



army. That's all there is to say - this concept is grotesque. It is the most important factor that has destabilized them and this is the biggest danger that I see in the situation today.

It is important to go country by country, looking at each internal political situation. For example, Tadzikstan is a very weak state. You have a society that is basically divided into three powerful clans fighting among themselves for control of resources. I think what is remarkable about Ukraine is that there is a tremendous domestic political consensus. I sometimes wish that it weren't the case, but this has got to be the most patient population in the world, to the point of frustration. The prices of food increased 300% in Kyiv in December and there was absolute calm. There was one demonstration in Kirovohrad where 2000 people walked around for a while and then went home... But what is happening is that the society is disintegrating from within, so to speak, with a rise in alcoholism, a rise in crime, suicide rates and this sort of thing. Psychologically, it is very difficult to see a people being torn apart in this way.

The issue of nuclear weapons is a very big one. I am not a spokesman for the Ukrainian government, but it is important to understand the Ukrainian side. You don't have to convince Ukrainians that nuclear weapons are bad, or that a nuclear bomb can be devastating. This is the society that experienced Chernobyl, so it is extremely aware of these things. But the nuclear weapons issue is the big bargaining chip with Russia. What Ukraine found in the last 2 years is that it gave everything away and got nothing in return: all the assets of the USSR - nothing; it gave away the tactical nuclear weapons - zero. It's being asked to give away these nuclear weapons in return for \$175 million from the United States. This is a joke. In the psychology of Ukrainians, these are not foreign weapons stationed on Ukraine's territory that Ukraine has just grabbed. The former Prime Minister built the damned things. Ukraine had the misfortune of being the centre of the armaments industry. The Ukrainian population invested massively to build the things, they paid for them, and they want to get something in return for them.

And if you think of it not as Russian missiles stationed in Ukraine, but as 30% Ukraine's shares, then the thinking becomes very different. We all know the argument that nuclear weapons are not real weapons and that they are pointed at the United States and not at Moscow. Ukrainians are perfectly aware of this as well. There is a real sense of injustice, that Ukraine is being ganged up on by Russia and the United States and is basically being asked to spend billions to disarm - because that's what it's going to cost to disarm all that stuff - and do it for free. Ukraine is saying, "No, we want money for this, and we want security guarantees!" The kind of pressure that the Americans and Russia have exerted has resulted in public opinion swinging right around to support this decision by Parliament, where they are complaining that, "We're going to dismantle our weapons, they'll go to Russia, and we're going to have to buy uranium for our nuclear reactors." That's the attitude. On the positive side, I think that this attitude is going to change. Part of the reason that things are the way they are is that the country hasn't embarked on serious economic reform, but when this happens the nature of the discussion with the West will change. There will be something to bargain with. Instead of a 1 billion stand-by loan, we want a 2.5 billion stand-by loan. The other ingredient to make the nuclear discussion better is market reform, and that is missing. It all comes within the context that we grant Russia the right to police that part of the world. Forgive Ukraine for not thinking that Russia is a great guarantor, having been it's slave for 400 years.

QUES: Is the criticism of the current government justified?

It begs the question of who is the government of Ukraine. Part of the crisis is the paralysis of government. It's also the tremendous instability. You don't have a Prime Minister, you have an Acting Prime Minister. Elections are coming up in March, and there are going to be big changes happening in the next little while. Part of the crisis is the crisis of thinking things through. It is very difficult to plan things for more than 2 or 3 weeks ahead.

QUES: Ukraine has lagged far behind Russia in economic reforms. Will Ukraine learn from Russia's mistakes?

I would hope that above all it will learn from Russia's successes in economic reforms. When you think of it objectively, think of what we're asking them to do. We are asking the former state apparatus to carry out privatization and market reform. Normally, economic policy is a reflection of social interests - think of the Canadian Manufacturers' Association. Here we are asking the state to create a private sector when the private sector isn't there. In the case of Russia, it's working because you have a very powerful state to begin with that can force things onto its society. In Ukraine this is a problem.

Why are economic reforms not taking off in Ukraine? I think ultimately independence was achieved miraculously by an alliance of two forces - the Democrats who wanted change, and Communists who said that an independent Ukraine is a guarantee that no change is going to happen and that we are going to remain in power, we, factory directors, collective farm chairmen, and all of that. So these are the people that got together to bring about an independent Ukraine. It's like telling a state factory director, "We're going to cut your subsidies. You're a terrible manager. You are going to have to start restructuring. Yes, you are probably going to be out of a job." It's a very difficult thing to do. What you have to do is to bring about a new coalition, a new political consensus. I think that new political consensus is in the process of being formed. And then I think economic reform is going to begin. It's the only explanation that makes any sense to me.

QUES: When you look at Russia's ability to communicate with the rest of the world and to create a sense of confidence in the world community about their ideas, they are actually outstanding at it. Meanwhile, Ukraine somehow cannot seem to get the same kind of message across although there is no doubt that the Ukrainian people are every bit as serious the Russians. Are there attempts to profile Ukraine in a different way, to build up a more justified image of Ukraine?