

stitutes an absolute shrinkage of the Soviet farm sector. Unlike in the United States, where the historical decline in the farm population was associated with rising productivity due to the application of new technologies, the drop in the Soviet rural population has gone hand in hand with stagnation or decline in productivity.

On March 11 and 12, *Izvestia* correspondent A. Pushkar described a visit to several villages in the Non-Black Earth zone of the Russian Republic. Since it was Chern Region in Tula Oblast (Province), south of Moscow, where the 19th-century writer Ivan Turgenev set his *Sportsman's Sketches*, Pushkar drew a comparison of conditions today with those of a century ago.

Of the 25 collective farms and state farms in Chern, Pushkar reported, officially 7 and in reality 18 are "weak." Turgenevo village had 450 children in the local school before World War II. Today there are 50. "The dilapidation of its farmsteads, the crowdedness of the local store, the club in a rotting hut all cry out: It is time to repay debts to the countryside." At the same time, however, the sight of a huge junkyard of rusting farm machinery and "a mountain of mineral fertilizers in tattered bags, not covered even by straw" make the writer think that the rural inhabitants themselves owe some debts.

At Bezhin Lug (Meadow), site of one of Turgenev's stories, the village consists of 18 households with 29 residents. The collective farm to which it belongs, Pushkar is told by the locals, "built an irrigation system, spending around R100,000, then for no good reason failed to complete it and wrote it off." Thanks to damage inflicted on the meadow by use of the wrong sort of machinery, hay production has plummeted. In the old days, when the peasants were cutting the hay by hand with scythes, they mowed five or six stacks by hand; last summer, the machines cut only one haystack.

When the villages were consolidated into a single collective farm, in 1951, the directors began to close down schools, shops, and services in the villages that lacked promise. "They built no housing in the central farm, and the youth began to flee: first to Tula and Moscow, and then they would take the bus to neighboring Mtsensk, where [two factories] were built, which sucked up youth like a vacuum cleaner."

The farm went through nine different directors. Today, it averages a yield of 13 centners of grain per hectare, while the peasants in the old days would get 16 centners of rye from a *desyatina*. (1 ha = 2.45 acres; 1 *desyatina* = 2.7 acres.)

Dairy productivity has crashed. This farm's cows gave 2,076 liters of milk each, last year. In the United States, cows give 5-6,000 liters. But never mind America, says Pushkar; even locally in Chern, nobody will keep a private cow that doesn't produce at least 4,000 liters. What's wrong in Bezhin Lug? "We've grown old. Look who's working with the cattle. Just old ladies with their gnarled hands. The youth doesn't want to stay on the farm. There aren't enough tractor drivers, either."

'No miracles' seen in Argentine shakeup

by Cynthia R. Rush

A few hours before he was scheduled to get on a plane for Washington to attend the International Monetary Fund's Interim Committee meeting, Argentine Finance Minister Juan V. Sourrouille handed in his resignation to President Raúl Alfonsín. The rest of his economics team quickly followed suit. The March 31 resignation, which caused some surprise in Buenos Aires, occurred after Eduardo Angeloz, presidential candidate of the ruling Radical Civic Union (UCR), publicly suggested to Alfonsín that "this could be the occasion to replace Minister Juan Sourrouille and his economic team." Angeloz charged that Sourrouille had been incapable of controlling the exchange rate, which has seen the national currency, the austral, plummet on the free market from 17 to 53 per U.S. dollar in less than two months.

Presidential spokesman José Ignacio López explained that Sourrouille's resignation was unrelated to the current presidential race. But most on-the-scene observers agree that the move is an electoral ploy, designed to improve Angeloz's image, 30 days before the May 14 elections. Angeloz has tried to distance himself from Sourrouille's economic policies, which have produced chaos on financial and exchange markets, maintained prohibitively high interest rates, and caused inflation to soar. The inflation rate for March is expected to be 15%, with rates of 17-20% predicted for April.

The April 1 *Washington Post* lamented Sourrouille's departure, characterizing his team as "one of the most professionally trained and enduring economic management teams in Latin America." However the *Post* was the only one sorry to see the technocrats go. Peronist presidential candidate Carlos Menem remarked that the minister's resignation was long overdue. So great is the hatred for Sourrouille's boys among the population, that Harvard-trained Finance Secretary Mario Brodersohn, the cold-blooded budget slasher who has denied funding to bankrupt provinces, was nearly assaulted a few weeks ago by irate citizens as he walked down a Buenos Aires street.

Sourrouille's replacement, 74-year-old Juan Carlos Pugliese, is the president of the House of Deputies, a respected political figure. Although he announced that he could offer "no miracles," he moved immediately to calm financial markets and assuage the anger of exporters and importers by devaluing the austral by 21%, and establishing a fixed rate of 20 australs to the dollar, down from the official rate of 15.8.

According to measures announced on April 5, exporters and importers will now be able to operate using both the official and the unofficial exchange rate, transacting 50% of their business in each. Previously, exporters were forced to exchange dollars at the commercial rate of 15 australs to the dollar, and then watch the government trade those dollars on the free market at close to 50 australs to the dollar. For the agricultural sector, whose exports provide the bulk of Argentina's foreign exchange, this meant millions of dollars in losses. The new mix means an effective devaluation for agricultural exporters of close to 40%.

These measures are meaningless, however. Argentina has been battered for five years by International Monetary Fund policy, and citizens want to know how the next President is going to change that. Angeloz says he can do a better job of implementing IMF policy than Alfonsín has done, promising to privatize the entire state sector, impose more drastic austerity, and dismantle the organized labor movement, while paying foreign debt. But it is Menem's call for a "revolution of production," promotion of Ibero-American integration and defense of national sovereignty, that appeal to broader layers of the population, especially the working class and the poor.

Menem's program

In an interview published in the March 26 issue of the Buenos Aires daily *Clarín*, Menem explained, "We are talking about integrating ourselves, first with Latin America, to build a common market, to create continentalism. A continent with work and production, to give happiness to our people." The Peronist candidate warned that foreign creditors want to "impose policies from abroad. Look what happened in the case of Venezuela: They followed the policies which the Monetary Fund told them to, and they had over 300 dead."

In the interview, Menem outlined a series of infrastructure projects which he hopes to implement if elected. These include crucial irrigation projects, to put 200,000 more hectares under cultivation in five provinces; construction of deep-water ports; hydroelectric projects; and the completion of the long-delayed Yacretá dam and Atucha II nuclear plant, because, "without energy there is no production." Any plan for payment of the foreign debt must be subordinate to a program of economic growth, he added.

Such optimistic plans don't sit well with the Peronists' social democratic wing, which maintains a cozy relationship with the IMF and the Socialist International. Worried that they might not be able to control a Menem presidency, the spokesman for this faction, Buenos Aires Gov. Antonio Cafiero, proposed on March 27 that even if Menem wins the May 14 elections, "the next government will have to be a coalition, and not [based] on one political party, because the country's grave crisis demands it." Presumably such a coalition would be with Alfonsín's discredited UCR.

Cardinal Sin on hot

by Antonio A.S. Valdes

We reprint here a March 29, 1989 commentary from the Business World daily of Manila, Philippines. The author, a businessman and columnist in the Philippines, explains why he has written to Jaime Cardinal Sin, the powerful head of the Catholic Church in the Philippines, to protest the Cardinal's agnosticism on the fight around the Philippines debt crisis and the IMF. The country is currently paying 45% of its export earnings to its foreign creditors. Emphasis is the author's. Mr. Valdes entitled his article, "An ecclesiastical cop-out."

Last week, for the first time in my life, I addressed a letter to His Eminence, the Cardinal Archbishop of Manila. I was emboldened to do so by an article which appeared on the front page of the March 21 issue of the *The Chronicle*, where on being asked to comment on the latest Letter of Intent submitted by the Aquino government to the International Monetary Fund, His Eminence was quoted to have said:

"I do not know what it is all about; you ask me about the Church, but not banking. . . . I should not interfere because I am not an expert, and I am too busy with other things to bother about additional loans."

I wrote with mixed incredulity, anguish, and frankly, exasperation. I wrote because I found it impossible to believe that these words were spoken by a man who has never hesitated to make known his views on just about everything else, from the re-entry of Harry Stonehill to graft and corruption in the administration.

And I wrote because I found it even more difficult to accept that they emanated from the highest ranking member of the hierarchy in this most Catholic of Asian nations, who also happens to be the second—if not actually the first—most powerful person in the country.

Why, I wanted to know from the good Cardinal, the sudden reticence and modesty about so fundamental and critical an issue as the foreign debt?

And why, when the Church would have all of us agonize over the errors and perils of artificial birth control, divorce, and the fundamentalists, has its de facto spokesman seen fit to dismiss what many of us perceive as a matter of life and death so casually and, indeed, even callously?

And so I wrote His Eminence: