

AUSTRALIA AND UKRAINE: NEW COUNTRY, NEW PARTNERSHIP

Address by Senator the Hon Gareth Evans QC, Minister for Foreign Affairs and Trade, to the Association of Ukrainians in Victoria, Melbourne, 23 August 1992

It is indeed a pleasure for me to be invited to be with you today on this, the eve of the first anniversary of Ukraine's declaration of independence - an occasion which must have seemed rather more remote little more than a year ago. I know that this is a proud and joyous occasion for all Ukrainians throughout the world. I am certain that history will record 24 August 1991 as one of the great milestones in the struggle of the Ukrainian nation, stretching back over one thousand years to the days when Kievan Rus was the centre of civilisation in eastern Europe.

Australia has had simply no experience of the types of trauma which have beset the Ukrainian people through many centuries of war, repeated partitioning, foreign occupation and suppression of its national identity. During this century alone, the Ukrainian people have endured the horrific loss of millions of lives in the famine of 1932-33, repeated purges of its academic and cultural leaders, and the ravages of two World Wars. Despite all of this, Ukrainians did not lose their vision of nationhood, which has now been fully realised.

The changes in Europe's political landscape over the past three years have been as dramatic as any that have ever occurred in world history. German unification, the democratisation of eastern Europe and the disintegration of the Soviet Union have fundamentally changed of the global strategic and economic environment. Ukraine can rightly claim a key role in this process. The existence of Rukh as the most vocal and effective opposition group within any of the republics of the former Soviet Union was instrumental in pursuing the rights of Ukrainians in the face of what, with the benefit of hindsight, could only be seen as increasingly desperate attempts by the central Soviet leadership to maintain the system as it was - despite its manifest failure to deliver, both in economic and social terms, and to adapt to a changing world environment. Not only had the Soviet Union failed to, in Khrushchev's words, "catch up to and overtake America", it had fallen further behind.

Gorbachev's inability to secure a Union Treaty or an Economic Treaty through 1991, and the failed August coup, exposed the emerging cracks in the Soviet edifice. Ukraine's declaration of independence, along with those of other former Soviet republics soon after the coup, signalled the fact that a system imposed from Moscow could no longer satisfy the needs of such a large and disparate population.

After the independence referendum and Presidential elections on 1 December, and the formal dissolution of the Soviet Union in the Kazakh capital of Alma Ata on 21 December, Australia, as with most nations, welcomed Ukraine into the international community. In the space of a few short months, Ukraine had been transformed from a part of the Soviet Union to a fully independent country of some 53 million people, and with the economic and human potential to take a place among the world's leading nations.

The process of transition, however, has by no means been an easy one. I know the Ukrainian Government is only too painfully aware of the massive problems of creating new structures and charting a course of political and economic reform tailored to Ukraine's own needs. Despite the international focus on the reform process in Russia, the Ukrainian Government has not been idle in this regard - the delicate tasks of reshaping the constitution and overhauling an outdated legal system have been under way for some time, prices have been liberalised, and Ukraine is well advanced towards the introduction of its own currency. The Ukrainian people appear to have taken a more accepting and resolute approach to these reforms in the knowledge that this is the only way in which it can achieve full independence from its colonial past.

Although political and social reform will be necessary elements in Ukraine's process of transition, the task of economic reform is by far the most difficult. Over the past nine years, we in Australia have tackled the difficult and at times unpopular job of formulating and implementing structural reforms in the Australian economy. These have been essential to increase the efficiency of Australian industry and improve our international competitiveness.

However, these problems are small indeed by comparison with the challenge to throw off the dead hand of the Soviet command economy and to introduce a system which allows Ukraine to achieve its undoubted potential. In these circumstances, the rather halting nature of current economic reforms in Ukraine

is a cause for some concern. Change does not come without sacrifice, and indecision and procrastination have a real cost. We in the international community, hopefully with your help, will continue to urge the Ukrainian leadership to increase its efforts to develop and apply a clear economic strategy so that Ukrainians, both as individuals and as a nation, can share in the benefits which will inevitably flow from the introduction of a free market structure.

A feature of Ukraine's transition over the past twelve months which has not received sufficient prominence, but nonetheless deserves great respect and admiration, has been the total lack of the type of conflict and violence which has plagued other parts of the former Soviet Union and eastern Europe. Ukraine's astute management of its relations with Russia over the Black Sea Fleet and Crimea, and the distancing of itself from the Dnestr conflict in Moldova on Ukraine's western border, reflect a degree of maturity which is vital to the stability of the region. President Kravchuk's visits to North America and Western Europe to establish personal links with the world's leading powers; the complete removal of tactical nuclear weapons from its territory; Ukraine's signature of the

START Agreement: and its active involvement in international forums such as the CSCE and through the United Nations are all further evidence of this maturity, which has contributed positively to regional and global stability.

In responding to the way in which Ukraine has been moving to establish its own position in the world community, Australia must look at its own interests in developing a range of essentially new relationships, not only with Ukraine, but with all of the other newly independent countries which have come on to the world stage. Australia's greatest asset in developing this relationship is you - the Australian Ukrainian community. It is with some regret that I admit to you that most Australians' knowledge of Ukraine is lamentably low. Few Australians would be aware of Ukraine's size and population in comparison with its European neighbours, and its ranking among the world's largest economies. Ukraine's reputation as the bread basket of the former Soviet Union is better known, although its history as a major industrial power, one of the world's largest producers of coal and steel, is often neglected.

Australia's Ukrainian community can be proud of the way in which it has contributed to the overall development of Australian society, and its integration

into the community at large. At the same time you have maintained your own individual culture and heritage through the establishment of Ukrainian schools, the work of church and local community organisations, the promotion of the Ukrainian language and its literature and theatre, and the availability of undergraduate and postgraduate courses in Ukrainian Studies at Monash and Macquarie Universities which are fully funded by the Ukrainian community. It is for these achievements that the Government, and I think the Australian community at large, holds the Ukrainian community in such high regard.

The expatriate Ukrainian community will have a role to play in the development of the democratic reform process. An important step in this direction will be made in October with the holding in Kiev of the first World Congress of Ukrainian Lawyers. A substantial delegation of Australian Ukrainian lawyers will be attending, as will be a representative of the Australian Embassy to Ukraine. As a lawyer myself, I hope and expect that this Congress will contribute significantly to the constitutional and legal reform and the consolidation of democratic institutions generally in Ukraine.

Another facet of the work of Australia's Ukrainians has been the impressive mobilisation of public support for the victims of the Chernobyl nuclear disaster. Quite a few groups of children have already been able to experience the benefits of Australia's climate and hospitality. These visits have also had a real impact on Australians - in bringing home the real effects of that terrible accident, and in making us all realise how fortunate we are to live in a country which has never had to endure this type of human tragedy, one which will continue to affect the people of Ukraine and its neighbours for generations to come. For the Government's part, we have contributed to the work programs of the International Atomic Energy Agency and the OECD Nuclear Energy Agency in assessing the health and environmental impacts of the disaster, and formulating strategies to prevent similar occurrences in the future. We have also given our support for the establishment of a World Health Organisation endorsed International Centre to coordinate medical, psychosocial and epidemiological research in Ukraine, Belarus and Russia.

It was both because of my desire to foster greater personal links between the Ukrainian and Australian Governments, and Ukraine's inherent strategic importance, that I made my first visit to Kiev in November last year. My meetings with President Kravchuk, Foreign Minister Zlenko and a range of

other community leaders were the first step in this process. I had met Anatoly Zlenko before at the United Nations in New York, and it was a great pleasure to meet him and his colleagues again in the extraordinarily exciting atmosphere that existed just a week before the independence referendum vote. May I say that it was also an overwhelming cultural and historical experience to visit as I did the magnificent Lavra Monastery and St Sophia Cathedral - two of the really great sights of Europe, and ones that I hope will become better known to Australians and other travellers.

I was greeted very warmly by the Ukrainian political leadership, and left the country with a feeling of great optimism for the future of the relationship on the basis of a range of shared interests. Both of our countries have strong agricultural and resource based industries, and I developed the clear impression of a country strongly committed to democracy and the protection of individual freedoms. This commitment was demonstrated no more clearly than during my meeting with Mr Lev Lukyanenko who, up until the late 1980s, was a political prisoner, was at the time of our meeting a Presidential candidate, and is now Ukraine's Ambassador to Canada.

Since my visit, Australia has recognised Ukraine and established diplomatic relations. Our non-resident Ambassador to Ukraine, Cavan Hogue, was just the second Ambassador to present credentials to President Kravchuk when he did so on 6 March. Subsequently, an Australian Parliamentary Delegation visited Ukraine during April, and we are looking forward to a reciprocal visit by a Ukrainian delegation led by the Chairman of Parliament, Mr Plushch, later this year. In addition, the Prime Minister has sent an invitation to President Kravchuk to visit Australia as a guest of the Australian Government.

As you would all know, I have announced that Australia will be opening a Consulate in Kiev. The Ukrainian Government has similarly asked to open a Consulate in Melbourne. I have written to Foreign Minister Zlenko approving the establishment of the Consulate. However, I am waiting on his formal reply and agreement to my proposal for the removal on a reciprocal basis of some unnecessary Cold War measures before we proceed with the opening of both Consulates. I expect this to be only a formality given the fact that Ukraine has already agreed to similar arrangements with the United States.

Australia's Consulate will be headed by an Honorary Consul; the nature of

Ukraine's representation will be one for the Ukrainian Government to finally resolve. While representation at the Consulate level is appropriate at this stage, I would like our relationship to evolve further, and we will keep our representation under review so that it accurately reflects the stature of the relationship.

Perhaps, however, before we get too carried away with unrealistic expectations of what is achievable in the short term, we should acknowledge the reality that the Australia-Ukraine relationship is starting from a small base. Ukraine's foreign policy, quite rightly so, is centred on its immediate region, on Western Europe and on North America. These are the regions with which it is most immediately important for Ukraine to develop trade and investment links, and which have the greatest capacity to provide financial assistance in Ukraine's transition to a market economy.

Although we are working from a relatively small base, the bilateral relationship is nonetheless one which has great potential, particularly in trade and economic cooperation. I have already mentioned our shared interests in agricultural and resource based industries. Contacts between Australian

mining companies and unions and their Ukrainian counterparts have already been established. The Australian wool industry is also keen to recapture its market in Ukraine, estimated at approximately \$A200 million at its height, which has now evaporated. All of these sectors are ones with great scope for trade, technology transfer and joint ventures.

In order to promote the transition of the new independent states to market economies, the Australian Government has set in train a program of scholarships comprising eight months formal and on-the-job business and management training, focusing on sectors where Australia has particular commercial expertise. The selection process for the 1993 intake is in progress, and we are expecting strong representation from Ukraine in this group. The Government has also contributed funds towards the training of Ukrainian farmers in Australian farm management techniques in South Australia under this program.

The task of transforming Ukraine's command economy to a market economy is enormously complex, and should not be underestimated by governments and

businesspeople on both sides. There is no blueprint for this process, and as yet no guidelines of success. However, the countries which have started from similar positions, such as Poland and Hungary, are starting to show what can be achieved in a matter of a few short years. Foreign investment and the consequent transfer of technology and management expertise is crucial to this process. However, Ukraine cannot lose sight of the fact that it is part of a very competitive market for foreign investment. The challenge is there for Ukraine's economic policy makers to create the type of stable and predictable legislative and institutional environment which will attract potential investors away from other prospective investment destinations.

I know that some leading members of your community have already been active in trying to bridge this information gap in making Australian business aware of opportunities in Ukraine. The Australian Trade Commission will also be playing its part in researching market opportunities in Ukraine and matching them to suitable Australian exporters and investors.

Although economic and commercial factors remain the driving force behind bilateral relationships throughout the world, we should not ignore the crucial role of greater personal contacts at this early stage of the relationship. As international travel to Ukraine becomes easier and more western style tourist facilities come on stream, I am sure that the flow of Australian visitors will increase. As I can testify from just one day in one city, Ukraine is a fascinating country, with moving and magnificent places to visit - aesthetically, spiritually, and historically. The people to people contact brought about through visits at ministerial and parliamentary levels, business contacts and tourism is vital to the development of an overall appreciation of each other's history and culture. In turn, I hope that a greater degree of understanding at this level can be translated into tangible economic benefits for both countries.

Let me again extend the Government's congratulations on this, Ukraine's first anniversary of independence. It is our hope that this marks the emergence of a strong and economically independent Ukraine which is able to take its place as a regional and global power. To that I would like to add my own personal best wishes to all of you for receiving me today, and for the contribution your community has made to a richer Australian society.

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