

and rolling stock for high-speed transport of commodities and persons in both directions between Berlin, Warsaw, and Moscow. The Soviets will receive a part of the multibillion-dollar level of investments from the West, not all of them.

The fundamental net concession Moscow has to make in addition to a basic commitment to economic cooperation, is to grant far-reaching political and economic autonomy to those regions that want to remain part of the Soviet Union, and full sovereignty to those parts of the present-day Soviet empire that want to become independent states, like the three Baltic republics, the states of Eastern Europe, and most likely also Ukraine.

Talks on the state or superpower summit level alone won't suffice to produce these concessions from the Kremlin, which is under heavy and ever-increasing pressure from the population of the ailing Soviet empire, as was amply documented with the alternative May Day rally of about 100,000 in Moscow. The West, including the Germans, must provide a public forum for all those oppositional groups that call for a peaceful, constitutional transformation of the Soviet empire from within. As much as the East Europeans have to cooperate with each other to consolidate their newly gained freedom, they have to establish official contact with the respective progressive groups in the Baltic republics and the Soviet Union.

This can, and should be done, in addition to all other contacts on the state and industrial level, such as between the military of the West and East. The West needs political insurance, a reliable ally for the giant investments undertaken in the Soviet Union, and these allies can only be people that have a genuine interest in the in-depth transformation of the Soviet system.

To a certain extent the East Germans, who are both liberating themselves from the Soviet system from within and also becoming part of the new, Western-minded society of a reunified Germany, can play a key role in this political transformation process. It is apparent that delegations from the three Baltic independence movements and of the Ukrainian resistance movement, Rukh, will find a big public audience in a city such as Leipzig, which played such an essential role in the peaceful East German revolution of 1989.

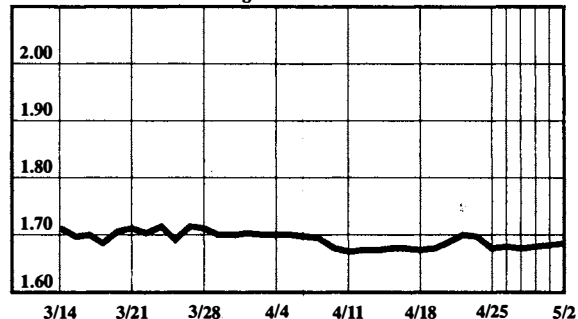
And, since the West Germans are paying most of the bill for German Monetary Union and all other big projects with the East and the Soviets, they should have few problems also funding these kinds of contacts between the people of Leipzig and the freedom movements of the East. The Germans have a clear historic mission to help set this into motion.

The first big political concession Moscow has to make, however, is to end the embargo against Lithuania and resume normal economic and civilized political relations with the government in Vilnius. This is an essential confidence-building measure to convince the West that it makes sense to invest tens of billions of dollars and deutschemarks in the Soviet Union.

Currency Rates

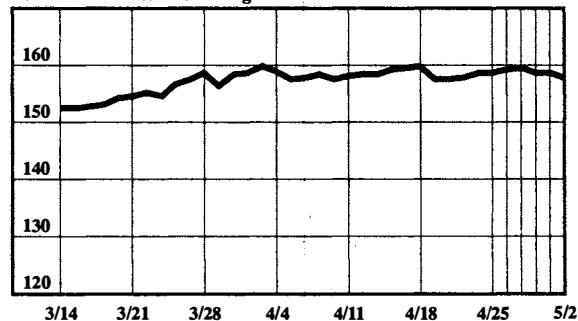
The dollar in deutschemarks

New York late afternoon fixing



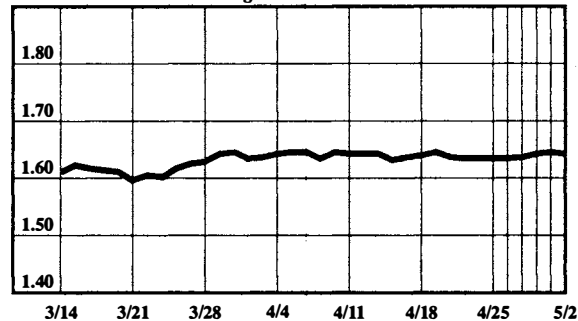
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

