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15 November 1994

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Respected colleagues, thank you very much for this opportunity to start these hearings. And above all, I want to apologize for the delay. But, as you all know, our winter always comes completely unexpected, so the city was fully paralyzed.

I want to start by saying that for us, from the point of view of the Ministry of Foreign Affairs, there is no more important direction in our work than relations with Ukraine. Although quite often one can hear the statement that priority is given to Western Europe, the United States, the Asia-Pacific. Speaking in broader terms, there is no more important task than to strengthen, develop, and make more multifaceted relations with Ukraine. This is our closest neighbor, this is our historical partner, this is a brotherly nation, and *in a different way*, not one sane person in the Ministry of Foreign Affairs, and, I'm sure, far beyond the walls of our ministry, can foresee a different development of relations with Ukraine.

It has been repeatedly confirmed, including at the highest level from the mouth of our President and in a statement of our Parliament, that very friendly, equal, partnership relations, based on the generally accepted norms of international law- this is that course, this is the direction that we are aiming for and that we want to achieve in our relations with Ukraine, and we look forward to a reciprocal approach.

To say that the establishment of our relations, although they are several years old already, are occurring fairly simply, are occurring without conflict, this would be, to a certain extent, an exaggeration.

As you remember, in the first period there were, were a whole group of factors that influenced an increased emotional tension and attitude that interfered with the creation of a legal framework. Then, as our relations deepened, as we faced more and more complex issues, we started, shall we say, more systematic work on the Black Sea Fleet, on the creation of a legal framework, on economic issues, and considering that perhaps nowhere is there such a volume of interrelationships, of interconnections, as in Russian-Ukrainian relations, then, naturally, we have encountered certain difficulties throughout this time.

But at the same time, I want to emphasize that there was never a lack of goodwill on either side. Difficulties were rather of a technical, organizational character. Well, to a certain extent, they

can be attributed to some momentary mood. But the final goal no one ever called into question, on either side.

What do we have for today. After Ukraine held elections, Leonid Danylovych Kuchma was elected President, and our dialogue perked up significantly.

Perhaps for the first time, the issue specifically arose about the implementation of an official visit by our President to Kiev, so that over the course of the visit were signed, was signed, a large block of documents, and in doing so would create that contractual framework for our relations which we want to create.

Although a significantly large number, it is already several dozen, if not hundreds, of various industry agreements and documents, already exist.

Which documents are specifically being discussed now in preparation for the official visit. First of all, the question is about what needs to modernize, we need to negotiate a new basic political agreement that would meet modern realities, and foremost, would be directed to the future to replace the agreement of November 19, 1990, and the agreement on the further development of transnational relations which was signed at the end of June in 1992.

Several rounds, very tense rounds, of negotiations took place between the two delegations, and currently the situation is such that we consider the text to be practically complete.

It is developed to such an extent that it can already be put on the contractual paper and be submitted for approval by the top officials in our two states. It does not mean that there are not a few rough edges left, but we think that they will be able to be worked through in the last meeting, in the last round of negotiations between the delegations.

But the conclusion of only merely one political agreement, in our opinion, would be an insufficient outcome of the President's visit. And that is why our approach to this issue is fraught with complexity. *We believe that it is impossible to extract from the general context of our relations only one problem of the political treaty.* That at the same time it is necessary to achieve a real breakthrough on, in the negotiations on the Black Sea Fleet, to finish work on the economic block of problems, that is, to fix the problem of Ukraine's debts to Russia, and, if possible, fix the issue of debts and assets of the former Soviet Union. And the fourth issue is the issue of accession to the treaty, of Ukraine to the treaty on non-proliferation of nuclear weapons and *provision to it*, in this regard, guarantees on the part of the nuclear states,

On the Black Sea Fleet. I will speak relatively shortly, because present here are my colleagues who are directly involved in each of these areas. And I think that when they speak they will speak with greater detail.

On the Black Sea Fleet. Currently, we have practically agreed on a section of the agreement about the division of vessels of the Black Sea Fleet. This was done at the insistence of the Ukraine side and our delegation cooperated with it. *Having in mind meanwhile* that aspects of the problem of the Black Sea Fleet will be resolved in tandem, which includes the issue of the basing of the Russian Federation's Black Sea Fleet in Crimea. But here precisely in this is perhaps the most difficult and most important issue for Russia, alas, as yet we do not observe significant progress in our direction on the part of our Ukrainian partners.

I have the last of our proposals that were submitted almost a month ago to our Ukrainian colleagues, and unfortunately, to date we do not have a response about this as far as it suits them or what they offer in return.

Until very recently, *they* did not have messages about when our partners would be ready to meet in order to continue these negotiations. Only today I received a message that either tonight or tomorrow Evgenii Kirilovich Morchuk arrives in Moscow in order to meet with our delegation, which, as I understand, will now be chaired by Oleg Nikolaivich Soskovets, but this still needs to be double-checked. This is a result of an agreement between our two presidents reached in the course of their last meeting here in Moscow during...the CIS. So here I hope that in the next day or two some progress on this issue will also occur. The issue of Ukraine's debts to Russia. Of course, this issue is extremely difficult. Currently this debt amounts to more than 5 billion dollars, and it continues every day due to the fact that the supply of oil and gas and other goods continues, payment does not happen, and this debt continues to grow.

Here are 2 points that I would like to concentrate on. The first thing is that regardless of the fact that the debt is growing, including the recurring debt, and meanwhile there are currently no serious solutions to the general debt. Nevertheless, supplies of vital goods for Ukraine, primarily energy products from Russia, continue. And second. As you know, recently, but roughly speaking it was a few weeks ago in Canada, there was a special conference in Winnipeg on the issue of economic assistance on the part of the G-7 and the international monetary and financial institutions of Ukraine. An agreement for holding such a conference was reached as far back as the Naples meeting. Moreover, there was an understanding that Russia would also take part in it.

Then, at the very last stage of preparation for this conference, it suddenly became very clear that Russia is not invited. Well, as such the direction is rather strange, because the largest creditor of Ukraine is Russia after all. And thanks to serious pressure from our side, and thanks to, and maybe especially because, of an agreement that was reached by our President and President Clinton on the participation of Russia, as a result it was possible to reverse the positions of other countries, and the Russian delegation attended this conference and announced that under certain conditions we are ready to give to Ukraine a delay up to February 1, 1995 of its, well, current payments that amount to approximately 640 million dollars.

This is the largest loan amount, or additional support, which was given to Ukraine. All together the financial institutions collected in the capacity of the first tranche a total of around 370 million dollars, which is two times less than the contribution that Russia announced at this conference. The funds, which must come to Ukraine from financial institutions under the terms on which they appear, should be partially used to pay for their current, the repayments of their current obligations to Russia. But again, maybe this requires further clarification, but as recently as today it was reported that the entire amount will be redirected to pay for Turkmen gas.

What other questions are there, considering the brevity of time, what other issues would be worth, in my opinion, dwelling on. There is a question about the Russian language. In our opinion, the case needs to be made so that the Russian language is recognized in Ukraine on par with Ukrainian as a state language.

Konstantine Fedorovich, because he appeared first, has already spoken about the number of Russians living in Ukraine. If we talk about the number of people for whom Russian is their native language, then the number is naturally much larger. And any, I don't want to talk about any discriminations, but even any inconveniences connected with the language problem, this is the thing which....