

**CARNEGIE INTERNATIONAL NONPROLIFERATION
CONFERENCE**

**INTERNATIONAL EXPECTATIONS
OF THE OBAMA ADMINISTRATION**

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DEEPTI CHOUBEY: I'm Deepti Choubey. I'm the deputy director of Carnegie's Nonproliferation program. And I'd like to add my own welcome to Jessica's and say how glad we are that so many of you can be with us today.

When we chose the date of this conference back in the December of 2007, there was no way we could have predicted that the new president of the United States would choose to give a landmark address on our issues just in time for our gathering. So we'd like to share with you an excerpt from his speech in Prague yesterday.

And then, in keeping with Carnegie's emphasis on the value of international perspectives to assess the import and implications of key developments, we have with us today a selection of international experts who will reflect on the speech and we'll then invite you to do the same.

Thank you.

(Begin video segment.)

PRESIDENT BARACK OBAMA: It's fundamental to the security of our nations and to the peace of the world – that's the future of nuclear weapons in the 21st century.

The existence of thousands of nuclear weapons is the most dangerous legacy of the Cold War. No nuclear war was fought between the United States and the Soviet Union, but generations lived with the knowledge that their world could be erased in a single flash of light. Cities like Prague that existed for centuries, that embodied the beauty and the talent of so much of humanity, would have ceased to exist.

Today, the Cold War has disappeared but thousands of those weapons have not. In a strange turn of history, the threat of global nuclear war has gone down, but the risk of a nuclear attack has gone up. More nations have acquired these weapons. Testing has continued. Black market trade in nuclear secrets and nuclear materials abound. The technology to build a bomb has spread. Terrorists are determined to buy, build or steal one. Our efforts to contain these dangers are centered on a global non-proliferation regime, but as more people and nations break the rules, we could reach the point where the center cannot hold.

Now, understand, this matters to people everywhere. One nuclear weapon exploded in one city – be it New York or Moscow, Islamabad or Mumbai, Tokyo or Tel Aviv, Paris or Prague – could kill hundreds of thousands of people. And no matter where it happens, there is no end to what the consequences might be – for our global safety, our security, our society, our economy, to our ultimate survival.

Some argue that the spread of these weapons cannot be stopped, cannot be checked – that we are destined to live in a world where more nations and more people possess the ultimate tools of destruction. Such fatalism is a deadly adversary, for if we believe that the spread of nuclear weapons is inevitable, then in some way we are admitting to ourselves that the use of nuclear weapons is inevitable.

Just as we stood for freedom in the 20th century, we must stand together for the right of people everywhere to live free from fear in the 21st century. (Applause.) And as nuclear power – as a nuclear power, as the only nuclear power to have used a nuclear weapon, the United States has a moral responsibility to act. We cannot succeed in this endeavor alone, but we can lead it. We can start it.

So today, I state clearly and with conviction America's commitment to seek the peace and security of a world without nuclear weapons. (Applause.) I'm not naïve. This goal will not be reached quickly – perhaps not in my lifetime. It will take patience and persistence. But now we, too, must ignore the voices who tell us that the world cannot change. We have to insist, "Yes, we can." (Applause.)

Now, let me describe to you the trajectory we need to be on. First, the United States will take concrete steps towards a world without nuclear weapons. To put an end to Cold War thinking, we will reduce the role of nuclear weapons in our national security strategy and urge others to do the same. Make no mistake: as long as these weapons exist, the United States will maintain a safe, secure and effective arsenal to deter any adversary, and guarantee that defense to our allies – including the Czech Republic. But we will begin the work of reducing our arsenal.

To reduce our warheads and stockpiles, we will negotiate a new Strategic Arms Reduction Treaty with the Russians this year. (Applause.) President Medvedev and I began this process in London, and will seek a new agreement by the end of this year that is legally binding and sufficiently bold. And this will set the stage for further cuts, and we will seek to include all nuclear weapons states in this endeavor.

To achieve a global ban on nuclear testing, my administration will immediately and aggressively pursue U.S. ratification of the Comprehensive Test Ban Treaty. (Applause.) After more than five decades of talks, it is time for the testing of nuclear weapons to finally be banned.

And to cut off the building blocks needed for a bomb, the United States will seek a new treaty that verifiably ends the production of fissile materials intended for use in state nuclear weapons. If we are serious about stopping the spread of these weapons, then we should put an end to the dedicated production of weapons-grade materials that create them. That's the first step.

Second, together we will strengthen the Nuclear Nonproliferation Treaty as a basis for cooperation.

The basic bargain is sound: Countries with nuclear weapons will move towards disarmament, countries without nuclear weapons will not acquire them, and all countries can access peaceful nuclear energy.

To strengthen the treaty, we should embrace several principles. We need more resources and authority to strengthen international inspections. We need real and immediate consequences for countries caught breaking the rules or trying to leave the treaty without cause.

And we should build a new framework for civil nuclear cooperation, including an international fuel bank, so that countries can access peaceful power without increasing the risks of

proliferation. That must be the right of every nation that renounces nuclear weapons, especially developing countries embarking on peaceful programs. And no approach will succeed if it's based on the denial of rights to nations that play by the rules. We must harness the power of nuclear energy on behalf of our efforts to combat climate change, and to advance peace and opportunity for all people.

But we go forward with no illusions. Some countries will break the rules. That's why we need a structure in place that ensures when any nation does, they will face consequences.

Just this morning, we were reminded again of why we need a new and more rigorous approach to address this threat. North Korea broke the rules once again by testing a rocket that could be used for long range missiles. This provocation underscores the need for action – not just this afternoon at the U.N. Security Council, but in our determination to prevent the spread of these weapons.

Rules must be binding. Violations must be punished. Words must mean something. The world must stand together to prevent the spread of these weapons. Now is the time for a strong international response – (applause) – now is the time for a strong international response, and North Korea must know that the path to security and respect will never come through threats and illegal weapons. All nations must come together to build a stronger global regime. And that's why we must stand shoulder to shoulder to pressure the North Koreans to change course.

Iran has yet to build a nuclear weapon. My administration will seek engagement with Iran based on mutual interests and mutual respect. We believe in dialogue. (Applause.)

But in that dialogue we will present a clear choice. We want Iran to take its rightful place in the community of nations, politically and economically. We will support Iran's right to peaceful nuclear energy with rigorous inspections. That's a path that the Islamic Republic can take. Or the government can choose increased isolation, international pressure, and a potential nuclear arms race in the region that will increase insecurity for all.

So let me be clear: Iran's nuclear and ballistic missile activity poses a real threat, not just to the United States, but to Iran's neighbors and our allies. The Czech Republic and Poland have been courageous in agreeing to host a defense against these missiles. As long as the threat from Iran persists, we will go forward with a missile defense system that is cost-effective and proven. (Applause.) If the Iranian threat is eliminated, we will have a stronger basis for security, and the driving force for missile defense construction in Europe will be removed. (Applause.)

So, finally, we must ensure that terrorists never acquire a nuclear weapon. This is the most immediate and extreme threat to global security. One terrorist with one nuclear weapon could unleash massive destruction. Al Qaeda has said it seeks a bomb and that it would have no problem with using it. And we know that there is unsecured nuclear material across the globe. To protect our people, we must act with a sense of purpose without delay.

So today I am announcing a new international effort to secure all vulnerable nuclear material around the world within four years. We will set new standards, expand our cooperation with Russia, pursue new partnerships to lock down these sensitive materials.

We must also build on our efforts to break up black markets, detect and intercept materials in transit, and use financial tools to disrupt this dangerous trade. Because this threat will be lasting, we should come together to turn efforts such as the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism into durable international institutions. And we should start by having a Global Summit on Nuclear Security that the United States will host within the next year. (Applause.)

Now, I know that there are some who will question whether we can act on such a broad agenda. There are those who doubt whether true international cooperation is possible, given inevitable differences among nations. And there are those who hear talk of a world without nuclear weapons and doubt whether it's worth setting a goal that seems impossible to achieve.

But make no mistake: we know where that road leads. When nations and peoples allow themselves to be defined by their differences, the gulf between them widens. When we fail to pursue peace, then it stays forever beyond our grasp. We know the path when we choose fear over hope. To denounce or shrug off a call for cooperation is an easy but also a cowardly thing to do. That's how wars begin. That's where human progress ends.

There is violence and injustice in our world that must be confronted. We must confront it not by splitting apart, but by standing together as free nations, as free people. (Applause.) I know that a call to arms can stir the souls of men and women more than a call to lay them down, but that is why the voices for peace and progress must be raised together. (Applause.)

Those are the voices that still echo through the streets of Prague. Those are the ghosts of 1968. Those were the joyful sounds of the Velvet Revolution. Those were the Czechs who helped bring down a nuclear-armed empire without firing a shot.

Human destiny will be what we make of it. And here in Prague, let us honor our past by reaching for a better future. Let us bridge our divisions, build upon our hopes, accept our responsibility to leave this world more prosperous and more peaceful than we found it. (Applause.) Together we can do it.

Thank you very much. Thank you, Prague. (Applause.)

(End video segment.)

NAILA BOLUS: Good morning. I'm Naila Bolus with the Ploughshares Fund. And I'm delighted to be chairing this session. Responding to that remarkable speech that we just saw, it's really different to see it actually than to read it.

What we're going to do here is we're going to continue the excellent conversation that George started this morning and we're going to take an international perspective on the speech. Jessica mentioned in her opening remarks that 46 countries are represented here at this conference. And one of the real benefits of the Carnegie Nonproliferation Conference is that we have this incredibly rich gathering of international expertise to learn from and to share in conversation.

So we're going to dig a little bit deeper. We're going to get immediate reactions from this distinguished group of experts here, and also have a discussion about what are our international expectations for the Obama administration.

So joining me, to my right, far right, is Ambassador Peter Gottwald who is the commissioner of the Federal Government for Arms Control and Disarmament in Berlin. And he has a long history of arms control and disarmament diplomacy, including with the United Nations.

Next to him is Rebecca Johnson, who's the executive director of the Acronym Institute for Disarmament Diplomacy in London and renowned expert on the United Nations system and multilateral treaties including the Nonproliferation Treaty and the Comprehensive Test Ban Treaty.

To my left is Vladimir Orlov, who's the founder and president of the PIR center in Moscow and editor-in-chief of the Security Index Journal. And he's really a leading voice on international security and foreign policy issues in Russia and participant in numerous international expert groups.

And to my far left is Dingli Shen, who co-founded China's first nongovernmental program on arms control and regional security at Fudan University in Shanghai. He teaches nonproliferation and international security, and he's an expert on China-U.S. security and their nuclear relationship.

And truth in advertising here, all but Ambassador Gottwald are grantees of Ploughshares Fund. (Laughter.) And it's been our delight to support them.

So we're going to pursue very similar format that George started this morning and have a conversation together. And I thought we would just actually start with the question that George began with and really pick up on the conversation about diminishing the role of nuclear weapons in security policy. Obama pledged that in his speech and said that he would urge others to do the same.

So let's just start with reactions to that. Ambassador Gottwald, let's start with you.

AMBASSADOR PETER GOTTWALD: Thank you, Ms. Naila. And I am very impressed with the speech. I think the president made many very, very valuable points.

And the first one and perhaps the most important one from my perspective is that he really put the question what is the role of nuclear weapons in the 21st century at the beginning of his thoughts. And he clearly pointed out that there must be changes to the traditional approach of the last century, and he indicated that the United States will be looking at its own nuclear posture.

And I think this is really the most important point of departure because then some of the questions we also had in the previous panel, what actually can be achieved with nuclear weapons in the 21st century, what is the remaining function of deterrence, how is it to be really seen and executed in this century, I think this is what we need to discuss.

BOLUS: Rebecca, thoughts.

REBECCA JOHNSON: Yes. Thank you, Naila. And I'm very pleased to be here.

I was very impressed with this speech because it shows that the United States actually recognizes the problems of nuclear weapons in the 21st century. This was a speech looking forward that offered a strategic vision that didn't just recognize that nuclear weapons are a problem, although it clearly did recognize this.

It associated them with nuclear terrorism, with the threat of potential nuclear use, but actually recognized that getting rid of nuclear weapons would be a security solution, so nuclear weapons seen not as an asset anymore but as a problem. And also by talking about peace and security without nuclear weapons, and by linking security for the United State—and by extension, therefore, for the world—with getting rid of nuclear weapons.

And I think that that was very important. But of course it was a speech of vision and strategy not of the concrete details, because those will have to be worked out and negotiated. But I think there are some real strong messages there coming directly after he was in Strasbourg for the NATO 60th anniversary, for NATO to look again at its Strategic Concept and ask these fundamental questions, what is the role of nuclear weapons? Not just for the nuclear weapon states but for those sheltering, if you like, under useless nuclear umbrellas, and to denuclearize now the alliance relationships between the United States and other countries.

BOLUS: Vladimir, this question is going to be central, obviously, to the U.S.-Russian relationship. So maybe you could talk a little bit about your reaction to this call for reducing the role of nuclear weapons and security policy and how you think that the response will play in Russia.

VLADIMIR ORLOV: I think that yesterday's Obama speech was a very good start in the U.S. foreign policy in the new administration. And it is taken as a good start in Moscow with applaud and with expectation that this first initial step will be converted into practical next steps.

But it is true that yesterday's Obama speech started a few days earlier in London when the two presidents actually, Obama and Medvedev, had a joint document, and though it was on the 1st of April, I think we were not fooled – (laughter) – and we should take it really seriously that not only one country, which is the United States, but both countries demonstrated leadership – they want to demonstrate leadership in reducing the number of nuclear weapons in the world and both committed to a nuclear-free world, which means that Russia also has reaffirmed her commitment taken under the NPT.

It is true, Naila, that in Russia it is still an open debate. The issue is not that crystal clear what role nuclear weapons should play in the 21st century.

But is true that we are moving – and the Russian presidential action helps – we are moving towards better understanding that in this century, even though we still can live with nuclear weapons, their role and their numbers both should be dramatically reduced, better through legally binding agreement first with the United States and later with others.

BOLUS: Dingli, Medvedev wasn't the only leader that Obama met with. He also met with Hu Jintao. And perhaps you could comment on the significance of that meeting and what you see as the future for China-U.S. relations, particularly on nuclear security issues.

DINGLI SHEN: Well, I think the Chinese President Hu Jintao had his first meeting with the new U.S. president and they discussed a whole range of issues: to strengthen the international economic and the financial system, to work together to (ride in the ?) same boat, and also to cooperate, to shoulder the responsibility and the cost.

And I think this is very encouraging for the two countries to appeal to their strategic trust. That would be very helpful in making them to deal with the pressing international security issues like the proliferation, missile shooting, satellite shooting, et cetera.

China and U.S. have lots of suspicion. And it will take time, take cooperation to disperse, to reduce. And this London summit, on the side of the G-20, shall be constructive and helpful.

And turning to President Obama's Prague speech, which is so encouraging – I commend his and this is something we long hoped for, and we have been frustrated for a long time for the lack of such a demonstration of U.S. leadership.

And as the president has outlined a program, in his dream he may not be able to see the total elimination of all nuclear weapons during his tenure but he would have started – (inaudible) – this. I think U.S.-NATO played a leadership role and NATO started to cut dramatically to pave the way for a multilateral global process in which my country shares a responsibility and a cost as well.

BOLUS: Rebecca, I want to come to you because the NPT Preparatory Committee is just around the corner, and, obviously, the review conference is looming large. And the statement that Obama made about clearly committing the United States, the peace and security of the world without nuclear weapons, how does that change the atmosphere for the review conference? Does it change it enough, for example, for new bargains to be had?

JOHNSON: Well, I think it's sending a very strong and a very positive message but we're a year away from the review conference. And so what state parties to that treaty will be looking for is what's on the table. What's being brought to the table? Can the Obama administration ratify the CTBT before the 2010 review conference? What will be the deal between the U.S. and Russia?

Also, what are some of the other key issues that need to be worked on, not principally or not just solely by the United States. In the earlier session, the issue of the Middle East and the resolution of a zone free of nuclear weapons in the Middle East came up. There's going to be those issues that need progress to be made.

There's also, of course, going to be – and again, I noticed he spent quite a bit of time talking about the kind of grand bargain and the balance between the bargain and the need to reassure non-nuclear weapon states both that credible action is taking place on nuclear disarmament and that their concerns about their access to energy are being met while, at the same time, I think that we're going to be seeing more pressure coming on for ways to address the fuel cycle so as to reduce the proliferation transfer from the civil nuclear programs to military.

Now, the words, as he himself said, the words are one thing, and his words were great and gave a lot of hope. But the next step is the concrete actions.

Now, everybody does understand that, of course, it isn't up to him whether the Senate will ratify the CTBT. The Senate has to get the 67 votes. His administration has to provide the strategy and the direction. And I was very happy to see that he would say that that he would aggressively provide direction and leadership for this.

But the Senate has to also be convinced. The rest of the world has been convinced that the CTBT is in its security interest. But it would be very helpful if China would ratify, not wait for the United States and other countries. Indonesia still has not – Iran, obviously. There are some that inevitably are probably going to wait until they see what the United States has done.

But let's see some leadership from China, too, because this was also part of the challenge. This is a job where the United States can now take the lead President Obama was recognizing that as the first country to develop and indeed to use nuclear weapons there is a special responsibility. But it is also a responsibility on the other nuclear weapon states and indeed on non-NPT states to engage in this process towards peace and security without nuclear weapons.

BOLUS: Dingli, it would be great if you could respond to that because the language that Obama used was "immediately" and "aggressively" which is the most advanced that we've actually heard him say about this issue. So what about China's response? What about the likelihood of China not waiting until the U.S. ratifies?

SHEN: Well, certainly, I speak in my private capacity.

(Laughter.)

BOLUS: That's right. I meant to say that that's true for everybody here. I forgot to say everyone is speaking in a private capacity.

SHEN: If I would have run the government, we would have competed with the U.S. to do it more aggressively and more quickly. But I'm not the government.

So I try to talk to the government to understand why my government might have not had its mind set yet. And I will continue to do my work to make us do rightful work, to be respected while not hurting our legitimate national security.

That's all. (Laughter.) I want to hope that we want to do great work to do it before the U.S. would do.

BOLUS: Okay. Great. Ambassador Gottwald, do you agree with Rebecca's characterization of the influence of this on the NPT Review Conference? And maybe you could even go a little bit further and say, well, okay, so what is it that the non-nuclear weapon states are actually looking for. Rebecca said, you know, what will be the deal with U.S. and Russia? What would be positive in the view of key non-nuclear weapon states?

AMB. GOTTWALD: Thank you, Naila. Obviously, taking a cue from the last panel, I'm trying very hard to find a sort of disagreement. It's not easy because on most things I certainly do agree. But maybe I can put a little bit different accent for things.

First, and there we definitely do agree, there is a very, very high political priority to make the next NPT Review Conference a success. This is by no means self-evident after the failure of the last one, and certainly by the attitudes of most countries' expectations. And in that sense, I agree with you that words are important, but deeds are more important, and that is maybe a little of different accent.

What you really need to do – and I hinted at that already – is that we change our thinking of issues. And the fact that the president in his speech pointed out so very clearly that the basic bargain of the NPT is sound – that is something which I think many countries were longing for to hear from the United States for a long time, that it has been said so clearly and had it been spelled out that any approach who would deny rightful rights to countries would not succeed. That, I think, is really the message countries have hoped for or was waiting for to hear. And so now we have to see how we implement that.

And I think we all need to move on the right track. And yes, the CTBT is very important, but I don't think it's so important whether it's ratified this year or next year. What is important is that it is ratified. And if that gives China a change to get ahead of the United States, that's fine with me.

And maybe the other countries who can also engage in that race – and I think other elements which are very important and that is something which is a bit more technical for the general audience but for this audience here – I think we all do know that the fissile material cutoff and the whole future of dealing with fissile material is a central element of the overall path to the elimination of nuclear weapons.

And there were some doubts voiced in the first panel this morning whether that is possible. And at the same time, there were some reminders – I think it was Ambassador Brooks sitting here in this chair reminding us it hasn't been really tried. So there is really a big challenge ahead of all of us to engage in that way.

And the first, and for me, at the moment a very, very desirable outcome would be to get the Geneva Conference on Disarmament restarted in its work. And I think this is something where we have no excuses not doing it this year. This is something where we have a proposal on the table by the current chairman from Algeria to get us back into work and clearly one can discuss it.

But at this point, there's not more demanded than to re-come back to the negotiating table and get the work started. That it will take us a long time then to work out all the details is clearly something we all have to accept. But to the CD back into the business of actually negotiating arms control agreement, I think would send a message which we all have some hope will send the right, and, sort of say, emanate the right feeling and the right better motivation into the world. And so that would be my first priority.

BOLUS: When you mentioned CTB, you said it's important we ratify this year or next year but before the review conference.

AMB. GOTTWALD: Not necessarily. I dearly hope to have that happening, but it seems to me the process which the Senate in considering the treaty a second time now, engaging in maybe

can be a very helpful, very important process of actually looking at all the various facets of the equation.

And we heard this morning that there is still a lot of doubt what the right approach would be, and we heard the president in Prague saying that for the foreseeable future at least, the future of the nuclear arsenal in the United States needs to be guaranteed.

So I think these two elements can be brought together, but it's a very different debate from the one which we also hinted at this morning that maybe some were thinking and dreaming of new capacities, maybe even new warheads. I think that all is not necessary. So if you can come to find a consensus in the Senate – or if not a consensus, then at least a vast majority of people thinking that this is the right way to maintain the functioning of nuclear weapons for the time being but certainly dispel any suspicion that there were new ones being built.

I think this would immediately and very well function and fit into what the president's point of departure was and that is that there is a different role for nuclear weapons in the 21st century, reducing one, one which really is only one of deterring other nuclear states, agree that other nuclear weapon states reduce their arsenal, of course, that deterrence function is also diminishing.

So I think, actually, the debate in the Senate could be a very welcome continuation in this conference in a way to debate these issues in a very responsive, very central body over some time. And of course, the sooner they come to (puzzle this ?) out, the better.

JOHNSON: But I mean, what I want to say is that, clearly, if the United States has not ratified the CTBT by the start of the NPT Review Conference, the conference isn't going to collapse. What they're going to be looking for is how hard is the United States working towards that, what are the debates, what are the impediments, what are the questions being asked.

And you know, if the questions being asked have to do with the role of nuclear weapons and the positive role that the CTBT plays in the framework of moving towards lower salience, and indeed, towards a world free of nuclear weapons, then, they will give the U.S., of course, the benefit of a doubt because – and I think everybody agrees that for the U.S. to try ratification and fail a second time would be the worst possible scenario. So I think after a speech like this, people will trust that President Obama wants to get this ratified. We want to see who he puts in place and the strategy to do that.

But people understand that legislatures have minds of their own and you have to work carefully with them, and the timing has to be right to get the votes through the Senate. And if that means after the NPT Review Conference next year, then so be it.

But, you know, there would be disappointment I think – it would be fair to say that. But I think there would be understanding if what they saw was that the administration had a plan in place.

BOLUS: Great. Let's turn to the deep cuts agenda. So, in this speech, Obama again reiterated the commitment to negotiate a new START agreement. We saw that with the Obama and Medvedev statement. And then set the stage for further cuts. So what is your sense of what's possible in the follow-on stage?

ORLOV: I think, Naila, first of all, as we started discussing it in a very positive mode, right, we should not forget that there will be really many bumps on the road and there will be many obstacles. The road is not that easy towards further cuts whether there will be really deep cuts or first symbolic and then really deep cuts.

I think that for us, in Russia, timetable matters. And what we now discussed about CTBT, I think it's even more true about a post-START treaty. We want to have it in December, by December, not only, and I would say less, because by that time, START I expires.

More importantly, we want to have it before the NPT Review Conference really to give an example that we not only talk together, not only work together, but we agree and have legally binding commitments together with the United States on further counts.

But on the bumps, on those obstacles, I would say we still have a very vague agenda of negotiations with the United States, clearly going to all the levels. And I think that the Russian MOD and General Staff are still working on the clear ideas, what lower level's good for them should be good for the treaty and for Russia and for international climate. But certainly, we have more or less understanding as the treaty has some draft forms already in Moscow.

Having said that, we want clear interconnection between offensive and defensive. We want clear interconnection between strategic arms reduction and missile defense. And yesterday's Obama speech was not bad in that sense. We got the message. The message basically repeats Obama's message Medvedev got from him in a letter, but it doesn't go further. It mentions actually missile defense, cost effective, but still which may be in place. I think we would need progress here.

Even more important question is –

BOLUS: What would you like to see?

ORLOV: What I would like to see? I clearly would like to see either dismantlement of any missile defense in its current form, or very clear freeze on missile defense. The word "freeze" I think could help much more than the current wording we've heard from Obama yesterday. But coming back from offensive and defensive, one more thing is strategic weapons, which can be used not only in nuclear but in conventional format. And here is a message we do not get yet from Washington, D.C.

We, in Moscow, would love to hear it. We understand it takes you time to formulate it. That not only nuclear disarmament matters, though it matters for all the purposes we are discussing, but very dramatic reductions in military expenditure in the world. This is where United States clearly, even more than in nuclear disarmament should take the lead. And here we don't hear that. Reductions in nuclear, but actually the same or even high budget in conventional programs.

Prime Minister Putin in Davos said, "Financial crisis is a good time to make decisions on deep cuts on military budgets." I understand we cannot put it in the START, post-START context exactly, but if or when these decisions are made in Washington, these steps are made in Washington, the climate for START and the climate for further post-START, let's say, step three, step four on really deep cuts, not symbolically deep cuts, then it would be much easy, both for the Russian military, more important for the current and future generation of Russian political leaders.

BOLUS: Dingli, what do you want to see with U.S.-Russian reductions?

SHEN: I think it's an excessive possessing of nuclear weapons by both the U.S. and Russia are unnecessary for their national security. They do not want to bring harm to others by having so many nuclear weapons. And they do not need to retaliate with so many nuclear weapons against another country. And as they have advanced this conventional weaponry to achieve basically the same purpose, by keeping so many nuclear weapons simply sends the wrong signal that nuclear weapons are important. And that initial rise is a purpose for nonproliferation and to make medium nuclear weapons states more hesitant to the progress.

So I think it's for their own interests to cut – deep cut strategic system. And then, at the central level, if U.S. and the Russian would cut to 1,000, probably they would be more hesitant to go further if the medium nuclear weapons states would not be engaged. And that's something probably four years, five years, or 10 years later.

But the – (inaudible) – deeper cut is to commit to such cutting would send their signal to medium nuclear weapon states in terms of their own nuclear weapon development and modernization and to put a cap in terms of the effort. And that's good for the global nuclear security and for global nuclear nonproliferation.

I heard two gentlemen from Russia mention this morning in terms of nuclear cuts and the question of advanced conventional weaponry. I think other countries may have the same question and concern, but my country may – before addressing that would have the other question of the strategic offense and defense. The missile defense, the militarization of space and to mount space-based missile defense capability could simply make the medium nuclear weapon state less willing to address their early engagement in a multilateral process. And this is probably what it'll be the security concern the medium states would like to address strategic balance and strategic offense and defense balance.

BOLUS: Do you agree with Dingli's characterization of the deep cuts agenda and the timing?

JOHNSON: To a large sense, yes – well I certainly agree that as we reduce the nuclear weapons, there has to be the recognition that there are other elements to this. And one of the aspects of the speech that I also found most disappointing was referred to by both Dingli and Vladimir, which was about missile defense, particularly given that he was saying this in Prague, where we know that more than 70 percent of the Czech people do not want a missile defense base, a tracking base in their country. They don't want a U.S. military or foreign military base there at all. And that they were practically prepared to bring down their government over this issue.

Now, the United States needs to recognize that issues like missile defense in a context where there are still significant numbers of nuclear weapons exacerbate the situation because they degrade the sense that the smaller countries, particularly China, have about their deterrence.

Now, I don't have to buy into that notion of deterrence to recognize that the U.S. needs to build confidence on other areas, and in terms of its role in the world. But here again, I actually thought that the speech had a number of interesting other elements, the recognition that peace and

security was a collective endeavor. It isn't just the endeavor of the United States as a world policeman. It's actually an endeavor that the United States is prepared to take a leadership position, of course. That's important. That's necessary.

But it's a collective endeavor. And so you're moving to the sense of security as being collective, and this was actually very much a way to move the debate on a bit, but I think it's important because we've been hearing some of these same things now for over a year coming from the British government. The messages are still – are very strong. And again, Gordon Brown made, I think, a very important speech on the 17th of March also about the grand bargain, also referring to the fact that we cannot afford another failure in 2010 of the NPT review process. We just about managed to deal with it in 2005 because people understood the reasons. But in 2010, we need to show that the nonproliferation regimes—which means also the disarmament regime—are strong and are moving forward.

Now, Gordon Brown talked about the values of security and talked constitutively about collective security and recognized that we're not saying, you have to do one step before you can do another. We're actually saying these things are interconnected. So you have to be dealing with the concerns raised by the past administration's aggressive posture with regard to the potential weaponization of space, with regard to missile defense and particularly the bases in Poland and the Czech Republic, and with regard to the build up and the use of U.S. conventional force in the world. You have to deal with that and provide a recognition that the United States is looking at security as a whole differently and looking at security as a partner with the rest of the world and not attempting to be a boss.

AMB. GOTTWALD: I would very much agree that security today, of course, in 21st century is very differently defined than it has been in the past. It is definitely a situation which depends on many variables. There's energy. There's climate. There are elements which have been – much less been seen in the past. So it is very important. I think this is actually the reason why the speech could be delivered at this point that we deal with each other in a different way than we did it during the Cold War.

And so arms control, of course, is never operating in a void. It is part of the living environment around us and as much as, of course, during the time of the Cold War Germany would have been afraid of the Soviet Union, as much as it's inconceivable today that there would be a military attack by, say, large amounts of tanks coming from Russia to Germany. So we are living in a different world. But one thing which I think one needs to point out talking about nuclear disarmament is what the president said in his speech very, very I think impressively, that one nuclear weapon exploded, detonated is one too many.

And in that sense, if you had tens of thousands of tanks in the arsenal that are rusting away, it's not that much of a problem. But if one bomb gets to the wrong people, then it is. And that is why I think one has to see it in a somewhat different aspect that we need to draw down the arsenals and starting with the strategic arsenals is very good. It's excellent. Of course, we have a time limit here by the expire of the START treaty. At the same time, there are thousands of sub-strategic nuclear weapons around for which the military rationale is even flimsier, if I may say that, than for the other ones. And those need to be approached as well and we need to find ways to deal with these weapons. And I think what has been debated in the first panel this morning about different

perceptions of deterrence and security; this is a very important debate. And clearly there are different perceptions and they can and must be put on the table.

And again, if you go down to the bottom of them, I think there are very few instances and scenarios which could be defined and which knowing that your allies have a nuclear weapon to protect you is really such a comforting thought. I'm not excluding that still these scenarios might be existing, but they are diminishing. There are fewer and fewer of them. And that is something which we need to realize. Of course, all the military conflicts we are actually engaging at the moment, whether it is Afghanistan or whether that has to be in Iraq, or whether it's struggling with terrorism in other parts of the world, it's inconceivable that nuclear weapons would be a positive contribution or could be a great threat if the terrorists would get hold of them.

But so in that sense, we really do live in a world where having few nuclear weapons, we would be in a safer world. And that is the debate we need to lead and that is, in a way, what I also thought of when I referred to advice and consent of the Senate and the CTBT because that is a wonderful opportunity to have actually that debate and the nuclear posture of the United States is another one.

BOLUS: Exactly right.

JOHNSON: But there's a qualitative dimension to this debate that we keep missing out and I think Patricia Lewis mentioned this in her question in the earlier session, which about the use of nuclear weapons. That's not just about the first use because the first use implies that there is a retaliatory use of nuclear weapons that is justified. But let's actually pause for a moment and think. Where and how in the current – in the security arena, in the security challenges that we face – climate change, terrorism, water resources – all of this range of security threats, including potentially some more traditional 20th century kind of security threats – but where in any of those scenarios would the use of nuclear weapons actually bring about a security positive, rather than actually making things worse? Because that, I think, is the aspect of it that's missing when he talks about reducing the role of nuclear weapons.

This is the role and the salience of nuclear weapons. This is the qualitative dimension that goes beyond bringing the numbers down. That is, of course, important. But we still are dealing with a world where nuclear weapons have a perception of status for power and force projection whether in a regional context or internationally. And as long as they have that status, there will be countries and indeed terrorists who will seek to get hold of those weapons to provide those kinds of perceived benefits.

Now, if we stigmatize nuclear weapons use, if we actually make it a crime against humanity, if we bring security assurances into the 21st century too, by making them universally applicable. So it's not just up to the nuclear weapons states, as the five declared NPT states, to promise not to use nuclear weapons and indeed to promise to come to the aid of any country threatened or attacked with nuclear weapons. This should be a responsibility for all of us, for all of the countries and indeed all the citizens. We need to bring those elements, those qualitative dimensions that underpin the attractiveness of the weapons still and therefore underpin proliferation. We need to bring those also into the 21st century because those changes will reinforce the deep cuts and the treaties like the CTBT and the fissile material treaty. If we deal with use, we will actually be dealing with the core attractiveness and role of nuclear weapons in a way that has not yet been done.

BOLUS: I want to ask – invite you to come and give your comments or your questions. So if you would come and line up at the microphone. And then I just wanted to – actually people are moving quickly, so rather than ask a question, which I was going to do, why don't we start over here.

Q: Bill Potter from the Monterey Institute. I want to thank Naila and the panelists for a very engaging discussion. And it certainly is nice to hear the much more warm and fuzzy commentary, both on the U.S.-Russian relationship and disarmament more generally. But I wanted to press Vladimir Orlov a little bit on a point which has to do with the extent to which we can make progress primarily in the arms control sector, without also taking account of other “bumps in the road” – your expression – in the U.S.-Russian relationship and clearly missile defense is one.

But I was somewhat surprised that you didn't also make reference to NATO enlargement. And so I would be interested in your views on the possibility of keeping the NATO enlargement issue separate from this important arms control and disarmament dimension. And also perhaps if Ambassador Gottwald wanted to comment on the extent to which NATO will be accommodating in this regard. Thank you.

ORLOV: Thank you, Bill. Easy questions, particularly as we have some very important differences with the current U.S. administration or generally with the United States on certain interests. And for instance, if you look at 1st of April joint statement, it is mentioned there that, yes, Russian and United States have differences on Georgia. A little further on, it puts in a more positive fashion. More importantly for me, even more important is, of course, future of Ukraine. And when we look at how all these agenda issues can look and try to remember CFE Treaty, new security architecture in Europe and new security treaty for Europe proposed by Russia.

So the list is much bigger than what we discussed this morning and what we probably will be discussing at the conference. And it is absolutely true that therefore us, as experts either in governments or nongovernmental, nuclear issues are something important per se for the leaderships everything is interconnected. And of course, nothing will be put in a treaty related to strategic arms control which will be related NATO enlargement, nothing like that. But it is true that if we do not see, we in Russia, agreement with the United States on the core issues you mentioned – NATO enlargement – Dingtli mentioned naturally outer space issues, which are no less important for us. So it's Europe or its outer space, its conventional weapons, probably something else on the agenda as well. We will not be able to move fast and smooth towards real significant reductions.

What we probably will have then, again, if we do not have agreement of Finlandization of the Ukraine for instance and certain other countries, we will still have a good chance to have by the end of this year a new treaty. But we will have a certain high risk that the treaty would have that smell of SORT Treaty, which would mean we will have another political declaration. We don't need it. We really want figures. And the draft of the treaty we are looking at now probably we'll be discussing with U.S. negotiators very shortly. Yes, we will work on the specific figures. We will work on specific mechanisms of verification and so on and so forth. So it should be different from SORT, very much different. And should pro-START, not SORT-less, but there is a certain and significant risk that we will not have that meet in the START if we do not agree on other items of the strategic regime.

But even more important, that currently we are discussing some levels little bit above 1,000, right? When we plan to go for deeper reductions, let's say let's look beyond 2009, beyond 2010 review conference, then we certainly should take into account more and more issues, which are not directly related to nuclear.

And one footnote and I will stop here. That of course, when we look at NATO enlargement, when we look at Europe security architecture, we put a question to our U.S. partners. We put a question to our European and NATO partners. Shouldn't we really bring not only the letter, but the spirit of the NPT in a sound, legally binding format prohibiting deployment of nuclear weapons with exceptional strategic bonds outside of national territories? Isn't it really time? And probably it's not that difficult as it may seem.

AMB. GOTTWALD: Very briefly on NATO. As we had a very successful, I believe, NATO summit last week in Germany and France, which in itself I think is highly symbolic and significant, we have to realize that NATO is seen very differently today still in Moscow than it is seen in Prague, than it's seen in Warsaw and in Paris and in other places. That is clearly something we need to work on. That is one of the tasks we have to, say, build a new perception of the 21st century. We will have to have this debate internally in NATO on the new strategic concept, which we've been tasked to and this summit will be an opportunity to do that. At the same time, the NATO-Russia Council is going to provide us a new opportunity to engage on these issues. And I'm confident that we have a chance of narrowing our views, bringing them closer together and coming to a closer common perception of security. Of course the Medvedev proposals for European security architecture play a big role in that. So it'd be a huge task to that and be aware of it.

BOLUS: All right, thank you. I'm going to cut the cues off where they are now and I think we'll take two questions at a time because otherwise we're going to run out of time. So let's start over here and then, Chris, we'll go to you.

Q: Thank you. My name is Christian – (inaudible) – U.S. Consortium. My question is sort of a follow up of the comment made by the gentleman from Russia. I spent one year at the Monterey Institute and we would talk about nuclear weapons pretty much all the time. And we had sometimes debates about nuclear weapons in Europe. And we would discuss about the role of the nuclear weapons, for example, in Germany and how a potential decision by Germany or U.S. to withdraw the weapons from the German territory could trigger an effect in other European countries – (inaudible) – weapons on there.

So basically my question to Mr. Gottwald, following up, as I mentioned, with the comment before, under which circumstances or under which European architecture would you foresee at some point in the future as a contribution to Article 6 and nuclear disarmament and nonproliferation that the number X of weapons that are in German territory could be withdrawn because this could potentially – since Germany's the leader, let's say, of the European side of NATO – that could potentially influence the impact of other countries where – non-nuclear weapons states where weapons are deployed. Thank you.

BOLUS: Chris?

Q: My name is Christopher Chyba. I'm from Princeton University. We've had a discussion in this panel and the earlier panel this morning about extended deterrence and the importance if the

United States, in particular, goes towards deep cuts in managing that process carefully with those countries are – that receive security assurances from the U.S. so that we don't inadvertently drive proliferation in the part of some of those countries. Oddly, in that conversation, we haven't yet discussed the role of other nuclear powers in reassuring those countries that currently rely on U.S. extended deterrence after all for a reason of concern about the role of other countries in their region.

So my question is for Dingli Shen. If the U.S. and Russia succeed in deep cuts, perhaps not in the immediate term, as Vladimir was suggesting, but in a somewhat slightly longer term, what reassurances about the future of northeast Asian security can you imagine China giving to Japan and the Republic of Korea? Less in the likelihood that those countries would feel like they need to pursue their own nuclear weapons programs.

BOLUS: Great. Peter, we'll start with you.

AMB. GOTTWALD: On the issue of nuclear weapons in Europe, obviously NATO is an alliance, so there will be no decisions by Germany, but there can be decisions by the alliance. I indicated before that there is a place for consideration of tactical nuclear weapons in the debate on a drawdown of nuclear weapons in total. So clearly those who are proposing that and among others this has been done by Henry Kissinger and his associates and by his German, their German counterparts – (inaudible) – Genscher – (inaudible) – and Helmut Schmidt, so this is something which is stimulating debate, but it's one which needs to be conducted in NATO and we need to come to common conclusions, which are acceptable to all NATO allies. So this is a way to approach it.

BOLUS: Did you want to comment quickly on that?

JOHNSON: I completely agree with the point that Vladimir made that it really is time for the remaining U.S. nuclear weapons, both assigned directly to NATO and the U.S. weapons under U.S. control to be removed out from Europe. I don't think it requires a treaty, to be honest. I think it requires a decision by NATO and now is the time. NATO has had its 60th anniversary shindig in Strasbourg. It's launching looking at its strategic concept. And the nuclear weapons really do not and should not have an ongoing role in NATO security.

But let me go from that into just a comment on Chris' question about deterrence because again I think we're still in an old debate where deterrence is associated with the possession of nuclear weapons. In fact, in my country you can't say that Britain has a nuclear weapon because the government only has a nuclear deterrent. And so you can't even logically ask the question, does that deterrent deter? But it clearly doesn't. We've been – we've had all sorts of problems since we had nuclear weapons where we had to go to war and all this is – but – so we – first of all, we have to start talking about nuclear *weapons* and not just nuclear deterrence.

Secondly, we have to recognize that deterrence is a multifaceted thing. It has many elements – diplomatic, political, also military – and that we have to look at the different roles of those other components. And the fact is that over 180 countries in the world do not have a nuclear deterrent and actually over 100 of them don't even have a nuclear umbrella providing extended deterrence and yet I believe that most of those countries have deterrence in other forms, in terms of their alliances with neighbors and with other countries, in terms of how they address conflicts, again with

neighbors and with other adversaries, and the kind of trading relationships and the way they build relations. I think the European Union played a far greater role in building peace and security in Europe and indeed in deterring war in Europe since the Second World War than the NATO nuclear weapons could possibly have done.

So we need to get out of that old thinking and into a recognition that we have a lot of other tools that we can use and we have a lot of very much larger security threats and challenges where we need to be working collectively.

BOLUS: Thanks, Dingli?

SHEN: Concerning Chris' question, another point – first that China has no-first-use policy toward nuclear weapon states. Both Japan and South Korea use to aspire to – at least to develop a nuclear weapon after the end of Second World War. These are on the record. But what it's understood is at the present time they are not pursuing nuclear weapon. So as long as this remains the case, our no-first-use policy would apply to them.

China would not bring trouble with them in a nuclear fashion to them.

Of course, some people may not trust China. That's another matter. That's our declaratory position. But point two, they are also U.S. allies and U.S. may have withdrawn tactical nuclear weapons from their territory or from areas close to their territory. But U.S. may still have strategic systems deployed on their territory or close to their territory. That's a complicated calculation. If U.S. were the first to strike, honoring its promise, against another nuclear weapon state and it launched such a system from the U.S. nuclear weapon base in Japan or South Korea, then we have to study how to handle this. Should that attacked nuclear weapons state committed to no first use by not striking back to the attacking base on the allies territory or we should retaliate against the nuclear protected per se. So these are very theoretical and nasty. We should elaborate, discuss.

And a third, in 1995, to assure the success for permanent extension of the NPT, China not only reiterated its no-first-use and no-use commitment, so-called active security assurances, but China has also made for the first time its positive security assurances as the following. If a certain NPT non-nuclear weapon state signatory should be attacked by a nuclear weapon, China would work with the rest of world community and the U.N. Security Council framework to contribute to retaliation in order to protect all nonnuclear weapon states that have joined NPT. So that's China's positive security assurances. But that did not state if we should jointly launch our nuclear weapon against a nuclear weapon aggressor force.

I think given the ever increasing economic or cultural engagement between all these countries, it's simply theoretical that a nuclear weapon would ever be used amongst these states. But – (inaudible) – that ever theoretical possibility. But to make institution arrangement to make such a possibility zero. I think China, Japan, South Korea, U.S., et cetera, and Northeast Asia should convene a security dialogue in order to build – possibly on the basis Six-Party Talk – to build a regional security framework in which all party would commit to regional no first use. U.S. would not launch a nuclear hostility against other region based nuclear weapons states under whatever circumstance, conventional or unconventional. I think U.S. has a capacity. And that would help Japan and South Korea to be relieved of possible security pressure in the aftermath of successful completion of the U.S.-Russia further strategic disarmament.

BOLUS: So we're going to run out of time. I'm sorry. We're not going to be able to get to all the questions. If we could just have these two people who are standing at the microphone, give them – ask them really quickly. Actually – yes – (inaudible) – okay, thanks. I'm sorry about that.

Q: (Inaudible) – from CSA. I don't represent any government, but since we are talking about challenges and international expectations before Obama administration, there are two discrete steps Obama administration can take. This first one does not require going to Senate. It just requires some executive order by the president of the United States. And that is extending of formal, sincere, unconditional apology to the people of Japan about use of nuclear weapons in their country. That would be one model confidence booster that will generate confidence in the rest of the world. And that action has not been taken after five decades of the first use. And actually it's time for change and hope is now. It's on President Obama to meet that kind of sincere, formal apology which U.S. government has not given so far. It's symbolic, but it is important.

BOLUS: Thank you. We need to go. Last comment or question over her.

Q: Thank you. My name is Sameh Aboul-Encin, Egyptian diplomat and academic. I'm here in my personal capacity. Now, my first comments, as someone from the developing world and the Middle East is that, well, it's about time we hear something positive from the U.S. administration – the new one. And why? Because otherwise it was a nuclear break. Now, if I connect that to the disarmament forums in multilaterally diplomacy, we need to see that translated very clearly, number one, in the conference of disarmaments, but how? I think what we need is a dialogue. We need also the U.S. administration and the P-5 to listen to the suggestions that have been presented on an on. And it's an excellent timing because also at the CD we had the three non-NPT countries with the new session of the CD that can start, I think, next May.

Now, very quickly the second point. On the Middle East, now we cannot keep the issue of the nuclear disarmament and the Middle East resolution hostage to the peace process. The peace process has been going on. There has been a lot of efforts going on that are being done now and we continue to go. And many countries, including Egypt has been involved and taking lead in that. So we have to focus on the 95 resolution and see practical steps and make use of the positive trend that has been presented by the new administration.

BOLUS: Thank you very much. We are out of time. So I apologize again we couldn't get to everybody's questions, but please join me in thanking our excellent panelists. (Applause.) And you will now proceed to the atrium for lunch, where we'll hear from Deputy Secretary Steinberg and we'll also have a statement from President Obama – a written statement.

(Laughter.)

(END)