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THE OBAMA DOCTRINE: AMERICA'S ROLE IN A COMPLICATED WORLD

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THE OBAMA DOCTRINE: AMERICA'S ROLE IN A COMPLICATED WORLD

MR. GOLDBERG: Good morning, everyone. Good morning, David Bradley and everyone else. It's nice to -- I know, I just saw him. I looked up and there he was, appears.

I'm Jeff Goldberg from *The Atlantic* magazine, and welcome you to this morning session about President Obama and his foreign policy. And to help us understand President Obama and his foreign policy, we have with us Ben Rhodes who, I would say this, who needs no introduction and then I introduced him anyway. So I probably could skip that part.

Ben, for those of you who don't know, those few of you who don't know, is the deputy national security advisor to the President. He's been with the President since you were like 12-years old actually I think.

I met Ben during the first campaign, actually before the first campaign even when he was a young speech writer. And now he is less young and more important and has done -- has been right at the center of basically every hot-button issue the Obama administration has faced in the world over the last seven years or so, including a couple of issues we're going to focus on, including Iran and ISIS.

And he was also -- and this was as a big surprise to me as anyone else. He was also the secret -- secret, right? Secret lead negotiator on the opening to Cuba. And we want to talk about that as well. So we're going to talk for about five hours up here until we pass out, as you pointed out, and then we'll open up for questions for the eight of you who remain. We'll have plenty of time for questions at the end of our conversation.

But I wanted to -- let's start with sort of the obvious thing to start with, which is a tumultuous week. And a lot of people are calling last week for various reasons the best week the President has ever had. So my question to you is, what is it like to have a good week in

the White House?

MR. RHODES: Well, actually every week is exactly like last week?

MR. GOLDBERG: Yeah.

MR. RHODES: No, I think what made last week particularly meaningful was not just that there was a bunch of good news packed together, it's that all the issues that were resolved are things that we've been working on for years. And we didn't know that they would succeed. I think the healthcare decision was a huge weight on the entire enterprise, given how central that is to the presidency.

The trade deal is central to our entire Asia Pacific policy. So the ripples of failure would have been very pronounced and the opportunity to come with success are similarly pronounced.

But then beyond that, I think what was interesting about last week is, you know, there are the policies that you come in every day and you work on, like trade and healthcare, but then there's something else about the Obama presidency that I think we've always hoped would take hold, which is essentially a steady movement towards a more inclusive America.

And that's why I think the combination of movement on the Confederate flag issue and the marriage equality decision it felt like that original promise that drew many of us to President Obama was suddenly evident in a way it hadn't been before.

MR. GOLDBERG: You've known him and you know his patterns of thought and his emotional patterns better than almost anyone in the world by this point. Were you surprised when he sang Amazing Grace on Friday? I mean, what was your reaction when -- during this incredibly emotional eulogy? Were you expecting -- I mean, one of the raps on him is that he is too cool and too Spock-like in his rationality. That was not an emotion-free moment by any means.

MR. RHODES: Well, you know, I think a lot of people who work for politicians or powerful people often end up saying I wish everybody could see the person that I interact with on a daily basis. And I think what was really cathartic to a lot of us is that's the person we work with on a daily basis, someone who frankly internalizes a lot of the emotions of the job, internalizes a lot of what he feels people are going through in the country, internalizes a lot of the criticism that he gets and kind of carries it around and doesn't get a lot of moments to just let the world see exactly who he is.

And you know, I think, what you saw there, we had a sense that he might sing. He came up with this whole -- I mean as I was mentioning to you, Jeff, he wrote that speech. I've seen all these speeches and the processes that produce them for many years and that's a speech that he wrote himself as much as any other except I'd say equally the Philadelphia race speech, and he kind of came up with this whole ingenious frame of grace. And he mentioned that he might sing, but we didn't know.

And what was amazing is he was living the speech and he got to the last part where he was going to say the words of amazing grace. And I saw him -- I was watching on TV and saw him stop for about 10 seconds. And you could tell he was thinking about whether to do this or not. And then when he did, you just felt this surge of emotion in the room because of the tragedy of the nine people who were lost, but kind of the weight of history coming out all at once in way what you don't ever see.

And I think for us it was -- you know, that was the person that we know, that we see every day that we wish the rest of the world could see. And they did. And that was one reason why last week was so kind of overwhelming.

MR. GOLDBERG: Let me transition to something where he's showing a kind of hyper-rationality or hyper-logic, sometimes to the discomfort of Americans and our allies. And that's the -- that's this whole issue

surrounding Iran and we're moving obviously toward some kind of climactic moment very soon, maybe not tomorrow but within the next week or so on the Iran negotiations.

And so there's two parts to my question. The first is I want you to talk a minute about where we actually are in the negotiations and how confident you are that you're going to get the deal that you want and a deal that you can convince the American public and Congress is worth doing.

But the second and larger part, and you can take this together if you want, is this, two weeks ago or a week ago the State Department came out with its annual report on terrorism and very plainly stated that Iran is a prime state sponsor of terrorism. We know all of the bad things that Iran does in the world, in Yemen, in Iraq; obviously the prime supporter of the world's most dastardly regime, the Assad regime and so on.

I want you to sort of grapple with, if you can, the sort of the moral consequences of making a deal that will allow Iran to maintain a nuclear infrastructure and that will help Iran become a richer country.

MR. RHODES: So on the first question, I think at this point in the negotiation, it really just comes down to whether or not Iran will take a number of political decisions to get a deal. We know what the outlines of an agreement are, we know what some of the sticking points have been.

MR. GOLDBERG: So the foreign minister has just flown back to Teheran.

MR. RHODES: Yeah, the foreign minister has flown back to Teheran, and that's an indication that -- again, in the end, these are political decisions that have to be made at the highest level of both countries. We don't need to spend a lot more time finding creative solutions. We essentially know what a deal looks like --

MR. GOLDBERG: Do you think he can sell the Supreme Leader on the last sticking points?

MR. RHODES: You know, the proof will be in what the Iranians bring back to the table. And it really comes down to, you know, whether or not we can have the access necessary to monitor an agreement and to verify that Iran is not just abiding by an agreement but is not able to produce a covert pathway to a nuclear weapon.

And again, we know how to design that access. We've spent many months designing this inspections and verification regime with the Iranians. We had a framework in Lausanne that lays that out. If we get it, if we get what we need in terms of our bottom lines, we will be able to say that we will be able to verify that Iran not only is moving further away from nuclear weapon in terms of the infrastructure that they're taking out, the stock pile they're getting rid of, the reactor they're converting but also that the access we have will give us the greatest degree of confidence possible that they're not able to produce a covert pathway. And that's a whole technical discussion that we could certainly have.

But on your second question, look, we're in a negotiation to resolve a specific issue. We've decided that if you can prevent Iran from obtaining a nuclear weapon, that is an objective worth achieving through diplomacy. And if Iran had a nuclear weapon, all the other activities that it engaged in would be much more dangerous. And Iran with a nuclear umbrella over Hezbollah's activities, over Assad's activities, over its threats towards Israel would be much, much more dangerous than Iran is today. And the region would become much more dangerous because it would precipitate a nuclear arms race.

And the notion that we should not solve this profound problem for our national security because we're going to have other differences with Iran, you know, I think doesn't hold up. And the fact of the matter is, we did arms control agreements with the Soviet Union when they were supporting proxies all over the world, and engage in activities that were, you know, directly impacting American national security interests and threatening, frankly, the existence of our country.

Arms control is something you do, not with people who are your friends, it's something you do with people who are your adversaries and you want to limit their ability to access --

MR. GOLDBERG: This is a big question. Just an open parenthetical for a second, a big question on a lot of people's minds is does the President actually see Iran as an adversary. There is huge worry. I mean you have united every American ally in the Middle East on this question, from Israel to Saudi Arabia, on the question of how the President understands Iran. There's a great fear that he thinks that he's going to be able to convert them toward becoming a rational actor on the international stage. Do you believe that that they're going to change out of this?

MR. RHODES: So we believe that an agreement is necessary and has to be good enough to be worth doing even if Iran doesn't change. If 10 or 15 years from now Iran is the same as it is today in terms of its government, the deal has to be good enough that it can exist on those merits.

That said, we believe that a world in which there is a deal with Iran is much more likely to produce an evolution in Iranian behavior than a world in which there is no deal.

In fact, to take some of their criticisms, if the notion is that Iran has been engaged in these destabilizing activities under the last several years, when they've been under the pressure of sanctions, well, clearly sanctions are not acting as some deterrent against them doing destabilizing activities in the region.

Secondly, the very people inside of Iran who oppose this deal are the worst actors inside of Iran, the hardliners who are very comfortable being in a sanctions environment, where they have illicit sources of funding and they're empowered in the system.

There is an Iranian populace that clearly wants

to move in a different direction. That's why they elected a different type of candidate. That's not to say we're not going to have profound differences with President Rouhani, but the point is I think in a world of a deal, there is a greater possibility that you will see Iran evolve in a direction in which they're more engaged with the international community and less dependent upon the types of activities that they've been engaged in.

MR. GOLDBERG: How much money is Iran going to get in the first year of an agreement?

MR. RHODES: So there is -- they're not going to receive sanctions relief until they complete their initial nuclear steps, so the -- you know, the really important front-loaded steps that will begin to take out centrifuges, get rid of stockpile. That will take them some period of time estimates of six months to a year.

At that point, they will begin to be able to access revenue that is theirs, oil that they've sold on the international market that has been frozen, the estimates of the total amount of revenue that is frozen. They won't be able to access that all at once. So this will take a period of time, more than a year. It's \$100 billion. Again, that's their money. We put these sanctions in place to get a nuclear deal. And our assessment is that the majority of that money will go into an Iranian economy that is badly in need of being (inaudible).

MR. GOLDBERG: I mean, you've argued and the President has argued that they're going to spend most of this money on domestic needs because they have this pent-up demand for hospitals, schools, roads and the --

MR. RHODES: Government debts.

MR. GOLDBERG: Government debt. But there is a qualitative difference between Hezbollah having 100,000 rockets, Hezbollah of course being funded by Iran, 100,000 rockets in Lebanon, having 200,000 rockets in Lebanon, I mean isn't it a bit over optimistic to think that Hezbollah and organizations like it won't get paid huge

sums of money out of this deal causing America's allies to have even more problems with Iran than they it had before the deal?

MR. RHODES: So the first point is what Iran has been engaged in. Look, clearly Iran has more money, there will be more money available for different elements of the Iranian government, there will be more money available to Iranian security services.

What Iran does in the region is not particularly expensive, you know, their defense budget is a fraction of what our Gulf partners spend. It is not a question of money, it's a question of our capability to disrupt that Iranian activity. And the strategies that we have to interdict weapons shipments to prevent cyber attacks, to frankly have a training capacity for proxies that we and our partners support in the region as against what the Iranians are doing. That's the conversation we had with the Gulf countries.

If this was all about money, then the sanctions would be succeeding in preventing that Iranian behavior. And clearly, there's a bit of mythology that Iran just started doing these things a few years ago when the Obama administration came into office. I mean Iran has been engaging in these activities for decades in the region.

But the fact of the matter is if you can deal with the nuclear issue and if you can come up with a set of capabilities and strategies to prevent Iranian destabilizing activities in the region that is going to be what is going to have a greater difference and simply whether or not we're seeking to starve them of funds, because again they prioritize funding for the IRDC, the IRDC has an ability to exist in an illicit economy, have their own funding sources.

And the last answer, Jeff, to step back on this is what are the alternatives here. We are trying to prevent a spiral into a major catastrophic potentially escalation of conflicts in the Middle East. If the Iranians were just advancing with their nuclear program, right now our estimates are they're two to three months

away from having a breakout capacity. The calls would come to take military action because it is profoundly in our interest to prevent Iran from getting a nuclear weapon.

Why would we not test a proposition that we can address this issue diplomatically? And that's what the President is willing to stick his neck out to do, is to say, we don't have to just accept that there is an inevitable spiral towards confrontation. And because we have these differences therefore we cannot address through diplomacy the nuclear question.

That's accepting a logic that we are only going to left with confrontation because there is not a scenario in which this regime bends under the pressure of sanctions and just comes out with its arms up and says, "Okay you can come in and dismantle our nuclear infrastructure."

If the regime is as bad as some people in the region say and we share the assessment that they are that bad in terms of their activities in the region, why would they completely capitulate under the pressure of sanctions? They're much more likely to try to break out and get a nuclear weapon.

So again, you know, I think people have to step back and say, "What is the wiser course here?" If we can get a nuclear agreement that imposes strict limitations for 10 to 15 years and has permanent transparency in verification measures why is that not preferable to the alternatives?

MR. GOLDBERG: The -- one more thing on this, in 2012 the President in an interview that I did for *The Atlantic* told me that he -- "All options were on the table. That the military option was a live option for him and that as President of the United States I don't bluff." In other words, he was not trying to trick the Israelis into not doing something, he was not trying to trick the Arabs into thinking that he was with them when he wasn't.

After the Syria red line issue came up there became a new feeling in the Middle East that the President

was bluffing. Can you frame that a little bit for me and just answer my very simple question, was the President kidding with me when he said that he wasn't going to bluff?

MR. RHODES: No, look -- let's take Syria first of all. After the President threatened military action, there was an agreement that allowed us to remove Assad's declared chemical weapons stockpiles and destroy them outside of the country. If we had bombed Syria, it is far more likely that that stockpile would've been either used or moved underground. And frankly today we'd be talking about a Syria that is disintegrating with ISIL moving across large swathes of territory with lots of unsecured chemical weapons.

We are better off in the world we are today with --

MR. GOLDBERG: Have you done a map overlay to see where ISIS is? And we're going to do the traditional thing where the administration guy says ISIL and I say ISIS. No one knows why this is, but this is the way it is.

(Laughter)

MR. GOLDBERG: It just is. It's like part of nature.

MR. RHODES: We could say "dash."

MR. GOLDBERG: Dash, yeah, yeah it's just part of nature now. But I mean have you looked at where ISIS is and where those facilities were? How much of an overlay is there?

MR. RHODES: Yeah. Look, you know, there are opposition elements including extremist opposition elements that are just for instance in the vicinity of Damascus now, in Idlib province now. I don't want to get into too many specifics, but the Assad regime has lost a lot of territory in recent months.

And again, the fact of the matter is there's a sense that he should have just bombed Syria to prove that he would bomb a country because he said he would, but the purpose of the red line was to deal with the chemical weapons issue.

It's a bit like the Iranian question. If you can resolve these two diplomatically, why is it the case that you shouldn't do that because you have to show people you will use military force. That is what has drawn America into military engagements instead of -- that have been frankly very difficult to extricate ourselves from.

And look the President is measured and he takes a lot of criticism; but the fact is you get the criticism and the day after you use military action it shifts to, well, what's the exit strategy, what's the plan here?

And the day that -- I can guarantee you -- the day that we use military force to take out the Assad regime for instance if that were to happen, people would say, "What are you going to put in place next? Are you going to make sure that Assad goes? Are you going to prevent these people from fighting each other on the ground?" And I think these debates become a bit caricatures of themselves, that the United States just has to go around the world using military action to make the point that we use military action.

This is a President who has used military action on many cases. He's used it in Afghanistan, in Pakistan, in Iraq, in Syria against ISIL, in Somalia, in Yemen, in Libya. This is not a President who has been unwilling to use military action including taking huge risks like ordering special forces raids deep into Pakistan or deep into Syria when he felt that America's national security interests required it. And if Iran was on the verge of obtaining a nuclear weapon, that clearly would require the United States to consider use the military action. And we have done more under our administration to make that option possible.

And if you look at our force posture in the Gulf, in the region, if you look at the capabilities that

we have in place we have the military option available. Now the question is, should we exercise it without exhausting diplomacy that could resolve the issue.

MR. GOLDBERG: Does he think that the military option in Iran is even a feasible option at this point? Should this whole thing collapse?

MR. RHODES: The -- well the point -- there is an option right, there is a military option that will set back Iran's nuclear capabilities. But again, I think sometimes people hold up military options as if they're going to solve the problem entirely. Look if we -- lets be very clear, we could set back Iran's nuclear program by some period of time. And estimates range from 1, 2 to 3 or 4 years. But then what happens? The Iranian regime would still be in place. They would have every incentive to kick out all inspectors so you have no visibility into what's happening. They'd have every incentive to do everything they could to get a nuclear weapon as soon as possible.

That's what the scenario is when we use military action in Iran. And then people will say, "Well, you have to go in to Iran to ensure that they're not breaking out in that way." Why is that a better world to live in than a world in which we can verify for 15 years that Iran is not even on the brink of obtaining a nuclear weapon and then we can make a judgment 15 years from now about what we're going to do going forward?

MR. GOLDBERG: So you're leaving it to President Chelsea Clinton --

(Laughter)

-- in other words to grapple with. The -- or George Bush IX or whatever it is -- whatever number. Let's --

MR. RHODES: I was trying to think of a name I could say that wouldn't get me in trouble.

MR. GOLDBERG: Yeah, yeah, yeah, yeah, you're

probably best to just not.

MR. RHODES: Yeah.

MR. GOLDBERG: We use Iran to pivot to a broader issue, which is the issue of an Obama doctrine, such as there is an Obama doctrine. Last year, we were talking about in my little universe that the Obama doctrine was, "Don't do stupid shit," if you recall. That all that provoked Hillary to suggest that that wasn't a great doctrine. We seemed to have moved away from that and we're now, this year, back to in a way a kind of a doctrine that probably was there originally and we lost track of it, which is there's no reason that America's adversaries have to continue to be America's adversaries.

And that brings me obviously to Cuba, which for me in a way was a test run for what you're doing with -- or what you're trying to do at least with Iran. And Burma might have been the test run for what you're doing with Cuba.

Can you frame this out a little bit? Frame out the President's thinking, we all remember from even back in 2007-2008 the President -- then Senator Obama getting a certain amount of grief for saying that he's not scared to talk to America's enemies. It seems as if we're now seeing the fruition of that and maybe you could take us to how the decision was made to actually do something that hadn't been done for 50 years, which is a real outreach to Cuba and what it means in Iran and in other areas?

MR. RHODES: Yeah, so I think you're right it's a return to I think what was at the core of the 2008 campaign which is a willingness to engage. You know doctrine is often debated as having kind of a mathematical formula for when you use military force. And that's, I think, what he was resistant to do, is to say, "If X criteria are met I will go to war." The Bush doctrine was to prevent nations from getting WMD. That wasn't universally applied. That's not a criticism even of the Bush administration. There's not a formula that you can universally apply --

MR. GOLDBERG: If it were universally applied they would've done what?

MR. RHODES: North Korea -- they were going to warn North Korea and Iran. North Korea obtained a nuclear weapon. The question is as the President laid it out, we can engage adversaries without giving up any of our capabilities or freedom of action. And so why would we not test that proposition.

So as we discussed with respect to Iran, we can test whether or not we can resolve the nuclear issue through engagement without giving up anything in terms of our own capabilities, in terms of our own ability to respond to Iranian activities. And frankly, we can test whether or not Iran can evolve into a more constructive actor in the region. If they don't, we don't give up anything in terms of our capabilities to confront Iranian activities.

Cuba, I think, is in even starting phase.

MR. GOLDBERG: You've given up your sanctions. I mean you've given up your ability to squeeze their economy.

MR. RHODES: The sanctions are not -- the sanctions were put in expressly for the purpose of getting them to the negotiating table. We're keeping in place a whole host of other sanctions related to terrorism, human rights abuses, ballistic missiles. We are -- and we are going to have the capacity to turn the sanctions back on if it turns out that Iran cannot abide by an agreement.

So we're not giving up the sanctions architecture over the course of the agreement as we're testing whether or not Iranian compliance is there.

To step back here the point is why not see whether or not we can move these relationships in different directions. With respect to Cuba, we're --

MR. GOLDBERG: Where did that idea come from?

MR. RHODES: Well, the idea came from the fact that the President had always thought that this policy made no sense. You had a policy that was intended to squeeze Cuba so that they would embrace democracy and human rights that had resulted in the Castro's running Cuba for decades and the United States being isolated in the hemisphere and the Cuban people suffering under the weight of our own sanctions. By any definition it was a policy that had failed.

When we came into office we were determined to change it, and we did some initial steps to allow Cuban Americans to travel (inaudible), then you had Alan Gross detained in Cuba. And that was kind of the break because we knew we wanted to move in a different direction but that was not something we could do when you had a US side --

MR. GOLDBERG: Was it a mistake by your administration to send Alan Gross in the first place to Cuba on his democratization mission?

MR. RHODES: I think that these democracy programs have been in place for a long time. I think the way in which some of them operate was clearly intended to provoke. We make no apologies for promoting democracy around the world. I think clearly we want to make sure that those programs don't put people at risk like Alan Gross.

And Alan Gross was put at risk, now his detention was unjust and we would -- we rejected throughout the talks the notion that it was fair that he was detained for what he was doing.

The Cubans would argue back that our laws would prevent him from doing that. But the fact of the matter is he was detained, it was an unjust detention to be holding someone, who frankly had no adversarial intent towards the Cuban government. And we needed to get him out of prison before we can move forward with broader policy changes.

But we also wanted to engage in a conversation

with the Cuban government to see and test whether or not they were willing to move in a different direction that could open up the space for greater change and reform inside of Cuba concurrent with us taking those policy changes.

MR. GOLDBERG: So tell the story. I mean how did you become the Cuban negotiator?

MR. RHODES: Well, you know after the President was reelected we had a meeting, you know, a very long meeting in the situation room where he went through the priorities for the second term. The things that we wanted to do particularly affirmatively, and we returned to this question of Cuba.

And a lot of other people I think wanted to do a lot of other things and the administration to move on to different places but this was the one thing that I wanted to do. And we talked it through with him and with the people who worked on Cuba policy in the White House, and they actually felt that it would be a good fit to have someone who was known to be very close to the President because the Cubans are very wary of engagement and they want to know that the engagement is reaching the top.

They felt like there have been several other efforts of engagement where it turned out to be kind of "Lucy with the football," where they had conversations with the Americans, they reached a certain point but then there was never you know follow through. We can debate whether it was the Cubans fault or not, but that was their perception. So they wanted someone in their stocks who were very close to the President and you know they wanted it to be discreet and so we launched this channel, we sent them a message saying we want to initiate a dialogue about prisoners and other issues. And what was interesting is at the beginning of those discussions, and we had 100 hours of discussions with the Cubans --

MR. GOLDBERG: And you would be sneaking off to --

MR. RHODES: We would be sneaking off to Canada,

other places. And the Cubans started, they just wanted their people back, they had three Cubans who were imprisoned in the United States and they just wanted them back. And we started talking and talking about how we wanted to change the relationship. And then they started talking about some of the things that they were considering doing in terms of their own system.

And, you know, the idea of reestablishing diplomatic relations was not something that was, you know, immediately attractive to them. You know, they're very comfortable in a position of being an opposition to the United States. They have built the legitimacy in part of much of their approach around the fact that they're resisting American aggression. So it was not a no-brainer by any stretch of the imagination for the Cubans to agree to a process of normalization and to an establishment of diplomatic relations.

But I think what we came to the view of in the discussions is that if we were going to take these very difficult steps of having this prisoner exchange where we get a Cuban intelligence asset of ours and Alan Gross to be released, they would get these three Cubans that we needed to broaden the scope of what we are talking about, that this would be an opportunity, we would have one opportunity to make a big move together and that we should try to do as much as we could in that space. And that led to them taking certain confidence-building measures like the release of a list of political prisoners that we provided to them that led to frankly this discussion of setting out a process of normalization, that led to a discussion of establishing diplomatic relations and sending a signal to the world that essentially we are willing to leave the past behind.

And one of the things that I think made a difference to them, and this was evident in Raul Castro's remarks in Panama is they saw President Obama as different from the people who have come before. And I remember that one of the turning points in the negotiations, and we haven't talked much about this, but, you know, we reached a real logjam with them at the -- by the end of 2013. They were not agreeing to really anything other than their

guys getting home and Alan Gross being released and we wanted this to be a broader package, we wanted to get an intelligence asset back, we wanted to put other things on the table.

And that's when President Obama went to Nelson Mandela's funeral in South Africa and he saw Raul Castro on dais and he shook his hand. And that caught the Cubans off guard. And when we saw them next they said, you know, we didn't -- you know, your President treated us with respect, nobody has done that before. And, you know, I said, well, as if -- not only was it the appropriate thing to do, you see someone why would you snub them and not shake his hand.

If the Cubans have the right to be any place, it's certainly at the funeral of Nelson Mandela who they helped in many ways. And that I think they -- nobody had tried treating them with respect.

Now, we made very clear that were are still --

MR. GOLDBERG: Now, the president actually felt that Cuba's activities against South Africa in Angola or how they would frame it in Angola and elsewhere were legitimate and therefore worthy of --

MR. RHODES: I think he felt that like the notion that he shouldn't be invited, we should -- should we have insisted that we wouldn't attend if Raul Castro was there would have been -- would have not made any sense given the history.

Now, again we made very clear in every meeting, we're going to have differences with your political system. We are going to find much to criticize, we are going to continue your democracy program, we're going to continue your human rights practices. It doesn't mean we like everything you do, but we are going to get farther by engaging with this government and opening up Cuba so that there can be more business, more American travel, more engagement between the American and Cuban people. That holds out a lot greater promise to promote the things we care about than the alternative.

MR. GOLDBERG: Okay. But here is the crucial question is how much weight do you give to the traditional American role of pushing democracy forward in this. I mean, Cuba, I mean, look, it's early in the process but Cuba doesn't show many signs of liberalizing, either the way it treats dissidents, the way it treats access to information. Burma which of course came before Cuba is having its own set of pretty terrible problem right now. In other words American recognition of the Burmese government hasn't achieved sort of transformational democracy.

MR. RHODES: You don't --

MR. GOLDBERG: And so it brings us to Iran how much you can honestly expect and how much are you demanding?

MR. RHODES: But look on the democracy side you are not going to transform these societies overnight, but the fact is Burma has advanced much further in the few years in which we have engaged it than it did in the decades previous.

MR. GOLDBERG: The government right now is overseeing a genocide of its Muslim minority though, I mean, it's not --

MR. RHODES: Look, I wouldn't use that term widely. What they are overseeing is a situation -- we're kind of in a state where people are summarily denied their rights and are subject too often to violence from the local population there. The complexity of that situation is the fact that frankly what we have to find is constituencies in Burma who recognize that it affects the entire country when you have a state like this in which frankly there are local actors who are exploiting intolerance.

What I would say is their political system is opening, they have released political prisoners, they have released Aung San Suu Kyi, there is an election coming up later this year, they have had contested elections, they

have had parliamentary debates, this is a nascent beginning of a process for them, it will take time.

In Cuba, I think what I would say is, look, what we were doing was not promoting democracy, what we were doing had provided the Cuban government with a rationale -
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MR. GOLDBERG: You mean the 50-year policy before.

MR. RHODES: Yeah, it had failed utterly, we might have felt good about it, it might've allowed us to stand up and make speeches about how we're supporting democracy in Cuba, but the result was the opposite. The result was we were handing this government an excuse that it used to great effect in Cuba, in the region and around the world frankly to say that the reason that we had to have all these restrictions in place is because the Americans want to come overthrow our government.

And, you know, they were very comfortable in that setting. We were not making headway. It is not like another month or year, we had the Castros on the ropes and they were just about to fall and then we did this. It was the opposite. They had weathered the fall of the Soviet Union, they had weathered the special economic period in the '90s when they were squeezed tremendously, they had weathered the Bush Administration pouring more money in the democracy programs, they were fine, they were comfortable. And the fact of the matter --

MR. GOLDBERG: Do you see -- are you seeing an analogy between --

MR. RHODES: Well, but who -- what -- and what promotes American democracy, is it just rhetoric, the strength of our rhetoric and funding that frankly is not reaching a broad number Cubans but a very small number of Cubans or is it going to be Americans traveling all over Cuba, American business is going down to Cuba, American businesses helping build the telecommunications infrastructure in Cuba, they can facilitate the access to information.

Jeff, our policies we are making it illegal for us to sell apps in Cuba. Wouldn't you want Cubans to be able to access information? Wouldn't you want the Cubans --

MR. GOLDBERG: Depends on the app I guess.

(Laughter)

MR. RHODES: Well, I am not, you know --

MR. GOLDBERG: Yeah, no, I --

MR. RHODES: To reach a zone, you know, I don't know what you are into --

MR. GOLDBERG: I am sure the NSA knows it's on my phone, you know, whatever.

MR. RHODES: Apple has got encryption, but the fact that -- look President Obama gets a lot of criticism, but in part it's because he has taken on some sacred cows, you cannot make a nuclear deal with Iran, you cannot engage Cuba. Well, why not, because you cannot, it's not how we do it, we do it this way and look.

And look, he is willing to take the criticism, but here's what this is all about, right, the Obama doctrine and our whole foreign policy. We have to reposition the United States to be able to lead in this century. We came into office in the middle of the global financial crisis, we had 180,000 in Iraq and Afghanistan, a completely unsustainable resource allocation in Iraq and Afghanistan, two countries that frankly are not going to dictate the course of the 21st century.

We have been trying steadily to reposition the United States, to refocus on the Asia-Pacific through the TPP agreement to withdraw that resource allocation and put in place a more sustainable counterterrorism policy that doesn't eliminate risk but manages it and aims to prevent attacks on the United States. And Cuba and Iran are part of it in this way, we don't have to accept another poll

and do another war in the Middle East, in Iran if we can resolve this issue diplomatically.

In the Americas we are much better positioned not just in Cuba but in the whole hemisphere, we are able to have a conversation we never could have there because we go to these summits and all people would talk about is our Cuba policy, now we can go and talk about democracy, human rights, development, energy and the things that are actually in America's interest.

MR. GOLDBERG: Let me ask one more questions and we will go to questions out here. But you talked about Iraq and Afghanistan not dictating the course of the 21st century, obviously they are not going to dictate the course in any positive way, that's Asia, that's other places in the world or at least as we can see it. Now, but we have a tremendous, tremendous terrorism problem.

You know, when President Obama came into office there were pockets of terror in Pakistan, Afghanistan, Yemen, little bit Somalia, now you have half of Syria and Iraq under the control of a group that on the one hand has not shown, I mean has killed Americans obviously, but has not shown the obvious desire yet to attack American targets at home or large targets overseas. But it somehow seems, it sometimes seems inevitable that they will pivot and figure out that America is one of their enemies in a sort of declarative way.

MR. RHODES: -- they figured it out.

MR. GOLDBERG: Well, no, I mean, they figured -- yeah, I mean, they're somewhat -- they're already -- so I mean the question is it's -- ISIS, ISIL seems to be still on the march and we could talk about pivoting to Asia or re-bouncing towards Asia. But is there a problem, when the president leaves office in January 2017 what is he going to be handing his successor in terms of this terror profile in the Middle East? Right now it does not look very good and the trend lines don't look very good, and you could be seeing, I mean, correct me if I'm wrong, but you could be seeing at some point in the near future Damascus actually falling Lawrence of Arabia style to some

kind of collection of extremist groups including ISIS.

MR. RHODES: Yes, so what we need to, I think, the President would like to leave the next president is essentially, well, first of all very practically we would like to degrade ISIL significantly and particularly in Iraq push them out of a number of these population centers so that they are more -- their space is shrinking in eastern Syria in terms of their safe haven.

But what I think we want to do is have in place a set of capabilities across the region that can allow us to go after ISIL and also allow us to be training security forces that can do the work of holding that ground. We have seen, where we have partners on the ground fighting, you can push back ISIL.

You know, they were in Kobani several months ago, the Kurds fought in Northern Syria and they have not just pushed them out of Kobani, they have pushed them out of the whole border area along the Syria-Turkey border just as the Kurds in Northern Iraq have done just as some of the Iraqi units have done that we have trained around Baghdad. So what we need to do is expedite our ability to train forces on the ground that can fight in concert with our capabilities from the air to essentially be able to deal with the safehaven and roll it back over time.

MR. GOLDBERG: At this moment who is more dangerous to American national security interest in the Middle East, the Iranian Revolutionary Guard Corps, Islamic Revolutionary Guards or ISIS?

MR. RHODES: I would say ISIS is actively trying to kill Americans, there is a constant threat from an organization that has as one of its objectives killing Americans wherever they can, that is an immediate threat.

MR. GOLDBERG: The Revolutionary Guards have a long history of participating in anti-American violence, sponsoring.

MR. RHODES: They pose a profound threat to the stability of the region, to some of our partners in the

region, to frankly what is going to be necessary in order to have some sense of order. One, Americans are not going to impose order on the Middle East, that's too often I think the frame is what are you going to do to solve this problem over here. You know, we can do a lot to address our interest to deny terrorist safehavens to allow for the free flow of energy and commerce. We're not going to fix those problems, ultimately there is going to have to be some process between Saudi Arabia and the Gulf states, Iran, other actors in the region to have political solutions that can be sustainable in this part of the world.

We can provide a lot of the muscle that again provides confidence in people in making these decisions and in knowing that certain activities they are engage in the United States will take action, but we have to be supportive of countries resolving these through political accommodation as well.

MR. GOLDBERG: Do one more thing before we have questions. This is an issue that you have been deeply involved, just been a policy change in the last week, it's an issue close to us at the Atlantic for reasons that a lot of people know now. Talk a little bit about your government, your administration's policy about Americans held captive by terror groups and what shifts you are making and how you're going to protect Americans who fall into these situations and what you are going to do to get them out?

MR. RHODES: Well, you know, I think what we've seen is this has always been a terrible challenge. You've seen somewhat of an uptick in recent years because terrorist organizations are turning to hostage taking more aggressively in large part to obtain funding through ransoms, also in part I think we saw with ISIL because of the ability to terrorize through the taking of hostages and tragically the killing of hostages.

I think what we found in looking back at how we manage those situations and other situations where there have been hostages is that we weren't doing as good a job as we made mistakes, we weren't doing as good a job as we

could've in a number of ways. One, our government, you know, sometimes you see in government that people have a lot to do. And if something is not their expressed mission, it doesn't always get the focus it demands. And so you have hostage cases that are handled by very well-meaning and capable people in the FBI, in the State Department, at the NSC who are working on a lot of things and frankly they need to -- we needed to establish a group of people in the government who essentially were given the mission that this is going to be a priority, this is we want to incentivize you to spend more time on this.

So one is just again having what we're calling a fusion cell, group of people from state, FBI, intelligence community, Pentagon, White House who are dedicated to resolving these issues and that's going to be many different things, that's going to be negotiations with foreign governments, that could be rescue missions, that could be again outreach to the families. That leads to the second point which is we did not have people engaging the families who I think were prepared to be doing that. In other words, you have people who essentially part of their job was to meet with the families of people who are held hostage, folks who didn't necessarily have the training to do that, to deal with people who are in incredibly difficult and traumatic circumstances and so part of what we were going to do again is make clear to the families and the families often didn't know who to talk to and I heard this from some of the families I dealt with who were not dealing with terrorist organizations but who have loved ones held and other governments have said I didn't know who to call, one day I was told to call so and so, it would change the next week, that made an already confusing and heartbreaking situation more difficult. People were getting more aggravated by their engagements with the US government than they were getting assured, and if that's the case, we weren't doing it right.

And so part of what we were also able to do is say here's the point of contact for the family, here is who you call at the FBI, here is who you call at the State Department and to make sure there is predictability. And frankly they were sharing more information, you know, that -- and look, we are forthcoming. Often times we get

information related to hostages that is very sensitive, but we should be able to share that with families, that's not like releasing it publicly.

So again the second part is engaging families and providing them information. And then the third part is just on this question of ransoms. The US government is going to continue to have the policy that we don't pay ransoms. We see it as a fund-raising vehicle for terrorist organizations. If we go down that road, frankly we are breaking a principle that we seek to get other governments to reject and frankly we would be in the very difficult position morally of paying direct funds to terrorist organizations like ISIL.

However, frankly there is the other side morally which is that if your family member is taken hostage you want to do heaven on earth and everything you can to get your family member home and you should not be threatened with prosecution for doing something that frankly I think any family member would try to do, which is what can I do to get my loved one home.

So we made changes frankly to a lot of that, benefited from David Bradley in his -- the group of people he had working on these cases. David helped I think the families present to us their concerns in a way that was very useful in terms of everything we did grew out of those engagements with the families and hopefully we can get better at this going forward.

MR. GOLDBERG: Great. Let me call very quickly on questions. There are mikes, I guess, there is one down here, person down here. And please keep your questions in the form of a question because I will not be nice about it if you are not.

SPEAKER: With regard to engaging adversaries, talk about Vladimir Putin in Russia, there is a lot of written thought that the Western movement to bring Ukraine into NATO not just the common market was a vital threat to Sebastopol and led to the invasion of the Crimea. Are we, I know were rearming Eastern Europe now in order have a real threat and to have material in position, but is there

a next step in mind to get back to engagement?

MR. RHODES: Yes, I mean, we have been able to maintain engagement with the Russian government even as we have had these profound differences over Ukraine. And the Iran talks, for instance, they have been constructive. I think with respect to Ukraine, look, we have made clear that we understand the Russians have interest in Ukraine, they have been very clear with us for many years about their objections to NATO enlargement to efforts that they sought to encircle them through missile defense systems.

However, the problem in Ukraine is that they are flouting basic international norms that the international system depends upon. You know, if there is a president that you can in cost-free manner successfully violate the sovereignty and territorial integrity of another country to achieve your objectives, not only does that present a huge challenge for the people of Ukraine, but it has knock-on effects because it sends a message to other places that you are not going face a cost.

So we focused on building a cost on Russia. And the sanctions that we have in place with the Europeans which were just reapproved are imposing a significant economic cost on the Russians. We want that to affect their calculus as they consider what to do next. But we also have made clear to them, look, we want to find a diplomatic resolution here. There is only a diplomatic resolution, you know, nobody wants to have a war in Europe, a war in Ukraine, the Russians are the ones who are provoking that with what they're doing is eastern Ukraine, but we provided an off-ramp whereby again the Ukrainians take steps I think to address questions of decentralization and federalism in eastern Ukraine and the Russians pull back their weaponry and support for the separatist and you have a calming of the situation.

And I think the Russians have not ever fully taken that path, but they have kept the door open to it. And so right now you have this very tenuous minced diplomatic process that provides that off-ramp that has only been partially fulfilled. And we just have to continue to make clear to Russia that if you go further

into Ukraine the cost will be further to you. But if you take this diplomatic alternative that is available to you, there can be a settling of the situation. And over time I think there can be a rebuilding of the relations between the United States, Europe and Russia. But again I think the principle and the reason why it's worth taking a firm stand is that the international system can't work if the most basic rules are violated.

MR. GOLDBERG: There is a question back there and then we're going to come down here. I will try to get to everyone, but I don't know if we have time.

SPEAKER: I recently attended a lecture by David Kilcullen, an Australian who advised General Petraeus at some time, and I was left with the impression that ISIS is actually the Baathists reasserting themselves in Iraq and in the area. Would you comment please?

MR. RHODES: Yes. Well, we see some of that. So what we see is a situation where you had Al Qaeda in Iraq, the organization that the Al Qaeda affiliate that was formed after the invasion of Iraq. You had remnants of that organization. But then what you had is a combination of I think two principal events. Inside of Iraq the Maliki government was governing in more and more sectarian fashion that was alienating Sunnis. And so you had former Baathist elements who had military capabilities and a good sense of tribal networks who joined with AQI and at the same time you also had a collapse of authority in Eastern Syria where Sunnis were fighting against the Assad regime. And this became kind of a right ground for these disparate threads to come together under the extremist banner of ISIL and that has allowed them to galvanize people around the world because of the Syrian conflict. What drew foreign fighters to Syria I think was a desire to fight Assad that then morphed into this desire to be a part of ISIL.

And then inside of Iraq I think what you saw is that they had people who knew from fighting in multi-year insurgency against United States, you had people who were militarily capable, who knew how to use insurgent tactics and you had Sunni populations in places like Mosul who

didn't necessarily like their agenda but didn't want to cooperate with the Iraqi Security Forces who they saw as acting on behalf of a Shia-led government.

Where does that lead you? That leads you to the notion that you need to invest those Sunnis in both the military solution against ISIL and we're trying to do that by increasing our training in Anbar province in Western Iraq and you need Sunnis who are invested in the political project in Iraq, and that's why we've supported a new government under Prime Minister Abadi that is taking some steps to reach out to the Sunni populations both in terms of symbolism but also legislation to make them feel more invested in what is essentially going to be in Iraq that has a degree of decentralization but can hold together and deal with the immediate threat of ISIL.

MR. GOLDBERG: And there is one question down here. I think we have time for one more maybe.

MS. KELLY: Good morning, Mary Louise Kelly (phonetic). Focus for a moment on Greece where the banks are shut today, the economy is in chaos and there seem to be no good alternatives for the path forward. What is the White House position, what would you like to see happening in Greece in the next week?

MR. GOLDBERG: Yes, what are you going to do about Greece, Ben?

MS. KELLY: What are you going to do about Greece?

(Laughter)

MR. RHODES: One of the -- just to take a step back, one of the -- there is this kind of constant narrative of anxieties, is the United States in decline, is China rising, and this gets to Greece, I promise. The people forget that China and no other country is trying to play the role we are playing the world. They're not aiming to sign up to be responsible for security in the Middle East, be responsible for the global economy, be responsible for setting and enforcing international norms,

there is not another country that is -- we are the ones committing ourselves, and some others, another country that is trying to play role we play. And this leads me to Greece which is the President has been engaged on this for years.

When things I think were particularly difficult in 2011-2012, he spent more time talking to eurozone leaders about this subject than anything else, and I remember there was a G-20 where there were some reporting that the Chinese were going to come and they were going to buy -- you know, they were going to write the check that was going to solve the problem, and of course that didn't happen, and the president was in all-night sessions with the European leaders in the European Union leaders about this issue. And when we saw him afterwards he said, well, how did that go and he said, you know, it's funny, I didn't see Hu Jintao at that meeting, you know.

But the fact is we have been engaged in this, what we would like to see again is a situation in which Greece is able to stay in the eurozone, is able to make necessary reforms, but be on a pathway to some growth that can offer hope to the people of Greece, the president has spoken to Chancellor Merkel yesterday, he will speak I am sure to other European leaders about this. I will resist saying more because I don't want to say something that provokes a market response.

MR. GOLDBERG: Who would ever think you could move markets.

MR. RHODES: Yeah, yeah, but, no I mean we would like to see, look, this has been an incredibly difficult issue, we would like to see the European project in the eurozone whether this challenge, we are mindful that the people of Greece need to have a sense of hope that there will be growth, but we are also mindful and we've had many discussions with the Germans and others in Europe that frankly they have to have the confidence that Greece will follow reform program as well.

MR. GOLDBERG: There is one last question we have, there is a guy over here who is extremely

enthusiastic about asking a question, yes, that's the one.

SPEAKER: Thank you.

MR. GOLDBERG: Yes, and make it quick as you can, there is the mike.

SPEAKER: I'm from New York (inaudible).

MR. GOLDBERG: Please go ahead.

SPEAKER: I would like to ask a question about our great frenemy, friend enemy, right, I think we can say that. Given how different China is culturally, the leaders and the people, et cetera, background, values, view of the world, when you look ahead at our, you know, political military, et cetera, relationship with them, it's going to be the ballgame in a lot of ways in the next 50 years. How do you negotiate that relationship when the fundamental premises, worldviews, values, et cetera, are so different from the Western approach?

MR. RHODES: Yeah.

MR. GOLDBERG: So if you could just in one minute talk about the next 100 years of US-China relations.

(Laughter)

MR. GOLDBERG: This is like a test, this is a test. You got a minute.

MR. RHODES: One of things I think that is evident in the US-China relationship is that we are much more interdependent than I think people remember, you know, our economies have such an enormous interdependence, we have a common investment in stability in the Asia-Pacific region, we both benefit from them.

So even though we had those differences we would suffer mightily from a conflict and what we try to do with the Chinese over the years is say, essentially let's identify the issues we can work together and we've tried

to move them into being a more assertive and responsible global actor, and climate change is the focal point of that effort right now because you can't solve that problem without the Chinese.

Let's identify the areas where we are going to have differences and we're just going to have to -- we're going to have to address them very directly, the cyber issue has been a perennial one for instance where we see China moving into space where they're stealing not just conducting espionage, but again intellectual property and things that make it difficult for US businesses. And the case we make there is you are creating an environment that is ultimately harmful to you because US businesses need to have the confidence that they can invest and act in China without their trade secrets being taken away.

But then there are areas of real difference on human rights and a range of other issues. Our ability to balance all that, our ability to be candid about where we disagree, our ability to identify areas where we can cooperate I think is going to do a lot to shape the environment. The last two things I would just say though is we see China in the Asian context, so part of how we address this environment of the next 100 years is not just our engagement with China, it's our engagement with Southeast Asian countries, with India, with Australia, that frankly we want a rules-based order in the Asia-Pacific like we've had in the Transatlantic community where countries are following the rules of the road economically, so TPP is very much about setting standards, but also in resolving disputes. And that's not just something we do bilaterally with the Chinese. If we have other countries invested in that type of rules-based order, again not just India, but ASEAN countries, Australia, Japan, Korea, ultimately we want that to be an incentive structure for China to play by those rules. And the biggest test of this right now is the South China Sea where we see very assertive Chinese activity that frankly is potentially destabilizing, but part of that is not just kind of going directly to the Chinese and complaining and having our own military exercises to demonstrate our commitment to the freedom of navigation, it's working with the other countries in the region to get them in a common

space around how are we going to solve these problems consistent with international law because it will be much harder for one big country to bully a smaller one if those countries are taking common positions. And that's what the United States can uniquely do I think in Asia-Pacific.

MR. GOLDBERG: Ben, thank you very much. Thank you all for coming. Appreciate it.

(Applause)

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