

that there was everything to lose and everything to be gained.—as the hub of California's water supply, the Sacramento-San Joaquin River Delta is an important natural ecosystem that is the source of water for over 22 million Californians and for irrigation for the Central Valley, which produces 45 percent of US fruits and vegetables.

Last year, I worked closely with California Governor Gray Davis and then Secretary of the Interior, Bruce Babbitt on a package that would move the CalFed program forward. Then, in June, 2000, Governor Davis and Secretary of Interior Babbitt announced a historic blueprint—the CalFed Framework for Action, followed by the Record of Decision in July, 2000. The legislation being introduced today is the crucial next step for the program. It authorizes the CalFed program to move forward, and expands this blueprint to other regions of the state.

Balance is the cornerstone of this bill. This bill ensures a long-lasting balanced program with the visionary and innovative approach of linking progress on water supply and water quality with progress to the environment, and with linking environmental progress to improvements in water supply and water quality. This theme of balance is echoed throughout the bill—there is balance in the structure for governance, balance in ecosystem/non-ecosystem programming, balance among the various regions of the state and balance in funding.

The bill is comprehensive and action-oriented. This bill provides real, tangible improvements for the environment, water quality and water supply throughout California. It commits to desperately needed additional surface and groundwater storage by authorizing water supply, water quality and flood control infrastructure improvements for a system that hasn't seen any major improvements in over 30 years. It contains short-term water supply improvements for water users that rely upon Delta exports and that have been disproportionately impacted by federal regulatory requirements. It expands environmental restoration projects in wetlands, the Sacramento-San Joaquin River Bay Delta estuary, and rivers and streams. It expands and funds state-of-the-art water recycling and conservation programs throughout California. Each of these program elements is essential to improving the reliability and quality of California's water supply.

We are at a crossroad in California, as well as in most other regions of the country. For decades, we have benefited from the foresight of our predecessors—in their vision of what infrastructure would be necessary to meet our energy needs, our water needs, our transportation needs, our educational needs. I believe that it's time for us to exercise that same leadership, that same vision. I believe that it is time to prepare our generation and the generations that will follow us for the future. In meeting these needs, I believe that we can benefit from the things that we have learned over the last several decades about how to better protect the environment and about how to better conserve, while at the same time, providing for greater economic progress. This bill charts a course for attaining that vision.

I want to thank Mr. CALVERT for his leadership and efforts. I know that he and his staff

have worked tirelessly to craft a fair and balanced program. I am committed, and I know that Mr. CALVERT is committed as well, to continue to work with Senator FEINSTEIN on her bill, and with the state and federal agencies and Administrations, and with all stakeholders on refinements to the bill to ensure that its potential benefits are met.

INTERVIEW WITH UKRAINIAN
PRESIDENT LEONID KUCHMA

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 24, 2001

Mr. ENGEL. Mr. Speaker, I rise to call to the attention of my colleagues a recent interview with Ukrainian President Leonid Kuchma which appeared in *The International Jerusalem Post* on May 11, 2001. This important interview discusses a wide range of matters from Ukraine's cooperation with NATO to its relations with Israel to its current state of economic development. The interview also provides President Kuchma an opportunity to respond to some of the criticism recently leveled against him.

I ask that the article be printed at this point in the CONGRESSIONAL RECORD.

[From the *International Jerusalem Post*,
May 11, 2001]

THE VIEW FROM KIEV

UKRAINIAN PRESIDENT LEONID KUCHMA TALKS ABOUT HIS COUNTRY'S RELATIONSHIP WITH ISRAEL, THE SOMETIMES TROUBLED PAST OF ITS JEWISH COMMUNITY, AND ITS POLITICAL AND ECONOMIC FUTURE

(By Thomas A. Rose)

Mr. President, thank you for agreeing to share your thoughts with our readers. Your administration has come under increasing criticism from opponents who accuse your government of everything from failing to implement meaningful economic reform to suppressing press freedoms and even to charges that you were personally involved in the death of a prominent journalist. As a result, many in the West, particularly the United States, have started to question your country's political stability. How would you respond to these charges and concerns?

Politically, Ukraine is both stable and predictable. Industrial production is up, financial markets are improved, our agricultural sector is showing great promise, and we are beginning to see real progress in our effort to redress social contradictions.

Governmental bodies and the local authorities are functioning normally.

The world must know of the tremendous progress we have made and of the tremendous progress we will make. Our state is only 10 years old. In that short time, we have developed a functioning democracy, a free press, an independent financial system, and have become the first nation in history to voluntarily renounce and destroy its nuclear weapons' capability. These are not small accomplishments.

Regarding the attacks against me personally, I would call it more of an aggravation than a crisis. It is the demonstration and consequence of the situational uniting and stirring up of different forces and particular persons—political outsiders if you will—who are out for revenge and the redistribution of power through unconstitutional means.

Unfortunately, all the attention their outlandish charges are gaining in the West has emboldened them to think that they can threaten even the most considerable achievements of our Ukrainian nation, which are independence and sovereignty. Their ambition is to gain power for themselves. Yet, as you would say, the proof is in the pudding.

Domestically, which with all due respect, is the political realm to which I am responsible, these people cannot find support.

As to the so called "demonstrations" which have been well reported in the West, a few thousand paid participants in these protests do not have the key role and do not determine the general frames of mind of the Ukrainian people. In fact, things in this regard seem to have peaked on March 9. This has no doubt frightened the agitators, which is the very reason why they are trying to internationalize their cause.

However, I would be insincere if I do not say that artificial, purposeful, and excess politicization does not weaken our country and its ability to tackle the huge social and economic problems we face.

My office shall never submit to the influence of such provocations and shall not strengthen these pseudo-oppositionists.

Mr. President, the question of NATO membership for your country continues to be a point of friction between NATO, the Russian Federation, and Ukraine. It seems as though your administration has decided to back off from this initiative, at least for now. Does this mean that your country is more interested in improved relations with the Russian Federation, perhaps at the expense of the West?

I strongly object to the way you have raised this question.

Ukraine has always been consistent in its interest in cooperating with NATO. The beginning of the relations' development between Ukraine and the Atlantic alliance was made right after our country achieved its independence. Let me remind you that I signed the charter on special partnerships between Ukraine and NATO in 1997.

Cooperation between Ukraine and NATO has been progressing and covers a wide range of military and defense industries. One of the key elements of the cooperation remains our participation in the joint Ukrainian-Polish battalion and Ukrainian helicopter platoons are acting now within the contingent of peacemaking forces in Kosovo.

Speaking of the possibility of membership of Ukraine in the NATO alliance, my more direct answer to your question is that while we are increasing our cooperation with elements of NATO and the alliance, we are not ready to consider membership yet. Unilateral political announcements about our interest or readiness for implementation would be premature and harmful to the alliance and my country.

We are not reorienting our political outlook as you tried to suggest.

Ukraine looks forward to integrating itself in the European direction as a strategic option, while at the same time maintaining good relations with all our neighboring countries, including those in the East.

You have enjoyed notably good relations with all five of the Israeli prime ministers with whom you have worked. Knowing the troubled history of Ukrainian-Jewish relations, do you view this association as an attempt at national reconciliation or rather as a national strategic interest? In your view, is it necessary for Ukraine to actively pursue reconciliation with Israel and/or the Jewish people?

I am very proud of the excellent relations between our two great countries and my good relations with all of your elected leaders. I had a particularly close relationship with Ytzhak Rabin and I considered it a great honor to attend his funeral.

Earlier this year already I was delighted to receive the president of the State of Israel, Moshe Katsav, who has become my sincere friend. I am confident that President Katsav's visit will result in new understandings between our peoples.

Regarding you new prime minister, I am convinced that the heritage of this great son of the State of Israel will do all he can to help to lead the Middle East region to the peace and stability. Ariel Sharon is known in Ukraine as a experienced statesman and military leader, and as a wise person. He is very highly regarded. I hope that the policy of his government will continue on its path of working to achieve the goal sought by the Jewish people for countless generations—a prosperous, secure, and stable Jewish state at peace with its neighbors.

In my letter of congratulation to then prime minister-elect Sharon I reaffirmed the readiness of Ukraine to follow our two countries' recent tradition of excellent bilateral relations and close cooperation.

Currently, the scope of our cooperation with Israel is quite extensive. I look forward to working with Prime Minister Sharon to even further expand our already expansive commercial relations.

Let's not forget the fact that nearly 400,000 of the roughly one million recent immigrants to Israel from the republics of the former Soviet Union are from Ukraine. This alone is reason for a special relationship between our countries. That so many of our former countrymen have decided to make Israel their new home makes our concern about the political situation in your region more acute. Terrorism and violence that create distrust and hostility are especially dangerous and inadmissible. It is a dead end. I said as much in my recent message to Chairman Arafat, imploring him to do all in his power to curb violent demonstrations and to resume his fight against extremist organizations.

At the request of President Katsav, I have instructed our Foreign Affairs Ministry to take all possible measures to help win the release of the Israeli servicemen kidnapped by Hizbullah.

Our country also recognizes the right of the Palestinian people to an independent state of their own. Yet we believe that his nation can only come into being as a result of negotiations.

Your previous answer would likely come as a surprise to many of our readers. The extent of your country's relationship with Israel, its support for Israel, its commitment to the peace process, these things are largely unknown. Why do you suppose that is? Do you think it may have something to do with the troubled history of our people?

Well, you are probably in a better position to answer that than I am.

Another point to make regards our recent decision, as president of the United Nations Security Council. Our delegation did not support the resolution, subsequently vetoed by the United States, which would have mandated an international "peacekeeping" force for deployment in Palestinian areas. We did not believe such a step was wise or helpful.

To the contrary. Recent events have only reinforced the fact that peace can only be achieved by the parties themselves. Solutions cannot be imposed upon them. But

Ukraine also recognizes and supports the need to give great weight to the positions expressed by the international community.

After independence, the priority for Ukraine was to consolidate its authority and international recognition and obtain the attributes of statehood. Generally we succeeded. Most important in our view was developing good working relations with the United States and the European Union. This took more effort than that required to establish relations with our eastern neighbors since we have lived and worked with them for centuries. This wasn't the case with Western countries.

This year marks the 60th anniversary of Nazi invasion of Ukraine, then part of the Soviet Union, and the destruction of nearly one million Ukrainian Jews. More than 100,000 of those Jews were murdered not five miles from here at a place called Babi Yar. As this awful date approaches what commemorative events are planned in Ukraine?

Yes, Kiev is the sight of one of the most tragic crimes in the whole history of man. Compounding the enormity of the crime was an attempt on the part of the Soviet authorities who ruled Ukraine until our independence to conceal what really happened here. Early last year, I authorized the establishment of the "Days of Memory of the Victims of Babi Yar for the year 2001."

For the 60th anniversary of the tragedy we will be dedicating an edition of The Holocaust Encyclopedia, a book of memories and an album. Under the same perspective the opening performances for the plays of the leading theaters of the country, and the series of TV and radio programs are in their final preparations. We will be publishing speeches of famous writers, cultural and art workers, scientists, and war veterans.

I would like to repeat one more time: We consider it a sacred obligation to respect the memory of the Jewish victims who perished.

Economic development is key to Ukraine's admission to the European Union. However, as you have mentioned, your country is not yet able to attract the amount of foreign investment you say you need. What industries or specific projects are you trying to promote as significant sources of Western capital and/or management? Perhaps, more importantly from the investors' point of view, what kinds of protections can you offer them? What guarantees can you provide regarding legal procedures? What about nationalizations? How can an investor be sure the economic landscape can't or won't change radically?

While not as fast as we would like our economy is still growing. Our high GDP and industrial production growth rates in the last year and in the first months of this year should reassure everyone. They have been very impressive, particularly when contrasted with the Western slowdown.

Increasing foreign investment is critical to our development plans. Our estimates are for investment inflows of at least \$30 billion.

To help facilitate this necessary migration of capital, Ukraine is implementing the largest-ever privatization processes in the spheres of power, engineering, communications, and agriculture. This gives our international partners, including those from Israel, wonderful and exciting opportunities. I will dare say that Ukraine is one of the most exciting and opportunity-rich markets on earth.

We have developed special economic zones of priority development with reduced regulatory and tax regimens. The total area of these zones makes up more than 10 percent of

our country's territory. Here, investors are granted special tax advantages, including discounts for value added tax, income duties, and other levies. These zones already host more than 400 projects financed by foreign investors. But this is just the beginning.

Opportunities extend to woodworking, pulp and paper, engineering, metalworking, fuels and chemicals, oil and gas, transportation, metallurgy; construction, shipbuilding; the list is quite literally endless. But having said all this, there is one area that calls for special attention and that is agriculture. Owing to the intensive market reforms, almost all our collective and Soviet farms have been restructured into private market businesses.

Our national tax burden has been dramatically reduced to the point where it is now roughly one-fifth of the tax burden found in an OECD country. If these are not competitive advantages, then I don't know what are.

As for your question about nationalization, let me say that foreign investors in Ukraine are as well protected here as anywhere in Eastern Europe. We have binding bilateral agreements to this effect with more than 50 countries, including Israel. Our national legislature includes guarantees on the inviolability of rights and parity conditions of national and foreign investors. In particular, even if some changes are introduced into the present legislation in the course of 10 years, guarantees that were in effect before will be used upon request of the foreign investor. Foreign capital in Ukraine is not subject to nationalization. Furthermore, foreign investors actually have the right to obtain compensation from the state in the event state actions result in financial losses.

For media companies like ours that may consider entering your market, what assurances can you provide regarding press freedom in Ukraine?

The economic advantage I described before are as applicable to foreign media investors as they are to foreign construction engineers.

Today we have more than 10,000 periodicals of all shapes, sizes, and opinions published in Ukraine. Our constitution elevates ideological diversity, forbids censorship, and guarantees free speech and association rights to every citizen.

But you must remember, we are a new country and a new democracy. This actually means we need more help than other, more developed democracies.

When we are talking about press freedom, it is critical to remember that independent publications belong to people and/or companies, some of whom express themselves through clannish, corporate, or private interests and ambitions, which doesn't necessarily benefit anyone other than themselves.

The President's Decree states that a newspaper can only be closed by the person who owns it, founded it, or if our judicial system deems it has broken the law. In other words, in our country, just like yours, we do have laws and we demand that all citizens, private and corporate, adhere to them. Any person or company who obeys the law and pays his taxes has nothing to worry about.

2001 CONGRESSIONAL CLASSROOM

HON. DAN MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 24, 2001

Mr. MILLER of Florida. Mr. Speaker, I would like to take a minute to recognize the students