

PRESS REPORTS

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MOSCOW SEEKING GOLD PRICE RISE

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Mikoyan, Soviet's Economic Chief,
Also Hints Making the Ruble Convertible

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by
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A call for the United States Government to raise the price of gold above the current \$35 an ounce has been voiced by Soviet First Deputy Premier Anastas I. Mikoyan.

Mr. Mikoyan, director of Soviet foreign economic policy, has also recently forecast publicly that the Soviet ruble, now a purely internal currency, will become a convertible international medium of exchange. This is the first authoritative Soviet intimation of such plans for the ruble, a currency which has been non-convertible for the last three decades.

The Soviet leader's remarks on gold are given in the latest issue of the Soviet magazine International Affairs. Mr. Mikoyan declares in effect that the present price of gold is an artificially low one, which, he says, has been imposed by the United States despite the wishes of countries that sell gold.

Effects of the Price

Mr. Mikoyan declares that the difference between the present "artificially established price" and the price that should exist amounts to tribute paid by the countries that sell gold to the United States.

A rise in the world price of gold would greatly benefit the Soviet Union, since it is one of the world's largest gold producers. Last year alone, United States Government specialists have estimated Soviet gold sales to the West exceeded \$260,000,000. Mr. Mikoyan's call for such a price rise would seem connected with the implicit admission of the inadequacy of Soviet foreign exchange resources given by Premier Nikita S. Khrushchev recently when he asked for long-term United States credits.

The Soviet desire for a rise in the price of gold may also be connected with the increased cost of gold production in the Soviet Union in recent years. That higher cost has arisen with the shift from gold production by forced labor, employed widely for this purpose until two or three years ago, to production by workers laboring under normal conditions and paid far more for their output than were the forced workers.

Comment on the Ruble

Mr. Mikoyan's statement about the future role of the ruble as an international currency appears in the latest issue of the Soviet foreign trade journal, Vnesnyaya Torgovlya (Foreign Trade) to reach this country. While his

discussion of the matter is vague, Mr. Mikoyan seems to imply that the conversion of the ruble to such status will take place gradually, through a series of steps, rather than in one move.

The ruble at present may not either be exported from or imported into the Soviet Union. It is used as the unit of account in the foreign trade of the Soviet Union and the East European Communist countries, but this use involves no physical exchange of rubles into other currencies or any shipment of rubles from one country to another. Mr. Mikoyan's discussion appears to envisage the ruble's conversion into an international currency to be a by-product of rising Soviet trade.