

Why Gorby won't let go

“**N**yet,” scowled the usually amiable Mikhail Gorbachev in response to last Sunday's declaration of independence by the Baltic republic of Lithuania.

Such an act was “illegitimate and invalid,” added an angry Gorbachev. There would be no independence for the obstreperous Baltic states.

To underline this point, the KGB last week circulated a memo warning of dire dangers confronting the USSR from party defeatism and nationalist passions. It seemed a less-than-subtle hint: If the political leaders didn't do something fast to hold the USSR together, the Cheka would. So does this mean the gulag is about to reopened for Baltic separatists?

Probably not. Gorby's outright rejection of Lithuania's self-proclaimed independence appears to be merely Moscow's opening position in what promises to be a long series of tough negotiations. The word out on Gorky Street this week is that in the end Moscow will make a deal with Lithuania that looks like this:

✓ Moscow will recognize Lithuania as a “semi-independent state,” a sort of alien permanent resident within the Soviet Union. Some new title will have to be dreamed up for such a hybrid, like “free dependency.”

✓ The industrious Lithuanians will get complete economic autonomy, including their own currency, central bank and telecommunications. Lithuania's money will become the USSR's first convertible, hard currency. This will make Lithuania into the USSR's first free port and economic nexus to the western economies. Latvia and Estonia should shortly follow this pattern.

✓ As this column has long been saying, economic freedom for Lithuania should transform it into a Hong Kong of the Baltic. Hong Kong handles almost 60% of backward China's trade. Sophisticated Lithuanian merchants should do the same for the even more retarded USSR.

✓ Lithuania's industry will gradually break away from central planning and go its own way, producing consumer goods for export to the USSR. The more or less independent Baltic states may

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become serious competitors in the USSR market with the Finns and Swedes.

✓ Lithuania will most likely have to agree with Moscow to permit the permanent stationing of Soviet military forces along the Baltic coast. The Baltic is a key security zone for the USSR — akin to the Gulf of Mexico for the U.S. Soviet forces will require overflight, transit and port rights, at a minimum.

✓ Then there is the question of the old German Hansa port of Memel, now called Klapeda, which the Soviets claim was never part of Lithuania. Not so, reply the Lithuanians, who, in a curious historical footnote, actually attacked the port in 1923 and drove out its French garrison.

More important, a truly independent Lithuania would totally isolate the very important Soviet port and hinterland of Kaliningrad — which was German Königsberg in East Prussia until it was annexed by the USSR in 1945. It is inconceivable that Moscow would allow this key military and commercial area to be cut off from the rest of the USSR. Ominously, one solution might be a corridor from Soviet territory to the coast — rather like the notorious Danzig corridor that sparked off World War II.

This is all pretty murky historical stuff. The simple answer is that the Baltic and USSR are so intertwined economically and strategically that absolute separation may be impossible — as well as undesirable.

As much as the Baltic peoples want to scoot out of the wretched Soviet Union and resume their role as northern Europeans, cooler heads among them will probably prevail and make some kind of deal with Moscow that will give them 98% independence. As for Gorbachev, he must do some very fancy footwork in these next few months.

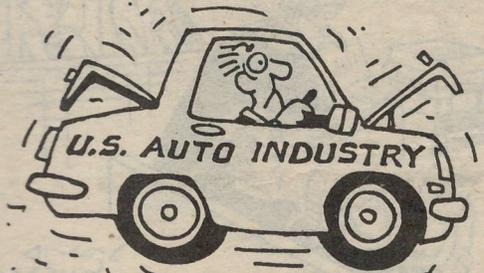
He will also be nagged by more than empty nest syndrome if the Baltic peoples manage to sever their links with the USSR. For the past 500 years, the Baltic coast has been an arena of rivalry between the Russians, Swedes and Germans. Sweden is today a zero. But the Soviets have a deep fear that if the Baltic states become more independent, they will inevitably fall under German economic and then political influence.

Now that a mighty, united Germany is about to form, such apprehensions are growing.

The Soviets think the Baltic states are too small to survive on their own. Sooner or later, if independent, they will end up German colonies — just, in fact, what they were hundreds of years ago. Not so, say the Lithuanians. We're going to be the world's next economic-miracle city state. Watch out Hong Kong and Singapore. Here comes the Baltic boom!

Well, maybe. Let's not go overboard. The biggest Baltic export is still only herring.

Berry's World



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