

This document is not to be published or quoted without authorization by the Fund

DM/62/48

INTERNATIONAL MONETARY FUND

Research and Statistics Department

The Balance of Payments of the U.S.S.R., 1959-60

Prepared by Marcello Caiola

Approved by Poul Høst-Madsen

December 6, 1962

This paper presents the available information on the transactions of the U.S.S.R. with the countries of the Soviet area 1/ and with the rest of the world during 1959-60. It is a continuation of an article published in the March 1962 issue of the International Monetary Fund Staff Papers, 2/ which covered Soviet international transactions for 1955-58. The presentation and methods of estimation used in this paper are the same as those employed in the earlier paper, where they are described in somewhat more detail. All the figures in this paper are in U.S. dollars. On January 1, 1961, the par value rate of the ruble was modified from 1 old ruble = US\$0.25 to 1 new ruble = US\$1.11. Ruble figures shown in U.S.S.R. sources published after January 1, 1961 are expressed at the new rate, and for the purpose of this paper have been converted into U.S. dollars at that rate.

Table 1 covers the balance of payments of the U.S.S.R., and is divided into two sections: Section I, identified transactions, and Section II, unidentified transactions. For some items, both sides 3/ of the transactions have been identified; for others, only one side. Where only one side has been identified, the other side is entered in Section II. There are undoubtedly instances where both sides of a transaction have been identified (and thus entered in Section I) but have not been recognized as the two sides of the same transaction. For example, gold may have been sold to finance the trade deficit. In such instances, both sides of the transaction appear in Section II as well as Section I. Finally, for transactions where neither side has been identified, there are no entries in either section.

1/ As used in this paper, the Soviet area comprises Albania, Bulgaria, Mainland China, Czechoslovakia, Eastern Germany, Hungary, North Korea, Outer Mongolia, Poland, Rumania, and North Viet-Nam.

2/ Vol. IX, pp. 1-36.

3/ The balance of payments is a double-entry system of accounts, in which each transaction is reflected in two entries, which are mutually offsetting. For example, a merchandise export must be matched by an import of goods or services, a transfer payment abroad, a decrease in liabilities, or an increase in foreign assets or gold.

1/
Merchandise Transactions

Data for Soviet merchandise transactions are derived from statistics in rubles published by the U.S.S.R. Ministry of Foreign Trade. The data have been converted into U.S. dollars at the official exchange rates given above. Goods "supplied as free aid" are excluded from the trade figures. Export figures derived from trade statistics have been adjusted to include identified shipments of military equipment to underdeveloped countries.

Total Soviet foreign trade, i.e., exports plus imports, increased from \$8.6 billion in 1958 to \$11.2 billion in 1960; 70 per cent of the total trade in 1960 was with other countries of the Soviet area. Trade with Mainland China dropped sharply in 1960, presumably as a result of China's difficulties in fulfilling the trade agreements of previous years. However, as a buyer of Soviet goods, Mainland China still ranked second only to Eastern Germany. Among the countries outside the Soviet area, the chief purchasers of Soviet commodities in 1960 were the United Kingdom, Finland, West Germany, Italy, Japan, and Cuba. Russia's total trade with Cuba amounted to \$174 million in 1960 as against \$7 million in 1959.

Data on Soviet trade by method of financing are given in Table 2; the residual item for countries of the Soviet area represents the trade balance after adjustments, which in principle is supposed to be settled through either bilateral or multilateral payments agreements. For countries outside the Soviet area, the residual item represents unidentified transactions. The figures for payments agreements are hypothetical, based on the assumption that trade with countries with which the U.S.S.R. had such agreements was settled through those agreements to the greatest extent possible under the provisions for swing credits or overdrawn swing credits. The residual figures for Soviet trade with the countries of the Soviet area show surpluses of \$289.7 million for 1959 and \$186.5 million for 1960. Available data for U.S.S.R. trade with countries of the Council of Mutual Economic Assistance (CMEA) 2/ show surpluses of \$324.0 million for 1959 and \$175.7 million for 1960; however, the trade statistics of Poland and Eastern Germany show figures for Soviet exports to their respective countries that are smaller, by a total of \$34.1 million for 1959 and \$123.7 million for 1960, than those given in the U.S.S.R. sources. Soviet trade with the Asian countries of the Soviet area, including Mainland China, resulted in a deficit of \$34.3 million for 1959 and a surplus of \$10.8 million for 1960. Trade relationships between the U.S.S.R. and Mainland China are covered in a separate section (see page 4).

1/ Sources: 16, 40, and 45. (The numbers refer to publications listed in the bibliography.)

2/ For an explanation of this Council, see Caiola, op. cit., page 5.

Available data on trade with countries outside the Soviet area seem to show a considerable worsening of the Soviet trade balance in 1960. Net payments, either in foreign exchange or through payments agreements, are estimated at \$305.0 million for 1960, against net receipts of \$42.2 million for 1959.

Transactions in Invisibles

This group of items covers transactions in invisibles of the Soviet Union with the Soviet area and the rest of the world. A summary of these transactions is presented in Table 3.

Freight on international shipments. 1/ In recent years, the U.S.S.R. has built or purchased several new cargo vessels, and its merchant fleet is estimated at 3 million gross register tons, representing 3 per cent of world tonnage. Under a 1956-60 plan, the shipping fleet was to be increased from 2.4 million tons to 4 million tons. The Soviet Union has been building extensively in its own shipyards and has also placed orders for ships with shipyards of Soviet area countries and Western countries. In addition, shipping on charter to Soviet area countries has diminished as a result of U.S.S.R. efforts to carry a greater share of its imports and exports. Freight carried by Russian ships has been estimated at 33.7 million tons for 1950, 65.7 million tons for 1957, and 75.9 million tons for 1960.

In this paper, it is assumed that Soviet payments for freight on imports from countries outside the Soviet area amounted to 6 per cent of imports f.o.b.

Interest on loans extended. This item covers estimates by the author on interest received by the U.S.S.R. on long-term credits granted to countries of the Soviet area and the rest of the world. The interest rates charged varied from 2 per cent to 2.5 per cent; in some cases, the credits were extended free of interest.

Interest on loans received. 2/ The entries for this item cover payments by the U.S.S.R. to the United States (\$5.6 million for 1959 and \$5.2 million for 1960) on lend-lease aid extended under the pipeline credit agreement of October 15, 1945 to the United Kingdom (\$0.2 million for 1959 and also for 1960) under the terms of the December 1947 agreement, and to Sweden (\$3.0 million for 1959 and also for 1960) on loans received in 1946-52.

Transfer Payments and Other Movements of Capital

Table 4 summarizes U.S.S.R. transfer payments and other movements of capital, including credits to countries of the Soviet area and the rest of the world.

1/ Sources: 8, 31, and 32.

2/ Sources: 13 and 41.

Contributions to the United Nations and its agencies, and to the UN Technical Assistance Program. 1/ Soviet contributions to the United Nations and its specialized agencies and to the UN Technical Assistance Program (UNTAP) are given in Table 5. Payments were made in U.S. dollars, or other free currencies, except that those to the United Nations Children's Fund (UNICEF) and the UNTAP were made in rubles.

Economic relations with Mainland China. 2/ In April 1961, the Governments of the U.S.S.R. and Mainland China signed an agreement on the settlement of the Chinese trade deficit to the U.S.S.R. The agreement provided that the trade deficit, which is estimated at \$320 million, should be repaid in annual installments of 8 million rubles beginning in 1962. The agreement mentions that Soviet claims originate from China's failure to meet export commitments to the U.S.S.R. in 1960; however, Soviet trade statistics for that year show a favorable balance for China. Hence, it is reasonable to assume that the agreement refers to a cumulative deficit over a period of several years. The quoted figure of \$320 million seems to agree with statistics that are available on trade between the two countries. Table 6 shows that the period 1950-60 ended with a Soviet surplus of 1,377 million old rubles, equivalent to \$344 million, a figure of roughly the same magnitude as the one covered by the agreement. Trade relations between the two countries show an accumulation of Soviet claims up to the end of 1955; beginning in 1956, Chinese exports were larger than imports. Soviet trade statistics for 1961, which have recently been released, show a sharp decline in Russian trade with Mainland China and a balance in favor of China of \$182.3 million, presumably intended to reduce the trade deficit.

During 1959-60, the U.S.S.R. did not grant credits to Mainland China. In this paper, the entries refer only to repayments by China on the credits received in 1950 and 1954.

Credits to countries of the Soviet area, excluding Mainland China. 3/ Long-term credits extended by the U.S.S.R. to countries of the Soviet area are estimated at \$116.5 million for 1959 and \$543.8 million for 1960. Of the total, \$254.0 million was granted to East European countries and \$406.3 million to Asian countries. The new commitments cover loans for economic development and technical assistance. No credits in gold or foreign exchange were extended in 1959 or 1960.

Drawings on credits accorded in previous years are estimated at \$203.7 million for 1959 and \$248.2 million for 1960. These figures have been estimated by assuming, for economic development loans, that deliveries of material and equipment for complete enterprises, as shown in category 16 of the Russian trade statistics, cover the shipment of

1/ Sources: 17, 36, 37, 38, 39, and 48.

2/ Sources: 19, 25, 28, 45, and 47.

3/ Sources: 3, 6, 9, 18, 22, 27, and 45.

commodities financed by credits and that services so financed amounted to an equal value. The figures so derived are not very different from those that could be derived by assuming that drawings were made in equal installments during the period of the agreements. 1/ For credits extended to finance Soviet deliveries of consumer goods, as in the case of Poland, it is assumed that drawings were made in equal annual installments during the period of the agreement.

For repayments, it has been assumed that they were made in equal installments during the period of the agreement. Repayments on loans extended by the U.S.S.R. to North Korea are not included in this paper, since they were postponed under the terms of the October 16, 1960 agreement.

Appendix C presents some of the details of the 1960 agreements between the U.S.S.R. and the Soviet area countries, excluding Mainland China.

Grants and other assistance to countries of the Soviet area. 2/ In addition to the credits, the U.S.S.R. made a donation equivalent to \$5.0 million to North Viet-Nam to fight malaria. The grant was made on December 23, 1960 and presumably was not utilized by the end of the year.

On October 13, 1960, the U.S.S.R. canceled a North Korean debt of 760 million rubles arising from previous credits and postponed the repayment of 140 million rubles. The total of 900 million rubles (\$225 million) appears high, since identified economic credits to North Korea amounted to \$82.5 million as of the date of the above agreement. The difference may possibly represent military aid.

On December 31, 1960, the U.S.S.R. agreed to postpone the repayment of \$40 million due by Bulgaria in 1961-63. The agreement was announced on January 1, 1961, together with a credit of \$162.5 million for economic development.

Economic credits to countries outside the Soviet area. 3/ During 1959 and 1960, the U.S.S.R. continued its policy of assistance to underdeveloped countries by extending economic credits valued at \$1.7 billion, an amount equal to total economic assistance by the U.S.S.R. to countries outside the Soviet area from the end of World War II

1/ The figures based on the second method are \$209.3 million for 1959 and \$186.1 million for 1960. The difference for 1960 is almost entirely in respect of Bulgaria, for which the U.S.S.R. trade statistics show large deliveries of equipment and material for complete enterprises.

2/ Sources: 3 and 9.

3/ Sources: 1, 2, 3, 4, 11, 12, 15, 21, 23, 24, 26, 29, 30, 35, 42, 43, 44, and 45.

through 1958. Some of the new credits have been granted for specific projects, such as the loan to the United Arab Republic (Egypt) for the Aswan dam and to Ghana for the Volta project. Other loans have been extended for general economic development and separate protocols have specified the projects to be financed. The period envisaged for the utilization of the new loans varies from four to eight years; the period of repayment is usually 12 years and the interest rate 2.5 per cent. Table 7 presents details for 1959 and 1960 on the economic credits extended by the U.S.S.R. to countries outside the Soviet area. Table 9 covers data on commitments, drawings, and repayments on economic loans during the same period.

According to some sources, the loan of \$80 million to Afghanistan will be partly granted out of the proceeds of the sales of Russian wheat. The U.S.S.R. shipped some 40,000 tons of wheat to Afghanistan in 1959 and an additional 50,000 tons in 1960. In Table 9, data on drawings and repayments are based on official Afghan publications and estimates of the author.

The loan of \$100 million to Argentina is reported by the United Nations; other sources mention that in January 1960 the Governments of the U.S.S.R. and Argentina reached an agreement whereby Argentina may use \$50 million under the 1958 oil agreement to import commodities other than oil-drilling equipment. According to official Argentine sources, no deliveries have been made under the oil agreement; however, the U.S. Department of State estimates that drawings amounted to \$18 million by December 31, 1960. In this paper, the figures for drawings cover the deliveries of oil-drilling equipment, as shown in Russian trade statistics.

The 1960 credit to Cuba was announced at the same time as an agreement on the sale of Cuban sugar to the U.S.S.R. The Soviet Union agreed to purchase 1 million tons of sugar each year for five years. Only one fifth (200,000 tons) will be paid for in U.S. dollars, and the balance will be applied against Cuban purchases in the U.S.S.R. of Soviet products. No data are available on deliveries under the long-term agreement.

Drawings on the loan to Ethiopia cover disbursements of convertible currency in connection with the land reform. The United Nations reports a credit of \$100 million to Indonesia in 1959; however, in other sources, the agreement is reported to provide for only \$17.5 million, to be utilized by 1962. Soviet sources indicate a loan of \$250 million granted to Indonesia in 1960. It is probable that the last total includes the \$100 million credit indicated by the United Nations. It is most likely that the negotiations of the loan began in 1959 but that the final agreement was reached in 1960. Some sources mention an additional loan to India in 1959 in connection with the construction of an oil refinery. This loan has not been included because further details are lacking.

The entries for drawings on loans to the United Arab Republic cover the deliveries of material and equipment for complete enterprises, as reported in the Russian trade statistics (\$15.7 million for 1959 and \$15.8 million for 1960), plus an equal amount for technical assistance. According to U.A.R. sources, drawings on Russian credits amounted to \$91.2 million by the end of March 1961; the difference between this amount and that given in Table 9 may reflect, at least in part, the amount utilized during the first quarter of 1961.

Drawings on loans to the Syrian Arab Republic cover only the shipment of material and equipment for complete enterprises, as shown in the Russian trade statistics. In addition, Soviet technicians have been very active in Syria, although the value of such assistance cannot be attributed by year. U.S. sources estimate that total drawings amounted to \$25 million by the second half of 1960; therefore, the entries in Table 9 may be underestimated.

Soviet technical assistance to underdeveloped countries has increased in the last few years. This form of aid has been extended by providing Soviet technicians, operating in the receiving country, and by granting scholarships to students and workers of the less developed countries. Appendixes A and B present some of the details of the agreements.

Military aid to countries outside the Soviet area. 1/ It has been estimated that the U.S.S.R. extended military credits to underdeveloped countries valued at \$11 million in 1959 and \$373 million in 1960. The aid was granted to Indonesia (\$11 million for 1959 and \$300 million for 1960), Iraq (\$68 million for 1960), Morocco (\$4 million for 1960), and the Sudan (less than \$500,000). These estimates do not include military credits to Cuba. British sources substantially agree with these estimates. Equipment delivered under the terms of agreements for these and previous years is estimated at \$120 million to Iraq in 1959 and \$11 million to Indonesia in 1960. The figures quoted above do not include military aid granted by other countries of the Soviet area. In this paper, it is assumed that repayments on military credits extended in previous years were made by the U.A.R. (\$31.5 million for 1959 and also for 1960), and by the Syrian Arab Republic (\$5.0 million for 1959 and also for 1960).

Grants to countries outside the Soviet area. 2/ Identified grants by the Soviet Union to countries outside the Soviet area cover shipments of wheat to Afghanistan (\$2.0 million for 1959 and \$2.5 million for 1960) and Yemen (\$0.5 million for 1959), and the construction of a hospital in Cambodia (\$0.4 million for 1959 and \$1.1 million for 1960) and a technical school in Ethiopia (\$1.8 million for 1959). In addition, the U.S.S.R. made other donations, the value of which is not available. Some of these transactions are reported in Appendix A and Appendix B to this paper.

1/ Sources: 10, 12, 30, and 43.

2/ Sources: 1, 3, 5, 11, and 46.

Credits from the West. 1/ In recent years, the U.S.S.R. has solicited credits from Western countries to help to finance the purchase of industrial equipment. Trading agencies of the Soviet Union have obtained credit facilities from private banks in Western European countries. Under the terms of the credits, the Soviet Union pays 20 per cent of the cost during the period between the placing of the order and the conclusion of the first tryout of the installation in the U.S.S.R. The remaining 80 per cent of the purchase value is paid over a period of five to ten years.

Repayments by the U.S.S.R. on external credits. 2/ This item covers repayments by the U.S.S.R. to the United States (\$3.6 million for 1959 and \$3.8 million for 1960) on lend-lease aid extended under the pipeline credit agreement of October 15, 1945, and to the United Kingdom (\$9.3 million for 1959 and also for 1960) under the terms of the December 1947 agreement. In addition, in August 1960, the U.S.S.R. paid in advance a first installment of \$7.1 million on a loan of SKr 1 billion, which had been received from Sweden in 1946-52. Repayments were not due until 1961.

Austrian reparations. 3/ Estimates for Austrian reparations are derived from the Austrian balance of payments. The figures cover deliveries of goods to the U.S.S.R. under the terms of the 1955 State Treaty (\$47.2 million for 1959 and \$41.0 million for 1960), and deliveries by the U.S.S.R. to Austria under the terms of the 1958 agreement (\$8.5 million for 1959 and \$10.0 million for 1960). It is assumed that the deliveries of goods are included in the Soviet figures for imports.

Selected Monetary Movements

Section I.C of Table 1 presents identified changes in the Soviet Union's liabilities in rubles, sales of gold, and other monetary transactions. The entries for liabilities in rubles represent the increases of U.S.S.R. liabilities as a result of contributions to the UN Technical Assistance Program and the United Nations Children's Fund. Sales of gold cover shipments of gold to western countries. 4/ Net gold production (i.e., nonmonetary gold) and the offsetting additions to official gold holdings have been omitted from Table 1. Other transactions cover Soviet repayments in free exchange on loans received from the United States, the United Kingdom, and Sweden (\$12.9 million for 1959 and \$20.2 million for 1960), interest payments to the United States and the United

1/ Source: 44.

2/ Sources: 13, 15, 20, 33, 34, and 41.

3/ Source: 15.

4/ Source: 14.

Kingdom 1/ (\$5.8 million for 1959 and \$5.4 million for 1960), and payments of contributions to the United Nations and its agencies (\$15.4 million for 1959 and \$12.0 million for 1960).

Unidentified Transactions

Section II of Table 1 covers the offsets to transactions in Section I that have no contra-entries. 2/

Settlement of trade balances covers the residuals shown in Table 2. There is evidence that the trade surplus or deficit of the U.S.S.R. with the Soviet area countries is settled by additional shipments of goods in the following years rather than by payments in free exchange. On the other hand, trade balances with the rest of the world are presumably settled either through payments agreements or in free exchange.

The offset to gold and foreign exchange loans represents cash disbursements or repayments in connection with credits granted by the U.S.S.R. The entry for countries outside the Soviet area covers a free exchange disbursement to Ethiopia; the entries for the countries of the Soviet area are derived from the details shown in Table 8. These transactions have either increased (debit) or decreased (credit) holdings of foreign exchange by the U.S.S.R.

1/ Interest on the loan from Sweden was paid in commodities.
2/ For a description of this section, see Caiola, op. cit.,
page 30.

Table 1. U.S.S.R.: Balance of Payments, 1959-60 ^{1/}
(In millions of U.S. dollars)

	1959			1960		
	Soviet Area	Rest of World	Total	Soviet Area	Rest of World	Total
I. Identified Transactions						
A. Goods and Services						
Exports f.o.b.	4,077.8	1,483.0	5,560.8	4,083.4	1,489.4	5,572.8
Imports f.o.b.	-3,736.8	-1,336.5	-5,073.3	-3,821.6	-1,807.2	-5,628.8
Services, net	70.6	-63.8	6.8	89.6	-88.3	1.3
Total	411.6	82.7	494.3	351.4	-406.1	-54.7
B. Transfer Payments and Long-Term Capital						
Transfer payments and loans granted	-203.7	-263.0	-466.7	-438.2	-144.9	-583.1
Transfer payments and repayments received	152.6	112.4	265.0	346.7	105.3	452.0
Total	-51.1	-150.6	-201.7	-91.5	-39.6	-131.1
C. Selected Monetary Movements						
Liabilities in rubles	--	3.0	3.0	--	3.0	3.0
Sales of gold	--	255.0	255.0	--	200.0	200.0
Other	--	34.1	34.1	--	37.6	37.6
Total	--	292.1	292.1	--	240.6	240.6
Total (A through C)	360.5	224.2	584.7	259.9	-205.1	54.8

Table 1. U.S.S.R.: Balance of Payments, 1959-60 ^{1/} (concluded)
(In millions of U.S. dollars)

	1959			1960	
	Soviet Area	Rest of World	Total	Soviet Area	Rest of World
II. Unidentified Transactions					
Settlement of trade balances	-289.7	-42.2	-331.9	-186.5	305.0
Settlement of service balances	-22.0	71.2	49.2	-24.7	98.1
Offset to gold and foreign exchange loans	-48.8	--	-48.8	-48.7	2.0
Offset to gold sales	--	-255.0	-255.0	--	-200.0
Other	--	1.8	1.8	--	--
Total	-360.5	-224.2	-584.7	-259.9	205.1
					-54.8

^{1/} No sign indicates credit; minus sign indicates debit.

Table 2. U.S.S.R.: Merchandise Transactions, by Area and by Method of Financing, 1959-60
(In millions of U.S. dollars)

	1959			1960		
	Soviet Area	Rest of World	Total	Soviet Area	Rest of World	Total
Exports f.o.b. in trade returns	4,077.8	1,363.0	5,440.8	4,083.4	1,478.4	5,561.8
Identified shipments of arms	....	120.0	120.0	....	11.0	11.0
Imports f.o.b. in trade returns	3,736.8	1,336.5	5,073.3	3,821.6	1,807.2	5,628.8
Trade balance	341.0	146.5	487.5	261.8	-317.8	-56.0
Financed through						
Military credits	....	120.0	120.0	....	11.0	11.0
Other Soviet credits	155.1	82.3	237.4	183.3	64.9	248.2
Repayments in goods of Soviet credits	-103.8	-65.2	-169.0	-108.0	-64.3	-172.3
Gifts, reparations, etc. (net)	--	-32.8	-32.8	--	-24.4	-24.4
Residual	289.7	42.2	331.9	186.5	-305.0	-118.5
Payments agreements	(289.7)	(-46.1)	(243.6)	(186.5)	(-48.6)	(137.9)
Other	(....)	(88.3)	(88.3)	(....)	(-256.4)	(-256.4)

Table 3. U.S.S.R.: Balance of Payments Transactions in Invisibles, 1959-60 ^{1/}
(In millions of U.S. dollars)

	1959			1960	
	Soviet Area	Rest of World	Total	Soviet Area	Rest of World
Freight on imports	....	-80.2	-80.2	....	-108.4
Services under aid programs	48.6	16.2	64.8	64.9	18.2
Interest on loans extended	22.0	9.0	31.0	24.7	10.3
Interest on loans received	--	-8.8	-8.8	--	-8.4
Total	70.6	-63.8	6.8	89.6	-88.3
					1.3

^{1/} No sign indicates credit; minus sign indicates debit.

Table 4. U.S.S.R.: Transfer Payments and Other Movements of Capital, 1959-60
(In millions of U.S. dollars)

	1959			1960		
	Soviet Area	Rest of World	Total	Soviet Area	Rest of World	Total
Debits						
Participation in UN and UN agencies and in UN Technical Assistance Program	--	18.4	18.4	--	15.0	15.0
Cancellation of debts ^{1/}	--	--	--	190.0	--	190.0
Other grants	....	4.7	4.7	....	3.6	3.6
Economic and technical assistance loans	203.7	98.5	302.2	248.2	85.1	333.3
Identified military aid	....	120.0	120.0	....	11.0	11.0
Repayments on loans received	--	12.9	12.9	--	20.2	20.2
Payments to Austria	--	8.5	8.5	--	10.0	10.0
Total	203.7	263.0	466.7	438.2	144.9	583.1
Credits						
Austrian reparations	--	47.2	47.2	--	41.0	41.0
Cancellation of debts ^{1/}	--	--	--	190.0	--	190.0
Repayments by Mainland China	43.0	--	43.0	43.0	--	43.0
Repayments on military aid	....	36.5	36.5	....	36.5	36.5
Other repayments	109.6	28.7	138.3	113.7	27.8	141.5
Total	152.6	112.4	265.0	346.7	105.3	452.0

^{1/} The entries cover the cancellation of Soviet Union claims on North Korea arising from credits granted before 1960. The transaction is recorded in the balance of payments as a decrease in Soviet Union long-term assets (credit) offset by a grant to North Korea (debit).

Table 5. U.S.S.R.: Contributions to the United Nations and Its Agencies and to the UN Technical Assistance Program, 1959-60 1/
(In thousands of U.S. dollars)

	1959	1960
UN administrative budget	9,267	5,103
Special account of the UN Emergency Force	8	245
International Atomic Energy Agency (IAEA)	770	863
International Labour Organization (ILO)	976	1,030
International Telecommunication Union (ITU)	78	78
United Nations Children's Fund (UNICEF)	613	613
United Nations Educational, Scientific and Cultural Organization (UNESCO)	2,048	2,160
Universal Postal Union (UPU)	20	20
World Health Organization (WHO)	2,234	2,467
World Meteorological Organization (WMO)	38	64
Total	16,052	12,643
United Nations Technical Assistance Program (UNTAP)		
Expanded program	1,175	1,175
Special Fund	1,175	1,175
Total	18,402	14,993

1/ Including the shares of Byelorussian S.S.R. and Ukrainian S.S.R.

Table 6. U.S.S.R.: Trade with Mainland China
(In millions of old rubles)

Year	Exports	Imports	Trade balance
1950	1,552.8	765.0	787.8
1951	1,913.7	1,325.0	588.7
1952	2,216.9	1,655.0	561.9
1953	2,790.3	1,898.9	891.4
1954	3,037.1	2,313.4	723.7
1955	2,993.4	2,574.0	419.4
1956	2,932.1	3,056.9	-124.8
1957	2,176.4	2,952.5	-776.1
1958	2,536.0	3,525.0	-989.0
1959	3,818.3	4,401.1	-582.8
1960	3,235.8	3,358.5	-122.7
Total, 1950-60	29,202.8	27,825.3	1,377.5
1961	1,454.6	2,183.7	-729.1
Total, 1950-61	30,657.4	30,009.0	648.4

Sources: 1950-54: 63
1955-61: 45

Table 7. U.S.S.R.: Long-Term Credits Extended in 1959-60, Excluding Military Aid

	Date of the Agreement	Amount (million of US\$)	Period of utilization	Period of repayment (years)	Interest Rate	Stated Purpose
To Soviet Area						
Albania	1959	91.5				Loan at liberal terms for economic development.
Bulgaria	Dec 1960	162.5				Loan agreed upon in Dec. 1960 and announced in Jan. 1961, together with the postponement of repayments on previous credits.
Mongolia	Feb 1960	5.0				Building construction.
	Feb 1960	27.5				Economic and technical assistance.
	Sept 1960	153.8				Economic and technical assistance in connection with the 1961-65 plan.
North Viet-Nam	1959	25.0				Loan at liberal terms.
	1960	87.5				Technical aid in agriculture.
	June 1960	107.5				Economic and technical assistance in connection with the 1961-65 plan.
To Rest of World						
Afghanistan	1959	80.0				Construction of road connecting Soviet border to southern Afghanistan. It is not clear whether it is a loan or a grant.
Argentina	May 1960	100.0				Some sources report this loan in 1959.
Cuba	April 1960	100.0	1961-65	12	2.5	Purchase of equipment and machinery. Some sources report this loan in Feb. 1960.
Ethiopia	July 1959	100.0				Construction of industrial plants and technical assistance.
Finland	12/22/1959	125.0	5 years	12	2.5	Industrial machinery and railway equipment. Repayment in Finnish exports.
Ghana	Dec 1960	40.0		12	2.5	Volta project. Credit offered in August 1960.
Guinea	8/24/1959	35.0	1960-63	12	2.5	Economic and technical assistance.
India	9/12/59	375.0		12	2.5	Construction of industrial plants and purchase of agricultural equipment. Some sources report an additional loan of \$25 million for oil refinery.
Indonesia	5/3/59	17.5	1959-62	12	2.5	Economic development. This loan covers the construction of a stadium (\$12.5 million by 1962) and merchant marine academy at Ambon (\$5 million).
	2/28/1960	250.0		12	2.5	Construction of industrial plants, geological surveying, and vocational training.

Table 7. (concluded) U.S.S.R.: Long-Term Credits Extended in 1959-60, Excluding Military Aid

	Date of the Agreement	Amount (million of US\$)	Period of utilization	Period of repayment (years)	Interest rate	Stated Purpose
Iraq	3/16/1959	137.5	7 years	12	2.5	Construction of industrial plants and irrigation works to be utilized in 1959-66.
Nepal	May 1960	45.0		12		Supplementary credit to 3/16/59 agreement.
	4/24/1959	7.5				Construction of industrial plants and health establishments. Possibly a grant.
United Arab Republic (Egypt)	1/18/1960	225.0		12	2.5	Aswan Dam - some sources report \$187 million.
	end 1959	15-20	5 years	15	2.5	Agricultural equipment.
Yemen						

Table 8: U.S.S.R.: Long-Term Credits to Countries of the Soviet Area, Excluding Mainland China, 1959-60
(In millions of U.S. dollars)

	Commitments		Drawings		Repayments 1/	
	1959	1960	1959	1960	1959	1960
Albania	91.5	--	10.4	25.6	2.6	2.6
Bulgaria	--	162.5	45.7	66.8	21.7	21.8
Eastern Germany	--	--	6.8	14.2	42.5	42.5
Hungary	--	--	39.0	27.8	--	4.1
Poland	--	--	58.4	58.3	11.3	11.2
Rumania	--	--	23.4	26.1	9.0	9.0
Total						
North Viet-Nam	91.5	162.5	183.7	218.8	87.1	91.2
Outer Mongolia	25.0	195.0	--	3.2	--	--
	--	186.3	20.0	26.2	22.5	22.5
Total	116.5	543.8	203.7	248.2	109.6	113.7
Transactions in						
Gold and foreign exchange	--	--	--	--	48.8	48.7
Commodities	) 116.5	) 543.8	155.1	183.3	60.8	65.0
Services	)	)	48.6	64.9	--	--

1/ Estimates exclude repayments by North Korea which were postponed under the terms of the October 13, 1960 agreement.

Table 9. U.S.S.R.: Long-Term Economic Credits to Countries Outside the Soviet Area, 1959-60
(In millions of U.S. dollars)

	Commitments		Drawings		Repayments	
	1959	1960	1959	1960	1959	1960
Afghanistan	80.0	--	20.5	23.0	7.3	7.3
Argentina	--	100.0	2.3	7.2	--	--
Burma	--	--	1.8	1.3	--	--
Ceylon	--	--	0.4	0.2	--	--
Cuba	--	100.0	--	...	--	--
Ethiopia	100.0	--	--	2.0	--	--
Finland	125.0	--	--	1.2	10.0	--
Ghana	--	40.0	--	--	--	--
Guinea	35.0	--	--	0.1	--	--
Iceland	--	--	--	--	0.1	0.3
India	375.0	--	26.5	7.8	9.2	20.2
Indonesia	17.5	250.0	12.0	2.0	--	--
Iraq	137.5	45.0	--	4.6	--	--
Nepal	7.5	--	--	...	--	--
Syrian Arab Republic	--	--	1.0	2.0	--	--
United Arab Republic (Egypt)	--	225.0	31.4	31.6	--	--
Yemen	20.0	--	2.0	2.1	...	...
Yugoslavia	--	--	0.6	--	2.1	--
Total	897.5	760.0	98.5	85.1	28.7	27.8
Transactions in						
Foreign exchange	) 897.5	) 760.0	--	2.0	--	--
Commodities	)	)	82.3	64.9	28.7	27.8
Services	)	)	16.2	18.2	--	--

Economic and Technical Assistance Agreements Between the U.S.S.R.
and Less Developed Countries, 1959

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Afghanistan	March (?)	Gift of 40,000 tons of wheat.
"	May 28	Agreement for construction of highway.
"	May	Protocol to economic and technical assistance agreements: specification of projects.
"	July	Protocol to economic and technical assistance agreements: specification of projects.
"	August	Protocol to economic and technical assistance agreements: specification of projects.
"	September	Agreement for the construction of irrigation and power project. The foreign exchange cost is valued at \$18.7 million and local currency cost at Af 366 million.
"	End of 1959	Technical assistance for surveys and construction of roads.
"	1959	Credit of \$80.0 million.
Argentina	November	Petroleum company announces that deliveries under the \$100 million credit will soon begin.
Brazil	December 9	Trade agreement for three years. Total trade of \$208 million, of which \$50 million in 1960, \$70 million in 1961, and \$88 million in 1962.
Ceylon	March	Protocol to February 1958 credit agreement.
Ethiopia	July	Credit of \$100 million.
"	November 27	Student and teacher exchange.
"	December	Trade agreement and protocol to credit agreement.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Finland	December 22	Credit of \$125 million.
Ghana	April	Geological mission.
Guinea	August 24	Credit of \$35.0 million.
India	April	Agreement on construction of a thermo-electric plant.
"	May 29	Agreement on construction of plants for producing pharmaceuticals.
"	June 27	Delivery of blueprints of the industrial plant at Ranchi.
"	July	Delivery of blueprints of optical industrial plant at Durgapur.
"	July 23	Gift of a plant to repair machinery at Suratgarh.
"	September 12	Credit of \$375 million.
Indonesia	January 3	Protocol to 1956 credit agreement, specifying the list of projects.
"	May 3	Credit agreement.
"	July 28	Protocol to credit agreement in construction of a stadium for Asian games and other projects to be built by 1962 and valued at \$17 million.
Iraq	March 16	Technical assistance for establishment of industries (credit of \$137.5 million).
"	March	Student exchange
"	May 5	Presumably protocol to the March 16 credit agreement.
"	End of June	Delivery of military aid.
"	July 24	Gift of a school.
"	July	Protocol to agreement on economic and technical assistance. Agreement on construction of port installations.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Iraq (Cont'd)	August	Soviet mission for survey for Euphrates dam.
"	November 12	Technical aid for railroads.
"	1959	Aid for education, atomic reactors, geological survey, etc.
Nepal	April 24	Credit or gift of 30 million rubles.
Syrian Arab Republic	January 12	Agreement on construction of railroads.
"	September	Agreement on irrigation project, valued at FF 14 billion.
Yemen	End of 1959	Credit of \$20 million.
"	1959	Deliveries of military aid valued at \$15 million and military instructors.
"	1959	Soviet Union completed construction of an airport. It is possible that a \$10 million credit was granted for the project.

Economic and Technical Assistance Agreements Between the U.S.S.R.
and Less Developed Countries, 1960

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Afghanistan	July 18, 1959 .. Feb. 18, 1960	Technical training of workers in U.S.S.R.
"	January 19	Agreement to finance irrigation and power project, valued at \$22 million. U.S.S.R. will provide a credit that may be part of the 1959 agreement.
"	March 6	Gift of 50,000 tons of wheat.
"	May 25	Protocol on technical aid for river port of Kizil-Kala; the agreement includes delivery of equipment.
"	November 12-13	Assistance in geological survey.
Argentina	January	Protocol to the 1958 oil credit: \$50 million of the credit will be used to import machinery other than oil-drilling equipment.
"	May	Credit of \$100 million.
Cambodia	May 10	Official delivery of hospital built as a gift from the U.S.S.R., valued at \$6 million.
Cuba	Feb. 13 (or April 1960)	Credit of \$100 million, 2.5 per cent interest. U.S.S.R. agrees to buy 1 million tons of sugar each year for 5-year period. One fifth (200,000 tons) will be paid in dollars; the balance will be applied against Cuban purchases in U.S.S.R.
"	November 16	Technical assistance for geological survey.
"	November 16	Technical training in U.S.S.R.
"	December 19	Technical assistance for establishment of industries; the agreement includes deliveries of equipment.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Ethiopia	March 8	U.S.S.R. agrees to construct a technical school as a gift.
"	March 25	Protocol to July 1959 credit: Agreement on construction of plants and on surveys.
Ghana	August 4	Agreement on economic and technical cooperation (credit of \$40 million).
"	December 23	Protocol to August 4, 1960 agreement, specifying enterprises to be financed.
Guinea	March 1	Radio station as a gift.
"	March 1	Protocol to economic and technical agreement of August 24, 1959, specifying the use of the credit granted in 1959.
"	September 8	Protocol to August 24, 1959 agreement.
India	February 12	Protocol to September 12, 1959 agreement, specifying enterprises to be financed by the \$375 million credit.
"	April 22-Aug. 22	Exchange of cotton technicians.
"	June 16	Technical assistance for oil exploration, to be paid out of the September 12, 1959 credit.
"	July	Trade agreement for delivery of Russian oil (1.5 million tons) during the next 3-1/2 years; payments in rupees.
Indonesia	February 28	Agreement of economic and technical cooperation (credit of \$250 million).
"	July 1	Revision of the May 3, 1959 agreement. U.S.S.R. will build one, instead of two, steel mills (according to September 15, 1956 agreement).
"	July 1	Agreement on atomic energy: Soviet Union will supply equipment and technical assistance.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Indonesia (Cont'd)	October 14	Gift of a hospital to be built during 1961-63.
Iraq	March 20	Agreement on technical assistance.
"	August 18	Agreement on economic and technical assistance. Credit granted on March 16, 1959 is increased by 180 million rubles.
Nepal	August 2	Technical aid for a hydroelectric plant.
Syrian Arab Republic	September 7	Economic and technical assistance agreement. Protocol to October 28, 1957 agreement.
U.A.R. (Egypt)	August 11	Technical aid for construction of metallurgical plant.
"	August 27	Agreement on economic and technical assistance for Aswan dam. Credit of 900 million rubles.
Yemen	March 28 - April 4	Technical aid for construction of a canal.
"	June 25	Technical aid for harbor development.

Economic and Technical Assistance Agreements Between U.S.S.R.
and the Soviet Area, 1960

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Albania	July 19	Technical assistance for construction of cement plant.
"	August 31	Technical assistance for hydroelectric plant.
Bulgaria	January 20	Technical assistance for maize mill.
"	June 28	Technical assistance and equipment for telecommunications center.
"	June 28	Increase of previous aid for construction of three thermoelectric plants.
"	July 22	Technical assistance for several projects.
"	October 8	Technical assistance for construction of a dam.
"	November 29	Technical assistance for several projects.
"	November 30	Technical assistance in the mining field.
"	November 30	Technical assistance and equipment for maize mills.
"	December 1	Technical assistance and equipment for several industrial projects.
"	December 31	Long-term credit of 650 million rubles for purchase of industrial machinery; in addition, repayments of 160 million rubles due in 1961-63 are postponed. The agreement was announced on January 1, 1961.
Czechoslovakia	March 7	Agreement on construction of high-tension line.
"	March 31	Technical assistance for industrial plants.
"	May 12	Technical assistance in oil fields.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
Eastern Germany	March 1	Technical assistance and equipment for construction of industrial plants.
"	August 10-30	German technicians sent to U.S.S.R. to work in an aluminum plant.
"	September 27	Exchange of gas and oil field technicians and documents.
Mongolia	February 11	Economic and technical assistance agreement (credit of 110 million rubles).
"	February 11	Agreement on aid for building construction (credit of 20 million rubles).
"	March 28	Agreement on construction of mills and other plants.
"	September 9	Agreement on economic and technical assistance for the 1961-65 development plan (credit of 615 million rubles).
"	September 27	Technical assistance and equipment in the field of education.
"	September 27	Technical assistance agreement.
"	September 27	Technical assistance for industry, agriculture, public welfare, etc.
"	November 14	Technical assistance for telephone installations.
North Korea	July 11	Technical assistance for a cinema studio.
"	August 1	Survey for a dam.
"	August 31	Geological survey.
"	September 30	Survey for central heating of a city.
"	October 13	U.S.S.R. cancels a claim of 760 million rubles, arising from credits granted in previous years, and postpones the repayment of 140 million rubles.
"	December 24	Agreement on aid to be delivered in 1961-67.

<u>Country</u>	<u>Date</u>	<u>Agreement</u>
North Viet-Nam	June 14	Technical assistance for agriculture (credit of 350 million rubles).
"	August 2	Technical assistance for improvement of harbors.
"	August 26	Technical assistance for fish industry.
"	September 30	Technical assistance for coal mine.
"	December 23	Agreement on economic and technical assistance in connection with the 1961-65 plan. Credit of 430 million rubles and a grant of 20 million rubles to fight malaria.
Poland	March 10	Technical assistance for industrial plants.
"	September 13	Technical assistance for a thermo-plant.
"	September 13	Technical assistance for construction of a canal.
Rumania	November 11	Technical assistance for industrial plants.

Bibliography

- 1/ Afghanistan, Ministry of Planning, A Survey of Progress, 1960, Kabul, August 1960.
- 2/ "L'Aide économique et technique de l'U.R.S.S. aux pays d'Afrique" in Problèmes Economiques, October 17, 1961, No. 720, pp. 20-22.
- 3/ "L'Aide Soviétique aux Pays en voie de développement (Les accords de coopération économique et technique conclus en 1960)" in Notes et Etudes Documentaires, July 17, 1961, No. 2797.
- 4/ "L'Aide Soviétique aux Pays Sous-Développés" in Notes et Etudes Documentaires, March 13, 1961, No. 2760.
- 5/ Banque Nationale du Cambodge, Balance des Paiements, Phnom-Penh.
- 6/ Bystrov, F., "Soviet International Credit Relations" in Eastern World, May 1962, pp. 27-29.
- 7/ Caiola, M., "Balance of Payments of the U.S.S.R., 1955-58," International Monetary Fund, Staff Papers, Vol. IX, No. 1), 1962, pp. 1-36.
- 8/ "Czechs to Build 50 Soviet Ships," The New York Times, July 21, 1961, p. 36M.
- 9/ Ekonomicheskaya Gazeta, January 20, 1961.
- 10/ Foreign Letter, April 4, 1961, No. 2190, p. 1.
- 11/ Franck, P. G., Afghanistan Between East and West, National Planning Association, Washington, D. C.
- 12/ Gekker, P., Soviet Aid to Less Developed Countries (unpublished paper).
- 13/ Great Britain Treasury, Finance Accounts of the United Kingdom, H.M. Stationery Office, London (annual publication).
- 14/ International Monetary Fund, Annual Report, 1962 (Washington), p. 156.
- 15/ _____ Balance of Payments Yearbook, Volume 13 (Washington).
- 16/ _____ Twelfth Annual Report on Exchange Restrictions (Washington), 1961.
- 17/ International Telecommunications Union, Financial Operating Report, Geneva (annual publication).

18/ "Intra-bloc Credits and Grants through 1960," U.S. Department of State, Intelligence Report, No. 8440, March 29, 1961.

19/ MacDougall, C., "China-Russian Trade and Aid" in Far Eastern Economic Review, May 3, 1962, page 219.

20/ Moody's Municipal and Government Manual, Moody's Investors Service, London (annual publication).

21/ "\$1.24 billion Foreign Loans to Egypt; 49% from Eastern Bloc-Creditor Countries" in Middle East Economist, December 1961, page 155.

22/ "Outer Mongolia Emerges into World Limelight: Keyhole for U.S. on Communist Bloc" in The Christian Science Monitor, April 24, 1961, page 11.

23/ Owen, C.F., "U.S. and Soviet Relations with Underdeveloped Countries. Latin America: A Case Study" in Inter American Economic Affairs, Winter 1960, Vol. 14, No. 3, pp. 85-116.

24/ "Russians on the Volta" in West Africa, No. 2276, January 14, 1961, pp. 29-30.

25/ Schwartz H., "Large Chinese Debt to Soviet Disclosed" in The New York Times, July 5, 1961, page 1.

26/ Shchetinin, V., "Economic Assistance of the Socialist Countries to Young National States" in Problems of Economics, Vol. III, No. 4, pp. 34-41.

27/ Shevel, "Kredit i Bezvozmezhnaia Pomoshch V Otnosheniakh Mezhdru Stranami Narodnoi Demokratii" in Dengi i Kredit, No. 9, 1961, pp. 61-72.

28/ Sladkovsky, M. "The development of trade between the Soviet Union and the People's Republic of China" (in Russian) in Vneshniaia Torgovlia, October 1959, pp. 2-10.

29/ Skorov, G., "L'Aide Economique et Technique de l'U.R.S.S. aux Pays Sous-Developpes" in Tiers-Monde, Oct.-Dec. 1960, pp. 491-510.

30/ "Soviet Economic Aid-Editorial Notes" in Middle East Economist, October 1960, page 135.

31/ The Soviet Seven Year Plan, published by Phoenix House Ltd., London, 1960, page 91.

32/ The Statesman's Yearbook, 1962, edited by S. H. Steinberg, Macmillan & Co., London, 1962, page 1498.

33/ "Sweden-U.S.S.R. Credit Agreement" in Svenska Dagbladet, August 29, 1960.

34/ Trade and Payments Agreements between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the U.S.S.R., London, H.M. Stationery Office, 1948, Cmd. 7297.

35/ United Nations, Economic Survey of Europe, 1960, Geneva 1961.

36/ United Nations, Financial Reports and Accounts and Reports of the Board of Auditors, New York (annual publication).

37/ United Nations, Yearbook, New York, 1960.

38/ United Nations - UNICEF, Financial Reports and Accounts and Reports of the Board of Auditors, New York (annual publication).

39/ United Nations Educational, Scientific, and Cultural Organization, Financial Reports and Statements and Reports of the External Auditors, Paris (annual publication).

40/ United Nations, International Monetary Fund, and International Bank for Reconstruction and Development, Direction of International Trade, Series T, Vol. XII, No. 1 (New York, 1962).

41/ U.S. Department of Commerce, Foreign Grants and Credits, Washington, D. C.

42/ U.S. Department of State, Communist Economic Policy in the less Developed Areas, Washington 1960 (Department of State publication No. 7020).

43/ U.S. Department of State, unpublished information on Soviet economic and military aid to underdeveloped countries.

44/ U.S. Joint Economic Committee, Subcommittee on Foreign Economic Policy, A New Look at Trade Policy Toward the Communist Bloc, U.S. Government Printing Office, Washington, 1961.

45/ Vneshniaia Torgovlia Soinza SSR, Statisticheskii Obzor, Moscow (annual publication).

46/ "Wheat Grant to Afghanistan from U.S.S.R." in Middle East Economic Digest, March 11, 1960.

47/ Wolpert V., "China-Decrease in Soviet Trade" in Far Eastern Economic Review, December 21, 1961, page 546.

48/ World Meteorological Organization Annual Report, Geneva (annual publication).