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The Monetary Reform of 1947 through the Perspective of Chinese Diplomats from Novosibirsk

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Abstract. The paper is devoted to the Soviet monetary reform of 1947 in the context of analyzing its consequences for foreign citizens and diplomatic missions. On December 14, 1947, the Council of Ministers of the USSR and the Central Committee of the All-Union Communist Party (Bolsheviks) adopted a resolution on the implementation of the monetary reform and the abolition of ration cards for food and industrial goods. The reform was aimed at eliminating the disproportion between the excess money supply generated by the emission for military expenses and the supply of goods, largely by confiscating savings from the population by establishing an unfavorable exchange rate. The purpose of the article is to show the impact of the monetary reform of 1947 on foreign diplomatic missions accredited in the USSR using the example of the interaction of the Consulate General of China in Novosibirsk with the Soviet authorities. The article examines a conflict situation between a branch of the State Bank and the Chinese consulate regarding the revaluation of a ruble deposit following the reform. The choice by the Soviet side of the countries for which exceptions were made, in the opinion of the Chinese side, was unjustified; moreover, the USSR and the Republic of China positioned each other as friendly countries. This circumstance was presented by the Chinese side as a political argument allowing them to count on privileged conditions for the conversion of the ruble account. The article publishes the correspondence between the Consulate and the head of the Novosibirsk executive authority and the decree of the USSR government "On the procedure for exchanging money for diplomatic missions in the USSR in connection with the ongoing monetary reform and the abolition of the card system" dated December 14, 1947, which is being introduced into scientific community for the first time. The documents were deposited in the State Archives of Novosibirsk in the fund of the Novosibirsk City Council. It is concluded that the strategies and practices of foreign diplomatic representatives in the context of confiscatory reform turned out to be similar to the financial attitudes and behavior of part of the country's population and party-Soviet elites aimed at preserving savings.
Keywords: monetary reform; money exchange; finance; ruble deposits; exchange rate; Chinese consulate; USSR; Novosibirsk

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Денежная реформа 1947 г. глазами китайских дипломатов из Новосибирска

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Аннотация. Статья посвящена советской денежной реформе 1947 года в контексте анализа ее последствий для иностранных граждан и дипломатических представительств. 14 декабря 1947 года Совет Министров СССР и Центральный комитет Всесоюзной коммунистической партии (большевиков) приняли постановление о проведении денежной реформы и отмене карточек на продовольственные и промышленные товары. Реформа была направлена на устранение диспропорции между избыточной денежной массой, образовавшейся в результате эмиссии на военные расходы, и предложением товаров, в основном путем изъятия сбережений у населения путем установления неблагоприятного обменного курса. Цель статьи – показать влияние денежной реформы 1947 года на иностранные дипломатические представительства, аккредитованные в СССР, на примере взаимодействия Генерального консульства Китая в Новосибирске с советскими властями. В статье рассматривается конфликтная ситуация между отделением Государственного банка и консульством Китая по поводу переоценки рублевого вклада после реформы. Выбор советской стороной стран, для которых были сделаны исключения, по мнению китайской стороны, был неоправданным; более того, СССР и Китайская Республика позиционировали друг друга как дружественные страны. Это обстоятельство было представлено китайской стороной в качестве политического аргумента, позволяющего им рассчитывать на льготные условия для конвертации рублевого счета. В статье публикуется переписка между консульством и главой исполнительной власти Новосибирска и постановление правительства СССР «О порядке обмена денег для дипломатических представительств в СССР в связи с проводимой денежной реформой и отменой карточной системы» от 14 декабря 1947 года, которое находится в стадии разработки. впервые введен в научный оборот. Документы были сданы на хранение в Государственный архив Новосибирска в фонде Новосибирской городской думы. Делается вывод о том, что стратегии и практики иностранных дипломатических представителей в контексте конфискационной реформы оказались схожими с финансовыми установками и поведением части населения страны и партийно-советских элит, направленными на сохранение сбережений.

Ключевые слова: денежная реформа; обмен денег; финансы; рублевые вклады; обменный курс; китайское консульство; СССР; Новосибирск

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Финансирование. Статья выполнена в рамках темы государственного задания Минобрнауки РФ «Социально-экономический потенциал восточных регионов России в XX – начале XXI вв.: стратегии и практики управления, динамика, геополитический контекст» (FWZM-2024-0005).

1947 жылғы ақша реформасына Новосибирск қаласынан келген қытай дипломаттарының көзқарасы

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Андатпа. Мақала 1947 жылғы кеңестік ақша реформасы туралы, оның шетелдік азаматтар мен дипломатиялық өкілдіктерге әсерін талдау контекстінде қарастырылды. 1947 жылы 14 желтоқсанда КСРО Министрлер Кеңесі мен Бүкілодақтық Коммунистік партияның (большевиктер) Орталық Комитеті ақша реформасын жүргізу және азық-түлік және өнеркәсіптік тауарларға карточкаларды жою туралы қаулы қабылдады. Реформа әскери шығындарға эмиссия нәтижесінде пайда болған артық ақша массасы мен тауарларды ұсыну арасындағы диспропорцияны жоюға бағытталған, негізінен қолайсыз айырбас бағамын белгілеу арқылы халықтан жинақ алу арқылы жүргізілді. Мақаланың мақсаты-1947 жылғы ақша реформасының КСРО-да аккредиттелген шетелдік дипломатиялық өкілдіктерге әсерін Қытайдың Новосибирскідегі Бас консулдығының Кеңес өкіметімен өзара әрекеттесуі мысалында көрсету. Мақалада реформадан кейін рубльдік салымды қайта бағалау туралы Мемлекеттік Банктің филиалы мен Қытай консулдығы арасындағы қайшылықты жағдай қарастырылады. Кеңес тарапының ерекшеліктер жасалған елдерді таңдауы, Қытай тарапының пікірінше, негізсіз болды; сонымен қатар, КСРО мен Қытай Республикасы бір-бірін Достық елдер ретінде орналастырды. Бұл жағдайды Қытай тарапы рубльдік шотты айырбастаудың жеңілдетілген шарттарына сенуге мүмкіндік беретін саяси дәлел ретінде ұсынды. Мақалада Консулдық пен Новосибирск атқарушы билігінің басшысы арасындағы хат-хабар және КСРО үкіметінің 1947 жылғы 14 желтоқсандағы "жүргізіліп жатқан ақша реформасына және карта жүйесінің жойылуына байланысты КСРО-дағы дипломатиялық өкілдіктер үшін ақша айырбастау тәртібі туралы" қаулысының жариялануы алғаш рет ғылыми айналымға енгізілді. Құжаттар Новосібір қалалық думасының қорында Новосибирск мемлекеттік мұрағатына сақтауға тапсырылды. Шетелдік дипломатиялық өкілдердің тәркілеу реформасы контекстіндегі стратегиялары мен тәжірибелері ел халқының бір бөлігінің және партиялық-кеңестік элиталардың жинақтарды сақтауға бағытталған қаржылық көзқарастары мен мінез-құлқына ұқсас болды деген қорытындыға келді.

Түйінді сөздер: ақша реформасы; ақша айырбастау; қаржы; рубльдік салымдар; айырбас бағамы; Қытай консулдығы; КСРО; Новосибирск

Introduction

On December 14, 1947, the Council of Ministers of the USSR and the Central Committee of the All-Union Communist Party (Bolsheviks) adopted a resolution on conducting a monetary

reform and abolishing ration cards for food and industrial goods. The official objectives of the reform were to strengthen the ruble and transition to a unified price system for goods (Decisions of the Party and Government on Economic Issues…, 1968: 460–467). Facing the task of funding economic recovery, financial authorities proposed to curb inflation through denomination and a disproportionate currency exchange in order to reduce household spending and decrease the domestic debt caused by wartime loans.

The reform was aimed at eliminating the imbalance between the excessive money supply – generated by wartime emissions – and the limited supply of goods, largely by confiscating personal savings through the imposition of an unfavorable exchange rate. Once again, the authorities reassured the population that they would have to make certain sacrifices, but that "this would be the last one." However, the goals and strategies of the state and the population diverged: the state aimed to withdraw money, while the population tried to preserve it. The main challenge was to ensure that the economic rationale of the reform would not undermine the population's trust in the government.

Methods and Materials

In modern scholarship, studies of the 1947 monetary reform have primarily focused on its internal socio-economic and political aspects. However, its implementation was also influenced by the foreign policy context, particularly the formation of the financial system within the socialist bloc. In this regard, it is justified to approach the 1947 monetary reform as a model case of a confiscatory reform in a mobilization-type economy.

The documentary section of this article presents the USSR government resolution on the procedure for currency exchange for diplomatic missions in the USSR, dated December 14, 1947, which has not previously been introduced into academic circulation, along with correspondence between the Chinese consulate and the head of the executive authority of the city of Novosibirsk regarding the currency exchange. These documents are preserved in the State Archive of the city of Novosibirsk in the collection of the Novosibirsk City Council.

Results

On December 13, 1947, the Politburo approved the draft resolution of the Council of Ministers of the USSR "On the Procedure for Exchanging Money for Diplomatic Representatives in the USSR in Connection with the Ongoing Monetary Reform," dated December 14, 1947. The resolution of the Council of Ministers dated December 14 outlined the revaluation of ruble accounts in the State Bank and the Foreign Trade Bank, limits on the purchase of rubles for foreign currency, and the procedure for exchanging cash. The Ministry of Foreign Affairs of the USSR was instructed to notify foreign diplomatic missions of the content of the resolution on December 15, 1947.

According to the resolution of the Council of Ministers of the USSR on the monetary reform and the abolition of the rationing system, the exchange of cash, conversion of government bonds, and recalculation of deposits were to be completed within one week, or within two weeks in remote areas of the country. Deposits up to 3,000 rubles were revalued at a rate of 1:1, deposits from 3,000 to 10,000 rubles at 1.5:1, and those over 10,000 rubles at 2:1. Funds in

settlement and current accounts of cooperative enterprises, organizations, and collective farms were revalued at a rate of “four new rubles” for “five old rubles.”

One of the widespread behavioral strategies to “save money” was the attempt to deposit funds into savings banks by any means. On the eve of the monetary reform, operations involving the acceptance and issuance of deposits significantly intensified. Alongside an inflow of new deposits, some old deposits were withdrawn, and certain large deposits were broken down into smaller amounts. Increased activity related to deposits had already been observed since November. A proposal was considered to exchange "new" deposits at a 10:1 rate, but it was abandoned due to fears of public discontent. Numerous reports indicate that members of the party-Soviet elite and senior economic officials actively conducted deposit operations using administrative resources. For example, a report by the Department for the Inspection of Party Organs of the Central Committee of the All-Union Communist Party (Bolsheviks) dated March 30, 1948, stated that 145 district and city party committee secretaries had been found to have violated the monetary reform law (Boldovsky 2013: 183). Subsequent investigations by the Ministry of Internal Affairs of the USSR revealed a sharp increase in cash deposits to banks from organizations on December 15. It was found that the total amount of financial operations detected in savings banks and State Bank branches exceeded 101 million rubles, and the value of concealed or embezzled goods was estimated at nearly 32 million rubles. The behavioral strategies of the general population were similar. Nevertheless, the outcome of the reform showed that while the population previously held 59 billion rubles in savings, only 4 billion rubles remained after the reform (Monetary Reform of 1947 in Documents 2007: 107).

The situation regarding the deposits of foreign missions turned out to be far from straightforward and led to lengthy disputes. A conflict arose between a State Bank branch and the Chinese Consulate in Novosibirsk. The dispute lasted six months. Complaints were filed by Chinese Consul Lü Tung-lun against the representative of the Novosibirsk State Bank office, Strekozov, and V.I. Blagirev, who served as the chairman of the Novosibirsk Executive Committee from 1947 to 1951. Due to the presence of a foreign consulate in the city, Blagirev also acted as the regional diplomatic representative of the USSR Ministry of Foreign Affairs.

The Chinese consulate was opened in Novosibirsk in 1924. It held the status of a general consulate (Datsyshen 2012: 153). Diplomatic missions of the Republic of China and its consulates also operated in Semipalatinsk, Vladivostok, Blagoveshchensk, Chita, Nikolsk-Ussuriysk, and Khabarovsk. The activities of the consulate were interrupted twice. The Novosibirsk consulate ceased functioning at the end of December 1932 due to the severance of diplomatic relations but was reopened in 1934 after those relations were restored. The consulate served the territory of Western Siberia. It was closed again in July 1939. During the war years, the consulate resumed its work and operated until 1949. After the establishment of the People’s Republic of China, the Chinese side decided to discontinue its representation in Novosibirsk.

In Novosibirsk, currency exchange was carried out by the State Bank (Gosbank) and special exchange offices it had organized. Savings banks and post-telegraph offices also conducted exchanges. Moreover, on the eve of the monetary reform, the largest storage facility for the new currency notes was established in Novosibirsk (one of only 13 across the country) (Monetary Reform of 1947 in Documents... 2007: 78, 96; Khodyakov 2011: 54), which was designated

to supply the entire Western Siberia with the new banknotes. It was also planned that old currency notes would be destroyed there. On the eve of the exchange, classified instructions on the currency exchange procedure were sent to the regions.

Although the government decree "On the Procedure for Currency Exchange for Diplomatic Representatives in the USSR in Connection with the Ongoing Monetary Reform," dated December 14, 1947, was only received by the Chinese consulate on December 28, it had already been informed about the reform through other sources. On December 15, it was able to replenish its ruble account at the Novosibirsk branch of Gosbank. The exchange of old cash for new currency became possible only on the morning of December 16, 1947. Despite the long queues at exchange points during the first few days, the consulate was able to exchange its cash holdings on December 16 at the official rate of 10 old rubles for 1 new ruble.

The situation with the account funds turned out to be more complex. The Chinese side claimed that a second revaluation had been applied to the funds in its account, which contradicted the USSR Council of Ministers Resolution No. 4005 of December 14, 1947. Their argument was based on the fact that funds deposited before December 16 should not have been subject to a second revaluation.

The Novosibirsk branch of the State Bank claimed that the account revaluation had been carried out on December 19 at an exchange rate of 10 to 1, and that the consulate had received "as much money as was due for the exchange of old currency for the new one," in accordance with the government resolution. Nevertheless, a request was sent to Moscow. One telegram stated that the revaluation of the Chinese consulate's funds was conducted in the same manner as for Soviet citizens. Another telegram pointed out that, according to the resolution of the Council of Ministers of the USSR dated December 14, 1947, "On the Implementation of the Monetary Reform," State Bank institutions had no right to carry out deposit operations for diplomatic missions and consulates on December 15, 16, and 17, 1947, as such actions were not provided for in the government resolution. Therefore, the transaction dated December 15 was considered invalid.

In the response to the Chinese side, it was stated that the revaluation of the deposit had been carried out on December 19, and the recalculation of the funds deposited on December 15 was correct, as the cash had been handed over to the bank after the announcement was broadcast on the radio on the evening of December 14. In addition, the State Bank noted that ultimately, after the recalculation, the consulate had received no less than the amount that would have been due under the official exchange terms for replacing old banknotes with the new 1947 currency. Despite this, the consulate continued to insist that a second revaluation of its funds had occurred and demanded a lawful and fair recalculation. Judging by subsequent correspondence, the Chinese consulate began to emphasize that the funds were accepted by the State Bank branch on December 15 and that this constituted a violation of the exchange regulations by the Soviet side.

№ 1

Decree of the Council of Ministers of the USSR "On the Procedure for Exchanging Money for Diplomatic Missions in the USSR in Connection with the Ongoing Monetary Reform and the Abolition of the Rationing System".

[Moscow] December 14, 1947

From the Resolution of the Council of Ministers of the USSR On the Procedure for Currency Exchange for Diplomatic Missions in the USSR in Connection with the Ongoing Monetary Reform and the Abolition of the Rationing System

In connection with the Resolution of the Government of the USSR dated December 14, 1947, on the implementation of a monetary reform, the abolition of the rationing system for food and industrial goods, the cancellation of high commercial prices, and the introduction of unified reduced state retail prices for goods, the Council of Ministers of the USSR hereby decrees:

To establish the following procedure for the exchange of money for diplomatic missions, as well as for foreign private individuals in the USSR:

1. Funds held by foreign diplomatic missions in the USSR in ruble current accounts in the State Bank (Gosbank) and the Foreign Trade Bank (Vneshtorgbank) as of December 16, 1947, shall be revalued at a rate of one ruble for one ruble, i.e., remain unchanged, within the established average monthly limit of ruble purchases for foreign currency. For diplomatic missions without an established limit, funds shall be revalued within the amount equal to the average monthly withdrawals from their Vneshtorgbank accounts during 1947.

2. In accordance with Clause 12, Section I of the Resolution of the Council of Ministers of the USSR and the Central Committee of the All-Union Communist Party (Bolsheviks) No. 4004 dated December 14, 1947, "On the Implementation of the Monetary Reform and the Abolition of Ration Cards for Food and Industrial Goods," the funds held in ruble current accounts in the Gosbank and Vneshtorgbank by the diplomatic missions in the USSR of the following countries remain unchanged and are revalued at one ruble for one ruble: the Polish Republic, the People's Republic of Bulgaria, the Czechoslovak Republic, the Federal People's Republic of Yugoslavia, Romania, and the Mongolian People's Republic, provided that these funds were received from the USSR as part of credit arrangements.

3. Funds in ruble current accounts of foreign diplomatic missions in the USSR, exceeding the amounts specified in Items 1 and 2, as well as the balances in ruble current accounts in credit institutions of the USSR belonging to foreign private individuals, shall be revalued in the same manner as deposits of Soviet citizens, namely:

a) Account balances up to and including 3,000 rubles shall remain unchanged in nominal value (revalued one ruble for one ruble);

b) Account balances up to and including 10,000 rubles shall be credited as follows: the first 3,000 rubles at full nominal value, and the remaining amount at a rate of three old rubles for two new rubles;

c) Account balances exceeding 10,000 rubles shall be credited as follows: the first 10,000 rubles in accordance with the procedure in point "b," and the remaining amount at a rate of two old rubles for one new ruble.

4. Old cash rubles held by foreign diplomatic missions in the USSR, as well as by foreign private individuals, shall be exchanged on the same terms as for Soviet citizens, within the period from December 16 to 22, 1947, at the rate of ten rubles of the old currency for one ruble of the 1947 issue.

5. Temporarily retain, as an exception, the procedure allowing foreign diplomatic missions

in the USSR to purchase rubles with foreign currency at a preferential exchange rate within the established limit.

In connection with the increase in the purchasing power of the ruble resulting from the monetary reform and the abolition of the rationing system, revise the existing preferential exchange rate and introduce a new temporary preferential rate as follows: 8 rubles per 1 US dollar, or 32 rubles 24 kopecks per 1 pound sterling, or 185 rubles 49 kopecks per 100 Swiss francs, or 222 rubles 20 kopecks per 100 Swedish kronor.

6. In connection with the abolition of the rationing system for food and industrial goods, cancel, as of December 16, 1947, the existing procedure of regulated supply of food and industrial goods to employees of foreign diplomatic missions in the USSR, foreign correspondents, and their family members. Henceforth, the sale of goods to these individuals shall be carried out through general retail networks, on the same basis as for citizens of the USSR.

Chairman of the Council of Ministers of the USSR /I. STALIN/.
Manager of the Affairs of the Council of Ministers of the USSR /Ya. CHADAEV/.
True copy of a copy:[Illegible].

Received by the consulate on 28/XII–47.

State Archive of the city of Novosibirsk. Fond 33, Inventory 1s, File 66, Sheet 5–5 verso. Certified typed copy. Certifier's signature – autograph, illegible.

№ 2

"Letter from the Consul General of the Republic of China in Novosibirsk, Lü Tonglun, objecting to the unfair revaluation of the assets of the Chinese Consulate General."

[Novosibirsk] December 27, 1947

Acting Diplomatic Agent of the USSR Ministry of Foreign Affairs
in the city of Novosibirsk
To the Chairman of the Executive Committee of the Novosibirsk City Council of Workers' Deputies, Mr. Blagirev.

The Consulate General of the Republic of China in the city of Novosibirsk has been informed by the local branch of the State Bank that the funds of our Consulate held in account No. 161001 have been revalued, due to the currency reform, in the same manner as the deposits of Soviet citizens – that is, the devaluation amounted to nearly 50% of the total sum.

The Chinese Consulate General cannot accept such a devaluation, for the following reasons:

First, account No. 161001 was opened by the Chinese Consulate General – a legal entity representing a friendly foreign country – on equal footing with local Soviet institutions, and, undoubtedly, it cannot be considered equivalent to the private deposits of individual Soviet citizens.

Second, the funds in account No. 161001 are the property of the State Treasury of the Republic of China and, according to the Instruction of the Ministry of Finance of the USSR concerning the procedure for conducting the currency reform (Section VII, § 32), which stipulates that contractual obligations between the USSR and foreign states remain unchanged after the issuance of the new currency and are not subject to revaluation, the revaluation of funds belonging to the Chinese state and stored in the State Bank clearly contradicts the spirit of the aforementioned paragraph. Deposits in a bank are normally associated with legal activities and are to be regarded as contractual obligations.

Furthermore, the revaluation of the funds held in the Novosibirsk branch of the State Bank under account No. 161001 contradicts § 21, paragraph 2, Section IV of the Instruction of the Ministry of Finance of the USSR, which states: *"Funds in the accounts of other legal entities and religious organizations are not subject to revaluation."* At the very least, the Chinese Consulate General should not be placed in a worse position than other Soviet economic entities listed in § 21, paragraph 1, whose funds were revalued at the rate of four rubles in new currency for every five rubles in old currency.

The revaluation of the funds of the Chinese Consulate General on the same basis as deposits of individual Soviet citizens places the Chinese Consulate General in a more disadvantageous position than any Soviet legal entity or institution. Such action is not only unfair but also discriminatory toward the Consulate General, particularly in light of the legally unfounded reduction of a foreign state's treasury funds held in the State Bank of another state.

On behalf of my Government, I am compelled to express an objection to the unjust revaluation of the funds of the Chinese Consulate General held in the Novosibirsk State Bank. I have the honor to request that you, Mr. Diplomatic Agent, petition the relevant authorities of the Soviet Government on this matter.

Availing myself of this opportunity, I wish to extend the assurances of my highest consideration.

Consul General of the Chinese Consulate in Novosibirsk
/Lü Tong-Lun/
Certified copy:Head of the Special Department Zhlobina

State Archive of the City of Novosibirsk. Fund 33, Inventory 1s, File 66, Sheets 20–20 verso. Typewritten certified copy.

№ 3

Letter from the Consul General of the Republic of China in Novosibirsk, Lü Tung-lun, requesting a favorable resolution regarding the restoration of the Consulate's funds in its State Bank account

[Novosibirsk] January 7, 1948

Acting Diplomatic Agent of the USSR Ministry of Foreign Affairs
To the Chairman of the Executive Committee

of the Novosibirsk City Council of Workers' Deputies
Mr. Blagirev

The Consulate General of the Republic of China in the city of Novosibirsk, in its letter dated December 27, 1947 (No. 40), has already informed you, Mr. Diplomatic Agent, that the Branch of the State Bank in Novosibirsk, on December 17, 1947, devalued the funds of our Consulate held in account No. 161001, along with the deposits of Soviet citizens as of December 16, 1947. This devaluation amounted to 77,159 rubles 71 kopecks.

On January 6 of this year, our Consulate learned by chance that the Branch of the State Bank in Novosibirsk had, on December 19, 1947, carried out a second revaluation (devaluation) of the funds credited to account No. 161001 on December 15, 1947 (the date the transaction was made by the Novosibirsk State Bank), at the rate of 10 old rubles to 1 new ruble. This second devaluation amounted to 35,674 rubles 80 kopecks. However, in Resolution No. 4005 of the Council of Ministers of the USSR dated December 14, 1947, "On the Procedure for Currency Exchange for Diplomatic Missions in the USSR in Connection with the Ongoing Currency Reform and the Abolition of the Ration Card System," point 1 clearly states that the funds of foreign diplomatic missions held in ruble accounts are to be revalued as of December 16, 1947.

Guided by Resolution No. 4005 of the Council of Ministers of the USSR dated December 14, 1947 (copy enclosed), and considering the fact that the funds were credited to account No. 161001 on December 15, 1947 – that is, on the very day the transaction was carried out by the Novosibirsk State Bank, and therefore before December 16, 1947 – we believe that these funds are not, under any circumstances, subject to a second revaluation. Naturally, such a second devaluation is absolutely without legal justification.

Moreover, we find it necessary to note, firstly, that the Consulate was not duly notified of the second devaluation carried out by the Branch of the State Bank in Novosibirsk, but instead only learned of it after the close of the fiscal year, on January 6, and by chance. This situation is clearly irregular and has placed the Consulate in a particularly difficult position with regard to its annual report. The second devaluation, being unjustified by law, has inflicted unexpected damage to the Consulate's financial reporting, which under no circumstances will be accepted by the Ministry, as by December 17, 1947, according to the notification from the State Bank, the Consulate had already finalized all settlements and submitted the report to the Ministry. Responsibility for this second devaluation rests entirely with the party responsible for its occurrence.

Secondly, as stated in the above-mentioned Resolution No. 4005, funds held in ruble accounts are to be revalued as of December 16, 1947. Therefore, all funds deposited before December 16, 1947 (including those deposited on December 15, 1947) are in no case subject to a second devaluation.

And, of course, any reservation regarding the secondary devaluation, such as the Bank's justification referring to the deposit of December 15, 1947, as incorrectly accepted – despite the fact that the deposit was formally and legally processed – cannot in any way serve as a legitimate basis for secondary devaluation. In simple terms, if the Bank later had any doubts concerning the acceptance of the deposits dated 15/XII-47, it should have refused them at the

time. Since the deposit was accepted in full accordance with the law, the consequences must be borne by those responsible. Especially considering that the Consulate was not informed about the secondary devaluation in due time and only learned of it after the close of the financial year – that is, on January 7 of the current year. Naturally, the Consulate categorically refuses to accept such a devaluation.

Thirdly, in connection with your response No. <...> dated 17/XII-47 regarding the exchange of personal funds held by Consulate staff, those funds were exchanged at the official rate of 10 old rubles to 1 new ruble at the exchange office in accordance with the law. However, the matter here concerns the deposit on the Consulate's account No. 161001 at the branch of the State Bank in Novosibirsk, which in no way can be considered as cash subject to a second devaluation by the Bank – a devaluation which, as stated above, lacks legal justification. The Consulate is deeply surprised by such an unfair <...>.

Based on the foregoing, I have the honor to request, Mr. Diplomatic Agent, that you communicate with the appropriate bodies of the Soviet Government regarding the urgent and positive resolution of the issue in question. I kindly ask that you take into account the extremely difficult position in which the Consulate finds itself due to the unlawful financial loss that threatens its continued operation until the matter is fully resolved – namely, until the restoration of the funds to the account.

Awaiting your prompt reply to the letters of December 27 and January 7 of this year, please accept the assurances of my highest consideration.

Consul General of the Republic of China in Novosibirsk
/Lü Tun-Lung/

State Archive of the city of Novosibirsk. Fond 33, Inventory 1s, File 66, Sheets 1–1 verso. Typewritten original in Russian. Signature of Lü Tun-Lun – autograph in Cyrillic.

№ 4

Letter from the Consul General of the Republic of China in Novosibirsk, Lü Tung-lun, requesting a review of the revaluation of funds deposited by the Novosibirsk branch of the State Bank in the interests of the Consulate General.

[Novosibirsk] May 14, 1948

Here is the English translation:
Acting Diplomatic Agent of the USSR Ministry of Foreign Affairs,
To the Chairman of the Executive Committee
of the Novosibirsk City Council of Workers' Deputies
Mr. Blagirev.

The clarifications provided in your letter No. 109 dated May 7, 1948, regarding the issue of the unlawful and unsubstantiated revaluation of funds deposited by the General Consulate

with the Novosibirsk branch of the State Bank on December 15, 1947, completely overlook the special resolution of the Council of Ministers of the USSR No. 4005 dated the same December 14, 1947, concerning the procedure for the currency exchange of funds belonging to diplomatic missions in the USSR. Clause 1 of this resolution clearly states that "...the funds of foreign diplomatic missions in the USSR held in ruble current accounts in the State Bank shall be revalued as of December 16, 1947," which must serve as the primary legal basis for regulating the operations carried out by the aforementioned branch of the State Bank with the General Consulate. According to this resolution, the branch of the State Bank could revalue the funds deposited on December 15, 1947, only once, and strictly as of December 16, 1947. Therefore, any subsequent devaluation constitutes a clear violation of Resolution No. 4005 of the Council of Ministers of the USSR dated December 14, 1947.

Moreover, your letter No. 231 dated December 17, 1947, regarding the procedure for exchanging old-format cash, emphasized that only the cash funds not deposited with the State Bank or the Savings Bank before December 16, 1947, were subject to exchange under the Council of Ministers' resolution, and only as physical cash.

The acceptance of funds by the Novosibirsk branch of the State Bank on the date of the transaction without any indication of refusal from the General Consulate and accompanied by the legally valid official document confirming the crediting to the current account constitutes a legal act.

The interpretation of the clarifications in your letter, which appear to justify the Bank's operations, is not entirely solid or convincing and essentially disregards the established legal facts, leading to the following questions:

How is it possible to claim that the Bank had no right to credit the funds? After all, the branch of the State Bank credited the deposit in full legal compliance, issued an official document confirming the deposit, and reiterated this on December 19, 1947, by issuing a current account statement reflecting the revaluation of funds as of December 16, 1947. All of this constitutes undeniable fact, supported by legally binding documents.

Is it truly lawful, legal, just, or appropriate to attempt, after a considerable period of time, to unilaterally nullify a legally valid document — grounded in Resolution No. 4005 of the Council of Ministers of the USSR dated December 14, 1947 — on the dubious pretext that "operations on December 15, 1947, were not authorized"? Who, then, is to be held responsible for the consequences of this situation? The Novosibirsk branch of the State Bank never indicated to the General Consulate that it lacked the authority to accept funds for deposit on December 15, 1947, nor did it, of course, ever suggest returning the funds. Therefore, the explanations provided in your letter cannot serve as justification or excuse for the unlawful operations carried out by the Gosbank office, which, contrary to your assertion that they were made in the interests of the Consulate, in fact caused unlawful and unjust harm to the General Consulate — harm with which it cannot, under any circumstances, agree.

It should be particularly emphasized that the Consulate only accidentally learned on January 8 of this year — after the end of the reporting year — that the Gosbank office had debited a sum from the Consulate's savings in the form of an entirely unlawful secondary devaluation. I have already provided you with details of this incident in previous letters.

The result of such "deliberate silence" on the part of the Gosbank office is undoubtedly a violation of commonly accepted rules for conducting business transactions between a client and a bank — a violation which, from a legal standpoint, entails consequences for which the Gosbank office itself must be held responsible.

One must ask: what, then, is the status of the law, such as Resolution No. 4005 of the Council of Ministers of the USSR dated December 14, 1947? After all, the operation in the form of a secondary revaluation contradicts and violates this law. If the bank office is indeed entitled — as suggested by the explanations in your letter — to carry out such a deduction, i.e., to divide the balance as of December 15 and 16 (December 15 as deposit, and December 16 as cash), then why did Resolution No. 4005 of the Council of Ministers of the USSR exist at all, and why does it so clearly state in Paragraph 1 — "as of December 15"?

This inevitably raises the question: is the law of the Soviet state itself being disregarded?

All these involuntarily raised questions logically speak for themselves and further underline the unconvincing nature of the explanations given in your letter in defense of the actions taken by the Novosibirsk office of Gosbank.

There are certain truths:

1. It is an indisputable fact that the deposit of funds into an account, certified by a bank document, is legally valid and cannot be disregarded unless it is challenged in due time on lawful grounds.

2. There exists a law – a decree – that governs such transactions, and it must be observed without exception or circumvention.

Thus, the operation carried out by the State Bank office – a secondary unlawful revaluation –is neither procedurally nor legally just or lawful. It follows that, with a fair and lawful approach to the matter, a correct resolution of the issue should not be difficult to reach. However, the apparent inclination to merely impose an unlawful financial loss on the Consulate – a measure seemingly incompatible with standard practices in dealings with a foreign consular mission – cannot be considered a fair or appropriate outcome.

In view of the above, I have the honor to respectfully request, Mr. Diplomatic Agent, that this matter be re-submitted for more thorough consideration in accordance with the aforementioned decree, and that a lawful and fair resolution be reached in the interests of the Consulate General.

Taking this opportunity, I wish to express my sincere respect to you.
Consul General of the Republic of China in Novosibirsk
/Lü Tong-Lun/

State Archive of Novosibirsk. Fond 33, Inventory 1s, File 66, Sheets 77–79. Typewritten original in Russian. Signature of Lü Tong-Lun – autograph in Cyrillic.

Discussion

The first significant publication based on materials from Stalin's "special files," reflecting the confiscatory nature of the reform and public reactions, appeared in 1997 (*The Monetary*

Reform of 1947... 1997, pp. 460-467). A major step forward in the study of the 1947 monetary reform was the publication of expert materials from the USSR State Bank and the USSR People's Commissariat of Finance, preserved in the collection of the Ministry of Finance at the Russian State Archive of the Economy (*The 1947 Monetary Reform in Documents... 2007; The Monetary Reform in the USSR of 1947: Documents and Materials...* 2010).

Historiography includes several works devoted to the 1947 reform, among them a collective monograph (*The 1947 Monetary Reform and Its Role in the Restoration of the National Economy of the USSR,* 2023). However, many aspects of the reform – particularly those related to public reaction and behavioral practices – remain understudied.

One topic that has not yet been explored is the impact of the reform on foreign nationals residing in the USSR and on the diplomatic missions of foreign countries.

The authors aimed to demonstrate, using materials from the Consulate General of the Republic of China in Novosibirsk, the impact of the 1947 monetary reform on foreign diplomatic missions accredited in the USSR.

Conclusion

From the Chinese perspective, the Soviet government's selection of countries granted favorable financial exchange conditions lacked justification. Moreover, the USSR and the Republic of China had positioned themselves as friendly states on the basis of the Soviet–Chinese Treaty of Friendship and Alliance signed on August 14, 1945.

This argument was presented by the Chinese side as a political rationale for expecting preferential conditions for the conversion of ruble accounts.

Chinese diplomatic missions in the USSR suffered significant financial losses as a result of currency revaluation. In an attempt to mitigate the loss of cash holdings, the diplomats tried to place funds in bank deposits – a practice common among both Soviet organizations and the general population.

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Notes

1. (Correspondence between the Chinese Consulate and the Regional and City Executive Committees on financial and economic matters), p. 4; (Letter from Strekozov, Head of the Novosibirsk Branch of the State Bank, to the Chinese Vice-Consul, dated January 17, 1948), p. 6; (Government telegram from Moscow to the Novosibirsk Branch of the State Bank, dated January 18, 1948), p. 10; (Resolution of the Council of Ministers of the USSR "On the Procedure for Currency Exchange for Diplomatic Representatives in the USSR in Connection with the Ongoing Monetary Reform," dated December 14, 1947), pp. 20–20 verso. State Archive of the City of Novosibirsk. Fond 33, Inventory 1s, File 66.

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Ablazhey, N.: Creation and preparation of the manuscript, including critical analysis, comments and corrections from the research group before and after publication.
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