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A NEW COLD WAR WITH RUSSIA?

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A NEW COLD WAR WITH RUSSIA?

MR. WAANDERS: My name is Peter Waanders; I'm the Director of the Society of Fellows, I work here full time for the Aspen Institute. We are so thrilled to see so many friends here, repeat guests, and frankly how many new people are here this year for the festival is extremely exciting to us at the Institute.

I'm here to introduce Michael McFaul, political science senior professor, Bing Senior Fellow at the Hoover Institution, and senior fellow at the Freeman Spogli Institute for International Affairs at Stanford University. He spent the last five years serving our country under the Obama administration, first as a special assistant to the president and senior director of Russian and Eurasian affairs at the National Security Council and for the last 2 years as UN - U.S. ambassador to the Russian Federation. We're excited to have you here.

Mr. McFaul has authored several books including Advancing Democracy Abroad, Power and Purpose: American Policy Towards Russia after the Cold War and Russia's Unfinished Revolution. We're excited to have you here. Thank you.

(Applause)

MR. McFAUL: Thank you. Great to be here. Sad to be here at the end. I just looked at your program; I just got here last night. First of all, I'm disappointed I had to be in Europe for most of your meeting, but I'm also disappointed I'm at the end of your conference because how many more ideas can you actually think about, let's be honest. And I thought about maybe just focusing on one big idea and hoping that you could come away from that, but that's not what I prepared, I do want to talk about U.S.-Russian relations and the role of ideas actually in U.S.-Russian relations.

The title I think says - is it - you know what, nobody else has a coat on, I'm going to take mine off. All right. If you don't mind.

The title of the talk is are we at a moment similar to the cold
war. And my answer is yes and no, of course. There are certain similarities in that. First and foremost, this is the greatest moment of confrontation that I think we’ve had with Russia. I think really you have to go pre-Gorbachev to remember a time when tensions were as high as they are, when issues especially in Moscow are framed in such zero-sum terms. And the essence of the dynamic in the bilateral relationship is competition, not cooperation.

Do you remember the last time that the chief of staff of the Kremlin was on a sanctions list, does anybody know? In the history of U.S.-Russian relations. Never happened before, that’s why you don’t know. Never even in the cold war did we have the kinds of sanctions we have now.

Do you remember, it was 18 years ago when – and really you have to go back to 1991 when Gorbachev started coming to the G8 meeting. That was going on for 20 years, now Russia is being kicked out. And just those two data points I think are enough to say this is really a new moment in U.S.-Russian relations.

Now, there are lots of differences and maybe in questions I’ll save that, right. This is not an ideological struggle between communism and capitalism, although it is an ideological struggle between authoritarianism and democracy. And most certainly, you know, we are lucky Russia does not have the power capabilities it had before, the Soviet Union, they don’t have many allies. And the confrontations that we’re going to have with them therefore are going to be contained.

But for me, as somebody who spent 5 years in the government, who left California, who left Palo Alto, paradise on earth, although Aspen is a close second, to try to change the dynamic in a different relationship, in a different way, it’s a tragic moment for me, it’s a deeply tragic moment.

And it makes me wonder. And I know the President also wonders, is it inevitable, was – were we naive to try to think about a different relationship with Russia or were there moments and ideas and leaders along the way that put us where we’re at today. And in political science, not to get too theoretical but you do claim you’re interested in
ideas, so let’s talk about some ideas. In political science this is the big drama between structures and agency, right? All theories at least in political science fall somewhere on that continuum.

The structuralists think that it’s all about power and history and culture, and that we, people, we just kind of are the representations of these structural forces. The agency folks think, no, yes, structure shapes choice and shapes the way that people think, but at the end of the day it’s people and their ideas that shape history. I’m going to be on that corner as you’re going to see. I’m going to give you the punch line right now; I’m going to end up on that side. And in particular I’m going to talk about one man and his set of ideas, that’s Vladimir Putin, to illustrate how he more than anything else got us to where we’re at.

But I’m going to build that argument and I’m going to show you the alternative explanations because it’s not that simple. Let’s start with the big structural argument popular among international relations theorists in America and very popular among Russian kind of think-tankers and big ideas people in Moscow. And that is this - the crisis we’re in today punctuated of course by the Russian intervention in Ukraine, invasion maybe is a better word but annexation of Crimea and now what they’re doing in Eastern Ukraine.

This is just the result of great powers, this is what great powers do, right? Russia was weak after the collapse of the Soviet Union, Russia had lost a lot of its power, but over the last two decades they have accumulated more capability. And that’s what you see here, that’s what it is. It reminds me, I grew up in Butte, Montana - is anybody from Montana? Nobody is from Montana. Has anybody been to Butte?

All right. Butte is a rough town. I graduated from High School in Bozeman, very different kind of town, but it’s a pretty rough mining town and there was this big guy in my class who just liked to hit people. And one day one of the teachers said, you know, why do you always hit people. And he said, because I can. He didn’t have any kind of ideological motivation, but he liked to, you know, was kind of intimidating and he was 6’5“, 250 pounds and he could. So that’s the theory that comes, you know, Russia is just doing what great powers do.
By the way there is a lot of empirical data to support that theory over the last thousands of years of international relations, I want to make that clear, a lot of rising powers annexing, threatening declining powers. So there is a big historical base for that set of arguments. I think it's wrong; let me tell you why I think it's wrong. It's a necessary part of the explanation for our crisis today. That is we're not worried as much about weak states annexing their neighbors, right? So it's a necessary condition for this crisis to have occurred.

But I want to tease you with two counterfactuals, right, two different - different ways it could have happened, one really requires some imagination, the other does not. So the first thing I want you to think about is what if Russia made the transition to markets and democracy not different than, say, Poland. So at the collapse of the Soviet Union they managed to consolidate their democratic institutions, they managed to create market institutions and therefore managed to have a more integrated relationship with the West. That Russia, my argument is, would not have invaded Ukraine.

And I think if you look around the world you see that democracies don't invade each other, they don't go to war with each other, they have a more cooperative relationship than either autocracies and other autocracies or autocracies and democracies. I mean, think about it while I keep talking here. I challenge you to tell me the last time we went to war with a liberal democracy, the United States of America. There is a couple of cases, so that's why you got some time to think about it. But it doesn’t happen that often.

And so a Russia that would have succeeded in this - and by the way we should have helped them more to succeed, I'll come back to that later - I would argue would not have been in the confrontation that they are with the United States today.

Now, that takes a lot of imagination. Democratic Russia, right, those are not words that go together for many people very often. So let me tell you a different counterfactual. In fact it’s not a counterfactual at all, it's Putin’s foreign policy before February 21st of this year. Did you read
the speech that Putin gave where he said all Russians needs to be reunited and Imperial Russia needs to be reconfigured in the 21st century, you didn't, because he didn't give that speech, he never gave that speech.

He – I don't know, maybe, I've gotten to know Putin fairly well in my previous jobs, I've listened to him many times, so I feel like I have a pretty good sense of his world view. I don't think he was sitting as a kid dreaming about putting back the Russian empire for years and years earlier. On the contrary, his big idea before this crisis was to create something called the Eurasian Economic Union. I'll bet you most of you have never heard about it because our press corps was not really reporting about it. But when I was ambassador, without question this was his most important foreign policy objective. And the idea was a simple one. The Europeans had their European Union, I'm going to bring together the former states that emerged from the former Soviet Union in this economic union.

Now, we can debate whether it was coercive or cooperative maybe in question, but without question in my view when sitting in Moscow for the last couple of years, that was what he was focused on. And a key to making that succeed was for Ukraine, all of Ukraine not just Crimea, to be part of his Eurasian Economic Union. And so his actions against Crimea have ensured, I think, forever, at least for decades to come that that won't happen. So something else must have happened. This was not just a plan because of the rise of Russia that Putin had been pursuing.

Moreover, I'd just remind you in the run up to this latest crisis he did some very deliberate things to try to be more cooperative with us. He released Mr. Khodorkovsky from jail, for instance. So the multibillionaire who'd sat in jail for 10 years, he released him just a few months before the crisis and a very senior official in the government told me that was designed to be - to - as a signal to us that we could cooperate with them.

And most dramatically, he threw a $50 billion party allegedly, I don't know if that number is true, to impress us all. I don't know, was anybody there in Sochi? I was there, it was a fantastic party. You know, despite all those things you read in the press about yellow water and
toilets that don’t work and breaking through doors, yeah, that was dramatic. And my toilet didn’t work that well either by the way, I confess.

But generally it was a show designed to say this is the new Russia. It wasn’t designed to say we plan to go to war with you in the next two weeks. That wasn’t the message that they displayed in the opening/closing ceremonies. On the contrary it is this is the new Russia, we want to be a respected partner in the international system. So that suggest to me that something else had to have happened for us to get in this crisis, it wasn’t just the rise of Russian power.

All right second set of arguments popular in Washington mostly, Moscow somewhat, Palo Alto not so much, is that this is the result of western policies, right? It’s our fault. It’s our fault. And it comes in two varieties that are diametrically opposed to each other. I want to take both of them on. The first is that we did too much. We pushed the Russians into this, right? We lectured them about how they had to be more democratic. We expanded NATO when they didn’t want that to happen. We bombed Serbia, we invaded Iraq, that created tensions with Russia and then we supported color revolutions that were against Russia’s interest and then we supported revolutions in the Arab Spring just a couple of years ago. And so it was our pushing that just compelled Putin to invade Ukraine.

Now, I said it too flippantly. There’s something that’s true about this argument. There’s no doubt that it created a narrative that was useful for Putin when he finally decided to go into Ukraine. And if you watch Russian TV today you’re going to hear about NATO and Nazis, right? NATO and Nazis, NATO and Nazis, NATO and Nazis, those two N words are on every television program now portraying their battle in Ukraine as a battle of Russia against the West and the two symbolic things associated with the West for Russians in an antagonistic way NATO and Nazis.

The problem with this theory is that when I was in government, especially in the first few years of the Obama administration, we had a different relationship with Russia. A policy called the reset if you may remember that we – actually it started well before we won office. I
worked for the President for two years before he became president. And as we got ready to go into office we, you know, we did a policy review of everything, and I was in charge of the Russia policy review. And we sat down with the President and talked about, well, you know, we remember we just had this conflict with Georgia, Russia-Georgian war just happened, things were pretty tense in 2008 between the United States and Russia and President Obama looked at this and he said, I don't get it.

When I look around the world and I see where – we have a vital national security interest, I don't understand why Russia doesn't have the same interest. Does Russia have an interest in Iran acquiring a nuclear weapon? No, was his assessment. So we should be able to cooperate on that. Does Russia want al-Qaeda and the Taliban to win in Afghanistan? No. So why can't we cooperate on that?

Does Russia wants the security regimes, the arms control regimes that have been in place for decades to fall apart, that provides stability and even in just providing inspections provides kind of stability between our two countries? His answer was no. Is it in Russia's and America's national interest to increase trade and investment between our two countries? His answer was no – yes, I mean, I'm sorry. And therefore we embarked on a different policy where we tried to frame issues in win-win outcomes with Russia not in zero-sum terms and not as an ideological struggle between democracy and autocracy.

And we had real achievements, a lot got done. We got the START treaty done. We got the new sanctions on Iran. We developed something you probably never heard of, the Northern Distribution Network which supplies and now will be a conduit for getting people out and material out of Afghanistan. When we came into government there was just a trickle of supplies and it goes through Russia all the way, it gets on stuff in Virginia and it goes all the way on railways through Russia through Central Asia and into Afghanistan.

At the peak of it it was over 55 percent of our supply routes went through Russia in this cooperative way. American soldiers flew through Russia for the first time since World War II. And I would just remind you how important that was because the southern route went
through Pakistan. And as we went through some very difficult phases in our relationship with Pakistan, including of course the operation against Osama Bin Laden. Had we had - relied on them for 95 percent of our supplies we might have had to think differently about that particular operation. So this is cooperation that didn’t happen 30 years ago or 120 years ago, this is just two or three years ago, two or three years ago. So something that happened 20 years ago cannot explain that conflict now if just two or three years ago we were cooperating.

By the way, at the peak of our cooperation a public opinion in Russia put approval rating of our country at 65 percent. That was just 3 years ago. So something else had to happened, right? This was not inevitable. And moreover, I was in every single meeting but one, I think, yeah, one. And on most telephone calls that the president had with President Medvedev and Prime Minister Putin and then President Putin I don’t remember Nazis coming up and I sure don’t remember NATO expansion as being a central issue in U.S.-Russia relations. Yeah, sure it came up but it wasn’t a topic, a main topic of confrontation between the United States and Russia during the first five years of the Obama administration.

Last piece of history I want to remind you of, was the last major regime change in the former Soviet Union. It happened in 2010 and I’ll bet you nobody remembers it. About a 100 people died in a fight over who is going to control this country, 300,000 people fled as this country seemed to be on the brink of an ethnic civil war and it was a place that was strategically incredibly important to the United States of America and to Russia. And yet you probably never read about it, right?

I don’t want to – I’m a professor so I’m used to quizzing my students. Does anybody remember – does anybody know what country I’m talking about? Kyrgyzstan. Thank you. But it wasn’t a crisis in U.S.-Russia relations because we got together with President Medvedev first and foremost and said, neither of our two countries have an interest in civil war in Kyrgyzstan. By the way, why it was so important to us is we had something called the Manas Air Base there. We changed the name to try to cover it up; we now call it the Manas Transit Center. But it was a big airbase where 95 percent of our troops going in and out – our soldiers
going in and out of Afghanistan went through Manas. Thirty percent of our energy supplies for the combat mission in Afghanistan came out of Manas. So with all due respect to my colleagues in Ukraine, this was a vital security interest for the United States and yet we figured out a way just 3 years ago to cooperate on this crisis. So my argument here is that this was not inevitable and not the result of our policies pushing Russia.

Quickly on a silly argument. I realize that may be offensive when you hear what I’m going to say. But there is this other argument, popular in certain circles, that this is all Obama's fault because he's weak not because he’s strong, right? He created the permissive conditions and then Putin being the bully just took advantage of the weak guy in the president – in the White House.

I’ll just remind you that, you know, President Obama was the first president in 50 years to cancel a summit, he’s the first president to sanction Russian leaders and he led the effort to kick them out of the G8. But leaving all that aside, I would just remind you that when Kremlin leaders make a calculation to use force or a crackdown on regimes in Eastern Europe, they sit around a table and they say, now does anybody think the United States will respond with military force? And the answer for the last 70 years has been no. Doesn't matter if it's Democrat, Republican, somebody you think is strong, somebody you think is weak, that's a consistent historical pattern.

So when the Russians went into Georgia in 2008, when George W. Bush was in the White House, they correctly calculated that. When they collaborated with their colleagues in Poland to crackdown on one of the most powerful social movements in the 20th century, Solidarity, and I don't think anybody would call Ronald Reagan soft on communism and yet they didn’t – they were unable to deter that crackdown. And go back to '56, President Eisenhower who ran his campaign by the way on a slogan of rollback communism and yet when Soviet tanks rolled in to Budapest we couldn't do anything. So you could tell I don't think that argument’s that interesting, happy to come back to it if you want to rehearse it in question.

So that gets me to my last argument. Individuals and ideas and
in particular the change from Putin - the change from Medvedev to Putin as a leader of Russia starting in the fall of 2011 when he announced he was coming and then ever since. And I got to tell you upfront we underestimated. Let me speak for myself, I was the President’s chief foreign policy advisor for Russia at the time so - in fact he got it better than I did, why, I can tell you about that if you’re interested. But we underestimated in fact the differences between Putin and Medvedev, now that I see it in retrospect because we always assume that Putin was running the show and Medvedev was just his puppet. And so the change from Medvedev to Putin shouldn’t change policy that much. That was our assessment.

But two things were very different; one, Putin has a different world view than Medvedev. Putin does see things in more zero-sum terms than President Medvedev. And in particular, Putin has a theory about American power where he believes that we use our covert and sometimes overt force to overthrow regimes that we don’t like. By the way there’s a lot of historical data to support that hypothesis over American history, right? Let’s be honest. And when he came to power, he - that’s in the back of his head, it’s been in the back of his head ever since he was a KGB officer. And suddenly, you know, the president - to back up a bit, when the president first met with Prime Minister Putin back in July of 2009 in Moscow, I was there at the meeting, he tried to disabuse Putin of that theory. He tried to say I’m different, we’re different, this is a different moment in U.S. history. And Putin kind of listened and said, okay, we’ll see.

And then the Arab Spring happened and then from Putin’s point of view that was all manufactured by the United States. And then, more importantly, demonstrations in Russia happened in December, in January 2011-2012. And Putin because of his world view, two things he did in order to shore up his political base inside Russia. Number one, he started to think of, you know, these opposition leaders, these democratic forces as his enemy and he’d began to crackdown on them and by the way rather successfully. And number two he portrayed them as puppets of the West, of the United States, of the White House and eventually of me personally as the U.S. ambassador, that I was the one concocting, orchestrating the revolution against Vladimir Putin inside Russia.
And that frame, even if you don’t believe it or not, that was the frame that he then changed the way that he dealt with our country. We became, again for him, the enemy of Russia in his propaganda internally and I think also in his own way of thinking.

But that was not the end of the story because Putin is a great compartmentalist, right? He could on the one hand talk about, and I saw it many times with American interlocutors and say, you know, I understand you’re trying to overthrow the regime in Syria, Egypt and in my country and we’re enemies on that issue.

But over here if we’re going to talk about the ExxonMobil-Rosneft deal, we can be partners. And those two sets of preferences are both part of the way that Putin thinks about the world. And when I hear people make it too simple, it’s both of those preferences are part of his world view and managing those two world views has been, you know, his central challenge as the leader of Russia over the last 15 years.

So he doesn’t like us, sees us as the enemy, but when we can cooperate in various areas he wanted to do it. So he didn’t disrupt our cooperation on Iran by the way that so far has been succeeding. He did a deal with President Obama over removing chemical weapons from Syria. I was there when that happened in September when the President was visiting Russia. You know, leaving aside whether it was the correct decision to draw redlines and not follow through, that’s a different issue that I’m happy to talk about later, but the deal between us to get rid of chemical weapons, Putin proposed that, President thought that was a better, that was a good thing for the United States and our allies. We cooperated on that, we continue to do that even as he worried about us as overthrowing regimes we didn’t like. But then the straw that broke the camel’s back for him was the fall of the government in Ukraine in February of 2013.

Our view was we were trying to put together a deal between President Yanukovych and the opposition to avoid bloodshed, to avoid the breakdown basically that you’re seeing today. We worked hard on that deal just so you know. It hasn’t been written about yet, but we worked on both sides, not just with the opposition.
In fact I'll bet you, the Vice President called Yanukovych a dozen times in the lead up to that pact, deal, and we reasoned, we didn't like the fact that Yanukovych had used force against innocent civilians. But our reasoning was a negotiated transition was going to be a lot more smoother, was going to be smoother and less violent than the breakdown. We worked hard to achieve it and then Yanukovych fled from our point of view, just - he just up and left. I remember it very vividly, it's like where is he going, why is he going. We're, you know, checking our channels, checking our intelligence, you know, and he bounced around in a bunch of cities by the way until he eventually ended up in Moscow. Actually he didn't end up in Moscow, he ended up in Rostov, in this backwater town, it's like why is he there.

But from Putin's point of view it was yet again the Americans had duped him, yet again the Americans were undermining a regime that we didn't like, and that's when he said to hell with him, that's when he said all right I am done worrying about what they think about me and that's why he decided to go into Crimea and that I think is the explanation for why we're here today.

There is a good news and a bad news part to this and I'll end because I want to take questions. The good news is that this is not part of a grand strategy where first Crimea and then Eastern Ukraine then a piece of Moldova and eventually Estonia, I don't believe that. I don't believe he has this master plan, I believe this was a tactical reactionary response to the collapse of the government in Kiev, not some master plan to create the new Russian empire, that's the good news.

The bad news is Putin is now, I think, locked in to his world view, to the set of ideas about what he believes the United States does in the world. And especially, you know, at that stage in his life where, you know, people get hardened into their set of ideas, the later in life as opposed to like thinking about new ideas. And he doesn't have anybody around him to challenge his world view, unfortunately. You've been around for 15 years, you think you know everything, unfortunately, for him and that country. And so the bad news is I think this current low level, you know, it's not going to be a hot confrontational war but it is going to be a
long, long confrontational struggle with Russia that will remain that way at least until Putin is no longer the leader of that country.

All right, I'll stop with that and take your questions on anything and everything including Stanford, we are going to win this year.

(Laughter)

MR. McFAUL: Please sir, in the yellow. Right behind you, the microphone.

SPEAKER: I also am a big supporter of Stanford football -

MR. McFAUL: Good, thank you.

SPEAKER: Okay.

MR. McFAUL: We're going to need it this year actually.

SPEAKER: We are going to need it. Do you think Putin or the Russians control the separatists in Eastern Ukraine or do think they are just out of control and they are going to do whatever they're going to do?

MR. McFAUL: So control is a strong word, right? And they have done this cleverly enough to make it ambiguous. And let's just give him credit, you know, that's the strategy, that's what they are trying to do. Having said that, you know, I would just remind you that all the leaders are citizens of Russia, including the governor, including the head intelligence guy. So, you know, their passports are from Russia, they are not local. Lots of people from Russia have come into the country. And if Putin wanted to stop them, he could stop them at the border, he chooses not to.

Two other things I would say. Did the – did – were there any Americans in the Bay of Pigs Invasion, no, but we still use the word invasion to describe that event, right? So there is a long history of, and I use that purposely not to use a Russian example but to use an American example, just to say, you know, analytically that over history there is a long
set of cases where we use proxies all the time to achieve political objectives. I mean, Regan had something called the Regan doctrine where he armed freedom fighters in Angola, Nicaragua, Afghanistan, Cambodia, but, you know, that – with some distance. The last thing I would say though, well, two things. If Putin – the influence Putin has is in a positive way if he chose to use it. If Putin got on TV tonight, channel one, so that everybody sees it, including the rebels or terrorists, I’ll just, you know, I don’t know which word we should use, certainly not freedom fighters, but whatever they are, and he just said kollegi, you know, colleagues.

We have achieved our interest, we have – we have now successfully through our negotiations with President Poroshenko guaranteed that the ethnic Russians in Eastern Ukraine are going to have more autonomy and more sovereignty, going to be able to use their – the Russian language. We have achieved our objectives, and therefore I am calling on all armed people in Eastern Ukraine to stand down. It will be over in a heartbeat. Because without Putin’s support they are done and they know it.

By the way, he hasn’t given them much support in the last few weeks. It’s striking to me how much distance he has, and it’s striking to them. If you follow them, as I do on twitter, and you follow what people are saying, they are disappointed that he hasn’t been more engaged with them, that he hasn’t recognized a referendum. And they’re not doing so well by the way in the hearts and minds campaign either out in Eastern Ukraine. And therefore, you know, that’s the kind of trigger he could use. Unfortunately, I just don’t see that is in his interest, he doesn’t lose anything from this simmering for long time. So I am predicting that he could do that, he is going to do that. But if he did it, it would be over in a minute and I think that shows his influence that he could use if he wanted to.

Over here, yeah.

SPEAKER: Thank you. I was in Russia about a year ago and we’re Jewish and spent lot of time with some of the rabbis there.

MR. McFAUL: How come you didn’t come see me? Seriously,
you should, I’m telling you. When you go to these countries, go bother the embassy, and go bother the ambassador because that’s what they’re there for. People sometimes are intimidated to do it. We learn a lot from people like you. So next time you come, go see the ambassador, okay?

SPEAKER: Thank you.

MR. McFAUL: We got a great house, so we could – we could do a program for you and your colleagues in Russia, so.

SPEAKER: Okay. My question is just the safety of the Jews in Israel – sorry in Russia now because a lot of them feel like Putin is good to them, they tell the story of him growing up with a lot of Jewish people, and I was just curious from your view point if the Jews there really should feel comfortable or really on their toes to get out and get their money out.

MR. McFAUL: Well, some of them are, including friends of mine. About $50 billion has left Russia just in this year. But that I think is related to this bigger crisis. You know, it’s a hard – I don’t have a good answer but I think it’s an important thing to realize about dogs that don’t bark, right? One of the great achievements of the Russian regime since the collapse of the Soviet Union has been the absence of anti-Semitic movements and violence and it could have happened. I truly believe it could have happened, the specter of – there are factious groups in Russia, I’ve met them, I know them. They’re not my friends but I, you know, it’s my job as an ambassador and as a professor to understand these folks. They’re there, they’re scary, and the fact that they are so weak, so far is a real achievement and I give Vladimir Putin credit for that. I do.

I know the Jewish community in Russia well and they would – they probably told you the same thing, he has been a supporter. And it’s complicated because there’s the formal, I’m sure you know all the intramural politics, right, of who’s close to the Kremlin and who’s not. But when I was ambassador even the ones that are – were distant were satisfied, and those that were closely with them were, you know, a great achievement. And the new museum, I don’t know if you went there, but fantastic achievement, Putin helped to put that together. So I give him credit for that.
What I am afraid of, however, today is something new that had started as a result of this current crisis which is that they are whipping up nationalistic fervor inside Russia right now. I first went to the Soviet Union as a kid, as a student in 1983. My first trip abroad by the way, and my mother in Montana thought I’d lost my mind. But I went to the evil empire back then. And I’ve been following Russian events and Soviet events fairly closely on and off since then.

I don’t remember a period of time where this nationalism is being stoked by the state-controlled Russian media. And what happens is, and I’d personally experienced this as ambassador, they’re stoking it for one set of objectives but then people are not so easily controllable. You don’t just switch the stuff on and off and that, sir, is partly – part of my answer to your question about Eastern Ukraine, right? They said we got to go save our ethnic brothers in Eastern Ukraine. And most certainly some of the people that marched across the border were doing it because they were feeling that feeling of ethnic, you know, pride and nationalism. And that was stoked by the propaganda but it can spin out of control. And I worry about it right now more than at any time in the last 25 years. A surge of nationalism inside Russia is really, really dangerous. I’ll keep bouncing around, in the back, yeah.

SPEAKER: Ambassador you’re in the unenviable position of having been there in a number of contexts in terms of U.S. policy. But in terms of Ukraine, I think that it was, apparently a real shock to a lot of people particularly in Europe that Russia is very much Putin with a gas station as a number of people have said. My question for you is that setting aside the efficacy of sanctions against Putin’s inner circle, most of whom who had a plan B in the first place –

MR. McFAUL: Yeah.

SPEAKER: – and the degree to which Putin’s popularity has increased in Russia. The degree to which the Europeans have been wimpy, generally speaking, in terms of –

MR. McFAUL: That’s a term I can’t – even though I’m not a
diplomat anymore I got to, yeah, keep going, keep going.

SPEAKER: That – and we have no heart and soul for boots on the ground these days.

MR. McFAUL: Yeah.

SPEAKER: So in your NSC life and also in Spaso House and elsewhere, why haven’t there been more discussions about the use of and what are the upsides and downsides of looking at America’s strategic oil reserves to be able to put on the table in some way. President Obama is a master at executive orders. There are plenty of ways that it can be done to be able to tell the Europeans and the Ukrainians who are afraid they’re going to have a cold winter the next year if we put on too much pressure. We have that. And then also not only have we had all those exceptions under the commerce department for exports. And even if we cannot literally deliver it in this time we have, probably one of our strongest public policy and foreign policy tools is our energy. So please comment. And what can we do from here?

MR. McFAUL: Yeah, sure. Okay. So first on the Europeans. You know, it’s always glass half full, half empty. I’m impressed by the level of cooperation between Europe and the United States on this crisis not the opposite, and I know that, you know, most people would disagree with that, but I want to tell you why, because, well, just some evidence, right? There were no sanctions against Russia when they went into Georgia in 2008, nothing, no response at all, not a single sanction.

My good friend Condi Rice, you know, at Stanford, we’ve talked about this, and part of it was there was no appetite in terms of the transatlantic community for those sanctions because, you know – now this is not Condi speaking, this is me because she would radically disagree with what I’m about to say. But the war in Iraq divided the alliance and we were not fully recovered from that. And so when the administration went out to rally everybody to look at this new enemy, Russia, there was little enthusiasm for it.

I think the years of repair in the time that I was in government
gave us more credibility when we went to find allies. And I would just point out that, you know, you say the sanctions don't matter. If you're on the list, they do matter. I know a lot of the people on the list. Gennady Timchenko's life is miserable right now, Igor Sechin, head of Rosneft, it's no fun to be on that list. He was planning to drive his motorcycle through the great northwest by the way this summer. That's an anecdote that doesn't matter, but the - and the specter of greater sanctions is hoping to change Putin's thinking about what to do next.

Already they lost $50 billion by some estimates. If you look at the bond market and other pieces, it's more like 250, $300 billion, and those are real numbers. And so I'm impressed with what they were able to do together not the opposite. And I also - I was just, you know, I was in London two days ago, I would also say the enthusiasm for doing more of course is very limited. And, you know, our European colleagues not unlike the debate we had with them when I was at the White House on sanctions with Iran, they would say to us, you know, this is asymmetric. You know this hurts us more than you and yet you're asking us to do so much, you know, because you don't use Russian energy exports. And I think that's a valid point by the way.

On the question on energy, the answer is yes. And I think it's happening. Whether it's happening fast enough, we could debate that. But already - well, let me back up. I mean, when I went to Ukraine with the Vice President in 2009, and you can go back and you can look at the speech, right? One of the main things that he was talking about was fighting corruption and getting your energy house in order, right? And nobody listened. I mean, they listened, they were polite, you know, yes, Mr. Vice President, yes, yes, yes. But there was no enthusiasm for it.

We had a bunch of ideas about energy security in Europe, right? That we need to be talking about different ways of moving energy around. And there was little enthusiasm for it because everybody's got, all politics are local and this seemed abstract, it didn't seem like a front-burner issue, that's now changed. And it changed in Europe, it's changed in Washington, and I think it's going to change forever more. I think we're on a path to a much more coherent energy strategy vis-à-vis Europe, including, I hope, as the debate unfolds in our country, about exporting
American oil and gas around the world.

Down here. As you’re moving to him, why don’t I take one more there to save time? Yeah. So you first and then the microphone will have arrived by the time. And I just saw we’re running out of time, I’m going to make my answer crisper, okay? I promise.

SPEAKER: What are Putin’s plans for Mr. Snowden?

(Laughter)

MR. McFAUL: Mr. Snowden. Leaving aside the big debate about Snowden. In fact, I think I’m going to leave it aside because this is not really my area of expertise, but let me just tell you, on a personal level that guy really ruined my summer last year in so many ways.

(Laughter)

MR. McFAUL: Not least of which, just, you know, the stupid parts of it, but, you know, we had a government meeting everyday on Snowden for a while there. And those government meetings usually started about 5:00 or 6:00 Washington time, so those meant for so many, many long mornings for me because of Mr. Snowden. So let’s leave aside, you know, the debate he raised is an important one, I don’t have anything – I have my personal views on that. And actually, at Stanford, one of the projects I plan to develop more time – devote more time to my work is on how to make our democracy stronger, because I saw so close and uphand (phonetic) about how hard it was to be the representative of our country that, you know, I think is the greatest country in the world, I love my country and there was no greater honor that you’re ever going to have or at least I’ll ever have, you’ll probably have other honors, it will be the greatest honor I ever have to represent President Obama and you all in a country as important as Russia.

And yet, man, if we could just get our house in order and do more internally, that would make us such a more attractive model in places like Russia. And so that part of the debate is there. What is he going to do? Of course, he’s not going to ever let him go. Well, let him go. Just,
just – this is going to sound a little too crass but I saw that we only have 10 minutes left. If a guy like Snowden showed up who had his knowledge from Russia and he showed up at JFK, guess what, he’d still be in the United States of America, right? Which is to say that he knows things that are useful to Russian intelligence.

Now, whether he is talking or not, I don’t know and I don’t want to judge him. I work as a consultant for NBC News. And somebody who may have saw Brian Williams went over to interview him and we talked about, you know, in preparation for that what we do know and what we don’t know and there’s a lot we don’t know. But from their perspective this, you know, this was just – both for the public relations piece but also for the intelligence piece, this was just manna from heaven for the Russians. And I don’t know Mr. Snowden has options in terms of coming home, I think he – you know, if I were him, I would. But from the Russian perspective this has been great.

You know, nobody talks about, you know, what Russians do in terms of the issues that Mr. Snowden raises, including Mr. Snowden by the way, as I have challenged him in some other places. You know you should – if you’re really worried about that stuff and you see that they eavesdrop on our officials and then put it on the web. I mean, pretty hard data there, right? And yet, but that’s, for the Russians this has been fantastic in terms of their arguments with us.

Okay, you got the microphone, great. And right here for the next one. Just we’ll keep going faster. For the next microphone, right, this gentleman right there.

MR. DAVIS: Mark Davis. Last ski season I happened to be on a gondola with a senior office I had never met but from an oil company who had just come from the Ukraine, and as the story was unfolding he was telling me that there was some vast find of oil in the Black Sea –

MR. McFAUL: Yes.

MR. DAVIS: – and that Putin’s move into Crimea was all about making sure that Ukraine wasn’t going to be able to cut Russia’s flow of oil
to Europe, et cetera, through Ukraine.

MR. McFAUL: Yes.

MR. DAVIS: And I was curious as to whether or not that anecdote bore any resemblance to truth.

MR. McFAUL: Well, the empirics of what you just said are true. That is true. But I think it's - it doesn't get Putin's motivations right. And this is something, you know, I've been most of my life just a noodlehead academic, ivory tower guy, it's a cement tower at Stanford, as you know, the Hoover Institution. But, you know, we tend to, like, sitting from afar assign a lot of rationality and logic and - to individuals to states by the way, right? Russia thinks this, Russia does this.

And, you know, my experience in government suggest that, you know, actually Russia, I never met Mr. Russia when I was ambassador. And it turns out there are people with emotions, with world views and that different people in that job would behave differently. That's a key point that I skipped over in the interest of time. That you can imagine. You know, even Medvedev, had Medvedev been president during this crisis we might have been able to handle it more like we handled the crisis in Kyrgyzstan. Because he's got a different world view, he's got a different set of interest. You know, and he wants to be - he wants Russia to be integrated into the West. Putin doesn't care about that, right?

So I think it was much more visceral emotional reaction not like plotting out 20 years because let's be honest, they have vast energy resources all over the rest of Russia that's going to take, you know, hundreds of billions if not even trillions of dollars to cultivate, right, I mean that's why the Rosneft, ExxonMobil deal is so important to them. Because they can't, they need $500 billion to do that project up there. They also need ExxonMobil technology by the way. So I don't see it as that calculated, I think it was really more visceral. If there was one strategic piece that he was calculating about. He worried, as he said publicly, you know, I think this is true, that the new government in Kiev was going to be more anti-Russian and may therefore have abrogated the treaty that they have between them that allows the Russian fleet down in Crimea to be
there for 50 years, I think.

That I think, I could understand that. The Ukrainians said would never do that, you know, but he might have calculated they might, that makes more sense to me. But mostly it was just like - I almost said something undiplomatic, it's like these guys, they screwed us, I am not going to let this happen any more, I am going to strike back. I think that's really what happened.

Over here, yeah.

SPEAKER: Do you think the Russians view potentially U.S. gas exports to Eastern Europe as an attack on vital national interests or as normal commercial competition for customers?

MR. McFAUL: Somewhere in-between, and it depends on which Russians you are talking about, right. You know, Putin - in fact he just said this a couple of days ago talking about when he was in Austria he was signing a deal about south stream. And he expects us to compete in these markets. And he expects - that's the way that he thinks the world works, right? So the thing he gets wrong is he can't see it as a win-win, he sees it as zero-sum. So in that regard he will see it as a zero-sum, he will see it as lost exports for Russia not, you know, not in a kind of market way. And I would say that more generally about his world view by the way. He cannot think about outcomes that make Russia and the United States both better off. With exceptions, right, I am exaggerating. But generally he overestimates that.

By the way he also grossly overestimates the role of the United States government and the United States, you know, state in steering economic activity abroad. He thinks it's all joined together and, of course, parts of it is. And, you know, my job as ambassador was to promote trade and investment in Russia and Russian investment in the United States by the way, that was something rather novel that we were doing, we wanted Russian money here. And we still do by the way, that policy has not changed, at least so far not.

But he sees it all intertwined in a way that it's not. And this
Rosneft-ExxonMobil deal is a great illustration of that. That deal, one of the biggest – if it goes forward will be the biggest joint venture in the history of capitalism, or at least that’s the way they talk about it. He negotiated that deal. He personally was involved in that deal. Barack Obama had nothing to do with that deal. You know, it’s not like they came to the White House and they – he had verge - I mean in the margin something, but.

And that tells you a little bit about Putin’s way of thinking, that this is all part of the state, and that’s a big difference, that helps you understand why I might see these things more in zero-sum as opposed to win-win. Yes.

SPEAKER: I would like to ask you about Iran, the talks are at a very crucial stage, the nuclear talks. Is Russia going to stick with us on this get it over the goal line particularly on the enrichment question which is probably pivotal?

MR. McFAUL: So just a bit of context, I believe that our cooperation with Russia is one of the greatest achievements of the reset back in 2009-2010. When I was at the White House, in many ways the Russia policy was derivative to the number one issue of the day which was Iran and stopping Iran from obtaining a nuclear weapon. And so we did things with the Russians towards that ultimate end that were more important than even the START treaty I would say.

And I’m impressed so far by the P5+1 structure holding, and it has held. And the gentlemen, the deputy foreign minister in charge of it, Ryabkov, on their side just coincidentally because of the structure of their government, he is also the guy that’s in charge of us bilaterally. He’s got a lot on his plate.

And you know, I know him well, I worked with him very closely in both of my jobs. And that dynamic has not changed. I don’t want to predict the outcome; I think the outcome has more to do with the bilateral negotiations between us and the Iranians at this stage. But I don’t think Russia is going to be a spoiler on that.
However, if it falls through, right, and that's a – I don’t want to give you probabilities, but you would be naive to think that that's not a high – a reasonable probability, I don't want to say high because I'm deeply impressed so far with what we've been able to achieve. But it could still fall through. Then Russia will pivot. Then they will say we're done. And then you're going to see all kinds of new trade activity with the Iranians, including this weapon, the S-300 that they have not exported which we worked very hard to keep them from not exporting even though they signed a contract before we came into the government, the Obama administration. Then I think you're going to see that move forward and that's another unintended negative consequence of not getting this deal done.

Yes.

SPEAKER: You mentioned (off mic) what your view is like. Tell us your view on Russian position on Iraq, Syria, Islamic state, all three.

MR. McFAUL: So Putin's view of all those countries is we should support leaders in place because if we don't terrorist extremists will come to power, that's his view.

And so at the beginning of the Arab Spring, for instance, when we started to talk to him about what we were doing, he thought it was a big mistake to be withdrawing support for Mubarak, for instance, right? And Assad who he, in his view, he thinks of them as like, you know, slow-going liberalizing modernizers. And remember, you know, remember who he thinks himself is in his country. And therefore rocking the boat was a bad strategy.

Our argument back, particularly on Syria, back in 2011, not today, was if we don't take action now when there is hundreds of thousands of moderate peaceful protestors, as this thing festers in all revolutionary situations, what happens, extremists who want to use more violent means grow in power. I teach a course on revolutions at Stanford. And I would say that's true in the Middle East and it's true of the Bolshevik Revolution and French Revolution. It's a pattern you see, right, where the moderates don't have solutions and that's when the radicals come in.
And so we were pushing hard to get a solution. Earlier we failed, let’s be honest, we failed to do that. And now in his view it’s happened exactly like he predicted. Our argument would be, well, that’s because you didn’t stand with us 3 years ago.

With respect to Iraq now though we’re totally aligned, I would say, with Russia, and strangely of course with lots of other countries including Iran on the necessity of shoring up the governments against ISIS. And you know, my own view when I say, I see Russians getting involved in supporting in terms of military terms the Iraqi government, I support that, what’s the harm in that. Stop framing things and zero-sum terms. This is not a fight between the United States and Russia over who is going to influence in Iraq, that’s a ridiculous frame. This is a common struggle we have over what I believe is a common enemy of the Iranians, the Russians and the Americans. So that’s a personal view, I don’t want to speak for the administration anymore. But I see this as one where we’re cooperating.

In the back, yeah. Oh, microphone is way over there, well, I am sorry. You got one there too, okay.

SPEAKER: In the past Russian leaders have been deposed, are there any checks and balances from the politburo or elsewhere on Putin or has he got an unusual level of control?

MR. McFAUL: It’s a great question; I skipped over it because I didn’t want to go on too long. I didn’t want – I had three theories, I was going to add a fourth, I decided not to because we’re at the end of our time absorbing ideas.

But the truth is that Russia has become more autocratic over the last 15 years, and therefore decision-making, it went up and down, and by – I’m skipping over the Medvedev years. Medvedev actually did, aspired I think is the right way to put it, because he didn’t get a lot done, but he aspired to make Russia more politically modern. He did some marginal things. But then when, as these demonstrations happened, as I talked about, Putin crackdown. And as a result there are fewer checks
and balances today than there were two years ago from the media, from the legislature, even from the oligarchs by the way, right?

I would like the oligarchs to be more involved and be more engaged in a conversation with him about the long-term future of the Russian economy. They’re weaker today than they were two years ago. And that I think has a negative consequence for what they do. There’s a whole giant academic literature on how democratic institutions constrain stupid behavior by leaders. And in our own historical experience we’ve seen, I think, the negative consequences when those institutions don’t fulfill the function they’re supposed to. But those institutions are all really weak right now, weaker than they were, number one.

And then number two, Putin is very isolated right now. He’s not listening to many people. He thinks he knows it all, he doesn’t really think much of the people around him, and that’s dangerous as well, right? But there’s nobody to tell him, you know, hey, Mr. President, we think that’s – you should really reconsider that idea.

That was different. Ten, fifteen years ago I could have named you a dozen people that played that role with him. And there’s a couple now. And that was good, you know, that was a more of a, you know, a politburo like structure to decision making. That’s much weaker today than it was before.

I promised one more, but I got the zero, so should we take one more question? One more, okay. In the back then and then we’re done and you can –

MR. EAST: Hi, I’m Ryan East (phonetic). You compared President Obama’s passiveness to Reagan’s, and that America’s passiveness has gone on for a long time. However, a liberal – Tom Wicker even said that Reagan’s SDI build up seemed to impress the Soviets as a challenge that they could meet and that that helped strengthen our appearances as country.

President Obama on the other hand provided false warnings and false redlined to Syria and then was saved by Putin’s idea. Do you
believe that Obama's meaningless warnings to Syria didn't cause some of these problems by telling Putin actions would not be taken even when crimes and laws are violated?

MR. McFAUL: No, I don't believe that. Surprise, surprise, right? And leave liberal and conservative out of it just for a minute, right? I'm a - I worked seven years with the President, I'm also a card carrying member of the Hoover Institution, right, so I want to confuse you about these labels which - and in fact I think it would be good for our whole country if we got a little more confused about these labels because these polarization is another detriment to our policy. I felt it in a big way being out there, expanded out there on an island. And when we're not unified at home about what we're doing, including on Syria by the way, right, you know, I don't remember lots of - well, I remember Senator McCain but I don't remember a lot of folks rallying to say, yes, the president is right and let's give him the mandate, we were highly polarized about that red line.

And I was - I think my own view is that we should have moved forward with military force, just so you know where I am personally, and I had my shot to make my arguments with the President and he made a different decision that's, you know - but there was a highly constrained moment that I think is in part because of this polarization that we have. And to your point about, you know, I just said it before, you know, when Ronald Reagan was president, Russia, you know, Brezhnev collaborated with the Poles to crack down on solidarity, he didn't stop it.

I am a big admirer of Ronald Reagan, I want - don't misread me, I'm a big admirer of his policy. And to that let me just end with the reset was stolen from Ronald Reagan, okay? It's all in Shultz's memoirs - my colleague at Hoover - go find it. It's one of the best books ever written about diplomacy, I highly recommended, his memoirs. And one of the chapters, its called reengaging the Soviets, right? Reset with the Russian, reengaging the Soviet, very similar, and he lays out the argument.

What's interesting about that chapter is he talks about it not engaging Gorbachev but the government before that. He came - remember, people forget, he came into power in 1982, he did not start
with Ronald Reagan. And George’s was we got business to do with them irrespective of the cold war and we’re going to do that when we need to. And he achieved that.

But the pivot in the end of the cold war was not SDI. The pivot was the reset period that a very courageous Ronald Reagan and a very courageous Mikhail Gorbachev did. Motivated by ideas not the fear of SDI. I just – I’ve written a whole book on it, I’ll send it to you, okay? Tweet me @McFaul and I’ll send you the link, if you want to buy it, but I’ll send it to you. You know, they could have gone for 40 years without collapsing because of SDI. That I think is wrong. Rather it was a courageous guy, Mikhail Gorbachev, that thought that it was in the Soviet national interest and in Russia’s national interest to have a cooperative relationship with the United States of America and the West. And a lot of people in the Reagan government, they’re all colleagues of mine at Hoover right now, thought that was nutty, don’t believe him, you know, it’s some sinister move, he’s a communist.

But there was one guy – well, actually there were two guys, there were two guys that believed him, Ronald Reagan and George Shultz. And because they did that, they changed history forever. And so it wasn’t military buildup, it was individuals motivated by ideas that I think ended the cold war. And tragically we came into office to try to give that one more jumpstart three or four years ago and now it’s going to have to be your generation that does it the next time because it didn’t happen this time around. Thank you very much.

(Appause)

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