

faction that “the Council of Ministers has acknowledged its errors as regards the increase in prices.”

March 1990. Mikhail Gorbachov succeeded in elevating himself to the new office of President of the U.S.S.R., with a huge concentration of powers in his hands. In a front-page interview in *Izvestia*, Deputy Prime Minister Leonid Abalkin asserted that this was most critical for the economy: “Cardinal reform of the economy requires strong, and I especially stress, authoritative power. The government program for curbing the economy . . . was immediately subjected to mass attacks and discrediting. But it would be desirable, for all who are concerned with the fate of the country and the people, to close ranks for its implementation.”

In a typical pro-price reform article in this period of time, *Izvestia* on March 22 carried Murmansk engineer A. Chigrin’s cry, that “low prices are bankrupting us.” He wrote, “Everybody knows there is more money than goods, and that there are not enough goods at current prices for all. But almost everybody is against raising prices. Each person hopes that it won’t be his money that turns into wastepaper.” He refuted the argument that low prices must be maintained because of “the existence of a significant layer of the population with low income.” It is true, said Chigrin, that “the pay for many socially necessary professions hovers around the minimum subsistence level, while a significant portion of pensioners do not have the means for satisfying even elementary requirements of living. But reasonable people, it seems to be, should see in this cause for correcting the senseless system of wages and pensions, not for preserving senseless prices.”

March 28, 1990. Established as “President,” Gorbachov in his inaugural speech laced into the notion of any further delays, and called for “radicalization of the economic reform.” “There is no denying that there are people who are gripped with nostalgia and who suggested ‘backtracking,’ ” he said. “These are, certainly, dangerous prescriptions.” Abalkin and other government officials then promised that a comprehensive economic reform plan would be submitted to the Supreme Soviet by May 1, but Abalkin’s aide, Andrei Orlov, told reporters “the package could be rejected.”

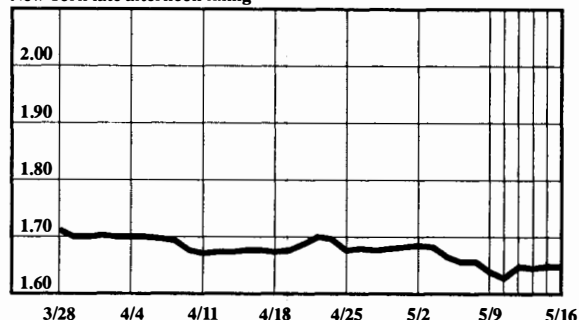
April 1990. A two-session meeting of Gorbachov’s new Presidential Council, held April 14 and 18, failed to agree on economic policy. On April 20, Supreme Soviet official Ivan Laptev announced that the reform package would be debated by the Supreme Soviet only at the end of the session running until May 25, or during the autumn session.

The next week, Gorbachov surfaced in Sverdlovsk with his disclaimers about price hikes. But he could not get his story straight. At one stop he told workers there would be no leap to the market. But at the next, he proclaimed, “One should not wait any more. Everything that was scheduled for 1992 and 1993, we should begin carrying out now”—despite the fact that neither government nor Presidential Council can agree on what is to be done.

Currency Rates

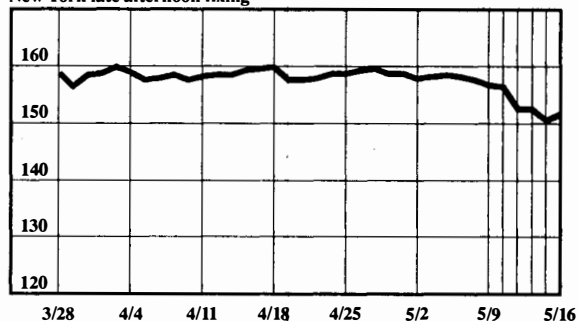
The dollar in deutschmarks

New York late afternoon fixing



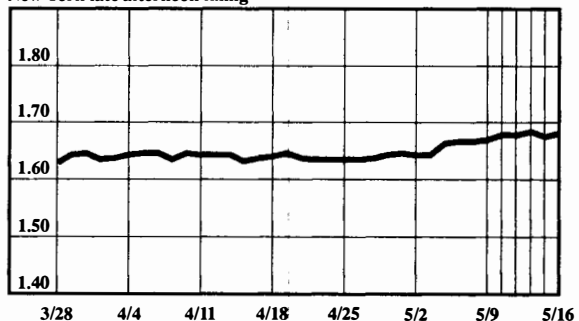
The dollar in yen

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

