



## Prospects for U.S.-Russia Relations

H.E. Mr. Sergey Kislyak , David C. Speedie , Joanne J. Myers

April 20, 2009



[H.E. Mr. Sergey Kislyak](#)

- [Introductions](#)
- [Remarks](#)
- [Questions and Answers](#)

### Introductions

**JOANNE MYERS:** Good afternoon. I'm Joanne Myers, Director of Public Affairs Programs. On behalf of the Carnegie Council, I'd like to thank you all for joining us on this rainy afternoon.



[David C. Speedie](#)

Our speaker is Ambassador Kislyak. He is the Ambassador of the Russian Federation to the United States. We are delighted that he is here with us today. The topic of his discussion is U.S.-Russian relations. As the size of the audience indicates, this is a topic of not only major importance, but of considerable interest.

David Speedie will be introducing Ambassador Kislyak, but before he does, I just want to tell you a bit more about David. David, in a relatively short time, has become a highly valued Senior Fellow here at the Council and is an esteemed colleague. Because of his expertise, knowledge, and skill, he is the person who is responsible for the [U.S. Global Engagement Project](#). The initiative is about how America does business with the rest of the world.



[Joanne J. Myers](#)

Before he arrived, David was at the [Carnegie Corporation](#), where he was responsible for their Cooperative Security Program. He also served as a Special Adviser to the President and was Director of the Corporation's project on Islam. Although most recently he has been focusing on U.S.-Russian relations and all that this entails, from NATO expansion to nuclear disarmament, I know you will be hearing much more from him, whether it will be about Iran, Iraq, or Afghanistan. We look forward to that.

Now I will turn the floor over to David.

**DAVID SPEEDIE:** Thank you, Joanne. I didn't expect the introducer to be introduced. Many thanks.

Before my privilege of introducing the Ambassador, I would like to very briefly thank a number of people who are here, who have made this extraordinary event happen. But I think the size of the audience is a testimony to how significant this occasion is for the Council.

First of all, **Alfred Ross** is the President of the Institute for Democracy Studies and also, through his generosity with the **Alfred and Jane Ross Foundation**, has helped us in a very seminal way with this Global Engagement Program, which I'll describe very briefly in a moment.

[Veronika Krasheninnikova](#), President of the [Council for Trade and Economic Cooperation](#), USA-CIS, here in New York, has also played a role in this moment coming to pass.

Finally, here at the Council, I would like to thank all my colleagues. but I would like to thank in particular Deborah Carroll. Deborah has worked to have an arrangement with [RIA Novosti](#) in Moscow. This will be streamed live in Moscow even as we speak, which I think is a first for the Council. We are live across the world, quite literally.

To Melissa Semeniuk, Danielle Candy, and especially Stefanie Ambrosio, my assistant, whom many of you have been dealing with, thank you so much for the yeoman work that has gone into this event.

When the Council launched its U.S. Global Engagement Program back in June of 2008, just under a year ago, it was in the febrile atmosphere of the presidential election campaign, and the foreign-policy debate during the campaign made much of "restoring U.S. moral authority" or "moral standing" in the world. In other words, we at the Council concluded, the conversation squarely focused on the ethically based conduct, as it were, of foreign policy, and therefore it was right up our alley.

We proceeded to ask, though, what might this global engagement mean? Most obviously, it implied a commitment to something different than the policy of the prior eight years. It implied consultation with others, rather than go-it-alone isolationism; it implied multilateral rather than unilateral emphasis; and even in the case of our adversaries—and recent developments with the [president's](#) utterances on Iran and Cuba—an inclination to dialogue rather than stony silence.

We also asked the question, in practical, real-world terms, how would this global engagement play out? We chose to explore this through a series of important relationships, both bilateral and multilateral, for the United States. The first on our list, quite clearly, was Russia. This was not a random or capricious choice, for two reasons.

First, self-evidently—and this may come into some of the Ambassador's remarks—there is so much that is in our own national self-interest on which to engage Russia: arms control and the various critical treaties, such as the bilateral U.S.-Russia [Strategic Arms Reduction Treaty](#) and the multilateral [Nuclear Nonproliferation Treaty](#), where the United States and Russia are the overwhelming dominant nuclear powers in the post-Cold War environment, and therefore where we two powers have a leadership role to play.

Beyond the technical commitments of the NPT, there's the critical matter of nonproliferation of weapons of mass destruction, particularly to sub-state actors such as terrorist groups, where clearly both the United States and Russia have an interest.

On energy, the dialogue with Russia on issues of future supply and security is obviously of paramount importance to the United States and to our European allies, for whom Russia, of course, is the principal supplier of energy resources.

Third and finally, there's the matter of the dialogue and cooperation on strategic and dangerous regions of the globe, many of which are on or near Russia's borders—most obviously in today's environment, Central Asia, into Afghanistan and Pakistan.

So we have vital shared interests. But while there have been some significant achievements—and I won't take time to list them—in the post-Cold War era, there have also been missteps, some misunderstandings, and missed opportunities. We were aware of this, and this helped frame our approach to the program. The expansion of NATO to Russia's borders, the war in Yugoslavia, the question of missile defense deployment in Eastern and Central Europe have all placed strains and stresses on the U.S.-Russia relationship.

In the context of all this, then, it's propitious that we meet today, not quite one month after the [G-20](#) meeting in London and the NATO summit in Strasbourg. All indications of the first meeting between Presidents Obama and [Medvedev](#) would seem to point to a more constructive dialogue, first on START, and hopefully beyond.

There's perhaps no one who may speak with more authority on the future prospects than our speaker and very special guest this evening.

Ambassador Extraordinary and Plenipotentiary Sergey Kislyak—to give his full official title—has been an official of the Foreign Ministry of the USSR and the Russian Federation since 1977. From 1982 to 1985, he was the Second Secretary of the Permanent Mission of the USSR to the United Nations; 1985 to 1989, the First Secretary of the Council of the Embassy of the USSR to the United States. He was later ambassador of the Russian Federation to Belgium and simultaneously Permanent Representative of Russia to NATO. Finally, from 2003 to 2008, he served as Deputy Minister of Foreign Affairs and is now, of course, his country's ambassador in Washington.

It is with great pleasure that I ask you to join me in welcoming Ambassador Sergey Kislyak.

## Remarks

**AMBASSADOR SERGEY KISLYAK:** Thank you very much for this presentation and thank you very much for having me here. It's not only a pleasure, but a distinct honor for me to address this kind of audience here in New York. New York is, I would say, one of the first cities that I visited in my professional career almost 30 years ago. Time has elapsed so fast, things have changed so fast, that sometimes I'm asking myself, are we better off in our relations today than we were 30 years ago?

When I came here in 1981, it was the peak of the [Cold War](#). The relations between the Soviet Union at the time and the United States were very difficult, very intense, and very complex. I remember that the psychological environment around our mission here was not the easiest to work in. There were a lot of expressions of

discontent with us, the Soviets, at the time. It was very, very difficult to work there, but very rewarding.

When I left the United States in 1989, I remember I took with me a commemorative issue of *Time* magazine, with [President Gorbachev](#), [President Bush](#) the elder, and [President Reagan](#) against the backdrop of the New York skyline. I was thinking, how big a change in our relations within eight years. It was a sea change. It was the beginning of a thaw in our relations. There were such high expectations.

When the Soviet Union ceased to exist, a new state appeared. Many states have appeared in the space of the former Soviet Union, including mine, which is Russia. At that time, probably, there were so many expectations here in the United States as to what our relations would become. Most probably, those expectations were not exactly based on realistic assumptions as to how things would develop. The same, I would say, is true about our expectations in Moscow. You probably felt that, after the Cold War, Russia, appearing as a new state, would be doing what the current wisdom here in the United States believes is right for Russia. We thought that being a new state, a different state, we would immediately, almost automatically, become on friendly terms with the United States.

But the reality is much more difficult. The interests also prevail, yours on your side and ours on our side. These interests also dictated a lot of opportunities for us to work together, as well as a lot of disagreements on issues that are important to you and are important to us. There were ups and downs in our relations. I would say that in this period the peak of expectations was after [9/11](#), when we were among the first to support you and to express the feelings of solidarity, heartfelt, because we knew what terrorism means and we had suffered ourselves. We thought that being together and fighting a common enemy would create automatically a new partnership between the United States and Russia, based on an ability and willingness to cooperate rather than facing off each other throughout the world.

It didn't materialize. When you ask why, what went wrong, certainly there will be hundreds of specialists, good specialists, here in the United States that would give you their explanation as to why. I will try to be humble and present mine, which is as good as anybody else's.

I would say that most probably the biggest problem that has existed since then—with the opportunities that were immense for our cooperation, with a new sense of willingness to cooperate on challenges that we all face—the biggest problem proved to be that the United States still was basing their decisions on the unilateral assumption as to what is good and what is right, and unilateral policies that led to things that were critical to us and that certainly created difficulties in our relations.

Among those, briefly, I will enumerate only a few:

- The decision to withdraw from the [ABM Treaty](#) [Anti-Ballistic Missile Treaty], we felt, was wrong. It was a mistake. It has led to a decreased sense of stability in strategic affairs.
- Decisions to expand NATO. During the negotiations that Mr. Gorbachev had at that time with American counterparts, we were told that with reunification of Germany, NATO wouldn't move further. We see where NATO is and where it is moving.

NATO hasn't changed its substantive mission. It's still a military alliance, an alliance that during the period of history that we are discussing has taken a number of decisions that we thought were morally and legally wrong. That is the war in Europe against Yugoslavia, without a mandate from the Security Council; the war, the aftershocks of which we are still seeing and feeling today, with the decision of Kosovo to go independent, against the will of the state as a whole.

We also saw—and this would be the most recent difficulty in our relations—that the system of security based on unilateral approaches, NATO being the focus, didn't prevent a country like Georgia from starting to kill Russians. Not only was it unable to prevent it, but the feeling that a small country like Georgia could join NATO was most probably creating an illusion that they could do anything, even killing neighboring people.

That was a moment of truth, if you will, in our relations, and a very painful one. I would submit that in August and September of last year our relations were at the lowest point since the Soviet Union ceased to exist, and we have seen relations developing without two big military alliances confronting each other.

For us, that also was a telling moment about what NATO was, about what the American reaction was to what was happening. At that time, we rushed to the Security Council to discuss the situation. It stumbled. There were no discussions of substance because of polarized positions. There was no engagement whatsoever on the substance.

We rushed to the [NATO-Russia Council](#). The United States stopped any activities of the NATO-Russia Council.

As a former ambassador to NATO—and I happened to be among the first Russian ambassadors to have presented credentials to the secretary-general of NATO—I vividly remember how we were trying to build this vehicle for dialogue and our American colleagues were trying to convince us that the added value of this vehicle was good, not only during good times, but it was equally important, and maybe more important, during bad weather. I'm almost quoting.

The bad weather came, and the United States wasn't able even to sit together with us, at this crucial moment, and to discuss what was happening and what was going to happen next.

The United States has decided to define as to what the Russian goals were there. Presumably, the thought was that we were after the regime change in a neighboring small country. But it's not our policy, regime change. It's not ours. We never contemplated anything of the sort. We were protecting human lives there, people who were shot at point-blank by [T-72s](#) and multiple launch rocket systems in a sleeping city, four hours after the speech of the [president of Georgia](#) promising peace and stability for everybody in the region.

That was, for us, absolutely staggering, the kind of reality, when things became what they were and not what they appeared to be. When the United States and other partners chose to side with a leader who, as far as we are concerned, has launched an attack against civilians and peacekeepers, it was morally wrong. We will remember that.

At the same time, today we are somewhat in a different world. After the election in the United States, we see an administration that seems to be willing to re-engage in many places. We welcome this. We have heard very good statements made by President Obama offering a new tone in our relations. That is welcome, and you might have noticed that it was reciprocated on our side almost immediately.

The first meeting, face-to-face, between two presidents in London went very well. I was privileged to be there and witness our two leaders talking to each other. It was very rewarding to see two new generations of leaders focusing on what we can do together rather than why we cannot work together.

I would add to this that if you draw up a list of things that unite us and draw up a list of things that put us apart, as far as we are concerned, the first one is many, many times longer than the latter. The challenges that we are facing are as difficult for you as they are for us: terrorism, weapons of mass destruction, and the worst of the worst, the possibility of nexus between terrorism and weapons of mass destruction, inter-ethnic hatred, the energy crisis, the climate crisis, and now the financial crisis.

That's new to our relations, a financial crisis, where we are not standing off with ideological dogmas, but where we are, maybe not necessarily in the same league yet, but in the same boat. We also are suffering from the crisis, and we are as interested as you are to see that this crisis ends as soon as possible and we all see the economy on the rise. Here we are partners.

At the same time, I would like to stress that even in these difficult moments there have been things on which we continue to work: terrorism, nonproliferation. I think that it's a good signal. Irrespective of the depth of the difficulties that we have gone through, there is an understanding both in the United States and Russia that there are things that transcend problems that might pop up in our relations.

At the same time, a lot has to be done in order to give the relations a real substance, a real positive substance. We feel a willingness of the U.S. administration to do so, which we welcome. We also will be very much willing to collaborate with you. The proof of the pudding is certainly in the eating.

There are several things that need to be done fast. Maybe it's not in our choosing—not ours or yours—but it's something that is dictated by the logic of the current agreements in force. There is a START agreement that expires on December 5. If, December 5, the START agreement expires and if we do not have a follow-on treaty, that would be a very deplorable situation, where there are no limitations whatsoever on strategic weapons, except for the [Moscow Treaty](#) that limits only warheads. That would be a recipe for increased destabilization, if we do not agree on how to manage these capabilities in a way that would be reinforcing predictability in our relations.

We are encouraged by the willingness of the United States government to engage early on in negotiations to bring about the follow-on agreement.

Is it going to be easy? Probably not. Is it doable before December 5? I think yes. But it will require a lot of new thinking on the part of our American counterparts, because so far the position that we heard from the United States side wasn't even discussing the limitations of the kind that we want to see continued. That means limiting not only the warheads, but also limiting the delivery systems on both sides.

The current administration seems to be willing to engage with us more comprehensively, and we welcome this.

But the problem is that we are still waiting for the position to be finalized, to be presented to us. We are looking forward to engagement of this sort.

We also welcome very much a new position of the United States on a comprehensive test-ban treaty. It's very important that the government of the United States decided to have it ratified in the Senate. We have been working towards implementation of this treaty for quite a long period of time.

But the problem is that there are a number of countries important for the membership of the treaty that make it possible for the treaty to become officially enforced that are still outside of the treaty. I will tell you that the decision of the United States to ratify, if they do ratify, will be a very strong impulse to bring others on board.

Will it be automatically successful? I'm not sure. It's going to be difficult. But I can tell you absolutely seriously that unless the United States ratifies, you wouldn't be able to bring others on board. That is for sure.

So for the United States and Russia to work on a nonproliferation treaty would be an important change that certainly would help us, and it's an important moment in the development of the environment around the nonproliferation treaty that we are going through.

The treaty is under strain, because there are a lot of critics, especially on the side of the countries that do not possess nuclear weapons and who remind us that the big bargain between those who had the nuclear weapons at the moment of its signature and those who did not was that they will refrain from acquiring nuclear weapons, in the expectation that there will be a process of arms reduction among those who do possess it.

We welcome the willingness of the United States to engage. We have heard the willingness of the United States even to work towards a zero-nuclear era. It's an interesting change in American philosophy.

We all understand, both in the United States and Russia, that that's a novel goal that is not going to be reached tomorrow. But what it can give is a movement in the right direction. If you want to go deep into nuclear reductions, if you want to go to zero in the future, you need to be sure that while you disarm, others wouldn't acquire nuclear weapons first. You need to be sure that all nuclear-weapon countries are on board. You need to be sure that the other strategic or even conventional imbalances existing in the world are not destabilizing, and in a way that will be prompting others to seek a nuclear option.

That's a huge agenda, but it's something that is certainly worth pursuing. We are not rosy optimists. We understand that it will take not only time, but it will take a lot of efforts on a multilateral level.

When we talk about Russian-American relations, I would like to say that if we limit them only to a military realm, a strategic realm, it will be a big disservice to our relations. That would mean also that we are still psychologically in the mindset of the Cold War. We do have economic relations that are developing pretty steadily.

Last year was very interesting. Even on the backdrop of the economic crises, both in the United States and Russia, we had a net increase in our bilateral trade. It amounted last year to \$36 billion, according to American statistics. The tendency is the same in the U.S. statistics and ours. Thirty-six billion, is it a big figure for the size of economies like yours and ours? Probably not. The trade with Russia amounts only to 1 percent of the trade that you have with other countries, only 1 percent. The United States, for us, isn't among the biggest partners either. The EU countries are much, much greater.

But at the same time, what we have been witnessing during the last five-plus/minus, years is that the bilateral trade has almost quadrupled. It's a good tendency. We want it to continue.

A few features in our relations: During the last four or five years, Russian private business has invested around \$12 billion in the U.S. economy. That's a new feature in our relations. That simply didn't exist, say, ten years ago. It's something that we are willing to encourage because it's bilateral.

During the same period of time, the United States business has invested about \$12 billion in the Russian economy. So we are equal. That certainly increases the ability of our respective companies to cooperate, to reinforce the position of your companies here and our companies in Russia. It's one of the few examples that we can bring that is a win/win situation for the United States and Russia.

I think it was back in [Bratislava](#), at one of the first meetings between [President Putin](#) and [President Bush](#), that they had agreed that they would be encouraging mutual investment. And they did, and it worked. We hope that tendency is going to continue.

But it's a tendency that is not dictated by the governments. It's something that the private businesses do. We have invested heavily in metal production here. I think the Russian-owned companies produce around 30 percent of steel produced in the United States, which is good. We like it.

By the way, I do not know whether you are aware of what was the most popular car in Russia last year, but it

was the [Ford](#) Focus, built near St. Petersburg, as a result of Ford investment in Russia. We encourage that to continue as well.

Those are good tendencies.

We think, apart from pure trade and mutual investment, we have a lot to do together in science and technology. You are a huge scientific country; we are also very important. We still preserve a wonderful school of sciences. It's something that I know both scientists here in the United States and Russia want to expand. I hope it's going to happen.

One additional point. I recently happened to be in Alaska. I was privileged to be invited to participate at the celebrations of the 50th anniversary of Alaska's statehood.

Since it has some Russian roots, it was very interesting to me to see what was happening in Alaska, how Alaskans feel, no longer being Russians. What was amazing, pleasantly amazing, for me was that when you talk to the Alaskans about Russia, they talk about a Russia that is in the West. It's not a Russia that is far in the East, beyond the borders with NATO, beyond the political stereotypes. It's in the West. The distance between Russia and the United States, the closest distance, is three miles. We are closer to you than any other country but Canada and Mexico. There is no other country so close to you as we are.

I immediately realized that working all these years on American relations in Moscow, I was always looking to the West. It was rarely that we were looking to the East.

But people did. They established contacts between schools. Lawyers go to visit each other, exchange experiences. People are discussing a wonderful idea, as far as I'm concerned, to create a joint national park, because it's a common habitat, it's a common space. If you protect environmentally only half of it, that means you do not protect it at all. It's either both sides or not a single one.

What was absolutely amazing was the willingness and the zeal of the people on the ground to work with their Russian counterparts, even without any participation of the governments of both sides. That has so far proved to be, most probably, less useful for them than it could have been. But I hope it will be improved in the future. The presidents seem to be focusing more and more on cooperation in the North, where our interests also coincide.

Summing up this brief introduction, I would say today the future of our relations looks much, much brighter than I was seeing, say, in September when I arrived in the United States. Is it already a done deal? No.

We see that there are a lot of differences that do persist, a very fresh example being the announced NATO maneuvers in Georgia. It's certainly very disappointing to us, because that only is to boost the feeling in the Georgian government that no matter what they have done to Russian lives, they are as well received in NATO membership and around NATO as they had been. That's very disappointing, because that means that the proper lessons haven't been drawn from the events in August.

Certainly we see that the NATO expansion is still looming in the future. That's going to be with us in the future. We have yet to better understand what is going to be the position of the United States on issues that are important to us, like ballistic missile defense in Europe and the conventional weapons agreement in Europe. All of these are still unclear.

But we are encouraged that at least we have heard a definite willingness of the United States to sit together, to put the cards on the table, and to start working on issues, rather than talk past each other. That's already a good start.

Thank you.

## Questions and Answers

**QUESTION:** You mentioned a number of criticisms of U.S. policy. I suspect that a pretty fair number, if not a majority, of people in the audience would agree. But I wonder if you might describe some of the errors in Russian policy vis-à-vis the West that you see from the perspective of someone more familiar than the rest of us with Russian policy.

**AMBASSADOR SERGEY KISLYAK:** Do you want me to criticize ourselves? It's not the popular thing that we are usually engaged in.

I would say that, most probably, we might have been more aggressively pursuing our constructive agenda with

you, trying to help you understand that we are no longer foes and that you stand to benefit from cooperating with us.

If you look at the main challenges that we all face, I can say that if we do not cooperate, each of us will be fighting with the problem on our own. We will be relatively successful, but probably not fully. If we do cooperate, there is a chance that we can not only work together, but lead a lot of other countries to support us on issues of importance. But I also would underline that if we work against each other on these challenges, we will fail, both you and us. That is for sure.

At the same time, there are several examples of how things can develop well. I would bring to your attention only one. That is the joint initiative on the global partnership to combat nuclear terrorism that our two countries launched. We launched it in 2006, in the course of the [St. Petersburg summit](#) of the [G-8](#). At that time, there were two of us, the United States and Russia.

As a result of the G-8 meeting, we had eight countries being part of it. In Morocco at the next meeting, because we were working together, we had 36; in Astana, 40. Today we have 78 countries working together to prevent the nexus between terrorism and nuclear materials.

That is of paramount importance, because the threat is real, and the terrorists will use any avenue they can find where they can get access and bring this material to possible targets. So unless you have the full cooperation of all countries, they might succeed. But in order to be successful, it needs to be global. In order to have it global, you need to have a mechanism that will pull in all the countries.

I have been working in this area for quite a long period of time. I do not remember a single other project where the United States and the Russian government were working as one team. Even at the times of the worsening of our relations, this project was continuing, because it is of paramount importance for the security of my country and yours.

**QUESTION:** My question has to do with Afghanistan. As an American citizen, I'm a bit concerned about sending more troops to Afghanistan. I was wondering, when our presidents met, if your president gave some advice to President Obama. We know from history that no one has ever controlled Afghanistan or the Afghan people.

**AMBASSADOR SERGEY KISLYAK:** I think it would be a great mistake for me to give you quotations from the discussions of the presidents. It's for them to decide what they want to go public or not.

But in general terms, I would say that we understand the reasons for the mission in Afghanistan. It's maybe one of the few that we are supportive of, because it is, first, in line with Russian long-term interests. Second, it's in line with the interest to assure stability in the world. Third, it is conducted with the mandate of the Security Council, and that means with the mandate that Russia gave approval, just like everybody else.

So we do try to be helpful, and we are helpful. There have been a lot of contacts between our specialists. We did acquire some experience in Afghanistan. We know the terrain. We are not going to send any military troops there because of the historical reasons. Nevertheless, we are working in order to increase the capacity of the Afghanistan government to hold itself. I think you will see more and more cooperation between our two countries on this field.

We are allowing the passage of non-lethal transit through our country for the troops in Afghanistan, and there are many other projects on the ground and elsewhere that can be undertaken together. You will see a lot of it developing in the future.

**QUESTION:** It seems that a lot of the tension between the United States and Russia today revolves around NATO and various weapons treaties. However, with the rise of globalization in the world, do you ever see a large-scale conventional war actually happening anytime in the future?

**AMBASSADOR SERGEY KISLYAK:** I don't know. I hope it's not going to be the case. But let's suppose for the sake of argument that Georgia already had been admitted to NATO and, with a leader that is less than responsible, decided to launch a war. We respond. What's going to be NATO's reaction? [Article 5](#). It's almost automatic.

So one piece of advice is, if you are to consider any new membership to NATO, it needs to be a country with reasonable leadership, at least.

**QUESTION:** What are the prospects for the development of a judicial system within Russia that is genuinely devoid of political pressure and influence?

**AMBASSADOR SERGEY KISLYAK:** The prospects are bright. The system is evolving. It's a rather young system, because we are a young country. We are only 18 years old. You have been creating your system for how long? Two hundred-plus years. We are doing it within a very, very short period of time.

The kinds of changes that Russia is going through—and, to some extent, the other countries of the former Soviet Union, but Russia certainly is the biggest, and most probably with the biggest problems to deal with—we are going through a transformation that not another single country has undertaken in the past history. It's unprecedented.

If you ask me if we are satisfied that we have an ideal system, certainly not. But you also have problems, I can assure you, both in the legal system and the electoral system and elsewhere. Most probably, yours are more mature and settled already, and maybe you have fewer debates about it. However, when things go wrong, the explosion of emotions is as acute as it is in Russia.

But the legal system is going to develop. You might have noticed that one of the biggest recent statements that my president has made was devoted to the need to improve upon and to develop it further.

**QUESTION:** What is your view and what do you think is the fate of the proposed U.S. deployment of the missile defense system in Poland and the Czech Republic?

**AMBASSADOR SERGEY KISLYAK:** I don't know. I really don't know. We have heard that the American administration is going to review this program, together with the other aspects of the ballistic missile defense concept. We know that this concept has evolved into global deployment plans. We understand that pretty well.

We understand that it involves many deployments in Europe, in Asia, in the United States. We have been told it will be driven by the evolution of the threats and evolution of the technologies, and a decision will be made later. We have yet to learn more as to what these decisions are going to be.

As far as we are concerned, I would say that the plans to deploy this system in Europe are detrimental to our security. If that continues, we will certainly be faced with the necessity to react. But there are better opportunities to work together on these issues, creating a cooperation for dealing with the evolving ballistic threats in Europe, and Europe includes Russia.

But it needs to be done in a way that reinforces each other's security, and does not undermine it. If that is a possibility, we will be working with the United States and NATO countries on that.

**QUESTIONER:** When you think about your country at this time, the history of your country, where you are now in relation to the Soviet Union, in relation to what came before the Soviet Union, could you talk a little bit about how you understand your own country's history and where you are now?

**AMBASSADOR SERGEY KISLYAK:** That's a question for a doctorate to be written on. First, I do not believe that the new opportunities have become available for Russian-American relations just because there is a new president in the United States. The new president had a mandate from the American people, who seemed to be willing to have new policies. That's how I read it.

That's very important to us. That's an evolution, as far as we understand, of the American thinking about themselves in the world, with more recognition that you are part of the world, and not just the dominant part of the world.

You are certainly very significant, both in military and economic terms, but there is not a single global issue that you can solve on your own. So you have to rely on multiple ways of cooperating with others. That's something that we have been telling you for quite a long period of time. We are very glad that you have embraced this understanding.

As to Russia and its role, of course, we are not 18 years old as a country. Russia existed even before the United States formed the current system that we know now. We existed as principalities, many scattered over the huge space that we are. The term "Mother Russia," with all these cultural historical terms, developed also long, long ago.

If you are looking at an historical root, an historical or philosophical tradition, with the reliance of Russia on a community-oriented type of values, with an internal willingness and insisting that life is organized on a socially just system—something more than in this country, where everybody is relying on individualistic energy and entrepreneurship—we are a more communal society. That certainly transcends into the legal system. It transcends into the political system. We have the same values, but we treat them somewhat differently.

In terms of continuing the Russian history and Russian tradition, I think that the current Russia is a good reflection of what Russian values have always been.

The Soviet Union time is a very particular period in our history. I would not say that everything was wrong during Soviet Union times. It was not. But there were many things that went wrong.

Moreover, the idealistic goals that were advanced during the revolution were good. They had been implemented in a way that simply didn't work for the society and ended up with blood spilled internally. So it was a painful history, very painful to us. But it is a history that is also part of Russian mentality and Russian history, and you cannot forget it.

However, the new generations of leaders who came here now have been formed in a new Russian environment. It's also very important, because that will speed up the changes that are ongoing.

So if you ask me to characterize as to what Russia is, historically it's a continuation of the very long and very cherished traditions of Russian society. Economically, it's a market economy, as is yours, but very young. It's a very young market economy. Sometimes it is called an emerging economy. I disagree with this notion. We have emerged, quite strongly, in the world markets and in the world capitals. Your financial people are thinking, what about borrowing some money from Russia now? So we are already here.

We are integrated in the world economy—not fully, maybe not to the same extent as our European colleagues in Western European countries (because Russia is also Europe)—but we are moving there. We are developing as a significant economic force. We have always been a significant political and military force in the East and for you in the West as well.

At the same time, we are a country that doesn't have any ideological divides with the United States. I would submit that currently I see no basis whatsoever for the resurrection of the Cold War. If conflicts can exist between us that would be mishandled—different interests, rather than ideological divides—if that is the case, proper management of our respective interests would be a very good insurance policy against conventional conflicts that you were talking about. But we need to be sure that we have acquired enough wisdom on both sides.

**DAVID SPEEDIE:** You asked for a Ph.D. thesis and you got one.

**QUESTION:** You mentioned the conflict with Georgia. The other conflict that's looming, of course, is the question of Iran. Some sectors in the United States are looking towards the relationship with Russia vis-à-vis Iran as an indicator of U.S.-Russia cooperation. Some sectors here are taking the position that Iran has a nuclear-weapons program, which poses a threat to Europe and Russia, and therefore Russia should cooperate.

On the other hand, Vladimir Putin and others in your country and [IAEA](#) [International Atomic Energy Agency]—and our own national intelligence estimates—have indicated that there is no evidence of a nuclear weapons program.

Could you shed some light on U.S.-Russia relations vis-à-vis Iran?

**AMBASSADOR SERGEY KISLYAK:** Yes. First of all, I would have difficulty to agree that another looming problem comparable with that of Georgia is going to be Iran. I hope we will have, all of us, enough wisdom not to use force when looking for a political solution to a problem that does exist. But in order to find it, you need first to understand what the problem is and what it is not, which is equally important. Second, you need to understand the reasons of the other side when you are dealing with them.

First, what it is and what it is not. The current program in Iran is not a concerted weapons program, as we have gone through or you have gone through years and years ago. What they are doing is creating a capability, allegedly for peaceful use, fully under the IAEA safeguards. It's a program that gives them the possibility to enrich uranium. A capability to enrich uranium doesn't necessarily mean automatically that a country builds a nuclear weapon. Does it give a capability to do so? Yes. Enriched material is one of the most important ingredients if you do decide to produce a weapon.

But currently it's the American assessment, it's our assessment that there is no ongoing nuclear weapons program. I understand that there are concerns, but these concerns have arisen as a result of the first phases of this program that were less than transparent. There are still some questions about the nature of this program and the elements of this program that haven't been clear to all of us.

In any case, I do not see any reason why one might even think about the use of force. I would like to underline once again that Russia certainly doesn't agree that Iran has to have a nuclear weapon. Iran is a member of the nonproliferation treaty, and as a member of the nonproliferation treaty, it has to comply with the treaty.

But mind you, all the activities that we know of today that do require implementation of the IAEA safeguards are under the safeguards. The legal obligations for the recent program seem to have been complied with. There are questions still remaining about past activities. Because of these past activities, there are a number of requirements that the IAEA has advanced and the Security Council has supported that Iran needs to do in order to restore confidence in the program. That is yet to be achieved.

The six countries that have initiated and negotiated a program with Iran have been working, I would say, very honestly, in order to bring to the Iranians a political solution that would be, first, beneficial to them and would be

reason enough for them to change the current stance on the nuclear program that still leaves some questions unanswered.

If the Iranian government decides to pick up that kind of proposal—and having been part of the process to develop it, I would say it's an honest proposal and it's a good one—if the Iranian government decides to pick it up and to develop it into an agreement with the six, they stand to benefit from this much more than from any nuclear program that they are running.

Moreover, this proposal calls for cooperation even in the development of nuclear energy production in Iran, but in a way that would be based on international cooperation and that would be avoiding any sub-programs that might lead towards concerns about the nature of the program. But economically, technologically, politically, they stand to gain if they pick it up.

Certainly one of the big problems in the negotiations so far was lack of willingness of the United States to fully engage. Everybody understands that for the Iranians what is important is not only talking to Russia; we are talking to them, as neighbors, in various fora, with the Europeans. And the Europeans are very significant economic partners to Iran, much more important than Russia is. Germany, France, and Italy each has a turnover of trade two to three times more than Russia has with Iran. However, it's our neighbor.

What is important for the Iranians most probably is, if they are to be part of the negotiating process, they need to be also reassured that it will serve the sense of security. Great involvement of the United States in direct dialogue with Iran hopefully might help this. Is it guaranteed? No. Nothing is guaranteed in this world. But certainly it gives more opportunities and more, if you will, vehicles for exploring with Iran. It's a decision that will be political, that will be benefiting international security, and, by implication, it will be benefiting the interests of the Iranians themselves. So it needs to be a win/win situation. We need to help our Iranian colleagues to understand that what is being offered is honest, helpful, and in their long-term interest.

**QUESTION:** Mr. Ambassador, thank you. A number of days ago, the [Turkish prime minister](#) expressed an initial willingness to open up the rather nonporous borders between northeastern Anatolian Turkey and the state of Armenia. There have been a number of countries that have expressed their opposition to this and disapproval of this, the most vocal being Azerbaijan. I want to know if Russia has a formal opinion on this. If not, what is your informal opinion on this?

**AMBASSADOR SERGEY KISLYAK:** I will tell you that good relations between Armenia and Turkey certainly are a net plus for stability in the region. That is important to us. So we certainly would welcome good, stable, productive relations between neighbors, which Armenia and Turkey are.

I have heard about the concerns that our Azeri friends have about it. They need to be reassured that it's not against them. I do not see that to be aimed against any Azerbaijan interests. But it's still a problem of lack of confidence in the region that is so volatile. You need to have more time to work together on projects that bring positive cooperation, to rebuild trust.

**QUESTION:** Mr. Ambassador, a few years ago, when Vladimir Putin was still president, he called energy a strategic asset and a valuable tool in foreign policy.

Recently the United States has become an importer of Russian natural gas via LNG [liquid natural gas]. With an eye on the experience of other countries that import Russian gas, would you say that the United States should be concerned about this new relationship?

**AMBASSADOR SERGEY KISLYAK:** First, I do not accept that we are not a reliable supplier of gas, that we are using it as a tool to suffocate other countries and to coerce them into political decisions that they do not want. It's simply not true. If you are alluding to the situation with Ukraine that appeared each and every new year—and we even had a joke that if we have a crisis over prices of gas with our Ukrainian brothers, that means a new year has come—that is an issue that was forced upon Russia in a very unfortunate way by our Ukrainian colleagues and friends, who usually are very slow in paying the debt for the gas that we have been supplying, sometimes siphoning out portions of gas.

It's only recently that we have settled this problem, but we had been living through this for quite a long period of time. It was not us who were not willing to send gas to Europe. It was the Ukrainian colleagues that cut it off in order to impose on us what the price of gas has to be.

We are certainly trying to be an honest supplier. We sell things for market value. We sell this not only to Ukraine, we sell it to the Baltics, we sell it to Georgia, we sell it to many other countries, for the price that is dictated by the current market. We are a market economy, mind you. If we are called to sell it for significantly less, that means somebody has to pay it. That means that it is money taken from the Russian taxpayers. We have better use of this money for the Russian economy and for Russian social programs.

So we have always believed that we could have resolved all of these issues well in advance of the new year crises, and we have always been proposing to the Ukrainians to do it well in advance. But we have consistently seen them negotiating and trying to use the factor of supply arrangement as a tool to pressure us, trying to do it closer to the new year, when everybody would be agitated and when in Europe people will start complaining—rightfully so—that they are lacking gas for their heating systems.

If you say that for Russia it is an important tool, of course. It's a tool of increasing cooperation. Back in the St. Petersburg summit of the G-8, we proposed a concept of energy security that relies heavily on mutual, long-term arrangements between the suppliers and the consumers. If that arrangement is reached, we have always complied very, very honestly, and we will continue to do so. But it's also very important to us to have our customers be serious, responsible, to pay on time, and, having been partners in negotiations, to stay our clients for quite a long period of time.

Mind you, if you want to have more gas and oil coming from Russia in the future, we need to invest now in what will be sold later. If that is the case, we need to be sure that the product we are going to develop will have its market. That's where the long-term arrangements between suppliers and consumers come in. The more predictability there is in the system, the better off we are as a supplier. It's something that we are trying to propose to our colleagues—a transparent, reliable, predictable long-term system, a relationship—in this field. We stand to benefit from it.

**QUESTION:** How is Russia dealing with its banking crisis?

**AMBASSADOR SERGEY KISLYAK:** We certainly are seriously affected by the crisis. It's not only a banking crisis for us. It's also a crisis in the commodity markets. It's also a sharp decrease of the market for the things that we are selling abroad—steel, chemical products, many others—that leads in turn to the shortage of demand. That means layoffs at the facilities.

But at the same time, we are not as affected, in relative terms, as some other countries. First and foremost, we have accumulated pretty significant financial reserves. It's about \$600 billion. One-third of it has already been employed in order to encourage the banking system to continue operating. We do not invest in the banking system.

We are trying to help ensure the credits that they are willing to give. It's not only a problem of availability of money to be lent; it's also a crisis of trust in the future that certainly causes some money, otherwise available, not to be in the market.

At the same time, during this year, the government hasn't changed any social or economic programs, because it relies on our ability to cushion the impact of the crisis. I will tell you that even during this hard time, the government has decided to raise the pensions in order to help the pensioners, those who will be affected among the first, to live through this difficult time a little bit easier than otherwise.

But certainly it's a difficult time. We stand to benefit from the world economy to start reemerging as soon as possible. There are some positive noises made by specialists here in this country that you already see the end of the tunnel. We are trying to look where it is. Hopefully, it's closer than we fear. If the world economy will reemerge, I think we will be much better off.

So I would like to say that we are affected, but we are not devastated by the crisis. We have an ability to withstand the pressure. Most probably, there will be problems for a number of companies that had borrowed heavily in the past, but that is private money. I think there will be a solution found for this issue, however difficult it is going to be. But we are not buying companies. We are helping the credit, mostly. We are financing social programs for normal people who otherwise would be unprotected in these difficult times.

We'll see how things will develop. I would like to add one additional comment.

On top of the other challenges that we all face, such as terrorism proliferation, climate change, and things like that, we have now a financial crisis that unites us. We are in the same boat. Our president and your president were allies at the G-20. However, we certainly have some nuances in our position as to the future development of the world banking system. We want it to be more transparent, more inclusive, and certainly inclusive for Russia. Things are moving in the right direction in these terms.

So I see this area, fighting with the world economic crisis, as another area where we can cooperate.

**DAVID SPEEDIE:** Ambassador, the witching hour has come. I can't believe the territory you have covered just over the past hour, with good questions from the audience. All that remains for me is to ask them to join me in thanking you very much.

Copyright © 2011 Carnegie Council for Ethics in International Affairs