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ASPEN SECURITY FORUM

Cold War Redux

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Matt Cavanaugh: This next panel, is a resurgent Russia a real threat to the United States? Or is this just another Italy with way worse food and way more nukes? I'm Army Major Matt Cavanaugh. I'm a non-resident Fellow with the Modern War Institute at West Point and I'm one of the scholars here. That's the unruly bunch of young people in the corner. I'm very excited to introduce the moderator who will steer us through the muck and slime at the very bottom of U.S.-Russia relations. Or as the organizers are calling it Cold War Redux.

Ms. Julia Ioffe is a writer living in Washington D.C. She covers foreign policy and national security with a focus on Russia. Ioffe was a Moscow-based correspondent for the The New Yorker and Foreign Policy from 2009 to 2012. Her work has appeared in the The New Republic, Politico Magazine, GQ, Forbes, The New York Times Magazine, The Atlantic and The Washington Post.

She's currently at work on a book about Russia. But, more importantly, personally, the army sent me to graduate school in New Zealand. And when you're at the bottom of the earth frolicking with hobbits and kiwis, you thirst for some educated, erudite, interesting discussion on foreign policy and national security. So, I developed a massive podcasting habit. And I swear about half of what I listened to, hours and hours and hours was Ms. Ioffe.

So, I can personally attest to her intelligent and insightful analysis and now that I know she works for GQ I'm even hoping for a few style tips. So, my expectations are very high and I'm certain that they're going to be met. So, please join me in a warm welcome for Ms. Ioffe and the rest of the panel.

Julia Ioffe: I still live D.C. so I don't know about style tips. Thank you so much for having us at this beautiful dork summer camp. We're no Kirstjen Nielsen, but I think this going to be an amazing panel given how much we've been talking about Russia the last two days. To my left is Nina Khrushchev, who is the great-granddaughter of Nikita Khrushchev, but more importantly she's a professor of international studies at The New School in New York.

To her left is Andrew Weiss who is a Vice President at the Carnegie Endowment. And he runs all the Russian-Eurasia research out of Moscow and Washington. And last but certainly not least is Victoria Nuland, the former Assistant Secretary of State for Europe and Eurasia. And, currently the CEO of The Center for a New American Security.

So, I want to talk a bit more about right now we don't have any crazy Andrea Mitchell-style breaking news. The breaking news this morning has nothing to do with Putin. Thank god. So, I wanted to start by asking the biggest question and this is to any of you whoever wants to jump in. Why is Donald Trump so nice to Vladimir Putin? Why is he seemingly so obsessed with him?

Nina Khrushchev: Okay, shall I go?

Julia Ioffe: Yeah, go ahead.

Nina Khrushchev: Well as we know and others would continue with this there are many theories that Putin may have a lot of dirt on Donald Trump. And if Putin is known to be an equal opportunity offender, if DNC was hacked that probably RNC was hacked and other documents may have been hacked.

But, in my job as a professor at the New School, I teach propaganda so I do look at dictatorial autocratic-type of policies. What I've learned over the years is that autocrats like autocrats. They deal with them better. They understand them better. They subscribe to the same kind of view of the world that they are on top of it and the rest is nothing.

And Trump does like this kind of leadership, this kind of people. Remember when Trump met with Kim Jong Un one of the comments that he made is that, well when he talks, Kim Jong Un talks to his people they sit and listen. When Putin talks to his people they sit and listen. And Trump does like that. There's not all this pesky democracy and conversation going on.

So, I think that actually ... somehow in our very invigorated and sometimes slightly hysterical debate on both sides about Russia and the U.S., we forgot there was this incredible study of criminology was done all through the Cold War and they were people like George Cannon. They were people like Robert Tucker who studied psychology of Soviet leaders and they were not wrong in figuring out certain traits.

I do think that there is about time now to slightly come down and really figure out what kind of type of personality these people have and in fact it could be just that simple. It could be Donald Trump likes Vladimir Putin because he has this incredible steely gaze.

Andrew Weiss: If I could just built on that quickly. I think we're all addressing what is one of Washington's running mysteries and no one really knows the answer obviously. But, for the better part of 20 years Donald Trump has been chasing after Vladimir Putin. As a businessman he tried multiple times to kind of make it in Russia. Didn't work out. As a presidential candidate I think he spoke in a way that was very provocative, in ways that were completely out of sync with sort of bipartisan views of Russia date back last 15 so years.

And the question was why. What's the upside? Part of it, and this is just me conjecturing, was that no one really least of all Donald Trump himself thought they were going to win and so they saw a potential commercial upside. In the wake of a failed presidential bid there were a lot of hangers on and sort of groupies in the Trump campaign who as we see from all this stuff that's come out, were approached by Russian officials or people connected to the Russian government who also seemingly thought there was something in it for them after the campaign.

And a lot of people I think never thought that they would be held accountable after the election for what happened. So, the question now is I think these are really squarely within Robert Mueller's mandate, did any U.S. persons break the law? Are there longstanding or serious counter espionage and counterintelligence issues that need to be evaluated?

Everyone here who's heard FBI Director Ray or Deputy Attorney Rob Rosenstein's comments sees that there's a lot of real serious stuff going on that the Russians are pushing that's happening not just in the United States. The previous panel has talked about what's going on in Europe. It's a part of a bigger global pattern. It's not just all about Donald Trump.

Julia Ioffe:

Victoria?

Victoria Nuland:

Just picking up on what Nina and Andrew have said, I think the worrisome thing particularly of Nina's analysis that President Trump's actually more comfortable with autocrats and you see it in the juxtaposition of the way he treated our NATO allies and his continued beating on Germany and Canada and pretty much everybody that we've been aligned with and that we have mutual security treaties with. And then the fawning treatment of everybody from Kim Jong Un to Putin is that it is this feeling of constraint with liberalism.

When you have to in a Democratic society work with your Congress. You have to stay within judicial rule of law. You have to submit to the scrutiny of the Fourth Estate, the free media. You don't just get up in the morning and decide if you're making the deal or you're not making the deal. And self-justify when you make a mistake without anybody questioning you.

So, I think the worrisome part here is two-fold. First of all, have we analyzed appropriately whether our elected president is actually committed to the constitutional principles and the laws that undergird the United States? And to 70 years of treaty history which has kept us safe and prosperous.

Or, is he more interested in taking the United States in a one-man rule direction? That's one question. The second question is Vladimir Putin, who as Nina has said and Andrew has said is, if nothing else still very good at the skills that he learned as a young KGB plebe of analyzing the other guy. And finding his or her weaknesses and playing to them.

So, clearly whatever else happened in that two-hour one-on-one, President Putin played on this sense of colossus constrain that Trump feels, and offered him a number of probably cruddy deals. And made them sound fabulous, as a way of getting out of the constraints of the bureaucracy that the president probably felt as he was getting briefed on the way into Helsinki.

Putin is the master of offering you a rusty old LADA car in exchange for your Cadillac and calling that a good deal. And if you don't actually know the

mechanics you might fall for it. So, it's worrisome both in terms of where the president's concept of what the United States of America is. And what the presidency is within the three branches of government. But, it's also worrisome in terms of the ability of guys like Putin and Kim Jong Un to manipulate that desire to be an equal opportunity autocrat.

Julia Ioffe:

Yesterday we learned along with DNI Coats that Trump had invited Vladimir Putin to the White House this fall. And on Monday although it seems like it was about a year ago, the two of them met in Helsinki and had this kind of black box meeting and then this very strange nearly hour-long press conference.

To the people who ... to the kind of the non-specialists, the people in the general American public, why is that a problem? Why is meeting Vladimir Putin a problem? Why not engage? Isn't talking better than not talking? Because I feel like to a lot of people are freaking out over this sounds like we are upset that the guest is using the wrong fish fork at a fancy dinner.

So, is there a way to explain it to people?

Victoria Nuland:

Look, 32-year career diplomat, I always believe that talking is better than not talking. I think it was important for these guys to sit down. I'm actually in the minority in thinking that perhaps having a do-over summit in the fall might be an opportunity for us to get it right. I think the problem here was lack of preparation and the fact that there were not witnesses to validate what was agreed or what wasn't agree. So, now we have series of Russian assertions. Everything from a plan on Syria to a plan on a joint working group on arms control that the Russians are spinning out with no American reaction.

And it certainly in the context of presidential summits, never a good idea to do more than a short one-on-one. Leaders often want to talk about their political constraints one-on-one, but there should be a witness in this context.

I think the main problem with all of this was that President Trump if he'd chosen to embrace it, actually walked into the Helsinki Summit stronger than an American president has been in a long time. Rising defense budgets. A NATO Summit despite the president's effort to spoil it rhetorically that actually produced rising defense budgets by all NATO allies and new commands as Mike Murphy was talking about, and a stronger posture.

The Russians by contrast are broke. And Vladimir Putin is broke which is why he's raising pensions. Why he's raising the VAT tax. We had a lot of ability and can again in November, to walk into a summit with Vladimir Putin well prepared, and cut some deals, offer some deals, but on terms that demand that Russia come back into civilized behavior if it wants to work with us.

Just one example and then I'll shut up here. The Russians desperately need and want an extension of the new START Treaty that was cut in the Obama

administration. It expires in 2021. We don't need it as badly. The Russians need it because they don't want to have to spend money building the next generation of ICBMs. We've put money in the budget to do that if we need to.

At the same time, Vladimir Putin has violated an '80s treaty on intermediate-range nukes. He's building new intermediate-range nukes. There's a straight trade to be had. You come back into compliance with the intermediate-range nuclear forces agreement and we can talk about extending new START. And that could have been done in a presidential one-on-one with a little bit of preparation and there are plenty of other things we can do in the arms control arena.

So, I believe in talking. But, I believe in going in from a position of strength and knowing what is that the United States needs to defend our people which after all is the president's first job.

Julia Ioffe: Andrew, Nina, care to weigh in?

Nina Khrushchev: Just a little thing. I think ... completely agree with Victoria that talking is better than not talking. I think what struck me especially coming out of the Soviet Union. I am the former Soviet among these people. It does seem that Donald Trump went into the meeting, went into the summit on behalf of Donald Trump. And I think that was probably the most shocking revelation.

Because, Putin, however autocratic he may be, actually went there on behalf of Russia. And that flip-flip was just for all of us watching this seemed like we're in some surreal universe.

Andrew Weiss: The only thing I'd add to that is that there's a lot of risk disbursed across the breath of the U.S.-Russian relationship right now. There's basically zero trust among the career folks on both sides. And we've had incidents-

Julia Ioffe: You mean U.S. to Russia? U.S. to Russia you mean? The career level people?

Andrew Weiss: Yeah, on both sides. There's practically ... trust is just nonexistent. And then we've had some really bad flashpoint incidents. On February 7 there was this incident in Syria where we understand perhaps a couple of hundred Russian contract soldiers or a kind of a deniable but still instrument of the Russian state tried to test our resolve in Syria and attacked a place where U.S. Special Operations Forces were deployed and they paid a very heavy price for that.

But, there's just a lot of danger embedded in this relationship. So, I agree with Victoria that talking is good. The goal should be to put guardrails on what is going to be a largely adversarial or competitive relationship. And this administration should be judged on do they manage the relationship effectively. Not do they make these grandiose promises about how we're going to get along and how we're all going to turn the page about the bad stuff that's happened.

The bad stuff is real and it's going to have a lasting corrosive effect on this relationship.

Julia Ioffe: My next actually dovetails with that. I think in the media it was framed as Putin won Helsinki. So, if he won Helsinki, who lost? And the kind of second question to that is, what are the practical consequences of Helsinki? Okay, that was a crazy thing to watch, but are there any practical consequences that are going to come out of that summit?

Andrew Weiss: I'm the, I'd say the first person to say that Putin way outperformed. I think more than he would have liked. Donald Trump basically set himself on fire. Putin tried really hard to sort of say he was tough on Crimea and he was trying to do things to help compensate for Trump's just wild man performance.

But in the end, Putin's behavior and his very I think maladroit effort to deny that Russia had interfered in our election, to deflect this with this crazy proposal that he was going to offer up the 12 GRU intelligence officials who'd been indicted by the Mueller team. All that I think just in some ways has catalyzed what Putin wants least which is another round of sanctions. So there's now moves in the Senate and the House to move new sanctions back and forward.

So, in some ways Russia has become even more toxic. And if the opening statements that Putin and Trump had delivered which were generally very kind of statesman-like and sort of addressed a lot of what Victoria was describing, if that's where the thing had ended, they would both be in a very different position today.

Julia Ioffe: Victoria, what do you think?

Victoria Nuland: I think that Putin did not get the Donald Trump that he needed to make Russia great again. He wants to get back to this great super power negotiation like in the old days where we decide the fate of the rest of the world together. That requires a strong leaderly American with whom you can cut deals.

When in the middle of the press conference our president embarrassed himself and embarrassed us, he just ended up looking weak which doesn't give Trump that partner that he can show his people is worthy of a great Russia, which is why I think you see Putin trying to help Trump out during the press conference a little bit.

And as Andrew said, I think they've been dismayed obviously that the president is constrained by the three branches of government and checks and balances that we have in our system that soon after he was elected, the Congress legislated the sanctions so that he couldn't just lift them unilaterally. And these additional constraints just encourage them to think that he's weaker than he was before.

But I think in terms of what Europeans and some of us in the biz were worried about the president giving away in the one-on-one, either recognizing Crimea on the spot or saying we're going to get out of Syria and leave the Russians to manage the Iranians. That's another cat-canary issue or anything else. Luckily it wasn't substantive enough that there was much irrevocable there in terms of U.S. policy position that I could see.

Julia Ioffe: And Nina, you've pointed out, you made a really good point that traditionally especially in regards to the election meddling, Putin has tried to keep himself at a distance and say, "We never interfere in the internal affairs of another country." But in Helsinki he said, "Yes, I did. I wanted him to win." And he inserted him square into the center of American politics.

Why did he do that and what does it mean?

Nina Khrushchev: That's what I was actually going to follow up on what Andrew and Victoria said, because I completely agree that that side of Putin, the great statesman that's been in power for 18 years, certainly was dominating. But there's another part of Putin whom we always studied and discussed. The Putin, the old KGB hand. The operative who was positioned in Eastern Europe and Germany, in East Germany. The man who saw how East Germany or how the Kremlin, Mikhail Gorbachev's Kremlin-

PART 1 OF 3 ENDS [00:20:04]

Nina Khrushchev: Or how the Kremlin, Gorbachev, Mikhail Gorbachev's Kremlin gave up on all the work that KGB ever did. And I think that this to Putin keeps struggling. Because on one hand he really wanted to, he was a statesman, and that's his Crimean talk. But on the other hand I've been studying Putin for about 18 years and he had a blast. I mean he didn't expect Donald Trump to fold that easily but he could not have not felt complete satisfaction as that, "Look, I told you those Americans are idiots. I'm just showing to you how idiotic they are."

And I think this kind of two tensions between the Putin who is on top of the Kremlin and on top of 11 time zones, which is the size of Russia and Putin who still nurses this small man, 5'7" height, this small man, little pet peeves, I don't think they could be separated. And whoever does American foreign policy in the future have to remember that this tensions are always present.

Julia Ioffe: Yeah. It's a fellow Russia watcher said that what was amazing about Helsinki was that was watching Vladimir Putin not being able to contain his glee even though he's usually so good at containing his glee.

Nina Khrushchev: Exactly. And also his boredom. Because he was like, "Why are you folding so easily?" And I think that's why he inserted himself into that American debate, precisely to see how he can up that game. Because he is a grand gambler. We've seen it with Crimea, we saw it in Syria, we saw it in Georgia, we saw it meddling.



He's a really high stakes gambler and I think that was one of the gambles. To see whether he can actually put an even broader wedge into the relationship with Europe, the relationship with the United States. And in some ways it is also very Russian. You kind of build with one hand and you kill it with the another. But that's that whole 11 timezones, East and West kind of struggling for its own personality.

Victoria Nuland: Can I just point out the artful use of the double negative by Nina which is [crosstalk 00:22:06] grammatical, he could not not have, wait a minute.

Julia Ioffe: So he took this gamble, he drove an even bigger wedge into American politics. What could be, can we game this out? What could be, does it, like Andrew said, make Russia more toxic in America and hamper Trump in making a deal with Russia in the future?

Andrew Weiss: I think, well the question really is, does Russia want these big deals? Or do they wanna keep watching the unraveling of the US led international system? Personally I think that's the game here. The stakes are not about can we resolve the INF treaty or can we do something incremental on the long running conflict in Ukraine or these issues. This is about basically creating a, you know, vision of the United States and sort of helping the United States President whose alienating our longest standing allies, whose blowing up the international trading system, and whose making the US toxic. And I think that's a gift which, you know, the Russians primary concern all along has been that people like Toria were engaged in policy of promoting regime change. And that was, for them, this existential concern and they have responded asymmetrically to it since 2011, 2012.

Julia Ioffe: Yeah.

Andrew Weiss: They've convinced themselves of that, they see this treat, they believe the US deep state that people keep talking about was coming for them. And so now Donald Trump has taken that totally off the table.

Julia Ioffe: Yeah.

Andrew Weiss: So they can, they've got a much freer hand.

Julia Ioffe: So it's not even about sanctions at this point?

Andrew Weiss: I think that would be nice to have if it's on offer but this is much more about the preservation of their regime and [crosstalk 00:23:39].

Nina Khrushchev: Also, just one thing. Absolutely I don't think it's that much about the sanctions. I also think that Putin is a global splinter and now he's probably global hammer more than just the splinter. And it also that disarray works for him because the European allies they are so freaked out, please forgive this word, by Trump, by

this agent of chaos, that Emmanuel Macron, I think has been in Moscow, in Russia, five times in the last two months. So they are clearly building some sort of relationship out there because the hard on Putin is still more familiar entity than completely unpredictable Trump. So, that's also Putin's game, I think, to some degree.

Victoria Nuland: And just to build on that, Putin's also making himself the indispensable man in the Middle East with Syria being ground zero.

Andrew Weiss: Yep.

Victoria Nuland: Where we've had eight trips by Netanyahu to Russia because he can't count on the United States to keep Iran off of his border. Also, the Jordanians and the Turks and everybody else. Although I think, yes it is important for Putin's view that he can now not only contest for dominance of the neighborhood around him as he wanted in his earlier terms, but also he can contest who gets to the run the global system and offer along with Xi Jinping an alternative autocratically dominated model and he thinks he is being successful at that.

But I don't think it solves Vladimir Putin's problem inside Russia. He does need sanctions relief, he does need investment, he does need more relief from the international isolation that was applied both for the interference in elections and for Ukraine. And without that he's not gonna be able to provide for his people.

He's now on, what is it, his fourth term, eighteenth term, and he's built himself into a set of golden handcuffs where Russia desperately needs reform. But he can't reform without giving up some political power which is unacceptable. And so he needs money to support this kleptocracy model and if Russia's not starting to grow and produce, and it's growing a little bit more but not at the level and as I said, if they're having to raise pension age, raise taxes, they've run through half of the sovereign wealth that they gained during the oil boom period. Yes maybe at 60 to 70 dollars on the barrel on oil he can float for a little time but he can't continue in a country that is now saying what it cares about most is whether its hospitals are working. He can't continue to feed his people on this nostalgic glory without the pie growing a little bit.

Julia Ioffe: Yeah and we'll get back to the internal conditions in Russia but I wanted to ask you, Tora, because I think this question comes up a lot when we talk about Russian interference in our election. It's the whataboutism that we hear not just from Russia but also from some quarters in the US, which is haven't we meddled in the internal affairs and elections of other countries? And you know are we just getting as good as we gave? And as Nina pointed out before the panel you are still kind of a boogeyman in Russia for, you know, your role on the Euromaidan and do you think the US is at all responsible for what happened in 2016?

Victoria Nuland: I think it is a false equivalency of the kind that Putin excels at. Since the 60s we have not put our hands on the scale in an election. What we do do through the National Endowment for Democracy through IRI and NDI is offer political training to all political parties. In fact, in the early days in Moscow we offered a huge amount of political training to United Russia, Putin's party as well to the Communists and anybody who wanted it. How do you in a new, and we do this particularity in new democracies, and it's an equal opportunity thing that we do. But we are not running malign influence campaigns. We are not creating bots that look like human beings and create false TV advertising about opposition candidates. We are not throwing money into elections. You know, it might have been a technique in the deep Cold War, but it certainly isn't now.

So and you know in the Ukraine context, it's important to remember how the Ukraine crisis starts. Ukraine had been for three years negotiating not membership with the European Union but association. So the ability to have free trade and free travel. And it was when the Russians woke up to that, and decided there was a zero sum relationship that it couldn't be a win-win for Ukraine to be closer to Europe and Russia to be closer to Ukraine, that it had to be either or, and insisted and pressured Yanukovych to break that relationship with EU.

Julia Ioffe: Interfering [crosstalk 00:28:48].

Victoria Nuland: Interfering in their domestic politics, into something that had been agreed and Yanukovych had been elected on in fact, that you know 250,00 Ukrainians go into the streets to protest. And they were not saying we want a bad relationship with Russia. They were saying we want a good relationship with the European Union. So we get into it when that situation of months and months of protests begins to get violent. And what we were trying to do was help Yanukovych out of the corner he painted himself into by helping negotiate a technical government, half opposition, half Yanukovych's people, that could take them to elections and then they could have sort of a do-over on their own politics.

And we were also talking to Moscow about the notion that if Ukraine had free trade with the European Union and Moscow didn't there might be a way to have some benefits for Moscow in its free trade with Ukraine. But the Kremlin wasn't buying any of it. They could only see it through zero sum lenses. So, that's I think one of the fundamental problems in negotiating with Vladimir Putin. It's hard to pain him a win-win that he will accept.

Andrew Weiss: The one thing I would say with a slightly different spin is that the tactics that have been used in the United States were honed and perfected in Russia's neighborhood. And so what happened in Ukraine, in the run up to the violence in Maidan, and the Revolution of Dignity and February 2014 and then the attacks on American public officials like Mueller.

Julia Ioffe: Like Victoria.

Andrew Weiss: And the Hacken Release and all this stuff, that is the playbook that was then extended towards us and accelerated after 2014. And that is a question I think for history - did people not understand how much our own society had become badly polarized and that it would create such a fertile ground for these tools? Because I think all of us would have thought, "Oh, our media is surely not gonna fall prey to being led by the nose," but in reality, you know, we've seen in the Mueller indictments that, you know, they basically handed off a huge amount of data, they doxed the Clinton campaign, they doxed the DNC, and the American news media and the international news media all kind of were party to that. So you know we, you know have a lot of, I think, questions about resilience and hardening ourselves going forward and we shouldn't have any, I think, false pride that we're somehow not going to be vulnerable again.

Julia Ioffe: Right and to add on to that, I remember in 2014 Maskim [inaudible 00:31:16] actually wrote how all of these tactics that we were seeing in Ukraine had actually been honed at home in Russia against the Russian opposition.

Victoria Nuland: Yes. I was actually quite worried in 2016, what the Russians were very good at doing at home was doctoring email. So you take an existing email, you doctor it to look pretty dirty and nasty and then you release it and it takes awhile for people to realize that it's been doctored. So you know that was one of the few techniques that they didn't use. Yet.

Julia Ioffe: [crosstalk 00:31:49]. And I'm gonna ask you one more question, Toria, also a kind of what about us question, but this time not from Putin but from Trump. You know Trump keep saying that the interference happened under the Obama Administration's watch. You were still in the administration at that point. And that actually the Trump Administration's policies on Russia have been much tougher than the Obama Administration's policies against Russia. Is he right?

Victoria Nuland: Well obviously the hacking happened on the Obama Administration's watch. The President was aware of what was happening and did some public warnings but made a decision not to react until after the election because for a variety of reasons including the intelligence was incomplete until too late. Which I blame on us and needs to be corrected. But also he, you remember, that candidate Trump was already as early as late July of 2016, saying, "This election is gonna be rigged, it's gonna be stolen from me," etc. So I think the President, which is a very Putin-esque technique, right? Blame the other guy for, anyway.

And so I think President Obama was concerned about any perception that he himself had put his finger on the scale and thought that we could deal with this after the election. And ordered in December a full review of what we knew and put down the first tools of response, the economic and personnel sanctions and taking away the dachas and all that.

But I think throughout the US government, regardless of party, there was an expectation that when President Elect Trump was briefed on what had actually

happened that his response would be the normal one of any President: this is an attack on the United States. I need to redouble the efforts that were begun in the Obama Administration to address this.

And what worries me in this whole conflating as Nina said of personal fate with the fate of the nation, we have lost 18 months where the President should have been first standing up and then leading a whole of government effort to understand these tactics, to harden against them, to create deterrents, to create the kind of regulatory environment and legal environment that makes it very, very difficult to do and working with our companies. And instead, I was very please to hear Rod Rosenstein outline all that's been going on the Justice side, but we certainly know those of us who were part of the excavation operation in December of '16, of what had happened that unless the whole government is ordered to work together, you can not feel and see all parts of the elephant and without Presidential leadership, connecting government intelligence, the companies, the best technical minds in our country, we're not gonna do what we need to on this.

So that would be my plea, that it's now time for defense of the United States. And not just again Russia. The Chinese are using these techniques, the Iranians are, so.

Julia Ioffe: And, Toria, you touched on this a little bit, on what's happening domestically in Russia. You know Putin raising the retirement age, which has caused his approval rating to take hit, even though it was rolled out on the first day of the World Cup on purpose to kind of get it in under the positive PR. The raising of the taxes. Nina you were just in Moscow for the World Cup. What does Russia look like from the inside now? What is the domestic situation?

Nina Khrushchev: Well the domestic situation is actually better than we say it is here. Because the economy is not doing the greatest, but its actually done quite well because what Putin did invest, not necessarily for the people's benefit but for the enrichment of his own people, but somehow it trickled down, sort of trickle down economics. They build bridges, they build roads. I personally traveled on the Kolyma Highway which used to be a road.

Julia Ioffe: Oh my god.

Nina Khrushchev: Exactly. Used to be a road where inmates during gulag time were dying on the side of it and now it's an incredible highway as if you are in Germany. So that's something that also brings money into the state's coffers, because Putin is a big man project kind of, that what Trump also like about, the bridges, the Crimean Bridge is finished which also brought economy sort of some benefits.

But also something that Putin did out of spite of course is counter sanctions to the Western sanctions, is that most agricultural products were prevented from traveling into Russia. And that gave Russia an unexpected boost in actually

developing its own agriculture after 1,000 years of trying to do that. So this is something that works. It's not probably long term solution, obviously. They need it to be other things but for now it works.

As for the very unpopular pension reform, they did think unveiling it on the World Cup Day it's gonna kind of die down. And interesting enough the people who are pension age, they are not necessarily that interested in the World Cup, they're slightly older, slightly available to go to the fan zones. So that's where the support [crosstalk 00:37:38].

Julia Ioffe: But they already have their pensions now.

Nina Khrushchev: They already have their pensions but the ones that are coming up. But what just sort of very briefly what I found really remarkable that during the World Cup it was Moscow like I've never seen before. I mean we're not happy people. We don't look happy. There is an expression, grumpy Russian and it's really not in vain. But that was the remarkable moment when suddenly Russians forgot that there is America or that Europe is out to get them and the joke in Moscow was that Russia had more Catholics in the country since 1812. 1812 is you remember when the French and Napoleonic Wars, when the French went into Russia and Russia is Russian Orthodox and Putin actually built his population on separating Russian Orthodoxy from the rest of Christianity because of course ours is a religion of soul.

So suddenly all these things were forgotten and people were mingling and the volunteers, and so Putin did get the game, he did build the infrastructure. They arranged it very, very well, I must give credit to all the cities, the fan zones were organized, suddenly the trains were running on time, everything was doing very well. And it became not Putin's game, despite all of this. Suddenly it became the people's game.

Suddenly people felt that they don't need to invade Crimea. They don't need to put on some new missiles to threaten the world. They actually just need to be hospitable. And they took pride in that being, that incredible hospitality and all these volunteers and the train conductors and they were the ones who hosted the World Cup. And I think that actually and Carnegie Moscow did a wonderful work on that. The few articles on the subject talking about this, how this is actually possibility to democratize Russia from the bottom. It's no longer from the top. And then people feel that you don't need to win anything. You just have to give in order to take and then you can become a normal country. Something that Russia always wants, but never gets because the military muscle gets in the way.

Julia Ioffe: Yeah and you said it reminded you of the 1957 [crosstalk 00:40:00].

Nina Khrushchev: Right. It's too long ago but when 1957 when Stalin

PART 2 OF 3 ENDS [00:40:04]

Nina Khrushchev: I mean it's too long ago, but when 1957, when Stalinism fell and Stalin died in '53. I mean you now all brushed up on this, I know because of the death of Stalin. So yes, Stalin died in '53, '56, Nikita Khrushchev denounces Stalin, and in '57, he opens Moscow to the rest of the world. It was the Festival of Youth and youth and culture and suddenly the world came to the Soviet Union in '57 and that was the feeling. I mean I wasn't there, but there was described to me that in '57, the Soviets, the Moscovites, felt that they are part of the world and that really created that atmosphere of the following reforms that we now know as the Thaw.

Victoria Nuland: But this is terrific. I mean if in fact, we have a Russia of hope rather than a Russia of grievance-

Nina Khrushchev: That's what I hope.

Victoria Nuland: - and a Russia from the bottom rather than being feed. That's a Russia we can work with and that's the Russia we hoped for in the '90s, that it would be excited to knit into the liberal world. It's just not been Putin's style, so that's encouraging.

Nina Khrushchev: And it really has not been. I mean it was the parties that were-- but somebody was smart enough to tell the barkeepers, "Don't close it" because often in Russia, the first response you can do it. So here, the first response they were told, "You can't do everything."

Andrew Weiss: So if I can just play the Jon McGlocklin card of saying like oh, it's worse than you think.

Victoria Nuland: Wait, is it a magic card?

Andrew Weiss: Yeah. I mean the political logic of Putin's regime, though, is we're surrounded by enemies and by unifying and defending ourselves against these foreign threats, we will not be brought back to the low point of the 1990s and the question is Putin, after becoming a war president, after 2012 and then more intensely after 2014 with the war in Ukraine, he stopped governing in terms of domestic policy. So they have these big domestic unaddressed political challenges and economic challenges like pension reform, which Tori has mentioned a couple times, but they don't have the policy apparatus or the will to make big changes because they're all thinking ahead.

We're going to eventually have some leadership transition here whether it's 10 years from now or whatever and I think it really makes you think well, what can they do because they have not-- they basically wasted a great period of time when Russia could have built its economy around things other than its natural resources. So Russia's stuck and I think they're not running out of money. I think

they pull things out of the ground and they sell it for dollars and then they have ruble-denominated domestic liabilities so they can basically sequester their way through a lot of their problems as long as oil prices aren't \$10 or \$15 a barrel.

Julia Ioffe: Yeah, it just feels more stagnant than in the past. Before we go to questions, just really quickly from each of you, I'd like to hear what are the lessons learned from 2016, what we learned about Russian interference, and what could we do with that because to some extent, the response has been a bit self-defeating. People rage at Trump and try to get him to condemn Russia. That just infuriates his base and gets them to line up behind him and dismiss the Russian threat. There's sanctions and there's even people, like Daniel Fried, are not sure that they totally work, so going forward, what should we do about 2016? What are the lessons learned? Start with Victoria.

Victoria Nuland: Well, I have done some testimony on this before the Senate Intel Committee. I think we, as I said, need a whole of government presidentially-led initiative that looks at a full spectrum strategy. First of all, deterrence, drawing on our arms control experience, demonstrating what we can do and that the cost will be too high for the adversary. Regulation, companies obviously having difficulties self-regulating, even having difficulties sharing information about what they know. There has to be a safe space created by government where we can talk about what a floor of regulation looks like and then the legal tools and starting to set forward a set of norms.

At the same time that you have to use opportunities like a summit to make absolutely clear to guys like Vladimir Putin and perhaps Xi Jinping in the future that if you do this again, there will be far harsher consequences, ideally in the economic ground than you felt before. You have to present that hard, hard deterrent. It has to cost for folks to do it, but we also have to educate the American public so they can understand what is real and what is not real and when they're being manipulated and also to harden their own personal systems and that's a big, big job and it needs presidential leadership.

Andrew Weiss: Three quick things. The US withdrawal from the world stage and the blowing up of our alliances. That is the strength with which you deter and constrain a more assertive Russia. We're basically asleep at the switch or willfully dismantling all of that. Two is exposing and talking about what is going on and being honest about it. Should give you some strength, but in fact, we now have-- we've seen politicians, not just Donald Trump, who embrace a lot of these tactics, who push a lot of the same untruth on unwitting publics. That has to stop or if it doesn't, people have to be held accountable for that. And then three is I think we need to be thinking ahead because what was done in 2016 in the United States was pretty clunky. It wasn't like the most sneaky covert operation in history. It's the most successful covert operation in recorded history, but it certainly wasn't the sneakiest. Things are going to change, technology's going to advance, this is not a static problem.



Julia Ioffe: Yeah, Nina?

Nina Khrushchev: Very quickly, I think the diplomatic core needs to be rebuilt. I think the relationship suffered and struggled in all this-- I understand this sending out the diplomats, but I think that's how relationships actually move forward on a level that is not just Putin and Trump. The same thing for people like Victoria, that level of State Department officials really need to talk to the Russian counterparts. Whatever these two people do, we need this relationship because that's how I think-- I think you said that we need this kind of guardrails-

Victoria Nuland: And to remind in the last year of the Obama administration, I did seven rounds of talks on Ukraine with Putin's designation-

Nina Khrushchev: Exactly. And it should not be stopped. Absolutely. And one last thing, I think that the summit is a wonderful thing. I mean the meeting, the summit-- the meeting in the fall. Let Putin come in. Let him try to look everybody in the eyes-- in fact, I believe that the intelligence community should have a big meeting with Putin broadcast everywhere, ask him questions, and let him stare the people down. And hopefully, Trump will get some briefing and let America have Putin on its own terms and confront him on American own terms.

Julia Ioffe: That is very optimistic. Okay, let's go to some questions. Ma'am, right there.

Speaker 1: I read this morning that the Russians had sold all their treasury debt in the last couple of months and converted the debt to Euro sovereign debt and Chinese debt. What do they know or what does Putin know that we don't know about our markets financially, economically, and politically? What's coming up?

Andrew Weiss: I haven't seen that, but I'd be surprised-

Speaker 1: Bloomberg reported it.

Andrew Weiss: Yeah, but I think if your long dollars, which is Russia is naturally by virtue of what it sells on international markets, basically diversifying out of US-denominated assets seems maladroit.

Speaker 1: Well, they have no debt now. No treasury debt.

Victoria Nuland: I would add to that that if they are worried about what response we might give to 2018 midterm manipulation, the strongest remaining parts we have in our arsenal have to do with Russia's access to the dollar economy so they may be worried about getting that while they can.

Julia Ioffe: Sir?

Speaker 2: First, I just have a clarifying comment and then a question. So when we come back to the issue of what role has been played by our country in possible

interference in foreign elections, I am under the impression that in 1996, when there was a presidential race in Russia and a strong Communist threat against Boris Yeltsin, that there was massive intervention on the part of our country in trying to see Yeltsin get reelected. Let me just come to my question which is the first question that you asked is what is behind this friendship, this romance, between Trump and Putin and I don't think it can necessarily be laid entirely to this personality that is sort of affinity of personality because if you-

Julia Ioffe: Sorry, we have limited time so ask your question please.

Speaker 2: I'm sorry. I apologize. So the question is whether or not the Trump approach in terms of Russia and I'm not condoning it in any way, is in a way a other form of triangulation, where actually Trump is trying to split the Chinese and the Russians?

Nina Khrushchev: Well, then he's doing a really bad job.

Victoria Nuland: Yeah, it seems.

Julia Ioffe: Anybody want to clarify in 1996 because that's not quite right?

Nina Khrushchev: And I would like to.

Victoria Nuland: Yeah, having been in government at that time, we, as we often do, made clear that we had a good working relationship with Yeltsin. That we were concerned that if the Communist opposition was elected that you'd have a complete revanche back to Soviet-style rule before there been a chance for the people's will to try democracy. That the clock would be turned back, but that's a completely different matter than running our own advertisements with the Russian public or trying to influence voters' choices or putting money into the thing or hacking a release or any of the rest of this stuff so it's not equivalent to this at all.

Julia Ioffe: Also, if I may, there was a thumb put on the scale of that election, but it was a decidedly Russian thumb. It was the oligarchs. It was the journalists. It was more domestic than foreign. Far more.

Next question. Ma'am?

Speaker 3: Great panel. So I wanted to get your thoughts on the broader Russian attack on democracy and democratic institutions beyond elections and whether you think we are running the risk of taking too narrow a view and picking up on some of the comments you made about Putin's insecurities, the small man complex, but also having stated that the fall of the Soviet Union was the worst thing to ever happen in Russia's history, which I think is pretty remarkable given how horrible-

Julia Ioffe: World history.

Speaker 3: - Russia's history has been in various times, and the threat that he feels-- I'm asking, from the concept of democracy with regard to his own population and then your comments about the fact that he uses techniques honed in Russia, elsewhere, the kinds of messaging that he's given to his own population about the failure of democracy, not just that Americans are idiots, but that their democracy is a farce? Do you think that he saw in polling results with declining support for democracy, a real opportunity to come here and so skepticism about impartial justice, for example, in the flaws of our judicial system and other democratic institutions? Does that seem likely to you?

Nina Khrushchev: Thank you. To me? That's a very big question, thank you. I think it's more than just he saw the flaw. I think the 1990s, whatever we think of them, they were chaotic and in the Russian view, if that was a democracy, we don't want it. So this is something to remember. This is 90% of the Russians would tell you that that kind of chaotic capitalism really does not work for the country, so that's one part. So in this sense, Putin is not necessarily that original in Russia. Democracy is a curse word and for a long time and now people forgot about it, but they used to call a demokratiya, which was stratocracy, so that's how democracy was seen. Yes. Sorry. Have to wash my mouth. Just translating, so this is one part.

Another part, I think, it's also a longer process and I'm absolutely not in moral equivalency business in any way, but I think what happened with the wars in Iraq and Afghanistan really did show the world that if you look at the United States, it's not always the force of good and so for Putin, that was what he does for him as a continuation of something that he sees already happened in America, this democratic autocrats and the power with Dick Cheney, that we do what we want because we protect national security.

So Putin comes next, then Erdogan comes next in Turkey, then Xi Jinping, so I think it's a global phenomenon in some way that this democratic autocracies-- I mean democratic, I mean they are technically democratically elected. So he's probably a head of this, but he's not original in this. He's just the man, as Erdogan recently pointed out, "Putin and I, we've been around for so long, we are the statements of the world." And I think Xi Jinping is the third one. So yes, I think it is a big danger and I think democracy should do what George Kennan used to say that-- he wrote an article in Foreign Affairs in 1996, which was called On American Principles. So America should follow its own principles and don't give Putin an opportunity to say, "You are hypocritical. You do things that you tell me not to do."

Julia Ioffe: All right. Last question. Sir?

Speaker 4: Very simple. What's the succession plan? Putin is not going to live forever. What does Russia look like post-Putin? Is it someone from the kleptocracy? What do you guys think about what that looks like?

Julia Ioffe: That's a good question.

Andrew Weiss: I don't expect Putin will abide by the Constitutional requirement to step down at the end of this term in 2024 so we're looking at something that looks more like becoming Grand Ayatollah, where he'll just be father of the nation until he decides he no longer wants to-- he doesn't have an exit. There's no easy way for him to hand off power and I think that was the lesson of Dmitry Medvedev interregnum.

The problem is-- and this to make it more meta, is there's now an entire generation of people for whom their formative experience is this period of confrontation with the West, who have built a mindset that's antagonistic and it sees us as a threat and feels that their best days were Russia's activities in Europe and Ukraine and our election and Syria. And so I think we're going to have a whole cohort of people, especially the national security realm, who are now maybe lieutenant colonels or colonels, who are going to be with us for the next several decades and it's from their ranks that presumably a successor will emerge. But everything in Russia, we find out about it when it's announced. There's not a lot of advance notice. It's largely a black box decision making when it comes to leadership.

Julia Ioffe: Actually, I think we have time for one more. Sir? I was so sure. Also, while we're waiting for the mic, I just have to add to that, to what Andrew said. There's also the idea of confrontation with the West being a good thing also grows out of the chaos of the '90s and the denigration that Russians felt and what I hear when I go to Moscow from people who are close to the Kremlin is they used to mock us, now they fear us, we'd rather be loved than hated, but if it's between being mocked and being feared and hated, we'd take the latter.

Nina Khrushchev: Can I actually add to this though? That's not what I saw in the World Cup and I was actually thinking how unsuccessful Putin's propaganda is that the West is to blame. Also, last year, I went across all of Russia's 11 time zones to see what Russia is actually like and let me tell you that the only animosity that I felt because I was traveling with an American colleague was in Kaliningrad, which is on the border with Germany, and the rest of Russia idolized America live. Oh my God, that's what I think diplomacy's so important.

Julia Ioffe: Okay, let's do this. Real quick.

Speaker 5: It's a yes or no question.

Julia Ioffe: Perfect.

Speaker 5: Dan Coats demurred when Andrea Mitchell asked him the following question which I'll ask the panel. Was the Trump/Putin meeting recorded?

Victoria Nuland: I'm going to guess yes.

Andrew Weiss: I hope the US side has a tape.

Julia Ioffe: Nina?

Nina Khrushchev: Yeah. Hopefully.

Julia Ioffe: All right, with that, we're going to wrap this up. Thank you all so much. Thank you to our wonderful panelists.

PART 3 OF 3 ENDS [00:58:42]