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The Soviet Gold Situation

The Soviet Union has given considerable priority to the mining of gold, and production has been increasing steadily in recent years. About \$190 million in gold was produced in 1967, compared with about \$125 million in 1960. The USSR is the largest producer in the world after the Union of South Africa, which mines about \$1 billion in gold annually. Domestic consumption of gold in the USSR probably is small and would not change much from year to year.

In each of the years 1963, 1964 and 1965 the USSR sold gold on the world market in amounts of around \$500 million. These large sales were made primarily to pay for emergency imports of wheat made necessary by poor crops in the USSR in 1963 and 1965. Soviet sales of gold were only about \$50 million in 1966 and a mere \$5-10 million in 1967.

At the present time the USSR's total gold reserves are probably around \$1.2 billion. Total reserves declined sharply in 1963-65 because of the large sales of gold, but rose in 1966 and 1967.