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THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526
2016-0123-M (1.78)
10/2/2018 KBH

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Ukrainian President Kuchma
(following NATO-Ukraine Charter signing):
NATO-Ukraine, Ukrainian Domestic Situation,
Chornobyl Replacement Power (e)

PARTICIPANTS: U.S.

The President
Madeleine Albright, Secretary of State
William Cohen, Secretary of Defense
Samuel Berger, Assistant to the President for
National Security Affairs
Sylvia Matthews, Deputy Chief of Staff
Mike McCurry, Press Secretary
Strobe Talbott, Deputy Secretary of State
Jim Steinberg, Deputy Assistant to the
President for National Security Affairs
Steve Pifer, NSC staff (notetaker)

Ukraine

President Kuchma
Foreign Minister Udovenko
Defense Minister Kuzmuk
National Security Advisor Horbulyn
Foreign Policy Advisor Ohryshko
Ambassador Shcherbak
Presidential Aide Litvyn
MFA Europe and Americas Director Ponomarenko

DATE, TIME July 9, 1997, 10:50-11:10 a.m.
AND PLACE: King Juan Carlos Conference Center, Madrid

The President: Welcome. This has been a good day for you.
Congratulations. (U)

President Kuchma: Thank you. My colleagues know me well and
said that they have never seen me both so worried and so happy.
It was as if I passed the highest grade of an examination. (e)

The President: This Charter is good for Ukraine and good for
Europe as well. I am very impressed with what you have done with

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Reason: 1.5 (d)

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Russia, with Romania and with Poland. It's a great credit to you. As for the NATO-Ukraine agreement, it is now important that we move to implement its spirit as well as its letter. We must do things to make it real. This is important for two reasons. First, it is the right thing for Ukraine and for NATO. Second, it will help to create a climate in Russia to change Russian attitudes in a way that they do not see a threat and that helps to secure the independence of all of our partners. (S)

President Kuchma: I fully agree. I think that Russia has made a first step. Yeltsin and Primakov have recognized the expediency of Ukraine signing this agreement with NATO. They needed to express a certain will so as to be able to deal with this in a positive way. (S)

This morning, I discussed this with Mr. Solana, and we agreed that Ukraine is taking on certain responsibilities before the Ukrainian people to get them to know that NATO is not an enemy, as they have been told to believe all these years, but it is a partner in change. This is good for the development of democracy in Ukraine and to prevent a return of a totalitarian regime. (S)

You know, the emphasis in Ukraine today is not to enhance security in a vague way but to guarantee no return to communism. Such a danger does exist today. I would appreciate your support in this respect. The communists have started what they term a final and decisive fight. This year is the 80th anniversary of the 1917 Great October Socialist Revolution. And they have tried to use, with a certain amount of success, for propaganda purposes the difficult economic situation. (S)

Next March is the parliamentary election. Today's public polls show that the leftist forces, including the communists, have a nice foundation for this election. They practically have blocked the budget in parliament; I only managed to pass a budget in June. But the President has no mechanism in the constitution to dismiss the parliament -- such actions would not be understood. (S)

The absence of a budget has meant a problem with the IMF. This has resulted in a loss of assistance to us of about \$1.5 billion. But we have not violated any IMF indicators, not on the budget deficit or on inflation. But I have had to use domestic reserves to service foreign debts, which means that salaries, scholarships and the like are not being paid. (S)

We may find people in the streets marching. The communists have made two attempts to march on Kiev. The last was on June 28. They managed to get only 3000 people to Kiev, though they had

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promised 300,000. It was a failure, but we must take this into account since winter is coming. (S)

We thus badly need assistance. This is not comfortable for me to ask this, but otherwise we may pay a higher price. Europe has assisted Russia, and Yeltsin has paid wages, enabling the Russians to set up propaganda work in Ukraine asserting that things are going well in Russia. We do not need such provocative Russian attacks. (S)

The President: I want to do what we can to help with your economic reform and get money released from the World Bank, IMF and EBRD. I know the Vice President has spoken to you about sending some people to help on economic matters. We will also talk to Wolfenson at the World Bank. We want to do whatever we can to support Ukraine. I know that you have taken some difficult decisions and made some important statements on your economy. I also know that you have parliamentary elections next year and the presidential election the year after. It is important that we do what we can to qualify you for aid. We will do whatever we can. (S)

I know the new Partnership for Peace meeting is about to begin. We should join it. (U)

President Kuchma: Yes. I have just one short question. Your delegate at the EBRD during discussion of the two replacement reactors for Chornobyl has not expressed his opinion in a definitive way. The Europeans have. I would ask your support. (S)

The President: I have heard about this. We did some work in Denver on the sarcophagus for Chornobyl, and I will look into this question. Our feeling was that the EBRD must ensure a proposal that is cost-effective and environmentally responsible. But I will personally look into this and get back to you. (S)

(As party rises to leave for EAPC meeting) One last thing. I want you to know that Steve Pifer will be coming to Kiev as our next Ambassador. He may be tall, but I've told him that, when he gets there, he has to get Chornobyl resolved. Otherwise, we will relocate the Embassy to the reactor site! (laughter) (S)

-- End of Conversation --

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