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ECONOMIC COMMITTEE

COMMUNIST AID TO LESS DEVELOPED COUNTRIES IN 1974

Note by the Chairman

The attached paper, prepared by the United States Delegation, will serve as a basic text for discussion at the reinforced meeting on the subject, to be held on 3rd July, 1975.

(Signed) J.S. BILLY

NATO, 1110 Brussels.

This document consists of: 38 pages
Annex of: 10 pages

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FOREWORD

In this report the term <u>Communist countries</u> refers to the USSR, the People's Republic of China, and the following countries of Eastern Europe -- Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

The term <u>less developed countries of the Free World</u> includes the following: (1) all countries of Africa except the Republic of South Africa; (2) all countries of East Asia except Hong Kong and Japan; (3) Malta, Greece, Portugal, and Spain in Europe; (4) all countries in Latin America except Cuba; and (5) all countries in the Near East and South Asia.

The term <u>extension</u> refers to a commitment to provide goods and services either on deferred payment terms or as grants. Assistance is considered to have been extended when accords are initialed and constitute a formal declaration of intent. The term <u>drawings</u> refers to the delivery of goods or the use of services.

The term <u>military aid</u> as used in this report excludes downpayments and cash sales.

COMMUNIST AID TO LESS DEVELOPED COUNTRIES OF THE FREE WORLD - 1974 I - AID HIGHLIGHTS IN 1974

New Communist economic and military assistance to the reless developed countries (LDCs) of the Free World dropped Pin 1974 to US \$2.6 billion, its lowest level in three years. Most of the decline was in military aid, down dramatically from the abnormally high crisis levels of 1973. Commitments Zof new economic aid also fell in 1974. In spite of the reduced program, no change was apparent in Communist aid policy. Programs under way continued roughly at the same Epace as in most recent years, and the number of Communist personnel -- both military and economic -- stationed in the LDCs increased. Commercial exchanges also are believed to have risen sharply.

Moscow and Eastern Europe continued to use aid to protect otheir commercial and long-term economic interests. Again in 1974 the formation of joint industrial and commercial ventures with LDCs was on the increase, and joint committees for economic Scooperation were operating in a number of LDCs as Communist-LDC Scoordination and aid planning bodies.

Consistent with patterns that have emerged over the past Consistent with patterns that have emerged over the past Stwo decades, Communist nations were willing again in 1974 to Eprovide economic assistance selectively for projects in countries where they were interested in expanding or consolidating their economic ties. The failure to furnish aid was often a reflection of LDCs' continuing inability to draw down existing $oldsymbol{arphi}$ aid or their preference for aid from other sources. OThe large Communist credits to Argentina in 1974 all were commercially motivated. The huge equipment sales on easy terms were intended to correct Soviet and East European trade >imbalances with them. Other major Communist undertakings during the year were largely for ongoing projects or, as for Romania's \$80 million credit to Guinea, to develop new supply sources for goods in short domestic supply. The PRC, while pursuing an active program in Africa, reduced its new commitments radically in 1974, mostly because of a lack of opportunities and because outflows still were heavy for completing the Tan-Zam Railroad, ■ China's largest single aid project in the Third World.

Military aid, always more politically officed addingtoned and though smaller in 1974, demonstrated again the extent of the Soviet and East European commitments to the Middle East. By Military aid, always more politically oriented than economic goods went to Iraq and Syria. For Iraq it was a record year; for Syria, second only to 1973. Most significantly, the level of sophistication of the equipment provided them surpassed that furnished to any other LDC. For example, supersonic MIG-23 jet fighters have been shipped to Syria and Iraq although they have not even been provided to Warsaw Pact countries. For Iraq, Moscow also supplied a wide range of new weapons systems. In both Iraq and Syria, the contingent of military advisers increased over 1973.

II - ECONOMIC AID

(a) Extensions

- Communist countries pledged \$1.3 billion in new economic aid to the LDCs in 1974, 20% under last year's aid levels and down 40% from record 1971-72 levels that averaged \$2.1 billion (see Tables 1, 2, and 3). Total Communist aid to LDCs since 1953 totals \$18.6 billion, less than one-half of which has been drawn. East European countries provided almost one-half of the total new aid, the USSR 35% and the PRC the remainder. The \$200 million in Chinese aid marked a significant drop from the \$575 million annual average since the Cultural Revolution and the record \$730 million extended in 1970.
- 2. Romania, Czechoslovakia, and Poland were the largest donors among East European countries, accounting for more than 70% of all aid pledged. At \$250 million, Bucharest's program was the largest; Prague and Warsaw each offered \$100 million.
- Argentina, Syria, Pakistan, and Bangladesh, in that order, were the major recipients of Communist economic credits in 1974, getting almost three-fourths of the total. East European countries dominated the aid to Argentina, Syria, and Bangladesh; and Moscow provided all the assistance to Pakistan. Credits to Argentina, totaling \$100 million, each, from Poland and Romania and \$50 million from Hungary and made it by far the largest recipient of new aid from Eastern Europe. Syria ranked second with \$185 million as its share of Eastern Europe's aid. Czechoslovakia provided \$100 million of the total, Bulgaria \$73 million, and Hungary \$12 million. Romania extended \$80 million to Guinea and \$50 million to Bangladesh. In addition, Bangladesh received \$25 million from East Germany and \$1 million from Bulgaria. Lebanon received its first economic aid from a Communist country, a \$9 million credit from Romania.
- Although the USSR provided aid to 18 LDCs, almost 85% went to three countries -- Argentina, Pakistan, and Syria. Moscow's \$216 million credit to Pakistan was to augment 1971 credits for the construction of a steel mill. Following President Asad's visit in April, Moscow provided at least \$100 million in aid to Syria to complete the second stage of the Soviet-built Euphrates Dam, a port, and a textile mill. Aid to Argentina was in the form of an open-ended credit that may eventually be as large as \$600 million. In 1974, however, only about \$65 million is known to have been committed for use under the new credit. Moscow provided Egypt with \$20 million in new aid, all for mine clearing in the Gulf of Suez. Other small amounts were spread among a handful of LDCs in need of emergency relief and balance-of-payments support. This included an allocation of \$14 million in hard currency to Bangladesh from the Soviet \$28 million credit. Until 1974, Moscow's hard currency transfers to all client states had totaled only \$20 million.

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5. Peking's entire \$200 million aid package went to African countries, except for a \$25 million credit to Laos

and a small grant to Sri Lanka. The Laotian credit was provided
under Peking's first formal aid agreement with the coalition government. Most of it is earmarked to link a Chinese-built road in northern Laos with the existing Laotian road network. most of China's new credits to Africa were to supplement Chinese programs already under way. Tanzania received the largest credit, \$75 million, mainly to construct spur lines to the Tam-Zam Railroad and for development of iron and coal Z deposits along the route. The remainder included nearly \$52 million to Zambia and \$37 million to Mauritania.

∑(b) <u>Drawings</u>

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- Drawings by LDCs reached a record \$930 million in 1974 (see Table 2) because of a one-time \$265 million Soviet grain shipment to India under a 1973 credit. If the Soviet grain shipment were excluded, total drawings in 1974 against Communist aid would approximate the annual average of 1970-73; of the USSR, drawings would be somewhat below the average for the same period. the same period.
- the same period.

 7. The apparently static character of LDC drawings activity has become an accepted principle, particularly for the Soviet effort. Deliveries to major clients fluctuate according to the stage of construction of heavy industrial plants. India's dull performance during the past five years, however has created an extra drag on the program. As the · however, has created an extra drag on the program. As the a largest recipient of Soviet assistance, India has yet to oraw on more than \$600 million of Moscow's \$1.9 billion in 9 pledges. Some \$300 million in project aid still has not been allocated to specific uses. Project aid deliveries have dropped from a peak of \$125 million in 1964 to about \$25-\$30 million annually since 1969. Consultations between India and the USSR in 1974 were aimed at expanding existing plant capacity. If these plans get under way, the program should m be restored to its former status.
- East European deliveries fluctuate less dramatically from year to year. They respond to orders for machinery and equipment under credit arrangements that often can be $\overline{\boldsymbol{\sigma}}$ more easily expedited than those for Soviet industrial plants.
- Drawings on Chinese credits dropped 10% in 1974, largely because of reduced deliveries for the Tam-Zam Railroad, ☐ Peking's largest single project in the LDCs, which is nearing completion. Only \$30 million of the original \$400 million credit remains, and that amount should be drawn in 1975.

(c) Repayments

10. Despite Soviet rescheduling, LDC economic aid repayments to Communist countries in 1974 probably were somewhat higher than the estimated \$420 million in 1973. Afghanistan, Ghana, Somalia, and South Yemen, whose debts were rescheduled, mainly received extensions of previously allowed moratoria. Requests for rescheduling by Egypt, India, and Syria -- among the USSR's largest debtors -- are not known to have been acted on.* Moscow, in an unusual move, reportedly canceled part of South Yemen's and Somalia's debts. The USSR usually handles LDC debt-servicing problems by extending the length of time for repayment, often after long grace periods.

(d) Technicians

- 11. The Communist presence in Third World countries increased 10% in 1974, as the number of nonmilitary technicians stationed in the LDCs topped 47,000 (see Table 4). Chinese technicians still predominate, reflecting Peking's continued heavy commitments to Africa, where 90% of all Chinese technicians were employed.
- 12. Well over 60% of the Chinese technicians were in Zambia and Tanzania on assignments related to the Tan-Zam Railroad. Peking increased its contingents in Cameroon, Mauritania, Rwanda, and Sierra Leone for work in developing agricultural and transportation facilities. Large groups also were sent to both North and South Yemen and to Iraq.
- 13. One-third of all East European and Soviet technicians were stationed in Algeria and Libya, largely under commercial contracts for nonproject work, especially in Libya. An additional 20% of Soviet and East European personnel in LDCs in 1974 were in Egypt, Syria, and Iraq, and 15% were detailed to aid projects in Afghanistan, Bangladesh, India, and Iran.

(e) <u>Technical Training</u>

- 14. Nearly 33,000 LDC personnel have gone to Communist countries for technical training since 1955 (see Table 5). Departures in 1974 were up 20%, mainly because of an expanded East European program.
 - * Probably including military debt as well as some debt on commercial account

15. Although the USSR consistently receives the largest

- ₫ Share of new trainees, it also continues to emphasize in-country technical training at project sites, vocational schools, a secondary and university-level institutes, and on-the-job "training.* Moscow, for example, has established 23 secondary Sand higher education institutes in 11 developing countries that can train about 16,000 students annually. Moreover, the Iran calls for 20 new industrial training centers, including Ttwo technological institutes and a teacher training school. OSI
- ₩USSR has built or is constructing at least 100 vocational training facilities. Moscow sends about 1,500 Soviet instructors uto LDCs each year to staff training facilities. The Soviet effort to develop technical education facilities in LDCs is particularly significant in North African ■ and Near Eastern countries. Moscow's help has led to the construction of more than 90 educational establishments in Range Countries. Sixty-eight of these were operational by the dend of 1974, mainly in Egypt, Algeria, and Iraq, and had offered training to 130,000 students. A new agreement with
- 17. China has accepted very few LDC nationals for training in China -- only 800 in 20 years. Peking believes that the relatively simple skills required to implement Chinese-supported projects are better acquired in-country through on-the-job training rather than at Chinese domestic facilities.

(f) Academic Students

- 18. Since 1956, nearly 66,000 students from less developed countries went to Communist countries for academic study. At oleast 4,600 students started first year studies in 1974, and at yearend more than 25,000 were in residence at Communist academic institutions (see Table 6).
- The USSR repeatedly hosts more foreign students than any other Communist country, as it offers studies in more than 400 specialities at more than 800 universities. East European countries also have a large establishment to accommodate foreign students. The PRC program is by design very small and selective. Since the Cultural Revolution the PRC had hosted only Tanzanian and Zambian students until 1974, when the denrollee base was broadened to include a handful of students of from Ethiopia, Sudan, Iran, and Sri Lanka.
 - More than 300,000 unskilled workers have been trained at Soviet project sites.

- 20. A preponderance of Third World students go for science and engineering training relevant to their indigenous development needs. Africans consistently top the student list, with almost two-thirds of them in residence at Soviet institutions. Near East and South Asian students rank second. Two-thirds of these also were at Soviet institutions in 1974.
- 21. In October 1974, Prague permanently closed the University of 17 November, which, in addition to its academic program, was the central administrative body for foreign training programs in Czechoslovakia. The closing probably signals reduced emphasis on sociopolitical training/indoctrination rather than the termination of academic training for Third World students. The university had only language, international relations, and economics faculties. Students seeking training in other disciplines were sent to schools elsewhere in Czechoslovakia. Administrative responsibility for students now will be assumed by the university at which they are enrolled.

III - MILITARY AID

(a) Extensions

22. Communist countries pledged more than \$1.3 billion in new military aid to LDCs in 1974 (see Table 7), down some 30% from last year's record performance. (For military aid, extended and drawn, in 1955-74, see Table 8.) Arab states remained the focus of Communist arms diplomacy in 1974. The USSR was the top donor; Syria and Iraq were the ranking clients, receiving nearly 60% of all new Soviet aid. Moscow offered no new aid to Egypt, a dramatic turnaround from the previous year, when Cairo received \$635 million. Its commitments to the 3 major recipients were as follows:

	Million	Million US \$		
•	1974	1973		
Total	675	1,490		
Egypt	••••	635		
Iraq	270	150		
Syria	405	705		

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- ZAlthough new credits to Syria were off by more than 40%, The military aid package in 1974 was sufficient to keep rebuilding and modernization programs on track. Damascus was especially pleased with the terms of the new accords ## that allowed liberal deferred payments. Iraq, whose very large purchases were needed to rebuild inventories depleted in the Kurdish War, had no repayment problems, as increased oil revenues are generating a large current account surplus.
- 23. Moscow had seven other LDC arms clients. Iran topped He list, as it concluded a record \$250 million accord for ground forces and engineering equipment. Large new Soviet agreements with Uganda and Somalia signaled the initial introduction of supersonic jet fighter aircraft and surface-to-air
- The Central list of African A new according military aid Other Soviet-LDC arms developments in 1974 included

The Central African Republic was added to the Soviet list of African clients;

Large cash sales were made to Libya and Nigeria;

A new accord was concluded with Sri Lanka.

- East European countries offered some \$150 million in military aid to seven LDCs in 1974. About one-half went u to Iraq, nearly all from Bulgaria and Romania. The East European effort also included smaller accords with Egypt, DISCLO Lebanon, Syria, and Tanzania.
- 26. The PRC continued as a minor participant in Communist military aid. Peking reaffirmed its support for Pakistan with o a new major commitment and added Nepal to its list.

(b) Deliveries

27. Drawings against outstanding military credits -- \$1.3 □ billion (see Table 2) -- plummeted from the record \$2.1 billion in 1973, as Moscow's deliveries to Egypt dipped to only \$80 million. Nonetheless, military deliveries were the second % million. Nonethele Highest on record.

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28. Nearly all the arms came from the USSR, with Syria and Iraq the principal recipients, as follows:

	Million	US \$
	1974	197 3
Total	790	1,600
Egypt	80	565
Iraq	275	335
Syria	435	700

The level and mix of Soviet weapons shipments to Damascus has upgraded Syria's ground forces so that they almost certainly are better equipped now than at the beginning of the October 1973 War. Syria also became the first Third World country to receive the MIG-23 Flogger. Some of the most modern equipment exported by Moscow, including Osa-II guided missile patrol boats and MIG-23 aircraft, was sent to Iraq. In addition, Baghdad received its first Frog-7 rocket launchers.

- 29. In other Near East developments, Moscow for the first time in three years resumed shipments of limited quantities of military equipment to North Yemen. Deliveries to Iran (\$100 million) continued.
- 30. Soviet deliveries to India fell to their lowest level since 1970. Although shipments have declined steadily over the last three years, the drop does not signal a shift in Soviet-Indian military aid programs. Rather, old agreements are nearly completed and Moscow has not yet started to implement new agreements. Elsewhere in South Asia, Afganistan continued to receive record quantities of Soviet arms, particularly armored vehicles.
 - 31. Soviet deliveries to Africa (\$65 million) increased over those for previous years. Somalia alone took more than 60% of the total, as Mogadiscio received its first MIG-21s and SA-2 surface-to-air missile equipment. Peru was the only Latin American recipient. It received \$25 million worth of tanks and ground forces equipment.
 - 32. The bulk of East European arms deliveries in 1974 went to Arab States. Iraq received more than one-half, Syria and Egypt most of the rest. Bulgaria and Romania largely serviced Iraq; and Czechoslovakia, Syria. Chinese deliveries were mainly to Pakistan, although token shipments went to Nepal.

- Training and Advisory Services

 33. The more sophisticated equipment provided in recent

 years has necessitated expanded advisory and training services for

 LDC personnel. In 1974 the number of Soviet and East European

 "Headrical and advisory personnel in the LDCs (see Table 9) rose Etechnical and advisory personnel in the LDCs (see Table 9) rose by about 10% as the complements stationed in Iraq, Somalia, and Syria were increased. Chinese military technicians showed little Uchange in numbers or country assignment. Since 1954, nearly Z40,000 LDC military personnel have been trained in Communist □countries (see Table 10).
- In 1974 the number of new trainees increased about 30% 34. to more than 3,600. By year-end, more than 4,000 personnel were ≝still in training, about the same as in 1973.
- The USSR has always carried the brunt of LDC military training, handling 85% of all trainees since 1954. Near East and South Asian countries remained the largest users of Communist military training in 1974, with African countries Communist military training in 1974, with African countries a distant second. The number of Indian trainees, all in the USSR, nearly tripled, from 115 to 300; the Iraqi contingent doubled from 350 to 700; and the Nigerian group more than doubled from 75 to 175. Moscow also accepted 150 new trainees from Tanzania. These increases more than offset reductions in training complements from Congo, Guinea, Egypt, and Syria. There were no Egyptian military trainees in any Communist country at the end of the year. a distant second. The number of Indian trainees, all in the

<u> IV - REGIONAL OVERVIEW</u>

(a) Africa

- Algeria

- 36. There were no new Communist economic or military aid pledges to Algeria in 1974, and drawdowns of existing credits were slow. Projects continued to be plagued by equipment breakdowns and parts shortages. A new protocol signed in May was intended to expedite work on Soviet projects: expansion of the El Hadjar steel complex, geological prospecting, agricultural works, and water and energy resource development under credits previously extended.
- 37. Protocols also were signed in 1974 with Bulgaria, Hungary, Poland, and Romania to implement their undertakings in agriculture, light industry, communications, school construction, and oil and gas development. These projects will draw on some \$300 million in aid still outstanding.
- 38. At the same time protocols were signed to increase Communist-Algerian trade turnover to more than \$575 million in 1974 and to more than \$1 billion by 1977.
- 39. Moscow resumed shipments of military equipment in 1974, after a three-year hiatus, with deliveries of fighter aircraft under old credits. Although Soviet Defense Minister Grechko visited Algeria late in May and an Algerian military delegation went to Moscow in July, no new military agreements were signed.

Guinea

- 40. Guinea continued to maintain good relations with all Communist countries in 1974. Among the African countries, Guinea received the largest amount of new economic aid and next to Algeria the largest contingent of Soviet technicians.
 - 41. Romania joined the other East European nations as an aid donor and extended its first credits to Guinea -- an \$80 million credit. Most of this aid is allocated for bauxite mining and processing. Part of the aid will go for iron ore mining, a tractor plant, a plastics factory, and agricultural development.
 - 42. The USSR gave Guinea 10,000 metric tons of flour, valued at approximately \$2 million, as a grant, and Peking sent 3,000 tons of rice (\$2 million worth), also as a grant.

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- The Soviet bauxite project at Kindia is still the largest Communist aid project in Guinea. First shipments from the project Dbegan in June as initial operations got under way. About \$18 million of the \$92 million credit still remaining to be drawn will bring The mine up to capacity operations, possibly in 1975. Moscow is Escheduled to receive more than 2 million tons of bauxite annually for the next 30 years, one-half as debt repayment. The USSR sent 51,000 technicians to Guinea in 1974, largely for work on the bauxite wproject. It also received 100 Guinean trainees for technical training in the USSR.
- PRC aid focused on the agricultural sector. China sent 44. technicians to assist in rice and sugar cane programs and to help complete an agricultural implements plant at Mamou, a school at шKankan, and an irrigation dam near Dabola.

Libya

- CLASSIFI 45. Libya's dealings with Communist countries are all commercial. No Communist credits have ever been extended to Libya, and all transactions are on a barter basis or for cash. These transactions Chave been dominated by Tripoli's purchases of modern weapons from othe USSR. As part of an effort to modernize its arms inventory, Libya purchased equipment in 1974 that included the SA-3 and SA-6 Surface-to-air missile systems, MIG-23 Floggers, and TU-22 Sblinders -- all new to the Libyan inventory. Libya became the Second Third World country, after Iraq, to receive the TU-22 and the fourth to get the MIG-23. Military deliveries from the USSR during 1974 reached a record \$75 million. Moscow delivered more inthan 200 medium tanks, as well as several SA-3 and SA-6 missile Ounits, also the first in Libya's inventory.
- The second most important area of Libyan dependence on Communist nations is for technical personnel, all from Eastern >Europe. Their number reached a record of 3,800 in 1974, up 50% ofrom the year before. The technicians are employed under contract and perform medical and technical services. Some of them work on projects being built under commercial contract by East European anations.
- The USSR and Libya agreed to cooperate in mineral prospecting, Liron and steel and energy development, construction of port Gfacilities, housing and educational building, and the development of agriculture, water resources, and natural gas. Most East European countries entered into similar arrangements. Most of these Lagreements included oil barter clauses.

- 48. Apart from Morocco's effort at midyear to build up Soviet support for its Saharan position, Morocco's relations with Communist countries did not change significantly. No new assistance was forthcoming, but Moscow, anxious to increase its source of phosphates, agreed to develop phosphate mines at Miskala in addition to assistance already being provided at Benguerir. Under a long-term agreement, reportedly signed in December, the USSR will provide turnkey assistance for developing these deposits. Moscow will supply the machinery and equipment for an open cast mine, a railroad, a road network, and port installations. In return, Morocco agreed to deliver to the USSR 3-5 million tons of phosphates annually between 1980 and 1990 and up to 10 million tons annually during the next 15-20 years.
- 49. Construction of a \$30 million Soviet-built dam on the Loukkos River was begun in March, construction of the hydropower plant at Ait Adel neared completion, and gas and petroleum exploration continued. Work also was initiated on port storage facilities at Casablanca and Agadir under a June 1973 protocol. A two-year contract was signed in June for Soviet geologists to resume mineral surveys in northern Morocco and to continue prospecting in other areas. Finally, a five-year agreement signed in March calls for a \$600 million trade turnover during 1974-78.
- 50. The PRC entered the Moroccan aid scene by sending its first survey team to study plans for a sports complex. Aid from Eastern Europe has been small and very slow to be implemented. Small drawings were made on Romania's 1968 credit, with work continuing on projects for copper mining and processing. Bucharest also agreed to participate in urban development programs. Poland delivered locomotives, under old credits, and agreed to start equipment deliveries in 1975 for a sulfuric acid plant which it will build in cooperation with West Germany. Pursuant to a 1973 decision, Morocco ended barter arrangements with Bulgaria, Czechoslovakia, Hungary, and Poland.

_ Somalia

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51. The Soviet-Somali Treaty of Friendship, signed in July, sought to formalize an already close relationship. The mutuality of their interest is supported by Somalia's dependence on the USSR for military supplies and Moscow's interest in Somalia's strategic location on the Indian Ocean and the straits opening to the Red Sea.

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- Moscow provided both economic and military aid during 1974. Shipments were begun under a January military agreement, which Called for ground forces equipment and for Moscow's first deliveries шоf MIG-21 aircraft and SA-2 surface-to-air missiles to Somalia. The Soviets also stepped up their military training and continued 2to provide advisers and technicians to work on military construction Oprojects in Somalia.
- Somalia received commodity assistance from both the USSR wand the PRC. Moscow provided crude oil and other commodities, valued at \$5 million, and the PRC \$1 million worth of food assistance. The USSR began work on the multipurpose dam at Fanole, under an \$18 million 1971 credit. During the July meetings, the USSR Hagreed to expand the area irrigated by the dam and to increase the capacity of the powerplant. A joint Somali-Soviet fishing ocompany was organized which will begin operations in 1975 with Soviet vessels.
- The PRC, with commitments of \$133 million, is the largest Communist economic aid donor. Its major undertaking, the Belet Suen-Burao road being built under a \$109 million credit extended Sin 1971, is expected to be completed by 1977. During 1974 the Chinese completed construction of the Hargeisa water supply project, a hospital, and a cigarette and match factory.

Sudan

- Soviet-Sudanese relations improved somewhat in 1974 as Moscow Tresumed military deliveries for the first time since the 1971 ocoup attempt. About \$2 million worth of ground forces equipment was delivered under a 1968 accord, but work on Soviet-aided <u>oprojects</u> was minimal. Some work was done on the Red Sea Hills Ogeological survey, hospital construction, and the saw mill at Wau.
- The Chinese, who have maintained the closest ties of all the Communist countries, pursued the most active program. Sudan Scontinued to draw on China's \$80 million credit extended in 1970 and 1971 for work on the Wad Medani-Gedaref road, the conference hall in Khartoum, a textile mill at Hasaheisa, chrome prospecting, Hand the development of a fishing industry on Lake An Nubah. Reports indicate that China also agreed to construct paper factories in Sudan, possibly in association with timber plants previously dagreed to.

- Tanzania

- 57. The PRC has been Tanzania's principal source of Communist military and economic aid. The first major departure from this close alignment occurred in 1974 with Tanzania's acceptance of large amounts of military aid from the USSR, Tanzania's first major military agreement with the USSR. No progress, however, is being made on Moscow's small economic aid program in Tanzania.
- The Tan-Zam Railroad, China's largest aid project in the Third World, is nearing completion. The line, already in operation from Dar es Salaam to the Zambian border, will be fully operational in 1975. The PRC extended \$75 million in 1974 to build two spurs off the main rail line and to develop iron and coal resources in their path. Peking maintained its ongoing assistance during the year to the state farm at Mbarali and a new pharmaceutical plant, scheduled for completion in 1975. Chinese technicians were active also on Zanzibar where they finished the sugar mill at Mahonda and continued work on a saw mill at Pemba. Altogether there were some 4,100 Chinese economic technicians in Tanzania working on projects related to the Tan-Zam Railroad and training operations. There also was a 745-man Chinese military training and construction force. Although the PRC has been Tanzania's principal supplier of military equipment in recent years and may have agreed to supply Tanzania with additional small arms, artillery, and ammunition, no deliveries were noted in 1974.

- Zambia

- 59. Zambia continued to expand its relations with Communist countries, with the PRC playing a dominant role. China remains Zambia's largest source of bilateral economic aid and, after Yugoslavia, its principal trading partner.
- 60. The PRC extended \$52 million of new economic aid to Zambia in 1974, bringing its total commitments up to \$280 million. About one-third of the new credit is for constructing the Serenje-Samfya road; the rest for technical and agricultural projects.
- 61. Work on the Zambian section of the Tan-Zam Railroad moved toward completion in 1974, but 10,000 Chinese were still working on the road. With only about 60 miles remaining to be installed the line should reach its western terminus of Kapiri-Mposhi in 1975. Passenger and freight service between Dar es Salaam and Mpika is expected by the fall and the entire line should be operational in 1976. The railroad will be turned over to Tanzania and Zambia after six months of trial operations. China still must deliver additional locomotives, freight and passenger cars, and complete construction of sidings, and signal facilities.

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62. Soviet assistance to Zambia has been small. Zambia's president made his first State visit to the USSR in 1974, possibly indicating some warming in the relationship. The only known results of the talks relate to social and information exchanges and a possible greement to increase the number of Soviet nonproject personnel working in Zambia. At the end of the year it was reported that some MI-8 helicopters were on their way to Zambia through the fort of Dar es Salaam.

Other African Countries

- 63. The Central African Republic signed its first military aid agreement with the USSR during 1974. The initial delivery under this small accord arrived in October and was followed by Eliveries of small quantities of ground forces equipment.
- 64. The PRC continued work in <u>Congo</u> at the dam and hydroelectric complex on the Bouenza River and on a limestone-crushing factory. Congo made its fourth annual payment of \$4 million under a 1970 Chinese credit of \$20 million for budgetary support. The USSR Corked on the veterinary laboratory for which grant assistance was Provided in 1973.
- 65. Communist aid to Ethiopia was mostly emergency assistance -20,000 tons of wheat from Peking and 4,000 tons from Moscow. China
 Egan to build a 185-mile road from Waldiya to Woreta and continued
 tts work on mineral surveys and water distribution systems under an
 A84 million 1971 credit. Soviet aid was all technical (35 technicians)
 consupport operations at Soviet-built installations.
- 66. Communist countries, especially China, improved their melations with Ghana. Several small Chinese projects from pre-1966 credits that were reactivated in 1973 were reviewed for possible technical assistance. The USSR and several East European countries discussed renewal possibilities for some of their pre-1966 projects. The Ghana's first military agreement with a Communist country in ever nine years, Bulgaria will provide a small quantity of small arms and ammunition.
- 67. Most of the \$64 million Soviet economic aid program in Mali has been completed. The only ongoing projects are geological surveys, echnical assistance to agriculture, and exploitation of the Kalana gold fields. The Chinese continue to expand their large aid project in Mali, a textile plant; they still are working on rice multivation and milling and have begun work on a second sugar refinery at Seribala. Chinese surveys continue on the projected Manantali Dam on the Senegal River, for which Mali has asked China for major assistance.

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- 68. The PRC continued as the most active Communist aid donor in Mauritania. Almost all of the \$37 million in new economic aid to Mauritania in 1974 came from the PRC. A \$35 million Chinese aid package was earmarked mainly for building a 70-mile section of the Nema-Nouakchott road and for supplementing China's 1971 credit for constructing a deepwater port at Nouakchott. The Chinese, together with the Soviets, provided emergency food grants, totaling somewhat more than \$2 million.
- 69. Peking signed a \$5 million aid accord with <u>Niger</u> in July, and later in the year sent agricultural technicians to work on rice farms. Moscow repeated its relief assistance of 1973 with shipments of 2,500 tons of rice.
- 70. Nigeria purchased 36 MIG-21 aircraft as well as radar and associated ground support equipment from the USSR, probably for cash. Otherwise, Nigeria's relations with Communist countries remained low key. In spite of the Nigerian President's visit to the PRC and the USSR, no important new developments occurred. Peking sent agricultural teams to five Nigerian states, and the USSR continued mineral prospecting at Kaduna and sent equipment and staff to the oil training facility at Warri. Several East European countries signed trade agreements with Nigeria, and Hungary signed one on economic cooperation.
- 71. The PRC began work on the Kigali-Rusumo road in Rwanda under a \$22 million 1972 credit. A major bottleneck is being eliminated through Chinese provision of goods to pay for local costs. These amounted to \$1.5 million in 1974 and will rise to \$2.5 million in 1975. China reversed a previous decision by agreeing to build a proposed cement plant.
- 72. In September Togo signed a new protocol with China that reportedly established procedures for using Peking's \$45 million credit, extended in 1972, of which \$1 million had been drawn.
- 73. Tunisia's relations with Communist countries were limited in 1974. A protocol with China allocating a \$40 million credit extended in 1972 was the only new development. The credit is allocated for a 75-mile canal, a road, and an assembly plant for Chinese rolling stock. Tunisia had previously drawn on the credit only to finance local costs of a Chinese medical team. The USSR and East European countries sent doctors to work in Tunisian clinics, and the USSR sent personnel to staff the National Engineering Institute. In 1974, Communist technicians in Tunisia totaled 470.

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- Moscow. The USSR previously had supplied MIG-15s, MIG-17s, and T-34 tanks and other ground forces equipment. The new agreement includes MIG-21 jet fighters, the first in Uganda's winventory.
- 75. Zaire drew only small amounts of the \$100 million

 Chinese credit extended in 1973. Several shipments of agricultural requipment arrived, and Chinese technicians were working on experimental farms. Planning was under way for a conference whall to be built in Kinshasa. China plans to send 400 technicians and laborers to start the project in November 1975.

出(b) East Asia

- 76. There was a gradual warming of relations between East Asian and Communist nations in 1974 although most of the Cefforts related to trade.
- 77. Burma-China trade expanded somewhat in 1974, and Sprogress was made toward implementing the revived Chinese Said program. The Takaw bridge, begun before relations were Suspended in 1967, was finally completed, and the Chinese Sagreed to expand the Meiktila textile mill and may have agreed to build a cement plant.
- 78. Indonesia stepped up its initiatives to resume economic relations with all Communist nations except the PRC. Jakarta signed a one-year trade agreement with the USSR in March, Omarking the end of an eight-year freeze in their formal economic relations. Jakarta also discussed Soviet aid for its new assistance agreement in December. No specific project assistance was agreed to, and Indonesia's concern over a large Soviet presence may become a stumbling block.
- 79. Indonesia also discussed aid for its new development plan with East European countries and reportedly submitted project proposals to most of them. Nevertheless, trade is presently the most important aspect of their relationship. Hadarta concluded new trade agreements with Hungary, East Germany, Romania, and Poland in 1974, and similar agreements with Bulgaria and Czechoslovakia were scheduled for signing Learly in 1975.
- 80. Peking extended <u>Laos</u> a \$25 million credit in October for road construction, repayable over 10 years following 15 years' grace. A Chinese team arrived in Laos at the end of December to initiate project studies.

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- 81. Malaysia's relations with Communist countries during 1974 were highlighted by its recognition of the PRC in May. Until then Burma and Laos were the only Free World East Asian LDCs that had recognized the PRC. At the end of the year, Malaysia was awaiting the findings of a Soviet study on the feasibility of the Tembeling hydroelectric project, one of the most important development projects scheduled for Malaysia. In December, Moscow agreed to assist in the development of Malaysia's fishing industry and to cooperate in a joint Soviet-Malaysian shipping venture. The company would move the larger amounts of rubber that Moscow intends to buy directly from Malaysia to replace its present purchases of Malaysian rubber in London.
- 82. Chinese-Philippine relations moved toward normalization late in 1974 with the signing of a trade agreement calling for sizable Chinese crude oil shipments to the Philippines. Chinese oil moved almost immediately under a preliminary accord in October that provided for initial crude shipments of 15,000 b/d. In November, a Philippine delegation in China drafted contracts for the sale of agricultural products and metals to China. Manila had planned originally to conclude trade agreements with Moscow and Peking simultaneously, but the agreement with the USSR still was being considered at yearend. The USSR and the Philippines had established a \$1.5 million joint shipping company in July. Moscow's earlier offer to provide shipping services at a 15% discount from existing rates, in return for bunkering facilities near Manila, was not acted on.
- 83. Thailand established diplomatic relations with several East European countries in 1974. A state agency is being set up to administer trade with Communist countries, and at the end of the year East European nations were negotiating formal trade agreements. Thailand also asked Bucharest to provide assistance for various industrial undertakings. Although it resumed direct formal trade relations with the PRC, Bangkok did not extend diplomatic recognition to Peking. Nevertheless, Thai officials went to China in December to negotiate purchases of petroleum, newsprint, fertilizer, and agricultural equipment.

(c) Europe

84. <u>Greek-Communist</u> relations remained stable following the Karamanlis government's takeover. Moscow continued to deliver equipment under a commercial accord for the \$89 million Philippi power project, even though a final decision on whether to go ahead with the plant still was pending. Work proceeded under other commercial contracts with Eastern Europe.

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- 85. Malta is still the only non-Communist European country to receive Communist aid. It has drawn \$6 million against thina's 1972 credit for a glass factory that was completed in 1974. About 25 Chinese technicians arrived during the year to start work on a 300,000-ton drydock.
- 86. Since the April revolution, <u>Portugal</u> has accepted und encouraged Communist moves to normalize trade and diplomatic relations. A trade agreement signed with the USSR called for the exchange of Soviet steel and oil for Portuguese cork, and consumer goods.
- 87. Spain also continued to expand trade with Communist Wountries. Half-year 1974 data indicate a \$160 million increase in trade turnover, 65% above the first half of 1973. Poland Mind Romania were Spain's principal Communist trading partners. They supplied sugar and lumber in exchange for Spain's iron and steel products.

(d) Latin America

Argentina

- 88. Communist relations with Argentina grew in 1974 as the USSR and Eastern Europe sought to reduce their large trade imbalances with Argentina. Communist countries hoped to expand their equipment sales by allowing Argentina to defer payments and by entering into joint ownership arrangements.
- 89. Communist aid to Argentina, which totaled at least \$314 million in 1974, made Argentina the largest recipient of Communist economic aid during the year. A major part of this assistance was designated for energy resource development, especially hydropower.
- 90. Argentina and the USSR signed a number of economic, commercial, and scientific-technical cooperation agreements. The widely reported \$200-\$600 million in aid under these agreements refers to estimates based on possible future undertakings. Apparently the agreements were open ended, setting no limits on the amount of aid to be extended. They set out the framework within which contracts were to be drawn. Estimated contractual arrangements finalized in 1974, exclusive of a 15% downpayment, totaled about \$64 million, all for turbines at the Salto Grande hydroelectric project and for installation of the equipment. Repayment for these credits will be stretched out over 10 years and interest was set at 4.5%. Additional contracts were signed for this plant early in 1975 and brought the total under the credit up to at least \$200 million.
- 91. With \$250 million in assistance from Eastern Europe in 1974, Argentina became the ranking Latin American recipient of their aid. Previously, these countries had extended only about \$10 million to Argentina. Hungary pledged \$50 million to cover capital equipment sales; Poland and Romania each extended \$100 million for cooperation in developing petroleum resources, minerals, and chemical and petrochemical plants; and Czechoslovakia provided an open-ended credit for construction of at least four major hydroelectric projects. Most of these agreements are thought to have repayment terms similar to the Soviet agreement, although interest rates may be slightly higher.
- 92. Communist countries also engaged in talks on the possibilities of forming joint ventures. Poland and Argentina agreed to such a venture for fishing in Argentine waters. Trade also expanded in 1974. Moscow increased its purchases of meat, corn, wheat, and wool. Argentina's estimated \$220 million worth of exports to the USSR in 1974 were at least double the 1973 level. Peking bought more than a million tons of foodgrains under a three-year grain agreement signed in January. Argentina signed a 5-year trade agreement with East Germany, marking the renewal of formal trade exchanges after a 12-year hiatus.

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UBLIQUE

Brazil

- Trade was the most important area of cooperation between Communist nations and Brazil in 1974. Estimates indicate ma possible 50% increase in total turnover during the year. Of Poarticular significance was the possible change of Moscow's Caraditional deficit to a surplus, as a result of Soviet sales of nearly \$160 million worth of petroleum products to Brazil. ZThis compares with Soviet exports of less than \$15 million in 1973. Soviet imports in 1974 may have dropped, however, possibly to \$100 million, compared with \$157 million in 1973.
- Brazil established diplomatic relations with Peking 94. in mid-August, and later in the year signed a five-year $\overline{\sigma}$ agreement to export 150,000-200,000 tons of Brazilian sugar gannually. Prices will be negotiated for each 50,000-ton Scontract. At current prices, annual exports would be worth Since the since of the since of
- There was little change in Brazil's aid relationship; 95. Can estimated \$200 million of trade credits still remain to be drawn under outstanding aid agreements. Brazil's purchase of Ogenerators for the Jorge Lacerda plant will be covered by Czech credits extended in 1961, and Moscow delivered turbines for the Capivari powerplant under its 1966 credits.

 Peru

 Peru

- Ш Communist-Peruvian relations continued to expand Oin most areas. This was particularly notable in the fivefold dincrease in the number of Communist technical personnel $\underline{\underline{\sigma}}$ present in 1974 compared with 1973. Economic cooperation, Pjoint ventures, and trade agreements were signed with East European countries; several joint ventures and new aid projects were started; and feasibility studies for a variety of projects were initiated.
- 屲 97. Peru received no new economic aid in 1974 but signed contracts under existing agreements. Moscow signed a \$6 million contract for work on the first stage of the \$450 million Olmos rydroelectric project and undertook feasibility studies. The USSR also agreed to supply \$10 million worth of oil storage tanks for the \$500 million Andean pipeline project. Aid for Spoth agreements will come under a \$26 million credit extended in 1970. Although Moscow continues aid to the Paita port project, its \$2 million offering of processing equipment and fell far short of Peru's original expectations. Moscow speeded T-55 tank shipments under the 1973 agreement. Although the military is pleased with the tanks, there is some dissatisfaction with the training package. Fifteen Soviet tank technicians are in Peru and 100 Peruvian military personnel went to the USSR during the year for training.

- 98. Peking agreed to participate in the Cimbote irrigation project, the first allocation under China's \$42 million 1971 aid agreement. Peru also signed its first contracts with Poland under existing credits. Warsaw will supply port equipment and fish-processing facilities for a new fishing complex at Tacna. Hungary delivered \$10 million worth of educational equipment, Romania delivered railroad cars under a 1973 credit, and Czechoslovakia continued to provide power equipment.
- Other Latin American Countries
- 99. Bolivian-Communist cooperation focused on mineral resource development. Moscow provided \$1 million in new five-year credits for mining machinery, and La Paz continued its purchases of equipment for two tin volatilization plants and mining machinery under the \$28 million Soviet credit extended in 1970. The USSR finished building a satellite-tracking observatory at an experimental agricultural station. Moscow, together with two Western firms, also agreed to supply equipment for the tin smelter at Vinto. Prague delivered smelter equipment for an antimony plant at Oruro, scheduled for completion early in 1975.
- 100. Only China and Romania have maintained diplomatic ties with Chile and, although Chile still maintains its trade with these two countries, neither has made aid available since the September 1973 coup. Peking imported nearly \$73 million of copper, nitrates, and iodine in the first half of 1974 and sold Peru rice worth nearly \$10 million. Negotiations for a joint venture with Romania in copper smelting continues. Chile negotiated debt settlements with a number of East European countries but not with the USSR.
- 101. Colombia was active in trying to expand its trade with Eastern Europe. An \$8 million Soviet credit allowed Colombia to pay for 200 trolley buses over 10 years after a 2-year grace. A November agreement with Romania called for increased trade in petroleum-based fertilizer and insecticides as well as oil field equipment.
- 102. Costa Rica concluded its first commercial contract with Peking, a \$500,000 coffee sale, and the USSR became San Jose's second largest coffee market, with \$2 million in purchase orders in the first half of 1974. At the end of the year a \$10 million Soviet offer of trolley buses under a 1971 credit still was pending.

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- 103. Communist economic relations with Ecuador were limited to a few commercial deals and joint ventures with Romania and Poland. Ecuador placed orders in Czechoslovakia for tractors under a \$5 million credit provided for this purpose in 1971. In January, Ecuador and Romania agreed to a mutual assistance program in petroleum matters, including the establishment of a joint company for oil development. A \$5 million salicylic acid plant presently under construction also is jointly owned by Ecuador and Romania. Warsaw is conducting a joint fisheries research expedition with Quito and hopes to construct an \$11 million tuna port as a joint venture with Ecuador.
- 104. East Germany became the second Communist country to give economic aid to Guyana with a \$10 million credit, part of which was designated for a rice bran oil extraction plant. This, added to the PRC's \$26 million credit, brings Communist aid to Guyana up to \$36 million. Preoccupied with bauxite nationalization efforts, Guyana's prime minister canceled a planned October visit to Peking for new aid discussions.

 Nevertheless, preliminary work began on projects under the 1972 credit. Ground breaking for a large brick factory was scheduled for January 1975, and preparatory work for a cotton textile mill continues. The most significant development, however, was Peking's first sugar purchase from Guyana, a 30,000-ton deal worth about \$15 million. This single purchase is more than double the value of total PRC-Guyanese trade in 1973.
- 105. The PRC became one of <u>Jamaica's</u> new sugar clients.

 A five-year agreement provides for shipments of 200,000 tons.

 Deliveries of about 10,000 tons, worth \$5 million, were called for in 1974. Jamaica and Peking signed an economic and technical cooperation agreement in February that called for Chinese project aid, but specific projects have not been identified.

 106. Mexico's efforts to expand commercial relations
- 106. Mexico's efforts to expand commercial relations with Communist countries resulted in trade agreements (its first) with East Germany and Czechoslovakia. Mexico also began negotiations for joint ventures with Prague and Bucharest and entered into a joint venture with Moscow for the manufacture of tractors.

 107. Nicaragua lifted the 23-year-old ban on trade with
- 107. Nicaragua lifted the 23-year-old ban on trade with Communist countries. Peking was reported to have purchased \$15 million worth of cotton in the first half of the year, almost 20% of Nicaragua's total cotton exports during that period. East European nations also were interested in making large cotton purchases in Nicaragua from the 1974-75 crop.

108. In August, <u>Uruquay</u> bought \$2 million worth of capital goods from Bulgaria under the \$5 million 1971 credit. In September it signed contracts with Hungary drawing on the \$9 million credit, outstanding since 1970. Budapest will supply 15 railway coaches, spare parts, and a maintenance workshop, as well as power transmission equipment. Uruguay's estimated trade with Communist countries rose by about one-third in the first half of 1974. Moscow, entering the greasy wool market for the first time, became the largest single buyer of this product during the 1973-74 clip year. Communist countries took almost 40% of all wool exports.

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Near East and South Asia (e)

- Afghanistan

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- There has been no confirmation of the \$500-\$600 million in new LECTURE Soviet economic aid announced following the president's June visit to Moscow. Such a large amount of aid is considered unlikely at this time because of the more than \$200 million still to be drawn on old credits, of which \$100 million was extended in 1972 for the Fourth Z Five-Year Plan.
- The major feature of the year was the continuing large flow of ■ Soviet military aid. For the second successive year, Afghanistan received record deliveries. Moscow turned over 185 tanks, 70 armored personnel carriers (APCs), and 12 self-propelled AA artillery pieces in 1974. In addition, 36 MIG-17 aircraft, 2 MIG-21s, and an SU-7 were flown in. Deliveries of tank transporters, trucks, spare parts,
 ammunition, and support equipment raised the value of deliveries to
 a record \$57 million for 1974, bringing Soviet military deliveries
 to \$430 million. To train Afghans in the use of the equipment, some 400
 military personnel went to the USSR for training and about 470 Soviet flown in. Deliveries of tank transporters, trucks, spare parts, military personnel went to the USSR for training and about 470 Soviet
- military personnel went to the USSR for training and about 470 Soviet technicians were dispatched to Afghanistan.

 111. Economic aid deliveries followed the slow patterns of earlier years. The USSR proceeded on gas and oil exploration and exploitation and on projects related to agriculture and transportation. Expansion of the Soviet-built Mazar-i-Sharif fertilizer plant from its original annual capacity of 105,000 tons to 120,000 tons was completed in 1974. Moscow capacity of 105,000 tons to 120,000 tons was completed in 1974. Moscow will provide spare parts and technical assistance through 1976. In October, Moscow agreed to construct a 100,000-ton oil refinery owith storage and piping facilities at the Angot oil depot. Moscow also agreed to allocate existing credits for additional mineral and petroleum exploration and to construct a major bridge to link road petroleum exploration and to construct a major bridge to link road and rail transport of the two countries. Kabul increased the price of its natural gas exports to the USSR from \$5.50 per 1,000 cubic meters to \$8.83, effective 1 October 1974. Afghanistan's annual exports of 2.8 billion cubic meters are applied to its aid account. In spite of the \$9 million increase in earnings from natural gas, Afghanistan as the \$9 million increase in earnings from natural gas, Afghanistan asked for and received relief on about \$135 million on its debt. Moscow agreed to a 10-year moratorium on Afghanistan's debt service payments which will become due during 1986-95.
 - 112. Prague began work on feasibility studies for an industrial complex in Herat, and Chinese technicians continued work on the Parwan irrigation system.

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- Bangladesh

- 113. The Communist countries continued to be an important source of economic aid for Bangladesh, with new commitments in 1974 totaling \$104 million. Romania, the largest donor, provided \$50 million for a petrochemical complex and spinning mill. East Germany, in its first commitment of aid to Bangladesh, designated \$25 million for a number of small plants, and Bulgaria provided grant aid of about \$1 million for industrial raw materials. Moscow's \$28 million credit for relief was provided one-half in hard currency and one-half in commodities. Repayment required over a two-year period after a four-year grace, at 4% interest, detracted somewhat from Moscow's unusual hard currency allotment.
- 114. The USSR continued work at the nearly completed Ghorsal powerplant and on petroleum exploration. Its \$20 million, two-year salvage operation in the port of Chittagong was completed, and Moscow agreed to help modernize the refinery and expand a steel mill at Chittagong. Both projects are still in the planning stages.

- Egypt

- In spite of strains in the Egyptian-Soviet relationship, Moscow's economic aid program apparently was not affected. At the end of the year, although Cairo still had not acted on earlier Soviet offers of assistance for rehabilitation, Moscow had provided some \$20 million of grant aid for mine clearance operations in the Gulf of Suez. Drawings on outstanding credits continued to be relatively high, and some \$160 million of the \$400 million in aid extended in 1971 was allocated to specific uses. These included \$55 million to expand the Helwan iron and steel plant to a capacity of 1.5 million tons, \$45 million to expand the Naja-Hamadi aluminum plant to 166,000 tons, and \$60 million for cement and textile plants. Moscow continued its aid to Egypt's fishing industry, irrigation, rural electrification, textile mills, and a variety of small undertakings that have been under way for several years. Studies for improving navigation on the Nile River and plans to build five small dams were completed, and a contract was negotiated to expand the capacity of the Soviet-built Alexandria shipyard, which was completed in 1968.
- 116. Moscow stopped arms deliveries in April. Seaborne deliveries were resumed in August, but no major items of equipment came in after April. Moscow provided about \$80 million worth of military equipment in 1974, less than 15% of 1973 deliveries and the lowest in any year since 1966. The December meeting in Moscow between Soviet General Secretary Brezhnev and Egypt's foreign minister did not result in new military aid agreements, but the Soviets apparently agreed to meet their 1973 commitments. Egypt also requested a rescheduling of its military aid. Although Cairo apparently has met repayment obligations for its economic debt, repayments of military credits have been deferred through successive reschedulings since 1965.

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- 117. Romania, Bulgaria, and Poland set up joint committees w Egypt to cope more effectively with implementation bottlenecks. 117. Romania, Bulgaria, and Poland set up joint committees with Bucharest completed its largest aid project in Egypt, a 100,000-ton a sodium products plant in Alexandria. It also began discussions on possible ш participation in chemical projects under its \$100 million 1971 Scredit.
- 118. Virtually all East European countries signed class Faunt in 1974, emphasizing the sale of Communist machinery and equipment in Faunt's cheap manufactures, which Cairo has difficulty 118. Virtually all East European countries signed trade protocols in Z exchange for Egypt's cheap manufactures, which Cairo has difficulty ■ selling on world markets, and for agricultural goods.

ቜ ... India

- Ē 119. Communist economic relations with India lost some of the momentum of previous years in 1974 as India tried to balance its policies between East and West, and Moscow adopted a harder line
 in economic negotiations. The USSR still would not recommit unallocated www economic aid to industrial raw materials and refused to repeat the large food assistance it had provided in 1973. The USSR has not
- yet extended new assistance it had provided in 1973. The USSR has not yet extended new assistance for India's Fifth Plan (1 April 1974 31 March 1979), nor did it agree to reschedule any of the almost \$200 million in annual debt service that India must pay.

 120. The second meeting of the Indo-Soviet Commission on Economic, Scientific, and Technical Cooperation that met in Moscow in September produced no more positive results than the first meeting, the year before. Protocols signed in 1974 were intended to confirm previous The second meeting of the Indo-Soviet Commission on Economic, before. Protocols signed in 1974 were intended to confirm previous commitments and in some cases to accelerate project construction schedules. Although discussions were held on setting up joint projects in third countries and production-sharing operations in USSR and India, no steps were taken to implement the recommendate projects in third countries and production-sharing operations in the USSR and India, no steps were taken to implement the recommendations.
- The solution of the solution of the state of the solution of t Soviet project aid followed the sluggish pattern that has 121. characterized the Soviet aid program in India since 1969. Aid deliveries of huge emergency wheat shipments (about \$265 million) delivered a under the 1973 commitment. Soviet project aid deliveries came to only about \$25 million during the year.
- 囸 Stage One operations at the Bokaro steel mill, although begun early in the year, will not reach the scheduled capacity of 1.7 million tons until possibily mid-1975, four to five years behind the original schedule. Late deliveries, labor disputes, and material shortages still m slowed construction at the plant, Moscow's major industrial aid undertaking in India. Construction also was slow on the aluminum smelter at Korba (nearing Stage One completion). Exploration and exploitation of coal and oil deposits continued and work progressed on projects to expand existing power facilities. Joint Soviet-Indian efforts resulted in a large coal find in Bihar.

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- 123. Studies are under way to expand the Bhilai steel plant, Moscow's second largest project in India, to 7 million tons from the presently planned capacity of 4 million tons. Studies are progressing in preparation for construction of several major plants agreed to in 1973. These include the Mathura refinery, an alumina plant in Madyah Pradesh, and copper ore mining at Malanjkhand.
- 124. Soviet military deliveries to India dropped to \$104 million in 1974 -- the lowest level since 1970. The decline represents a lull between the completion of deliveries under old agreements and the resumption under new agreements. Moscow had delivered more than \$1.2 billion in military equipment since the inception of its program in 1960. Deliveries in 1974 were highlighted by the arrival of two F-class submarines and a Petya-class destroyer escort, all under a 1971 agreement. Shipment of ground forces equipment under a 1973 agreement was begun in 1974, and toward the end of the year there were unconfirmed reports that India would purchase 50 MIG-23s. Full-scale production of MIG-21Ms got under way at the Soviet-built Hindustan aeronautics plent at Nasik.
- 125. India's relations with other Communist countries remained unchanged. Delhi received no new aid from Eastern Europe although the time period for drawing on Bulgaria's 1967 credits was extended. Delegations, exchanged during the year, worked out details for implementing ongoing projects and to increase trade turnover. Work on all projects was slow, however. East Germany and India established a joint commission for economic, scientific, and technical cooperation, East Germany becoming the last East European country to form such a commission with India.

- Iran

- 126. Record military purchases from the USSR and settlement of the disputed price of natural gas that Iran sells to the Soviet Union were the highlights of 1974. Tehran signed a \$250 million arms accord with Moscow in May, Iran's largest arms deal with the USSR. Moscow delivered about \$100 million worth of military goods in 1974, bringing total deliveries, under the \$825 million program, up to about \$575 million.
- 127. In July Moscow agreed to an 85% increase in the price it pays Iran for natural gas. The \$20 per 1,000 cubic meters, finally settled on, will increase Iran's annual gas receipts to almost \$200 million -- almost twice the amount required to service its economic and military aid debt to the USSR.

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- The Shah's November trip to Moscow resulted in agreement in Oprinciple for cooperation in long-range industrial development, and at The end of the year Moscow was considering technical assistance for developing the gas fields in northeastern Iran. Credits extended in 1968 and 1973 are currently being drawn on to expand capacity rat the Soviet-built steel mill in Isfahan from its original 2600,000-ton capacity to 1.9 million tons. Moscow completed the Oinstallation of compressors on the pipeline that carries gas to the Soviet border. This raised annual throughput capacity to 10 billion zoubic meters. The first of 11 prefab housing plants, under a \$44 million ■ Soviet credit extended in 1970, was commissioned.
- 129. Activity on East European aid programs was limited. Czechoslovakia, Hungary, and Poland agreed to delete the gold clause from their "trade-and-payments agreements with Iran, and trade will be denominated either in Iranian rials or an average of several Western currencies. Romania and the USSR refused to drop the clause. Communist countries, Which now buy more than one-third of Iran's non-oil exports, signed onew accords to increase their trade. Iran's seven-year trade agreement with Romania, valued at \$1.5 billion was its largest · trade agreement concluded with a Communist nation.
- 130. New forms of cooperation are emerging between Iran and Communications. As part of Iran's long-term plans to assure itself of adequate food supplies, Iran offered large credits to Poland and Bulgaria as advanced payment for joint agricultural enterprises. At yearend, Bucharest's request for an open-ended \$250 million credit was still pending, with Tehran trying to tie a large portion of the oredit to joint agricultural ventures. 130. New forms of cooperation are emerging between Iran and Communist payment for j

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 credit to joint agricultural ventures.

 Iraq

 131. M:1

- Military aid was the dominant theme in the Communist-Iraqi . aid dialogue in 1974. New Soviet military credits hit a record \$270 million, and East European aid reached a near-record level of \$75 million. The new accords guarantee the continued growth and modernization of Iraq's armed forces, but also are to replenish ordnance depleted in the 窗 Kurdish War. \mathbb{F}
- 132. Iraq's oil sales to the usak dropped use (to in in its per day -- b/d) in 1974 because of Baghdad's temporary suspension of crude shipments on Soviet account. Iraq asked for hard currency payments, Iraq's oil sales to the USSR dropped 65% (to 75,000 barrels instead of the previous barter arrangements, and prices equal to those Scharged Western customers. East European nations still obtain some Obarter oil but at prices that exceed \$11 per barrel. Few long-term oil purchase agreements were concluded, however. When they were, prices were left open. China, a net oil exporter, purchased 10,000 b/d of Iraqi crude for the first time, in 1974.

- 133. Oil dominated the economic aid picture. Two major Communist projects the second stage development of the North Rumaila oil field and the Czech-built Basra oil refinery were completed. Production at the largely Soviet-developed North Rumaila oil field now stands at 360,000 b/d and accounts for one-fifth of Iraq's total output. Moscow will accelerate activity at the field to increase its capacity to 840,000 b/d by late 1975. Work also continued on the 375—mile oil products pipeline between Baghdad and the Basra refinery, with Soviet credits of \$40 million extended in 1971.
- 134. In other developments, the USSR and Iraq signed protocols to build the long-discussed Haditha hydropower complex, a cement plant, and an irrigation project and to conduct mineral surveys. Some additional Soviet financing may be required. They also agreed to establish a joint fishing company, based in Basra, with capitalization of \$34 million and with Iraq retaining 51% ownership.
- 135. Hungary was awarded a contract, possibly as part of its \$50 million 1972 credit, to install facilities for handling liquid sulfur at the port of Umm Qasr. Budapest also agreed to go ahead with construction of a slaughterhouse, cold storage plants, and brick factories and agreed to accept 1,600 Iraqis for agricultural training. Poland accepted 100 Iraqis for training and intends to go ahead with assistance to agriculture under a \$100 million credit extended in 1972. An Iraqi delegation visited the PRC to draw up contracts for a yarn-washing plant, the first project under the \$45 million credit extended by Peking in 1971. Chinese plans to build two bridges in northern Iraq also were discussed.
- 136. East European countries delivered about \$50 million in arms and military support equipment in 1974. Moscow's deliveries totaled more than \$275 million. A wide range of new weapons systems was introduced, including MIG-23 Flogger jet fighters, SA-6 surface-to-air missile systems, Osa-II guided missile patrol boats, and Frog-7 tactical surface-to-surface rockets. In addition, the SA-2 surface-to-surface missle system, was reintroduced. The SA-2s received in the early 1960s had been transferred to Egypt because the Iraqis could not operate them.
- 137. As a concomitant of the upsurge in the supply of sophisticated weapon systems, Moscow increased its military advisory contingent in Iraq from 750 in 1973 to 1,000 in 1974. Iraq also sent 700 military personnel to the USSR for training, one-half to attend surface-to-air missile courses.

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Pakistan

- **S**E 138. Pakistan was among the top claimants of new Communist economic maid in 1974 -- ranking second in the region and third among all HDCs. All of the new \$216 million in aid came from Moscow and was garmarked for the Karachi Steel Mill, the major Soviet aid project In Pakistan. With previous credits of \$209 million, Moscow's aid for building the plant now totals \$425 million. Deliveries to the mill were scheduled to begin at the end of 1974. Until that time, work and begun only on a training center for 700 students. Under other whines of credit, Moscow shipped tractors, textile machinery, and a 9,000-kilowatt radio transmitter that was set up in Islamabad.
- ш 139. PRC technicians began limited testing of the foundry-forge Et Taxila, part of a major Chinese-built industrial center constructed gnder grant aid. The PRC also completed work on the Larkana sugar which is slated to start operations in 1975. Construction activity on the Hattar Refractory Plant was reduced, and work will Proceed on a limited scale until raw materials required to put the Plant into operation can be obtained. Peking agreed to help set mp a large urea fertilizer plant in the Northwest Frontier Province ander grant aid extended in 1968.
- 140. The PRC began work on three textile mills, a stadium complex In Islamabad, and the transmission grid connecting Tarbela and Wah, Ill under a \$200 million credit extended in 1970. Early in the year the PRC sent 30,000 laborers to work on the Pakistan portion of the Karakoram Highway. Work was delayed by a major landslide in the spring, and the road probably will not be completed until 1978.
- 141. East European donors provided small amounts of assistance Inder existing credits and agreed to initiate new projects. Romania as helping to expand a refinery in Karachi. Bucharest also is megotiating to participate in the construction of a textile mill and locomotive plant. Poland, whose program has been inactive since 1970 when it completed a sugar mill at Hyderabad, agreed to construct ♥wo sawmills and two sugar plants under \$8 million of outstanding credit.

Sri Lanka

142. Discussions of new Soviet assitance, particularly for a major multipurpose dam, did not yield new Soviet credits until 1975. During d 974 Soviet technicians began work on expanding the Ceylon steel will, built with Soviet aid in the early 1960s, and were active In prospecting for oil. Equipment also was delivered for a flour mill and a housing plant. Colombo accepted Moscow's offer of grant aid for an \$11 million naval training vessel. Sri Lanka would have preferred a US or UK vessel, but none was offered. Earlier in the year, Moscow had offered to sell a Petya destroyer escort on liberal credit terms, but Colombo turned it down.

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143. Romania extended an \$11 million credit for railroad cars. East Germany completed the \$23 million Thulyriya textile mill and started construction of a second mill. The PRC delivered 100 tractors as a grant and rice worth \$14 million, provided under a December 1973 grant. The Pugoda textile mill came on stream, and construction of a new finishing mill, to complete the complex, was started. Minneriya was chosen as the site for another Chinese-assisted textile complex to be built with \$8 million in credits extended in 1972.

- Syria

- Damascus was the second ranking claimant on new Communist economic aid and took the largest share of new military assistance. Moscow gave at least \$100 million in economic aid. It also agreed to build a small dam on the al-Kabir River, to expand port facilities at Latakia, and to provide facilities at the nearly completed Eurphrates Dam. These facilities will include irrigation systems and transmission lines. There were 1,200 Soviet technicians working on the Euphrates Dam and other ongoing projects. President Asad's visit to Moscow in April resulted in a new agreement that called for delivery of equipment to modernize further Syria's air defense and ground forces. Moscow made no further commitments at talks held in September which probably concerned contingency deliveries in the event of renewed hostilities with Israel. Military aid commitments from the USSR and Eastern Europe totaled about \$400 million in 1974, mostly from the USSR. This was a decline of about 40% from last year, but Damascus still received more military aid than any other LDC as it remained the focal point of Soviet worldwide military aid diplomacy.
- 145. Deliveries during the year were about \$435 million as Damascus drew on the \$700 million October 1973 accord and the new April agreement. Weapons systems delivered upgraded Syria's air and ground forces beyond their status at the beginning of the October War. In May, Syria became the first country to receive supersonic MIG-23 jet fighters from the USSR. The aircraft, which has not been given to members of the Warsaw Pact, has capabilities that exceed those of any other fighter in Arab arsenals and will enable Syria to cope better with Israel's F-4 Phantoms. Other equipment shipped during the year included 110 MIG-21s and SU-7 jet fighter aircraft, 360 T-62 tanks, 260 BTR-60 APCs, and 16 Frog-7 surface-to-surface rocket launchers.
- 146. In support of its military aid program Moscow posted 2,100 advisers and technicians in Syria, a 15% increase over the number in 1973. Most of the technicians are used in air defense-related functions, including familiarization and training on newly arrived MIG-23s. An increasingly large number of advisers were detailed to the Syrian army to improve the tactical capabilities of armored and other ground forces units. During the year, 500 Syrian military personnel went to the USSR for training.

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- 147. East European military aid in 1974 totaled \$10 million. It mincluded support equipment from Czechoslovakia, ammunition from Past Germany, and unspecified goods from Bulgaria. East European gountries delivered about \$12 million worth of equipment during the **⊈**ear.
- Three East European countries extended \$185 million in Economic aid to Syria in 1974. Czechoslovakia's share of the total Tas \$100 million, for industrial projects, repayable in 10 years After a 2-year grace, at 2% interest. Bulgaria extended a \$73 million credit, its largest credit to a MLDC, for agricultural and ■ndustrial projects. Repayment will be over 12 years at 2.5% interest. Hungary provided \$12 million as an add-on to a \$14 million credit Extended in 1966. Romania focused its activities on plans for building 7 120,000-b/d refinery at Baniyas. This project will draw on a 1972 Fredit of about \$180 million to cover equipment purchases from mania and some equipment from third countries. Partial repayments Will be made over six years in Syrian oil.

- Other Near East and South Assemble 149. Jordan's economic contacts with Communist countries remained Nevertheless, Romania submitted a draft protocol for Song-range cooperation in oil prospecting and other projects during ₹he first meeting of the joint Jordanian-Romanian Economic Committee An June. The protocol also calls for increased trade and exports of Jordanian phosphates to Romania.
- Romania became the first Communist country to pledge economic 150. Qid to Lebanon. Under a February agreement, Bucharest will provide 59 million in equipment for a cement plant near Beirut, repayable over 9 years. Czechoslovakia concluded another military agreement with Debanon in 1974 for some \$2 million in small arms and ammunition.

 Previously, Czechoslovakia had provided small quantities of this type of equipment for cash.
- Peking began to implement several aid projects in Nepal under 151. a \$35 million 1972 grant. A trolley bus system, connecting Katmandu And Bhaktapur, is scheduled to be completed late in 1975. Construction 岂s moving ahead on the \$4.8 million Katmandu ring road and on a mrick plant and textile mill. Nepal's reliance on Peking for industrial Goods increased under new trade agreements that will make the PRC the major source of cement, iron rods, and paper. China also concluded ts first military aid accord with Nepal under which communications and power-generating equipment will be provided to the Nepalese army. Nepal still remains dependent on India for its weaponry.

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- 152. Moscow provided North Yemen with \$5 million in credits to cover shipments of 25,000 tons of wheat. It also completed technical support for expanding the port of Hudaydah, under a 1964 credit, and may provide machinery and equipment for its further expansion. Romanian specialists arrived to survey oil deposits after the completion of studies on petroleum storage facilities and a pipeline. A team of North Koreans also was in Sana to decide on a site for a vehicle and tractor spare parts plant, and the PRC initiated surveys for a cottonseed oil extraction plant under a 1972 aid agreement. Moscow resumed military shipments, its first in three years. Deliveries included three MIG-17s, some medium tanks, small arms, spare parts, and ammunition.
- 153. The <u>Persian Gulf States</u> expanded their economic dialogue with Communist countries. <u>Bahrain</u> concluded its first direct government agreement with a Communist country in May with a \$2.3 million cash sale to the PRC of 2,000 tons of domestically produced aluminum ingots. This compares with exports of less than \$100,000 to China in 1973.
- 154. Moscow is still anxious to gain a stronger economic position in <u>Kuwait</u>, despite its failure to win a \$170 million contract to build four powerplants in that country. The Soviet oil minister visited Kuwait during the year, and Soviet trade organizations are seeking close ties with their Kuwaiti counterparts. Romania and Kuwait signed their first official trade and economic cooperation agreements calling for participation by Bucharest in chemical, petroleum, and construction industries projects over the next few years. In what is believed to be a first for the Arab oil producers in their relations with Communist nations, Kuwait's International Investment Company issued \$40 million in bonds to Kuwaiti subscribers on behalf of Hungary. Repayment is in eight years, including a three-year grace period at 10.5% interest.
- 155. China and the USSR took steps to strengthen their respective economic positions in the Gulf of Aden area, possibly in response to South Yemen's overtures to Western and Arab states for aid.

 Moscow's 1972 credits were allocated to specific projects, which will include a thermal powerplant, airfield modernization, and geological surveys. The USSR also won its bid to replace Algeria in the joint South Yemen-Algerian Oil Company, and the Soviet-Yemen joint fishing company began operations. An economic and technical cooperation agreement was signed with the PRC in November during the visit of a Yemeni delegation to Peking, under which China will expedite food-grain shipments and speed implementation of some \$77 million in credits. Other Communist nations also expanded economic relations. Sofia signed a contract for land reclamation, part of which will be financed by the Kuwait Fund for Arab Economic Development.

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oil from Abu Dhabi at about \$14 per barrel, but it is not clear whether this was Abu Dhabi oil or Iraqi oil handled by an Abu Dhabi middleman. In other activities, the USSR was awarded a contract to supply 120 transformers, worth \$6 million, to Abu Dhabi --The first Soviet contract with a UAE state.

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Table 1

Communist Economic Aid Extended to Less Developed Countries
1974

Million Current US \$ '

						Eastern	Europe			
	Total	USSR	Total	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Romania	PRC
rótal	1,275	455	621	74	100	35	62	100	250	199
Africa	267	13	80		••••	••••	••••	****	80	174
Cameroon	Negl.	Negl.								
Chad	1	1				••••				
Ethiopia	1	1								
Gambia	Negl.	Negl.								
Guinea	84	2	80				****		80	2
Mauritania	37	Negl.						***		37
Niger	6	1							•••	5
Senegal	1	1			••••		****			
Somalia	6	5						****		1
Tanzania	75								••••	75
Upper Volta	4	2								2
Zambia	52			.,		****	****		••••	52
East Asia	25	••••			••••	****	****	****	••••	25
Laos	25	****				****			****	25
Latin America	333	73	260	•••	N.A.	10	50	100	100	****
Argentina	314	64	250	***	N.A.		50	100	100	
Bolivia	1	1	·		****					
Colombia	8	8								
Guyana	10		10			10	****			
Near East and South Asia.	650	369	281	7.4	100	25	12	••••	70	Negl.
Bangladesh	104	28	76	1	••••	25		••••	50	
Egypt	20	20	,	-						
Lebanon	9		9	••••		••••			9	
North Yemen	5	5								
Pakistan	216	216								
Sri Lanka	11	210	11						11	Negl.
Syria	285	100	185	73	100		12			- 38-

¹ Credits extended in foreign currencies converted into dollars at the average exchange rate for 1974.

Table 2

Table 2

Communist Economic Aid to Less Developed Countries, Extended and Drawn

Million Current US \$

		Exte	nded			Dra	awn	
•	Total	USSR	Eastern Europe	PRC	Total	USSR	Eastern Europe	PRC
Total 1	18,570	9,562	5,551	3,457	8,185	5,309	1,461	1,415
1954-64	5,588	3,740	1,251	597	2,079	1,518	385	176
1965	976	372	533	71	521	352	91	77
1966	1,699	1,241	294	164	498	334	74	90
1967	482	301	132	50	518	303	114	100
1968	654	379	220	54	486	300	116	70
1969	936	494	426	16	502	341	91	70
1970	1.102	198	176	728	540	360	112	68
1971	2,165	1,118	484	563	732	419	145	170
1972	2.079	610	885	584	665	348	97	221
1973	1,614	654	529	431	713	402	117	194
1974	1,275	455	621	199	930	634	118	178

¹ Because of rounding, components may not add to the totals shown.

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Table 3

Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn 1954-74

Million Current US \$

		Exte	nded			Dra	.wo	
	Total	USSR	Eastern Europe	PRC	Total	USSR	Eastern Europe	PRC
-	·		•					
Fotal	18,570	9,562	5,551	3,457	8,185	5,309	1,461	1,415
Africa	4,264	1,344	996	1,924	1,544	650	158	736
Algeria	860	426	342	92	300	221	35	44
Burundi	20		••••	20	••••		••••	****
Cameroon	79	8	••••	71	4	4	••••	
Central African Republic	6	2	••••	4	6	2	••••	4
Chad	54	4		50	4	2	****	. 2
Congo	63	13	5	45	45	12	••••	33
Dahomey	44		••••	44			••••	••••
Equatorial Guinea	25	1	••••	24	1	1		
Ethiopia	203	102	17	84	30	19	9	2
Gambia	Negl.	Negl.			Negl.	Negl.		
Ghana	239	93	104	42	62	31	26	5
Guinea	389	202	110	77	249	151	31	67
Kenya	67	49	••••	18	7	4	••••	3
Malagasy Republic	11	••••	••••	11	4	••••	••••	4
Mali	144	64	23	57	118	61	7	50
Mauritania	68	4	••••	64	11	2		9
Mauritius	40	5		35	1	1	****	
Morocco	143	88	55	****	34	22	12	
Niger	8	2	••••	6	3	2	••••	1
Nigeria	45	7	38		3	3		••••
Rwanda	23	1		22	2	••••		2
Senegal	57	8		49	5	3	••••	2
Sierra Leone	68	28	••••	40	6	2		4
Somalia	225	87	5	133	92	45	4	43
Sudan	300	65	153	82	45	26	4	15
Tanzania	371	20	20	331	257	3	3	251
Togo	45		••••	45	1	••••		1
Tunisia	148	34	74	40	44	17	27	
Uganda	31	16	••••	15	17	12		5
Upper Volta	49	6	****	43	5	2		3
Zaire	100	••••	••••	100	Negl.			Negl.
Zambia	339	9	50	280	188	2	••••	186
East Asia	741	155	338	248	473	143	168	162
Burma	129	16	29	84	68	16	6	46
Cambodia	134	25	17	92	91	16	6	69
Indonesia	453	114	292	47	314	. 111	156	47
Laos	25			25				
Europe	45	****	****	45	6	••••	****	6
Malta	45		****	45	6		****	6
Latin America	1,560	529	898	133	274	101	153	20
Argentina	368	108	260		40	35	5	
Bolivia	61	30	31		9	6	3	••••
Brazil	331	90	241	••••	120	33	87	****
('hile	439	235	139	65	66	16	33	17
Colombia			16		2	2		
Costa Rica	26	10		••••			••••	****
Ecuador	10	10 Nonl	1 2		····		····	****
	15	Negl.	15		7	••••	7	
Guyana	36		10	26	1			1
Peru	218	26	150	42	19	5	12	2
Uruguay	46	20	26	••••	10	4	6	••••
Venezuela	01	••••	10	****			••••	

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Table 4

Communist Economic Technicians in Less Developed Countries
1974

	1974		•	
				Persons
			Eastern	
	Total	USSR	Europe	PRC ²
Total	47,375	14,725	9,715	22,935
Africa,	34,120	6,005	7,445	20,670
Algeria	4,655	2,355	2,050	250
Burundi	50	30	5	15
Cameroon	180	10		170
Central African Republic	275	250	15	10
Chad	100	65		35
Congo	715	120	145	450
Dahomey	35		****	35
Equatorial Guinea	260	10		250
Ethiopia	360	35	5	320
Ghana	150	45	15	90
Guinea	1,710	1,000	250	460
Kenya	30	5	20	5
Liberia	20		20	****
Libya	3,800		3,800	****
Malagasy Republic	15	5		10
Mali	390	125	15	250
Mauritania	300	75	****	225
Mauritius	45	10	••••	35
Morocco	495	300	185	10
Niger	35	10		25
Nigeria	255	95	90	70
Rwanda	270	,	5	265
Senegal	125	25		100
Sierra Leone	405	10	••••	395
Somalia	2,950	800	150	2,000
Sudan	420	35	25	360
Tanzania	4,300	150	50	4,100
Togo	85			85
Tunisia	470	95	320	55
Uganda	440	130	10	300
Upper Volta	70			70
Zaire	370	10	185	175
Zambia	10,160	140	20	10,000
Unspecified	180	65	65	50
East Asia	110	15	25	70
Burma	70	••••		70
Indonesia	10		10	••••
Malaysia	20	15	5	••••
Thailand	10	••••	10	
Europe	120	••••	****	120
Malta	120		****	120
Latin America	545	310	170	65
Bolivia	25	25		****
Brazil	40	25	15	
Chile	10	••••	10	
Colombia	10	••••	10	
Ecuador	10	5	5	****
Guyana	125	****	75	50
Mexico	5	5	****	
Peru	295	240	40	15
Uruguay	25	10	15	
•				

Footnotes at end of table.

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Table 1

Communist Economic Technicians in Less Developed Countries 1

1974 (Continued)

	•	,		Persons
	Total	USSR	Eastern Europe	PRC ²
Near East and South Asia	12,480	8,395	2,075	2,010
Afghanistan	865	745	20	100
Bangladesh	730	630	100	••••
Egypt	2,160	1,700	450	10
Greece	25	••••	25	••••
India	1,480	1,400	80	
Iran	1,230	1,100	125	5
Iraq	1,375	750	225	400
Jordan	5	5	•	••••
Kuwait	5	••••	5	
Lebanon	25		25	
Nepal	305	5		300
North Yemen	515	150	15	350
Pakistan	395	165	. 55	1753
South Yemen	810	160	95	555
Sri Lanka	175	75	50	50
Syria	2,040	1,200	790	50
Turkey	340	310	15	15

¹ Minimum estimates of the number of persons present for a period of one month or more. Numbers are rounded to the nearest five.

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² Including laborers in some countries, especially in Tanzania, Zambia, and Somalia.

³ Excluding 25,000 to 30,000 Chinese personnel reported working on the Karakoram Highway in Pakistan.

Table 5

Technical Trainees from Less Developed Countries Departing for Training in Communist Countries 1 Persons 1956-74 1974 Eastern Eastern Total USSR PRC Total USSR Europe PRC Europe 32,570 20,075 11,700 795 4,380 2,640 1,660 80 Africa..... 7,145 3,525 3,455 165 905 325 80 2,020 1.335 400 250 Algeria.... 685 150 25 20 5 ----.... 120 85 35 Central African Republic..... •••• 75 75 785 465 320 25 Dahomey..... 25 165 100 65 25 25 Ghana..... 785 440 345 945 655 290 200 100 100 Guinea....... Kenya.... 125 10 115 ----Libya..... 370 Mali..... 585 175 40 Mauritius..... 5 •••• Morocco..... 175 120 55 25 25 , ...**.** 10 Mozambique..... 10 105 30 75 Nigeria..... ٠.... Sierra Leone....,...... 5 5 Somalia..... 170 160 10 25 25 Sudan..... 110 15 95 65 15 50 240 380 60 80 25 25 Tanzania..... 345 130 215 35 35 ,... 55 5 Uganda..... Upper Volta..... 60 60 35 25 25 25 Zambia..... 5 Unspecified..... 30 30 55 25 30 East Asia..... 1,095 355 330 410 10 5 5 •••• Burma..... . 225 45 125 10 20 385 10 355 Indonesia..... 485 300 185 Latin America..... 260 130 130 80 35 45 •••• Bolivia..... 5 5 15 5 10 Chile..... 20 55 35 Colombia..... 35 15 20 30 10 20 20 Ecuador.... 20 • Mexico..... 20 5 15 110 60 50 50 25 25 16,065 7,785 220 Near East and South Asia..... 24,070 3,385 2,275 1,110 •••• 1,405 1,100 305 215 Afghanistan..... 200 15 •••• Bangladesh..... 590 490 100 275 250 25 Cyprus..... 100 **5**0 50 •••• 4.610 3.390 ደበበ 350 Egypt..... 8.000 450 •••• India..... 4,510 3,280 1,230 475 275 200 1,675 2,310 635 150 Iran..... 100 50 Iraq..... 1,940 1,325 605 10 325 225 100 Nepal.... 10 North Yemen..... 850 435 235 180 75 50 25 Pakistan..... 390 345 45 135 110 25 •••• South Yemen..... 370 45 150 150 415 Sri Lanka..... 190 145 45 15 15 1,690 745 945 450 250 200 Syria.... 320 300 Turkey..... 1.585 1.440 145 20

¹ Minimum estimates of the number of persons departing. Numbers are rounded to the nearest five.

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Table 6

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Honduras.....

Mexico.....

Nicaragua.....

Academic Students from Less Developed Countries Trained in Communist Countries 1 (Continued)

emic Stut		Lage Davel	oned C	Table 6	rained in C	ommunist Co	anntrice :	(Continu	aed)		
									ieu j		Perso
	19							Bei	ng Trainec	i as of Dec	1974
	Heed	Eastern	DDC	Total	HEED	Eastern		Total	HEED	Eastern	PRC
Total	USSR	Europe	PRC	10181	, USSR	Europe	rac	LULAI	USSK	Lutope	INC
. 315	215	100		30	25	5		165	130	35	
	10	10					••••			 60	••••
			••••				••••				
								50	25	25	
		25	••••	25		25		••••			
	12,745	10,255	150	1,675	1,145	515	15	8,480	5,385	3,080	15
	1,365	780	5	155	100	55		900	700	200	
	485			235	150	85	••••				••••
			••••	100	50	140	••••				••••
		•									
								495	420	75	
-		65	10	10			10	175	15	150	10
	2,405	1,870	25	145	100	45		650	350	300	
. 75	75	****	••••	••••	••••	••••		••••		••••	••••
	750	225		130	120	10		650	600	50	••••
			••••				••••		410	 45	••••
			75								
									270	85	
	180	40		95	80	15		175	100	75	
. 1,000	415	585		60	50	10		515	250	265	
. 580	330	225	25	65	45	15	5	115	100	10	5
	1,475	1,910		150	50	100			650		••••
		20	••••	100	100	****	••••	150	130	20	••••
		••••	••••	50	50	••••	••••	••••	••••	••••	••••
	. 315 . 20 . 490 . 65 . 300 . 25 . 23,150 . 2,150 . 1,250 . 2,725 . 90 . 1,590 . 130 . 4,300 . 75 . 40 . 1,190 . 605 . 1,850 . 220 . 1,000	Total USSR . 315 215 . 20 10 . 490 330 . 65 35 . 300 175 . 25 23,150 12,745 . 2,150 1,365 . 715 485 . 1,250 510 . 2,725 1,175 . 90 5 . 1,590 925 . 130 55 . 4,300 2,405 . 75 75 . 975 750 . 40 30 . 1,190 715 . 605 480 . 1,850 1,110 . 220 180 . 1,000 415 . 580 330 . 3,385 1,475 . 150 130 . 80 80	Total USSR Eastern	Total USSR Europe PRC	Total USSR Europe PRC Total	Eastern Total USSR Europe PRC Total USSR . 315 215 100	Total USSR Europe PRC Total USSR Eastern Europe . 315 215 100 30 25 5 . 20 10 10 . 490 330 160 40 25 15 . 65 35 30 . 300 175 125 10 5 5 . 25 25 25 25 . 23,150 12,745 10,255 150 1,675 1,145 515 . 2,150 1,365 780 5 155 100 55 . 715 485 230 235 150 85 . 1,250 510 740 . 1,590 925 660 5 5 5 <td< th=""><th> Total USSR Europe PRC Total USSR Europe PRC </th><th> Total USSR Europe PRC Total USSR USSR</th><th> Total USSR Europe PRC Total USSR </th><th> Total USSR Eastern PRC Total USSR Eastern Europe PRC Total USSR Europe Europe </th></td<>	Total USSR Europe PRC Total USSR Europe PRC	Total USSR Europe PRC Total USSR USSR	Total USSR Europe PRC Total USSR	Total USSR Eastern PRC Total USSR Eastern Europe PRC Total USSR Europe Europe

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Table 7

Communist Military Aid to Less Developed Countries, Extended and Drawn

Million US \$

..

	To	Total		SR	Eastern	Europe	PRC		
	Extended	Drawn	Extended	Drawn	Extended	Drawn	Extended	Drawa	
Total	13,655	11,910	11,850	10,450	1,250	1,000	550	460	
1955-65	4,720	3,580	4,050	3,025	550	500	120	55	
1966	525	575	450	450	25	50	50	75	
1967	655	500	525	450	75	25	55	25	
1968	550	530	475	450	50	50	25	30	
1969		475	350	425	75	25	5	25	
1970	1,090	1,050	975	950	50	75	65	25	
1971	1,550	915	1,375	775	100	75	75	65	
1972	1.005	875	825	750	100	50	80	75	
1973		2,145	1,725	2,000	75	75	15	70	
1974		1,265	1.100	1,175	150	75	65	15	

Table 8

Communist Military Aid to Less Developed Countries, Extended and Drawn, by Country 1955-74

Extended

Million Current US \$

Drawn

	Total	USSR .	EE	PRC	Total	USSR	EE	PRC
tal	13,655	11,850	1,250	555	11,910	10,450	1,000	460
Africa	905	755	45	105	735	600	35	100
Algeria	360	350	Negl.	10	345	335	Negl.	10
Burundi	5	Negl.	••••	5	Negl.	Negi.		
Central African Republic.,	Negl.	Negl.		••••	Negl.	Negl.	****	
Congo	20	15	Negł.	5	10	5	****	5
Equatorial Guinea	Negl.	Negl.	****	Negl.	Negl.	Negl.		Negl.
Ghana	10	10	Negl.		10	10	Negl.	
Guinea	40	35	Negl.	5	35	30	Negl.	5
Guinea-Bissau	Negl.	Negl.			Negl.	Negl.		•••
Mali	10	10		Negl.	5	5	****	Negi.
Morocco	65	45	20		35	15	20	
Nigeria	10	10		••••	10	10	••••	
Sierra Leone	5	Negl.		5	5			
Somalia	115	115	Negl.		110	110		
Sudan	85	65	10	10	80	65	5	10
Tanzania	145	80	5	60	70	5	5	60
Uganda	30	20	10	Negl.	15	10	5	Negl
Zaire	5			110gi. 5	5			Negr
Zambia	Negl.	••••	••••	-		****	••••	
Cast Asia	1.340	1,105	200	Negl. 35	Negl.	870	190	Negl 35
Burms					1,095			
Cambodia	Negl. 25	Negl.	 N1		Negl. 25	Negl.	••••	
		10	Negl.	15		10		18
Indonesiaatin America	1,315	1,095	200	20	1,070	860	190	20
	40	40	****	••••	30	30	•••	•••
Peru	40	40			30	30		
Vear East and South Asia	11,370	9,950	1,005	415	10,050	8,950	775	325
Afghanistan	515	495	20	••••	450	430	20	•••
Bangladesh	35	35	****	·	30	30	••••	
Cyprus	25	25	Negi.	****	20	20	Negl.	
Egypt	3,775	3,420	355		3,645	3,290	355	
India	1,565	1,395	170	··.	1,320	1,210	110	
Iran	825	825	••••		575	575	••••	
Iraq	1,675	1,430	245	Negl.	1,475	1,360	115	Negl
Lebanon,	5	5	Negl.	••••	5	5	Negl.	
Maldives	Negl.	Negl.	****		Negl.	Negl.	••••	
Nepal	Negl.	••••	••••	Negl.	Negl.		••••	Negl
North Yemen	110	80	30		110	80	30	
Pakistan	470	65	••••	405	340	20		320
South Yemen	90	80	10		80	70	10	
Sri Lanka	20	15		5	5	Negl.	••••	
Syria	2,260	2,080	175	5	1,995	1,860	135	Negl

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Table 9 Communist Military Technicians in Less Developed Countries 1

				_		Persons
		1974			1973	
	Total	USSR and Eastern Europe	PRC	Total	USSR and Eastern Europe	PRC
· Fotal	7,760	6,730	1,030	7,045	6,020	1,025
Afghanistan	470	470		425	425	
Algeria	650	650		650	650	
Bangladesh	50	50		100	100	
Burundi				10		10
Congo	60	30	30	50	30	20
Egypt	200	200		520	520 ²	
Equatorial Guinea	25	10	15	20	10	10
Guinea	135	110	25	160	110	50
India	270	270		300	300	
Iran	70	70		60	60	
Iraq	1,030	1,030		785	785	
Libya	100	100		. 10	10	
Mali	25	15	10	55	45	10
Morocco				10	10	
Nigeria	60	60	,	70	70	
North Yemen	120	120		130	130	
Pakistan	25		25	25		25
Peru	15	15		15	15	
Sierra Leone	10		10	30		30
Somalia	1,000	1,000		700	700	
South Yemen	310	260	50	225	225	
Sri Lanka			,	5	••••	5
Sudan	140	90	50	70	20	50
Syria	2,150	$2,150^3$		1,780	1,780	
Tanzania	745	****	745	745	,	745
Uganda	. 30	30		25	25	
Zambia	70	••••	70	70		70

¹ Minimum estimates of the number of persons present for a period of one month or more. Numbers are rounded to the nearest five.

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² Most of these arrived with the equipment supplied after the outbreak of the October war.

³ Excluding personnel assigned to Soviet operational units.

Table 10

Military Personnel from Less Developed Countries Trained in Communist Countries

UBLIQUE	ANNEX to AC/127-D/51	<u>2</u>				-10	 -						
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						Table 1	10						
LECTURE			Military	Personnel f	rom Less De	veloped Cot	antries Tr	ained in C	Communist Co	ountries			Persons
N N		Depar		mmunist Cou 5–74	ntries		197	14		Bein	g Trained,	December	r 1974
MISE		Total	USSR	Eastern Europe	PRC	Total	USSR	Eastern Europe	PRC	Total	USSR	Eastern Europe	PRC
III	otal	39,750	33,625	3,750	2,375	3,635	3,405	110	120	4,050	3,250	100	700
	Afghanistan	3,250	3,000	250		400	400			400	400		
S	Algeria	2,225	2,000	200	25		••••	••••	••••	50	50	••••	••••
S	Bangladesh	400	400	••••	••••	65	65		****	25	25	••••	••••
4	Burundi	50 25	50 25	••••	••••	••••	••••	••••	••••	50	50	••••	****
ᄗ	Congo	750	325	50	375	****	••••		••••	250	****	25	225
Ψ̈́	Egypt	6,250	5,700	550	••••	••••	****	••••	****		••••	••••	
<u>-</u>	Ghana	200	200	****	****	****	****	••••	••••		••••	••••	••••
_	Guinea	1,175	750	50	375	15	15		·····	250	125	••••	125
DN(2012)0003	India	2,000	2,000		••••	300	300	••••	••••	175	175	****	****
8	Indonesia	9,200	7,500	1,700	••••		35	••••	••••	25		••••	••••
7	Iran	250 2,925	250 2,700	225		35 760	700	60	••••	25 375	25 350	25	****
7	Libya	300	300			300	300		••••	300	300		
12	Mali	200	150		50				·	50		••••	50
Ιž	Morocco	75	••••	75	••••		••••				••••	••••	
	Nigeria	350	350	••••	••••	175	175	••••	••••	175	175	••••	••••
_	North Yemen	1,000	1,000	••••		75	75	****		75 _: -	75	****	
۵-	Pakistan	275 150	·50 150	••••	225	35 100	5 100	••••	30 .	25 50	50	****	25
╽	Sierra Leone	150		••••	150			••••	••••	25		••••	25
S	Somalia	2,000	1,900	75	25	150	150	••••	••••	225	225	••••	
l O	South Yemen	575	550	25		180	180		••••	175	175	••••	••••
7	Sudan	425	300	25	100	90	••••	••••	90	50	••••	••••	50
IS(Syria	3,450	3,000	450		600	550	50	****	550.	500	50	
Δ	Tanzania	1,400 625	400 550	75	1,000	145 200	145	****	****	350	150	••••	200
>	Zambia	625 75	550 25	75 	50	200 10	200 10	****	****	400	400	••••	****
<u> </u>													
≃													
B						•							
5						Table 3							
4						Tante 9							
٦		Com	munist Ecop	omic Credit	s and Grants		veloped (Countries,	Extended and	Drawn			
E	. •					1954-74							
ഥ					((Continued)					_		
S										Milli	on Current	US \$	
S					P.	xtended				Drawn			
 													
DECLASSIFIED - PUBLIC				Tota	ussr	Eastern Europe		C To	tal USS	Easte R Euro		RC	
	Near East as	ad South A	sia	11,9	60 7,534	4 3,319	1,1	07 5,	888 4,4	15 982	2 49) 1	

Table 3 Communist Economic Credits and Grants to Less Developed Countries, Extended and Drawn 1954-74 (Continued)

		Exte	nded		Drawn					
	Total	USSR	Eastern Europe	PRC	Total	USSR	Eastern Europe	PRC		
Near East and South Asia	11.960	7,534	3,319	1.107	5,888	4,415	982	491		
Afghanistan	951	839	39	73	658	620	11	27		
Bangladesh	329	182	136	11	185	149	25	11		
Egypt	2,348						305			
	,	1,439	775	134	1,307	936	305	66		
Greece	8	8	••••	••••	.8	8	••••	••••		
India	2,397	1,942	455		1,564	1,326	238	••••		
Iran	1,329	788	541		584	464	120			
Iraq	1,039	554	440	45	328	235	93			
Lebanon	9		9							
Nepal	127	24	-	103	88	21	••••	67		
North Yemen	196	104	13	79	139	73	12	54		
Pakistan	1,120	652	77	391	231	74	23	134		
South Yemen	121	14	52	55	23	9	2	12		
Sri Lanka	258	41	62	155	150	. 25	25	100		
Syria	1,129	418	650	61	352	233	99	20		
Turkey	599	529	70	,	271	242	29			