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PUTIN'S CRIMEAN GAMBLE: RUSSIA, UKRAINE, AND THE NEW COLD WAR

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P R O C E E D I N G S

MR. TALBOTT: Good morning, everybody. I'm Strobe Talbott and it's my pleasure to welcome you to an event that I think demonstrates that even on the most serious of subjects we here at Brookings, and with friends like you -- and I see a lot of personal friends in the audience -- even with the most serious of subjects we can have some fun. And I think we're in for that now, not just because of -- I'm using a phrase from another context -- the gang of four up here, but also the kinds of questions and observations we'll hear from all of you.

Let me just say a quick word about each of my colleagues who are up here. Martin, as I think you all know, is now the Executive Vice President of the Institution, which means I really now have to obey him, and we're working on a lot of good stuff together. But as you know he was the Director and Vice President of our Foreign Policy Program her at Brookings. And in that capacity he worked on a project that came into the form of a book called, Big Bets and Black Swans. And what we're going to be talking about here today is a black swan event. And as the title of Martin's book makes clear, the President of the Russian Federation made a big bet, and as he calls it, a gamble. Nina Khrushcheva I have known, along with a couple of other members of her family going back to the 1980s. She is prolific and wise and a very good friend, and a Professor at the New School. And she also writes for Project Syndicate, and which I very much recommend her work. As for Tom, he calls himself -- I think Tom -- a "tourist with an attitude". He's even confessed to being a "flat earther" (laughter), but he is also very much a unique global brand and a very, very good friend of many of us here personally and a good friend of the Institution.

Now as for the author of the moment, I want to be very personal about this. I showed up in this town in late 1973 as basically a cub reporter on the international affairs beat and I had a number of mentors, two of them named Kalb by the way. But Marvin was particularly kind and helpful to me. I think you all know that he did a stint in Moscow for CBS. He worked with Edward R. Murrow, and in addition to being an iconic news analyst on television, he is a very, very good writer and he has written a terrific book.

And now I'm going to turn things over to the moderator to get the conversation going, and

I'm going to enjoy this myself and I'm sure all of you will too.

So, Martin, over to you. (Applause)

MR. INDYK: Thank you, Strobe. Marvin Kalb has written three books by my account in the last three years.

MR. KALB: Four.

MR. INDYK: Four in the last three years?

MR. KALB: No, no, three in the last four years. (Laughter)

MR. INDYK: This is a record that few can match except Henry Kissinger. And I'm glad finally that Marvin has completed this book because I want to interview him about Henry Kissinger. I'm writing a book on Henry Kissinger in the Middle East, and Marvin wrote the first I think of Kissinger biographies back when he was a CBS correspondent. So that's one reason why I'm very glad that you finished this book. But there's a far more important reason. As Strobe has indicated this is a consequential subject, Putin and the Ukraine. And Marvin brings a very interesting perspective to it, which I thought we should start by having you -- since I doubt that anybody in the audience has had a chance to read the book, to just spend a few minutes outlining your thesis.

MR. KALB: Well, thank you, Martin. And thanks to Strobe and Nina and Tom for being here. I appreciate that very much. The book really is a snapshot of a very important moment in recent Russian history. My sense is that the Russian President Putin has been concerned and had been concerned about events in Ukraine from the moment that Ukraine split off in 1991 and became an independent nation for the first time in its history. I am aware that there were two other brief moments in the 20th century when Ukraine could claim independence, but it was just for a moment. And when it became real that was 1991. And for any Russian ruler that was a huge event because in Russian history Ukraine had always been a part of Russia, psychologically, territorially. And people began to think of Ukraine, Russians began to think of Ukraine, as simply a wayward cousin who was simply off in a corner someplace doing his thing, but never truly independent of us, the Russians. But when it became independent in 1991 and began to do things, like have in 2004 an Orange Revolution. And when Putin, who was a man terrified by crowds that he does not control -- he is adoring of crowds that adore him, but

he is very nervous about crowds that he does not control and suddenly he was seeing in 2004 very large crowds in Kiev appealing for an extension of democracy, having some idea that things were moving finally in their direction. But for Putin this was an unacceptable proposition. And he was always looking for ways to curtail the westward drift of Ukraine.

When it became clear at the end, in 2013, that Ukraine was going through another massive internal change, and there were tens of thousands of people gathered in the center of Kiev, yearning for democracy, wanting it as best they could ever have it, Putin began very seriously to worry that this was going too far. And in December of 2013 he had already alerted his army that there might be a need for military action in Ukraine should the westward drift continue. And when he saw in February that the time of the winter Olympics in Sochi, which was a splendid cover in a way for what it is that he did have in mind at that time, he already knew that he was going to act. The question simply became -- Martin, the question of how, where he would actually order the army to move. And it was a new kind of warfare in Crimea. It was seized in a way. It was so simple, it was so bloodless. There were suddenly troops there; they simply took over all of the installations of nationhood and in the modern era that means you take over the television, you take over the radio, you take over transportation centers. And suddenly overnight Crimea was again under Russian control.

We ought to point out that it had been under Russian control from 1783 when Catherine the Great simply took it, until 1954 when it went under Ukrainian control. But at that time Ukraine and Russia were both Soviet republics within the Union of Soviet Socialist Republics, and for Nikita Khrushchev, the leader at the time, this was no big deal. This was not giving anything away, this was purely something on paper that you could then throw out as meaningless. But he really had in mind making an economic project more effective. The 300th anniversary of the birthday of Ukraine as a country, let it go, give it to them. It wasn't important to him, but it was crucially important to Putin in 2014, at the very end of February, beginning of March 2014, and it became a symbol of an extremely important change in international relations. It was the symbol that Russia was violating the rules that had been set up and was sort of going off on its own and doing things that were simply not acceptable in the modern world. And then President Obama decided to isolate Putin as best he could and really the beginning of

the process of economic sanctions, pretty much to the state that we're in right now.

MR. INDYK: What is it that is different about Ukraine to the other states of the former Soviet Union on Russia's periphery?

MR. KALB: Well, what is different about Ukraine to Russia is that Ukraine to a Russian had always been part of our territory. You've got to go back a thousand years and think about a place called Kievan Rus which was a very vibrant trading community around the capital city of Kiev. And at that time in Kievan Rus you're talking about something at the end of the 10th century running to the time that Mongols took over in 1240 and simply leveled the place. In that period of time Kievan Rus, described by Russian historians as the first Russia, was something special and as the first Russia it sort of gave root to what then followed in the second Russia around Moscow which is the Russia we deal with today. And the Russians have always considered that they are whole when they have Russia, Bielorussia, and Ukraine, those three. And if they've got those three then you are whole, then you have the inner strength, not only physical, military, but also psychological strength to move forward. And for Putin this is essential, but it's not just Putin. I don't want to be misunderstood here; Russian leaders way before Putin as well, have always considered Ukraine to be part of the family. And because it is orthodox, because it shares the same roots of culture, language, for all of these reasons Ukraine is special to a Russian, special to itself now, but special historically to a Russian. I'll give you one I think good example of this. When Yeltsin was President of Russia in the 1990s, one of the things that he argued with the leaders of Ukraine at that time was don't go off on your own, stay with us within the union because together we are Russia, Bielorussia, Ukraine. We can hold off the Muslims who are in charge of five republics for the south in the Northern Caucasus and over into Central Asia. That is something by the way that we're all going to be much more aware of the deeper Russia gets into the Middle East, but that is a separate issue, but it is connected in a way as explaining why Ukraine is that special to a Russian leader.

MR. INDYK: In this book I think it's fair to say you're skeptical about Ukrainian abilities to be an independent state. You want to explain that?

MR. KALB: Skeptical only in the sense that while I believe with considerable passion as a matter of fact that Ukraine has every right to be an independent nation, and that must be understood, I

still feel that there are issues that any Ukrainian leadership must confront. And the central problem is the presence of Russia. And so no matter how Ukraine operates, no matter where it will try to go economically, politically, diplomatically, even militarily, it must be aware that there is a larger country bordering on Ukraine that feels -- whether or wrong -- feels that it has a prior claim to Ukraine. And even if the Ukrainians totally dismiss that the people in Russian do not, and they operate in a certain way and their reality is based on the idea that they have a prior claim on Ukraine.

Also, if let us say the west, led by the United States, were to provide Ukraine with lots of new weapons as a way of holding off the Russians, of teaching the Russians a lesson, whatever the explanation is, there is no way that Ukraine on its own, even with extra weapons provided by the west, can actually win in any military conflict with Russia. And my own feeling and what I write in Imperial Gamble, I hope with explanation as well, is that it may be another generation or two before the roots of economic stability and political vitality can be sunk into Ukraine so that it can emerge as the country it would like to be. But at the moment it is a tough time and for us to believe that by pumping in a couple of billion dollars more we're going to turn it around I think is a pipe dream. And I don't think that it is responsible for us on the outside, in the west, to feed pipe dreams into the Ukrainian line, because they are the ones who have to live with the reality of where they are, and that reality is that they border up against Russia and Russia has certain ideas about what it wants. And if Ukraine were magically to be transported to be a province of France, wouldn't that be wonderful. And some of Ukrainian dreams could actually come true much more quickly. But it is where it is.

MR. INDYK: But then they'd have the French to deal with, you know.

MR. KALB: I'm sorry.

MR. INDYK: Then they'd (laughter) have that French palate to deal with.

MR. KALB: Well, that's true too, that's true too. But that's my thought on the issue.

MR. INDYK: So then essentially what you're saying is that the Ukrainians should be more like Finns in the way that they approach the Russians? Is that fair?

MR. KALB: I think that the -- I have spoken to the Finns about this issue at some length in fact and they resent the comparison (laughter) because they don't consider them --

MR. INDYK: And how do the Ukrainians feel about that?

MR. KALB: Well, the Ukrainians also resent it because they feel that they can do it on their own. And that is one of the dangers in the current situation, that there are a lot of pipe dreams that are being thought of as reality and how the situation is truly evolving. One day there will be a Russian leadership and a Ukrainian leadership that will strike some kind of acceptable modus vivendi, and only on that basis can there be a realistic structure for building a future relationship that is somewhat healthy between Russia and Ukraine, if that is even possible.

MR. INDYK: How do you feel about the way that Putin has handled this crisis?

MR. KALB: Well, Putin is a remarkable despot. When we think of despotism we normally think of it in terms that are three and four and five hundred years old and it's one guy whipping everybody and just being in total charge. This guy is a very modern despot. He is able -- because he's very smart and supremely self confident -- he is able to sit down with a reporter like Friedman, and no matter how difficult questions Tom might come up with in the course of that interview, Putin sits there and answers for two and three hours in a row without a note in front of him on any issue. It is a classy PR operation. He believes that Russians love and admire a strong leader. He carries that to certain extremes by sitting on the back of a horse with his shirt -- muscles sticking out and doing all kinds of exercises. I mean he's a very unusual, smart, self confident man who believes that he can do things that others can't. There is a danger in all of this too because he has enough military strength to create serious problems, but he may not have enough political strength in his own position because I don't think he's as strong as people claim him to be. I think there's a very severe vulnerability beneath this man. And I think that this is a leader who becomes increasingly dangerous the more he thinks of himself in a corner with the rest of the world against him.

MR. INDYK: Okay. In terms of assessing how he's doing now, he got Crimea, but he paid a very high economic price in terms of the sanctions. So, you know, has he come out ahead in your view?

MR. KALB: He's come out ahead in terms of what he set out to do, yeah. I think that if his central point with Ukraine as I mentioned before was simply to stop and put a blockade of some sort

around the westward drift of Ukrainian life -- for him Ukraine as an independent nation hooked in with the west, whether it is with the EU or whether it's with NATO is simply unacceptable, and so he has stopped that from happening for the time being and to that extent he has won his war in Ukraine. That's why I think by the way that what is happening now in the Middle East is that much more serious because he may be getting into an area that is not Ukraine.

MR. INDYK: Right, right. We'll to that in a moment. Last question before I bring Nina and Tom in. How do you think Obama has done in handling Putin's aggression?

MR. KALB: Well, I think the President reflects the approach of a lot of western leaders toward Putin. He was not taken seriously. You know, the House of Lords said right after the Crimea was taken that all western leaders were sleepwalking into a crisis. And there was a wonderful phrase in an article of David Hoffman's in the *Washington Post* yesterday in which he spoke about a 1983 Russia-American crisis that was much more serious that the Russians saw as American military maneuvers leading possibly to a nuclear attack against Russia. And one of the conclusions is that western leaders do not yet have a handle on Russian leaders. They understand sort of the statistics that go along with analysis, but they're not into the mind of a Russian leader. And that unless you are you're going to miss a lot of the music.

MR. INDYK: Nina, is that a problem? And please feel free to talk more generally about your reaction to Marvin's book.

MS. KHRUSHCHEVA: Well, I think it is a problem because Russia has been telling the world how it feels about the world for centuries and it continues to feel the same way. And I think Marvin described in his book very well that a lot of it is kind of goes as pendulum swings. You have a repressive leader, you have a remissive leader, and you sort of go in the same direction, or in kind of balancing back and forth at all times. So I think it is a problem. Putin is from my point of view, and I think Marvin's as well, he sits in a whole row of other Russian leaders -- I think you start with Catherine the Great -- in an interesting way. And if Marvin talks about the new kind of despot, yes indeed. I mean I wouldn't go that far as to say he is a despot, but Soviet leaders were despots. I always say that Nikita Khrushchev was a better despot than others, but still he was a despot (laughter), for which by the way I'm very much often

disowned by my family. So I think Putin hasn't made it into a despot but, you know, give him more time and he's going to stay there at least until 2024 I think if he can. So that will happen. But he is certainly very more than autocrat and does see himself as a great consolidator of the Russian lands. But I think it was a very big mistake to think that he wants to put together the Soviet Union. I think he wants Putin's Russia and I think that's how he sees himself. He has his own step, and that's a whole project of Novorossiya, that Donetsk and Luhansk are part of -- so first we take Crimea, then we take Donetsk and then we take Luhansk, and then we'll take all these areas. That was his project, but so far has stalled a little. But, you know, once again give him time.

And as this modern autocrat I think he's very -- once again fits into the whole set of Russian leaders as he represents the state at all times that believes in the state that has weak liberties and therefore it appears as a strong state. Because if you really start poking around, with sanctions and other things you will see that Russia really has no way of moving forward, but tactically it does give a very impressive view of what Putin has done. And I think something to understand that he is covert, because all these things are done in somewhat secret, but at the same time as a good villain from James Bond, he actually says actually what he is going to do. And whatever he promised he has done, it's just nobody is listening because nobody believes that it could be like that because it sounds completely villainous. And so I think that's a trick to understand. So covert and consistent is very important for understanding Putin.

Self confident, he is self confident, but he is also remarkably inferior. In this way he represents once again Russian world view. On one hand we're so big and we're so powerful, on the other hand oh, boo hoo, nobody recognizes us as such. We're a great power and we really need to prove it and he does that all the time. And as this kind of leader of course he looks at the past and all the strong leaders. And one of the interesting things about Crimea is that he was bringing territories together unlike all those reformers, like Khrushchev, like Gorbachev, like Yeltsin, they squandered away territories. And I think we compare Putin to Ivan -- I mean you wrote about this -- to Ivan the Terrible, to Peter the Great, to Joseph Stalin. I think Catherine the Great is a very important comparison. And you said we're going to talk about Syria, and it is important to talk about Syria I think because it is another sort of grandiose project of Putin, because not only he is the uniter of Russian lands, but he also brings the idea of absolute

Christianity to the world. So in his Crimean annexation speech he was talking about -- and talks around it all the time -- and a day of history he was also -- he's a great historian now -- so he was talking about how Russia got baptized by Vladimir the Great no less, so he is a direct descendent of the 18900s. That was very important that they baptized Russia and he is now bringing that Crimean territory back to the Russian land. The same thing -- I don't know if actually hasn't been reported enough, which I think is a shame -- it should be -- St. Petersburg where Putin is from, Leningrad, was always known or often known, especially through the 18th and 19th century, as the Northern Palmyra. And Palmyra of course sounds very familiar to you because it is a town, city, an ancient city in Syria. And there was a woman warrior of the time who was known as the Queen Warrior, and Catherine the Great actually thought of herself as the original woman warrior. So there is a connection once again that he is making here. He is going to bring the original face to -- she wasn't Christian, but the original face of Byzantine Empire, the original Christianity when it was still not spoiled by the decadent Catholic and the Protestant west that is just full of debauchery. I think Marvin writes about it very beautifully that Putin does think of the west as gay, as decadent, as something that with all these laws and institutions that it's just not going to create the world. But he is going to be that savior.

MR. INDYK: I've heard it said that Putin also in all of this wants to give the United States and Obama in particular a bloody nose. How much is there is there a personal issue?

MS. KHRUSHCHEVA: Well, he always does. I mean he's a -- you know, Marvin writes about it with slight disdain that when you look at Russia you sort of look at psychology. But I actually think when you deal with despots -- let's just use this word -- advisingly you have to just because all these perceptions are very important to him. So he is, he's always sticking it to the west. I mean he gave one of the first big interviews 2007 when -- not one of the first big -- there was a big interview where he said it all, 2007 *Time* Magazine, and he was still the first time President and we still loved him -- I mean we didn't, but some people did -- and still thought that he's going to be, you know, possible that kind of great President of Russia. So he spoke to *Time* magazine at length. It was a long, long interview in which he explained how he thinks the west sees Russia and how he is not going to tolerate it. So he's absolutely sticking it to the west at all times. He is sticking it to Angela Merkel, he's sticking it to Barack Obama

more than anything. Every time when Barack Obama speaks about him personally Putin then goes off and says well, then why would you speak about the President personally, it's better to talk to the country about the country. So he is quite disdainful in this and it does reflect both superiority battles, so very big inferiority complex. Because for Russia the United States is that kind of red flag at all times, and it would be very difficult I think to bring the relationship back into normalcy.

MR. INDYK: Tom. What do you think of --

MR. FRIEDMAN: A few reactions. My general reaction to reading Marvin's book is what's a nice guy like you doing in a place like this, that where you come down, which strikes me as very realistic and very sober. But the question I had, Marvin, as I went through your argument is, is it too sober and is it too backward looking and not forward looking.

And so then let me make a few points. I mean on the sobriety, you know, when I think of Ukraine I always think of my favorite country in the world which is Taiwan. I love Taiwan. A barren rock in a --

SPEAKER: Is this a new passion of yours or?

MR. FRIEDMAN: Oh, no, I've written about this. Taiwan is a barren rock in a typhoon laden sea with the fourth largest financial reserves in the world. It's an amazing place, an amazing place. And every time I go to Taiwan, I say to the people there, you know, you guys have changed so much. Everything has changed here. Your democracy, your economy. There's only one thing that hasn't changed, your geography. You're still a tiny rock off the coast of China. And countries that forget their geography often do get into trouble. So I really believe in that point you raised.

I am very much impacted by a line that Michael Statues, a very prominent Ukrainian journalist, said to me when I was last in Kiev. He looked across the table to me and said, who says I have to be in Vladimir Putin's sphere of influence? And so what I think you're seeing in Ukraine is a lab test of a very new story, and it's the clash between sphere of influence thinking and people of influence. We're now seeing the emergence in all of these squares of people of influence empowered by technology and a whole new set of ideas. And I think Russia-Ukraine is a fascinating clash between very old "Kissingarian" view of the world of spheres of influence, but the emergence of a whole new set of political

actors who I call "people of influence". And I take them very seriously. And Putin doesn't because Vladimir Putin does not believe in human agency. He does not believe that the Ukrainian people could have possibly surveyed the landscape. Look at where Poland is today on one side and where Bielorussia is on the other, and think that gosh, maybe following the path of the Poles into the European Union might be better for them. Putin does not believe in human agency. The only agency he believes in is the Central Intelligence Agency. (Laughter) So he is convinced that if the Ukrainian people did that, that it was only because Toria Nuland whispered it in their ear.

And I stress that point because that to me is a leader who is a fool. And leaders who are fools will eventually lead their countries into bad places. So I look at Putin and I see a man who is fighting human nature, Mother Nature, and Moore's Law all at the same time. And that is not going to end well. He is fighting human nature in that he's fighting the rise of people of influence. He's fighting Mother Nature in that he has bet his country's entire future on the extraction of a natural resource, which if we do not keep the majority of it in the ground, we as human beings are going to end up as a bad biological experiment. And he's fighting Moore's Law that the technologies that are creating these people of influence are going to diminish when in fact they are accelerating. So he's actually fighting the three largest forces on the planet all at the same time.

And what bothers me even more is that he's fighting them in the name of a kind of mystical Russian Czarist identity and nationalism. To me Putin is a man who is always looking for dignity in all the wrong places. He is looking for dignity by seizing territory, by taking a bite out of his neighbor. He always wants to drill the ground and he never wants to drill and tap his people and unlock the amazing creativity, intellect, and power of the people who gave us, you know, Solzhenitsyn and Tolstoy, and Sergey Brin. And so it just seems to me that that is not going to end well, and doubly so when you present the whole thing as this is all about the west and their encroachment on Russian territory and sphere of influence. And on this issue of course my hands are very clean since I was among the leading opponents, some might say the leading opponent in this town of the NATO expansion.

MR. KALB: Of the NATO expansion.

MR. FRIEDMAN: Okay. So I thought that was a stupid ass idea from the very beginning

precisely because it would empower someone line Putin to do what he's doing. But that said, Putin knows very well that Obama and NATO were never going to expand to Ukraine. This is not about NATO expansion, it's about EU expansion. The thought that Ukraine could develop its own successful model of economic reform built on democratic capitalism on the border of Russia and create an example in the very heart of Russia, Russia's sphere of influence of exactly the opposite of what Putin is trying to create and to lead.

So I guess that's what I feel. (Laughter)

MR. INDYK: Do you want to respond, Marvin?

MR. KALB: Yes, I do. I end up pretty much where Tom is in that I too believe that Putin's hand ultimately is going to be proven to be a weak hand, and that he is not going to be moving the currents of history in a certain positive direction. I totally buy into that. Where we part company, in a very friendly way --

MR. FRIEDMAN: Absolutely.

MR. KALB: But where we do part company is in the power of history. You tend to say that it is the future that we have to look toward, and obviously we do, but you don't look toward the future without a deep appreciation of the past. And without a knowledge of history you really have no sense of the sort of insights into Putin's personality that Nina was conveying a moment ago, that there is a force that carries him. It didn't just start with him. He is a product of the Soviet educational system. He wanted to be a KGB officer. He was, he was there, communism died. He was the leader in Dresden for the KGB. And he was in effect saying, in a totally different context, never again -- this is not going to happen on my watch. And at one point he called Moscow -- it's a fascinating story -- in the middle of the German upheaval, in the late 1980s he called Moscow and he was seeking instruction, leadership, what should I do. And Moscow was not answering. And what he said at that point was Moscow does not answer, that must never be again. Moscow must always answer, be responsible. So his image -- and again I'm picking up Nina's stuff here, and forgive me -- his image of himself and of Russia and where it goes is governed so powerfully by where he comes from. He is not a freak who emerged just today. He is a smart leader with authentic Russian roots. And that makes him move in a Russian way. And what I

mean by that is you cannot imagine -- I cannot imagine a solution today as we think about Ukraine that does not see Ukraine and Russia somehow coming together, because if they do not there will always be conflict between the two. If it turns out that Ukraine should miraculously I think become part of the west, whether part of NATO, EU, but part of the west, and accepted as such, the Russians cannot accept that for deep, historical reasons. And therefore while I see where you're going and I appreciate that, I have to stay with the power of history to determine where we are today. I think that when we lose history we lose our bearing.

MR. FRIEDMAN: Yes, let me just -- you know, it's true, you know, I lean toward the Lexus and you lean toward the olive tree (laughter), but I'm keenly aware of both. I guess when I look at Putin, and I think you're making a very important argument, Marvin, I really -- I'm not fore going half cocked here -- but I see a man less being carried by the currents of Russian history and more exploiting the currents of Russian history in a deeply cynical way to protect what is basically an autocratic kleptocracy. And that's where I'm not ready to give him quite so much slack as reflecting in deep current of history more than cynically exploiting it.

MR. INDYK: Nina.

MS. KHRUSHCHEVA: Absolutely. He is exploiting that yet he's exploiting it well and ultimately where we are in Russia right now it's almost irrelevant whether it is reality or it is an exploitation. But in general Russia is a hypothetical culture. It imagines itself much more than it lives in reality. I mean if we follow the 20th century history, you know, would be dying and defecting and yet we were charging on towards communism which was supposed to build by 1980. And a lot of people were actually with that communism. As a Russian, you know, I am still waiting for that moment -- never happened. Although did get Putin nonetheless.

So I think this is very important that the space -- and I mean you talk about in your book very, very well -- the geography matters in Russia even more than it matters in Ukraine. If you talk about Ukraine as a country with a split personality, Russia does have split personality disorder on steroids.

MR. KALB: Yes.

MS. KHRUSHCHEVA: Because you do have one hand in Germany and another one is

in Japan. What are you thinking? So it is very, very important. And when Tom says history is a handicap, it is a handicap, but when you are so big and your belief system is always so absolute, like communism, or that communal religiosity that was before 1917, or that, you know, absolute insane orthodox that is pushed forward today, however maybe inconsistent with their own of course very thuggish -- the lord of priests, very thuggish behavior, it almost becomes irrelevant because when you're so big you can protect yourself from the view of the outside world, you present them in a certain way. And when you say that power doesn't belong to the people, yes, and Russian power belongs to the state and not to the people, but tell me that it's not the case of how people feel about it. Actually most of them do feel about it exactly this way. And Putin has a great example of the 1990s. He says, we gave power to the people, here you are, we almost collapsed, then I came back and brought it back the way it was supposed to be. And I think this should be, as Marvin says, not discounts your argument in any way, but this should be taken into consideration that as modern as Putin is in Russia, we are all about the past, we barely have the present, and the future is something that nobody can even imagine. (Laughter)

MR. INDYK: Let's just get all three of you to kind of bring us up to date here. So we have a situation in Ukraine now which appears to be a kind of lull. Putin --

MR. KALB: Frozen lull. No, there's a point to that.

MR. INDYK: No, well, why don't you get into that, but let me just finish the question. So Putin seems to have kind of switched the channel now. He's on the Syria channel. He clearly seems to be worried about the rollover of sanctions and seems to therefore be cutting back a bit in terms of what he does in Eastern Ukraine and kind of fulfilling the Minsk Agreement, for what that's worth. So can we expect another surprise here or is this going to be a kind of frozen conflict where it's frozen where he wants it to be?

MR. KALB: Even if in his wildest dreams he imagined Syria to become a frozen conflict, he's out of his mind.

MR. INDYK: Ukraine.

MR. KALB: No, no, I'm talking about Syria at this time.

MR. INDYK: No, no, I'm saying -- okay.

MR. KALB: No, but Ukraine -- okay, we can pick that up too. For Ukraine it is more or less the same pattern as we saw in Georgia in 2008 where picked up two provinces, declared them to be independent states, which they are. Nobody recognizes them, but that's not important. They are frozen now in Russian control. Transnistria on the western side is and has been for the last 15-20 years now, frozen by 10-20,000 Russian troops that have been there all of this time and likely to remain so, frozen. And in that sense with Ukraine he has frozen the Donbass. He doesn't want -- I mean there was a wonderful spurt of imaginative punditry right after he took Crimea where people who should know better began to compare him to Hitler, began to think that this was the first step toward a Russian move into Germany and France. It was not. And the idea by the way that Tom had touched on about the vulnerability of not only Putin, but the system that he represents, if you believe that Putin is capable of dismissing the reality of where he sits, that he's not aware of the economic strains, of the political strains, of the strikes that are popping up all over the country and then suppressed very quickly, and you barely hear about them, all of these things are happening. He knows them, but he's still in his bold but incredibly dangerous way trying to accomplish something that -- Nina was touching on this -- the recapturing of the old Russia in a new context, but I think she's so true that when Russians think about the future some of them are capable of truly romantic excursions into western philosophy and believe that they too can be there within a matter of 10 years if only the Russian people would come --

MS. KHRUSHCHEVA: Three years.

MR. KALB: Three years.

MS. KHRUSHCHEVA: Three years.

MR. KALB: They would come along with us. It's there for us to seize. And then there's the reality, which is muck and mire and ineffective economic system and a people that thought 20 years ago that they were on the edge of something, that the Ukrainians thought last year that they were on the edge of something magical and wonderful. But then they have the reality of where they live and they're stuck. And the only thing that we can do, we could help them, we could be sympathetic, but to believe that we can turn things around -- and forgive me Tom -- and move against the flow of history, is to be somewhat removed from reality.

MR. INDYK: But what does that mean in terms of Ukraine? In terms of Putin's policy towards Ukraine.

MR. KALB: In terms of Putin's policy Ukraine right now will remain essentially at the whim of Putin. If whenever he feels that Ukraine is moving dangerously to the west again, he knows what he has to do, to start killing people, moving troops around, advancing on a front out of the Donbass. The Russian army is perfectly capable of moving from where it is now to Kiev -- probably could do that in a matter of days, but there is no reason for Putin to do that. He can control pretty much -- or strongly influence the future of Ukraine merely by the control of the Donbass, which is what he's got.

MR. INDYK: Nina, do you agree with that?

MS. KHRUSHCHEVA: I mean he doesn't need to go to Kiev. I mean he destabilized them enough to keep it bad. I think for Ukrainians, I mean I always compare it to when President Medvedev came in in 2008 and Putin was the man of the Kremlin anyway, even if he moved away, is that it's very difficult to be a reformer when you have a despot as Marvin put it right next to you. So it's very difficult for Ukraine to move forward when Russia would always be -- we can call it history, we can say it just needs that buffer between the west in case the west is going to get Russia. So he got Ukraine where he wanted. I think there is a negotiating point although it is very difficult to say whether you can really negotiate with Putin. I think what he's saying, it seems to me what he's saying is that leave Crimea alone and then we can talk about it. So stop talking about Crimea, just accept that I did it because others before me didn't do it or made mistakes. And that could be some sort of a balance. But then this question whether it is acceptable to Ukraine and international community is a very big question. And, you know, I don't think it's an easy answer.

So I think that's where Ukraine kind of stands. But it does seem that he is more willing to work with Poroshenko than he has been. I mean for example, I think you're right about this and in your book is that they stopped talking about the Nazi invasion of Kiev which is step forward. But I guess my point is that whatever dealing with Putin is bad, but he has to be dealt with. You start with George Kennan and quoting Tom Friedman there. I was George Kennan's last research assistant which made me incredibly -- it's almost surreal -- and he always said, why does Bill Clinton insult Russia, why do they

insult Russia. He wasn't saying it too publicly, but he always said that you have to be very, very careful with the Russians. You really cannot treat them as losers. And I think somewhere in this there is a conversation to be had.

MR. INDYK: Tom, can you just give us your take on Putin and Syria and what you think he's up to there?

MR. FRIEDMAN: Let me just make a couple of points. First, you know, to locate exactly my argument because I -- you know, I really want to stress -- I think what Marvin is saying makes total sense in terms of what is motivating Putin and where he's likely to go, and how far he's ready to go down that path, impelled by culture and history. So I totally get that. And I'm not really getting into -- you didn't really get into this in your book, Marvin, but I'm really basically saying -- you know, one of the things I learned covering the Middle East all these years is all really important politics in the Middle East happens the morning after the morning after. And so, you know, the morning after Crimea, oh, Putin is wonderful, Obama is a wimp, you know, I mean it's all going to be great. If only we had a leader like Putin, you know. And be careful. Wait until the morning after the morning after. I'm a big believer in the weight of history and the weight of technology and the weight of economics. And my real position is I feel like I'm watching a tragedy for the Russian people because this is going to end badly. And it's going to end badly because there is one thing Putin doesn't understand at all -- he's got his nose pressed up to, you know, the history books -- and what he doesn't understand in my view is that we are in the middle of one of the greatest inflection points in the history of the world, okay, right now. And whatever you think is going to happen to you, trust me it's going to happen a lot faster than you realize. And as you know the example I always like to give is I wrote The World is Flat in 2004, I wrote a new book in 2011, That Used to be Us, about America. First thing I did in 2011 is get the first edition of The World is Flat off my bookshelf just to remind myself what I said, what I wrote. And I looked under the index, I looked under A, B, C, D, E, F, A, F, A, F, A, C, E, B -- Facebook wasn't in it. So when I was running around the world in 2004 telling people the world is flat, we're all connected, Facebook didn't exist, Twitter was still a sound, the Cloud was still in the sky, 4G was a parking place, LinkedIn was a prison, application was what you sent to college, big data was a rap star (laughter), and Skype was a typographical error. All of that happened in

seven years, and it is in my view part of one of the greatest releases of human energy into the hands of people since fire. And Putin will discover this. And God bless his history, and God bless Russian history, and God bless Crimea. This is going to end hugely badly for him.

MR. KALB: Well, he discovered in the Middle East.

MR. FRIEDMAN: Now in the Middle East, I mean (laughter) what is second prize after winning Syria? (Laughter) So, you know, all I can say as I look at Putin in Syria, here I want to say something in Putin's favor. And I wrestle with this because I think the great failure of American analysis, and I put myself in this category of great failure, was going back to the beginning of the Arab Spring, and let's date that with the U.S. invasion of Iraq in some way, thinking that our alternatives in the Middle East were autocracy or democracy. And it has turned out that our alternatives are really order or disorder, and that -- so I really am wrestling with Putin in Syria. If he really is a source of order that's a good thing, but there's another thing we learned from I think we learned from I think the last 10 years, that if you think our choices are just ISIS or SISI, I-S-I-S or S-I-S-I, you will have a problem because if you don't have order plus, if you don't have order with an upward trajectory of more inclusive government, order based on no victor, no vanquish, if it's just order based on weight and force, suppressing this society because you think our only choices are SISI or ISIS, that will end badly too because I do believe we are in a post imperial, post colonial, and what I believe will play out, I think we're in a post authoritarian world.

MR. INDYK: Okay. We're going to go to your questions now. I would just add one point, Tom, that he's also intervened on the side of Alawites and Shias against Sunnis, and that's going to get -- badly too.

MR. FRIEDMAN: Exactly. Again, backing a minority.

MR. INDYK: I need you please to stand, wait for the microphone, identify yourself, and ask a question. So please, here, the lady in the middle.

MS. FIX: Thank you very much. Liana Fix from the German Institute of International and Security Affairs from Berlin. What I would like to ask is what exactly is your idea for a way forward because the German and the French government are moving in very small steps and the deadline for the Minsk Agreement is running out towards the end of the year. And for us it was like a huge success that

the elections in Eastern Ukraine were postponed, whereas for example, Jeremy Shapiro in the Brookings Blog proposed a sort of new negotiation settlement. And I think those are quite different views on how to proceed between the Europeans and the U.S. foreign policy. So I would be interested in coming from your historical reflection, what exactly should we do until the end of the year to bring this conflict forward?

MR. INDYK: Marvin?

MR. KALB: It very much really depends on definition here and definition rooted in policy, and then expectation. If you feel that Ukraine is on the edge of a possible solution to its economic and political problems, if you feel that then your question makes a great deal of sense and demands some kind of an answer because you are asking for diplomatic action or economic action as keys to a solution. If on the other hand you feel that that may not be the case, that you may be in for a long slog in which Ukraine more or less exists five years from now as it is right now, if you feel that then the idea of sending more economic aid, more military assistance to Ukraine doesn't make a great deal of sense. Now (inaudible) have tried two or three times now to generate some kind of serious diplomatic moves to advance Ukraine's case. They have had limited success, but really limited. And at the end of the day not much has changed. You've got to ask yourself what is realistic, what is possible. If the United States right now wanted to send $50 billion into Ukraine and a good bit of military hardware, and a lot of support, military trainers and economic help, maybe you could turn Ukraine around, but it will take easily a generation because at the end of the day it's the Ukrainians who will have to make it work. The Ukrainians right now are trying to have an election. It is a local election. Theoretically it's not a big deal, but they haven't had on there in a year and a half or two. And the reason they haven't is that in each one of the communities there is a guy generally who runs the place. He could have an allegiance to Kiev or not. And if he doesn't he's going to want to run it in his own way. And what we're seeing already in the small elections is that they become increasingly meaningless because of the lack of a connection to some national purpose, something in Kiev that's going to move the whole country in a certain direction. They're not there, they're simply not there. I'm sorry to give you an essentially negative appraisal, but that's where I believe the case is.

MR. TALBOTT: Marvin, do you think Ukraine is capable of being a successful

independent nation right now?

MR. KALB: Right now, no. Not right now, no. That's why I said before that it may very well be that they're going to need a generation or two before they move their -- and that assumes certain positive things along the way.

MR. FRIEDMAN: What would they have to do?

SPEAKER: Yeah, why not? Explore that a little bit; I'm curious.

MR. INDYK: What are you looking for?

MR. KALB: Just look at what has happening. I just gave one illustration with elections. Take a look right now at the manner in which the Ukrainian military is composed. That gives you an insight into the way a central government is not supposed to work.

MR. INDYK: Tell us, how is it.

MR. KALB: Well, the Ukrainian military today and the people who are doing most of the fighting on behalf of Ukraine are independent militias financed and trained by Oligarchs, to use a shorthand term, in different major cities or enterprises around the country. The defense minister cannot give an order that all of the military is going to abide by because the military is composed of different militias. So that is an illustration also of how difficult it is for them to move today.

There is also profound corruption in the way in which the economy and the political system work. And if you think that with that kind of corruption you can actually advance the case as you put it -- how did you phrase it -- for a modern vibrant democracy -- democratic state, just is unrealistic, Tom, it's just unrealistic. And as I said earlier I believe with a passion that they have every right to make the effort, but at the end of the day they are the ones responsible for their success, they cannot place the responsibility on us.

MR. INDYK: Nina, do you want to comment on that?

MS. KHRUSHCHEVA: Just a little bit, actually in defense of Ukraine, not that it needs defending. But they are always trying and we as the Russians always stop them. You know, because Ukraine has been such an issue for the Russians. I mean I want to go back to Stalin and this horrible, horrible Holodomor war that happened in Ukraine and the Russians argue, yes, of course everyone was

dying of hunger at the time in the early '30s because there was no agriculture. Ukraine just --

MR. KALB: Seven million people died.

MS. KHRUSHCHEVA: Right. And Ukraine -- in fact Khrushchev talked about this, he said I was in Ukraine at the end of 1920s and it was very wonderful food supplies. I mean wonderful -- he was a communist, so what wonderful is we are not entire sure, but it was probably reasonable. And suddenly when he came back to lead Ukraine at the end of the '30s, right in '37, five years after Holodomor, 10,000 people suddenly are gone. And he just even himself grappled with that. So I think there is an issue with Ukrainians because Russians always want to keep them in check and that was my example with Medvedev as it's very difficult to move forward when there is a country that always doesn't want you to move forward.

MR. KALB: To hold you back.

MR. KALB: But I think after the Orange Revolution, corrupt or not Ukraine had -- and your colleagues from the *New York Times* that was stationed in Moscow, they would go to Kiev and they would say I'm going to Kiev just for a few days to experience creature comfort. So Ukraine has a chance to move.

And as for the military, why do they have to have a military? A lot of countries if they were put in this kind of position that Russia put Ukraine in probably would fail militarily too. So I think the problem is that they're just trying to meet all these requirements of a state that they were not planning to be. They were known as a bread basket of Europe, and they want to be known as that again. And so I think that's also a dilemma of our own perception of this. A lot of countries are corrupt and yet -- I don't about Taiwan -- I imagine somewhat -- and yet they continue to exist and move forward. And I think that somewhere a solution should be there to let them be what they are.

MR. INDYK: Let them breathe. Okay. Let's take another one. The lady here.

QUESTIONER: (Inaudible) University of Washington International Studies and columnist for Masa Revelion, independent newspaper in Egypt. I came drawn to the term "new Cold War" in the title. And in my latest column I wrote about Russia and Egypt and whether it's prudent of the Egyptian administration to be too pro Putin in this dynamic of new Cold War again, as if we're creating that.

Especially that it cost a lot in 1967 with that proxy war at the time. But then I'm re-examining this very analysis when I look at Syria and I wonder if there is no new Cold War at all. The strategic interests of the U.S. in the region are somewhat congruent with the task of military intervention of Syria that brings that kind of order that Tom was just touching upon here.

So I would like you to reflect a little bit about this new Cold War and whether we're not really having any new Cold War and the U.S. is not even thinking along this separation.

MR. KALB: Well, I'd be happy to give you the definition that was in my mind when I thought about subtitle. I wrote that, a new Cold War, because the old Cold War had won immediate characteristic that was recognized on both sides, and that was that communism had a global aspiration that Soviet policy was seen in a universal, in a global context. You were advancing toward some nirvana that would exist 20, 50, 100 years in the future.

In my judgment the new Cold War is the positioning of American and Russia as very important nations each with its own national structures, beliefs, ideas, and there will be competition and there will be degree of rubbing up against each other, but not necessarily military conflict, but an awareness on both sides that you've got to take the other side's interests into account. If that brings us back -- and this is the problem -- that brings us back to spheres of influence. They exist -- I remember several years ago -- I can't give you an exact date for this -- but a Russian submarine was picked up floating around -- we got signals of it -- floating around about 20-30 miles off New England. And there was a protest that went to Moscow, don't get too close to us kid, you know, that sort of thing. Cuba was until recently, and still is to a degree, an illustration of a hope that Khrushchev could extend Soviet influence into the American sphere of influence. That sphere of influence was set up by an American president 200 years ago, who claimed as such, as ours. And only in recent years has our Secretary of State said that that doesn't exist anymore. So these things are there and that is part of the new Cold War, but I wouldn't push the whole thing too far.

MR. INDYK: Tom.

MR. FRIEDMAN: So I think we're in the middle of a transition between two systems. The Cold War one that Marvin described, but I think the new system is driven by the fact that -- I mean it

depends what you think is driving the world. I think what's driving the world is that the three largest forces on the planet, the market, mother nature, and Moore's law, are all in a simultaneous non linear acceleration. And what that's doing is stressing out strong countries and blowing up weak countries. And the countries that are blowing up first are all those whose borders are primarily straight lines. They are like caravan homes in a caravan park, built on a slab of cement with no foundation. What you're seeing in the Middle East is a hurricane going through a trailer park basically. And what that's doing is creating a new divide in the world, and the divide is no longer communist, capitalist, east, west, or north, south. It's between the world of order and the world of disorder. And what's going on in the Mediterranean today are millions of people living in the world now of disorder, trying to get out of the world of disorder into the world of order.

So my great frustration with Putin is that I want Russia to be part of the world of order. I want it to be a (inaudible) to the world of order and he's caught up with one leg in each world. Some days he wants to foster the world of disorder, and some days he tells us I'm just here to foster order. And I think he in his head is in a transition between these two systems. And that's a real problem.

MR. INDYK: But isn't his head still in the world that Marvin described, some spheres of influence?

MR. FRIEDMAN: Yeah, I mean I -- he's very much in that world.

MR. INDYK: A different kind of order.

MR. FRIEDMAN: And Marvin is right. I mean look, you know, we believe in spheres of influence ourselves as well, but it's a lot easier for us to be comfortable with human agency because the expressions of human agency in our hemisphere are all to become more democratic and capitalistic, whereas for Putin it's just the opposite.

MR. INDYK: Okay. Down in the back there's a gentleman there with his hand up right on the aisle.

MR. ABEL: Hello, I'm Allen Abel from *Maclean* magazine. We've talked about Mother Nature and human nature. We're always told that nature abhors a vacuum. Has Barack Obama been the vacuum that's permitted all of this to occur?

MR. KALB: I don't believe so. I don't believe so. I know that that is the current line of thought and it's an easy line of thought. But if you take into account that what Putin is doing in the Middle East right now may very well get him into very serious trouble not only in the Middle East but at home, you can see that what he is playing around with is incredibly dangerous. And it isn't that the President is doing nothing. I have a feeling that the President is probably doing a great deal that is not absolutely apparent to every pundit who writes today. But I will not jump on the bandwagon of criticizing the President for creating a vacuum that Putin and his genius is now exploiting. I don't see it that way at all.

MR. INDYK: Nina, do you have a view on that?

MS. KHRUSHCHEVA: No. I agree with you.

MR. INDYK: Tom?

MR. FRIEDMAN: I agree with Marvin.

MR. INDYK: Down the back in the pink shirt. (Laughter)

MS. VOROZHKO: Thank you. Thank you so much. My name is Tatiana Vorozhko; I work for Voice of America. I'm originally from Ukraine and from Russia both. What you just mentioned, you base your argument on history. And the ideas you just mentioned about Kievan Rus being the origin of Russia, about brotherhood of Ukrainians and Russians, this is something I read myself in a textbook in fifth grade when I was back in the Soviet Union in the '80s. Since then there was a huge body of research, both European, from United States, from Ukraine, which discredits many of those ideas that I just -- I can mention some of the names, Sergei Pohid, Timothy Snyder, Bill Linski, a lot of names which for example -- a lot of research points to golden order is the place of original Moscovia and later Russia. And Ukrainians and Russians are very different ethnically, the language is different. The Ukrainian language is much closer to Polish language than to Russian language. They have different folk lore. Ukraine has never been part of Russian for its whole history, but only for the last 350 years, and it has always been fighting for its independence in one way or another. We remember Mazepa and so forth and so on.

So when you work on this book did you consult that historiography which does not adhere to the major line of what Russia represents. That's my first question. How far did you go --

MR. KALB: There's more than one question? (Laughter)

MS. VOROZHKO: If I may, another question. It struck me a little bit I would even say racist that you kind of treat Russian people as superior people to Ukrainians because it sounds that their psychological needs are to see the reality adhering to their preconception based on this mythological understanding of history is more important than the rights for Ukrainians for their independence, to chart their own history. Do you see Ukrainians and Russians as equal?

Thank you.

MR. INDYK: Next question over here. (Laughter)

SPEAKER: Good question.

MR. INDYK: Marvin.

MR. KALB: Let me just pick up the last point because it's easier for me to deal with that than your first point. Yes, I regard the Ukrainian people and the Russian people as equal in that they have equal rights, but there are rights that are constrained by the reality in which they live. So if you talk to me about rights, that's a lovely word, and I understand it, and I've read the same philosophy books that you have, but rights are rights and reality is reality and I'll stick with the latter to understand the present day Ukraine and the present day Russia.

Thank you.

MR. INDYK: Do you want to respond to the first question at all?

MR. KALB: No.

MR. INDYK: No. Okay.

MR. KALB: I don't understand it.

MR. INDYK: I see. All right. Over here please.

QUESTIONER: Thank you. My name is (inaudible) and I am formerly a researcher with Radio Liberty. I had a number of questions, a number of points I wanted to raise, but I'll just keep it short.

MR. INDYK: Right. We only have time for one question.

QUESTIONER: Okay. Mr. Kalb, you said that one of Putin's objectives is to stop Ukraine from drifting westward --

MR. KALB: Towards the west, yes.

QUESTIONER: -- and towards NATO. Okay. And you said he was successful in that. I've been doing polling in Ukraine and Russia for 20+ years and I've been following the trends of opinions of people in Ukraine and in Russia, especially in Ukraine. To what extent they want to move west or east you claim that Ukraine is divided roughly half and half, that half wants to go Russia, half wants to go west to Europe.

MR. KALB: I never said that by the way, but.

MS. KHRUSHCHEVA: You claimed that? I don't remember you claimed that.

MR. KALB: I never said it wrote it, but go ahead.

MR. INDYK: Do you have a question?

QUESTIONER: Now the question is that if you -- that Mr. Putin I believe has actually utterly failed in his objective because if you take the polls that were taken just recently 60 percent of Ukrainians want to be part of west, only 8 percent want to be part of -- leaning toward Russia. That's an 8 to 1 ratio. Okay, that's something that we have to be aware of. And that's for now that's --

MR. INDYK: Right, okay.

MR. KALB: Well, thank you very much.

MR. INDYK: I guess the question is, is what Putin has done been counterproductive to his own objectives?

MR. KALB: No, I think the gentleman is raising an interesting point in that most of the public opinion data really over the last 20 years indicates that most Ukrainians would like to drift off to the west rather than the East.

QUESTIONER: Eight to one ratio.

MR. KALB: No, I just repeated that, sir. Thank you. Very much want to drift to the west. And if their desires -- I raise a question, why couldn't their desires be matched by performance? You know the answer as well as I do. You reach --

QUESTIONER: (Off mic).

MR. KALB: Can I try to answer your question?

MR. INDYK: Thank you. Let's hear the answer please.

MR. KALB: We've reached a certain point -- and I think we've milked this a bit -- we've reached a certain point where a Ukrainian can get up in the morning and have his coffee and have a bun and go to work and wish deep in his soul that he could be living in Germany, but he isn't. He's living where he lives, and he lives with that reality. And so the public opinion polls are accurate, and I'm not arguing your point at all. I'm supporting it. I'm only carrying it one step further.

MR. INDYK: Okay, we're going to have to have a close out question and it's going to be mine. If we take Tom's point about the acceleration of these amazing disruptions that are taking place, 10 years from now we won't be driving cars and computers will have replaced the minds of human beings in terms of the capabilities, and we'll be on the way to replacing the workforce. Where will Russia and Ukraine be 10 years from now?

MS. KHRUSHCHEVA: I can happily yield to Nina on that. (Laughter) No, but I would say that 10 years from now there will be a lot of people living in Russia and Ukraine who are going to be using the computers. And Russians will -- I know them better than the Ukrainians, but Russians will still be dreaming of that moment when all of them could have this new technology and they too would move off and live in the west. But I would be stunned if Russian Society fundamentally changed even given all of these massive technological changes.

MR. INDYK: Nina?

MS. KHRUSHCHEVA: Well, about 10 years ago I wrote an article about Russia in 2025, how in order for it to move forward it actually cannot maintain the territory of its current space just because you really have split personality disorder. So what I predict is that, you know, the Urals become the great ski resort and Kiev, St. Petersburg, and Moscow will basically turn European. Clearly that may not happen if Putin stays in power until 2024. It may not happen for the near future period. I think Tom was very correct that history has sped up, and I was actually arguing the same thing about only Putin. But then he has been around for 15 years, so clearly he didn't get the message. (Laughter)

But another thing that is important to know about Russia is that when we -- we -- they -- who -- in rational mind think that Russia should act a certain way because it's rational, just turn it upside

down and actually then you get an answer what Russia will do. And it is true that all of those developments -- I mean look at Stalin's industrialization. It was an amazing jump forward. It became obsolete in 30 years. So whatever Putin is doing is never for that future that you talk about, it's never for that humanity. It's for the time that they have control over their Kremlin position. And then it can go all sorts of directions. And I think that's where the danger -- what you're predicting is correct. The fact that Putin doesn't care because he thinks that Russia alone surrounded by barbed wire is better off than it is part of the world if the world does not adhere to whatever Putin has to explain and offer.

MR. FRIEDMAN: Yes, I would seem to pick up with that. And I think the tragedy to me of Putin is that he could have chosen to be Russia's anchor or its sail, and he chose to be the anchor. He could have looked at Ukraine and said why don't we use Ukraine as a little experiment, of transition to the EU, get the most out of it, and then bring -- I realize I'm being unrealistic, but he could have done that. Because some might say Medvedev was actually on that path himself. And make Russia strong by empowering its people rather than its history. And I think the great tragedy is what he chose.

MR. INDYK: The Imperial Gamble, you can buy it outside. It's a great read. Tom, Nina, Marvin, thank you.

MS. KHRUSHCHEVA: Thank you.

MR. FRIEDMAN: Thank you.

MR. KALB: Thank you very much, indeed. (Applause)

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