

# Obama, Putin Talk as Unrest Roils Eastern Ukraine

## White House Tells Kremlin Diplomacy Is Still an Option Despite Escalation

By

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Ukraine's acting president said he wasn't opposed to a countrywide referendum on possibly granting regions greater autonomy after a deadline for pro-Russian protesters to leave buildings they have seized in eastern Ukraine passed on Monday. Photo: Getty Images

The U.S. stepped up efforts to dissuade Russia from intervening in Ukraine's increasingly unstable east, with President [Barack Obama](#) telling President [Vladimir Putin](#) on Monday that a diplomatic solution to the crisis is still possible even as he warned against further escalation.

Mr. Obama initiated the call with Mr. Putin—their first since March 28, after Mr. Putin annexed Crimea.

The White House also confirmed that Central Intelligence Agency Director [John Brennan](#) was in Kiev over the weekend, at the same time that pro-Russian separatists were taking over a string of cities and towns in eastern Ukraine.

The moves come ahead of a high-stakes meeting this week between U.S. Secretary of State [John Kerry](#) and officials from Russia, Ukraine and the European Union, as well as a visit to Kiev next week by Vice President [Joe Biden](#).

On Tuesday, U.S. Air Force Gen. Philip Breedlove, the military commander of the North Atlantic Treaty Organization, will issue recommendations on Western military support for Ukraine. The general has privately advocated increased strategic intelligence sharing, and is expected to recommend such a step to NATO leaders.

## Troubled Territory

Recent signs of conflict in and around eastern Ukraine, and locations where NATO says Russian troops have gathered across the border.

- Militants seized or tried to seize government buildings in recent days
- Government buildings occupied since April 6
- Satellite images show evidence of Russian troop concentrations, according to NATO



A senior administration official said that Mr. Obama in Monday's call made clear that a diplomatic solution is still possible, but told Mr. Putin Russia's actions are not consistent with a negotiated settlement. Mr. Obama in the call also said it is up to Ukrainians, not Russia or the U.S., to decide how and whether to decide to decentralize power to local governments.

Monday's phone call between Messrs. Obama and Putin appeared to be more of a back-and-forth over their differences than a breakthrough discussion about a resolution.

"In answer to the concerns the American president expressed about alleged Russian intervention in the Southeast, the Russian president noted that such speculation is based on unreliable information," a statement from the Kremlin said. It also said Mr. Putin urged Mr. Obama "to use everything the American side has at its disposal to avoid the use of force and bloodshed."

Washington is gearing back up on Ukraine following two weeks of relative quiet, after the escalation of recent days set off alarms at the White House.

Behind the White House strategy is an effort to both push back on Moscow and to reassure the government in Kiev, whose response to the unrest has veered between hardline and conciliatory.

A day after threatening to mobilize the military if the separatists didn't stand down, Ukraine's acting president instead offered an apparent olive branch Monday, saying he wasn't opposed to a national referendum on granting greater autonomy to the regions.

At the same time, Moscow has continued to flout the West. U.S. officials disclosed Monday that a Russian attack plane made 12 close passes near a U.S. warship in the Black Sea over 90 minutes during the weekend.

Mr. Obama has come under pressure to send a sharper message to Mr. Putin by imposing much deeper sanctions than the current travel bans and asset freezes on a few dozen officials.

U.S. officials said they are preparing to do that in the coming days, while acknowledging that European allies, whose economies are more intertwined with Russia, are more reluctant to take that step.

"We are actively evaluating what is happening in eastern Ukraine, what actions Russia has taken," White House press secretary [Jay Carney](#) said. "And we are working with our partners and assessing for ourselves what response we may choose." He again ruled out a military response.

EU foreign ministers on Monday extended their targeted sanctions list but held off going any further. French Foreign Minister Laurent Fabius said the bloc's leaders could meet next week to further ratchet up pressure if the Geneva talks don't produce results. "It is the position of Europe to increase the pressure without making dialogue impossible," he said in Brussels.

Europeans appear to agree on the need for greater economic pain if Russian military units overtly move into Ukraine.



Pro-Russia activists stormed a police station on Monday in Horlivka. *Agence France-Presse/Getty Images*

But the current situation remains short of that, representing a gray area in which pro-Russian separatists—encouraged by Moscow—are pushing for greater autonomy without outright military intervention.

U.S. military officials said there appeared to be no change in the size or positions of Russian forces massed along the Ukrainian border.

Russia has denied any intervention in Ukraine, a position repeated Monday by Mr. Putin in the call to Mr. Obama, according to the Kremlin.

Anders Aslund, a senior fellow at the Peterson Institute of International Economics, said Mr. Obama should act now on the economic sanctions before it becomes too late.

"This is the last chance for the U.S. to make a difference without going in with much heavier resources," he said.

The rekindled crisis also complicates Mr. Obama's domestic political calculations in a year of crucial elections, drawing the focus away from his economic agenda and pushing Mr. Obama closer to a decision on yet another red line he drew with a foreign leader.

"The consequences of inaction are enormous because it would be not only a signal to President Putin that we're not willing to impose costs," said Juan Zarate, who was Deputy

National Security Advisor under President [George W. Bush](#). "But it would also be another example on the international stage where the president sets down a threat, and the language of potential costs or consequences, and they go unmet."

Mr. Obama spoke Monday with French President [Francois Hollande](#), officials in Washington and Paris said, after talking with German Chancellor [Angela Merkel](#) on Thursday.

Leaders from four governments are set to discuss this week on how to diplomatically move forward on Ukraine. Jerry Seib explains the four things to watch as the negotiations unfold.

And U.S. officials signed a \$1 billion loan guarantee at the Treasury Department on Monday to help Ukraine adjust to economic and financial reforms.

U.S. officials signaled in recent days that their next step could more likely be to adopt tougher sanctions against oligarchs and other entities tied to the Ukraine unrest. They said they are considering a range of options that allow them to calibrate sanctions in response to Moscow's actions, which include sanctioning sectors of the Russian economy.

U.S. officials said they believe European leaders ultimately will get behind stricter sanctions. "They get the message that if the Russians either invade or keep escalating this current effort, a bigger hammer has to drop," a senior administration official said.

Kiev appeared to signal increasing desperation, highlighted by its response to opponents who have commandeered further territory. A deadline for the pro-Russian militants in eastern Ukraine to lay down their arms or face a full-scale operation came and went with no sign of military action.

A referendum on greater independence from the central government in Kiev has been a key demand made by the militias that have commandeered government buildings in the east.

Russia has also called for Ukraine to change its constitution and switch to a federal system that would grant greater independence to regions, particularly in the east, which are more heavily ethnic Russian and more closely tied to Moscow economically.

Acting President Oleksandr Turchynov told lawmakers that, if parliament agrees, a referendum could be held alongside the presidential election set for May 25. He said he was "certain that a large majority of Ukrainians...will favor an indivisible, independent, democratic and unified Ukraine."

A day earlier, Mr. Turchynov had vowed to drive the militants out following the killing of a special forces officer and wounding of five others near the city of Slovyansk on Sunday.

On Monday, there was no sign of Ukrainian soldiers or of the heavily-armed pro-Russian forces that helped seize control of government buildings in the city of 100,000 people. The streets remained calm, though some stores were closed.

Meanwhile, about 80 kilometers (50 miles) south in Horlivka, local reports said pro-Russian forces threw Molotov cocktails inside a police station and set it on fire.

They later reportedly managed to take full command of the building. Russia's Interfax news agency also reported that a group of about 20 pro-Russian militants marched unopposed into the city council building in nearby Zhdanivka and raised a separatist flag overhead after local authorities agreed to side with them.

On Monday, Russia's Foreign Minister Sergei Lavrov insisted that Russia has no forces inside Ukraine. "We do not interfere in the internal affairs of Ukraine. It is against our interests. We do not have our agents there," he said.

In a phone call with United Nations Secretary-General Ban Ki-moon, Mr. Turchynov invited U.N. peacekeepers to join Ukraine's "antiterrorism" operation, the parliamentary press service said.

A peacekeeping mission would have to be approved by the U.N. Security Council, where Russia has a veto.

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