

the same meeting on Nov. 8 of EU finance ministers in Brussels where the "Delors' Bond" scheme was vetoed, requests for greatly accelerated EU support for vital east-west rail infrastructure were postponed for later.

Road border crossings today between Germany and Poland, as well as with the Czech Republic, are so overloaded by truck traffic that delays often take 2-14 hours. Current rail links are totally inadequate. Trade flows for the past 40 years have been within the East, not east-west. Nonetheless, there are tentative first steps in this direction which show at least some appreciation of the problem.

The German government and the Berlin Senate have been active in developing the role of Berlin as the future high-speed transport crossroads north-south as well as east-west. "Berlin will become the new high-speed rail crossroads of Europe," noted a senior Bonn government official involved in the transport developments. "Not only between Scandinavia and southern Europe, but also between western Europe to Holland, and, even now, Britain toward Warsaw and points as far as Moscow."

Main corridors agreed upon

This past March, the transport ministers of European countries met with the EU Commission and the U.N. Economic Commission for Europe in Crete, where they outlined the concept for extending the TEN into a "Pan-European" transport network. Nine "main corridors" linking eastern with western Europe were agreed upon. Of these, one-third pass through Berlin, including the potentially most important Berlin-Warsaw-Minsk-Moscow link.

Later in December, representatives of the governments of Germany, Poland, Belarus, and Russia will gather in Berlin to sign the official inter-state agreement to jointly develop the combined Berlin-Moscow transport corridor by the end of the century. Work has already begun on upgrading the rail track from Berlin to Warsaw to handle trains traveling up to 160 kilometers per hour, a major improvement in the present antiquated, slow system. The German high-speed ICE trains will then be able to travel as far as Warsaw by 1996.

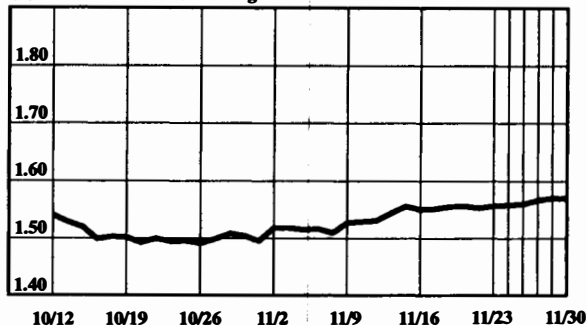
Because the rail gauge in Russia is wider than the rest of Europe, the crossing to Poland at Brest is notorious as a bottleneck, sometimes stalling rail cars for days while they are unloaded and reloaded. The new accord will incorporate a fully automated switching system of rail cabins or boxes from the Russian gauge to the Polish gauge, similar to one in use between France and Spain, enhancing trade flows enormously.

But for now, given the political chaos in Russia and the lack of capital from the EU and the West, the Warsaw-Moscow part of high-speed linkage remains a bold dream. Failure in the West to find a solution to this could come to haunt the West as Russia disintegrates into chaos, which appears to be what at least the British would wish at present.

Currency Rates

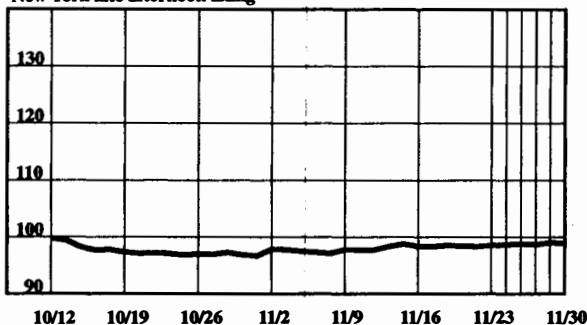
The dollar in deutschemarks

New York late afternoon fixing



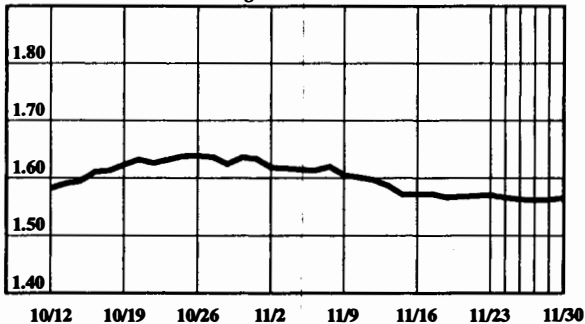
The dollar in yen

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

