

ever rates they pleased. With central authority over taxation and other key areas restored, their support is uncertain.

All summer, the Russian Republic and Union governments sparred over who should control banking and natural resources. The R.S.F.S.R. declared its right to approve or veto deals involving raw materials located on its territory, which would have applied to the recent Soviet diamond marketing deal with DeBeers. Gorbachov issued a decree to override this claim. But in late August, Russia's Foreign Economic Relations Minister Viktor Yaroshchenko was making noises about observer status and then membership in OPEC for the Russian Republic, which produces 80% of Soviet oil.

On Sept. 21, when Gorbachov sent the Shatalin Plan back for further hybridization with the government's proposals, Filshin declared that the Russian Republic would begin to implement the 500 Days agenda on Nov. 1, with or without support from the U.S.S.R. central government, and the R.S.F.S.R. Supreme Soviet passed a resolution to that effect. Later, Yeltsin tempered the threat with hints about waiting six months until the new central efforts failed.

An official like A.I. Volsky, president of the Scientific Industrial Union of the U.S.S.R., could see the handwriting on the wall, as he pleaded for private property and ruble convertibility, only in the setting of an all-Union market. "There is a universal trend now toward separatism and disintegration," Volsky told a government meeting in August. "We cannot fail to see this. The republics are beginning to adopt decisions that are totally humiliating for the Union, for the ministries and industries. For example, the Ukrainian Gosplan [state planning agency] has apparently issued instructions prohibiting Union enterprises from signing contracts with other republics."

In the Baltic states, as well as Ukraine, there is talk about setting up separate currencies.

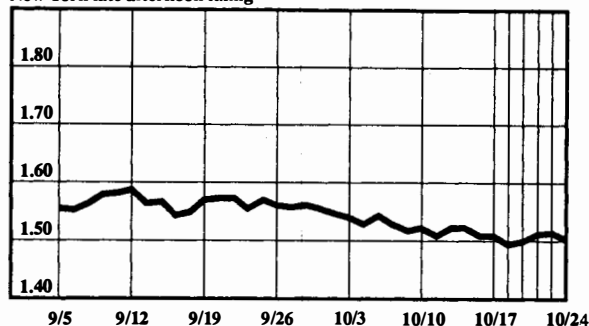
Further complicating matters is the outbreak of demands for economic sovereignty, from dozens of Autonomous Soviet Socialist Republics that are juridically within the R.S.F.S.R. Several would bolt from the R.S.F.S.R. if the government went through with price hikes, *Izvestia's* Mikhail Berger predicted in August, adding that "the actions of the central authorities are intensifying the already powerful centrifugal tendencies." Soon, he said, people would be worrying about non-aggression treaties, not economic treaties, among the republics and autonomous republics.

When the Supreme Soviet convened, *Izvestia* reported Sept. 16 that "first place in terms of the number and persistence of the questioners there came, utterly unexpectedly for us and, it seems, to the authors of the programs, the problem of the participation of autonomous republics and oblasts in the process of transition to the market. . . . To what does this attest? To the growth of national self-consciousness? Probably. But even more probably, to how badly we are all living, if we are prepared to rush in all directions."

Currency Rates

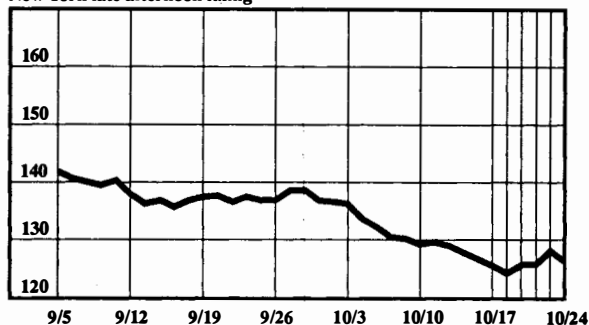
The dollar in deutschemarks

New York late afternoon fixing



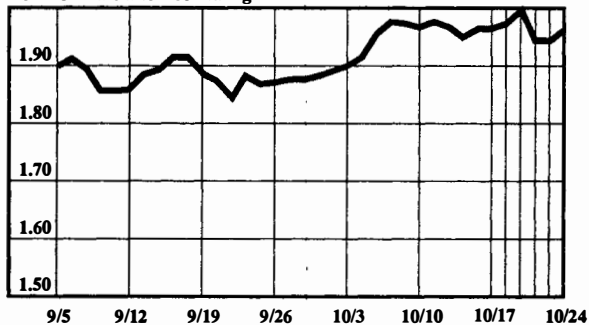
The dollar in yen

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

