

1970

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*Aid And Trade Activities Of Communist Countries  
In Less Developed Areas Of The Free World, 1970*

**Secret**

April 1971

WARNING

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Foreword

In this report the term *Communist countries* refers primarily to the following countries that extend aid to less developed countries of the Free World: the USSR, Communist China, and the following countries of Eastern Europe -- Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. For certain limited purposes the term also may include Albania, Cuba, Mongolia, North Korea, and North Vietnam, none of which is normally a donor of aid. Yugoslavia is not normally included.

The term *less developed countries of the Free World* includes the following: (1) all countries of Africa except the Republic of South Africa; (2) all countries of East Asia except Japan; (3) Portugal and Spain in Europe; (4) all countries in Latin America except Cuba; and (5) all countries in the Near East and South Asia.



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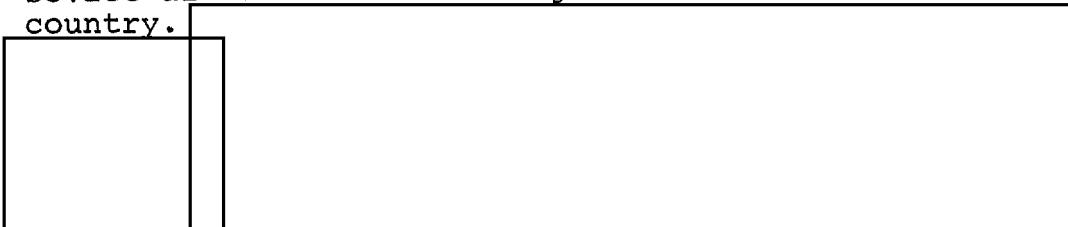
AID AND TRADE ACTIVITIES  
OF COMMUNIST COUNTRIES  
IN LESS DEVELOPED AREAS  
OF THE FREE WORLD  
1970

Summary

Major Trends (see Figure 1)

Although Communist aid initiatives during 1970 generally conformed to the conservative aid policies pursued by most Communist countries in the post-Khrushchev years, the USSR provided a record amount of military aid to the UAR and Communist China made major economic aid commitments to Pakistan and for the Tan-Zam Railroad.

Moscow's extension of an estimated \$650 million of military aid to the UAR was the largest annual Soviet aid commitment ever given to a Third World country.



For Communist China, 1970 was the year when it emerged from the aftermath of the Cultural Revolution, a year in which China tried to resume its role as an international power, when it again made a bid to expand its presence in the Third World. China's \$710 million of economic aid extended to less developed countries was far larger than the total amount of aid extended by all other Communist donors in 1970 and was more than double China's own previous peak year extensions in 1964. Chinese aid for constructing the Tan-Zam Railroad was the largest credit ever extended by a Communist country to a single development project in a less developed country. It also reaffirmed China's continuing interest in Africa and is part of Peking's attempt to renew and establish more firmly its presence on that continent.

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### Economic Aid

Communist countries extended more than \$1.1 billion of economic assistance to the less developed countries during 1970, bringing total extensions\* since 1954 up to \$11.9 billion (see Figure 2). Communist China's aid accounted for nearly two-thirds of the total in 1970. Its major commitments were \$400 million to Tanzania and Zambia for building the Tan-Zam Railroad and \$200 million to Pakistan for its Fourth Five-Year Plan. No other major economic agreements were concluded by Communist countries during the year. The USSR agreed to provide a total of \$210 million (its smallest annual commitment since 1962) to 11 countries, and East European countries extended about \$185 million. This was only about 40% of the total commitments made by East European countries in 1969. Drawings on Communist economic aid increased to \$475 million in 1970, the second successive annual increase following a four-year period when drawings were falling. The upward course reflects larger Soviet deliveries, particularly to Iran and Turkey. The total drawn by the end of 1970 on aid extended since the start of the program in 1954 is estimated at about \$5 billion.

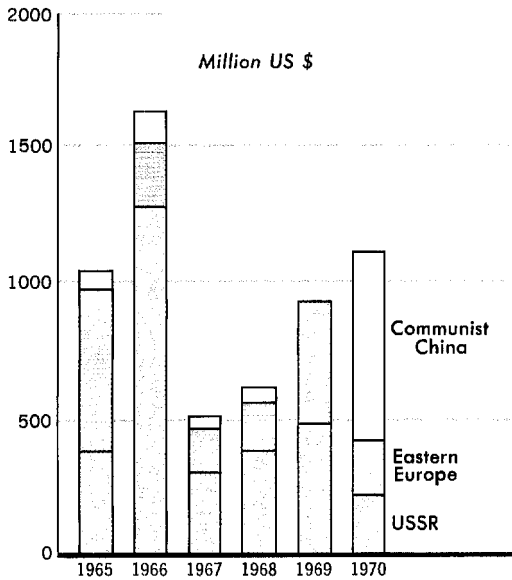
Communist economic technicians in the less developed countries numbered about 23,600 in 1970, an increase of somewhat more than 5% over 1969. Soviet technicians accounted for about 45% of the total, the same as in 1969, while the number of Chinese Communists increased to a record one-third of the total because of the more than 4,000 additional Chinese personnel sent to work on the Tan-Zam Railroad. The number of East European personnel dropped by more than 25%, primarily because of reductions in the number employed in Libya and

\* In this report the term extension refers to a commitment to provide goods and services, either as a grant or on deferred payment terms. Credits allowing 5 years or more for repayment are included. Assistance is considered to have been extended when accords are initialed and constitute a formal declaration of intent. The term drawings refers to the delivery of goods or the use of services.

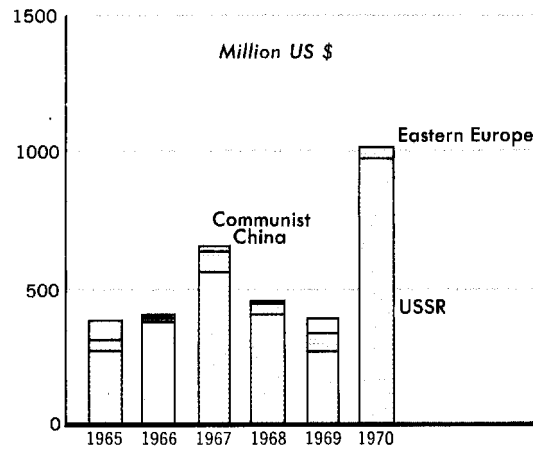
Figure 1

# COMMUNIST ACTIVITY IN LESS DEVELOPED COUNTRIES OF THE FREE WORLD\*, 1965-70

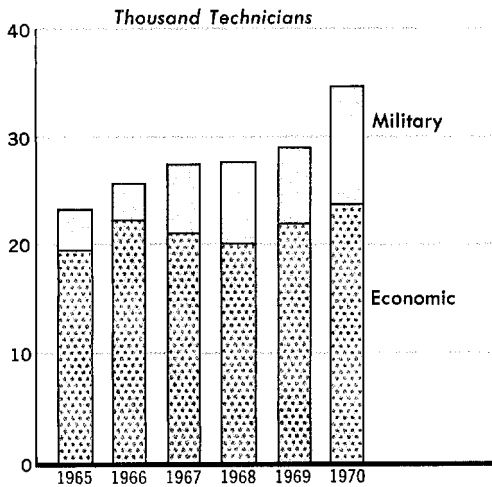
**ECONOMIC ASSISTANCE EXTENDED**



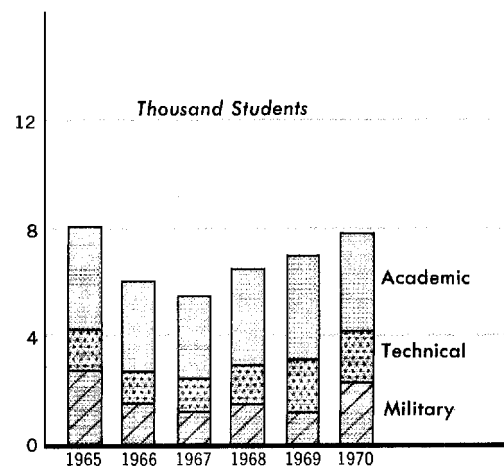
**MILITARY ASSISTANCE EXTENDED**



**ECONOMIC AND MILITARY TECHNICIANS IN LESS DEVELOPED COUNTRIES**



**STUDENTS DEPARTING FROM LESS DEVELOPED COUNTRIES FOR TRAINING IN COMMUNIST COUNTRIES**

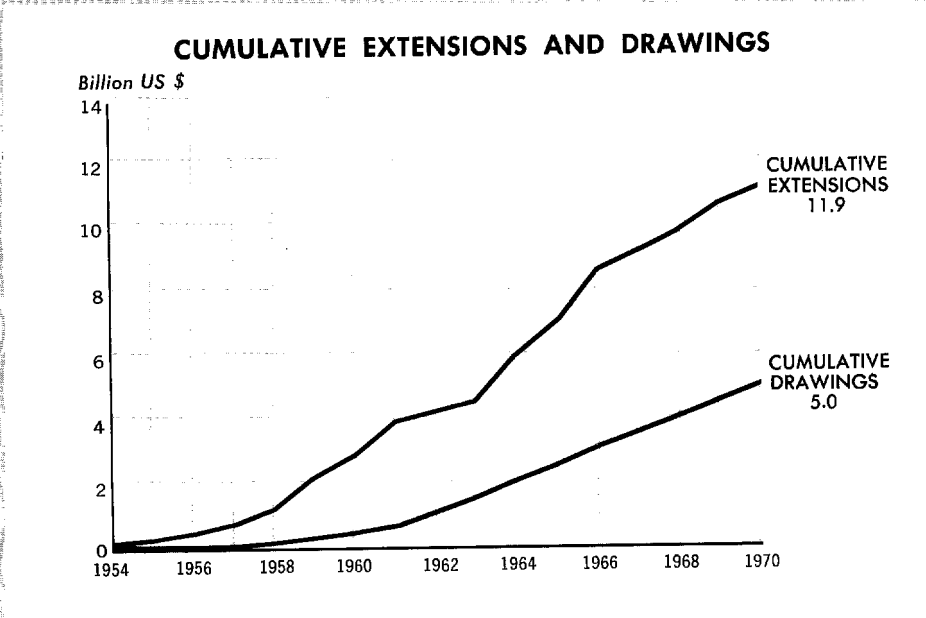


\*Trade of Communist Countries with Less Developed Countries of the Free World is shown in Figure 4.

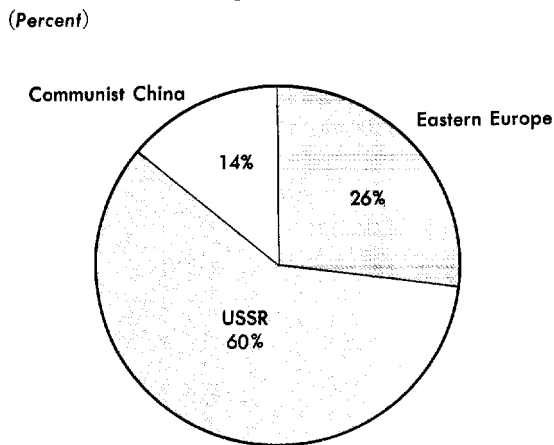
NOTE: Data are revised periodically to include new information and therefore may not be comparable with data previously presented.

Figure 2

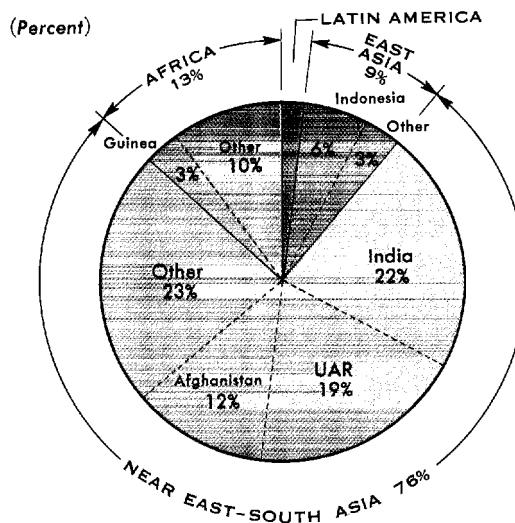
# COMMUNIST ECONOMIC ASSISTANCE TO LESS DEVELOPED COUNTRIES OF THE FREE WORLD 1954-70



### SHARE OF TOTAL ECONOMIC ASSISTANCE EXTENDED 1954-70 By Donor



### SHARE OF TOTAL ECONOMIC ASSISTANCE DRAWN, 1954-70 By Recipient



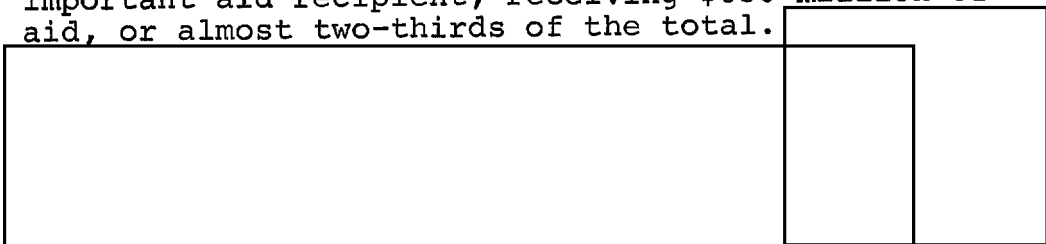


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Tunisia under commercial contract. Communist countries continued to train personnel for technical jobs\* though the number going abroad for this training in 1970 declined to 1,650 from almost 1,900 in 1969. Meanwhile, the USSR has continued to build training facilities in the less developed countries and also to provide on-the-job training at plants in the less developed countries. Approximately 3,600 students from the Third World went to Communist countries for academic training\*\* during 1970, bringing the total number that has gone for this training during the 15 years of the program up to more than 47,000. During 1970 the USSR, for the 1st time since 1965, made additional places available for students from less developed countries, bringing its total enrollment to more than 12,600. Approximately 8,600 students were enrolled in East European institutions. No Third World students are known to be studying in Communist China.

#### Military Aid

Military aid of over \$1 billion extended to less developed countries in 1970 was at a near record level, bringing the total committed since 1955 to \$7.7 billion. The UAR was by far the most important aid recipient, receiving \$650 million of aid, or almost two-thirds of the total.



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\* *Technical trainees are personnel trained to perform jobs on Communist-built installations in the less developed countries. They undertake training on-the-job in Communist countries or are trained in Communist technical schools that require less than one year of training.*

\*\* *Academic students include those enrolled in universities, colleges, and specialized secondary schools. Although these include students taking advanced degrees whose course of study may be as little as one year, the period of study is usually 5 to 6 years.*

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I. Communist Activities  
in Less Developed Areas, by Type of Activity

Major Trends

Communist aid initiatives during 1970, except for military aid to Egypt and economic aid to Pakistan and the Tan-Zam Railroad, generally conformed to the conservative aid policies pursued by most Communist countries in the post-Khrushchev years. Although drawings on economic aid increased, no important new Soviet or East European economic aid agreements were signed during the year, and the terms of most agreements continued to be less concessional than in the early 1960s. On the other hand, Communist countries continued to use economic and military aid to foster their own national interests in selected less developed countries and to strengthen their economic and political bonds with these countries. For the

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changed; for Communist China, two large economic aid commitments demonstrated China's intention to reassert its presence and influence in the Third World.

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Moscow's extension of \$650 million of military aid to the UAR was the largest annual aid commitment ever given to a Third World country. More-

Communist countries provided small amounts of military aid to other countries, these activities were dwarfed by Moscow's overwhelming preoccupation with Egyptian military activities.

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For Communist China, 1970 was a banner year. It was the year when China emerged from the aftermath of its Cultural Revolution, a year when it tried to resume its role as an international power, when it again made a bid to expand its presence in the Third World. China's \$710 million of economic aid extended to less developed countries was far larger than the total amount of such aid extended by all other Communist donors in 1970 and was more than double China's own previous peak year extensions in 1964. Two major credits, \$200 million to Pakistan and \$400 million for the Tan-Zam Railroad, accounted for most of the aid. But the aid for constructing the Tan-Zam Railroad was by far the most significant. It is the largest credit ever extended by a Communist country to a single development project in a less developed country. It exceeds by \$75 million Soviet credits for the Aswan Dam, previously the largest Communist undertaking. The credit for the Tan-Zam Railroad reaffirms China's continuing interest in Africa and is part of China's attempt to renew and establish more firmly its presence on that continent.

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Economic Assistance

Credits and Grants

*Extensions*

Communist countries extended more than \$1.1 billion of economic assistance to the less developed countries during 1970, up \$170 million from 1969 and bringing their total commitments since the start of the program in 1954 up to \$11.9 billion (see Tables 1-3 and Figure 2). For the first time Communist China's aid agreements exceeded the value of the combined aid of other Communist donors. Its extensions of almost \$710 million accounted for nearly two-thirds of total Communist economic aid agreements, while the USSR and East European countries extended about \$210 million and \$185 million respectively. Bolivia, Costa Rica, and Venezuela received Communist aid for the first time. The largest recipients of aid were Tanzania, Zambia, and Pakistan, each of whom received commitments of approximately \$200 million from Communist China.

It was the peak year for the Chinese Communist aid program. New Chinese undertakings in 1970, which were more than twice their previous record level achieved in 1964, account for about 43% of all Chinese aid extended since 1956. The \$400 million extended to Tanzania and Zambia for building the Tan-Zam Railroad represents the largest credit ever provided by a Communist country for a single project in the Third World. During 1970, Communist China also extended a \$200 million credit to Pakistan for project and commodity assistance. With this new commitment, Pakistan continued as China's largest aid recipient. China also extended smaller amounts of aid to Ceylon, Guinea, Southern Yemen, and Sudan.

Repayment terms for Chinese Communist aid, all of which is interest free, were somewhat more liberal than usual for the \$400 million of aid to Tanzania and Zambia extended in 1970. Repayment of this credit is to be made over 30 years instead of the more usual 10 years plus a grace period.

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Table 1  
Economic Aid Extended by Communist Countries  
to Less Developed Countries of the Free World a/  
1970

Million Current US \$

Country	Eastern Europe									
	Total	USSR	Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Romania	Communist China
<i>Total</i>	1,104.9	210.4	186.4	52.0	15.0	14.1	85.8	10.0	9.5	708.1
<u>Africa</u>	593.0	56.1	84.1	40.0	0	14.1	30.0	0	N.A.	452.8
Algeria	74.1	--	74.1	40.0	--	14.1	20.0	--	--	--
Central African Republic	N.A.	N.A.	N.A.	--	--	--	--	--	N.A.	--
Guinea	10.0	--	--	--	--	--	--	--	--	10.0
Mauritius	5.0	5.0	--	--	--	--	--	--	--	--
Morocco	44.4	44.4	--	--	--	--	--	--	--	--
Nigeria	6.7	6.7	--	--	--	--	--	--	--	--
Sudan	51.6	--	10.0	--	--	--	10.0	--	--	41.6
Tanzania	200.6	--	--	--	--	--	--	--	--	200.6
Zambia	200.6	--	--	--	--	--	--	--	--	200.6
<u>Latin America</u>	115.8	65.8	50.0	0	15.0	0	25.0	10.0	0	0
Bolivia	27.5	27.5	--	--	--	--	--	--	--	--
Costa Rica	10.0	10.0	--	--	--	--	--	--	--	--
Peru	53.3	28.3	25.0	--	--	--	15.0	10.0	--	--
Uruguay	15.0	--	15.0	--	5.0	--	10.0	--	--	--
Venezuela	10.0	--	10.0	--	10.0	--	--	--	--	--
<u>Near East and South Asia</u>	396.1	88.5	52.3	12.0	0	0	30.8	0	9.5	255.3
Afghanistan	2.8	2.8	--	--	--	--	--	--	--	--
Ceylon	20.5	8.4	--	--	--	--	--	--	--	12.1
Iran	54.4	54.4	--	--	--	--	--	--	--	--
Iraq	65.3	22.5	42.8	12.0	--	--	30.8	--	--	--
Pakistan	209.5	--	9.5	--	--	--	--	--	9.5	200.0
Southern Yemen	43.2	--	--	--	--	--	--	--	--	43.2
Yemen	0.4	0.4	--	--	--	--	--	--	--	--

a. All credits except for \$0.4 million Soviet grant to Yemen and \$3.2 million of Chinese Communist aid to Ceylon.

No major new Soviet economic aid was provided to the less developed countries during 1970. Its new commitments were the lowest for any year since 1962. Although 11 countries shared in the USSR's total extensions of \$210 million, only Iran received credits exceeding \$50 million. A credit of almost \$45 million was extended to Morocco; Bolivia, Peru, and Iraq received aid commitments ranging between \$20 million and \$30 million; Costa Rica received \$10 million for roadbuilding equipment; and lesser amounts went to Ceylon, Mauritius, and Nigeria. With the possible exception of the aid to Nigeria and Mauritius, Soviet extensions were primarily for capital goods purchases, the repayment terms for which are harder than those traditionally associated with Soviet aid. Instead of the usual repayment terms of 12 years at 2½% interest, about 95% of the aid extended by the USSR in 1970 is to be repaid over 8-10 years at interest rates of 3%-4%. In some cases downpayments are required.

East European economic aid agreements in 1970 totaled about \$185 million, considerably below the 1969 level of \$455 million but 10% above the average of their commitments in 1967 and 1968. Hungary and Bulgaria, with extensions of \$86 million and \$52 million, respectively, accounted for nearly 75% of the total provided by Eastern Europe. Algeria and Iraq, by far the largest recipients of East European aid in 1970, received commitments of \$74 million and \$43 million, respectively. Aid totaling \$25 million was extended to Peru and lesser amounts were extended to Pakistan, Sudan, Uruguay, and Venezuela.

*Drawings\**

Limited reporting, especially from the Near Eastern countries where major programs are under way, has reduced the precision of estimates of

*\* Repayments data have not been computed beyond those presented in Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World, 1969, April 1969, p. 10-11 and 16.*

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recent annual drawings. Estimates for 1970 are based largely on project construction schedules previously announced, adjusted for current information. These estimates show an increase in drawings in 1970, the second successive annual increase after the decline that began in 1965. From a peak of about \$560 million in 1964, total Communist deliveries had fallen to about \$460 million by 1968, then (based on recently revised data) recovered slightly in 1969 (see Table 4). Deliveries continued an upward course in 1970, totaling about \$475 million. Soviet deliveries rose to about \$340 million compared with an annual average of \$320 million for the previous five years. Drawings on East European and Chinese aid were about \$90 million and \$45 million, respectively, roughly the same as in 1969. Deliveries in 1970 brought the total drawn on Communist aid since 1955 up to about \$5 billion.

Drawings are believed to have increased in spite of the general cutback of new investments in some Arab countries of the Near East and in India, countries which have received the largest share of past Communist aid deliveries. Deliveries for the Helwan steel mill in the UAR and the Bokaro plant in India were not large enough to compensate for reduced drawings following the completion of other large undertakings in these countries. Nevertheless, total drawings began to rise again in 1969 and continued in 1970 as a result of the vastly accelerated flow of Soviet equipment to Iran and, to a lesser extent, to Turkey, Algeria, and Syria. The upsurge in deliveries to Iran accounted for most of the rise in 1970, as the Soviet-aided natural gas pipeline was completed and good progress was made on the Soviet-aided steel mill and the hydroelectric and irrigation scheme on the Aras River. All of the Soviet-assisted projects in Turkey, including a steel mill, were under way and work on the Annaba steel mill in Algeria, after five years of virtual inactivity, had begun in earnest. In Syria, where the Euphrates Dam is under construction, and in Iraq, where oil drilling under 1969 credits got under way, drawings also were increased in 1970.

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Technical Assistance

*Economic Technicians\**

The number of Communist economic technicians in the less developed countries during 1970 rose by somewhat more than 5% to approximately 23,600 (see Table 5). In addition to the overall increase, there were important changes in the number of Chinese Communist and East European technicians. The number of Chinese Communists providing technical services in the less developed countries rose to 8,100, up 60% from 1969. The number of East European technical personnel dropped by more than 25% to over 5,200 reflecting primarily reductions in those employed in Libya and Tunisia under commercial contract. The USSR increased the number of its technicians by about 5% to about 10,300. They accounted for about 45% of the total, about the same ratio as in most recent years. The Chinese, whose number rose to its highest level since the beginning of China's aid program, because of the more than 4,000\*\* additional Chinese personnel sent to work on the Tan-Zam Railroad, contributed a record one-third to the number of Communist technicians present in Third World countries. This compares with somewhat less than one-fourth in 1969 and 20% in 1968. Eastern Europe's technical personnel in aid-receiving countries accounted for little more than 20% of the total in 1970.

Africa, which in recent years has received more than one-half of all Communist technicians sent to Third World countries, accounted for almost 60% of the total number present in 1970. The somewhat heavier concentration during 1970 was due largely to the huge influx of technicians to work on the Tan-Zam Railroad. A large number of technicians also continued to be employed under commercial contract and on non-project activity. Of the approximately 3,900 Soviet technicians in Africa, more than half were employed in Algeria as oil technicians, mining and geological experts, teachers, doctors and nurses, and on economic aid

\* Including personnel working under commercial contracts as well as economic aid agreements.

\*\* May include laborers as well as technicians.



projects. Although there were significant reductions in the number of East European personnel employed in Libya and Tunisia under commercial contract, about 45% of the nearly 3,100 East European technicians in Africa still were working in these two countries. The largest contingent of East Europeans in Africa (800), however, was in Algeria.

The second largest group of Communist technicians (9,100) were employed in the Near East and South Asia during 1970. Their number declined somewhat from the 1969 level largely because of the reduced number of Chinese in Pakistan, where about 950 technicians working on the Gilgit-Sinkiang Road had departed by the end of 1969 when the project was completed. Large declines also occurred in Iraq and the UAR, where new project activity had not accelerated sufficiently to offset departures. Iran was the only country in the area where there was a marked increase in the number of technicians. They rose by more than 10% in 1970 to 1,650. All of the increase was in Soviet personnel that came to work on mining operations for iron and coal to supply the steel plant being built at Isfahan.

There was little change in the number of Communist personnel present in most other countries and areas during 1970, except for Guinea and Brazil. The number of Soviet technicians in Guinea increased by 200 during 1970 and in Brazil the number of East Europeans under commercial contract increased from 20 to over 100.

#### *Technical Trainees*

During 1970, an estimated 1,650 trainees from the less developed countries went to Communist countries to develop skills for use on Communist-aided projects (see Table 6). This compares with about 1,900 that undertook similar training in the previous year. A total of 18,600 have been trained since 1956. As in the past, most of the technical personnel went to the USSR, which took about two-thirds of the total. By far the largest share (80%) of the trainees came from those Near East and South Asian countries where

the major Communist aid undertakings are concentrated. In addition to the technical trainees that have gone to Communist countries, by the end of 1969 more than 150,000 workers had been trained on-the-job at Soviet project sites.

The size of the program for training skilled labor, technicians, and administrative personnel in Communist countries is expected to decrease gradually as the number of Communist-built technical training facilities in the less developed countries is increased. Many personnel who in the past would have gone to Communist countries will be trained in local schools as they become operational, and training in Communist countries will be confined largely to advanced courses or to particular specialties. By October 1970 the USSR had built or was constructing 115 technical schools in the less developed countries. In the UAR alone some 23,000 personnel currently are enrolled in technical schools constructed with Soviet assistance. Other important aid recipients where these training facilities are being constructed include Afghanistan, Algeria, Ethiopia, India, Iran, and Iraq.

#### Academic Students in Communist Countries

Almost 3,600 students from the Third World went to Communist countries for academic training during 1970 (see Table 7). Of this number, about 2,250 enrolled in Soviet academic institutions, while some 1,350 went to East European countries. Although a few Chinese Communist universities opened for the first time since the Cultural Revolution began in 1966, they are not believed to have admitted any students from the less developed countries.

African nationals accounted for about one-half of the total number of new students in 1970, roughly the same share this area has represented since 1961. They were followed in importance by Near East and South Asian nationals, who made up about one-third of the total, and Latin American students who accounted for 15% of the total. The remainder came from East Asian countries. Algeria, Nigeria, Sudan, Syria, and the UAR sent

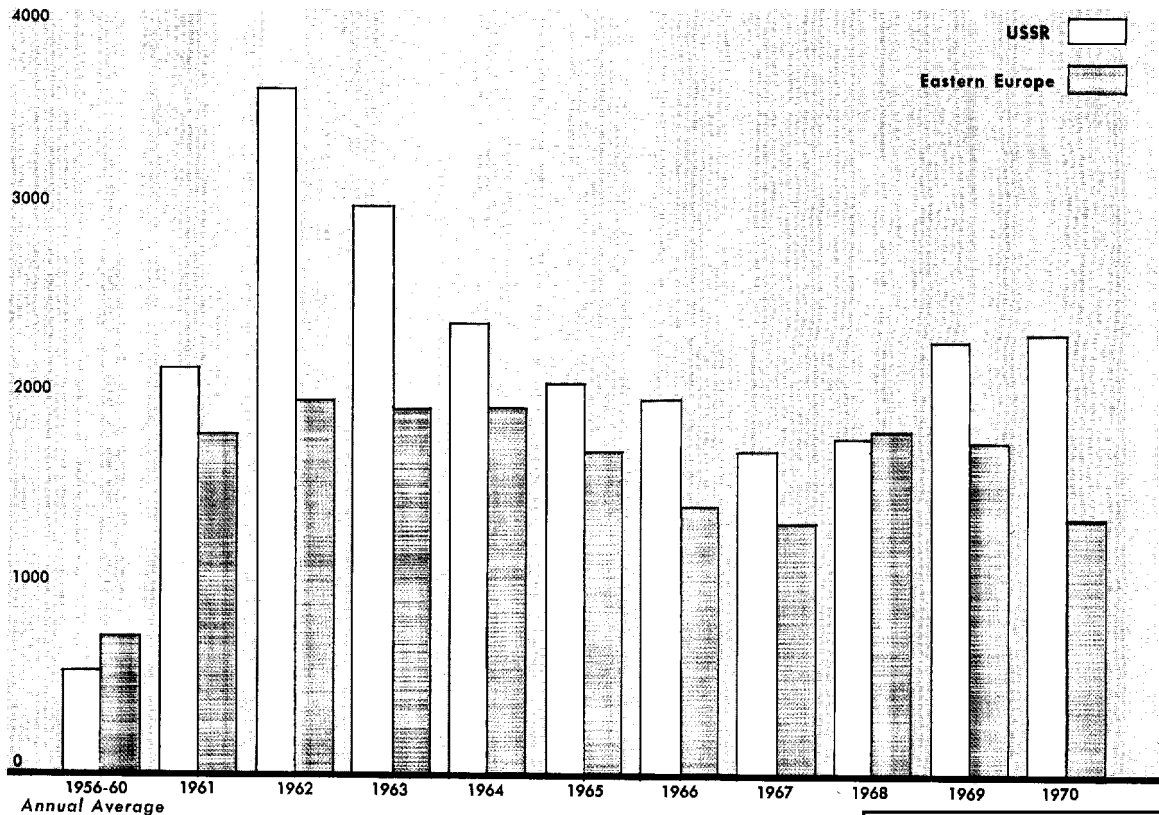
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the largest contingents of students to the Communist countries.

During the 15 years since Communist countries began to accept students from the developing nations, annual departures for study in both the USSR and Eastern Europe have followed a similar pattern (see Figure 3). Both the USSR and East

### ANNUAL DEPARTURES OF ACADEMIC STUDENTS FROM LESS DEVELOPED COUNTRIES

Figure 3



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European countries had peak admissions in 1962. The number of enrollees subsequently declined until 1968, when the number again began to increase. A cyclical pattern for the number of new enrollees has emerged that appears to relate largely to the length of the course of study in these institutions -- generally five years in the USSR and five to six years in most East European

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countries. Fluctuations in the number of annual departures are largely a function of the number of places for study made available by students who complete their courses. They also reflect changes in the number of places allotted by Communist countries to nationals from the less developed countries. In 1970, the USSR, for the first time since 1965, made additional places available for Third World nationals, bringing its total enrollment of these students up slightly to more than 12,600. An estimated 8,600 students from the less developed countries were studying in East European countries, somewhat less than in the mid-1960s because of a smaller program in Czechoslovakia.

Since the introduction of the Communist academic training program in 1956, 47,300 students from the developing nations have gone to Communist countries for training. About 25,800 of these have gone to higher educational institutions in the USSR, and some 20,800 to East European universities. Only about 700 have gone to Communist China. Approximately one-half of the students that have gone for training have received degrees -- 8,000-10,000 from East European institutions and about 15,000 from Soviet universities. Few of those who returned home after graduation are believed to have achieved positions of influence in their own governments, but officials in the less developed countries appear generally to be satisfied with the overall quality and the character of the education the students have received. Faced with increasing demands for trained personnel and limited educational opportunities in the West, nationals from the developing countries continue to accept Communist scholarships, and the number of applicants continues to exceed the number of places available to them.

### Military Assistance

#### Credits and Grants

##### *Extensions*

In contrast with the relatively low-keyed Communist military aid programs of 1968 and 1969, Communist countries extended a record \$1 billion

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of military aid to less developed countries in 1970. These new estimated commitments brought total Communist arms aid extended since 1955 to about \$7.7 billion (see Tables 8-9). New military aid agreements in 1970 were more than double those for 1969. The USSR provided about \$960 million and East European countries the remainder.

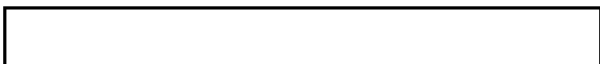
The Arab countries of the Near East again received the largest share of the total aid extended. Soviet commitments to the UAR alone were an estimated \$650 million. The USSR signed its first arms agreement with Libya -- for at least \$30 million of ground forces equipment -- and concluded an agreement with Iraq for helicopters, support equipment, and spare parts. In other accords, Moscow signed additional agreements with Iran for ground forces equipment and apparently agreed to provide Somalia with additional jet fighters and ground equipment.

Although Soviet arms aid in 1970 was significant for its size and concentration in the Near East, perhaps more important was the changed character of the Soviet commitment to the UAR.



*Drawings*

By the end of 1970, Communist countries had delivered more than \$6 billion of military aid to

 estimated 6,500 Soviet military technicians in the UAR.

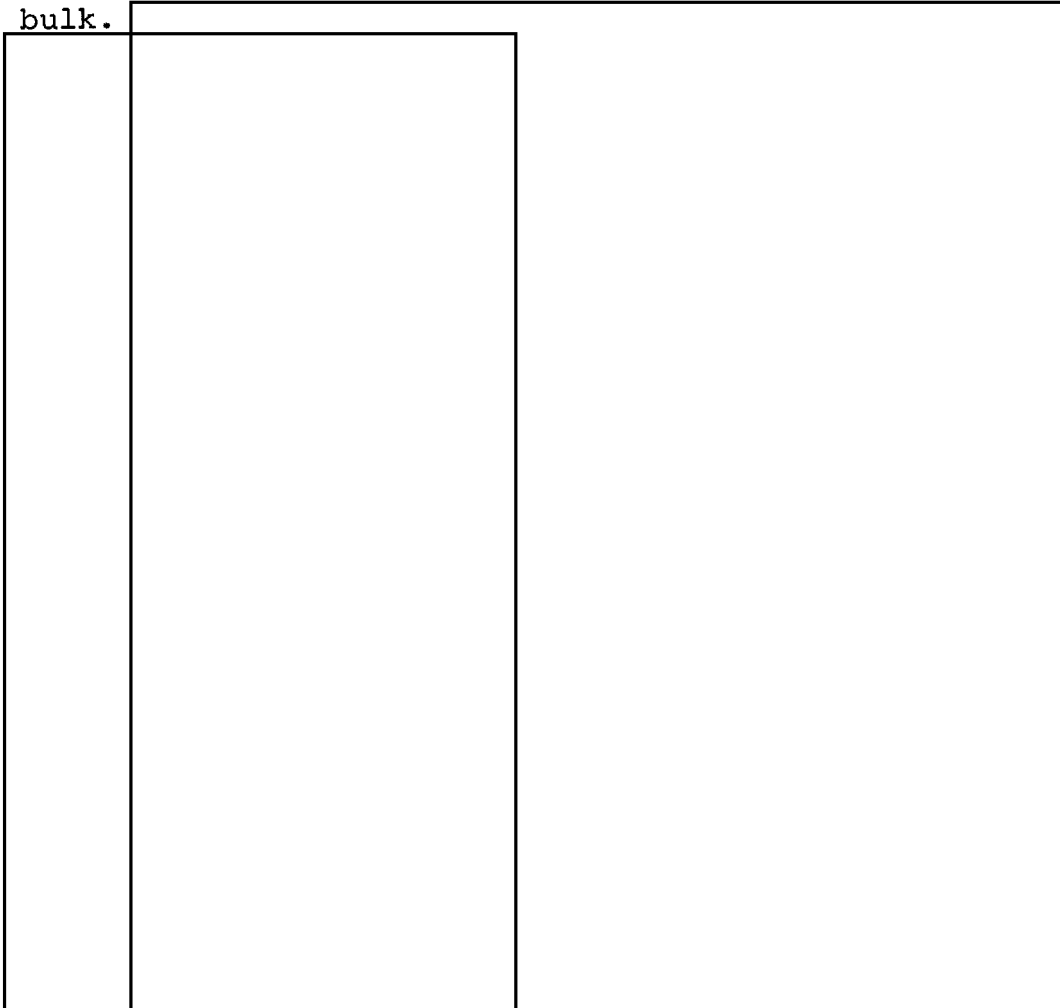
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the less developed countries. Estimated deliveries of nearly \$1 billion for 1970 are the highest for any year since the program began and more than twice the annual average for the past three years. The USSR accounted for most of the deliveries. About \$800 million of the total aid delivered went to the Arab countries, of which the UAR received the bulk.



Technical Assistance

*Military Technicians*

The number of Communist military technicians in less developed countries during 1970 rose to about 10,700, an increase of 50%, from an estimated 7,100 in 1969 (see Table 10). Most of the increase came from the USSR, while the number of Chinese technicians rose from 325 to 545.

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The heaviest concentration of Soviet advisory personnel was in the UAR where about 60% of the Communist technicians were stationed. Their number doubled to an estimated 6,500 in 1970.\* Additional Soviet advisers also arrived in Sudan and Syria to assist in the buildup of air defenses in those countries. Most of the growth in the Chinese presence occurred in Tanzania where technicians helped to construct naval and air bases and to establish an air defense force. In Nigeria, with the end of its civil war, the number present declined to an estimated 50. All Communist military technicians were withdrawn from Cambodia following the March 1970 ouster of Prince Sihanouk.

*Military Trainees from Less Developed Countries*

Approximately 2,500 nationals from the less developed countries departed for military training in Communist countries during 1970. These departures brought to about 29,200 the estimated number of military personnel from less developed countries who have been sent to Communist countries for such training (see Table 11). Approximately 3,900 of these still were being trained at the end of 1970 mostly in the USSR.

As in the past, most military trainees from the less developed countries went to the USSR. Their number rose to 2,200 in 1970 from 1,200 in the previous year, while those going to Communist China increased to more than 300 from only 15 in 1969. Most of the increase in new trainees was accounted for by the UAR, whose number rose to at least 1,000. Somalia also expanded the number of its trainees significantly. China's enrollment was expanded by increases in personnel from Congo (B) and Tanzania.

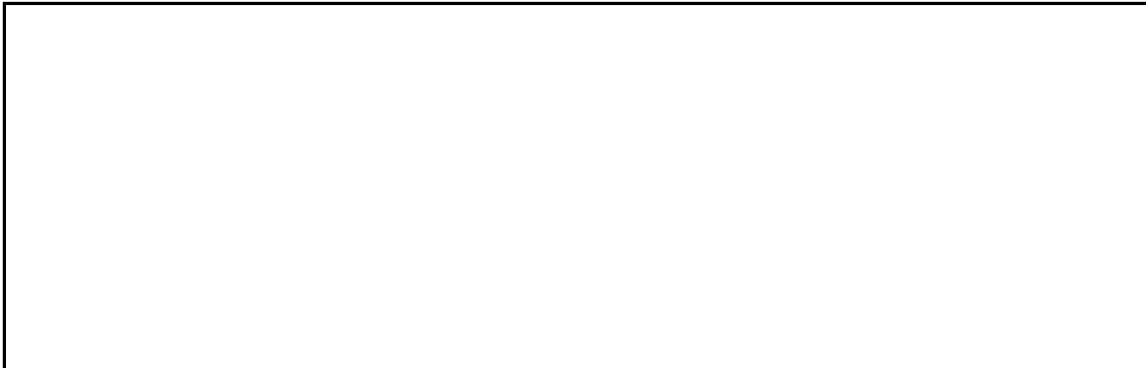


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Trade

Value

After a four-year period of relative stagnation, Communist trade turnover with the less developed countries rose by 13% in 1969 to more than \$5.2 billion (see Table 12 and Figure 4). Virtually all of this growth occurred in Soviet trade, which, after hovering around the \$1.7-\$1.8 billion mark during 1965-68, jumped to \$2.3 billion of Soviet trade. Exports and imports shared equally in the increase. Looking back to the beginning of the decade, gains in Soviet-Third World trade were even more significant, as Soviet imports from these countries doubled and its exports more than tripled.

In 1969, for the first time since 1965, the value of Soviet trade with the Third World exceeded Eastern Europe's, which remained at the 1968 level of about \$2 billion. Though Eastern Europe's exports fell slightly, its imports rose to compensate for the decline. Communist China's trade with the less developed countries rose from about \$700 million in 1968 to some \$745 million in 1969; and its share in total Communist-Third World trade remained at about 15%. The USSR's share in the total rose to 45% from less than 40% in the previous year, while Eastern Europe's share declined to 40%.

The upsurge in Soviet-Third World trade in 1969 was a result of increases in its trade with less than half a dozen countries, all of whom had been major Soviet trading partners in the past. The USSR's trade with Algeria, India, Iran, and

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the UAR accounted for about 60% of the increase. Soviet exports to Iran doubled as a result of a sharp acceleration of Soviet aid deliveries, and the UAR's total trade turnover with the USSR increased by about 25% following larger Soviet purchases of the UAR's expanded cotton crop and of non-traditional Egyptian goods. The UAR's requirements for Soviet goods also increased. Algeria's trade with the USSR rose as a result of larger aid deliveries and larger exports to the USSR of wine, iron ore, and petroleum, some of which was diverted to other countries. The rise in Soviet imports from India reflected the expanded purchases of steel rails and other Indian manufactures as part of an attempt to utilize Indian plant capacity built with Soviet assistance more fully and to draw down Soviet-held rupee balances.

Increases in Eastern Europe's trade with certain less developed countries were offset by reduced trade with other countries. Eastern Europe's trade with the UAR, its second largest trading partner in the Third World, underwent the largest changes as East European exports dropped by 30%. This may have been a reflection of domestic restraints placed on Cairo's investment program. Their imports, however, increased by 25% as Eastern Europe took larger quantities of Egyptian manufactures and more of the UAR's larger cotton crop. Eastern Europe's trade patterns with other less developed countries remained fairly constant except for sharp declines in exports to Brazil and Greece. From a peak of \$76 million in 1968, East European exports to Brazil declined to \$57 million in 1969. Eastern Europe's exports to Greece declined from \$84 million to \$66 million during the same period.

Communist China's trade with the Third World rose by some \$50 million in 1969 to about \$745 million. Most of this increase was caused by the sharp rise in its imports from Malaysia and Singapore, which accounted for almost 40% of China's total imports from all the developing nations.

#### Direction of Trade and Relative Shares

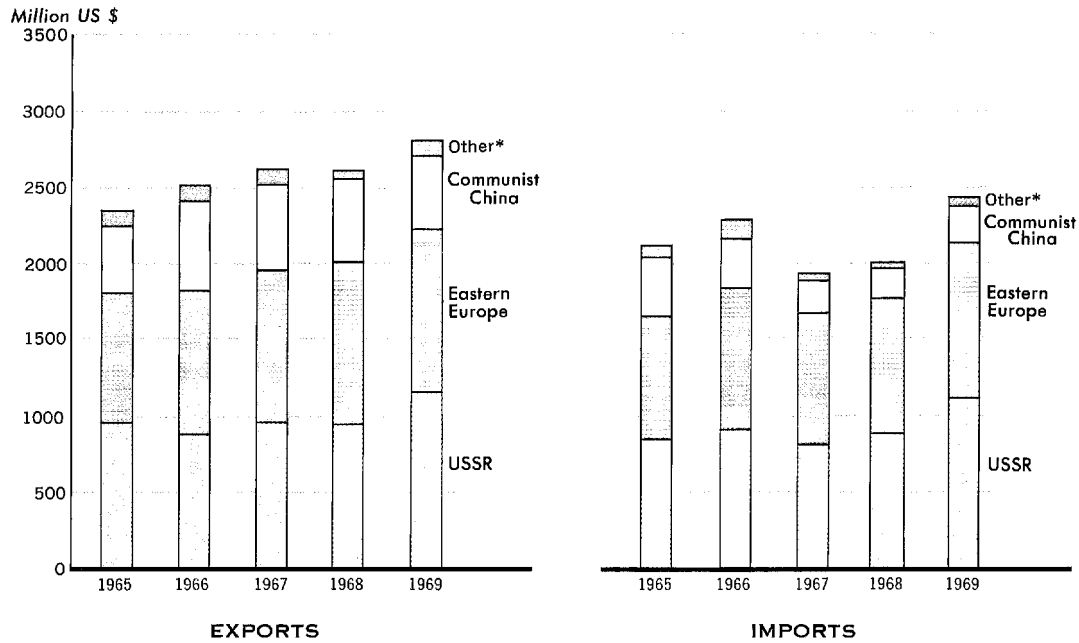
Communist countries' trade with the less developed countries in 1969 was less than 10% of

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Figure 4

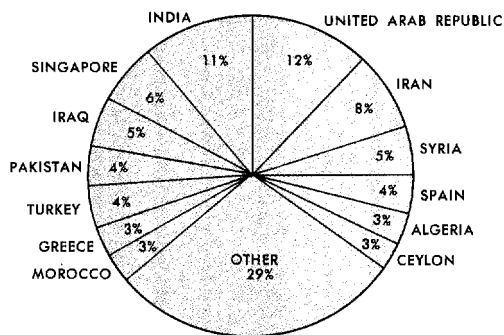
# COMMUNIST EXPORTS TO AND IMPORTS FROM LESS DEVELOPED COUNTRIES OF THE FREE WORLD

## VALUE OF TRADE, 1965-69

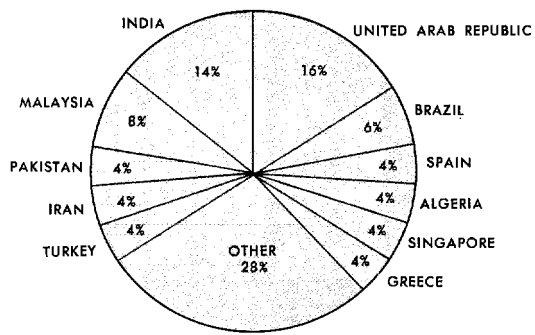


\* Including trade of Albania, Cuba, North Korea, North Vietnam, and Mongolia.

## PERCENT DISTRIBUTION, 1969



TOTAL EXPORTS: 2,806  
(Million US \$)



TOTAL IMPORTS: 2,438  
(Million US \$)

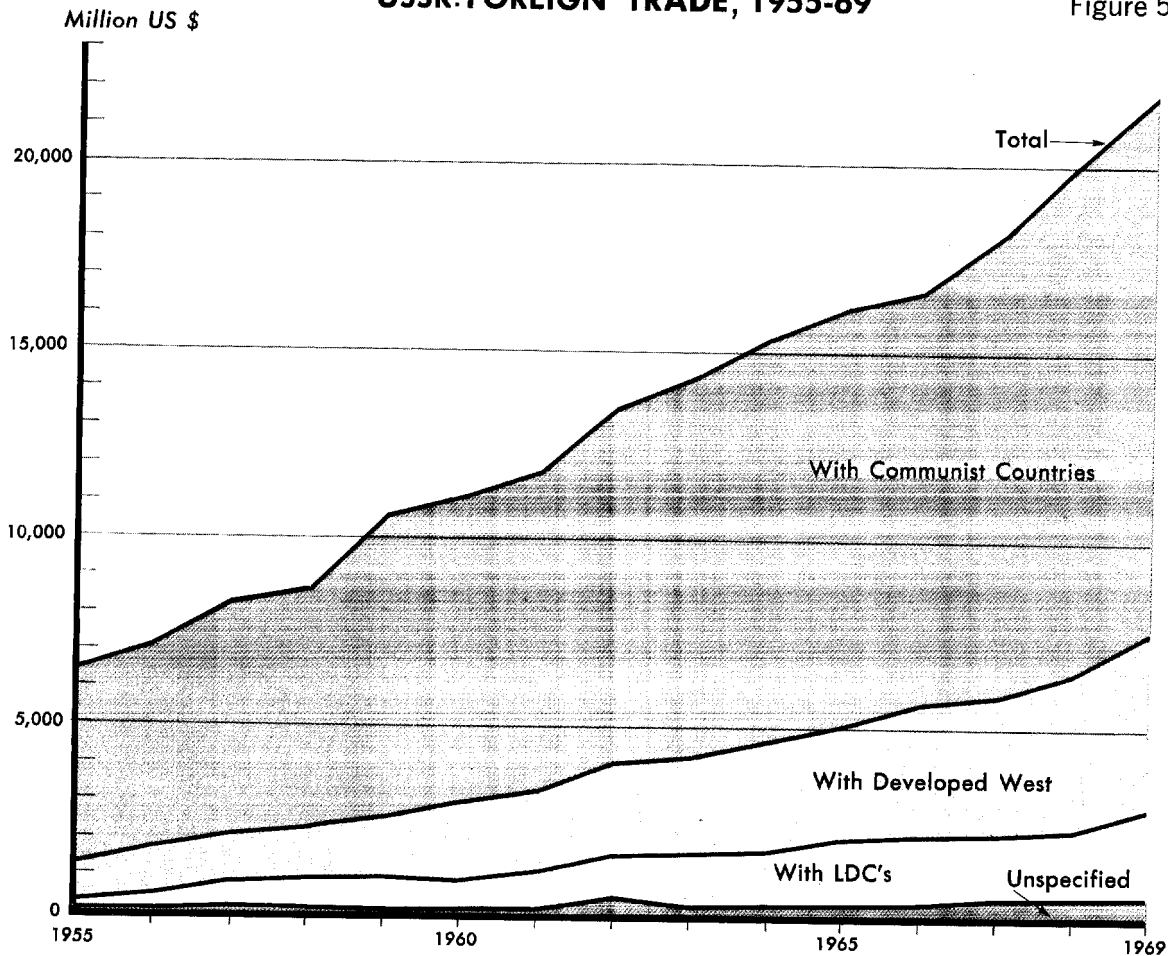
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their total trade, although the less developed countries' share has more than doubled over the past decade and a half, as shown in Figure 5 for

## USSR: FOREIGN TRADE, 1955-69

Figure 5



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the USSR. More importantly, Communist trade with the developing nations has been concentrated in a few selected countries -- mostly in the Near East and South Asia -- and for some of these countries, it has become a significant and growing share of their total trade (see Table 13). Communist countries took more than 50% of the UAR's exports in 1969 and more than 30% of its imports. Some 20% of the total trade of Ceylon and India was with Communist countries.

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Other less developed countries who conducted an important share of their trade with Communist countries included Iraq, which gets almost 25% of its imports from Communist nations, and Pakistan and Turkey, who conduct about 15% of their total trade with Communist countries. The Communist share of Syria's total trade tripled between 1968 and 1969 to account for more than 30% of its trade. Of the African countries, only Sudan and Morocco conducted more than 10% of their total trade with the Communist countries.

The rapid rate of increase in trading relationships between Communist countries and some major partners in the Third World is of particular significance. For example, during the 15-year period 1955-69 total Communist trade with India rose from about \$50 million to some \$665 million. UAR trade with Communist countries rose from \$140 million to about \$725 million during these years. Other important, though less spectacular, increases took place between the Communist countries and Algeria, Greece, Iran, Malaysia, Pakistan, Singapore, and Syria.

Commodity Composition of Soviet Trade  
with the Less Developed Countries

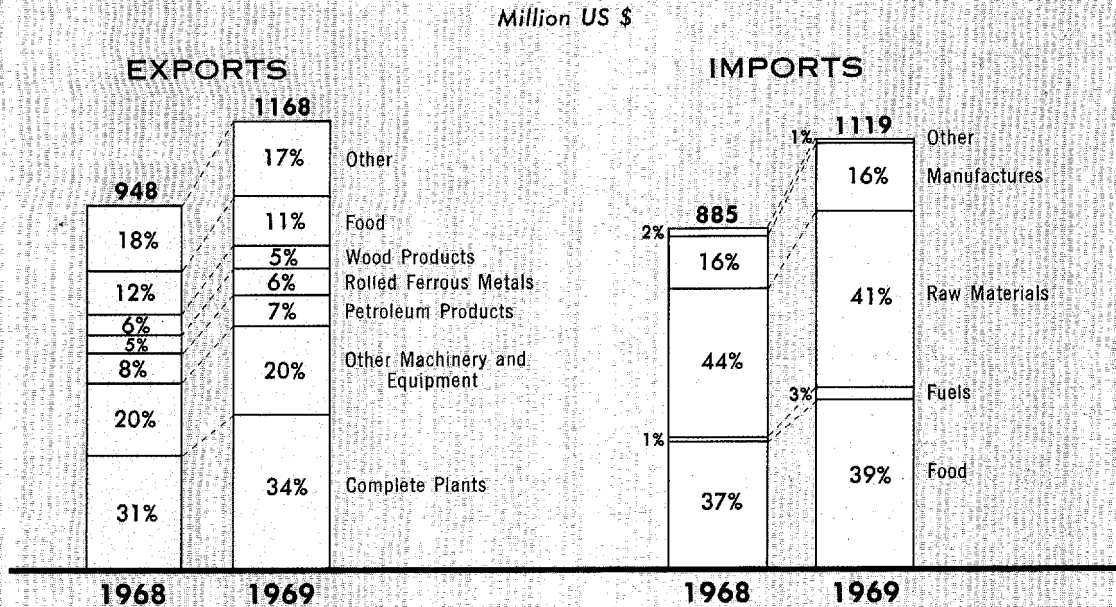
There has been little basic alteration in the composition of Soviet trade with the less developed countries in recent years. The most important change in Soviet exports to the Third World in 1969 was in the machinery and equipment category (see Figure 6). The share of these exports in the total was 54% in 1969, up from about 51% in the preceding year. Most of the increase was in complete plants, which rose by about \$100 million largely because of the acceleration of aid deliveries to Iran and Turkey. The share for other major export groups declined by small amounts.

Identified changes in the commodity composition of Soviet imports from the less developed countries in recent years have been the reduced importance of raw materials as a percent of the total and the increased importance of food. Raw materials comprised 44% of total imports in 1968 but were less than 41% of the total in 1969. This occurred in

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Figure 6

## SOVIET EXPORTS TO AND IMPORTS FROM LESS DEVELOPED COUNTRIES OF THE FREE WORLD By Commodity Group\*



\*Based on data from Soviet trade yearbooks

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the presence of an increase of more than 15% in the absolute value of raw material imports, reflecting particularly larger Soviet purchases of natural rubber and cotton fiber. On the other hand, food purchases were valued at \$433 million, up from \$323 million in 1968. They accounted for almost 39% of total Soviet imports from the developing nations. This compares with 37% in 1968 and 34% in 1967. The growing share of food in the total stems mostly from expanded purchases of luxury-type foods, including fruits, cocoa, coffee, and tea. There was also a spurt in imports of petroleum and petroleum products and natural gas, from 1.2% in 1968 to 2.7% of total imports in 1969. The growth of this category reflects the systematic increase in Soviet purchases of crude oil and natural gas from several countries in North Africa and the Near East.

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## II. Communist Activities in Less Developed Areas, by Area and Country

### *Africa*

#### Summary

African countries received almost 55% of total Communist economic aid commitments to the Third World during 1970 but only about 5% of new military assistance. Most of the economic aid was from Communist China whose commitment of \$400 million for constructing the Tan-Zam Railroad overshadowed all other Communist aid to Africa. China also provided its first economic aid to Sudan and \$10 million to Guinea for budget support.

Apart from a \$44 million credit to Morocco, Soviet credits to Africa during the year were provided to implement economic accords previously signed with Nigeria and Mauritius. Soviet project activity was at its usual low level in most African countries except for some acceleration in Algeria, as work on a steel mill pressed forward. The USSR initiated work in Guinea on the exploitation of bauxite deposits, for which a protocol was signed. Agreements were signed with a number of East European countries, Algeria being the principal recipient of new economic aid from this source.

Communist agreements to provide military equipment to Libya and Somalia were the only important new military agreements concluded with African countries in 1970. Nigeria turned to its traditional Western sources for new military equipment. The only major arms deliveries were to Libya.

#### Algeria

Algeria's economic ties with the USSR and Eastern Europe were strengthened further during 1970 as Soviet deliveries of economic and military assistance were accelerated and as East European countries agreed to provide an estimated \$75 million of additional economic aid. Algeria established diplomatic relations with East Germany in

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May, signed sizable new trade agreements with Bulgaria and Poland, and received a commitment from Romania for equipment and technical aid for Algeria's oil and mineral industries.

Eastern Europe's new commitments of economic aid in 1970 included: (1) a \$40 million credit from Bulgaria for agricultural and industrial enterprises to be built under Algeria's Four Year Development Plan that began in 1970; (2) a \$14.1 million, 10-year East German credit\* for a cast iron and steel valve plant; and (3) a \$20 million industrial credit from Hungary. Contracts for 2 food canneries were signed under the latter agreement. It carries a 10-year amortization period and 2½% interest.

Construction activity increased on the 400,000-ton Soviet-aided steel plant at Annaba. The plant, whose construction was begun in 1968 under a \$128 million Soviet credit extended in 1964, is now scheduled to be completed in 1971. Construction was begun on a mining and metallurgical institute at Annaba and a glass factory at Oran, and progress continued on several small irrigation dams, on geological prospecting, and on the construction of a mercury plant at Ismail scheduled to start operations in 1971. In spite of some discontent with past Soviet assistance for oil and gas development, four contracts for further Soviet aid to the industry were signed under the \$100 million Soviet line of credit extended in 1963. An additional contract was signed in June for the delivery of 15 Russian oil drilling rigs. There was speculation throughout the year that Algeria might cancel its seven-year agreement, concluded in 1968, for the annual sale of 5 million hectoliters of wine to the USSR because of its resumption of wine sales to France under a new annual accord.

Algeria continued to draw on credits provided in 1963 by Communist China for water well digging and the construction of several small dams and an exposition hall. Agricultural projects with

\* *The reported value of credits extended by East Germany during 1970 ranges between \$50 million and \$200 million.*

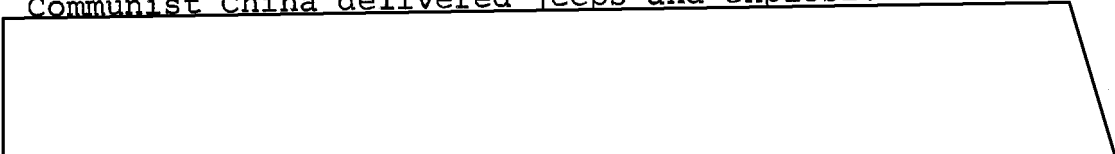
Chinese aid were begun in Tebessa.



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Guinea

The tempo of Communist aid activities in Guinea was heightened during 1970 as some 200 additional Soviet technicians arrived to begin work on the exploitation of bauxite at Kindia. Work on Chinese aid projects also was accelerated. The only new aid extended was \$10 million provided by China for budget support following the attack on Guinea in November. The Chinese began work on a plantation and refinery in Mandiana and completed construction of an oil pressing plant and a power transmission station at Mamou -- all under 1966 credits. Protocols signed with the USSR provided for the initiation of work to develop bauxite deposits near Kindia and to construct a new 140-km railroad between the Port of Conakry and the deposits. A 30-year contract signed with the USSR late in the year provided for annual exports of about 2 million tons of bauxite from Kindia to the USSR. The Soviet Union also delivered small arms and ammunition under an old military agreement, and Communist China delivered jeeps and explosives.



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Nigeria

Following the settlement of the civil war with Biafra early in 1970, the Nigerian Federal Military Government turned more to its traditional Western sources for military equipment and training. Though it continued to accept delivery of some spare parts and ammunition from the USSR, Nigeria canceled or modified military contracts still outstanding with Communist countries, Nigeria's principal suppliers of offensive weapons during the civil war. The end of the war, however, did not affect Nigeria's economic relations with Communist countries. Both the USSR and Nigeria were anxious

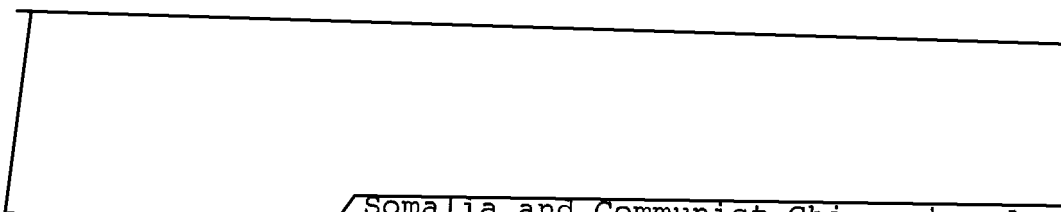


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to implement the iron and steel accord of 1968. As an important step in that direction, Moscow extended its first credit to Nigeria (\$6.7 million) for further exploratory work in locating an indigenous raw material base for the proposed plant. This work presumably will be on a more extensive scale than that undertaken in 1968 which failed to find ore and coal of suitable quality.

Nigeria's relations with East European countries expanded slightly during 1970 with the signing of economic, scientific, and technical cooperation agreements with Poland and Bulgaria. Poland conducted a feasibility study for a sugar plantation and an oil crushing plant during the year and provided equipment for two textile mills -- all presumed to be under commercial contract. Joint ventures between Nigeria and Poland also were mentioned as a possible area for cooperation. Romania completed a feasibility study for a \$16.8 million woodworking complex in Nigeria, but no action was taken on its proposals.

#### Somalia



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Somalia and Communist China signed new protocols to the 1963 Chinese economic credit during 1970. They provided for the construction of a highway and cigarette and match factories and for expanded agricultural assistance. Chinese technicians arrived to survey for the highway. A cooperation agreement for agricultural development and mineral exploitation was signed with Bulgaria, and discussions were held with East Germany on possible economic assistance and diplomatic recognition.

#### Sudan

Sudan's revolutionary government strengthened its grip on the country's economy in 1970 through the nationalization of most domestic enterprises and the establishment of a government trade monopoly. Sudan's anti-Western and anti-Israeli

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foreign policy stance has led to increased reliance on Communist countries both for military and economic aid. Several new aid agreements were concluded and aid commitments previously made by a number of East European nations were renewed. Communist China extended its first aid to the Sudan in June, a \$41.6 million interest-free loan for industrial use and roadbuilding. The credit, which is to be used during 1970-79, is repayable in Sudanese commodities over a 10-year period beginning in 1986. Sudan and China also signed a trade protocol calling for trade to increase by 20% in 1970. North Korea reportedly extended \$11.4 million of credits, on easy terms, for industrial enterprises and for training agricultural technicians.

A high-level Sudanese delegation that went to Eastern Europe received assurances from Bulgaria, Czechoslovakia, East Germany, and Hungary of \$37 million in aid for 30 agricultural and light industrial projects included in Sudan's Five Year Development Plan (1970-75). In addition, Poland offered an undisclosed amount of aid for a sugar plant, agricultural machinery, and roadbuilding equipment. Only Hungary's commitment to provide \$10 million of credits represented new aid, its first to Sudan. The rest are obligations of earlier commitments. The five East European countries also agreed to double their trade with Sudan (which, with Romania, totaled \$35 million in 1969) and to increase their purchases of Sudanese cotton.

Sudan announced in June that the USSR had agreed on the implementation of the Ar-Rahid irrigation project, although Sudan has continued to seek IBRD aid for the project. Soviet equipment and technicians began to arrive in November for mineral prospecting in the Red Sea under credits extended in 1969. The USSR also delivered MIG-21s, helicopters, and some ground forces equipment under a 1968 arms agreement.

Tanzania

In 1970, Communist China greatly expanded its economic aid commitments to Tanzania and became Tanzania's only significant source of military aid. Tanzania and Zambia became the major targets of Communist China's aid effort in the Third World with the extension of \$401.2 million of interest-free credits to these two countries for constructing the 1,100-mile Tan-Zam Railroad (from the Zambian Copperbelt to Dar es Salaam) and with the dispatch of approximately 4,000 technicians to Tanzania to start work on the railroad. This was the most important development in Communist-Third World economic relations during 1970 and represented the largest amount of aid ever provided by a Communist country to a single project in the less developed countries. The Chinese credit, which will be divided equally between Tanzania and Zambia, emerged from a September 1967 agreement with Tanzania and Zambia to provide aid in constructing the railroad. The credit is scheduled to be drawn down over 10 years, retroactive to 1 January 1968, the date on which the survey began, and is to be repaid over 30 years beginning in 1983. The agreement provides also for the import of Chinese commodities under the credit to be sold to generate local currency needed in Tanzania to cover local construction costs. Construction of the railroad began in April although it was not inaugurated formally until October.

Communist China continued its aid undertakings in Tanzania (including Zanzibar) under credits extended in 1964. Communist China provided new radio antennas to the station at Dar es Salaam, and completed well drilling and construction of storage facilities on Zanzibar and a hospital in Pemba. The Chinese announced that they would construct several new projects in Zanzibar, probably under the 1964 credits. These included a cigarette factory, a saw mill, a brick factory, a rum distillery, a sports arena, and a school for medical technicians. Tanzania's trade with China also may have shown gains in 1970. During the first five months of the year, imports tripled and exports were twice as high as in the first five months of 1969.

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Relations between Tanzania and the USSR were maintained at the low levels of previous years, although the Soviet geological survey and teaching programs expanded slightly. In early 1970 the Zanzibar government ordered the removal of all East German personnel and aid equipment because of dissatisfaction with their aid activities on the island. Nevertheless, a new trade agreement and a scientific and technical cooperation agreement were signed between East Germany and Mainland Tanzania during the year.

#### Zambia

Zambia shared equally with Tanzania in the Chinese credits provided for the construction of the Tan-Zam Railroad. The increase of Chinese personnel and materials, especially Chinese goods to generate funds for defraying local construction costs of the railroad, will tend to enlarge the limited economic relationship that Zambia has maintained with Communist nations heretofore. During 1970 the Chinese delivered radio transmitters under a 1969 grant and continued work on the 394-mile Lusaka-Mongu road surfacing project.

A Soviet economic delegation was in Zambia in May to discuss the status of the \$5.6 million credit extended in 1967. With only minor drawings on the credit, and its utilization period about to expire, the delegation is believed to have renewed the agreement. Accords were signed with Romania to expand trade and economic, technical, and scientific cooperation. The Romanians were to prospect for oil and provide technical services in agriculture and copper mining.

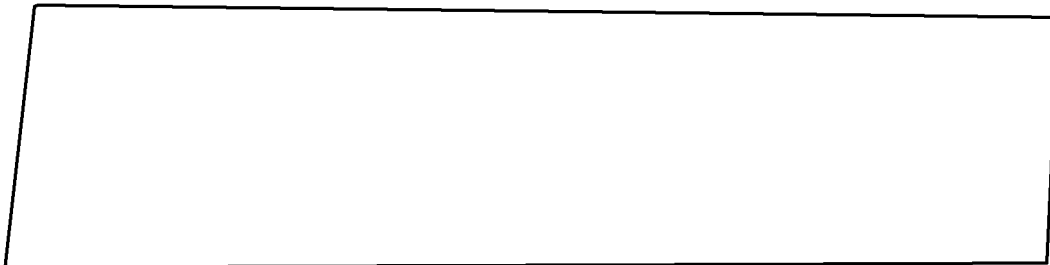
#### Other African Countries

The Central African Republic (CAR) signed an agreement on economic and technical cooperation

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with the USSR in July calling for feasibility studies for a hydropower station, for mineral prospecting, and for the supply of machinery for cotton growing. The USSR also agreed to build a maternal and child health center as a grant. President Bokassa's trip to Bucharest in July resulted in economic, scientific, and technical agreements with Romania. East Germany and the CAR established diplomatic relations during 1970 and concluded a long-term trade agreement as well as scientific, technical, and cultural accords. The CAR established diplomatic relations with Czechoslovakia and Albania.

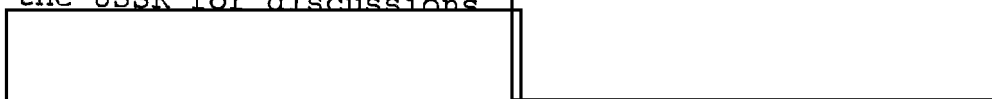


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Soviet activities in Ethiopia during 1970 were confined largely to negotiations for expanding the Soviet-built Assab oil refinery and for implementing the \$85 million of credits still not drawn under the \$100 million credit extended in 1959. Ethiopia also asked the USSR to prolong the repayment period for debts incurred under this credit from 12 to 20 years and requested that some of the credits still outstanding be applied to an agricultural settlement scheme near the Awash Valley. Construction was initiated on two Czech-aided projects, a rubber tire plant at Addis and a hide processing plant at Mojo.

Ghana signed a cultural accord with the USSR in July and lifted the suspension of trade protocols with its six former trading partners in Eastern Europe. It received no new economic or military aid commitments during the year, nor were deliveries made under old agreements.

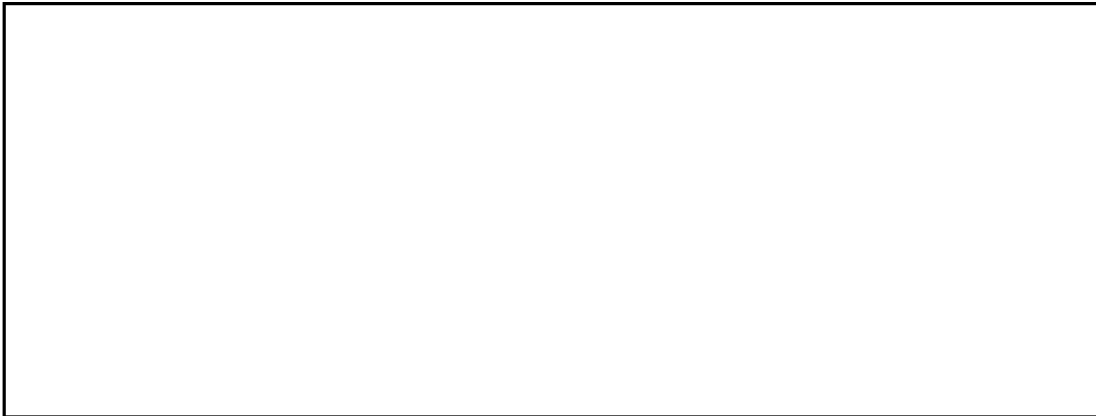
The USSR moved to strengthen its relations with Libya. Soviet oil experts visited Libya and Libyan officials concerned with petroleum went to the USSR for discussions



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Mali's relations with Communist countries were limited during 1970, although they were ready to resume aid activities. The USSR agreed to a five-year moratorium on the repayment of Mali's \$45 million debt for economic aid. The Soviet-aided cement plant at Diamou was inaugurated in June, and the Chinese-built shoe factory and radio transmission center were completed. A trade protocol with the USSR, signed in February, called for a 50% increase in Malian-Soviet trade during 1970.

In July, Mauritius approved a revised fisheries accord with the USSR. This agreement, which spelled out in greater detail the provisions of the 1969 accord, made available an estimated \$5 million of credits for developing a national fishing industry in Mauritius. Repayment is to be made over a 10-year period through the provision of goods and services to the Soviet Antarctic fishing fleet, operating out of Mauritius.

Morocco received a \$44 million Soviet credit in 1970 for machinery and equipment imports, and agreement was reached for the construction of a third unit for the Djerada powerplant currently under construction with Soviet assistance. Morocco and the USSR agreed to reallocate \$18.7 million of the 1966 Soviet credit to a hydroelectric plant to be built at Ait Adel, in place of the metallurgical complex and lead and zinc enterprise originally planned. In October, Morocco concluded a new agreement to sell to Communist China over a five-year period 2,500 French Berliot trucks assembled in Morocco. These sales should

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help to reduce the deficit in Morocco's clearing account with Communist China.

Senegal received the first three of ten fishing vessels that it had ordered from the USSR under credits extended in 1965. Under Soviet assistance extended to Uganda in 1964, site preparation was begun for the spinning mill at Lira, and the construction of a technical school at Tororo was completed. Chinese aid for development of a rice project in Kimbina Swamp continued and may be expanded under a protocol signed in 1970.

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*EAST ASIA*

Beyond establishing formal trade relations with several East Asian countries, Communist economic activities in this area were on a very limited scale during 1970. There was no new economic aid, and only a negligible amount of new military aid was provided. Drawings on previous economic aid commitments were minor.

The most important development in Burma's relations with Communist countries was its resumption of diplomatic and trade relations with Communist China, suspended in 1967. A Soviet team sent to survey the Mawchi mines, under an agreement signed last year, refused to begin work until hazardous conditions at the mines are remedied.

Following the ouster of Prince Sihanouk in March, Communist countries suspended military aid to Cambodia. The Czech-built ordnance plant, Cambodia's only such factory, was stripped of its equipment and destroyed by retreating Cambodian forces late in 1970.

Indonesia's relations with Communist countries during 1970 were highlighted by the resolution of its longstanding debt repayment problem with the USSR and the payment in December of the first installment due on this debt. An agreement signed in August provides for Indonesian repayment of its \$750 million long-term economic and military debt to the USSR over 30 years beginning in December 1970 but allowing \$75 million of these payments to be deferred during the initial eight years, until 1992-99. This deferred portion will carry interest of 4% and payments of interest will begin in 1992. Interest that accrued prior to the 1966 rescheduling will be paid off in 15 installments, beginning in 1985. The USSR also offered to aid in the development of Indonesia's tin and bauxite industries and agreed to send a technical team to survey the Soviet-aided steel plant and superphosphate project, whose construction was stopped in 1965. Indonesia did not reach debt settlements with its East European creditors during the year, but some activity continued on East European projects. The Makassar shipyard and Tjot



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Girek sugar mill built with Polish assistance were completed.

Malaysian delegations visited Czechoslovakia, Hungary, Poland, Romania, and the USSR during the year to discuss the expansion of economic relations with these countries, and in November Malaysia signed its first trade agreement with Poland. At the end of the year, Malaysian officials still were considering a Soviet offer to provide machinery and equipment for about 30 joint ventures in Malaysia.

In July, the Philippine Chamber of Commerce signed a trade agreement with Bulgaria, the first with a Communist country. The agreement envisages the exchange of \$10 million in goods during 1970-71. The Chamber of Commerce continued to promote the concept of trade relations with Eastern Europe, and Czech, Hungarian, and Romanian delegations visited the country during 1970.

In July a Soviet delegation arrived in Singapore to discuss the establishment of joint ventures and in September the Prime Minister visited Moscow for trade talks. An agreement for servicing and repairing Soviet vessels in Singapore was still under consideration at the year's end. In December, Singapore permitted the Bank of China access to interbank clearing facilities, a privilege suspended in May 1969 because of the Bank's refusal to pay a fine for contravention of liquidity requirements.

Thailand signed its first trade agreement with the USSR in late December, after three years of negotiations. Trade between the two countries previously had been carried on through third countries. Trade agreements with Bulgaria and Romania also were signed.

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LATIN AMERICA

Summary

There has been no marked growth in economic relations between Latin American and Communist countries. For the most part, the interchange between them still is confined to diplomatic and trade promotion activities, and most Communist credits to Latin American countries have been extended to promote equipment sales. Generally, little use has been made of these credits. During 1970 some \$115 million of new credits were made available to these countries, roughly half of which were designated for Peru. Bolivia, Costa Rica, and Venezuela received their first credits from a Communist country. The only other Latin American country to receive Communist economic aid was Uruguay, to whom Hungary and Czechoslovakia made commitments of \$10 million and \$5 million, respectively.

Bolivia

Communist countries renewed their efforts to establish closer economic ties with Bolivia in 1970. The most important development was Bolivia's acceptance of its first economic aid from a Communist country, a \$27.5 million credit from the USSR for the purchase of mining and metallurgical equipment. The credit is repayable over 10 years and carries 3% interest. Bolivia also signed its first commercial agreement with the USSR for the sale of 3,200 tons of tin, for which the USSR will pay \$8 million in hard currency.

A trade agreement and an economic cooperation agreement were signed with Poland, but the details of the agreements are not available. Hungary agreed to build a copper processing and a smelting plant and offered credits, possibly for these plants. Czechoslovakia expressed interest in providing an antimony smelter to Bolivia, for which it had offered assistance originally in 1961.

Brazil

Brazil's relations with Communist countries in 1970 were highlighted by (1) a contract between

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Brazil and the USSR for the purchase of \$12.5 million of equipment for the Capwan hydroelectric plant in Sao Paulo State, presumably under credits extended in 1966, and (2) an accord for continued Soviet purchases of Brazilian coffee over the next 5 years. Czechoslovakia agreed to provide a \$10 million powerplant for Sao Paulo, probably under 1961 credits, and equipment for a manganese ore homogenizing plant. Poland delivered the first of 10 cargo ships under 1962 agreement, and Romania extended the drawing period of a 1961 credit for petroleum equipment.

#### Costa Rica

A \$10 million Soviet credit for the purchase of roadbuilding machinery and equipment is included under Costa Rica's first trade agreement with the USSR, signed in June. The trade agreement also provides for reciprocal trade missions and future coffee sales to the USSR. These sales in 1970 totaled about 6,000 metric tons, valued at \$6 million to \$7 million. Costa Rica established diplomatic relations with Bulgaria and Hungary, announced its intention to exchange ambassadors with the USSR, and prepared draft trade agreements with Bulgaria and Czechoslovakia. Costa Rican officials expressed interest in a Romanian proposal to assist in petroleum development, port construction, and bauxite exploitation. A Hungarian trade delegation, which visited Costa Rica, failed to conclude an agreement. A Polish commercial office closed in May after several years of unprofitable operation.

#### Peru

Peru was the most important Latin American recipient of Communist economic aid during 1970. Agreements, totaling \$53.3 million, included Peru's first credit from the USSR (\$28.3 million for agricultural, mining, and industrial machinery and equipment) and \$10 million in credits from Poland and \$15 million from Hungary. The Soviet credit is to be repaid over ten years, partially in Peruvian industrial goods. Poland offered assistance for exploiting coal and phosphate deposits, constructing copper and zinc refineries, and providing fishing vessels and other equipment

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for Peru's fishing industry, while Hungary offered an antioxidant plant for the fish-meal industry. Romania and Peru signed an agreement to invest \$1 million each to establish a tractor assembly plant in Peru. In September Peru purchased some \$30 million worth of Romanian oil equipment and a \$5.5 million mobile smelter to process low-yield mineral ores. Romania also offered to build a zinc refinery and to establish joint companies to exploit and process copper.

#### Other Latin American Countries

Argentina ratified trade agreements with Poland and Romania during 1970, and Czechoslovakia offered assistance to Argentina's textile and chemical industries.

Colombia and Poland signed a three-year, \$76 million trade agreement and reportedly signed an economic and technical assistance agreement.

The Allende government, in its initial steps toward expanding Chile's relations with Communist countries, reopened trade and diplomatic relations with Cuba and trade relations with North Korea.\* Czechoslovakia extended the utilization period for a \$5 million credit, made available to Chile in 1968, which had not been drawn. In September, Chile signed an agreement with Romania to establish jointly owned copper facilities in each country. Chile reportedly will provide 35,000-40,000 tons of copper annually for the Romanian plant.

Venezuela received its first credit from a Communist country in 1970, a \$10 million bank agreement with Czechoslovakia for the purchase of capital goods. Venezuelan officials also discussed trade and economic cooperation with Bulgaria, Hungary, and Poland.

\* *At the beginning of 1971, Chile established diplomatic relations with Communist China.*

*NEAR EAST AND SOUTH ASIA*

Summary

Moscow's expanded political interests in the Arab countries of the Near East led to an intensification of the Soviet involvement in the area during 1970. The major preoccupation was with military assistance, as the USSR made huge new commitments and delivered record amounts of materiel to the UAR that included sophisticated equipment, not provided previously outside of Eastern Europe.



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New commitments of economic aid to Near East-South Asian countries totaled about \$400 million, or about 35% of the total extended in 1970. Communist China was the most important donor. It concluded agreements with Pakistan, Southern Yemen, and Ceylon to provide more than \$250 million. The USSR extended economic aid totaling about \$85 million to Iran, Iraq and Ceylon, but Soviet economic relations with Iran showed the most important increase. Large deliveries of equipment were made for projects being constructed with Soviet assistance and a Soviet-Iranian agreement signed in 1970 set forth a 15-year plan for cooperation between them. This included, among other things, a possible second gas pipeline from Iran to the Soviet Union, increased Soviet participation in oil exploration, an expansion of the steel mill being constructed with Soviet aid, and joint Soviet-Iranian undertakings for producing petrochemicals.

Of particular importance to the Soviet aid program was the completion in July of the Aswan Dam, a 10-year effort that involved \$325 million of Soviet credits and thousands of Soviet technicians. Implementation of previously extended aid lagged from the high levels of the mid-1960s in India and the UAR, while deliveries to Iran rose sharply and surpassed deliveries to any other less developed country. Turkey also began a more rapid

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drawdown of credits, and deliveries to Syria and Iraq showed small gains.

New agreements concluded between Near Eastern and East European countries emphasized again the importance of oil in their long-range planning. As in the USSR's 1969 agreements with Iraq, which included repayment in oil for the first time, almost all of the 1970 accords with Eastern Europe included this proviso. Moreover, a preliminary agreement between the USSR and Iran might mean some additional Soviet assistance for future oil exploration in Iran. Communist trade with the area during 1970 probably increased. Protocols signed during the year were intended to expand this trade over previous levels.

#### Afghanistan

Apart from a small Soviet grant for establishing three veterinary laboratories and a \$2.8 million credit for the Afghan Airlines, the USSR confined its aid activities in Afghanistan during 1970 to the implementation of old agreements. Protocols under the 1968 agreement called for geological surveys, valued at \$2.1 million, a \$5 million 40-mile road from the Puli-Khumri-Shibarghan Highway at Nayebabid to Hairatan, and a \$1.9 million expansion of the electric and fertilizer plants at Mazar-i-Sharif. Installation of equipment at the nuclear research reactor in Kabul and at the technical training school in Jangalak and construction of the mother and child care center at Kabul were completed. In April a Soviet survey was agreed to for gas and petroleum in northwestern Afghanistan. Work also was completed on a lapis lazuli cutting plant in Kabul and a fish breeding farm in Darunta, both under the \$28 million Chinese credit extended in 1965. Bulgaria, Czechoslovakia, and the USSR signed trade protocols with Afghanistan. The protocol with the USSR called for natural gas exports to increase by 25% in 1970 to \$9 million.

#### Ceylon

The victory of Mrs. Bandaranaike's leftist United Front Coalition in the May 1970 election in Ceylon was followed by the establishment of

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diplomatic relations with East Germany, North Korea, North Vietnam, and the Provisional Revolutionary Government of South Vietnam and by the extension of new economic aid by Communist China and the USSR. The new Chinese credit of \$8.9 million is to cover shipments of 100,000 tons of rice, which is in addition to China's commitment of 200,000 tons under the 1970 rice-rubber agreement. The new interest-free credit is repayable mainly in rubber, over 10 years beginning in 1972. Earlier in the year, plans were announced for assistance for a spinning and weaving mill. A \$3.2 million grant for construction of the Bandaranaike International Conference Hall was provided by China, which had agreed to undertake its construction in 1964. The earlier agreement had lapsed, however, following the demise of Mrs. Bandaranaike's Government. The USSR extended an \$8.4 million credit for the purchase of machinery and equipment, which also is to be repaid over 10 years and carries interest of 3%. Although helicopters originally were included in the list of items covered by the Soviet credit, these were later excluded. The Ceylon government approved the feasibility report prepared by the USSR for expanding the Soviet-aided Homagama-Oruwala steel mill to 60,000 tons, from its present annual capacity of 35,000 tons. Presumably credits of somewhat more than \$7 million, remaining to be drawn under the 1958 credit of \$30 million, will cover the foreign exchange costs of the expansion.

### India

Economic relationships between India and Communist countries improved somewhat during 1970 as the USSR appeared to reduce its former pressure on the Indian Government to accelerate project activity. Nevertheless, no new Communist economic credits were extended, the reduced level of project activity noted in recent years continued, and India failed to bring a number of completed projects up to profitable levels of operation.

The aid relationship continued to be limited because India's current development plan reduced the planned level of outlays for new heavy industrial projects, especially of the type that the

USSR usually has provided, and because India is able to fill a major part of its requirements for these projects from indigenous production. The result has been a failure of drawings on Soviet aid to return to the high levels of 1964-65. Still outstanding are some \$250 million of previously extended credits, that have not been allocated to specific project use because the Indian economy cannot use them for building the heavy industrial projects for which they were intended.

The most important development in Soviet-Indian economic aid relations was the signing of a protocol, under the 1966 Soviet-Indian agreement, to allocate \$61 million for expanding the capacity of the Bokaro steel mill to 4 million tons. The Bokaro plant, the largest Soviet-aided plant currently under construction in India, again experienced delays, mostly because of local supply shortages. The scheduled completion date for the first stage of operation at 1.7 million tons is March 1973. The expansion of the Bhilai plant to 3.2 million ton capacity is underway, and the coal washery at Bihar was commissioned in mid-1970, a year and a half behind schedule. Soviet-assisted off-shore oil drilling operations, shut down after they encountered mechanical difficulties, were not reactivated. Exploratory drilling in the Cauvery basin, under way since 1963, also has not been successful and may be abandoned.

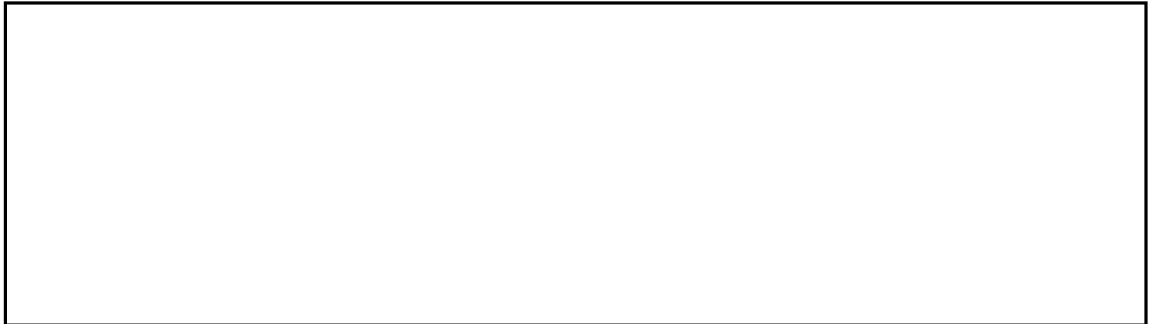
The second stage of the Czech foundry-forge plant at Ranchi was commissioned during 1970, and the grinding machine tool plant at Rajasthan went into partial production. Construction of a refinery at Haldia with Romanian assistance got under way at the end of 1969. Progress also was made on several Polish-aided projects, and an agreement was signed for joint Polish-French construction of a fertilizer plant at Haldia.

Trade between India and the Communist countries is believed to have increased again in 1970. During 1 April 1969 - 31 March 1970 the USSR replaced the United Kingdom as India's second most important trading partner. A new five-year Soviet-Indian trade agreement, signed in December, provides for an annual increase of 15% in India's exports to the USSR. These increases are expected to result



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from the Soviet agreement to accept more industrial products from Soviet-assisted plants. The agreement also includes provision for increased Soviet exports of nonferrous metals and provides for Soviet-Indian joint cooperation in third countries. Bulgaria, Hungary, and Poland signed trade protocols with India, and Hungary placed a large order for freight cars.



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### Iran

Iran continued to expand its economic relations with the USSR and Eastern Europe during 1970. Of particular significance during the year was an agreement signed in October that set forth the goals of Soviet-Iranian economic cooperation over the next 15 years. The agreement provided \$44.4 million of credits for developing Iran's public and private sector industry and a \$10 million credit for establishing eight vocational training centers in Iran. It also included the following: (1) Soviet cooperation in drilling for oil in the Caspian and central province areas, for which agreements would be exchanged later, (2) a second gas pipeline to be built from Iran to the USSR, pending the results of an economic feasibility study, (3) expansion to 4 million ton annual capacity of the Soviet-aided steel plant currently being built at Isfahan, if studies demonstrate its feasibility, (4) the implementation of plans in Iran to supply Soviet and Iranian needs for petrochemicals through joint ventures, and (5) the establishment of thermal energy units and chemical fertilizer plants based on the use of natural gas.

The rapid drawdown of Soviet economic credits continued in 1970 as Soviet aid deliveries to Iran exceeded those to any other less developed country during the year. The most significant achievement

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was the completion of the 690-mile Iran Gas Trunk-line (IGAT) from Southern Iran to Astara on the Soviet border for which the USSR is contributing equipment and technical services, valued at \$77 million. While Soviet equipment still is being provided to expand the pipeline's capacity, the USSR received its first gas imports through the pipeline in October. These imports are scheduled to rise to almost a billion cubic feet per day by 1974, with a total annual value of \$70 million. Gas deliveries to the USSR were interrupted briefly following an explosion during welding operations on the pipeline in mid-December. Two hydroelectric stations and a diversion dam being constructed as a joint Soviet-Iranian project on the Aras River also were completed in 1970. Completion of the storage dam at the project is expected in 1971. In September the blast furnace for the steel mill near Isfahan was completed 18 months ahead of schedule and the steel mill is now expected to go into operation by mid-1971. Satisfactory progress also was being made on most other Soviet projects. The number of Soviet technicians in Iran rose by almost 20% during the year, to 1,400.



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Largely because of Eastern Europe's growing interest in Iranian crude oil to supplement supplies from the USSR, East European countries have expanded their economic ties with Iran over the past several years. As a result, Iran has become the second largest recipient of economic aid extended by this group of countries. Nevertheless, progress

in implementing these commitments was relatively slow in 1970. The Czech-aided machine tool plant at Tabriz, however, was on schedule, and the first stage of the Romanian tractor plant at Tabriz was completed. The repayment terms of some \$50 million of credits extended by Hungary in 1965 and 1968 were renegotiated in July. The required downpayment was reduced to 10% from 20% on both credits and the repayment period extended from 8 to 10 years on the 1965 credit and from 10 to 12 years on the 1968 credit. Reports indicated that Bulgaria would be ready to extend \$20 million of credits, but there was no confirmation that an agreement was signed. Except for East Germany, all of the East European countries signed trade agreements or protocols with Iran. All included oil as a barter item. The USSR and Iran also signed a five-year trade agreement in July to become effective in 1971 when the present agreement expires.

#### Iraq

Although political relations between Iraq and the USSR were strained in 1970, several new Communist economic aid agreements and an arms agreement with the USSR were signed during the year, and deliveries of economic and military equipment continued. Iraq received new economic aid commitments totaling some \$65 million. These included Soviet credits of \$22.5 million, extended for agricultural equipment, workshops, and a training center, presumably with a five-year repayment period and possibly requiring a downpayment. Iraq also received a \$30.8 million credit from Hungary for the purchase of machinery and equipment. The repayment terms of the Hungarian credit are not known except that 70% of the total will be repaid in crude oil. Bulgaria extended a \$12 million credit that is to be repaid in crude oil over an eight-year period.

Equipment deliveries to the North Rumaylah oilfields began during 1970 under credits extended by the USSR and Hungary in 1969, and pipe arrived from France in November for the Rumaylah-Fao pipeline to be built with Soviet assistance. A Soviet fisheries team went to Iraq to study fisheries development possibilities, and an East German delegation undertook studies for a shipyard at Basra.



Pakistan

Pakistan received its only new major economic aid from Communist China -- a \$200 million interest-free credit to Pakistan's Fourth Five-Year Plan (1 July 1970 - 30 June 1975) in November. The credit carries a 10-year grace period, after which repayments will be stretched over 10 years. The new aid, which is nearly double China's previous total commitments to Pakistan, also makes China the largest Communist donor of economic aid to Pakistan. The credit will cover commodity imports and seven projects, including expansion of the heavy machine building plant at Taxila, a bridge over the Brahmaputra River, a project for hard rock mining, a limestone and cement plant, a pig iron plant, and a prefabricated housing development. During 1970 two projects (a heavy industrial complex at Taxila and an ordnance plant at Dacca) were completed under credits extended in 1964.

A Soviet offer to provide assistance for building a steel mill at Karachi was repeated following President Yahya Khan's visit to Moscow in June. Though Pakistan approved the feasibility study for the 1-million-ton plant, an agreement for Soviet aid was not consummated.\* Meanwhile, there was limited progress in using outstanding Soviet credits. In spite of the completion of feasibility studies, construction was not started on the electrical equipment plants at Taxila and Chittagong which will draw on some \$22 million of credits extended in 1966. The thermal power station at Ghorasal, however, was in the final stage of construction. Romania extended a \$9.5 million credit to finance the export of railway cars to Pakistan.

\* In January 1971 the USSR extended a credit of \$208.8 million for building the plant.

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The credit, Romania's first to Pakistan, is repayable over 10 years and carries 2.5% interest.

Southern Yemen

Communist China extended interest-free credits of \$43.2 million to Southern Yemen, repayable over 20 years. These credits were designated for textile mills, agricultural machinery, and for road construction. Approximately 50 Chinese technicians arrived in Southern Yemen during the year to begin work on projects under these and earlier credits. The USSR began deliveries of equipment for agricultural projects under its 1969 credit and delivered 2 trawlers under its fisheries agreement, also signed in 1969. East Germany began surveys for a glass factory and construction of two flour mills. Romania undertook a geological survey.

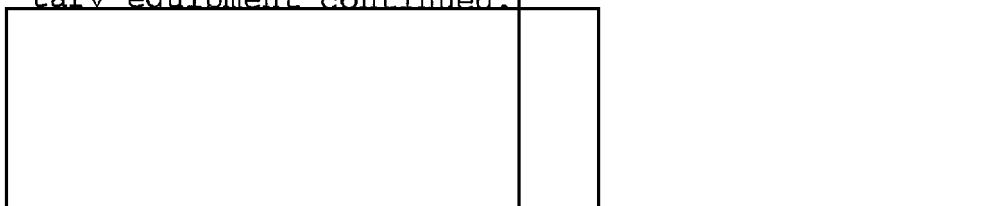
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Syria

In spite of strains in Syrian-Soviet political relations during 1970, progress on economic aid undertakings was accelerated and the flow of military equipment continued.

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A July protocol to a 1957 economic agreement provided for Soviet participation in several development projects, especially for the oil industry. At mid-year the foundations for the powerplant at the Euphrates Dam were being laid, and some 600 Soviet technicians continued work on the Dam, the largest Soviet project in Syria. A bridge over the Euphrates River, part of the Latakia-Qamishli Railroad project, was completed, extending the railroad to Dayr Az-Zawr. The Chinese-aided cotton

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yarn mill at Hama was scheduled to start production before year's end, and the construction of two East German flour mills and a Polish telephone plant was completed.

### Turkey

The major focus of Communist-Turkish economic relations during 1970 was on the implementation of earlier Soviet economic assistance agreements. The rate of drawdown on the \$366 million of Soviet credits extended in 1967 and 1969 for construction of five industrial projects increased as work on the iron and steel plant at Iskenderun got under way and the sulfuric acid plant at Bandirma was completed. Activity on other projects also expanded, except for the Izmir refinery site where labor difficulties disrupted construction. With the heightened project activity, the number of Soviet technicians rose to 175. The USSR and Turkey also reached agreement on the repayment terms for most of the credits extended in 1969. Ten annual installments were allowed for the repayment of \$113.7 million of the credits, and interest on this portion of the debt was set at 2.5%. The remainder of the 1969 credits (\$52.3 million) reportedly includes a \$46.0 million credit repayable over six years with no interest. The repayment terms for the remaining \$6.3 million credit, allocated for commodity imports, are not known.

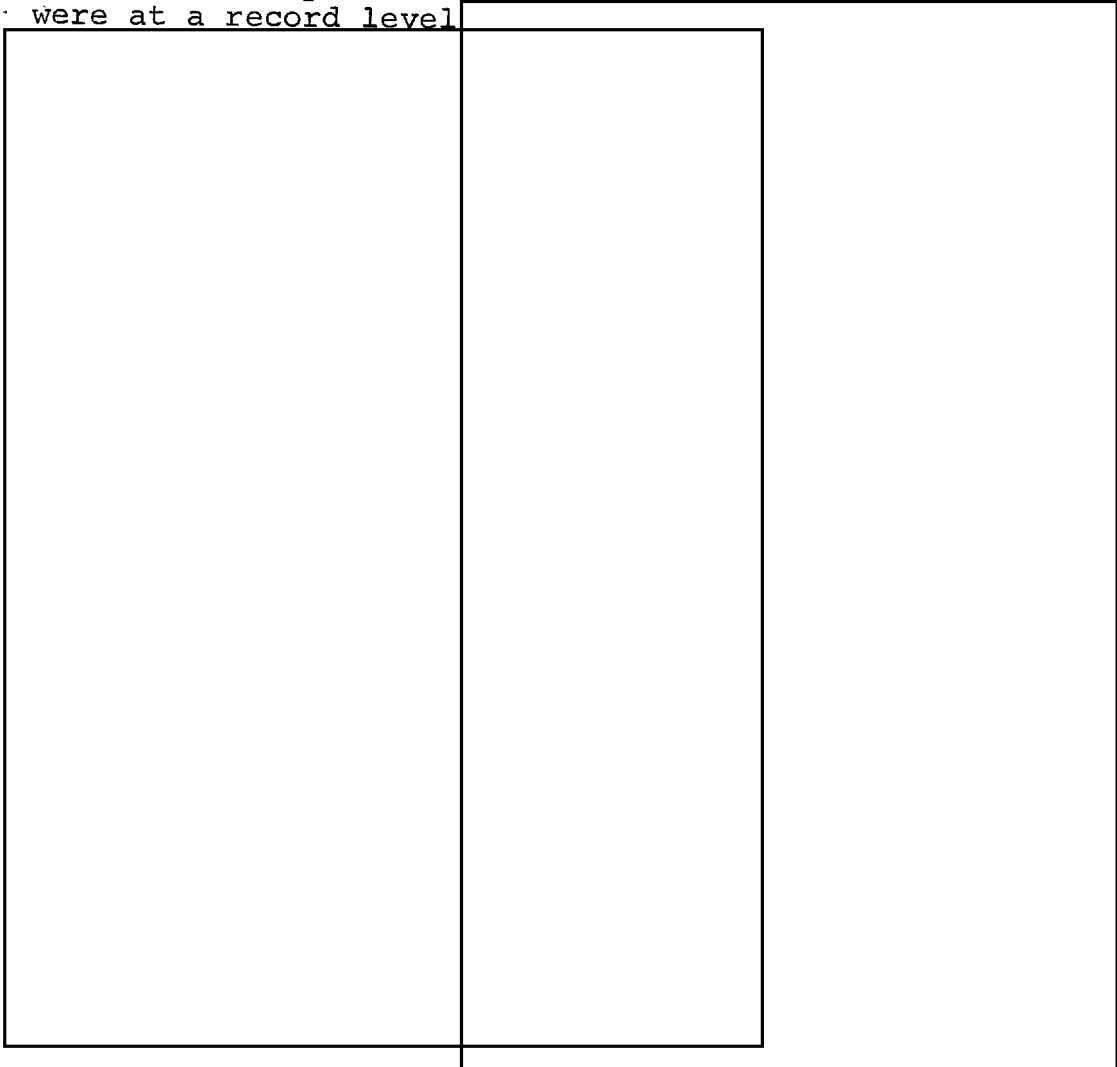
A Turkish-Soviet highway transit agreement, governing all passengers and commodities using certain designated routes in the two countries, was signed in October. Although the agreement excludes transit of military cargo, Soviet UAZ-69 jeeps had been delivered via Turkey to Iraq in August under a similar agreement with Bulgaria. Turkey signed annual trade protocols with the USSR and East European countries that called for further increases in trade, but the planned level of trade with its bilateral partners for 1970-71 was to level off at the approximately 16% of Turkey's total trade it had accounted for in 1969.

### UAR

Nasser's January visit to Moscow led to an expanded Communist military involvement in the Near

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East conflict during 1970 and the UAR's increased dependence on the USSR for political and economic support as well. Major military agreements signed in January and July amounted to an estimated \$650 million, the largest annual commitment of military aid ever made by the USSR to a Third World country. Soviet military deliveries to the UAR in 1970 also were at a record level



The most important development in the economic aid program during the year was the completion of the Aswan Dam, the USSR's largest economic aid undertaking in the Third World. No new economic aid was extended to the UAR by Communist countries, and Soviet aid deliveries were at the relatively low level of the past few years. This was largely

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because of reduced deliveries to Aswan as it went into the completion stage and because Egyptian development expenditures failed to rise to their pre-war levels. The Helwan steel mill expansion was the only major Communist project under way in 1970. Among East European aid projects, construction of two East German aided textile plants was completed in 1970 and contracts were signed for the construction of two additional plants. A protocol was signed in June for the construction of a petrochemical complex in Alexandria with Czech assistance.

Trade between the UAR and Communist countries increased in 1970, possibly because of Egypt's larger cotton crop. During July 1969 - June 1970, UAR trade with the West is reported to have declined 7% while its trade with Communist countries rose by more than 25%.

Other Near East and South Asian Countries



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Except for continuing Chinese aid to a hydroelectric plant at Sunkosi, roadbuilding dominated Communist aid activity in Nepal. China completed the Katmandu-Kodari Road, with the 10-mile extension to Bhaktapur and the Katmandu-Pokhara Road still under construction. About half of the 500 Chinese technicians in Nepal were employed on roadbuilding projects. The Soviet-assisted Simra-Janakpur Road (the only uncompleted Soviet aid project in Nepal) was nearing completion at the end of the year.

The only new Soviet assistance to Yemen in 1970 was a grant of 5,000 tons of wheat, valued at \$400,000. The secondary school built at San'a under a 1969 Chinese grant was inaugurated in September, and East Germany completed the Ta'iz-Hudaydah portion of a telephone network that eventually will link these cities with San'a.



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Statistical Tables

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Table 2

Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn  
1954 - December 1970

Recipient Country	Million Current US \$							
	Extended				Drawn			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<u>Africa</u>	<u>2,384</u>	<u>1,100</u>	<u>472</u>	<u>812</u>	<u>648</u>	<u>360</u>	<u>91</u>	<u>197</u>
-Algeria	381	233	96	52	129	95	7	27
Cameroon	8	8	0	0	1	1	0	0
Central African Republic	4	N.A.	N.A.	4	2	0	0	2
Congo (B)	34	9	0	25	16	5	0	11
Ethiopia	119	102	17	0	24	18	6	0
Ghana	239	93	104	42	60	31	25	4
Guinea	299	200	30	69	151	74	27	50
Kenya	67	49	0	18	7	4	0	3
Mali	132	64	23	45	87	45	6	36
-Mauritania	8	3	0	5	1	0	0	1
Mauritius	5	5	0	0	0	0	0	0
-Morocco	123	88	35	0	13	8	5	0
Nigeria	21	7	14	0	0	0	0	0
Senegal	7	7	0	0	1	1	0	0
Sierra Leone	28	28	0	0	2	2	0	0
Somalia	89	63	3	23	48	38	3	7
Sudan	176	65	69	42	17	17	0	0
Tanzania	282	20	7	255	52	1	3	48
-Tunisia	108	34	74	0	26	17	9	0
Uganda	31	16	0	15	7	3	0	4
Zambia	223	6	0	217	4	0	0	4
<u>East Asia</u>	<u>914</u>	<u>411</u>	<u>338</u>	<u>165</u>	<u>443</u>	<u>135</u>	<u>166</u>	<u>142</u>
Burma	69	14	29	26	46	14	6	26
Cambodia	134	25	17	92	90	16	5	69
Indonesia	711	372	292	47	307	105	155	47

Table 2

Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn  
1954 - December 1970  
(Continued)

Million Current US \$

Recipient Country	Extended				Drawn			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<u>Latin America</u>	<u>637</u>	<u>277</u>	<u>360</u>	<u>0</u>	<u>120</u>	<u>37</u>	<u>83</u>	<u>0</u>
Argentina	86	44	42	0	41	34	7	0
Bolivia	28	28	0	0	0	0	0	0
Brazil	331	90	241	0	66	1	65	0
Chile	60	55	5	0	0	0	0	0
Colombia	2	2	0	0	2	2	0	0
Costa Rica	10	10	0	0	0	0	0	0
Ecuador	10	0	10	0	5	0	5	0
Peru	59	28	31	0	0	0	0	0
Uruguay	41	20	21	0	6	0	6	0
Venezuela	10	0	10	0	0	0	0	0
<u>Near East and South Asia</u>	<u>7,926</u>	<u>5,284</u>	<u>1,968</u>	<u>674</u>	<u>3,824</u>	<u>2,929</u>	<u>659</u>	<u>236</u>
- Afghanistan	739	700	11	28	590	568	8	14
- Ceylon	141	38	50	53	71	23	12	36
- Greece	8	8	0	0	8	8	0	0
- India	1,999	1,612	387	0	1,131	932	199	0
- Iran	1,010	578	432	0	292	232	60	0
- Iraq	536	332	204	0	163	136	27	0
- Nepal	86	21	0	65	66	18	0	48
- Pakistan	653	270	74	309	137	77	16	44
- Southern Yemen	92	13	24	55	5	2	0	3
- Syria	439	233	190	16	231	150	69	12
- Turkey	390	371	19	0	67	51	16	0
- United Arab Republic	1,681	1,010	565	106	947	669	241	37
- Yemen	152	98	12	42	116	63	11	42
<i>Total</i>	<i>11,861</i>	<i>7,072</i>	<i>3,138</i>	<i>1,651</i>	<i>5,035</i>	<i>3,461</i>	<i>999</i>	<i>575</i>

Table 3

Communist Economic Credits and Grants Extended to Less Developed Countries  
by Communist Area and Country  
1954 - December 1970

Million Current US \$

Year	Total	USSR	Eastern Europe							Communist China
			Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Romania	
1954-60	2,974	2,408	402	0	216	54	25	99	8	164
1961	1,009	551	384	13	142	2	45	81	101	74
1962	268	70	186	2	57	0	12	115	0	12
1963	323	217	18	1	6	1	0	10	0	88
1964	1,467	825	331	6	118	66	2	99	40	311
1965	1,041	371	599	43	118	174	54	107	103	71
1966	1,632	1,276	237	15	61	50	107	4	0	119
1967	502	290	162	56	25	18	30	10	23	50
1968	610	379	177	32	6	8	40	5	86	54
1969	931	475	456	8	238	156	11	11	32	0
1970	1,104	210	186	52	15	14	86	10	9	708
<i>Total</i>	<i>11,861</i>	<i>7,072</i>	<i>3,138</i>	<i>228</i>	<i>1,002</i>	<i>543</i>	<i>412</i>	<i>551</i>	<i>402</i>	<i>1,651</i>

Table 4

Communist Economic Credits and Grants  
 Drawn by Less Developed Countries  
 by Communist Area and Country  
 1954-70

Million Current US \$

<u>Year</u>	<u>Total</u>	<u>USSR</u>	<u>Eastern Europe</u>	<u>Communist China</u>
1954-60	522	356	99	67
1961	237	183	45	9
1962	356	254	89	13
1963	425	345	59	22
1964	558	377	116	65
1965	523	355	91	76
1966	514	338	87	89
1967	499	284	121	94
1968	456	296	114	46
1969	471	332	90	49
1970	474	341	88	45
<i>Total</i>	5,035	3,461	999	575

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Table 5  
Communist Economic Technicians in the Less Developed Countries a/  
January-December 1970

		Persons			
Area	Country	Total	USSR	Eastern Europe	Communist China
<i>Total</i>		23,570	10,275	5,245	8,050
<u>Africa</u>		13,960	3,880	3,090	6,990
	Algeria	3,000	2,100 <sup>b/</sup>	800	100
	Burundi	10	10	--	--
	Cameroon	5	5	--	--
	Central African Republic	35	35	--	--
	Chad	45	45	--	--
	Congo (B)	380	145	15	220 <sup>c/</sup>
	Congo (K)	20	--	20	--
	Ethiopia	150	70	80	--
	Ghana	95	15	80	--
	Guinea	1,050	500	150	400
	Kenya	40	15	25	--
	Libya	710	10	700	--
	Mali	650	200	50	400 <sup>d/</sup>
	Mauritania	300	15	--	285
	Morocco	400	225	175	--
	Nigeria	200	75	125	--
	Senegal	5	5	--	--
	Sierra Leone	15	15	--	--
	Somalia	180	100	5	75
	Sudan	150	50	100	--
	Tanzania	5,430	125	105	5,200 <sup>e/</sup>
	Tunisia	700	50	650	--
	Uganda	30	20	--	10
	Zambia	360	50	10	300
<u>East Asia</u>		340	180	60	100
	Burma	35	10	25	--
	Cambodia	230	120	10	100 <sup>f/</sup>
	Indonesia	75	50	25	--
<u>Latin America</u>		185	35	150	0
	Argentina	10	5	5	--
	Bolivia	15	10	5	--
	Brazil	110	5	105	--
	Chile	10	5	5	--
	Colombia	10	5	5	--
	Mexico	10	5	5	--
	Uruguay	20	--	20	--

Table 5

Communist Economic Technicians in the Less Developed Countries a/  
 January-December 1970  
 (Continued)

Area	Country	Total	USSR	Persons	
				Eastern Europe	Communist China
<u>Near East and South Asia</u>		<u>9,085</u>	<u>6,180</u>	<u>1,945</u>	<u>960</u>
	-Afghanistan	1,350	1,050	100	200
	-Ceylon	175	70	100	5
	-India	1,355	955	400	--
	-Iran	1,650	1,400	250	--
	-Iraq	800	560	240	--
	-Kuwait	35	15	20	--
	-Lebanon	25	--	25	--
	-Nepal	580	80	--	500
	-Pakistan	450	375	25	50
	-Southern Yemen	185	100	25	60 c/
	-Syria	895	700	150	25
	-Turkey	185	175	10	--
	-United Arab Republic	1,100	600	500	--
	-Yemen	320	100	100	120

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Table 6

Technical Trainees from Less Developed Countries Trained in Communist Countries  
1956-70

Area and Country	Departures to Communist Countries							Persons		
	1956-70				1970			Being Trained as of December 1970		
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<i>Total</i>	<i>18,615</i>	<i>11,575</i>	<i>6,295</i>	<i>745</i>	<i>1,650</i>	<i>1,095</i>	<i>555</i>	<i>1,540</i>	<i>1,015</i>	<i>525</i>
<b>Africa</b>	<b>4,080</b>	<b>1,970</b>	<b>1,995</b>	<b>115</b>	<b>295</b>	<b>110</b>	<b>185</b>	<b>205</b>	<b>60</b>	<b>145</b>
Algeria	915	285	630	--	190	50	140	110	10	100
Burundi	25	--	5	20	5	--	5	5	--	5
Central African Republic	55	55	--	--	--	--	--	--	--	--
Congo (B)	40	40	--	--	--	--	--	--	--	--
Dahomey	80	80	--	--	--	--	--	--	--	--
Ethiopia	140	65	75	--	10	10	--	10	10	--
Ghana	760	440	320	--	--	--	--	10	10	--
Guinea	345	155	190	--	10	10	--	10	10	--
Kenya	125	10	115	--	--	--	--	10	10	--
Libya	25	--	25	--	--	--	--	--	--	--
Mali	515	320	155	40	--	--	--	--	--	--
Mauritius	5	5	--	--	--	--	--	--	--	--
Morocco	125	95	30	--	20	20	--	--	--	--
Mozambique	10	--	10	--	--	--	--	--	--	--
Nigeria	70	20	50	--	--	--	--	--	--	--
Sierra Leone	5	5	--	--	--	--	--	--	--	--
Somalia	145	135	10	--	--	--	--	--	--	--
Sudan	10	--	10	--	10	--	10	10	--	10
Tanzania	285	60	170	55	30	--	30	30	--	30
Tunisia	290	95	195	--	--	--	--	--	--	--
Uganda	50	45	5	--	20	20	--	20	20	--
Upper Volta	60	60	--	--	--	--	--	--	--	--
<b>East Asia</b>	<b>1,085</b>	<b>350</b>	<b>325</b>	<b>410</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Burma	215	40	120	55	15	--	15	15	--	15
Cambodia	385	10	20	355	--	--	--	--	--	--
Indonesia	485	300	185	--	--	--	--	--	--	--



Table 6  
 Technical Trainees from Less Developed Countries Trained in Communist Countries  
 1956-70  
 (Continued)

Area and Country	Departures to Communist Countries						Persons			
	1956-70			1970			Being Trained as of December 1970			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<u>Latin America</u>	<u>45</u>	<u>15</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Brazil	15	5	10	--	--	--	--	--	--	--
Chile	5	--	5	--	--	--	--	--	--	--
Colombia	5	5	--	--	--	--	--	--	--	--
Mexico	20	5	15	--	--	--	--	--	--	--
<u>Near East and South Asia</u>	<u>13,405</u>	<u>9,240</u>	<u>3,945</u>	<u>220</u>	<u>1,340</u>	<u>985</u>	<u>355</u>	<u>1,320</u>	<u>955</u>	<u>365</u>
Afghanistan	720	500	220	--	50	50	--	50	50	--
Ceylon	155	115	40	--	--	--	--	--	--	--
Cyprus	100	50	50	--	--	--	--	--	--	--
India	3,130	2,655	475	--	210	150	60	210	150	60
Iran	1,275	865	410	--	500	445	55	490	415	75
Iraq	1,115	750	355	10	110	50	60	110	50	60
Nepal	95	55	10	30	--	--	--	--	--	--
Pakistan	70	70	--	--	25	25	--	25	25	--
Southern Yemen	75	50	25	--	--	--	--	--	--	--
Syria	690	195	495	--	80	30	50	30	30	--
Turkey	245	170	75	--	100	100	--	140	100	40
United Arab Republic	5,045	3,435	1,610	--	240	135	105	240	135	105
Yemen	690	330	180	180	25	--	25	25	--	25

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Table 7

Academic Students from Less Developed Countries Trained in Communist Countries a/  
1956-70

Area and Country	Departures to Communist Countries							Persons		
	1956-70				1970			Being Trained as of December 1970		
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<i>Total</i>	<i>47,300</i>	<i>25,785</i>	<i>20,815</i>	<i>700</i>	<i>3,575</i>	<i>2,240</i>	<i>1,335</i>	<i>21,245</i>	<i>12,640</i>	<i>8,605</i>
<b>Africa</b>	<b>23,230</b>	<b>13,070</b>	<b>9,730</b>	<b>430</b>	<b>1,815</b>	<b>1,205</b>	<b>610</b>	<b>10,935</b>	<b>6,855</b>	<b>4,080</b>
Algeria	1,810	645	1,150	15	300	200	100 b/	660	375	285
Angola	180	120	60	--	5	5 b/	--	30	30	--
Botswana	115	65	50	--	5	5 b/	--	15	15	--
Burundi	180	175	5	--	45	40	5	155	150	5
Cameroon	745	440	305	--	35	30 c/	5 b/	200	100	100
Central African Republic	350	150	20	180	25	25	--	125	125	--
Chad	120	115	5	--	15	15	--	105	105	--
Comoro Islands	35	20	--	15	5	5 b/	--	15	15	--
Congo (B)	570	490	65	15	110	100	10 b/	380	340	40
Congo (K)	885	490	385	10	40	20	20 b/	485	275	210
Dahomey	150	90	50	10	10	--	10	90	40	50
Equatorial Guinea	5	5	--	--	5	5	--	5	5	--
Ethiopia	680	305	375	--	50	25	25	485	280	205
Gambia	55	40	15	--	--	--	--	50	45	5
Ghana	1,885	1,045	810	30	--	--	--	370	120	250
Guinea	1,420	640	760	20	60	50 b/	10 b/	560	320	240
Ivory Coast	165	125	40	--	5	5 b/	--	55	55	--
Kenya	1,735	1,020	705	10	45	30	15	865	530	335
Lesotho	75	40	30	5	5	5 b/	--	15	10	5
Liberia	15	5	10	--	--	--	--	--	--	--
Libya	15	5	10	--	--	--	--	10	--	10
Malagasy Republic	25	10	15	--	5	5 b/	--	10	10	--
Malawi	20	5	15	--	--	--	--	5	5	--
Mali	985	720	265	--	20	10 b/	10 b/	320	210	110
Mauritania	85	85	--	--	55	55 c/	--	65	65	--
Mauritius	110	70	40	--	20	5 c/	15	85	65	20
Morocco	490	195	295	--	30	10 c/	20 c/	220	125	95
Mozambique	35	35	--	--	20	10 b/	10 b/	35	25	10

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Table 7  
 Academic Students from Less Developed Countries Trained in Communist Countries a/  
 1956-70  
 (Continued)

Area and Country	Departures to Communist Countries							Persons		
	1956-70				1970			Being Trained as of December 1970		
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<b>Africa (Continued)</b>										
Niger	255	220	35	--	--	--	--	55	50	5
Nigeria	2,035	1,245	775	15	230	170	60	1,125	800	325
Portuguese Guinea	85	35	50	--	10	5 b/	5 b/	15	10	5
Rhodesia	280	100	180	--	40	5 b/	35	150	65	85
Reunion	35	35	--	--	10	10 b/	--	35	35	--
Rwanda	150	135	15	--	15	15	--	70	70	--
Senegal	265	205	60	--	40	40	--	120	105	15
Sierra Leone	595	500	95	--	55	40	15	505	440	65
Somalia	1,720	1,270	410	40	110	100 c/	10	595	475	120
Sudan	2,515	940	1,570	5	250	50 b/	200 b/c/	1,510	600	910
Tanzania	905	575	300	30	55	40	15	445	305	140
Togo	205	135	70	--	10	10 b/	--	80	70	10
Tunisia	485	85	400	--	15	10 c/	5	330	40	290
Uganda	515	310	175	30	25	20	5 b/c/	280	235	45
Upper Volta	50	40	10	--	20	15 b/	5 c/	45	35	10
Zambia	195	90	105	--	15	15	--	160	80	80
<b>East Asia</b>	<b>3,020</b>	<b>1,515</b>	<b>1,370</b>	<b>135</b>	<b>95</b>	<b>60</b>	<b>35</b>	<b>560</b>	<b>255</b>	<b>305</b>
Burma	520	2,245	255	20	5	5 b/	--	175	80	95
Cambodia	200	55	135	10	10	--	10	50	25	25
Indonesia	1,935	1,030	825	80	--	--	--	185	75	110
Laos	330	175	135	20	75	50	25 b/	125	70	55
South Vietnam	20	--	20	--	--	--	--	20	--	20
Thailand	10	5	--	5	--	--	--	--	--	--
Philippines	5	5	--	--	5	5	--	5	5	--

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Table 7  
 Academic Students from Less Developed Countries Trained in Communist Countries a/  
 1956-70  
 (Continued)

Area and Country	Departures to Communist Countries							Persons		
	1956-70				1970			Being Trained as of December 1970		
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<u>Latin America</u>	<u>4,745</u>	<u>2,975</u>	<u>1,770</u>	<u>0</u>	<u>530</u>	<u>320</u>	<u>210</u>	<u>2,395</u>	<u>1,615</u>	<u>780</u>
Argentina	265	140	125	--	25	10	15	130	60	70
Bolivia	510	250	260	--	20	15	5	210	145	65
Brazil	350	200	150	--	35	20	15	205	150	55
Chile	500	355	145	--	45	30	15	300	230	70
Colombia	325	200	125	--	55	30	25	235	175	60
Costa Rica	210	170	40	--	50	50	--	125	105	20
Dominican Republic	105	60	45	--	35	25	10	65	40	25
Ecuador	550	385	165	--	65	40	25	385	260	125
El Salvador	90	50	40	--	--	--	--	15	15	--
French West Indies	15	15	--	--	--	--	--	15	15	--
Guatemala	70	50	20	--	--	--	--	15	15	--
Guyana	180	85	95	--	--	--	--	5	5	--
Haiti	80	40	40	--	--	--	--	10	10	--
Honduras	155	105	50	--	15	5	10	25	15	10
Mexico	460	280	180	--	--	--	--	--	--	--
Nicaragua	155	110	45	--	40	15	25	230	115	115
Panama	205	140	65	--	20	5	15	90	60	30
Paraguay	20	10	10	--	50	25	25	120	70	50
Peru	255	180	75	--	--	--	--	--	--	--
Uruguay	65	35	30	--	70	50	20	185	125	60
Venezuela	180	115	65	--	5	--	5	30	10	20
								15	10	5
<u>Near East and South Asia</u>	<u>16,305</u>	<u>8,225</u>	<u>7,945</u>	<u>135</u>	<u>1,135</u>	<u>655</u>	<u>480</u>	<u>7,355</u>	<u>3,915</u>	<u>3,440</u>
Afghanistan	1,500	885	610	5	125	100	25	720	530	190
Ceylon	385	205	160	20	5	5	--	135	55	80
Cyprus	950	360	590	--	75	25	50	950	360	590
Greece	75	--	70	5	--	--	--	--	--	--
India	1,170	630	535	5	75	50	25	435	260	175
Iran	115	55	60	--	--	--	--	25	20	5
Iraq	3,740	2,080	1,635	25	60	25	35	875	525	350

Table 7  
 Academic Students from Less Developed Countries Trained in Communist Countries a/  
 1956-70  
 (Continued)

Area and Country	Departures to Communist Countries							Persons		
	1956-70				1970			Being Trained as of December 1970		
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Total	USSR	Eastern Europe
<u>Near East and South Asia</u> (Continued)										
Israel	30	30	--	--	--	--	--	--	--	--
Jordan	385	185	200	--	35	30 c/	5	140	130	10
Kuwait	20	10	10	--	5	--	5	15	10	5
Lebanon	860	435	425	--	20	10 c/	10 c/	315	205	110
Nepal	455	330	50	75	30	30	--	260	250	10
Pakistan	75	65	10	--	15	15 c/	--	30	30	--
Saudi Arabia	20	5	15	--	--	--	--	--	--	--
Southern Yemen	590	215	375	--	105	50 c/	55 b/	545	190	355
Syria	2,560	1,125	1,435	--	240	150	90 b/	1,290	625	665
Trucial States	20	10	10	--	--	--	--	20	10	10
Turkey	80	80	--	--	--	--	--	--	--	--
UAR	1,870	820	1,050	--	235	65	170	945	365	580
Yemen	1,405	700	705	--	110	100	10 b/	655	350	305

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Table 8  
 Military Aid Extended by Communist Countries  
 to Less Developed Countries  
 1955-70

Million Current US \$

<u>Year</u>	<u>Total</u>	<u>USSR</u>	<u>Eastern Europe</u>	<u>Communist China</u>
1955-60	1,715	1,225	460	30
1961	845	830	15	--
1962	415	415	--	--
1963	395	390	5	--
1964	940	920	15	5
1965	390	275	45	70
1966	410	385	15	10
1967	660	570	75	15
1968	485	435	45	5
1969	430	310	70	50
1970	1,010	960	50	N.A.
<i>Total</i>	<i>7,695</i>	<i>6,715</i>	<i>795</i>	<i>185</i>

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Table 9

Communist Military Aid to Less Developed Countries, Extended and Drawn  
1955-70

Million Current US \$

Recipient Country	Extended			Drawn		
	Total	USSR	Other Communist Countries	Total	USSR	Other Communist Countries
<i>Total</i>	<i>7,695</i>	<i>6,715</i>	<i>980</i>	<i>6,315</i>	<i>5,425</i>	<i>890</i>
<u>Africa</u>	<u>570</u>	<u>500</u>	<u>70</u>	<u>500</u>	<u>450</u>	<u>50</u>
Algeria	310	295	15	275	260	15
Burundi	Negl.	Negl.	--	--	--	--
Congo (B)	5	5	Negl.	5	Negl.	Negl.
Ghana	10	10	Negl.	10	10	--
Guinea	10	10	Negl.	10	10	Negl.
Libya	35	30	5	30	30	--
Mali	5	5	Negl.	5	5	--
Morocco	35	15	20	35	15	20
Nigeria	10	10	--	10	10	--
Somalia	45	45	--	40	40	--
Sudan	75	65	10	65	60	5
Tanzania	15	Negl.	15	10	Negl.	10
Uganda	15	10	5	10	5	5
<u>East Asia</u>	<u>1,350</u>	<u>1,110</u>	<u>240</u>	<u>1,100</u>	<u>860</u>	<u>240</u>
Cambodia	25	10	15	25	10	15
Indonesia	1,325	1,100	225	1,075	850	225
<u>Near East and South Asia</u>	<u>5,775</u>	<u>5,105</u>	<u>670</u>	<u>4,715</u>	<u>4,115</u>	<u>600</u>
Afghanistan	300	285	15	290	275	15
Cyprus	25	25	Negl.	20	20	Negl.
India	1,000	950	50	675	625	50
Iran	300	300	--	100	100	--
Iraq	800	725	75	575	525	50
Pakistan	125	25	100	105	10	95
Southern Yemen	20	20	--	10	10	--
Syria	600	500	100	535	475	60
United Arab Republic	2,500	2,200	300	2,300	2,000	300
Yemen	105	75	30	105	75	30

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Table 11

Military Personnel from Less Developed Countries Trained in Communist Countries a/  
Persons

Country	Departures to Communist Countries 1955 - December 1970				Being Trained in December 1970			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<i>Total</i>	29,190	26,195	3,350	645	3,855	3,470	145	240
Afghanistan	2,130	1,890	240	--	500	500	--	--
Algeria	2,135	1,920	200	15	480	480	--	--
Cambodia	30	30	--	--	--	--	--	140
Congo (B)	490	320	--	170	300	160	--	--
Ghana	180	180	--	--	65	65	--	--
Guinea	550	500	50	--	100	100	--	--
India	1,445	1,445	--	--	--	--	--	--
Indonesia	9,270	7,560	1,710	--	110	110	--	--
Iran	135	135	--	--	450	370	80	--
Iraq	1,780	1,650	130	--	55	55	--	--
Mali	160	150	10	--	--	--	--	--
Morocco	60	--	60	--	35	35	--	--
Nigeria	95	95	--	--	--	--	--	--
Pakistan	170	40	--	130	350	350	--	--
Somalia	1,245	1,215	--	30	180	160	20	--
Southern Yemen	180	160	20	--	170	150	20	--
Sudan	330	310	20	--	240	220	20	--
Syria	1,685	1,310	375	--	100	--	--	100
Tanzania	535	250	--	285	20	15	5	--
Uganda	170	140	30	--	300	300	--	--
United Arab Republic	5,565	5,045	505	15 <u>b/</u>	400	400	--	--
Yemen	850	850	--	--	--	--	--	--

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TABLE 12

COMMUNIST EXPORTS TO AND IMPORTS FROM SELECTED LESS DEVELOPED COUNTRIES, 1968-69

Million Current US\$

AREA AND COUNTRY	Total <sup>a</sup>				USSR				Eastern Europe				Communist China			
	1968		1969		1968		1969		1968		1969		1968		1969	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports		
Total.....	2,651.9	2,012.2	2,806.3	2,437.6	948.0	885.0	1,197.5	1,119.0	1,125.2	886.9	1,072.4	994.1	494.0	292.7	484.5	269.2
<b>Africa</b> .....	434.2	312.9	470.4	367.3	132.8	122.7	176.4	172.2	179.4	132.6	169.9	134.7	111.4	50.4	110.6	49.3
Algeria.....	61.3	56.6	94.8	94.2	31.9	27.7	37.7	61.6	21.9	18.3	26.0	21.8*	6.8	9.3	10.8*	9.0*
Angola.....	0.4	1.9	2.4	1.4					0.4	1.9	2.4	1.4				
Cameroon.....	3.6	5.9	4.2	14.8	0.6	5.8	1.1	12.0	2.3	0.1	1.6	2.8			0.6	1.3
Chad.....	1.7	1.5		0.2							1.1	0.8			0.4	0.7
Congo (B).....	2.4	0.9	0.1	0.8	0.7	0.9	0.1	0.8							1.7*	
Congo (K).....																
Dahomey.....	2.7	Nepl.	0.4	Nepl.	0.4	Nepl.	0.4	Nepl.	0.9*						1.4*	
Ethiopia.....	8.8	2.6	9.1	4.8	2.1	2.1	2.4	4.0	4.1	Nepl.	4.5	0.3	2.6	0.5	2.2	0.5
Gabon.....																
Ghana.....	22.2	29.6	22.3	21.8	9.2	20.4	15.4	31.3	8.7	8.7	5.3	1.6	0.6	4.3	1.1	
Guinea.....	13.8	3.2	8.8	3.4	13.8	3.2	8.8	3.4								
Ivory Coast.....	3.2	3.9	3.7	9.8	Nepl.	0.7	Nepl.	5.8	2.6	3.2	2.9	4.0	0.6		0.7	
Kenya.....	9.6	3.5	8.4	3.6	0.8	0.2	0.3	1.3	4.3	2.1	4.8	1.0	4.5	1.2	3.2	1.3
Liberia.....	1.3								1.3*							
Libya.....	54.3	2.4	55.0	7.2	6.1	Nepl.	10.8	Nepl.	35.8	2.4	28.2*	7.2*	12.3		15.7*	
Malagasy Republic.....	0.1		Nepl.	Nepl.							0.1	0.1	Nepl.			
Malawi.....																
Mali.....	20.6	3.4	8.5	2.1	9.4	1.8	5.1	2.0	2.2	0.4	0.3	0.1	9.1	1.1	3.1	
Mauritania.....																
Mauritius.....	1.2												1.2*			
Morocco.....	61.4	61.4	84.5	64.6	19.2	18.3	37.1	17.9	20.6	29.8	20.9	30.7	12.0	7.3	13.2	6.8
Mozambique.....	0.2		0.1	0.2							0.1	0.2	Nepl.		Nepl.	
Niger.....	1.8												1.8			
Nigeria.....	42.6	33.9	49.9	30.8	11.9	21.3	16.7	24.4	20.2	11.9	17.8	6.4	10.4	0.7	13.3	Nepl.
Senegal.....	5.9	0.3	7.9	0.3	0.2	0.3	0.2	0.1			1.1*	0.2*	5.7*		6.7*	
Sierra Leone.....	8.3		14.1	1.1	0.9		1.0	1.1	5.1				2.3		4.2*	
Somalia.....	3.6	0.1	2.1	Nepl.	3.6	0.1	2.1	Nepl.								
Sudan.....	52.5	44.3	46.8	36.9	16.0	12.1	16.0	13.7	19.3	18.2	16.8	17.2	13.9	14.0	18.5	
Tanzania.....	17.8	11.1	15.3	15.9	0.9	1.1	0.4	2.8	4.9	2.4	3.7	2.2	12.1	7.7	11.1	10.9
Togo.....	4.1	Nepl.	3.9	0.9	0.8	Nepl.	1.1	0.9	1.0	Nepl.	1.2		2.2		1.6	
Tunisia.....	17.5	30.3	17.0	18.0	3.3	5.4	4.2	3.4	13.7	24.1	12.8	14.6	0.5	0.8	Nepl.	
Uganda.....	6.8	7.3	6.2	11.8	0.8	1.1	1.4	1.6	3.1	1.4	2.3	9.0	2.9	4.9	2.5	1.2
Upper Volta.....																
Zambia.....	4.5	10.0	3.2	8.8					3.0	7.6*	3.2*	8.8*	1.5*	2.4*		
<b>Europe</b> .....	124.3	95.0	137.3	106.9	20.4	13.7	24.4	3.8	61.9	61.4	69.1	63.0	1.1	1.3	1.4	0.8
Portugal.....	12.2	6.7	16.5	7.2					11.7	6.7	16.2	7.2	0.1	Nepl.	0.3	Nepl.
Spain.....	112.1	88.3	120.8	99.7	20.4	13.7	24.4	3.8	50.2	54.7	52.9	55.8	1.0	1.3	1.1	0.8
<b>East Asia</b> .....	270.7	226.3	295.0	324.6	16.1	124.4	17.4	150.7	33.6	40.5	36.7	66.6	215.0	59.4	212.9	101.7
Burma.....	13.5	3.1	13.5	3.7	1.3	0.3	2.6	3.7	10.2	2.8	10.9*					
Cambodia.....	10.9	15.8	0.7	Nepl.	0.7	2.1	0.7	Nepl.	3.0*	4.0*			6.7*	9.0*		
Indonesia.....	5.2	19.1	46.6	25.8	5.2	19.1	3.6	23.8			4.0	2.0			39.0	
Laos.....				2.0												
Malaysia.....	62.8	146.1	65.4	198.2	6.1	100.4	1.7	121.8	4.1	21.8	3.6	31.8	57.2	23.9	57.1	44.6
Singapore.....	166.2	40.1	159.1	93.2	6.0	2.0	6.2	4.1	7.6	10.3	11.1	20.4	150.3	26.3	136.7	57.1
Thailand.....	12.1	2.0	9.7	1.7	3.3	0.4	2.8	0.3	8.7	1.6	6.8	1.4	Nepl.	Nepl.	0.1	
<b>Latin America</b> .....	157.9	279.2	166.9	301.4	22.6	82.4	25.1	104.3	127.9	192.2	133.5	196.4	6.8	0.6	8.1	0.3
Argentina.....	12.2	62.2	22.5	71.9	3.2	28.7	6.8	25.6	8.7	32.9	14.9	45.7	0.3	0.6	0.8	0.3
Bolivia.....	1.6															
Brazil.....	89.8	124.5	69.1	134.2	13.8	27.9	12.1	48.8	75.9	96.6	57.0	85.3	Nepl.	Nepl.	Nepl.	Nepl.
Chile.....	5.3	Nepl.	8.9	9.9	9.1	Nepl.	0.2	0.1	4.8		5.6*	0.8*			0.2	
Colombia.....	16.7	20.4	16.9	25.8	2.1	3.4	2.6	4.2	14.6	17.0	14.3	21.6				
Costa Rica.....			0.2	5.4				5.2	0.2	0.2	0.2*					
Ecuador.....	2.7	17.7	8.8	21.8	Nepl.	12.4	0.2	13.9	2.7	5.3	8.6*	7.9*				
E. Salvador.....		8.1								8.1*						
Guatemala.....		2.7								2.7*						
Guyana.....	0.3		0.2													
Honduras.....	1.1									1.1			0.1		0.2	
Mexico.....	7.7	15.5	16.4	7.4	2.7	8.4	0.9	5.6	4.9	3.1	15.4*	1.8*				
Nicaragua.....																
Peru.....	6.0	21.0	7.9	24.1	Nepl.		1.4		1.8	21.0	2.4	24.1	4.2	Nepl.	4.1	Nepl.
Uruguay.....	3.3	7.1	6.8	10.0	0.7	1.6	0.9	1.0	2.1*	5.5	5.7	9.0	Nepl.	Nepl.	0.1	Nepl.
Venezuela.....	11.2	Nepl.	12.1	Nepl.					9.6	Nepl.	9.4	Nepl.	1.6		2.7	
<b>Near East and South Asia</b> .....	1,644.8	1,098.8	1,736.7	1,337.4	754.1	541.8	924.1	688.0	720.4	460.2	664.1	533.4	159.7	91.0	131.5	108.1
Afghanistan.....	39.7	31.0	44.8	30.6	39.7	31.0	44.8	30.6								
Ceylon.....	68.5	58.9	80.7	66.1	11.8	16.2	8.3	14.4	13.4	10.0	25.0	11.3	41.2	32.7	47.4	40.4
Cyprus.....	10.1	8.7	13.2	10.4	3.4	4.3	5.1	5.8	6.7	4.4	8.0	4.6			Nepl.	Nepl.
Greece.....	109.2	71.9	95.4	88.6	24.7	24.8	28.9	34.4	47.1	60.2	56.7	0.1	Nepl.	0.4	Nepl.	Nepl.
India.....	322.1	316.9	313.8	351.6	183.3	183.0	171.3	221.6	38.8	133.6	142.5	130.1				
Iran.....	161.9	70.9	221.1	95.2	88.1	40.1	161.6	56.7	70.8	29.3	57.6	38.0	2.3	1.5	1.8	0.9
Iraq.....	100.9	11.2	131.6	15.5	30.8	4.1	67.7	4.7	31.6*	1.7*	37.1*	2.8*	17.2*	5.4*	19.1*	7.9*
Israel.....	20.2	18.6	24.6	22.7					20.2	18.6	24.6	22.7	Nepl.	Nepl.	Nepl.	Nepl.
Jordan.....	16.8	0.9	23.3	1.1	3.4			4.3		8.8	0.4	14.1	0.5	4.6	0.5	4.9
Kuwait.....	54.1	0.3	15.3		15.0			15.3	17.6	Nepl.			20.9	0.3		
Lebanon.....	13.6	3.4	11.6	3.0	13.6	3.4	11.6	3.0								
Malta.....	5.3	Nepl.	5.9	0.1						3.9	Nepl.	4.1	0.1	1.2	Nepl.	1.7
Nepal.....	0.9	0.6	0.9	1.1	0.9	0.6	0.9	1.1								
Pakistan.....	115.2	73.1	125.8	100.8	36.8	11.1	39.4	23.7	48.8	36.3	59.3	47.1	29.6	25.5	26.4	28.9
Saudi Arabia.....	16.4		12.6	0.2	3.9			4.6	0.2	5.1	Nepl.	8.0*			7.3	
Southern Yemen.....	9.5	Nepl.	6.9	1.0	1.4			6.9	1.0	5.3			2.7			
Syria.....	120.6	41.7	127.2	79.5	42.1	20.9	47.8	37.3								

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Table 13

Percentage Share of the Communist Countries  
in the Trade of Selected Less Developed Countries a/  
1968-69

	<u>Exports to</u> <u>Communist Countries</u>		<u>Imports from</u> <u>Communist Countries</u>	
	<u>1968</u>	<u>1969</u>	<u>1968</u>	<u>1969</u>
<u>Africa</u>				
Algeria	6.4	9.0	6.4	7.2
Angola	0.7	0.4	0.1	0.8
Cameroon	3.1	5.4	2.2	1.9
Chad	--	--	4.0	3.4
Congo (B)	2.1	N.A.	4.5	N.A.
Dahomey	Negl.	N.A.	5.3	N.A.
Ethiopia	3.3	2.1	5.0	6.1
Ghana	6.7	3.2	6.4	7.4
Guinea	7.4	N.A.	b/	N.A.
Ivory Coast	0.9	1.3	1.0	1.1
Kenya	2.2	1.8	3.0	2.8
Libya	0.1	0.3	8.3	7.5
Malagasy Republic	0.1	Negl.	0.1	Negl.
Mali	7.3	2.8	34.7	19.5
Morocco	13.1	12.6	11.2	14.0
Nigeria	4.7	3.2	6.1	5.4
Senegal	0.2	0.2	4.3	4.2
Sierra Leone	--	N.A.	9.5	14.4
Somalia	0.6	N.A.	8.6	N.A.
Sudan	19.7	19.0	21.1	16.5
Tanzania	5.1	6.7	8.4	7.8
Togo	Negl.	2.3	8.2	7.4
Tunisia	18.9	11.7	8.2	6.9
Uganda	4.0	6.3	5.7	4.7
<u>Europe</u>				
Portugal	0.9	0.9	1.4	1.4
Spain	5.8	5.3	3.1	2.8
<u>East Asia</u>				
Burma	3.3	N.A.	12.8	N.A.
Cambodia	18.0	N.A.	10.0	N.A.
Indonesia	2.6	1.5	0.7	5.0
Malaysia	10.6	11.6	7.2	7.3
Singapore	5.8	8.7	10.2	8.1
Thailand	0.3	0.3	1.1	0.8

Table 13

Percentage Share of the Communist Countries  
in the Trade of Selected Less Developed Countries a/  
1968-69  
(Continued)

	Exports to Communist Countries		Imports from Communist Countries	
	1968	1969	1968	1969
<u>Latin America</u>				
Argentina	3.7	4.2	1.2	1.6
Brazil	6.5	5.6	4.4	3.2
Chile	Negl.	0.1	0.7	0.7
Colombia	3.7	4.3	2.7	2.6
Ecuador	13.3	9.5	1.1	3.7
Mexico	0.7	0.1	0.3	0.8
Peru	2.4	2.8	1.0	1.6
Uruguay	3.9	5.3	1.7	3.4
<u>Near East and South Asia</u>				
Afghanistan	40.6	N.A.	c/	N.A.
Ceylon	17.1	20.7	19.4	18.9
Cyprus	10.0	10.9	6.2	6.7
Greece	15.3	16.2	8.0	6.1
India	18.2	19.2	12.2	19.7
Iran	3.4	4.4	8.0	8.3
Iraq	1.1	3.3	21.2	23.2
Israel	2.9	3.1	1.9	1.9
Jordan	2.7	3.3	11.1	13.2
Kuwait	Negl.	--	7.4	N.A.
Lebanon	1.7	N.A.	2.3	N.A.
Malta	Negl.	0.5	4.9	4.4
Nepal	2.2	N.A.	2.2	N.A.
Pakistan	10.6	14.7	11.5	11.5
Saudi Arabia	--	N.A.	2.7	1.5
Syria	11.7	38.3	9.1	30.9
Turkey	18.3	16.9	12.8	13.2
United Arab Republic	48.6	53.1	39.4	31.8

a. Soviet trade data from official trade yearbooks; other data from US Department of Commerce and UN, Direction of Trade.

b. The Soviet Trade Handbook is the only source for data on trade with Communist areas. By relating these data to total trade reported in DOT the figure would be 50.5%; if IFS data for world trade are used the figure would be 19.7%.

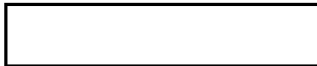
c. The Soviet Trade Handbook is the only source for data on trade with Communist areas. By relating these data to total trade reported in DOT the figure would be 51.3%; if IFS data for world trade are used the figure would be 27%.

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*Aid And Trade Activities Of Communist Countries  
In Less Developed Areas Of The Free World, 1970*

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EIC R14-S25  
February 1971

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Prepared by the Subcommittee on International Trade and Aid



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Foreword

The EIC-R14 series provides periodic summaries and analytical interpretations of significant developments in the economic and military aid activities of Communist countries with less developed countries of the Free World. Highlights of trade developments also are included. These developments are reported on a current, factual basis in the Monthly Reports in the EIC STA 1 series.

Project tables on economic credits and grants are available to recipients on request.

This report, covering the 12 months from 1 January through 31 December 1970, constitutes the twenty-fifth report of the EIC-R14 series. The present report updates and revises data in the previous annual reports; figures in the current supplement supersede those in previous issues. This report was prepared by the Central Intelligence Agency. The draft was reviewed and coordinated by a Subcommittee on International Trade and Aid of the Economic Intelligence Committee, which includes representatives of the Department of State, the Defense Intelligence Agency, the Departments of Commerce and Agriculture, the Agency for International Development, the National Security Agency, and the Central Intelligence Agency. The final report was approved by the Economic Intelligence Committee on 9 February 1971.

In this report the term *Communist countries* refers primarily to the following countries that extend aid to less developed countries of the Free World: the USSR, Communist China, and the following countries of Eastern Europe -- Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. For certain limited purposes the term also may include Albania, Cuba, Mongolia, North Korea, and North Vietnam, none of which is normally a donor of aid. Yugoslavia is not normally included.

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The term *less developed countries of the Free World* includes the following: (1) all countries of Africa except the Republic of South Africa; (2) all countries of East Asia except Japan; (3) Portugal and Spain in Europe; (4) all countries in Latin America except Cuba; and (5) all countries in the Near East and South Asia.

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AID AND TRADE ACTIVITIES  
OF COMMUNIST COUNTRIES  
IN LESS DEVELOPED AREAS  
OF THE FREE WORLD  
1970


Summary

Major Trends (see Figure 1)

Although Communist aid initiatives during 1970 generally conformed to the conservative aid policies pursued by most Communist countries in the post-Khrushchev years, the USSR provided a record amount of military aid to the UAR and Communist China made major economic aid commitments to Pakistan and for the Tan-Zam Railroad.

Moscow's extension of \$650 million of military aid to the UAR was the largest annual Soviet aid commitment ever given to a Third World country.



 For Communist China, 1970 was the year when it emerged from the aftermath of the Cultural Revolution, a year in which China tried to resume its role as an international power, when it again made a bid to expand its presence in the Third World. China's \$710 million of economic aid extended to less developed countries was far larger than the total amount of aid extended by all other Communist donors in 1970 and was more than double China's own previous peak year extensions in 1964. Chinese aid for constructing the Tan-Zam Railroad was the largest credit ever extended by a Communist country to a single development project in a less developed country. It also reaffirmed China's continuing interest in Africa and is part of Peking's attempt to renew and establish more firmly its presence on that continent.

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### Economic Aid

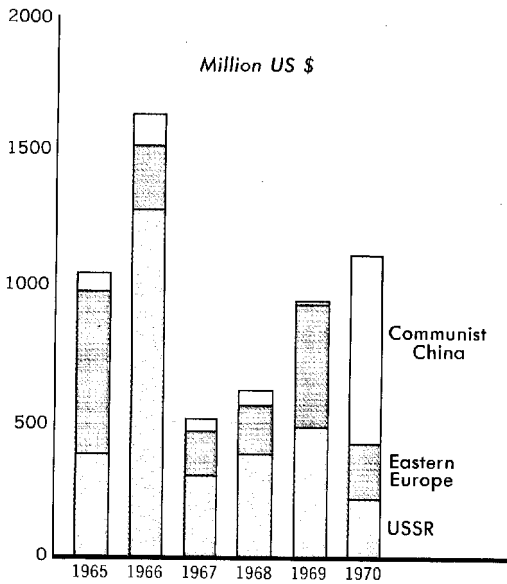
Communist countries extended more than \$1.1 billion of economic assistance to the less developed countries during 1970, bringing total extensions\* since 1954 up to \$11.9 billion (see Figure 2). Communist China's aid accounted for nearly two-thirds of the total in 1970. Its major commitments were \$400 million to Tanzania and Zambia for building the Tan-Zam Railroad and \$200 million to Pakistan for its Fourth Five-Year Plan. No other major economic agreements were concluded by Communist countries during the year. The USSR agreed to provide a total of \$210 million (its smallest annual commitment since 1962) to 11 countries, and East European countries extended about \$190 million. This was only about 40% of the total commitments made by East European countries in 1969. Drawings on Communist economic aid increased to \$475 million in 1970, the second successive annual increase following a four-year period when drawings were falling. The upward course reflects larger Soviet deliveries, particularly to Iran and Turkey. The total drawn by the end of 1970 on aid extended since the start of the program in 1954 is estimated at about \$5 billion.

Communist economic technicians in the less developed countries numbered about 24,000 in 1970, a 10% increase over 1969. Soviet technicians accounted for about 45% of the total, the same as in 1969, while the number of Chinese Communists increased to a record one-third of the total because of the more than 4,100 additional Chinese personnel sent to work on the Tan-Zam Railroad. The number of East European personnel dropped by more than 25%, primarily because of reductions in the number employed in Libya and Tunisia under

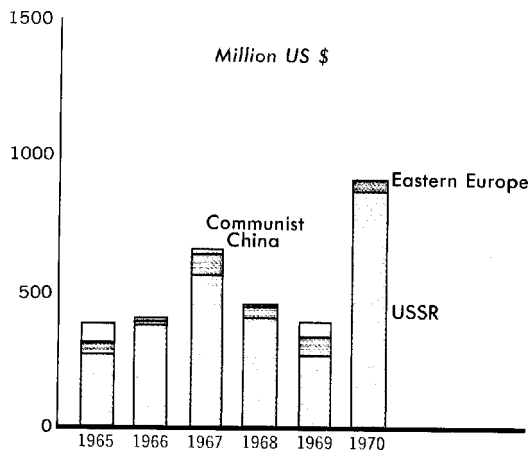
\* In this report the term extension refers to a commitment to provide goods and services, either as a grant or on deferred payment terms. Credits allowing 5 years or more for repayment are included. Assistance is considered to have been extended when accords are initialed and constitute a formal declaration of intent. The term drawings refers to the delivery of goods or the use of services.

# COMMUNIST ACTIVITY IN LESS DEVELOPED COUNTRIES OF THE FREE WORLD,\* 1965-70

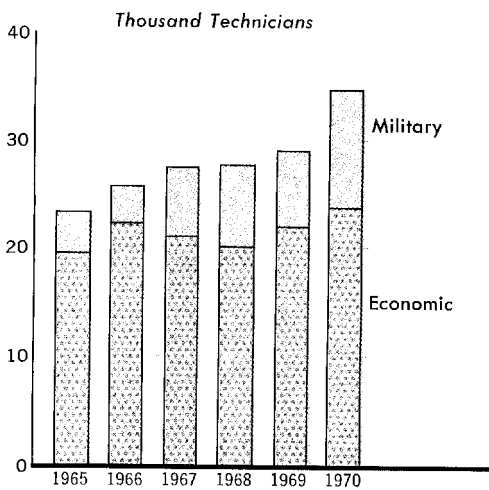
**ECONOMIC ASSISTANCE EXTENDED**



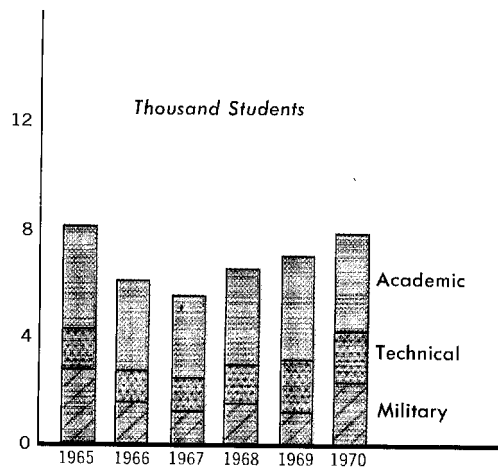
**MILITARY ASSISTANCE EXTENDED**



**ECONOMIC AND MILITARY TECHNICIANS IN LESS DEVELOPED COUNTRIES**

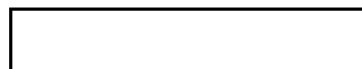


**STUDENTS DEPARTING FROM LESS DEVELOPED COUNTRIES FOR TRAINING IN COMMUNIST COUNTRIES**



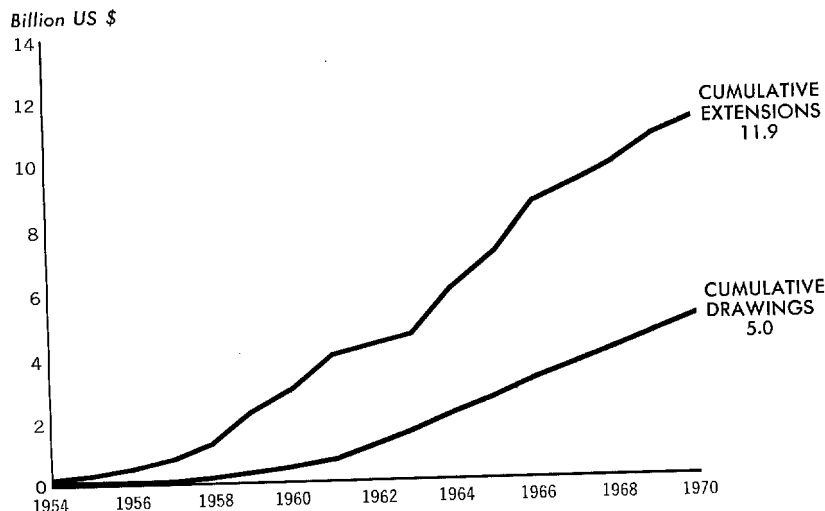
\*Trade of Communist Countries with Less Developed Countries of the Free World is shown in Figure 4.

NOTE: Data are revised periodically to include new information and therefore may not be comparable with data previously presented.



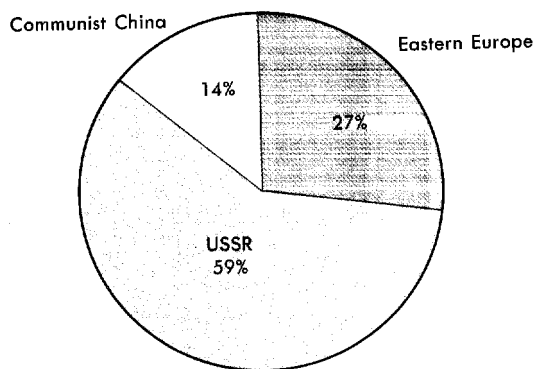
# COMMUNIST ECONOMIC ASSISTANCE TO LESS DEVELOPED COUNTRIES OF THE FREE WORLD 1954-70

CUMULATIVE EXTENSIONS AND DRAWINGS



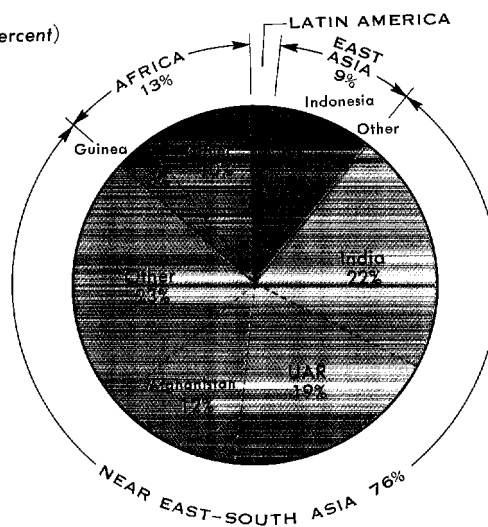
SHARE OF TOTAL  
 ECONOMIC ASSISTANCE EXTENDED  
 1954-70  
 By Donor

(Percent)



SHARE OF TOTAL  
 ECONOMIC ASSISTANCE DRAWN, 1954-70  
 By Recipient

(Percent)



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commercial contract. Communist countries continued to train personnel for technical jobs\* though the number going abroad for this training in 1970 declined to 1,650 from about 1,900 in 1969. Meanwhile, the USSR has continued to build training facilities in the less developed countries and also to provide on-the-job training at plants in the less developed countries. Approximately 3,650 students from the Third World went to Communist countries for academic training\*\* during 1970, bringing the total number that has gone for this training during the 15 years of the program up to more than 47,000. During 1970 the USSR, for the 1st time since 1965, made additional places available for students from less developed countries, bringing its total enrollment up to about 12,700. Approximately 8,700 students were enrolled in East European institutions. No Third World students are known to be studying in Communist China.

#### Military Aid

Military aid of \$910 million extended to less developed countries in 1970 was at a near record level, bringing the total committed since 1955 to \$7.5 billion. The UAR was by far the most important aid recipient, receiving \$650 million of aid, or more than 70% of the total. Included in this



\* Technical trainees are personnel trained to perform jobs on Communist-built installations in the less developed countries. They undertake training on-the-job in Communist countries or are trained in Communist technical schools that require less than one year of training.

\*\* Academic students include those enrolled in universities, colleges, and specialized secondary schools. Although these include students taking advanced degrees whose course of study may be as little as one year, the period of study is usually 5 to 6 years.

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[Redacted]

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By the end of 1970, Communist countries had delivered nearly \$6.3 billion of military aid to 24 less developed countries, or about 85% of their total commitments since 1955. In 1970 alone, deliveries were \$980 million, the highest for any year since the program began. The UAR accounted for \$670 million of the total. The number of Communist military technicians [Redacted]

[Redacted]

[Redacted] rose to more than 10,700, an increase of 50% over 1969. The UAR accounted for 60% of the total number of technicians in less developed countries during 1970. There also were about 2,500 military personnel from the less developed countries that went to Communist countries for military training in 1970, bringing the total to about 29,200 who have received this training since the inception of the program.

#### Trade

After a four-year period of relative stagnation, Communist trade turnover with Third World countries rose by 13% in 1969\* to more than \$5.2 billion. Virtually all of the growth occurred in Soviet trade which, after hovering around \$1.7-\$1.8 billion during 1965-68, jumped to \$2.3 billion. Soviet trade with Algeria, India, Iran, and the UAR accounted for about 60% of the increase. There has been little basic alteration in the composition of Soviet trade with the less developed countries in recent years. The most important change in the composition of Soviet exports was in the machinery and equipment category, which rose from 51% of the total in 1968 to 54% in 1969. Raw materials, which fell from 44% of the total in 1968 to 41% in 1969, showed the largest change in the import category. Food imports increased slightly to 39%. Petroleum products, petroleum, and natural gas also increased as a share of total imports to 2.7% in 1969, from 1.2% in the preceding year.

\* This is the latest year for which comprehensive Communist trade data are available.

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I. Communist Activities  
in Less Developed Areas, by Type of Activity

Major Trends

Communist aid initiatives during 1970, except for military aid to Egypt and economic aid to Pakistan and the Tan-Zam Railroad, generally conformed to the conservative aid policies pursued by most Communist countries in the post-Khrushchev years. Although drawings on economic aid increased, no important new Soviet or East European economic aid agreements were signed during the year, and the terms of most agreements continued to be less concessional than in the early 1960s. On the other hand, Communist countries continued to use economic and military aid to foster their own national interests in selected less developed countries and to strengthen their economic and political bonds with these countries.

[redacted] for Communist China, two large economic aid commitments demonstrated China's intention to reassert its presence and influence in the Third World.

Moscow's extension of \$650 million of military aid to the UAR was the largest annual aid commitment ever given to a Third World country.

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For Communist China, 1970 was a banner year. It was the year when China emerged from the aftermath of its Cultural Revolution, a year when it tried to resume its role as an international power, when it again made a bid to expand its presence in the Third World. China's \$710 million of economic aid extended to less developed countries was far larger than the total amount of such aid extended by all other Communist donors in 1970 and was more than double China's own previous peak year extensions in 1964. Two major credits, \$200 million to Pakistan and \$400 million for the Tan-Zam Railroad, accounted for most of the aid. But the aid for constructing the Tan-Zam Railroad was by far the most significant. It is the largest credit ever extended by a Communist country to a single development project in a less developed country. It exceeds by \$75 million Soviet credits for the Aswan Dam, previously the largest Communist undertaking. The credit for the Tan-Zam Railroad reaffirms China's continuing interest in Africa and is part of China's attempt to renew and establish more firmly its presence on that continent.

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Economic Assistance

Credits and Grants

*Extensions*

Communist countries extended more than \$1.1 billion of economic assistance to the less developed countries during 1970, up \$170 million from 1969 and bringing their total commitments since the start of the program in 1954 up to \$11.9 billion (see Tables 1 and 3-7 and Figure 2). For the first time Communist China's aid agreements exceeded the value of the combined aid of other Communist donors. Its extensions of almost \$710 million accounted for nearly two-thirds of total Communist economic aid agreements, while the USSR and East European countries extended about \$210 million and \$190 million respectively. Bolivia, Costa Rica, and Venezuela received Communist aid for the first time. The largest recipients of aid were Tanzania, Zambia, and Pakistan, each of whom received commitments of approximately \$200 million from Communist China.

It was the peak year for the Chinese Communist aid program. New Chinese undertakings in 1970, which were more than twice their previous record level achieved in 1964, account for about 42% of all Chinese aid extended since 1956. The \$400 million extended to Tanzania and Zambia for building the Tan-Zam Railroad represents the largest credit ever provided by a Communist country for a single project in the Third World. During 1970, Communist China also extended a \$200 million credit to Pakistan for project and commodity assistance. With this new commitment, Pakistan continued as China's largest aid recipient. China also extended smaller amounts of aid to Ceylon, Guinea, Southern Yemen, and Sudan.

Repayment terms for Chinese Communist aid, all of which is interest free, were somewhat more liberal than usual for the \$400 million of aid to Tanzania and Zambia extended in 1970. Repayment of this credit is to be made over 30 years instead of the more usual 10 years plus a grace period.

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Table 1  
Economic Aid Extended by Communist Countries  
to Less Developed Countries of the Free World a/  
1970

Million Current US \$

Country	Eastern Europe									
	Total	USSR	Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Romania	Communist China
<i>Total</i>	1,110.0	210.4	191.5	52.0	15.0	19.2	85.8	10.0	9.5	708.1
<u>Africa</u>	598.1	56.1	89.2	40.0	0	19.2	30.0	0	N.A.	452.8
Algeria	74.1	--	74.1	40.0	--	14.1	20.0	--	--	--
Central African Republic	N.A.	N.A.	N.A.	--	--	--	--	--	--	--
Congo (B)	5.1	--	5.1	--	--	5.1	--	--	N.A.	--
Guinea	10.0	--	--	--	--	--	--	--	--	--
Mauritius	5.0	5.0	--	--	--	--	--	--	--	--
Morocco	44.4	44.4	--	--	--	--	--	--	--	10.0
Nigeria	6.7	6.7	--	--	--	--	--	--	--	--
Sudan	51.6	--	10.0	--	--	--	--	--	--	--
Tanzania	200.6	--	--	--	--	--	10.0	--	--	41.6
Zambia	200.6	--	--	--	--	--	--	--	--	200.6
<u>Latin America</u>	115.8	65.8	50.0	0	15.0	0	25.0	10.0	0	200.6
Bolivia	27.5	27.5	--	--	--	--	--	--	--	0
Costa Rica	10.0	10.0	--	--	--	--	--	--	--	--
Peru	53.3	28.3	25.0	--	--	--	--	--	--	--
Uruguay	15.0	--	15.0	--	--	--	15.0	10.0	--	--
Venezuela	10.0	--	10.0	--	10.0	--	10.0	--	--	--
<u>Near East and South Asia</u>	396.1	88.5	52.3	12.0	0	0	30.8	0	9.5	255.3
Afghanistan	2.8	2.8	--	--	--	--	--	--	--	--
Ceylon	20.5	8.4	--	--	--	--	--	--	--	--
Iran	54.4	54.4	--	--	--	--	--	--	--	--
Iraq	65.3	22.5	42.8	12.0	--	--	--	--	--	12.1
Pakistan	209.5	--	9.5	--	--	--	30.8	--	--	--
Southern Yemen	43.2	--	--	--	--	--	--	--	9.5	200.0
Yemen	0.4	0.4	--	--	--	--	--	--	--	43.2

a. All credits except for \$0.4 million Soviet grant to Yemen and \$3.2 million of Chinese Communist aid to Ceylon.

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No major new Soviet economic aid was provided to the less developed countries during 1970. Its new commitments were the lowest for any year since 1962. Although 11 countries shared in the USSR's total extensions of \$210 million, only Iran received credits exceeding \$50 million. A credit of almost \$45 million was extended to Morocco; Bolivia, Peru, and Iraq received aid commitments ranging between \$20 million and \$30 million; Costa Rica received \$10 million for roadbuilding equipment; and lesser amounts went to Ceylon, Mauritius, and Nigeria. With the possible exception of the aid to Nigeria and Mauritius, Soviet extensions were primarily for capital goods purchases, the repayment terms for which are harder than those traditionally associated with Soviet aid. Instead of the usual repayment terms of 12 years at 2½% interest, about 95% of the aid extended by the USSR in 1970 is to be repaid over 8-10 years at interest rates of 3%-4%. In some cases downpayments are required.

East European economic aid agreements in 1970 also totaled about \$190 million, considerably below the 1969 level of \$450 million but 13% above the average of their commitments in 1967 and 1968. Hungary and Bulgaria, with extensions of \$86 million and \$52 million, respectively, accounted for more than 70% of the total provided by Eastern Europe. Algeria and Iraq, by far the largest recipients of East European aid in 1970, received commitments of \$74 million and \$43 million, respectively. Aid totaling \$25 million was extended to Peru and lesser amounts were extended to Congo (B), Pakistan, Sudan, Uruguay, and Venezuela.

*Drawings\**

Limited reporting, especially from the Near Eastern countries where major programs are under way, has reduced the precision of estimates of



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recent annual drawings. Estimates for 1970 are based largely on project construction schedules previously announced, adjusted for current information. These estimates show an increase in drawings in 1970, the second successive annual increase after the decline that began in 1965. From a peak of \$560 million in 1964, total Communist deliveries had fallen to about \$460 million by 1968, then (based on recently revised data) recovered slightly in 1969 (see Table 8). Deliveries continued an upward course in 1970, totaling about \$475 million. Soviet deliveries rose to about \$340 million compared with an annual average of \$320 million for the previous five years. Drawings on East European and Chinese aid were about \$90 million and \$45 million, respectively, roughly the same as in 1969. Deliveries in 1970 brought the total drawn on Communist aid since 1955 up to about \$5 billion.

Drawings are believed to have increased in spite of the general cutback of new investments in some Arab countries of the Near East and in India, countries which have received the largest share of past Communist aid deliveries. Deliveries for the Helwan steel mill in the UAR and the Bokaro plant in India were not large enough to compensate for reduced drawings following the completion of other large undertakings in these countries. Nevertheless, total drawings began to rise again in 1969 and continued in 1970 as a result of the vastly accelerated flow of Soviet equipment to Iran and, to a lesser extent, to Turkey, Algeria, and Syria. The upsurge in deliveries to Iran accounted for most of the rise in 1970, as the Soviet-aided natural gas pipeline was completed and good progress was made on the Soviet-aided steel mill and the hydroelectric and irrigation scheme on the Aras River. All of the Soviet-assisted projects in Turkey, including a steel mill, were under way and work on the Annaba steel mill in Algeria, after five years of virtual inactivity, had begun in earnest. In Syria, where the Euphrates Dam is under construction, and in Iraq, where oil drilling under 1969 credits got under way, drawings also were increased in 1970.

Technical Assistance

*Economic Technicians\**

The number of Communist economic technicians in the less developed countries during 1970 rose about 10% to approximately 24,000 (see Table 9). In addition to the overall increase, there were important changes in the number of Chinese Communist and East European technicians. The number of Chinese Communists providing technical services in less developed countries rose to 8,100, up 60% from 1969. The number of East European technical personnel dropped by more than 25% to 5,200 reflecting primarily reductions in those employed in Libya and Tunisia under commercial contract. The USSR increased the number of its technicians by about 10% to about 10,700. They accounted for about 45% of the total, about the same ratio as in most recent years. The Chinese, whose number rose to its highest level since the beginning of China's aid program, because of the more than 4,100\*\* additional Chinese personnel sent to work on the Tan-Zam Railroad, contributed a record one-third to the number of Communist technicians present in Third World countries. This compares with somewhat less than one-fourth in 1969 and 20% in 1968. Eastern Europe's technical personnel in aid-receiving countries accounted for little more than 20% of the total in 1970.

Africa, which in recent years has received more than one-half of all Communist technicians sent to Third World countries, accounted for almost 60% of the total number present in 1970. The somewhat heavier concentration during 1970 was due largely to the huge influx of technicians to work on the Tan-Zam Railroad. A large number of technicians also continued to be employed under commercial contract and on non-project activity. Of the approximately 4,000 Soviet technicians in Africa, more than half were employed in Algeria as oil technicians, mining and geological experts, teachers, doctors and nurses, and on economic aid

\* Including personnel working under commercial contracts as well as economic aid agreements.

\*\* May include laborers as well as technicians.

projects. Although there were significant reductions in the number of East European personnel employed in Libya and Tunisia under commercial contract, 40% of the more than 3,000 East European technicians in Africa still were working in these two countries. The largest contingent of East Europeans in Africa (880), however, was in Algeria.

The second largest group of Communist technicians (9,400) were employed in the Near East and South Asia during 1970. Their number declined somewhat from the 1969 level largely because of the reduced number of Chinese in Pakistan, where about 950 technicians working on the Gilgit-Sinkiang Road had departed by the end of 1969 when the project was completed. Large declines also occurred in Iraq and the UAR, where new project activity had not accelerated sufficiently to offset departures. Iran was the only country in the area where there was a marked increase in the number of technicians. They rose by more than 35% in 1970 to 1,835. Nearly all of the increase was in Soviet personnel that came to work on mining operations for iron and coal to supply the steel plant being built at Isfahan.

There was little change in the number of Communist personnel present in most other countries and areas during 1970, except for Guinea and Brazil. The number of Soviet technicians in Guinea increased by 200 during 1970 and in Brazil the number of East Europeans under commercial contract increased from 25 to over 100.

#### *Technical Trainees*

During 1970, an estimated 1,650 trainees from the less developed countries went to Communist countries to develop skills for use on Communist-aided projects (see Table 10). This compares with about 1,900 that undertook similar training in the previous year. A total of 18,600 have been trained since 1956. As in the past, most of the technical personnel went to the USSR, which took about two-thirds of the total. By far the largest share (80%) of the trainees came from those Near East and South Asian countries where

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the major Communist aid undertakings are concentrated. In addition to the technical trainees that have gone to Communist countries, by the end of 1969 more than 150,000 workers had been trained on-the-job at Soviet project sites.

The size of the program for training skilled labor, technicians, and administrative personnel in Communist countries is expected to decrease gradually as the number of Communist-built technical training facilities in the less developed countries is increased. Many personnel who in the past would have gone to Communist countries will be trained in local schools as they become operational, and training in Communist countries will be confined largely to advanced courses or to particular specialties. By October 1970 the USSR had built or was constructing 115 technical schools in the less developed countries. In the UAR alone some 23,000 personnel currently are enrolled in technical schools constructed with Soviet assistance. Other important aid recipients where these training facilities are being constructed include Afghanistan, Algeria, Ethiopia, India, Iran, and Iraq.

#### Academic Students in Communist Countries

Approximately 3,650 students from the Third World went to Communist countries for academic training during 1970 (see Table 11). Of this number, 2,300 enrolled in Soviet academic institutions, while 1,350 went to East European countries. Although a few Chinese Communist universities opened for the first time since the Cultural Revolution began in 1966, they are not believed to have admitted any students from the less developed countries.

African nationals accounted for about one-half of the total number of new students in 1970, roughly the same share this area has represented since 1961. They were followed in importance by Near East and South Asian nationals, who made up about one-third of the total, and Latin American students who accounted for 15% of the total. The remainder came from East Asian countries. Algeria, Nigeria, Sudan, Syria, and the UAR sent

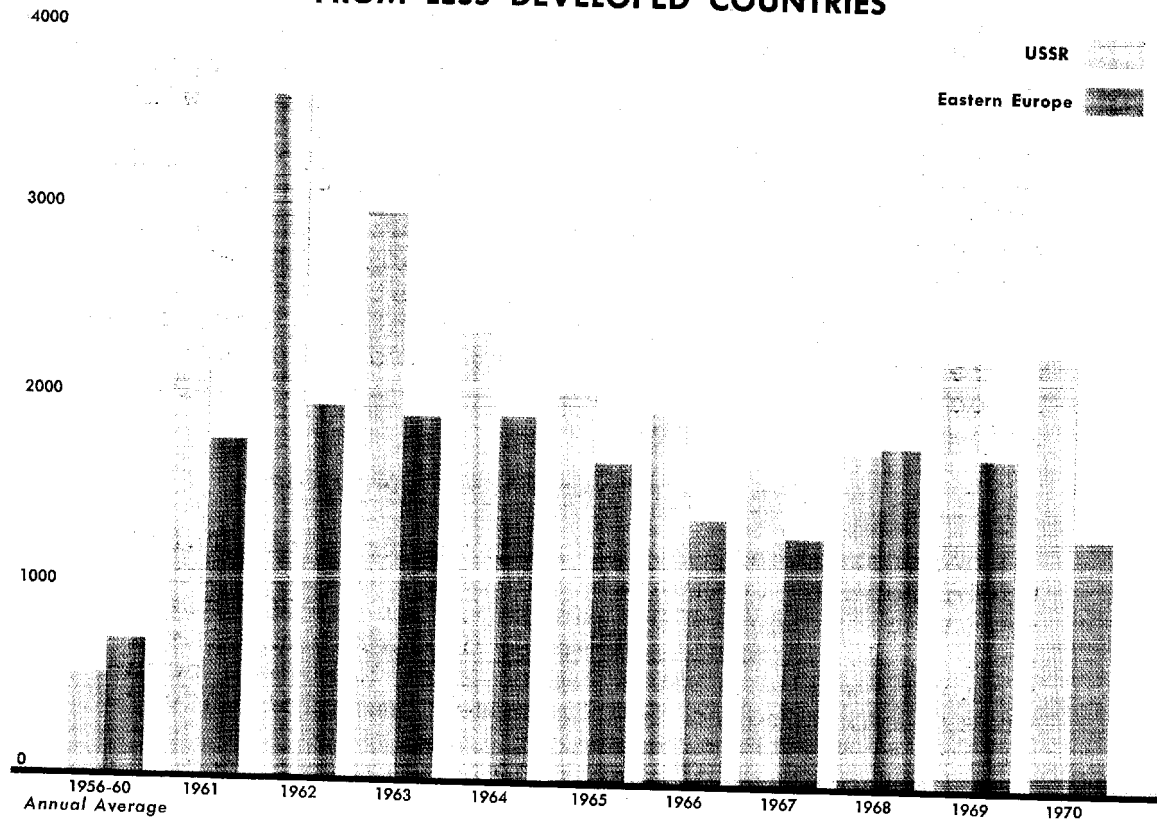
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the largest contingents of students to the Communist countries.

During the 15 years since Communist countries began to accept students from the developing nations, annual departures for study in both the USSR and Eastern Europe have followed a similar pattern (see Figure 3). Both the USSR and East

### ANNUAL DEPARTURES OF ACADEMIC STUDENTS FROM LESS DEVELOPED COUNTRIES

Figure 3



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European countries had peak admissions in 1962. The number of enrollees subsequently declined until 1968, when the number again began to increase. A cyclical pattern for the number of new enrollees has emerged that appears to relate largely to the length of the course of study in these institutions -- generally five years in the USSR and five to six years in most East European

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countries. Fluctuations in the number of annual departures are largely a function of the number of places for study made available by students who complete their courses. They also reflect changes in the number of places allotted by Communist countries to nationals from the less developed countries. In 1970, the USSR, for the first time since 1965, made additional places available for Third World nationals, bringing its total enrollment of these students up slightly to about 12,700. An estimated 8,700 students from the less developed countries were studying in East European countries, somewhat less than in the mid-1960s because of a smaller program in Czechoslovakia.

Since the introduction of the Communist academic training program in 1956, approximately 47,300 students from the developing nations have gone to Communist countries for training. About 25,800 of these have gone to higher educational institutions in the USSR, and some 20,800 to East European universities. Only about 700 have gone to Communist China. Approximately one-half of the students that have gone for training have received degrees -- 8,000-10,000 from East European institutions and about 15,000 from Soviet universities. Few of those who returned home after graduation are believed to have achieved positions of influence in their own governments, but officials in the less developed countries appear generally to be satisfied with the overall quality and the character of the education the students have received. Faced with increasing demands for trained personnel and limited educational opportunities in the West, nationals from the developing countries continue to accept Communist scholarships, and the number of applicants continues to exceed the number of places available to them.

### Military Assistance

#### Credits and Grants

##### *Extensions*

In contrast with the relatively low-keyed Communist military aid programs of 1968 and 1969, Communist countries extended a near record \$910

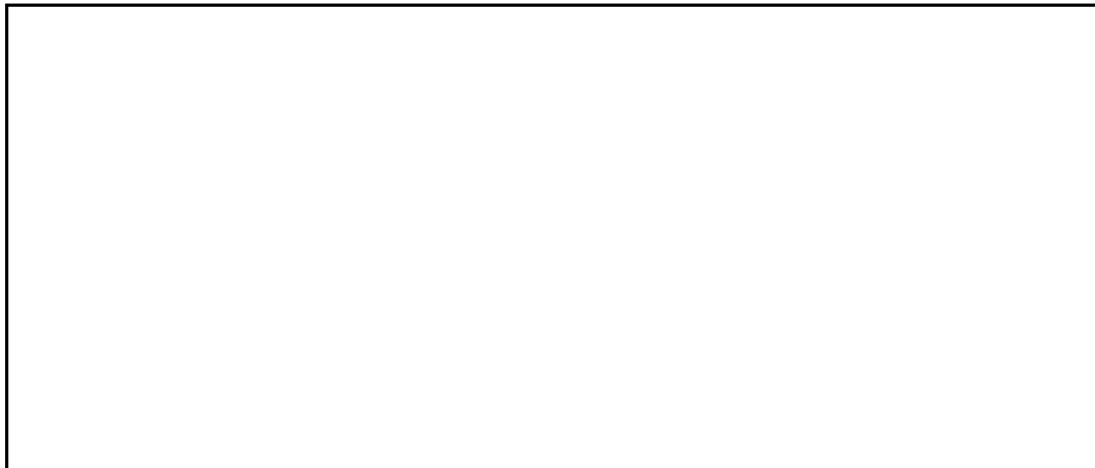
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million of military aid to less developed countries in 1970 (see Table 2). These new estimated commitments brought total Communist arms aid extended since 1955 to about \$7.5 billion (see Tables 12-14). New military aid agreements in 1970 were more than double those for 1969 and larger than for any year since 1964. The USSR provided about \$870 million, or more than 95% of the total extended, and East European countries the remainder. Most of the East European aid went to Syria, under credits extended by Czechoslovakia and Poland for ground equipment and ammunition, to Libya under a Czech credit for ground equipment and to the UAR under a Hungarian agreement for anti-aircraft guns. Bulgaria also extended a \$2 million credit to Yemen for small arms and ammunition.

The Arab countries of the Near East again received the largest share of the total aid extended. Soviet commitments to the UAR alone were approximately \$650 million, or more than 70% of total Communist military aid extended in 1970. The USSR signed its first arms agreement with Libya -- for an estimated \$40 million of ground forces equipment -- and concluded a \$25 million agreement with Iraq for helicopters, support equipment, and spare parts. In other accords, Moscow signed two additional agreements with Iran totaling \$150 million for ground forces equipment, agreed to provide Burma with a large quantity of small arms -- the first Soviet military agreement with that country -- and apparently agreed to provide Somalia with additional jet fighters and ground equipment.



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Table 2

Military Aid Extended by Communist Countries  
to Less Developed Countries of the Free World a/  
1970

Million Current US \$

Country	Eastern Europe							Communist China
	Total	USSR	Total	Bulgaria	Czechoslovakia	Hungary	Poland	
<i>Total</i>	912	870	42	2	20	10	10	N.A.
<u>Africa</u>	45	40	5	0	5	0	0	0
Burundi	Negl.	Negl.	--	--	--	--	--	--
Libya	35	30	0	--	5	--	--	--
Somalia	10	10	--	--	--	--	--	--
<u>East Asia</u>	N.A.	N.A.	0	0	0	0	0	0
Burma	N.A.	N.A.	--	--	--	--	--	--
<u>Near East and South Asia</u>	867	830	37	2	15	10	10	N.A.
Iran	150	150	--	--	--	--	--	--
Iraq	25	25	--	--	--	--	--	--
Pakistan	N.A.	--	--	--	--	--	--	N.A.
Southern Yemen	5	5	--	--	--	--	--	--
Syria	25	--	25	--	15	--	10	--
United Arab Republic	660	650	10	--	--	10	--	--
Yemen	2	--	2	2	--	--	--	--

a. Excludes downpayments and cash sales.

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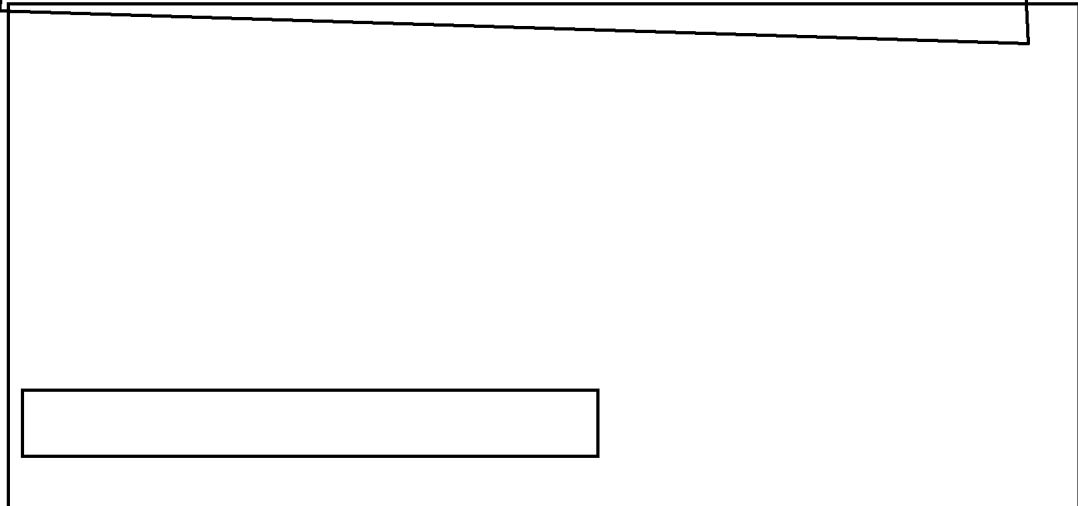
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*Drawings*

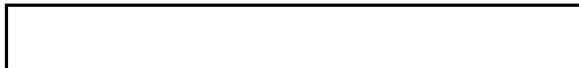
By the end of 1970, Communist countries had delivered nearly \$6.3 billion of military aid to 24 less developed countries or about 85% of their total commitments since 1955. Estimated deliveries of \$980 million for 1970 are the highest for any year since the program began and more than twice the annual average for the past three years. The USSR accounted for all but 5% of the deliveries. About \$775 million of the total aid delivered went to the Arab countries of the Near East of which an estimated \$670 million was delivered to the UAR.



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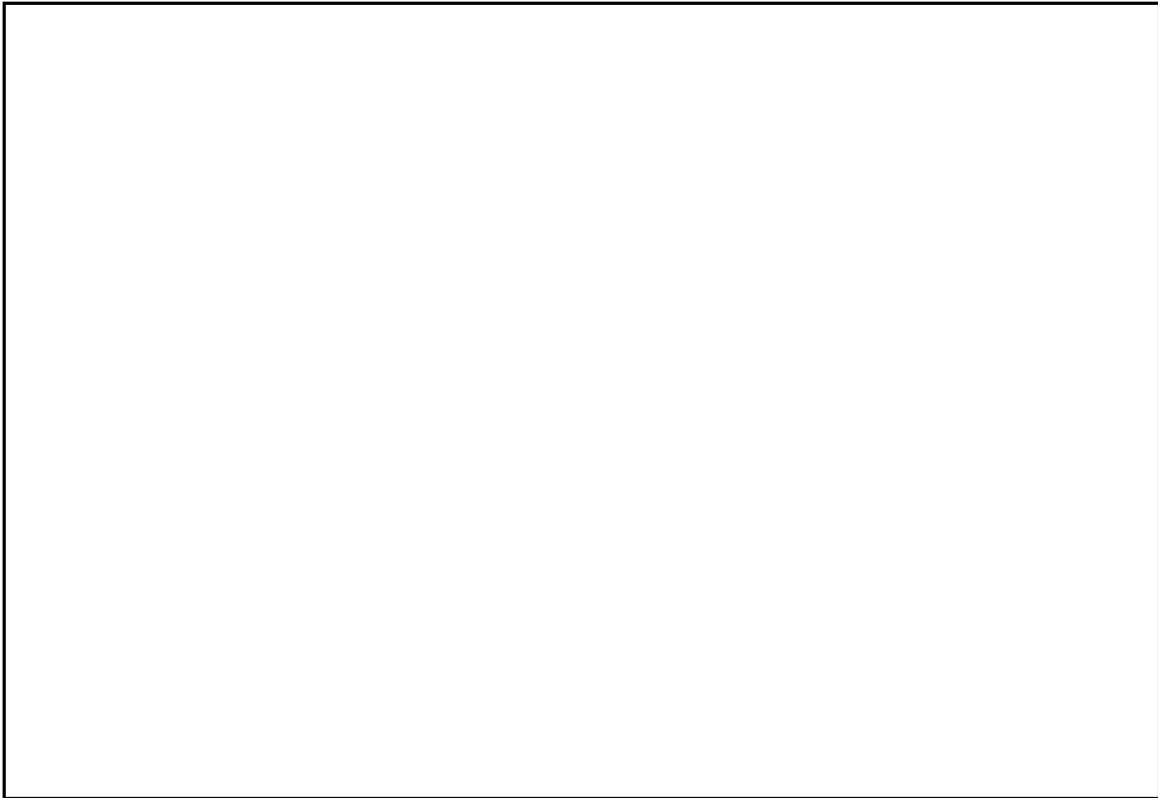
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Technical Assistance

*Military Technicians*

The number of Communist military technicians in less developed countries during 1970 rose to about 10,700, an increase of 50%, from an estimated 7,100 in 1969 (see Table 17). Most of the increase came from the USSR, while the number of Chinese technicians rose from 325 to 545.

The heaviest concentration of Soviet personnel was in the UAR where about 60% of the Communist technicians were stationed. Their number doubled to an estimated 6,500 in 1970.\* Additional Soviet advisers also arrived in Sudan and Syria

Most of the growth in the Chinese presence occurred in Tanzania where technicians helped to construct naval and air bases and to establish an air defense



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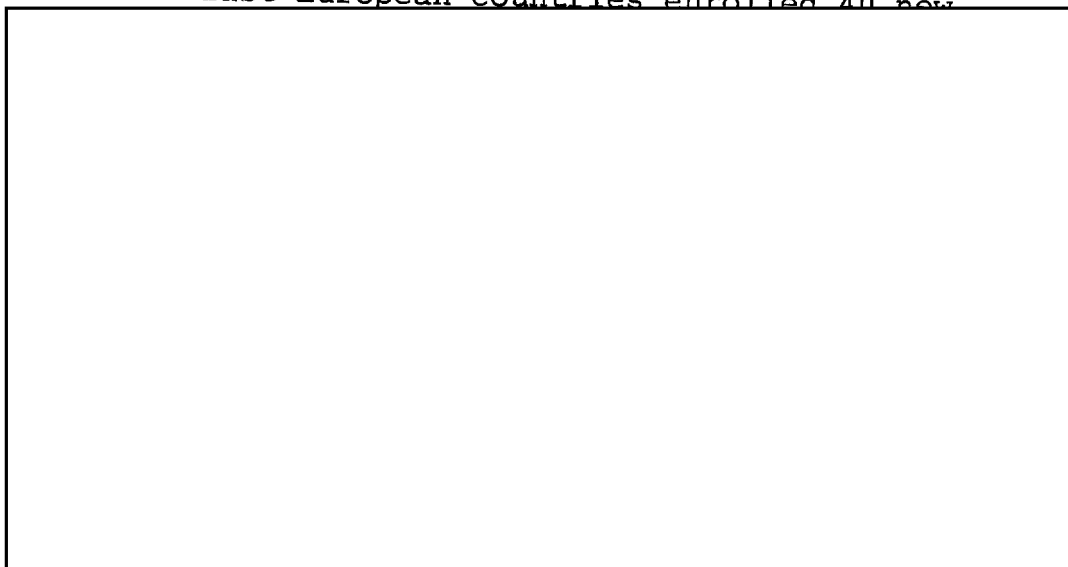
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force. Only in India, Algeria, Mali, and Nigeria were there major reductions in the number of technical personnel. In India the number of Soviet naval technicians and production specialists assigned to the MIG assembly plant declined by some 150, leaving only about 300 Soviet and East European military personnel. In Nigeria, with the end of its civil war, the number present declined to 50 from the 130 present in 1969, and all Communist military technicians were withdrawn from Cambodia following the March 1970 ouster of Prince Sihanouk.

*Military Trainees from Less Developed Countries*

About 2,500 nationals from the less developed countries departed for military training in Communist countries during 1970 (see Table 18). These departures brought to about 29,200 the estimated number of military personnel from less developed countries who have been sent to Communist countries for such training. Approximately 3,900 of these still were being trained at the end of 1970 mostly in the USSR.

As in the past, most military trainees from the less developed countries went to the USSR. Their number rose to 2,200 in 1970 from 1,200 in the previous year, while those going to Communist China increased to more than 300 from only 15 in 1969. East European countries enrolled 40 new

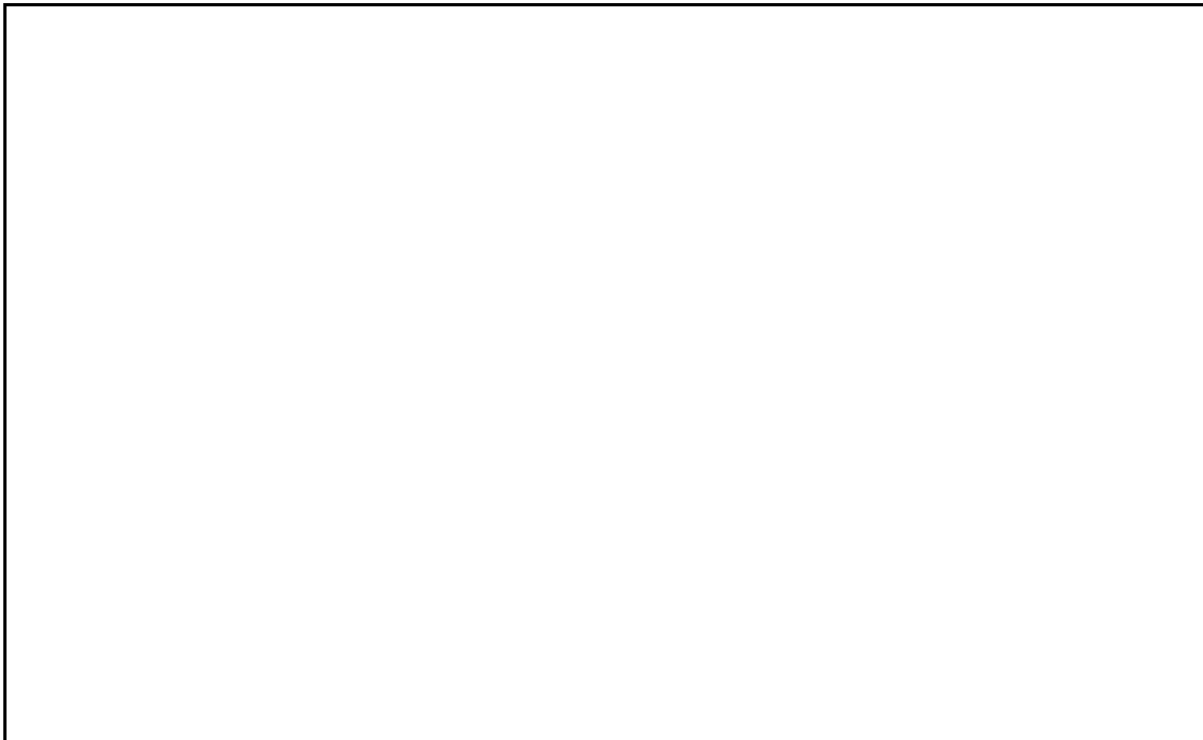


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Trade

Value

After a four-year period of relative stagnation, Communist trade turnover with the less developed countries rose by 13% in 1969 to more than \$5.2 billion (see Table 19 and Figure 4). Virtually all of this growth occurred in Soviet trade, which, after hovering around the \$1.7-\$1.8 billion mark during 1965-68, jumped to \$2.3 billion of Soviet trade. Exports and imports shared equally in the increase. Looking back to the beginning of the decade, gains in Soviet-Third World trade were even more significant, as Soviet imports from these countries doubled and its exports more than tripled.

In 1969, for the first time since 1965, the value of Soviet trade with the Third World exceeded Eastern Europe's, which remained at the 1968 level of about \$2 billion. Though Eastern Europe's exports fell slightly, its imports rose to compensate for the decline. Communist China's trade with the less developed countries rose from about \$700 million in 1968 to some \$745 million

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in 1969; and its share in total Communist-Third World trade remained at about 15%. The USSR's share in the total rose to 45% from less than 40% in the previous year, while Eastern Europe's share declined to 40%.

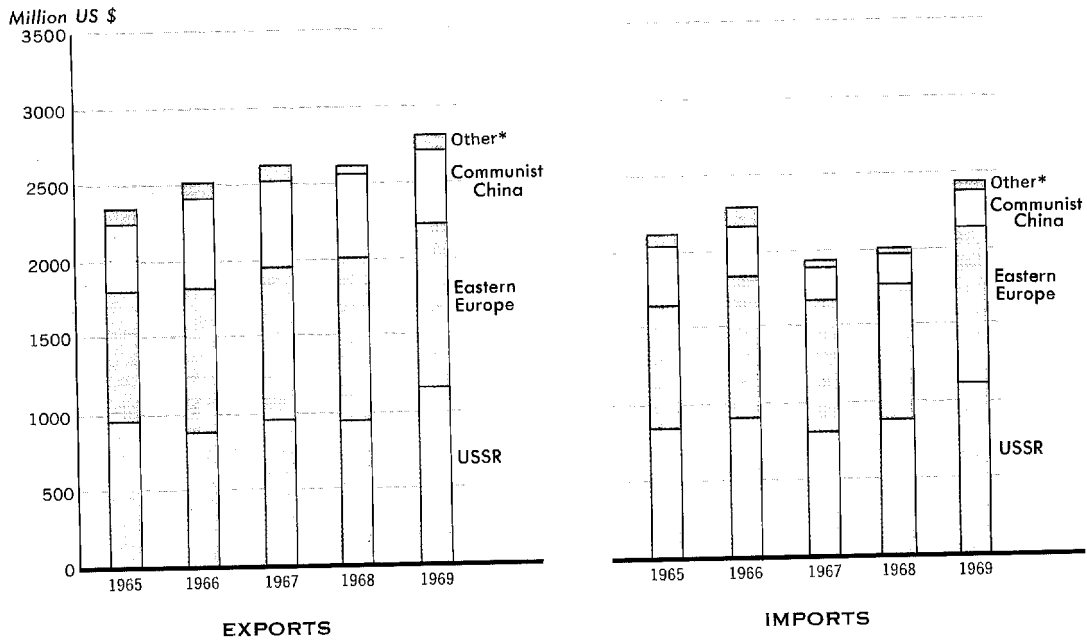
The upsurge in Soviet-Third World trade in 1969 was a result of increases in its trade with less than half a dozen countries, all of whom had been major Soviet trading partners in the past. The USSR's trade with Algeria, India, Iran, and the UAR accounted for about 60% of the increase. Soviet exports to Iran doubled as a result of a sharp acceleration of Soviet aid deliveries, and the UAR's total trade turnover with the USSR increased by about 25% following larger Soviet purchases of the UAR's expanded cotton crop and of non-traditional Egyptian goods. The UAR's requirements for Soviet goods also increased. Algeria's trade with the USSR rose as a result of larger aid deliveries and larger exports to the USSR of wine, iron ore, and petroleum, some of which was diverted to other countries. The rise in Soviet imports from India reflected the expanded purchases of steel rails and other Indian manufactures as part of an attempt to utilize Indian plant capacity built with Soviet assistance more fully and to draw down Soviet-held rupee balances.

Increases in Eastern Europe's trade with certain less developed countries were offset by reduced trade with other countries. Eastern Europe's trade with the UAR, its second largest trading partner in the Third World, underwent the largest changes as East European exports dropped by 30%. This may have been a reflection of domestic restraints placed on Cairo's investment program. Their imports, however, increased by 25% as Eastern Europe took larger quantities of Egyptian manufactures and more of the UAR's larger cotton crop. Eastern Europe's trade patterns with other less developed countries remained fairly constant except for sharp declines in exports to Brazil and Greece. From a peak of \$76 million in 1968, East European exports to Brazil declined to \$57 million in 1969. Eastern Europe's exports to Greece declined from \$84 million to \$66 million during the same period.

Figure 4

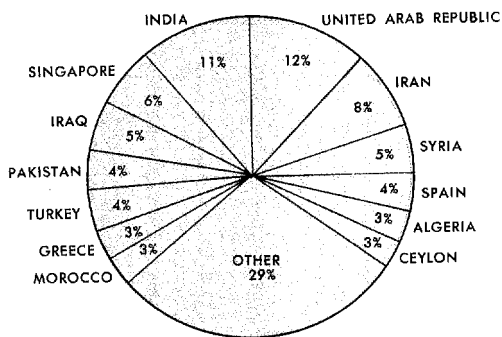
# COMMUNIST EXPORTS TO AND IMPORTS FROM LESS DEVELOPED COUNTRIES OF THE FREE WORLD

## VALUE OF TRADE, 1965-69

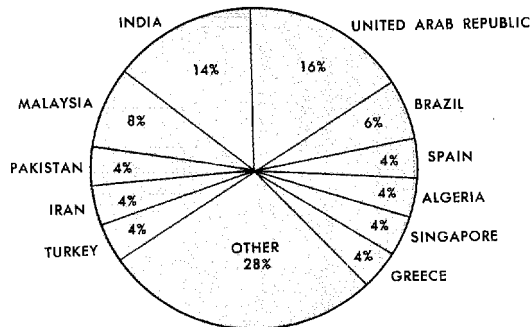


\* Including trade of Albania, Cuba, North Korea, North Vietnam, and Mongolia.

## PERCENT DISTRIBUTION, 1969

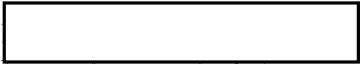


TOTAL EXPORTS: 2,806  
(Million US \$)



TOTAL IMPORTS: 2,438  
(Million US \$)

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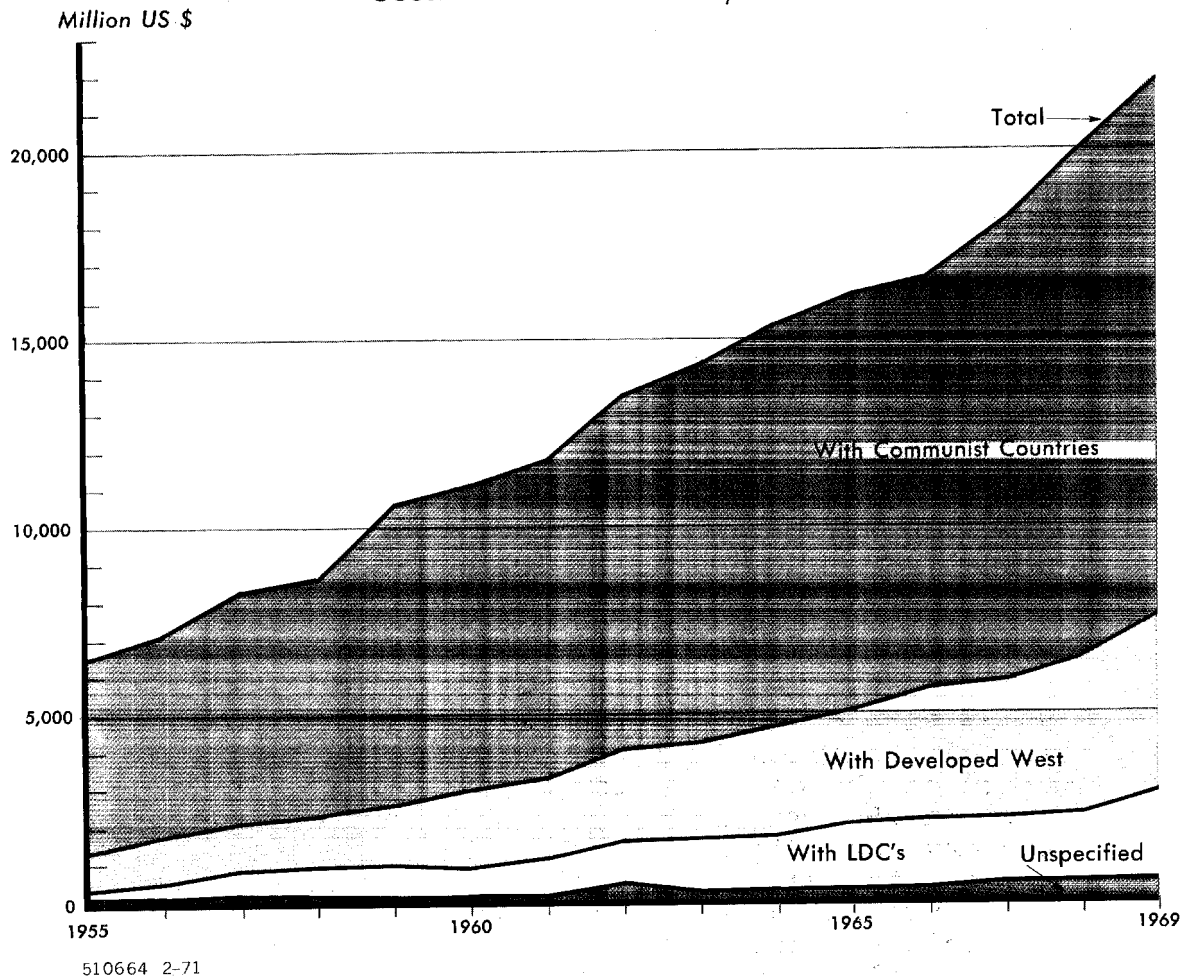
Communist China's trade with the Third World rose by some \$50 million in 1969 to about \$745 million. Most of this increase was caused by the sharp rise in its imports from Malaysia and Singapore, which accounted for almost 40% of China's total imports from all the developing nations.

Direction of Trade and Relative Shares

Communist countries' trade with the less developed countries in 1969 was less than 10% of their total trade, although the less developed countries' share has more than doubled over the past decade and a half, as shown in Figure 5 for

USSR: FOREIGN TRADE, 1955-69

Figure 5



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the USSR. More importantly, Communist trade with the developing nations has been concentrated in a few selected countries -- mostly in the Near East and South Asia -- and for some of these countries, it has become a significant and growing share of their total trade (see Table 20). Communist countries took more than 50% of the UAR's exports in 1969 and more than 30% of its imports. Some 20% of the total trade of Ceylon and India was with Communist countries.

Other less developed countries who conducted an important share of their trade with Communist countries included Iraq, which gets almost 25% of its imports from Communist nations, and Pakistan and Turkey, who conduct about 15% of their total trade with Communist countries. The Communist share of Syria's total trade tripled between 1968 and 1969 to account for more than 30% of its trade. Of the African countries, only Sudan and Morocco conducted more than 10% of their total trade with the Communist countries.

The rapid rate of increase in trading relationships between Communist countries and some major partners in the Third World is of particular significance. For example, during the 15-year period 1955-69 total Communist trade with India rose from about \$50 million to some \$665 million. UAR trade with Communist countries rose from \$140 million to about \$725 million during these years. Other important, though less spectacular, increases took place between the Communist countries and Algeria, Greece, Iran, Malaysia, Pakistan, Singapore, and Syria.

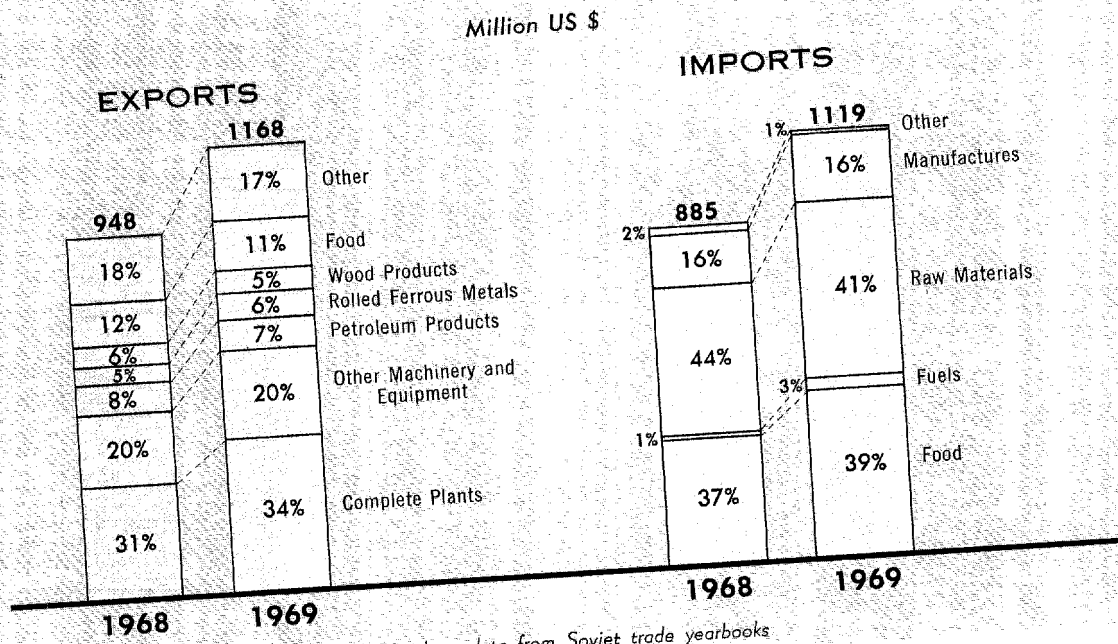
Commodity Composition of Soviet Trade  
with the Less Developed Countries

There has been little basic alteration in the composition of Soviet trade with the less developed countries in recent years. The most important change in Soviet exports to the Third World in 1969 was in the machinery and equipment category (see Figure 6). The share of these exports in the total was 54% in 1969, up from about 51% in the preceding year. Most of the increase was in complete plants, which rose by about \$100 million largely because of the acceleration of aid

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Figure 6

# SOVIET EXPORTS TO AND IMPORTS FROM LESS DEVELOPED COUNTRIES OF THE FREE WORLD By Commodity Group\*



\*Based on data from Soviet trade yearbooks

510665 2-71

deliveries to Iran and Turkey. The share for other major export groups declined by small amounts.

Identified changes in the commodity composition of Soviet imports from the less developed countries in recent years have been the reduced importance of raw materials as a percent of the total and the increased importance of food. Raw materials comprised 44% of total imports in 1968 but were less than 41% of the total in 1969. This occurred in the presence of an increase of more than 15% in the absolute value of raw material imports, reflecting particularly larger Soviet purchases of natural rubber and cotton fiber. On

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the other hand, food purchases were valued at \$433 million, up from \$323 million in 1968. They accounted for almost 39% of total Soviet imports from the developing nations. This compares with 37% in 1968 and 34% in 1967. The growing share of food in the total stems mostly from expanded purchases of luxury-type foods, including fruits, cocoa, coffee, and tea. There was also a spurt in imports of petroleum and petroleum products and natural gas, from 1.2% in 1968 to 2.7% of total imports in 1969. The growth of this category reflects the systematic increases in Soviet purchases of crude oil and natural gas from several countries in North Africa and the Near East.

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II. Communist Activities  
in Less Developed Areas, by Area and Country

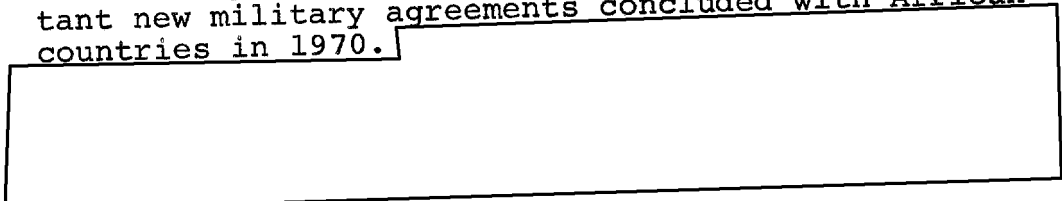
*Africa*

Summary (see Figure 7)

African countries received almost 55% of total Communist economic aid commitments to the Third World during 1970 but only about 5% of new military assistance. Most of the economic aid was from Communist China whose commitment of \$400 million for constructing the Tan-Zam Railroad overshadowed all other Communist aid to Africa. China also provided its first economic aid to Sudan and \$10 million to Guinea for budget support.

Apart from a \$44 million credit to Morocco, Soviet credits to Africa during the year were provided to implement economic accords previously signed with Nigeria and Mauritius. Soviet project activity was at its usual low level in most African countries except for some acceleration in Algeria, as work on a steel mill pressed forward. The USSR initiated work in Guinea on the exploitation of bauxite deposits, for which a protocol was signed. Agreements were signed with a number of East European countries, with Algeria the principal recipient of new economic aid from this source.

Communist agreements to provide \$45 million of military equipment to Libya were the only important new military agreements concluded with African countries in 1970.



Algeria

Algeria's economic ties with the USSR and Eastern Europe were strengthened further during 1970 as Soviet deliveries of economic and military assistance were accelerated and as East European countries agreed to provide an estimated \$75 million of additional economic aid. Algeria established diplomatic relations with East Germany in

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May, signed sizable new trade agreements with Bulgaria and Poland, and received a commitment from Romania for equipment and technical aid for Algeria's oil and mineral industries.

Eastern Europe's new commitments of economic aid in 1970 included: (1) a \$40 million credit from Bulgaria for agricultural and industrial enterprises to be built under Algeria's Four Year Development Plan that began in 1970; (2) a \$14.1 million, 10-year East German credit\* for a cast iron and steel valve plant; and (3) a \$20 million industrial credit from Hungary. Contracts for 2 food canneries were signed under the latter agreement. It carries a 10-year amortization period and 2½% interest.

Construction activity increased on the 400,000-ton Soviet-aided steel plant at Annaba. The plant, whose construction was begun in 1968 under a \$128 million Soviet credit extended in 1964, is now scheduled to be completed in 1971. Construction was begun on a mining and metallurgical institute at Annaba and a glass factory at Oran, and progress continued on several small irrigation dams, on geological prospecting, and on the construction of a mercury plant at Ismail scheduled to start operations in 1971. In spite of some discontent with past Soviet assistance for oil and gas development, four contracts for further Soviet aid to the industry were signed under the \$100 million Soviet line of credit extended in 1963. An additional contract was signed in June for the delivery of 15 Russian oil drilling rigs. There was speculation throughout the year that Algeria might cancel its seven-year agreement, concluded in 1968, for the annual sale of 5 million hectoliters of wine to the USSR because of its resumption of wine sales to France under a new annual accord.

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\* The reported value of credits extended by East Germany during 1970 ranges between \$50 million and \$200 million.

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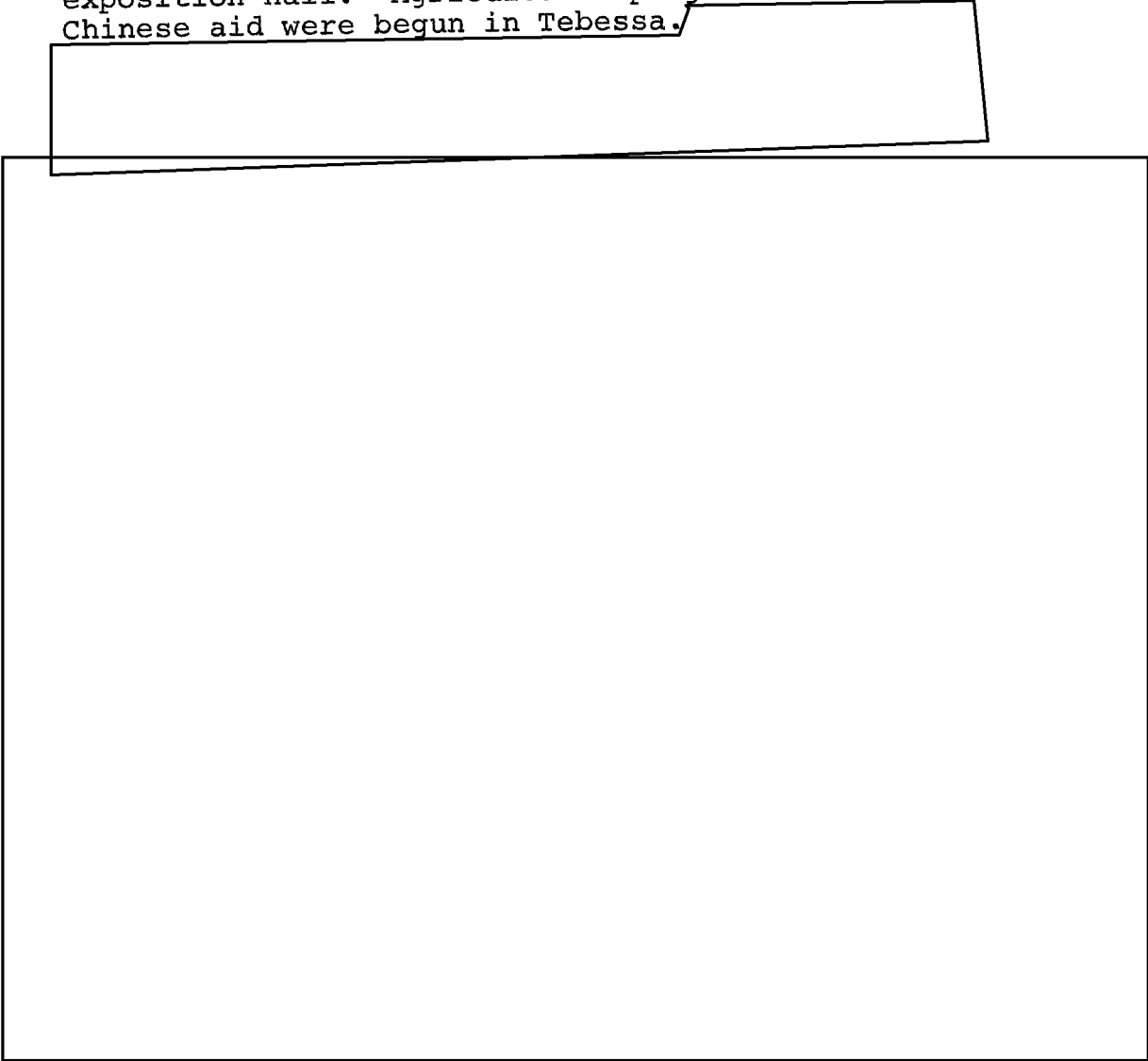
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Algeria continued to draw on credits provided in 1963 by Communist China for water well digging and the construction of several small dams and an exposition hall. Agricultural projects with Chinese aid were begun in Tebessa.



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Guinea

The tempo of Communist aid activities in Guinea was heightened during 1970 as some 200 additional Soviet technicians arrived to begin work on the exploitation of bauxite at Kindia. Work on Chinese aid projects also was accelerated. The only new aid extended was \$10 million provided by China for budget support following the attack on Guinea in November. The Chinese began work on

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plantation and refinery in Mandiana and completed construction of an oil pressing plant and a power transmission station at Mamou -- all under 1966 credits. Protocols signed with the USSR provided for the initiation of work to develop bauxite deposits near Kindia and to construct a new 140-km railroad between the Port of Conakry and the deposits. A 30-year contract signed with the USSR late in the year provided for annual exports of almost 2 million tons of bauxite from Kindia to the USSR. The Soviet Union also delivered small arms and ammunition under an old military agreement, and Communist China delivered jeeps and explosives. Reports also indicate that some Soviet arms were received by the Portuguese liberation organization, the African Organization for the Independence of Portuguese Guinea and the Cape Verde Islands (PAIGC).

### Nigeria

Following the settlement of the civil war with Biafra early in 1970, the Nigerian Federal Military Government turned more to its traditional Western sources for military equipment and training. Though it continued to accept delivery of some spare parts and ammunition from the USSR, Nigeria canceled or modified military contracts still outstanding with Communist countries, Nigeria's principal supplier of offensive weapons during the civil war. The end of the war, however, did not affect Nigeria's economic relations with Communist countries. Both the USSR and Nigeria were anxious to implement the iron and steel accord of 1968. As an important step in that direction, Moscow extended its first credit to Nigeria (\$6.7 million) for further exploratory work in locating an indigenous raw material base for the proposed plant. This work presumably will be on a more extensive scale than that undertaken in 1968 which failed to find ore and coal of suitable quality.

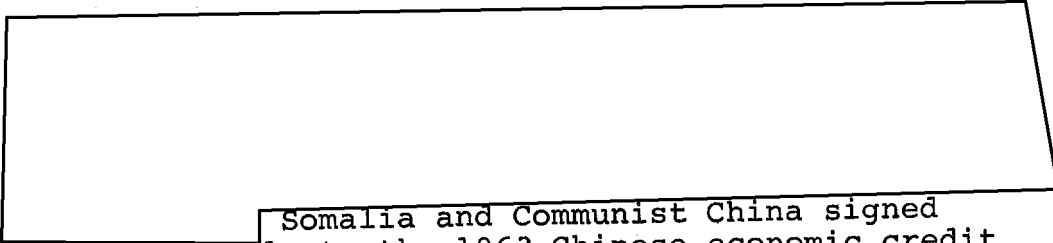
Nigeria's relations with East European countries expanded slightly during 1970 with the signing of economic, scientific, and technical cooperation agreements with Poland and Bulgaria. Poland conducted a feasibility study for a sugar plantation and an oil crushing plant during the year and provided equipment for two textile mills -- all presumed to be under commercial contract.

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Joint ventures between Nigeria and Poland also were mentioned as a possible area for cooperation. Romania completed a feasibility study for a \$16.8 million woodworking complex in Nigeria, but no action was taken on its proposals.

Somalia



Somalia and Communist China signed new protocols to the 1963 Chinese economic credit during 1970. They provided for the construction of a highway and cigarette and match factories and for expanded agricultural assistance. Chinese technicians arrived to survey for the highway. A cooperation agreement for agricultural development and mineral exploitation was signed with Bulgaria, and discussions were held with East Germany on possible economic assistance and diplomatic recognition.

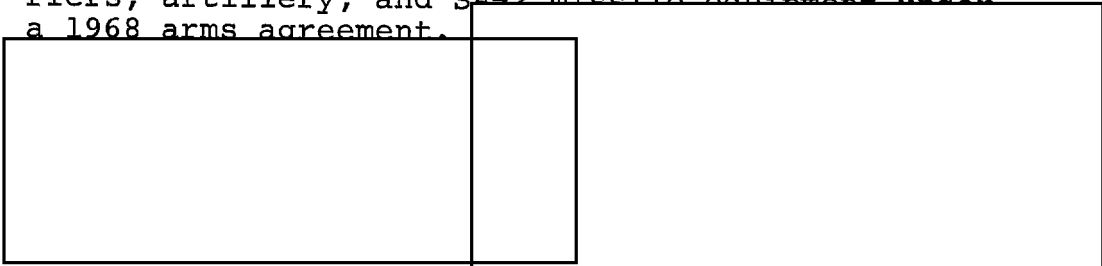
Sudan

Sudan's revolutionary government strengthened its grip on the country's economy in 1970 through the nationalization of most domestic enterprises and the establishment of a government trade monopoly. Sudan's anti-Western and anti-Israeli foreign policy stance has led to increased reliance on Communist countries both for military and economic aid. Several new aid agreements were concluded and aid commitments previously made by a number of East European nations were renewed. Communist China extended its first aid to the Sudan in June, a \$41.6 million interest-free loan for industrial use and roadbuilding. The credit, which is to be used during 1970-79, is repayable in Sudanese commodities over a 10-year period beginning in 1986. Sudan and China also signed a trade protocol calling for trade to increase by 20% in 1970. North Korea reportedly extended \$11.4 million of credits, on easy terms, for industrial enterprises and for training agricultural technicians.

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A high-level Sudanese delegation that went to Eastern Europe received assurances from Bulgaria, Czechoslovakia, East Germany, and Hungary of \$37 million in aid for 30 agricultural and light industrial projects included in Sudan's Five Year Development Plan (1970-75). In addition, Poland offered an undisclosed amount of aid for a sugar plant, agricultural machinery, and roadbuilding equipment. Only Hungary's commitment to provide \$10 million of credits represented new aid, its first to Sudan. The rest are obligations of earlier commitments. The five East European countries also agreed to double their trade with Sudan (which, with Romania, totaled \$35 million in 1969) and to increase their purchases of Sudanese cotton.

Sudan announced in June that the USSR had agreed on the implementation of the Ar-Rahid irrigation project, although Sudan has continued to seek IBRD aid for the project. Soviet equipment and technicians began to arrive in November for mineral prospecting in the Red Sea under credits extended in 1969. The USSR also delivered MIG-21s, helicopters, medium tanks, armored personnel carriers, artillery, and SA-2 missile equipment under a 1968 arms agreement.



Tanzania

In 1970, Communist China greatly expanded its economic aid commitments to Tanzania and became Tanzania's only significant source of military aid. Tanzania and Zambia became the major targets of Communist China's aid effort in the Third World with the extension of \$401.2 million of interest-free credits to these two countries for constructing the 1,100-mile Tan-Zam Railroad (from the Zambian Copperbelt to Dar es Salaam) and with the dispatch of approximately 4,100 technicians to Tanzania to start work on the railroad. This was the most important development in Communist-Third World economic relations during 1970 and represented the largest amount of aid ever provided by

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a Communist country to a single project in the less developed countries. The Chinese credit, which will be divided equally between Tanzania and Zambia, emerged from a September 1967 agreement with Tanzania and Zambia to provide aid in constructing the railroad. The credit is scheduled to be drawn down over 10 years, retroactive to 1 January 1968, the date on which the survey began, and is to be repaid over 30 years beginning in 1983. The agreement provides also for the import of Chinese commodities under the credit to be sold to generate local currency needed in Tanzania to cover local construction costs. Construction of the railroad began in April although it was not inaugurated formally until October.

Communist China continued its aid undertakings in Tanzania (including Zanzibar) under credits extended in 1964. These credits, which were to expire in 1969, were renewed for an additional five years. Communist China provided new radio antennas to the station at Dar es Salaam, and completed well drilling and construction of storage facilities on Zanzibar and a hospital in Pemba. The Chinese announced that they would construct several new projects in Zanzibar, probably under the 1964 credits. These included a cigarette factory, a saw mill, a brick factory, a rum distillery, a sports arena, and a school for medical technicians. Tanzania's trade with China also may have shown gains in 1970. During the first five months of the year, imports tripled and exports were twice as high as in the first five months of 1969.



Relations between Tanzania and the USSR were maintained at the low levels of previous years, although the Soviet geological survey and teaching programs expanded slightly. In early 1970 the

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Zanzibar government ordered the removal of all East German personnel and aid equipment because of dissatisfaction with their aid activities on the island. Nevertheless, a new trade agreement and a scientific and technical cooperation agreement were signed between East Germany and Mainland Tanzania during the year.

#### Zambia

Zambia shared equally with Tanzania in the Chinese credits provided for the construction of the Tan-Zam Railroad. The increase of Chinese personnel and materials, especially Chinese goods to generate funds for defraying local construction costs of the railroad, will tend to enlarge the limited economic relationship that Zambia has maintained with Communist nations heretofore. During 1970 the Chinese delivered radio transmitters under a 1969 grant and continued work on the 394-mile Lusaka-Mongu road surfacing project.

A Soviet economic delegation was in Zambia in May to discuss the status of the \$5.6 million credit extended in 1967. With only minor drawings on the credit, and its utilization period about to expire, the delegation is believed to have renewed the agreement. Accords were signed with Romania to expand trade and economic, technical, and scientific cooperation. The Romanians were to prospect for oil and provide technical services in agriculture and copper mining.

#### Other African Countries

The Central African Republic (CAR) signed an agreement on economic and technical cooperation with the USSR in July calling for feasibility studies for a hydropower station, for mineral prospecting, and for the supply of machinery for cotton growing. The USSR also agreed to build a maternal and child health center as a grant. President Bokassa's trip to Bucharest in July resulted in economic, scientific, and technical agreements with Romania. East Germany and the CAR established diplomatic relations during 1970 and

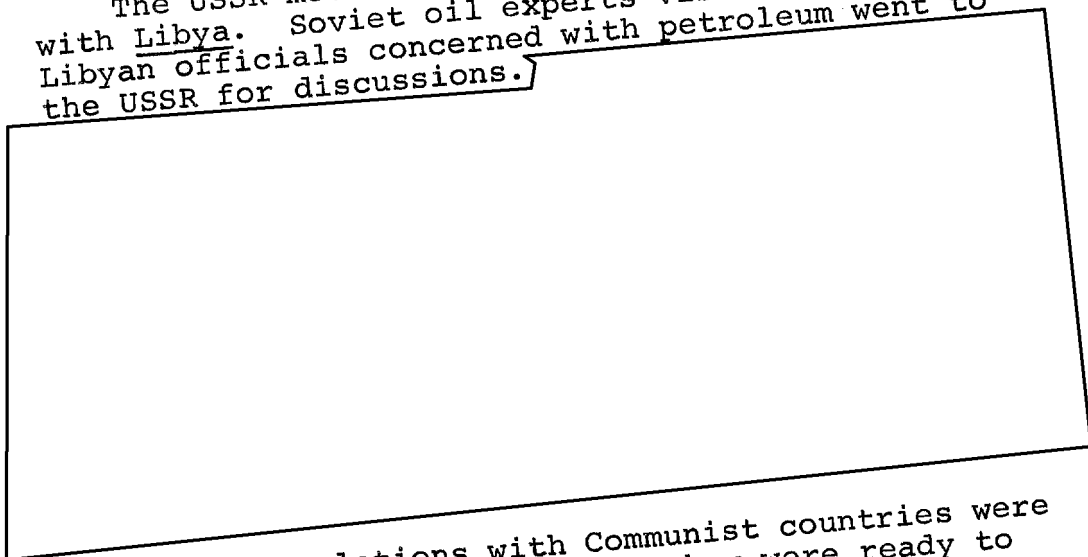
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concluded a long-term trade agreement as well as scientific, technical, and cultural accords. The CAR established diplomatic relations with Czechoslovakia and Albania.

Soviet activities in Ethiopia during 1970 were confined largely to negotiations for expanding the Soviet-built Assab oil refinery and for implementing the \$85 million of credits still not drawn under the \$100 million credit extended in 1959. Ethiopia also asked the USSR to prolong the repayment period for debts incurred under this credit from 12 to 20 years and requested that \$35 million of the credit be applied to an agricultural settlement scheme near the Awash Valley. Construction was initiated on two Czech-aided projects, a rubber tire plant at Addis and a hide processing plant at Mojo.

Ghana signed a cultural accord with the USSR in July and lifted the suspension of trade protocols with its six former trading partners in Eastern Europe. It received no new economic or military aid commitments during the year, nor were deliveries made under old agreements.

The USSR moved to strengthen its relations with Libya. Soviet oil experts visited Libya and Libyan officials concerned with petroleum went to the USSR for discussions.



Mali's relations with Communist countries were limited during 1970, although they were ready to resume aid activities. The USSR agreed to a five-year moratorium on the repayment of Mali's \$45 million debt for economic aid. The Soviet-aided

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cement plant at Diamou was inaugurated in June, and the Chinese-built shoe factory and radio transmission center were completed. A trade protocol with the USSR, signed in February, called for a 50% increase in Malian-Soviet trade during 1970.

In July, Mauritius approved a revised fisheries agreement with the USSR. This agreement, which spelled out in greater detail the provisions of the 1969 agreement, made available an estimated \$5 million of credits for developing a national fishing industry in Mauritius. Repayment is to be made over a 10-year period through the provision of goods and services to the Soviet Antarctic fishing fleet, operating out of Mauritius.

Morocco received a \$44 million Soviet credit in 1970 for machinery and equipment imports, and agreement was reached for the construction of a third unit for the Djerada powerplant currently under construction with Soviet assistance. Morocco and the USSR agreed to reallocate \$18.7 million of the 1966 Soviet credit for a hydroelectric plant to be built at Ait Adel, in place of the metallurgical complex and lead and zinc enterprise originally planned. In October, Morocco concluded a new agreement to sell 2,500 French Berliot trucks assembled in Morocco to Communist China over a five-year period. These sales should help to reduce the deficit in Morocco's clearing account with Communist China.

Senegal received the first three of ten fishing vessels that it had ordered from the USSR under credits extended in 1965. Under Soviet assistance extended to Uganda in 1964, site preparation was begun for the spinning mill at Lira, and the construction of a technical school at Tororo was completed. Chinese aid for development of a rice project in Kimbina Swamp continued and may be expanded under a protocol signed in 1970. The only significant Communist military delivery to Uganda in 1970 was seven Czech L-29 jet trainers. Soviet military personnel also provided some technical assistance to the Ugandan forces.

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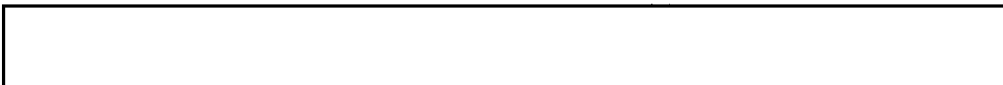
*EAST ASIA\**

Beyond establishing formal trade relations with several East Asian countries, Communist economic activities in this area were on a very limited scale during 1970. There was no new economic aid, and only a negligible amount of new military aid was provided. Drawings on previous economic aid commitments were minor.

The most important development in Burma's relations with Communist countries was its resumption of diplomatic and trade relations with Communist China, suspended in 1967. The USSR concluded a small agreement for infantry weapons. East Germany reportedly delivered the last of the equipment for a printing plant at Wazi, constructed under a 1966 credit. A Soviet team sent to survey the Mawchi mines, under an agreement signed last year, refused to begin work until hazardous conditions at the mines are remedied.

Following the ouster of Prince Sihanouk in March, Communist countries suspended military aid to Cambodia. Still undrawn is \$3 million in Soviet and Chinese Communist credits extended in 1964, and Chinese aid extended in October 1969. The last Communist military equipment under the aid program was delivered in the second half of 1969. The Czech-built ordnance plant, Cambodia's only such factory, was stripped of its equipment and destroyed by retreating Cambodian forces late in 1970.

Indonesia's relations with Communist countries during 1970 were highlighted by the resolution of its longstanding debt repayment problem with the USSR and the payment in December of the first installment due on this debt. An agreement signed in August provides for Indonesian repayment of its \$750 million long-term economic and military debt to the USSR over 30 years beginning in December 1970 but allowing \$75 million of these payments to be deferred during the initial eight years, until 1992-99. This deferred portion will



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carry interest of 4% and payments of interest will begin in 1992. Interest that accrued prior to the 1966 rescheduling will be paid off in 15 installments, beginning in 1985. The USSR also offered to aid in the development of Indonesia's tin and bauxite industries and agreed to send a technical team to survey the Soviet-aided steel plant and superphosphate project, whose construction was stopped in 1965. There were repeated delays in initiating the survey because of Indonesia's objection to its size and cost. Indonesia did not reach debt settlements with its East European creditors during the year, but some activity continued on East European projects. The Makassar shipyard and Tjot Girek sugar mill built with Polish assistance were completed. The USSR did not deliver any spare parts for Communist military equipment held in Indonesia's inventories, although some \$5 million still remains to be drawn for that purpose under the 1967 agreement.

Malaysian delegations visited Czechoslovakia, Hungary, Poland, Romania, and the USSR during the year to discuss the expansion of economic relations with these countries, and in November Malaysia signed its first trade agreement with Poland. At the end of the year, Malaysian officials still were considering a Soviet offer to provide machinery and equipment for about 30 joint ventures in Malaysia.

In July, the Philippine Chamber of Commerce signed a trade agreement with Bulgaria, the first with a Communist country. The agreement envisages the exchange of \$10 million in goods during 1970-71. The Chamber of Commerce continued to promote the concept of trade relations with Eastern Europe, and Czech, Hungarian, and Romanian delegations visited the country during 1970.

In July a Soviet delegation arrived in Singapore to discuss the establishment of joint ventures and in September the Prime Minister visited Moscow for trade talks. An agreement for servicing and repairing Soviet vessels in Singapore was still under consideration at the year's end. In December, Singapore permitted the Bank of China access to interbank clearing facilities, a privilege suspended

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in May 1969 because of the Bank's refusal to pay a fine for contravention of liquidity requirements.

Thailand signed its first trade agreement with the USSR in late December, after three years of negotiations. Trade between the two countries previously had been carried on through third countries. Trade agreements with Bulgaria and Romania also were signed.

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LATIN AMERICA

Summary

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There has been no marked growth in economic relations between Latin American and Communist countries. For the most part, the interchange between them still is confined to diplomatic and trade promotion activities, and most Communist credits to Latin American countries have been extended to promote equipment sales. Generally, little use has been made of these credits. During 1970 some \$115 million of new credits were made available to these countries, roughly half of which were designated for Peru. Bolivia, Costa Rica, and Venezuela received their first credits from a Communist country. The only other Latin American country to receive Communist economic aid was Uruguay, to whom Hungary and Czechoslovakia made commitments of \$10 million and \$5 million, respectively.

Bolivia

Communist countries renewed their efforts to establish closer economic ties with Bolivia in 1970. The most important development was Bolivia's acceptance of its first economic aid from a Communist country, a \$27.5 million credit from the USSR for the purchase of mining and metallurgical equipment. The credit is repayable over 10 years and carries 3% interest. Bolivia also signed its first commercial agreement with the USSR for the sale of 3,200 tons of tin, for which the USSR will pay \$8 million in hard currency.

A trade agreement and an economic cooperation agreement were signed with Poland, but the details of the agreements are not available. Hungary agreed to build a copper processing and a smelting plant and offered credits, possibly for these plants. Czechoslovakia expressed interest in providing an antimony smelter to Bolivia, for which it had offered assistance originally in 1961.

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### Brazil

Brazil's relations with Communist countries in 1970 were highlighted by (1) a contract between Brazil and the USSR for the purchase of \$12.5 million of equipment for the Capwan hydroelectric plant in Sao Paulo State, presumably under credits extended in 1966, and (2) an accord for continued Soviet purchases of Brazilian coffee over the next 5 years. Czechoslovakia agreed to provide a \$10 million powerplant for Sao Paulo, probably under 1961 credits, and equipment for a manganese ore homogenizing plant. East Germany and Hungary completed deliveries of some \$30 million worth of equipment for Brazil's universities under agreements concluded in 1966 and 1967, and they were negotiating further sales of this equipment at the end of the year. Poland delivered the first of 10 cargo ships under a 1962 agreement, and Romania extended the drawing period of a 1961 credit for petroleum equipment.

### Costa Rica

A \$10 million Soviet credit for the purchase of roadbuilding machinery and equipment is included under Costa Rica's first trade agreement with the USSR, signed in June. The trade agreement also provides for reciprocal trade missions and future coffee sales to the USSR. These sales in 1970 totaled about 6,000 metric tons, valued at \$6 million to \$7 million. Costa Rica established diplomatic relations with Bulgaria and Hungary, announced its intention to exchange ambassadors with the USSR, and prepared draft trade agreements with Bulgaria and Czechoslovakia. Czechoslovakia offered \$1 million in credits for machinery and equipment, and Costa Rican officials expressed interest in a Romanian proposal to assist in petroleum development, port construction, and bauxite exploitation. A Hungarian trade delegation, which visited Costa Rica, failed to conclude an agreement. A Polish commercial office closed in May after several years of unprofitable operation.

### Peru

Peru was the most important Latin American recipient of Communist economic aid during 1970.

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Agreements, totaling \$53.3 million, included Peru's first credit from the USSR (\$28.3 million for agricultural, mining, and industrial machinery and equipment) and \$10 million in credits from Poland and \$15 million from Hungary. The Soviet credit is to be repaid over ten years, partially in Peruvian industrial goods. Poland offered assistance for exploiting coal and phosphate deposits, constructing copper and zinc refineries, and providing fishing vessels and other equipment for Peru's fishing industry, while Hungary offered an antioxidant plant for the fish-meal industry. Romania and Peru signed an agreement to invest \$1 million each to establish a tractor assembly plant in Peru. In September Peru purchased some \$30 million worth of Romanian oil equipment and a \$5.5 million mobile smelter to process low-yield mineral ores. Romania also offered to build a zinc refinery and to establish joint companies to exploit and process copper.

#### Other Latin American Countries

Argentina ratified trade agreements with Poland and Romania during 1970, Czechoslovakia offered assistance to Argentina's textile and chemical industries, and the USSR expressed interest in assistance for port construction and fish processing installations.

Colombia and Poland signed a three-year, \$76 million trade agreement and reportedly signed an economic and technical assistance agreement. The USSR completed its deliveries of 98 trolley buses under credits extended in 1968.

The Allende government, in its initial steps toward expanding Chile's relations with Communist countries, reopened trade and diplomatic relations with Cuba and trade relations with North Korea.\* Czechoslovakia extended the utilization period for a \$5 million credit, made available to Chile in 1968, which had not been drawn. In September, Chile signed an agreement with Romania to establish jointly owned copper facilities in each

\* *At the beginning of 1971, Chile established diplomatic relations with Communist China.*

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country. Chile reportedly will provide 35,000-40,000 tons of copper annually for the Romanian plant.

Venezuela received its first credit from a Communist country in 1970, a \$10 million bank agreement with Czechoslovakia for the purchase of capital goods. Venezuelan officials also discussed trade and economic cooperation with Bulgaria, Hungary, and Poland.

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NEAR EAST AND SOUTH ASIA

Summary

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Moscow's expanded political interests in the Arab countries of the Near East led to an intensification of the Soviet involvement in the area during 1970. The major preoccupation was with military assistance, as the USSR made huge new commitments and delivered record amounts of materiel

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New commitments of economic aid to Near East-South Asian countries totaled about \$400 million, or about 35% of the total extended in 1970. Communist China was the most important donor. It concluded agreements with Pakistan, Southern Yemen, and Ceylon to provide more than \$250 million. The USSR extended economic aid totaling about \$85 million to Iran, Iraq and Ceylon, but Soviet economic relations with Iran showed the most important increase. Large deliveries of equipment were made for projects being constructed with Soviet assistance and a Soviet-Iranian agreement signed in 1970 set forth a 15-year plan for cooperation between them. This included, among other things, a possible second gas pipeline from Iran to the Soviet Union, increased Soviet participation in oil exploration, an expansion of the steel mill being constructed with Soviet aid, and joint Soviet-Iranian undertakings for producing petrochemicals.

Of particular importance to the Soviet aid program was the completion in July of the Aswan Dam, a 10-year effort that involved \$325 million of Soviet credits and thousands of Soviet technicians. Implementation of previously extended aid lagged from the high levels of the mid-1960s in India and the UAR, while deliveries to Iran rose sharply and surpassed deliveries to any other less developed country. Turkey also began a more rapid

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drawdown of credits, and deliveries to Syria and Iraq showed small gains.

New agreements concluded between Near Eastern and East European countries emphasized again the importance of oil in their long-range planning. As in the USSR's 1969 agreements with Iraq, which included repayment in oil for the first time, almost all of the 1970 accords with Eastern Europe included this proviso. Moreover, a preliminary agreement between the USSR and Iran might mean some additional Soviet assistance for future oil exploration in Iran. Communist trade with the area during 1970 probably increased. Protocols signed during the year were intended to expand this trade over previous levels.

#### Afghanistan

Apart from a small Soviet grant for establishing three veterinary laboratories and a \$2.8 million credit for the Afghan Airlines, the USSR confined its aid activities in Afghanistan during 1970 to the implementation of old agreements. Protocols under the 1968 agreement called for geological surveys, valued at \$2.1 million, a \$5 million 40-mile road from the Puli-Khumri-Shibarghan Highway at Nayeababid to Hairatan, and a \$1.9 million expansion of the electric and fertilizer plants at Mazar-i-Sharif. Installation of equipment at the nuclear research reactor in Kabul and at the technical training school in Jangalak and construction of the mother and child care center at Kabul were completed. In April a Soviet survey was agreed to for gas and petroleum in northwestern Afghanistan. Work also was completed on a lapis lazuli cutting plant in Kabul and a fish breeding farm in Darunta, both under the \$28 million Chinese credit extended in 1965. Bulgaria, Czechoslovakia, and the USSR signed trade protocols with Afghanistan. The protocol with the USSR called for natural gas exports to increase by 25% in 1970 to \$9 million.

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### Ceylon

The victory of Mrs. Bandaranaike's leftist United Front Coalition in the May 1970 election in Ceylon was followed by the establishment of diplomatic relations with East Germany, North Korea, North Vietnam, and the Provisional Revolutionary Government of South Vietnam and by the extension of new economic aid by Communist China and the USSR. The new Chinese credit of \$8.9 million is to cover shipments of 100,000 tons of rice, which is in addition to China's commitment of 200,000 tons under the 1970 rice-rubber agreement. The new interest-free credit is repayable mainly in rubber, over 10 years beginning in 1972. Earlier in the year, plans were announced for assistance for a spinning and weaving mill. A \$3.2 million grant for construction of the Bandaranaike International Conference Hall was provided by China, which had agreed to undertake its construction in 1964. The earlier agreement had lapsed, however, following the demise of Mrs. Bandaranaike's Government. The USSR extended an \$8.4 million credit for the purchase of machinery and equipment, which also is to be repaid over 10 years and carries interest of 3%. Although helicopters originally were included in the list of items covered by the Soviet credit, these were later excluded. The Ceylon government approved the feasibility report prepared by the USSR for expanding the Soviet-aided Homagama-Oruwala steel mill to 60,000 tons, from its present annual capacity of 35,000 tons. Presumably credits of somewhat more than \$7 million, remaining to be drawn under the 1958 credit of \$30 million, will cover the foreign exchange costs of the expansion.

### India

Economic relationships between India and Communist countries improved somewhat during 1970 as the USSR appeared to reduce its former pressure on the Indian Government to accelerate project activity. Nevertheless, no new Communist economic credits were extended, the reduced level of project activity noted in recent years continued, and India failed to bring a number of completed projects up to profitable levels of operation.

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The aid relationship continued to be limited because India's current development plan reduced the planned level of outlays for new heavy industrial projects, especially of the type that the USSR usually has provided, and because India is able to fill a major part of its requirements for these projects from indigenous production. The result has been a failure of drawings on Soviet aid to return to the high levels of 1964-65. Still outstanding are some \$250 million of previously extended credits, that have not been allocated to specific project use because the Indian economy cannot use them for building the heavy industrial projects for which they were intended.

The most important development in Soviet-Indian economic aid relations was the signing of a protocol, under the 1966 Soviet-Indian agreement, to allocate \$61 million for expanding the capacity of the Bokaro steel mill to 4 million tons. The Bokaro plant, the largest Soviet-aided plant currently under construction in India, again experienced delays, mostly because of local supply shortages. The scheduled completion date for the first stage of operation at 1.7 million tons is March 1973. The expansion of the Bhilai plant to 3.2 million ton capacity is underway, and the coal washery at Bihar was commissioned in mid-1970, a year and a half behind schedule. Soviet-assisted off-shore oil drilling operations, shut down after they encountered mechanical difficulties, were not reactivated. Exploratory drilling in the Cauvery basin, under way since 1963, also has not been successful and may be abandoned.

The second stage of the Czech foundry-forge plant at Ranchi was commissioned during 1970, and the grinding machine tool plant at Rajasthan went into partial production. Construction of a refinery at Haldia with Romanian assistance got under way at the end of 1969. Progress also was made on several Polish-aided projects, and an agreement was signed for joint Polish-French construction of a fertilizer plant at Haldia.

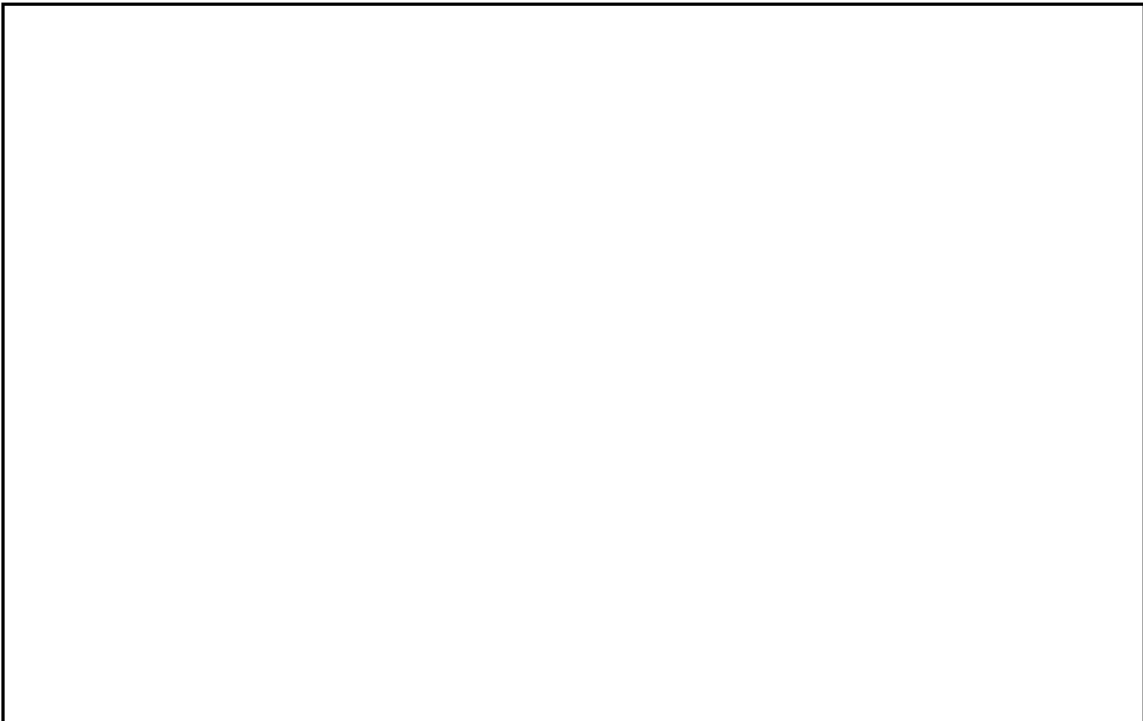
Trade between India and the Communist countries is believed to have increased again in 1970. During 1 April 1969 - 31 March 1970 the USSR replaced the United Kingdom as India's second most

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important trading partner. A new five-year Soviet-Indian trade agreement, signed in December, provides for an annual increase of 15% in India's exports to the USSR. These increases are expected to result from the Soviet agreement to accept more industrial products from Soviet-assisted plants. The agreement also includes provision for increased Soviet exports of nonferrous metals and provides for Soviet-Indian joint cooperation in third countries. Bulgaria, Hungary, and Poland signed trade protocols with India, and Hungary placed a large order for freight cars.

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Iran

Iran continued to expand its economic relations with the USSR and Eastern Europe during 1970. Of particular significance during the year was an agreement signed in October that set forth the goals of Soviet-Iranian economic cooperation over the next 15 years. The agreement provided \$44.4 million of credits for developing Iran's public and private sector industry and a \$10 million credit for establishing eight vocational training centers in Iran. It also included the following: (1) Soviet cooperation in drilling for oil in the Caspian

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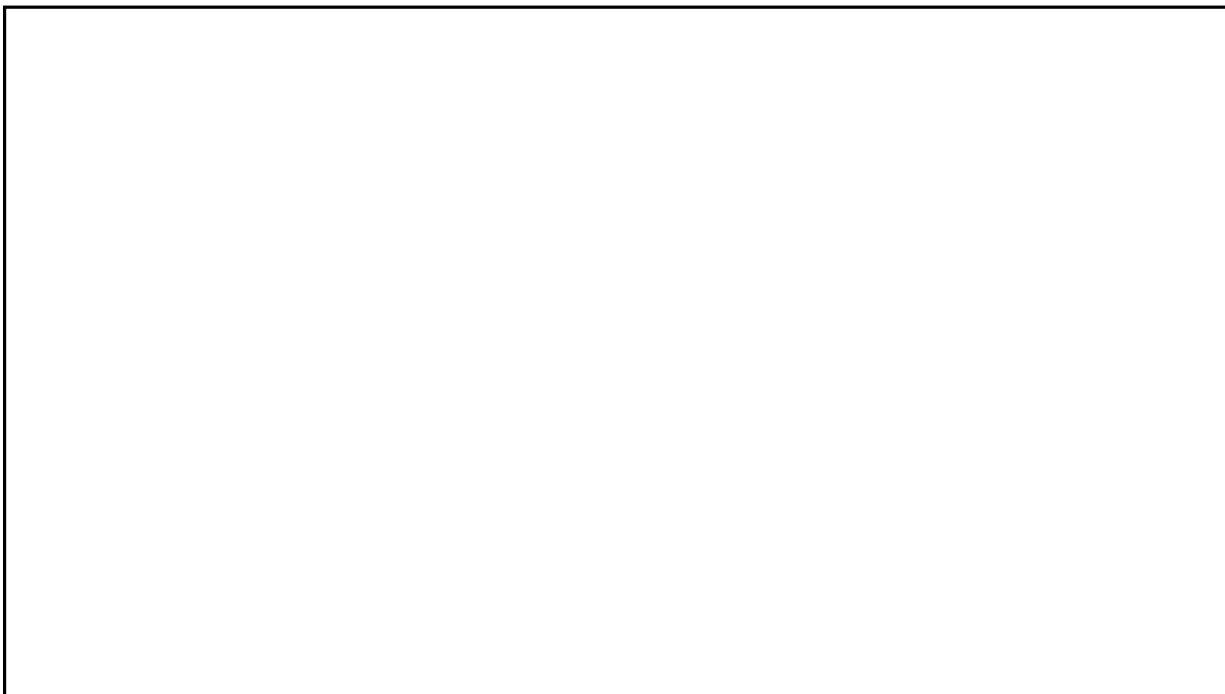
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and central province areas, for which agreements would be exchanged later, (2) a second gas pipeline to be built from Iran to the USSR, pending the results of an economic feasibility study, (3) expansion to 4 million ton annual capacity of the Soviet-aided steel plant currently being built at Isfahan, if studies demonstrate its feasibility, (4) the implementation of plans in Iran to supply Soviet and Iranian needs for petrochemicals through joint ventures, and (5) the establishment of thermal energy units and chemical fertilizer plants based on the use of natural gas.

The rapid drawdown of Soviet economic credits continued in 1970 as Soviet aid deliveries to Iran exceeded those to any other less developed country during the year. The most significant achievement was the completion of the 690-mile Iran Gas Trunk-line (IGAT) from Southern Iran to Astara on the Soviet border for which the USSR is contributing equipment and technical services, valued at \$77 million. While Soviet equipment still is being provided to expand the pipeline's capacity, the USSR received its first gas imports through the pipeline in October. These imports are scheduled to rise to almost a billion cubic feet per day by 1974, with a total annual value of \$70 million. Gas deliveries to the USSR were interrupted briefly following an explosion during welding operations on the pipeline in mid-December. Two hydroelectric stations and a diversion dam being constructed as a joint Soviet-Iranian project on the Aras River also were completed in 1970. Completion of the storage dam at the project is expected in 1971. In September the blast furnace for the steel mill near Isfahan was completed 18 months ahead of schedule and the steel mill is now expected to go into operation by mid-1971. Satisfactory progress also was being made on most other Soviet projects. The number of Soviet technicians in Iran rose by 45% during the year, to 1,585.

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Largely because of Eastern Europe's growing interest in Iranian crude oil to supplement supplies from the USSR, East European countries have expanded their economic ties with Iran over the past several years. As a result, Iran has become the second largest recipient of economic aid extended by this group of countries. Nevertheless, progress in implementing these commitments was relatively slow in 1970. The Czech-aided machine tool plant at Tabriz, however, was on schedule, and the first stage of the Romanian tractor plant at Tabriz was completed. The repayment terms of some \$50 million of credits extended by Hungary in 1965 and 1968 were renegotiated in July. The required downpayment was reduced to 10% from 20% on both credits and the repayment period extended from 8 to 10 years on the 1965 credit and from 10 to 12 years on the 1968 credit. Reports indicated that Bulgaria would be ready to extend \$20 million of credits, but there was no confirmation that an agreement was signed. Except for East Germany, all of the East European countries signed trade agreements or protocols with Iran. All included oil as a barter item. The USSR and Iran also signed a five-year trade agreement in July to become effective in 1971 when the present agreement expires.

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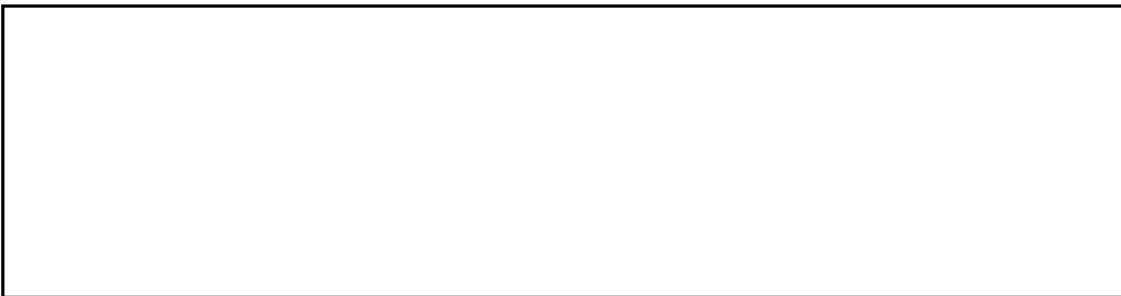


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Iraq

Although political relations between Iraq and the USSR were strained in 1970, several new Communist economic aid agreements and an arms agreement with the USSR were signed during the year, and deliveries of economic and military equipment continued. Iraq received new economic aid commitments totaling some \$65 million. These included Soviet credits of \$22.5 million, extended for agricultural equipment, workshops, and a training center, presumably with a five-year repayment period and possibly requiring a downpayment. Iraq also received a \$30.8 million credit from Hungary for the purchase of machinery and equipment. The repayment terms of the Hungarian credit are not known except that 70% of the total will be repaid in crude oil. Bulgaria extended a \$12 million credit that is to be repaid in crude oil over an eight-year period.

Equipment deliveries to the North Rumaylah oilfields began during 1970 under credits extended by the USSR and Hungary in 1969, and pipe arrived from France in November for the Rumaylah-Fao pipeline to be built with Soviet assistance. A Soviet fisheries team went to Iraq to study fisheries development possibilities, and an East German delegation undertook studies for a shipyard at Basra.



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Pakistan

Moscow's suspension of military deliveries under the Pakistani-Soviet 1968 arms accord remained in effect during 1970. Pakistan received its only new major economic aid from Communist China -- a \$200 million interest-free credit to Pakistan's Fourth Five-Year Plan (1 July 1970-30 June 1975)

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in November. The credit carries a 10-year grace period, after which repayments will be stretched over 10 years. The new aid, which is nearly double China's previous total commitments to Pakistan, also makes China the largest Communist donor of economic aid to Pakistan. The credit will cover commodity imports and seven projects, including expansion of the heavy machine building plant at Taxila, a bridge over the Brahmaputra River, a project for hard rock mining, a limestone and cement plant, a pig iron plant, and a prefabricated housing development. During 1970 two projects (a heavy industrial complex at Taxila and an ordnance plant at Dacca) were completed under credits extended in 1964. In military deliveries, Communist China provided MIG-19 jet fighters, tanks, and artillery under a 1969 agreement.

A Soviet offer to provide assistance for building a steel mill at Karachi was repeated following President Yahya Khan's visit to Moscow in June. Though Pakistan approved the feasibility study for the 1-million-ton plant, an agreement for Soviet aid was not consummated.\* Meanwhile, there was limited progress in using outstanding Soviet credits. In spite of the completion of feasibility studies, construction was not started on the electrical equipment plants at Taxila and Chittagong which will draw on some \$22 million of credits extended in 1966. The thermal power station at Ghorasal, however, was in the final stage of construction. Romania extended a \$9.5 million credit to finance the export of railway cars to Pakistan. The credit, Romania's first to Pakistan, is repayable over 10 years and carries 2.5% interest.

#### Southern Yemen

Communist China extended interest-free credits of \$43.2 million to Southern Yemen, repayable over 20 years. These credits were designated for textile mills, agricultural machinery, and for extending the Umain-Mahfad Road to Mukalla, the initial segment of which was to be built under Chinese credits extended in 1968. Approximately

\* In January 1971 the USSR extended a credit of \$208.8 million for building the plant.

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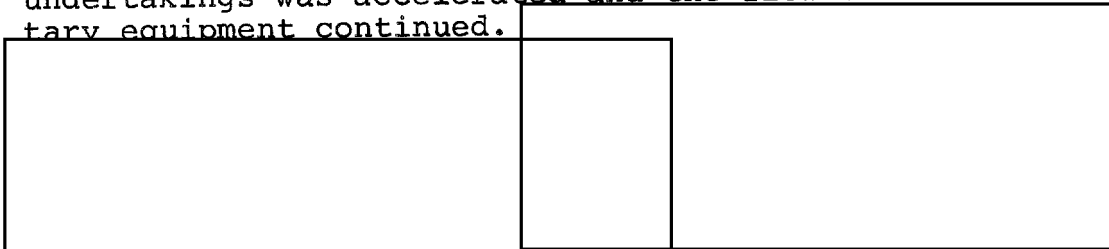
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50 Chinese technicians arrived in Southern Yemen during the year to begin work on projects under these and earlier credits. The USSR began deliveries of equipment for agricultural projects under its \$10.6 million credit, extended in 1969, and delivered 2 trawlers under its fisheries agreement, also signed in 1969. East Germany began surveys for a glass factory and construction of two flour mills. Romania undertook a geological survey.



Syria

In spite of strains in Syrian-Soviet political relations during 1970, progress on economic aid undertakings was accelerated and the flow of military equipment continued.



A July protocol to a 1957 economic agreement provided for Soviet participation in several development projects, especially for the oil industry. At mid-year the foundations for the powerplant at the Euphrates Dam were being laid, and some 600 Soviet technicians continued work on the Dam, the largest Soviet project in Syria. A bridge over the Euphrates River, part of the Latakia-Qamishli Railroad project, was completed, extending the railroad to Dayr Az-Zawr. The Chinese-aided cotton yarn mill at Hama was scheduled to start production before year's end, and the construction of two East German flour mills and a Polish telephone plant was completed.

Turkey

The major focus of Communist-Turkish economic relations during 1970 was on the implementation of earlier Soviet economic assistance agreements. The

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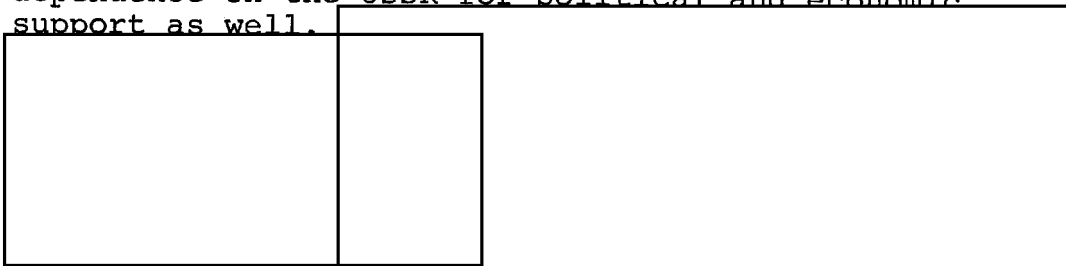
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rate of drawdown on the \$366 million of Soviet credits extended in 1967 and 1969 for construction of five industrial projects increased as work on the iron and steel plant at Iskenderun got under way and the sulfuric acid plant at Bandirma was completed. Activity on other projects also expanded, except for the Izmir refinery site where labor difficulties disrupted construction. With the heightened project activity, the number of Soviet technicians rose almost fourfold to 175. The USSR and Turkey also reached agreement on the repayment terms for most of the credits extended in 1969. Ten annual installments were allowed for the repayment of \$113.7 million of the credits, and interest on this portion of the debt was set at 2.5%. The remainder of the 1969 credits (\$52.3 million) reportedly includes a \$46.0 million credit repayable over six years with no interest. The repayment terms for the remaining \$6.3 million credit, allocated for commodity imports, are not known.

A Turkish-Soviet highway transit agreement, governing all passengers and commodities using certain designated routes in the two countries, was signed in October. Although the agreement excludes transit of military cargo, Soviet UAZ-69 jeeps had been delivered via Turkey to Iraq in August under a similar agreement with Bulgaria. Turkey signed annual trade protocols with the USSR and East European countries that called for further increases in trade, but the planned level of trade with its bilateral partners for 1970-71 was to level off at the approximately 16% of Turkey's total trade it had accounted for in 1969.

UAR

Nasser's January visit to Moscow led to an expanded Communist military involvement in the Near East conflict during 1970 and the UAR's increased dependence on the USSR for political and economic support as well.



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The most important development in the aid program during the year was the completion of the Aswan Dam, the USSR's largest economic aid undertaking in the Third World. No new economic aid was extended to the UAR by Communist countries, and Soviet aid deliveries were at the relatively low level of the past few years. This was largely because of reduced deliveries to Aswan as it went into the completion stage and because Egyptian development expenditures failed to rise to their pre-war levels. The Helwan steel mill expansion

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was the only major Communist project under way in 1970. Among East European aid projects, a Czech-aided crude oil distillation unit at the Alexandria-Mex refinery was completed and a protocol was signed in June for the construction of a petrochemical complex in Alexandria with Czech assistance. Construction of two East German aided textile plants also was completed in 1970 and contracts were signed for the construction of two additional plants.

Trade between the UAR and Communist countries increased in 1970, possibly because of Egypt's larger cotton crop. During July 1969 - June 1970, UAR trade with the West is reported to have declined 7% while its trade with Communist countries rose by more than 25%.

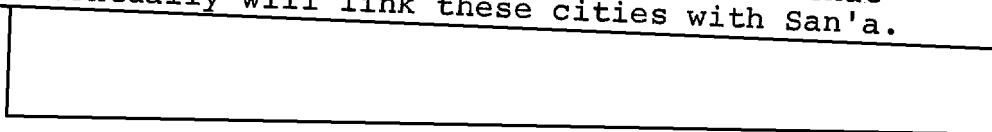
Other Near East and South Asia



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Except for continuing Chinese aid to a hydroelectric plant at Sunkosi, roadbuilding dominated Communist aid activity in Nepal. China completed the Katmandu-Kodari Road, with the 10-mile extension to Bhaktapur and the Katmandu-Pokhara Road still under construction. About half of the 500 Chinese technicians in Nepal were employed on roadbuilding projects. The Soviet-assisted Simra-Janakpur Road (the only uncompleted Soviet aid project in Nepal) was nearing completion at the end of the year.

The only new Soviet assistance to Yemen in 1970 was a grant of 5,000 tons of wheat, valued at \$400,000. The secondary school built at San'a under a 1969 Chinese grant was inaugurated in September, and East Germany completed the Ta'iz-Hudaydah portion of a telephone network that eventually will link these cities with San'a.



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Statistical Tables

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Table 3  
Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn  
1954 - December 1970

Recipient Country	Million Current US \$							
	Extended				Drawn			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<b>Africa</b>	<b>2,419.9</b>	<b>1,112.5</b>	<b>476.8</b>	<b>830.6</b>	<b>653.1</b>	<b>363.8</b>	<b>92.5</b>	<b>196.8</b>
Algeria	385.6	237.5						
Cameroon	7.8	7.8	96.1	52.0	132.1	97.3	7.4	27.4
Central African Republic	4.0	N.A.	0	0	0.7	0.7	0	0
Chad	2.2	2.2	N.A.	4.0	2.2	0	0	0
Congo (B)	44.2	13.9	0	0	0	0	0	2.2
Ethiopia	118.8	101.8	5.1	25.2	15.5	0	0	0
Ghana	239.1	93.0	17.0	0	24.2	4.7	0	10.8
Guinea	308.9	199.7	104.1	42.0	59.3	18.4	5.8	0
Kenya	66.6	48.7	29.7	79.5	152.0	31.0	24.8	3.5
Mali	139.3	63.7	0	17.9	6.8	73.8	27.3	50.9
Mauritania	8.0	3.3	22.6	53.0	87.9	3.8	0	3.0
Mauritius	5.0	5.0	0	4.7	1.0	45.6	6.2	36.1
Morocco	123.2	88.0	0	0	0	0	0	1.0
Nigeria	20.7	6.7	35.2	0	13.2	0	0	0
Senegal	6.7	6.7	14.0	0	0	8.0	5.2	0
Sierra Leone	28.0	28.0	0	0	1.2	0	0	0
Somalia	89.9	63.2	0	0	1.6	1.2	0	0
Sudan	175.0	64.8	3.4	23.3	48.5	1.6	0	0
Tanzania	281.7	20.0	68.6	41.6	17.6	38.6	3.2	6.7
Tunisia	108.4	34.1	6.7	255.0	52.2	17.4	0.2	0
Uganda	30.6	15.6	74.3	0	26.3	1.1	3.4	47.7
Upper Volta	3.2	3.2	0	15.0	6.7	17.3	9.0	0
Zambia	223.0	5.6	0	0	0	2.8	0	3.9
<b>East Asia</b>	<b>877.0</b>	<b>374.0</b>	<b>338.0</b>	<b>165.0</b>	<b>444.5</b>	<b>136.0</b>	<b>166.4</b>	<b>142.1</b>
Burma	69.5	15.4	28.6	25.5	44.7	13.7	5.5	25.5
Cambodia	134.5	24.9	17.3	92.3	90.5	15.7	5.4	69.4
Indonesia	671.5	332.2	292.1	47.2	307.8	105.1	155.5	47.2
Laos	1.5	1.5	0	0	1.5	1.5	0	0



Table 3

Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn  
1954 - December 1970  
(Continued)

Million Current US \$

Recipient Country	Extended				Drawn			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<u>Latin America</u>	<u>642.1</u>	<u>277.4</u>	<u>364.7</u>	<u>0</u>	<u>121.2</u>	<u>37.8</u>	<u>83.4</u>	<u>0</u>
Argentina	86.0	44.3	41.7	0	41.0	34.3	6.7	0
Bolivia	27.5	27.5	0	0	0	0	0	0
Brazil	330.6	90.0	240.6	0	66.0	1.0	65.0	0
Chile	59.8	54.8	5.0	0	0.5	0	0.5	0
Colombia	7.5	2.5	5.0	0	2.5	2.5	0	0
Costa Rica	10.0	10.0	0	0	0	0	0	0
Ecuador	10.0	0	10.0	0	4.6	0	4.6	0
Peru	59.3	28.3	31.0	0	0.5	0	0.5	0
Uruguay	41.4	20.0	21.4	0	6.1	0	6.1	0
Venezuela	10.0	0	10.0	0	0	0	0	0
<u>Near East and South Asia</u>	<u>7,936.1</u>	<u>5,281.8</u>	<u>1,967.7</u>	<u>686.6</u>	<u>3,826.2</u>	<u>2,929.4</u>	<u>660.3</u>	<u>236.5</u>
Afghanistan	741.1	700.2	12.9	28.0	590.9	567.9	8.5	14.5
Ceylon	144.6	39.0	52.5	53.1	71.5	22.8	12.3	36.4
Greece	7.7	7.7	0	0	7.7	7.7	0	0
India	1,993.5	1,611.8	381.7	0	1,130.9	932.1	198.8	0
Iran	1,010.3	578.3	432.0	0	292.1	232.3	59.8	0
Iraq	533.0	331.5	201.5	0	163.1	136.3	26.8	0
Jordan	N.A.	N.A.	0	0	0	0	0	0
Nepal	85.8	20.8	0	65.0	67.0	18.5	0	48.5
Pakistan	647.0	266.5	73.5	307.0	136.4	76.6	15.8	44.0
Southern Yemen	94.3	13.1	26.0	55.2	3.9	1.7	0.6	1.6
Syria	439.6	233.3	190.0	16.3	231.4	150.5	69.2	11.7
Turkey	390.5	371.2	19.3	0	67.4	50.9	16.5	0
United Arab Republic	1,680.9	1,010.0	565.2	105.7	946.8	669.4	240.7	36.7
Yemen	167.8	98.4	13.1	56.3	117.1	62.7	11.3	43.1
<i>Total</i>	<i>11,875.1</i>	<i>7,045.7</i>	<i>3,147.2</i>	<i>1,682.2</i>	<i>5,045.0</i>	<i>3,467.0</i>	<i>1,002.6</i>	<i>575.4</i>

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Table 4  
 Communist Economic Credits and Grants Extended to Less Developed Countries  
 by Communist Area and Country  
 1954 - December 1970

Million Current US \$

Year	Total	USSR	Eastern Europe							Communist China
			Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Romania	
1954-60	2,968.7	2,378.9	408.8	0	222.9	49.8	25.9	99.1	11.1	181.0
1961	1,011.7	551.1	384.0	12.6	141.7	2.4	45.2	81.2	100.9	76.6
1962	269.0	70.2	186.5	2.8	57.4	0	11.7	114.6	0	12.3
1963	323.4	217.0	18.3	1.5	5.6	1.5	0	9.7	0	88.1
1964	1,466.5	824.7	330.9	5.4	118.2	65.9	2.4	99.0	40.0	310.9
1965	1,041.3	371.2	599.4	43.5	117.6	174.3	54.0	107.0	103.0	70.7
1966	1,631.6	1,276.0	236.6	15.0	60.9	49.7	107.5	3.5	0	119.0
1967	501.7	290.4	161.8	56.3	25.0	18.0	30.0	10.0	22.5	49.5
1968	610.7	379.3	177.1	32.1	6.0	7.5	40.0	5.0	86.5	54.3
1969	940.5	476.5	452.3	8.4	233.0	156.3	11.2	13.1	30.3	11.7
1970	1,110.0	210.4	191.5	52.0	15.0	19.2	85.8	10.0	9.5	708.1
<i>Total</i>	<i>11,875.1</i>	<i>7,045.7</i>	<i>3,147.2</i>	<i>229.6</i>	<i>1,003.3</i>	<i>544.6</i>	<i>413.7</i>	<i>552.2</i>	<i>403.8</i>	<i>1,682.2</i>

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Table 5

Soviet Economic Credits and Grants Extended to Less Developed Countries, by Year  
1954-70

	Million Current US \$											
	1954-60	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1954-70
<i>Total</i>	<u>2,378.9</u>	<u>551.1</u>	<u>70.2</u>	<u>217.0</u>	<u>824.7</u>	<u>371.2</u>	<u>1,276.0</u>	<u>290.4</u>	<u>379.3</u>	<u>476.5</u>	<u>210.4</u>	<u>7,045.7</u>
<b>Africa</b>	<u>207.7</u>	<u>197.1</u>	<u>24.7</u>	<u>111.8</u>	<u>211.7</u>	<u>53.6</u>	<u>83.4</u>	<u>26.2</u>	<u>5.4</u>	<u>134.8</u>	<u>56.1</u>	<u>1,112.5</u>
Algeria	--	--	0.6	100.0	131.5	--	5.4	--	--	--	--	237.5
Cameroon	--	--	--	7.8	--	--	--	--	--	--	--	7.8
Central African Republic	--	--	--	--	--	--	--	--	--	--	N.A.	N.A.
Chad	--	--	--	--	--	--	--	--	2.2	--	--	2.2
Congo (B)	--	--	--	--	10.2	3.7	--	--	--	--	--	13.9
Ethiopia	101.8	--	--	--	--	--	--	--	--	--	--	101.8
Ghana	46.8	46.2	--	--	--	--	--	--	--	--	--	93.0
Guinea	59.1	1.0	13.0	--	--	15.0	2.7	16.7	--	92.2	--	199.7
Kenya	--	--	--	--	48.7	--	--	--	--	--	--	48.7
Mali	--	44.4	11.1	4.0	--	0.2	3.2	--	--	0.8	--	63.7
Mauritania	--	--	--	--	--	--	--	3.3	--	--	--	3.3
Mauritius	--	--	--	--	--	--	43.6	--	--	--	5.0	5.0
Morocco	--	--	--	--	--	--	--	--	--	--	44.4	88.0
Nigeria	--	--	--	--	--	N.A.	--	--	N.A.	--	6.7	6.7
Senegal	--	--	--	--	--	6.7	--	--	--	--	--	6.7
Sierra Leone	--	--	--	--	--	28.0	--	--	--	--	--	28.0
Somalia	--	54.7	--	--	--	--	8.5	--	--	--	--	63.2
Sudan	--	23.0	--	--	--	--	--	--	--	41.8	--	64.8
Tanzania	--	--	--	--	--	--	20.0	--	--	--	--	20.0
Tunisia	--	27.8	--	--	5.7	--	--	0.6	--	--	--	34.1
Uganda	--	--	--	--	15.6	--	--	--	--	--	--	15.6
Upper Volta	--	--	--	--	--	--	--	--	3.2	--	--	3.2
Zambia	--	--	--	--	--	--	--	5.6	--	--	--	5.6
<b>East Asia</b>	<u>342.3</u>	<u>3.0</u>	<u>5.4</u>	<u>14.8</u>	<u>0</u>	<u>3.3</u>	<u>3.5</u>	<u>0</u>	<u>0</u>	<u>1.7</u>	<u>0</u>	<u>374.0</u>
Burma	7.2	--	3.9	2.6	--	--	--	--	--	1.7	--	15.4
Cambodia	6.2	3.0	--	12.2	--	--	3.5	--	--	--	--	24.9
Indonesia	328.9	a/	--	--	--	3.3	--	--	--	--	--	332.2
Laos	--	--	1.5	--	--	--	--	--	--	--	--	1.5

Table 5  
Soviet Economic Credits and Grants Extended to Less Developed Countries, by Year  
1954-70  
(Continued)

	Million Current US \$											
	1954-60	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1954-70
<u>Near East and South Asia</u>	<u>1,799.9</u>	<u>351.0</u>	<u>40.1</u>	<u>90.4</u>	<u>613.0</u>	<u>299.0</u>	<u>1,099.1</u>	<u>209.4</u>	<u>371.4</u>	<u>320.0</u>	<u>88.5</u>	<u>5,281.8</u>
Afghanistan	256.1	196.0	35.9	51.5	11.2	14.1	0.9	5.0	126.7	--	2.8	700.2
Ceylon	30.0	--	--	--	--	0.6	--	--	--	--	8.4	39.0
Greece	--	--	--	--	--	7.7	b/	--	--	--	--	7.7
India	686.1	125.0	--	--	--	226.5	574.2	--	--	--	--	1,611.8
Iran	--	--	--	38.9	1.7	--	305.5	--	--	--	--	578.3
Iraq	182.5	--	1.4	--	--	--	--	4.4	177.8	--	54.4	331.5
Jordan	--	--	--	--	--	--	--	--	--	120.7	22.5	331.5
Nepal	7.5	--	2.8	--	--	--	--	--	--	N.A.	--	N.A.
Pakistan	3.2	30.0	--	--	10.5	--	--	--	--	--	--	20.8
Southern Yemen	--	--	--	--	11.0	50.0	85.2	--	66.9	20.2	--	266.5
Syria	100.0	--	--	--	--	--	--	--	--	13.1	--	13.1
Turkey	5.2	--	--	--	--	--	133.3	--	--	--	--	233.3
United Arab Republic	508.6	--	--	--	501.4	--	--	200.0	--	166.0	--	371.2
Yemen	20.7	--	--	--	77.2	0.1	--	--	--	--	--	1,010.0
<u>Latin America</u>	<u>29.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15.3</u>	<u>90.0</u>	<u>54.8</u>	<u>2.5</u>	<u>20.0</u>	<u>65.8</u>	<u>277.4</u>
Argentina	29.0	c/	--	--	--	15.3	--	--	--	--	--	44.3
Bolivia	--	--	--	--	--	--	--	--	--	--	--	27.5
Brazil	--	--	--	--	--	--	--	--	--	--	27.5	27.5
Chile	--	--	--	--	--	--	90.0	--	--	--	--	90.0
Colombia	--	--	--	--	--	--	--	54.8	--	--	--	54.8
Costa Rica	--	--	--	--	--	--	--	--	2.5	--	--	2.5
Peru	--	--	--	--	--	--	--	--	--	--	10.0	10.0
Uruguay	--	--	--	--	--	--	--	--	--	--	28.3	28.3

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Table 6

East European Economic Credits and Grants Extended to Less Developed Countries, by Year  
1954-70

	Million Current US \$											
	1954-60	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1954-70
<i>Total</i>	<i>408.8</i>	<i>384.0</i>	<i>186.5</i>	<i>18.3</i>	<i>330.9</i>	<i>599.4</i>	<i>236.6</i>	<i>161.8</i>	<i>177.1</i>	<i>452.3</i>	<i>191.5</i>	<i>3,147.2</i>
<u>Africa</u>	<u>43.0</u>	<u>119.4</u>	<u>8.2</u>	<u>1.5</u>	<u>26.3</u>	<u>84.7</u>	<u>0.2</u>	<u>38.2</u>	<u>54.7</u>	<u>11.4</u>	<u>89.2</u>	<u>476.8</u>
Algeria	--	--	1.4	--	20.4	--	0.2	--	--	--	74.1	96.1
Central African Republic	--	--	--	--	--	--	--	--	--	--	N.A.	N.A.
Congo (B)	--	--	--	--	--	--	--	--	--	--	5.1	5.1
Ethiopia	11.8	--	--	--	--	5.2	--	--	--	--	--	17.0
Ghana	--	83.9	--	--	--	20.2	--	--	--	--	--	104.1
Guinea	21.2	2.0	--	--	--	3.0	--	--	3.5	--	--	29.7
Mali	--	20.6	2.0	--	--	--	--	--	--	--	--	22.6
Morocco	--	0.4	4.8	--	--	30.0	--	--	N.A.	--	--	35.2
Nigeria	--	--	--	--	--	14.0	--	--	--	--	--	14.0
Somalia	--	2.5	a/	--	--	0.9	--	--	--	--	--	3.4
Sudan	--	--	--	--	--	10.0	--	37.2	--	11.4	10.0	68.6
Tanzania	--	--	--	--	5.3	1.4	--	--	--	--	--	6.7
Tunisia	10.0	10.0	--	1.5	0.6	--	--	1.0	51.2	--	--	74.3
<u>East Asia</u>	<u>107.8</u>	<u>120.1</u>	<u>1.4</u>	<u>5.6</u>	<u>61.1</u>	<u>13.0</u>	<u>16.1</u>	<u>0</u>	<u>1.0</u>	<u>11.9</u>	<u>0</u>	<u>338.0</u>
Burma	--	0.1	1.4	--	--	10.0	16.1	--	1.0	--	--	28.6
Cambodia	0.9	4.5	--	--	--	--	--	--	--	11.9	--	17.3
Indonesia	106.9	115.5	--	5.6	61.1	3.0	--	--	--	--	--	292.1
<u>Near East and South Asia</u>	<u>252.8</u>	<u>34.5</u>	<u>106.9</u>	<u>11.2</u>	<u>243.5</u>	<u>498.7</u>	<u>172.2</u>	<u>71.6</u>	<u>106.4</u>	<u>417.6</u>	<u>52.3</u>	<u>1,967.7</u>
Afghanistan	5.0	1.3	--	--	--	--	4.7	--	1.9	--	--	12.9
Ceylon	--	--	--	8.0	--	42.0	--	--	2.5	--	--	52.5
India	119.5	15.9	32.9	--	84.0	22.0	52.5	25.0	--	30.3	--	381.7
Iran	6.1	--	--	0.9	15.0	125.0	--	10.0	75.0	200.0	--	432.0
Iraq	--	--	--	--	--	20.0	--	14.0	--	124.7	42.8	201.5
Pakistan	--	--	--	--	28.0	--	28.0	--	--	8.0	9.5	73.5
Southern Yemen	--	--	--	--	--	--	--	--	2.0	24.0	--	26.0
Syria	25.2	--	--	--	5.2	26.1	83.5	--	25.0	25.0	--	190.0
Turkey	12.9	--	--	0.8	--	--	--	--	--	5.6	--	19.3
United Arab Republic	84.0	17.3	74.4	1.5	110.0	255.4	--	22.6	--	--	--	565.2
Yemen	0.1	--	--	--	1.3	8.2	3.5	--	--	--	--	13.1

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Table 6  
 East European Economic Credits and Grants Extended to Less Developed Countries, by Year  
 1954-70  
 (Continued)

	Million Current US \$											
	1954-60	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1954-70
<u>Latin America</u>	<u>5.2</u>	<u>110.0</u>	<u>70.0</u>	<u>0</u>	<u>0</u>	<u>3.0</u>	<u>48.1</u>	<u>52.0</u>	<u>15.0</u>	<u>11.4</u>	<u>50.0</u>	<u>364.7</u>
Argentina	3.7	--	--	--	--	3.0 b/	--	30.0	5.0	--	--	41.7
Brazil	1.5	110.0	70.0	--	--	--	42.1	17.0	--	--	--	240.6
Chile	--	--	--	--	--	--	--	--	5.0	--	--	5.0
Colombia	--	--	--	--	--	--	--	--	5.0	--	--	5.0
Ecuador	--	--	--	--	--	--	--	5.0	--	--	--	10.0
Peru	--	--	--	--	--	--	--	--	--	6.0	25.0	31.0
Uruguay	--	--	--	--	--	--	6.0	--	--	0.4	15.0	21.4
Venezuela	--	--	--	--	--	--	--	--	--	--	10.0	10.0

a. Reduced from \$4.2 million when undrawn portion of credit expired.

b. Reduced from \$15.0 million in 1968 when undrawn portion of credit expired.

Table 7

Chinese Communist Economic Credits and Grants Extended to Less Developed Countries, by Year  
1956-70

	Million Current US \$											
	1956-60	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1956-70
<i>Total</i>	181.0	76.6	12.3	88.1	310.9	70.7	119.0	49.5	54.3	11.7	708.1	1,682.2
<u>Africa</u>	<u>26.5</u>	<u>39.2</u>	<u>1.8</u>	<u>71.6</u>	<u>138.2</u>	<u>24.7</u>	<u>42.5</u>	<u>21.5</u>	<u>0.3</u>	<u>11.5</u>	<u>452.8</u>	<u>830.6</u>
Algeria	--	--	1.8	50.0	--	0.2	--	--	--	--	--	52.0
Central African Republic	--	--	--	--	4.0	--	--	--	--	--	--	4.0
Congo (B)	--	--	--	--	25.2	--	--	--	--	--	--	25.2
Ghana	--	19.6	--	--	22.4	--	--	--	--	--	--	42.0
Guinea	26.5	--	--	--	--	--	31.2	--	0.3	11.5	10.0	79.5
Kenya	--	--	--	--	17.9	--	--	--	--	--	--	17.9
Mali	--	19.6	--	--	22.4	8.0	3.0	--	--	--	--	53.0
Mauritania	--	--	--	--	--	--	--	4.7	--	--	--	4.7
Somalia	--	--	--	21.6	--	1.5	0.2	--	--	--	--	23.3
Sudan	--	--	--	--	--	--	--	--	--	--	41.6	41.6
Tanzania	--	--	--	--	46.3	--	8.1	--	N.A.	--	200.6	255.0
Uganda	--	--	--	--	--	15.0	--	--	--	--	--	15.0
Zambia	--	--	--	--	--	--	--	16.8	--	N.A.	200.6	217.4
<u>East Asia</u>	<u>76.5</u>	<u>27.6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18.0</u>	<u>42.9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>165.0</u>
Burma	--	25.5 a/	--	--	--	--	--	--	--	--	--	25.5
Cambodia	49.4	--	--	--	--	--	42.9	--	--	--	--	92.3
Indonesia	27.1	2.1	--	--	--	18.0	--	--	--	--	--	47.2
<u>Near East and South Asia</u>	<u>78.0</u>	<u>9.8</u>	<u>10.5</u>	<u>16.5</u>	<u>172.7</u>	<u>28.0</u>	<u>33.6</u>	<u>28.0</u>	<u>54.0</u>	<u>0.2</u>	<u>255.3</u>	<u>686.6</u>
Afghanistan	--	--	--	--	--	28.0	--	--	--	--	--	28.0
Ceylon	26.3	--	10.5	--	4.2	--	--	--	--	--	12.1	53.1
Nepal	33.6	9.8	--	--	--	--	19.6	--	2.0	--	--	65.0
Pakistan	--	--	--	--	60.0	--	--	7.0	40.0	--	200.0	307.0
Southern Yemen	--	--	--	--	--	--	--	--	12.0	--	43.2	55.2
Syria	--	--	--	16.3	--	--	--	--	--	--	--	16.3
United Arab Republic	4.7	--	--	--	80.0	--	--	21.0	--	--	--	105.7
Yemen	13.4	--	--	0.2	28.5	--	14.0	--	--	0.2	--	56.3

a. Total original credit extended was for \$84 million. Undrawn balance was canceled when the Chinese were expelled in 1968.

Table 8

Communist Economic Credits and Grants Drawn by Less Developed Countries  
By Communist Area and Country  
1954-70

Million Current US \$

Year	Total	USSR	Eastern Europe							Communist China
			Total	Bulgaria	Czecho- slovakia	East Germany	Poland	Hungary	Romania	
1954-56	41	12	8	--	6	1	--	--	--	21
1957	62	36	19	--	9	6	1	3	--	7
1958	128	97	26	--	14	9	--	3	--	5
1959	151	109	17	--	8	4	2	Negl.	2	25
1960	149	107	32	--	16	1	11	Negl.	4	10
1961	237	183	45	--	20	12	9	1	3	9
1962	356	254	89	2	35	9	36	6	1	13
1963	425	345	59	1	32	7	11	4	4	22
1964	558	377	116	2	67	2	26	5	14	65
1965	523	355	91	3	43	4	30	10	2	76
1966	514	338	87	13	24	17	20	6	6	89
1967	499	284	121	10	41	20	13	10	27	94
1968	456	296	114	2	58	28	9	7	10	46
1969	471	332	90	6	37	20	13	4	10	49
1970	457	341	88	2	21	20	22	10	14	45
<i>Total</i>	<i>5,045</i>	<i>3,467</i>	<i>1,003</i>	<i>40</i>	<i>432</i>	<i>160</i>	<i>204</i>	<i>70</i>	<i>97</i>	<i>575</i>

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Table 13

Military Aid Extended by Communist Countries  
to Less Developed Countries  
1955-70

Million Current US \$				
<u>Year</u>	<u>Total</u>	<u>USSR</u>	<u>Eastern Europe</u>	<u>Communist China</u>
1955-60	1,717	1,222	462	33
1961	843	828	15	--
1962	416	416	--	--
1963	392	387	5	--
1964	921	901	16	4
1965	376	257	45	74
1966	396	371	15	10
1967	651	559	75	17
1968	445	395	45	5
1969	385	262	70	53
1970	912	870	42	N.A.
<i>Total</i>	<i>7,454</i>	<i>6,468</i>	<i>790</i>	<i>196</i>

Table 14

Communist Military Aid to Less Developed Countries, Extended and Drawn  
1955-70

Million Current US \$

Recipient Country	Extended				Drawn			
	Total	USSR	Eastern Europe	Communist China	Total	USSR	Eastern Europe	Communist China
<i>Total</i>	<i>7,454</i>	<i>6,468</i>	<i>790</i>	<i>196</i>	<i>6,265</i>	<i>5,411</i>	<i>706</i>	<i>148</i>
<u>Africa</u>	<u>565</u>	<u>497</u>	<u>42</u>	<u>26</u>	<u>499</u>	<u>448</u>	<u>31</u>	<u>20</u>
Algeria	308	295	1	12	274	261	1	12
Burundi	Negl.	Negl.	--	--	--	--	--	--
Congo (B)	4	3	--	1	3	2	--	1
Ghana	10	10	--	Negl.	10	10	--	--
Guinea	12	10	1	1	11	10	1	--
Libya	35	30	5	--	30	30	--	--
Mali	4	4	--	Negl.	4	4	--	--
Morocco	33	13	20	--	33	13	20	--
Nigeria	9	9	--	--	9	9	--	--
Somalia	45	45	--	--	40	40	--	--
Sudan	75	66	9	--	63	60	3	--
Tanzania	15	2	1	12	10	2	1	7
Uganda	15	10	5	Negl.	12	7	5	--
<u>East Asia</u>	<u>1,338</u>	<u>1,104</u>	<u>199</u>	<u>35</u>	<u>1,091</u>	<u>868</u>	<u>189</u>	<u>34</u>
Burma	N.A.	N.A.	--	--	--	--	--	--
Cambodia	26	12	Negl.	14	23	10	--	13
Indonesia	1,312	1,092	199	21	1,068	858	189	21
<u>Near East and South Asia</u>	<u>5,551</u>	<u>4,867</u>	<u>549</u>	<u>135</u>	<u>4,675</u>	<u>4,095</u>	<u>486</u>	<u>94</u>
Afghanistan	293	280	13	--	288	275	13	--
Cyprus	27	26	1	--	19	18	1	--
India	819	768	51	--	625	574	51	--
Iran	310	310	--	--	90	90	--	--
Iraq	799	722	77	--	573	525	48	--
Pakistan	163	30	--	133	102	8	--	94
Southern Yemen	17	17	--	--	10	10	--	--
Syria	596	502	92	2	535	473	62	--
United Arab Republic	2,420	2,135	285	--	2,327	2,045	282	--
Yemen	107	77	30	--	106	77	29	--

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TABLE 19  
COMMUNIST EXPORTS TO AND IMPORTS FROM SELECTED LESS DEVELOPED COUNTRIES, 1968-69

Million Current US\$

AREA AND COUNTRY	Total <sup>a</sup>				USSR				Eastern Europe				Communist China			
	1968		1969		1968		1969		1968		1969		1968		1969	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<b>Total</b> .....	<b>2,631.9</b>	<b>2,612.2</b>	<b>2,306.3</b>	<b>2,437.6</b>	<b>948.0</b>	<b>885.0</b>	<b>1,167.5</b>	<b>1,119.0</b>	<b>1,153.2</b>	<b>886.9</b>	<b>1,072.4</b>	<b>994.1</b>	<b>494.0</b>	<b>202.7</b>	<b>484.5</b>	<b>260.2</b>
<b>Africa</b> .....	<b>434.2</b>	<b>312.9</b>	<b>470.4</b>	<b>367.3</b>	<b>132.8</b>	<b>122.7</b>	<b>176.4</b>	<b>172.2</b>	<b>179.4</b>	<b>132.6</b>	<b>169.0</b>	<b>134.7</b>	<b>111.4</b>	<b>50.4</b>	<b>110.6</b>	<b>49.3</b>
Algeria.....	61.3	56.6	94.8	94.2	31.9	27.7	57.7	57.7	61.6	21.9	18.3	26.0	21.8*	6.8	9.3	10.8*
Angola.....	0.4	1.9	2.4	1.4					0.4	1.9	2.4	1.4				
Cameroun.....	3.6	5.9	4.2	14.8	0.6	5.8	1.1	12.0	2.3	0.1	1.6	2.8	0.6			1.3
Chad.....	1.7		1.5		0.2		Negl.		1.1		0.8		0.4			0.7
Congo (B).....	2.4	0.9			0.7		0.1		0.8				1.7*			
Congo (K).....	2.7	Negl.	0.4	Negl.	0.4											
Dahomey.....	8.8	2.6	9.1	4.8	2.1	2.1	2.4	4.0	4.1	0.9*		4.5	0.3	1.4*	2.6	0.5
Ethiopia.....	22.2	29.6	22.3	21.8	9.2	20.4	9.3	15.4	11.3	8.7	8.7	5.3	1.6	0.6	4.3	1.1
Ghana.....	13.8	2.2	8.8	3.4	13.8	3.2	8.8	3.4	4.3							
Guinea.....	3.2	3.9	3.7		Negl.	0.7	Negl.	5.8	2.6	3.2	2.9	4.0	0.6			0.7
Ivory Coast.....	9.6	3.5	8.4	3.6	0.8	0.2		1.3	4.3	2.1	4.8	1.0	4.5	1.2	3.2	1.3
Liberia.....	1.3								1.3*							
Libya.....	54.3	2.4	53.0	7.2	6.1	Negl.	10.8	Negl.	35.8	2.4	28.2*	7.2*				15.7*
Malagasy Republic.....	0.1		Negl.	Negl.					0.1	0.1		Negl.				
Mali.....	20.6	3.4														
Mauritania.....					9.4	1.8	5.1	2.0	2.2	0.4	0.3	0.1	9.1	1.1	3.1	
Mauritius.....	1.2															
Morocco.....	61.4	61.4	84.5	64.6	19.2	18.3	37.1	17.9	20.6	29.8	20.9	30.7	12.0	7.3	13.2	6.8
Mozambique.....	0.2		0.1	0.2					0.2		0.1	0.2	Negl.		Negl.	
Niger.....	1.8								Negl.							
Nigeria.....	42.6	33.9	49.9	30.8	11.9	21.3	16.7	24.4	20.2	11.9	17.8	6.4	10.4	0.7	15.3	Negl.
Senegal.....	5.9	0.3	7.9	0.3	0.2	0.3	0.2				1.1*	0.2*	5.7*		6.7*	
Sierra Leone.....	8.3		14.1	1.1	0.9		1.0	1.1	5.1		8.9*		2.3		4.2*	
Somalia.....	3.6	4.1	2.1		Negl.	3.6	0.1	2.1	Negl.							
Sudan.....	32.5	44.3	46.8	50.9	16.0	12.1	16.0	13.7	19.3	18.2	16.8	18.7	17.2	13.9	14.0	18.5
Tanzania.....	17.8	11.1	15.3	15.9	0.9	1.1	0.4	2.8	4.9	2.4	3.7	2.2	12.1	7.7	11.1	10.9
Togo.....	4.1	Negl.	3.9	0.9	0.8	Negl.	1.1	0.9	1.0	Negl.	1.2	2.2	2.2			1.6
Tunisia.....	17.5	30.3	17.0	18.0	3.3	3.4	4.2	3.4	13.7	24.1	12.8	14.6	0.5	0.8	Negl.	
Uganda.....	6.8	7.3	6.2	11.8	0.8	1.1	1.4	1.6	3.1	1.4	2.3	9.0	2.9	4.9	2.5	1.2
Upper Volta.....																
Zambia.....	4.5	10.0	3.2	8.8					3.0	7.6*	3.2*	8.8*	1.5*	2.4*		
<b>Europe</b> .....	<b>124.3</b>	<b>95.0</b>	<b>137.3</b>	<b>106.9</b>	<b>20.4</b>	<b>13.7</b>	<b>24.4</b>	<b>3.8</b>	<b>61.9</b>	<b>61.4</b>	<b>69.1</b>	<b>63.0</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>	<b>0.8</b>
Portugal.....	12.2	6.7	16.5	7.2					11.7	6.7	16.2	7.2	0.1	1.3	0.1	0.8
Spain.....	112.1	88.3	120.8	99.7	20.4	13.7	24.4	3.8	50.2	54.7	52.9	55.8	1.0	1.3	1.1	0.8
<b>East Asia</b> .....	<b>270.7</b>	<b>228.3</b>	<b>293.0</b>	<b>321.6</b>	<b>18.1</b>	<b>124.4</b>	<b>17.4</b>	<b>150.7</b>	<b>33.6</b>	<b>40.5</b>	<b>32.9</b>	<b>66.6</b>	<b>215.0</b>	<b>59.1</b>	<b>232.9</b>	<b>101.7</b>
<b>Burma</b> .....	<b>13.5</b>	<b>3.1</b>	<b>18.8*</b>	<b>4.7</b>	<b>1.9</b>	<b>0.3</b>	<b>2.6</b>	<b>3.7</b>	<b>10.2</b>	<b>2.8</b>	<b>10.9*</b>	<b>8.8</b>	<b>0.8</b>	<b>6.7*</b>	<b>9.0*</b>	<b></b>
Cambodia.....	10.9	15.8	0.7		Negl.	0.7	2.1	0.7	3.0*	4.0*						
Indonesia.....	5.2	19.1	46.6	23.8	5.2	19.1										
Laos.....				2.0							4.0	2.0			39.0	
Malaysia.....	62.8	146.1	63.4	188.2	0.1	100.4	1.7	121.8	4.1	21.8	3.6	31.8	2.0	57.2	23.9	44.6
Singapore.....	166.2	40.1	139.1	93.2	6.9	2.0	6.2	1.1	7.6	10.3	11.4	29.4	150.3	26.5	136.7	37.1
Thailand.....	12.1	2.0	9.7	1.7	3.3	0.4	2.8	0.3	8.7	1.6	6.8	1.4	Negl.		0.1	
<b>Latin America</b> .....	<b>157.9</b>	<b>279.2</b>	<b>166.9</b>	<b>301.4</b>	<b>22.6</b>	<b>82.4</b>	<b>25.1</b>	<b>104.3</b>	<b>127.9</b>	<b>192.2</b>	<b>133.5</b>	<b>196.4</b>	<b>6.8</b>	<b>0.6</b>	<b>8.1</b>	<b>0.3</b>
Argentina.....	12.2	62.2	22.5	71.9	3.2	28.7	6.8	25.6	8.7	32.0	14.9	45.7	0.3	0.6	0.8	0.3
Bolivia.....	1.6								1.6*							
Brazil.....	89.8	124.5	69.1	134.2	13.8	27.9	12.1	48.8	75.9	96.6	57.0	83.3	Negl.	Negl.	Negl.	Negl.
Chile.....	5.3	Negl.	6.0	0.9	0.1	Negl.	0.2	0.1	4.8		5.6*	8.5*	0.4		0.2*	
Colombia.....	16.7	20.4	16.9	25.8	2.1	3.4	2.6	4.2	14.6	17.0	14.3	21.6				
Costa Rica.....			0.2	5.4												
Ecuador.....	2.7	17.7	8.8	21.8	Negl.	12.4	0.2	13.9	2.7	5.3	8.6*	7.9*				
El Salvador.....		8.1									8.1*					
Guatemala.....		2.7									2.7*					
Guyana.....			0.2													
Honduras.....	1.1									0.1*				0.2		0.2
Mexico.....	7.7	15.5	16.4	7.4	2.7	8.4			1.1	4.9	3.1	15.4*	1.8*			
Nicaragua.....																
Peru.....	6.0	21.0	7.9	24.1	Negl.											
Uruguay.....	3.3	7.1	6.8	10.0	0.7	1.6	0.9	1.0	2.1*	5.5	5.7	9.0	Negl.		0.1	Negl.
Venezuela.....	11.2	Negl.	12.1	Negl.					9.6	Negl.	9.4	Negl.			2.7	
<b>Near East and South Asia</b> .....	<b>1,644.8</b>	<b>1,098.8</b>	<b>1,736.7</b>	<b>1,337.4</b>	<b>754.1</b>	<b>541.8</b>	<b>924.1</b>	<b>688.0</b>	<b>720.4</b>	<b>460.2</b>	<b>661.1</b>	<b>533.4</b>	<b>159.7</b>	<b>91.0</b>	<b>131.5</b>	<b>108.1</b>
Afghanistan.....	39.7	31.0	44.8	30.6	39.7	31.0	44.8	30.6								
Ceylon.....	68.5	58.9	80.7	66.1	11.8	16.2	8.3	14.4	13.4	10.0	25.0	11.3	41.2	32.7	47.4	40.4
Cyprus.....	10.1	8.7	13.2	10.4	3.4	4.3	5.1	5.8	6.7	4.4	8.0	4.6				
Greece.....	109.2	71.9	95.4	88.6	24.7	24.8	28.8	28.9	84.4	47.1	66.2	59.7	0.1	Negl.	0.4	Negl.
India.....	322.1	316.9	313.8	351.6	183.3	183.0	171.3	221.4	138.8	133.6	142.5	130.1				
Iran.....	161.9	70.9	221.1	95.2	88.1	40.1	161.6	56.4	70.8	29.3	37.1*	2.8*				
Iraq.....	100.9	11.2	131.6	15.5	50.8	4.1	67.7	4.7	31.6*	1.7*						
Israel.....	20.2	18.6	24.6	22.7					20.2	18.6	24.6	22.7				
Jordan.....	16.8	0.9	23.3	1.1	3.4				8.8	0.4	14.1	0.5	4.6	0.5	4.9	0.6
Kuwait.....	54.1	0.3	15.3		15.0				17.6	Negl.						
Lebanon.....	13.6	3.4	11.6													
Malta.....	5.3	Negl.	5.9	0.1												
Nepal.....	0.9	0.6	0.9	1.1	0.9	0.6	0.9	1.1	3.9	Negl.	4.1	0.1	1.2	Negl.	1.7	Negl.
Pakistan.....	115.2	73.1	125.8	100.8	36.8	11.1	39.4	23.7	48.8	36.3	59.3	47.1	29.6	25.5	20.4	28.9
Saudi Arabia.....	16.4		12.6	0.2	3.9				4.6	0.2	5.1		7.3			
Southern Yemen.....	9.5	Negl.	6.9	1.0	1.4				6.9	1.0	5.3	Negl.				
Syria.....	120.6	41.7	127.2	79.5	42.1	30.9	47.8	37.3	63.3*	12.3*	56.3*	24.3*	12.0*	7.6*	16.7*	15.3*
Turkey.....	99.3	91.2	124.2	90												

Table 20

Percentage Share of the Communist Countries  
in the Trade of Selected Less Developed Countries a/  
1968-69

	<u>Exports to</u> <u>Communist Countries</u>		<u>Imports from</u> <u>Communist Countries</u>	
	<u>1968</u>	<u>1969</u>	<u>1968</u>	<u>1969</u>
<u>Africa</u>				
Algeria	6.4	9.0	6.4	7.2
Angola	0.7	0.4	0.1	0.8
Cameroon	3.1	5.4	2.2	1.9
Chad	--	--	4.0	3.4
Congo (B)	2.1	N.A.	4.5	N.A.
Dahomey	Negl.	N.A.	5.3	N.A.
Ethiopia	3.3	2.1	5.0	6.1
Ghana	6.7	3.2	6.4	7.4
Guinea	7.4	N.A.	b/	N.A.
Ivory Coast	0.9	1.3	1.0	1.1
Kenya	2.2	1.8	3.0	2.8
Libya	0.1	0.3	8.3	7.5
Malagasy Republic	0.1	Negl.	0.1	Negl.
Mali	7.3	2.8	34.7	19.5
Morocco	13.1	12.6	11.2	14.0
Nigeria	4.7	3.2	6.1	5.4
Senegal	0.2	0.2	4.3	4.2
Sierra Leone	--	N.A.	9.5	14.4
Somalia	0.6	N.A.	8.6	N.A.
Sudan	19.7	19.0	21.1	16.5
Tanzania	5.1	6.7	8.4	7.8
Togo	Negl.	2.3	8.2	7.4
Tunisia	18.9	11.7	8.2	6.9
Uganda	4.0	6.3	5.7	4.7
<u>Europe</u>				
Portugal	0.9	0.9	1.4	1.4
Spain	5.8	5.3	3.1	2.8
<u>East Asia</u>				
Burma	3.3	N.A.	12.8	N.A.
Cambodia	18.0	N.A.	10.0	N.A.
Indonesia	2.6	1.5	0.7	5.0
Malaysia	10.6	11.6	7.2	7.3
Singapore	5.8	8.7	10.2	8.1
Thailand	0.3	0.3	1.1	0.8

Table 20

Percentage Share of the Communist Countries  
in the Trade of Selected Less Developed Countries a/  
1968-69  
(Continued)

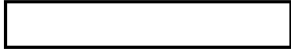
	Exports to Communist Countries		Imports from Communist Countries	
	1968	1969	1968	1969
<u>Latin America</u>				
Argentina	3.7	4.2	1.2	1.6
Brazil	6.5	5.6	4.4	3.2
Chile	Negl.	0.1	0.7	0.7
Colombia	3.7	4.3	2.7	2.6
Ecuador	13.3	9.5	1.1	3.7
Mexico	0.7	0.1	0.3	0.8
Peru	2.4	2.8	1.0	1.6
Uruguay	3.9	5.3	1.7	3.4
<u>Near East and South Asia</u>				
Afghanistan	40.6	N.A.	c/	N.A.
Ceylon	17.1	20.7	19.4	18.9
Cyprus	10.0	10.9	6.2	6.7
Greece	15.3	16.2	8.0	6.1
India	18.2	19.2	12.2	19.7
Iran	3.4	4.4	8.0	8.3
Iraq	1.1	3.3	21.2	23.2
Israel	2.9	3.1	1.9	1.9
Jordan	2.7	3.3	11.1	13.2
Kuwait	Negl.	--	7.4	N.A.
Lebanon	1.7	N.A.	2.3	N.A.
Malta	Negl.	0.5	4.9	4.4
Nepal	2.2	N.A.	2.2	N.A.
Pakistan	10.6	14.7	11.5	11.5
Saudi Arabia	--	N.A.	2.7	1.5
Syria	11.7	38.3	9.1	30.9
Turkey	18.3	16.9	12.8	13.2
United Arab Republic	48.6	53.1	39.4	31.8

a. Soviet trade data from official trade yearbooks; other data from US Department of Commerce and UN, Direction of Trade.

b. The Soviet Trade Handbook is the only source for data on trade with Communist areas. By relating these data to total trade reported in DOT the figure would be 50.5%; if IFS data for world trade are used the figure would be 19.7%.

c. The Soviet Trade Handbook is the only source for data on trade with Communist areas. By relating these data to total trade reported in DOT the figure would be 51.3%; if IFS data for world trade are used the figure would be 27%.

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