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SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

THE STRUCTURE OF ENERGY IN COMECON

Comments by the United Kingdom Delegation on AC/89-WP/183

Paragraph 15 (USSR figures in sub-paragraph 2)

Surplus of 12.2 million tons in 1965. Is this a misprint for 1955? How are these figures for "surpluses" calculated? They bear no obvious relation to net export tonnages, which in 1955 amounted to 3.6 million tons and in 1963 to 48.4 million tons according to Soviet trade statistics which we think reasonably accurate. The Soviet figure of 72 million tons for total exports in 1965 looks too high; our estimate is a net export of about 65 million.

Paragraph 24 (ii)

Perhaps some mention should be made of Rumanian and Bulgarian agreements to import crude oil from Iran, and for existing small imports of crude oil by Czechoslovakia, The Soviet-occupied Zone of Germany and Hungary from Egypt. All five oil-deficient countries of East Europe now appear interested in importing at least some crude oil from the Middle East or Africa, perhaps up to 10 per cent of their crude oil requirements.

Paragraph 40

The rôle of the USSR seems to be overstated here. The USSR will supply about half the equipment on credit but the two participants will apparently provide the rest themselves.

Paragraph 45

The estimate for the Soviet oil exports outside the Bloc in 1970 (77 million tons) seems far too high. We would estimate these exports between 45 and 60 million tons from the USSR, supplemented by 8-9 million from Eastern Europe, notably Rumania.

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Paragraph 54

Several East European countries seem so obsessed with petro-chemicals that they have forecast what appear to be grossly exaggerated demands for oil and gas by this industry. Rumanian publicity suggests that most of the gas and a large proportion of the petroleum products produced in Rumania will go on petro-chemicals. Soviet evidence indicates that this is unrealistic and that this industry's demands will be much less than the enthusiasts foresee.

Paragraph 55

We know of no Soviet plans to export gas to any Communist country except Czechoslovakia and Poland. Czechoslovakia on the other hand, seems disposed to co-operate with Yugoslavia and Austria in importing gas from Algeria. This paragraph tends to exaggerate the Soviet rôle as a gas supplier.

Paragraphs 56 - 58

We know that the East European countries are interested in outside supplies of crude oil and that in some cases they have concluded barter agreements with non-bloc countries, e.g., Iran and the United Arab Republic.

Paragraph 60

We know of no evidence for the statement that the Soviet Union is trying to corner the oil market in the Far East, or that their objectives there differ from those they pursue in other regions.

Conclusion

All five of the oil-deficient countries of Eastern Europe (Czechoslovakia, The Soviet-occupied Zone of Germany, Poland, Hungary and Bulgaria) have more or less clandestinely expressed to Western observers their dissatisfaction with the scale and quality of Soviet oil supplies and have solicited Western help in improving and supplementing them. All these countries now show open interest in importing crude oil from the Free World and some already do so. We suggest that in its present form the paper slightly exaggerates the admittedly dominant rôle of the USSR in making good the energy deficit in these countries at present. They may well show even more inclination to turn westwards for a part of their needs in the future.

OTAN/NATO,
Paris, (16e).