The committee will come to order.

Let me welcome my colleagues, as well as our witnesses and the

audience this morning, to be a part of this very important hearing,

‘‘Russia’s Aggression Against Georgia: Consequences and Responses.’’

And we thank you very much, Mr. Secretary, for being with us this morning.

Let me, once again, express the apologies of my dear friend and

colleague from Delaware, Senator Biden, who would normally be

sitting here holding that gavel, but, as I presume everyone in the

audience knows, he’s otherwise occupied, and couldn’t be here this

morning. So, I’m designated as acting chairman of the Foreign Relations

Committee, and delighted to be filling in for him this morning

on this very important hearing.

I’m going to share some opening comments, and then turn to

Senator Lugar for any opening comments he may have. We don’t

have a packed room of members yet, so any of my colleagues who

would like to be heard on this issue may have that opportunity—

several of whom have been to Georgia and can bring some particular

expertise. Senator Biden, in fact, was in Georgia in the

midst of the events as they unfolded. And then we’ll get to you, Mr.

Secretary, to respond to some questions we may have.

At some point here I’m going to try and put up a map, as well.

I always find having maps can help, it certainly helps me when I

can see exactly the geography and where various elements are that

have been the source of the difficulties over the last number of

weeks. So, when we get to that, if we have a chance, we’ll put that

up, and then describe where some of the ethnic populations also re-

side, which I think may help clarify, for those who are looking at

this, some of the difficulties that are posed by this issue.

Last month’s war between Russia and Georgia began in a small

region of South Ossetia, but it obviously cast a very long and broad

shadow across continents. In the aftermath of the conflict, the

United States and our allies certainly face some serious new challenges.

And as we survey the situation in Georgia today, we face,

as I see it, three strategic questions. First, What can we do to shore

up Georgia’s democracy, economy, and its institutions? Second,

How do we convince Russian leaders that their actions in Georgia

are antithetical to their own stated goal of becoming a successful,

respected member of the international community? And third,

What can and should the Euro-Atlantic community do to prevent

the consequences of this war, which has already taken a heavy toll

on Russia and Georgia, from undermining ambitions of the entire region?

In many respects, the first question is the most urgent one. In

the course of the conflict, tens of thousands of Georgians were driven

from their homes. In some areas, entire villages were burned to

the ground by South Ossetian forces armed and supported by Russia,

and their residents have been told they will never be allowed

to come back. As winter approaches, the situation could become a

serious humanitarian crisis, as well. Georgia’s problems have been

compounded by Russia’s gratuitous destruction of critical economic

infrastructure far outside the autonomous regions of South Ossetia

and Abkhazia. Georgia’s main rail line, cement factory, and even

its national forests were all targeted by the Russian military.

There are two ways to undermine, if not topple, a democratic

government: Either militarily or by crushing and strangling the

economy to make life so miserable that the government’s mandate

comes into question. Many expert observers believe that having

failed in the first approach, Russia now seems to have shifted to

the second. Russians undoubtedly will know that the reason that

young democracies survive is that each year people’s lives get a lot

better. That happened in Georgia, of course. Before the Rose Revolution

in 2003, Georgia’s whole economy was barely $5 billion a

year. By last year, it had grown to $10 billion. Next year, it was

going to be almost $14 billion. Hundreds of thousands of Georgians

have joined the country’s new middle class. If Russia can halt that

progress, it’ll cripple Georgia’s young democracy. Georgians don’t

want a handout. They know how to grow their economy out of this

conflict situation. They’ve done it before. We have pledged to them,

rightly so, that the United States and the international community

are not going to turn our back and walk away from this situation.

The administration’s speedy commitment of assistance and other

important signals of support from the international community will

go far to persuading international investors, who have supported

the country’s growth, to come back and to help them to rebuild on their own.

We also need to help ensure Georgia’s institutions remain true

to the principles on which they were founded. Georgia remains a

very young democracy, as we all know, and is certainly not immune

from the political problems that challenge other countries at this

stage of development. It’ll be absolutely critical for Georgians to

maintain unity in the face of serious adversity, but, at the same

time, this crisis cannot become an excuse for any actions by the

government that compromise Georgia’s standing as a proud democracy.

Second, we will need to continue reassessing our approach for

dealing with Russia. We simply cannot allow Russia to act like the

Soviet Union. We cannot allow them to go around intimidating or

toppling democracies. In many respects, this question is bigger

than Georgia and bigger than Russia itself. It is a matter of what

kind of a world we’re going to live in, in the 21st century, and

whether small democracies are allowed to thrive in that world, or

whether they’re going to get bullied by the largest kids on the block.

Russia has a critically important relationship with the United

States and the West, but it’s a relationship that is now badly off

track. Obviously, we want to work with Russia on a wide range of

issues. The United States has supported Russia’s attempt to join

international organizations, and tried to partner with Moscow on

a wide range of issues. Russia’s increasing integration into the

international community has had significant benefits for the Kremlin

and the Russian people. The country’s economy has grown rapidly

in recent years, and Russians are understandably very proud of that progress.

With integration and success come responsibilities, as well. Once

a country becomes part of the international political and financial

networks, reputations matter, and matter a great deal. And if you

develop a reputation for flaunting the rules, then you’ll pay a price for that.

It should be clear to the leaders in Moscow that there are some

real costs associated with failures to play by the rules of the international

system. Russia’s benchmark RTS stock market index has

lost more than half its value. Now, there are reasons for that loss

other than these events, but, nonetheless, certainly such a loss has

a lot to do with that conclusion. Three-quarters of a trillion dollars

since its peak in May, I might add. Yesterday, and again today, the

situation has been so bad that the index halted trading altogether.

Capital flight from the country has spiraled, and risk premiums for

investment in Russia are nearing stratospheric levels. Russia’s economic

success has been the signature achievement of the country’s

leadership, even if it has been largely predicated on high energy

prices. If Russia does not reestablish a reputation as a country that

abides by the rules both at home and abroad, then it may sacrifice

both its international standing and its economic success.

Finally, the crisis also has significant regional implications.

Georgia is an East-West land bridge between the Caspian Sea and

the Black Sea. When the Russian attack severed communications,

Armenia was cut off from its one trade route to the West. Azerbaijan

saw its economic lifeline, its oil export route to the West,

close down. And the countries in Central Asia realized that their

only alternative to exporting oil through Russia was in great danger.

Georgia’s location in the Caucasus makes it absolutely critical, a

bridge for goods, energy, and ideas, but also makes it an attractive

target for those who would like to stop commerce and contact be-

tween East and West. Beyond Central Asia and the Caucasus,

what happened to Georgia will have echoes in the Ukraine, in

Moldova, the Baltics, and Eastern Europe. If leaders in these countries

are intimidated to the point that they begin acting in opposition

to their democratic interests, it’ll be a major blow to the processes

that the Euro-Atlantic integration has transformed much of the region so successfully.

Geopolitically, we are witnessing a major moment in history. Future

generations will remember the war in Georgia as a turning

point. The only question is, What type of turning point? Will it

mark the moment that Russia recognized the political and economic

costs of military conflict with its neighbors was prohibitively

high and permanently abandon the practice, or will it usher in a

new era of insecurity in which no country in the region, Russia included,

feels confident in its ability to prosper in the absence of

outside pressure. How the United States and our allies respond,

not only over the coming days and weeks and months, but over the

coming years, in my view, will have a significant impact on determining

which of these scenarios comes to be the case.

We are grateful to Ambassador Burns for being with us this

morning, and look forward to discussing these critical issues. And

we thank you, Mr. Ambassador, for your work.

With that, let me turn to the former chairman, Senator Lugar, of Indiana.

I thank you very much, Senator Lugar.

And, as I mentioned earlier, let me ask my colleagues of any of

them have any brief comments. Senator Nelson.

Very good point. Very good. Senator Casey.

Thank you, Senator Casey. Senator Coleman.

Very good. Senator Corker. Senator Voinovich. Very good.

Mr. Ambassador, welcome. And we thank you for being with us this morning.

And let me just say to you and my colleagues, whatever supporting

documents and materials beyond your statement will be included in the record.

And I’ve asked, by the way—and I don’t know if they’ve been distributed

or not—for maps of Georgia. And though it may not be

quite so clear—although you can point out—I think it may be

marked on the maps themselves exactly where these areas are, including

South Ossetia and Abkhazia, so you can get some sense of

their location. There is actually another map that we’re going to

make available to you, as well, that shows where the ethnic populations

are, which I think may be helpful to take a look at.

Mr. Ambassador, the floor is yours. So ordered.

That was an excellent, excellent statement, Mr.

Ambassador, and we thank you for it.

I’d like to recognize the Ambassador from Georgia, who’s with us

in the audience here. We thank you, Mr. Ambassador, for being with us this morning.

We have a good participation by members, and so, I’m going to

put the 7-minute clock on. I’m not going to bang any gavels around,

but just so we can kind of keep it in that order, we’ll give everyone

a chance and maybe we can get several rounds.

Let me, if I can, pose two or three questions to you, and then—

rather than go through—ad seriatim, here. The first is—Russia

claimed, as we all know, it intervened to protect ‘‘their citizens in

South Ossetia.’’ The citizens they alluded to live within the borders

of another country, and yet were given citizenship, it almost seems,

on a whim by the Kremlin. And given the presence of large ethnic

Russian minorities in the Ukraine, in Kazakhstan, and the Baltics,

to what extent are you concerned that this incident in Georgia

would imply that these countries are now at some risk?

Second, Russia has argued that Georgia lies within their country’s

sphere of influence, and what is our position to that claim? To

your knowledge, have Russian officials outlined what, precisely, it

means to be a country within their sphere of influence or sphere

of interest? And where that sphere of influence ends is the second

question I have for you.

Third, I’d like to know what concrete steps, beyond the ones

you’ve talked about here, that the United States and our allies

should consider taking in the coming days.

And last—and you and I talked about this privately, and I spoke

with Senator Biden yesterday about it as well, is the level of assistance

we’re talking about. Obviously, there are a lot of pressures,

fiscally, and I’m concerned about paying Peter from Paul’s account,

by moving money around. There are a lot of issues in the region.

To what extent are you giving any thought to how we do this in

a way that does not jeopardize other important relationships that

depend upon our financial assistance?

So, those are the three or four questions I have, and if you’d address them, I’d appreciate it.

Well, I agree with that. We all do. It’s just a question

of how we’re doing this. You’ve outlined it well.

The other issue I was interested in is what this

may imply. Given the presence of large ethnic minorities in

Kazakhstan and the Baltics, obviously in the Ukraine, to what extent

are you concerned that the action in Georgia by Russia may

portend some other similar actions in other countries arguing the

same sphere-of-influence argument?

Very good. Senator Lugar. Thank you very much, Senator.

We’ve been joined by Senator Webb and Senator Murkowski.

Thank you both for coming. Senator Casey.

Thank you very much, Senator. Senator Hagel.

Senator Feingold. Thank you very much. Senator Corker. Go right ahead.

Thank you very much, Senator. Senator Nelson—Senator Webb.

Thank you very much, Senator. Good questions. Senator Murkowski.

Thank you very much, Senator.

Let me, if I may—and—excuse me, Senator Nelson. I apologize.

Thank you very much, Mr. Ambassador.

Let me, if I can—just ask a couple of questions here before I turn

to Senator Lugar for any followup he may have.

Obviously, and as you’ve stated it well here, and as I think it’s

been generally acknowledged here, the Russian reaction was excessive.

But, you indicated in your statements, too, the question of

whether or not this matter could have been avoided. Now, with 20–

20 hindsight, to what extent do you believe that any actions taken

by President Saakashvili could have been more moderated in a way

that might have avoided the situation that occurred, or was that—

was it unavoidable, in your view, that this was going to happen,

no matter what occurred? To what extent have we examined that

side of the equation in examining this question?

Secretary BURNS. Well, Senator, I think we’ve tried to examine

it very carefully. And I don’t have a perfect answer for what is a

very good question. I think that, you know, everyone, in different

ways, contributed, through mistakes and miscalculations, to this

crisis. I don’t think it was inevitable that it unfolded exactly in the

way that it did, when it did. But, certainly the tensions have been

building for a long time. And the Russians were preparing for a

scenario, at least, in which force could be used in the way in which

it was used. I can’t honestly tell you that, had events not unfolded

exactly in the way in which they did at the beginning of August,

that we would have seen this crisis right now. But, you know, I

think there were a set of tensions there which have been building,

which we tried very hard to avoid by reviving diplomatic mechanisms,

and were, in the end, unsuccessful at doing that.

But, it’s important, it seems to me, to analyze this

question so we know, to a large extent, what occurred here—to

make a judgment about this situation, but also, given the possibilities

that we’ve talked about here this morning, that this issue goes

far beyond the geography of Georgia and Russia; this is one that

now has had huge implications for us, for our allies, and for NATO.

All of these issues have been highlighted by the set of facts, beginning on August 7.

I want to come back to the issue raised, maybe by Senator Webb

or Senator Casey, about military assistance. I think Senator Webb

may have raised it in the Armed Services Committee. I was reading

a story—and I’m just quoting from the story itself, so I have

no independent information to confirm all of this, but there were

some issues raised by Robert Hamilton, who’s a defense analyst

and a regional expert at the Center for Strategic International

Studies, and he allegedly said that the military assistance we’re

talking about here would leave Georgia’s Armed Forces with the

job of protecting the territory under its control—I’m quoting the

story now—‘‘a mission that they are certainly capable of fulfilling

if the U.S. assists. Still, Russia is highly unlikely to accept assurance

of a purely defensive United States and Georgia intent, so any

American military aid could heighten tensions.’’ Could you respond to that?

Well, we do that—— In conjunction, it seems to me, with

our NATO allies, who, it seems to me, have a direct vested interest

in those decisions. If you’re looking down the road though to NATO

membership, it raises important questions. I asked Senator Lugar,

a minute ago, ‘‘Is there any nation that’s ever been made a part

of the MAP program that was ultimately denied admission to

NATO?’’ And I gather there’s never been a case of that. So that,

once you move in this direction, it seems to be, at least historically,

there’s a certain inevitability to where that leads, however long it

takes. So while I’m not arguing with it, these kinds of decisions,

it seems to me, are very important, at this juncture. There needs

to be a lot of cooperation and a lot of consultation, rather than unilateral

decision as to what those needs may be, if, in fact, we’re

going to be seeking additional cooperation.

Senator Nelson pointed out that there may be some greater hesitancy

on the part of principal NATO allies about an admission of

Georgia to NATO, and it seems to me that if we go off unilaterally

in this area, without the kind of deliberation and consultation,

that, in fact, we may do some serious damage to the outcome of

that decision. Very good.

I see Senator Cardin has joined us. Ben, I’ll yield back my little

time and then turn to Senator Lugar.

Thank you very much, Senator. Senator Voinovich. About NASA?

Ambassador Burns—I don’t know how knowledgeable

you are about the NASA programs and where we are with that, but——

Senator Lugar. Let me underscore that point with Senator Lugar.

In a far less adept way, let me raise that issue—again, it’s not that

this is in any way to excuse the Russian behavior, which was excessive

under any circumstances, but to understand what happened

and how this unfolded is going to be very important. And at this

juncture, while it still may be a little early, my hope would be—

and, I think, certainly Senator Biden would agree, as the chairman

of the committee—that at some point we get a more detailed explanation

and analysis of actually what happened. It seems to be important.

And I’d underscore the point that Senator Lugar and others have

raised, as well, and it doesn’t get said often enough, but the Nunn-

Lugar proposals have just been remarkable in their achievement,

and it’s important to point out, in the midst of all of this, and contrary

to the Senator’s observation, I think it’s fairly significant

what happened in August, with those numbers, and then we need

to understand it. This is not a two-dimensional relationship; it’s

very complex, it’s deep, and it needs to be well thought out.

I presume I know the answer to this question, but let me ask it

of it anyway, and that is, I presume the McCain Campaigns and

the Obama Campaigns are being well informed, and are being advised

on this issue, so there’s knowledge within these two camps

as to how all of this is progressing——

So that there’s a seamlessness to all

of this, I hope, come January, in terms of moving on?

In the case of Senator Biden, as the chair of this

committee and having been to Georgia, has a deep knowledge and

understanding of the issue already, but I would hope that would

continue to be the case. It’s very, very important, it seems to me,

that this happens. We’re going to have a new administration on

January 20, and to the extent they are very aware and knowledgeable

about what’s transpiring, I think it will be very, very important, as well.

Any other—further comments or questions?

Well, Mr. Ambassador, let me say again what others

have said here—we’re very fortunate to have you. You’re extremely

knowledgeable and competent, and I thought your comments

today were very well taken. So, I appreciate, immensely,

your service to the country. And we’ll follow up with this.

The committee will stand adjourned.