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~~#~~. Government-guaranteed credits provide some savings to Eastern Europe:

- A very rough estimate of the Western interest subsidy to Eastern Europe (excluding Yugoslavia and Poland) in 1981 is \$500-600 million, equal to roughly 2 percent of the region's earnings from exports to the West.
- This estimate excludes Poland because Warsaw's substantial arrearages in interest payments on its debt make the question of interest subsidies not relevant.
- The principal beneficiary is East Germany because it has a comparatively large debt on official and officially-backed credits (\$2.9 billion) and because it has access to as much as \$375 million in interest-free credit from West Germany (the "Swing" credit).
- Hungary benefits little since officially-backed debt accounts for only about 5 percent of its liabilities.
- The cost to Western governments rescheduling 1981 Polish official debt was \$2 billion.

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Eastern Europe: Debt Held by Major Western Lenders
in 1981

(Million US \$)

		<u>Poland</u>	<u>Romania</u>	<u>East Germany</u>	<u>Hungary</u>	<u>Czechoslovakia</u>	<u>Bulgaria</u>
<u>US</u>							
Total	6.6	3199	837	979	1145	181	254
Official	2.4	2041	407	--	15	--	--
Private	4.2	1158	430	979	1130	181	254
<u>UK</u>							
Total	6.5	2167	888	1800	825	440	420
Official	1.7	1150	254	100	40	70	15
Private	4.8	1017	634	1700	785	370	405
<u>West Germany</u>	8.5						
Total		4291	790	1650	735	545	520
Official	3.5	2137	290	900	10	120	70
Private	5.0	2154	500	750	825	425	450
<u>France</u>							
Total	7.3	2582	1780	1882	713	301	84
Official	2.8	1700	380	529	60	60	34
Private	4.5	882	1400	1353	653	241	46
<u>Italy</u>							
Total	2.2	1088	353	350	165	102	60
Official	1.3	750	240	200	20	60	60
Private	.9	338	113	150	145	42	negl.
<u>Japan</u>							
Total	3.1	1063	420	625	575	155	220
Official	1.1	357	210	250	20	80	100
Private	2.0	706	210	375	525	75	120

Eastern Europe: Debt Held by Major Western Lenders
in 1981 (Continued)

(Million US \$)

	<u>Poland</u>	<u>Romania</u>	<u>East Germany</u>	<u>Hungary</u>	<u>Czechoslovakia</u>	<u>Bulgaria</u>
<u>Canada</u>						
Total	989	190	30	75	325	10
Official	666	40	0	0	200	0
Private	323	150	30	75	125	10
<u>Austria</u>						
Total	1817	140	1300	780	530	130
Official	1509	78	800	275	270	70
Private	308	62	500	505	260	60
<u>Switzerland</u>						
Total	623	275	590	260	115	160
Official	262	65	80	10	40	30
Private	361	210	510	250	75	130

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