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## ***TWG Focuses on Democracy Building Ambassadors, Political Leaders, Experts Address Sixth Conference***

The 1992 Washington Group Leadership Conference was held on October 9-11, 1992 at the Washington Court Hotel. The theme of this year's conference was *Developing a New Democracy: The Role of U.S.—Ukraine Relations*. About 300 people from all over the United States, the eastern provinces of Canada, and from Ukraine attended. The sold-out crowd at this TWG Leadership Conference demonstrated the tremendous interest shown, by Ukrainians and non-Ukrainians alike, in the events occurring in Ukraine. Many of the attendees represented the more than a dozen organizations that co-sponsored this event with TWG.

There were several unique features of the 1992 Leadership Conference, TWG's sixth such conference. The welcoming reception was held at an elegant embassy, the Embassy of Hungary. Ambassador Pal Tar of Hungary and Janos Dadi, Counselor, graciously greeted the almost 200 guests. In a brief remark, the Ambassador referred to the historical relationship between Ukraine and Hungary, their common tragic past and now their similar struggles for the future. Ambassador Bilorus of Ukraine thanked his colleague for opening his home to Ukrainian-Americans, symbolically welcoming Ukrainians to Hungary.

Another new feature was the introduction of a "town meeting" format in the second morning session, instead of the usual panel structure. The afternoon sessions were concurrent, two panels at one time, enabling participants to attend the sessions they were most interested in.

Since 1992 is a presidential election year, spokesmen from two of the three major presidential campaigns, Penn Kemble from the Clinton/Gore campaign and Ed Derwinski from the Bush/Quayle campaign, presented their candidate's positions on numerous issues.

At the banquet gala, TWG honored two individuals for their exceptional contribution to the support of Ukraine: Secretary of Defense Richard Cheney and syndicated columnist Cord Meyer. The banquet speaker was Carl Gershman, President of the National Endowment for Democracy.

Sunday's session focused on the Ukrainian—American community, with a presentation by Robert McConnell on how to build a political power base in the United States. All the representatives from co-sponsoring organizations and individual sponsors were invited to a reception at the conclusion of the conference.

This issue of TWG NEWS is intended to provide an in-depth review of the 1992 TWG Leadership Conference. Because of a publication deadline and the number of panels and presentations, events not covered in this issue will be reviewed in the November and December issues of TWG NEWS. *The Editors*

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## TWG NEWS

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### From the TWG Board of Directors:

Thanks to the following for their generous contributions:

#### **TWG Chernobyl Fund**

Peter Jarosewycz

In memory of Roman Krawciw, the Washington and Florida communities donated \$1190

#### **TWG Fellowship Fund**

Steven Rapawy

TWG donated the following books from the TWG Shop to the U.S. Embassy in Kiev:

- *Anglo-American Perspectives on the Ukrainian Question* (1938-1951)
- *Harvest of Sorrow*
- *Apostle of Immortality* (sci-fi)
- *Dissent in Ukraine* (The Ukrainian Herald)
- *Koryagin*
- *Stadium Papers* (Polish/Ukrainian relations)
- *Muted Bells* (video)

TWG donated the following books to the *Biblioteka* in Kiev, established recently by the U.S.-Ukraine Foundation:

- *Anglo-American Perspectives*
- *Harvest of Sorrow*
- *Stadium Papers*
- *Muted Bells* (video)

## Happy Halloween



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## Message from the President:

As president of TWG, I want to say a big thank you to all the people who put countless hours and intensive energy into making our 1992 Leadership Conference the huge success that it was.

As you can imagine, this year's conference was a grand undertaking and we would not have had the success we did if it were not for people who truly went above and beyond their call of duty:

**Roman Goy**, Chairman, who came up with ideas that no one had tried before.

**Sofika Caryk** did a yeoman's job of handling logistics and in this case logistics meant everything that someone else wasn't already taking care of.

**Bohdan Radejko, Andy Bihun, Orest Deychakiwsky, George Masiuk and Yaro Bihun**, put in countless hours and did a spectacular job in putting our speakers and topics together and making this the high-caliber event that it was.

**Rick Smith and Sofika Nakonechna**, who, I heard, are still on speaking terms after tackling the monumental job of advertising.

**Hanya Cherniak-Mack**, who was the creative force behind the wonderful gala evening.

**Mike Terpak**, who, as far as TWG is concerned, has a reserved seat in heaven for landing us a corporate sponsorship from 3M.

**Daria Stec**, who came through with the many individual sponsors we have.

**Nick Babiak and Myron Maslowsky**, the financial wizards who keep us solvent.

**Natalie Sluzar**, who, year after year, is responsible for our conference program book which I am sure we all agree is a publication that all of us as TWG members can be proud of.

**Vera Kaczmariskij**, who lined up all the conference book advertisers.

**Marta Pereyma**, as always, did a thorough job in working with the exhibitors.

As well as **Karen Daikun, Christina Dulaney, Marusia Kaczaniuk, Marika Lishchak, Aurora Maskall, Oksana Palijczuk, Isha Pryshlak, Chrystia Salamacha, Roman Stelmach**, and the many volunteers who worked both at the conference itself, as well as behind the scenes.

Doozhe Dyakuyu  
Lydia Chopivsky-Benson  
President

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## Notes on Members

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For the first time a volleyball team in the Washington area will be playing in TWG sponsored T-shirts. The A-level core team, which has played together for several seasons, will play Sunday nights at Kennedy High School in Montgomery County, Maryland. For further information and/or to cheer the team to glory contact team manager Larysa Kurylas at (202)797-8236.

KISHKA, KISHKA, KOVBASA, NASHA DRUZHYNARAH, RAH, RAH, RAH!!!

Members of the team include: **Ulana Bilynsky, Zenon Dragoysz, Larysa Kurylas, and Ihor Vitkovktsky.**

**Larysa Kurylas** doesn't spend all her time playing volleyball. In her serious moments she's a talented architect. Her architectural project is currently on exhibit at the National Building Museum, in a show entitled "Visions/Revisions." The show features ideas by Washington architects for improving the cityscape of the District of Columbia. In his October 3rd review in the *Washington Post*, Benjamin Forgay described Larysa's project, "Improving the Small Public Reservations," as follows: "More helpful in the L'Enfant revisited department, are suggestions to improve the little triangles that pepper the city because of the juxtaposition of diagonal avenues with the orthogonal streets. This could be accomplished almost anywhere..." The National Building Museum is located at 401 F Street, NW. The show continues through the end of January.

For anyone who was a victim of Hurricane Andrew and wishes more information on how to be better prepared for hurricanes in the future, **Captain Daniel Kozak**, a licensed master-pilot and port safety specialist, is willing to put his expertise to use to help fellow Ukrainian-Americans. Please call him at (516)667-2521.

# Realistic Look at Ukraine's Future

By Bohdan Radejko

Kicking-off the 1992 Leadership Conference, Oleh Bilorus, Ambassador of Ukraine to the United States, confirmed that "according to our own national strategy and doctrine, we are building a new Ukrainian state, a democratic state." He stressed that Ukraine is ready to be integrated into the world community. As proof of this commitment the Ambassador pointed to the national referendum of December 1, 1991, where "the Ukrainian people united themselves and expressed the wish to have an independent state," and to a number of international treaties and international organization Ukraine has signed.

But the Ambassador's main focus was the democratic process in Ukraine. He argued that after having been part of the Soviet Empire for so many years, the challenge for Ukraine was to change people's ways of thinking from the old Soviet style, which meant: "no initiative — we have our lord, he will come and he will decide all things," to a new type of democratically oriented Ukrainian being. The goal would be to "make the citizen sovereign, to [put him] on an equal level with the government in his rights and opportunities, [and] to be able to produce economic initiative and to demonstrate economic responsibility."

Thus Ambassador Bilorus argues that a key problem for Ukraine was not the economy, in and of itself, but it was the Ukrainian man in the street who had to be changed. The Ambassador stressed that from an economic and industrial point of view, Ukraine was already a developed country, but from the point of view of democracy, Ukraine was still a developing country. "I believe that here [in the democratic sphere] we should invest all our efforts to change the nature of our people, to change them from so called "ordinary Soviet people to the citizens of a new society."

The challenge in the economic field was the need for restructuring. Here the main problem was the so called "over-militarization" of the economy and the lack of small business development. In the Ambassador's words, Ukraine had under Soviet rule become "the military industrial shop of the former Soviet Union." He foresaw a 10 year period of intense restructuring of the national industry. The cure for changing the "command administrative authoritarian economic system" was what the Ambassador called "economic democracy." This concept included three parts: 1) the problem of ownership; 2) the need for de-monopolization; and 3) the need for a national hard currency.

The Ambassador lamented the fact that Ukraine had not been able to introduce a national currency. The lack of action on the

part of the government had resulted in what he called "Hyperstagflation". The Ambassador was more vague on the matters of private ownership and de-monopolization. According to the Ambassador, "(the) real owner should be the producer, or association of producers."

In spite of the long list of problems with the economy and the lack of democratic spirit and initiative of the people, the Ambassador ended on a optimistic note. He applauded the "natural rotation of the cabinet and government" and emphasized his belief that the new government would be a government of "radical reform."

Following the Ambassador's opening statement, Mr. Adrian Karatnycky, assistant to the president of the AFL-CIO, gave an overview of the latest political developments in Ukraine.

Mr. Karatnycky said that he agreed with much of what the Ambassador had said, but wanted to stress that he and the Ambassador differed on one important point. In Mr. Karatnycky's opinion, the people of Ukraine have not been slow to move in a democratic direction. Mr. Karatnycky underlined this theme by pointing to what he saw as three distinct periods of political development in the past year in Ukraine.

The first period stretched from the time of the referendum in December of 1991 to the spring of 1992. This period was marked by a broad sense of political unity pushing toward independence and breaking away from the former Soviet structure. He applauded President Kravchuk for having conducted a foreign policy which reflected the genuine desire among Ukrainians to become independent, and for preventing the C.I.S. from becoming a restructured USSR.

By spring of 1992 the hopes for a broader coalition were disappearing. "It became clear that the old 'apparat' had control over key institutions." A slow but steady reaffirmation of control was the first signs of a "new trend toward authoritarianism. During the summer, this trend began to take roots in the system." This period ended with the dismissal by Kravchuk of the deputy prime minister, Mr. Volodymyr Lanovey.

In the third and last period, from the dismissal of Mr. Lanovey to the present, Mr. Karatnycky underlined several disturbing trends and events in Ukraine. He pointed to the fact that there were "fewer and fewer critical commentators

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## New Members

**Arthur D. Alexander (Associate)**  
CEO, Scientist  
Institute for Ukrainian American  
Enterprises  
Sonoma, CA

**Virginia Irina Alexander (Associate)**  
Sister Cities International  
Liaison/Director  
Sonoma, CA

**Raymond J. Arent (Full)**  
Government Analyst  
US Department of Defense  
Severna Park, MD

**Mary Bazylyk (Full)**  
Intelligence Officer  
US Department of Justice  
McLean, VA

**Andrew Cheren (Associate)**  
President  
Ukrainian-American Business  
Enterprises  
Parma, OH

**Andrew A. Charchalis (Full)**  
CPA  
Charchalis & Company  
Baltimore, MD

**Tania Charchalis (Full)**  
Accounting/Finance  
Charchalis & Company  
Baltimore, MD

**Natalie Mason Gawdiak (Full)**  
Editor, Writer  
(English editor, The Ukrainian Herald)  
Law Library, Library of Congress  
Silver Spring, MD

**Luba Cehelska Heinemann  
(Associate)**  
Cleveland, OH

**Andrij Iatsenia**  
Environmental Consultant  
The World Bank  
McLean, VA

**Mary Kaczaniuk (Associate)**  
Administrative Officer  
National Cancer Institute  
Baltimore, MD

**Ihor Kotlarchuk (Full)**  
Attorney  
US Department of Justice  
Alexandria, VA

**Andrew Kowal (Full)**  
Physician, Intern/Resident  
Walter Reed Army Medical Center  
Silver Spring, MD

**Mark Krutyholowa (Associate)**  
Graduate Engineering Student  
Colorado School of Mines  
Golden, CO

**Ksenia Kusmycz (Full)**  
Education Diagnostician  
Gaithersburg, MD

**Irene Kytasty (Associate)**  
New Durham, NH

**Mira A. Kyzyk (Associate)**  
Management Consulting  
Executive Partners  
Brooklyn, NY

**Andrey Meleshevich (Associate)**  
Ph.D. candidate in political science  
Syracuse University  
(formerly a lawyer, Kiev University)  
Syracuse, NY

**Bohdan Pytlowany (Associate)**  
Broker, Trading Company  
TBS Industries, Inc.  
Churchville, PA

**Steven Rapawy (Full)**  
Demographer  
US Census Bureau  
Rockville, MD

**David M. Rybak (Full)**  
Foreign Service Officer  
US Agency for International  
Development  
Falls Church, VA

**Anne T. Shalaut (Associate)**  
Accountant  
LAC Medical Center  
Granada Hills, CO

**Irene Stadnyk (Associate)**  
Nurse  
Pt. St. Lucie, FL

**Donna M. Sianchuk (Associate)**  
Manager, Market Research  
Teleglobe Canada, Inc.  
Westmount, Quebec

**Irena Szkrybalo (Full)**  
Aerospace Engineer  
US Department of Army  
Alexandria, VA

**Borys Wawryszczuk (Associate)**  
Doctor of Veterinary Medicine,  
retired  
Vermilion, OH

**Karen Zautyk (Associate)**  
Member, Editorial Board  
New York Daily News  
Brooklyn, NY

**Maria S. Zmurkewycz (Associate)**  
Philadelphia, PA

**Kristina Zwarycz (Student)**  
Cleveland, OH

# View from the Democrats

By Marta Zielyk

The Washington Group's Leadership Conference was held just a few weeks prior to one of the most unusual presidential elections in the history of the United States. The participants of the conference were fortunate to hear from representatives of the two major parties.

Penn Kemble addressed the Leadership Conference during the luncheon on Saturday. He is a senior associate at Freedom House, a bipartisan human rights organization and a foreign policy adviser to the Clinton/Gore 1992 presidential campaign. He was also co-author of a major foreign policy speech delivered by Bill Clinton in Milwaukee on October 1. The speech was hailed as one of Mr. Clinton's more impressive and insightful speeches. Accepting praise for the speech, Penn Kemble nevertheless states that Governor Clinton had much input into it and that he "found a solid common ground with the Democratic presidential candidate to a commitment to help strengthen the new democracies of the world, especially those that are emerging from the rubble of the former Soviet Union."

Stating that, as adviser, his advice is not always accepted, Penn Kemble, said that he can, however, speak with a degree of confidence on two crucial aspects of the Clinton/Gore campaign, which he said, would likely be of interest to the members of the audience. One has to do with domestic issues and the other with American foreign policy in the post-Cold War era. Addressing himself to the former, Kemble talked about ethnic politics in which ethnic communities in the U.S. are wooed by candidates running for office. "We want to be the kind of inclusive coalition that the Democratic Party was in its great days," said Kemble. He added that the Democrats who in the past tended to minimize the importance of the minority vote, are becoming aware of their ethnic constituencies, or potential constituencies in a very different way. He is convinced that the Democrats will ask much more of themselves in the way they relate to these constituencies, as well as asking more of the members of these ethnic communities. The challenges of economic reconstruction today, he continued, require a kind of cultural and civic reconstruction as well. He stated that the values and experiences of organizations such as the Washington Group will play a key role in aiding this cultural and civic renewal proceed.

The second challenge is that the structure of American foreign policy which grew up during the last half century no longer exists. Neither the ideas on which our foreign policy stood nor the machinery for the implementation of our foreign policy are quite appropriate to the situation we face today. He suggested that the Bush administration has become "disoriented" about what is happening in the world and added that "we have a

president and a State Department which is still wandering through the rooms of abandoned mansions calling out to figures and practicing traditions that are no longer at all relevant." Stating that the American people have the will to put out the money and the effort to shape the post World War II world, he added that this mood will not last indefinitely, unless we have the ideas and the leadership to be able to harness this will. In his opinion, Governor Clinton will be able to exhort a new Congress, which might be inclined to turn inward and concentrate efforts on solving domestic problems, to forego isolationism in favor of restoring America's premier role in world politics.

Kemble said that on both these challenges: the domestic reconstruction and the need to recast our foreign policy and our foreign assistance programs, people who come from America's ethnic and national heritage communities will make a vital contribution. Self-reliance, personal responsibility, belief that working hard and studying hard will lead to success — all these values which the ethnic heritage communities in the U.S. possess, are precisely those virtues which the U.S. will have to cultivate if it is to succeed economically in the next decade. "We will have to go back to the communities, such as yours," said Penn Kemble, "to rediscover those virtues."

Addressing himself specifically to the needs of Ukraine, Kemble said that the Clinton/Gore White House will pledge "itself to finishing the job." Following the post-World War II example, Governor Clinton would "reach out to the people there, help them through the transition, help them learn the skills and attitudes necessary if democracy is to succeed." This would be done not only with money, but also with time, commitment, transferring the skills of democracy, as well as rallying the American people around the idea that such actions will also benefit them here at home. To this end, Governor Clinton has proposed the creation of a "Democracy Corps," which would draw in some degree on the Peace Corps, but would search out people in mid-career, who are experienced in the workings of a democratic government and a free market economy, and — giving them adequate financial rewards — would ask them to serve in Ukraine and other newly emerging democracies. Kemble also stated that Clinton is committed to reforming the U.S. Agency for International Development.

Kemble criticized the Bush administration for failing to understand the importance of U.S. international broadcasting. As a member of the Board for International Broadcasting, the agency which oversees the work of Radio Free Europe/Radio Liberty, Kemble stated that the need for information is tremendous

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# The Republican Perspective

By *Natalie Sluzar*

Former Secretary of Veterans Administration, currently with the Bush/Quayle 1992 re-election campaign, Edward Derwinski briefed the TWG Leadership Conference. Derwinski stated that he felt close to the Ukrainian-American community since he first met Lev Dobriansky (professor of economics at Georgetown University, former president of the Ukrainian Congress Committee of America and Ambassador to the Bahamas), and received a copy of his book "Captive Nations." The basic premise of the book is that cultures and nationalism would outlast communism. Ambassador Dobriansky spearheaded the establishment of the "Captive Nations Week," which includes the U.S. government's recognition of all the countries under communist dictatorship who are seeking freedom and democracy.

Speaking from his experience as a member of the Polish-American community, Derwinski began by stating that he didn't come to preach or convince anyone about the record of the Bush Administration.

Derwinski stated that the common way of thinking in the diaspora is now that the countries are free from Soviet domination, everything will be OK. This is a far cry from reality. Derwinski believes that it will take about three to four national elections before the old guard is thrown out; cleaning out the civil service will take much longer. "Bureaucrats learn to implant themselves," stated Derwinski.

Several major problems confront the Administration as it attempts to grapple with the complex problems created by the collapse of the Soviet Union. Key is the concern for nuclear weapons. The Administration is concerned that the Russian military is not keeping pace with the bilateral political agreements made between the U.S. and Russia.

As far as providing "security guarantees" to Ukraine once all its strategic weapons are removed, Derwinski stated that the Administration is "moving methodically" in assessing that issue. The Administration recognizes that Ukraine wishes to be non-nuclear, and that the Russian military is not completely under control by the Russian government. This is of major concern to the United States.

The diaspora is crying out to help their former homeland, but much of this effort is coming from the "heart and traditions," said Derwinski. What is needed, however, is a planned, far-sighted perspective that will provide the type of assistance necessary to move these countries forward, he noted.

Several specific efforts have been undertaken by the Administration to assist the newly independent states (NIS). The

Veterans Administration, for example, has a program to supply medical equipment to the NIS. This is used equipment, but VA doctors are sent to install the equipment and provide instruction on its usage. There is also an exchange of medical personnel to work at various VA hospitals to get advanced training. There are plans to have three to six VA doctors working in Ukraine soon.

Responding to a question about the purchase of an Embassy of Ukraine building in Washington, again, being critical of the bureaucracy, Derwinski called the Office of Reciprocity at the State Department, one of the "silliest offices", which is playing "bureaucratic politics." He, however, offered no solution to the problem.

When asked about the infamous "Chicken Kiev" speech, Derwinski stated that the White House knows it made a mistake. It's not the "first or last time that the bureaucracy bungled." But what is most significant is that the Soviet Union collapsed because the United States was strong, and provided a strong alternative to the masses of people disenchanted with the Soviet system.

To this end, the Republican Party is committed, Derwinski stated, to a strong U.S. economy and to a strong U.S. world leadership. "In foreign affairs, a proven commodity is always better, than an unproven one; and that's where we stand. President Bush is an acknowledged master and leader in foreign policy..."

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## Clinton/Gore Views

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even today. We cannot "underestimate the security that people in Ukraine, for example, feel when they hear the same radio that they listened to in the underground, talking about democracy and free markets." Governor Clinton realizes this and is committed to the continued existence of such broadcasting, stated Kemble.

Kemble touched on attempts by President Bush to cast suspicion on Governor Clinton's student trip to Moscow and said: "This administration is exhausted, and it has reached a point where I am almost embarrassed for our country at which this campaign is turning into. He ended with the hope that all present will join him in voting the Clinton/Gore ticket into office in November.

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# Realities of Nation Building

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on radio and television," that there had been a change in the content of programs and that criminal investigation had been conducted against journalists who were critical toward the president.

*Rukh* had not been immune to this situation. Mr. Karatnycky pointed to what he saw as a split between one faction within *Rukh*, headed by Mykhailo Horyn, which has argued for a slowdown "in the speed with which democratic changes [are to be] implemented," and another faction, headed by Mr. Chornovil and supported by *Rukh* and New Ukraine, which have argued that slowing down on democratic reform is detrimental not only to the progress of democracy in Ukraine, but also to the conversion to a market economy.

Commenting on the new government in Ukraine, Mr. Karatnycky argued that it would most likely be temporary and saw little hope that it could support radical reform because of the former communists' majority in the parliament and the "apparatus" control over the industry.

Mr. Karatnycky was hopeful with regard to the president of the Parliament, Mr. Plushch. He said that Mr. Plushch now better understood the importance of his position and that he was finally addressing serious breaches in the democratic procedure in the Parliament and the need for new elections.

As for the diaspora, Mr. Karatnycky argued that it had been too focused on the "iconography of statehood", and less attuned to the important struggle currently taking place on the political scene. The diaspora had not reacted to the new authoritarian tendencies displayed by the past Ukrainian government. "The disputes are about democracy, about a market. The disputes are an attempt by the new order, the emerging New Ukraine, to displace those aspects of the old order that stand in the way of a normal democracy," noted Mr. Karatnycky.

Colonel Stephen Olynyk, United States Army, retired, and consultant on national security and strategy to the Ukrainian government presented an overview of the national security aspects of building a nation state. According to Col. Olynyk, Ukraine's national security structure has already been put in place, thus Col Olynyk focused on the dynamics of national security.

Col. Olynyk addressed what he considered the 5 most important "security modules" of this dynamic process: 1) national interests and goals; 2) the legal basis of national security; 3) threat assessment; 4) defense policy and military doctrine; and 5) formation of armed forces.

Ukrainian officials still had some ways to go on defining Ukraine's security goals. Until the Ukrainian parliament adopted a new defense policy, no official document laid out the national security interest and goals of Ukraine. On the legal side, Ukraine had done much better according to Col. Olynyk. 26 legislative acts and 12 implementing decisions concerning national security and defense had been produced.

Col. Olynyk focused most of his time on the third "security module," threat assessment. "The current official Ukrainian view, in so far as this can be discerned from official statements and declarations, is that at present and for the near future, the most serious threat to Ukraine's national security and sovereignty is internal," said Col. Olynyk. This view was based on the assumption of social upheaval following a possible economic collapse.

In addition to this internal threat, Col. Olynyk pointed to two differing perceptions of where the external threat was likely to come from. "The prevailing view in the Ukrainian media and political speeches is that Russia is the main potential threat." But there are differing views. There is a greater agreement about a potential threat coming from Poland and/or Rumania, according to Col. Olynyk. This view has been manifested in the recent restructuring of the 3 former Soviet military districts in Ukraine. Currently a Carpathian operational command faces west and Odessa operational command faces south. The old third military district of Kiev, currently named Central Head Quarters "is not facing anywhere. Definitely not towards the east." Col. Olynyk concluded that "Ukraine does not have a military operational command facing the source of its greatest potential threat, namely Russia."

As for a national defense policy, this was still being formulated by the Ministry of Defense and subject to approval by the Parliament. The general statements that were available had so far not provided any "clear guide posts as to what Ukraine's national security objectives are in a new geopolitical configuration in Eastern Europe."

The last of the 5 security modules, the armed forces, has left Ukraine with some daunting tasks. Col. Olynyk stressed that there was a Ukrainian army, made up of the previous Soviet army on Ukrainian territory. Even though the majority of these forces have taken the Ukrainian oath of loyalty, there is no way of telling if the Russian officers, who are in the majority, will switch their loyalty if the economic conditions would become more severe. Ukraine, according to Col. Olynyk, is faced with the very difficult task of transforming the former Soviet armed forces on Ukrainian territory into an effective Ukrainian army,

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## Realities... continued

made up of loyal soldiers without alienating its officer corps and also finding jobs and opportunities for thousands of discharged soldiers. This is a tall order for any country.

Dr. Oleh Semenets, vice chairman of the National Center for the Implementation of International Technical Assistance to Ukraine, concluded the first session with an overview of the country's economic reform efforts. In short, Ukraine's reform efforts seems to be going nowhere fast. According to Dr. Semenets, Ukraine's industrial recession which began in 1990 "failed to be contained in the current year. The purchasing power of the ruble and the coupon continues to drop. Barter is increasingly becoming the substitute."

An important reason for Ukraine's troubled situation, according to Dr. Semenets, is Ukraine's protracted participation in "the so called integrated national economic complex, [which] has made Ukraine a hostage of the economic policies of Russia." Russia's price liberalization forced Ukraine to do the same. The effect of the price liberalization has been inflation and rising profits for monopolistic enterprises. "Arbitrary and essentially aggressive moves by the central bank of Russia, plus the deregulation of Ukraine's own banking system, underlie a profound payment crisis that effects all production entities and may well cause the complete paralysis of the economy."

Footdragging by the former government of Ukraine on implementation of its economic reform plans have not helped the economic situation. At times Dr. Semenets wondered if the government had a realistic view of the current situation. "The government maintains that the situation in the agricultural sector has been normal. Normal from what point of view? Our agriculture is still loosing up to 40% and in some cases up to 60% of the produce due to poor storage and transportation system."

On the international scene, there appeared to be some positive news. Ukraine has signed 10 financial agreements with banking and financial organizations in the United States, Canada and Germany. The European Community has also granted credits to Ukraine. After having joined the World Bank, the ERBD and the IMF, Ukraine is now faced with the hard task of living up to the conditions of these organizations. IMF's conditions would force Ukraine to show considerable progress towards economic reform.

Dr. Semenets concluded his overview with the following ominous statement: "The new government will have to come up with a new program of action for further deepening of reforms, if any. So on this indefinite note I would want to stop and express the hope that possibly the next government will adhere to large scale radical reforms."

### COSTS OF A COLLEGE EDUCATION GOT YOU WORRIED?

If you are saving for a child's college education, call the Financial Services Department of the Ukrainian National Association. Consider the advantages of a program which will offer you:

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The Holy Family Parish is collecting wrappers with the proof-of-purchase (UPC bar code) from Hershey's candy bars, 1 oz. or larger. For each UPC bar code the parish will receive a donation from the Hershey Foods Corp. Participating brands include: Hershey's Milk Chocolate, Almond, Special Dark, Reese's, 5th Avenue, Mounds, Almond Joy, Reese's Crunchy, Twizzlers, Caramelo, Cadbury's Bar, Sumphony Milk Chocolate, Krackel, Mr. Goodbar, or York. If you purchase any of these, please drop off the wrapper/UPC bar code at the parish office.

Not to be outdone, M&M/Mars Company will also give the parish a donation for each wrapper with UPC bar code for the following items, in single or king size: M&M brand Chocolates, Snickers, Skittles Bite size candies, Starburst Fruit Chews, TWIX Cookie, Bounty, Today's Munch, PB MAX Real Peanut Butter Snack, 3 Musketeers, Mars Almond, Mars Milky Way, Mars Milky Way 11, Combos Snacks, Dove Chocolates, Dove International Singles, 3 Musketeers. If you purchase any of these, please drop off the wrapper/UPC bar code at the parish office.

# Ukraine's Infrastructure an Opportunity for the US

by Michael Savage

Last year, the Taiwanese government announced a "Six-Year National Development Plan", at a cost of three hundred billion dollars to build and develop Taiwan's infrastructure. The Clinton Campaign has pledged to spend more than twenty billion dollars in the next four years on infrastructure maintenance and high-speed rail systems. Both these programs shed light on the importance for a sound national infrastructure program, and a focus toward twenty-first century economic competitiveness.

There is no doubt that one of the greatest hurdles that stand in the way of a revitalized Ukrainian economy, ready to compete in the twenty-first century, is its sagging infrastructure. Everything from Ukraine's poor roads and highways to decaying sewers to continual environmental degradation has a direct and deleterious impact on the state, and future state, of Ukraine's struggling economy.

What can Ukraine do to solve these problems, problems labeled by Dr. E. Z. Stakhiv of the Army Corps of Engineers as "an order of magnitude" worse than those in the United States? There is no doubt of the long-term benefits of a developed infrastructure, but how can infrastructure projects today help Ukraine grow in the short term? More importantly, how can these projects be financed in period of enormous fiscal cutbacks resulting from the shift of a bankrupt, central bureaucracy to a market-driven economy? These questions were addressed during the discussion group at the 1992 TWG Leadership Conference by various experts in the field of infrastructure development, moderated by Dr. Theodor Kostiuk of NASA.

In order for infrastructure projects to be initiated in Ukraine, they must have a tangible, short term result. Dr. Stakhiv explained that the greatest short-term benefit of infrastructure expansion is their labor intensiveness, and therefore an ability to employ large numbers of workers for a long period of time. For a depressed economy with a large available labor pool willing to work at rock-bottom wages, this short-term benefit is substantial.

However, the central government of Ukraine has "more immediate needs" to attend to than infrastructure, therefore making from-above infrastructure growth like Taiwan's impossible. The end result is that not only will infrastructure projects need local direction, management and planning, but, more importantly, independent revenues. However, private infrastructure development is not unusual, particularly in the

United States, where most telecommunications and air travel are run by private companies. But even within the context of a public work, the possibility exists for a profit motive. These kinds of revenue-producing projects are possible through user fees—for example, port authority taxes and road tolls. These projects are able to pay for themselves, as well as improve the general welfare of the state.

Michael Curly, an expert on investment banking and economic development, detailed the various mechanisms in which Ukrainian companies can get financing for their infrastructure projects. Mr. Curly particularly focused the need for financing through international capital markets such as the World Bank and the International Monetary Fund. Mr. Curley also discussed financing through private and municipal bonds that companies or local governments could issue in order to gain capital for infrastructure development.

Finally, the issue of how the diaspora can assist in the rebuilding process of Ukrainian infrastructure was discussed. The diaspora can be particularly effective in the management side of infrastructure development. As Dr. John Boland of Johns Hopkins University noted, "The United States [diaspora] is uniquely qualified to help Ukraine deal with this problem because of its diversity of organizational structure." Dr. Boland concluded by stressing the myriad of co-beneficial infrastructure projects that the Ukrainian-American business community can both involve itself, and profit from.

Without governmental support, Ukraine will need to use creative financing and international assistance in order to develop a modern infrastructure. Compared with the massive infrastructure spending in the rich industrialized nations, these projects will perhaps initially be modest, but will eventually be of enormous long-term importance. And Ukraine does have an advantage, as Harvard Economist Robert Reich notes in *The Work of Nations*: "The skills of a nation's work force and the quality of its infrastructure are what makes it unique, and uniquely attractive, in the world economy." Ukraine is one of the most educated countries in the world. With wise, effective and creative infrastructure growth, Ukraine can no doubt become a real and viable competitor in the twenty-first century global economy.

# Community Calendar

**November 14, 15 — Saturday, Sunday**

**Exhibit of works by Zenon Holubec**

Works in wooden and bas-reliefs

Sponsored by the Sisterhood

Holy Trinity Ukrainian Particular Church

Opening Reception : Saturday, 7:00 PM

Exhibit open Sunday, 12:30 - 3:30 PM

For information call: Natalka Gawdiak (301)622-2338

**November 15 — Sunday**

**Dinner to Commemorate the 90th day of birth of historian-writer Hrihoriy Kostiuk**

St. Andrew's Ukrainian Orthodox Church

1:00 PM

For information call: Mrs. Francuzenko (301)774-9656

**November 15, 16 — Sunday, Monday**

**Exhibit of works by Dmitro Farkovets**

Works in enamel

St. Andrew's Ukrainian Orthodox Church

Exhibit open on Sunday, noon to 9:00 PM

and Monday, 2:00 - 9:00 PM

For information call: Mrs. Francuzenko (301)774-9656

**November 21, 22 — Saturday, Sunday**

**Christmas Bazaar**

St. Andrew's Ukrainian Orthodox Church

Saturday, 11:00 AM - 7:00 PM

Sunday, noon - 5:00 PM

For information call: Mrs. Francuzenko (301)774-9656

**November 29 — Sunday**

**Commemorative Banquet in honor of the dedication of a monument to Hryhoriy Skovoroda**

Banquet begins at 1:30 PM

Admission: \$10.00

For information call: Rev. Podhurec (301)384-9192 or

Mrs. Francuzenko (301)774-9656

**December 4 — Friday**

**TWG Christmas Party**

Bellevue Hotel

15 "E" Street, NW

(a block and a half from Union Station, Red Line Metro)

8:00 PM

Admission: \$12.00 includes food, music, dancing

Cash Bar

Hotel garage parking available for a charge, or street parking

For information call: Natalie Korytnyk (301)718-1067

**December 6 — Sunday**

**Dumka Kiev National Choir**

Concert Commemorating the first anniversary of the Declaration of Independence of Ukraine

4:00 PM

Archbishop Carroll High School

4300 Harewood Rd., NE, Washington, DC

Sponsored by the Ukrainian National Association, UCC/ Toronto and the Ministry of Culture of Ukraine

For information call: UNA Washington office (202)347-8629

**December 19 — Saturday**

**Svyatoho Mykolaya**

Sponsored by Ridna Shkola

Holy Family Ukrainian Catholic Church

2:00 PM

For information call: Zirka Harabatch (301)916-0978

**January 16, 1993 — Saturday**

**Malanka and presentation of Debutantes**

Sponsored by the Ukrainian Association of Washington Indian Spring Country Club

For Information call: Ihor Mouchyn (301)568-4917

## Announcement

Citizens Democracy Corps, a non-profit organization mobilizing volunteers to assist the Commonwealth of Independent States, seeks entrepreneurs and/or business people with international experience for 12 month volunteer assignments in Moscow, St. Petersburg and Kiev. Volunteers will identify and screen local companies in need to technical assistance in adapting to market economy. Volunteers will be provided with airfare, housing, a car and office support to accomplish the task. Interested candidates should Fax or send a resumé to:

Citizens Democracy Corps  
Dept. NG  
2021 K Street, NW  
Suite 215  
Washington, D.C. 20006  
FAX (202)872-0923

**Danusia Wasyliwskyj is the Community Calendar Coordinator. Organization leaders are requested to notify Danusia of their upcoming events, prior to the 15th of each month. This schedule will be published in the TWG NEWS calendar. Danusia's phone number is (301)652-3938**

## DO YOU WANT TO BE A MEMBER OF THE WASHINGTON GROUP?

The Washington Group (TWG) is an association of Ukrainian-American professionals who live throughout the United States and in several countries of the world. It offers its members an opportunity to meet and get to know each other through a variety of professional, educational and social activities. TWG NEWS is a monthly newsletter for TWG members, and a membership directory, published for members only, helps them in networking.

To apply for membership, please fill out the form below and mail with a check to:

**The Washington Group, P.O. Box 11248, Washington, D.C. 20008.**

(The Board of Directors considers membership applications at its monthly meetings.)

Name \_\_\_\_\_ Profession \_\_\_\_\_

Home address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Home phone \_\_\_\_\_

Company \_\_\_\_\_ Position \_\_\_\_\_

Business address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Office phone \_\_\_\_\_

*Circle information you would like omitted from the published TWG Directory.*

Membership Dues (Please check where appropriate):

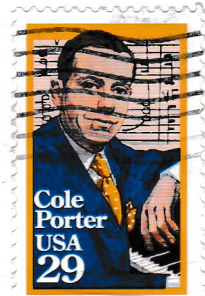
\$50 Full Membership

\$35 Associate (Members outside Washington metropolitan area and retirees)

\$15 Full-time students

\$10 Surcharge for foreign addresses (*Payment must be in US Dollars*)

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