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Chornobyl plant to stay open RFE/RL announces cutbacks, layoffs

by Marta Kolomayets
Kyiv Press Bureau

KYYIV — Motivated by Ukraine's energy crisis, lawmakers here abandoned safety concerns, voting on Thursday morning, October 21 to keep the Chornobyl nuclear power station open and to lift a moratorium on the construction of new nuclear plants.

The Parliament's 221-38 vote comes as a surprise in a country that was hit by the world's worst nuclear accident at Chornobyl on April 26, 1986. The legislation also pledges to open additional

reactors at the Khmelnytsky, Rivne and Zaporizhzhia power plants, as soon as six months from now and no later than in two years. All of these stations have VVER-1000 reactors, which are considered safer than the RBMK model at the Chornobyl plant.

Ukraine's environmental lobby condemned the decisions, and Green World distributed a leaflet in Parliament that read: "We were able to fight and win against the Soviet system, which tried to hush up the consequences of Chornobyl. But we have fallen victim to the

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Munich Research Institute to close, at least for now

by Roman Woronowycz

JERSEY CITY, N.J. — Radio Free Europe/Radio Liberty (RFE/RL) President Eugene Pell announced in Munich, Germany, on October 18 that the Research Institute, which is part of RFE/RL and houses the world's largest collection of samizdat/samydav publications, will shut its doors at least temporarily with vague assurances it will reopen soon after, although he mentioned no timetable.

Mr. Pell also announced the immediate elimination of two broadcast departments within the surrogate news services, which has broadcast news of Eastern Europe and the now defunct Soviet Union to those areas for more than 40 years. He added that RFE/RL staffing will shrink by more than 50 percent by 1995, from the current 1,530 employees to 705. No specific information regarding the Ukrainian division of Radio Liberty was available.

The announcement culminates more than eight months of political maneuvering and compromise between U.S. President Bill Clinton's White House, the Board for International Broadcasting

(BIB), which oversees RFE/RL and the U.S. Information Agency, which has control of Voice of America (VOA). Initially, the president wanted to end all budgeting for the radios, but after much protest by the Congress and national and international leaders, he backed down. It eventually was decided to combine RFE/RL with VOA under the oversight of a new board. It appears that RFE/RL will be hit hardest by the consolidation.

According to the Pell memo, in addition to the lay-off of RFE/RL personnel and the termination of the Research Institute in its current form, broadcasts to Afghanistan and Hungary are to end almost immediately. Polish and Czech broadcasts are scheduled to cease by the end of the year and will resume from Warsaw and Prague, respectively. Broadcast hours will be reduced to an unspecified amount, and the staff at both locations will be limited to 15 people.

RFE/RL headquarters also will move. Melissa Fleming, press officer at the radios said, "Both Washington and Prague, Czech Republic, are being considered. We will know more once a feasibility study is completed." She added that the primary consideration will be costs. "But, I'm sure the willingness of employees to relocate will also be considered," she said.

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New U.S. envoy arrives in Kyiv

by Marta Kolomayets
Kyiv Press Bureau

KYYIV — Stressing a new phase in bilateral relations, the new U.S. ambassador to Ukraine, William Green Miller, presented his diplomatic credentials to President Leonid Kravchuk at the Mariyinsky Palace on Wednesday afternoon, October 20.

"President Clinton and his administration have made a commitment to support Ukrainian independence and the development of a free, democratic civil society

with a sizeable free-market economy," Ambassador Miller told the Ukrainian leader as he presented his note.

"We want to help Ukraine in ways that Ukrainians want to help themselves," he said.

Referring to recent erroneous reports in the Western media that Ukraine was going to keep part of its nuclear arsenal, President Kravchuk emphasized, "I hope the two of us can work directly and that the United States does not rely

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Leadership Conference focuses on building Ukraine's future

WASHINGTON — Building Ukraine's future by promoting American-Ukrainian partnerships was the theme of The Washington Group's seventh annual Leadership Conference on October 8-10, which brought together the former and current U.S. ambassadors to Ukraine, Ukraine's ambassador in Washington, Zbigniew Brzezinski, as well as representatives of major U.S. and international assistance institutions, non-governmental organizations, business, media and the arts.

They were joined by more than 250 conference participants, who heard Dr. Brzezinski's warnings about "dark clouds" gathering in the north of Ukraine and former Ambassador Roman Popadiuk calling on the administration to pursue a "more active policy" toward Ukraine. The new U.S. ambassador, William Miller, told his audience that "it will take all of our efforts, official and private, to make things go well" in Ukraine.

They also heard panel discussions on international assistance, the business climate in Ukraine, the work of non-governmental organizations, and the state of the arts and media in Ukraine.

At the conference Awards Banquet, The Washington Group, an association of

some 400 Ukrainian-American professionals, presented this year's "Friend of Ukraine" award to billionaire philanthropist George Soros for his contributions "in helping establish freedom and democracy in Ukraine."

Ukraine faces some very serious prob-

lems, and the next two to three years will be critically difficult, Dr. Brzezinski, former national security adviser and currently counselor at the Center for Strategic and International Studies, said in his remarks during a reception at the Ukrainian Embassy, which launched this

year's conference.

The task for leaders in Ukraine, he said, is to mobilize the Ukrainian people, and the task of Ukrainians in the United States is to fashion an image of Ukraine as an active member of the European community.

Ukraine's problems, he said, are both internal and external. "The political instability (in Russia), the militarization of Russian foreign policy, the increased pressure to recreate the outer boundaries of the old empire do suggest that dark clouds are gathering, and it will take determined effort, and much commitment, a great deal of unity to safeguard the Ukrainian state."

Dr. Brzezinski recalled that while much of the world's attention was focused on the clash between the Russian president and Parliament on September 21, "something else took place on September 25 — the recreation of the economic union of nine former member-states of the Soviet Union...which has in it the potential for also becoming a political union."

Ukraine, he noted, is not a member of that union, though it is associated with it. "But this process is gathering momentum," he emphasized, "and one has to give

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Seen during a reception at Ukraine's Embassy (from left) William Miller, the new U.S. ambassador to Ukraine, Dr. Oleh Bilorus, Ukraine's ambassador to the U.S., and Dr. Zbigniew Brzezinski.

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serious thought to what is the future of Ukraine; whether it will, in fact, succeed and consolidate itself. It is still an open issue. It is not something on which history's book has been closed. It will take the effort of every Ukrainian in Ukraine, and of every Ukrainian living in America...to make sure Ukraine succeeds."

Dr. Brzezinski's views were particularly sobering to those conference participants who had heard him in 1986, when he addressed the first TWG Leadership Conference. At that time he was completing his book "The Grad Failure," which predicted the break-up of the Soviet Union, and in his address to that Leadership Conference he made the point that liberalization of the Soviet economy would inevitably lead to the loosening of political bonds.

This year, Dr. Brzezinski said he did not think Russia is going to take overtly aggressive actions against Ukraine, "but indirect pressure and destabilization, exploiting internal difficulties, is the likely course. And this will require a great deal of stamina and commitment."

He blamed the West for being deficient in helping Ukraine; "we've been too Russocentric," he said, although, he added, this was now changing. "The (Clinton) administration is paying much more attention to Ukraine... We are correcting the negligence of the last several years. The negligence has been massive, and it contributed to the internal difficulties in Ukraine."

But he also noted Ukraine has not fully exploited the last two years since the collapse of the Soviet Union.

"Not enough has been done to initiate a comprehensive program of reform," Dr. Brzezinski contended. "Not enough has been done to launch Ukraine forward... Not enough has been done to fashion a program of change. Not enough has been done to articulate a vision of Ukraine's future which is compelling and unifying to the Ukrainian people."

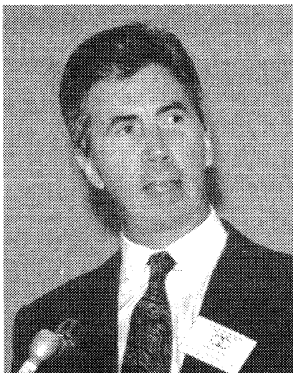
New U.S. ambassador

William Miller, whom President Bill Clinton chose as his ambassador to Ukraine, also said that the coming years will be difficult, "and it will take all of our efforts, official and private, to make things go well."

He told the conference participants that he was leaving for Kyiv in eight days, that he was encouraged, that "with good will and common goals...I think we'll succeed."

The common U.S.-Ukraine goals, Ambassador Miller said, are to preserve the integrity and independence of Ukraine, to help it on its path to democratic government, to assist in its efforts at legal reform, and to develop an economy that has a substantial private sector.

Turning to Ambassador Oleh Bilorus, the host of the Leadership Conference



Gregory Huger of USAID's Office of Private Sector Initiatives for the NIS.

reception, Mr. Miller noted that Secretary of State Warren Christopher plans to visit Ukraine this month, and said that this marked "the beginnings of a concerted effort by my country with your country, Mr. Ambassador, in achieving those goals."

Popadiuk's critique of U.S. policy

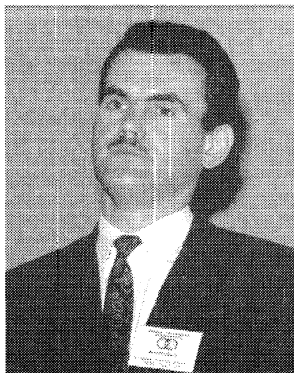
Opening the conference Saturday morning, America's first ambassador to Ukraine, Mr. Popadiuk, said the United States should initiate "a more active policy toward Ukraine, aimed at assisting its economic development and security" and a "coherent policy approach which attaches to Ukraine the importance it warrants."

"The shortcomings in our approach toward Ukraine have led to skepticism on the part of Kyiv toward the United States," Mr. Popadiuk said. And among these mistakes, he noted, "the administration's refusal to invite former Prime Minister [Leonid] Kuchma in April, over the recommendation of the Embassy, only served to solidify the skepticism toward the United States."

Mr. Popadiuk, who has returned to Washington after 14 months in Kyiv and now serves at the Foreign Service Institute, gave his analysis of the situation in Ukraine and of the U.S. policy approach to Ukraine, noting that he was expressing his own views, which did not necessarily reflect the position of the administration. (The full text of his remarks appears on page 13.)

The most prominent shortcoming as Ukraine goes into its third year of independence, he said, was "Ukraine's failure to exploit its resources and institute a coherent, rational economic plan."

The failure has resulted from many internal and external pressures. The three main external problems, he explained, have been Ukraine's "economic seesaw relationship" with Russia, especially Moscow's raising of oil prices and cutting back of promised deliveries; the failure of the West to provide adequate assistance; and the dissolution of the Soviet Union, which severed many old



People's Deputy Ihor Derkach of Sambir.

economic ties.

Ambassador Popadiuk found fault with the Russia-centered strategy: if the attempts at reform in Russia fail, he said, it may set the stage for a resurgence of authoritarianism and an attempt to reconstitute the empire, and even if Russia should continue on its democratic path, "there is no guarantee regarding its international behavior."

"By helping establish a viable Ukrainian state, we take a major step in helping prevent the recreation of empire and, in the best scenario, help in shaping a positive international role for Russia itself," Mr. Popadiuk said.

A more active U.S. policy towards Ukraine, Mr. Popadiuk said, should: seek not only to "make Moscow successful, but the rim states - particularly Ukraine - equally successful"; take the lead in organizing a concerted Western effort of financial and economic assistance, "including an international pledging conference to deal with Ukraine's dismantlement costs and economic assistance"; work to bring the East into the Western community, including membership in NATO; and "take the lead in structuring new mechanisms that can manage the separation of the former republics, particularly the separation between Ukraine and Russia."

International assistance to Ukraine

International assistance to Ukraine is broad and varied: from poultry-production facilities to university linkages; from small business incubators to airport construction; with Black Sea shipping development and an environmental monitoring facility thrown in.

This is just a partial list of projects already launched that were mentioned by the panelists of the first session of the Leadership Conference.

Gregory Huger of the U.S. Agency for International Development (USAID) noted that the theory behind foreign assistance is that it should act only as a catalyst, but he also admitted, that as far as his agency is concerned, "we could



Roman Terleckyj, director of production for The Washington Opera.

still do more."

In the spring of 1993, he said, USAID decided to support privatization in Ukraine, based on a promise that privatization is one of the central elements of reform.

To correct the impression that foreign advisers tend to come to a country for a short time, do a study and leave behind their own prescriptions that may or may not be accepted, Mr. Huger pointed out that USAID sent a team to Ukraine to do a work plan for privatization together with the Ukrainian government and that this would be a Ukrainian plan, a plan that is "acceptable to Ukraine." The task is not easy, he admitted, but it is "moving along."

As a Midwesterner Mr. Huger said he as impressed by Ukraine's agricultural potential. On his first trip there, he said "Ukraine looked like Iowa or Illinois." He called it a potential "gold mine."

At this time he said, \$38 million has been put into action for Ukraine's agriculture; \$7 million in USAID funds and \$31 million from U.S. agribusiness companies.

One of the projects is something called the "poultry grandparent production facility" which is intended to introduce high grade chickens in Ukraine in place of the scrawny ones with "degenerated poultry genetics" that have resulted from misguided Soviet farm management.

Mr. Huger said that USAID has supported small entrepreneurs in Ukraine by offering them business services, and also by using its office and database in Kyiv to introduce small Ukrainian entrepreneurs to one another. USAID field officers have found, he said, that people working in related fields often don't know each other, and it takes an American working in Ukraine to get them together.

According to Jim Cashel of the Eurasia Foundation, a new U.S. Congress-funded operation based on similar foundations for Latin America and Africa, his organization gives "small grants" for development projects - those under \$100,000. The foundation was to open its Kyiv office within a few days after the Leadership Conference.

Mr. Cashel suggested that members of The Washington Group and similar American professional organizations could help his foundation with information about changing developments in Ukraine, with suggestions about who in Ukraine, particularly among the younger people, is worthy of a grant, and to propose project ideas for new investments in Ukraine.

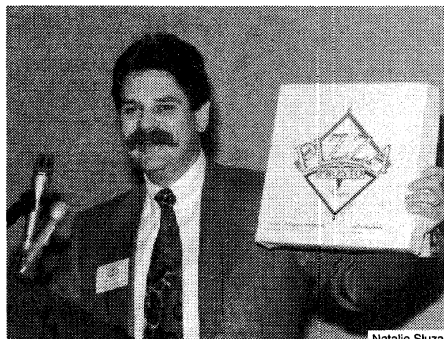
Monica O'Keefe, the U.S. Information Agency's desk officer responsible for Ukraine, said that among the products her agency distributes in Ukraine are a video series on how to start a business, the weekly program broadcast on Ukrainian TV called "Window on America" as well as the Ukrainian version of the popular magazine "America."

She also described other programs: educational exchanges; visits by

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Eugene Zalucky, former president of the Federation of the Ukrainian Canadian Business and Professional Associations, and Bohdan Vitvitsky, former president of the Ukrainian American Professionals and Businesspersons Association of New York and New Jersey.



Orest Jeina, a Phoenix attorney, shows off a carry-out carton from his Lviv pizza shop called Pizza Pronto.

Popadiuk speaks on U.S.-Ukraine partnership

Following is a transcript of an address delivered at The Washington Group's seventh annual Leadership Conference by Roman Popadiuk, former U.S. ambassador to Ukraine. Mr. Popadiuk indicated that he was expressing his own views, not those of the administration.

It is my great pleasure to address the seventh annual conference of The Washington Group. This year's focus on the U.S.-Ukrainian partnership is a fitting topic, given Ukraine's need for greater external support and the U.S. attempt at redefining its relationship with Ukraine.

Over the past year, I had the privilege of witnessing the historic rebirth of the Ukrainian nation and the beginning steps of our bilateral relationship. I saw Ukraine in the aftermath of its independence, when hopes were still high, and I saw a country slowly come to grips with the reality of its own shortcomings and the pressure of the world around it.

As Ukraine moved towards independence there were visions and, indeed, highly held expectations that Ukraine, a nation of 52 million people, with abundant industrial and agricultural resources and a highly educated population, would quickly take advantage of its potential and blossom politically and economically. But as Ukraine moves into its third year of independence, it has fallen short of that realization. The reality is that Ukraine has many challenges to overcome in its nation-building process. Nowhere is the challenge more evident than in Ukraine's failure to exploit its resources and institute a coherent, rational economic plan. This failure is a result of a number of pressures, both domestic and external, that in microcosm summarize the over-all political, economic and social challenges Ukraine faces.

One of the main problems is Ukraine's economic

seesaw relationship with Russia, particularly as regards the oil trade. Over the past two years, Russia had steadily moved its oil towards world market prices. This in itself cannot be a valid complaint for Kyiv, for to move towards a market economy is to move towards world prices. But this has been coupled by Russia consistently changing its promised quota of oil deliveries. Political circles in Kyiv cannot help but see these efforts as aimed at undermining Ukraine's economic system. The political statements concerning Ukraine's territory which emanated from the now-defunct Russian Parliament only served to reinforce the historic fears of Ukraine that Russia continued to have as its goal the takeover of Ukrainian territory.

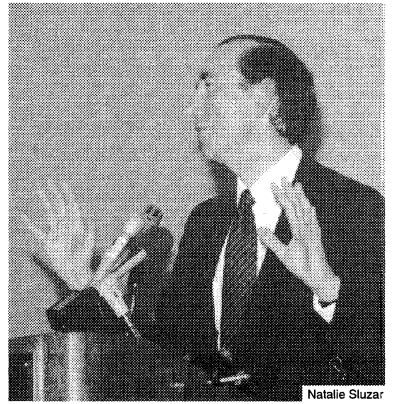
The second external factor that has hampered Ukraine's economic development is the failure of the West to provide adequate assistance. During my stay in Kyiv, I was constantly peppered with requests for economic assistance. The Embassy was at the forefront of petitioning our government for aid to Ukraine in order to help it stabilize economically and to serve as an incentive and a show of support for the reforms in the Ukrainian government.

Our effort met three obstacles:

- Our own economic problems at home limited the resources we had for foreign aid.

- Second, Ukraine itself was part of the problem, due to the failure to arrive at an economic plan with the IMF (International Monetary Fund). An IMF agreement would assist Ukraine in setting targets for its budget and eliminating inflation, thus providing a sound foundation for the development of its economy and for introducing its national currency.

- A third and major problem is Washington's preoccupation with Russia and the belief that the success — both economic and political — of Russia would reverberate and positively influence the former republics.



Natalie Sluzar

Roman Popadiuk, the first U.S. ambassador to Ukraine, addresses The Washington Group's Leadership Conference.

The problem with this strategy is twofold:

First, if Russia should fail in its democratic and economic reforms, it could set the stage for Moscow to revert to its past authoritarianism and, with it, an attempt to reconstitute its former empire. The events of the past two weeks indicate the fragility of the Russian experiment and the tenuousness of pumping all our assistance into Russia. The success of Yeltsin in putting down the rightist coup should not be interpreted as a definitive victory for Russian democracy. While we applaud this success and will continue to support the democratic forces, we should not forget that Russia still has a long, arduous road ahead. How Yeltsin will govern during the weeks leading up to the December elec-

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Ukrainian parliamentarians to exchange ideas with their American counterparts; visits by Ukrainian industrial conversion people; linkage programs between American universities and universities around the world, such as between Lviv University and Wayne State; and contracting Ukrainian publishers to translate and publish American books.

Serhij Koulyk, once a diplomat of the Ukrainian SSR Mission to the United Nations, then charge d'affaires of the Embassy of Ukraine in Washington, spoke as assistant executive director of the World Bank.

He recalled that when the USSR fell apart, Ukraine was the first of the successor states to submit its application for membership.

Mr. Koulyk cited some of the bank's and its sister institutions' programs available to Ukraine, and mentioned some that have already been funded, such as the

Black Sea shipping project; terminal facilities in Odessa; an environmental center established jointly by Ukraine, Poland and the former Czech-Slovakia in the Carpathians; and a poultry project.

He emphasized, however, that Ukraine's government has to move decisively in order to take advantage of what the bank, the International Monetary Fund, International Finance Corporation and other multilateral institutions could offer.

Finally, the panel on international assistance to Ukraine was rounded off by a recipient from the field — Leonid Rubanenko, deputy mayor of Kharkiv. His advice to potential international investors: Don't waste time standing in line to see bureaucrats in Kyiv. Go directly to local government.

Kharkiv, he said, is an important industrial and educational center with very good rail and highway facilities, but its airport is nothing to brag about. Two and a half years ago, he said, the city decided to change that. Since that time, more than 24 companies from around the world have visited Kharkiv, and now a consor-

tium is working on a world-class airport.

The business climate

Ukraine presents "a lot of opportunity, but a big challenge," summed up one speaker at the panel discussion on "The Business Climate: A Report from the Field." The panelists listed some successes but also reiterated a litany of frustrations, the chief one begin finding a reliable local joint-venture partner, the first prerequisite for starting a business in Ukraine.

Those who succeeded — in refurbishing and building hotels, in opening a pizza parlor, in selling harvesters or pesticides — also related stories of corruption, intimidation and poor performance.

Marijka Helbig, president of Scope Travel, a leading Ukrainian tour organizer, was able to open a hotel in Ivano-Frankivske in a joint venture with an Austrian firm only after replacing the original Ukrainian partner with a new one. The first partner sold a portion of his interest to another party in violation of the partnership agreement.

"He thought my Ukrainian heart was bigger than my American brain," Ms. Helbig related. Instead, the American/Austrian partners, who had already invested \$100,000 withdrew from the deal and convinced a subordinate of the Ukrainian partner to go out on his own in a new deal with them.

The key to successful ventures is "strong people-to-people contacts" and the willingness to provide a lot of help, according to James D. Regan, manager of international strategic development with FMC Corp. of Chicago. FMC was able to sell pesticides to growers of sugar beets and harvesters to tomato growers. Payment by the best growers was made in molasses, and when the customer had problems exporting molasses out of Riga, Latvia, because the product would freeze in the winter, FMC invested in a loading terminal on the Black Sea to improve the shipping.

One problem FMC faces is the fact that the U.S. Export-Import Bank canceled its credit agreement with the Ukrainian ExIm Bank. "We are depen-

dent on their credit guarantees and insurance protection," Mr. Regan said. "If that can't be put together, it will put a crimp in our business."

Orest Jejna, president of Jemar International, a consulting group advising investors in Ukraine, decided to open a fast-food outlet in Lviv to gain first-hand experience. The local partner is a small sandwich shop. The store has been open for four months and can't be marketed further because it reaches maximum sales levels each day in peak periods, according to Mr. Jejna. Still, "each day is a hurdle," he added. The operation is "not without blood, sweat and tears."

A tremendous negative side is learning about the partner the investor is dealing with, he related. Another challenge is organized street criminals. "We're dealing with this issue as best as we possibly can," Mr. Jejna said.

Andrew Zwarun, vice-president of E-Z-EM Inc., a medical supply firm with \$100 million in revenues, traveled to Ukraine three times in an attempt to set up distributorships, find strategic partners for trade or manufacture, or find sources of high quality, inexpensive medical devices that can be sold around the world. He failed to meet any of his objectives. On the other hand, he reported, he was able to reach a deal in Turkmenistan in one visit.

Mr. Zwarun cited several instances of agreements reached with Ukrainian parties that have yet to see any action by the Ukrainians. A critical tool for foreign investors would be a "means to check out our partner, a way to get information" if the partner is legitimate, he suggested.

George Chopivsky Jr., founder of a joint venture established to develop a hotel in Kyiv, described the problems his firm encountered in the renovation of a 19th century hotel on the Andriyivsky Uzviz, the capital's artists' quarter. Problems with construction crews and street access to the hotel have stalled completion of the project.

The moderator for the first two panels

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Dr. Oleh Havrylyshyn (right) accepts the "Friend of Ukraine" award on behalf of George Soros. The award is presented by TWG president Mykola Babiak.

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was TWG Vice-President Andrew Bihun, manager of the Industry Sector Analysis Program of the U.S. Department of Commerce.

Ukrainian deputy's address

Ukrainian Parliamentarian Ihor Derkach, who addressed the conference luncheon, said he looks forward to 1994 as "a year of great changes" in Ukraine because of "the first real democratic elections" to Parliament scheduled for that year.

The people's deputy for the Sambir district expressed hope that the democratic forces will be able to unite into a democratic coalition that will prevail in these elections.

On defense issues, he said, speaking as a member of the Committee on National Security and Defense, he is convinced that "the very fact that Ukraine has nuclear weapons guarantees our security." If Ukraine would rid itself of nuclear weapons, it would become vulnerable to conventional arms attack, he said.

Mr. Derkach said he was not suggesting that Ukraine take part in any arms race, but only that it should reduce its nuclear arms in proportion to reductions by other nuclear powers.

The time spent by the Ukrainian government on national defense issues has kept it from concentrating on important economic issues, he said. Like Poland, Ukraine should move toward privatizing small industries and business in order to create an infrastructure for further privatization.

The state of the arts

Dmitro Markov, the cultural attache of the Ukrainian Embassy, led off the panel discussion on the arts by outlining what has been done in presenting Ukrainian art and culture in the United States – the

most recent being the Trypillian art exhibit at the International Monetary Fund – as well as some of the problems, mostly economic.

Mr. Markov acknowledged that with the world's and the Ukrainian government's attention focused on political, economic and nuclear issues, the cultural area thus far has been neglected, Ukraine's critical economic situation has also resulted in limited financial support for the arts.

He said that cultural ties between Ukraine and the United States could be improved by establishing a cultural center at the Embassy in Washington, a "U.S.-Ukraine Society" to expand non-governmental cultural ties, as well as a cultural foundation connected to a diaspora institution such as the Ukrainian Institute in New York.

Award-winning film maker Slavko Nowytski, who now works on the USIA television program broadcast to Ukraine, "Window on America," described his experience in recent years with his Ukrainian colleagues. He said that despite major problems with financing and old equipment, the Ukrainian film industry is producing some world-class films, especially in the field of animation and documentaries, which could be marketed – with some risk – in the West.

He said he believes Ukraine can compete in the production of quality feature films, considering the fact that a film costing some \$25 million in the West can be produced in Ukraine for less than \$1 million.

Roman Terleckyj, a director with the Washington Opera since 1982, who recently returned from visiting the Kyiv and Odessa operas, said both have "fantastic" singers. He was apprehensive, however, that because of the financial situation they might be lost to Western opera companies, which, in addition to vastly higher pay, can offer these singers

the good teachers and the training they need to advance.

Douglas Wheeler, managing director of the Washington Performing Arts Society who has introduced the world's major stars to the Kennedy Center stage – among them violinist Oleh Krysa and pianist Alexander Slobodyanik, several years ago also rescued the Donetske Ballet when it was stranded in Baltimore.

He recommended that Ukrainian performers should not be brought to the United States through the Ukrainian American community unless the intention is to have them perform only for the community. If the intention is to introduce them to the American audiences, however, it must be done via the traditional and proven way – by professional agents and presenters, with planning done one to two years in advance and not three-months' notice.

A strong embassy commitment is a must if a country's performing arts it to make inroads into the American mainstream, Mr. Wheeler said, and Ukrainian American individuals and groups could help pave the way by getting involved in local performing arts-presenting societies.

Also on the panel was Virlana Tkacz, the founding director of the Yara Arts Group, associated with the La Mama experimental theater in New York. The group has already put on two bilingual, multicultural productions in the United States and in Ukraine – in Lviv, Kyiv and Kharkiv – and is working on a third.

The theater has had to overcome numerous obstacles while working in Ukraine: financial difficulties, working in two languages, officials demanding pay-offs, and the lack of a work ethic. Nevertheless, they found working with the younger generation rewarding. "You have to be able to thrive in chaos, which is actually a time of great activity," she said.

The panel moderator was Laryssa Chopivsky, vice-president of the Commonwealth Broadcasting Co., and chairman of the Artistic Direction Committee of the Washington Performing Arts Society.

Media in Ukraine

Much has changed in the media in Ukraine since independence – some for the good, and some for the bad. Adrian Karmazyn, a reporter with the Voice of America who worked as VOA's Kyiv correspondent, pointed to some of the positive changes in introducing the conference media panel. Western broadcasts, which used to be jammed by Soviet transmitters, are now being carried on the local AM dial – for a fee – and a wide selection of American television programming can now be seen on local TV, he said.

One of the panelists, Peter Fedynsky, anchors USIA Worldnet's half-hour weekly television program in Ukrainian, "Window on America," which is aired on Ukraine's main TV channel. The news-magazine format program reaches 50 million viewers, Mr. Fedynsky said, and serves to break the two extreme stereotypes about America: on the one hand, that everything is bad in the U.S., and on the other, that its streets are paved with gold.

Among the Ukrainian television's problem areas Mr. Fedynsky noted that the Russian language predominates; there are no Ukrainian TV reporters in the West, and no Western TV reporters in Ukraine; copyrights are not adhered to, and neither is the clock, with many programs – including "Window on America" – beginning when the previous one ends, without respect for punctuality.

Vasyl Zorya, deputy editor in chief of UNIAN, a recently established independent news agency in Ukraine, characterized the Ukrainian press as "provincial." The constraints on journalists in Ukraine are higher than in Russia, he said, and there still is a "professional brain drain,"

with many of the best and brightest being enticed by the glamour and higher pay in Moscow. As a result, the Ukrainian media is overshadowed by the Russian media in Ukraine.

Roman Melnyk, until recently a major figure in the Canadian Broadcasting Corp. (CBC), said that Ukraine faces an immense task of restructuring its entire national broadcast system virtually overnight. When he looked into the possibility of establishing an independent TV station in Ukraine at the request of the Popper and Soros foundations, he found there was no underlying legislation on broadcasting, no mechanism for licensing, no distribution system and no copyright laws. Consequently, he said, he had to shift the focus of his endeavor to laying the foundation necessary for the existence of such a system.

The fourth panelist, Ihor Slisarenko who works on the popular TV program "Hart," blamed the Ukrainian government for having wasted the first two years of independence by not having reformed the country's television system. The president and the Parliament control television, he said, and it exists as a kind of "black market" in which most who work in it try to profit from it. There have been instances of news reporters accepting "gifts" in return for a favorable mention on their programs. The current economic situation is perverting the people working in television, he said, and suggested the formation of an independent commission to keep it in check.

Award banquet

The Washington Group honored George Soros, the billionaire philanthropist, with this year's "Friend of Ukraine" award for, as TWG President Mykola Babiak read from the plaque, "his outstanding contribution in helping establish freedom and democracy in Ukraine."

The award was presented during the gala banquet on Saturday evening, in Mr. Soros's absence, to Oleh Havrylyshyn, executive director for Ukraine at the International Monetary Fund, who had worked with Mr. Soros on various projects in Ukraine.

The Hungarian-born philanthropist began helping to build an infrastructure and institutions for an open society in 1979, when he founded the Open Society Fund; six years later he founded the Soros Foundation-Hungary; and three years after that, the Soros Foundation-Soviet Union. In 1990 he launched the Renaissance Foundation, designed to support the transformation of Ukraine into a free, pluralistic and independent state; the foundation now has offices in a number of Ukrainian cities.

Accepting the award for Mr. Soros, Dr. Havrylyshyn said that rather than characterize Mr. Soros as a billionaire, "I would put it a different way. I would say he is one in a billion." He saluted the award recipient for using the fortune he made in the business world for the good of emerging democracies worldwide, and especially in Ukraine.

Present in the audience at the banquet were a number of prominent guests, among them Edward Milansen, former U.S. ambassador to the SALT talks; David Lewis, former deputy secretary of veterans affairs; Vasily Parfenov, head of the Currency and Economic Development Department at the Ukrainian Ministry of Finance; and Mariusz Handzlik, foreign affairs adviser to the prime minister of Poland.

The NGO role

While Ukrainians themselves carry the responsibility of developing their country politically and economically, a number of American private organizations that receive public and private funding have

(Continued on page 15)

Employment – Redress – Immigration

During nine years in office the federal PC government has:

1. Passed a law (Employment Equity Act) that discriminates against employment of Ukrainian Canadians in the federal government and in federally regulated business.
2. Paid the forty thousand Japanese Canadian community three hundred fifty million dollars as compensation for internment in the Second World War. The one million Ukrainian Canadian community has received no compensation for internment in concentration camps during the First World War.
3. Allowed over two million people to immigrate to Canada. Less than three thousand Ukrainians have been allowed to immigrate to Canada. The Canadian consulate in Ukraine processes 28 applications a month, 336 a year.

The PC party election platform has no provision to right these injustices.

Ukrainian Canadian Public Affairs Committee

Leadership...

(Continued from page 14)

helped Ukrainians set the direction and pace of their development.

A number of such "non-governmental organizations" (NGOs) have gained a lot of experience in a relatively short time, according to Orest Deychakiwsky, the U.S. Helsinki Commission staff member who moderated the conference panel of four such NGOs.

The panelists were Nadia Diuk, regional director of the National Endowment for Democracy; Orysia Pylyshenko, program director of the National Forum Foundation; Nadia Komarnycky-McConnell, president of the U.S.-Ukraine Foundation; and Alex Kuzma, project coordinator of the Children of Chernobyl Relief Fund.

Dr. Diuk pointed out that communism had effectively destroyed all normal civic organizational structures between the individual and the state. In order to bring democracy to such an environment, a viable civic society must be rebuilt, she said, and the private sector is much better at transferring such know-how and funds for that purpose.

The National Endowment for Democracy (NED) was established by Congress in 1987 to be such a vehicle of assistance to emerging democratic movements around the world. It channels funds to private groups in Ukraine and elsewhere through private American organizations, two of which were represented on the panel - the National Forum Foundation and the U.S.-Ukraine Foundation.

The diaspora has an important role to play in identifying such groups and individuals in Ukraine and helping pass on the necessary skills and material assistance to them, Dr. Diuk said. Ukrainian Americans must also fight the isolationist mood that is overtaking Washington and convince the government of the need to remain engaged in Eastern Europe and the newly independent states of the former Soviet Union. She pointed to proposed budget cuts at Radio Liberty and the proposed complete elimination of the NED as examples of this isolationist trend.

Another private organization helping train new leaders in Ukraine and other newly independent states is the National Forum Foundation, which since 1992 has been bringing mid-level professionals to the United States for three-month fellowships in journalism, the democratic political process, economic reform and related fields. Of these fellows, 11 so far have been from Ukraine, Ms. Pylyshenko pointed out.

The foundation also runs the American Volunteers for International Development (AVID) program, which sends American professionals to Ukraine and other countries to assist their government and private institutions.

Among the many problems these volunteers encounter is the lack of understanding on the part of their Ukrainian counterparts of notions such as "volunteerism" and "conflict of interest."

Ms. Komarnycky-McConnell said she got the idea of creating the U.S.-Ukraine Foundation after hearing Volodymyr Yavorivsky speak at the 1989 TWG Leadership Conference. She realized then that a number of democrats who would get elected to Parliament had no experience in governing.

With funding from the U.S. Information Agency, the foundation brought over its first group of parliamentarians to the United States to learn the American way of governance in April 1991. Since then, other delegations have followed, specializing in government, economic development and defense conversion.

The foundation established a presence in Kyiv in the form of the Pylyp Orlyk Institute for Democracy, which promulgates through its activities and publications the

principles of a democratic system of government and a free-market economy. It also maintains a "Democracy Hotline," a daily electronic mail hook-up which provides Ukrainian officials with the latest information on policy issues in Washington.

One of the secrets of the foundation's success thus far has been establishing and maintaining an excellent reputation as an "honest broker" not tied to any political group in Ukraine, Ms. Komarnycky-McConnell said. She also noted that one of the obstacles the foundation had to overcome initially was the source of its effectiveness - the fact that it was founded by Ukrainian Americans. Some providers of funds at first thought that their relationship with Ukraine might be "too close."

As was the case with the U.S.-Ukraine Foundation, the Children of Chernobyl Relief Fund also traced its roots to Mr. Yavorivsky's appearances at the 1989 TWG conference, according to Mr. Kuzma. It was followed by a number of fact-finding visits to Ukraine by concerned Ukrainian Americans who saw the medical care being provided Chernobyl victims was "at best, ghastly." There was no lack of talent there, he said, but for the lack of medical equipment and supplies, the Ukrainian doctors were called on to "work miracles with their bare hands."

What we are seeing now with thyroid cancer (eight times above normal) and other illnesses, Mr. Kuzma said, is only the "tip of the iceberg." Because radiation-related illnesses peak 10 to 20 years after the incident, there will be "a gargantuan task ahead of us" sometime after 1996, he said.

Professionals' federation

The conference concluded Sunday afternoon with a session dealing focused on the possibility of forming a federation of Ukrainian American professional and business associations.

Eugene Zalucky, vice-president of the National Council of Ethnic Canadian Business and Professional Associations, spoke about the success of such a Ukrainian federation in Canada, which unites some 1,500-2,000 Ukrainian Canadian professionals. This gives them strong representation on the national level, he said, and allows them to take on large projects. It also pools a large data base of professional and business know-how.

Following his presentation, Bohdan Vitvitsky, the founder and now vice-president of the Ukrainian American Professionals and Businesspersons Association of New York and New Jersey, introduced representatives from eight of the nine Ukrainian professionals groups operating in the United States who informed conference participants about their organizations and expressed a willingness to form a federation.

Present were Yarko Stawnychy of the N.J.-N.Y. Association, Genia Wolowec of the Ukrainian Professional Society of Philadelphia, Halya Polatajko of the Ukrainian Technological Society of Pittsburgh, Christine Hoshowsky of the Ukrainian American Business and Professional Association of Rochester, Lydia Chopivsky of The Washington Group, John Dominikewicz of The Buffalo Group, Anna Mostovych of the Chicago Business and Professional Association, and Rosalie Kapustij of the Ukrainian Graduates of Detroit and Windsor. (Only Boston was not represented at the conference.)

It was announced that during an earlier meeting the representatives of these eight groups had voted to pursue the formation of a national federation, which is to be launched in late February 1994.

This article was written by Yaro Bihun, R.L. Chomiak, Maria Kulczycky, Daria Stec and Marta Zielyk.

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UNA DISTRICT COMMITTEES
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BUFFALO — ROCHESTER

on Saturday, October 30, 1993, at 2:00 PM
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DISTRICT COMMITTEE CHAIRMEN:

Roman Konotopskij.....(716) 877-0057
Petro Dziuba.....(716) 621-5230

Lunch will be served to all, compliments of the UNA.

We request that you notify your District Chairman, before October 23th, of your attendance.

Popadiuk speaks...

(Continued from page 13)

tion, the role of the military, and the regions, and the remnants of the Communist forces — all have to be closely followed. And the Ukrainians themselves, while pleased with Yeltsin's success, will continue to define the bilateral relationship on the basis of Russia's attitude towards Ukraine, no matter who is in power in Moscow.

Second, even if Russia should continue on the democratic path, there is no guarantee regarding its international behavior. All large countries — even democracies — have certain national interests, and for Russia that interest will be a sphere of influence and control around its borders. Already Russia is speaking about its desire to be the sole peacekeeper in the former republics that are undergoing internal conflicts. By helping establish a viable Ukrainian state, we take a major step in helping prevent the recreation of empire and, in the best scenario, help in shaping a positive international role for Russia itself. It makes eminent sense, therefore, for U.S. policy to concentrate its resources equally on the rim states as well as Russia.

The third external factor affecting Ukraine's lack of economic development has been the dissolution of the Soviet Union itself. The end of the Soviet Union brought Ukraine its cherished freedom and independence, but it also dislocated all economic relations it enjoyed with the former republics. I have already discussed the particular problem that Ukraine faces in regard to Russia, but independence has not simplified the relations with the other former republics. It is difficult to sever all economic ties, but it is also difficult to determine what degree

of economic association can be acceptable without affecting one's political independence.

Indeed, this is one of the dilemmas Ukraine faces, and the internal forces are split along two basic lines: on the one hand, there are those who want to move towards Western economic structures while maintaining some economic links with Russia; and on the other hand, there are those who want to solely strengthen economic and political ties with Moscow. How Ukraine eventually answers this question will not only affect its economic future, but may also determine its very status as an independent nation.

The recent events in Moscow only serve to underscore this basic question. One cannot discern, at least for the short term, any positive influence on Kyiv as a result of the aborted Moscow coup. If anything, the events confirm for the Ukrainian government the need to maintain a go-slow policy on economic and political reform lest they unleash a backlash from rightist forces. For the conservative Ukrainian forces, the setback in Moscow will not dissuade them from continuing to strangle the infant reform movement. One must remember that the party structure in Ukraine remained much stronger than in Russia, and Ukraine's leadership has always been drawn from the old party apparatus, thus each has a stake in the other. Also, while Ukraine had an independence revolution, it never had a political catharsis which severed its ties to the past.

Unfortunately, as I previously outlined, the West has not offered sufficient assistance that can act as an incentive and support of Ukrainian reformers in order to break the reflex reaction of those circles in Ukraine who look towards Russia.

Added to these problems are under-

standable problems associated with building a new nation. Ukraine sorely lacks the cadres for economic nation-building. In the days of the Soviet Union, Moscow attracted all the talent from the republics, so that once independence came to Ukraine and the other republics, they were left with the problems and not the talent. In addition, in the days of the Soviet Union, it was Moscow that attracted the world's attention, and it was to Moscow that businessmen, scholars and students journeyed to invest, study and to write.

This is still the case, but it is changing.

The administration's refusal to invite former Prime Minister Leonid Kuchma in April, over the recommendation of the Embassy, only served to solidify the skepticism toward the United States. It is these realities that shape Kyiv's view of us rather than the good words of visiting delegations.

At the time of my arrival in Kyiv, there were approximately 40 U.S. companies operating; 14 months later, when I left, there were approximately 120, and we had organized the first United States Chamber of Commerce in the newly independent states. Over time the cadres will be developed, and knowledge of Ukraine will be broader. In the meantime, the old guard, comprising mainly state and collective enterprise heads and commonly referred to as the "red directors," continue to have considerable influence. They, obviously, favor the old centrally planned economic system. This is not a criticism, but simply a statement of fact that one has to deal with. As such, there are strong pressures for maintaining state control and for thwarting economic reform.

In these circumstances, a foreign investor is more often viewed as a challenger to a system that is dying but unwilling to admit so. All manner of obstacles are devised by these old cadres, but the most effort is exerted against privatization. The old cadres are well aware that privatization will undermine their economic control, and hence, their political power. One Ukrainian diplomat complained about the frustration of convincing the old system individuals to permit foreign investment. He had a number of Western investment deals undermined by old party cadres, whom he referred to as "fifth-columnists." In addition, for decades, Ukrainians, as part of the old Soviet system, were taught about the evils of capitalism and the threat that the West posed to security. It is difficult to purge this view from the minds of many levels of the bureaucracy. To them, foreign investment is an intrusion, something that will rob the state of its secrets as well as natural resources — all at the expense of the Ukrainian people.

If the individual investor makes it through the above hurdles, he faces the awesome challenge of the Ukrainian bureaucracy. As with any bureaucracy, the Ukrainian one is layered with many decision-makers. The added difficulty in the Ukrainian case is the need for any decision to come from the top down. So even simple procedural issues get bogged down, while their resolution is elevated to the highest levels, and decisions are very long drawn out. As a decision needs to take place, the ideological forces start to exert their influence, so much so that these seldom appear to be a simple economic decision.

After one has successfully passed all of these hurdles, the final hurdle may be success itself. Once a deal is reached, there is a knee-jerk reaction, based in the ideologically suspicious past, that the

willingness of a Western company to sign a contract indicates that the Western partner somehow has taken advantage of his Ukrainian partner. In the past we have seen valid contracts nullified on this assumption and the bidding reopened to see if a better deal could be obtained. The lack of any bona fide legal and judicial structure only complicates this situation.

As a former communist state, Ukraine also possesses an elaborate social safety net, including medicine, education, job security and other features. The population as a whole, irrespective of the influ-

ence of the conservative forces, thus has a stake in maintaining the current social and economic structure.

There is, therefore, the political reality of the central government not wanting to move quickly on economic reform for fear it can create social dislocations, which can then threaten the political peace. The economic gridlock that has seized the central government has led our embassy to put an emphasis on working with the local levels of government on privatization, on the American business presence and on our own AID (U.S. Agency for International Development) programs. On these levels, there is, relatively speaking, greater receptivity to change. Through this local ripple effect it is hoped that the predilection towards reform will spread and will create a sound base which the central government will not be able to ignore or, more importantly, to squelch.

Ukraine has to move more energetically in creating a market economy. Due to its industrial and agricultural resources, Ukraine can become a powerful economic force, which, in turn, can help support its political security. Unfortunately, Ukraine does not appear to appreciate the importance of this dimension of its security. A free-market economy attracts foreign investment, which leads to a greater foreign presence and closer ties to the outside world. Economic wealth also helps to satisfy the growing demands of its population for goods and services. Ukraine must not forget that security involves not only an external dimension, but an internal one as well. Failure to meet the demands of a highly educated society can lead to the type of social turmoil that can be exploited by foreign forces. The United States has sought to help Ukraine in its transition to a market economy. We have instituted a large AID mission, which has programs in energy, agriculture, defense conversion, privatization as well as many other sectors.

We have also worked with Ukraine in other areas. We have recognized Ukraine's desire for security assurances and have been working closely with them to arrive at a mutually acceptable solution. We have instituted a military education and training program, under which Ukrainian military officers come to the United States for study and training. In this connection, we have also offered Ukraine the opportunity to compete for placement of cadets at West point and the Air Force Academy. On disbandment, we have offered \$175 million to meet Ukraine's costs under the START I and NPT treaties; and on the issue of highly enriched uranium, we have made it clear

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Popadiuk speaks...

(Continued from page 16)

that we will not implement a contract with Russia until Moscow has an agreement with Ukraine on the sharing of proceeds.

In addition to these measures, the United States has moved very strongly over the past year to establish a large, broad-based presence in Ukraine. Our embassy, which was originally scheduled to consist of 16 Americans and 22 Ukrainian personnel, has grown to become the third largest embassy in the region, outranked only by our embassies in Moscow and Warsaw. We now have over 50 Americans and over 100 Ukrainians working at the embassy. In addition, we have over 70 Peace Corps volunteers in Ukraine.

Embassy Kyiv, indeed, has been at the forefront of numerous programs among the newly independent states. The embassy has been issuing visas since August of 1992, opened the first America House cultural center, hosted the first Peace Corps volunteers to come to the former Soviet Union and has helped open an American school.

As in any relationship, there will be moments of stress and cooperation, but it is through continuous interaction and communication that we can build a strong, enduring friendship. From the U.S. side, there are numerous issues that we still have to resolve, the most important of which is the need for a coherent policy approach which attaches to Ukraine the importance it warrants. And indeed, a viable, independent Ukraine is important to the West for a number of reasons:

- First, Ukraine's industrial and agricultural potential, once realized, will be a major plus to the economic stability of the region and, thus, can ironically become a key to the success of Russia itself.

- Second, as a multi-ethnic state, Ukraine's success in this area gives it standing and credibility in dealing with Eastern Europe's ethnic problems.

- Third, a strong Ukraine can serve as a regional actor of stability, preventing the return to empire that has threatened the freedom and stability of the region for centuries.

- Fourth, Ukraine can be a positive partner in the international arena for maintaining peace and stability. This is already evident from Ukraine's participation in the Sarajevo peacekeeping mission.

- Fifth, failure of Ukraine to develop peacefully can unleash a tragic series of events that can make the conflict in the former Yugoslavia pale in comparison.

- And finally, it is important to work with Ukraine to help it to live up to its commitments on nuclear weapons.

The shortcomings in our approach towards Ukraine have led to skepticism on the part of Kyiv toward the United States. At the time of diplomatic recognition in December 1991, there was an overly optimistic perception in Ukraine that the West, and the United States in particular, would be forthcoming with

major assistance, that Ukraine would be treated as an important regional actor, and probably most importantly, that Ukraine would at least be viewed as being separate from Russia.

With these high expectations, Ukraine moved in early 1992 to fulfill its pledge on tactical nuclear weapons and held a highly successful presidential summit in Washington in May of 1992, and ratified the CFE (Conventional Forces in Europe) treaty in June of that year.

However, Ukraine did not receive the economic nor political support it had hoped for from the West. Furthermore, as each month goes by, Ukraine feels its destiny is solely its own to control, and this psychological maturation has made it even more skeptical of the West.

The administration's refusal to invite former Prime Minister Leonid Kuchma in April, over the recommendation of the Embassy, only served to solidify the skepticism toward the United States. It is these realities that shape Kyiv's view of us rather than the good words of visiting delegations.

We thus need a more active policy towards Ukraine, aimed at assisting its economic development and security. There are a number of principles that should guide our policy:

- First, we must not take reform in Moscow for granted and must institute a balanced policy that not only actively seeks to make Moscow successful but the rim states — particularly Ukraine — equally successful.

- Second, we must take the lead in organizing our Western partners in a concerted effort of financial and economic assistance, including an international pledging conference to deal with Ukraine's dismantlement costs and economic assistance.

- Third, rather than maintaining a wall between the Western and Eastern communities, we must work more actively to bring the East into the Western community, including membership in NATO.

- Fourth, we need to take the lead in structuring new mechanisms that can manage the separation of the former republics, particularly the separation between Ukraine and Russia.

Ukraine has a long way to go before it attains a high level of economic and political well-being. I have enumerated some of the basic challenges Ukraine faces. But Ukraine cannot accomplish its objectives alone; it will require international assistance and understanding.

We cannot hurry the political and economic processes in Ukraine, especially in view of the external threat Ukraine faces and the need to shed over 70 years of a stultifying ideology. Patience will be necessary. But through your efforts, you can help in building a bridge of cooperation and understanding.

I look forward to continuing to work with all of you in furthering US-Ukrainian relations. I wish you success in your conference.

Thank you, and God bless you.

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