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PUTIN'S NEXT ACT

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ALINA POLYAKOVA, Moderator
David M. Rubenstein Fellow, Foreign Policy
The Brookings Institution

JULIA IOFFE
Contributing Writer
The Atlantic

VLADIMIR KARA-MURZA
Chairman, Boris Nemtsov Foundation
Vice Chairman, Open Russia Foundation

ANGELA STENT
Director of Center for Eurasian, Russian, and East European Studies
Georgetown University

STROBE TALBOTT
Distinguished Fellow-in-Residence, Foreign Policy
The Brookings Institution

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P R O C E E D I N G S

MS. POLYAKOVA: So, good morning. It's my pleasure to welcome all of you. Thank you for joining us for this event on "Putin's Next Act."

I would first like to thank the Heinrich Böll Foundation for their help in making this possible. And on behalf of Brookings and the Center for United States and Europe, I'd like to welcome all of you to this, I think, very timely conversation.

We have a very distinguished panel joining me today. I'm Alina Polyakova, I'm the David Rebenstein fellow in the Foreign Policy program at the Center for United States and Europe here at Brookings.

To my far right, is somebody many of you likely recognize, just like the rest of our panelists, is Strobe Talbott, who is now a distinguished fellow-in-residence at Brookings, but of course was our president at Brookings for many years, and deputy secretary of state in the Clinton administration, and many other distinguished titles. Thanks for joining us, Strobe.

Next to Strobe and to my right, is Professor Angela Stent, who is the director of the Center for Eurasian, Russian, and East European Studies at Georgetown University. Dr. Stent has also spent time working at the National Intelligence Council, the Office of Policy Planning, and has held various other positions in the U.S. Government as well, and is one of the -- I think most prominent experts on Russia, and Russian foreign policy today. Thanks, Angela.

And then to my left, I have Vladimir Kara-Murza, who is the chairman of the Boris Nemtsov Foundation and vice chairman of the Open Russia Foundation. And I do want to thank the Open Russia Foundation as well for their help in working with us on highlighting some of the issues that have been taking place in Russia,

especially in regards to the situation with the political opposition. And Vladimir, of course you work very closely with Boris Nemtsov before his murder in 2015. And thank you for joining us here today.

And then last but certainly not least, I have Julia Ioffe, who is now the contributing writer for The Atlantic. Julia has written for a variety of other publications, she was the Moscow correspondent for Foreign Policy at The New Yorker, and she's now working on a new book on Russia; so, looking forward to that when it comes out.

So, I think it's needless to say that we have, just had a very tumultuous two weeks in affairs between Russia and the West, Russia and the United States. We've seen the mutual expulsion of diplomats, Russian diplomats, or spies, whatever you want to call them; and then the tit-for-tat response from the Russian side with the expulsion of over 150 Western diplomats from Russia as well.

Given that we are at this quite tense point in the relationship, many of our colleagues have commented that this is the lowest point in the post-Cold War Order for U.S.-Russia relations. And that in fact we are entering some sort new phase of a Cold War.

But it strikes me that I've heard this before many times. Certainly in 2014, after Russia's illegal annexation of Crimea, the invasion of Eastern Ukraine, and we've heard similar commentary. This is the lowest point in our relationship, where could it possibly go from here? But certainly there was -- we hadn't hit bottom yet, as we see now.

So, Strobe, I want to start with you. You know, you spent significant amount of your career working on Russia in the 1990s, such a critical period.

You've seen the development in the relationship. So, how significant are these latest actions in the larger picture of U.S.-Russia relations after the Cold War? Are we really in a New Cold War? Or is it actually something potentially even worse?

MR. TALBOTT: Both. I think we are deep in what you might call Cold War 2.0, and the end is not in sight, but what we can see now is really quite on us. I would say that the New Cold War, if you want to think of it that way, has some significant similarities, and also significant differences between the first versions of the Cold War.

Like the first Cold War the dangerous zero sum game that Russia and the West are playing, and particularly on the Russia side, brings back a lot that many of us in this room remember very well.

Also, as the first Cold War had an ideological dimension and the geopolitical dimension, so does this one. On the ideological front Russia is and has been for now more than a decade been reverting to an autocratic system of governance of the country, and also is waging war by other means to weaken Western democracies.

On the geopolitical front Russia is carving out beyond its own borders spheres of what I would call, not just influence or interest, but spheres of domination. And Russia is also trying, with some success, to rattle NATO countries, and building up a new generation of nuclear weapons.

So, that already, I think, meets the definition of New Cold War. But the differences between Cold War I and Cold War II, make the situation much more serious. This time around, unlike the last one, there is no process underway to mitigate the peril of a hot war.

Most concerning is the following. We are seeing on both sides, particularly on the Russian side, a ratcheting up of the arms race, but we are not seeing anything in the way of arms control. And that extraordinarily important part of the old Cold War has pretty much gone out of business. What we desperately need is to revive treaties, go into new areas, including the digital area, and there's none of that going on, and the old treaties are wasting away.

Another difference that disadvantages the West, is what's happening to the trans-Atlantic institutions, trans-Atlantic confidence and trust, all of these are in a rocky state, to put it lightly. The causes are on both sides. The European Project is stalling, and in several respects is going off course, and perhaps even backwards.

On this side of the Atlantic, and particularly in our hometown here, there is a unique and troublesome aberration. And that is that the United States administration has, as far as I can see, no coherent policy on how to deal with the Russia that's breaking bad, and that has never been the case in the past. There have been -- there were policies that didn't work, but there were policies, and there were strategies.

And this new situation goes straight to the President of the United States. Despite all, he still clings to his affinity for Putin and other authoritarian leaders, and that in itself, disqualifies him as a champion and protector of Western values and interests.

On top of that, the investigation into a possible Russian connection between -- connection to his campaign casts a very dark shadow over his motives, and it also hamstringing his relations with Congress, our allies, and with his own

Executive Branch.

So, Putin has a lot to crow about and far beyond the rigged election, which was originally going to be what we were going to talk about today. He is in a position that I think he's very smug about, and it is particularly dangerous, because he has gotten away with so much that he will probably try to get away with more.

And the West, for our side, has a lot to think about. A lot to repair and a lot to renovate.

MS. POLYAKOVA: So, thank you for that broad view, but you paint quite a dark picture, I would say. Is it in your view then, that we're still in the middle of this downward spiral and that we haven't quite bottom. That things are still going towards a more tense environment.

MR. TALBOTT: We're now into prophecy and my record particularly with the American side of our politics, I haven't been right at all.

MS. POLYAKOVA: (Laughs).

MR. TALBOTT: Something's just goes out there is going to surprise us today, but I do think it's a -- there's a two-sided aspect to the answer to your question. Because and you put it up for us at the beginning Alena. There are incidents in life, in our personal lives, in our national lives, where you get into trouble and the sense is that the situation is going to probably going to get worse before it can get better. There are a lot alarm bells that are going off, but not everyone is fully awake. That said, and assuming that in the interim, however long it lasts, whether the situation is either as bad as it is now, or worse, as long as we don't blow the planet up, the political west, shaky as it is now, is still routed in democracy.

While Putin, who seems to be on a roll is basing power on a retrograde system that is deeply flawed and basically is the same system that failed the Russia as the USSR during the last Cold War.

MS. POLYAKOVA: You mentioned the elections, which we will talk about later on in our conversation, it's quite shocking to me that we originally were conceptualizing having those conversation, we're supposed to be a post-election analysis discussion of where Putin might go next. But it seems that so many events have taken shape and since March 18th that we can't avoid talking about them. And that wasn't on that long ago, but this is, I think, the reality that even international affairs, not just some Twitter, things are moving in a much more rapid, much more intensified pace and it's difficult to make sense of it. As if we're trying to think more strategically.

So, Angela, I do want to turn to you. You know, some of the Russian response to the expulsions that we're talking about recently was not unexpected.

MS. STENT: Mm-hmm.

MS. POLYAKOVA: We knew that they would respond in this tit-for-tat way. But on the other hand, you know, I'm curious to get your sense of the point of view of Kremlin towards the West specifically. There was this recent news that -- one of Putin's aids told Western media in a briefing in Moscow that President Trump in his congratulatory phone call actually suggested a summit that would take place between President Putin and President Trump here at the White House, which, of course, caused a lot of consternation and confusion.

But it also seemed like that was a strategic move by the Kremlin to share that information, shall we say. But given the unified Western response and

yet, given this dual track approach it seems where you have this warm relationship or some affinity between Putin and Trump, yet a much more aggressive, hawkess set of activities that have taken place in terms of how the West has responding to Russian aggression, it does seem in the West, it's a bit more unified. You know, how's the Kremlin in your view looking at this unified approach, as see it as unified? And you recently said that you think that Putin might be looking for an off-ramp.

MS. STENT: Mm-hmm.

MS. POLYAKOVA: What do you mean by that?

MS. STENT: Okay, thank you for the question. I first want to go back and add something to Strobe's excellent remarks that I think are a part of this discussion. So, one of the things that you obviously were very involved with in the 1990s as the chief Russia policy person and the Europeans is the idea that if you promote Russia's economic integration into the world, into the West, this would somehow have a moderating impact on its behavior. So, what we have today, right is a Russia that is, in fact, globally integrated; the Europeans are quite economically dependent on Russia, as we know, for their gas and I mean, it's an interdependence, but the European-Russian economic relationship is really quite close. And Russian money, as we know is very present in Great Britain, which is one of the reasons why the British have really been very slow to take the kind of strong measures they could, for instance, after the Litvinenko poisoning, but it's also present in New York and in the real estate market. And I think some of this is even coming out with all of these inquiries.

So, this gives Russia a presence and an influence which is very different from the Cold War when the Soviet Union was economically isolated from

the rest of the world and this makes it more difficult to deal with all of the issues that Strobe talked about because there are a number of Western businesses that are quite dependent on their relationship with Russia and want to continue this. So, it makes it harder to respond. So, I think what Vladimir Putin sees is a United States and we've heard about this, where we have a Trump Administration with at least two Russia policies. It's actually three if you look at Congress, but I'm going to leave Congress out of this for the moment.

So, you have a president that he still believes that he can have a forward-looking relationship with Putin. He said just yesterday in his discussion with the Baltics, presidents, you know, I think I can get along with Russia; I think I can get along with president Putin. Why wouldn't we want to do that? And then, you have the Executive Branch, which until now, has taken a much tougher line, not very different from that of the Obama Administration and you saw both with former Secretary of State Tillerson and now soon to be former National Security Advisor McMaster and their farewell speeches with sounding the alarm bells about Russia. And yesterday, I think you were there at the talk of the Atlantic Council. General McMaster said that again. And obviously, General Mattis, we know has said some very tough thing about Russia.

And so, the Kremlin looks at this and it realizes that there's still avenues and that maybe can exploit that. So, during the election campaign, you saw the anti with a bellicose, anti-Western rhetoric for President Putin. You saw him and his march for a State of the Union speech display the new wonda-ruffin, the wonda-missiles can evade, you now, U.S. missile defenses, and they can strike Mar-a-Lago, so you had that sort of saber rattling, but now you see the other side of

it. And although President Trump himself had signaled in a phone call and his congratulatory phone call to invite -- to have a meeting with President Putin, obviously, it's the Russians that are supposed to decide that they were going to take the initiative and put this down. So, I think, you know, they don't like all of these expulsions. I mean, when you have so few diplomatic personnel, let's call them that, in another country, it hampers a lot of different works that you would like to do. So, they would like to pursue this and they still see that President Trump is someone who would like to sit down with President Putin.

And I would just say that the same is sort of true for Europe. Now, you said there was unity. There was a unified response, but not all of the EU countries joined in the sanctions. We know that Canada, it's Austria, it's a number of central European countries, so there wasn't perfect unity there, but there was still solidarity with Great Britain. But, for instance, you have a new German foreign minister, Heiko Maas. When he first came in, he was a little bit more critical of Russia than Sigmar Gabriel, his predecessor but now he has said we have to find a better way of dealing with Russia, we have to find an off ramp. And Chancellor Merkel said that at the same time as they expelled the spies. You have President Macron who is going to go to the St. Petersburg Economic Forum. He's going to sit on a platform with President Putin. So I think Putin realizes that European leaders, the major countries, also would like to find. Nobody likes this very high level of tension that Strobe has described.

So I think what we will probably see in the next few months is the Russians, the anti-western rhetoric isn't going to subside, the total denial that they have anything to do with poisoning, of course, that's not going to change. But they will

see if they can, again exploit the differences in U.S. policy. And, of course, we're still waiting now for the Secretary of State, Mr. Pompeo to be confirmed and for Mr. Bolton to take office. And I think that they thought maybe if they took the initiative now, they wanted to get the bid in early.

MS. POLYAKOVA: So do you think there is some anxiety in the Kremlin about the personnel changes towards individuals like the new National Security Advisor, the nominated new Secretary of State who are known to have much more hawkish views on Russia. So you think the Kremlin is wanting to insert itself before these individuals have a chance to shape policy?

MS. STENT: I think it could be. I mean, certainly on record, on public record, Mr. Pompeo and Mr. Bolton have said very tough things about Russia. So they may want to at least, this may be a way of trying to soften everything before they come in.

MS. POLYAKOVA: Well, I do want to turn to the elections which now seem very far away but still is an important event in Russia and certainly, I think, an important event for geopolitical affairs. Vladimir, you have worked very actively with Russian civil society with the Russian political opposition. I think it wasn't a surprise, obviously, that Putin "won" reelection. He got 77 percent of the vote, over 67 percent turnout. It seems like this was a great success for the Kremlin, at least in terms of its ability to organize a national process and a national election. I think the big question that many people continue ask is, to what extent is this seemingly broad support for "Putin" real. Do you think it actually shows that Putin now has a clear mandate to continue on this quite warmongering path with the west from the Russian people?

MR. KARA-MURZA: Thank you, Alina. Thank you for the question and thank you to Brookings for hosting our panel discussion this morning, it is great to be here. When we discuss Russia today and when we discuss Vladimir Putin's system, things aren't always what they seem to be. The terminology, even the numbers. I mean, we keep talking about Putin's upcoming fourth presidential term, of course, in reality it's the fifth one unless we want to take seriously the so-called presidency of Dmitry Medvedev.

And the other thing that is not quite what it seems is, of course, the so-called election itself. You just yourself twice put this word in quotation marks but you in a minority on this astonishingly. Most of the world media still does not use quotation marks when describing the procedure that we had two Sundays ago. They talk about elections, they talk about turnouts, they talk about results and even more astonishingly, again, as we have seen in the last two decades, most world leaders, including the President of this country, once again picked up their phones and called Mr. Putin with congratulatory messages. Of course, in reality, the spectacle, the procedure that we had two Sundays ago has no more in common with a genuine democratic contest than the brightly covered vainer facades of the Potemkin villages did with real towns and human settlements.

I think actually surprisingly, the organization that summarized it best was the OSCE, the Organization for Security and Cooperation in Europe. Kind of the main watchdog for election monitoring in Europe, North American, and Central Asia. I say surprising because usually diplomats and international organizations are known for their cautiousness. But their report that came out the morning after the so-called presidential election was actually very scathing. The head of the mission,

who is a seasoned German diplomat and politician, Michael Clauss said, and I quote almost exactly for memory here. "Choice without competition is not real choice." He continued to say, "Where fundamental freedoms are restricted and where the outcome is not endowed, elections almost lose their purpose." This is what he said and he was being diplomatic there with the word almost.

But it's the fact that elections in Russia have long ago lost the main purpose of elections which is to enable citizens to choose, and if they so desire, to change the government. Because of course, as we all know, the outcome was never in doubt, even the official figures that were announced were strikingly close to those figures that were being leaked out for weeks before that from the presidential administration. On voting day, on March 18th, which incidentally itself, the election day was changed specifically by an amendment to the federal law, to make sure it coincided with the anniversary of the annexation of Crimea. It is supposed to be March 11th and the changed to law to have it on the 18th.

That is actually a good illustration of how elections work in today's Russia. It is being said that the sure sign of a real democratic election is when you're certain about the procedures but not certain about the outcome. And, of course, in Russia for years, the model has been the exact opposite. The procedures the rules were constantly shifted and the outcome was never in doubt.

On the 18th of March, several organizations, including (inaudible) Russia movement, including Goalus movement, including Alexander Navalie's anti-corruption foundation, and other civil society groups have conducted extensive monitoring and documented all the numerous violations that took place from coerced voting and people who, all the usual stuff that we've heard about for years.

The people who depend on the state for assistance or for employment, pension as teachers, doctors, people who depend on state or municipal employment. They were coerced into not to just go to vote but also to take pictures or selfies with the papers to show that they voted for the "correct candidate." We saw ballot stuffing and numerous instances of it.

One of the big concessions from the Kremlin after the 2011 protest on (inaudible) was that they allowed the installation of web cameras on polling places so people could see the violations. The problem is, when we don't have a real judicial system that can actually prosecute these violations, there is not point in it. There are many instances of ballot stuffing that we're seeing and so what, they're just there for curiosity but they were documented.

And then, of course, in many regions once again we saw just plain old rewriting of final protocols to have whatever result they needed. Dimitra Reshkin, a prominent Russian political analyst referred to these regions as electoral sultanates. These are the regions that show Soviet style 90 plus percent election results for Putin. I have not read a single person who actually believes that this reflects how people, even with all the coercion and pressure, how people came to vote, but these are the official results. And, of course, the television coverage that has been skewed for years continue to be so. Frankly, we don't even need to talk about any of those violations and abuses. Because in the most important way the so-called election was rigged long before the first polling place even opened and long before the first ballot was even cast. I refer back to the OSC statement, this is not really a choice.

There were two major opposition figures in Russia who were

planning to challenge Vladimir Putin in 2018. One was Boris Nemtsov, a former deputy prime minister. Probably the most recognizable face of the democratic opposition. And the other was Alexei Navalny, a prominent anti-corruption activist, who spent this past year campaigning all across the country. He was actually the only candidate who conducted a real presidential campaign. Neither of them were on the ballot two Sundays ago. Boris Nemtsov, because he was killed three years ago on the bridge in front of the Kremlin. And Alexei Navalny, because he was deliberately barred from running by a trumped up politically motivated court conviction issued by the Russian authorities. That was incidentally already overturned by the European Court of Human Rights.

It is not difficult to win an election when your opponents are not actually on the ballot. And when people repeat, many people in the west in the media in the expert's community, sometimes too often to my mind, repeat this Kremlin propaganda line that Vladimir Putin is so highly popular among Russian citizens. I just think it is important to keep in mind that this so-called popularity was never actually tested in the free and fair election against genuine opponents and it wasn't again two Sundays ago.

MS. POLYAKOVA: And, of course, I think we also often forget that Putin's 80 something percent approval ratings were not that prior to 2014, prior to the annexation of Crimea. In fact, they had fallen and still to enviable numbers, I suppose by any democratic politician, but they were in the high 50's and low 60's. It's not that he's completely untouchable but it is that the administration of the state is completely under the control of the Kremlin.

MR. KARA-MURZA: Absolutely. And the obvious question here is

and has been for years, well if you're really so popular, why are you so afraid to have a free election. Why are you so afraid of competition? And it doesn't just go for national elections. I mean, national elections have long been turned into a meaningless spectacle as we saw again two Sundays ago. This goes for elections at all levels.

Just yesterday, the fourth largest city in Russia, Yekaterinburg, the city that stands on the border of Europe and Asia, the capital of the Euro's. The authorities took the decision to abolish direct mayoral elections in Yekaterinburg. And, of course, directly elected mayors that used to be the norm in Russian cities not so long ago, are now fast approaching extinction. As of last week, there were eight regional capitals left in Russia. That's less than a tenth, that still had directly elected mayors. As of today, it's down to seven because Yekaterinburg had their mayoral elections abolished. This vote was run through three readings in one day, no official explanation was offered but none was needed because everybody knows the reason.

The reason is that four years ago, Evgeny Roizman who is a charismatic opposition politician actually won the mayoral election in Yekaterinburg over the candidate of Putin's United Russia party. He is somebody who is very outspoken, he speaks his mind, he says what he thinks. He criticized, for example, the Kremlin's military involvement in Ukraine and in Syria. He has called for the release of political prisoners in Russia. He is supporting the movement for a boycott of the so-called election. This is a directly elected mayor of the fourth largest city in Russia. That is obviously the situation that the Kremlin is not happy about. Since they couldn't win over him, they just decided, let's not have a mayoral election

altogether.

Again, I think this is the obvious question in a way but it needs to be posed more, including by people in the west. If this regime is as popular as it says it is, why is it so frayed to let the Russian people vote?

MS. POLYAKOVA: Thank you, Vladimir. I want to go back to something Angela had said. Russia today is much more economically integrated as part of the global economy. That is a big difference from what we saw during the Cold War years. But it also strikes me that Russia is also much more politically isolated at the same time and increasingly so because of Putin's sworn policy adventures, if you want to refer to them as that. Julia, I want to get you into this conversation. Do you agree that to some extent, perhaps Putin's incursion in Ukraine, the intervention in Syria, the meddling in western elections is starting to backfire on a grand scale? Meaning it is actually hampering this bigger strategic goal of making Russia great again on the world stage? Or do you think that this kind of relationship where popular support continues to trap with more and more foreign policy adventurism for Putin to continue through the next six years at least.

MS. IOFFE: Before I answer that, I wanted to touch on something Vladimir said. A week ago, there was a fire in Kemerovo, the Siberian city of Kemerovo where in a locked movie theater, some sixty something people by the official count burned to death, 46 of them, I think, were children. And when Putin, the very popular Putin came in that night, the streets were cleared, he swept into, -- he drove down a completely empty street. He did not meet with the people of Kemerovo and the governor of the region apologized not to the people but to the president. Which also tells you about who is accountable to whom and the

popularity of the president.

I think the Russian sociologist, Kidel Rogoff has done some really interesting work on Putin's popularity rating. And about how few people actually respond to the surveys and of them, how many are self-selecting, especially after the Crimea annexation where the militaristic, jingoistic tone of the Russian media made people who did not agree with the official line just more taciturn and more hesitant to even answer these polling questions. The people who did answer were the people who were just the very, very outgoing supporters of Putin.

I find personally, the constant quoting in western media of Putin's popularity rating to be very strange and irritating. They're like well, our President has this approval rating, and President Putin has this approval rating as if they're comparing similar things. About the adventurism, I think that we can certainly expect to see more and I think in some ways, they're working and in some ways they're backfiring, right. It's a more complex fixture; and I think one is often a response to the other. You know, Syria was seen, I think, correctly as a response to the isolation in which Putin found himself after the Crimean annexation and the invasion of Eastern Ukraine, this was a way to kind of muscle his way back in from the cold of geo-political isolation and sanctions. And this is what worries me about the incoming Secretary of State and the incoming National Security Advisor who are so obsessed with terrorism, especially Mike Pompeo with terrorism, with the Islamic world, with radical Islam; this presents Putin a perfect opportunity to play the counter-terrorism card which he does to great affect with western politicians without really providing much help in terms of counter-terrorism. Mind you, the foreign country that provided the most foreign fighters to ISIS was Russia. It wasn't Saudi

Arabia; it wasn't Tunisia; it wasn't France; it was Russia. And a lot of the fighters that came from the Muslim North Caucasus were sent to Syria with the help of the FSB and the Kremlin.

So, you know, all while Russia was talking about how look, in Syria we're fighting ISIS; we're you're partners; we're the only ones defending western Christendom; so, I worry that, you know, as Angela -- I think, very astutely says -- that it presents yet another point of policy disparity for Russia to exploit.

I think that, you know, for example, the poisoning of Skripal -- you know, the former Russian spy in London -- I think was in many ways in response to the election meddling; you know, a kind of cleanup operation. So, I think that -- and now Putin finds himself -- I think he did not expect this kind of response from the West, and it really boxes him in, paints him into a corner again; and as we've seen with Putin, he doesn't like being -- you know, nobody puts baby in a corner. He lashes out and he claws his way out of a corner; and I have a feeling that there's going to be another kind of spectacular egregious act that he initiates in the, you know, in the coming year to get himself out of this corner.

I think what's something for the West to keep in mind in looking at this is that with all of this I think Putin is still trying to renegotiate the terms of surrender in the Cold War; and, you know, the myriad expulsions on the Russian side; the statements about how the West hasn't proven anything -- both in terms of the poisoning and the election meddling -- is, I think, Putin trying to show that the West, and especially America, is not in a position to punish Russia because if you're the side punishing, you're the superior side, you're the kind of parent, or you're the senior partner or the parent in this relationship; and I think Putin is trying to very

aggressively show that he's an equal; that Russia's a peer, and that it's not, you know, a recalcitrant child that you punish.

So, a lot of the talk -- you know it also paints the West into a corner because you can't let these things go unanswered, but when the talk is of punishing, it exacerbates a lot of the kind of the psychological motivations of the Russians. And if -- you know, got into prophecy a little earlier with Strobe -- I remember when I was still a correspondent in Moscow and it was the eve of the -- you know, it was 2011, and people were trying to figure out if Medvedev going to stay for a second term; is Putin going to come back; what's going to happen in the elections; and I won many bottles of Hennessy cognac -- because Russians love cognac -- in betting with Russian political reporters about what's going to happen; and I found that it was very easy to win these bets by just predicting the worst-case scenario.

So, unfortunately, when dealing with Russia, you know, Putin rewards you with, you know, like overtime if you make the worst-case scenario prediction. So, I'm going to venture a prophecy here; and I think that things are, like Strobe said, are going to get far worse before they get better. I worry that with the, for example, the expulsions of American diplomats and western diplomats from Russia, it's become a lot harder for Russians to travel to the West -- to travel to America. It's becoming nearly impossible to get an American VISA and, of course, these are the Russians who are the most pro-western, the most pro-American. There is a lot of talk and worry that I'm seeing in Russia about a kind of new iron curtain descending; and this has been a fear since, at least, 2014 that it's going to become harder and harder for Russians to travel outside of Russia, which is a big worry, especially for the educated classes. And, I think, that things are not going to

get better between the U.S. and Russia while Putin is still in power, which means while Putin is still alive; and he seems to be in quite good health.

MS. POLYAKOVA: Also, he likes to show.

MR. KARA-MURZA: Just a necessary point. I agree with everything Julia just said with the exception of the last point. It's not that I disagree with it, the answers we don't know. I certainly agree that he wants --

MS. IOFFE: That he's healthy?

MR. KARA-MURZA: No, no. That he is going to stay in power for as long as he's healthy; that's what I mean.

MS. IOFFE: Oh, okay.

MR. KARA-MURZA: Because I certainly agree that he wants to stay in power for as long as he's alive -- so that's actually another term when we talk, it was in the announcement for this panel discussion that, you know, what are the next six years of Putin going to look like.

MS. IOFFE: 12 years.

MR. KARA-MURZA: But first of all -- so, there could be two things that can wrong with this. One is what you just said, he could be there for as long as he's healthy and alive; but then there could be another possibility; and, you know, I'm a historian by education, and the one thing that modern Russian history -- certainly in the last century -- teaches us is that big political changes in our country can start quickly, suddenly, and unexpectedly.

I don't think the (inaudible), when he boasted talking about foreign policy ventures; when he boasted about his small victorious war against Japan in 1904; I don't think that he expected that one year later, the country would be

engulfed in a nationwide political strike; and the Czar would be forced to grant his citizens a parliament in civic and political freedoms.

I don't think Lenin, when he gave his speech in Zurich to the social democrats of Switzerland in January of 1917 at the Folks House; and when he told them that my generation will not live to see the decisive battles of this coming revolution. I don't think he expected that the revolution would begin six weeks after he said those words. And I'm certainly old enough myself to remember that not a lot of people at the beginning of August of 1991 could have predicted that by the end of that month, the Communist Party of the Soviet Union would no longer exist, and by the end of the year neither would the Soviet Union itself. So, this is just a word of caution that things in Russia can begin to change suddenly and unexpectedly.

So, I certainly agree that Mr. Putin wants to stay in power for as long as he's alive. He's not going to be limited by those constitutional terms; we already saw that. But if it was up to every dictator to stay in power for as long as they want to, then every dictator would always stay in power for as long as they wanted; and we know that's not the case. And as my good friend, Boris Vishnevsky likes to stay -- he's an opposition legislator in St. Petersburg -- he likes to repeat this phrase, and talk about opinion polls as well -- the (inaudible) had 99 percent approval two weeks before the (inaudible).

MS. IOFFE: Took the words right out of my mouth.

MS. STENT: After all, (inaudible) regimes are stable until they're not, right? This is the old adage.

MS. POLYAKOVA: I want to go back to you Angela and Strobe to get your take on some of the ideas that Julia and Vladimir had. Angela.

MS. STENT: You said Russia is becoming more isolated. I think the problem is in the West. We tend to think because we've tried to isolate Russia that it's isolated; and we saw that after the Crimean annexation and the sanctions. Russia is not isolated. Russia has, you know, a partnership with China which is growing stronger since the Crimean annexation. Yes, there're tensions there; yes, in the end Russia is the junior partner, and China is the rising power; but for both countries, now, and, I think, for the foreseeable future this is a kind of useful instrumental partnership. The Chinese are increasing their economic relationship with Russia; they both, you know, the two leaders support each other; Xi Jinping is probably an example for Putin, become president for life; they don't question each other's domestic systems. So, there's China there.

Then there's India. You know, another extremely populous country that has enjoyed pretty good relations with the Soviet Union and Russia over time; and, again, if you look at voting patterns in the United Nations, you know, these are countries that didn't condemn Russia for its annexation of Crimea; and then you have -- well, we just had Mr. Putin in Turkey now, you know, negotiating with the Iranian leader and President Erdogan. So, there are a large number of countries -- and we can talk about Latin America, other Asian countries -- that view Russia as a large authoritarian country pursuing interests as, you know, that they define as legitimate; and a lot of other countries are willing to accept that. So, I think, we fool ourselves if we think we can isolate Russia. Russia does have other options; it's pursuing them. So, I think, that limits what we're able to do in terms of influencing it. I think this is a cautionary tale.

And the only other thing is, I mean, I also believe that President Putin

would like to stay in office for the rest of the time that is allotted to him, and that it would be quite easy for him to change a constitution to have the Duma vote to make him leader for life -- you know, like as they did in Kazakhstan. But then I also, of course, agree with Vladimir that the one thing we all learn about Russian history it's predictable until it isn't. You know, and we all thought -- those of us who are old enough and worked on this -- we all thought the Soviet Union would probably keep going on even despite all of its economic weaknesses. We were wrong. So, I think we have to be --

MS. IOFFE: And those of us who lived in the Soviet Union also didn't see it coming to an end.

MR. TALBOTT: Which is the majority on this panel.

MS. STENT: Well, I remember once after the Soviet collapse there was a sort of mea culpa or as some Russians would say, criticism and self-criticism session with academics about why we didn't see this coming; and, finally, a number of us said well, Gorbachev didn't see it coming, so why should we have seen it.

MS. POLYAKOVA: So, Strobe, I want to go back to you to respond to Angela, Vladimir, and Julia. But, I think, what strikes me by your initial comments, and your cautionary tale, Angela, is that despite that we've had this -- at least on paper shift in U.S. policy in the national security strategy, national defense strategy that has identified Russia and China as the global competitors to the United States -- what you're saying is that without a clear and coherent strategy that you were talking about, Strobe, from the United States especially, that our ability to compete in the way that some of those national security establishments envision the U.S. being able to compete and be successful in that competition, that our ability to

do that is actually very limited, right; and that our tools for limiting, specifically Russian power, and now even talking about Chinese power, are limited? Strobe.

MR. TALBOTT: Well, I think you're asking what would I hope to see -- and I would be surprised to see it soon from the United States in its past role of the guarantor of the Atlantic community. I think this is a classic example of a foreign policy issue that has got to be fixed here in this town.

Also with the way in which -- not just the government, but outfits like all of ours -- are getting out into the country -- and I don't think that there's anything like the kind of knowledge and concern in a lot of America because the news is so much focused on our own problems here; so that's hugely importantly. And the other thing is to go back to a trans-Atlantic policy that picks up where Truman started it, and Obama left it. And, of course, the word Russia didn't come up in what I just said. We've got to get our own camp back into being a real camp.

Could I just ask one question of Julia? You said quite intriguingly, maybe I'm over -- over intriguingly, maybe it's -- but I kind of said, oh, that's interesting. You said that, perhaps, the poisoning of the Skripals was a part of a clean-up operation. And, by the way, I'm sure many of you here know that the Russians, at fairly high levels, are saying that this was a provocation. That we, the CIA and MI-6 did this to these people. Let's not -- let's put that aside.

Were you suggesting that Skripal, I don't know that much about his background, could come forward as a witness for the investigation that is going on in this country?

MS. IOFFE: I don't know. But it seems like its part of a larger, kind of crack down coming from Lubyanka of people who talk to the West. You know,

we saw the partial admission of guilt of two FSB cyber operatives, like, who had been the number one and number two FSB's cyber operatives. Cracking down on anybody in Russian intelligence who talks to the West.

MR. TALBOTT: Fair enough, but there probably is going to be more to the story of --

MS. IOFFE: Oh, sure. Sure.

MR. TALBOTT: -- particularly if the patient survive.

MS. POLYAKOVA: Well, I think as we were talking before as we came into this event, the Skripal case which, Strobe, you essentially took my question from me, but the Skripal case has also showed, I think very clearly, the extent to which the Kremlin continues to use disinformation narratives to try to muddy our understanding of what's actually been happening in that case.

Specifically, you know, we were discussing now there are some organizations that have been tracking the various potential explanations, what really happened with Sergei and Yulia Skripal, and there's over two dozen. You know, it's the U.S. did it, the UK did it themselves to -- as a provocation which is the latest narrative. The latest one that, Julia, you were talking about was that Skripal was poisoned with buckwheat.

MS. IOFFE: Mm-hmm. Kasha, Kasha, yeah.

MS. POLYAKOVA: Yeah. That his daughter brought to the UK when she came to visit. I mean, these are exactly the same kind of tools and tactics that we've seen and fall over and over and over again. Whether it was during M-817 shoot down, or whether during Litvinenko poisoning in 2006. And I do think it's quite effective in muddying the water, actually. There's a lot of people that don't

really know what to think and that gives the Russian strategy of plausible deniability, I think, a lot more leverage than it should, frankly.

MR. TALBOTT: Well, that answers a question that I was going to put forward, and I think we're all kind of guessing, but your guesses are better than mine. It's a little bit the question that a lot of us were asking ourselves and each other when it became -- how clear it was that the Russian state was meddling in our election. Did they think that they were going to keep that as a covert operation or do they not really care?

And the same question comes upon the poisoning. On the one hand, I can image them saying, yeah, they'll be some fallout and we'll lie and confuse people which they're doing, but it will also teach not just defectors from Russia or former spies, it'll say we can take care of ourselves and our interest anywhere in the world.

MS. IOFFE: Yeah, absolutely. I think it was very similar to or not dissimilar from the killing of Mikhail Lesin, you know, a block or two away at the DuPont Circle hotel. Which I remember when it -- you know, you see the U.S. government and the Russians, in some ways, following the same line of saying, oh he just got drunk and died of blunt force trauma to the head, neck, trunk, legs, and arms. I don't know how drunk you have to get, but even though he was staying in a hotel room paid for by the DOJ. He was supposed to have a meeting with the people at the DOJ the next day.

I remember when it happened. I thought, wow, they don't even -- they're not even trying with, like, a rare isotope here. Like, they just, I'm sorry, just beat the shit out of him. And it was such a clear signal of, like, this is what happens

when you try to talk to the West, you know, when you try to cooperate and when you -- because Putin has been very clear about this publicly. That he draws -- in his mind there are two categories.

There are opponents whom he grudgingly respects because they're pursuing their interests and he's pursuing his, and, you know, it's a judo match, it's a sparring match. And then there are traders whom he said after -- this was when the illegals came back in the summer of 2010 and Putin warmly received them in saying, (speaking Russian) with them. Where does the motherland begin? And he said traitors deserve to die in a ditch and will always be found dead in a ditch.

And so I think this is a kind of -- I think the, you know, the Russian government doesn't quite know what it wants to do with this. Like, on one hand it's clearly we're sorting this out Russian to Russian and sure it happened on UK soil, but, you know, get out of here. We're doing this. This is like a Tony Soprano style hit. We're cleaning up our own stuff.

On the other hand, they can't admit that because then the punishment is deserved. But they also kind of want to admit it, and you saw it right after it happened. You saw it on Russian State TV with these, you know, these crazy political talk shows that have become the most popular thing on TV since 2014 where they're saying, you know, we didn't do it, but if we did it, it's pretty awesome, but we didn't do it, but it's pretty cool, but we didn't do it. Right. So it's just kind of talking about of both sides of their mouth.

And the same thing goes for the American election meddling. Right. They want to, like, it shows their power. It shows their capacity and they want to admit to it, but then they can't because then the sanctions are merited. So they're

stuck doing this weird, you know, the dance of like the, you know, naughty kid who's been caught, you know, with a broken vase in his hand where, like, or OJ, you know, with his book If I Did It. Right.

MR. TALBOTT: Speaking of television, I'm not going to confess that I watch Homeland, but maybe some of you will.

MS. STENT: I will.

MR. TALBOTT: I really pity the showrunner for that. They're trying to keep up, but reality is just trumping them.

MS. IOFFE: This gets back to something that Michael Idov who's a wonderful writer about Russia has written about in his next book which you should all read called Dressed Up for a Riot. It just came out a couple of months ago, and he talks about how contemporary Russian literature is always in the realm of the phantasmagoric. You have, like lesbian vampires poisoning, you know, like robots and that it's always in the realm of the phantasmagoric, and he talks to a Russian author about why this is the case. Why there isn't more kind of realist contemporary Russian literature.

And he said, well, literature is, you know, you're describing reality plus a little bit more, and if you're describing Russian reality and you add a little bit more you're immediately in the realm of lesbian vampires. So now we find ourselves in a similar situation where if you talk to, you know, American comedians or late night hosts and you ask the, you know, are -- they talk about situations they see coming out of the Trump White House, for example, or the American political landscape where if they saw it in a writer's room they'd say, come on. That would never happen. Do that again.

MS. POLYAKOVA: I do want to turn to the audience because we're running a little tight on time. So there should be some mics coming around. Please do introduce yourselves and please keep your questions in the form of a question, not in the form of a comment. We would all appreciate that very much. So let's see, the gentleman on the right. There's a mic coming around.

QUESTIONER: Yeah, my name is Howard Marks. Thank you so much, great program. Vladimir, I have a question for you. What is now the status of Crimea? We've heard very little since then, so called, annexation of what's happened in terms of russification of the Crimea to, particularly, around the schools, around whether people are being force to change from Russia -- from Ukrainian to Russian in terms of the language, infrastructure, a whole host of issues of what is happening in Crimea today regarding this shift, forceful shift. Other can join in also, thank you.

MR. KARA-MURZA: Thank you for the question. Well, first of all, Crimea has become one of those electoral sultanates that I refer to earlier, according to (inaudible). That's one of the regions where they announced the 90 percent plus official result for Putin. That, of course, went into his overall result of 77 percent.

What we know about what's happening in Crimea is the level of political repression is at least as high or perhaps even higher than the regular Russia proper, I should say. And this, especially, is directed against the leaders of the Crimean Tatar community. Many of them have been either forced to leave or physically arrested then kicked out, or they are in prisons today. And many of the political prisoners in Russia, and by the latest count from Memorial Human Rights

Center that's 146 people, by the way, and of those quite a few are from Crimea.

And I actually want to draw attention to that as well. The number of political prisoners in Russia today is comparable to what it was in the late Soviet period, and let's not forget about that. When Andrei Sakharov wrote his Nobel Prize lecture in 1975 which he was not allowed to go to Oslo to deliver, so his wife Yelena Bonner read it for him. He named in that speech, in that lecture 126 prisoners of conscious in the Soviet Union. That was not an exhaustive list. These are just people he knew of himself.

But the list that Memorial puts out is also by no means exhaustive. In fact, it is based on very restrictive, very conservative criteria, standards are subject by Resolution 1900 of the Parliamentary Assembly of the Council of Europe about what constitutes a political prisoner, and even by those restrictive criteria there are 146 political prisoners in Russia today, more than there were in the Soviet Union in 1975. Of course, Russia is much smaller than the Soviet Union was, and a lot of those are from Crimea.

We know that Crimea has become one of the kind of objects of these gigantic corruption schemes of people from the close circle of Vladimir Putin, certainly the Rotenberg brothers who are now involved in the construction of this massive bridge that's supposedly being built to link continental Russia with Crimea. So these are just some of the things that earn public attention. And, of course, underlying all of this is the fact that for the first time in almost a century, thanks to what Mr. Putin did in March of 2014 we have now become -- Russia's now become a country with internationally unrecognized borders, and I think that is also a fact that needs to be not forgotten.

And, you know, one of the narratives that the Kremlin propaganda is putting out is that, you know, whatever domestic problems, I mean, that's certainly a constantly running theme in those talk shows that we earlier refer to, those crazy circuses that the people watch or at least that's shown on State TV every night. One of the kind of constant narratives of all that is that whatever the domestic or economic problems, at least Putin has restored Russia's greatness. Russia has risen from its knees. Where it supposedly was in the 90s.

Well, I really have a big problem with that narrative. You know, in the supposedly horrible 90s Russia was invited to join, for example, the G-8. The club of the most important, the leading industrialized nations in the world. Under Mr. Putin we were kicked out of that club. Under Mr. Putin we had major Western powers impose biting economic sanctions against our country. To me, that's not restoring greatness.

And, again, for the first time in almost a century we are now a country with internationally unrecognized borders. Now, all of those things, to my mind, do not speak to restoring greatness. They speak to something very different.

MS. IOFFE: Can I just jump in on the Crimea question? I was just there a year ago to kind of see what it looked like after the annexation. And what I saw was that, first of all, I couldn't use my credit cards there. I didn't think to bring cash because, you know, sanctions. But things had gotten quite expensive. Tourism had dried up which was a mainstay of the local economy. And then it turns out that there was a reason that Crimea was part of Ukraine which was that was the only land that it was, you know, physically connected to, and for some reason Ukraine didn't want to keep supplying Crimea with water and electricity, and food.

So, things had gotten a bit tight.

And I'll tell you a story that really encapsulated it for me. I went to meet with the head of the -- the (inaudible) of the Cossacks in Sevastopol. And he had been out kind of leading the events of the so-called Russian Spring in the spring of 2014.

And he was telling me all about how finally, you know, he didn't have to speak this Russian pigeon known as Ukrainian, and he could finally speak his own language, and he was home. And under Putin, you know, he had found kind of a, you know, a great tsar to look up to. And the Jews were responsible for everything horrible that had happened and, you know, because to him I coded just as American.

Then I stayed, as his friends, some of whom were Cossacks, some of whom weren't, but many of -- who were all small businessmen in the area. And one of them came in with a cane because he had been severely beaten by a thug hired by a Russian bureaucrat. And very quickly the conversation changed from how great Putin was and Russia was, and how they're finally home after being part of this fake country called Ukraine, about how Moscow had basically come to Crimea, that bureaucrats were trying to take away their businesses, each and every person in that room had a criminal case open against them by a bureaucrat trying to seize his business. And, you know, they were complaining and they were like, "Well, we didn't --" -- and I asked them, you know, "Well --" -- oh, they all voted in the referendum to join Russia. I mean, basically what you're describing is Russia. You're now in Russia, you know, where it's like the courts are used as a weapon of, you know, state corruption. And they're like, "Well, we didn't know. We were watching Ukrainian news. We didn't know that that was what was going on in Russia. We didn't know that that would come here." And they all kind of -- they all

deeply regretted, you know, some of these were Cossacks, deeply regretted joining Russia. And I said, you know, "Okay. Well, I'm sorry to break this to you, but it's kind of irreversible at this point for the forcible future, but if you had your druthers what would you guys want?" And they thought about it for a while and one of them says, "You know, if I could I'd like Crimea to go back to being an autonomous republic, and then maybe join Israel."

(Laughter)

MS. IOFFE: And I said, "You know Israel is full of Jews, right?"

(Laughter)

MS. IOFFE: He said, "Yes, but they're not as bad as Russian bureaucrats and it's a society of laws.

(Laughter)

MS. IOFFE: So, that tells you something about the state of Crimea.

MR. TALBOTT: Didn't the Kremlin pull out all the stops --

MS. IOFFE: What's that?

MR. TALBOTT: Didn't the Kremlin pull out all the stops to get the vote out in Crimea more than any part of the country.

MS. IOFFE: Yes. Yes. And it was held on the anniversary of the annexation for that reason.

MS. PLYAKOVA: And the situation in Crimea is, by all reports, economically, politically in terms of media, repression, freedom. It's far worse than in mainland Russia because it is much more isolated.

MS. STENT: But they are finally building the bridge --

MS. PLYAKOVA: Yes, there are pictures of the bridge.

MS. STENT: -- after all of those decades.

MR. KARA-MURZA: (Inaudible), right? With a huge state contract.

MS. PLYAKOVA: Yes. We'll see what happens. The gentleman on the left, please.

MR. SCARLIS: I'm Basil Scarlis, I've been dealing with foreign policy issues in the past. My question relates to the amount of support that the oligarchs give Putin, and is that important to his continued existence as the leader of Russia? And the second part of it is there are, of course, many reports that oligarchs make huge investments in London and New York, and they depend on shell Companies, yet the U.S. presumably doesn't have adequate legislation. There are bills on the Hill, but they never seem to move ahead which would require companies and real estate purchases to reveal the true ownership of the buyer. How important would it be to use such legislation to get at the assets of the oligarchs, and would this have some impact on Putin?

MS. POLYAKOVA: I think, Vladimir, it's a good question for you. Then, Angela, why don't you go.

MR. KARA-MURZA: Thank you very much for the question. First of all, again, we keep coming back to the terminology here, and I'm not sure how appropriate even the term oligarchs is to describe the current situation because back in the 90s when we had oligarchs and it was Boris Nemtsov who introduced this term into the modern Russian political vocabulary to describe those people who had made fortunes in the 90s, and then who tried to influence state decisions and government decisions. The people whom were referred to as oligarchs today that's a very different bunch of people. And, you know, back in the 90s and, obviously,

that was, to say the very least, a not ideal political setup when you have this group of rich people who are trying to dictate to an elected government what to do. But, you know, they had made their fortunes not because they were close to the government. They tried to influence the government because they were rich. The people who we call oligarchs today are either old colleagues of Putin's from the KGB, his colleagues in the Ozero dacha co-operative in St. Petersburg, his colleagues from St. Petersburg City Hall, his old judo partners like the Rosenbergs. These are the people who owe their fortunes to the fact that they're close to Putin. This is the classic nepotistic corruption scheme. They don't influence anything, they just enrich themselves because they're close to the guy at the top. So, that's on the term itself. But on the substance of what you ask, that's an absolutely crucial question. And I want to go back to something that Angela mentioned at the beginning in her opening remarks. That unlike the Soviet Union, Russia is much more integrated into the international economic system. And, certainly, if we want to use that term again, the oligarchs, certainly the corruption aspect of this regime is certainly integrated. And that's a crucial difference between the regime today and the regime in Soviet times. There are many similarities. I already talked about the political prisoners, how even the numbers are similar. There are other similarities. And all the old television stations service government propaganda tools. We have no free and fair elections. The Parliament is a rubber-stamp. And so, the nature of the political system is similar, although it's much more creative and clever than before. But there is for all these similarities there's a crucial difference, and that is the point that Angela was making, that for everything that they did back in the day, members of the Soviet Politburo didn't keep their

money in Western banks, they didn't buy real estate in Florida and the South of France or in London, they didn't keep, you know, they didn't send their kids to study in Western school, they didn't send their wives or their mistresses to live abroad. These people do. These people want to steal in Russia, but spend in the West. Another absolutely phenomenal hypocrisy and double standard on their part, of course, because these are the people who deny the most basic and violate the most basic principles of democracy in the rule of law in Russia, but want to enjoy the perks and the privileges of Western countries that have rule of law and democracy for themselves or for their families. So, from that point of view it's, of course, enormous hypocrisy, but from the point of view of Western countries, you know, in my opinion this constitutes enabling because, you know, for somebody to export corruption somebody else needs to import it. And if you welcome the people who perpetrate corruption and human rights abuses in Russia on your soil and in your banking system then you are enabling corruption and human rights abuses in Russia. And for years Western countries have been doing that.

And, finally, in the last few years, a little more than five years now, we're seeing a countermovement to that. And that was, of course, expressed in the passage of the Magnitsky Act here in the United States, and since then in four other countries, Canada and the three Baltic states, Estonia, Latvian, Lithuanian. I always say the most courageous countries in the European Union are three former Soviet republics that border Russia. They pass these laws that put down this very simple -- what should be a really simple principle, that if you abuse the norms of democracy in your own country you will not allow it -- you will not be allowed to come here and receive visas and open bank accounts and own assets. And, of course, you know, five

countries is good, it's better than nothing, but it's certainly not enough, in the hope that this process continues.

And the point that you raised about shell companies, and also as far as I know one of the most popular ways that these people buy properties here in the U.S. is through American law firms because they're then protected by the attorney-client privilege and they do not have to disclose who they are. And in other initiatives on the Hill to try to address that issue as well, to try to de-autonomize those people who hide behind these entities, whether shell companies of American law firms, to do this. And I just think whatever ways you will choose to do this, of course, under the processes of a rule of law and judicial oversight that you have here and, by the way, the Magnitsky Act, the U.S. Magnitsky Act has a built-in mechanism that anybody who's designated under the Magnitsky Act as a human rights abuser, can go and challenge that designation in a U.S court and produce evidence, and then the U.S government will produce evidence itself.

I have to say that not a single person or several dozen people who have been designated have ever used this mechanism. I leave you to guess why. But using any legal and rule of law based mechanism to counter that, to counter that export of corruption from Putin's regime to the West, I think is an absolutely crucial point.

And it's high time that countries that pride themselves on their adherence to democratic norms and the rule of law and their respect for human rights, it's high time that they stop enabling the abuses of those norms in our country.

MS. IOFFE: Can I just add one thing to what legend said? The day before the Russian election Reuters published a report saying that just in South Florida and Trump properties in South Florida, Russians had bought about a \$100

million worth of property, Trump properties in South Florida, that doesn't count New York. So, that's just one family. That's just what they were able to uncover. I'm sure it's a conservative estimate given the use of LLCs and law firms. So, you know, and then you have the Trump children talking about how most of our golf courses are financed by Russians, a lot of our financing comes from Russia. When we talk about, you know, why this administration is reluctant to get tough on Russia, this is something we have to look at as well.

MS. POLYAKOVA: Right. But I think this pattern beyond the president and his family repeats itself all over in many places. There was a big investigative report by the *New York Times* a few years ago that New York and all these --

MS. IOFFE: The Time Warner Centers.

MS. POLYAKOVA: Exactly. All these empty condos and empty properties that had been bought, but nobody lives there. And some journalists actually did the tracking and tried to figure out, you know, for all these different webs and layers of these shell companies and organizations, who is the end beneficiary owner? And what they were able to find in the places where they were able to actually do that investigative work was that a lot of it did go back to dirty Russian money, basically, and this is a way that they launder their money and clean their money, is through real estate which, of course, then drives up prices for average citizens.

MS. IOFFE: Yeah, this also has to come from, I think, the citizens of these countries, from Londoners, from New Yorkers, from Miami-ers. That, you know, that it's not just that it's these people are who abuse these vague norms that

we take for granted here are parking their dirty money here, it's that they're forcing you out of these cities that are your cities, that you can't live in anymore. You know, I have friends who lived in London and they said -- you know, and they lived in Kensington, I think, and they said that most -- at night it was super creepy because most of the windows were dark. You know, nobody lived there except for them, essentially. And, you know, but at the same time Londoners, you know, could only buy property, basically, like two hours away from the center of London, and even at that, at very high prices.

So, some of this has to -- and it probably wouldn't be hard to get grassroots support for this in America, in the U.K., France.

MS. POLYAKOVA: They're real effects of these global corruption genes. I think, Angela, did you want to chime in on this conversation as well?

MS. STENT: Well, just, I mean, to come back to your original question. The United States, certainly, and the British should look very carefully at the laws that they have and they should change them, and they shouldn't allow people to purchase real estate, as you said, which is then used for money laundering, to have these shell companies whose ownership isn't clear. I mean, they should really, you know, it's up to the U.S and the British, particularly. Because I think our legal system is different from the continental Europeans to clamp down on this.

I mean to your other question. How powerful are these people? So, you know, after the annexation of Crimea when we sanctioned some individuals who were close to Putin, it was a mistake to think that would somehow change what Putin was doing. Because the way that the system functions is it's indeed a patronage

system, and all of these wealthy people owe and own what they have at the pleasure of the tsar, at the pleasure of the president and, therefore, it's highly unlikely, you know, that they would get together and say, "Well, I've been sanctioned, I can't visit my homes and bank accounts, you know, let's change the president." So, I think we should have no illusions about that but still for our own good we should clamp down on the ability of Russians to, you know, infiltrate our system, if you like, with their money. And, you know, you have members of the Russian cabinet who own apartments and homes in London and whose families live there. This is completely at odds with the kind of nationalistic line that Putin is pushing.

MS. POLYAKOVA: I think what's particularly important, and this goes back to the broader, what are the tools that the U.S. and the West has and this goes back to this question of personal sanctions which you talked about, talk about a lot, Vladimir, that these are the tools that we should use. Not these broad, economic sanctions that actually hurt the Russian people because they affect the Russian economy.

MR. KARA-MURZA: Absolutely. I mean, the groundbreaking principle that the Magnitsky Act introduced and again when you just say it out loud it sounds really simple but it was groundbreaking when it was passed and that principle is that you actually assign responsibility where it is due. You assign responsibility for human rights abuses and corruption to the people who perpetrate human rights, abuses and corruption. You don't punish an entire country for the actions of a small, unelected clique sitting in the Kremlin.

And in fact, you are exactly right. I mean, the general sanctions are

very often used by the Putin Regime for its own propaganda purposes. They can say oh look, this west, it's against Russia. It's not against me, Putin, it's against the Russian people, and I, Putin, am going to protect our Russian national interests which he is most certainly not but that's how he presents himself.

When you go after, you know, when you prevent some corrupt crook from buying a mansion on Miami Beach that is not seen as anti-Russian. And when the Magnitsky Act was passed in the U.S. there was actually a pole by the Levada Center in December of 2012, the same month that it was signed into law and that poll found given all the caveats that were just described and Julia talked about this in detail about the problems with polls in today's Russia but even with all of that, there was a strong plurality of Russian citizens who agreed with this principal. That the people who steal from Russian citizens and who abuse the rights of Russian citizens should not be allowed to go and enjoy, you know, nice western life style. And there is no way that the Kremlin can present -- it's tried to, but there is no way it can present those targeted personal sanctions as anti-Russian and we also always emphasize the difference.

I mean, I'm not for sanctions on Russia. I am Russian. I don't advocate sanctions on my own country. But these are targeted, personal individual sanctions. And when the Magnitsky Law was passed in the U.S., Boris Nemtsov called it the most pro-Russian law ever passed in any foreign country. Because it holds to account the people who steal from Russian taxpayers and who abuse the rights of Russian citizens.

MS. IOFFE: Just, sorry, one more point on this and then some questions.

MS. POLYAKOVA: Yes, just one more, real quick.

MS. IOFFE: The pro-Russian nature of these laws, there is something inherently anti-Russian about and like I think a lot of us on this panel have been labeled russophobic by the current regime, by, you know, the propaganda machine there. There is nobody more russophobic than the people in power in Russia and the way they talk about Russian people as dumb and fascist and unruly and crazy and you can't let them near any kind of or give them any kind of decision making power because they are just like wild animals that you just want to stay as far away from as possible but just take their money.

MR. KARA-MURZA: Exactly. And they steal from the Russians but yes.

MS. STENT: Which also explains the imagery you talked about where Putin visited the victims in (inaudible) when it was this very stylized production and not a real engagement with the Russian people because Putin doesn't want to get his hands dirty.

MS. POLYAKOVA: So let me take maybe two more questions together. Gentleman there and there.

SPEAKER: Hi, good morning. My name is Daniel Schmidt and I'm a reporter from Germany. I was wondering one reason why we are here, I guess there is also the meddling in the election. What do you guy's expect for the mid-terms? Will they be cautious, will they be doing exactly the same and are there any consequences if they are being caught again?

MS. POLYAKOVA: Thank you. And let me take another question there. Right there, in the striped sweater. Here.

SPEAKER: Yes. My name is Bill Crusey. I have a question on economics. Australia's GNP is roughly the same as Russia's. How long can Russia, Putin, support his military establishment and his oligarchs before they go bankrupt?

MS. POLYAKOVA: Thank you. Let me take a third then.

SPEAKER: HI. Matt Costman with student across the street at Johns Hopkins. A couple years ago, Russia decided to get more involved in the Middle East particularly in the conflict in Syria. In the lead up to the presidential election that was thought to be potentially a problem when a bunch, many Russians were killed in Syria. That turned out not to be the case. The results were as expected. So my question is whether or not you think the results of this election will change the way Putin approaches the Middle East, whether it will be the same or maybe he might be emboldened and maybe be more adventurous. And keeping in mind I just got a New York Times alert that President Trump instructed military leaders to begin to prepare to bring out U.S. troops from Syria. Thank you.

MS. POLYAKOVA: Thank you, Matt. So we have Syria, we haven't talked about that yet. We have predictions for the mid-terms and how long can the Russian economy really continues on this stagnant path.

I will let, let's start with you, Strobe, whatever parts of that you want to take and then we will go from there.

MR. TALBOTT: Thanks a lot for giving me another chance to be a prophet. But I actually do think --

MS. STENT: Remember, worst case scenario always wins.

MR. TALBOTT: No, no, I'm going to make the other mistake.

MS. STENT: Okay.

MR. TALBOTT: Which is the best case.

MS. STENT: Okay.

MR. TALBOTT: I do think that these, the string of elections that we have had over the last couple of months are sending a very, very strong -- a strong message to the president and most importantly to the members of the house who are representing red districts and Trump territory and that phenomenon is being diluted because of all of the craziness that comes out of this town. And I think that could be a tipping point both for the House of Representatives and the Senate in which case President Trump will be in a very different position on what he can do and what he should not do.

MS. STENT: So I think the question on that was also will the Russian interference continue. Right. So we know, we read that the Russians are still interfering. We have all the social media, every time there is something happens here and unfortunately something bad seems to happen every day, I gather that, you know, Russian trolls and everything are involved. That will continue. Whether the more if you are like nefarious cyber interference that we have seen and also including interfering with voting machines, I think they will continue to try it. I can only hope that we in this country have better defenses against this and frankly I think we ought to go back to paper ballots, you know, as in the old days then they wouldn't be able to do anything.

On the economy, let me just say that again, having spent a number of years where you sit down and you look at the fundamentals whether it's of the Soviet economy or then of the Russian economy, and you say this can't continue.

This is a petro state, it hasn't diversified its economy, it's got major demographic and infrastructure problems, and you always say they can't go on like this and yet they do. So again you shouldn't underestimate historically the ability of Russia and the Russians to muddle through economically even as Russia becomes relatively less modernized if you look at its neighbors and a rise in China. So I think you have to always be very cautious with this.

And on Syria, I mean, if the United States indeed does pull its troops out of Syria, this is only to Russia's and Iran's gain. And I find it very curious that an administration that is so concerned about Iranian power that they would do this but there are other reasons for it. Russia has taken over in the Middle East as the major power there because the United States itself withdrew from that beginning obviously with the Obama Administration.

Russia is the only country that talks to all sides in the Middle East, the Shiite countries, the Sunni countries, and Israel and it's viewed by most countries in the region in a way as an honest broker. So even through Syria will still present problems for Russians, you know, what do they do with the reconstruction if there is indeed an end to the war? And, you know, I don't see that changing. I see Russia strengthening its role in the Middle East.

And, yes, there have been casualties there but they have been, you know, relatively limited. I think the most dangerous thing was a month or two ago when United States troops and Russian mercenaries got into a fight and apparently a couple of hundred Russian mercenaries were killed. You know, this would be very dangerous so that's maybe if the U.S. withdraws there will be less likelihood of an unexpected confrontation there but, you know, I think Russia is there to stay.

MS. STENT: And just to follow up on that quickly, what I think Putin has been very good at, we have this constant debate whether he is a strategic tician which is in my view neither here or there in some ways because we can look at what he has actually done in the foreign policy domain and he has been very good or the Kremlin has been very good at identifying vacuums in power so when the U.S. disengages the Kremlin steps in and also gaps in our own society as goes to the disinformation campaign. So where we have wedges and there is space in between, this is where they see an opportunity to step in and this kind of pattern continues in all of these different areas.

And I think too very quickly on the midterms, what is going to happen, I mean, the -- we have been focusing on election but these kinds of campaigns, you know, all of us on this panel knew about Russian trolls and bots before this became the thing du jour because we experience it all the time. Right. And so it was no surprise that we, you know, the rest of America and the rest of the west discovered them.

And, you know, I think the most dangerous piece here is that there was a report that came out by the Department of Homeland Security and the FBI recently that basically assessed that there are, there is Russian linked malware on the critical infrastructures systems in nuclear, water and electrical grids in the United States that have not yet been activated. And I think this presents a serious challenge because I don't, I think we are incredibly vulnerable to these kinds of attacks because we haven't really spent the time to shore up those network securities and I think to my mind this is the real threat coming forward but, Vladimir, I want to hand it over to you.

Mr. KARA-MURZA: Thank you very much. On the election interference, of course the Kremlin has been interfering in elections for years. And the first elections they began to interfere with were elections in Russia. Because when Putin came to power, we had more or less competitive, real, democratic elections. And of course now we don't and then we know that they have been trying to do this in many post-soviet countries, Ukraine, Georgia, Moldova. We know they tried to meddle in Western Europe. Only from public information that's available we know that there was quite a major financial loan issued a few years ago from a Moscow connected bank to the far right (inaudible) national party in France and this is only what we know publicly.

And of course we know everything that has been discussed about the U.S. election and, you know, frankly it all comes down to the fact that if there are not going to be any consequences, from that point of view, why not continue doing these sorts of things? And when I talk of consequences, I mean again those personal targeted consequences that we were discussing a minute ago.

On the Syria issue, again let's be very careful about talking what this election result confirmed or what they're mandating. The election results only mean whatever the results the Kremlin wanted to announce, this is it. It has a very distant reality to public opinion, to the state of public opinion in Russia. Putin sees what he is doing in Syria as serving several interests. One is to protect the fellow autocrat, don't under estimate the importance of that. Also this kind of boosts his propaganda image abroad, this great power image that he projects, you know, halfway around the world.

And I think Syria is actually a very good case point of how, you know,

what people still sometimes refer to as public opinion polls, how they are skewed and manipulated by what the Kremlin, how the Kremlin wants them to be. When the military action in Syria was just beginning less than three years ago there was actually a poll by the Levada Center showing that two thirds of Russians were opposed to Russian military intervention in Syria. And then there was a relentless massive propaganda campaign on all state television channels, and all of our national television channels are directed by the state, you know, in support of this and then there was another poll that showed that two thirds were now in favor of this. So this is all relative and let's not talk about this in relation to quote unquote election results or public opinion polls. This is determined by other factors.

And finally, very quickly on the economic point. There is this kind of accepted idea in, you know, in the minds of many analysts that it will at the end of the day be the economic situation that determines a change in Russia. You know, this phrase that is often used that when the fridge finally beats the television meaning so when the real economic conditions will deteriorate so much that they will annul whatever the state propaganda is saying. That has certainly been the accepted wisdom for a long time. I don't necessarily agree that that has to be that way.

I want to remind everybody that the largest, to date, the largest mass protest against the regime of Vladimir Putin happened in the winter of 2011, 2012 when the Russian economy was booming. That was before the sanctions, that was before all the problems that we are experiencing today. And in fact most of the people who are on the streets protesting belong to the relatively affluent urban middle classes. It was not about the economy at all. It was about dignity. It was

about people feeling offended that their votes were being stolen in such a brazen and such a shameless fashion.

And so it's not necessarily in my view the economy that is going to determine the political fortunes so and again that word of caution that we all already sounded today, let's not assume that things are going to stay as they are today, forever. Russian history has a way of surprising.

MS. POLYAKOVA: And, Julie, you have the last word.

MS. IOFFE: I actually don't have anything to add. I agree with what all of you said.

MS. POLYAKOVA: All right. So on that note, please join me in thanking the panelists for this really great conversation.

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