

THE WHITE HOUSE
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MEMORANDUM OF CONVERSATION

SUBJECT: Expanded Meeting with President Leonid Kuchma of Ukraine (U)

PARTICIPANTS: The President
Ambassador Stephen Pifer
Secretary of Energy William Richardson
Samuel Berger, Assistant to the President
for National Security Affairs
Gene Sperling, Assistant to the President
for Economic Policy and Director of the
National Economic Council
Stephen Ricchetti, Assistant to the
President and Deputy Chief of Staff
James Steinberg, Deputy Assistant to the
President for National Security Affairs
Stephen Sestanovich, Ambassador-at-Large for
the New Independent States
Donald Pressley, Assistant Administrator,
Bureau of Europe and Eurasia, Agency
for International Development
John Tedstrom, Director for Russian,
Ukrainian, and Eurasian Affairs (notetaker)
Marta Zielyk, State Department interpreter

President Leonid Kuchma
Prime Minister Viktor Yushchenko
Volodymyr Lytvyn, Chief of Presidential
Administration
Boris Tarasyuk, Minister of Foreign Affairs
Yevhen Marchuk, Secretary of the Council of
National Security and Defense
Mykola Zhulynskly, Deputy Prime Minister for
Humanitarian Affairs
Yuriy Kravchenko, Minister of Internal
Affairs
Ihor Mityukov, Minister of Finances
Serhiy Tulub, Minister of Fuel and Energy
Syuzanna Stanik, Minister of Justice

~~SECRET~~

Classified by: Robert A. Bradtke
Reason: 1.5(b) (d)
Declassify On: 7/7/10

Vladimir Kalnyk, Acting Minister of Economy
Anatoliy Orel, Chief of Main Department on
Foreign Policy Issues
Oleksandr Chaliy, First Deputy Prime
Minister of Foreign Affairs
Konstantin Hryshchenko, Ukrainian Ambassador
to the United States
O.M. Nikonanko, Ukrainian Interpreter

DATE, TIME June 5, 2000, 3:45 - 4:05 p.m. (local time)
AND PLACE: Maryinsky Palace, Kiev, Ukraine

The President: President Kuchma, Prime Minister Yushchenko, and I just completed a very productive discussion about issues in Ukraine. We discussed in detail the important bilateral relationship between Ukraine and the United States. I stated very clearly that actions you take now will be heard loudly around the world. They can change Ukraine's international reputation for the better. There is more attention on Ukraine now than ever before. (S)

My country will continue working to keep doors in Europe open to Ukraine, like what we're doing together in Kosovo. I know the Polish-Ukrainian Peacekeeping Battalion is moving in, and we'll support you. Frankly, the Europeans have to step up and do their part. (S)

President Kuchma described in detail Ukraine's plans for the closure of Chornobyl and your plans for a pipeline into Eastern Europe. I must say that I am very pleased to be in Kiev on the day that Chornobyl closure is announced. President Kuchma and I have worked closely on this issue, and I think Ukraine will benefit greatly from this decision. President Kuchma and I also talked about strategic reform and privatization that meets international norms. (S)

Secretary Richardson should now comment in more detail about energy issues. (S)

Secretary Richardson: Thank you, Mr. President. Since our meetings in Kiev in February, we have seen great progress. You are absolutely right about the Chornobyl closure date. This will help with the Berlin Pledging Conference. I also have good news to report from my meetings with Energy Minister Tulub. Ukraine will do its part. It will contribute \$7 million for the

Chornobyl heat replacement plant, which will be put into the budget. (S)

We also signed the fuel qualifying agreement. Ukraine will no longer depend on just one source, Russia, for nuclear fuel. It can now get fuel from multiple sources, including Westinghouse. (S)

On nuclear power privatization, Ukraine has made good steps, thanks in large part to the active role of President Kuchma. There are two important follow-up steps. Ukraine must sign a decree allowing 25 percent foreign direct investment share, and it must proceed with privatization with the European Bank for Reconstruction and Development. (S)

On Caspian energy, the United States is very supportive of Ukraine's role. The only thing left is to release the TDA study to investors. Corruption is also a problem. I believe that energy is perhaps the most expansive side of the U.S.-Ukrainian bilateral relationship. (S)

The President: On Russia, let me reaffirm the importance of our relationship. My meetings with President Putin in Moscow provided us with an opportunity to further the debate on national missile defense. As you know, we did not reach an agreement on this issue, but we did make significant progress in outlining our interests and objectives. (S)

President Putin and I reaffirmed the importance of the U.S.-Russian relationship. We agreed to destroy 34 tons of nuclear material. We set-up a joint early warning system that will operate 24 hours a day. We also discussed a whole series of things on the economic front. There are lots of problems in Russia that you don't face here. On national missile defense, we issued a statement of principles which accepts the idea that the nuclear threat will grow to touch all nation-states from rogue states. We agreed that the threat is dangerous. (S)

They didn't agree with our national missile defense proposal. They believe it challenges the doctrine of mutual deterrence. We're in better shape now than one month ago with this relationship, though. (S)

I also participated in a national call-in radio program which showed that the tensions of Kosovo are behind us. I think we're in pretty good shape. The big question is how Russia will measure its greatness. I urged the Russian leadership to

measure their country's greatness by the quality of life of the Russian people and by the quality of Russia's relationships with its neighbors. (S)

I took criticism on G-8 and APEC for bringing Russia in. But I wanted them to see more benefits from cooperation with others, like Ukraine, than from dominating it. I want them to imagine a future that is different from the past. It's better for Russia to help Ukraine get rich. And it is in Ukraine's interest to have good relations with Russia. (S)

This is how I see it. They went through a shattering period. Their economy fell, not like yours, but bad nonetheless. Their military situation compared to the United States is not what it used to be. They feel very insecure. The Russian government wants a sphere of influence, but it doesn't have control. You should have mutual influence with the Russian president. Russia should influence you, and you should influence Russia. The same goes for relations with the United States. But Russia shouldn't dominate Ukraine. (S)

Russia was trampled by Napoleon and Hitler. After World War II, it wanted peace in the short run and it created the Warsaw Pact. It has lost that for now, but Russia is determined to come back. Russia can be great if it defines its greatness correctly. (S)

I say Russia should be friends with the United States and with Ukraine. Russia needs to understand that it benefits if Ukraine is successful, and therefore, it should encourage Ukraine's success. This is the kind of language we should use with them. No one denies their right to greatness. The question is whether they'll have 21st century greatness or 19th century coercion. Nineteenth century coercion doesn't generate as much money or prestige as 21st century greatness. There's a lot going on there right now. I'm trying to influence them in a positive way. (S)

President Kuchma: Russia should be happy. Did President Putin agree with your idea of partnership with Ukraine? (S)

The President: No, but he didn't disagree. He's smart, though, and wants success. Two years ago, he didn't have any idea he would be President. We don't yet know his style. Sometimes he's listening when you don't think he is. Look at his background. He has been trained to hold his cards close. Putin doesn't mislead because he promises less and delivers more. (S)

Don't give up on him yet. I think he's more open than many people think. Don't argue that something is not good for you but good for them. You need to find solutions where all sides benefit. (S)

Putin is worried that his country's economy shrank and its military shrank. It's a psychological loss. His country has lost its greatness. The United States has a big stake in this relationship. We should engage more, not less. We should assume the best, not the worst. (S)

At the same time, we can't move Ukraine to Indonesia. You are a great country too. Don't give up. Find smart people there and push hard. Don't give up. (S)

President Kuchma: (Laughter.) Do we look like people who give up? (U)

The President: No, you don't. If you had been the type of people who gave up, you would have done it three or four years ago. But don't give up now. (U)

President Kuchma: We won't, Mr. President. Thank you for your visit. I am very pleased by what we've been able to accomplish today. I speak for the Ukrainian people when I tell you how honored we are by your visit and how much we look forward to your speech this afternoon. (U)

The President: Thank you very much. I am delighted to be here. (U)

-- End of Conversation --