

5 juni 1959

U 5739/59 - C 46 - P4/PS9.

PH 9724/17
GEHEIM

Land : USSR.
Onderwerp : Soviet overtures for Western credits.

Referenties :

Datum van waarneming : Eind april 1959.

Bron : Van bevriende zijde.

Opmerkingen :

Verzonden aan : de Minister van Buitenlandse Zaken.

Aan Zijne Excellentie Prof. Dr. J.E. de QUAY
Minister-President

Plein 1813 no. 4

's-GRAVENHAGE.

5 June 1959

U 5739/59 - C46 - P4/PSg

SOVIET OVERTURES FOR WESTERN CREDITS

GEHEIM

The USSR has renewed its search for credits to finance growing imports from Western industrial countries. Soviet representatives are probing Western European governments, financial institutions, and exporters in an attempt to secure government loans, government-guaranteed credits, and long-term commercial credits. During British Prime Minister Macmillan's recent visit to Moscow, Khrushchev sought five-year credits worth a total of \$700,000,000 to run from 1959 to 1963.

The Soviet Union's demand for Western equipment, particularly for the chemical industry, is greater than its ability to finance purchases in the West through exports, despite efforts to increase sales to the free world. The USSR presumably also wishes to secure credits to permit it to develop a reputation as a reliable long-run trader making consistent purchases of Western equipment--in contrast to the erratic purchases which have marked such Soviet importing in the past.

A Soviet purchasing mission in Italy reportedly has signed \$20,000,000 worth of contracts with private firms, subject to "arrangement of special credits" for items ranging from a \$16,000,000 tire-cord plant to less than \$100,000 worth of spare parts. The wide range of equipment and goods involved reveals a Soviet attempt to generate pressures from numerous industries for government participation in large credits to sustain sales of goods to the USSR. The Soviet group reportedly also urged Italian producers "not to miss the favorable turning point in Soviet foreign trade" but to procure five-year credits to enable the USSR to purchase a variety of other complete plants; the group alleged it could get the plants elsewhere in Europe if Italian credit is not forthcoming.

Most officials in Western Europe point out that normal commercial short-term credits are available to all traders, but that long-term official or government-guaranteed credits for the USSR are unlikely, except for specific large-scale projects normally handled with special financial terms. The British Government is currently considering the extent to which it may guarantee private credits, and it plans to send a high-level trade mission to Moscow in May--reportedly authorized to approve extension of private credits up to \$140,000,000. The Dutch, now negotiating the sale of ships to the USSR, indicate they may extend some five-year credits to the Russians for these vessels.

Italy has taken the initiative in NATO for joint measures to avoid official financial commitments. The Italians see a propaganda motive in the Soviet bids timed to anticipate the foreign ministers' conference, and they are apprehensive that favorable response from one or more Western nations would lead to a divisive competitive scramble to increase exports to the bloc on a credit basis.