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Speaker 1: ... little bit of time at the bar and we've already kicked off the morning in a terrific fashion with a very interesting and important discussion, trying to understand America. We're going to now move to the morning plenary, starting off with Senator Chris Murphy and Bundestag member, Norbert Röttgen, Looking forward to that opening conversation. We have a great morning planned. After that, we'll have the President of Georgia and others talking about Euro-Atlantic Integration. And then, a very timely and important and I think, interesting session on the North Korea threat and closing out today, talking about from where we began with Bob Kagan's statement on geo-strategy. To set-up the morning, I'd like to introduce a brief video.

Video: We know what the problems are. Simply discussing them isn't enough. It is imperative that we come together and resolve them. The Marshall Plan rebuilt Europe after World War II using principles of cooperation. The transatlantic partnership that emerged from that era is still vital. We all face challenges within our societies but we know that we will be strongest when we rise to meet them together. Experience has shown that the spirit of trust is the key to solving our problems. When we come together, we can overcome obstacles that seem insurmountable. We need to reestablish the trust within and between our societies. We will revise, we will reboot and we will rebuild.

Speaker 1: Excellent. To start us off, I'd like to introduce Florian Eder from POLITICO.

Florian Eder: Thank you very much. Thank you very much. Good morning to all of you, and in particular, to those who had come back to the Brussels Forum on a Saturday morning on a warm Saturday morning. It's almost spring outside in Brussels, while we talk about the transatlantic relations and leadership that are in deep interest, it seems. Good morning to all of you also, to those who didn't make to the first session, to the breakfast, Understanding America. I saw it was crowded. It was full. So there is obviously a need to understand each other even better in the future.

Welcome Norbert Röttgen, a member of the German Bundestag for Chancellor Merkel's CDU, the Christian Democrats and the Chairman of Foreign Affairs Committee of the Bundestag and Senator Chris Murphy from Connecticut from the Democratic party. Good to have you here. I look forward to our discussion here.

Gentlemen, as we're supposed to discuss the future of transatlantic leadership and as we've seen and as we will see, there's a lot to discuss, I would like to start off with an issue of very different transatlantic sensitivities like we say. Senator, how come that Americans hold the freedom of carrying firearms so much dearer than the freedom of having health insurance? Can you explain that to us here in Brussels to a European audience?

Chris Murphy:

I always remember getting a phone call, shortly after I began my time in the Senate, from Matthew Barzun, who at that time, was our Ambassador to England, and he talked about going around to schools in England, certainly after arriving and handing out two index cards to all of the kids. He asked them to write on one, a word that embodied something they respected or liked about America and on the other, to write a word that embodied something that they were frustrated with or didn't understand about America. He called me because he was amazed that on 70% of the cards of the second variety, there was the same word, and he asked if I knew what it was. I guessed, perhaps at the time, this was in 2013, that it was spying or it was Iraq. It wasn't. The word was guns. The misunderstanding that in these kids minds between their values and the United States values was about why had done nothing to try to address this epidemic of gun violence.

This is something that I had tried to explain both in terms of practical domestic realities, but also something that divides us from many of our friends here in Europe and across the globe. This unfortunately is, in the United States, just a matter of power dynamics. The gun industry has an enormous amount of clout and power. It is gradually dissipating and that forces that want to have stronger laws to make sure that what happened in Sandy Hook, which happened in my district, or what happened just a few weeks ago in Florida, never happens again.

It likely will take an election, whereby a number of people who are voting against these reforms that are broadly supported by the public, lose their seats. If that happens, then we can get some real change. But, this is a very uniquely American conversation. We have the Second Amendment. Guns are a big part of our history beginning with the attempts by the British to seize a store of arms that the colonists had on the Green in Lexington, through settlement of the West, done primarily through fire arms. But the Second Amendment is not absolute, just like the First Amendment. And ultimately, I think after we get through an election or two, we'll be able to have a settlement here where we maintain their Second Amendment rights while also putting in some of these reforms that will stop these tragedies.

Florian Eder:

So, it's a power question at the end, rather than a question of sentiment or culture?

Chris Murphy:

You know, there is a popular line after 20 children in my state lost their lives, people said, "Well, if Sandy Hook didn't change the debate. Then what will," 20 kids being killed." That's not how this debate, unfortunately, is going to work. It's not a tipping point. It really is a matter of the Anti-Gun Violence movement being strong enough in the polls to ultimately convince politicians to break from their historical identity with the gun industry.

Florian Eder:

Norbert Röttgen, is that hard for you to explain to your constituents? It's your vote as you know America well and you're a foreign policy guy. Have you ever understood that question?

Norbert Röttgen: I think, I try. I always try to understand. Partly, I try hard to understand America and American political debates and I try to explain something in my constituency, what is going on in the United States, but I think I have not to understand everything and to explain everything what is happening in the United States.

Chris Murphy: Well said.

Florian Eder: You just mentioned what happened a few weeks ago in Florida, in Parkland. Are we not looking closely enough from Europe, over here, if we think that things are actually getting into motion that there's movement on gun control?

Chris Murphy: Well, there's this extraordinary meeting at the White House, that got an enormous amount of attention in the States, I'm not sure how much coverage it got here, in which the President brought Republicans and Democrats into the West Wing and made some groundbreaking commitments. He walked out of that meeting seeming to have announced his support for universal background checks, making sure that people proved that they're not a criminal or seriously mentally ill before they buy a gun, other major reforms that would make a difference. But then, about 24 hours later, he walked back all of those commitments, which we've become used to.

He did the same thing on immigration, having announced in a big televised White House meeting that he wanted to try to solve this problem of young kids who came here with their parents when they were very young, and then in the days after, he did nothing to actually follow up on those commitments. I think the President is very comfortable putting on reality show presentations in the White House, not as comfortable actually following up on those commitments and getting something done and that seems to be what's happening on the issue of guns.

Florian Eder: A question for both of you. Is America, which of course, as we all know is the model of Western democracies that don't need royals to function, too old or too young a country to ever fundamentally change its constitution? As you just mentioned the Second Amendment is not absolute but you've not ... We, in Germany, we've had around 50 or 50 something changes of the Grundgesetz, of the basic law over the past 60 years. In America, there aren't that many. So, the question.

Chris Murphy: Well, you know, we haven't made as many changes but if your question is whether we're going to change this particular amendment to the constitution, the answer is no. We don't need to, for the time being. The Second Amendment, as interpreted by the Supreme Court, allows for you to both regulate the type of people who have firearms and regulate the type of firearms they own.

This, in our country, is a public health issue. The press surrounds these mass shootings but in certain neighborhoods in the United States, the most violent neighborhoods, what we have found is that children's brains are changed, are fundamentally altered by the trauma they go through every single day, fearing for their life as they walk to school. In the United States of America, the idea that, that happens in dozens of cities, is abhorrent. The Second Amendment doesn't stop you from passing Common-Sense Regulations to try to address that horror.

Florian Eder: Is it actually helpful advice or would it be helpful for your partners over here in Europe to advise on how to deal with those things or is that more of a advice that's not helpful at the end?

Chris Murphy: No. We certainly look to other countries experiences and what we say all the time is, "Listen, for those that want to blame this problem in the United States on mental illness or on school security, just look to the rest of the world. The United States has no greater level of mental illness than any country in Europe. Those kids that we're talking about, they exist in every culture. Our schools aren't any less secure than those in Europe, but yet, we have a gun violence rate that is 20 times higher than our partners in Europe." The difference, if you really compare apples to apples, is the ease with which you can get a gun in the United States and the celebratory culture of gun violence. We certainly draw upon experiences here and try to explain to our colleagues what leverage we have to press and what we don't.

Florian Eder: I just want to take this as one example of where we see differences and want to overcome them together of course. What we currently see, not much of a bright future of transatlantic leadership, if I may, but we see more a lack of it on very many fronts. The United States is about to start a fight that easily, actually, could turn into a fully fledged trade war with the European Union and other players on the international stage. The European Union and the United States disagree on, basically, almost everything, from climate policy to how to deal with Iran and let alone, the North Korea question, that the EU would probably never have escalated it far. Would you agree?

Norbert Röttgen: Yes, of course. We have, in general of course, we are seeing times facing times where we have a disagreement, which is not only a disagreement on certain topics but with regards to political approaches. It has been the talk here all the time that we appreciate and that we have appreciated the principles of American post-war Foreign Policy to be the steward, the leader of developing, establishing a system of international relations, which is rules based, a leadership of the United States for security, for cooperation and all that. Now, we have a different approach and I think, we have described it now, quite often, and now we have also to start the debate how to deal with that. You mentioned different topics from North Korea to Iran. I think we have to separate the topics. My appreciation or my view on the United States dealing with the North Korean conflict is quite different. More positive, quite positive, than the approach we

saw with Iran so we have to deal with the different topics and issues. I think what we have to do is also to draw our conclusions.

I think what we have to do is also to draw our conclusions. When we state that we have, in a way, a fundamentally different approach among governments, what is the conclusion for us, who share to be committed, dedicated to the international system as we have developed it? How can we cooperate? Are we only left to wait and see how this administration, how long it will live? For more three years or for more seven years? Or has fundamentally something changed we have to respond to? Are the fabric of our societies feeling left behind vulnerable to globalization? What is our liberal answer to that only sticking to our narrative from the Cold War?

So, I think we have to do two things. We have to do some intellectual work. What is our response to make people feel better, better protected, better off in these shattering times of globalization. And the second thing is, I think we have to think in patterns of new alliances. Not only between and among governments but we have perhaps, to forge new alliances of the liberal camp. Not only relying on governments, but bringing in civil societies, different parties, politicians, businesses, in order to uphold another kind of transatlantic dialogue conversation [crosstalk 00:15:04].

Florian Eder: Is that happening already? Is that happening already?

Norbert Röttgen: It's happening this weekend.

Florian Eder: Like here?

Norbert Röttgen: Like here, and this is my highest appreciation what GMF is doing for that but we have to broaden the conversation. We have to build up a kind of political approach among parliamentarians, business people, for this liberal approach to ... the rational liberal approach to foreign policy in order to not getting lost off of this traditional approach and keep it alive.

Florian Eder: I'll actually come back to that very soon. Just one more question on, as you were talking about North Korea and the approach, it will be hard for you to admit but if actually President Trump might even meet Kim Jong-Un personally. Have you ever come to think that he might have done the right thing?

Chris Murphy: Well, it remains to be seen. I think many of us have been rooting for a diplomatic solution here. I have given credit to the Trump administration with respect to their work to try to bring China to the table. They're understanding that the time was of the essence to ratchet up economic and political pressure on the North Koreans but in a rather, oddly, fantastical way in which this ad hoc unplanned summit seems to be coming about could create more problems than it solves. I think we just have to be very honest about what could go wrong if

these two leaders get in a room without any normal pre-planning that would accompany under normal circumstances, a summit of this substance.

The worry here is that if there is no deliverable on disarmament at this meeting, the North Koreans may get everything that they want. They get a photo op that legitimizes the Kim regime and they don't actually have to make any commitments on denuclearization. Or, alternatively, the meeting could go so badly that the President sours on diplomacy and you have a rush towards a military alternative that no one likes. So, if this is not accompanied by some really serious pre-work and right now, it doesn't look like it's going to be, given the fact that Secretary Tillerson didn't know that this summit was being planned up until the announcement, then there's some real downside danger to this.

I just wanted to quickly build on something Norbert said because he's very right. I do think this issue of compartmentalization is very important because there are tensions that we can survive and there are others that we cannot. On an issue like Iran, this is going to come to a head one way or another in the next several months and we have got to find a way to figure it out. On trade or on climate, not that we have time, not that there won't be some pretty awful bumps through the withdrawal of Paris and a potential escalatory set of terrorists, but I think we can do some work behind the scenes in an inter-parliamentary manner, such that three years from now, we can pick back up to tip negotiations, that we can reenter Paris and make good on our commitments, in time, to make a difference. I think you do have to compartmentalize because there are some problems that can ... solutions that can still be there three years from now and some solutions, which will be gone.

Florian Eder: And Iran belongs to the latter.

Chris Murphy: Yeah. Iran belongs to the category in which we need to be doing some substantial work right now to make sure that we give the Trump administration whatever it feels it needs and that is very hard to decipher right now in order to stay in the deal.

Florian Eder: Norbert Röttgen, what's your ... You mentioned Iran and you seem to be pretty much on the same page here. Can you explain what you, the German government and you personally, are doing in the approach you just described, how to engage, how to bring other people in and that would be just as warning ... Or not a warning for you. My last question before I would like to open up the questions to you here in the audience. I'll walk around a little bit so just prepare a question and prepare a question is what I'm trying to say, usually defined by a question mark at the end. Mr. Röttgen.

Norbert Röttgen: I consider Iran and our approach to Iran to be, perhaps, the most divisive, dangerous issue in the transatlantic relationship because we see really different approaches to the region in general and to Iran in particular. The American approach is trying to isolate Iran, trying to rally the Sunni Arab world against

Iran, partly driven by economic business interests, in my opinion, and driven from the power calculus on the domestic ground.

The European perspective to that is that we are highly interested in [inaudible 00:20:19], in creating stability in the region because this is our neighborhood region and we have seen the refugee crisis as a crisis that has shattered after the bones of our society. So, what we need desperately is stability, not to mention peace. Our conviction is that without, not to mention against Iran, we will not see stability in the region so we have to deal in a way, with Iran, and not to permanently attack Iran.

These are very different approaches and only the idea that the United States could pull out of another agreement, the nuclear agreement with Iran, would really put us on opposite sides in a geopolitical question, could perhaps also lead to another entrance to a trade war because this would have sanctions as a consequence. These sanctions would hit, again, European companies. So this has the potential to be a very toxic, divisive, a dangerous issue in our relationships and we have to really prepare that not going to happen.

Chris Murphy: Listen, Europe's frustration is our frustration in the Congress on this issue. We do not know what the Trump administration needs from Congress and from our European partners in order to feel as if some adjustments have been made sufficient for the President to continue to certify compliance with the deal and stay in it. We are desperate to hear more from the White House so that we can figure out whether there are some commitments that we can make, sufficient to keep the deal in place.

Florian Eder: You say you don't know what the White House needs, are you sure that the White House does know what it needs?

Chris Murphy: Well, listen, I think the defining principle of the Trump administration is trying to ruin everything that Barack Obama did and this is the Obama administration's primary and chief diplomatic legacy. So, I imagine that Donald Trump wakes up every day with a desire to unwind it and he promised to do so during the campaign. He has a lot of very smart people around him who tell him that is a terrible idea, and who thus far, have been able to hold him to it but he also had a lot of smart people around him, who told him that withdrawing from Paris was a terrible idea and he still did that. So, I think you need to take this President at his word and he's been very clear about what his desire is on the Iran agreement.

I agree that it's just as catastrophic for the relationship and for America's security as Norbert points out, but the President has done more things than he said he would than many predicted.

Florian Eder: I've got a few questions. I'm looking for the microphones. Oh, here. One question was here, the lady, first one. I'll take three or four, and then do another round. Xenia.

Xenia Wickett: Thank you. Xenia Wickett, Chatham House. I want to pick up something that Norbert mentioned about the role of other actors than our governments, than our federal governments. I would like both you, both panelists to talk a little bit, if you can, about how other actors might actually contribute to maintaining the transatlantic relationship, to moving forward the kind of liberal Western agenda, if that's what the objective is. Can you provide some concrete steps that they might do and how do you get around the challenge that these actors don't have legitimacy because they haven't been voted in?

Florian Eder: Thank you. Let's have another one. Here.

Jackson Janes: I'm Jackson Janes from Washington DC. I wanted to just direct a question to Norbert Röttgen. Recently, in the Munich Security Conference, where we both were, you heard your then, Foreign Minister, say the following, "When we Germans look across the Atlantic, we no longer recognize our America." You're only four feet from an American, I wonder if the problem was that the expectations or the visions that you want America to be are no longer in sync with really what's going on over there. I guess, I would ask you, is that the case? And Senator Murphy, when you look at many of the concerns on this side of the ocean, it's all about, is this President an aberration or is this President something that's a representative of something more permanent that's going to be with us for some time to come?

Florian Eder: Thank you very much. Let's start with those two because I noticed that you don't have ... You can't make any notes so I won't give you more than a couple of questions at a time. Please, and those two belong together anyways.

Norbert Röttgen: I always consider this a huge mistake to confuse and conflate the country and the American people with the President. I think we shouldn't do that. There is more.

My second point is I think Trump is not a mere aberration. I think there are sources and forces, which made him possible and my personal analysis is that these sources and forces will endure and last over the presidency of Donald Trump. So they are there. But they are a kind of work what we share in our Western democracies. That we have a sentiment against foreigner's refugees, that we are not really have not found a recipe how to deal with a globalization and what makes people feel being insecure and not protected by the state. What is the state function that we have a kind of retreat, and not only of the left behind but also of wealthy people who do not commit to any kind of sharing responsibility within their societies. They have a kind of private, liberal conviction, which means, I want to live my private life and I do not want to see

the state interfere, unless he does something, which causes anger with me and then I'm getting very angry and I will give a protest note to our political systems.

This shows me that our Western democracies are in a transformative process and geopolitically, that we have different answers to that. We have the rise of the authoritarian country model in China, in Russia, in Turkey, and we have the rise of the populist nationalist country model within our societies, we have it in Europe, [inaudible 00:27:29], Krasinski, major countries within the European Union diverting from the liberal model and we have to face that.

We should see that we share some common problems and challenges in our Western democracies so that we should not only blame the one government but we also have these problems in our societies. For the first time now in Germany, in the German parliament, we have the third strongest party, a nationalist right-wing populist party for the first time in 70 years. This gives evidence that also in Germany, something has changed and is changing. We have Brexit. We have Macron in France but we have at the cost of the destruction of the two traditional parties in France. We have the Italian election. I can't see how to build a government out of this election result. We share some problems.

This is what I mentioned and Xenia was referring to. I think we have to take on the fact, others are in action. The nationalists, the authoritarians have taken action. They're doing something and we are sticking too much to the old patterns, to the old story, which is not completely true with regard to a completely shifted, political landscape. We're talking about NATO and NATO as an institution of the Cold War. What is our adaptation for that? The transatlantic relationship, all the institutions we have, have been born and designed under the circumstances of the Cold War. So we have to develop. We have to give a sufficient, liberal answer to the desires and feelings and sentiments of insecurity and so on of our people. For that, I think we can't only rely on the governments because the governments are also the result of these insecurities and shifts in our societies.

We have to develop something differently. We have not been to be elected to have an opinion. You are a good example of that. There are strong convictions, strong views, entrenched views in our societies, in our political systems. And we have the threes, the private liberals, we have the authoritarians and I think we have to build up the camp of the traditional liberals but we have to take action to do something. Build new alliances within our societies and between us.

Chris Murphy: When I talk to supporters of Trump in Connecticut, they tell me some variants of this. They say, "Listen, Chris, we know he's crazy. We knew he was crazy when we voted for him but you're all crazy. You all have been ignoring the reality of our lives, which is stagnant wages and inability to save for retirement, no clue about how to put our kids through college. We see these massive forces overwhelming as globalization, automation and you have done nothing, nothing

to try to protect us from that. So, we know that he is reckless but we feel like we have to disorient the status quo and he's our best chance to do that."

To the extent that the second most popular candidate in 2016, was Bernie Sanders, he remains the most popular Democrat in the United States today, is because Bernie was delivering those big solutions that Norbert's talking about, right? He got pilloried for suggesting that the United States should have free college, which sounded like a far out idea to many intellectuals inside the beltway and yet, people flocked to it because it was a big idea that met the enormous financial challenges in their life.

This question of then, how we rebuild people's understanding about the transatlantic alliance. I love something that Bernie did. I'll go back to Bernie. Bernie brought Ambassador Wittig to Vermont and had him travel around, talking about how Germany addresses higher education and job training and it was a really innovative way to sort of bring a conversation about what works here or at least works better into a sort of an unfamiliar conversation in the States. I think we got to find some of these forums to bring European voices directly to Americans and bring American voices directly to Europeans, rather than trying to explain each other through political voices.

Florian Eder: Thank you. We've got two more questions here. [crosstalk 00:32:21].

Speaker 3: [inaudible 00:32:23]. I was a German Marshall Fund in Washington DC. We are in the third day of this forum and I would like to ask the two of you, how do we come from analysis to action? Would you have propositions where we start come Monday in doing something? A lot is, of course, helpful, but now three days, we are discussing why it is so difficult with this administration and why certain rhetorics makes it even more difficult to do something. But now is the question, which fields should we start to work on? What are the best options where we can achieve something, though it is difficult? Should we start on Monday to say, "We have this tariff problem. Now let's open again, official talks about a trade agreement and for this time-

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Speaker 4: Initial talks about a trade agreement and for this time all tariffs are [inaudible 00:33:04] for example or should we finally on Monday start common strategy towards China? We are talking about that for 20 years but it never happens and what are your propositions? What are thee one, two, three fields where you would say it makes sense to start because we can achieve something even under these circumstances?

Norbert Röttgen: Is there something we could read in your newspaper on Monday? What you are going to propose?

Speaker 4: If you could get me [crosstalk 00:33:32] we can certainly amplify that.

Norbert Röttgen: OK.

Chris Murphy: Well, listen, we can't fix the problem of the Trump administration's assault on transatlantic institutions and on multilateral institutions itself. But as we were sort of hinting at before as we try to weather some of these storms there is important work that we can do under the surface. So, yes we are going to have to figure out a way to survive this announcement or whatever announcements are to follow on tariffs, but that doesn't mean that we can't try to do some work between businesses and between parliamentarians to get ready for a tea tip conversation that may spring forth in the next administration. The private sector on both sides of the atlantic can be ratcheting up their efforts on climate to try to figure out ways to make some progress in absence of the United States being in Paris. States and government ... States in the United States who have an independent commitment to climate can reach out and try to do some cooperative work here in Europe as well.

So, listen, I don't think that there is anything that we can do to try to automatically address some of the inherent problems of this administration. But there is some other work we can do as civil society with the private sector, some pre-work we can do to get ready for 2020 - 2021 that may be helpful.

Norbert Röttgen: Since foreign policy is not that much about legislation and we ... the both of us are law makers so, we are not making foreign policy laws, but what we can do is ... we can contribute and instigate with the help of others a transatlantic ... we can bring in our voices. We can instigate a debate. I would like to give one example because some of us, who are also here from different parliaments, from the European parliament, from the Germany parliament, coming from different parties, publicized, published our position on [inaudible 00:35:49] 2 which is a different position from the government I'm supporting. Then we got a response in this newspaper from others who are supportive of [inaudible 00:35:58] but it was for the first time that crossing political borders and comprising parliamentarians from different parliaments made their case for their different positions. And this is something, which we really need more to have of.

It is ... Let's really start a debate on these strategic things. Do we want ... we do not really have a debate on [inaudible 00:36:28] really in Germany. Do we want ... is it in our strategic interest or not? We have to educate our citizens that this is of strategic importance. And bringing together different voices from the parliaments and from other sectors to make a strong public case for what we consider to be an approach, which is responsible and fuels responsibility for the future. I think this is something we should start. We are living in historic times of

unraveling but I'm always really surprised that we have not an adequate debate, public debate on the things, which are going on. And I think, a part of our responsibility as parliamentarians is to enter more strongly the public field of debating what is going on in our societies and in our environments.

Florian Eder: Thank you very much, I'm getting signals that we're running out of time so I want to slowly bring this to an end. I always hear we need to wait for the next administration. Of course, we need to engage and talk, but we need to wait for the next administration, that doesn't seem very hopeful that things will fundamentally change over the next three years so Senator here's my question. You're running again for senate this year, should we expect that you run for president in 2020?

Chris Murphy: No, you should not expect that, but hopefully you can expect that I'll be back in the senate and with the 2018 elections may come a change in and of itself and you may have a change in control of the house potentially in the senate and with that may come some opportunities to force this administration to re-engage in some of these conversations. It's difficult for congress to micromanage these questions of foreign policy. But next week we will actually have a vote in the United States senate on the continued US support for the Saudi lead bombing campaign in Yemen. We are starting to try to engage more forcefully as a congress and some of these major foreign policy questions where we think the administration has gotten it very badly wrong ...

and I, for one, think that this blank check that the administration has written to the Saudis is catastrophic for the United States and there is a growing group of republicans and democrats who believe the same. And so, to the extent that block gets bigger in 2018 in these elections you may be able to harmonize some of our policy, perhaps some of our foreign policy as democrats in the congress get stronger and as we begin to find a way through potential new majorities to smooth out some of these edges. So, no there will have to be a decent amount of "wait", but 2018 elections may provide us a chance for a bit of healing.

Speaker 5: [inaudible 00:39:46] in Germany you've just been re-elected chairmen of the foreign affairs committee. We've got a new government in place, hopefully this week. [crosstalk 00:39:53] but ...

Norbert Röttgen: Next week. Yes.

Speaker 5: Well Wednesday, sure. That is also considered the last one of Angela Merkel, you could criticize her for blurring a little bit the profit of the CDU and called for a change and also the generation changed. Maybe should we expect you to run for ... [inaudible 00:40:11] of the contender to ... the heir to the throne basically.

Norbert Röttgen: You did not, you should not expect me to do that, but you should expect me to do my job as chairmen of the foreign affairs committee just being re-elected, re-

appointed, re-elected for parliament and I am very much looking forward to acting together with Chris. We have done so for ... in the several years past us and we will do in the future and we are determined to make some change and a difference.

Speaker 5: Make the world a better place and the transatlantic relationship work again. Thank you very much both for being here, both for being here, for discussing ...

Norbert Röttgen: Thank you.

Speaker 5: And thank you all for your passion and your engagement, thank you. Thank you.

Speaker 6: Ladies and gentlemen please welcome chief diplomatic correspondent for the New York Times, Mr. Steven Erlanger.

Steven Erlanger: Hi, nice to see you. Good to see you. Ladies and gentlemen if you could decide whether you're staying or whether you're going and do it quickly that would be great. While the set is being fixed I just want to thank you, could I have a bit of quiet in the room please? Ladies and gentlemen, it's really rude so, please leave or stay, but don't talk. Thanks.

I'm Steve Erlanger with the New York Times and we have a really important session. We only have an hour, but it's Ukraine, it's Minsk, it's Georgia, it's EU accession, and it never gets quite enough attention so we're gonna try to fix that today. So I would just ask my panels to come to the floor and arrange themselves as they've been instructed, not by me. That's great.

So, in this new televisual kind of format we're all gonna ... supposed to ... walk around a bit. And the intention is to try to give everyone a chance, particularly in the beginning to have something to say. So, first let me just welcome the panelist and briefly introduce them.

First, in order I suppose of precedence, is Giorgi Margvelashvili, the president of Georgia since, I think 2013. And also very pleased to have Ivanna Klympush-Tsintsadze who is vice ... [crosstalk 00:42:57]

Ivanna Klympush-: Last names ...

Steven Erlanger: That is ... well it's the Georgian problem.

Ivanna Klympush-: Yeah. Yeah.

Steven Erlanger: That's why you're seated together.

Ivanna Klympush-: [inaudible 00:43:04]

Steven Erlanger: The Georgian question. She's a deputy vice premier of Ukraine and in charge of European integration and relations with the EU. We're very honored to have Katrina Matherova who's with the European Union's department of neighborhood and enlargement, she's the deputy director general and deals quite a lot with these two issues. And very please to welcome and old friend Kurt Volker who is executive director of the McCain Institute, first of all, but who's also, you may know, is a former ambassador of the United States to NATO and is currently volunteering, quite selflessly to be America's special representative for the Ukraine negotiations. So, welcome to you all first.

I just wanted to ask, Europe is having its own problems, it's pretty divided east/west, the appetite for enlargement seems very narrow. They're worried more about Poland and Italy these days and now Slovakia than they are about things for the east. We talk about the Western Balkans as possibly the next candidates for membership. Georgia and Ukraine are laying out there, everyone wants them to do well. The prospect of EU membership is important to them. It also helps them, I think, adjust their societies, it gives them a good excuse, a good pretext for doing things many people in those countries know need to be done. So I just wanted to ask, first of all, the president of Georgia and then Ivanna.

Given this setting what are your expectations for actual candidacy, let alone accession to the EU in the next five years?

Giorgi Margvelashvili: Well ...

Steven Erlanger: And feel free to wander.

Giorgi Margvelashvili: There are issues that I'm pretty stable in. I can [crosstalk 00:45:25] I am clear on this. Well we are applying to the EU to NATO and we believe we deserve to become members and we think that we are entitled to become members. And in a way, let me tell you, the Georgian prospective ... or maybe probably also Ukrainian or Moldovan prospective of how people feel about this. We've been in this process for ... since the collapse of Soviet Union, but I would say earlier than that. We ... My generation, the generation that is active, becoming even more active right now, comes from the period of the cold war and comes from the period Soviet Union. And since the collapse of the cold war we viewed ourselves, people who were confronting the system, societies that were confronting the system, we viewed ourselves as, in a way, the ones that really made the battle. Battle to dismantle the system, which we believed was inadequate and was harming.

Steven Erlanger: But are people paying enough attention to what you're doing?

Giorgi Margvelashvili: Well, that ... I'm that telling what we were doing and what the society was doing during the Soviet Union. It was called the cold war, but people of eastern Europe, of independent nations of Soviet Union we stood really hard to

dismantle the system. And we believed that we were in this process, after the collapse of Soviet Union, fighting for our western values, fighting for our independence, and we've been harmed pretty badly. Georgia, Ukraine, Moldova, and this is a process where our societies have to pay for our western choice. And they have to pay, in many cases they have to pay not only prosperity, but also their lives for their choice.

Steven Erlanger: Are people cognizant enough of the payment and are they paying enough attention?

Giorgi Margvelashvili: Well that ...

Steven Erlanger: Let's not go back to the [crosstalk 00:47:28] Soviet Union days

Giorgi Margvelashvili: They are bombarded by, in some cases they are bombarded by Russian [inaudible 00:47:33] and so they are more than cognizant with what has happened. So in this respect we believe that we committed to these values, we have committed our reforms, but not only reforms our natural choice to these values. And are we happy with the tempo? No, we are not. Are we faithful to this decision? Yes we are.

Steven Erlanger: Very good.

Giorgi Margvelashvili: And we stick with these values and we stick with this choice.

Steven Erlanger: Thank you.

Giorgi Margvelashvili: But at the same time we don't think that it's happening fast enough.

Steven Erlanger: OK. Madame Klympush-Tsintsadze, what do you say?

Ivanna Klympush-: Well we understand that Europe has a lot of challenges and your atlantic community has a lot of challenges that you have to meet. At the same time we believe back in Ukraine that our transition and our ... every single positive change that we are achieving, every success that we enjoying are actually success that is first and foremost important for us, but is also important for our friends. Because it gives you another breath, it gives you a reminder and I think it's a very much needed reminder that there is a, there used to be, and there still is this positive power of your atlantic community, European community, transatlantic community that is providing ... is helping with an effort for a meaningful and positive change.

And that's important and so, with this in mind we are transitioning our countries. We are changing our countries. We are making our effort as President of Georgia is saying as well, we are doing this in Ukraine, but no, we are not hearing the appreciation to the extent or thee acceptance of our choice to the extent as we would like to see it. We are realist and we understand that right

now we probably have to focus on our bilateral tracks in terms of association agreements, implementation. In terms of A & P implementation, for NATO part. That we have to work on all of this huge and ambitious task that we've set for ourselves. But ...

Steven Erlanger: Yes. Alright.

Ivanna Klympush-: And also be creative about different mechanisms that we can come up with like 28 + 3 would be you and three countries, Georgia, Moldova, and Ukraine all European, or eastern partnership. Plus ...

Steven Erlanger: And we'll come back to this, but you also have work to do at home, right? Because [crosstalk 00:49:56] because there is a feeling that domestic reform's not going fast enough to meet European standards. So with this let's ask Katrina. This is your job. How are they doing?

Mathernova: These two countries are doing very well.

Steven Erlanger: Walk.

Mathernova: President [inaudible 00:50:17], Ivanna from Ukraine. You asked a difficult question, but I have a very, sort of practical and pragmatic answer. I wanna say that European union and Georgia and Ukraine have never been closer. We are not each other's foreigners anymore. And while the process of European integration is not happening to the likely of either of the two countries with the tempo, I think you specifically Mr. President spoke about the tempo of integration, it is happening. There is a lot of support given both politically and in terms of financial and concrete support. We are in a room where five years ago, if anyone asked where the European union would stand united on sanctions against Russia nobody would believe that, including me. This was unimaginable five years ago.

And we are where we are so I think there is tremendous support. Sometimes it's not to the likings of some of us who work on it, but I think we have come a long way and I'm delighted that on a Saturday morning we actually get ...

Steven Erlanger: A full room ... [crosstalk 00:51:37] it's terrific.

Mathernova: A full room in Brussels, because I think with all the ... you spoke yourselves about the challenges you have with all these serious serial crisis that we've been going through. Migration, financial matters, attention to the east is not as high as it was some time ago, but the support is steady and I'm delighted that we are getting a community of thinkers like this actually focused on these two countries.

Steven Erlanger: Who's doing better?

Mathernova: Between the two?

Steven Erlanger: Yeah.

Mathernova: That's a difficult question. Well it's easier to ... for a smaller country to harness reforms with the previous government, the current government.

Steven Erlanger: Fair enough.

Mathernova: But I would like to say that the amount of reforms and the delta between the situation Ukraine in 2014 and now is really extraordinary and that actually the image that Ukraine has is not fair. And the view that it's slowing down reforms, I always ask myself compared to what?

Steven Erlanger: Yeah. OK. Very good.

Ivanna Klympush-: And don't forget about the hot war that is being fought [crosstalk 00:52:55] every single day.

Steven Erlanger: Well I was just coming to that, in fact. So ...

Ivanna Klympush-: But that's [cross talk 00:53:00] the ... against [cross talk 00:53:01] of this war [crosstalk 00:53:06] that is happening.

Steven Erlanger: No, no, no, of course. In fact, I have in front of me one of the latest OSCE special monitoring reports from the conflicts in Ukraine the east of Ukraine, and just it's worth getting. Cause it's worth supporting the OSCE and this very good work that it's doing. And just to give you a flavor of it, we recorded fewer cease fire violations in both [foreign language 00:53:27] and [foreign language 00:53:28] regions compared to the previous reporting position, but that included 19 explosions compared to 42 explosions the day before etc. etc. It's quite an extraordinary document. And just to remind you it were ... now in the fifth year of this conflict about 11,000 people have died. Most of whose deaths have not been recorded by outside Ukrainian or Russian media. It is a hot war, much as you said, and it is one of the reasons that I think the EU is reluctant. Because in general EU and NATO, and we can talk about that, do not tend to accept countries with boundary disputes that are going on. Right? And in Georgia you have one, you have two going on, basically with South [foreign language 00:54:28] and [crosstalk 00:54:29] [foreign language 00:54:29].

Giorgi Margvelashvili: EU and NATO don't accept, it depends what is the time because ...

Steven Erlanger: Fair enough.

Giorgi Margvelashvili: ... there were cases where NATO was joined by countries with a major dispute, so ...

Steven Erlanger: That's fair enough. But, the point is it leads to a kind of uncertainty, so here I'd like to bring in Kurt Volker and give him a chance to talk a bit about what he's trying to do. Kurt is trying to deal with Minsk you're in negotiations with Surkov from Russia. But at the same time the United States is not a party to Minsk and it's not a party to the Normandy group. So, one of the things I just want to ask you, is this a mistake? Should somehow should we renegotiate Minsk or try to deal with it differently to move it along. Anyway, Kurt.

Kurt Volker: Alright. Well, Steve thank you very much for the introduction and thank you Karen [inaudible 00:55:23] for inviting me here to the Brussels Forum, so this is great. To start with your question I would say we have the Minsk agreement already. It has in it all of the things that need to happen, starting with a cease fire, ending with a return of the international boarder to Ukrainian control and full Ukrainian sovereignty and territorial integrity. So it's all in there. So the problem is not the agreement the problem is the will to implement it. And here's what we've gotten to, we have Russia as signatory of the Minsk agreements with Ukraine and the OSCE, but we've never had a lasting cease fire.

We have Russian command and control of the forces there, Russian direction of the two entities there, the [foreign language 00:56:03] and [foreign language 00:56:04] people's republics. We've not had the withdrawal of heavy weapons and as a result what you read the SMM report happens every day.

Steven Erlanger: Every day.

Kurt Volker: Every day there are cease fire violations, there are bombings, there are sniper attacks. On average Ukraine loses a couple of soldiers a week. Imagine anyone here from any country that you have a hot war on your territory, not somewhere far away, on your national territory and you have your armed forces defending your country and you are losing a couple soldiers a week defending your own territory on your own country. That's the situation that Ukraine is in. Imagine thee impact on the politics of your country from something like that. What would people be talking about? Imagine thee ability to grapple with the necessary normal issues that governments have to deal with, education, growth, reform, development, so on, when you're dealing with this problem. That's the pressure cooker that Ukraine is in.

Let me address your earlier question too, because you brought up some big questions about enlargement, because I think that's the wrong way to raise the issue. You don't start from the prospective from enlargement or not enlargement and then start checking are we there or are we not there. We start from the prospective of values that we believe in our societies in key values that need to be respected. Freedom, democracy, respect, economic opportunity, human dignity, human rights, rule of law, security, these are what we care about. These are what we want in our own societies. These are what Ukrainians want. These are what Georgians want. These are what Moldovans want. This is

what everybody throughout Europe wants. This is what we would want to see in Russia. We want the best for the Russian people. And that's [crosstalk 00:57:55]

Steven Erlanger: No, that's fine, but

Kurt Volker: But if we don't have it there it is on us to figure out how to strengthen these values, reinforces a cyst, provide security, so that everyone is better off. And if you do that enlargement can be a consequence of that, but that's not the place where you start in terms of talking about enlargement. You talk about what we're trying to achieve and that's why we are so engaged and trying to build peace in Ukraine.

Steven Erlanger: How are you doing on getting a UN peacekeeping force?

Kurt Volker: That [crosstalk 00:58:28] UN peacekeeping force idea is meant to be a transition mechanism. So that if you have Russian forces controlling eastern Ukraine now the end state needs to be a restoration to the Ukraine sovereignty and territorial integrity under Ukraine's constitutional government. In between, a UN peacekeeping force could provided a secure space. It could allow the conditions for implementation of the Minsk agreement, elections, special status, amnesty and it could allow for security to really take hold before you see the territory restored to Ukraine.

We've put this proposal together with the Normandy partners, France and Germany. We have built a lot of support within EU countries, NATO countries, potential troop contributing countries. It is in Russia's hands now. We have presented this to Russia.

Steven Erlanger: When was your last conversations with [crosstalk 00:59:19]

Kurt Volker: In January.

Steven Erlanger: January.

Kurt Volker: And Russia ... we talked about this in some detail. They said at the time so of these ideas are constructive we'd like to work with them, we will come back to you with a proposal that talks about the mandate to the force, the geographic extent, and the timeline over which it would deploy. And key for anyone is that we have a real proper peacekeeping force that covers the territory, is on the border with Russia and has [inaudible 00:59:46] heavy weapons because that's how you create the conditions where you can really have electoral campaigns, candidates, rallies, and so forth.

Steven Erlanger: Great. Now just to keep you occupied, I've asked the group here to put together some questions that you might vote on. So if you can get out your devices, I think we call them devices, your smart phones. I'm looking for question number one, and I'll just read it to you, it's very simple. In your opinion, you're all very

smart people, you follow these things, is the Minsk processing working? Yes. No. Or give it more time. So while you think about that and ideally vote, I just want to ask Kurt and also Ivanna, do you think as you talk to the Russians, it's in their interest at all to calm down the situation in eastern Ukraine? Is it better for them to have Ukraine preoccupied with this or are they feeling the pressure of settling something because it cost them also? So I'm just curious what you think, both of you.

Ivanna Klympush-: You have already the answer to the question by the audience here.

Steven Erlanger: Well I think it's clear [crosstalk 01:01:08] but people still have a degree of patience, so go ahead.

Ivanna Klympush-: Well I am pretty skeptical about the readiness of Russian federation to actually deliver on Minsk or on any readiness of Russian federation to get to a solution. But that doesn't mean that we in Ukraine would not exploit every single opportunity to try to reach this solution. By diplomatic means, by political means, and we understand very well that it won't be ... this conflict won't be resolved by weapons. At the same time we also believe that the condemnation of Russian federation by the west also has to be kind of underwritten by their readiness to support Ukraine. And to actually provide Ukraine with knowledge, with tools, with trainings, because if this was not resolved by the weapons, without weapons and without training it can be lost. [crosstalk 01:02:04]

And we have to understand this and let me just ...

Steven Erlanger: Yeah no, please.

Ivanna Klympush-: I think when you stand up they allow you to talk more. [crosstalk 01:02:10]

Steven Erlanger: No, that's good, walk around. [crosstalk 01:02:12]

Ivanna Klympush-: I figured that. So, that's one thing. [crosstalk 01:02:19] I'm skeptical about Russian federation and their willingness to deliver and I think it's also very important that the sober [phonetic 01:02:26] understanding of Russian federation would be spread in the west. Just the latest what they've done with their blackmailing after they lost the [foreign language 01:02:40] blackmailing of Ukraine and thus actually showing exactly to the whole world what exactly they are up to. And I think that all these lessons have to be drawn from Russian behavior and we have to understand that this is what we are standing up and against of and we have to understand that we are not only standing up against the hard war of Russia and hard and hot war against Ukraine, but it's also a soft war against the west. And who doesn't see that, [crosstalk 01:03:12] you are not watching closing enough.

Steven Erlanger: So in a way you feel like you're stopping the Turks at Vienna? Right? That your job.

Ivanna Klympush-: We know we are eastern flank of NATO, we do know that. And we are allowing NATO to kind of decide what and how you would deter further Russia and how you would defend yourself. And I think that's already our input to the security of the region and to the security and stability of the world.

Steven Erlanger: Can I ask you just one more thing? Do you think can really prepare to have a popular vote in eastern Ukraine about self government or is this just inconceivable?

Ivanna Klympush-: At this particular point, when we don't have any move on having continued cease fire for seven days that would envisage at least withdrawing of the heavy weapons from this pilot of pilot focal points where we've decided to do that, agreed to do that, I don't think that any discussion about the vote in the territory would be feasible in the Ukrainian society.

Steven Erlanger: OK. Thank you. Kurt what's your sense of what the Russian's want? Or what is pushing them to talk even now?

Kurt Volker: I think we have to separate the issue of solving the conflict, getting Russian forces out of eastern Ukraine, from the idea that Russia is somehow going to be a more natural, positive, cooperative partner. I think what we have is a Russia that wants to see a pro-Russian government in Ukraine. They want to restore what they consider to be a normal situation and they view Madame Klympush's government as abnormal. That's what I think they want.

By invading and occupying and claiming [inaudible 01:05:11] and still occupying eastern Ukraine as well they've produced the opposite. They've produced a more unified more nationalist, more western oriented, more anti-Russian Ukraine than has ever existed before and that deepens every day. And the younger generation of Ukrainians is completely lost to Russia now. They see them as aggressors and occupiers. So if Russia wants to pursue its objectives of trying to influence Ukraine and pull Ukraine closer to Russia it's got to start by getting out of eastern Ukraine.

Giorgi Margvelashvili: So ...

Steven Erlanger: Yes, please.

Giorgi Margvelashvili: Let me just comment. Here we try to break down issues, separate Russia / Ukraine conflict, Russia / Georgia conflict, Russia / Moldova ...

Section 2 of 3 [00:33:00 - 01:06:04]

Section 3 of 3 [01:06:00 - 01:37:56](NOTE: speaker names may be different in each section)

Giorgi M.: Russia Georgia, Russia Moldova problems, till we break those issues down and don't want to see or are not bold enough to see the whole picture. I think we are losing the general understanding of Russian policy. Plus, if we don't want to listen to Russians, if we don't want to hear Putin's speeches, I think we are not putting the right question. I mean Russia, what are Russian intentions, what is Russian policy, does that has to be guessed? You don't need special intelligence for that. Russians are very well outspoken and in many sense they are very sincere. So what we-

Steven Erlanger: What are not hearing?

Giorgi M.: I have to stand up, yeah?

Steven Erlanger: No.

Giorgi M.: So what we heard recently, so what we heard recently was outspoken-

Steven Erlanger: Stand up and fight-

Giorgi M.: ... policy of Russian Federation and it was a policy of renewing the Cold War. We've seen Russia's being sincere in 2007. Before Georgian War we've been them sincere afterwards. So what Russia plans with its near neighborhood is to be a policing force and force that reacts to any kind of possibility to enter as with the military solution and with military arms. Now if we accept that, if we believe what the highest government officials of Russia say, and they are sincere, then we have to craft policy not to Ukraine, not to Georgia, not to Moldova, but we have to craft a joint policy and going back to the values, are we sincere in the values that we declared.

When there are the declarations of saying that US or the West will support any effort of an independent nation which tries to be a peacekeeping nation deciding to live in peace with its neighbors, those are the values that we bought in, including when we were in Soviet Union or afterwards when we are building our independence. Just let me finish. If we are bold enough, first of all, to face the Russian policy and not try to break it down to separate cases, and if we are bold enough to stand behind our values, I think that we should be talking about crafting a much more realistic attitude towards Russia, which I believe is bringing more peace not only to Georgia, Ukraine, and Moldova, it is building more stability, it's bringing more stability to Russia. We are entering an era of an attempt of a Cold War.

Steven Erlanger: Okay, okay, I got it. I mean, it's fine. I mean, you've really made your point. Let me address you for a moment, both of you, on this question of values because one of the things that's happening in Ukraine and it's happened in Georgia too is the government has basically tried to derussify Ukrainian language, legal systems, culture. How do we know that you will protect minority rights,

including Russian-speaking minority rights in the future? That's part of values too, and there are lots of doubts about it.

Giorgi M.: This is not [crosstalk 01:09:25], but we haven't derussified anything.

Steven Erlanger: Ivanna, why don't you try to answer first.

Ivanna K.: First, just one sentence about the previous question. Russia's motto is destabilization and division, and their goal is world of chaos where they would be ruling, and that's from where we have to understand Russian Federation. With regard to what we want in Ukraine and what we are trying to build and what we've been doing all this time with two revolutions, with our extremely powerful rise of the civil society, with the sacrifice of people that is being done every single day, it's that we were trying and we are still trying to build a better nation. And we want to build the state that would actually serve, the political system that would actually listen, and the economy that would reward talent over connections. Yes, with freedom, with democracy, with rights of every single citizen, including of those of national minorities to be preserved.

I am a Kievite who have ... I was born, raised in Kiev. When I went to Ukrainian school during the Soviet times and I'm pretty mature, so when I went to school ...

Steven Erlanger: I'm more mature than you.

Ivanna K.: To the Ukrainian school in Kiev in the center of Kiev back in '80s, at that point I was Ukrainian school, Ukrainian speaking school, I was among maybe five, six kids in the class who was coming from the Ukrainian speaking family, because it was not modern, it was not good to speak Ukrainian because you were kind of a village person if you were not speaking Russian. But we did. We decided that we preserve our Ukrainian identity.

And what, 25, 30 years later my kids of both Ukrainian and Georgian origin for that matter, speaking Ukrainian and Georgian at home, coming to Ukrainian school in the center of Kiev and are again among the minority among the five, six children in their classes, each of them, that speak Ukrainian. I think we really have to still work on preserving the Ukrainian majority in Ukraine and work on allowing us to actually fulfill our rights to become a political nation, political nation with respect to every single minority, but also with understanding who we are as a nation that is rooted of that land.

Steven Erlanger: Katarina, do you find that convincing? About protecting minority rights, or is this a big issue?

Katarina M.: Well, I certainly agree that protecting minority rights is one of the core values of being European, absolutely. But I think that the law that created such an excitement in the news was actually not the law trying to derussify Ukrainian

education system. It was a law to desovietize Ukrainian education system. The minority language issue was just one small portion of a much broader reform, a fundamental reform to reform the education for Ukrainian kids, and I think that was perhaps is one of these issues that was a little bit blown out of proportion because I think that the law and there is the Venice Commission recommendation is actually looking at and protecting minority languages.

Steven Erlanger: Okay, all right. Good. I mean, one of the things, I'm not going to actually ask you to pull out your machines and vote again. This is actually on question five. Given the conflicts with Russia, given the importance you've put on NATO, I just wanted to ask all of you. I was at Bucharest in the famous Bucharest Summit when Putin crashed the dinner and warned President Bush not to go into Georgia and Ukraine where we had this strange compromise, which was promise of membership sometime somewhere over the rainbow, but a promise. The question I have for all of you is, do Georgia and Ukraine have a realistic chance of becoming NATO members in the next 20 years, yes or no? I'd be very curious just to get your views. While people are voting, how important is it, or is this map process, this preparation process is it good enough for now? Or is the resentment?

Giorgi M.: Well, as I'm trying to build my argument is that we have to be adequate to the reality, and the reality I believe is following that we are seeing more and more aggressive Russian policy in the neighborhood, and we are seeing an attempt of Russia to build and imitate a new Cold War, which doesn't have its background in economics, it doesn't have its reasoning with the military solution, but it has its political emotion within itself. We are seeing more and more of that rhetoric.

So I think what we should be doing, and I'm not talking about Georgia and bounty for Georgia with EU or NATO, but I'm talking about the European security and the Euro-Atlantic security which includes Georgia and Ukraine for the more stable Europe, and in this respect I think we should be rushing with both of solutions because if we think of the Cold War, the Cold War are the proxy wars, and the proxy wars are happening in the questionable, in the spaces which have to be decided which way they go. Georgia, Ukraine, and Moldova, they are all on the stake right now and I think we should be rushing with all the solutions if we were realistic and if we were listening to Russians, which once again are very sincere.

Steven Erlanger: Okay, thank you. The audience is a bit depressed about the prospect, but Ivanna what do you think?

Ivanna K.: Let's make sure that we are invited here 20 years from now by the German Marshall Fund and we will kind of see what happened over this time, over this period of time. But you know what, I think in this world that today is kind of scared, sometimes lost, sometimes pretty much deceived by the Russian Federation, there are two ways of actually ensuring your security, viable security. One is getting ready to defend yourself and doing everything to defend

yourself. And second one, getting ready to defend yourself and become a NATO member. And that's from where we are coming.

I think that there will be sooner or later that time when the NATO members would have to come down to that commitment of the Bucharest declaration or summit declaration of 2008 that Ukraine and Georgia will become NATO members because they will understand there will be an awareness, a deep and clear awareness, that these countries are actually not destabilizing their system, but actually bringing upon the stability, positive influence. We have to remember, what we want and what we are asking for it's nothing more than any of our Central and Eastern European neighbors have been asking over these times. And I think that we should not be denied that because Russian Federation doesn't want us so.

Steven Erlanger: Yes, well, I mean ...

Ivanna K.: We do want to become part of European family. We are doing everything on our side to actually be entitled to that in terms of compatibility and economic ability, but we don't want to become the zone or to remain the so-called zone of interest of the Russian Federation.

Steven Erlanger: That's right. And yet another borderland.

Kurt Volker: Steve?

Steven Erlanger: Yes, please.

Kurt Volker: Can I jump in on this because I want to give the audience maybe a little perspective?

Steven Erlanger: Right.

Kurt Volker: 20 years the other direction the EU was 15 members, NATO was 16 members. We were dealing with Boris Yeltsin and Kozyrev in the Kremlin and this thing didn't exist.

Steven Erlanger: Kozyrev didn't last very long, I know.

Kurt Volker: So a lot can happen in 20 years. A lot can happen in 20 years.

Steven Erlanger: That's right.

Kurt Volker: And that's why I come back to the point on values again. We have to be steady and knowing who we are and that can shape the environment we're going to be in.

Steven Erlanger: Very good. Now I'm going to come ... We've got about 15, maybe 20 minutes left. Last year the European Union withheld €600 million from Ukraine because it was not happy with reform progress. The EU is planning I gather another €1 billion in aid if Ukraine does set up a truly independent anti-corruption court and raises gas prices, which is a whole other complicated topic we don't have time to get into.

Ivanna K.: The EU doesn't ask us to raise the gas prices. It's the IMF.

Steven Erlanger: Okay, fine. Okay, thank you.

Ivanna K.: But they are dependent on their decision.

Steven Erlanger: It seemed odd because I mean let's not get into Nord Stream. That's too much for now. But you have in a way when I've been to Ukraine I think there are two ideas of corruption. For the Europeans it's kind of graft, you have oligarch corruption, you have a president who you don't have to comment but in my view is kind of 30% president and 70% oligarch. You have a prime minister who's working very hard.

Ivanna K.: In which country you mean?

Steven Erlanger: In Ukraine. That's my point of view. I don't expect you to agree with it. But it is widely shared.

Ivanna K.: I cannot further comment, I'm an official.

Steven Erlanger: No, no, that's fine. You'll have time in a second. What is the biggest issue with this anti-corruption court? Why is it being resisted so fiercely when it is so clearly important to aid and to your reputation with the EU and Washington? I'm just ... Tell us.

Ivanna K.: Well, first and foremost, okay, anti-corruption is not ...

Steven Erlanger: Get up. That's right.

Ivanna K.: Is not exclusively only about putting people behind the bars, in jail. It's about much more, and I think the track record in that direction of Ukraine of this year, so this four years is really impressive. We can count on many different reforms that we've done starting from the clearing up of the banking system, closing the drains in the energy sector, making Naftogaz the biggest taxpayer in Ukraine, introducing the ProZorro system of public procurement, which is electronic, which is so clear, transparent, and descendable to everyone. So all of these things are actually closing the loops of corruption in Ukraine.

And yes, during this time all of these reforms that we have drafted, passed, and implemented over this time, they were targeting at building a lot of new

institutions. And these institutions we've set up them from the scratch. Yes, in order to actually finish this circle, kind of round the circle with a serious dot, we have to still focus on the judiciary system. That's where we have I think, I personally believe since my time I personally believe that that's the weakest link we have in Ukraine. Once we are fixing and once we have fixed the judiciary and the courts, then we are fine with everything, with business environment, with the rule of law, with the protection of rights, with every single thing.

So we need a) a cleaned up judiciary. That's why we started and we already appointed the new Supreme Court. And yes, maybe for the speeding up of the process we need the anti-corruption court, and we already agreed that we do need the anti-corruption court. Why there is the resistance? There is the resistance because people do not want to get to jail. They know that they ...

Steven Erlanger: Fair enough.

Ivanna K.: That there are some sits behind them.

Steven Erlanger: There's some powerful people.

Ivanna K.: On different levels. But at the same time you have to understand that there is a commitment to actually deliver upon that. For example, government has actually put money already at the end of the last year for the functioning of the anti-corruption court for this year. As soon as the Parliament would find the will to vote, the government is already ready to implement, and we can go to the next stage. But again, don't forget it takes time. We need that time and we need some credit for what we've been doing, and also we need engagement going along this way, difficult way that we are going through from our partners and not to look for any opportunity to shy away from doing.

Steven Erlanger: And not always to accept the kind of Russian argument that Ukraine is hopeless I suppose you would say too, right?

Ivanna K.: And Ukraine is not corrupt as well. It's a over oversimplification. Thank you.

Steven Erlanger: Katarina, how is Ukraine doing on this metric?

Katarina M.: Well, first of all, I think that the Russian narrative is very clear. Ukraine is so hopelessly corrupt that is practically a failed state. Whenever I speak about Ukraine in various audiences I always ask, those who think the glass is half-full, raise your hands, and invariably the glass is half-empty in public perception, at least in Europe, and I strongly disagree with this view. I actually think and I'm delighted that the narrative is being picked up by the Ukrainian government, that a lot has happened specifically on anti-corruption.

I see my co-professor Svetlana in the audience. We just had a class on this, where we were discussing strength of institutions, and in an institutionally weak

environment, which every transition country is, is much safer to fight corruption before it occurs. For example, by letting the hryvnia fall, you eliminated the arbitrage and the fabulous riches of a lot of the oligarchs that manipulated the fixed exchange rate. Just to mention one example. You spoke about Naftogaz. When the Groysman government came into power in the spring of 2016, it brought the gas tariffs to import parity level and overnight eliminated the biggest corruption that occurred, and Naftogaz, the state monopoly had \$8 billion loss two years ago and \$1 billion profit last year. And the [inaudible 01:25:49] of nine billion does not come from efficiency gains.

Steven Erlanger: Right, exactly.

Katarina M.: Now am I saying-

Steven Erlanger: There's been some more double glazing windows.

Katarina M.: Yeah, am I saying, am I saying that Ukraine is not corrupt and still has lots to reform? Absolutely.

Steven Erlanger: Fair enough.

Katarina M.: But the anti-corruption court was adopted already in the first reading last week. Hopefully it will be adopted because it is our condition as well, as the IMF's. The last point you mentioned €600 million that was lost, which indeed is the case because of the government's concerns. But it's not only. We actually on a yearly basis give about quarter billion euros on a continuous basis to Ukraine, and lots of reforms, support lots of reforms and invest in the economy.

Steven Erlanger: Great. So I'm going to ... We've got maybe eight minutes or something and I'd like to take a couple questions. People think of questions, but first I'm going to ask you to vote one more time. This is question three. Question three which is on the scale of corruption ladies and gentlemen. Is Ukraine's government one, irredeemably corrupt, two, tolerably corrupt, or three, unfairly judged to be corrupt? Get out your devices and vote.

Giorgi M.: Just one comment [inaudible 01:27:25].

Steven Erlanger: Please.

Giorgi M.: During this vote. I think it surfaced out during this discussion. There are real issues with any nation, be it Ukraine, Georgia, any nation, the United States, but we should always be aware while discussing those issues that we are also living in an era of propaganda where Russia is very powerful. We should always be aware of the way we put the questions and the way we discuss them, we should be aware that the Russian propaganda has been proved not by Georgians or Ukrainians, but it has been proved by our Western allies that it is a factor, so we should [crosstalk 01:28:06].

Steven Erlanger: Absolutely. I think that's some very well taken point and you have more work to do as you can see at least in this group. Some questions, I see Natalie Nougayrède. So Natalie ... Is it not on? It is there one that's ... Let me. Maybe you can talk into this and ... And just talk. Just talk.

Natalie N.: Steve I love you, but I'm not going to do that.

Steven Erlanger: We're just running out of time, so go ahead.

Natalie N.: Kurt, you are, unless I'm mistaken you are the only representative of the Bush ... of the Trump, Trump, Trump administration in this conference. So thank you for being here. The title of this session is Euro-Atlantic integration. What's forward? What's happening? This week we have seen the Trump administration launch what seems to be an assault on the EU through its trade policies. I think we cannot sidestep this question as we're discussing Euro-Atlantic integration, and it matters to countries like Ukraine because the way the EU is approached by America today, the way it is treated, the way it is supported or not supported has an impact on what the EU can do towards its neighborhood rights.

I suppose my question also is addressed to our friend from the EU. My question is what is the Bush ... the Trump administration's policy on Russia in terms of how it works or doesn't work or with the EU? Keeping the EU functioning and supported by America matters in the way we deal with Russia. So that was my question.

Steven Erlanger: Great, thank you. Do you want [inaudible 01:30:13]

Kurt Volker: Sure, I'll just say first my remit is the Ukraine negotiation is not trade. In dealing with Russia and in addressing the war in Ukraine I am very conscientious to work with our German and French partners who have developed the Normandy process and who lead that. Also with the Canadians and the Norwegians and others who have an important interest there, the Brits, but also especially the EU. I think I've made three different visits to Brussels in this capacity in order to meet with people, including how valuing the Brussels forum as a venue to come and make sure that we are discussing, explaining, coordinating on that. So I think it's critically important.

Katarina M.: I just want to say that in the EU we are very saddened by the appreciation or lack thereof over the last year or somewhat muted, especially in the top level rhetoric views on the European Union. I'm not going to comment on the trade matters as we had a whole panel on that, and I think that the Euro-Atlantic alliance is important for both side of the Atlantic, and today more so than before because of the issues we discussed, because of assertive Russia and China, and I very much hope that we'll find a better way to coexist for the benefit also of our neighboring countries.

Steven Erlanger: We have a question, and again, just please identify yourself and ...

Dave Ensberg: Hello, my name is Dave [Ensberg 01:31:53] from Netherlands. I work as a chairman of the school board in the Netherlands, and one of our teachers flew in the summer of 2014 from Netherlands to Kuala Lumpur and she flew across Ukraine. She was killed.

Steven Erlanger: Sorry. Yeah, I'm sorry. I should have seen where that was going.

Dave Ensberg: She was killed in the MH17 disaster along with 297 other people and a vast majority of them were Dutch. Dutch government has put on an investigation, but the Russian government has been really trying to corrupt this investigation. I was wondering their parents of my old school teacher, they don't know what really happened and the investigation is key to that. Will they ever know the truth?

Steven Erlanger: Okay, let's take another question because I'm not sure our panel can answer it, but if they want to try, it's fine. I've got two minutes left. So I'm going to take one more question. Now I have, here, this gentleman here. You, yeah. Sorry. Thank you.

Bruno L  t  : Good morning. My name is Bruno L  t   and I'm a senior fellow in GM Brussels. We've been talking a lot about Minsk and Normandy and heart security, but actually I want to talk about economic security for Ukraine-

Steven Erlanger: Turn it into a question please.

Bruno L  t  : How can we make not only the countries peaceful? How can we also make them prosperous? And what can EU and US do more in that term?

Steven Erlanger: Okay, great. So I will just kind of quickly go back. You've got about 30 seconds, 35 seconds each. Mr. President.

Giorgi M.: All the questions?

Steven Erlanger: Yeah, on the question ... on the Dutch gentleman's plea, on whatever you want to say.

Giorgi M.: Well, I just want to say for Georgia economic security means physical security because we have placed ourselves very naturally as an interconnector between major markets, and so if we will be secure, our economic issue and integration will be secure and the growths will be double digits as we estimated. The security comes first for Georgia and we are working really hard to achieve this.

Steven Erlanger: Ivanna.

Ivanna K.: Very briefly on MH17. Ukraine has actually given all the authority to the Dutch investigators to deal with the issue and we are providing all the information from us. I really hope as we hope for every single Ukrainian citizen who has died

during this war that every single life that was lost in MH17 tragedy, the families of these people who are deceased, they will know the truth. I'm sure is so, and I think that this is extremely needed also for the whole world.

In terms of economic security I think that some positive steps from EU side have been made in this direction because the trade preferences that have been approved for Ukraine have been working in that direction and we are grateful for that, but I'm sure that this is a minimum minimal that could have been done, and if we think along these lines we can definitely develop additional opportunities, but we are ... Remember, we are coming from 2014 when we lost 20% of our economy to the war, a pretty serious chunk of our industrial potential, and we are still recovering from that, not to mention all the transit wars, all the export wars that Russia is waging on us and we are trying to reorient to other markets including obviously the biggest EU market and we hope that association agreement implementation would help that as well.

Steven Erlanger: Thank you. So right to you then Katarina.

Katarina M.: If I get up, I get an extra 30 seconds?

Steven Erlanger: Well you get extra seven seconds.

Katarina M.: In fact, from the precipice that Ivanna mentioned now Ukraine is growing and people say it's not growing fast enough. Well, it's growing after two years of almost falling over the cliff. The question, to answer your question by investment, and we have now reoriented and very aggressively from supporting mostly governance reforms in the first part after my [inaudible 01:36:17] into the external investment plan that applies to both of the countries where we in fact want to also crowd in the private sector and are developing a lot of concrete investment. So that has actually happened and hopefully within a year or two we will see the results.

Steven Erlanger: Great.

Kurt Volker: Thank you. First off, thank you for bringing up the airliner and our hearts go out to the families of those affected by this and who lost family members in this. I doubt there's a person in this room who doesn't know what happened, and I'm confident that the investigative report is going to demonstrate this conclusively. The question is what we're going to do as a result of that, and that I don't know. That's a question I think governments are going to have to face, but I think it's clear.

On economic security I can just come back to something we said earlier, which is that it is an open, fair, transparent, law-based economy that creates security for everybody and it creates opportunity. Everybody struggles with that. West Europe struggles with this in places. We struggle with it. And certainly in

Ukraine, they have tremendous distortions in their economy. Getting to that point is what's going to build it, and it's what we all have to be working toward.

Steven Erlanger: Great. Thank you to everyone. Thank you to the panel. Thank you for the audience, and now off we go.

Speaker 7: Thank you so much Steven and we all made it this morning. It is a great Saturday morning and our next session is our final ...

Section 3 of 3

[01:06:00 - 01:37:56]
