

56-377
Box 28

FORM NO. 51-44A
FEB 1952

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS ONLY

50X1-HUM

SECURITY INFORMATION

INFORMATION REPORT

REPORT

CD NO.

COUNTRY USSR/Satellites

DATE DISTR. 6 February 1953

SUBJECT Methods to be adopted in Settling Accounts between Member Countries of the C.M.E.A.

NO. OF PAGES 5

DATE OF INFO.

NO. OF ENCLS. (LISTED BELOW)

50X1-HUM

PLACE ACQUIRED

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

50X1-HUM

1. The main principles for settling operational accounts in the export trade between the member countries of the Council for Mutual Economic Aid have been worked out at the request of their representatives and are based on their experience. These principles are needed in order to insure that the data on the fulfillment of trade agreements between member countries are presented in a form permitting comparison and also in order to facilitate exchanges of information on the fulfillment of these agreements.
2. Operational settlements, bookkeeping, and customs accounting are to be organized and run as a system of State clearing directed by the governmental bodies responsible for export trade and by their subsidiary organizations. This provides a means of controlling the fulfillment of interstate trading agreements as well as that of the individual State plans and the charges levied on imports and exports. Operational settlement, bookkeeping, and customs accounting, while interconnected, are not interchangeable, but complementary, each having its own special characteristics. The particular point about operational settlement is that by its means information on the total results of export trade operations can be supplied quickly: this is because of its system of rapid registration and calculation of facts and figures concerning export operations and in particular those concerned with loading and dispatch.
3. In the course of operational settlement not only will the usual trading and transport documents be taken into consideration, but also the correspondence and telegrams of the firms exporting the goods, the communications from the customs authorities, the transport organizations, those from foreign trading organizations and from the foreign trading bodies' representatives at home and abroad.

50X1-HUM

CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS ONLY

STATE	X	NAVY	X	NSRB											
ARMY	X	AIR	X	FBI											

SECRET/CONTROL - U.S. OFFICIALS ONLY

-2-

4. All data concerning operational settlements will be collated in periodical reports. These will show the progress achieved in the fulfillment of trade agreements by each export organization, how far its plan has succeeded, the charges levied on the import and export of goods, the delivery of goods for export by industry, and the distribution of imported goods to the national economy.
5. The data contained in the reports of the export trading organizations will be collated in collective reports on the entire export trade of each country. Guidance on operational settlement and the submission of reports by export trade organizations will be issued by the appropriate government department. This department's task will be:
 - a. To formulate the necessary instructions for export trade organizations.
 - b. Supervise the carrying out within the export trade organizations of the orders laid down for arranging settlements and for reporting.
 - c. To instruct those engaged on the work of settlement and report writing.
 - d. To check the correctness of the returns and the reliability of the report matter.
 - e. To study methods for improving the organization, the methods of settlement and reporting.
6. The forms to be used in making reports, the length of the periods to be reported on, and the dates on which they are to be submitted will be decided by governments in the light of their experience in the supervision of their export trade organizations and day-to-day control of their activities. The reporting period is usually one calendar month, but when necessary may be shorter for certain goods.
7. The regulations for the work of operational settlement and the forms to be used in carrying it out, as well as those for reporting and rendering statistics, are to be drawn up in each country in accordance with the special character of its export trade.

General Instructions for the Settlement of Exports and Imports

8. Operational settlement will be effected on the basis of the quantities, prices, and values of imported and exported goods as given in the commercial documents, including agreements, invoices, bills of lading, and receipts for loading and discharge, and as declared by the supplier. In matters concerning the weight of goods, net quantities will be used; and, where an agreement for "gross weight for net" exists, accounts will be made out net. In barter deals where no price for the goods to be delivered has been agreed upon, prices will be fixed on the basis of those ruling in the principal world markets at the time of the conclusion of the agreement.
9. Adjustments in the fulfillment of annual trade agreements between countries will be effected each calendar year. Adjustment of long-term agreements and those valid for longer than one year will also be made annually.
10. Goods delivered before the conclusion of an annual agreement are to be reckoned separately, but they are to be included in the report on the fulfillment of the agreement. Deliveries made in one year on account of liabilities from the previous year must be shown separately in accounting.
11. In reporting on fulfillment of agreements those goods whose delivery is regarded as effected will be included in the total. The value both of the goods to be delivered under the agreement and of those already delivered will be based on the prices in the agreement.
12. Where agreements provide for the charges for goods, transport, and other services to be pooled, the value of the goods and services supplied on behalf of the other country will be included in the total export and import fulfillment figures.

SECRET/CONTROL - U.S. OFFICIALS ONLY

SECRET/CONTROL - U.S. OFFICIALS ONLY

50X1-HUM

-3-

13. The total import and export figures of each country will be determined on the basis of those taken from the operational settlements. The total exports of each country will be reckoned on the basis of the value of the exported goods, i.e., goods that crossed the national frontier, invoiced prices f.o.b. or franco frontier of the selling country. The date of the export is considered to be:
 - a. in the case of overland transport, that on which the goods crossed the frontier of the selling country
 - b. that of the bill of lading, in the case of transport by sea.
 - c. the date of departure of the aircraft, when transported by air.
14. The total imports of each country will be reckoned on the basis of the value of the goods that crossed the country's frontier, purchase price f.o.b. or franco frontier of the selling country. The date of import is considered to be:
 - a. for overland transport, that on which goods crossed into the country.
 - b. for transport by sea, the date on which the ship carrying the goods arrived in the port of the purchaser.
 - c. in the case of air transport, the date of arrival of the aircraft in the home airport.
15. The date of import or export of a ship is reckoned to be that on which the flag of the purchaser is hoisted.
16. In the total exports and imports of each country, the value of goods will also be included which are purchased in other countries and sold to others without being actually imported. Details of such goods will be entered separately in a sub-heading; when necessary, the country exporting or importing the article will be shown.
17. In order to facilitate the work of settling agreements, a numbering system will be introduced. This will include the following:
 - a. Title of the export organization
 - b. Year in which agreement was concluded
 - c. Name of exporting or importing country
 - d. A number indicating the main characteristics of the agreement
 - e. Serial number of the agreement

Information Required on Exports

18. The following data are required in concluding an export agreement:
 - a. Number of the request of the export organization
 - b. Date of conclusion of the agreement
 - c. Number of the agreement
 - d. Name of the export organization with which agreement made
 - e. List of goods
 - f. Unit of measurement (pieces, meters, tons)
 - g. Packing
 - h. Price per unit (currency to be shown)

SECRET/CONTROL - U.S. OFFICIALS ONLY

SECRET/CONTROL -- U.S. OFFICIALS ONLY

50X1-HUM

-4-

- i. Total value
 - j. Date of delivery
19. The following data are to be supplied by works exporting goods:
- a. Number of agreement or order
 - b. Kind of goods
 - c. Number of invoice
 - d. Number of railway car
 - e. Destination
 - f. Number of cases or packages
 - g. Unit of measurement
 - h. Gross weight
20. The following data are required on entry of export goods into home port:
- a. Date of entry
 - b. Place of departure
 - c. Number of invoice
 - d. Number of railway car
 - e. Description of goods
 - f. Number of cases or packages
 - g. Gross weight
21. The following data are required for exports crossing frontier by train or truck:
- a. Date of crossing frontier
 - b. Whence goods were dispatched
 - c. Number of invoice
 - d. Number of home railway car
 - e. Number of foreign railway car (where reloading takes place)
 - f. Description of goods
 - g. Number of cases or packages
 - h. Gross weight
22. The following data are required when loading exports in home port:
- a. Date of dispatch
 - b. Name of ship
 - c. Port of destination
 - d. Description of goods
 - e. Number of agreement

SECRET/CONTROL -- U.S. OFFICIALS ONLY

SECRET/CONTROL-U.S. OFFICIALS ONLY



-5-

50X1-HUM

- f. Number of bill of lading
- g. Number of cases or packages
- h. Quantity (pieces, meters, tons etc.)
- i. Gross weight

50X1-HUM

- 1. Comment: The familiar Communist device of making orders appear as the wishes of those to whom they are to apply is evident in the phrase "worked out at the request of the member countries". In fact, the main lines of the directive, although very bureaucratic, are nevertheless unexceptional, given the framework of controlled bloc economy.
- 2. Comment: The term "operational settlement" is a Communist piece of jargon for the special system used between the members of the Soviet bloc in their clearing accounts. It is alleged to be speedy and insures prompt payment. It will be noticed, however, that no specific procedure for making actual payments is referred to in the text.

50X1-HUM

SECRET/CONTROL-US OFFICIALS ONLY