

Report from Bonn by Rainer Apel

What 'breakthrough'?

Without rapid improvements in the physical economy, especially infrastructure, the East will not recover.

This is a breakthrough," declared Friedrich Vogel, Chancellor Helmut Kohl's press spokesman, at the end of the first round of Group of Seven talks in London July 16. He said that the leaders of the industrial nations of the West plus Japan agreed that in addition to "consulting aid" for Moscow, technical assistance should be given in three areas: safety of nuclear power, improvement of the gas and oil pipelines, and the transport sector.

Is it really a breakthrough?

Western experts have worked out how to improve the oil and gas sector to enable the Soviets to export more and thereby earn more hard currency to repay the foreign debt and invest in the emerging private sector of the economy. Most experts seem agreed that the state sector of the Soviet Union has to be replaced by private-initiative projects; that the planned economy system has to be replaced by a free market structure.

But aside from the fact that the "military-industrial complex" will remain under state control, there is another problem: In-depth economic reform has to start with the rapid development of transport infrastructure. And that will not work unless the state plays a key role in planning, funding, and realization of such projects.

The railway sector has been abandoned in virtually all Western countries; it is the ports and the highways that handle the bulk of commodity transport. If the Western transportation structure is to be the model for the Soviet Union, the railroads there are doomed. But because of the huge distances that most of the raw materials

and farm products have to travel in the Soviet Union, the railway sector is essential.

The Soviets themselves pointed this out in *Pravda* Dec. 17, 1990. Reporting on their findings during a tour of crucial segments of the Soviet railroads, the authors concluded that "the increase of commodity transport volume simply makes it unavoidable to put the entire rail transport system on a modern basis as soon as possible."

They laid special emphasis on Brest-Litovsk, the central transit station at the border between Poland and the Soviet Union for rail transport between East and West.

The *Pravda* team found chaos at Brest, with an immense number of rail freight cars standing around unused because of their rotten condition. The director of Brest-North Station told the reporters that workers were forced to repair many Soviet cars that arrived there before they could be reused.

An estimated 4,000 freight cars many of them carrying food for the Soviet Union from Romania, Poland, Hungary, and Czechoslovakia, were blocked from further transit at the border because of disarray and mismanagement.

German experts have proposed improvements at Brest-Litovsk. As early as spring 1990, which was before Kohl and Gorbachov met for another "breakthrough meeting" in the Caucasus, proposals were made on a pilot project to solve the chronic Brest-Litovsk bottleneck.

The project, worked out as a draft by German Railway Consulting in Frankfurt and presented to the govern-

ment, aimed at doubling or tripling the average throughput of commodities, with priority placed on emergency deliveries of food and livestock from eastern Germany to the U.S.S.R. The experts recommended:

1) Reducing the time required for changing of gauge-width of the train wheels at the border by increased mechanization and a more efficient organization; 2) speeding up of all loading-unloading operations by a higher degree of mechanization and computerized administration; and 3) increasing throughput capacity for military transport by rail, a precondition for accelerated withdrawal of Soviet troops and army matériel from eastern Germany.

Now, after numerous diplomatic "breakthroughs," nothing has happened. Little has happened as well with another proposal made one year ago concerning improvements in the Soviet agricultural sector.

In July 1990, Gorbachov's then-adviser Leonid Abalkin and German Economic Minister Helmut Haussmann discussed in Bonn a project for Ryazan, 200 kilometers south of Moscow. The project envisaged improvements in food production and growing better quality rye, barley, and other crops.

The project, worked out largely by experts at Giessen University in western Germany, aimed at a fully integrated food production chain that minimized the average loss of harvested grains by 25-40% within a few weeks after harvest. This involved improvements in harvesting techniques and transport, indoor storage, and food processing.

The first proposal for an integrated food supply system was drafted by West German experts in 1989 after German-Soviet talks in 1988. It is about time to put the proposals into practice.