I have written a lot about it, but this is not the time for that.
But I do think that it is important for people to realize in Russia that the enemies of Russia are not all liberals. There is this notion that somehow if you care about, you know, Chechnya, or you care about the erosion of democracy in Russia, which I think is an empirical fact, that somehow you’re anti-Russian. I think actually – for my Russian colleagues to understand, there are actually two debates in this town. There is a debate among those that talk about values and democracy and there are those of us – and I put myself in this camp of the optimist – who believe that the only way Russia will be a really, firmly ensconced in alliance with the United States and be a strong Russia is a democratic Russia. And that is the vision I see and that’s the vision I want.

There are, however, people in this town who invoke the same things I do in the name of Wilsonianism who want to see the opposite – who don’t want to see Russia in the camp. They are Wilsonian liberals and they think that Russia culturally – for whatever reason – they have some imperial gene or something, and so they will never be in that. So they talk like I do but they – I think their objective is quite different.

There is an assumption in this paper that realists are the pragmatists and those that actually have Russia’s interests in mind. I think that is right and I think I would put this paper in that category. But I want to remind you that there are realists in this town that are – let’s remember what realism is about. Realism says that the fundamental dynamic in the international system is the distribution of power between states – not what’s internal and at zero sum. So what’s good for me is bad for you; what is bad for you is good for me. Power is finite for real – for true realists. You guys are kind of wishy-washy on this.

But for true realists -- we want a true realist who is a true realist in terms of American national interest – wants to see the expansion of American power and they see that expansion of American power that can only come with lesser power for other countries. In other words, there are a lot of realists who want Russia to be weak – have no interest in Russia being strong.

And I think the notion that somehow if you talk in realist terms -- you’re getting beyond that. I think one should bear in mind that there is a real realist critique that is delighted that Russia is going in this other way because they can now say, well, you know, same as that other was. We have no interest in cooperation with them because fundamentally we want Russia to be weak; we want Russia to be screwing up property rights; we don’t want investment in Russia because we don’t want Russia to be strong. And they make those arguments also about China.

And so I would just – when you invoke realism, remember that just as there are two camps on the liberal side, I think there are also two camps on the realist side. Thanks.

MS. GOTTEMOLLER: Thank you, Mike. That was very exciting. You know, I thought when you were talking about the realist case, you were going to beat the drum you beat with me recently, which is – and I always argue that our nonproliferation threat
reduction work with Russia must proceed forward no matter what because it is in our national security interest as well as Russia’s. And you beat me up not so long ago saying well, cannot we see from there a trajectory back into a democratization path – and you haven’t made that case today so if you would wish to comment on that, I would be happy.

Gentlemen, we can proceed in two ways. I can give you a minute or two to give an immediate response to our commentator or we can launch into questions and you can weave your answer into the response. Which would you prefer? The second? Okay. The floor is open. And we will begin over here. Please give us your name and affiliation.

Q: Thank you. Dmitry Ponomarev (ph), Embassy of Belarus. Thank you for your presentation. But frankly speaking, I think for the time being, it’s more about wishing about recommendations that is about theory and that is why I also venture to ask purely theoretical question.

The question is as follows. Let us imagine for a moment that Russia has become overnight a democracy, at least on the level of an average East European country that is now – is admitted both in NATO and the European Union. In this case, would it mean the opening of much majority – majority of much opportunities for cooperation or would in this case, too, the situation – the things remain the same, maybe a little bit better? Thank you.

MR. MCFAUL: I’m going to shut up after this because this is – for their show – but Rose –

MR. : I don’t believe it.

MR. MCFAUL: (Chuckles.) My answer to you and my answer to Rose is the same thing: the only way – the only conditions under which we set up cooperative threat reduction were -- for lack of a better word – because of regime change in the Soviet Union. That is, to think that we could do what we are doing under Nunn-Lugar today back 25 years ago is wrong; that is, those things are intertwined. Why did the Cold War end? It’s not because Russia became a lesser power – I don’t believe that. Russia is still the only country in the world today that can blow us up overnight. The capabilities have gotten a lot weaker, but that wasn’t the central dynamic.

The central dynamic was opening up of the system, integration into – I was about to say the West, but it’s not even the West; it’s an international system based on markets and democracy. And that to me was the central thing that ended the Cold War. And when I think about things that could get us back – Russia is not an autocracy – a full-blown autocracy today in my view. But if I think to the thing – the one thing that could get us back to that relationship, it is that internal change; not whether or not you get a good deal on arms control or not, not those kinds of things – it’s that dynamic that worries me and that was the dynamic that created these things.
So I think it would make a great deal of difference. Yes. And then I’m done. I’m sorry.

MS. : (Off mike.)

MR. MCFAUL: No.

MS. GOTTEMOLLER: Wayne Berry.

Q: Thank you. Wayne Berry, the American Foreign Policy Council.

The Bratislava Summit has not loomed very large in anyone’s comments so far. (Scattered laughter.) And I wonder: is this indicative of you that this meeting is little more than a diplomatic photo-op; that it is simply something that is required by protocol of the president’s first transatlantic trip of the second term? Or is there any expectation that this meeting will in fact generate some substantive or important movement in American-Russian policy?

And if the answer to the latter is no, is not this entire exercise somewhat scholarly rather than practical? I assumed that the timing of your document and your efforts to have it breathed in both capitals was directly related to the fact of Secretary Rice’s trip – meeting with Lavrov and the President’s meeting with Putin. But not a single speaker has related it to that upcoming event.

MR. TRENIN: Well, the word Bratislava did not – yes, that’s true; it did not come up once in this discussion but in fact the – what were we talking about is very much on the table in Bratislava. Bratislava, I don’t think, will open up a new era in the U.S.-Russian relationship. The mission of Bratislava as I see it is very different. We had a major crisis in the U.S.-Russian relationship. Bratislava has a chance for clearing the air somewhat and talk about practical things that the two governments can engage in at the start of George Bush’s second term and, if you like, at the start of a new term for Putin.

I think that it was very clear – we did this with an eye to Bratislava. We did this with an eye to the second term in both capitals – in both administrations. And I think that there is more on the table, in fact, that we laid out – that can’t be consumed during the three-hour meeting in Bratislava. But essentially, we see Bratislava as an opportunity to start the decline in relations between the two administrations. I’m not talking at this point about the two nations. But at least that the two administrations do not go farther apart. And that was, I think, the perception at least in the wake of Ukraine. So if you like, this is picking up the pieces from Ukraine and doing something for the future of the relationship.

Again, as this report, Bratislava will be about the terms of the two sitting presidents. This paper addresses the forthcoming four years of this administration in Washington and the administration of Mr. Putin in Moscow. Its time horizon is four years, quite frankly.
MS. GOTTEMÖEELER: Arnold Horelick.

Q: Thank you. Arnold Horelick – (inaudible). As Slava mentioned, my experience in trying to get either separate or parallel Russian and Americans papers written goes back a long way. And I appreciate what it must have taken to get yours done, although you had the advantage of doing it with three people rather than with 30. (Scattered laughter.)

But let me say that I think the device that was used in order to enable you to get on with the paper, which is sort of the elegant formulation on interests reflecting values, really enables the paper to go forward. But I’m going to make an observation which I would just like you to comment on.

It seems to me that by choosing that approach, you have ended up, I think, finessing the values-gap question. And my question is whether or not – at a time when the values gap – however you want to define it – in U.S.-post-Soviet-Russian relations is larger than it has been and is clearly going. In fact, if I take Slava’s comments on Putin very seriously – that Putin doesn’t even recognize that Russia or he has a democratic development problem, and you couple that with I’m sure somewhat exaggerated rhetoric on the part of this administration about the importance of democracy, freedom, and all the rest in our outlook, how can you avoid the conclusion that the values gap is going to prevent this purely interest-based approach from being – from getting – from being successfully implemented?

The probability of this, you know, very logical and rational, and pragmatic interest-based approach being implemented it seems to me is lower than it has been in the last few years when its prospects weren’t good to begin with and that the probability is getting lower and lower as the values gap gets larger and larger.

MS. GOTTEMÖEELER: Slava, let’s turn to you first.

MR. : Thank you, Arnold.

Actually, we started writing this paper last summer, which was well before the inaugural address of Mr. Bush where he used the words “freedom” and “liberty” so often and before the State of the Union, even before the Ukrainian election. So actually, while we were drafting the paper, the relationship was deteriorating and the values issue was really increasing in its significance.

In my view, this value gaps is real. I do agree it is growing and I do agree that it can prevent implementation of the whole agenda – there is such a possibility. Actually, that is – one of my – (chuckles) – points is that if we concentrate on that gap, we will get nowhere or we will not get too far. It’s understandable that this problem can really stop the relationship or jeopardize whatever positive developments we may have.
So our approach is to – yes, there is a difference in values; yes, Russia is not a perfect democracy and probably will not be for too long; but at the same time, there are certain interests which countries have and where they can cooperate. I don’t think there is a contradiction between what we say and the reality as Mike McFaul supposed.

Actually, there also different people on different approaches in the White House as well. There are different interests. There is much of cooperation which is going on. As of now, I think probably the cooperation between special services of the two countries are quite good. The FBI-FSB relationship is on the rise. I think we have started some exchange of information – intelligence information on the terrorists. We do coordinate our approaches on many issues from Iran to North Korea.

So there is a possibility to do things. Yes, there will be values issues brought widely in Bratislava; yes, Putin will not react to that. I know that for sure; I talked to his people and Putin himself does not think there is a problem. He still considers himself to be a Democrat. He does not think that Yukos is a politically motivated thing. In his mind, Herezovsky (ph) -- if he – well, it might have been people in the Kremlin. If someone wants to overthrow the government, they better be sure they pay their taxes.

So it’s not about violations of human rights. In case of gubernatorial appointments, they say most of the countries of the world do not elect governors. There are only four federations on earth which do that and only one successful example of that is the United States. There is also Brazil, Argentina, and – what else – Mexico which are electing governor – no – yeah – and that’s it. In African there is one country which elects governors – it’s Nigeria. And also the experience is not very good.

So actually, what they say in the Kremlin – the electing governors is not – you do not need to elect governors to be a democracy.

MR. MCFAUL: What do you think personally?

MR. : I think that the previous system was better. As for the change in the election of the State Duma, this proportional system – well, they say that’s what – that’s the system used in most of the democracy. And in every textbook on political science you can read that the proportional system is more democratic than winner-takes-all system for it enables to create a more representative parliament. Though -- I also personally do not like that system and from the very beginning I was arguing for the same system as you have here – there’s a single member district with partisan nominations, which would help create political parties.

So the discussion will be quite detailed of all of these things. And Putin I think and Bratislava will just protect his line saying there is nothing wrong with democratic development. Maybe we are not a mature democracy but still on the right track. And of course he considers this his system of governance and his democracy to be more efficient than that of Mr. Yeltsin. So that’s the perception in the Kremlin.
And actually Putin in my mind is also a person who is more inclined to cooperate with the United States than most of the Russian elites and most of the Russian bureaucracy. He is probably more pro-American than 90 or maybe 90 percent of Russians and Russian elites. So yeah, values matter but there is still some interest which will be discussed in Bratislava and which will provide some agenda for the future.

**MS. GOTTEMOELLER:** (Off mike.)

**Q:** Elena Sokolova, RTI TV.

I have several questions. First question is for Vyacheslav, Dmitri, and Andrew. Returning back to that new trend in Washington – it’s like kind of anti-Russian mode, which is more and more obvious. And it seems like it’s more obvious among the press and think tanks than from the administration. If you’re looking like of – (inaudible) – steps of the administration – I mean, the White House, it’s like less anti-Russian than among the intellectuals.

I have a question – I don’t – (inaudible) – from Moscow – from Russian elite because when we picture here in Washington the Russia, it’s more about the Kremlin than about the other elite. And we know that it’s still like – it’s different views in Moscow for American – American polity. Does the big discussion now in Moscow – does Russian elite discuss this new anti-Russian mood? And can these new anti-Russian moods influence the internal policy in Russia – Kremlin internal policy when we are talking about managing democracy? Can this managing democracy become more manageable because of this anti-Russian mood?

And the second question is for Michael because he was very passionate – (chuckles) – in his speech. I know that you loved Russia, really, and you’re a specialist of the Russia and you talk, like, when we are criticized the Russia – it’s (done ?) because we’re don’t like the Russia and we’re not anti-Russia. A few decades ago in American public schools – I think it’s very truly – was choosing the method that -- you don’t, like, punish the kid – oh, you’re a dummy, you’re full, blah-blah-blah, you can do better. But you can just say you’re good and you’re good in this, and this you can do even better.

I haven’t heard of the last like four years anything like positive something good and you can do better even towards the Kremlin policy or, like, Russian policy. So do you think that this rhetoric or the language can be different because it seems that when you get this in Russia or in Russian newspapers, you definitely feel that all the American world are against us – so influenced to the anti-American mood inside the Russia also.

**MS. GOTTEMOELLER:** Let’s start with Andy because you have been on the forefront of dealing with the Russian elites from the perspective of being an American in Moscow. So what would you say about the first question.

**MR. KUCHINS:** Well, I think that the sensitivity in Moscow about an increasingly anti-Russian mood – to use your words – here in Washington and in Europe
in well has certainly been recognized and much discussed in the press. It’s important to remember that the Russian printed press is very lively – TV somewhat less so. Sorry, Elena. (Chuckles.) But, you know – and this is something that Mr. Putin, for example, tried to address in his meeting with diplomats in the summer and the image problem. And certainly this is why RIA Novosti has been hired to try to improve the image of Russia in the West.

I’m afraid, though, that they are kind of misconstruing the problem if they think that it is principally a problem of communication and a problem in which public relations can principally cure because I think whether you are talking about anti-democratic tendencies, whether you’re talking about, you know, the rule of law and transparency and governance, and where Russia is in the world in that regard – if you’re looking at the evidence of the Yukos case, et cetera, there is a whole slew of data points across the board, which is contributing to the increasingly negative image of Russia in the West. So I’m not sure that the Kremlin has really wrapped its minds around the problem in that regard.

If I can, let me just take a moment to address a couple of other points that have come out, especially in the points that have come up in Mike’s excellent critique of the report. You know, on the point of moral relativism, are we pulling some punches? Of course we are; it’s a consensus document and as you know and anyone that has been engaged in writing a document like this that that has to be done.

Are we pulling our punches on the flaws and the flawed attributes of both counties, and particularly the perception of unilateralism on the United States as opposed – as well as the negative tendencies as perceived in the erosion of democratic institutions on the part of Russia? Absolutely, we do, and it was a strategic decision to do so.

Part of it is simply in recognition of the fact that – and we state this in the report – that on – Russia’s capacity to influence, you know, broader U.S. foreign policy is extremely limiting. And also the U.S.’s capacity to influence Russian domestic developments is considerably limited. Now, how limited might it be? That is a point of contention and it will be contested. But that is not the discussion that we chose to engage in in the report.

I think, you know, that the other reason why we chose to take that route is that simply – I think as Arnold alluded to – if we hadn’t, we never would have been able to reach any kind of consensus. We wouldn’t have been able to agree as to what would be the appropriate measures. First of all, the evaluation of the problem and then what would be the appropriate measure that the U.S. ought to do.

So in recognition that we probably couldn’t agree on that, the decision was to put the focus on, okay, what are concrete things that we can do and that we should do? What are compelling things that we ought to be doing regardless of these larger flawed attributes, which granted, we do underplay in the report – you are right and they are larger problems than we’ve alluded to.
This point came up in our discussion in Moscow, for example. I mean, the principle critique of those in Moscow was that we underestimated the problems of U.S. unilateralism in broader – the broader goals of U.S. foreign policy for the Russian Federation and that it was extremely unlikely that, you know, Russia could have a real partnership with the U.S. because of that. And I know here in Russia that vice versa on the issue of Russia’s domestic development.

So we’ve tried to square the circle. There is no perfect way of squaring the circle. But I think the important thing for us is that we raised the question that there is a debate and we think that the – again, that the relationship in and of itself is significant enough that we shouldn’t simply neglect it and toss it aside as you agreed to at the outside. Now, who is the audience? Well, the audience is both policymaking elites and directly intended to the White House and to the Kremlin, but it’s also directed especially to the broader interested public in the relationship in that there should be interest in the relationship and broader constituencies and we recognize that that’s a real problem.

But we think that – as we outline it – the way to deal with that at least in the near term is, you know, let’s move forward with more areas of concrete cooperation and I think there is not an insignificant reservoir there that can be addressed. I think also that some of the areas of where there has been cooperation could be better publicized I suppose. I’ll leave it at there for (off mike).

MR. MCFAUL: Can I respond or should I not?

MS. GOTTEMOELLER: Yes, I think the question is a more carrot-based approach rather than sticks, or as the Russians like to say more cookies or the whip.

MR. MCFAUL: Well, two things. First of all, I totally reject that my position is anti-Russian. You said there was an anti-Russian mood in –

Q: (Off mike.)

MR. MCFAUL: Maybe there is, but just so everybody is clear that I am not anti-Russian and I think my record on that is clear. I’ve lived more – anyway. I don’t – just in the same way that I would reject any American or Russian, or Ukrainian, or French person who criticizes reforms that Mr. Bush has done and then he is accused – well, that’s an anti-American thing. So let’s just set that aside; this is not about that.

Other people use those things instrumentally for what I think is an anti-Russian position and there are people that want Russia to be weak; that is a fact. I am not part of that camp.

Second thing. When we talk about Russia and Russians think this and Russians think that, you know, I often wonder, well, who gets to speak for Russia and Russians? Right? And who gets to say that this is what Russians believe? We heard a very – I
totally agree with Slava’s defense of appointing governors as a democratic thing. He’s absolutely right, comparatively that – I can see a democratic reform whereby they were be appointed.

    But guess what; the Russian people didn’t support that. You know, the polls show very clearly in a very constrained media, by the way. By our polls – independent polls not done through the pollsters that have relationships with the Kremlin, 90 percent of Russians get their political news from national media. And even in that context, 50 percent said we think that this a bad idea. And I have lots of other one. Flat tax? Not a good idea. Appointing of supra presidential folks? Not a good idea.

    So who is actually speaking for Russians when we talk about that? I think it would nice if we brought in Russians – their own preferences and not just the opinion of the Kremlin.

    On how to deal with carrots and sticks – oh, sorry – you used the metaphor “I have two children” so it’s your metaphor, not mine because I don’t want to make that metaphorical leap. But I can tell you from my own anecdotal historical experience: if you want to be successful in changing behavior, there are three things. One is carrots -- in my case it’s rollups – fruit rollups – that is my carrot of choice; two sticks – you know, timeouts are as any part of raising little toddlers -- but the third thing that is most important is that my sons, when they are being punished, when I’m criticizing them -- they have to know two things.

    One: what is the essence of the – you know, why are they being punished? This happens all of the time with my six-year-old. What did I do wrong? I didn’t do anything wrong. What – what – what’s the – what is the thing. And the fact that on this democracy stuff that there is no recognition that this is a problem, I would say, by Mr. Putin, I think is the first step. And you’re no friend of Putin if you just pretend that this doesn’t matter because in my view, these things are weakening Russia, not strengthening Russia. Yukos, Beslan, Ukraine, the pension reform – this is not a state performing effectively; this is a state not performing effectively. And I think the lack of pluralism is eroding effective policymaking, not making it better. So I think recognition of the problem is absolutely central.

    But the final thing is the interlocutor has to understand what your motivations are. When I punish my son, he has no illusions about – that we are in this relationship for the long haul – there is no option for exit, if you will – to use your metaphor. And I think we have done a horrific job as American foreign policymakers of making explicit what our actual interests are. We talk a good talk and we talk about energy cooperation and all of that, but if I were Russian, I would be somewhat skeptical of our interest because we do not do a good job of actually articulating what are our long-term strategic efforts.

    MS. : (Off mike.)

    MS. GOTTENMOELLER: We’re going to have to go on.

MS. GOTTEMOELLER: Dmitri, do you want to comment on this?

MR. TRENIN: Yes. First, I agree with Mike that not all the critics of Russia are anti-Russian; in fact, most of them are probably not anti-Russian. My other point will be that there is a thing which is now a useful reference to Russia, which is called Putin’s Russia. But when we talk about Putin’s Russia, we need to realize that this only part of the picture. We’re talking about a policy slice if you’ll like; we’re talking Kremlin – the Kremlin and Russian politics.

But there are other things that are happening in Russia and I think that basically you have a society – and I would stress society, which is moving in the right direction. Russian society is moving in the right direction. This may not be the direction that people in the gubernatorial palaces or the Kremlin places, or wherever think Russia should be going but that’s – no way.

Russia as a country, as a nation, is I think, becoming progressively more capitalistic and it’s progressively more open to the outside world. And that I think needs to be recognized because Russia is not static – absolutely; I fully agree with Mike – Russia is changing. It is changing at its own pace, which means that as – again, as Slava said it, it will take probably several generations for Russia to become a recognized democracy. But Russia’s business essentially is the business of Russians. It’s Slava’s business, my business, our kids. I think we will be trying to change the country for the better and I think that change will be coming.

What I think – again, this is – there are many things of this report which are common views but then we talk as individuals. I don’t think, quite frankly, that a foreign power, even the world power – even the world hegemony – the world’s hegemonic power can actually change a country like Russia. There is a lot of indirect influence that Russians do absorb and will continue to absorb.

We live in a globalized world, we live in a world essentially without borders, and Russia is a Russia in this (sense ?) who is talking about it – who do we mean by Russia. I this sense I would mean the Russian society and essentially the elites of Russia and I think that they are not impervious to what is happening around the world. In fact, they pay a lot of attention to what is being said about Russia. This is one of the pastimes of Russians to go around Internet websites and pick up stories about Russia – how we are viewed in the outside world – this is a national pastime. So what is being said about Russia is not lost in Russian ears.

This administration in the Kremlin is not going to last forever. The Putin government will be succeeded by another government. So that I think is the moral position that Russian participants in this exercise have taken. Russia is going to be
change; Russia is going to be different. But essentially, this is a business for Russians themselves.

MS. GOTTEMÖLLER: I’m going to take three last comments or questions and then allow each of our panelists, if they chose, to make a final remark. I apologize to those of you I do not call on.

John Alkind (ph); you, sir; and Ambassador Jim Collins. John Alkind.

Q: Thank you, Rose. My question goes in this – comes in the spirit of trying to sharpen up this discussion about what the prospects are for the near term and I guess it’s mostly to Dmitri Trenin and Vyacheslav Nikonov.

If, as Dmitri said, the crisis in the last few months in the U.S.-Russian relationship was largely about Ukraine, and if, as Mike McFaul said, from a U.S. advantage point what happened in Ukraine was fundamentally about the nature of the elections there, what would the Kremlin need to hear from the Bush administration in Bratislava to have a greater sense of calm or optimism, or ability to move ahead past that moment of crisis? (Audio break, tape change.)

Q: Good afternoon, I’m Ed Chen of the Los Angeles Times.

I’d like to ask about something that really hasn’t – that’s probably less transparent than the range of bilateral issues that have been raised and discussed and that is the – what about the personal relationship between Presidents Putin and Bush? I don’t know so much about President Putin; but as a White House reporter, I do know that President Bush puts great premium on personal relationships, and to what extent will personal affinity play a role in Bratislava and beyond?

MS. GOTTEMÖLLER: Ambassador Collins.

Q: I really have more of a comment than a question and it is, I guess, that I wish there were larger thoughts in this piece and at the same time more concrete thoughts. When I think back at the agenda of the ‘90s of building a common space station, thinking very largely about what could be done in the control and destruction and securing of nuclear and fissile materials, a variety of other programs, this seems pretty modest stuff to me.

And I guess one of the questions I would have to all of you is, if you had to ask three things, and you were in each leader’s position, what would they be? What would you actually like as a concrete thing to accomplish in four years if you were an American president and asking Mr. Putin to help you do it, and vice versa? Because I don’t think there’s much in here that helps to be honest. This is good background stuff, but fundamentally I don’t see much concrete in it, at least as far as I’ve been able to scan it, that is going to produce a tangible agreement that we will do the following in the next two years.
MS. GOTTEMOELLER: All right, let me start with you, Andy. You can start with your wrap up, and then we will go, as we proceeded, to Slava and to Dmitri and to Mike. You get to –

MR. MCFAUL: No, I don’t –

MS. GOTTEMOELLER: You don’t need to – okay, all right, fine. Andy.

ANDREW KUCINS: I feel like I’ve written enough. Let me just say one thing about the – first of all, let me accept the critique of Jim Collins because this is also a critique that came up in our discussions in Moscow as well -- that in fact, we’re not ambitious enough about the relationship; that we’re not thinking big enough about the relationship. I think that one of the barriers perhaps to that in doing that more effectively may have been the way we set up the project strategically and I’ve already talked about that, but it’s something to think about and I appreciate the thought.

I think the one thing that we all agree on is that a strong Russia is in U.S. interest and in the world’s interest. I think there may be some disagreements as to, you know, what a strong and effective Russian state is constituted by. We’ve discussed that; but there’s no question, I think, that one thing that Mr. Bush needs to continue to emphasize is that the United States wants to see a strong and effective Russia in international affairs.

One thing he might emphasize, given his love of sports – and that’s something that he shares with Mr. Putin – and the fact that they do share a personal relationship and that Mr. Bush can talk to Mr. Putin in a certain way, I think -- and that is the value of competition. And it’s competition, whether in politics, which contributes to better policymaking, as we’ve already discussed; whether it’s competition in a more open economy, which is going to lead to greater economic growth -- you know, Mr. Putin did not become a national Judo champion in – excuse me – of the state of Leningrad and a national class martial arts practitioner by not taking on serious competition. And the only way you do that -- the only way you improve your performance is to take on the competition.

And my broader concern, I think, is one that’s, I think, shared by all of us -- is that competition whether in Russian political space or in economic space is decreasing, and in the longer term, that is going to have a negative impact in Russia’s flourishing in a strong and effective way.

MS. GOTTEMOELLER: Dmitri.

MR. TRENIN: Well, Jim, I think that you’re absolutely right that we decided against the highflying thoughts and ideas because we – I thought we were realistic in looking – in looking in front of us the next three or four years of the two administrations. Quite frankly, one sits here in Washington; one doesn’t hear much about Russia and this is not something that is on people’s minds.
So I think what we wanted to – the message that we wanted to send – and we were very modest, humble, but also, I hope realistic -- we wanted to send the message to the people here that Russia matters. It matters to the United States maybe three years from now, four years from now, 10 years from now. Writing Russia off as a country of the future may not be right, and this may not serve the U.S. national interest. That, I think, was the message.

I think the message that we wanted to send to the Russians and the Kremlin around Putin was that whatever you think of justice and, you know, democracy, and international affairs, you have to recognize that this world is dominated by the United States and you’ve got to operate in the world, like it or not, that’s dominated by the United States. It’s cheap to snipe at American imperialism or whatever. It’s not in Russia’s best interests so you’ve got to accept it and you’ve got to deal under conditions that prevail.

I think that – two things I think of that need to be addressed in Bratislava. One is – I think it’s important for the Russian government to realize that legitimacy rather than democracy will be the measuring stick applied to Putin’s successor or whoever is on the throne of great Russia in 2008.

It’s legitimacy. That will change things. That will definitely change things. We’re not talking democracy. I think we’re far too realistic for that. As far as the United States is concerned, I think that one of the things that Putin could – well, Putin could reach out to Bush and ask him for real help, and his help may make the 2006 G8 Summit in Russia a success and a personal triumph for myself -- those two things. I think if Bratislava addresses either of those things -- hopefully both -- that could push the relationship forward in the interests of both nations.

MS. GOTTEMOELLER: Slava, you have the last word.

MR. SLAVA: Thank you. I’ll start with answering the question about the possibilities of more managed democracy because of anti-Russian moods in America. Actually this combination of growing anti-Russian moods and the Ukrainian election can contribute to more managed democracy in Russia. Actually, those developments were interpreted as a possibility of Americans organizing a sort of orange something inside Russia. So there is a feeling that this danger exists and that means there should be some preventive actions in order that not to happen. So the answer to the question is, yes, there is such a possibility.

What can calm Russia and Ukrainian situation – actually the two things which worries Putin the most -- and that’s the reason why his involvement in the Ukrainian election was so intensive -- are first, NATO’s expansion into Ukraine, and second, the fate of the common economic space between Russia, Ukraine, Kazakhstan, and Belarus. So these are still the major worries.
I do not think Bush can make any commitment to -- on either issue. So I do not think that he can say something, which can calm worries of Putin. So Ukraine will present, I think, quite a serious challenge because of the possibility of its introduction into NATO, which I consider to be quite realistic and because of negative attitudes of the new Ukrainian government to its common economic space. So I think Ukraine will be a disturbing factor in the relationship.

Question about the personal relations between Putin and Bush. Actually Putin sympathizes to Bush. He supported the U.S. president in the presidential election openly --

MR. : To our dismay.

MR. SLAVA: -- no, to the dismay of some. (Laughter.)

He still has some personal affection of Bush. Although I think that their chemistry, the chemistry of their relations has suffered somewhat because of Ukraine, first of all. Actually, the Ukrainian situation made Putin furious about the rest of the world, not just about Bush, but about the universe I guess.

As for the possible ideas, breakthroughs, or breakthrough ideas for the Russian-American relations, I agree with those suggestions which Dmitri did. I would also add definitely -- economic operation for more investment. Actually, I think the most interesting business in Russia could be the business of increasing its capitalization. Any Russian enterprise -- same amount as the western enterprise or the same amount of people working -- same amount of equipment -- is forty-times cheaper, and that is something which cannot last forever. Actually, increasing capitalization of Russia might be a very interesting business because it can really come fast. There are so many ways to increase capitalization rapidly.

Besides that, there are many other things Russia and America can do in terms of -- I would strongly recommend both Putin and Bush to cooperate on pipeline construction wherever -- to Murmansk first of all, possibly to the Far East to cooperate on the Sakhalin projects, which can start providing oil from Russia to the United States -- liquid gas and so on, and so forth. So there are many things to do in the economy, so I would probably stress the economy, the economic side -- economic operation.

MR. MCFAUL: Sure, Mike. It’s your last chance!

MR. SLAVA: No, on -- (chuckles).

MR. : Well, thank you all very much. I think we had a rich discussion today. There were both pros and cons to the reports, so thank you for participating. (Applause.)

(END)