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SOURCE Posev, No 7, 1948.STUDY OF PRICES AND EARNINGS IN USSR

On 14 December, 1947, the Council of Ministers USSR and the Central Committee of VKP(b) passed a decree concerning the enactment of monetary reform and the abolition of ration cards for consumers' goods. The foreword to the decree stated that monetary reform would increase the real earnings of workers and employees and would aid in raising the workers' material welfare. The purpose of the decree was to abolish high commercial prices and establish uniform reduced state retail prices on consumers' goods. Actually, however, the only prices lowered were those on bread and flour (an average reduction of 12 percent) and on groats and macaroni (an average reduction of 10 percent). Prices on meat, fish, fats, sugar, confectionery products, salt, potatoes, vegetables, vodka, wine, tobacco products, and matches, were left unchanged. Prices on eggs, fruit, tea, and on textiles, footwear, clothing, and knit goods were raised.

On 16 September 1946, all prices on rationed goods had been raised by an average of 200 percent. At that time some increase in earnings, although not in proportion to the price increases, had been effected as follows: 110 rubles for those receiving up to 300 rubles a month, 100 rubles for those receiving up to 500 rubles a month, 90 rubles for those receiving up to 700 rubles a month, and 80 rubles for those receiving up to 900 rubles a month.

The 1947 decree was accompanied by Order No 550 of the Ministry of Trade USSR, entitled "New Uniform State Retail Prices on Consumers' Goods." Actually, the order established uniform prices on only a few articles: tea, coffee, beer, ice cream, caviar, vodka, matches, soap, better-grade cigarettes, thread, ladies' combs, clocks, phonographs, radio receivers, and cameras. The remaining food products were divided into three groups: bread and other foods, milk products and eggs, and dried and fresh fruits. For each product group, the whole country was divided into three zones. Each zone had its own prices, varying from each other as much as 7-25 percent.

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The majority of manufactured articles had two prices, rural and urban. Prices in rural communities were 5-12 percent higher than in cities.

The published price list for food products included prices for ice cream, caviar, and vodka, but none were given for lard, sausage, mutton, pork or vegetables; the price list for manufactured articles quoted prices on fancy socks, ladies' combs, phonographs, and cameras, but failed to mention prices on coats, gloves, wool socks and stockings, boots, or children's clothing.

Order No 550 established the following prices (some of the secondary articles are not included in this table):

Bread and Other Food Products  
(in rubles per kg)

<u>Article</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
Bread, rye	2.80	3.00	3.20
Bread, wheat, 2d grade	4.00	4.40	4.80
Bread, wheat, 1st grade	6.20	7.00	7.80
Flour, rye	4.40	4.80	5.20
Flour, wheat, 1st grade	7.00	8.00	9.00
Millet	5.50	6.00	6.50
Buckwheat	11.00	12.00	13.00
Macaroni	9.00	10.00	11.00
Lump sugar	13.50	15.00	16.50
Beef	28.00	30.00	32.00
Corned beef	62.00	64.00	66.00
Oil, sunflower seed	28.00	30.00	32.00
Fish, frozen	10.50	12.00	10.50
Salt herring	17.00	20.00	17.00
Salt	1.60	1.60	1.80

Fruits, Milk Products, and Eggs  
(in rubles)

<u>Apples</u> (1 kg)	<u>Milk</u> (liter)	<u>Eggs</u> (ten)
8.00-12.00	2.50-3.00	10.00-14.00
12.00-18.00	3.00-4.00	12.00-16.00
16.00-25.00	4.00-5.00	14.00-18.00

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Uniform Prices in All Zones  
(in rubles)

Tea, (Georgian (100 gr)	16.00
Coffee beans (1 kg)	75.00
Beer ( $\frac{1}{2}$ liter)	7.00
Ice cream (1 kg)	20.00
Caviar, soft (1 kg)	400.00
Vodka, special Moscow ( $\frac{1}{2}$ liter)	60.00

Manufactured Articles  
(in rubles)

<u>Article</u>	<u>Quantity</u>	<u>Cities</u>	<u>Rural Areas</u>
Woolen fabric (136 cm wide)	1 meter	450.00	510.00
Ladies' dresses, cotton	one	77.00	86.00
Men's suits, part-wool, 2-piece	one	430.00	450.00
Ladies' dresses, wool	one	510.00	560.00
Men's suits, wool, 2-piece	one	1,400.00	1,500.00
Shoes, ladies'	pair	260.00	288.00
Shoes, men's	pair	260.00	288.00
Cigarettes, better grade	25 per package	6.30	6.30
Laundry soap (60%)	400 gr	5.20	5.20
Toilet soap	100 gr	4.00	4.00
Wrist watch, metal	one	900.00	900.00
Phonograph	one	900.00	900.00
Camera	one	1,100.00	1,100.00

It is interesting to compare the above prices with average earnings. According to the Fourth Five-Year Plan, the average monthly earnings of workers and employees (kolkhoz workers are not included, as their wages are calculated in workdays), were to reach 500 rubles by 1950. On the basis of extensive data, it can be assumed that the average wage of Soviet workers had already reached that figure in 1947.

However, the average wage, arrived at by dividing the entire wage fund (determined by the state plan in the USSR) by the total number of workers and employees, although very significant, can provide only average data. While there are wages exceeding 500 rubles per month, there are even more that do not reach

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this figure. Therefore, in determining the level of real wages of workers in the USSR, it is important to ascertain the lowest wage established by the government, i.e., the minimum living wage, as this alone is a true index of the status of the workers.

The Soviet press says nothing about the lowest wage. Only a special publication, a book entitled Labor Legislation (Zakonodatel'stvo o trude), published by the Juridical Publishing House of the Ministry of Justice USSR, Moscow 1947, contains a "Commentary" which gives definite indications on this point. On the basis of these indications it appears that since 16 September 1946, i.e., after the increase of 110 rubles for those receiving up to 300 rubles a month, the minimum wage of workers and employees, as determined by the government, is 220-225 rubles a month.

On the basis of the 8-hour day and the 6-day week prevailing in the USSR, the 1947 prices, converted into hours and minutes of work, together with the monthly wage rates, i.e., an average of 500 rubles, 300 rubles, and a near-minimum of 250 rubles, give the following picture of the real earnings of the majority of workers and employees in the USSR.

In the following table, the minimum and maximum zone prices are used for food products; urban and rural prices are used for manufactured articles.

With the help of this table, one can determine how a workers' family lives, if, for example, it consists of four people and the head of the family earns 500 rubles per month.

One day's earnings would buy:

Rye bread	2 kg equal to 2 hr 40 min labor
Millet	$\frac{1}{2}$ kg equal to 1 hr 20 min
Sunflower seed oil	100 gr equal to 1 hr 20 min labor
Herring	200 gr equal to 1 hr 40 min labor
Sugar	100 gr equal to 0 hr 42 min
Total labor	7 hr 42 min

Taking into consideration that there are a number of deductions, such as state loans, taxes, etc., amounting to about 15 percent of the earnings, there would be nothing left for rent, fuel, or clothing.

[Table follows on next page.]

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per Mo

hr 40 m  
hr 00 m  
hr 30 m  
hr 20 m  
hr 30 m  
hr 23 m  
hr 50 m  
hr 10 m  
13 hr 44 m  
hr 40 m  
hr 00 m  
hr 40 m  
hr 06 m  
hr 40 m  
hr 30 m  
hr 50 m  
hr 10 m  
hr 00 m

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Article	Quantity	With Earn 500 Ruble
Bread, rye	1 kg	1 hr 20 m-
Bread, wheat, 2d grade	1 kg	1 hr 40 m-
Bread, wheat, 1st grade	1 kg	2 hr 35 m-
Flour, rye	1 kg	1 hr 50 m-
Flour, wheat, 1st grade	1 kg	2 hr 55 m-
Millet	1 kg	2 hr 18 m-
Buckwheat	1 kg	4 hr 35 m-
Macaroni	1 kg	3 hr 45 m-
Lump sugar	1 kg	5 hr 37 m-
Beef	1 kg	11 hr 40 m-
Salted butter	1 kg	25 hr 20 m-
Oil, sunflower seed	1 kg	11 hr 40 m-
Fish, frozen	1 kg	4 hr 20 m-
Salt herring	1 kg	7 hr 05 m-
Salt	1 kg	0 hr 40 m-
Apples	1 kg	3 hr 20 m-
Milk	1 kg	1 hr 02 m-
Eggs	10 kg	4 hr 10 m-

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Tea	100 gr	6 hr 40 m	11 hr 06 m	13 hr 20 m
Coffee beans	1 kg	30 hr 25 m	50 hr 50 m	60 hr 50 m
Beer	$\frac{1}{2}$ liter	2 hr 55 m	4 hr 41 m	5 hr 50 m
Ice cream	1 kg	8 hr 20 m	13 hr 53 m	16 hr 40 m
Cigarettes, better grade	25	2 hr 37 m	4 hr 52 m	5 hr 14 m
Laundry soap (60%)	400 gr	2 hr 10 m	3 hr 37 m	4 hr 20 m
Toilet soap	100 gr	1 hr 40 m	2 hr 47 m	3 hr 20 m
Caviar, soft	1 kg	167 hr 50 m	285 hr	383 hr
Vodka	$\frac{1}{2}$ liter	25 hr 00 m	41 hr 40 m	50 hr 00 m
Woolen fabric, 136 cm. wide	1 meter	188 hr-213 hr	313 hr-354 hr	375 hr-425 hr
Ladies' dress, cotton	1	32 hr-36 hr	54 hr-57 hr	64 hr-724 hr
Ladies' dress, wool	1	207 hr-233 hr	346 hr-389 hr	415 hr-467 hr
Men's suit, part-wool	1	179 hr-189 hr	297 hr-331 hr	358 hr-375 hr
Men's suit, wool	1	584 hr-625 hr	973 hr-1042 hr	1167 hr-1250 hr
Shoes, ladies	1 pair	108 hr-120 hr	180 hr-200 hr	216 hr-249 hr
Shoes, men's	1 pair	108 hr-120 hr	180 hr-200 hr	217 hr-240 hr
Wrist watch, metal	1	375 hr	625 hr	750 hr
Phonograph	1	375 hr	625 hr	750 hr
Camera	1	428 hr	764 hr	917 hr

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