

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

EXEMPLAIRE N° 186
COPY

ORIGINAL. ENGLISH
29th March, 1965

Included ~~Com~~
Rectif. inclus

NATO CONFIDENTIAL
DOCUMENT
.C/127-WP/153

COMMITTEE OF ECONOMIC ADVISERS

POSSIBILITIES AND LIMITS OF INTENSIFIED TRADE BETWEEN
THE WEST AND THE EASTERN EUROPEAN COUNTRIES

Note by the Chairman

The attached paper, which has been prepared by the Economic Directorate mainly for the internal use of the International Secretariat, may also prove of some interest to members of the Committee of Economic Advisers. It is therefore circulated for information. Comments from the delegations and any additional data that they might be in a position to supply would be welcome.

(Signed) P.D. GREGH

OTAN/NATO,
Paris, XVIe.

NATO CONFIDENTIAL

POSSIBILITIES AND LIMITS OF INTENSIFIED TRADE BETWEEN
THE FREE WORLD AND THE EASTERN EUROPEAN COUNTRIES(1)

Note by the Economic Directorate

1. In October 1964 the Committee of Economic Advisers submitted to the Council, in compliance with the latter's instructions(2), a report on NATO countries' trade policies towards the Eastern European countries(3). In the light of this report the Council recommended, in November 1964, that "member countries, in considering their trade policy, should have regard to the possibilities of loosening the ties between the USSR and the Eastern European countries"(4).

2. In order to assess the possibilities and limits of NATO countries' policies aimed at expanding commercial exchanges with Eastern European countries, taken as a whole, it is of great importance to know which products, either primary or manufactured, are needed by their economy and in which direction their specialisation has developed; such is the purpose of the present paper. Available statistical data, however, are not sufficient to give a full picture of the various aspects of Eastern Europe's foreign trade; only a rough sketch can be given which nevertheless provides a fair idea of existing trade patterns, allows an analysis of future prospects and the drawing of some conclusions. Foreign trade figures for 1963 have been used; a comparison with 1962 figures has shown that by and large the trade pattern for the most important trade flows remained the same during these two years. Trade figures for 1964 have not been considered since in some cases information in hand is incomplete and furthermore the large wheat imports at the beginning of that year by certain Eastern European countries may, by giving temporarily inflated import figures, distort the pattern of Eastern European trade. The sources and methods used in preparing this study and the statistical tables are given in an Annex.

ANALYSIS OF THE EXISTING TRADE PATTERN(5)

3. Eastern European countries taken as a whole are lacking in primary products which, in the context of this study, comprise foodstuffs, raw materials, coal, oil, other forms of energy, lubricants and related products, steel and semi-finished steel products. In 1963, their trade balance (exports less imports)

(1) Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, Soviet-occupied Zone of Germany. (The special position of the latter in the Soviet bloc must be borne in mind.)

(2) C-R(63)58

(3) C-M(64)78

(4) C-R(64)49

(5) Table I gives the statistical data.

showed deficits of about \$270 million for foodstuffs, \$820 million for raw materials, \$600 million for steel and \$90 million for energy and lubricants, i.e. a total for primary products of \$1,780 million. On the other hand, these countries had a positive trade balance - about \$1,900 million - for their manufactured and semi-manufactured products. Trade balances of the Soviet Union were quite different. It was a net exporter of primary products (+\$1,780 million) - raw materials (+\$310 million), energy (+\$1,090 million) and steel (+\$400 million) - but a substantial net importer of industrial products (-\$1,570 million). Thus the pattern of Eastern European and Soviet exports and imports indicates that to some extent the trade needs of these two areas are complementary. The situation was different before the Second World War when Eastern European countries' (1) trade with the Soviet Union was very small indeed (1% of total trade). The industrial development of these countries after 1945, created an increasing demand for basic materials of which the USSR was a potential supplier.

4. A study of Eastern European trade figures reveals that in spite of the fact that, as a whole, it is a net importer of energy, it nevertheless exports substantial quantities of coal and petroleum products to the free world (total value of these sales in 1963 was almost \$370 million)(2) and, in particular, to Western Europe. This apparent paradox can only be explained by the substantial Soviet supplies of energy to Eastern Europe (coal \$260 million, petroleum \$380 million). Fuel thus provides the latter with important means of payment for much needed imports of capital goods from Western Europe.

5. Eastern European countries' trade in machinery and transport equipment shows a considerable surplus (\$1,250 million). But if trade with the Soviet Union is not taken into account, exports and imports nearly balance each other; this purely statistical result hides an important point, i.e. on the one hand Eastern Europe exports machinery to under-developed countries (\$420 million) but on the other it is importing industrial equipment from the West (\$480 million)(2) which is more sophisticated and of better quality than its own production.

6. Eastern European trade with Western Europe has a different pattern from that of its total external trade. The balance for primary products is positive (\$370 million) while that for industrial products is negative (\$330 million). This illustrates the weakness of the exports of Eastern European industrial products to Western Europe where there is still only a limited market for them. The commodity pattern of exports to Western Europe is very similar to that of non-industrialised countries.

(1) Excluding the Soviet-occupied Zone of Germany.

(2) See Tables 1 and 2 in Annex.

POSSIBILITIES OF DIVERTING EXISTING TRADE FLOWS

7. The following table shows, on a broad basis, the growth of Eastern European countries' foreign trade from 1958 to 1963. Trade with Western Europe has developed quite briskly but this has not had a negative effect on sales to or purchases from the USSR.

Eastern European trade between 1958 and 1963

	1958	1959	1960	1961	1962	1963
(A) Eastern European exports.						
- to the world	100	111	126	139	149	167
- to Western Europe	100	109	129	147	150	158
- to USSR	100	116	112	142	151	186
(B) Eastern European imports.						
- from the world	100	119	134	150	163	172
- from Western Europe	100	113	134	145	152	176
- from USSR	100	107	134	147	171	172

8. Should Eastern Europe wish to reduce its trade dependence on the Soviet Union and redirect its trade flows, it would be confronted with two sets of difficulties. one as regards outlets for its exports of machinery and other industrial products and the other as regards the origin of its imports of primary products. In its attempt to break away from the Soviet Union, Eastern Europe would have to look for new trading partners in two areas where it has already established itself commercially. Western Europe and the under-developed countries. The Eastern European market itself will, of course, provide the countries belonging to that area with some opportunities of increased trade.

9. Western Europe would have no difficulty in supplying Eastern Europe with the steel, capital and manufactured consumer goods it required; the question however is, how will the buyer pay for them? Current exports to the West consist essentially of primary products which are surplus to Eastern Europe's needs mainly because of its own imports from the USSR. Whilst some increase in purchases from Western Europe may be financed by credit facilities, this can hardly be sufficient to cover lasting and growing imports. The capacity of Eastern European countries to increase their debt obligations is limited since, sooner or later, debts have to be repaid. Therefore, Eastern Europe will have to offset increased imports by growing exports mainly of machinery, equipment and other manufactured goods(1). These are the kind of products which are not always easy to sell in Western European markets and which in any case, will have to face the local

(1) For some Eastern European countries' exports of military equipment to the USSR might be significant; the diversion of most of this trade to the free world will be nearly impossible.

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

competition and that of the traditional suppliers from the rest of the free world. Table II(1) gives a detailed commodity breakdown of Eastern European exports to the USSR and to OECD Europe. Current Eastern European exports of certain commodities to the Soviet Union: wire and cables, medicaments, ores, footwear, furniture, clothing and especially machinery, represent a sizeable percentage of total imports of the same products by OECD Europe; in such cases a diversion of trade from the Soviet Union to the Western industrialised countries could be quite difficult and, in most cases, only gradual.

10. Eastern Europe has already established a small market for its industrial products, mainly machinery, in the under-developed countries; it may expand in this direction sales of these products for which there seems to be only a limited market in the West. Exports of machinery and manufactured goods to the raw material exporting countries, most of which belong to the under-developed group, will in any case have to be pushed up by Eastern European countries. Indeed, if they are to reduce their dependence on imports of raw materials from the Soviet Union they will have to find alternative sources of supplies in the less developed countries of the free world; consequently some economic complementarity would be established between the latter and Eastern Europe. The present pattern of trade between Eastern Europe and the under-developed countries indicates that its growth is possible on a quid pro quo basis, but it is unlikely that Eastern Europe can create a substantial trade surplus with the under-developed countries payable by the latter in hard currencies.

11. Specialisation of Eastern European countries' economies through international trade and the consequent international division of labour has not got very far as yet. Communist leaders are conscious that Eastern European external trade, especially intra-Eastern European trade, in industrial products is relatively small; they are therefore endeavouring to remedy this situation by increasing exchanges within the COMECON area and by encouraging foreign trade much more than previously. The table below which compares the rôle of international trade in the European Economic Community and in Eastern Europe supports the above views and is an illustration of the current state of affairs in the latter. It has been focussed on trade in industrial products rather than in foodstuffs and raw materials since trade in these commodities can be influenced to a greater degree by natural factors. It is, of course, difficult to say how long it will be before Eastern European economies reach a satisfactory degree of specialisation. Such specialisation might cause an increase in foreign trade and could also make Eastern European manufactured products more competitive, quality-wise, in Western markets.

(1) See page 11.

Foreign trade in 1963 in industrial products
as a percentage of industrial production

	Eastern European Countries(1)	European Economic Community
I. Total exports of industrial products as percentage of industrial production	16.7%	25.7%
of which:		
- intra-Eastern Europe or intra-EEC trade	5.2%	10.2%
- to other countries	11.5% (of which USSR 7.8%)	15.5% (of which EFTA 5.3%)
II. Total imports of industrial products as percentage of industrial production	12.5%	18.5%
of which:		
- intra-Eastern Europe or intra-EEC trade	5.2%	10.2%
- from other countries	7.3% (of which USSR 4.1%)	8.3% (of which EFTA 3.7%)

(1) These percentages are a maximum.

SUMMARY AND CONCLUSIONS

12. The preceding analysis seems to warrant the drawing of the following tentative conclusions:

- (i) the rapid expansion over recent years of trade between Western Europe and Eastern European countries, as a whole, has not taken place at the expense of these countries' trade with the Soviet Union;
- (ii) the Soviet Union and Eastern Europe have become trading partners, complementary to one another insofar as:
 - (a) the USSR supplies Eastern Europe with raw materials and steel, for which the latter is not self-sufficient;
 - (b) Eastern Europe finds a considerable market for its industrial products in the Soviet Union;

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

- (iii) Eastern Europe has not yet been able to build up a sizeable market for industrial products and consumer goods in Western Europe;
- (iv) it is to a great extent through trade with the USSR that Eastern Europe can find the means, essentially primary products, to export to Western Europe since it is in fact a net importer of such products;
- (v) to the extent that the Eastern European countries desire to diminish their economic dependence on the Soviet Union, the most promising openings for them appear to be in the raw material producing countries;
- (vi) the Eastern European countries' urgent need for sophisticated capital equipment from the West will favour a steady further development of such imports in the coming years; if this development were to be accompanied by a diminishing dependence on the USSR, Eastern European purchases from the West would have to be offset by increased exports of manufactured goods rather than by growing sales of primary products, for reasons explained in (iv) above;
- (vii) the low degree of specialisation in industrial production in Eastern European countries suggests significant possibilities for an expansion of foreign trade, in particular between these countries, in industrial products; growing specialisation seems to be one of the conditions to be fulfilled in order to render Eastern European products more competitive on Western markets;
- (viii) in considering the above conclusions, and although this has not been dealt with in this paper, it should be borne in mind:
- (a) that trade between Eastern European countries and the free world, in particular Western Europe, may vary considerably from one Eastern European country to another depending on the natural resources and economic structure of each one;
 - (b) that the likely expansion of trade in general may provide a margin within which Eastern European countries' commercial exchanges with the free world could develop without necessarily reducing trade between these countries and the Soviet Union.

NATO CONFIDENTIAL
AC/127-WP/153

Table I - Trade balances (exports less imports) 1963

(in million US \$)

	Total	Food- stuffs	Raw mate- rials	Fuels, lubri- cants and related products	Steel and steel products	Primary products	Chemi- cal products	Machi- nery and transp. equip.	Other Goods manu- fact. classified	Goods not classi- fied	Indust- rial products
		I	II	III	IV	I, II, III, IV	V	VI	VII	VIII	V, VI, VII, VIII
1. Total foreign trade of Eastern Europe	120	-270	-820	-90	-600	-1,780	140	1,250	870	-360	1,900
2. As item 1. above excluding trade with Eastern Europe and USSR	-	-100	-410	370	-190	- 330	-	100	260	- 30	330
3. Eastern Europe trade with Western Europe	40	270	- 20	290	-170	370	-70	-320	110	- 30	-330
4. Total foreign trade of USSR	210	- 20	310	1,090	400	1,780	-150	-1,020	-1,060	660	-1,570

NATO CONFIDENTIAL

-6-

-9-

NATO CONFIDENTIAL
AC/127-WP/153Table I - Trade balances (exports less imports) 1963 (Continued)

	Total	Food- stuffs	Raw mate- rials	Fuels, lubri- cants and related products	Steel and steel products	Primary products	Chem- ical products	Machi- nery and transp. equip.	Other manu- fact.	Goods not classi- fied	Indust- rial products
		I	II	III	IV	I, II, III, IV	V	VI	VII	VIII	V, VI, VII, VIII
5. Total foreign trade of Eastern Europe and USSR excluding trade with Eastern Europe and USSR (items 1 and 4 above)	330	-290	-510	1,000	-200	-	- 10	230	-190	300	330

Sources: Tables 1 to 6 in Annex.

NATO CONFIDENTIAL

Table II - Trade of Eastern European countries with the USSR
and OECD countries in Europe 1963

	I OECD countries' imports of Eastern Europe in percentage of total imports of that commodity in the OECD countries	II Exports of Eastern Europe to USSR as a percentage of total imports of that commodity in the OECD countries	III Value in million US \$ of Eastern European exports to the USSR of products in Column II, which represent:	
			More than 10% of total OECD imports	less than 10% of total OECD imports
Tobacco	3	5		40
Wire and cables	1	88	50	
Iron and steel	7	2		55
Special textile products	1	2		65
Medicaments	1	19	75	
Coal	14	5		75
Petrol and petrol products	1	1		90
Fruits and vegetables	8	9		90
Footwear	4	43	110	
Furniture	5	72	145	
Ores	1	11	180	
Clothing	2	30	315	
Machinery and transport equipment	1	14	1,940	
TOTAL			2,905	415

Sources: OECD Foreign Trade Statistics, Série C, 1963
Foreign Trade Statistics of the Soviet Union, 1963

ADDITIONAL STATISTICAL INFORMATION ON
EASTERN EUROPEAN FOREIGN TRADE

A. General Remarks

1. The reference year chosen is 1963 since it is the latest year for which statistical data are available; it has even some advantage over the 1964 figure as foreign trade in that year has been heavily influenced by the incidental factor of the bad grain harvest in the Soviet bloc in 1963.

2. The group "goods not classified" represents a special difficulty. Probably a part of the trade of the Soviet Union with the Eastern European countries, intra-Eastern Europe trade and exports of the USSR and Eastern Europe to the "rest of the world" which is not classified is military equipment which appears in the SITC under the heading "other manufactures". One exception is military transport equipment which is classified under "machinery and transport equipment".

3. The trade of Eastern Europe with "other Communist countries" poses another problem. Its total amount is not known neither is the commodity breakdown available. It is possible that some of this trade is channelled through the Soviet Union. So that the item "other Communist countries" in Table 4 on Soviet Union exports includes re-exports of products "imported" from Eastern Europe.

4. Tables 1 to 6 are given in f.o.b. values for imports and exports, whilst in most statistics the imports are given in c.i.f. value. On a rule of thumb basis, 10% has been deducted from imports c.i.f. to arrive at imports f.o.b.

5. The tables have been constructed by drawing on different Western and Communist sources of information. This gives some well-known discrepancies. Imports (f.o.b.) of a country A from a country B do not necessarily equal exports (f.o.b.) of country B to country A. The solution of this problem is given in part (C) of this Annex for each case individually.

6. The tables are constructed on the assumption that for a given commodity prices in international trade are not too different. According to several studies (see sources 11 and 12), prices of products traded between Communist countries differ widely from prices quoted by them to the non-Communist world. In general, prices paid by Eastern European countries for Soviet products are much higher than world prices. Therefore, in the tables the value of these imports is likely to have been over-estimated. The inverse has been noticed to be the case for exports from these countries to the USSR.

B. A More Detailed Commodity Breakdown

7. The figures in Table 7 have been obtained from the same sources as those used for the general tables (1 to 6). It is interesting to notice the high percentage of non-ferrous products (most metals) in the imports of Eastern Europe from the USSR under the heading "other manufactures". In a sense these products can be considered as raw materials. This gives even more importance to the USSR as basic materials supplier to Eastern European countries.

C. Sources and Methods

8. Definitions

(1) Geographical

Western Europe:	OECD countries in Europe plus Yugoslavia and Finland.
North America:	United States and Canada.
Other developed countries:	Japan, Australia, New Zealand.
Eastern European countries:	Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, Soviet-occupied Zone of Germany.
Other Communist countries:	Mainland China, Cuba, Mongolia, North Korea, North Vietnam.

(11) The one-digit breakdown of the SITC (Standard International Trade Classification) has been used in most cases for the commodity breakdown.

	<u>SITC Numbers</u>
Foodstuffs	0 and 1
Raw materials	2 and 4
Electricity, coal, oil, lubricants and related products	3
Chemical products	5
Machinery and transport equipment	7
Steel and steel products	67 and 69
Other manufactures	rest of 6, 8 and 9.

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

9. Methods and sources used to prepare statistical tables 1, 2, 3 and 4 are given hereunder. For the sake of simplicity the sources have been numbered from 1 to 17. The numbers refer the reader to the list in paragraph 10.

(1) Trade of the Soviet Union (geographical breakdown)

<u>Exports and imports</u>	<u>Reference numbers of sources</u>
The World	1, Table 21
Western Europe	1, Table 21
North America	2
Other developed countries	3
Eastern European countries	1, Table 21
Other Communist countries	4 and 1, Table 21
Rest of the world and unspecified destination or origin	Calculated as a balance but checked with 1, Table 21.

(ii) Trade of Soviet Union (commodity breakdown)

<u>Exports and imports</u>	<u>Reference numbers of sources</u>
The World	4
Western Europe	2, (for Finland 3)
North America	2
Other developed countries	3
Eastern European countries	4
Other Communist countries	4
Rest of the world and unspecified destination or origin	4

This was at the same time a check for the other calculations. It is, however, not identical to source 4 because some goods are included of which the destination or origin was unknown.

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

(iii) Eastern European Countries (geographical breakdown)Exports and importsReference
numbers of
sources

The World

1, Table 21

Western Europe

1, Table 21 (when no data available, the figures have been estimated with 2 and 8 (for Finland 3)). It includes trade between Western Germany and the Soviet-occupied Zone of Germany.

North America

2 and 8

Other developed countries

3

USSR and Eastern European
countries

1, Table 21 (when possible, otherwise from the total Communist countries, the USSR has been deducted (source 4); as a check 1962 has been calculated with source 7).

Rest of the world

Has been calculated as a balance.

(iv) Eastern European Countries (commodity breakdown)Exports and importsReference
numbers of
sources

The World

1, (Table 22), 16,
17 and 9.

The trade of the USSR has been deducted from source 6 for 1962 to get an impression of the commodity breakdown for that year. Account must be taken that in source 6 the goods not classified in Soviet trade have been spread over the other commodity groups. Use has also been made of source 5, page 45.

Exports and imports

Reference
numbers of
sources

Western Europe	2 and 8 (for Finland 3) It includes trade between Western Germany and the Soviet-occupied Zone of Germany.
North America	2 and 8
Other developed countries	3
USSR	4
Eastern European countries, other Communist countries, the rest of the world and goods with unspecified destination or origin	

Imports and exports between Eastern European countries must be equal. It is known that these countries are importing only a small amount of machinery and transport equipment, fuels, chemical products and steel (sources 6, 16, 17 and sample from 3) from the "rest of the world". It is likely that some of these commodities are imported from "other Communist countries" (source 6) and probably this trade is similar to that of the USSR with these countries. It is therefore possible to calculate the trade with the Eastern European countries for these commodity groups by deducting from the trade with the world, Western Europe, North America, the other developed countries and the USSR. The same figures can be put in the table for the exports. The outcome has been checked with source 5, page 45 and 9. With the aid of 3, the breakdown of the rest of the trade with the "rest of the world" has been made. These results have been checked by deduction of the Soviet Union from the figures of source 6.

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

10. Sources:

1. Pre-publication text of the Economic Bulletin for Europe, volume 16, No. 1 - Economic Commission for Europe.
2. OECD Foreign Trade Statistics, Série C.
3. Commodity Trade Statistics, UN.
4. Soviet Foreign Trade Statistics, 1963.
5. F.L. Pryor, The Communist Foreign Trade System.
6. Monthly Bulletin of Statistics, UN, March and April 1964.
7. Yearbook of International Trade Statistics, 1962.
8. AC/127-D/178.
9. "Facts on Czechoslovak Foreign Trade 1964", Chamber of Commerce of Czechoslovakia.
10. La documentation Française, février 1960.
11. H. Menderhausen, "The Terms of Soviet-Satellite Trade, a Broadened Analysis".
The Review of Economics and Statistics, May 1960.
12. S.G. Holte, "Lieberman and COMECON" Bulletin, November 1963.
13. P.A. Cornelisse, "The Volume of East-West Trade" -
Co-existence I 1964, No. 2. (See also NATO's "Fifteen Nations"
volume 9, No. 6, page 21).
14. "Direction of Trade" a supplement to International Financial
Statistics.
15. Quarterly Bulletin of Steel Statistics for Europe, UN, 1964.
Volume XV, No. 2.
16. Statistics of World Trade in Steel, 1963, UN.
17. Statistical Yearbooks of the Eastern European Countries.

NATO CONFIDENTIAL
ANNEX to
AC/127-WP/153

Table 1

1963, in million \$
 f.o.b. values

Eastern European Countries IMPORTS(1)	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
From the world	9,680	1,400	1,730	880	1,110	450	2,510	940	660
Western Europe	1,880	270	250	30	250	200	480	250	150
North America	180	130	40	-	-	-	-	10	-
Other developed countries	60	10	30	-	-	-	10	10	-
USSR	4,000	480	730	650	570	50	790	220	510
Eastern European countries	2,720	200	250	200	250	190	1,230	400	-
Other Communist countries									
Rest of the world and goods of unspecified origin	840	310	430	-	40	10	-	50	-

(1) See for definitions, paragraph 8.

NATO CONFIDENTIAL

NATO CONFIDENTIAL
ANNEX to
AC/127-WP/153

Table 2

1963, in million \$
 f.o.b. values

Eastern European Countries EXPORTS(1)	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
To the world	9,800	1,130	910	790	510	590	3,760	1,810	300
Western Europe	1,920	540	230	320	80	130	160	340	120
North America	60	20	10	-	-	-	-	30	-
Other developed countries	30	10	-	-	-	-	10	10	-
USSR	4,120	310	320	190	160	190	1,940	830	180
Eastern European countries	2,720	200	250	200	250	190	1,230	400	-
Other Communist countries									
Rest of the world and goods of unspecified destination	950	50	100	80	20	80	420	200	-

(1) See for definitions, paragraph 8.

NATO CONFIDENTIAL

NATO CONFIDENTIAL
ANNEX to
AC/127-WP/153

Table 3

1963, in million \$
 f.o.b. values

Soviet Union	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
IMPORTS(1)									
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
From the world	7,060	940	920	200	420	300	2,510	1,460	310
Western Europe	1,080	70	70	-	170	90	460	160	60
North America	160	140	10	-	-	10	-	-	-
Other developed countries	220	20	50	-	50	-	90	10	-
Eastern European countries	4,150	310	320	190	160	190	1,940	830	210
Other Communist countries	750	210	90	-	40	10	20	340	40
Rest of the world and goods of unspecified origin	700	190	380	10	-	-	-	120	-

(1) See for definitions, paragraph 8.

NATO CONFIDENTIAL

NATO CONFIDENTIAL
ANNEX to
AC/127-WP/153

Table 4

1963, in million \$
 f.o.b. values

Soviet Union EXPORTS(1)	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
To the world	7,270	920	1,230	1,290	820	150	1,490	400	970
Western Europe	1,210	180	370	380	130	30	40	70	10
North America	30	-	20	-	-	-	-	10	-
Other developed countries	140	10	30	60	30	10	-	-	-
Eastern European countries	4,160	480	730	650	570	50	790	220	670
Other Communist countries	820	110	50	140	60	30	300	50	80
Rest of the world and goods of unspecified origin	910	140	30	60	30	30	360	50	210

(1) See for definitions, paragraph 8.

NATO CONFIDENTIAL

NATO CONFIDENTIAL
 ANNEX to
 AC/127-WP/153

Table 5

1963, in million \$
 f.o.b. values

Eastern European Countries and USSR IMPORTS(1)	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
From the world	16,740	2,340	2,650	1,080	1,530	750	5,020	2,400	970
Western Europe	2,960	340	320	30	420	290	940	410	210
North America	340	270	50	-	-	10	-	10	-
Other developed countries	280	30	80	-	50	-	100	20	-
USSR									
Eastern European Countries	10,870	990	1,300	1,040	980	430	3,960	1,450	720
Other Communist countries(2)	750	210	90	-	40	10	20	340	40
Rest of the world and goods of unspecified origin	1,540	500	810	10	40	10	-	170	-

- (1) See for definitions, paragraph 8.
 (2) Only trade of USSR with these countries.

NATO CONFIDENTIAL

NATO CONFIDENTIAL
ANNEX to
AC/127-WP/153

Table 6

1963, in million \$
 f.o.b. values

Eastern European Countries and USSR EXPORTS(1)	TOTAL	Food-stuffs	Raw materials	Fuels, lubricants & related products	Steel & steel products	Chemical products	Machinery & transport equipment	Other manufactures	Goods not classified
Number of Commodity Group		I	II	III	IV	V	VI	VII	VIII
To the world	17,070	2,050	2,140	2,080	1,330	740	5,250	2,210	1,270
Western Europe	3,130	720	600	700	210	160	200	410	130
North America	90	20	30	-	-	-	-	40	-
Other developed countries	170	20	30	60	30	10	10	10	-
USSR									
Eastern European countries	11,000	990	1,300	1,050	980	430	4,060	1,350	850
Other Communist countries(2)	820	110	50	140	60	30	300	50	80
Rest of the world and goods of unspecified destination	1,860	190	130	140	50	110	680	350	210

- (1) See for definitions, paragraph 8.
 (2) Only trade of USSR with these countries.

NATO CONFIDENTIAL

Table 7

A more detailed commodity breakdown
of Eastern European trade
1963

	Foodstuffs	Raw Materials	Fuels and Lubricants	Other manufactures	Goods not classified
Eastern European exports to Western Europe	1/5 grain 1/5 fruit and vegetables 2/5 meat and live animals	2/3 wood	2/3 coal	Products of textile industry (1)	
Idem imports				Products of textile industry (1)	
Eastern European imports from North America	Grain				
Eastern European exports to USSR	2/3 tobacco, fruit and vegetables	2/3 ores	1/2 oil 1/2 coal	3/5 clothes and footwear 1/5 furniture	
Idem imports	2/3 grain	1/3 cotton and wool 1/3 ores	2/3 oil 1/3 coal	2/3 non-ferrous products most metals	military equipment
Eastern European imports from "rest of the world" (including "other Communist countries")	Sugar and tropical products	Raw materials for textile industry			

(1) Main item.