

UKRAINE

COUNTRY READER TABLE OF CONTENTS

Greg Thielmann	1990-1993	Chief, Office of Strategic Force Analysis, Bureau of Intelligence and Research, Washington, DC
Jon Gundersen	1990-1993	Consul General, Kiev
William Green Miller	1993-1998	Ambassador, Ukraine

GREG THIELMANN

Chief, Office of Strategic Force Analysis, Bureau of Intelligence and Research Washington, DC (1990-1993)

Mr. Thielmann was born and raised in Iowa and was educated at Grinnell College and Princeton University. A specialist in Political-Military Affairs, he held a number of positions dealing with such matters as Strategic Proliferation, Arms Control and Missile Programs. He also served abroad at several posts in the capacity of Political Officer and Consular Officer. His last position was Chief, Office of Analysis for Strategic Proliferation and Military Affairs in State's Bureau of Intelligence and Research. Mr. Thielmann was interviewed by Charles Stuart Kennedy in 2004.

Q: Well, let's talk now about 1990 to '93 and your job was on the military side. I mean this had to be a fascinating time because we're talking about the rapid demise of the Soviet Union, all sorts of weapons up for grabs and everything else. Talk about your job.

THIELMANN: I was acting division chief because I didn't have the foreign service rank that fitted the position at the time. That job had been one of the most important in INR because it was trying to monitor and analyze Soviet strategic forces, which obviously were the large existential threat to the United States. It was also the office that worried about providing the relevant intelligence on that subject which would be used by those negotiating the strategic offensive arms treaties, the SALT treaties and then the START (Strategic Arms Reduction Treaty) treaties. So that was kind of the traditional main focus of the job, worrying about Chinese forces obviously and other countries that had nuclear weapons as well. It was overwhelmingly Soviet military power. Once the Soviet Union fell, one little dimension of the job really bloomed. The traditional efforts to look at the reliability of the command and control structures and how operationally orders to attack would've been conveyed to the missile forces. All of that which was before a very small subset of the job became much more important as the Soviet Union

broke up into a number of different states including Belarus, Ukraine and Kazakhstan, each one of which hosted significant numbers of Soviet strategic forces. So that first tour in INR corresponded with this very delicate period of the U.S. working very hard in a number of ways to try to insure that these four countries with nuclear weapons transitioned to only one country with nuclear weapons. Or to put it another way, the Soviet control over the nuclear weapons would morph into a Russian control over nuclear weapons and Minsk, Kiev and Alma-Ata did not end up having their own nuclear forces bequeathed to them because of the breakup. It was particularly sensitive in the case of Ukraine because Ukraine more than the others had some of the largest and most sophisticated missile assembly plants, had a lot of indigenous expertise on how to make both the delivery vehicles and also the nuclear weapons.

So the Ukrainians had some real choices for keeping some of those nuclear weapons. What actually would have happened if they had continued along that path or if they had seriously pursued that path, we don't know. Obviously the Russians were very intent on them not having those options, but it was a real concern. There were a number of scenarios that were seriously considered that would have featured war between Ukraine and Russia. Most of those scenarios I think we thought were unrealistic, but that they were even seriously discussed showed what a real crisis this was and what a delicate period of time it was.

Q: Well, in a sort of peculiar way we and the Russians were both on the same side, weren't we?

THIELMANN: It was a very curious form of cooperation because we shared an interest with the Russians in ensuring that Russia maintained control over all those nuclear forces. In some respects we rooted for the safe transit of nuclear weapons from these other countries back to Russia so they could then be put online aimed at the United States. There was certainly some irony in that, but it was considered a far worse outcome if we had new independent centers of power that might also have targeted their weapons at the United States. So part of the irony also was that, as much as we wanted Russia to maintain control of the weapons, we genuinely wanted Ukraine to evolve in a western direction and to reanimate some of the traditions that were really alive in Ukraine as a European country. It was much more oriented toward the U.S. than the more Asian-oriented heartland of the Soviet Union was. So we were trying to encourage that. We were trying to get Ukraine to see itself as a country that would be benefited much more by pursuing a German or a Japanese model of obviously being capable of having nuclear weapons but, by pursuing a non-nuclear path, could find a better way to reintegrate itself into the western economy.

Q: Well, how did you find dealing with particularly the Defense Intelligence Agency and the CIA on this particular issue? I mean were there any problems or divergences?

THIELMANN: There were certainly some divergences and, while my memory is not terribly sharp on this, I think in general I would like to say we were a little bit more sophisticated in the scenarios that we used. Some of those probably from the Defense Department side of things put more credence in the outbreak of war between Ukraine and, Russia, and when we thought through those scenarios, it just seemed extremely unlikely. I mean for one thing there were so many Russians living in Ukraine. The eastern part of Ukraine was basically ethnic Russian. It

just got kind of incredible to think about any scenario in which you would have one of these countries lobbying nuclear weapons at another. So I think, to put it neutrally, it was because we were closer to a more sophisticated analysis of the internal dynamics of Soviet society and the new emerging societies that we weighed the likelihood of those scenarios a little bit differently. One of the other things that I remember about this era is that we received some very valuable human intelligence from some of our foreign allies. Without going into too much detail, I was impressed at the quality of information of one of our special partners in intelligence. They had presumably at much lower cost were providing better human intelligence, more critical useful human intelligence than our own U.S. agencies.

Q: Were you concerned about rogue scientists in the Ukraine or elsewhere exporting their knowledge of nuclear things to people such as Iran, Iraq and all that?

THIELMANN: That was definitely a constant concern. Even in INR where we had such limited resources, we tried to start keeping track of certain individuals about which there was intelligence. We tried to stay plugged into the other agencies who had the resources to look closely at this because this was seen by almost everyone in the intelligence community as a source of concern that in the end would be much greater than the prospect of Ukraine developing independent nuclear forces. The collapse of the Soviet economy and all those incentives and privileges and everything else that made life for weapons scientists about as good as it could be in a Soviet context led to people not getting paid month after month. The temptations became very great even though in that respect I think those who were not as familiar with the Soviet society maybe saw the temptations as being greater by putting ourselves in their shoes. I think there was for those who were not as close to the way the Soviet Union actually operated, it was just easy to imagine hundreds of thousands of scientists just contracting out to Libya or other countries.

Q: Yes, I mean when one looks at it, one thinks about oneself.

THIELMANN: Yes.

Q: If all of a sudden the State Department stopped paying me my pension, my God what would I do?

THIELMANN: That's right.

Q: But I guess they had support systems and other things.

THIELMANN: They had support systems and sort of a deep nationalism so that a lot of Soviet scientists would not be particularly comfortable working for the Iraqis or the Libyans, or the North Koreans or anyone else. I say that even in the knowledge that there were Russians and Ukrainians who did just that. The magnitude of the problem was probably not what we might think putting ourselves in their shoes. It was certainly a serious enough concern that we needed to inform the policy people who could actually do something to mitigate that danger and did in

fact by aiding some of the labs and the weapons manufacturing facilities to give them another alternative at home for using some of their skills.

Q: What about the Soviet Black Sea fleet because it was a pretty sophisticated set of ships and all that including nuclear missiles. The problem was where did it belong?

THIELMANN: That was another incredible development that occurred as a result of the breakup. Sevastopol, the headquarters of the Soviet Black Sea fleet, was a very Russian city. It was extremely important in the Russian military context. It had this sort of glorious World War Two history as a heroic defense against the Nazi invasion. It was about as rock solid as any Russian city could be, and yet all of a sudden it found itself in the Ukraine. So all those Russian war ships and the Russian personnel were all of a sudden in another country that had its own designs on Russian ships. So that was another messy problem and of course one of the serious irritants in the Russian-Ukrainian relationship. Having been to Sevastopol while in the embassy in Moscow and having seen that firsthand, it was another way in which I suppose I benefited from having been a foreign service officer and our office benefited a bit from that kind of perspective. But we also understood that in terms of strategic forces, the Black Sea fleet was fading in significance, and it almost was almost irrelevant in terms of the strategic impact of the Russian Navy. I mean, it was all the Northern fleet and the Pacific fleet. That's where their sea-based nuclear deterrent was based. So the Black Sea fleet and those military capabilities, during the height of the Cold War had been exaggerated by the U.S. partly because it was good for raising funding. But no one I think ever really saw the Soviet Navy in the Mediterranean as being able to last very long if there were actually a war. So I think the Black Sea fleet in that conflict with Ukraine was of great significance in political terms but less so in military terms.

Q: With naval intelligence and all looking at the Black Sea fleet, did the defense people have a sort of a different view? Because as you say it's pretty obvious it's a write off. But in order to maintain enough ships in our Navy you've got to have a threat.

THIELMANN: Yes, I think it's pretty hard to ignore that dynamic entirely. This isn't to cast aspersions on the integrity of defense analysts or the Navy. But there's just a natural interest in looking at the order of battle of Russian ships and arguing that we had to have a comparable order of battle matching them cruiser for cruiser ignoring all these things like the bases that ring the Mediterranean with fixed wing aircraft that can attack those ships. It was just a horribly hostile environment for the Soviet Navy in the best of days to operate. I mean they could use port facilities in Syria or Egypt perhaps but—

Q: And get out of the Basra, exactly.

THIELMANN: I mean so vulnerable to being bottled up. I mean I would say that the U.S. Navy didn't have an institutional interest in presenting to the public the full dimensions of the Russian problems -- what the Soviet problems would be and what the U.S. problems would be if there were an actual conflict.

Q: While you were there, did you see any crisis coming up regarding missile control in this Soviet-Russian-Ukraine context during this '90-'93 period.

THIELMANN: There were some very delicate moments in which we analyzed what the Ukrainian options would be if they really wanted to seize control of forces, and it wasn't evident that the Russians could keep them from doing it if they really chose to. There were elements in the Ukrainian political spectrum that were arguing for that course of action. So it wasn't just a theoretical excursion of Western analysts. There were real Ukrainians who wanted to do that. I think my memory is that we were a little less alarmist about the prospects of that happening than some in other agencies. We recognized the danger and certainly highlighted it as a danger and treated it as an analytical priority because of the consequences, but we were a little less pessimistic about whether or not it would happen than were some in the other agencies.

JON GUNDERSEN
Consul General
Kiev (1990-1993)

Mr. Gundersen was born and raised in New York and educated at George Washington University, the University of Oslo International School, Stanford University and the National War College. Entering the State Department in 1973, he served abroad in Moscow, Stockholm and Frankfurt. At Reykjavik and Tallinn he was Chargé d'affaires, in Oslo, Deputy Chief of Mission, and in Kiev, Consul General. In assignments at the State Department in Washington, Mr. Gundersen dealt with a variety of matters, including arms control, anti-terrorism and Balkan issues. Mr. Gundersen was interviewed by Charles Stuart Kennedy in 2012.

GUNDERSEN: For 15 years and I knew the guys who'd been previously assigned but never got there, because something bad would always happen in US-Soviet relations and canceling the opening of the Consulate in Kiev and a Soviet Consulate in New York was a convenient measure both sides could take to show their displeasure..

So I was assigned that job. In the meantime, they were protracted negotiations. So I was given the job in Frankfurt in the interim.

Just as I was given the job in Frankfurt and paneled, they needed me to go to the Ukraine, because they thought they finally had agreement finalized to open the post. So I was assigned and panel to Kiev.

So I had two jobs and the two parts of the Department responsible for these two areas fought over me, but S/CT *i.e.*, the State Department office responsible for counter-terrorism policy, who reported directly to the Secretary, said, "Well, we need him more," so I went to Frankfurt. As I said., without this bureaucratic tug of war, I would not have met my wife – so, for once, good things can come out of the bureaucracy.

And when they finally came to agreement about with Soviets about opening the consulate in Kiev, I was pulled from the Frankfurt assignment to go directly to Kiev.

Q: This was when?

GUNDERSEN: This was in late 1990.

Q: Just before the Soviet Union

GUNDERSEN: That's right.

Q: Was the ending of the Soviet Union sort of in the wind, did you see it at that time?

GUNDERSEN: I did begin to see it when I went to the Ukraine, in late '90. Initially there were just two of us, so I had a staff of one. By at the end of my tour there I had a staff of eighty.

So myself and the other officer, who was a fluent Ukrainian speaker, lived in an old Soviet-style apartment on the third floor. Ukraine was still very much a Soviet Republic in the eyes of Embassy Moscow. And we began to report facts on the ground.

We gradually got a sense that the Ukraine was going to go independent. We'd talk to Party leaders, dissidents, labor leaders, members of the Rada, which is their parliament. They were beginning to sense that the center could not hold. Then CODELs began to come in.

They had a vote on sovereignty in March 1991, which was voted for fairly overwhelmingly. This wasn't independence, it was a sovereign Ukraine in the Soviet Union, but because the vote was so overwhelming, you had a sense that they aren't going to stop there.

We started reporting about that, that there was a real movement for independence. Embassy Moscow didn't agree. The conventional wisdom in the Bush I administration was that we could work with Gorbachev; we were beginning to sign arms control agreements and Gorby was a known entity. The thinking in Washington was, "Let's deal with the devil we know, we're getting these agreements, let's not deal with this nationality, independence issue."

Because we didn't have classified communications capabilities in Kiev, my colleague, John Stepanchuk, and I had to travel virtually every weekend to Moscow to write secure cables. We'd work a full week in Kiev take the overnight train Friday or Saturday to Moscow, because it was a lot safer than flying Aeroflot. We'd get in, open the classified section of the Embassy and we'd write out our cables and send them to Washington.

Sometimes Embassy Moscow would put "We do not agree with this" in a comment on our cables. So there was a little tension there.

We weren't saying, "They will become independent," Foreign Service people don't make such categorical statements, but "There is a good chance that they will be pushing for more and more independence and they we have to deal with this reality and have to think about what our policy should be: would we recognize Ukraine's claim as an independent statehood? what are the criteria for recognition? how do we coordinate with our NATO allies?, etc."

So it was an interesting time to be there. On top of that, Eike became pregnant (I don't know how that happened). We were living in this Soviet style apartment, she had to shop for scarce goods at the local markets, I was working long hours. It was a tough time, especially for Eike, but she was a trooper and our best reporting officer on local conditions. I could go on about the sacrifices, usually unpaid, that Foreign Service spouses do for their families, but I think you understand.

Q: I do. What were the Ukrainians saying? Was there a Ukrainian government at the time that could easily split off and become an independent government, or was there sort of a creature of Moscow?

GUNDERSEN: Well, they had a leader named Kravchuk. He used to be the ideological secretary of the Ukrainian Communist Party, but he was a crafty character and saw the way things were going. So he became more and more independent; he quickly changed to a black nationalist hat, and discarded his red communist hat.

Meanwhile, the Rada had elections and elected some *Rukh* people, that's a democratic pro-independence party. So there was real, pretty open discussion on independence. And we were reporting that even the Communists were moving in that direction.

Q: As a consulate general, you were seeing, you might say, that the independence movement was farther along than Moscow did. Was there any resolution to this, or did they tell you "Don't report that"?

GUNDERSEN: Thankfully, they never did. They let us report what we wanted. Once in a while they added a little note saying that they didn't agree with our reporting. But there was never any repression of what we were reporting and, in fact, there was much discussion in Washington about the different approaches. I heard *post facto* that our cables were causing quite a stir in Washington.

Many of our cables were sent directly to the White House and shared in NATO. So there was a lot of ambivalence about whether Ukraine. I got what they called O-I's, official-informal notes outside of channels from fairly high ranking people, who'd say, "Right on!" and "We agree with you."

Q: Of course, to my mind, being a non-expert, but just looking at this, if the Ukraine goes, Russia's no longer a threat. It's like in the Middle East, if Egypt's not going to fight, there isn't going to be a war. This is not just a minor development. This meant sort of our entire geo-strategic assumptions would have to change. Or were we looking at it that way?

GUNDERSEN: I think reflects exactly some of the discussion. In fact I have a letter from Paul Wolfowitz, who was at the time the Assistant Secretary of Defense for international security policy. He was reading our cables and using them against some at State who would say, "Well, we have to work with the Soviets and Gorbachev. Let's not push it too much." The Pentagon's thinking, in the Office of the Secretary of Defense was driven by military not political objectives. If Ukraine becomes independent, the thinking was, Soviet forces would have to retreat thousand miles from NATO and it would no longer be a strategic threat.

And so they looked at it from a military perspective; they were less involved with arms control or other considerations. There were some in S/P, State's Policy Planning Council, who agreed. However, most at State and the NSC wanted to stick with the existing policy toward the Soviet Union. So we understand there were some real tough "wither Ukraine" discussions in Washington.

It came to a head when President Bush came to Ukraine..

Q: This is his "Chicken Kiev" speech?

GUNDERSEN: Yeah, the "Chicken Kiev" speech.

Q: Could you explain what that was?

GUNDERSEN: Well, Bush visited the Soviet Union in early August 1991, it was still the Soviet Union, to work with Gorbachev, because they had come to the recognition, from their perspective, that they liked Gorbachev's reform policies. We were signing arms control agreements. Bush was someone who placed great stock in personal relationships and he was comfortable dealing with Gorbachev.

But we also knew that they had to deal with the nationality issue. So Bush scheduled a trip to Kiev after Moscow.. He was greeted by a million people in Kiev because he was seen as pro-democracy, the route was lined with people, it was a very joyous occasion.

And he gave a speech to the Rada. He talked about democracy and self-determination and human rights and Ukrainian history. Not a bad speech generally. However, two things he said became famous: he warned against "suicidal nationalism" and said that "Democracy does not mean independence." So he was, in effect, telling the Ukrainians, "You can push for democracy, but not for independence."

I only saw the speech a couple of hours beforehand. I told the speechwriters: "This is going to go down really bad, because of these two lines." And those were the things that were picked up by the press. I think it was Washington columnist Robert Novak who called this speech the "Chicken Kiev" speech. The Ukrainian-American community here reacted very strongly and negatively to the speech as well. All the good things in the speech were soon forgotten.

Q: Were you sort of relegated to the rear of the president's entourage?

GUNDERSEN: Yeah, I was there, but it was still the Soviet Union and Ambassador Matlock accompanied the President to Kiev, so clearly I was subordinate to him. I had to fight to get into meetings, because they knew what we were writing from Kiev. But I did get into the meetings, most of them.

One of the results of the meetings was the Soviets were becoming increasingly suspicious of the Ukrainians and where they were going. So they sent down Yanayev, one of the leaders of the subsequent coup to remove Gorbachev from power, to spy on what Bush and Kravchuk were talking about.

Kravchuk and Bush wanted to have a one on one meeting, so they told me to "Talk to Yanayev, so we can have a private discussion." I have a picture of a very worried looking Yanayev sitting there with Bush and Kravchuk. Then Bush and Kravchuk disappeared. I think that was one of the key events that caused the coup makers to act. I think Yanayev reported back to his buddies in the Kremlin, but not Gorbachev, that: "Ukraine's going to go independent, we need to do something about it." The coup occurred a month and a half later.

Q: The next time, I'd like to talk to you about how we saw the coming of independence, the Black Sea Fleet

Today the 8th of May, 2012, with Jon Gundersen and Jon, where did we leave this off?

GUNDERSEN: As I remember, I had been assigned to the Ukraine and consul general.

Q: Let's talk about the Ukraine, now.

GUNDERSEN: At the time, if you remember, this was the George H.W. Bush Administration. Gorbachev was beginning to open up, with *perestroika* and *glasnost* and we were beginning to sign deals we had worked on towards the end of the Cold War, including arms control agreements and confidence building measures.

And we very much wanted to have Consulates in the Baltics and Ukraine, to have eyes and ears on the ground so to speak. But we also didn't really push for independence for those countries, because the Bush Administration was becoming comfortable with working Gorbachev. It was much easier to sign these agreements with a single nation state. Diplomats are more comfortable with the devil they we know rather than the devil they don't.

So my charge as Consul General was basically to report on what was happening, to work with the government of Ukraine, which was still a communist government, and to encourage openness and democracy, but not independence.

But when I got there, it became increasingly apparent, as I mentioned during our last session, that it would be difficult for the Soviet Union to remain a unified state, because Ukraine and the

other constituent republics, particularly the Baltics, didn't want to be part of the Soviet Union.

So the fatal flaw, in our view, was that you couldn't have democracy and openness without independence. And, as I said earlier, we began to report that, very carefully, because it was not the received, conventional wisdom in the State Department or in Washington or in NATO.

Q: You look at the Soviet Union as a unity, it can't help but be a menace. But with the Ukraine separate, it's sort of like a toothless dragon.

GUNDERSEN: And that in fact is what eventually occurred. The break up of the Soviet Union was something that now seems to be so logical, but it wasn't so apparent at the time. We were so used to the Cold War. The Soviet Union was so well established as our strategic rival that there were very few, if any, who prophesized that the Soviet Union would fall apart.

In the U.S. government, the first to really support the possibility of Ukrainian independence was the Defense Department, 'because they saw that in military terms. So they, in internal deliberations within the U.S. government, were the ones who were agreeing with our cables from Ukraine.

Q: At the time, you had the Soviet Black Sea Fleet.

GUNDERSEN: Ukraine had the Soviet Union's only "warm weather ports." Russia subsequently negotiated a long-term lease for the traditional Soviet naval bases on Ukrainian territory, but it was not part of Russian sovereign territory, it was part of Ukraine.

Q: And the other issue was of course the settlement of Russian-speaking people in significant parts of Ukraine.

GUNDERSEN: Right. Eastern Ukraine was mostly Russian speaking, Western Ukraine was Ukrainian speaking and a mixture in the middle. But it was not as divided as were the Serbs and Croats, because there's a lot of intermarriage in Ukraine, especially in the Eastern Ukraine. So the ethnic issue was not as visceral as other places.

Q: From your perspective, were you able to sort of get out, you and your colleague in Kiev and sort of sample and get a feel about what would happen, was this for real, this desire of Ukraine to be independent?

GUNDERSEN: I think we were given an unusual and almost unexpected degree of access, because this was a time when the Soviet Union was changing, Gorbachev was encouraging this more open attitude. Although obviously they didn't want to go all the way. Gorbachev believed you could have a reformed, more open, kinder society and keep the Soviet Union together.

And initially, it was two of us, myself and a guy named John Stepanchuk, who was a fluent Ukrainian and Russian speaker. We traveled all over. We talked to Party people and *Rukh* dissidents.

They had elections for the parliament. We for the first time, we organized international visitors program grants for Ukrainians to visit the U.S. – and they readily accepted. We brought together a mixed group, including Communist Party members, democrats, labor representatives, to visit the United States. And that took a lot of delicate negotiations with the Ukrainians and with Washington. They visited Washington, New York and Ukrainian communities throughout the mid-West

Not only did they see an open, democratic diverse society, but they worked together, they sat together, they traveled together. So they realized that could work together as home as well. And many of them served in subsequent governments back home. The \$60,000 we used on the program was, I believe, money well spent.

Q: How about the Party, the Communist Party in Ukraine? Where was it coming out?

GUNDERSEN: The Party had always been very loyal to Moscow, very hard line, because they knew that many Ukrainians, especially Ukrainians in the west, were anti-Party, anti-Russian, so they needed to prove their loyalty to Moscow. Vladimir Shcherbytsky, the Ukrainian Party leader until 1989, was one of the most loyal followers of Brezhnev and a member of the Soviet Party Politburo.

Kravchuk was the Party chief when I arrived in Kiev and he had been the Party ideologue who took care of ideological purity previously. But he was a very wily politician and he began to realize that the world was changing. I met with him at least seven or eight times during my time there, sometimes one on one.

In fact, after Ukraine voted for sovereignty in the spring of 1991, but it was clear where they were going. We started getting visitors like Brzezinski, Kissinger, Nixon and all sorts of CODELs (Congressional delegations).

Nixon, for example, came on his own. This was a unique opportunity for a Foreign Service Officer to sit down with a former president and escort him around for two days. Despite his obvious flaws, Nixon, even at 80, was a very sharp, *realpolitik* guy. We met with Kravchuk. After we came out of that meeting Nixon said, “This guy is smart and he will be the type to will break with the Soviet Union if he thinks it’s necessary for his survival.” Kravchuk was a cynic, sort of like Nixon, who recognized they were kindred spirits. As much as anyone, Nixon probably foresaw what was going to happen regarding the breakup of the Soviet Union

And then we saw some of the dissidents, Nixon wanted to see everyone. We visited them in their dusty old house with little heating. They were mostly intellectuals with little idea about governing. In front of Nixon, they argued about what sort of Ukraine would emerge, whether it would be along the lines of a Jeffersonian democracy, they were quoting Rousseau and Montesquieu.

And Nixon asked, “How do you run the government? Who’s in charge? Where are your

alliances?” And Nixon sort of turned to me and he said, “God damn expletive intellectuals!”

Q: Well, I have to agree with him. You can imagine, you get together, playing around with ideas, at a certain point you have to come up with a system.

GUNDERSEN: How do you collect the garbage? It was funny, you’re sitting next to a former president and he turns to you and says something like that. And this was after he had met with Kravchuk, they sort of, I wouldn’t say bonded; let’s say they understood one another.

Q: Well, you had a poisoning of a president, apparently, by the KGB and now you have a former vice president being abused in jail, a lady. Were you seeing these individuals and realizing, sort of trying to evaluate the divisiveness within this society?

GUNDERSEN: Well, I’d like to say we saw all this coming

Q: One never does.

GUNDERSEN: But what we saw and reported is that Ukraine, after the failed coup in Moscow.

Q: While Gorbachev was vacationing in the Crimea.

GUNDERSEN: The head of the KGB, think his name was Kryuchkov, Akhromeyev, former military Chief of Staff, and Yanayev, Gorbachev’s Vice President, who had just been to Kiev, decide to act while Gorbachev was vacationing.

When that the coup happened in August ‘91, Ukrainians basically were set on independence, so. Kravchuk immediately denounced the coup.

Unfortunately I was in Washington on consultations when this occurred. So I rushed back to Ukraine. You want to be there where the action is. My first thought when the coup occurred, was, the hard line Communists are going to return to Brezhnev era policies and it would be difficult for us to influence the course of events.

At the same time, *Rukh*, the democratic movement we had been helping, basically took over the government in Kiev. I got a call from the head of RUHK telling me, “We know you’re looking for a building to house your consulate. Would you like a building? And they offered us the Kiev Communist Party headquarters, which is the current U.S. Embassy there. So that’s how we got that building.

But of course our bureaucrats back in Washington said, “Oh, we need to look at the security to make sure the building had adequate setback and was it a stand alone building. And beside s and it was too big for the then consulate staff.”

We replied, “If Ukraine goes independent, we will need all this space.” Now, the building’s much too small. But it took a year of negotiating and we ended up paying much more money for

the building than we initially would have had to, because at that golden moment we were basically given the building, because we had been on their side during the tough times. So that's how we got the present embassy.

Q: Well, was there any concern on your part that trends in Ukraine about what might happen?

GUNDERSEN: Well, there were concerns that there was not a democratic or ethical tradition about how one governs. There wasn't the idea that governments should be held accountable. As an optimist and believer in the better nature of human beings, I must admit I did not foresee the current extent of the current corruption..

We did report a little about the corruption in the society, about the weakness in the democratic forces, about Kravchuk and the local KGB being interested in holding power and getting the fruits of selling state assets. But we didn't say, "Well, this is going to doom the Ukraine." We thought that Ukrainian independence was a positive thing, which I think in the larger sense it certainly was, but we didn't prophesize Ukraine would have all these problems.

We actually reported something along these lines: "Ukraine has the potential to be a stabilizing force, because it's a rich country, it's got cultural resources, it's got a lot of smart people, and it has a strategic location

Q: It's got that wonderful soil.

GUNDERSEN: It's got black soil like our soil in Iowa. It used to be the breadbasket of Europe. Before World War One, that was the largest exporter of wheat in Europe.

So we thought they would muddle through and they did muddle through, but obviously they've never developed into the type of reasonable, not perfect, democracy, but a reasonable, stable country, as we had hoped.

And we saw progress right after independence. Businessmen came to open hotels and to invest. But we began to hear that most of the officials were all on the take; you had to pay money to get things done, that a Ukrainian mafia was developing. So we sensed that there were real problems in the society.

Q: How were relations with the embassy in Moscow?

GUNDERSEN: At first, we functioned as a satellite of Embassy Moscow. We had a small office. At first four of us and our Ukrainian secretary and driver worked out of one dumpy office on the West Bank of the Dnipro River. I should also mention that Eike was pregnant and living in our Soviet apartment at the time. She had to fly to Germany for the birth of our son, Jan Taras – he was partially named after Taras Shevchenko, the Ukrainian poet and nationalist from the 19th century. The Russian paper "Izvestia" actually sarcastically reported that the American Consul General had the audacity to chose such a name. Eike returned to Ukraine after Jan's birth and, in effect, lived on the local economy.

Regarding policy, we did have, as I mentioned, differences as to where Ukraine was going to go, but Embassy Moscow never stopped from reporting what we were seeing.

Q: Well, were you getting inquiries from Washington, various places, saying “What do you all think?”

GUNDERSEN: We were, because we were on the ground and there was great interest. As somebody once said to me, “You’re lucky, because there’re very few cables that are actually read by the White House.” So our cables were being read by the White House and we often got requests like, “Could we share this with NATO allies?,” for example.

Q: I would think, Kyrgyzstan comes or goes, but who the hell cares? Particularly Ukraine, of all the Soviet republics, the Baltics were a bit different breed of cat, in a way they weren’t critical and weren’t going to stay in the Soviet Union anyway.

GUNDERSEN: And I think most of the Russians, except for some of the real hardliners, accepted that the Baltics were going to go because they had once been independent states and were not Slavs. We, of course, during the Cold War, never formally recognized Soviet sovereignty over the Baltic republics.

Q: In a way, it was a problem, but it was a problem that really didn’t cause us any headaches, but in Ukraine was a question mark and it had the potential to change the entire world equation, practically.

GUNDERSEN: Here’s this big country of 52 million in the heart of Europe, which, when it became independent, became the third largest nuclear power in the world, because of all the nuclear weapons on Ukrainian soil. And they were sister Slavs, “little Russians” that would say.

So when Kiev declared its independence, we at the consulate wanted to recognize Ukraine right away. Embassy Moscow wanted to check with the Soviets first. They delayed recognition to allow for meaningless things like getting our defense attaché in Moscow accredited to Ukraine. We felt these little things were both unnecessary and small ball at this was a historic moment.

So when Ukraine voted for independence on December 1, 1991, in overwhelming numbers, the Canadians and Scandinavians recognized them right away, but NATO as an alliance was reluctant to do that as was Washington..

So we had our differences with Embassy Moscow.

Q: Must have put a burden on you.

GUNDERSEN: Well, it was. There are few times in the life of a diplomat where you feel that what you are saying will have a real impact on U.S. policy. We felt we had the best vantage point to report the real situation. We were respectful of the Embassy, of course (the Ambassador, after

all, wrote my efficiency report). But we knew what we said was having an impact in Washington. It wasn't that Moscow and others openly disagreed with our reporting, but it was always, "Yeah, but" and we felt that we might be losing the moment.

The State Department eventually came around to accepting the reality of independence. Secretary Baker came to Ukraine, he visited Ukraine and the other newly independent states in January '92. He turned the policy around 180 degrees and basically declared: "Yes, Ukraine's going independent, obviously the Baltic Republics are and probably these other constituent Soviet republics are and we have to be ahead of the curve." Right after his trip we recognized Ukrainian independence immediately and we said all the right things. The Ukrainians were very happy about it and so it was a sea change and we started getting aid programs, the Ukrainian-American community and we had been pushing for.

The Nunn-Lugar Amendment was passed, which would give a lot of money for taking care of the scientists who worked on nuclear weapons. Nunn and Lugar visited as did Bradley, Cranston, Strom Thurmond, etc. By the way, Thurmond at 90, still had an eye out for attractive women. I was very much involved, sometimes as a policy maker, sometimes as a messenger delivering messages directly to Kravchuk such as: "We will be able to do all these things if you abide by international covenants and agree to get rid of the nukes on your territory."

Q: You basically wanted them to go to Russia, where we would deal with them?

GUNDERSEN: Or be destroyed. Remember at the time we were negotiating bilateral treaties with Moscow which would allow us to control nukes more closely in Russia. However, there were forces in Ukraine, on both the right and left, who were saying, "Let's keep the nukes, that's how we will get respect as a new State, by having these nukes." Of course, the Russians were also pushing to get the nukes out of Ukraine.

There were also a lot of countervailing forces. There was a strong anti-nuke movement because of the reaction to the Chernobyl reactor explosion. At the same time, as I mentioned, some politicians believed that the nukes could give Ukraine legitimacy and perhaps great power status or, at least, that they could be used as a bargaining chip with the Russians. So we worked out what was eventually called the Lisbon Protocol in early '92. The Ukrainians agreed to get rid of all their nuclear weapons. In exchange they would get certain aid and would have a pathway to membership in international institutions. Those negotiations were very delicate and touch and go. I remember midnight calls to Kravchuk's villa delivering a curt message from the Secretary of State: "You've got to agree to this by this date or else." And he signed. Of course, Moscow was also pressuring him as well.

Q: What about the fleet? Did it have nukes, too?

GUNDERSEN: Well, that wasn't so much our concern. The Black Sea Fleet was not a threat to our interests at the time. The fleet did not have the same strategic capabilities as ours did and, in any case, we felt we could control the choke point through the Turkish straits.

But it was a point of contention about who controlled the Crimea. Crimea had been Russian territory, but had been given to Ukraine as a gift by Khrushchev in the Fifties. Of course, Moscow could never imagine that control of Crimea would have an issue, because the Ukrainian Communists were very loyal. It was just sort of an offhanded gesture.

We had no real problem about the Russians maintaining a fleet there, as long as it didn't jeopardize our 6th fleet and Ukrainian sovereignty. That negotiation went on for a few years after I left and they eventually agreed to a long-term lease of Sevastopol.

Q: Were there forces in the Ukraine that were of concern to you that wanted to preserve the Soviet Union?

GUNDERSEN: There were forces. There were still members of the Communist Party who would have liked to have kept the Soviet Union. But they were in a minority and we felt that they would not be able to win any parliamentary election,

The former Communists under Kravchuk and Kuchma, the next Prime Minister, liked being independent. They weren't democrats, but they didn't want to be under Moscow. So we didn't think that was a real possibility, to restore the Soviet Union..

Q: Was the disbandment of essentially the Warsaw Pact and troops coming back to the homeland, was that anything you had to deal with in Ukraine?

GUNDERSEN: To a degree, yes, because demobilizing a lot of troops is costly. So we did have some agreements where we would give them certain aid to demobilize their forces. They had to change their conscription, training and operations and maintenance policies. But that was not a major bilateral issue. The Pentagon did work closely with The new inexperienced Ukrainian Defense Ministry.

Q: You were there from when to when?

GUNDERSEN: I was there from January '91 to early '93.

Q: Was the economic collapse apparent while you were there?

GUNDERSEN: It wasn't initially apparent, because we felt Ukraine had enough resources that it would do relatively well. That was a time when Europe was uniting and prosperous. They were looking to integrate what we called Eastern Europe and eventually Ukraine into sort of the Western economic framework and institutions. There was a sense that Ukraine would eventually be integrated into the World Trade Organization and some sort of agreement with the EU.

So economic issues we were addressing at the time were more how do you change a state dominated, top down economy to a more open, market economy.

One example that clearly indicated it would be difficult occurred during Assistant Secretary Tom

Niles' visit to Ukraine. Niles was a smart guy, Russian speaker. We had a meeting with the prime minister, whose name was Fokin, a Kravchuk appointee and former Communist. He was going along with independence and he fancied himself as an economist. The meeting with just Niles, myself and Fokin.

Niles asked him, "How do you shift to a market economy and determine prices in the interim?" and Fokin said, "We believe in the market and when we fully adopt a market economy, the market will determine prices, but we haven't figured out what price to set yet." I don't think he understood markets. So that was indicative that it was going to be a difficult transition.

Q: The Ukrainian politicians, one of whom was apparently poisoned while in office and another jailed for corruption, were they prominent politically while you were there?

GUNDERSEN: I now remember I had met Yushchenko, but I didn't focus on him at the time. Yushchenko was a young, very dashing, figure. He later married a Ukrainian-American who visited the Ukraine periodically and would meet with us. She was working for an NGO. So we knew him, but didn't foresee he would become so prominent a decade later.

Yulia Tymoshenko was a young, attractive dissident, very charismatic. But we also didn't foresee what she would become.

But we aware that the dissidents were not united. Ukraine didn't have a figure like a Havel or a Mandela who might have led the country to more stability. You had a lot of petty infighting even among the democrats, as well as the Communists.

Yushchenko and Tymoshenko should have, after the Orange Revolution, been working together and that was the golden moment that they missed.

Q: Was there a military component to this whole thing, military commanders people had to look to and defer to or consider?

GUNDERSEN: Of course, all the military had been trained in the Soviet Union by Moscow using their military approach, which is a top down approach. We never felt that there was a Napoleonic coup possibility, where the military would take control, because they always had operated at the behest of the Party, so they weren't like in Egypt or Turkey an independent force.

Q: One thinks of these huge factories and oil field and collective farms A very rich place, but was much coming out of this? How did we evaluate this situation?

GUNDERSEN: Yes, we felt that it was potentially rich country, but you have to understand, the whole collectivization and the destruction of the kulak class occurred largely in Ukraine. Millions of people died in the famines in the Thirties and what also died was the sense of having an independent agricultural class.

So I think that affected Ukraine, because it was collectivized and you didn't have a recent history

of independent agriculture. That made it more difficult than even we expected to transition to a more market economy.

Q: Was there any movement while you were there of oligarchs to come in and gobble up the former state assets?

GUNDERSEN: When I left, that was just beginning to occur. If you remember, in Russia that occurred in the mid-Nineties and I left in early '93. So we didn't know exactly where Ukraine was headed, but we knew that it would not be an easy transition.

Basically, the old Party guys and the KGB, they just changed their hats from red to black and so they became "nationalists," but they wanted the spoils.

There was a hotel, big hotel, the nicest one in town and that was controlled by the KGB. Then Westerners wanted to buy it, but basically the KGB said, "No, we're going to continue to control it." They allowed Westerners to put their money in, but they still controlled the hotel.

Q: When you left there, how did you see things falling out?

GUNDERSEN: Well, I probably have to admit I was more optimistic than I should have been. We had fought the good fight, we knew the people involved. We thought it was and I think it remains very much in the U.S. national interest to have an independent Ukraine.

So we felt that it would become a relatively stable, relatively democratic country which would be increasingly integrated into Europe. It has maintained its independence. It hasn't been a total disaster.

So in a larger sense, I think the record has been mixed, but obviously it's disappointing that Ukraine hasn't developed into a more democratic society and that corruption is endemic.

Q: Did Moldova cause any concern, or was this sort of over the horizon and out of mind?

GUNDERSEN: It's one of those many issues that you're aware of, because there was an ethnic Ukrainian as well as a Russian element in Moldova and there's a question whether Moldova would become independent, whether it would be still sort of a semi-satellite of Moscow, because they had the Russian bases there.

Ukraine was interested and basically supportive of Moldovan independence but they were a little suspicious of Moldovans because of their treatment of the ethnic Ukrainian minority. Part of Moldova used to be part of Ukraine. However, Kiev did not want to open border issues, because they benefited from the post-War changes in borders with Poland and Crimea, for example.

So they played a careful game and we encouraged the evacuation of the Russian troops, while being supportive of an independent Moldova. But the Ukrainians were a little suspicious of where this process would go.

We just more or less monitored it. Our main interest was to get the Russians further back from the boundaries of the former Warsaw Pact.

Q: Apparently, with the collapse of the Soviet Union, our military intelligence services saw this as a great time to get hold of pieces of equipment, so they could analyze them. Did you get involved in that sort of thing?

GUNDERSEN: Not so much. Obviously, we were involved with intelligence. One of the first groups coming into town was some of our intel friends. They set up their own place, which was much nicer than the embassy, and they had nice dinners there.

We were involved, for example, in securing with the nuclear scientists, so they weren't tempted to sell the knowledge to the Iranians or Libyans. We also worked on securing nuclear related equipment.

With respect to military equipment, remember, the MBFR and CFE agreements required bringing Soviet tanks, artillery and armored personnel carriers away from Central Europe and Ukraine, which the Russians eventually did. Honestly speaking it was economically infeasible to maintain military units of the size they had. So they made decisions, not always supported by the military, that they didn't want to spend so much money on arms and soldiers. That was fine with us; we encouraged it.

Q: What about our NATO allies? Were they establishing consulates and all? It must have been a little bit like Istanbul after World War One or something like that, an awful lot of countries getting in there, dealing with a new political situation and all that.

GUNDERSEN: Well, when I got there, there was already, basically the French, the Germans, and Canadians and a few East European trade missions.

The Canadians, because they had a very large Ukrainian community - I think there were almost a million Canadian-Ukrainians and in a country of thirty million, that's a big portion. So they had a consulate.

We met every week with our NATO colleagues in the lead up to independence and recognition. The Canadians were probably the biggest advocates, because of their domestic politics. The others were thinking more or less like we were initially, being a little bit cautious about recognizing Ukraine, But everyone eventually followed the emerging NATO consensus about recognition. By the time I left most major Western countries had established embassies in Ukraine.

Q: What about the Ukrainian-Americans? Were they much of a factor?

GUNDERSEN: When I first was appointed Consul General, I did the tour of some of the Ukrainian-American communities in the States. I had a steep learning curve, because even

though I had served in the Soviet Union and knew Russia well, I wasn't a Ukraine expert. So I did a lot of reading and talking. The Ukrainian-American community was pushing a reluctant Administration for independence and eventual recognition. So I had to tread a careful line working closely with the community while toeing the party line as a government official. I remember once referring to "the Ukraine" rather than "Ukraine" in front of a Ukrainian group – a big mistake I soon found out.

Q: Yeah, I've always had problems with that, I still talk about the Ukraine, but that's not the right term.

GUNDERSEN: It's "Ukraine" and it's because of somewhat arcane grammatical and political reasons. Ukraine comes from the Slavic word for "border". In Ukrainian or Russian, using the word as a common noun in that sense requires that you use a definite article to modify the word. And that means a subset of a larger unit.

So when you say "the Ukraine" it could be seen as meaning a subset of a larger unit, i.e., Russia. Ukraine, on the other hand, could refer to an independent unit. It's more of an issue in English. So I learned very quickly you say "Ukraine" with the Ukrainian-American community.

The Ukrainian-American community, some of them came over after the Russian Revolution in 1917, others came over as Displaced Persons after World War Two. Most were and are strongly anti-communist. Some had even been pro-German, because they hated Stalin so much they welcomed the Germans. So they're a real mixed group and I had to handle the community delicately.

So I got to know them fairly well and I still am friends with some of the community. In the final analysis, they were a political force in the recognition question. They had political clout on the Hill. Whenever I returned to Washington for consultations I would meet with their representatives.

Q: Way back, when I first came into the Foreign Service, I was very much aware of Ukrainian nationalism, because there are a couple of statues right in the heart of Washington honoring some to me obscure Ukrainian poet or something.

GUNDERSEN: Taras Shevchenko. You can't say he's an obscure poet!

Q: Okay.

GUNDERSEN: Just kidding. There's a big statue right by like 24th Street of Taras Shevchenko. I did read some of Schevchenko's writing, including his poetry. He was not only a poet but a nationalist, who wrote in Ukrainian, not in Russian as was the norm under the Czars. So he's considered be many as the father of independent Ukraine.

Our first son, who was conceived in Ukraine, is named Jan Taras, his middle name after Taras Schevchenko. We chose the name before independence. The newspaper *Izvestia*, the largest

paper in the Soviet Union at the time, reported that “The American consul general has named his son after the Ukrainian nationalist hero.” A not so subtle criticism by a large paper still touting the Soviet party line. That was the only time I have ever been mentioned in *Izvestia* and it was right there on the front page.

Q: Did our policymakers, both in Washington and at our embassy in the then Soviet Union divide into camps over Ukrainian independence?

GUNDERSEN: Well, there were camps. Those who wanted to go slow on recognition and those who wanted to go faster. It was largely DOD that pushed for quicker recognition. And there were some in the State Department who wanted that, especially in Policy Planning.

But the Soviet desk was more cautious, because they were dealing directly with our embassy in Moscow. I know that at the NSC they had the same discussions. The Soviet director at the NSC was a guy named Ed Hewitt. Nick Burns, who later became Under Secretary of State for Political Affairs, was a young officer at the NSC. I met with both of them whenever I was in Washington. The Desk and the NSC didn't want any obstacles to good relations with Gorbachev (we were negotiating a number of delicate bilateral arms control agreements at the time). As I said earlier, we disagreed on a number of issues, including the George H.W. Bush speech in Kiev.

But everyone eventually came around after the failure of the August coup in Moscow. By the end of 1991 it was clear to all that we needed to recognize Ukrainian independence.

Q: It's interesting how, but this is typical of how Washington operates, it likes straight-line projection. There was a Soviet Union, there will always be a Soviet Union, this is part of what we're going to be dealing with.

GUNDERSEN: Yes, you're more comfortable with the devil you know. But I must say that once Secretary of State Baker decided to recognize Ukraine and the other newly independent States, there was a real sea change in Washington. We started aid programs, we became an advocate in NATO and for the integration of Ukraine into Western institutions and all sorts of programs.

Q: How about Poland? Was a factor?

GUNDERSEN: My mother is Polish. I mentioned that at one of my first meetings with a Ukrainian-American group before leaving for Ukraine. Some of in the audience whispered to me afterwards that, “Poland has been a colonial power, just like the Russians.”

Q: Well, Poland had a big hunk of Ukraine.

GUNDERSEN: They did. The Ukrainian city of L'viv or L'vov was part of Poland in the interwar period. But I think that the real enemy they felt was Russia and that Poland had played a transitory role in Ukrainian history. In fact Poland has become a real supporter of Ukrainian independence and they have very good relations now.

Q: How about Belarus?

GUNDERSEN: People sort of laugh, “Well, they’re not really a country, they’re little Russians.”

Q: When you left, where’d you go?

GUNDERSEN: From there I came back to Washington and was soon appointed as Chargé d’Affaires in Iceland, because there was no ambassador. So I came back to the States for a month or two and then was sent to Iceland.

Q: I would have thought that you would have been sort of disappointed that you didn’t get more deeply involved in this new situation in the former Soviet Union.

GUNDERSEN: That’s true. The State Department wanted to nominate me as the first ambassador to an independent Ukraine. Tom Niles proposed that to the White House, but the NSC had their own candidate.

Q: Who went there?

GUNDERSEN: Roman Popadiuk, who was a Ukrainian-American, and was the deputy press spokesman. Bush’s National Security Advisor Scowcroft and pushed for him and, of course, the White House nominee trumped the State candidate.

Q: Today is the 6th of June, 2012, the anniversary of D-Day, with Jon Gundersen. Let’s pick up on where we were on Ukraine.

GUNDERSEN: In 1992, I was still in Ukraine as Chargé, after that country’s independence. Ukraine at the time was an unknown actor on the world stage, it was this new country of fifty million sitting between Russia and the rest of Europe, with the third largest nuclear force in the world, after the breakup of the Soviet Union.

And the U.S. didn’t quite know how to work with Ukraine, since we were accustomed to working with a reforming Soviet Union, but when the Soviet Union collapsed we recognized Ukrainian independence quickly.

Secretary of State Baker realized that we needed to work with them closely. Firstly, because Ukraine had a massive stockpile of nuclear weapons left from the Soviet days. Therefore, my most important mission towards the end of my tenure in Ukraine was as a the conduit for negotiations to eliminate nuclear weapons from Ukrainian soil.

I was receiving almost daily instructions to go see the President Kravchuk, to say, “Here is what we would like you to do, either destroy your nuclear weapons or return the nuclear weapons to Russian custody under strict supervision, and to work with us to make sure that your nuclear scientists are integrated into society and don’t sell their secrets to rouge nations such as Iran and Libya.

So I had a number of meetings at the instructions of the Secretary of State, basically giving the U.S. position. We were in a solid position, since we had money and influence at the time. We had a lot of prestige for, in effect, winning the Cold War and the First Gulf War.

There were forces in Ukraine who wanted to keep the nukes, as both a bargaining chip and to enhance their status as a power, but with enough pressure from the United States and others, the Ukrainian leadership agreed to eliminate their nuclear weapons, largely by returning the weapons to Russia.

Q: What were the inducements we and other countries were able to bring on Ukraine to make it

GUNDERSEN: We had an assortment of inducements.

Q: Which were?

GUNDERSEN: One, Ukraine wanted to be seen as a legitimate nation state in Europe. Remember this was a heady period. The U.S.S.R was no more, Europe was integrating, the EC had money to help the former States of East Europe and the former Republics of the Soviet Union. These new States wanted and needed aid from Western countries. And Russia, of course, didn't want the Ukraine to have nuclear weapons.

There was pressure all around for Ukraine to eliminate the nuclear weapons. However, various actors in Ukraine said, "Well, nukes will give us status as a power and we can't trust Russians, so let's keep the nukes." So there was some immediacy and sensitivity about getting Kiev to accept eliminating their nuclear weapons. These were tough negotiations, especially between Russia and Ukraine with the U.S. as the intermediary. I spent not a few late nights at President Kravchuk's summer residence. Eventually all parties signed what was called the Lisbon Protocol, because it was signed in Lisbon. In it Russia more or less guaranteed Ukrainian borders, recognized their sovereignty. Ukraine would eliminate their nuclear weapons, gradually, and the EC and U.S would undertake to integrate Ukraine into European institutions, the World Bank, the WTO and other institutions. I received a State Department Award for my contributions. So that was a very exciting time.

Q: Was there a significant Ukrainian defense establishment?

GUNDERSEN: Not Ukrainian, at the time it was still largely a Soviet-style establishment.

Q: I'm just wondering, emerging from the Soviet entity, was there a significant Ukrainian one?

GUNDERSEN: There were a number of high-ranking officers who were Ukrainian; some of them more nationalistic than others, some of them more sympathetic towards Russia or the old Soviet Union.

There was a struggle within the emerging defense community of Ukraine about what to do, how to build their own forces, because everything they had done previously, their operations, maintenance, training had been as part of an integrated Soviet force. They had never organized or equipped themselves to defend Ukraine specifically and they were reliant on a conscript army raised by the Soviet Union.

So they really started from scratch. We had a ground-breaking visit from our Secretary of Defense, Dick Cheney. I had to call the Ukrainian defense minister, his name was Moroz. I called him directly and said that our defense secretary was coming and we needed an agenda.

He said, "Fine, let's plan it," so we sat in his office setting up meetings. I said we needed to get hotels for the Secretary's party. And he said, "Oh, yeah, good. My sister-in-law runs the concession stand at Intourist. So let me give her a call."

So while I'm on the phone with Washington, the Ukrainian Defense Minister is calling his sister-in-law to set up hotel arrangements and catering and things like that. That's how things operated at that time.

Ukraine was also very eager to get American assistance.. So it was an easy time to deal with the Ukrainian government. Kravchuk, the president, was happy any and all high level American visitors, including CODELs. I think we had six or seven in the first couple months after independence, including Nunn, Lugar, Bradley, Thurman, Cranston, Pell (Chairman of the Foreign Affairs Committee), etc..

Q: How about the European powers? I think particularly some place like France would be really delighted to see the Soviet Union no longer hovering over the Carpathian Mountains.

GUNDERSEN: They had sort of cognitive dissonance. There were two thoughts: one was, yes, they wanted Soviet forces as far away from the Fulda Gap and Western Europe as possible. But they also were comfortable dealing with the former Soviet Union, or with Gorbachev, devil you know is better than the devil you don't know. Europe was – and is – even more reluctant to deal with a change in an existing State system than we were.

So they were not that quick to recognize Ukrainian independence. The ones who were quickest were Canada, because of the large Ukrainian population there; Poland, because they distrusted the Russians and were happy to see this development; and small countries, who readily supported a newly formed State. Iceland, for example, was one to the first countries to recognize Ukraine, because they were proud of their own sovereignty.

And there was struggle within NATO about recognizing Ukraine. As I described earlier, there was a difference of opinion within the U.S. government about recognizing Ukraine immediately.

When the bureaucracy finally came around, we then argued forcefully within NATO for quicker recognition, for assistance, for all these other things. There was pretty much consensus by '92 to recognize and work with Ukraine.

Q: Did the Black Sea Fleet come within your purview? It wasn't our business, but at the same time, it was a very awkward situation.

GUNDERSEN: It wasn't, as you say, directly within the U.S. sort of purview, but we encouraged Ukraine to work with Russia to resolve contentious military issues: who controlled the Crimea, who controlled Sebastopol and the fleet itself..

So we had people come over, for example, Admiral Crowe, who was the Chairman of the Joint Chiefs of Staff at the time. Eventually, after my tenure, it was worked out that the Russians would have a long term lease, but Ukraine would maintain sovereignty over Crimea. But the Russians, in effect, controlled those bases, with a long-term lease.

Q: Did grain enter into our calculations at the time?

GUNDERSEN: Not really. We were interested, because Ukraine had been the breadbasket of the Soviet Union. It was an important factor in that sense. But they didn't export to the United States and we export a lot of grain to Russia ourselves.

Our interest was to help them change from collective production of grain to one that allowed farmers more autonomy, so we had the Secretary of Agriculture come out. We were there in an advisory role.

Q: Young Ukrainian girls became quite a commodity in the West early on in this period, they were being enticed by Italian or Hungarian pimps, sold a bill of goods. Trafficking of women, that issue, although it had been going on for thousands of years, this was all of a sudden pretty obvious problem.

GUNDERSEN: Yeah, that developed over the course of the following decade, so it wasn't a major issue while I was there. But, you're right, unfortunately, Ukrainian girls became a valuable commodity in the West. They were attractive, they had not had the freedom to leave the old Soviet Union before and there was a built up demand for foreign travel. Most of these girls were not well off and they could make a lot of money in the West and they were exploited by unscrupulous traffickers.

I could add an interesting and unrelated anecdote. When we got a marine security guard detachment at our new embassy, in '91, I guess, the marines had a non-fraternization policy dating from the old Soviet days, they couldn't meet socially with any locals. That was lifted for all embassy personnel, including the defense attachés and all other Department of Defense personnel, but it wasn't lifted for the marines.

Now, from the embassy's perspective, that was the worst of all worlds, because you have these young, twenty year old kids in the prime of life and they can't see these girls and saw what everyone else was doing.

And, in my mind, that was just a perfect set up for a honey trap.

Q: The classic KGB trap, which has happened again and again.

GUNDERSEN: And there was the case in Moscow in the Eighties involving the sexual compromise of a Marine Guard, Lonetree was his name as I remember.

And we made the case by cable with the Marine Headquarters, which was in Germany, that they had to lift this non-fraternization policy. So we had the Marine Corps Ball coming up, the biggest and wildest Marine Party of the year at all American Embassies around the world. Eventually, after much prodding, the non-fraternization policy was lifted less than two weeks before the Marine Corps Ball.

At the ball there were more young, attractive Ukrainian girls than you could ever imagine. Each marine had six or seven beautiful young Ukrainian girls.

Now, how they got to know them in two weeks, I don't know and I didn't ask. But it was a good party.

Q: Here you were, Foreign Service-wise, you were sitting on some prime real estate and there must have been all sorts of people, both on the political appointee side and on the Foreign Service side, who wanted to be the ambassador there. Did you feel that?

GUNDERSEN: Yes. I think I mentioned at another session that the assistant secretary of state for European affairs, Tom Niles, came out after independence and told me State would nominate me to be ambassador. He'd fight for it, but don't count on it, because he knew the reality of Washington politics.

So he did nominate me but there were a lot of people interested. They mentioned names like Brzezinski and Howard Baker. The person who eventually was appointed was a Ukrainian-American, Popadiuk, who had worked in the White House as the deputy press spokesman. I worked as his DCM for a few months and that's when I came back to the States, in early '93, I guess.

Q: How did the Ukrainians respond to somebody of Ukrainian background? Did they try to exploit this? Did you get any feel for that?

GUNDERSEN: It's a tough situation.

Q: Were we working in conjunction with the Western European embassies, or was everybody sort of doing their own thing?

GUNDERSEN: I had weekly meetings with the ones who were there: the French, the Germans, the Brits and the Canadians. Those were the only Western countries with embassies at the time. The British were the last to open one.

So we had weekly meetings. At first, the big issue was would the Ukrainians vote for independence.

So we had a fairly consistent and coordinated view of Ukrainian politics. Our Embassy had a lot of good contacts, because we had Ukrainians speakers on our staff and the Europeans did not. So we were able to share a lot of good intelligence.

Q: Ukrainian politics has developed some nasty characteristics which persists even today. It almost seems like the office politics of the Roman Empire, or something like that.

GUNDERSEN: What we knew was that Ukraine was a very immature country without civil society counterweights to government institutions and that it would be very difficult for it to develop along Western line, and it would take a long time.

I must say we were probably a little overly optimistic about its future, because this was a time of euphoria, the Wall had fallen, East Europe was independent of Soviet influence, and the Soviet Union had fallen apart.

We knew a lot of the Ukrainian democratic activists who were more Western oriented. We didn't know the old Communist apparatchiks as well. We knew there would be problems, but I don't think we foresaw all the problems that have since occurred.

Q: Were you flooded with NGOs? In '94, I spent three weeks in Bishkek, in Kyrgyzstan and I was tripping over all these NGOS, all of whom had a little, I won't say piece of the pie, but interest in the pie and were trying to make sure that they were accomplishing something: religious, social, what have you.

GUNDERSEN: Yeah, the NGOs first on the scene were largely Ukrainian-American groups and charities and religious organizations that were there to help Ukraine.

We also had a lot of those groups coming through as well as Jewish groups. But there were distinct differences among the religious groups. There's a Ukrainian Orthodox Church, there's a Uniate Church *i.e.*, one that uses the traditional Orthodox liturgy, but is part of the Roman Catholic church. There were reformed, orthodox, Hassidic, Lubavitcher and other Jewish groups as well. They all were interested in helping their Ukrainian brothers and sisters, who had been suppressed in Soviet times.

The Embassy worked with all these groups, many of whom could be quite demanding, because they were, let's say, on a mission from God.

Q: Was there anybody left? I think of Babi Yar. Was there any Jewish

GUNDERSEN: There was. Kiev still had a couple hundred thousand Jewish residents. Odessa was a big Jewish center. A lot of them who left in '73 and '79 were from the Ukraine.

We worked with them on a number of issues. For example, I helped a Jewish group open up the home of Sholem Aleichem, the author of the original story on which *Fiddler on the Roof* is based, in Kiev. The *shtetl* that was discussed in the original Aleichem stories was in Ukraine, it was a fictitious locality in the Pale of Settlement.

So the initial NGOs that came in were ones like that. Human rights groups then came towards the end of my tenure and they really increased in numbers later on.

Q: How did the fallout, literally, from Chernobyl play out while you were there?

GUNDERSEN: Well the first fallout was after I got married, before I went to Ukraine. The fallout from Chernobyl was even a bigger issue in Germany than here, because there was a lot of anti-nuclear sentiments and some of the radioactive cloud passed over Germany. When my wife, Eike, became pregnant with our son, she had to decide whether she would join me permanently in Ukraine.

The German doctors told her not to. The U.S. doctors back in Washington said, "There's no problem, we've done tests and everything, it wouldn't affect the pregnancy." So Eike moved to Ukraine, stayed with me for a year and a half, but she went back to Germany to have the child.

My contacts in the Ukrainian president's office said, "Why don't you have the child in Ukraine, because it would be such a symbol of U.S.-Ukrainian friendship and would be a great thing for us."

And I basically said, "I'll do a lot for my country, but I'm going to sacrifice my first born."

They showed me the hospital where the Communist Party elite went. It looked ok and they would have given us preferential treatment, but the supplies were old U.S. and German medicines. So our son, Jan Taras, was born in Flensburg, Germany, the local hospital near my wife's hometown. So that's one Chernobyl-related incident that occurred there.

Another one was a visit from Under Secretary of State Selin to Chernobyl. It was the first major American visit to Chernobyl. I accompanied him. We had to wear protective gear throughout the visit.

It was an eerie thing, because you see this town, it's totally a ghost town, like *On the Beach* after the bomb had gone off. We went with the head of the Ukrainian Nuclear Society.

He lived there when the accident happened. We went to his apartment, and he hadn't been there since then. And it was exactly as he had left it, including his child's toys and he just broke down when we went in. It was an interesting and touching experience.

Q: Were we, the United States, doing anything to clean it up or help or not?

GUNDERSEN: We had a lot of both private and public money going there and we worked a lot with the Europeans. So there was a real active effort. There was also an effort to take some of the kids from Chernobyl and send them to camps in the West, just to get away. And, of course, they evacuated the immediate area.

Q: Were we doing much to try to encourage more efficient farming and all?

GUNDERSEN: The Secretary of Agriculture did come out and talk with the Ukrainian leaders about it, but it was tough, because the Ukrainians had eliminated the population most amenable to agricultural reforms during the collectivization drive in the Thirties. And the ones who eventually took control of the farms were those who had personally benefited from collectivization. So we tried to help out to decollectivize some farms.

Q: What about fishing? Was that much of a business?

GUNDERSEN: Not really. One thing, speaking of fishing and Chernobyl's impact, in terms of contamination, Kiev wasn't affected so much, because it's south of Chernobyl and the radioactive cloud drifted to the west. So there was more contamination from fallout in Poland, in Sweden and Belarus than there was in Eastern Ukraine.

However, we were told not to eat the fish, because the Dnipro River flowed from Chernobyl towards Kiev and the south.. So the fallout from Chernobyl didn't affect agriculture, but fishing and things like mushrooms.

But otherwise, commercial fishing, I don't think we had much of an interest in that.

Q: You think of Odessa being a big, major seaport for the whole Soviet Union. Did that continue?

GUNDERSEN: Odessa, it's a thriving old maritime city and it's also a place with a big Jewish population, as well as a Greek and other minority populations.

Q: Used to be a Greek city.

GUNDERSEN: Right, so it was a real polyglot city, interesting, some beautiful architecture. So it maintained its status as a seaport and I assume it still does.

Q: Did we look upon it as being sort of more the bellwether than Kiev?

GUNDERSEN: Well, Kiev was important, because it was where Russian and Ukrainian ethnicities mixed and there were a lot of mixed marriages. Of course, it was the capital and largest city.

So it was really the key place to work as a diplomat. Odessa was more of a commercial than a diplomatic or political center.

Q: Well, then, you left there when?

GUNDERSEN: I left early '93 and I came back and I had a couple of job possibilities, but Tom Niles, who was the assistant secretary, asked me, after home leave, to go to Iceland as Chargé, because the ambassador, a political appointee, had left to help the Bush Sr. campaign.

WILLIAM GREEN MILLER
Ambassador
Ukraine (1993-1998)

William Green Miller was born in New York in 1931. He earned his bachelor's degree from Williams College in 1953. His career has included positions in Isfahan, Teheran, and an ambassadorship to Ukraine. Ambassador Miller was interviewed by Charles Stuart Kennedy in February 2003.

Q: You took over – catch me up on this, I still belong to the old school and I keep talking about the Ukraine rather than Ukraine, which I'm sure is an annoyance for people who are Ukrainians or serve there, now. Anyway – when you went to Ukraine – in the first place you were there from when to when?

MILLER: I served as ambassador from the early fall of '93 into '98.

Q: What were our primary concerns when you went out there?

MILLER: The primary concern was the disposition of the third largest nuclear arsenal in the world. ICBMs (Intercontinental Ballistic Missiles) aimed at the United States in sufficient number with the capability and invulnerability to destroy the United States many times over. The control of those weapons was very much an issue. Who owned them? Did the new Ukraine own them, did Moscow own them? The Ukrainian government said they had the right, as a successor state, to all objects on their territory, and they persisted in this, as was their right under any understanding of the rights of successor states. However, at the beginning of independence, the missile silo fields, the deployment made by the 43rd Rocket Army, were under the control of Russian commanders, even though the Ukrainians asserted their right, very quickly. We did not know, but it was the case, as I found out, that the Ukrainization of the 43rd Rocket Army was one of their first priorities, and this process of takeover went very rapidly to take over control. The 43rd Rocket Army was commanded by a general named Mikhtiuk who was an ethnic Ukrainian, became a Ukrainian general in the newly formed army. He became the commander of the 43rd Rocket Army of Ukraine, and even though the officers ... [END SIDE]

Q: Yes.

MILLER: Even though the officers in the chain of command of the 43rd Rocket Army in the silos believed that they were under Moscow control, and indeed sets of codes and orders for the use of these weapons did come out of Moscow, nonetheless the Ukrainians were able to short-circuit

cut off Moscow control. They were able to cut off Moscow links, since they designed them in the first place and had constructed the communications links. The Ukrainian 43rd Rocket army took them over.

From a strategic point of view, the stability of these weapons was very much in doubt. The feeling in Washington before I went out was that Ukraine was still very unstable, very fragile, and might not survive as a state. The weapons had to be either under Russian control or eliminated. It became clear that the new Ukrainian government would never give them to the Russians. Secondly, it wasn't clear in our minds that the Ukrainian government wanted to eliminate them. The worst-case analysis was that they didn't want to eliminate them and that they were under the control of a new, untested, unstable military leadership of Ukrainians.

My task, as expressed by our leaders, was to persuade Ukraine to eliminate its nuclear arsenal. Strobe's view was he had this uncertainty about the stability of Ukraine, as did the president and everyone else concerned with the issue. The most active people in the government in the Clinton administration from the outset were from the Defense Department. It was Secretary of Defense Aspin and from the beginning Deputy Secretary of Defense Bill Perry and Assistant Secretary Ashton Carter who were hard at work on this arms control issue.

In the NSC (National Security Council), Tony Lake and Rose Gottemoeller, who later went to the Department of Energy, but she was handling the Ukrainian nuclear question for the NSC. And Nicholas Burns, who was later the ambassador Greece, and then the ambassador to NATO and who is now Deputy Secretary of State was the staff man on Ukraine at that point. So the concern was nuclear weapons. The other was the viability of the state, what was the make up of the new Ukraine? Could we work with it? Was Ukrainian policy going to be coherent? So there were big question marks to all of the key issues. Frankly, we didn't know the answers to these questions.

Q: What about the Crimean peninsula or Black Sea Fleet, though, had that been solved by this point?

MILLER: No, no, these were all live issues. The Black Sea Fleet, the disposition of the Black Sea Fleet, a substantial naval force based in Sevastopol, Odessa, a few other ports consisted of missile cruisers, destroyers, naval aviation, submarines, aircraft carriers carrying nuclear bombs, and fixed radars of tremendous power. The full apparatus of the Cold War was in place on the Black Sea and particularly in Crimea. The formula for division of the former Soviet fleet between Russia and Ukraine was under very contentious negotiations, as was the question of the continued Russian military presence in Sevastopol and other bases. At the time, the majority of the Russian-speaking population in Crimea wanted to be a part of Russia rather than Ukraine. There was an uncertainty about the outcome of the tensions in Crimea, and this was seen as a potential conflict of great seriousness and danger.

My instructions were, number one, get an agreement to eliminate the nuclear weapons on Ukrainian territory, number two, figure out what these people are, who they are, who we can deal with and how we can help, if it's going to be a stable place, to become a stable government.

A delegation of leaders from Ukraine had come to Washington right after independence for discussions with the Diaspora, the Congressional caucus and the new administration, probably in that order. It included some of the leaders of Rukh, which was the Ukrainian nationalist independence movement, who were pro-Western, but most suspicious of our tendencies, in their minds, to be pro-Moscow.

The Diaspora, for example, was highly suspicious of Strobe Talbott because of his long interest in Moscow and Russia. The Diaspora didn't know what to think about me, but they knew I had been living and working in Moscow, so they had to find out whether I could be trusted, so to speak. The Diaspora groups did that, a lot of this vetting, in their own interests, but also in the interests of the new state of Ukraine, for which creation they had labored so mightily for 11 years. I was asked to speak and meet at all the major Diaspora groups, in order to pass inspection, so to speak.

They had initial doubts because of my long work in the Soviet Union and in Moscow, but decided that I was acceptable to them, that the Clinton administrations declaratory policy in so far as it was articulated was that the newly independent states of the former Soviet Union would be assisted in their efforts to maintain their sovereignty. This was Brzezinski's view, which had a very significant effect. He was the most articulate senior former official on Ukraine. And, to some extent, Henry Kissinger, was of influence. On the other side of the ledger, former President George Bush had been the author of what was called the "Chicken Kyiv" speech, in which he said, in Kyiv, just before independence, formal independence, that Ukraine should work with Gorbachev keeping the Soviet Union together. This speech was given after Ukraine had already declared its independence in August and was about to formally disband the Soviet Union on Christmas day.

In August, a delegation of members of parliament from the key parties came to Washington from Kyiv, and asked to meet with me. They discussed nuclear weapons with me, what their intentions were, what their aspirations were, what they thought their rights were. They were seeking my views. I spent most of the time listening, first, because they were very insistent about talking and making their strongly held views clear. In turn, I made our position very clear, which was we are for a strong, prosperous, sovereign, independent, democratic Ukraine. We think it's in the best interests of the Ukrainians and it's the best chance for the former Soviet Union republic, particularly Russia, to not become an empire again of the kind it was in the past. I said that I intended to work as closely as possible with the Ukrainian government when I went to Kyiv we would work with them. And that all I asked of them was the ability to talk things out directly with them and to learn what was on their minds, what they thought their priorities were. There was no reluctance on their part to agree to do that.

We started off on, I think, a very sound foundation. That visit from the delegation from the Rada, the parliament, which took place in August, just before I left for Ukraine, was very helpful, to me, because it gave me the grounds to discuss what I thought needed to be done here in Washington in the way of framing policies, and to frame what I would intend to do. This is a very important matter. Ukraine was a new state still in formation. Roman Popadiuk who was our first

ambassador under Bush, was there only for six months. The Ukrainian government was not in shape to put itself together without assistance and what Ukrainians called “moral support.” Our government didn't yet have the power after the election, certainly, to do anything official.

We were starting from scratch, really, as a matter of policy. So, I was shaping policy as much as anyone because no one knew what to do. No one had any baseline to work there, and there was no bureaucracy on these matters, because you're starting *tabula rasa* (blank slate).

Q: Now, did Strobe Talbott have any strong feelings on this?

MILLER: He had very strong feelings on the nuclear question. He was correctly skeptical about the viability of many of the new states, and was definitely not sure about where Ukraine would go, whether it would survive, although he expressed the view that it could. The policy was, from the outset, at least as long as I was involved was called two track. We would assist both Russia and Ukraine to develop as democratic, free market nations and hope that they would be integrated into the West, particularly Ukraine.

Q: I would think that, looking at it purely in self interest, that to keep Ukraine out of too close of embrace or being part of Russia would be of great advantage to us, because it essentially would mean that, without Ukraine there and it's 40 million people and it's land mass, it just means that Russia is not going to be the powerhouse that it was before.

MILLER: Well, that was the rubric that was laid down and accepted by many political analysts. This rubric was formulated and laid down by Brzezinski. This was his thesis, and it was held by others, but the great question about it was, was this – and would it be viable? Would the differences between Ukrainian-speaking portions, the West and the East, divided by the Dnipro, split the nation? Would the Crimea revolt? Would the Russians balk on agreements to division of assets such as the Black Sea Fleet? These were all unknowns, great doubts, and we didn't know the new players particularly from Ukraine.

No one in the Clinton Administration knew the players in Ukraine's new government, and those few that they had met, they didn't like. They thought they were equivocators. They believed they couldn't be trusted to hold their word, which really meant they didn't agree with them, and they were stubborn and difficult and awkward and unpracticed, which is quite understandable. Kravchuk, the president, was a second or third-rank *nomenklatura* (Communist bureaucracy).

Q: Who was that?

MILLER: He was the president of Ukraine.

Q: But his name?

MILLER: Leonid Kravchuk, the first president, a Communist, I would say held economic views that could be described as Gorbachevian, was definitely a Ukrainian nationalist, but a supporter of independent Ukraine because he saw no other way. The Soviet army would no longer work to

keep the Soviet Union whole, he was convinced, but his future and the future of the party structure, of which he was a part, now had to lead and dominate a newly independent Ukraine. The question of whether it would ever be back in union with Russia was too far down the road. For Kravchuk and others it was an immediate question of how the party of power would stay in power. Kravchuk concluded that Ukraine led by him and his allies could only stay in power if Ukraine was an independent, sovereign state. That evolving notion of a “Party of Power” is something that still is very difficult for our policymakers to comprehend, namely: that in Russia now and in Ukraine now in 1993, the party of power is composed of the same people who would be in power if the Soviet Union had never split.

Dealing with those lingering legacies of the party of power, of the Soviet man, of the Soviet bureaucrat, the Soviet-trained teacher, professor, scientist, military man, KGB, every field that you could think of – bankers, entrepreneurs – is still the major problem. It won't cease to be a problem until there's a passage of generations who deal with it and understand that it has to change and move on to something else.

High level meetings with Kravchuk and his aides were difficult, and the meetings that they had at the diplomatic level with the new foreign ministry were even more so. The foreign minister, Anatoly Zlenko, Borys Tarasyuk, Gennady Udovenko, and the NSC advisor, Anton Buteiko, these were the key players Americans had to deal with. They were intensely nationalistic, uncertain about U.S. motivations, not as experienced or as at ease with Americans as their Moscow counterparts, and they felt those differences.

This was a psychological problem from the outset of rather large proportions. The opening discussions about the disposition of nuclear weapons were unsatisfactory. The premises concerning the rights of successor states were not agreed to. The Ukrainian position was, "They're ours," and our position was, "No, they're not," which was a mistake. I think we should have been, at a minimum, agnostic, to say, "They're on your territory, we're worried about the succession. Yes, they're there. What about that? Are we going to get rid of them or not?" But we were preemptory, we spoke to the Ukrainians in a manner of *diktat* (order). "You will get rid of those weapons."

Of course, Moscow shared that view. The Ukrainians felt Washington and Moscow were ganging up against Kyiv, the new state. That impasse was created, in my view, because of the initial approach and style taken. I decided, and perhaps it's my temperament, to listen with courtesy and take no positions until I had heard them out.

Immediately after my arrival in Kyiv, I followed up on the earlier meetings I had held with the legislators and the messengers from the Ukrainian government in August in Washington. I met everyone I could, from Communists to ultra-nationalists, and asked them all what they really thought.

I had to do this very quickly, because there was great worry and anxiety in Washington. There was also great concern about the hostile approach of the United States towards Ukraine. Very soon after I had arrived, presented credentials, had a very long meeting with President Kravchuk

in Marinskiy Palace, where we went over the basic issues and listed what we hoped to accomplish together. Kravchuk said his government and the Rada had come to a policy decision in Kyiv, which was that Ukraine would, in accord with their previous declarations, even before independence, become a non-nuclear state. They would agree to eliminate all weapons on their territory, provided security assurances were given that we would support Ukraine in the event of military, political, or economic pressure, and there would be economic assistance for their dismantlement and elimination, and that we would support Ukraine politically and economically through its initial difficulties.

The main questions in Ukrainian minds was could the Americans be trusted to support Ukraine fully. There were reservations both Kravchuk and the parliament made clear. The parliamentarians and the president's government clearly reflected the spectrum of views, including a substantial majority view, that believed that the Americans couldn't be trusted to carry out their word, and that Ukraine should retain its nuclear weapons as a hedge, as a deterrent, not to be used, because the Ukrainian elite was very clear on the strategic utility of the use of nuclear weaponry, but as a bargaining chip, to assure their independence. So my task was to say, "You can count on us, we're with you." And after saying that to convince Kravchuk and the leaders of the Rada that the United States would stand with them particularly comforting threats from Russia.

I reported immediately to Washington the resolution of the Rada on nuclear weapons, which had these reservations, and I commented that I thought this was the basis of a good agreement. The reaction from Washington was not what I expected, rather it was along the lines of, "Go back and tell them there can be no conditions except elimination." And I said, "No, this is a good agreement. Come and see for yourself." Secretary Christopher, Talbott and a big DOD delegation came within a week and we began the march on the path to agreement. It was signed in Moscow the following January 14.

Q: I mean, hadn't we expressed our view that what the Ukrainians were asking or demanding, that's what we were planning to do anyway, wasn't it? To support the dismantling of these weapons?

MILLER: The attitude in Washington was that Ukraine led by Kravchuk would back out or weasel out of an agreement as they had before. Kravchuk and the Ukrainians wanted to be treated with dignity and respect. In the Ukrainian mind, this was a noble act. I think it was a noble act.

Q: Sure it is. I mean, you're giving up your most powerful – it's hard.

MILLER: this conscious action of elimination of their nuclear arsenal was a fundamental foundation for a new state in a new world order, a foundation of peace. It was a sacrifice and a very noble action that should be commended. I think the skeptical, hard edged businesslike atmosphere of arms control negotiations, as a method, or style, can prevent agreement, as was the case, initially, with Ukraine. Worst-case analysis, being sure that every loophole that the other side might use are covered, assuming that your own position is Simon Pure and virtuous

and your opposite number is duplicitous, the sensitivity of a new nation, their need for dignities, their delicate new sense of honor, diplomatic inexperience and awkwardness all had to be taken into account.

I could see this as I became more and more aware and sensitive to the nature and expression of Ukrainian behavior. I could see it, for example, in Moscow, where the treatment of Kravchuk by Yeltsin. Yeltsin, looked on Kravchuk as a “little Russian”, and he treated him that way. We treated Yeltsin as head of the largest power next to the United States; Kravchuk was not treated as an equal, but as an unavoidable participant. Even though President Clinton's behavior was very genial to both Yeltsin and Kravchuk, not only congenial, but he was genial. Clinton wanted everyone to have good feeling about the historic agreement. But the Russian demeanor and the traditional arms control approach used during the final hours of the negotiations was difficult, there was unnecessary hostility aroused by battles over how much weight to give adjectives. These words were terribly important at the time, but, in the long run, were not terribly important.

Q: Well, did you sense – I interviewed our first ambassador to Slovenia, and he said that he found that he was up against the Yugoslav hands, Eagleburger and others. A lot of people have served in Yugoslavia a lot of their career, myself included, but they kind of resented the fact that Slovenia had broken away and was part of the process because of the upset in Yugoslavia. And, somehow, being the first state to do it and being the ambassador to that country from the United States, he picked up some of the odium and all. He had a problem getting through, you might say, the Yugoslav-influenced bureaucracy.

We had Soviet hands who spent their entire career on this, and did you find yourself up against a bit of this? I mean, obviously, the people saying Russia is the number one and who are these Ukrainian upstarts all of that?

MILLER: Yes, definitely. This was a concern the Ukrainians had felt very deeply, that the American position, because it was the indisputable great power and Russia, even diminished, after the collapse of the Soviet Union, was perceived and treated by us as a great power, and that Ukraine was not a great power. So the assertion that Ukraine would be treated fairly and justly was something that had to be proved. The Ukrainians had deep doubts that we would treat Ukraine fairly and with dignity. Ukrainian leaders believed that long service in the Soviet Union, in Moscow, by our foreign policy experts was operating against Ukraine. So what we did to counter this sense of insecurity was - Strobe and Jim Collins and others made this work - the White House, NCSC advisor Tony Lake and most importantly, the president - was that every visit that was made to Moscow, there would also be a stop in Kyiv. The President or other high officials would either start in Kyiv or end up in Kyiv. So, every official that went to the former Soviet Union, and there were almost weekly cabinet officer visits, was in that framework of this two track policy. It was what I recommended. It was what Strobe and the president believed in, and we carried it out, and it was very effective.

Q: I would think so.

MILLER: It was pragmatic evidence of our intent.

Q: Do we have any problems with Belarus or Moldova or the 'stans, or anything like Georgia?

MILLER: Yes, there were problems of that character, the character you described. Yes, and the difficulty is you can't be everywhere enough of the time, and the decision was, Ukraine was the big one. But in the case of Belarus, the independence movement of democratic nationalists was very weak; it collapsed very quickly. It was very difficult for our ambassadors there to do anything.

Q: I mean, was that a problem for you, that things were not going well there?

MILLER: No, no, it wasn't a problem in the dealings I had on policy matters with Ukraine, not at all. The contrast between what was happening in Belarus as compared to Ukraine was so great that Ukraine seemed like a model of progress in comparison. They came to stay with me a number of times, just to get out of the place. They were having an awful time. They were being badly treated by what eventually became the Lukashenko dictatorship, and even the ambassador's residence was held hostage. They had to bear up under all sorts of petty, horrible things. It was a nasty, nasty situation, but it was very clear from early on that the dominant party of power in Belarus wanted to remain with Russia. The size of the opposition was much smaller than the groups who wanted to be a part of Russia.

Q: Well, now, in the Ukraine, to follow through on the missile problem, were you getting an equivocation when you said, "Okay, I'm willing to do this, but they need financial help and that sort of thing?"

MILLER: No, the initial rejection or doubt from Washington concerned whether Kravchuk and the Ukrainian leadership could be believed or not, and I said, "This is a good, acceptable deal," and they were skeptical in Washington. They had to come out and see it for themselves on the ground. And even then, when they came, they were dealing with this difficulty of negotiations with people like Kravchuk and Buteyko and Tarasyuk, who were very suspicious, resentful, defensive, protective, thin skinned, very close to their dignities and we, as representatives of a confident nation, are impatient, and as leaders of a great power we sometimes behave arrogantly, and with little or no magnanimity. Clinton was a personal exception. Clinton was magnificent all the time, because he understood this feeling of uncertainty on the part of the Ukrainians and was decisive in very important moments by saying and conveying the feeling that, "I'm with you, I'm with you," they got the point.

Clinton further conveyed his own sense of how to approach and talk to the Ukrainians, to his key aides, his advisers and his cabinet officers. He said that that's the approach he wanted. This was the way he saw it, and they responded accordingly. So, from the point of view of presidential help, for me, I couldn't be more grateful than I am for Clinton's substantive help. He was terrific in substance, and particularly the handling of psychological attitude. He knew what was needed. He was absolutely brilliant. I marveled at how good he was at this important quality of empathy.

Q: Well, were the Russians trying to screw this up by having their officers sitting on these missiles or not?

MILLER: I think they were trying to hold on to the control of the missiles. But the Ukrainians had moved so decisively, first to surround, to ring all of the missile silos with their own troops. They guarded every silo with Ukrainians who had sworn allegiance to the new Ukraine, and were serving under Ukrainian generals; speaking in the Ukrainians language; it was a constructive coup, really, with the Soviet 43rd Rocket Army commander taking the oath as an Ukrainian; so the apparatus, the line of military command, from top to bottom became Ukrainian.

Q: Well, then, were the people we sent out there to supervise this, did you have to make sure that they were aware of sensitivities and all?

MILLER: Sure, but those who were sent to Ukraine were good. I have to say that the help from the Pentagon, what became CTR (Cooperative Threat Reduction) – that's threat reduction program – the Nunn-Lugar, were thoughtful, constructive, and were real pros. They had taken advantage of all the work that had been done over decades. They were extremely responsible and careful. I made sure that they didn't go anywhere into the missile fields until they had briefed me first about what they were going to do, and how, and with whom. The DOD, CTR delegations always were required when they came to Ukraine for their two weeks or month consultations, to brief me in full before and after their missions, with authorizing documents and reports. I also went to all the nuclear weapons sites. For example, I was the first American to go inside the Soviet rocket factory, the former Soviet rocket factory in Dnepropetrovsk and Pavlograd.

Q: That's in Ukraine.

MILLER: Yes, in Ukraine, where the SS-18s were manufactured. I was shown the SS-18s on the assemble line. Several other rockets were under construction as well. I went to every nuclear weapons facility of major importance and to all of the dismantlement facilities of significance. I helped blow up the first SS-18 ICBM silo, the first command-control silo, initiated the first dismantlement facility for rockets. In this process, I was helped by the secretary of defense, Bill Perry, who was terrific, caring, not only interested in it, he was knowledgeable about every aspect, and his staff, being of course the entire arms control community, was delighted with this success of elimination.

So they were a great help. Many of the DOD delegations had among their members people I'd worked with for 20 years on arms control issues. One of my main activities in the Senate was arms control. I came to the job in Ukraine with probably more experience than anyone in the State Department, on the political issues concerning SALT (Strategic Arms Limitation Talks) as well as the key technical details, certainly on the legislative side of arms control agreements. I knew by having been involved directly in the whole SALT process, backwards and forwards, and I had the good fortune to have been tutored by our best nuclear scientists during the '60s and '70s. They were and remain good friends. We are working together now on the NPT issue with Iranian counterparts.

So it was one of those rare occasions where my experience and qualifications fit the Ukrainian situation perfectly. The new Ukrainian legislature, for example, welcomed my 15 years experience as a Senate staffer in senior positions. Knowing the structure of the American legislature as I did, I could see what might help the new Ukrainian Rada. I was able to help them get assistance from the Library of Congress. I was able to encourage congressmen and former congressmen and staff to come work with them, as well as judges and key bureaucrats. My experience in Ukraine is an argument for the utility of Foreign Service officers working in the other branches of government at least for a time. I would say, fellowships such as the American Political Science Association fellowships for Foreign Service Officers is one of the most useful programs. Foreign Service Officers should be given more experience on the Hill and a chance to observe the judiciary, to see our entire government, local government, state government at work. This kind of experience would be a very useful part of a Foreign Service Officer's training or experience. Because when you get into a senior position, as I did as ambassador in Ukraine, this experience can usefully come into play.

Q: What about the territorial problem, including the Black Sea Fleet?

MILLER: Well, the Russians in Moscow from the outset of the new Russian state in 1991 had declared their "near abroad" policy, which meant, "Our natural sphere of influence includes Ukraine, Belarus, the Baltics, all the 'stans, the Caucasus, historic, imperial Russia, the Soviet Union. This is our near abroad, and this is where we have a right to be." From the outset, when they enunciated it, the new independent Ukraine understood that message and saw this policy by Russia as a threat to their sovereignty. They expected, correctly, to see interference in their internal affairs, political and economic pressures brought to bear.

The most difficult immediate strains between Moscow and Kyiv were in Crimea, the majority of Crimean political parties were pro-Russian, particularly the Communist Party. At the moment of independence, Crimea, had voted for union with Ukraine. It was very evident that after several years, that the Russian population in Crimea was restive, that they didn't like the new Ukraine, partially because of the extreme economic distress, but also because the cutoff from the normal amenities of Moscow. That was evident in the resorts and the natural flow of goods and services, even the winemakers, makers of champagne, wonderful Ukrainian champagne such as Novy Svet, had lost their markets. Even though money in the old days wasn't the issue, production levels were; now it was money that mattered.

A Moscow inspired independence movement arose and grew and an independent Republic of Crimea was declared. The strangest adventures I had in the Ukraine, were my encounters with the newly declared Republic of Crimea.

Q: This is tape 10, side one of Bill Miller.

MILLER: Soon after I arrived in Ukraine, I traveled to Crimea. Travel to Crimea had been out of bounds, initially. It was very sensitive. I was the first high level foreign diplomat to go to Crimea. I had to get approval from the Ministry of Foreign Affairs of Ukraine, and the Russian

government of Sevastopol and the governors of various regions of ostensibly independent Ukraine, but were in fact areas that were still run and governed by Russians, from Moscow.

A coalition of pro-Russian parties, composed the majority in the parliament of Crimea. This majority declared Crimea a republic, an independent republic. Moscow didn't formally recognize the new republics but they didn't declare them breakaways either. I traveled to the region of the independent Republic of Crimea as the United States Ambassador to Ukraine. I went first to Sevastopol, which was in fact being governed and really run by the Russian commander of the Black Sea Fleet. The commander of the Black Sea Fleet was very suspicious of the purpose of my visit. He had been a submariner, a nuclear submariner, who had commanded strategic nuclear submarines that patrolled off the east coast of the United States, fully armed. For many years, Admiral Eduard Baltin had been a leading officer of the nuclear fleet of the north. He had also served in the Pacific. He was a major naval officer in the Soviet armed forces and now the commander of the Black Sea Fleet. The Black Sea Fleet was an uncomfortable joint command of the combined Russian and Ukrainian navies stationed in the Black Sea.

So I asked to see him. He generously gave me several days of his time and we reviewed the fleet, together with the Ukrainian commander, who was given the back of the hand by Admiral Baltin. I had separate meetings with the commander of the Ukrainian and Russian navies, respectively. They never really got together. There was always an expressed distance of rank and importance as if from on high to the Ukrainian commander. This sense of disparity was reflected in the numbers of active vessels based in Sevastopol. There were only a couple of Ukrainian ships that were manned by the Ukrainian Navy. All the rest, many of which were, in fact, rusting hulks, were Russians. Admiral Eduard Baltin, known as the "Black Admiral", was a very, very interesting, charismatic character. We had extraordinary talks about many subjects ranging from strategic issues, arms control, the future of Russia and Ukraine and considerable discussion about sea faring novels ranging from Moby Dick to Tom Clancy's Hunt for Red October. All of this talk was stimulated by an enormous amount of wine and vodka and cognac, several huge meals. We toured several of his capital ships. He was most concerned about the issue of whether the new Ukraine would survive? His interest was political. He asked me very directly, "How do you see Ukraine." I assured just as directly, "I see it as an independent republic, and I see Crimea part of Ukraine." And he said, "No, Sevastopol is Russian. It can never be otherwise. It is a part of Russian history. Many of our heroes are buried here. Most people who live in Sevastopol are Russians. Look at the battlefield."

I said, "I understand the treaty with the Russians, but I'm here to say that the policy of our government is that we support the sovereignty and territorial integrity of Ukraine. This is part of Ukraine. I fully understand the history of Crimea and I know it is deeply tied to Russian and Soviet history. But the Soviet Union is dissolved. Russia and Ukraine are legitimate successor states with separate sovereign territories. Ukraine and Russia share a common noble history and have every reason to live at peace with each other. But I'm here to pay my respects to you as commander of the Unified Black Sea Fleet." I said, "How do you see Ukraine?" He said, "I see Ukraine coming back to Russia. I look on it like Canada, the way you see Canada."

I said, "Canada is a separate sovereign nation." He said, "No, they're dependent on you." So we had many discussions along those lines. Near the end of our talks I said, "Would you come to the United States for a visit and talk to our new naval people perhaps at the Naval War College at Newport near my home in Rhode Island? They'd be very interested in your experiences as a submarine commander." He said he would like to. He had seen my country from outside the coastal territorial boundaries. I asked Baltin, "Three miles or six or twelve miles?" He answered, "just outside the legal boundary."

Q: Through a periscope.

MILLER: Yes. I saw him a number of times later. As I learned later, Baltin reported to Moscow that I was a formidable person, probably CIA. He concluded that the Americans are pursuing a very active policy that has to be countered. Baltin testified in the Russian Duma on the situation in the Black Sea. My visit to Sevastopol was discussed in the Duma, in the parliament. I saw him several times thereafter. We went to the same *dacha* on the Black Sea on occasion. It was the place where Gorky lived. The main buildings were constructed in the 19th century. The main house, beautiful house where Gorky lived was surrounded by gorgeous gardens. *Teselli*, as the place was called, was located next to Gorbachev's *dacha* at Foros. I have gone back for a few days at a time, as often as I could. Despite our official differences, I liked Admiral Baltin. He was a very interesting, and obviously an extremely able person.

Q: Well, tell me, I come from sort of a naval background. I lived in Annapolis, and seeing what I consider really beautiful ships that the Soviets had put together, particularly in Vladivostok and also Murmansk, sitting there kind of rotting. I would think the Black Sea Fleet, caught between the Ukraine and Russia, who's going to maintain them?

MILLER: Nobody had the money to maintain them.

Q: It was a wasting asset, but obviously one that had deep ...

MILLER: Deep historic ...

Q: People had deep feelings about them.

MILLER: Oh, yes, Crimea, the Black Sea Fleet, Sevastopol, the places where many distinguished Russians had lived like Chekhov, and where the Yalta treaty was signed, all raised very emotional issues of patriotism, of honor, of history.

Q: Peter the Great had gone to great lengths to build a fleet in that area.

MILLER: In the 19th century, certainly, in the time of the Crimean War, capturing it first from the Tatars who had lived there since the 13th century. Yes, it was poignant to see the rusting hulks. Most of those hulks have since been scrapped, and scrapping became a major profitable industry, scrapping the very same ships that had been built in Nikolaev, just up the Dneipro River from Crimea – aircraft carriers, marvelous cruisers, the Kresta class.

Q: Those cruisers were something.

MILLER: Yes, lovely ships, and their frigates were also superb. The two navies were working out their strategic and coastal interests for their future navies. Ukrainians, for economic reasons, primarily, but also based on their own strategic analysis, decided all they needed was a coast guard and maybe one or two oceangoing frigates, maybe a Kresta class equivalent capital ship and that was it. These ships would be supported by helicopters, a coast guard to work in the Black Sea, and near the coastline. The existing Black Sea Fleet had enough ships, usable ships, for both navies and they selected them from the former fleet of the Soviet Union.

So, the negotiations, which took five or six years, were focused on obtaining those ships which were useful out of the large fleet for the new Ukrainian navy. This new navy would be well within their allowed percentage of 20 percent. They would use the other unneeded ships within their agreed percentage as barter payments for gas and oil to the Russians, and that was to be the basis of the negotiations.

On the issue of bases for the Russians, the Ukrainians simply said, "Your presence here is awkward. We'll let you stay even 50 years, but you're here as renters, and we will negotiate the rent. It's our territory. There are historic reasons why you're staying. We don't like it, but we can't get you out."

Q: A bit like Guantanamo Bay.

MILLER: It is. Guantanamo is a very good analogy for Sevastopol. As difficult as the basing issue in Sevastopol was, it was less difficult than the larger one I referred to earlier: The Independent Republic of Crimea. Yuri Meshkov, was elected president, by referendum of the independent republic. Ukraine did not accord any legitimacy to the referendum or to the newly declared republic. With the approval of the Ukrainian government, I went to meet with President Meshkov in Simferopol, the capital of Crimea. I was the first official American to visit Crimea under the independent circumstances, and certainly the first official to meet with Meshkov. It was an astonishing, if bizarre first meeting. He had an armed guard that surrounded him wherever he went of eight paratroopers dressed in combat fatigues, field boots and armed with loaded Kalashnikovs.

We met in his office, sat opposite each other in the middle of a very long table. Meshkov was flanked by his Prime Minister and Minister of Finance. He was very nervous. He read from a prepared statement asking for the support of the United States for the independent republic from Ukraine. I answered his formal greeting with courtesy, I hope, and a very direct opening that said, "I'm the ambassador to the sovereign state of Ukraine, and I'm very pleased to be in Crimea, which is a very beautiful, historic part of Ukraine." Despite this opening difference, Meshkov was very welcoming and he was trying to explain how all this came about. We talked about many things, where he was from. He had some Crimean roots, but his closest ties were mostly Russia. His cabinet included some Russians economists that I knew in Moscow. The prime

minister, so-called, Suvorov was his name, was one of the “new economists” in Moscow in the perestroika period. Some of the other economists were people I had run into while in Moscow.

The Meshkov government was putting together a cabinet to run a country that obviously didn't have funds. They were supported to some degree even publicly from Moscow through the party Meshkov led. It was a very tenuous situation, because in Simferopol, which is the capital of Crimea, there was also a governor of Crimea approved by Ukraine, who I also called on, as well as the Ukrainian police chief, and the commander of the Ukrainian armed forces based in Crimea, the Ukrainian forces. Meshkov survived for about a year during which time I visited him several times. It was always interesting to meet with him in this state of suspended animation. Meshkov somehow thought that the United States would recognize his Republic of Independent Crimea as a sovereign state and that he would receive aid and assistance.

When Meshkov asked about U.S. assistance, I said, “Yes, we were very interested in assisting development projects in Crimea, such as water projects for the city of Yalta and Sevastopol. Mr. Meshkov and Mr. Suvorov, we'd be happy to do that as a part of our assistance to Ukraine,” and we would work through the government in Kiev. But in the face of all of this, he was very stoic, and very courteous in many ways. I still have a bottle of Massandra wine that he presented to me at one of our meetings, that was corked in the year of my birth. I'm waiting for the right occasion to open that bottle of Massandra wine.

So I saw him from time to time and we maintained a reasonably civilized relationship. At the same time that I met with Meshkov and the Ukrainian governor, I also met with the Tatars. The Tatars had been demonstrating in front of the Crimean Parliament building on the question of representation in the parliament as well as implementation of the right of return of Tatars from Kazakhstan and Uzbekistan.

Q: These were expelled under Stalin.

MILLER: Right, and about 450,000 had been forcibly deported to Kazakhstan, Uzbekistan and Turkmenistan. Those that had survived and were able to return were led by two Tatars who I knew from meetings in the United States. They had come to the United States to participate in several human rights conferences when I was President of the American Committee on U.S.-Soviet Relations. Mustafa Dzhemilev, who was the leader of the Tatars, and Rifat Chubarov, both of whom are now deputies in the Ukrainian parliament. They are still the leaders of the Tatars in Crimea.

We met again in Kiev. I called on them in turn in Crimea. They showed me their parliament, Mejles, and we toured the many Tatar historic sites together and met with the other Tatar leaders. We had wonderful meals at Tatar restaurants. We had the chance to review many things. It was the first of many meetings that I had in Simferopol with the Tatar community. Every time I go to Crimea, I call on, in particular, Mustafa Dzhemilev, who is a great hero of the human rights movement.

The Tatars asked for help from the United States in support of their ethnic rights and I was happy to give that. The Tatars were asking for their rights guaranteed by the Ukrainian constitution, the UN Charter and other international conventions that Ukraine was a party to. To the credit of both Kravchuk and Kuchma, they supported the right of Tatar return and giving to the Tatars full rights as citizens, even though they were very sensitive to the fact that the Russian-speaking people who had come and settled in Ukraine after the Second World War, particularly in Crimea had taken over their lands and their homes. Most of the population of Crimea had been wiped out, the Russians by the Nazis, deported in the case of ethnic minorities, or majorities, in the case of the Tatars, but also Bulgarians, Greeks, Germans, all of the Black Sea ethnic groups.

Q: And Germans, too.

MILLER: Germans, and some Jews, a small number of Jews. Germans, certainly who had been settled there by Catherine; and the merchants and fishermen among the Greeks, Bulgars and Romanians. But the resettlement of Crimea after the war were forced migrations to Crimea of three major groupings: one from Bryansk, one from the northern part of Ukraine, and the third group was from Voronezh. It was a massive post World War II settlement, so the present Russian majority were the result of post 1945 immigration. They were new-comers, relatively, and had not been there for hundreds of years as had the Tatars.

From the beginning of independent Ukraine in 1991, those three issues: Black Sea Fleet; Russian presence, the Independent Republic of Crimea, and the Tatar minority question, were on the hot burner. All three issues went to the UN. The United States supported Ukraine's sovereignty in the question of Crimea. We supported the minority rights of the Tatars, in accord with the Ukrainian constitution and laws, and we supported the Ukrainian position on the division of the Black Sea Fleet on an agreed basis, and a limited term of rental for Russian basing in Crimea.

Those were tests of our support for Ukraine. We met those tests. When the Ukraine asked for support, we gave it, and vigorously, and in the form that they needed. The particular form was full support for their territorial integrity and sovereignty.

Q: Did you get involved at all in the problem – is it Moldova?

MILLER: Transdneistr is the issue. Yes, I did.

Q: You've got half that thing with sort of a Russian subgroup.

MILLER: It was a Russian enclave maintained by a military division. It was a garrison of Russian troops. But the garrison never left. A maverick general stayed behind at the time of independence and they set up kind of a renegade state. Transdneistr is such a curious entity: borders that have Moldovans on the Ukrainian side – ethnic Moldovans. And then there are Ukrainians living just behind Russian settlements, so the Russians are in between, sort of a military buffer between. There are no real problems between Moldova and Ukraine. The problem that everyone has is with the remnants of a Soviet division, the remains of the pre 1991 Soviet garrison.

Q: Just demographics will take over?

MILLER: Yes. The military capacity of the division is diminishing and the Soviet generation will pass. Some of the same issues also pertain on the Romanian border with Ukraine. In the so-called Bukovina region there are issues of whether Ukrainian is to be spoken in Romanian border towns, or Romanian to be spoken in Ukrainian border towns, and whether they can visit each others icons and many small persistent nagging problems that need to be settled by careful, tolerant agreement.

Actually, I helped in the settlement of the major border dispute between Romania and Ukraine, a longstanding one, which had to do with the so-called "Snake Island", which is in the mouth of the Danube. This island marks the boundary between Ukraine and Romania. The boundary was fixed by so-called "Stalin - Ribbentrop Agreement", which the successor independent Romanians did not accept as valid, because it gave them less territory than they believed they were entitled. The mouth of the Danube has shifted with the formation of the delta.

Snake Island is used as a demarcation point. The Snake Island region also has oil, and that's a big part of the dispute. So, the issues of agreeing upon boundary demarcation, accepting the Stalin-von Ribbentrop agreement were problems that historically Ukrainians and Romanians could agree upon. Our ambassador in Bucharest asked if I would join him in a mediation effort. I invited my colleague Ambassador to come to Kyiv. He came to Kyiv for the first negotiations. We then met at the Foreign Ministry with the Minister of Foreign Affairs, the National Security Advisor, and the Ambassador from Romania to Kyiv came as well. We then met with the Romanian ambassador in Kyiv and identified the outstanding issues and worked our way through them: "This should be agreed on now, and these are the remaining difficulties," they should be left for settlement, when and if they come up. So in the first meeting we put together the framework of an agreement.

After a few weeks, I went to Bucharest and went through the same pattern of meetings with the Prime Minister, the National Security Adviser, and the respective ambassadors and I delivered the Ukrainian position, just as my counterpart had delivered the Romanian position in Kyiv. I said, "Doesn't this look like an agreement, don't we have the agreement?" They said, "Yes, it's the basis of an agreement." "Well, then we agree." The formal agreement was signed some months later. So this was a wonderful bit of third party mediation diplomacy; we had Washington permission to make the attempt and they said, "Fine, do it." In this case, our good offices worked. Anton Buteyko, the ambassador of Ukraine in Romania I worked closely with on that negotiation is now the deputy foreign minister in Kyiv. We saw each other frequently when he was National security Adviser under Kravchuk and when he was Ambassador of Ukraine in Washington.

Q: Well, I think this probably is a good place to stop, and next time, we're talking about your time in Ukraine, and we've talked about the major thing about the dismantling of the nuclear weapons, the problem dealing with the Black Sea Fleet and Crimea, and also Snake Island and Moldova. I'd like to ask a bit about Odessa, because this is sort of a major port, and how this fit

in. I'm sure there are other elements that we want to talk about. Do you want to mention any here?

MILLER: I'll talk about Odessa and its mayor, his conflict with the governor of Odessa, oblast, the symphony orchestra, the musicians of Odessa, the port.

Q: All right, and there may be other issues we can talk about during the long time that you were there.

MILLER: Yes, I would like to talk about the issue of corruption and the new economy. It was very important.

Q: How about the Jewish element. Was that an issue at all?

MILLER: Yes, but it had a very satisfactory resolution.

Q: Okay, today is the 18th of March, 2003. Bill, let's talk about Odessa.

MILLER: Odessa was, as you know, a city that was created in the time of Catherine on very ancient indigenous roots, Odessian and certainly to some extent Greek and Roman, Pontic Black Sea culture, which is different than the river cultures of the major rivers. Odessa is Russian speaking. It once had a very large Jewish population, as well as sizeable Greek and Bulgar and Romanian enclaves. Odessa is a vibrant maritime city seated on a high prospect overlooking a big harbor and the Black Sea. It is almost a Mediterranean setting. From the outset, the time of Vorontsov, the founding governor, the city put a high value on culture, music, and the arts. One of the charming characteristics of Odessa is the remaining architecture of the early 19th century, in a very handsome classical style, beautifully situated on the heights overlooking the harbor, and its docks which are several hundred feet below, down the staircase that figures in the Eisenstein film, The battleship Potemkin.

When I first traveled to Odessa, it was still in great disrepair, crumbling, but I suspect it had been crumbling since the beginning of the 19th century, given the site of the city, whose geologic underpinnings are porous limestone. So the foundations of many buildings that had collapsed were being restored and new foundations built.

Typical of this problem was the Opera House, a very beautiful turn-of-the-century opera house, Garnier style, with magnificent acoustics, but the opera's foundations were collapsing into the porous limestone underneath. Great efforts are being made, and I think successfully, to shore it up. Music is everywhere, in the cafes and hotels, and they had many festivals that testify to this love of music. I'm sure it's partially the climate, but mostly it's the genius of the population, which is inherently musical and still a great source of composition and performance. Odessa produces a great many musicians for the classical orchestras of Europe and the United States, even now, in its depressed state.

After the collapse of the Soviet Union, and the creation of an independent Ukraine the great question was how would Odessa fit into the new Ukraine, being a peculiarly Russian city, a summer Russian city, where in the 19th century and through the Soviet period, many Russians came from the north – Moscow, Leningrad, the other cities of the north, to spend vacations along the Black Sea and to promenade in Odessa, a favorite Russian city with many historic Russian overtones. The adaptation was remarkably easy, partially because Odessa was left to make the necessary changes in its own way. The language issue really didn't cause any difficulties, and they just simply continued to speak Odessa Russian, and live the normal life of Odessa.

The university of Odessa, or rather the several universities of Odessa, including a technical university and one that was more typical of universities with all of the sciences, soft and hard, attracted good people. Their faculties were good and they despite difficulties have continued. The city being the major port on the Black Sea, with a beautiful harbor with magnificent facilities, began to attract trade from the outside, from the countries across the Black Sea, Turkey, and through the straits of the Mediterranean and from the United States. Shipping was increasing rapidly, particularly from the West.

Q: Was this basically a port for Russia?

MILLER: Yes, it was the major southern port for the Russians. It was a tanker offloading place, a major freight handling port, and there was considerable military activity there, airbases and elements of the Black Sea Fleet. But the real contemporary issue was how was Odessa going to fit into the new economy of Ukraine? Odessa was largely left to solve this problem on its own. Odessa port, and Odessa city, are very different than the surrounding region. There is a long-standing conflict between the oblast and the city government, right up to the top. The quarrel between the mayor and the governor began from the outset of independence.

The mayor, Hurewitz was popularly elected. The governor was selected by the government in Kiev. The issue of political power concentrated in Kyiv as opposed to local governance chosen by election was evident from the beginning. Both the governor Bodelan and mayor Hurewitz were corrupt. They both benefited from their positions, doling out favors and receiving favors in return. But the mayor had more to give in the city itself, and his popularity increased, because he was rather astute. He could easily have been a mayor in New York. In fact, many New Yorkers of Odessan descent, you might say, would visit, and favorable trade ties were made. I knew the mayor very well, as well as the governor. They visited me in Kiev and I would visit them, in town and they would relate their difficulties, particularly with each other.

There is a very interesting American phenomenon in Odessa. The Odessa Symphony Orchestra, which is probably the second-best, if not the best, orchestra in the Ukraine, was led by an American conductor from Princeton, Hobart Earle. Hobart is a superb musician who was in Vienna as a protégé of conductors there and was asked to go to Odessa as a guest conductor. He went and fell in love with the city. He was so charmed by the city that he married a very talented, beautiful Ukrainian Russian woman from Odessa named Aida, who was a violinist, a lovely woman. They had a child, Pavel. Hobart Earle is a great musician, and an excellent conductor.

He revived this orchestra from its near ruinous state. When Earle took over there were not enough instruments for the members of the orchestra to play. So he found instruments from all over the world, particularly from Vienna and the United States, and rather quickly put the Odessa Symphony Orchestra on a sound footing, and they're doing quite well.

The Odessa Orchestra survived financially by making recordings, and supplementing salaries with the income from recordings. Most second-tier orchestras are not able to finance their concerts from private contributions – at least not yet. The Odessa Orchestra with Hobart Earle's direction has been accorded all the legal status and protection that the new Ukraine can provide; it has been awarded a national orchestra status, given pensions by the state for the musicians, and the benefits of social protections. The orchestra has traveled quite a bit throughout Ukraine and Russia and Western Europe. Their recordings are really of first rate quality specializing on Russian and Ukrainian music, and some American music as well. I performed there in a minor way, as the speaker in Aaron Copeland's "Lincoln Portrait". I performed in the Kyiv Opera House with the same orchestra, and in a number of other cities. It was quite a wonderful experience for me.

Hobart Earle and Aida are good friends of ours. When they came to Kiev on occasion and they would sometimes stay with us, and my wife, Suzanne and I would visit them in Odessa. Odessa had made the transition from a Soviet way of life to the life of an independent, cultured, non-ideological city. In Odessa, the Soviet manner and style of the past has been rejected, but nothing systematic has really replaced it. Certainly, ideas are floating around about what might be the best way, but the real structured thinking concerns survival, survival along the Black Sea, how to enjoy the life that those who live in Odessa have been given, and they're tending towards, not unexpectedly, preserving the best of their society, reviving the cultural life of the past and trying to provide, as best as they can, for everyone. It's more evidently socialist than almost any other city in Ukraine.

Odessa had, for example, in the Soviet period, a very extensive athletic program, as many Russian cities did, rising up to Olympic standards, where children would be selected at the age of five to be athletes, would attend special schools where sports were emphasized. The very best would go onto Olympic training camps at the age of 20. The exceptional, the gifted students, would receive all of their education in special schools, and this was true not just in athletics. It was also the case with mathematics, music, dance and the arts. Those with talent flourished in Odessa. There are still colonies of athletes, artists, painters, sculptors, musicians, and they're still organized in "collectives". Even if they're not now formally Soviet collectives, they look on their activity in a collective way, even in the symphony orchestra. It's a union now, but it really is a collective of the 500 or so people that make performances possible – musicians, all of the workers, electricians, stage hands, ticket sellers, ushers, and the cleaners.

Athletics are still organized in the form of collectives. Collectives are found in universities, museums, even in the port, certainly among the dockworkers and those who go to sea on ships and manage the coastal protections of lighthouses and buoys. The basic organization for professional work is still the "collective". Thoughtful Odessa leaders say, "Thank God for that, that there's still some structure," and what's missing from the Soviet system is coercion through

the use of force. They're working with each other as best they can. The worst result of the absence of the coercive use of State force is oligarchy, but the best result is collectives that are self-governing. On the negative side, oligarchy is the most dramatic and most destructive expression of all of these transitions from the Soviet way of life.

There is a very interesting example of self governing collectives found in the center of the city along one of the main streets of Odessa where there's a children's hospital which is run by the former coach of the Olympic gymnastics team of the Soviet Union. It happened that this fellow's daughter developed a terrible debilitating disease as a teenager, and her career in athletics, gymnastics, and her bright future, was cut short. This sad, tragic event affected this coach so powerfully that he decided that he would devote his life to working with children, affected as his daughter was with multiple sclerosis. So he created the Odessa children's hospital, specializing in the rehabilitation of youthful victims of these diseases. He achieved a very successful, a very decent rehabilitation rate by any standard. His work with children was highly regarded in Odessa as a great act of civic virtue.

Outside of this building, on the corner of the building, about six stories above the ground, there's a large bronze angel suspended as if in flight. The wings are spread and flank both sides of the corner. The wings are outstretched and protrude beyond the building in seeming flight. It is a very handsome, extraordinary almost religious sculpture, about 12 feet in height and 12 or 15 feet in extension.

Q: We were talking about the angel on the side of the hospital.

MILLER: The artist who made the flying angel is one of Ukraine's best sculptors. His name is Mikhail Riva, who did the fountains that we gave to the embassy residence as our gift for the time of our service in Ukraine. He also did the fountains and other magnificent public sculptures in Odessa. This flying angel is thought to have iconic power by many Odessa inhabitants because of a dramatic event that occurred at the time of the unveiling of the sculpture. A big crowd was gathered at the dedication on the ground below, at the corner of the building, where the entrances were. All the worthies of Odessa were there: the mayor and beneficiaries and contributors were all below. This building had just been restored, and just opened as a hospital and rehabilitation center for children. It was not yet complete, as the workers on the roof had not finished their work. At the moment of dedication a big chunk of the roof peeled off and plunged toward the crown below - miraculously the outstretched wings of the angel blocked the falling masonry, saving the lives of those below. The angel was accorded magical power and it was understood by many to be a miracle, of course. The sculpture of the angel is a very beautiful thing, and perhaps it is miraculous. It certainly was in that instance.

The coach, the director of the rehabilitation center, is a major political figure in the city and so he receives contributions from the government in Kiev and from Ukrainian charitable institutions such as they now are – the wife of Kuchma, Ludmilla, and his daughter Elena, who work with children, have given their support – and the hospital is well-financed. The hospital works because of its direct lineage, in many ways, with the past. It was an easy transition from what was done in the Soviet Union as charitable or as a worthy work - what was worthy, even in

Soviet times, is worthy now. Even the artists, who, perhaps in Soviet times, were doing portraits of Lenin and Stalin and other Soviet worthies are now doing paintings of angels and democratic leaders. They are able to survive because they are painting and sculpting works, monuments, that are not all that different from those done in Soviet times.

This is a way of saying that the institutions in Odessa that were a part of the normal social infrastructure in Soviet times, in modern times, in the contemporary times, are also understood to be useful, and necessary. Where there were existing usable institutions from the past, the transition was much easier. One could go right down the line. Museums, for example. Museums were run by the Soviet state. Usually, in large cities, the cities had the task of administration of services, but the money, such as it existed in Soviet times, came from the top, and the major social institutions received, then as now, contributions that have in present times diminished. The same pattern is true of schools, universities, hospitals. Even though services are now much diminished, the belief that the State should provide for the social infrastructure persists.

Privatization first appears in what we call the service industry, labor and raw materials. Odessa's economy is based on its port and its exports of raw materials. There's a great amount of manual work - labor involved in the handling of cargo, and the goods and services. This is where crime and corruption occurs.

Among the university political scientists and social philosophers in Odessa, and Kiev and all the other university cities – a big issues is, “what is the value of labor?” In the Soviet mentality, the Soviet philosophical and doctrinal thinking, labor was the highest value. It was given value according to an established hierarchy of work. It was accorded – this is the most mobile work, this is the most mediocre. People were paid, benefits were expended, according to the work that one did. For example, among the ordinary working people, not the political class, the most highly paid were the drivers of children's school buses and workers who labored in dangerous conditions like coal miners. They were at the top of the pay scale because they had the most responsibility of providing for the perceived social good and were paid accordingly.

The new theory of labor is free-form, it's whatever you can get if you're a worker or as little as you can pay if you're an owner. It was and is a scramble. There were and are many aspects of it which were and are illegal, such as the recording of amounts given, for tax purposes, the benefits that are supposed to be paid for which are not, or are, depending on the will of the owner, the nature of bookkeeping done and rigor and quality of inspection by state authorities. The rules that determine the value of work are very much at issue, and Odessa is a wonderful place to see all of this because it's smaller, than Kyiv, about half the size. The major kinds of work in the port are very compressed, into a visible small space. There are many people in Odessa who knew the old system and are now running the new system and were willing and interested in talking about it, because it's very much a part of their success and failure, on the one hand, and very much in their thinking as leaders of the country. This issue of the value of work cuts across the board in every field, and it's something that we, in the West, certainly most diplomats don't usually think about. I would say that it is necessary to have an understanding of this kind of question, if you wanted to have an empathetic insight into what motivates of leaders in countries like Ukraine and Russia. It's very, very necessary to share what is inside the minds of Ukrainian leaders to

begin to understand why they're doing, in some cases, terrible things, in some cases laudatory, generous acts.

Q: I think one of the things that's always bothered Americans who have gone to the Soviet Union was how poorly doctors were paid compared to the United States. I mean, health care people ...

MILLER: Yes, that's a very interesting case in point, because, as you know, the majority of physicians in Ukraine are women. The women doctors do most of the general health care and especially take care of women and children. The high end of medicine is in research. The top physicians, in fact, were very well paid, because they were on the cutting edge of medical research and technology. They were the doctors in the best hospitals that took care of the leadership. They were academicians. So you would find many physicians who were professors in the university or in the Academy of Sciences, as scientists, when they happened to be physicians. The top of the scale among what doctors were paid and their benefits and their way of life – houses and apartments that they would be given – were rewards. And the same one might say, even among professions like coal miners, when you were director of the coal mine, even though you had started as a pick and axe man at the age of 17, if you were a director you were accorded considerable honor and benefit. You were rewarded for your lifetime of work, and this was the philosophical congruence with Socialist theory of labor when it was justly applied. One can say that in the major categories probably it was for the most part justly applied. Where it fell apart, of course, is in the Soviet times, was at the top, the political class, the sort of bureaucrats, the parasites, as the Soviet theoreticians called those who didn't work. They became parasites themselves, the ones who invented the notion of just reward for hard work of benefit to society as a whole.

So there is a very deep, psychological struggle taking place among the Ukrainians, intellectual leaders, not just thoughtful leaders in Odessa. I found it throughout Ukraine in almost every field of work. You mentioned medicine, and I certainly saw it there among the doctors, in their great agony about whether they should open private clinics. The reason they opened the private clinics is because they were fed up with the bureaucrats, not with the mission that they had devoted their lives to. They blamed the bureaucrats for the collapse of the supply system, for necessary medicines and spare parts for the machines in the hospitals – having enough materials and medicines to run a decent hospital. The drive to privatization is as much a response to a now inadequate state structure, as it is a drive to do their own thing. The collective mentality, the service to the group idea – is still very strong in Ukraine, much stronger than it is here in the United States, even if the Soviet failure is very clear in their minds. Despite the failure of the Soviet leadership, the Socialist ideal still is very strong.

Q: Did Ukrainians – were their thoughts and their development in the post-Soviet period paralleling what was happening, say, in Russia? It was sort of a post-Soviet development rather than by different countries.

MILLER: What was a post-Soviet development?

Q: In other words, rethinking and the value of things and continuing the Socialist ...

MILLER: Yes, it is post-Soviet throughout the former Soviet Union, definitely, because up until the independence, the formal independence, December 25th, 1991, and the breakup of the Soviet Union, the end of the Soviet Union, the social infrastructure systems worked, more or less. They worked best in Ukraine, compared to other parts of the Soviet Union, for a number of reasons: Ukraine had more resources, it was always a favored republic, and special attention was given because of its critical, strategic importance, within the Soviet Union. A sizeable proportion of the Soviet leadership was Ukrainian reflective of Ukraine's importance within the Politburo and the Central Committee. Ukraine's importance was seen in the amount of effort that was made to repair the damage of the second World War, which was greatest in Ukraine, more than any other part of the Soviet Union. Ukraine lost more lives than any other republic, on the fronts in Ukraine. I was very aware of the post-Soviet political and philosophical change taking place. You could witness it in the former institute of philosophy which taught Marxist, Leninist, Soviet philosophy. In Kiev, the Institute of Philosophy is still the main place where bright students go to study philosophy, but they are now confronted with the reality of the end of the Soviet Union and the necessity to deal with the emergence of a new economic system, the requirement of building intellectual structures and structures for daily life, and practical morality.

So what's grown up alongside of this turmoil between Orthodox and radical new thinking about the value of work, labor, contributions to society, what the social structure should be, is the new new phenomenon of business, its management, reflected in a great, flowering efflorescence of new western style business schools and management institutes. Management for businessmen, being a really Western idea, is different, very different. Its ideas about efficiencies and looking at the bottom line mentalities and end results. Social purposes of work done in business are not a major part of the new management thinking. You're a manager, your task is to run an entity, trying to get a particular kind of work done in a profitable way. How a business contributes to social well being or the stability of the state, are secondary questions. So where is it that a comprehensive look at the new Ukrainian society was taking place? Not many places. Legitimate profit; social obligations of employers to workers; just taxation; what pensions should be paid to workers by the state and by the employer; what benefits are the responsibilities of the state as opposed to the individual; what is a just minimum wage; what is the composition of the new class system since the classless society is no more. These are the issues that are now a part of the political agenda as well. Some economists have criticized the Yushchenko-Tymoshenko government for populist-socialist programs and being anti-free market. Not at all – these issues are the heart of the political agenda. For the now poverty stricken academicians, the academicians who were at the top of the intellectual class and rewarded for being the best, and it's the writers and poets, who were, when they were at the top of the socialist list of knowns, they were in the writer's union. The best painters, were "honored artists". The best dancers, the prima donnas. The best pole vaulter, the best skaters were all rewarded for excellence.

New universities, like Kyiv-Mohyla, are looking at those profound problems that confront the new Ukraine. Ukrainian universities have to teach their students how to encompass this new world and link the new world with the old world and with the history of Ukraine back to its founding and even into prehistory, and a develop a convincing coherent world view. It happens that the first two presidents Kravchuk and Kuchma and most of the leaders of Ukraine, up to now,

were in the Soviet *nomenclatura*, and they were dealing, even as leaders of a new Ukraine, as independent Ukrainians, with a world still shaped by the Soviet system, understood with a Soviet mentality, governed still by Soviet hierarchical values. It is only now, as a result of the past presidential election and in this next election, where you'll have leaders capable of going beyond that. Yuschenko is very similar to Nicola Saakashvili in Georgia. They're good friends, as it turns out. They share Ukrainian education in Kiev and revolutions.

I'm putting a lot stress on these issues of values because it isn't the normal way of looking at Ukraine. I think it's necessary to understand this part of it, that it's an unremovable part of the brain. The struggle over values explains a lot of what has taken place and is taking place, and it might explain some of the mysteries that confront us when we look at a country with many failed expectations like Ukraine.

Q: As American ambassador, how did this all translate into your work and what you were doing vis-à-vis Washington and also Ukraine?

MILLER: When you spend every day and every night with the leaders and people of Ukraine, and once you get beyond the stage of formal relationships, "I'm delivering you a message, you're delivering me a message," and "This is my biography, this is your biography," then you have to have something to talk about, and what I have just described about the struggle over values of work, the morality of profit, social responsibility, is what they talk about. I find it interesting, because it tells me at least as much about my own society, and it becomes referential. You can position your own examined thinking against those of others. It's a very serious, conceptual, intellectual matter.

I spent a lot of time with a wonderful person who is a distinguished psychologist, and human rights leader; his name is Simon Gluzman, who was sentenced to the *gulag* for protesting the use of psychological pressure and mind-altering drugs on political prisoners, and for charging that the Soviet regime was approving of the misuse of medical practice and using a form of torture in violation of human rights. For his principled stand, Gluzman was sent to the gulag for seven years. He survived. Gluzman is now taking care of the last thousand or so surviving Soviet era political prisoners who suffered this psychological abuse. Gluzman's office is in an insane asylum attached to a beautiful monastery, St. Cyril's. Gluzman is what is called a national psychologist, that is, he looks at national psyche as a way of describing national character and characteristics. He points out that the mentality of Ukrainian leaders up to the present time is still Soviet. Gluzman asks and answers the questions: what is a Soviet person? What is the Soviet mentality, and whether the crossover point from Soviet mentality to something else really has been reached. Even Viktor Yuschenko's origins, Gluzman points out, are in the Soviet period, and his thinking was shaped in that formative period of his life. Gluzman believes that it is still a major influence on Yuschenko, and that Ukraine will not see the real change in the idea of freedom, of independence, of individuality, on the part of its leaders for at least another generation.

Ukrainians are doing considerable thinking about national identity, including psychological characteristics. National identity goes way beyond language, obviously – it has to do with

concepts of freedom, liberty, individuality, the value of work. I started with that conceptual issue – the value of work - I go back to it because there's no difference between the modern period or the Soviet period: the expectation in both the past and the present is that people would work, they would have to work, that every individual had to work. It was part of life. So if you spend eight hours a day, nine hours a day, working, you should know what work is for, what its value is, and how it fits into the overall patterns of life.

Q: Of course there's this thing of the old Soviets, the saying that came out of the Soviet system, "You pretend to pay us and we pretend to work." There's an awful lot of inefficiency and absenteeism, and everybody knows. .

MILLER: That aphorism was a humorous description of the corruption of the system, but most people worked. Most people who were on the farms, for example, even the collective farms, were from peasant stock, they were conditioned through the centuries to be farmers, and they worked. Most were proud of their work because they not only survived the horrors of collectivization and the mass murder of the Kulaks, and prospered by their work, but they also had the belief that the surpluses, beyond what they needed, fed the state. There was a somewhat similar pattern with the coal miners. The ideals were there. The corruption which in the end destroyed the system is focused in false production figures, in swindling the workers, taking benefits that the worker, who actually worked should have had. The slogan, "We pretend to work and they pretend to pay us," is of course, a comic expression of a systemic corruption, but the fact that the slogan describes a corruption and that the people as a whole understand that it is a corruption means that there is a value that they hold as valid. There were instances and places, many places, where people did their work in accord with their ideals and they did it very well, and they were understood to have done it well and were seen as heroes as a result.

Q: Well, as you're looking from your vantage point – and you pronounce it "Keyv"?

MILLER: Yes, that's more or less the way they pronounce it.

Q: We've always said "Ki-ev."

MILLER: That's the Russian pronunciation and spelling. The official spelling is Kyiv.

Q: Were you seeing – were they developing, or was there a difference between a Ukrainian and a Russian? I mean, was this all an examination of the post-Soviet man?

MILLER: Oh, I'd say, in a larger sense, yes, it was a scrutiny of the post-Soviet man, but the lesser issue, to be sure a secondary category, is what's the difference between a Russian and Ukrainian? Is there a difference? Certainly there is a difference, and it has to do with where you live, and how long you've lived there and what the family histories have been through centuries, religion, the nature of work, the climate, the kind of house you live in, certainly what you can expect in the daily weather, even the clothes you wear. For many, many centuries, there was always a distinction made, particularly, by Russians, about Ukrainians. They're the "little

brothers” – a condescending description, meaning persons who are unwashed behind the ears and provincial and country bumpkin-like and not as intelligent or as accomplished as Muscovites.

Q: Sounds like the northern Italians talking about people from the Mezzo General (ph).

MILLER: Yes, there are a lot of regional distinctions which are found for example in Gogol’s 19th century writing. There are many jokes about Ukrainians, just the way jokes are made in every country about, usually, the difference between urban and rural. What’s changed, of course, now is that all of Europe and the world as a whole is changing. The world is becoming an urban culture. Ukraine is becoming an urban culture even though almost half the people still live on land – that is, in villages. It’s rapidly becoming urban culture in the way that even dramatic improvements in the most agricultural countries of Europe have become urban cultures. That’s because of dramatic improvements in transportation and communications. The distance, in every way, between a city apartment and a thatched cottage, is very small and continues to shrink.

Q: Talk about Odessa. Do people in Odessa look upon the people in Kyiv as being those barbarians up there, we’re the cultured folk, or something of that nature?

MILLER: Yes, they do. Well, it’s a little more than that – Kyiv is where the Ukrainian government is. They speak Ukrainian, we speak Russian. We’re Black Sea, and even almost Mediterranean. We have a proud imperial past – even if it is over a thousand years less than Kyvian Rus.

The Soviet time for Odessa was not a happy one, because of the exodus of the Jews and the terrible costs of the war in Ukraine. Yes, they see differences with the center but I think it’s more that phenomenon of being a major city that’s not the capital.

Q: Like New York and Washington.

MILLER: Yes.

Q: What about – something I’ve – correct me if I’m wrong, but I’ve heard references made to “Give New York the Odessa mafia,” and all. I mean, Odessa and Marseilles have some what the same odor as far as a sea-port criminality, gangs and all. Is this ...

MILLER: Oh, yes, very definitely. It’s an On the Waterfront atmosphere. There’s a lot of that feeling, and the messy corrupt politics go into city hall as well as the governors. It’s a major seaport, and, as in New York, as in Boston as in Seattle, Hong Kong or any major port, the world of the waterfront is, in part, shaped by those who work on the docks and live off the trade and profits made.

Q: We’re talking about the movie ...

MILLER: On the Waterfront.

Q: Yes, excellent movie.

MILLER: Yes, and I'm sure there were some Odessa elements in it. The waterfront of Odessa is a rough place and that means there are gangland killings or the breaking of the agreements among the criminals and the payoffs for protection – it's all there.

Q: Did you get involved at all with the New York – Odessa connection? You know, criminal enforcement?

MILLER: Yes, I got involved because our embassy, had an FBI office. The FBI office was established when I was there. Louis Freeh, came out to Kyiv and we signed an agreement establishing the terms of an FBI office in Ukraine.

Q: He was the head of the FBI at the time?

MILLER: Yes, FBI Director Freeh asked for my help. Among other things, he wanted to really understand whether it was possible to deal with Ukrainian law enforcement officials about the international aspects of the criminality that appeared to come from the Ukraine. He asked if it would be better for an FBI officer to come in on occasion from Germany or some other country. I said, "No, I think it would be better to work directly with the law enforcement people in the Ukraine. In addition, there would be a positive training aspect that the FBI could give Ukrainian law enforcement agencies. It would help them measure their own performance." I had very good FBI attachés. I had two when I was there. They were both of Ukrainian ethnic background. Both spoke Ukrainian and Russian, and they had both had worked at very high levels in the criminal division of the FBI in Washington as well as in New York in very similar venues. So the international utility of setting up FBI liaison with Ukraine on criminal activity was right on the mark. It was a perfect use of an FBI attaché, because it gave them real work that affected our interests and Ukrainian interests in positive ways.

Q: Was there cooperation – in other words, were the resources of the FBI also made available, in certain cases, for the Ukrainians?

MILLER: Yes. It was an aspect of our aid program. It was a sensible legal assistance program. It took the form of document exchange, computer integration, joint communications, integration into Interpol, the international tracking of criminals, and relations with other national police forces, particularly in Western Europe. It was a very busy program and Louis Freeh himself took a great personal interest in it, because he had been both a prosecutor and a judge, and so he knew all the sides of the law enforcement. Of course, he had dealt with "On the Waterfront" types and mafia, in New York and, of course, Ukraine had its mafia, waterfront, and gangs.

Some of the criminals in New York and other cities in the United States were of Ukrainian and Russian origin. This ethnic legacy started from the end of the 19th century - family-ties, you might say.

Q: What about overall, while you were there, corruption? How did this play – did this have any concern of ours?

MILLER: Certainly from the outset the word “corruption” was in our policy rhetoric. We were against it, of course. However, the reality was we were very permissive in our thinking and practice on corruption that seemed to be attendant to the so-called free-market processes. This is at the top, and these were the things that high officials, top level bureaucrats, would not only see but possibly be able to do something about – that is, the initial transactions of evolving state assets into private assets. We, in Russia, in Ukraine and throughout the former Soviet Union, I think, did not pay enough close attention to the fairness of the process of translating state assets into private assets. The phenomenon that developed in these countries, Ukraine and Russia foremost, the rise of the oligarchs, was the consequence. The process of auctions and vouchers, shares in a nonexistent market – which were virtually worthless in the beginning but obviously had legal value as far as title to ownership goes and great potential value – was badly handled. The ordinary citizen had no benefit whatsoever from these processes of selling off state assets and those few with fast footwork received all the benefit. Many of them, an astonishingly high number, gained their wealth in criminal ways.

Q: Did we let it go or could we have ...

MILLER: Could we have interfered? Yes, I think so, but privatization was also a legal and philosophical struggle. Free market means for many that governments don't interfere.

Q: But we've also got all sorts of things built in to our system of corrupt practices and...

MILLER: We do, after the fact.

Q: Human rights, you know. I mean, we're passing judgment all the time.

MILLER: Well, the hypocrisy of it was not lost, and this is how the shady, corrupt characters around Kuchma flourished, because they were given a relatively free ride, partially because some said this process was similar to the ways wealth was accumulated in the 19th century in the United States.

Q: Robber baron types.

MILLER: That's certainly the term that was used, but as with other benefits of history we knew what a robber baron was. We knew that what most robber barons did was, in our system, illegal, in our system of our morality, it was immoral. It was certainly unjust, but we didn't put as much rigor into this area as we did into, say, the disposal of nuclear weapons. I understand why, because there was a strong belief in our own country that government shouldn't interfere with political economic processes, that any sort of interference would have adverse effects – better to let it take it's own course and correct itself in the future was the thinking of some.

Q: In a way this is, I think, part of the thing is all this is developed (ph). You go through this period and eventually it will shake out.

MILLER: Yes, but there are many points along the way where the Ukrainians – even some of the Ukrainians who became oligarchs and thieves – asked the question, they said, “Why are you encouraging us to do this?”

Q: Did you have a problem, yourself, in seeing where we could have done something or at least could have made comment or something – I’m not quite sure what we could do and couldn’t do, but how did this affect you?

MILLER: Well, it affected me because I was very skeptical about the so-called free market because I’d seen the beginnings of this so-called free market in Russia when I was living there. I didn’t think the economists who were coming out and preaching free market doctrine knew what the hell they were talking about. They certainly didn’t know anything about the country in which they were making these declarations. They often referred to the Chilean example or the Polish miracle, but none of these things events in other countries applied to Russia or Ukraine. The regulatory balance that we have developed was not pushed. The push was for disposal of state assets, privatization, as rapidly as possible. For example, the biggest opportunity for money is in energy and the sale and control of state assets of energy production, whether it’s in the extractive industries or transportation or energy generation and distribution. The notion of a public utility – I never heard the word come out of the mouths of our itinerant free market economists. I never heard the idea of rate regulation advocated.

Q: This is tape 11, side one, with Bill Miller. Yes.

MILLER: I never heard the words rate regulations, or any really serious discussion in depth between our economists and Ukrainian economists and leaders of what, given the nature of resources and needs in Ukraine, should be the balance between the public sector and private sector. Nor did our economists take seriously the argument of many Ukrainians, particularly the Socialists like Olexander Moroz, that there should be a set of state assets that remained national property until such time that they were fully valued. When and if such assets were put up for sale, they would be sold in a fully transparent competitive open-transaction. Such assets were conceived of by Moroz and others as a strategic reserve, you might say. There was considerable discussions about models. The Ukrainians themselves talked about these models, particularly the Swedish, as ideal. The American model was beyond their reach. The German model was seen as complicated by the political necessity to integrate the East into the West of Germany and the tremendous costs involved in that. The new Ukrainian thinkers, economists and thoughtful political leaders were searching for a workable pattern to follow as they made a transition from a Soviet state to a new modern Ukraine.

So the question of how the value of the state, a former Soviet state, would be translated into a capitalist value was never approached as a whole. I think this failure to do so has had very serious consequences, because discussions on economy with Ukrainian leaders were almost always limited to the immediate, the questions of the size loans, terms of loan payments,

adherence to certain restrictions or requirements, and never, "What is all this for?" All of the Ukrainian leaders had to deal with the daily struggle to keep the nation afloat. The constant refrains were, "How are we going to make the payments to the IMF or the World Bank or the various creditors we have on our backs?" The available economic craft and ingenuity had to deal with those areas of short term concern rather than long term economic vision.

In part, it was an international reaction to Soviet state planning, which was an anathema to most people, but the failure to find a new economic-political economic vision for Ukraine proved to be a terrible lack on the Ukrainians' part. It is also a failure, I think, on the part of the international financial institutions and on our part as well. We were very good at providing solutions to allow for debt roll-overs, and bailouts, but social consequences or long range planning simply was missing beyond exhortations to reach a free market by price liberalization, letting the currency float free and deregulation and privatization.

Q: Did the universities play any role in this? Were there people writing and thinking about this, or in newspapers, commenting on "where are we going?" and all?

MILLER: I would say very little was being seriously done in the universities. Newspapers and journals commentary was focused on the daily struggles, of survival and dealing with the budgetary crisis of the day. For families the issue focused on, "How are we going to put food on the table tomorrow?" and here's where the questions of corruption come in. "Should I take this kind of a job, should I take this kind of a payment to an official to get something else? If I do this, what happens?" So all of the rules and orderly expectations of the past were thrown into a cocked hat, and everything became "What do I do now?"

The necessary actions were very pragmatic, very immediate; the broader issue of social national purpose of the new politics, of the new economy was very much in the background. This was a failure of leadership, clearly. This was a failure on the part of the Ukrainian leadership, certainly, and, I also would say Western leadership as well.

Q: Well, now, when you speak of "we didn't," you're really referring to the West, aren't you.

MILLER: Yes.

Q: I mean, not just the United States, but ...

MILLER: We were the biggest donors, but all of the Europeans and Japanese were involved because of their membership in the international institutions, IMF, World Bank and regional banks.

Q: Well, now, what were we doing about promoting American investment in Ukraine, and our concern about good commercial law that is the cornerstone of having investment?

MILLER: Scale matters. If investment is really large, you can have an effect. But foreign direct investment in Ukraine was and remains very small. The American foreign direct investment was

miniscule, given the problem, and the impact on a favorable attitude of cooperation from the Ukrainian government was correspondingly small. So, if a trade dispute arose and there were usually a dozen or so pressing trade disputes of various kinds, such as licensing for radio stations, for example, disputed ownership of a pharmaceutical company, changes of board of directors manipulation, normal trade disputes you would expect anywhere, there was so little overall investment that the ability to get justice, so to speak, was minimal. And it took an inordinate amount of both Ukrainian and American official time to deal with these questions.

Had there been sizeable American investment, it would have been very easy to settle disputes, in my view. But the initial climate in which there was a clamoring to invest disappeared very quickly, and the general message on Wall Street was, "You'd be a fool to invest in Ukraine. You can't rely on protection either from the United States, or certainly not from Ukraine for any legitimate dispute.

It really is a matter of scale. The few big multinational companies that invested in Ukraine did all right. The little ones were subject to influences and pressures that were greater than any defense that they could bring to bear.

Q: Well, now, when you were there, what was the role of the Soviet embassy? Were they trying to ...

MILLER: Russian.

Q: I mean the Russian embassy. What were your relations, and was the feeling at that time that they were trying to bring Ukraine back into the fold?

MILLER: Yes, I made it a point to spend considerable time with the Russian ambassador, the two ambassadors that were there when I was in Kyiv. The first was a man named Shmolyakov, who was a Ukrainian by birth. We became good friends. His wife was very pleasant, and he and his family were courteous and welcome. We did a lot of things together. He was very sympathetic to Ukraine. He was in an interesting position. The "near abroad" policy of Russia that Ukraine should be a part of Russia was certainly something he believed in, but the intensity of his Ukrainian nationalist feeling any sympathy perhaps was even stronger.

Our physical presence, in the form of many frequent visits by our leaders from President Clinton and Vice President Gore on down – members of Congress, prominent figures from the private world, overwhelmed anything that the Russians were doing. This personal effort by our national leadership made a huge difference, and we had a tremendous influence as a result. Initially, the Ukrainian government was completely in congruence with us on arms control, and sort of our discussions were very helpful to each other, and we did a lot together.

Yuri Dubinin was sent from Moscow to attempt to lessen American influence. There was great concern in Moscow that the Americans were too influential in Kyiv, that I was too influential, and that this massive personal presence of Americans should be countered. Yuri Dubinin, had been ambassador here in Washington during the Gorbachev perestroika era. Dubinin was a very

polished diplomat, five or 10 years younger than Anatoly Dobrynin who had served for 23 years in Washington during the Cold War. Dubinin had also served in Madrid and Paris. He was very intelligent, adroit and adaptable. We were good friends in Washington. I had done many exchanges of officials and prominent citizens from our respective countries, things with his help when I was president of the American Committee on U.S.-Soviet Relations, and when he was involved in bringing cultural groups and prominent Soviet officials to the United States. I recall our working together successfully to get the Donetsk Ballet troupe into the United States for performances in Baltimore and Washington in the face of very complicated visa and financial problems. The visit of the Donetsk Ballet was a great initial success.

During the time Dubinin was ambassador in Washington, Andrei Sakharov, in 1988, came on his first trip to the United States after being released from exile in Gorky by Gorbachev. Sakharov and his wife, Elena Bonner came for lectures at the Academy of Sciences, dinner at Ted Kennedy's house and visits to the Hill. There were human rights protests outside the Soviet Embassy. As I was one of the hosts for his visit to the United States, Dubinin asked for my help in getting Sakharov to come for a meeting at the Soviet Embassy. Dubinin was sympathetic to most human rights issues, and I helped him a little bit with this awkward problem of a human rights demonstration held outside his embassy to the extent that I was able to persuade the blockade to be lifted so that the Sakharov delegation was allowed to enter the Embassy. Dubinin and I worked together to make Sakharov's trip to Washington as much a success as possible, even though there were demonstrations in front of the embassy at Sakharov Plaza. In the end, Sakharov agreed to go to the embassy, and in doing so greeted the demonstrators, agreed with their grievances and went into the embassy which was giving a reception in his honor, a wonderful complication.

A few years later, I met Dubinin in Moscow when he was serving in the foreign ministry and I was working as President of the International Foundation. In 1995, Dubinin was assigned to Kyiv. As soon as he arrived, I, of course, had a dinner for him, a private dinner, and we fully discussed our separate purposes and came to a clear understanding of what our mutual purposes were. Having Dubinin sent to Kyiv was helpful, to me. Because of our personal friendship, I may have blunted what he might have done if someone else were ambassador. Because we were friends, and he never used any of the harsh language that Soviet ambassadors tend to use, and he would never do anything affecting our official relations without telling me first, if it might have an impact on our personal relationship. I think this is proof of how valuable it is to know people well as human beings, even those who hold opposing views over the years. If you have a decent human relationship, you can get far more done.

For me, the Russian factor was manageable. I went to Moscow on occasion, to see friends, and many of them were the authors and proponents of the near abroad policy in the Russian policy world. I think that kind of involvement, as with Ambassador Dubinin, softened what they might have been able to do otherwise. It certainly gave me an understanding of what they had in mind, what their long-term interests were. They haven't changed. They believe Ukraine should be a part of Russia. As good friends as they are on a personal plane, they very much regretted my role in Ukraine and told me so.

Q: During the time you were there, did membership in NATO, or other countries' membership in NATO, was this at all a factor?

MILLER: Yes, the NATO issue is very important. The initial thinking of most Ukrainian politicians, between 1993 – 1995 was that the Warsaw Pact was finished, let's get rid of that. OSCE is the right framework for a new European security organization. It puts everyone on the same starting point, with decent values, agreed human rights, none of the formal legacy of the horrible past, elimination of a fear of military invasion or intervention. The OSCE option was rejected by the West. How to recast NATO for the post Cold War world became our introspection as a political and policy matter in Washington and throughout the West. Should NATO disband or should we expand? This was the debate from '93 to '95. Before the decision to expand NATO to the East was made, as an interim measure, Partnership for Peace, a Clinton invention, a Bill Perry invention, was created to provide an active means of working together with states from the former Warsaw Pact.

Q: The secretary of defense.

MILLER: Yes, Partnership for Peace made eminent sense, and worked very well, because it allowed each country to do its own thing, at its own pace, without putting a great strain on their capabilities. They could come in to a viable security arrangement right away, which Partnership for Peace was, without the requirements of NATO membership that were imposed on the Western European nations. But the idea of a new security partnership was the focus of serious security discussions, "What is the meaning of partnership?" And this idea of partnership was running concomitant to "What is NATO?" NATO was no longer forces assembled for a massive war of armies on the north German plain, because there are no forces on the other side. If NATO is dissolved, what are we going to do with 20 tank divisions of main battle tanks, and 20 infantry divisions, what about U.S. basing in Germany? Where should forces be deployed, for what purposes and what kinds of forces? So there was a huge debate in Brussels, particularly, and in all the capitals of the West. Of course the bureaucracy of Brussels wanted to continue NATO. It was their life's work. They weren't sure that Russia would remain a weak power and that it wouldn't become once again a power with imperial ambitions and become once again a threat to the West and world peace.

"The keep NATO and expand it" point of view triumphed in 1995. "We will keep the core because we can't trust the Russians, and we'll expand, certainly, to include Poland and Czechia. We'll bring the border right up to the old Soviet Union. We'll absorb Warsaw Pact." So that was the '95 decision.

The formal new structure for European security was defined by the reaction of NATO, the EU, and OSCE to Yugoslavia's disintegration. Even though Yugoslavia was certainly an all-European issue, the decision about activities to deal with Yugoslavia were made in Brussels, Paris, London, Washington and other Western European capitals. The views of Moscow, Ukraine, and all the other former Warsaw Pact states, were not taken into account. It was very clear that NATO was to be the military basis for post Cold War European security, and that NATO would extend to the east as conditions would permit, but that the core would remain such that the United States

would be the dominant military power and the decisions would be made in the same way that they were made in the time of the Cold War.

On the issue of Yugoslavia, Ukraine was left outside of the debate in Brussels, since Ukraine was not a full partner. They were active members of Partnership for Peace and they had very good representation in that forum. Boris Tarasyuk went to Brussels and fought the fight, but he was always seen as an outsider, not in the in-group, and noisy and irritating because he kept bringing up the issue. He had the portfolio as ambassador to Belgium and to NATO. I can remember very well, having gone to Brussels several times, and to Germany to discuss this with Richard Holbrooke who was ambassador in Bonn. Holbrooke was a major player, as was Bob Hunter, our NATO ambassador in Brussels. They both came to Kyiv for meetings with me and appropriate Ukrainian officials. Of course, Bill Perry and Strobe Talbott were involved. Where did Ukraine fit in all of this? The answer was that Ukraine was an important entity formally outside of NATO that strategically should be inside of NATO but nonetheless was outside, largely because NATO had to deal with another strategic nation, even more important, Russia. What kind of a “partner” was Russia? The adjectives used to describe what kind of partner Russia and Ukraine were the substantive surface of a huge policy fight.

How many strategic partners can you have and still be strategic? How many “partners” have a “special relationship” and have it still be special? How many countries can be special? The wordsmiths went from “special” to “unique”. The hunt for appropriate adjectives, I found, was a bit pathetic and demeaning. The hunt was really an evasion.

Q: Well, was there any thought in thinking about the Russian menace to keeping NATO together, I've always felt that one of the prime things to NATO was particularly keeping the French and Germans under the same tent.

MILLER: That was an old issue. That became old stuff.

Q: It may be old stuff, but old stuff becomes quite new stuff. I would think that within the European context, they would be in a way happy to sort of keep almost the armed forces under control, so that they didn't start looking over each other's shoulders and saying, "Gee, they're getting a little bigger than me and all."

MILLER: Well, the French question, from de Gaulle on was the French were not participants in NATO, even though they were members in NATO, an irony. The whole issue of whether there should be a European force, without the Americans, this is another aspect of the debate, but it's out here. The main actions in security took place in the core NATO context, led by the United States, the Yugoslavian action group determined by us. How these other countries – for example, Ukraine had views about how to handle the Yugoslavs, because they had extensive dealings with them in Soviet times. They knew each other as fellow slaves. Ukraine and the Yugoslavs had extensive trade with each other, down the Danube. This was a rocky time for Ukrainian-American relations, because Ukrainian views were not taken into account. The discussions didn't involve them, and Ukraine didn't like the actions that were taken.

Q: One, were they coming to you and saying, "Make us a player," or were you going to Washington and saying, "Make them a player?"

MILLER: Well, much of this happened after I left, but yes, they would come to me and say, "This is contrary to our efforts to become a part of NATO and Europe. It doesn't help." The most significant effect of the Yugoslav action was that it isolated Kuchma, who wanted to continue the policy of non-alignment, of straddling, of appearing to be going Westward gradually, but maintaining good relations with Russia, doing nothing that would damage the good relations with Russia. Kuchma had accepted the idea of moving steadily in the direction of the West taking formal steps as they were ready. Ukrainian leaders loved Partnership for Peace, because it was a form of inclusion that allowed Ukraine to proceed with confidence at its own pace.

We lost interest in the Partnership for Peace, because we were preoccupied with Yugoslavia and the attempted NATO actions. Brussels then made the decision to expand and set the standards of membership at the level of Polish and Czech political maturity. That was the early standard in the NATO that was now seen as correct. At this point, we lessened and almost stopped the highest-level contacts between the United States and the Ukraine. We really cut them off. President Clinton, once he got into his impeachment difficulties, during his last year in office, was occupied defending himself. Clinton, sadly, dropped out of his pattern of actionism and it hurt terribly.

At the same time, as this break in high level contacts, there was also a breaking away from Western models, and restrictions. This break between Kuchma and the United States was very much in the interest of the oligarchs who were gaining political control. Ukraine was near the head of the list to enter NATO in 1991; it certainly would have been put on the list in 1996 if they had pressed publicly for it, and if we had pushed them to push. But we convinced ourselves that Partnership for Peace was the right way to get Ukraine into NATO. It was working very well from a military point of view, the integration process was proceeding very effectively, the pressures on the Ukrainians weren't so great that it created anxiety and the United States could handle the training burden. And then Partnership for Peace was all but set aside.

We didn't stay the course, so to speak, on an agreed process that was working very well. I don't think we were sensitive to the Ukrainians' constant necessity to look over its shoulder to Moscow enough to get through that mine field. As it happens, first Yeltsin and then Putin later moved closer to NATO than Ukraine, and Russia became directly influential in NATO affairs in Brussels, because Russia had to be included. Russia was the political threat problem, and insofar as they wanted to be part of the solution, they'd have to be involved. They were and are in an ideal position to deal with NATO. Ukraine is not a threat and does not have a similar kind of influence.

Q: Well, I think this probably is a good place to stop. Have we talked about your impression of Kuchma at all?

MILLER: No, the next time, I think.

Q: Why don't we talk about him? And, also, were you there during the impeachment of Clinton and all?

MILLER: No, I was back here in Washington.

Q: Well, let's talk about your leaving and then the sort of things you've been doing since then, because you've been involved in foreign affairs very much.

MILLER: Yes, let's do that.

Q: Okay, today is the 25th of March, 2004. Kuchma?

MILLER: Yes, Kuchma is a very good person to focus upon because he represents the essence of the Ukrainian party of power, he is the inheritor from the Soviet system, the top of the *nomenclatura* of the Soviet system, even in the new world of an independent Ukraine. And he's an interesting figure in his own right as a Soviet man. He came from a village northeast of Kyiv, in the historic Cossack area. His mother, when I first met him, still lived there in the village of his birth. The village which I visited is a Ukrainian and Russian ethnic mix.

Kuchma comes from a village and rises in the ranks of the party as an engineer. He goes to Dnepropetrovsk, the university there, and gets a degree, goes into the Dnepropetrovsk complex of missile factories, particularly Pavlograd, which was the number one missile factory of the Soviet Union and the largest missile-producing factory in the world, manufacturing 250 ICBMs a year. Kuchma ran the missile making plant as commissar. He wasn't the leading engineer, he was its party leader. He was the political leader of the complex of Pavlograd. The collective, so to speak, was under his command.

Kuchma is an excellent example of how valued in the Soviet system the organization of work, high-tech work, the achievement of goals in the Soviet manner was. His rise in rank was in strict accord to contributions to the party. Kuchma is a perfect example of the Soviet system. When Ukraine became independent, the membership of the first parliament and the structure of the first government was very similar to what was going on in Ukraine in the Soviet period at the end. So in the first election after independence, a popular election, Kuchma is elected to the first parliament as one of the natural leaders. Kuchma is chosen prime minister after the ranking Soviet economist, who had been in the *Gosplan* in Moscow, Masol, is voted out.

The first government, and most of the first parliament, are from the Party of Power of the Soviet system, even though all of them, with very few exceptions, are Ukrainian nationalists. Those who are democrats in the parliament are in the minority. The democrats did not achieve a popular electoral majority until 2002, when the parliamentary elections produced a majority that was in support of democrats.

Q: When you say democrats and nationalists, do you differentiate between the two?

MILLER: Well, the nationalists are those who support the idea of Ukrainian territorial integrity, sovereignty and identity. Ukrainian nationalist include hard-line Communists as well as liberal constitutionalists and those who believe in the rule of law in the Western sense. There are Ukrainian nationalists who are ultras and hold a kind of monarchist view. What they all shared, all Ukrainian nationalists, with very few exceptions, what they all shared in 1991, '92, and '93 was the goal of independence from Moscow. Also, they supported the idea of non violence. Of course, they all said they wanted a peaceful life and positive change from the old system, even though Soviet Ukraine for the most part had achieved a stability after all of the terrible wars, world wars, civil wars, famines, and the gulag. Ukraine was settling into a kind of Soviet prosperity when the change and collapse of the Soviet Union took place in 1991.

A substantial minority, of the Soviet government in Moscow was composed of Ukrainians particularly from the Khrushchev period on. About 40 percent of the top leadership were Ukrainian. This was also true in the military leadership. A substantial minority in the security forces of KGB, the economists, every part of Soviet life had a substantial Ukrainian component, that is, people of Ukrainian origin. So they were part and parcel of the Soviet system that existed at the end of the '80s, beginning of the '90s. Kuchma was an example par excellence of the Soviet system: village boy, young pioneer, Komsomol, engineer, working for the nation, for the Soviet Union, succeeding and climbing step by step to the top of the heap in the military-industrial complex. So he was respected, a man of proven talent, not outspoken, not dynamic, but he was someone the Ukrainian people thought who would have the needed experience and stability.

Kuchma was prime minister for a relatively short time, but then resigned under the pressure of economic crisis. The collapse of the Soviet economic system had terrible effect on all Ukrainians. The collapse, which included hyper-inflation of over 10,000 percent, reduced the wellbeing of Soviet citizens, within a year or two, to 40 percent of the level that they were living under at the end of the Soviet Union. This trough, this collapse, lasted for several years. The economy began to climb upward after 1998, but has not yet approached the levels of 1991.

Kuchma was one of the Ukrainian leaders that were known to the public as a whole, known to be Ukrainian, also known to be a top of the heap Soviet leader, and as a result, he was seen as a natural leader in the transition democratically elected parliament. He was also termed one of the “Red directors”, this class of people who managed the major industries and factories of Ukraine. “Red directors” was a term used throughout the Soviet Union, describing the managers of the military-industrial complex. They were a very powerful group. They organized themselves into a lobby, something like the National Association of Manufacturers here, the NAM. They called themselves the Association of Entrepreneurs. By using a bourgeois word like “entrepreneur”, they softened the Soviet image the “Red directors” had. The “Red directors”, were, in fact, in the process of taking over ownership of the Soviet plants for themselves. The “Red directors” were the new group of leaders of the new economy. It is in that role that I first met Kuchma, as the president of the Association of Entrepreneurs – in his very elaborate office on Kreshatik, the main street of Kyiv. I was impressed with his very bright staff of former Komsomol leaders,

including Dmitro Tabachnyk who became his chief of staff, and a number of others who also were his key staff aides when Kuchma became president.

The Association of Entrepreneurs was an outgrowth of Soviet economic leaders who in the new Ukraine, post Soviet Ukraine, was advancing the interests of the red directors. This group of red directors became the most powerful Ukrainian political group, both behind the scenes and of record from 1991 through, I'd say, about 1997, when the oligarchs took over the leadership. Some oligarchs were former red directors, but the new era, capitalist oligarchs as a whole are characterized by having far more experience and use of, the new economy and banks. The oligarchs created new networks of banks and other economic institutions, to support the acquisition of further assets. The oligarchs' objective was personal wealth accumulation. The oligarchs concentrated to great effect, accumulating money by acquiring state assets and using that first level of acquisition as leverage to make even more money.

Q: Was that money going anywhere else, or to Swiss bank accounts?

MILLER: Yes, it was going wherever money would produce the most return. They were bright, and informed themselves about where to go to the place where they would get the most money, particularly for themselves.

Q: So this was not a matter of reinvestment.

MILLER: It was not reinvestment, it was self aggrandizement. How ready the red directors were when they became oligarchs, to shed the Soviet legacy of support for workers. They shed the burden of infrastructure support for workers – the hospitals, the kindergartens, the schools, the cultural centers, social infrastructure, the part of the typical Soviet industrial complex, which included the building and maintenance of apartment houses, playgrounds, movie theaters, clinics. The work place took care of its workers from birth to death, including burials. The Soviet place of work provided that kind of all-inclusive security. With a new “free market” system they shed those obligations and became bottom line efficient and left the workers adrift. These features of economic transition, accounts for some of the discontent on the part of most Ukrainians.

Let's return to Kuchma. Kuchma, as the president of the red directors Association of Entrepreneurs, used that as platform for his political base. It was his political base. In 1994, he ran for president against Kravchuk, Leonid Kravchuk, the first president who had been a second-level *nomenclatura*. Kuchma had been higher in Soviet rank and higher in the esteem of the populace than Kravchuk, and this Soviet qualitative difference had an effect on the outcome of the elections. Also, Kravchuk was a decided and overt Ukrainian language nationalist, whereas Kuchma was Russian-speaking, although a nominal, reluctant nationalist. The demography of Ukraine is such that the greatest proportion of the population is in the east, and Kuchma, coming from Dnipropetrovs'k, one of the major cities of the east, the Russian-speaking east, was able to command their support. Even so, Kravchuk would have won reelection, if he had not been ambivalent. Until a few months before the elections, he was saying, “I will run, I won't run,” and when he finally decided to run it was too late. The key votes had already been decided upon, and Kravchuk lost.

So Kuchma, as president – this is when I really got to know him, because he understood, from the outset, that his most important foreign relationship was with Americans and the United States. His ties with Moscow were well-established and those ties would not be difficult to maintain, but he had to make a stable, workable arrangement with the United States in order to succeed as president. He understood that right away. So we spent a lot of time together, in part because it was his desire to make clear that he wanted to have good relations with the United States, and correspondingly, we made it very clear that we wanted to have good relations with him.

Q: Well, what was in it for him to have these – why was it so important for him to have good relations with the United States?

MILLER: Having made the decision to eliminate nuclear weapons – and Kuchma was a positive force in the making of that decision, because his judgment from a technical point of view was that it made no sense for Ukraine to keep its nuclear arsenal, that the expense and the strategic utility brought Ukraine no benefit, making a deal with the United States for eliminating the nuclear arsenal, in return for support – economic, political and what Ukrainians call moral support – was the most important objective. He was very important, even decisive, in the Ukrainian national decision to eliminate nuclear weapons. My discussions with him about this, before he was president, when Kravchuk was still president and they were still negotiating with us, and among themselves, centered on the terms of the deal they would put forward on nuclear weapons. It was very clear that the quid pro quo for giving up nuclear weapons was sustained support, economic and political, for the foreseeable future. He understood what had to be done to get that, which was to have close contact with us.

This desire on Kuchma's part was made easy because the United States government policy was to foster close contact with him and to develop the closest possible relationship with his government. It was the policy of President Clinton and Vice President Gore, and all of the relevant Cabinet ministers, and Secretaries. They all put in the time and effort to make it work. So the basis of my constant contact with Kuchma was on two levels. The first was that he wanted to discuss, in detail, the nature of this new relationship, and secondly, he had to deal with the constant visits to Kyiv and Ukraine by high-ranking Americans, from the president on down, and his trips to the United States with his government, to Washington and the United States. So it was a time of sustained intense activity at the highest level.

I saw quite a bit of him in an official way, in his offices in Bankova, which is the name of the street near the president's office. I got to know him well and Ludmilla, his wife, and his daughter, Olena – I played tennis with his daughter. I saw him in his *dachas* in Crimea. We saw a lot of each other. I had a good sense of what kind of life he was leading, and what his thinking was. His intellect was such that he was excellent at managing day-to-day crises. He could handle the details of the immediate politics of balancing one faction with another, and the economic issues of the moment. He also demonstrated that he had no vision for the future. I think his sense of duty – and he did have a sense of duty – was one that was thrust upon him. His role was not one that he would have preferred. I think clearly he preferred the Soviet system, but he understood

very clearly that the Soviet era was over, that there was no return – “no way back,” as he would say with a deep sigh. “There is no way back. We have to accept our fate and go forward.”

For him, it was a nostalgic, deeply nostalgic moment, whenever he discussed or approached basically anything that was high-tech. During our one official visit to the United States to meet President Clinton, we together went down to Cape Canaveral to witness a shuttle launch. The shuttle crew included a Ukrainian astronaut, so we went through the rocket facilities at Cape Canaveral, as we had earlier in Greenbelt, Maryland, at NASA (National Aeronautics and Space Administration). It was very evident that he knew every technical aspect. He even seemed to drink it in. He and Volodymyr Horbulin, then national security advisor, and long-time friend, his chief assistant – he was also from the rocket factory at Pavlograd, – whenever we’d go by one of our big rockets they’d look it over very carefully, pat the rocket here and there and then stand back and say, “We do it differently. In fact, ours have more thrust and are much simpler” (this was true) “And of course, much cheaper and we can get more payload.” Then there’d be a deep sigh. I heard him say, “Oh...I’ll never be able to return to that. I’m stuck with the job of being president of this new independent country where my heart is really in building rockets.” The incident revealed a very human side to Kuchma - “my occupation gone...” in the manner of Othello. That was about as deeply reflective as he could get.

Q: I’m kind of getting the atmosphere of this time, I mean, looking at it from a non-knowledgeable point of view, as just a Foreign Service officer, I always felt that the Ukraine – as long as the Ukraine was independent and truly independent, this basically stopped Russia from getting too powerful or messing around or being ugly. But I was wondering how, say, the Ukrainians – did they see that getting close to us kept the Russian bear out of their backyard or did they use Russia to extract stuff from us? What was their outlook on this, and was our outlook as I described it?

MILLER: Yes, as you described it, the fear of Ukraine becoming a part of the Russian bear again was certainly part of our thinking. I think, in my own view, now, that that was an error. Certainly it was the danger from the past, it was not a realistic danger of the present. The issues of governance are very different, very different; and the idea of a primitive Slavic nation being a threat to the rest of the world, of marching across the north German plain and so on is a fearful notion of the past no longer relevant. The issues are so very different now, even though our strategic thinking is still premised on those past fears.

What are the real issues? I could see them emerging in Kuchma’s thinking, in his behavior and his expressed thought when his thoughts were turned into actions. The issue really was how can a country of great accomplishment, given the Soviet framework of the recent past – how far Ukraine had come in the last century with all of the horror – how they could keep going in a way that would bring adequate prosperity and a decent life to the people. When independence fell into their laps, and there was a necessity to enter into a new political economic and social system that had very little regard for the well-being of the people? The theoretical nature of the new free market economy, theoretically laid out, was to get the most reward for investment, and that reward may or may not include the well-being of people. The idea of shaping an economy for a national social purpose is contrary to pure capitalism, which is benefit for the individual, whether

it's a corporate entity, or one person. The notion of benefits for a group, the state, the city or the town was not the first requirement, was not the bottom line. Such social consequences may be a charitable deduction later, but it's not the main purpose of a free market economy.

I think this conceptual problem of who should benefit from work weighs heavily in the minds of a few thoughtful individuals. In the past, the soviet past, esteem or merit was seen by themselves and the people they served was measured by the degree to which these managers were working for the people. As it has turned out, almost none of them were working for the people. They're a pretty rotten lot, from the point of view of what they once held to be the highest ideals.

Kuchma was in the middle of this crisis of belief, and because he has always been a person of the system, not a creator of the system, it's very hard for him to lead. He could manage simply go day-to-day in the circumstances that surrounded him. He was adrift in the sea beyond this daily perspective. Kuchma was not able to chart any course except that necessary to keep the ship afloat. His surroundings, his colleagues, his friends, the people who clung to him and enveloped him, and insulated him from everyone else, they, the inside group, benefited. The circle that surrounded him made sure, that Kuchma benefited, and that what they gave Kuchma in the way of benefits trapped him. The circle of power was self-reinforcing. There were one or two exceptions, and they, in the end, were driven out of the circle. I'd say the key exception, who would constantly try to bring Kuchma back to the realities that he had to deal with, was Horbulin, and even he, his closest friend from the earliest days in Dnipropetrovs'k, as students, was driven out, because he was pointing out the depth of the corruption of the circle and Kuchma himself.

I could see the corruption taking place, and I talked about it with Kuchma. The ways in which I could talk about this very difficult subject had to do with solemn agreements, contracts, that were misused or set aside because of the greed of the inner group. I pointed out that the corruption had become a matter of public comment and deep revulsion, among the public. There was great distaste about how much the inner circle was stealing. We discussed how this corruption could be stopped. I used the metaphor during the last two years I was there with him, about drawing a line in the sand and saying to the people of his country and to the corrupt circle, "We have to stop this corruption. Whatever was stolen before that is in the past, but we'll move forward in a different way." I emphasized that Kuchma needed, Ukraine needed, to make the distinction between the struggles and illegal activities of the early transition and go on now in a clean way. "Clean" meaning, in Ukrainian terms, what was acceptable political and economic behavior. He understood the nature of the discussion. He was too weak in character to take such a bold step, and, I think Kuchma believed that he could somehow ride it out. I'm afraid that, by 1997, he was so trapped by the enormity of the corruption that he couldn't get out.

In many ways I was sorry to see this disintegration because Kuchma's inability to get out from this circle of thieves, politely expressed, accompanied his increasing drunkenness. He was almost like Yeltsin in that respect, and became increasingly more difficult. Further, our high level involvement dropped off. President Clinton became involved with his own problems so he was not able to continue his positive influence on Kuchma's behavior. Gore and the other senior cabinet members also were involved in holding the Clinton administration together. So Kuchma was left to his own fate.

As a human being, Kuchma was far from the most admirable among the Ukrainians, but he was an interesting person and he always accorded me great respect, and, of course, access. We did a lot of good things together, I would say, when he was very clear on a formal basis that both nations were intensely interested and involved, and when he understood that it was necessary, for his interests, to keep the dialogue and relationship going with the Americans. He was one of those people, who, I think, needs to have constant engagement, that is, I had to meet him constantly to keep progress on agreed goals going. What I have just described is evidence that an ambassador has great value, simply as a human presence, if he can keep the discussions going on the goals that both sides agree are important. There's no substitute for it. The difficulty my successors had with Kuchma is that that access to him was severely constrained. Why? I would say that first, it was due to his physical and moral disintegration and change of character and behavior, second, his circle of advisors succeeded in building barriers to keep him isolated, and third, it is also partially due to our change of policy. President Bush is not personally interested in the work of engagement – in fact, some in his policy group believe that engagement is somehow not a worthy tool of governance. So there's a great drawback for an ambassador if engagement at the highest levels is not an option. A good part of the agenda is negative – that is, what discussion there is, is largely dealing with mutual problems and complaints. The ambassador has to go with an array of demarches about some abuse or horror or dispute, which doesn't make for ameliorating friendships. As professionals, Kuchma and I got along quite well. It helps if you can call up the president and say, "I'd like to see you," and be able to do it.

Kuchma's biggest failing, I'd say, was that he did not prepare for his successor. I don't think he had any idea of what kind of successor would best benefit Ukraine. He was really judging who best from among the inner group should succeed him, many of whom were toadies and miscreants of one kind or another.

Q: You make it sound ...

MILLER: It's very Shakespearean.

Q: Very Shakespearean. Something I don't think we talked about – could you talk about the influence – the public – the reaction to Chernobyl, when you were there – and physical, too?

MILLER: Chernobyl – Ukraine and Chernobyl were seen as part of the same problem. They were an identity, and when I first went out, in fact, many of my friends said, "Oh, you're going to Chernobyl. You're going to be radiated."

Q: "You'll glow when you come home."

MILLER: "You'll glow, and your life will be shortened by decades." Kyiv was thought to be a place to be avoided by Foreign Service people because of the extraordinary hardships and dangers. The hardships were the lack of decent housing, commissaries, or locally available food. There was the danger of radiation from Chernobyl. There was no fuel; it was cold, and politically it was the great unknown. So the people who volunteered, so to speak, who wanted to go to Kyiv,

tended to be Diaspora Americans, and those who knew the Soviet Union and knew what a beautiful city Kyiv was, and those who had a sense of adventure, who saw the Foreign Service as adventure and a chance to do something new and creative, which an assignment to Ukraine was.

So the Chernobyl effect was in the end a positive weeding out process for us. I had the best, the most courageous and innovative staff as a result. Chernobyl was certainly constantly in the minds of Ukrainians because a good portion of the Ukrainian population was irradiated by the nuclear cloud, and a very substantial proportion of the population was involved in the evacuation of all of the people from the villages from around Chernobyl, to a radius of 50 miles out from the reactor explosive site. All of the nation was involved in taking in the refugees of Chernobyl, and they had to build housing for the displaced and hospitals for the cancer victims. It was a great burden on the country. In fact, one of the largest continuing budget items was Chernobyl, payments to the victims and costs for hospitals and remedial requirements which will stretch out for several generations.

Chernobyl was very much a part of the mindset when I arrived in 1993. The fear of eating contaminated food was such that we were all given dosimeters, Geiger counters, to test our food that was bought in the markets and to wave it at your furniture and the air, you were breathing the ambient radioactive circumstances. These ever present dangers became a sort of morbid joke and after a while, once you were there, the whole sense of danger dissipated. But for Ukrainians, Chernobyl is a constant reminder of technology gone awry. Chernobyl is one of the major reasons, I believe, that the Ukrainians felt deeply about the necessity to eliminate nuclear weapons. It was a major factor in their mentality. For them, help from others in dealing with this problem was a test of friendship and this was a very important diplomatic lesson for me. They asked for help, we said we would give the requested help. This request for help was made to the West, generally, and the United States in particular. We had several pledge conferences to raise the funds necessary. I can remember one held at the Waldorf in New York in 1995, it was a spin-off from an official visit of Ukrainians to Washington. Vice President Al Gore was chairman of this meeting, and the EU nations and Japan and a number of others and the United States, of course, pledged money for repair of the Chernobyl sarcophagus, the tomb that had been put around the blown-up reactor. We pledged ourselves to meet the need. Thus far, we haven't yet met our pledge. This failure to honor such a solemn commitment has damaged the Ukrainian view of the integrity of our work.

The Ukrainians' sense of abandonment and fear of being cut adrift was reinforced by this failure. It is a reminder to me, as a diplomat and sometime policymaker, that when you make these kinds of commitments you've got live up to them. We said we would do the job. To Gore's credit, to the Clinton administration's credit, they worked mightily to try and meet that, but they didn't fully. It underlines the necessity of transition groups to convey the understanding necessary to make clear obligations that a new administration has to honor past commitments. You can't destroy treaties because you find them inconvenient. You pick up the burdens that you inherit, as odious or difficult as they may be. Chernobyl is one of those things that has not been satisfactorily met in the minds of the Ukrainians. So I would say any ambassador that goes out to Kyiv, any Assistant Secretary for European affairs, any national security council advisor should be made fully aware of the Chernobyl burden that stems from 1986. Every Ukrainian has a

memory of it, every Ukrainian has had a relative somehow affected, either directly by radiation or death, so it's a constant in their mentality. I understood that it was very important for me to go to Chernobyl, and I went frequently. So I shared their understanding of these things and they had, of course, ceremonial days the way the Japanese do at Hiroshima about Chernobyl. It is very important for an ambassador and embassy staff to participate in solemn ceremonies like commemoration of Chernobyl, the famine, or the slaughter of Babyn Yar or the sacrifice in the war against the Nazis.

Those are not things that are taught in area studies generally.

Q: You left there when?

MILLER: Ninety-eight.

Q: What have you been doing since?

MILLER: I haven't stopped my interest in Ukraine, largely because of what I've been doing at the Woodrow Wilson International Center, first as a policy fellow and now as a senior fellow. When I went to the Wilson Center it was for a year, to work on a book on the Ukraine, which I'm still working on. I hope to finish this year. The Wilson Center is a base for me to go back to Ukraine and to continue to work with my friends and groups that I felt were worthy. I have institutional connections which are natural, I suppose. Suzanne and I had a great interest in the opera house, the ballet, and music, and we've continued that by going to a fair number of performances to see our friends who are still dancing, singing, conducting, playing. We've supported them in various ways by helping them come here. In addition to our continuing interest in the opera house, I'm on the board of the Kyiv Mohyla university foundation. Kyiv Mohyla is a modern liberal arts university, post-Soviet, even though its origins were in the 17th century. Kyiv Mohyla brings me in direct contact with the teaching of the youth and the Ukrainian youth themselves. I'm also on the board of an archaeological museum dig at Chersonesus in Crimea, an archeological site, Greek-Byzantine-Roman-Russian and prehistoric. It's a great archeological site in a beautiful part of the world. There's a lot that brings me back to the Ukraine.

The person who is now running for president, and I hope will be president, Viktor Yuschenko, is a close friend from my earliest days in Ukraine. So all the democratic groups were people that I knew very well and liked and I do what I can to help them.

Q: You say the democratic groups, I mean, these are basically groups that are trying to break away from this court ...

MILLER: From the party of power, from the Soviet times. Yes. They are people that we would describe as proponents of a rule of law, a democratic system in which the majority rules, but there is protection of the minorities, and equitable justice, something close to Western democracy.

Q: I was talking to somebody who was just there – it was Keith Smith or somebody – but he was saying the Russians are reeling the Ukrainians back in. I don't know what he means by this, but ...

MILLER: He means, probably, the economic cooption that many of the oligarchs are engaged in combination with or under the direction of oligarchs in Moscow, in Russia. The big banks in Moscow have been funding many of the acquisitions of state assets of Ukraine. This is part of the near abroad policy of Russia to do that. That's probably what Keith was referring to. Most of the economy is not bad, most of the economy is the villages, farms, markets, bakeries, restaurants and small shops of daily life, the work of daily life, which is becoming more and more a matter of individual initiative. The great distinction between oligarchy, which is basically monopolistic acquisition of money and assets as opposed to individual effort, is an important one. That's the heart of the struggle for the direction of economic policy.

End of reader