

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Ukrainian Supreme Soviet Chairman
Leonid Kravchuk (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert Zoellick, Under Secretary of State for
Economic Affairs and Counselor
Ed A. Hewett, Senior Director for Soviet Affairs,
NSC Staff
Jon Gundersen, Consul General Kiev
Curtis Kamman, Deputy Assistant Secretary of State
for European and Canadian Affairs
Nicholas Burns, Director for European and Soviet
Affairs, NSC Staff (Notetaker)
Interpreter

Leonid Kravchuk, Chairman
Evgeniy Fokin, Prime Minister
Anatoliy Zlenko, Foreign Minister
Gennadiy Yaneev, Vice President of the USSR
Viktor Komplektov, USSR Ambassador to the U.S.

DATE, TIME August 1, 1991, 1:45 - 2:15pm
AND PLACE: Marinskiy Palace, Kiev

The President: I was very moved by the welcome of all those people along the route as was every other American with me coming into Kiev today. (U)

Chairman Kravchuk: Mr. President, welcome to Kiev, welcome to Marinskiy Palace. First, I want to say to everyone here that I am very satisfied by my talks with the President in the car and in our meeting. I was also satisfied by your comments on many issues. I hope you and your party have felt that the Ukrainian people deeply respect the American people and your policies by this welcome. I also hope, Mr. President, that you will understand the aspirations of Ukraine for cooperation in different fields. We believe friendship and cooperation are very important for us. I would like the forthcoming UN General Assembly to take into account the political forces in our country and to treat them with respect. We are following resolutely state sovereignty. We want to enrich the existing union and want

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to become part of the union community, the European and the international communities. As a UN member, Ukraine is willing to participate in UN General Assembly meetings and discuss our wider participation in this and other international organizations. (S)

We have great economic problems in Ukraine. I would also like to say that the establishment of your Consulate here will contribute to relations with our countries. I would be satisfied if the U.S. would permit us to open a Consulate in the U.S. As I said to the President in the car today, I also want to thank you for your assistance for Chernobyl and hope it will continue. I think the donors conference on Chernobyl will give a new emphasis to Chernobyl problems. The nuclear agency in Vienna gave a report, a rather modest assessment of the problem. The conference will help with an objective view of this problem. (S)

The President: First, I want to say how pleased we are to be here in Ukraine and are sorry that time is so short. I am moved by the warmth of the reception you and your people gave us on the streets. The dramatic results of perestroika and glasnost have produced a new opening for the U.S. and Ukraine. I have had a chance to explain to Chairman Kravchuk that we'll deal officially with the center. I told him of my deep respect for President Gorbachev. But as the Union treaty is worked out, I understand it will allow more direct dealings with the republics. In the meantime, we can go forward with economic issues, with nuclear safety. There are a lot of areas where the U.S. can be helpful. (S)

On our Consulate, I am delighted it is here. A reciprocal opening would have to depend on the details of the Union treaty. I hope you will agree with that. I know we are short of time but there is a delicate balance here and I want to deal respectfully with the center. And yet we have a couple of hundred years of tradition with the U.S. and other countries dealing in many ways. There may be some standard thing but Ukraine has a tremendous following in the states where there are well over one million Ukraine-Americans. This allows us to start off with a lot going for us on both sides. So, I think I will leave it there for now, but I would be glad to respond to questions you or your associates may have. (S)

Prime Minister Fokin: It is a great privilege for me to consider myself as your personal friend after this meeting. I will not repeat what Chairman Kravchuk has said. I followed your airport speech with great attention. I am satisfied by the fact that the propositions I will make will respond to your ideas on cooperation with the U.S. I would like to suggest: (S)

First, I think Ukraine should be given Most Favored Nation status and, based on this, I suggest that relations between Ukraine and the U.S. should be expanded.

Second, concerning U.S. investments, they will be guaranteed here by the National Bank and the ministries. They can be made in new projects or in reconstruction. What I would like to stress is that these are not loans but investments of any possible scope up

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to \$5 billion. For this purpose, we should set up a joint commercial bank based on shares.

Third, the American side should participate in the privatization of industries here: in coal mining, mechanical engineering, and light industry. After the reconstruction of industries, we could use them to renew our economy. U.S. firms will be given the possibility to trade freely here.

Fourth, we can guarantee investments of rubles in joint ventures, primarily to produce consumer goods.

Fifth, we would like to establish a Ukrainian-U.S. association which would open shops and stores here in Ukraine and in those parts of the U.S. with heavy concentrations of Ukrainian-Americans (Fokin handed a list of ideas to the President).

The President: Well, we will have to take a look at these ideas. Of course, we are already doing MFN which covers all of the USSR, so you will benefit from that. We will look at all five areas but it doesn't sound like we can't do any of these. Trade is no problem. And the new projects, we're for them. Small business is a big part of U.S. employment and we could help you with that. Let me get back to you with a more specific response. (S)

- End of Conversation -

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