

**Testimony of Daniel Fried**  
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**before the**  
**Senate Committee on Armed Services**  
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**“The Current Situation in Georgia and Implications for U.S. Policy”**

Chairman Levin, Ranking Member McCain, Members of the Committee, thank you for the opportunity to discuss with you today the implications of Russia’s attack on Georgia.

On June 18, in testimony before the House Foreign Affairs Committee, I outlined a series of examples of increasing Russian pressure on Georgia and expressed concern that these activities risked igniting a wider conflict.

Today, with regret, I must report to this Committee that these concerns have been realized. Russia’s intensified pressure and provocations against Georgia – combined with a serious Georgian miscalculation – have resulted not only in armed conflict, but in an ongoing Russian attempt to dismember that country.

The causes of this conflict – particularly the dispute between Georgia and its breakaway regions of South Ossetia and Abkhazia – are complex, and all sides made mistakes and miscalculations. But key facts are clear: Russia sent its army across an internationally recognized boundary, to attempt to change by force the borders of a country with a democratically-elected government and, if possible, overthrow that government – not to relieve humanitarian pressures on Russian citizens, as it claimed.

This is the first time since the breakup of the Soviet Union that Moscow has sent its military across an international frontier in such circumstances, and this is Moscow’s first attempt to change the borders that emerged from the breakup of the Soviet Union. This is a troubling and dangerous act.

Today I will seek to explain how we got here, how we’re responding, and the implications for our relationship with Russia.

**Background to the Conflict**

First, some history.

The dissolution of empires is frequently violent, and the break up of the former Soviet Union was no exception. The collapse of the USSR was marked by ethnically-based violence, especially in the South Caucasus. This involved clashes between Azeris and Armenians, Ossetians and Ingush, Russians and Chechens, Abkhaz and Georgians, and others. These clashes deepened into a series of wars in the early 1990s that ended without lasting solutions. Uneasy truces followed, and the conflicts in areas outside Russia became known as “frozen conflicts.”

Two of the disputed regions lie within the internationally-recognized territorial borders of Georgia: Abkhazia and South Ossetia.

In 1992, following two years of armed conflict between Georgians and South Ossetians, an armistice was signed by Russian, Georgian, and South Ossetian leaders. The leaders also agreed on the creation of a tripartite peacekeeping force of 500 soldiers each from Russia, Georgia, and North Ossetia, a territory which lies within the borders of Russia. In practice, however, the North Ossetian peacekeeping contingent ended up being staffed by South Ossetians. Fighting in Abkhazia was brutal in those years and, as a result, large numbers of ethnic Georgians were expelled from their homes in Abkhazia; before the fighting, the ethnic Abkhaz had been a minority – under 20 percent – in Abkhazia.

The next year, 1993, South Ossetia drafted its own constitution, and three years after that, in 1996, South Ossetia elected its own “president” in an election in which mainly ethnic Ossetians – not ethnic Georgians – voted.

In 2001, South Ossetia held another election and elected Eduard Kokoity as president, again with most ethnic Georgians boycotting the election. The following year, in 2002, he asked Moscow to recognize South Ossetia’s independence and absorb it into Russia.

Throughout this period, Russia acted to support the South Ossetian and Abkhaz leaderships, sowing the seeds of future conflict. That support was not only political, but concrete, and never more so than through the continued presence of Russian military forces, including those labeled as peacekeepers.

Georgia emerged from these post-Soviet wars in weak condition. While then-President Shevardnadze deserves credit for helping end the fighting, Georgia could not find its feet; its economy remained weak and its government relatively ineffective. By the early years of this century, Georgia was in danger of becoming a failed state, with a deteriorating economy and a political system near collapse. In the autumn of 2003, President Shevardnadze acquiesced in an attempt by a local Georgian strongman – Ajaran leader Aslan Abashidze – to steal Georgia’s parliamentary election. This triggered a popular uprising of hundreds of thousands of Georgians, leading to the so-called Rose Revolution and Mikheil Saakashvili’s election as president.

It is important to note that Eduard Shevardnadze was a close friend and partner of the United States and our NATO Allies, enjoying near-heroic status. His ouster was not something the United States favored. Yet, when the Georgian people spoke and demonstrated their democratic right of peaceful protest, we did not stand in their way. We also did not encourage the protests. But Georgians’ thirst for democracy ran its course, and we accepted and supported the outcome.

Following his 2004 election, Saakashvili and his government moved swiftly and effectively to improve governance in Georgia, reducing corruption, pushing through economic reforms, and welcoming foreign investment. The Georgian economy started to

grow rapidly. At the same time, Saakashvili made clear his intention that Georgia follow the path of other successful post-communist democracies and draw closer to, and eventually join, NATO and the European Union. Although they have developed significantly in the past few years, Georgian democratic institutions remain weak and much work needs to be done to deepen democratic practices and continue economic reforms; authoritarian practices still exist alongside more democratic ones. We have made known, and made clear in public, our concerns with some of these democratic deficits. Still, Georgia appeared to be following the general contours of successful post-communist transformation we have seen since 1989 in Central and Eastern Europe.

This progress, however, was paralleled by increasing tensions between Georgia and the Russian-supported breakaway territories.

After the Rose Revolution, more clashes occurred between Georgians and South Ossetians, and between Georgians and Abkhaz. Then in 2006, South Ossetians voted for a split from Georgia in a referendum that was, again, largely boycotted by ethnic Georgians in South Ossetia. Although there were efforts to resolve the differences through negotiations, by late 2007 talks had essentially broken down.

As Georgia's ambitions to draw close to Europe and the transatlantic community became clearer, its relations with Russia deteriorated. In the summer of 2006, tension increased between Tbilisi and Moscow, as Georgia arrested several Russian military intelligence officers it accused of conducting bombings in Gori. Moscow responded with a vengeance, closing Russia's only road crossing with Georgia, suspending air and mail links, imposing embargoes against exports of Georgian wine, mineral water, and agricultural goods, and even rounding up people living in Russia (including school children) with ethnic Georgian names and deporting them. At least two Georgians died during the deportation process.

Russia's provocations escalated in 2007. In March 2007, what we believe were Russian attack helicopters launched an aerial assault, combined with artillery fire, on the Georgian Government's administrative offices in Abkhazia's Upper Kodori Valley. In August, Russian fighter jets violated Georgian airspace, then unsuccessfully launched a missile toward a Georgian radar station.

This past year, although Moscow lifted some of the economic and transport embargoes, it further intensified the political pressure by taking a number of steps toward establishing an administrative relationship with both South Ossetia and Abkhazia. In March 2008, Russia announced its unilateral withdrawal from Commonwealth of Independent States (CIS) sanctions on Abkhazia, thus removing the CIS prohibition on providing direct economic and military assistance. Then in April, following the NATO Summit in Bucharest where NATO leaders declared that Georgia would one day be a member of the alliance, then-President Putin issued instructions calling for closer official ties between Russian ministries and their counterparts in both of the disputed regions.

Russia also increased military pressure as Russian officials and military personnel were seconded to serve in both the governments and the armed forces of the separatist regions. South Ossetia's "prime minister," "defense minister," and "security minister," for example, are all seconded Russian officials. And while Russian peacekeepers in Abkhazia were specifically mandated to facilitate the return of internally displaced persons and refugees, we saw no net return of Georgians to Abkhazia in over a decade.

On April 20, the Russian pressure took a more ominous turn when a Russian fighter jet shot down an unarmed Georgian unmanned aerial vehicle over Georgian airspace in Abkhazia. Russia also increased its military presence in Abkhazia without the required consultation with the Government of Georgia. In late April, Russia sent highly-trained airborne combat troops with howitzers to Abkhazia, ostensibly as part of its peacekeeping force. Then in May, Russia dispatched construction troops to Abkhazia to repair a railroad link to Russia.

During this buildup of tension, the United States frequently called on Moscow to reverse Russian actions and to participate with us and key European allies in a diplomatic process to resolve these conflicts. In June and July, for example, the UN Friends of Georgia group, which included the United States, Germany, the UK, and France, urged fellow Friend Russia to engage in invigorated negotiations to advance Georgia's peace plan for Abkhazia. Yet Russia resisted, in one case even failing to show up for a meeting in mid-June that President Medvedev promised Russia would attend. In July, Georgia accepted the Western Friends' request that Russia and Georgia join the UN Friends and the Abkhaz for discussions to reduce tension and advance the peace process. But once again Russia's Foreign Ministry refused to send a representative, this time saying that "everyone was on vacation."

During this time, we urged Georgian officials both publicly and privately, on many occasions, to resist the temptation of any military reaction, even in the face of repeated provocations, which they were clearly facing. President Saakashvili did, to his credit, offer extensive autonomy to Abkhazia, including a guarantee that a Vice President of Georgia would be from Abkhazia. In July, Secretary Rice traveled to Tbilisi to seek to intensify diplomatic efforts to reduce the growing tensions. Working closely with counterparts from Germany, France, and the UK, she called for intensified diplomatic efforts on an urgent basis. While expressing support for Georgia, she also cautioned President Saakashvili against any temptation to use force to resolve these conflicts, even in the face of continued provocations.

Unfortunately, Russia resisted these European-American efforts to intensify diplomatic efforts to stave off a wider conflict. After Russian military aircraft overflew Georgian airspace in July, in violation of Georgia's sovereignty, while Secretary Rice was visiting Tbilisi, President Saakashvili recalled Georgia's ambassador to Moscow.

August began with two bomb explosions in Georgian-controlled territory in South Ossetia, injuring five Georgian policemen. On August 2, a fire broke out in South Ossetia that killed six South Ossetians and one Georgian policeman. On August 3,

Russia declared that South Ossetia was close to a “large-scale” military conflict, and the next day, South Ossetia evacuated hundreds of women and children to Russia.

On August 5, Moscow issued a statement saying that it would defend Russian citizens in South Ossetia. It is important to note that these so-called Russian citizens were mainly South Ossetians – that is to say, Georgian citizens – to whom Russia had simply handed out Russian passports. Russia has carried out this potentially destabilizing practice of distributing Russian passports to citizens of other neighbors from the former Soviet Union for years.

On August 6, both Georgia and South Ossetia accused each other of opening fire on villages in the region.

### **The Assault on Georgia**

Throughout this period, the United States worked with both Georgia and South Ossetia, and with Russia, seeking to tamp down the growing conflict. On August 7 Georgia’s minister for conflict resolution traveled to South Ossetia for negotiations, but his South Ossetian counterpart refused to meet with him and his Russian colleague failed to show up, claiming his car had broken down. On the night of August 7, those pressures rose to heights never before seen. Shooting broke out between Georgia and South Ossetian armed forces in South Ossetia. Georgia declared a ceasefire, but it did not hold. The Georgians told us that South Ossetians had fired on Georgian villages from behind the position of Russian peacekeepers. The Georgians also told us that Russian troops and heavy military equipment were entering the Roki Tunnel border crossing with Russia.

We had warned the Georgians many times in the previous days and weeks against using force, and on August 7, we warned them repeatedly not to take such a step. We pointed out that use of military force, even in the face of provocations, would lead to a disaster. We were blunt in conveying these points, not subtle. Our message was clear.

Georgia’s move into the South Ossetian capital provided Russia a pretext for a response that quickly grew far out of proportion to the actions taken by Georgia. There will be a time for assessing blame for what happened in the early hours of the conflict, but one fact is clear – there was no justification for Russia’s invasion of Georgia. There was no justification for Russia to seize Georgian territory, including territory well beyond South Ossetia and Abkhazia in violation of Georgia’s sovereignty, or to attack and destroy infrastructure.

But that is what occurred. On August 8, the Russians poured across the international border, crossed the boundaries of South Ossetia past where the conflict was occurring, and pushed their way into much of the rest of Georgia. Several thousand Russian forces moved into the city of Gori and other areas far from the conflict zone, such as Georgia’s main port of Poti, over 200 kilometers from South Ossetia. Russia also used the fighting as an excuse to seize the last Georgian-held portion of Abkhazia, where there had been no fighting.

The full story of that invasion and what occurred when the Russian forces dug in and allowed “irregular” South Ossetian militias to rampage through the lands Russian forces had seized, is still not fully known. We have received evidence of the burning of Georgian villages in South Ossetia. Russia’s invasion resulted in a large number of internally displaced ethnic Georgians who fled South Ossetia to Tbilisi and other Georgian towns. Although Russian forces attempted to prevent access to the area by humanitarian aid workers, some Human Rights Watch researchers were able to reach the area and reported that the Russian military had used “indiscriminate force” and “seemingly targeted attacks on civilians,” including civilian convoys. They said Russian aircraft dropped cluster bombs in populated areas and allowed looting, arson attacks, and abductions in Georgian villages by militia groups. The researchers also reported that Georgian forces used “indiscriminate” and “disproportionate” force during their assault on South Ossetian forces in Tskhinvali and neighboring villages in South Ossetia. Senior Russian leaders have sought to support their claims of Georgian “genocide” against the South Ossetian people by claiming that 2,000 civilians were killed by Georgian forces in the initial assault. Human Rights Watch has called this figure of 2,000 dead “exaggerated” and “suspicious.” Other subsequent Russian government and South Ossetian investigations have suggested **much** lower numbers. We are continuing to look at these and other reports while we attempt to assemble reliable information about who did what in those days.

### **The Ceasefire, Russia’s failure to honor it, and recognition of South Ossetia and Abkhazia**

In the days that followed the Russian invasion, our attention was focused on halting the violence and bringing about a ceasefire. President Bush spoke with a number of European leaders as well as with President Saakashvili, President Medvedev and Prime Minister Putin in an effort to halt the fighting. Secretary Rice dispatched Deputy Assistant Secretary Matthew Bryza to Tbilisi to maintain contact with the Georgian leaders, working with Ambassador John Tefft. She herself worked with the Georgians and Russian Foreign Minister Lavrov, and with key Europeans including the French as EU President, and Finnish Foreign Minister Stubb, in Finland’s role as Chairman-in-Office of the OSCE, to seek to halt the fighting.

On August 14, Secretary Rice flew to France to consult with President Sarkozy, and then flew to Georgia to seek – and successfully obtain – President Saakashvili’s signature on a ceasefire agreement. President Sarkozy had negotiated a six-point agreement which included the following:

1. No resort to force.
2. A definitive halt to hostilities.
3. Provision of free access for humanitarian assistance.

4. Georgian military forces must withdraw to the places they are usually stationed.
5. Russian forces must withdraw to their positions prior to the outbreak of hostilities. While awaiting an international mechanism, Russian peacekeeping forces will implement additional security measures.
6. Opening of international discussions on security and stability modalities in Abkhazia and South Ossetia.

The U.S. role in this process was central and timely. The Georgians had questions about the ceasefire agreement, so we worked with the French who issued a clarifying letter addressing some of Georgia's concerns. Secretary Rice conveyed the draft Ceasefire Agreement and the letter to President Saakashvili the next day. Based on these assurances, some additional assurances from the French, and the assurances of our support, President Saakashvili signed the ceasefire agreement on August 15.

The Ceasefire Accord provides for the withdrawal of Russian forces from Georgia to their positions before the hostilities began, and allows for peacekeepers in South Ossetia, limited to the numbers allowed under previous agreements, to conduct patrols a few kilometers from the conflict zone in South Ossetia, not including any cities and not in ways that impede freedom of movement.

Here is what the Ceasefire Accord does not provide: it does not establish a buffer zone; it does not allow the Russians to set up checkpoints around Georgia's ports or along Georgia's main highways and other transportation links; and it does not allow the Russians to have any forces whatsoever in places such as Poti, 200 kilometers from South Ossetia.

This agreement was signed – and should have been honored immediately – by Russian President Medvedev, who had promised to French President Sarkozy Russia's immediate withdrawal upon President Saakashvili's signature of the Ceasefire. Yet Russia has still not lived up to the requirements of the Ceasefire Agreement requirements. In these circumstances, with Russia's having failed to honor the terms of the Ceasefire Agreement and its promise to withdraw its forces, Secretary Rice flew to Brussels for an emergency NATO meeting on August 19 and, with our Allies, produced a statement in support of Georgia's territorial integrity and sovereignty – a statement that was stronger than anyone thought possible.

Russia, still failing to honor the Ceasefire Agreement, again escalated the conflict on August 26 when it recognized the independence of Abkhazia and South Ossetia. It did so in defiance of numerous United Nations Security Council resolutions that Russia approved and that explicitly affirmed Georgia's territorial integrity. And that the underlying separatist conflicts must be resolved peacefully, through international negotiations. This outrageous and irresponsible action was condemned by the European Union, NATO's Secretary General, key Allies, and – in an unprecedented move – the foreign ministers of the G7 countries. Other than Russia and the South Ossetia and

Abkhazia separatist regimes themselves, Nicaragua is the only country that has recognized these territories as independent countries.

Following the European Union Summit on September 1, President Sarkozy traveled to Moscow on September 8 to again seek Russia's compliance with the Ceasefire.

This has been a fast-moving situation, but that is where we find ourselves today.

### **Our Strategic Response**

In the face of this Russian assault on Georgia, the United States is pursuing three key objectives.

First, we must support Georgia. We seek to stabilize the situation on the ground; help the country recover and thrive economically; preserve Georgia's sovereignty; maintain our support for its territorial integrity, and democracy; in the early stages of the conflict, Foreign Minister Lavrov asserted that Russia sought the removal of President Saakashvili, a democratically-elected leader. Russia has not succeeded.

We are active, working with our European allies, in putting pressure on Russia to adhere to the Ceasefire. Russia must withdraw its military forces from Georgia, back to the lines of August 7; Russia is allowed limited patrolling rights by its recognized peacekeepers in the immediate vicinity of South Ossetia only until such time as an international mechanism is developed to take their place. So we are working fast with the European Union and the Organization for Security and Cooperation in Europe (OSCE) to put in place just such a mechanism. We are also preparing to launch international discussions on South Ossetia and Abkhazia, again working closely with our European partners.

We have already taken immediate steps to address Georgia's humanitarian needs. The United States has provided more than \$38 million worth of humanitarian aid and emergency relief, including food, shelter, and medical supplies, to assist the people of Georgia. U.S. aircraft made a total of 62 relief flights to Georgia from August 13 through September 4, and on August 24 and 27, 115 tons of emergency relief commodities arrived in Batumi on the USS *McFaul* and the USCGC *Dallas*. In addition, a third ship, the USS *Mount Whitney* anchored in Poti on September 5, delivering an additional 17 tons of emergency relief commodities that will be delivered by USAID non-governmental organization partners. On September 3, UNHCR reported that 90,500 individuals have returned to places of origin, following the August conflict. However, UNHCR staff note that the number of returnees may be significantly higher due to the passage of time, as well as the difficulty of accurate, in-field returnee counts. According to UNHCR, approximately 30,000 individuals may be displaced in the long term. We have been working with the Government of Georgia and seven relief organizations to ensure that our assistance gets to internally displaced people and other conflict-affected populations.

On September 3, Secretary Rice announced a major effort to help meet Georgia's pressing humanitarian needs, repair infrastructure damaged by Russia's invasion, sustain commercial confidence, and restore economic growth. \$570 million, the first phase of a \$1 billion United States economic support package, will be made available by the end of 2008 and will include emergency budget support to the Georgian Government. We will be working extensively with Congress in the days to come to fine tune how the assistance will be delivered. We are hopeful that there will be strong bipartisan backing for a second phase of support, an additional \$430 million to be provided in future budgets.

Georgia, like any sovereign country, should have the ability to defend itself and to deter renewed aggression. The Department of Defense has sent an assessment team to Tbilisi to help us begin to consider carefully Georgia's legitimate needs and, working with our Allies, develop our response. For several years, the United States has played a significant role in preparing Georgian forces to conduct counterterrorism missions, first as part of an effort to help Georgia rid its Pankisi Gorge of Chechen and other extremists and then as part of multinational coalition efforts. NATO's North Atlantic Council decided on August 19 to develop a NATO-Georgia Commission aimed at supporting Georgia's relations with NATO. NATO has also decided to help Georgia assess the damage caused by Russia's invasion, including to the Georgian Armed Forces, and to help restore critical services necessary for normal public life and economic activity. NATO has already sent an advisory support team to Georgia and its Special Representative for the Caucasus and Central Asia. The North Atlantic Council Permanent Representatives plan to visit Georgia in the near future. Finland's Foreign Minister Alexander Stubb, the OSCE Chairman-in-Office, showed strong and effective leadership in working with French Foreign Minister Kouchner to lay the diplomatic foundation for the ceasefire agreement and activate the OSCE's crisis response mechanisms.

Our second key objective is to prevent Russia from drawing a line down the center of Europe and declaring that nations on the wrong side of that line belong to Moscow's "sphere of influence" and therefore cannot join the great institutions of Europe and the transatlantic family. President Medvedev's recent statement of Russia's foreign policy principles implies such a claim.

The United States does not believe in or recognize "spheres of influence." Since 1989, the United States – under the leadership of Presidents George H. W. Bush, President Clinton, and President George W. Bush – has supported the right of every country emerging from communism to chose the path of its own development, and to choose the institutions – such as NATO and the European Union – that it wants to associate with and join. Each country must show itself ready to meet the standards of the institutions it seeks to join. That is its responsibility, and Georgia and Ukraine should be treated no differently than other European countries seeking to join European and transatlantic institutions.

NATO and EU enlargement has been the institutional embodiment of the slogan, "Europe whole, free, and at peace." A Europe whole, free, and at peace has been good for Europe,

good for the countries on Europe's periphery, and, I would argue, good for Russia, which now faces the most benign set of countries to its west in all of its history.

Europe whole, free, and at peace should include Russia; and throughout this process the United States and Europe sought to deepen ties with Russia in parallel with the growth of Western institutions throughout all of Europe. But Europe whole, free, and at peace certainly does not mean that Russia gets to veto the right of independent countries to choose their future, and especially not through intimidation and threats. We want to respect Russia's legitimate interests. But we will not sacrifice small nations on the altar of great power expediency.

### **Implications for relations with Russia.**

Finally, our strategic response must include the longer-term consequences of the invasion of Georgia for our relationship with Russia. Since 1991, three U.S. administrations have based policy toward Russia on the assumption that Russia – perhaps in fits and starts, imperfectly and in its own way – sought to become a nation integrated with the world: a “normal nation,” that is, part of the international system and its institutions. For its part, since 1991 Russia has asserted its own interest in becoming a part of the world and a part of international institutions. And Russia had made progress in this regard, with American and European support.

But with its invasion of Georgia, its continuing refusal to implement the Ceasefire it has signed, and its apparent claim to a “sphere of influence,” Russia has put these assumptions under question and these aspirations at risk.

Russia's behavior in Georgia recalls bad traditions of years we had believed behind us: 1979 and Afghanistan, 1968 and Czechoslovakia, 1956 and Hungary, 1921 and Georgia, and numerous Russian imperial interventions in the 19<sup>th</sup> century. Russia's assault on Georgia follows other troubling signs: threats against Poland, including the threat of nuclear attack; suspicious poisonings and killings of journalists and those deemed “undesirable” persons such as Aleksandr Litvinenko, Anna Politkovskaya, and even President Yushchenko of Ukraine; the apparent use of energy for the purposes of political pressure against Ukraine, Lithuania and the Czech Republic; the concentration of political power in one party and focused in the Kremlin; and the creation in the state-controlled Russian media of an “enemy image” of the United States. Many believe that there is a relationship between these troubling events and increasing government control of and pressure on what should be independent institutions in Russia, including the parliament, political parties, non-governmental organizations, the media, and the courts.

We can speculate on the sources of such Russian behavior. We in the United States looked on the period of the 1990s as one of hope for Russian democratic reform and international integration in the immediate post-Soviet period. But Russians do not look back on the 1990s with nostalgia, and certainly not with regret. They look on this decade as a period of chaos and impoverishment at home, and humiliation and decline of influence abroad. Most Russians welcomed what they believed was stability and greater

international respect that then-President Putin gained for Russia in the world. They welcome Russia's steady economic growth, even if many realize this is to a great extent no more than a function of high oil and gas prices; and they welcome what they see as Russia's return to a period of greater order at home and more respect abroad. They believe that it is only right that Russia should assert its interests in its immediate neighborhood.

We should understand the sources of such views. But to understand them is not to accept or excuse them. It is not a mark of return to national greatness to have launched an invasion of a smaller, weaker neighbor, or to use language of threats and intimidation against other neighbors. Worse, in an echo of the Brezhnev Doctrine's right of intervention, some Russian officials have suggested a right to intervene on behalf of Russian citizens anywhere in the former Soviet Union and beyond. If Russia is simply creating these "citizens" by handing out Russian passports to non-Russians in neighboring countries, as it did in South Ossetia and Abkhazia, then this is a formula that can be abused, and is perhaps designed to be abused, to justify aggressive purposes.

There is another and more constructive side to Russian official thinking. Earlier this year, Dmitriy Medvedev made an eloquent speech in which he presented his vision of a Russia governed on the basis of the rule of law, and fully integrated in the 21<sup>st</sup> century global economy. He spoke persuasively of a modern Russia, rooted in the rule of law – strong, to be sure, but strong in the measure of power for the 21<sup>st</sup> century, not the 19<sup>th</sup> century. We in the West, and many Russians, took encouragement from his words – words that now ring hollow.

Russia has a choice to make. It can seek to be a nation at peace with itself and its neighbors, a modern nation establishing its power and influence in modern and constructive ways, as President Medvedev's post-election vision suggested.

Or Russia can chose to be a nation whose standing in the world is based not on how much respect it can earn, but on how much fear it can evoke in others. Russia cannot have it both ways. Russia, sadly, seems to be seeking to build national power based on attempts to dominate and the threat or use of force or pressure against its neighbors. By its actions in recent weeks, Russia has put itself in opposition to Europe and the transatlantic community with which it claimed partnership.

We hope Russia, even now, can choose a better path. But we must also contend with the Russia that lies before us, and the signs are not good.

How shall the West respond?

I have already spoken of our support for Georgia and our efforts to blunt Russian attempts to draw a new line, or curtain, through Eastern Europe. But we must also respond to Russia itself.

First, we must help Russians understand that the course they are now on is already leading to self-isolation in the world. Russia has been condemned by the European Union, the Chair of the OSCE, and for the first time ever by its G8 partners, by the foreign ministers of G7 countries. If Russia continues its current course of defiance and failure to honor its agreements, this self-isolation will deepen, with profound implications for Russia's relations with key international institutions.

Second, the West must work and act together. The United States and its European allies have responded in coordinated fashion to the Georgia crisis, and must continue to do so. The United States and Europe working together will have far more impact on Russia than we will have by working alone. Europe and the United States also need to show solidarity and determination to resist Russian pressure on other, smaller European nations on its border, whether this takes the form of military threats, cyber attacks, or economic intimidation using energy as a weapon. We shall consider specific steps thoughtfully and in light of Russia's behavior in the coming weeks, including whether it adheres to the Ceasefire Accord or if it continues to fail to comply with its terms, as Russia is now doing.

Third, as we look ahead at our relations with Russia, we must be steady, determined, and patient. It will take time for the Russian people and their leaders to comprehend the cost of Russia's growing isolation. The recent flight of billions of dollars from Russian equity markets is only an initial sign of the costs to Russia over time of its behavior.

Fourth, our response must keep open the possibility of Russian reconsideration of its current course, and keep doors open for cooperation. There are areas where we and Russia have overlapping interests – this was true before Russia invaded Georgia and it is still true now, whether it is in Iran, counterterrorism, Afghanistan, or other issues.

Fifth, we must also remember that Russia may choose to continue its aggressive course, particularly against neighbors who have aspirations for closer security relations with us and NATO. Prime Minister Putin has questioned Ukraine's territorial integrity as well as Georgia's, and President Medvedev has threatened to use "military means" to stop Poland's plans to host missile defense components. Russia will be ill-advised to pursue a course of continued threats against its neighbors. As British Foreign Secretary David Miliband put it, we do not want a new Cold War; Russia has a responsibility not to start one.

We do not seek, and are not doomed to have, a bad relationship with Russia. Russia's development in the 21<sup>st</sup> century will require it to have a cooperative, not antagonistic, relationship with Europe, the United States, and the developed world. For better or worse, Russians value their place in the community of European nations. Moreover, Russia must contend with its serious problems at home: a shrinking and aging population, a lopsided economy, and now international isolation. Russia is poorly positioned to sustain a bad relationship with Europe and the United States.

Wiser heads in Russia understand this, and may themselves realize that long-term self-isolation will not prove to be a successful strategy for Russia. The Russian economy will require investment, access to capital and technology, and, over time, greater adherence to the rule of law than is the case today. Investors will make their own decisions. But they generally seek a stable relationship with their economic partners and a predictable climate for their investments. And the message Russia has sent by its recent actions is that this kind of stability and predictability can no longer be assumed.

Russia is not doomed to authoritarianism at home and aggression against its neighbors. Those are the choices that Russia's leaders are currently making. Unless they change their path, we are in for a difficult period ahead.

But even in the Soviet period, we maintained both channels of communications with the Russians and a relationship in hope of better times. And in time, our relations did improve as the internal weakness of the Soviet system became more obvious and the West stood firm against Soviet expansionism.

As we consider the implications of Russia's attack on Georgia, realism requires us to face clearly what Russia has done and what we must do. We must support our friends and our principles. Russian aggression cannot be allowed to succeed; in time, if we are successful, the Russians may come to realize that a one-sided victory over a small neighbor's military was a grave mistake. In the meantime, our responsibility for the future requires us to maintain the basis of a framework for U.S.-Russian relations, given the knowledge that the perspective of today's Russian leaders will not last forever. So let us prepare to resist Russian aggression where we must, working with our friends and allies; and let us be mindful of – and keep open – channels of communication where we can, for history teaches that the aggressor may strike and win a first round, but seldom wins the last.

Thank you. I look forward to taking your questions.