

**NEW REDUCTION OF STATE RETAIL PRICES
FOR FOOD AND MANUFACTURED GOODS**

*Decision of the Council of Ministers of
the U.S.S.R. and the Central Committee
of the C.P.S.U.(B.)*

**DECISION TO CALCULATE THE VALUE OF
THE RUBLE ON A GOLD BASIS AND TO RAISE
THE RUBLE FOREIGN EXCHANGE RATE**

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No. 1443

MAIN

SUPPLEMENT to NEW TIMES, No. 10, March 8, 1950



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NEW REDUCTION OF STATE RETAIL PRICES FOR FOOD AND MANUFACTURED GOODS

Decision of the Council of Ministers of the U.S.S.R. and the Central Committee of the C.P.S.U.(B.)

In view of the further successes achieved by industry and agriculture in 1949, the rise in labour productivity and the lowering of production costs, the Soviet Government and the Central Committee of the Communist Party of the Soviet Union (Bolsheviks) deem it possible, as from March 1, 1950, to effect another reduction of state retail prices—the third in succession—for food and manufactured goods of general consumption.

The Council of Ministers of the U.S.S.R. and the C.C., C.P.S.U.(B.) estimate that the new reduction of prices in state trade will result in an annual gain to the population of not less than 80,000 million rubles.

Furthermore, under the influence of the reduction of prices in state trade, there will be an approximately similar reduction of prices in the collective-farm markets and in co-operative trade, resulting in an additional gain to the population of not less than 30,000 million rubles.

Consequently, the total gain to the population from the new reduction of prices will be not less than 110,000 million rubles.

There can be no doubt that the effect of the new reduction of prices will be:

1) Another considerable rise in the purchasing power of the ruble;

2) A further improvement in the foreign exchange rate of the Soviet ruble;

3) A further substantial increase in the real wages of factory and office workers;

4) A substantial improvement in the position of pensioners and stipend-holders, inasmuch as the pension and stipend scales will not be altered with the reduction of prices;

5) A further substantial increase in peasant incomes, inasmuch as the peasants will have to pay much less for manufactured goods, the prices of which have been lowered, and inasmuch as state purchasing prices for agricultural and animal produce remain unaltered.

The Council of Ministers of the U.S.S.R. and the Central Committee of the C.P.S.U.(B.) resolve:

1. As from March 1, 1950, to lower state retail prices for food and manufactured goods as follows:

BREADS

	Reduction
Whole-meal rye and wheat bread, loaf and shaped	25.9%
High-grade wheat bread	30.0%
High-grade wheat rolls, cracknels, rusks and other bakery products	30.0%
Yeast	20.0%

FLOUR

Whole-meal wheat and rye flour	25.0%
Superior-grade and first-grade wheat flour	30.0%
Finest wheat flour	21.0%
Other grades of wheat flour and corn, barley and other flours	25.0%

CEREALS, RICE AND LEGUMES

Millet	14.8%
Buckwheat, other cereals, peas and beans	20.0%
Rice	12.0%

ALIMENTARY PASTES

Macaroni, etc.	25.0%
Noodles	25.0%

CEREAL AND STARCH FOODS

Pea-soup powder and prepared millet porridge	15.2%
Baby's food	14.5%
Potato flour	14.6%
Oatmeal, oatflakes, cornflakes, sago, etc.	15.0%

FODDERS AND FEEDS

Rye, wheat, barley and other grains	20.0%
Oats	22.7%
Bran	22.0%
Mixed fodder	25.0%
Cotton oil cake	25.0%
Other oil cakes and shorts	22.0%
Hay	25.0%

MEAT AND MEAT PRODUCTS

Beef, prime and superior	24.0%
Beef, under-medium	30.0%
Mutton, prime and superior	28.0%
Mutton, under-medium	35.0%
Pork	24.0%
Poultry	24.0%
Rabbit meat	30.0%
Other meats, prime and superior	24.0%
Other meats, under-medium	30.0%
Heads, legs, liver, lights, etc.	24.0%
Sausage	24.0%
Sausages	30.0%
Smoked meats	27.0%
Moscow steaks	35.0%
Other prepared meats	25.0%
Canned meat and canned meat and vegetables	25.0%

FISH AND FISH PRODUCTS

Zander, chilled and frozen	10.2%
Sturgeon	10.0%
Salmon, dorse and Far Eastern mackerel	30.0%
Dorse, Northern	25.0%
Salmon, salted	20.0%
Smoked salmon, whitefish and sturgeon	30.0%
Herring, Pacific	30.0%
Herring, Caspian, Olyutorsk, Zhupanovsk, etc.	10.1%
Fish fillets	25.0%
Vobla, dried	10.0%
Goby, sun-dried and oven-dried	30.0%
Tyulka, salted	12.5%
Tyulka, dried	25.0%
Other fish	10.0%
Black caviare	30.0%
Red caviare	25.0%
Canned fish in oil	25.0%
Canned salmon (natural), cod and burbot liver, cod and plaice in oil	35.0%
Other canned fish	30.0%

FATS, CHEESE AND DAIRY PRODUCTS

Butter	30.0%
Cheese, Sovietsky, Shveitsarsky, Gollandsky, etc.	20.0%
Local cheeses and brinza	15.0%
Milk, cream, clotted milk and kefir	10.0%
Sour cream, cottage cheese, cream cheese, etc.	20.0%
Canned milk and milk powder	15.0%
Ice cream	20.0%
Vegetable oil	10.0%
Margarine	35.0%
Lard and bacon fat	18.0%
Vitaminized medicinal fats	25.0%
Mayonnaises, etc.	20.0%

EGGS AND EGG POWDER

Eggs	15.0%
Egg powder	20.0%

SUGAR, CONFECTIONERY AND GROCERIES

Granulated sugar	15.0%
Lump sugar	12.0%
Hard sweets and caramels, unwrapped	8.0%
Caramels (without cocoa), wrapped	11.0%
Soft sweets, chocolate, jujube, biscuits and honeycakes	20.0%
Cocoa and pastry	16.7%
Other confectionery (wafers, fruit cake, fruit roll, Oriental confectionery, dietetic, medicinal, etc.)	18.0%
Jam, fruit paste and fruit jelly	25.0%
Vitamins	20.0%
Salt, ground and extra-fine	40.0%
Salt, coarse	50.0%
Tea	10.0%
Tea, coffee and cocoa beverages	18.0%

SPIRITS, WINES AND LIQUEURS

Vodka	16.7%
Liqueurs	25.0%
Fruit liqueurs and crèmes (sweet)	18.0%
Bitters	20.0%
Brandy	25.0%
Table wines	35.0%
Full-bodied and dessert wines (average)	49.0%
Soviet Champagne	16.2%
Tsimlyanskoye	30.0%
Fruit wines	20.0%

BEER, FRUIT BEVERAGES AND KVASS

Beer	30.0%
Fruit beverages and syrups	16.0%
Kvass	22.0%
Other beverages	20.0%
Soda	21.0%

FRUIT

Apples and pears	20.0%
Grapes	25.0%
Oranges and tangerines	15.0%
Dried fruits and nuts	20.0%
Canned fruits and juices	30.0%
Chilled peaches, apricots, plums, black currants, etc. (sugared)	20.0%
Other chilled fruits and berries (unsugared)	30.0%

VEGETABLES

Potatoes	10.0%
Cabbage	14.7%
Carrots	14.7%
Beets	10.0%
Green peas	32.0%
Other fresh vegetables	10.0%
Pickled cabbage	16.7%
Other salted and pickled vegetables	15.0%
Dried potatoes	11.1%
Dried cabbage	20.8%
Other dried vegetables	13.0%
Canned tomato juice	32.0%
Canned egg-plant, canned pickled cucumber and other canned vegetables	20.0%
Chilled green peas	35.7%
Other chilled vegetables	30.0%

TEXTILES

Cotton goods	15.0%
Pure woollen and semi-woollen worsteds	12.0%
Pure woollen fine cloth	12.0%
Semi-woollen fine cloth	22.0%
Coarse woollen cloth	24.0%
Semi-silk and artificial-silk goods	12.0%
Linens	15.0%

CLOTHING, KNITWEAR AND HEADGEAR

Overcoats, suits, dresses and other garments:	
Of worsted and pure woollen fine cloth	10.0%
Of semi-woollen fine cloth	20.0%
Of coarse woollen cloth	22.0%

Semi-silk and artificial-silk dresses, blouses, underwear and other garments	10.0%
Cotton-cloth coats, suits, dresses, underwear and other garments	13.0%
Linen dresses, blouses, underwear and other garments	14.0%
Cotton, semi-silk and viscose knitted goods	10.0%
Fine-spun viscose summer gloves	30.0%
Kapron socks and stockings	25.0%
Cotton, silk and woollen socks and stockings	15.0%
Caps and other cloth headgear	25.0%
Caps, pure wool	35.0%
Hats, berets and hat-shapes (felt, down and woollen)	10.0%
Fur collars and caps	10.0%
Woollen blankets	20.0%
Garment-making prices (1st class workshops)	10.0%
Garment-making prices (2nd class workshops)	15.0%

FOOTWEAR

Footwear, leather	15.0%
Footwear, cloth and cloth-leather tops	20.0%
Yuft boots and top boots, men's and women's	25.0%
Rubber-soled footwear, children's	15.0%
Rubber-soled footwear, men's and women's	10.0%
Felt boots	25.0%

HABERDASHERY AND JEWELRY

Cotton, woollen, artificial-silk and semi-silk haberdashery	20.0%
Leather and imitation-leather goods	20.0%
Metal dress trimmings	15.0%
Lace, needlework and net curtaining (machine-made)	12.0%
Lace and net draperies	30.0%
Needles	20.0%
Perfumes, Eau-de-Cologne and perfume sets ("Camelia," "Magnolia," "White Night," "White Lilac" and "Gift" brands)	15.0%
Other perfumes and cosmetics	25.0%
Sewing and embroidery thread	20.0%
Gold and silver articles sold by weight	10.0%
Jewelry and metal ornaments	15.0%
Insignia, cloth	20.0%

STATIONERY, SPORTS GOODS, MUSICAL INSTRUMENTS, TOYS, ETC.

Radio sets	15.0%
Loudspeakers, valves and other radio equipment	20.0%
Cameras and photographic material	20.0%
Opera glasses	25.0%
Gramophones, gramophone spare parts, accordions and bayans	25.0%
Concertinas	20.0%
Gramophone records	16.7%
Pianos	10.0%
Stationery	10.0%
Exercise books and paper and cardboard articles	20.0%
Mathematical instrument sets	30.0%
Typewriters and spare parts	22.0%
School and office supplies, except nibs and lead pencils	20.0%
Fountain pens	30.0%
Rubber toys	10.0%
Celluloid toys	20.0%

CROCKERY AND UTENSILS

China and porcelain and porcelain ornaments	20.0%
Tumblers, glassware and glass kitchen utensils	15.0%
Aluminium utensils, first grade	15.0%
Aluminium utensils, second grade	30.0%
Enamelled-iron and zinc-plated utensils	15.0%
Cast-iron utensils	15.0%
Enamelled cast-iron utensils	10.0%
Stainless steel and white-metal utensils	20.0%
Brass utensils	15.0%

HOUSEHOLD GOODS

Soap, household	40.0%
Soap, toilet	50.0%
Kerosene	10.0%
Sewing machines and spare parts	20.0%
Brass samovars	20.0%
Electric bulbs	11.0%
Electric irons	25.0%
Electric vacuum cleaners	20.0%
Other electrical goods	20.0%
Meatmincers, kerosene stoves, kero-gaz stoves, primus stoves and spare parts	20.0%

Stainless steel cutlery	30.0%
Steel cutlery	12.0%
Flatirons	20.0%
Rope and string	15.0%
Harness and saddlery	15.0%
Iron bedsteads, nickel-plated	10.0%
Other iron bedsteads	20.0%
Locks	25.0%
Hardware	20.0%
Oilcloth, dermatin, granitol, lederin and rubbered cloth	10.0%
Machine-made and hand-made carpets and rugs	20.0%
Fabric and parchment lampshades	25.0%
Feather and eider-down articles	15.0%
Wadding	20.0%
Plastic ware	20.0%

BUILDING MATERIALS

Nails	20.0%
Cement and slate	20.0%
Felt, ruberoid and other soft roofing materials	20.0%
Window glass	20.0%
Spirit varnishes, polishes and artists' paints	20.0%
Other varnishes and paints	10.0%
Wallpaper	20.0%

BICYCLES, MOTORCYCLES, CLOCKS AND WATCHES, TOBACCO, MATCHES

Bicycles and spare parts	20.0%
Touring motorcycles (IZH-350 type) and spare parts	20.0%
Other motorcycles and spare parts	25.0%
Sports guns	12.0%
Bicycle tyres and inner tubes, and balls (football, basketball, volley-ball and tennis)	10.0%
Dutch clocks, wooden-cased	11.0%
Dutch clocks, metal-cased	28.6%
Clocks, wrist and pocket watches, etc.	20.0%
Playing cards	20.0%
Automatic lighter flints	40.0%
Cigarettes, tobacco and makhorka	20.0%
Matches	25.0%

2. Restaurant, dining-room, teahouse and other catering establishment prices shall be lowered accordingly.

*Chairman of the Council
of Ministers of the U.S.S.R.
J. STALIN*

*Secretary, C.C., C.P.S.U.(B.)
G. MALENKOV*

Decision of the Council of Ministers of the U.S.S.R. to Calculate the Value of the Ruble on a Gold Basis and to Raise the Ruble Foreign Exchange Rate

The currency reform carried out in the U.S.S.R. in December 1947 eliminated the effects of the second world war on the currency and restored the Soviet ruble to full value.

The abolition of rationing which accompanied the currency reform, and the three successive substantial reductions of prices of articles of general consumption in the period 1947-50, resulted in still further strengthening the ruble, increasing its purchasing power and raising its foreign exchange value.

In the Western countries, on the other hand, currencies have depreciated and are continuing to depreciate, which has already led to a devaluation of European currencies. In the United States of America, too, the continued rise of prices of articles of general consumption, and the continued increase of inflation resulting therefrom, which has been repeatedly admitted by responsible spokesmen of the United States government, have led to a substantial decline of the purchasing power of the dollar.

The result of these factors is that the purchasing power of the ruble is now higher than its official exchange rate.

In view of this, the Soviet Government has deemed it necessary to raise the official exchange rate of the ruble, and in future to calculate the exchange rate of the ruble, not on a dollar basis, as was established in July

1937, but on the more stable gold basis, in correspondence with the gold content of the ruble.

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The abolition of rationing which accompanied the currency reform, and the three successive substantial reductions of prices of articles of general consumption in the period 1947-50, resulted in still further strengthening the ruble, increasing its purchasing power and raising its foreign exchange value.

In the Western countries, on the other hand, currencies have depreciated and are continuing to depreciate, which has already led to a devaluation of European currencies. In the United States of America, too, the continued rise of prices of articles of general consumption, and the continued increase of inflation resulting therefrom, which has been repeatedly admitted by responsible spokesmen of the United States government, have led to a substantial decline of the purchasing power of the dollar.

The result of these factors is that the purchasing power of the ruble is now higher than its official exchange rate.

In view of this, the Soviet Government has deemed it necessary to raise the official exchange rate of the ruble, and in future to calculate the exchange rate of the ruble, not on a dollar basis, as was established in July

1937, but on the more stable gold basis, in correspondence with the gold content of the ruble.

Accordingly, the Council of Ministers of the U.S.S.R. has resolved:

1. To discontinue, as from March 1, 1950, the practice of calculating the foreign exchange rate of the ruble on a dollar basis and to calculate it on the more stable gold basis, in correspondence with the gold content of the ruble.

2. To fix the gold content of the ruble at 0.222168 grams of fine gold.

3. To fix, as from March 1, 1950, the price paid for gold by the State Bank of the U.S.S.R. at 4 rubles 45 kopecks for 1 gram of fine gold.

4. To fix, as from March 1, 1950, the foreign exchange rate of the ruble, in accordance with its gold content, as defined in Point 2, as follows:

4 rubles for one American dollar, instead of 5 rubles 30 kopecks as at present;

11 rubles 20 kopecks for one pound sterling, instead of 14 rubles 84 kopecks as at present.

To instruct the State Bank of the U.S.S.R. correspondingly to alter the exchange rate of the ruble in respect to other foreign currencies.

In the event of further changes in the gold content of foreign currencies or in their exchange rates, the State Bank of the U.S.S.R. shall alter the foreign exchange rate of the ruble correspondingly.

$$\frac{20}{11.2} = 1\frac{9}{2} \text{ or one ruble from}$$

$$\frac{20}{4} = 5 \frac{1}{4}$$

