

countries. In this regard, both countries attach great significance to their bilateral Agreement on Trade Relations which came into force on June 22, 1992, and are committed to carrying out its full provisions. The United States and Ukraine also agree to establish a special Bilateral Commission on Trade and Investment to expand commercial relations.

Both countries will work to reduce barriers to trade and investment in order to expand access to each other's market. The United States appreciates the importance of market access for economies in transition, such as Ukraine. The United States has already extended to Ukraine the benefits of the U.S. Generalized System of Preferences. In their efforts to expand trade, both sides will be guided by the principles of the GATT. The United States supports Ukraine's interest in formally applying for GATT membership and is prepared to provide technical assistance to help Ukraine implement a trade regime consistent with GATT rules.

U.S. private investment in Ukraine can make an important contribution to Ukraine's transition to a market economy. Both sides agree that the signing of an Avoidance of Double Taxation Treaty and a Bilateral Investment Treaty, providing comprehensive protection for investors, are important steps to stimulate private capital flows, but that they need to be accompanied by Ukrainian actions to improve its overall investment climate if the full potential for foreign direct investment is to be achieved.

Both sides agree on the importance of cooperation and information exchange in the area

of science and technology. The conclusion of a bilateral Science and Technology Agreement will help formalize government-to-government cooperation in this area. In addition, the U.S. and Ukrainian governments agree to establish a special Joint Commission to facilitate cooperation in high technology and scientific research and development. The two governments agree to cooperate in the field of outer space and to hold early meetings of experts to consider specific issues and areas of cooperation in this field.

The two leaders continue to place the highest priority on the success of political and economic reform in Ukraine. The United States will provide up to 350 million dollars in bilateral economic assistance in Fiscal Year 1994 to support Ukraine's transition to a market-oriented economy and a democratic society. The United States and Ukraine also agree that international financial institutions, particularly the IMF and the IBRD, have an essential role to play in providing financial resources to facilitate Ukraine's transition to a market economy. The United States encourages Ukraine to work closely with the IMF and the IBRD in implementing a program of bold economic reforms. The United States, for its part, is prepared to exercise leadership within the G-7 to mobilize additional, multilateral assistance to support a comprehensive reform program.

NOTE: An original was not available for verification of the content of this joint statement.

## Joint Statement on Economic and Commercial Cooperation

*March 4, 1994*

The United States and Ukraine believe that expanded bilateral economic ties and commercial cooperation can make a significant contribution to strengthening their relations and developing free markets, economic growth and jobs in our two countries. Both countries are committed to making greater efforts to develop commercial projects based on trade, joint ventures and foreign direct investment, recognizing that individual commercial and investment decisions must be made by the enterprises concerned.

### *Trade*

Both countries attach great significance to their bilateral Agreement on Trade Relations which came into force on June 22, 1992, and are committed to carrying out its full provisions, including those covering the protection of intellectual property.

The United States and Ukraine have agreed to establish a special Bilateral Commission on Trade and Investment, chaired on the U.S. side by the Department of Commerce and on the

Ukrainian side by the Ministry of Foreign Economic Relations. The Commission will prepare an action plan for promoting bilateral trade and investment. The two countries will set a date for the first meeting of the Commission early in 1994. The Department of Commerce also intends to organize a trade promotion mission, including U.S. company representatives, to Ukraine.

The two countries recognize that measures taken to reduce tariffs and non-tariff barriers can provide an important stimulus to bilateral trade. The United States appreciates the importance of market access for economies in transition, such as Ukraine. In this regard, the United States, on March 3, 1994, extended to Ukraine the benefits of the U.S. Generalized System of Preferences. This provides Ukraine with duty-free access into the U.S. market for some 4,400 products. During 1994, U.S. technical experts will visit Kiev to provide Ukrainian exporters and officials with information on the operation of the GSP program.

The United States and Ukraine desire to provide liberal and reciprocal access to each other's market for goods and services. The two countries are committed to avoiding trade frictions and to facilitate access consistent with fair trade practices and their respective trade laws. They also intend to review and seek to remove technical barriers to trade related to standards, certification and testing of products.

In these efforts, both sides will be guided by the principles of the GATT. The United States is a contracting party to the GATT and supports Ukraine's interest in formally applying for GATT membership. The United States is prepared to provide technical assistance to help Ukraine implement a trade regime consistent with GATT membership and to consult with Ukrainian authorities concerning the process and terms of GATT accession.

The United States and Ukraine will also continue their ongoing discussions regarding the establishment of an effective export control regime that will allow Ukraine increased access to U.S. goods and high technology and allow Ukraine to participate fully in the COCOM Cooperation Forum. The U.S. is ready to provide technical assistance to help Ukraine create a national export control regime.

The two leaders noted Ukraine's interest in acquiring the status of a full and equal partner in the Missile Technology Control Regime

(MTCR). The United States and Ukraine will cooperate closely to help to achieve this goal, which will make an important contribution to international efforts to stem proliferation of ballistic missiles.

#### *Investment*

U.S. private investment in Ukraine can make an important contribution to Ukraine's transition to a market economy by providing capital, jobs, improving product quality and manufacturing efficiency and introducing management and technical know-how. Both sides agree the Avoidance of Double Taxation Treaty and Bilateral Investment Treaty, providing comprehensive protection for investors, are important steps and could stimulate private capital flows. Such agreements need to be accompanied by administrative, tax, regulatory and legislative changes in Ukraine to improve the overall climate for investment and to provide the necessary security and stability that investors seek. Identifying barriers to investment and exchanging information on ways to improve the investment climate in Ukraine will be an important objective of the Bilateral Commission on Trade and Investment.

The U.S. Overseas Private Investment Corporation has agreed to organize a conference on investment in Ukraine to be held in Chicago in July 1994. This will follow up on an OPIC-organized investment mission which visited Ukraine in 1993.

#### *Science and Technology Cooperation*

Both sides agree to continue with exchanges of information in the area of science and technology and to cooperate in identifying opportunities for scientific and space research collaboration. They agreed to conclude a bilateral Science and Technology Agreement to formalize government-to-government cooperation and to establish a coordinating mechanism to foster bilateral science and technology cooperation. With the October 25, 1993 signing of a protocol for a Science and Technology Center in Kiev, both sides place a priority on getting this Center operational as quickly as possible. The two governments agreed to cooperate in the field of outer space and to hold early meetings of experts to consider specific issues and areas of cooperation in this field.

In addition, the leaders agreed to establish a special Joint Commission to facilitate coopera-

tion in areas of high technology and scientific research and development.

#### *Cooperation in Defense Conversion*

The United States and Ukraine recognize that defense conversion is a priority task for each country and that cooperation will enable each country to meet that task more efficiently and effectively. To advance this cooperation, the two countries have established a United States-Ukraine Committee on the Conversion of Defense Industry, co-chaired by the U.S. Deputy Secretary of Defense and the Minister of Engineering, Military-Industrial Complex and Conversion of Ukraine. On January 5, 1994, U.S. Deputy Secretary of Defense Perry and Ukrainian Deputy Minister of Engineering, Military-Industrial Complex and Conversion V. Pavlyukov signed a statement of principles governing the work of this Committee. According to this statement of principles, the Committee will serve as a channel of communication between the Governments of the United States and Ukraine on the most important questions of cooperation in defense conversion.

#### *Support for Ukrainian Reform*

The two leaders continue to place the highest priority on the success of political and economic reform in Ukraine. The United States will provide up to 350 million dollars in economic assistance in Fiscal Year 1994 to support Ukraine's transition to a market-oriented economy and a democratic society. The United States extends this assistance with the understanding that full disbursement of this assistance will be contingent on Ukraine's proceeding with its process

of reform, without which this assistance cannot be fully effective.

The United States and Ukraine also agree that international financial institutions, particularly the IMF and the IBRD, have an essential role to play in helping Ukraine create and implement a comprehensive reform program. The international financial institutions can provide significant financial resources to support such a program. The United States encourages Ukraine to work closely with the IMF and the IBRD in implementing a program of bold economic reforms. The United States, for its part, is prepared to exercise leadership within the G-7 to mobilize additional, multilateral assistance to support a comprehensive reform program.

Both sides recognize that the extent of commercial and economic cooperation currently existing between the two countries is far below its potential. They agree that the principles and objectives elaborated in this statement are the best basis upon which to expand rapidly trade and investment. The United States and Ukraine acknowledge, however, that before the full potential of their trade and economic cooperation can be realized, Ukraine must intensify adoption of a free-market system, including such elements as a dynamic private sector, the freeing of prices, and a fully convertible currency. The United States and Ukraine agree to work together to achieve these goals and to continue a process of reform which will provide the basis for the future prosperity of the Ukrainian people.

NOTE: An original was not available for verification of the content of this joint statement.

## **The President's Radio Address** *March 5, 1994*

Good morning. Today I want to talk to you about what we're doing to put America back to work and to have more good-paying jobs.

When you sent me to Washington, you entrusted me with the responsibility of turning our Nation's economy around and improving the lives of hardworking, middle class Americans, the people who were hit hardest during the recession and the jobless recovery that followed.

So this administration took action, took responsibility. And in the last 13 months, we've worked to change the economic course of our country from recession-weary to healthy and growing. And that began to change the mood of our people, making us more confident again in ourselves and our possibilities.

We had to break gridlock in Congress to get discipline into the budget and to begin bringing