

THE BROOKINGS INSTITUTION

RUSSIA-U.S. RELATIONS AND RUSSIA'S VISION
FOR INTERNATIONAL AFFAIRS

Washington, D.C.

Tuesday, April 13, 2010

PARTICIPANTS:

Introduction:

STROBE TALBOTT
President
The Brookings Institution

Featured Speaker:

DMITRY MEDVEDEV
President
Russian Federation

* * * * *

*****President Medvedev's remarks were delivered in Russian – the following transcript is of the English simultaneous translation.*****

MR. TALBOTT: Good afternoon, everybody. I'm Strobe Talbott, and it is my great personal honor on behalf of all of us at The Brookings Institution to host this extraordinary event, Dmitry Medvedev, the President of the Russian Federation.

As all of you know, he is here in Washington to participate in a summit that is intended to promote nuclear safety. That is a cause that he and President Obama advanced just last week when they signed the new START treaty in Prague. These two leaders have also, in their personal interaction over the past year, given a new start to U.S.-Russian relations.

Before turning the program over to him, I would be remiss if I did not convey on behalf of all of us our deepest condolences to President Medvedev and his fellow citizens on the tragedy that they suffered as a result of a terrorist outrage two weeks on March 29th. I happened to be riding as a passenger on the Moscow Metro just a few days ago. It was a powerful and moving experience, a reminder of the courage and the fortitude of a great people. I might add that we all observed from a distance with admiration and with compassion another recent event in Moscow. While Russians were still grieving for their own compatriots, President Medvedev led a throng of Muscovites in laying flowers at the gate of the Polish

Embassy in Moscow this weekend.

The Russian people are fortunate to have in our guest of honor today a leader who is working so hard to modernize their economy and also working with Mr. Obama to build for all of us a safer world. Mr. President, the podium is yours.

PRESIDENT MEDVEDEV: Ladies and gentlemen, first of all, I would like to say a few words. I would like to thank you for the invitation to speak in this leading research center of the United States of America. It is by right considered to be the stronghold of liberal thought, and I know that this place has won the fame as the talent foundry of the American political class. Now, this is high time that I quote Robert Brookings, who once said that the activity of the institution he had established was based upon the belief that there is a necessity to do precise and impartial identification of matters in the study and presenting ideas without any kind of ideology. From the first days of their work, your analysts advocate precisely this principle, and this principle helped find solutions from those difficult problems of the global politics and internal problems as well.

Today the world is going through a period of profound transformation and faces serious challenges in its search for new models of development, although this phrase can be used for any period of the development of the humankind. And for us it is very important that there is concordance of interests and interdependence of our approaches. The

world will be harmonious only when the parts which make it up do not collide, but interact and create the basis for development. Democracy, human rights, and market economy make up the basis of not only national development, but also some common set of international values.

The dialogue between Russia and the United States makes up an important part of those. I am sincerely happy that our cooperation is starting to yield concrete results. Moreover, I must say that I am glad that, over the last year, we managed to change the atmosphere of the Russian-American relationships. That doesn't mean that our relations have become cloudless and everything is perfect, but the environment has been changed and there are direct results. And I must say that I am glad that I did part of that.

This meeting is taking place right after the Washington summit on nuclear security. I would like to say it has been a complete success. I don't remember such a clear summit when all the participants would be unanimous in their assessments of the situation. This is not economy. This is not global crisis discussion. This is the topic crucial for every state, and it's a real threat, a real challenge, for all of us.

Last week -- I would like to say once again, President Obama and I signed a new treaty on reduction and limitation of strategic offensive arms. And we made real progress, whatever the analysts say about this treaty. They keep saying that the balance is changing, and it can be

advantageous for some of us; but nevertheless, this is a real success.

Russia and America have not an easy history of relationships. Sometimes we run into problems. Sometimes we suffocated each other in embrace. At other times there was an abyss dividing us. But we should not try to find differences; we should build a long-time pragmatic relationship for the future based upon democratic values and economic freedom and common goals to counter global threats. True, we have a very different history, and people see things -- sometimes they see things in different ways. The USA has been developing a market economy for two centuries already, while our country in the 20th century has gone through a sequence of economic and political experiments and ordeals. So as I strongly believe, Russia needs several decades of gradually building up an efficient political and economical system. And this is the only way old disputes will be left in the past. To make this happen, there is no need to teach each other how to live well. We should communicate on a regular basis in an honest manner, being absolutely frank.

The problems of our country are well known to us. Those are corruption, technological underdevelopment, and unhealthy lifestyles. But we began to change our system 20 years ago and this system -- I would like to highlight this. The system does have its own traditions and it has the trace of old-time traditions. They have become a habit. Sometimes they are an obstacle, but, to a certain extent, they provide protection to society. They

prevent it from falling apart. We know how to deal with these problems. Using the experience of our friends, we have to build partnerships on a whole range of matters.

On our part, we are ready to provide assistance to the United States, if it is needed, and sometimes it is needed in resolving some problems. Declaring the principles of democracy is not what is needed. A lot of countries do that, and not even changing laws -- although improvement of legislation is a necessary task for us -- is not enough. What is important is that we exercise the principles of democracy.

Practice is the criterion of truth and political practice, or legal practice, indicates all the best and the worst parts of a system. This is really important and that's when we'll successfully fight corruption; then we will discharge people who are unqualified for their service. And what is important today is receiving feedback from the citizens. And I think that this should be done by every official, every statesman, whatever authoritative level they have they should use the technology. I try to do this, and I believe that others should do that as well.

Today we have a lot of opportunities to do that, and sometimes I think that very often statespeople have become slaves to their aides who sort the materials, make the files, and present them to read. And sometimes they decide what can be shown to the leader and what cannot be shown because they want to present their country and their work in a

positive light, but the time has changed. Whatever I read or President Obama reads we always have the possibility to go online and see what is happening in reality. This doesn't mean that the Internet is the final source of truth, but this is an alternative source of information. We don't need our aides that much today. We can immerse ourselves into information. This is a very important advance that we don't sometimes realize to the full extent.

We will cooperate with the United States on the most important issues like countering terrorism, trans-border crime, and piracy. We regulate regional conflicts. We are trying to counter the climate change effects, and we pay special attention to the international relationships regulation like the United Nations. This is a good platform. It is universal. And we work in the framework of the G-8 and G-20, and we're going to continue this work. We are going to overcome the effects of the global economic crisis as well because we do not know what the future will be.

But there are various scenarios, and soon we will be meeting each other in the format of the G-8 and in the format of the G-20. We are dealing with regional security issues, and I would like to draw everyone's attention to the initiative which we came up with after I was elected, which is the American-European Security Treaty. And this is an important thing. It is not aimed against any organization. This was not the reason behind it. This is not a trick made by Russians against NATO or OSCE. We are just trying to add a better tool to the security system.

Another issue on which we work quite extensively now and we discuss it -- maybe you will have some questions on that -- is the Iranian nuclear issue. Now, a lot is being said about the need to impose sanctions on Iran, and the reasons for those sanctions are totally clear. Iran still hasn't responded to the compromise suggestions that have been made to it. We are discussing these suggestions on sanctions with our colleagues in the six-party talks. Last time we discussed this topic with President Obama in Prague when we saw each other to sign the new START treaty. It doesn't mean that sanctions are such a good and healthy thing and they don't always bring about the necessary results, and certainly they should not punish the people. They should only prevent the spread of nuclear weapons. Only in that case they can be efficient.

We are assisting Afghanistan in their transformation towards a stable and sustainable developing state. We are trying to assist them in assuring a peaceful life. We work together in the political area. We are trying -- to ensure political settlement, we are reinforcing the local authorities, assisting the police -- we are working together on transitional issues. I believe that all this will eventually contribute to a common result. So far, little is being done to counteract the drug trafficking originating from Afghanistan. Maybe that is because America is less affected by this problem and Russia and Europe are suffering more. These drugs go to all countries and we should achieve greater progress on that.

We have similar approaches on the Middle East settlement. We need to create necessary conditions for the creation of an independent Palestinian state. So far we are facing a lot of difficulties. Until then we cannot expect a durable and sustainable peace in the Middle East. So far the United States is taking vigorous efforts to recover the constructive process, including through proximity talks. We totally support this idea and this year I have met almost all of the Middle East leaders. I supported indirect talks. We hosted the meeting of the Quartet in Moscow. And I hope that eventually it will lead to direct negotiations. Any stop in the development always brings about lagging behind. That is why our country started modernizing its economy and started the technological innovation introduction.

So far, frankly speaking, we haven't done that much, and here we like to count on the partnership with leading economies in all of the world including the U.S. economy. And I was very happy with our discussion with President Obama when we started discussing our agenda not with the Middle East and not with Iran and not with the problem of the START treaty, but we started our discussion with economic cooperation between our two countries and I believe that, the truth to be told, it is the area that most failed in our relationship. Now we have recovered a dynamic development in this area. We have established a constructive relationship at the personal level between the presidents. But there are no economic results to that so far, so

I would like to reiterate that it would be a very useful thing, though business is business and it is governed by its own rules. We cannot impose things on it, but we can create conditions conducive to its development.

I have quoted a saying by the founder of this institution, Mr. Brookings, and it would be wrong should I not quote at this institution the incumbent U.S. President when he was addressing a meeting in Russia. He said that America needs a powerful, peaceful, and prosperous Russia. Those are good words. But Russia in turn also needs a responsible, peaceful, recognized, and dynamic developing America, an America that enjoys the respect of the entire international community, that develops partnership with other countries on an equal footing and that develops its position towards the development of a new system of international relations. That would be a great thing to achieve.

At this point I would like to finish my remarks and now we can start the more interesting part of this meeting, the Q&A session. If you don't mind, I will stay here to take your questions.

MR. TALBOTT: Mr. President, thank you so much. We will in a few minutes open the conversation to include our friends here in the audience, but perhaps I could get the conversation going a little bit between the two of us by asking you to follow-up a bit on two issues, and they both boil down to one question, which is what next? What next for the negotiations between the Russian Federation and the United States on

nuclear and other armaments now that you have the new START treaty done, awaiting ratification of course on both sides? And what next by way of follow-up on what you have described as a very successful Nuclear Safety Summit here in Washington?

PRESIDENT MEDVEDEV: Frankly speaking, I really hope that more work will be done after that, more work will follow. Speaking about the outcomes of the summit, I hope that we will not just go home feeling happy. As to the START treaty, I would like to see at least one legal fact after that, the ratification of the treaty. If it does take place, it will mean that President Obama and I did not work in vain, and should there be no ratification, it will mean that we have gone back to some kind of Soviet times when these kind of treaties were not ratified. But on the other hand, it would be very important in my mind that our relationship should not be reduced to nuclear cooperation or to the limitation of strategic arms, though certainly it is something that people expect of us, and in this regard, we have assumed a great responsibility towards the international community. I would like us to have a much broader cooperation on all the other areas.

As to the future of the treaty and our further steps, I would like us to undertake all the necessary procedures provided for in the treaty. I would like the treaty to be transparent. I would like it to be acceptable to both our societies in Russia and the United States. I hope it will not cause any tensions. And I hope it will help us to build on our future cooperation,

though, frankly speaking, besides strategic offensive arms, there are other types of arms that are quite dangerous as well that also require an agreement between us, that require a discussion between us because there are conventional forces that can cause a dramatic damage and on such systems we haven't yet coordinated our position as to what to do next. There are issues on which we should formulate a common position like nuclear terrorism, like nonproliferation, like control over states that are threshold countries and that are trying to use all the ways to sneak into the nuclear club. This is our joint responsibility and I would like us to work on that together.

MR. TALBOTT: Thank you very much. I suspect maybe some of our colleagues will return to these issues, but if I could ask you one question about Russia and the global economy, and that is what do you see as to the prospects for Russia being part of the World Trade Organization?

PRESIDENT MEDVEDEV: Being honest, I think that we should have been in the WTO a long time ago because we have been on this threshold longer than any other country, even such a big country as China. Being honest, I think the issue of Russia's accession to WTO is highly politicized. It has been a carrot before us. They keep saying, well, behave well and we will accept you to the WTO, but this is not correct because if we accede to the organization, everyone will benefit, not only Russia. It is a very important part of the international economy. Whatever

people say, we have a lot of things to offer and the harmonization of the rules we use is very important.

Talking about my personal position, we would like accede to the WTO and we should make this procedure not humiliating for us. And I will be frank; I know that Barack Obama will be not offended. He said that Russia should join WTO quickly. We started the process in 2006 when our relationship was just evolving, but there is no result as yet and we count very much on a favorable position of the new administration to force the joining of Russia to the WTO. This does not run counter to other commitments like a customs union with Belarus and Kazakhstan. All the processes can be harmonized and help each other benefit from it.

MR. TALBOTT: Thank you very much, Mr. President. I'm going to invite the audience to put some questions succinctly as possible to President Medvedev, and I'd also ask, please, to be sure that they are questions and that you identify yourself when you stand up to ask. We have microphones around the room. I'll start with Ambassador Rick Burt.

AMBASSADOR BURT: Richard Burt, the Global Zero Initiative. Mr. President, I listened very carefully to the answer you gave Strobe Talbott about what's next and you've outlined a number of areas that the United States and the Russian Federation could work on: European security, conventional forces, proliferation. Does your answer suggest that a new round of further reductions in nuclear forces is not a Russian priority, a

new round of negotiations following the START treaty and hopefully its ratification is not a Russian priority, or would you support a follow-up negotiation to achieve deeper cuts?

PRESIDENT MEDVEDEV: Mr. Burt, I would like to say that this is an important priority for Russia as well as for the United States. Ratification is a process that should be addressed by all of us together by each country and we have agreed with Mr. Obama that ratification will be simultaneous, not to make everyone in -- not to put anyone in an awkward situation talking about further reduction of strategic potentials; this is our aim in general. There is no doubt about this, and today at the summit I said that the idea of a global zero today is not an illusion. But we should be honest with each other talking about responsibility about the situation on the planet. This is not only a Russia-America responsibility though we have the biggest part of armaments. If one day people will arrive at global zero, that will be made not only by Russia and America, it will be a collective effort. And I will not point to finger anyone, but we have partners who are less willing to cut their potentials than Russia or America and we have to convince them to go that way.

But talking about the further process, talks, we are ready for that and we are going to engage in this. This is natural, but today we have made a threshold ceiling for the next 10 years and this is enough now, and if there is a need then we will discuss the new levels. But these 10 years will

be peaceful for us as long as we ratify this treaty and if the thing written in the preamble will not happen, it says about the link between ABM and strategic offensive arms, this is a hard issue. We have been discussing it for a long time and we have created this formula that the parties acknowledge this link and we have worked out a principle or a statement that the treaty will be in effect as long as the development of ABM or other arms development will not contradict the principles of this treaty -- this is a sensitive point. Like President Obama, I am optimistic about this and we hope that we will not stop the treaty or withdraw from it having some problems about ABM or other issues. But everything depends on us and other politicians who will treat this issue.

MR. TALBOTT: You have Mr. Margelov as part of your delegation and perhaps he can coordinate with his American counterpart Senator Kerry on the two ratification processes.

PRESIDENT MEDVEDEV: Would you like to make a question? Now you have this opportunity.

MR. TALBOTT: Mr. Margelov, you've been invited by your president.

MR. MARGELOV: Thank you. I will ask a question in Russian. Mr. President, next week we will be discussing with the Senate the synchronized simultaneous ratification and the main issue that is being asked by all counterparts. When will the Russian President submit this

document to the Russian Parliament?

PRESIDENT MEDVEDEV: When will the American President do it?

MR TALBOTT: The first week of May.

PRESIDENT MEDVEDEV: Then we will do the same thing right then. We can do that as a package deal, like two packages. In the morning I'll make a call to Mr. Obama and ask him are you doing it? And then I do the same thing, I'll send the package right there.

MR. TALBOTT: Congressman Delahunt is here. You can perhaps give Mr. Margelov some advice on how to synchronize our own legislative branch.

REP. DELAHUNT: We have a problem, Strobe, as you know. It's called the United States Senate. But if I could --

MR. TALBOTT: I said Congressman Delahunt.

REP. DELAHUNT: Hi. I'm Congressman Bill Delahunt. Welcome and congratulations on the signing of the treaty. And I know many of us in the House of Representatives hope that the Senate does proceed to ratification.

But I do have a question. And you referenced the economic relationship between the United States and Russia. And recently we had a visit from the State Duma delegation headed by Deputy Kosachev and that issue did arise. And I think we all agree that the level of commerce between

the United States and Russia is unacceptable. It's abysmally low.

We have some ideas on the House side as to how we would like the Russians to make some adjustments. But if you had a wish list of what you would like to see coming from the Administration and from Congress in terms of initiatives economically, what would they be?

PRESIDENT MEDVEDEV: Well, the question is, how many wishes can be fulfilled? For example, there are wishes that are never to come true that we are not even mentioning anymore because they are probably impossible ones. They are wishes impossible to fulfill such as the withdrawal of the Jackson-Vanik amendment. It's such a complicated thing that even in front of this high audience, I'm not speaking about it.

Well, seriously speaking we need to review our current economic relationship. Before the crisis our bilateral trade was around 25-, \$30 billion. This is not that much taking into account the size of the American and the Russian economy. Frankly speaking, the volume of trade between Russia and the EU is \$250 billion. The trade between the Russian Federation and the People's Republic of China is smaller now, but still it is two and a half times bigger than that with the United States.

But it's not only about the volume of trade, it's about the investment as well. As far as the investment is concerned, the situation is not that good, but at least it's a parity situation. We oftentimes use this word. The volume of the U.S. investment in the Russian economy is around \$7

billion. This is nothing. It's a zero. The volume of the Russian investments in the U.S. economy is \$6 billion. This is a little bigger than with other countries, but after all, it's not that much.

Anyway, the volume of the Dutch investment in the U.S. economy is \$150 billion. This is the difference in the balances. It doesn't mean that we will be able to breach this gap very soon, but anyway, mutual investments bring countries much closer together and they facilitate development. Most importantly, there should be understanding between investors and the state should see these investments positively as well. It is about creating favorable regimes for such investments and in general about a favorable treatment to such foreign investment.

In our country the investment climate is not the best possible and we should do everything to make it more attractive. It doesn't mean that things are so perfect in the United States, but there are things we need to do in order to improve the climate and its elements, some economic regimes that could be used, including the situation with the legal system. We can improve the functioning of our accords, we could combat corruption. Those are the barriers to trade and investment, and not only from the United States. We see these problems and, most importantly, our partners should see their own problems as well, including those problems that impede Russian investments or the implementation of joint projects in third countries.

MR. TALBOTT: Bill, I'll come back to you and ask if it's true that what I'll call the retirement of Jackson-Vanik is an impossible dream, an impossible wish?

MR. DELAHUNT: I do not believe it is impossible, Mr. President, and I think there is sentiment in Congress today to address the issue. You're probably unaware, but recently there has been the formation in the House of a Russian Caucus, and it's an issue that's being discussed and discussed seriously.

MR. TALBOTT: Toby Gati?

MS. GATI: Thank you, Mr. President. Toby Gati, Akin Gump.

There was a great outpouring in the United States of unity with Russia after the terrible terrorist act and in part this is due to the many contacts that had been made between Americans and Russians in the past 20 years, which is a very positive development.

In your first comments about this attack you said that Russia had to deal with terrorism very harshly, but also respect human rights and the rule of law. But we've heard a lot about the first and very little about the latter, and indeed after Beslan there was a tightening up in the political system.

You've talked for many months about the reform of the security structures and the judicial system, and maybe it's even more necessary now. So, my question is this: How do you convince society, how

do you convince other people in your government that part of the fight against terrorism is respect for human rights and for all of Russia's citizens? And how do you hope to avoid the overreactions that have taken place in other societies after terrorist acts?

PRESIDENT MEDVEDEV: Well, you have touched upon a hard issue. It's not always that the society requires that human rights be respected in the wake of a terrorist attack. As a rule, the society requires that the criminals be punished and in a most serious way, especially for terrorists, and only some secondary voices speak to the human rights. And this is something typical not only for Russia, this is not only a trait for the civil society in Russia, this happens in all the countries.

In the wake of terrorist attacks the people demand retaliation. But we're living in the 21st century and we understand that in the case of such attacks a full-fledged investigation should take place and it should involve all the parties concerned that are in charge of such issues in the country. And the final decision, the final ruling in such cases, should be made by the court. But there is a gap between the public sentiment and the position of the law enforcement and judicial system. And this is an actual problem that we cannot turn a blind eye to. Besides, it is necessary to establish a climate of understanding, not only inside our society, but also understanding between the Russian society and the American society, between the Russian political establishment and the U.S. political

establishment.

I'm referring to the following: We need to use the same scale to each other after the perpetration of the latest savage terrorist attacks in the Russian Metro. The reaction of the entire world was very consolidated and correct. It was as consolidated as ever. Nevertheless, in some cases we still see that old stereotypes are used that are quite offensive and insulting to Russia, including these cases are seen in the United States. I reviewed the press after the attacks and terrorists were still called rebels. We cannot accept that. It is unacceptable to us. I believe it insults the memory of those who died in the subway station.

This is a small detail that is quite indicative. On such issues we should be much closer together, we should hear each other better, and then we will be more successful in overcoming the consequences of such terrorist attacks. Speaking about the great solidarity of the Russian people towards the U.S. people, in 2001, this solidarity was quite high and we should learn to use the same scale while evaluating each other's situations. And we should be -- show solidarity to each other in many events, including such tragic ones as the death of President Kaczynski and his spouse and a great part of the Polish political elite.

MR. INDYK: Thank you. Martin Indyk, director of foreign policy at Brookings. Welcome to Brookings, Mr. President, and thank you for your wise, constructive leadership of Russia.

My question is about Iran. I wonder if you could describe for us how you view Iran's nuclear program. Is it a threat to Russian national security interests? And now -- are you concerned about it triggering a nuclear arms race in the Middle East? And now that you and President Obama are on the same page when it comes to sanctions, are you also on the same page with him when he says that force should be an option that's kept on the table?

PRESIDENT MEDVEDEV: The talks about Iran with Mr. Obama and my other colleagues are a part of our agenda. We do that regularly and on a full basis. This means that Iran is a problem to some extent and what is important that we find evidence of what their nuclear program is. As any society, they do have the right to develop the civilian nuclear program, but the problem is how they convince the community that it is civilian. And lately we did not bring any improvement to the situation, it has aggravated, and Iran ignores the questions addressed to it. They keep saying small phrases and make small suggestions, so we deal with this together, talking about the future.

I would not favor sanctions because sanctions is a repression, an imposing of some actions. But if nothing happens, we will have to deal with sanctions. The question is, what kind of sanctions are these? Many times I have answered these questions, what kind of sanctions we need. I do not favor paralyzing, crippling sanctions, make people suffer in a

humanitarian sense. This is immoral and it creates negative results, negative feedback, and I have grounds to believe that some people need this. They are waiting for a real clash of positions, but sanctions must be intelligent. And the question is, how we understand this word, what is acceptable and what is unacceptable? Sanctions must be universal. They must be discussed with the main participants of the international process on this question, and the sanctions must be aimed at one result. That's why the position upon sanctions depends not only on the United States, Europe, Russia, but also on China, Latin America.

In this case only, these decisions, if it is needed, are able to give results in talking about the Middle East, and what can happen over there if the nuclear program is implemented and a nuclear conflict arises. That would be a gigantic catastrophe.

We all can imagine what can happen in the Middle East if just one terrorist act happens there if nuclear arms are used. The Middle East is called the Middle East because it is small enough for bombings to happen in one place, for it to start spreading all over the world, and that would trigger a humanitarian catastrophe and huge exodus of people from different countries. And the worst thing is that it will trigger the nuclear arms race.

Many colleagues from the Arabic world say that if Iran gets nuclear arms, they will have no scruples without having them as well, and

this will enlarge the nuclear club, and then no summit will help. If all of those countries have nuclear arms, that will open a new page in the history of humankind which will be very sad.

And I hope that we will be able to agree and will manage to solve this issue by political –means.

MR. TALBOTT: Thank you, Mr. President.

Secretary William Coleman.

MR. COLEMAN: Mr. President, I really want to thank you for being here. I come from that generation of American people that were involved in the Second World War, and we certainly had great pride when we went into Great Britain and swept through France. But I don't think we really thanked the Russians enough for the fact of being on the East [Front] and having 25 divisions, and I think that made a lot of difference. So what I want to do is thank you and the Russian people for that.

The question I'm going to ask you is the same question I wanted to ask General Petraeus today when he spoke at lunchtime, and that was as the military decided that we had to go into Afghanistan, what would have happened that if the military had said the Russians, will you join us? Because after all you had a big battle there, and I think you still have problems there.

PRESIDENT MEDVEDEV: If I understood you rightly, you are talking about military presence of Russia in such operations? Do I get you right?

MR. TALBOTT: Joining the United States and its allies in the military operations in Afghanistan.

PRESIDENT MEDVEDEV: Well, I have been talking about Afghanistan as our common concern, and every country has their own history, and sometimes it is very sad. Our country has also its history of work in Afghanistan back in Soviet times, and that was a very hard page of our history.

I'm not sure that our society is ready to once again open that page, but that doesn't mean that we would like to stay on the sidelines. And we have agreed upon all questions of cooperation of Afghanistan starting with military transit and humanitarian, social and economic projects, restoring of its economy.

We should cooperate in this realm, but what is more important today is giving an opportunity to the Afghanistan political system to develop because we understand that America cannot be there all the time. It cannot be lasting forever. It's a very hard burden.

But if America leaves Afghanistan and the alliance leaves this place, then how will the political system live in Afghanistan? The

political system must become independent. It must gain some momentum, and that's what has to be our common aim.

When I meet President Karzai the first thing I ask is how the political process is going because this is absolutely important, and this is the thing which the Soviet Union failed to do. No matter what values we brought there, but our country tried to create a political system. We failed to do that, and Afghanistan rejected this political system and this political experiment.

So today's aim is that the modern political system of Afghanistan would be created, and an effective government would appear there, and then we may say that our aim has been done.

MR. TALBOTT: Mr. President, I might insert here a question about Kyrgyzstan, which has a pertinence of course to the effectiveness of allied and coalition operations in Afghanistan. You referred to your own country as help in opening transport routes. What is your assessment of the current situation in Kyrgyzstan?

PRESIDENT MEDVEDEV: The situation in Kyrgyzstan is difficult. Once again, Kyrgyzstan is living through a stage of a legitimate development, and unfortunately I believe that the responsibility for that is born by the Kyrgyz authorities themselves who hadn't taken effort earlier to consolidate the civil society, to agree with the opposition to settle the numerous conflicts underway and to organize normal economic

development -- once the former Kyrgyz president was outcast, and he was forced to leave the country, one of the reproaches he received was economic crimes, corruption.

A couple of years later, we see the same slogans and the same people there, only they switched places, which is quite sad because Kyrgyzstan is a close neighbor of ours, and least of all we would like to see Kyrgyzstan turning into a failed state. The risk of Kyrgyzstan falling into two parts, the northern part and the southern part, is still there, and it is important to prevent bloodshed. Around 100 people have been killed already.

Now the question is not about who started the whole thing, though certainly an investigation should be held to see who triggered all those problems. The most important thing is to prevent a civil war now, and I believe that Kyrgyzstan is on the verge of a civil war now. All the forces in Kyrgyzstan should realize their responsibility towards the Kyrgyz nation and Kyrgyz people, and towards the future of the Kyrgyz state.

We ourselves understand perfectly what a civil war means today. If, God forbid, it started, it will immediately attract terrorists and extremists of all kinds because in the course of such conflicts the best possible conditions are created for radical movements. In this case, instead of Kyrgyzstan, an Afghanistan of some years ago can emerge, a different Afghanistan before the military operations there. So our task now

is to help our Kyrgyz partners to find the calmest possible way to overcome the situation.

How can we do that? We need to soothe down the people. We should form a government that would be viable. And some political leaders will need to assume important decisions as to their future, a decision that should be motivated by the interests of the Kyrgyz people and not by their personal political ambitions.

MR. WEST: Mr. President, I'm Darrell West, vice president of governance studies here at Brookings.

I was very interested in your talk in the section about technology and how that broadens your source of information. I'm just curious how technology has changed your leadership style. And when you go online, what are you looking for? Also, do you and President Obama ever e-mail one another?

MR. TALBOTT: Or Twitter?

PRESIDENT MEDVEDEV: We don't e-mail each other, with President Obama, but it is a good idea indeed. That would be the fastest possible way to talk to each other because until we coordinate our communications with our assistants, then we communicate in writing. It takes a lot of time.

In this case, we could just have a couple of iPhones, and we could just exchange text messages or e-mails. I am quite familiar with that, as well as President Obama, as far as I understand.

But speaking about the changes that occurred in my life, to this new information environment, I should say that a lot of things have changed, and it's not a figure of speech. This is about our habits, and habits are the things we're made of.

If some time ago I started my morning with reading a newspaper or a digest or just watching the TV, I don't do that anymore. I just go online, and I find all the things there. There are newspapers, TV channels, Russian media, foreign media, media that are favorable to the Russian President, media that hate the Russian President, and they certainly speak whatever they think, which is very important because I don't have a perfect picture of what is going on. The picture that many predecessors of mine and in other countries used to have, this gives an opposite effect.

Very often, I review some requests or comments of desperate people who write about corruption, law violations, about other problems. I certainly cannot answer all those comments. But the most outrageous things, due to internet can trigger support from people, and then whole open letters are written by many people at the same time. This is a certainly a reason for a feedback from me, and then I instruct my

agencies and ministries and the government to attend to that. Originally, it caused it some kind of a surprise, but now people are used to that.

Moreover, I have started a blog that is run at my presidential website, and now governors have started doing this as well. For some, it is a totally formal thing. Others really communicate with people. If earlier officials were threatened by some addresses to their bosses, to the Kremlin, now they are threatened by such comments that people can write on the President's website.

This is becoming a part of our life. It cannot help us in all the things, in all the problems, but it is certainly helpful. In our society, in Russia, it is probably even more important than anywhere else. In our society, these bureaucratic traditions have ages-long history, and always authorities have been too far from the people, and probably it originated some political traditions as well. This type of communications helps us redress these kind of bad traditions, and I like this thing.

MR. TALBOTT: I don't know if it's going to be possible to have simultaneous ratification of the new START treaty in our Senate and your Parliament, but I'm sure that your opening proposal about [how] you and President Obama are going to communicate is going to cause a simultaneous spontaneous nervous breakdown in the White House and in the Kremlin. But I'm sure you're up to handling that.

PRESIDENT MEDVEDEV: No problem.

MR. TALBOTT: Antoine van Agtmael.

MR. VAN AGTMAEL: Antoine van Agtmael, Emerging Markets Management. If I may, I would like to switch to the economy as all the other questions except the technology question were about the political side. Two questions, looking back and looking forward.

Looking back, after the global crisis Russia was hit by quite a steep and fast economic recession. Did that surprise you and also how fast Russia bounced out of it?

The second question is Russia's well-known to have the largest reserves of gas in the world. Is that changing now that so much gas, huge quantities of gas, are being found in the United States, Hungary, all over the world? How will that change relations with Europe and even China?

PRESIDENT MEDVEDEV: Speaking about the global recession, if I were surprised--I will be frank, well, I was surprised. Every one of us have their own stereotypes, their own understanding of what are the weak places of economy and what are not. So the thing that happened after the crisis, the beginning of the crisis in our country, was a surprise because the extent to which it fell was more than I could have expected. I'm not talking about other economies. I talked to my European counterparts and American counterparts. All of them were surprised, but that was outrageous for me how our economy depends on raw materials. I never

understood that we are so much dependent on raw materials and this made me talk about modernization, about technology.

But for the crisis, probably we would live by our own inertia and living with high prices on oil and gas. I'm happy that this crisis happened. Well, this is bad that the economy has fallen down, and it is bad that this crisis made people suffer. Many people lost their jobs, it hit people very hard. But this crisis should change our mindset, our economic approach and as far it hasn't changed much.

Many businesspeople and ordinary people are waiting for high oil prices. It's \$85 per barrel now. It's okay now, but maybe it will be 140 someday and then we can do -- we can rest easy doing nothing. But the problem is that this is top-down development and one day the price will fall and the prices harmonize somehow. And being unable to reconstruct and re-equip, our economy will fail, so we have to use this chance.

The main challenge today is how fast we can do that. We would like to do it as soon as possible, but this is too difficult. So we have outlined five priorities of technological reforms, not because they are universal, but because they are quite important. And if we are successful in these ones -- like space, atomic energy, pharmaceutical drugs, energy efficiency, new technologies in energy -- if we will have some advancements in these realms, then it will be very good. Although high prices for energy carriers is good. We're not going to lower them. It gives us some

advantage.

The main thing is not to rely on gas and oil only. And the fact that America has found new gas opportunities, this is not bad. That will help us be more attentive towards our possibilities, our opportunities. And whatever we say, once every 50 years an energy revolution happens. First it was coal, then oil, then gas, then nuclear power. And I believe that in 30 to 50 years from now, the situation in energies here will be different in both our countries. I don't know if we will use hydrogen power, but being complacent with gas and oil is not good today.

MR. TALBOTT: I'd like to tag a question onto Antoine's. You mentioned the BRIC countries in your opening remarks. And you meet from time to time and are going to be meeting shortly with your fellow leaders of that grouping. When you get together with them do you talk about these issues and compare perspectives and plans? And what do you see as the future of that grouping?

PRESIDENT MEDVEDEV: I not only speak to them. After this meeting I'm going to Latin America where the BRIC summit will be held Brazil. And this group, this community of countries today is formed already. This doesn't mean that this is a full-fledged organization, but these are four countries developing at a fast pace. And if we are able to find consolidated approaches, we can do that on many questions, not on all of them, but the things we discuss, like economy and politics, -- they're important. And

today, BRIC has become a factor of international development.

Does that mean that this is a community having an eternal shape and it is rigid? I don't think so, but in order to change it we have to reach a common approach. We have to agree. Last year, when we met each other and discussed these issues in Russia, with all of the statesmen of BRIC, we discussed national measures and economic development. This is very good for us. And the outlook of our society is positive and we're going to develop this structure.

MR. TALBOTT: Ambassador Sestanovich, the last question will be yours.

AMBASSADOR SESTANOVICH: Stephen Sestanovich, Council on Foreign Relations. This is probably the first Brookings event at which two questions about Kyrgyzstan have been asked. This is number two.

Since the --

PRESIDENT MEDVEDEV: The Kyrgyz nation will be happy.

AMBASSADOR SESTANOVICH: -- (inaudible) President Bakiyev, some analysts, including in Russia, have noted how critical Russia was of him and said that Russia was angry that Kyrgyzstan had not kicked the Americans out of the base. Can you clarify this? Can you say that Russia has no objection to American access to the base in Kyrgyzstan to support our operations in Afghanistan?

PRESIDENT MEDVEDEV: Mr. Sestanovich, how can Russia even object against sovereign decisions made by other states? This is their decision. We can either like it or not, but it's a decision made by the Kyrgyz leadership, and President Bakiyev is a coherent person. He first said that he was going to make a decision to eliminate the American base in Kyrgyzstan, and then he made the very same coherent decision to maintain the Center for Transit Movement. I believe that coherency and consistency is always the better -- the best characteristic of a politician. The more coherent a person is, the better his results are. And we can see the results of the incumbent Kyrgyz president now. It does not mean, though, that we in some way are trying to impede that. On the contrary, when I met President Bakiyev, I always told him it is necessary to assist our U.S. partners in addressing the tasks in Afghanistan.

The other question is how effective this assistance is. Therefore, all the possibilities were there.

MR. TALBOTT: Mr. President, before I say a few words of thanks to you, I just want to ask our friends in the audience please remain seated after we have concluded the program so that I can escort President Medvedev out of the building.

To you, sir, I would just like to express particular appreciation not just for the substance of what you have said, which was remarkable in its breadth and its depth and in its candor, but also the spirit that you brought to

this discussion. You opened your remarks, first of all, by quoting our founder, Robert S. Brookings. He would be very proud indeed to have his name associated with this event today.

You also said some kind words about the summit that President Obama hosted. I'm sure you've had a chance to express those to him. But obviously that meeting set a very high standard, a very unusual standard, but you've done the same thing here with this discussion. And I can sense, I know enough people around the room, and I know the body English and the body Russian, to have a pretty high degree of confidence that we all are in your debt for spending this much time with us and covering as much ground as you did.

So I'd ask all of you to please join me in thanking President Medvedev and hope that you have safe travels.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012