



# Canadians welcome President Kuchma

Leonid Kuchma's state visit to Canada, the first by a Ukrainian President highlighted the special Canada-Ukraine relations for the 1994 calendar year. President Kuchma, his wife, Ludmyla, and a delegation of 63 spent five days in Canada in late October; it was his first official trip outside Ukraine since his electoral victory in July.

- ◇ The 56-year-old President was greeted on October 23 by Governor General Ray Hnatyshyn. A state banquet was held for Ukraine's first couple later that evening at the Governor General's official residence, Rideau Hall.
- ◇ The following day, President Kuchma met with Prime Minister Jean Chr tien, and the two signed a Friendship and Cooperation Agreement. At a joint news conference, Mr. Chr tien said he hoped that after Canada helps Ukraine's economy to grow, Ukrainians "will buy more goods and services from us."
- ◇ President Kuchma also met privately with the Speaker of the Senate Romeo LeBlanc, who has since become Canada's new Governor General, succeeding Mr. Hnatyshyn in early February.
- ◇ In a separate signing ceremony between Ukraine's Foreign Minister Hennadi Udovenko and Canada's Foreign Affairs Minister Andr  Ouellet, the Canadian government allocated a further \$23.8 million in technical assistance to Ukraine in the areas of private sector and policy development, security and nuclear safety, nuclear fuel management and land registration and management.
- ◇ Mr. Ouellet also unveiled another \$13.5 million in direct balance of payments assistance to Ukraine; \$20 million was also added to Ukraine's line of credit.
- ◇ Other Canadian-Ukrainian accords signed that day included: a Foreign Investment Protection Agreement, a Memorandum of Understanding on the Canadian Cooperation Program, an Economic Cooperation Agreement, a Military Cooperation Agreement and Memorandum of Understanding on Military Cooperation, and a Double Taxation Agreement.
- ◇ On October 25, President Kuchma travelled to Toronto, where he met with Ontario Premier Bob Rae and attended a symposium on Doing Business with Ukraine, organized in part by the Canada-Ukraine Chamber of Commerce. That evening, the President also addressed more than 1,100 enthusiastic supporters at a Ukrainian Canadian Congress banquet. A visit to the Pickering Station provided a demonstration of Ontario Hydro's new technology being acquired by Ukraine.

- ◇ Mr. Kuchma then flew on to Edmonton, where, in between meetings with provincial government officials and members of the Alberta Ukrainian-Canadian community, President Kuchma was wooed by over 800 schoolchildren from the Alberta Bilingual School Program, who sang the Canadian and Ukrainian national anthems in Edmonton's City Hall. He and his officials participated at an Alberta-Ukraine Business Seminar, and attended a banquet in their honour.
- ◇ Before heading for Winnipeg on October 26, the President stopped briefly in Saskatoon, where he met with another prominent Ukrainian-Canadian, Saskatchewan Premier Roy Romanow.
- ◇ Later that day, Mr. Kuchma arrived in Winnipeg, on the eve of the special G-7 Conference on Economic Transformation in Ukraine. He met with Manitoba Premier Gary Filmon (also of Ukrainian ancestry). That evening, he was the guest of honour at a Ukrainian Canadian Congress community banquet attended by over 800 people. Senior Federal government Minister Lloyd Axworthy announced the creation of a bilateral national employment service with Ukraine, along with a Canadian research and training reform program. As everywhere, the delegation talked business at a Canada-Ukraine Business Symposium.
- ◇ The next day, President Kuchma opened the G-7 meeting at the Hotel Fort Garry, where 80 senior officials from 14 delegations had gathered. Mr. Kuchma outlined his commitment to economic reform in Ukraine: by cutting Ukraine's budget by 15% of the country's gross domestic product, increasing interest rates, setting inflation targets to lower the rate from this year's 842% to 210% next year, increasing the price of goods, water and electricity, introducing the long-awaited hryvnia and privatizing 6,000 government-owned facilities. In turn, the G-7 group offered Ukraine \$1.2 billion in assistance.
- ◇ Russia's Foreign Minister Andrei Kozyrev appeared unexpectedly at the G-7 Conference to encourage G-7 delegates to help Ukraine pay off its \$363.3 million debt to Russia. Later, President Kuchma visited a rural Manitoba dairy farm. His last official function in Canada was to lay a wreath at the monument to Ukraine's national poet Taras Shevchenko.

⇒ See pages 18-19 for the Business Conference summaries.

(Monitor and Ukrainian Weekly files)

Kuchma's reaffirmation of his government's commitment to comprehensive economic reform in a keynote speech at the opening session of the Conference. This commitment was elaborated by the Ukrainian officials at the Working Session.

## 5. ECONOMIC REFORM PROGRAM

The Ukrainian representatives outlined the key elements of their comprehensive agenda for economic reform, reviewing four main areas: macroeconomic stabilization, economic liberalization, structural reform and social safety net reform. Participants agreed that full implementation of this initial

set of measures would set the Ukrainian economy firmly on the path to stability and renewal.

## 6. MACROECONOMIC STABILIZATION

Ukrainian representatives affirmed their plans to implement credit and monetary policies aimed at securing low inflation and a stable exchange rate, and to adopt measures to reduce the budget deficit sharply. Participants agreed that these actions represent a crucial step in securing credibility and broad-based support for the overall economic reform program and

welcomed the priority that Ukraine attaches to their early implementation.

## 7. ECONOMIC LIBERALIZATION

Ukrainian representatives also described the unification of exchange rates and liberalization of most prices, and the planned abolition of most export quotas and licenses. Participants agreed that these are central requirements of an efficient market economy and noted the importance to Ukraine's future economic prospects of secure access to world export markets.