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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Leonid Kuchma of Ukraine on
21 July 1994

PARTICIPANTS: The President
President Kuchma
Interpreter: Marta Zielyk
Notetaker: Nicholas Burns

DATE, TIME 21 July 1994; 9:51-10:09 (EDT)
AND PLACE: Oval Office

The President: Hello, President Kuchma. (U)

President Kuchma: Yes. (U)

The President: I am calling to follow up on my letter. I wanted to congratulate you on your victory in the election and on your swearing in July 19th. (U)

President Kuchma: Thank you very much, President Clinton. I am very pleased you have called to congratulate me on my Presidency. Thank you for confirming that Ukraine is important for the U.S. (U)

The President: Your country is a very important priority for me personally and for the United States. I hope that we will have close relations between our two governments and between us personally. I wanted to discuss today two important aspects of our relations: economic reform and security cooperation. You have inherited a difficult economic situation. You will need strong links to both the East and West to rebuild your economy. There is considerable support in the West for economic reform in Ukraine. At the G-7 summit in Naples, I led the effort to commit more than four billion dollars in international financial support which will become available as Ukraine undertakes fundamental economic reforms. We also agreed on an initiative to promote nuclear safety and the shutdown of the Chernobyl reactors. I wanted to reaffirm our intention to go forward with our \$350 million bilateral assistance program to Ukraine. I also recently approved the board of a new \$150 million Enterprise Fund which I hope will stimulate private sector development in Ukraine. I think Ambassador Miller has mentioned to you that we will make available an eminent private U.S. economist, Rudi Dornbush of the

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Massachusetts Institute of Technology, who could assist you and your leading officials, such as Minister Shpek. If you are interested in this, I know Professor Dornbush well and he could arrive by the end of the month. (S)

President Kuchma: I am grateful and would like to have him come. (S)

The President: Thank you very much. (U)

President Kuchma: Mr. President, this, our first conversation gives reasons for our closer relations with you. I hope we may have a chance to meet soon to exchange opinions on our situation. It would be even better if you could come to Ukraine. This would be of extreme importance from our point of view. I would like to take the opportunity to reconfirm that all our international commitments will be fulfilled. I am very grateful for your initiating the Western effort to give \$350 million in assistance to Ukraine. I had the chance to speak to Mr. Gore earlier and at that time he thought the U.S. would be able to initiate that assistance. And you did. I am very pleased that you keep your word. I think you are, in fact I am sure you are, aware of the grave economic situation in our country. I would like to find a mechanism to get aid flowing more quickly to solve these economic problems. I would also like to say that Ukraine will meet its obligations under the Trilateral Accord. It is possible to say that we are meeting all our agreements. Today forty silos have been dismantled. 307 nuclear warheads have been transported to Russia. But as for the steps from the U.S. side concerning your assistance, no practical steps have been taken up to now. All the removed missiles and elements are kept in wagons in the open air. Heptile fuel, a very dangerous fuel, is also kept in tanks. We pray to God, God willing, that nothing will happen. That is why I would like to ask you for a quicker solution, for quicker consideration of that issue because we may lose politically if something happens. We need to construct storehouses for the fuel and for the neutralization of the stored components. Regarding the Chernobyl nuclear power plant, I agree that this requires an urgent solution. I am not aware of all the details of the problem. When I know them, I will let you know as soon as possible. I have a three year old grandson and I don't want him to live near Chernobyl. As far as reforming the economy is concerned, I am categorically for reforms and progress. There will be no reversal. I hope we will manage and we would be glad to meet with the economic advisor you mentioned. I have invited some economic advisors from Germany and France as well so we are ready for cooperation. Today Ukraine has only two ways. The first is to become an economically powerful state. The second is the destruction of Ukraine and the path of Ukraine in this way is

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only with Russia. I actually am against the second way, but the economic situation of the present day worries me. Knowing your role in sorting out the issues of the world, I would like the United States' and your personal support. (S)

The President: You will have it. We will work closely on economic and security issues. I appreciate your reaffirming your intention to keep your commitments on security matters and especially on the Trilateral Accord. The Vice President told me about your role in ensuring that the Rada passed the Accord last February and I appreciate that. I have also committed to assuring that our \$350 million of assistance to dismantle the nuclear missiles comes through without delay. I know you have some concerns about this so I have asked our experts to go to Kiev as soon as your experts are ready to receive them. Our team will be ready to work on the problems. I also hope you and I will be able to work together on the last nuclear issue, Ukraine's accession to the Non-Proliferation Treaty, because if we achieve progress on that, we will be able to work together on other issues like high technology and aerospace and this will be valuable to Ukraine. I hope we can solve this. Thank you very much, Mr. President. (S)

President Kuchma: Thank you for your congratulations and your attention to Ukraine. I hope to meet you. (U)

The President: Thank you. I hope to see you soon. (U)

President Kuchma: Good-bye. (U)

The President: Good-bye. (U)

-- End of Conversation --

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