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SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

The Dependence of the Eastern European Countries and  
of the Soviet Occupied Zone of Germany on the Soviet Union  
in the field of energy

Note by the German Delegation

For some time the view has been expressed in Western newspaper articles and publications that the European Communist countries are striving with growing success for a loosening of their close economic ties with the Soviet Union.

2. In 1965, imports from the Soviet Union declined in the case of Czechoslovakia, the Soviet-occupied Zone and Rumania compared with the year before, while there was an increase for Bulgaria, Hungary and Yugoslavia and no change for Poland.

3. In the energy sector, on the other hand, there is clear evidence of steadily growing ties between all Communist countries (including the Soviet-occupied Zone) and the Soviet Union both during previous years and under the plans until 1970.

A. Imports of Primary and Secondary Energy

(a) Coal

4. Imports of coal by the Communist countries (without their mutual coal trade) consist only of hard coal (including anthracite) and coke. In 1965 (1955) the Soviet Union accounted for 95 (71) per cent of imports and for 10 (3) per cent of total availabilities(1) of these fuels. While total imports of these countries from the Soviet Union rose by 182 per cent from 1955 to 1965, the imports of solid fuel increased by 332 per cent, of which hard coal rose by 477 per cent and coke by 80 per cent.

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(1) Availabilities = indigenous production + imports

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(b) Mineral Oil

5. In 1965 (1955), the Soviet Union accounted for 96 (82) per cent of the mineral oil imports (crude oil and petroleum products) of the European Communist countries (excluding their mutual mineral oil trade) and for 55 (13) per cent of their mineral oil availabilities.
6. Imports of mineral oils from the Soviet Union rose by 875 per cent of which crude oil increased by 900 per cent and petroleum products by 667 per cent.

(c) Natural Gas

7. At present only Poland imports natural gas from the Soviet Union. From 1967 onwards, after the gas line from the Ukraine has been completed, Czechoslovakia will also import natural gas, at first about 1,000 million cu.m. per year. In 1965 (1955) the Soviet Union accounted for 16 (23) per cent of Poland's natural gas availability.
8. Including the proposed rise in Poland's imports, the Eastern European countries will only import about 3,000 million cu.m. of natural gas compared with a planned indigenous production of 36,000 million cu.m., which amounts to 8 per cent of their indigenous production or 7 per cent of total availability. Although Poland and Czechoslovakia would thus each be dependent on the Soviet Union for 50 per cent of their availabilities, no particularly strong ties between the Eastern European area as a whole and the Soviet Union are to be expected by 1970 in the natural gas sector.

(d) Electrical Energy

9. In 1965 (1955) the share of the Soviet Union in the total imports of electrical energy into the Eastern European area amounted to 73 (0) per cent. Its share in total availabilities amounted, however, only to 1 (0) per cent. Under the existing plans, this share is to be considerably increased by 1970 and is to rise for Hungary and Bulgaria to as much as 14 and 13 per cent respective availabilities. Czechoslovakia and presumably also Rumania, whose territory will be crossed by the 220-KV-line under construction as well as by the planned 400-KV-line connecting Bulgaria to the Soviet Union, will be likely to import more power from the Soviet Union than before once these lines have been completed. By 1970, imports of electrical energy from the Soviet Union into the Communist countries may reach almost

five times the present volume. The central transformer station for the deliveries of electrical energy from the Soviet Union is located at MUKATSHEVO near the Three-Country Corner (Czechoslovakia/Hungary/Rumania). This centre distributed 90 per cent of the Soviet electricity exports to the Communist countries in 1965.

B. Total Eastern European Area

10. In 1965 (1955) the Soviet Union's share in the energy imports (in hard coal units(1)) into the Eastern European area as a whole - without taking into account their mutual energy exchanges - amounted to 96 (77) per cent. Only 4 per cent were imported, predominantly from Arab countries in the form of mineral oil or from Western countries as solid fuel. The Soviet Union's share in the total energy availability of the Eastern European area amounted for mineral oil to 55 (13) per cent, for hard coal/coke to 10 (3) per cent, for natural gas to 2 (2) per cent, for electrical energy to 1 (0) per cent. The Soviet Union's share in the total imports into the Eastern European area amounted in 1965 (1955) to 35 (33) per cent. The Soviet Union's share in imports of energy (in per cent) amounted to:

	Hard Coal Units Total	Hard Coal and Coke	Mineral Oil	Natural Gas	Electricity
1955	77	71	82	100	-
1965	96	95	96	100	73

11. Although the Soviet Union's share in the energy availabilities of the area is rather small for some types of energy, it is for many countries of great and even of vital importance, which is planned to increase further until 1970.

C. Summary and Outlook

12. Notwithstanding temporary political relaxations or efforts at greater flexibility towards Western countries in the field of foreign trade, the Soviet Union is making use of its

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(1) 1 kg. of hard coal = 7,000 kcal.

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energy exports to the Communist countries to consolidate their long-term dependence and even to increase it in the energy sector, which is of vital importance for the economy of every country. The Soviet Union thus maintains its firm grip on the economics of these countries and could rapidly exert economic pressure to accomplish its political objectives (crude oil and natural gas lines, compound electricity network, coal and coke deliveries to the mining industry, deliveries of large-scale units of power station equipment).

13. While the USSR's general share in imports (with major variations between the individual countries) in the Eastern European area as a whole in terms of value rose from 33 per cent (in 1955) to 35 per cent (in 1965), its share in the imports of energy - the various types of primary and secondary energy converted into hard coal units - increased from 77 per cent to 96 per cent during the same period. The absolute quantitative increase in the imports of energy in hard coal units amounted to 434 per cent during this period, while general imports (all groups of commodities including the various types of energy) into the Communist countries rose by only 182 per cent in terms of value expressed in roubles.
14. The growth of energy imports into the Communist countries from the Soviet Union will be far above the average growth of their general imports from the Soviet Union until 1970. It must even be expected that the energy imports into those Communist countries whose general imports from the Soviet Union decline temporarily will also steadily increase. In Soviet energy exports into the Communist countries emphasis will continue to be placed on mineral oil (expansion of the capacity of the COMECON oil pipeline).
15. Exports of natural gas will also rise (completion of the gas pipeline to Czechoslovakia). Electricity exports will considerably increase (completion of a 220-KV-line and later also of a 400-KV-line across Rumania to Bulgaria and increased long-distance line capacity to Hungary and Czechoslovakia), while the hard coal and coke exports to the Communist countries will be maintained at least at the present level.

16. It is in the nature of these energy exports, which can only be handled by fixed facilities which cannot be changed at will on such a scale, that the economic ties, which in this case constitute a unilateral dependence of the Eastern European countries on the Soviet Union, have been established on a long-term basis.

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