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USSR: Wages and Ruble/Dollar  
Ratios in Manufacturing, 1950-1974

4 August 1974<sup>5</sup>

Office of Economic Research  
Central Intelligence Agency

## Methodology

1. A 1963 ruble/dollar ratio was derived from data in Soviet Studies on Ruble/Dollar Parity Ratios by Vladimir Treml and Dimitri Gallik published in 1973 by the US Department of Commerce and was used to determine all other ruble/dollar ratios shown in Table 2. The Russian index of wholesale prices without turnover taxes, published in the Soviet Statistical Handbook, was used to change the wage rates given in the Yearbook of Labor Statistics, published by the International Labor Organization, from current rubles to 1963 rubles. These figures were then changed into 1963 dollars using the ruble/dollar ratio computed from data in Treml and Gallik. The dollars were transformed into current dollars by inflating (deflating) them according to the US wholesale price index given in the US Statistical Abstract. Each year's ruble/dollar ratio was obtained by dividing current rubles by current dollars for the same year.

2. The base year for the Soviet wholesale price index is 1949. The index numbers for 1961 and 1974 were estimated.

3. The base year for the US wholesale price index is 1967. Data for 1950, 1955, 1961-64, and 1966 was derived from an index with a base period of 1957-1959.

4. All wages in current rubles are based on data in the Yearbook of Labor Statistics. Wages in current rubles for 1950, 1955, and 1974 were determined by analyzing wage trends in the industrial sector in the Soviet Statistical Handbook. It was assumed that wages in manufacturing would fluctuate directly with wages in industry. All other wage rates given in this paper (those in 1963 rubles, those in 1963 dollars, and those in current dollars) were calculated from wages in current rubles using the methodology described above.

5. Even if the industrial ruble-dollar rate for 1963 is correctly computed, problems arise in converting the ratio to other years with Soviet price indexes. The sample used for the Soviet wholesale price series is not representative of all Soviet industry. Moreover, the Soviet indexes fail to measure inflation disguised through slight changes in product specifications which result in substantially higher prices. Another danger is that using both the US and USSR price indexes assumes a constant product mix throughout the period.

Table 1

USSR: Wages in Manufacturing

	<u>Current Rubles</u>	<u>1963 Rubles</u>	<u>1963 Dollars</u>	<u>Current Dollars</u>
1950	66.5	56.9	72.1	62.4
1955	74.0	77.3	97.9	94.4
1960	85.6	88.1	111.6	112.1
1961	89.0	90.3	114.4	114.4
1962	91.3	91.3	115.7	116.1
1963	93.1	93.1	118.0	118.0
1964	95.1	95.1	120.5	120.8
1965	97.7	99.1	125.6	128.4
1966	101.5	101.5	128.6	135.8
1967	107.3	98.9	125.4	132.7
1968	115.9	106.9	135.4	146.9
1969	122.0	112.5	142.6	160.7
1970	127.5	117.6	149.0	174.1
1971	131.7	123.0	115.9	187.9
1972	136.4	127.4	161.5	203.5
1973	141.3	132.0	167.3	239.9
1974	148.8	139.0	176.2	289.6

Table 2

Industrial Ruble/Dollar Ratios a/

1950	1.066
1955	.784
1960	.764
1961	.778
1962	.786
1963	.789
1964	.787
1965	.761
1966	.747
1967	.809
1968	.789
1969	.759
1970	.732
1971	.701
1972	.670
1973	.589
1974	.514

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a. Derived from data in Table 1.