

Report from Bonn by Rainer Apel

Germans look to Ukraine's potential

Focusing on farming, industry, and transport, Ukraine has good options, if the political problems can be resolved.

Ukrainian politicians have toured Germany often in the past months, to explore the potential for economic cooperation. Such cooperation is possible and desirable, also from the standpoint of the interest of the central Soviet administration and the Russian Federation government.

The Germans usually argue that economic assistance can be efficient only on the condition that relations between Moscow and the individual republics are clearly defined and respected by the Kremlin. Germany is not in favor of the "war of laws" that is still raging between Moscow and Ukraine.

Expectations are expressed in Germany that the new "9 plus 1" union treaty, unfavorable as it may be to the cause of full Ukrainian independence, will reintroduce some principles of stability, calculability, and confidence into Moscow-Kiev economic relations.

Ukraine is well-positioned for economic recovery because of its fertile soil and productive farming, its developed railroad and port structure, and its strong industry.

Ukrainian development will work, however, only on the premise that the neighboring republic of Russia manages to establish a high degree of independence from the Kremlin and reorganize its own economy so that it works. An economically unstable Russia alongside a flourishing Ukraine would create a dangerous imbalance.

Assuming that the new union treaty works, the following approach may be best for Ukrainian development, in

the Germans' view:

The 1991-2000 railway development plan of the Soviet Ministry of Transportation, which recommends a crash program for investments, lists the rail route Moscow-Kharkov-Rostov-Baku among those that should be given priority investments because of their importance for the transport of agricultural and industrial goods. This includes the construction of new "parallel tracks."

Kharkov, a central rail junction in Ukraine, is the biggest for commodity transport in the southern Soviet Union. It can be reached from the two Black Sea ports of southwestern Ukraine in Odessa and Chersson, and from Kiev. Kharkov is well positioned for the distribution of commodities and prefabricated products between the mining and industrial regions of Donbass and Krivoi Rog. From the latter, a Russian gauge rail route that needs no change of gauge-widths, as otherwise required at the borders to the West, leads to the heavy industrial region of eastern Slovakia (Kosice), in the neighboring Czech and Slovak Federated Republic.

The importance of improving the functioning of the Kharkov junction has repeatedly been pointed out by German experts in rail transport.

On the basis of the existing, Russian-gauge railroad system, investment in modernization projects can create an efficient rail transport grid. Ukraine is the central transit region to and from the big Black Sea ports, which are all relatively well connected to the interior of the country.

But what should be considered by

policymakers in Moscow and Kiev is building an entirely new railway grid based on the European gauge-width, parallel to the main routes that exist today. This would offer the perspective of eliminating the chronic backlog at central U.S.S.R. border transit stations to Europe like Brest-Litovsk, Przemysl, and Grodno, where trains have to be adjusted to the changing gauges.

In this context, a study recently done by the German Railway Consulting firm in Frankfurt-on-Main for the German government recommends that the Soviet state railways would gain a far higher efficiency if they introduced the concept of the "rolling highway." This is valid also for rail transport among Moscow, Kiev, Kharkov, and the Black Sea ports, under the new union treaty.

Using this method, which combines rail and road transport, an entire truck convoy or its equivalent could travel 1-3,000 kilometers in 1-3 days at the most, with virtually no use of costly gasoline.

The trucks would be landed, similar to roll-on/roll-off methods used at seaports, at well-selected railway pivots deep in the interior, from where they could travel on to their final distribution points 100-250 kilometers away. Given the huge transportation distances, often several thousand kilometers, that are typical for the Soviet Union today, the use of such "smaller" distribution diameters would represent a giant step forward in transport density.

Especially in the transport chain between the Black Sea ports, the main railroad tracks, and the industries in the interior, a "rolling highway" grid would add immensely to the productivity of the future economies of the "9 plus 1" union—the western parts of Russia and Ukraine being vital motors of rapid economic recovery.