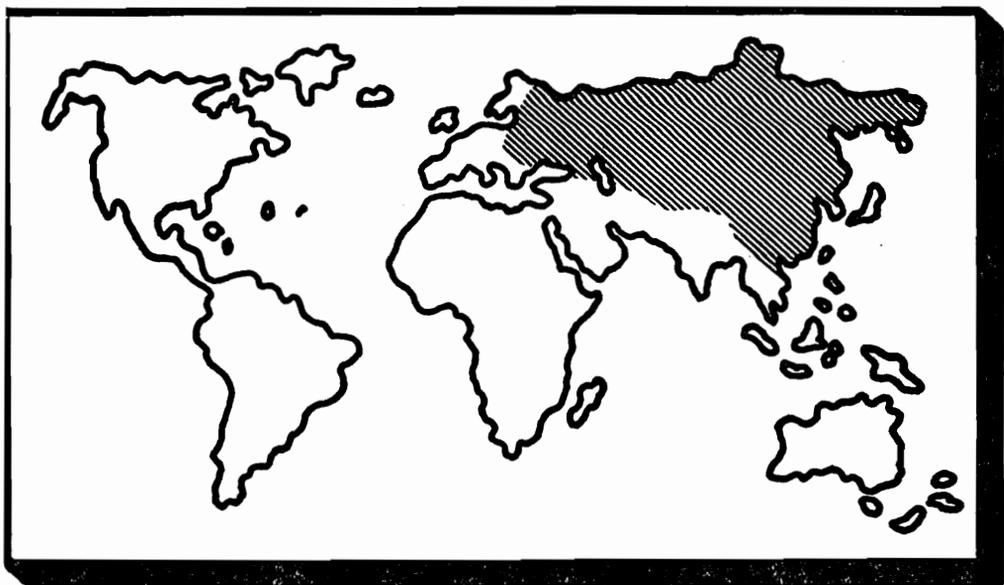


Soviet Bloc Economic Activities in the Free World



MUTUAL DEFENSE ASSISTANCE
CONTROL ACT OF 1951

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SIXTH REPORT TO CONGRESS

Second Half of 1954

Soviet Bloc Economic
Activities in
The Free World

LETTER OF TRANSMITTAL

To the Congress of the United States:

I submit herewith the sixth semiannual report of operations under the Mutual Defense Assistance Control Act of 1951.

The report covers the period July to December 1954. To give adequate perspective in judging the impact of the act, however, it has been necessary to range beyond the immediate problems of free-world security controls on East-West trade.

Thus, to explain Moscow's objectives and actions, the report reviews recent developments in Soviet-bloc foreign economic activities, especially its actions in underdeveloped countries and its attempts at economic penetration. It also illustrates Moscow's efforts to play off one nation against the other, divide the free nations and neutralize trade controls. It looks behind these events to take note of some of the difficulties facing free-world traders in their dealings with the Soviet bloc, and finds in the economic situation within the bloc countries some of the explanations of the recent developments in East-West trade.

Although these overtures of the Soviet bloc present a continuing challenge, they have thus far failed to divide free nations which are cooperating in the control of strategic materials. These nations, although willing to trade in peaceful wares, have not only refused to ship strategic materials but have strengthened their controls over war-potential items.

In preparing this report, my staff has drawn heavily upon the expert knowledge of other agencies which have responsibilities in the field of economic defense.



HAROLD E. STASSEN,
Director, Foreign Operations Administration.

JUNE 30, 1955

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PREFACE

Strategic Trade Controls in the Last Half of 1954

Fifteen nations which carry on some 60 percent of the foreign trade of the free world are working together in a program, begun in 1949, to control the shipment of strategic goods to the entire Soviet bloc. During the second half of 1954, by far the most important happenings in this program came in July and August. It was in those 2 months that the group of governments agreed upon a substantial revision of the lists of commodities controlled toward the U. S. S. R. and its European satellites. No reductions were made in the broader free-world controls over shipments to Communist China.

The revisions which were made and the reasons for those revisions—also the long negotiations that led up to them—were described in the fifth semiannual Mutual Defense Assistance Control (MDAC) Act* report, *The Revision of Strategic Trade Controls*, published on November 23, 1954. Strictly speaking, that report covered the first six months of 1954, but the narrative was carried into August so that the full account of the revisions would be available in a single document.

The present report deals with what Moscow has been doing in its economic relations with the free world.

Some further developments in the control program should be mentioned. The additional enforcement measures agreed upon in the summer of 1954 and described in the last MDAC report have gone into operation. As expected, it took a while for the separate countries to work out the detailed regulations and procedures, within the framework of their own laws, but by the end of January 1955 the new control measures were in operation.

Transaction controls are designed to prevent evasions of export controls by prohibiting sales of embargoed goods to the Soviet bloc by residents of free-world countries regardless of the source of the goods.

Transit controls are designed to prevent the diversion to the Soviet bloc of embargoed items ostensibly bound from one free-world country to another. A coordinated system of transit controls for all participating countries went into effect January 16, 1955.

With these cooperative measures the free-world governments are now in a better position to combat illicit trade than they were six months previously.

* Battle Act.

While the 1954 revisions tightened controls on trade in strategic materials, they also relaxed restrictions in other directions so as to provide greater opportunities for commerce between the free world and the Soviet bloc in nonstrategic items. Such trade, it was recognized, could not only be of material benefit to the people on both sides of the Iron Curtain but could possibly serve to lessen political tensions. We said in the last MDAC report, page 24: "It remained to be seen whether the opportunities would result in a sudden or massive upswing of East-West trade, because such a rise depended, as always, on the ability and willingness of the Soviet bloc to engage in peaceful trade on a large scale. But at least the cooperating nations had made it unmistakably clear to the world that they were willing."

As of this writing, no spectacular expansion of East-West trade has taken place since August 1954 when the free-world commodity lists were revised. Total trade between the free world and the Soviet bloc increased in 1954 over 1953 levels; exports to the Soviet bloc by 24 percent and imports by 7 percent. But this rise took place mainly in the first half of 1954 and the trade was more nearly level in the second half. (See Chapter II for more details.)

A note on the China trade will be appropriate in this introduction, since not much will be said about the Chinese Communists in the main body of the report. The available data indicate that the free world traded with Communist China at nearly the same dollar value in the second half of 1954 as it did in the first half. For the year as a whole, the trade appears to have dropped off a little from 1953. Estimates for 1954 indicate that the value of the goods exchanged was close to that of 1952, and 1952 was the lowest of all postwar years. Following are the exports of the free world to Communist China for the last 5 years, expressed in millions of United States dollars:

1950	1951	1952	1953	1954 (est.)
452.1	446.2	272.6	287.6	285.0

And here are the free-world imports from Communist China during the same 5-year period:

1950	1951	1952	1953	1954 (est.)
534.7	524.7	365.0	434.1	371.2

Source: U. S. Department of Commerce. Figures unadjusted for price changes.

One country which showed a marked increase in its trade with Communist China in 1954 was Japan. Japanese exports to the Chinese mainland were \$600,000 in 1952, \$4.5 million in 1953, and about \$19 million in 1954. Japanese imports from the Chinese mainland were \$15 million in 1952, \$30 million in 1953, and \$41 million in 1954.

Japan is a member of the group of 15 nations which coordinate their strategic trade controls. Japanese exports to the Communist Chi-

nese were the same kinds of nonstrategic goods as were shipped by the European members of that group—fertilizer, textiles, medicines, and the like. The Japanese embargo until 1954 was much stricter than the internationally agreed embargo, but by the summer of that year Japan had pruned its list down to the international level.

The economic problems of the crowded Japanese Islands are great indeed. They must increase their sales abroad in order to pay for the large imports which they must have. It is not surprising that Japanese businessmen are seeking bigger markets in every direction. Communist-controlled markets, however, show no promise of being sufficiently large and satisfactory to help very much in solving Japan's trade dilemma. Incidentally, Japan's *total* exports, in 1953 and 1954, increased from \$1,275,000,000 to \$1,630,000,000, but its total imports were about \$2,400,000,000 in each year.

What is the answer for countries with acute trade problems such as Japan?

The real answer is a dynamic, year-by-year expansion of markets in the free world, a steady building of economic strength and improvement of living standards in all continents. And that would be good, not only for Japan but also for other nations and for people everywhere. The universal expansion of economic well-being along with an ever increasing realization of the freedom and dignity of the individual—this is an answer to the dogmas of Communism. It is the hope of the world.

CHAPTER I

Moscow's Economic Arm

They are paving the streets of Kabul.

The city is located high on a plateau in the Hindu Kush Range, west of the Khyber Pass. It is the capital of the ancient kingdom of Afghanistan. To it come motor and camel caravans loaded with wool, silk, carpets, hides, spices and dried fruit, to be exchanged for return cargoes of cotton, tea, and sugar. Afghanistan has no railway system and five roads carry all the motor traffic. Commerce threads its tortuous way over the mountains to this commercial center much as it did in the days when Afghanistan fell to Tamerlane as a strategic prize.

Centuries ago the country was known to be rich in minerals—for example, gold, lead, coal, sulfur, iron, antimony, and nitrates. Its mountains no doubt still abound in mineral wealth, but the outside world receives meager evidence of Afghanistan's natural resources, and in fact knows little of what goes on there.

Afghanistan was once a "hermit" kingdom, and foreigners were rarely admitted. In recent years, however, the Afghanistan Government has shown an interest in broadening its contacts with the West. The government has engaged school teachers from the United States, and American engineers have laid out an ambitious program of economic development. An important irrigation and flood control project is now in progress with the aid of United States funds provided through the Export-Import Bank.¹

Recently, other visitors have come with materials and equipment, and they are overseeing a street-paving job in Kabul. These foreigners are from across the northern boundary—from the U. S. S. R.

These are not the first Soviet technicians to come to Afghanistan from the U. S. S. R. In 1951, Moscow sent its experts to help build a gasoline storage system. In September 1954, Radio Moscow said that this project had been completed and that Afghanistan had given the U. S. S. R. a contract to construct additional gasoline storage facilities.

¹ Technical assistance by the U. S. Foreign Operations Administration in Afghanistan and elsewhere is described in the President's *Report to Congress on the Mutual Security Program* for the 6 months ended December 31, 1954.

Also in 1954, the Soviet Government contracted with Afghanistan to invest \$3.5 million in the building of two grain elevators, an electric flour-grinding mill, and a bread-baking factory. The work was to be completed in 1956. The loan was to be repaid in 5 years beginning in 1957. The Soviet Government would receive 3 percent interest each year on its investment.

In addition, Czechoslovakia has extended a credit to Afghanistan to be used for industrial construction, including a cement plant, a leather-processing factory, and a textile mill.

These loans would be repaid in Afghan products, and thus repayment is tied in with Soviet plans for an expansion of trade between Afghanistan and the Soviet bloc, and possibly for a larger measure of Afghan dependence upon this trade.

Theme of the Chapter

East-West trade, that is, the value and commodity composition of the exchange of goods between the Soviet bloc and the free world, will be discussed in later chapters. But the exchange of goods, of course, is not the only economic activity that the Soviet-bloc Communists conduct in free-world areas. The main purpose of the present chapter is to give a brief survey of their other economic activities in the free world.

In doing this, we are confining the chapter largely to the Soviet-bloc's economic arm in free-world regions outside Europe. It is not that the Communists are neglecting Western Europe in their foreign economic operations—they are not, although in some countries they seem to be “marking time.” The reason for taking a longer look at what goes on in the underdeveloped regions is that the activities there are more novel.

The Dilemma of Development

It is estimated that the current loans extended to Afghanistan by Soviet-bloc countries probably amount to a little over \$10 million to be used over the course of several years. By Western standards, these are small enterprises financially, but they carry considerable economic and political significance to both Afghanistan and the Communist entrepreneurs.

The Afghanistan Government is faced with a dilemma of development and it is not alone in that dilemma. The general problem is common to many burgeoning national economies in Asia, Africa, and Latin America.

In order to develop their natural resources, promote the growth of agriculture, modernize their processing facilities, extend their transportation and communications, and generally improve the well-being of the people and the national economy, these countries need invest-

ment and technical advice from abroad. The leading Western industrial nations passed through such a stage in earlier centuries. Today's underdeveloped nations can turn not only to private investors but also to international organizations whose aims are to assist in such evolution. But many countries are coming of economic age at the same time. Thus the demands are great, and the channels for assistance are often slow and cumbersome.

Now the Communist governments are presenting themselves as a new source of potential help in economic development. The countries that need outside help are wondering what it may ultimately cost them to accept Soviet offers. They are looking back over Communist history to discern, if possible, any parallels which might illuminate the intentions and the reliability of these new financiers.

Earlier Patterns of Soviet Investment

Unfortunately, there are no direct parallels by which they can test their current adventures with the investments of Communism. A brief review of earlier Soviet foreign economic activities along these lines, however, can be helpful.

First, let us recall that it was only two decades ago that the Soviet Union itself was skeptically inviting foreign capital—mainly in the form of foreign technicians and technology—from America, Germany, and other industrially advanced nations to help thrust ancient Russia forward out of economic feudalism through the throes of the industrial revolution into the 20th century. Although the Soviet regime sought this technical help from abroad, the leaders were so suspicious of contacts with foreigners that they often supervised the work to the point of obstruction.

Soviet attitudes toward foreign investment activity are distinctive in other ways. The official Communist propaganda views on foreign investment have been continually displayed in verbal and visual pictures of the foreign investor as an ugly symbol of “bloated and decadent capitalism.” The interest on his investments was typified as the sin of profit and the tool of anticipated exploitation of the people. This propaganda assault upon the foreign financial activities of non-Communist nations and their citizens has served often to obscure the foreign financial operations of Communism.

Communist investments in foreign publishing firms, theatres, and other arms of Soviet propaganda and party activities abroad were fairly common even before World War II. Furthermore, there is some evidence that investments in Outer Mongolia were used successfully—and in Iran, unsuccessfully—as instruments to further political domination of these target areas in the 1930's. But foreign investment as an enterprise of the Soviet state has come into its greatest use only in recent years.

Investment is the process of lending money, equipment or services with the view of obtaining an income or profit. Soviet Communist investments abroad have some special characteristics worth noting.

Contrary to some impressions, Communist doctrine does not prevent Communists from using capitalist investment techniques. Local Communists have set up enterprises in a number of Western European countries, such as Belgium, France and Italy. One of the most publicized current examples is found in the operations of the Communist-owned and Communist-dominated trading firms in Italy, which not only serve the U. S. S. R. in procurement of needed goods at good prices, but also, through their business profits, act as important sources of revenue for the Communist Party. (The Italian Government has recently announced that it is now taking more forceful action against these firms.) The investments of Communism are meant to yield not only revenue but also broader economic and political benefits for the U. S. S. R. and international Communism. They are certainly not meant to be profitless.

A second feature of the investments of Soviet Communism is the low expenditure of Soviet resources which the investment usually entails. In the former enemy countries, immediately after World War II, the capital which the Soviet Government "invested" was primarily, and often exclusively, the resources located in the host country which the U. S. S. R. had in one manner or another acquired or expropriated.

In Eastern Europe, very substantial Soviet "investments" were built on German war assets which the Soviet Government legally or illegally acquired in Hungary, Rumania, Bulgaria, and the Soviet zone of Austria. These holdings were tremendous. For example, estimates made in 1948 of German assets in Hungary alone were as high as \$100 million. In many cases, the U. S. S. R. "invested" these assets to develop the now well-known "joint companies." In these institutions, nominal domestic management was always subordinate to actual Soviet direction. The proceeds flowed back to Moscow, often at a rate which seriously impaired the progress or future health of the enterprise, even though no products or equipment had ever gone out from the U. S. S. R.

In the Far East, the entry of Soviet troops into Manchuria and North Korea made it easy for the Soviet Government to acquire similar assets that had belonged to the Japanese.

The pattern of Soviet interests is discernible and significant. The areas often chosen for investment are transportation, power development, storage facilities, and other strategic points of the economy. In China, the months of August and September 1945, were an especially active time for the creation of Soviet-controlled and joint companies. The Sino-Soviet Treaty of August 1945, gave to the U. S. S. R.

joint rights in the ownership and operation of the Chinese Changchun Railroad and subsidiary enterprises, and also provided for the establishment of four joint companies in Dairen. During the same period, the U. S. S. R. acquired operating control of the Dairen Machinery Works, the Shahoku Railway shops, and the Dairen dockyard. The Soviet-controlled Dalny Bank was put in charge of issuing local currency, and the major portion of foreign trade in Dairen was reported to be handled by the U. S. S. R.

In addition to these holdings in Dairen, the U. S. S. R. by means of expropriation and forced sales by Russian emigres, acquired outright control of various stores, lumber concessions, coal mines, and light industries in Manchuria.

There can be little doubt that Soviet Communism, as a general rule, considers investment abroad as a means of economic and political penetration as well as a means of acquiring—at low cost—materials and revenues from abroad and disrupting free-world ties in these areas. In Bulgaria, Hungary, Rumania, and China, the Soviet Government has recently sold back its interests in some of the joint companies to the local governments. The U. S. S. R. has maintained its economic influence through tightened trade arrangements and central Communist economic planning directed from Moscow.

The Picture and the Propaganda

Moscow's economic wooing of the areas outside Europe during 1954 received much public notice. It became clear that this was a serious campaign. The reports, however, often tended to exaggerate the favors that the Soviet Communists were bestowing on the objects of their attention.

Unless a postaudit is made on each of the innumerable reports, it is easy to get the impression of Soviet Communist enterprises springing up all over Asia, North Africa, and Latin America. If one were confined to the Communist information media and believed what was said, one could easily reach the conclusion that the Communists alone value these underdeveloped countries as equal partners, provide scores of competent advisers to solve their problems, and offer all sorts of developmental assistance out of a vast reservoir of Communist goodwill and economic achievement.

The exaggerated impression of Soviet economic activity is not due to accident or careless reporting. Communism and its spokesmen work assiduously to see that every Soviet demonstration of goodwill or economic capability is presented to the world through a magnifying glass of propaganda.

It is important that their efforts not be exaggerated in the free world, for to do so would be to play right into Communist hands; they

hope to give a false idea of their economic strength and intentions. As a matter of fact—

in many quarters the Soviet intentions are viewed with skepticism;

the ability of the Communists to give large-scale assistance—without seriously impairing their own development—is in some doubt;

and actual Soviet-bloc investments to date have been very small compared with the assistance which has been flowing into the same areas since 1949 under the auspices of the United Nations, the United States and other countries of the free world.

A Variety of Methods

A year ago in *East-West Trade Trends*, the fourth MDAC* report, we described some of the devices which the Soviet bloc was beginning to employ in "Reaching Outside Europe" (pp. 32-34). The activity of 1953 and 1954 in non-European areas of the free world can now be summarized in a little more detail.

1. Investments

Many of the activities in underdeveloped regions which have come to notice in the last year or so might be termed "investment" or developmental assistance, such as the construction of gasoline storage facilities in Afghanistan already mentioned. There are hardly any instances of outright grants or even monetary loans to free-world governments; exceptions are a gold loan to Finland and several cases of relatively small contributions for disaster relief. The "investments" take the following form:

- supplying technicians to assist on special projects;
- supplying capital equipment or supplies for construction of specific facilities;
- supplying capital equipment and commodities on credit.

We shall note in later sections how, in almost all countries, the Soviet talk far exceeded the transactions.

2. "Advertising"

For all their adeptness at political propaganda, the Soviet Communists for a long time did not go in for the advertising of products, either at home or abroad. Since the war, however, they have apparently realized the advantages of advertising. Billboards, brochures and full-page newspaper advertisements are gradually gaining prominence at home and abroad. This probably reflects the influence of the Czechs, Hungarians, and East Germans, who were experienced

* (Battle Act.)

world traders before they were fenced in behind the Iron Curtain. Within the last 2 years, the Soviet bloc began putting out more sales literature and bought a good deal of advertising space in foreign newspapers, such as in India, Burma, Indonesia, Egypt, Brazil, Guatemala, and the Dominican Republic.

One of the most recent splurges was a full-page advertisement in the *Times of India* of Bombay, on March 22, 1955. In it, the trade representation of the U. S. S. R. in India announced the opening of showrooms of machinery and equipment, with pictures of equipment and an invitation to businessmen, industrialists and engineers to visit the display.

3. Trade Fairs

Exhibits at trade fairs were the No. 1 form of Soviet-bloc advertising in 1954, and an activity which probably ate most heartily into the Soviet foreign economic budget. The purposes of this activity, of course, were far broader than commodity sales promotion.

Since 1952, the Soviet bloc has been increasing its participation in international fairs in the free world. In 1953 and 1954, Soviet-bloc countries were represented at between 40 and 50 fairs respectively, compared with representation at 30 in 1952 and 5 in 1951 and 1950. Actually, the Soviet bloc had 5 or 6 fewer exhibits in 1954 than in 1953, but at the same time increased by 5 their special individual national exhibits of their products in free-world countries, aside from the international fairs. Figure I lists the international fairs in which the Soviet-bloc countries participated in 1954.

The U. S. S. R. in 1954, in addition to staging individual exhibits of its products at Copenhagen and New Delhi, sent exhibits to 11 international fairs. The Soviet bloc, as a whole, has been increasing its participation in fairs outside Europe. While in 1952 three, or 10 percent of its exhibits, were in those areas, in 1953 it exhibited at nine such fairs (18 percent of the total) and in 1954 at 13 (26 percent of the total).

Observers of the Soviet-bloc exhibits at trade fairs in 1954 concluded that the displays were designed more to impress the crowds than to attract prospective buyers. The Soviet-bloc countries generally refused to arrange their wares on a commodity basis, side by side with the products of other nations. They insisted on exhibiting in their own national pavilions, which lent themselves more readily to propaganda feats.

An example was a U. S. S. R. pavilion used at one of the Western European fairs, which was typical of displays shown in other free-world countries. An illuminated reproduction of Moscow's Red Square, in color, dominated the entrance. On either side were spectacular graphs showing increases in the output of minerals, steel, and

FIGURE I.—SOVIET-BLOC PARTICIPATION IN INTERNATIONAL FAIRS, 1954

Soviet-Bloc Participants.....	U. S. S. R.	Czechoslovakia	East Germany	Hungary	Poland	Rumania	Bulgaria	Communist China
Location of Fairs								
Austria:								
Dornbirn.....			X					
Graz.....		X						
Innsbruck.....		X						
Vienna ¹	X	X	XX	X			X	
Belgium-Luxembourg:								
Brussels ²	X	XXX		X	X			
Ghent.....		X						
Liege.....		X	X					
Luxembourg.....		X						
Denmark: Copenhagen.....			X					
United Kingdom:								
London ³	X	X		X	X		X	
Camberley.....								X
France:								
Lyon.....	X							
Marseille.....		X						
Paris ⁴		XXX	X	XX	X		X	
Strasbourg.....		X		X		X		
Germany:								
Frankfurt ⁵			X	XX				
Munich.....		X						
Greece: Salonika.....	X	X	X	X				
Italy:								
Bolzano.....		X	X					
Padua.....	X	X		X				
Parma.....		X						
Milan.....	X	XX		X	X		X	
Verona.....		X						
Vicenza.....		X						
Netherlands:								
Amsterdam.....	X	X	X					
Utrecht ⁶		X	XX	X				
Sweden: Stockholm.....		X	X	X				
Argentina: Mendoza.....		X						
Brazil: Sao Paulo.....		X		X				
French Morocco: Casablanca.....		X		X				
Indonesia: Djakarta.....	X	X	X	X				
Syria: Damascus.....	X	X		X			X	X
Turkey: Izmir.....	X			X	X		X	

¹ Includes bloc participation at the Vienna Spring Fair, Mar. 14-21 and at the Vienna Fall Fair, Sept. 12-19.

² Includes bloc participation at the 37th International Auto and Cycle Exposition, Jan. 16-27; at the International Fair, Apr. 24-May 5; and at the Farm Machinery Fair, Feb. 13-20.

³ Includes bloc participation at the 3d British Food Fair, Sept. 17-18 and at the International Motor Show, Oct. 29-30.

⁴ Includes bloc participation at the International Business Machine and Office Equipment Exhibit, Oct. 13-24; at the 41st Salon d'Auto Exhibit in October; and at the International Fair, May 22-June 7.

⁵ Includes bloc participation at the Frankfurt Spring Fair, Mar. 7-12 and the Frankfurt Fall Fair, Sept. 5-9.

⁶ Includes bloc participation at the 62d International Industries Fair, Mar. 30-Apr. 8 and the 63d International Industries Fair, Sept. 7-16.

power. Much display was given to alleged expenditures on public health and physical culture in the U. S. S. R. There was an operating table and an X-ray machine. Light classical music was played on the upright and grand pianos on display. Above was a photograph of smiling, bemedaled heroes listening to a parlor concert. The over-all theme appeared to be that of an expanding peacetime economy devoted to satisfying consumer wants.

Soviet-bloc exhibitors at trade fairs were generally unable or reluctant to furnish information on prices, specifications, delivery schedules, replacement parts, local agents, and distributors. A large part of the bloc exhibits consisted of machinery impressive to the untrained eye, but not to the prospective buyer. The bloc countries, moreover, did not gear their displays to the markets of the countries where they exhibited. And it was often apparent that they were not prepared to manufacture for export many of the products they were featuring. At the Chinese exhibit of agricultural and industrial machinery at Damascus, for example, the Chinese Communist exhibitors flatly refused to quote prices or appoint sales agents for these items.

4. Trade Agreements

In a sense, the trade agreements are another form of advertising as Moscow uses them. Figure III on page 16 shows how the trade agreement network has expanded in 1954, especially in areas outside Europe.

5. Exchanges of Economic Missions

All through 1954 the Russians laid down the long red carpet for a stream of missions from abroad. The exchange of missions was given a high priority. Previously most of the Kremlin's invitations went to labor delegations (some of which were out-and-out Communist-front organizations), but in 1954 the groups ranged from industrialists to artists. Many of them were related to trade and other economic matters.

Some of the missions that were exchanged in connection with trade agreements were official delegations; others were private businessmen from free-world countries. Besides trade delegations, other groups concerned with economic matters included specialists in agriculture, rail transportation, and industry.

It would be a mistake to fail to point out that Moscow in many cases is entertaining groups and individuals who have no interest in promoting Communism.

The Voice of the Kremlin has been very bitter about free-world visitors who reported the poverty and economic obsolescence which they observed. And some of the visitors from the so-called underdeveloped areas have been quite outspoken about such Soviet conditions. It is possible that the leaders of the Soviet Union are still weighing the advantages and disadvantages of the new approach.

6. Permanent Trade Representation

Besides the exchange of delegations, the Soviet bloc has expanded its crop of permanent trade offices in the free world, especially in the non-European areas. For example, Communist China opened a trade of-

office at Kalimpong, India, in March 1955. East Germany established a permanent trade mission in Cairo early in 1954. Bulgaria posted its first trade representatives to Alexandria and Damascus in 1954. Hungary has had permanent trade representation in Brazil since December of 1953. In addition, a number of the trade agreements signed in 1954 provide for the establishment of such Soviet-bloc offices. Since this is almost always a one-sided affair, it is of special significance as a means of Soviet-bloc economic penetration abroad.

Sample Operation

India is the only country besides Afghanistan where the Soviet bloc has run the gamut of these economic exercises. The Soviet Communists have been interested in India ever since they came to power, but the current economic attention is nevertheless something special. As is often the case, a much-publicized trade agreement with the U. S. S. R. put the courtship by the Soviet bloc into the spotlight. This was a 5-year agreement, concluded on December 3, 1953, and was accompanied by an exchange of letters in which a permanent Soviet trade mission was established in India and a vague offer of Soviet technical assistance was formally accepted.

The first apparent move to implement the technical assistance clause was seen in the news that three Soviet mining engineers had been sent to study an industrial diamond mine in Northern India, mapping the area and estimating the need for more equipment. The U. S. S. R. has apparently offered to meet the entire expenses of the experts and to furnish mining machinery in exchange for payment in industrial diamonds, in which the Soviet bloc happens to be deficient.

There have been various miscellaneous activities in India; for example, since November 1954, eight Soviet technicians have been working at the Indian Statistical Institute.

In the last months of 1954, rumors kept cropping up in the press about negotiations between the U. S. S. R. and Indian Governments for the construction of a steel plant. The interest was heightened by the fact that some Western nations also were involved in India's preparations to expand her steelmaking capacity.

On February 2, 1955, India and the U. S. S. R. signed an agreement under which the U. S. S. R. would plan, and later construct, a steel mill in central India with a capacity of 1 million tons a year, to be completed by the end of 1959.

The cost of the mill is estimated at around \$200 million. The Russians apparently will invest around \$95 million in the project, providing machinery and technical assistance. They will receive a return each year equal to 2½ percent of their investment. India will

repay the loan over a period of 12 years, the first payment to be made when the first equipment arrives.

The U. S. S. R. will guarantee the plant's operation for 6 months and provide technicians for 3 years after the mill reaches full operation.

Under the contract, Moscow must submit detailed plans within 9 months; these plans must be approved by the Indian Government and costs of equipment to be furnished by the U. S. S. R. must not seriously exceed \$91 million. If the plans are rejected, India must pay the U. S. S. R. for all expenses connected with drawing them up. If the U. S. S. R. fails to comply with any clauses, India has the option of canceling the contract.

Moscow Invests in Promises

The rest of the story of Soviet foreign economic ventures is, for the most part, one of promises and unconfirmed reports. But these should not be ignored. Some may yet be redeemed, and at least they create an impression in some people's minds that the U. S. S. R. and its satellites are real and reliable friends of the underdeveloped areas.

- In Egypt, the Soviet Commercial Counselor advertised the U. S. S. R.'s readiness to extend a varied program of technical cooperation. Earlier, there was considerable discussion in the Egyptian press of an alleged Soviet offer of technical assistance in building the Aswan Dam, but it later appeared that no such offer had been made.

- There were rumors of negotiations on possible East German economic aid to the Sudan.

- *Pravda* said the U. S. S. R. was giving technical assistance to Iran. The nature or extent of the aid was not made known.

- To Ceylon, the U. S. S. R. has made vague offers of technical and capital aid.

- In Burma, the Communist Chinese Government proposed an exchange of students and technicians to help in the development of a textile industry.

- A Czechoslovak diplomat in Indonesia indicated that, if requested, Czechoslovakia could make technicians available to instruct and train workers to run the factories of Indonesia. An Indonesian official has been quoted as saying that a Communist government had offered two "substantial loans."

This brings up the only other project in Asia for which the Soviet bloc is known actually to have contracted in 1954 or early 1955. On February 3, 1955, it was announced that the Indonesian Government had signed an agreement with East Germany for the purchase of sugar mill equipment. East Germany was to send 50 technicians to aid in the construction and operation of the sugar mill.

- The Hungarian-Argentine trade agreement signed in August 1953 provided for technical assistance in the installation of Hungarian capital equipment.

- Radio Prague described a distillery in Argentina on which “almost 50 Czech specialists” had worked.

- A trade and credit agreement was concluded between Argentina and the U. S. S. R. in 1953 and renewed in 1954. It got worldwide publicity. Among other things the agreement provided for a Soviet credit of \$30 million. In 1954 an Argentine delegation spent 2 months in Moscow trying to arrange for the purchase of capital goods under this \$30-million credit. They came back empty-handed. As of early 1955, there appears to have been no substantial implementation of the credit provision. It is an intriguing case in the annals of foreign trade.

Summing It Up

The activities we have been discussing in this chapter can be briefly summarized in this way:

Underdeveloped regions of the world need capital from abroad to help them build their economies.

They have obtained considerable assistance from free-world governments and international organizations.

In recent years the Soviet Union has been saying in its propaganda that it was prepared to offer technicians, equipment, and credits to underdeveloped countries. European satellites have echoed the sentiments.

In 1954 the gestures became more sweeping and more noticeable.

Some technicians and some equipment were sent to Afghanistan. In India, negotiations for the building of a steel mill on credit gave an indication that Moscow had grown more serious about technical assistance.

Elsewhere the Communist gestures were still largely confined to propaganda, promises, and unconfirmed rumors.

There was an increase in Soviet-bloc participation in trade fairs and other forms of advertising. The Communist governments have managed to convey an impression among many people that they are doing much more than they are.

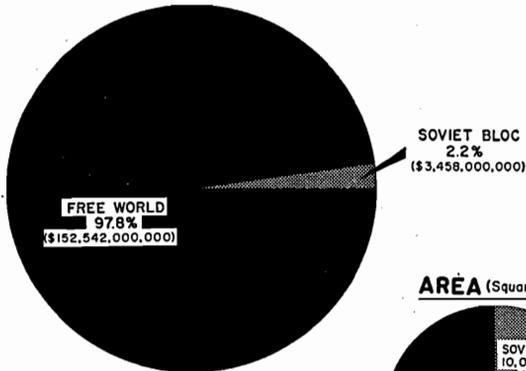
Though the Soviet bloc is hardly likely to launch a big-scale aid program, it could supply a number of technicians and a limited amount of capital goods to underdeveloped regions, if it decided to do so in order to make either economic or political gains.

Meantime the whole free world—developed and underdeveloped—may wish to keep a skeptical eye on the “investments” and other activities of Moscow’s economic arm.

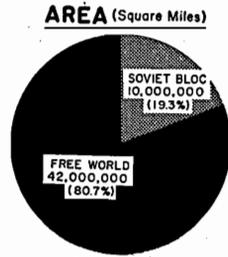
THE SOVIET BLOC SHARE IN WORLD TRADE

1954

- SOVIET BLOC INCLUDES:**
- U.S.S.R.
 - European Satellites
 - Communist China
 - North Korea
 - Northern Viet Nam

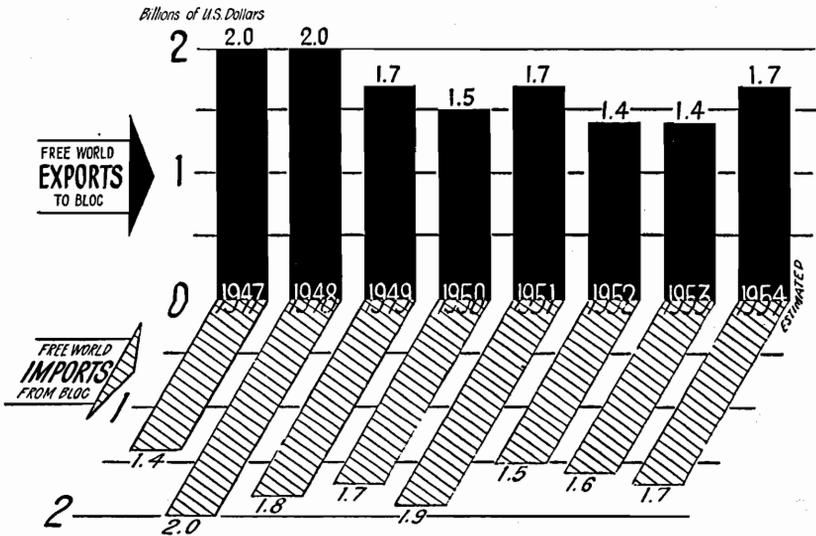


(Total World Trade approx. \$156 billion)



SOURCE: Trade figures—*Dept. of Commerce*
 Population—*Bureau of Census*
 Area—*Bureau of Census*

TRADE OF FREE WORLD WITH BLOC, 1947-54



Figures unadjusted for price changes, do not accurately show trend in physical volume. No reliable price index is available. All 1954 figures preliminary.

CHAPTER II

The Picture of East-West Trade in 1954

In 1954, East-West trade kindled a lively interest around the globe. This was a year in which the countries dominated by the Kremlin were actively promoting wider economic relations with the free world, but in the interest of correctness it must be reported that their talk surpassed their performance.

The two-way trade between the free world and the Soviet bloc in Europe and Asia increased in value by 15 percent over 1953, a modest growth of the sort which was expected on the basis of rising trends at the end of 1953. Goods flowing to the bloc increased 24 percent; goods flowing out of the bloc increased by 7 percent.

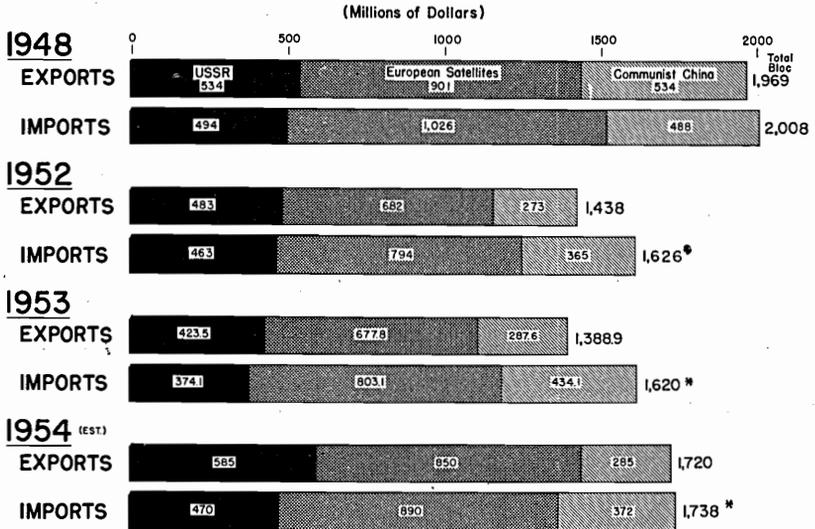
This brief, upward trend in East-West trade, however, now appears to have reached a plateau. In some geographical areas and in some commodities a moderate decrease seems to be underway. Goods moving to the bloc from the entire free world were less in the second half of 1954 than in the first half. Signs of a possible ebbing of the two-way trade are not surprising if it is remembered that the 1954 increase represents, in a large part, a recovery by the U. S. S. R. from an abnormal drop in its trade with the free world in late 1952 and very early 1953. There is reason to think that it may be difficult for the Soviet bloc to maintain trade at the 1954 level.

East to West, and West to East

The increased level of trade in 1954 between the free world and the entire Soviet bloc was brought about by an increase in both the imports and the exports of the U. S. S. R. and the European satellites, offsetting a decrease in the trade of Communist China with the free world. The total value of East-West trade between the free world and the entire Soviet bloc in 1954 was above that of 1950, 1952, or 1953, but was still below that of 1951 and the peak years of 1948 and 1949. Since prices have soared high in the meantime, the physical volume of goods moving in 1954 was smaller—in proportion to the volume in those peak years—than is shown by the dollar values.

FIGURE II

FREE WORLD TRADE WITH THE SOVIET BLOC



* INCLUDES \$3.1 MILLION IMPORTED BY UNITED STATES FROM OUTER MONGOLIA IN 1952 AND \$8.7 MILLION IN 1953 & \$6.0 MILLION EST. IN 1954
 SOURCE: OFFICIAL STATISTICS OF FREE-WORLD COUNTRIES, COMPILED BY COMMERCE DEPARTMENT, NOT ADJUSTED FOR PRICE CHANGES. ALSO NOT ADJUSTED TO EXCLUDE SWISS WATCHES WHICH APPEAR IN OFFICIAL STATISTICS AS EXPORTS TO CHINA BUT ACTUALLY WENT TO HONG KONG AND OTHER FREE-WORLD DESTINATIONS. (FIGURES ROUNDED)

The Soviet bloc's increase in imports dominated the year's East-West trading. This was especially true of the U. S. S. R., whose imports from the free world increased from \$424 million in 1953 to a postwar peak of \$585 million in 1954, while its exports to the free world rose from \$374 million to \$470 million. Imports of the Eastern European satellite countries also increased more than exports, but this did not lead to the deficit found in U. S. S. R. commodity trade.

The U. S. S. R. 1954 excess of imports over exports, amounting to about \$115 million and coming on top of a \$50 million excess of imports the year before, was made possible by especially large sales of Soviet gold to Western Europe in late 1953 and early 1954. These gold exports led some observers to wonder whether the U. S. S. R. could afford to go on buying Western goods at the rate they were buying them in early 1954. Toward the end of the year, there were signs of readjustment. Russian imports from the West were cut down, while Russian exports expanded, so that in the second half of 1954 the U. S. S. R. had an export surplus in its commerce with the free world. In order to do this, U. S. S. R. imports from the free world during the second half of the year were cut by about \$80 million.

The European satellites as a group had an export surplus in East-West trade in 1954, shipping out more than they received, as did Communist China. This is more usual for those countries than for the U. S. S. R. Even so, some of the individual European satellite countries developed heavy excesses of imports over exports in the course of

the year. As in previous years, there were several instances in which a Western European country had to suspend its sales temporarily because the satellite trading partner failed to keep its exports up to the levels necessary to pay for imports provided for in the agreement and was going too far into debt.

Much of the increase in trade between the free world and the European Soviet bloc that occurred from 1953 to 1954 came from outside of Western Europe. Most noticeable were the big purchases by the U. S. S. R. of products, such as meat, in Argentina and Uruguay. Soviet-bloc trade increased with Pakistan, Brazil, New Zealand, possibly Australia, and on a smaller scale with India and Indonesia. Although trade figures for 1954 are not complete, and all 1954 totals are preliminary estimates at this time, there is no doubt that this Soviet-bloc commerce with non-European areas began to fall off in the latter part of the year. It appears to have faded partly because the Soviet bloc was unable, or unwilling, to provide enough exports of the right kind at the right price for those areas.

Western Europe also had a share of the 1954 increase in East-West trade, and here the trade level—that is, the sum of exports and imports—was still on the upgrade in the second half of the year.

United States imports from the Soviet bloc totaled \$49 million in 1954—about the same as in 1953 (\$46 million). Polish ham was the principal commodity with imports valued at \$16.1 million. Furs and fur manufactures primarily from the U. S. S. R. accounted for \$9.5 million and were second in importance. These two items accounted for more than one-half of total Soviet-bloc exports to the United States. United States exports to the bloc in 1954 were slightly under \$6 million; the major part, however, consisted of food shipments to Hungary, Czechoslovakia, and East Germany under the President's Danube flood relief program which amounted to about \$2.5 million. Wool rags accounted for \$1.2 million.

Trade Agreement Network Spreads

Like the preceding year, 1954 was notable for the signing of new trade agreements, and for the revival of old ones which had been allowed to lapse. The network of bilateral trade pacts between the free and Soviet worlds was considerably increased in this way. New agreements made good newspaper stories, but the publicity given to them may have created exaggerated impressions of the development of the trade itself. Experience shows that a trade agreement provides no assurance of any particular level of trade.

Figure III lists the most recent trade agreements in effect in 1954 between each pair of Soviet-bloc—free-world trading partners. Twenty-eight of these agreements were brand new, that is, there were no previous trade agreements between the countries involved. In

FIGURE III

MOST RECENT TRADE AGREEMENTS IN EFFECT BETWEEN COUNTRIES OF THE SOVIET BLOC AND THE FREE WORLD DURING 1954

	U. S. S. R.	Bulgaria	Czechoslovakia	Hungary	Poland	Rumania	Soviet Zone, Germany	China
I. Europe								
Austria.....	-----	Nov. 1, 1954, to Oct. 31, 1955.	Jan. 1, 1954, to Dec. 31, 1954.	Sept. 1, 1954, to Aug. 31, 1955.	Apr. 1, 1954, to Mar. 31, 1955.	Apr. 1, 1954, to Mar. 31, 1955.	*Jan. 1, 1954, to Dec. 31, 1954.	-----
Belgium.....	Jan. 1, 1954, to Dec. 31, 1954.	Apr. 21, 1947, to Apr. 21, 1948. <i>Annual tacit re- newal.</i>	Jan. 1, 1954, to Dec. 31, 1954.	-----	Jan. 1, 1954, to Dec. 31, 1954.	Sept. 3, 1948, to Sept. 3, 1949. <i>Annual tacit re- newal.</i>	*Sept. 1, 1953, to Dec. 31, 1954. Suppl.—Feb. 8, 1954. Suppl.— Aug. 11, 1954.	-----
Denmark.....	July 1, 1953, to June 30, 1954. Suppl.—(Aug. 28, 1953).	Jan. 28, 1947, to Jan. 27, 1948. <i>Annual tacit re- newal.</i>	June 1, 1954, to May 31, 1955.	Mar. 1, 1954, to Feb. 28, 1955.	Mar. 1, 1953, to Feb. 28, 1954. Ext. to June 30, 1954.	Apr. 1, 1954, to Mar. 31, 1955.	-----	-----
France.....	July 1, 1954, to Dec. 31, 1955.	-----	Apr. 1, 1954, to Mar. 31, 1955. Ext. to June 30, 1955.	June 1, 1954, to May 31, 1955.	Dec. 1, 1954, to Nov. 30, 1955.	-----	*Jan. 1, 1954, to Dec. 31, 1954. Suppl.—July 19, 1954, to Dec. 31, 1954.	-----
Germany (Federal Republic).....	-----	*Jan. 1, 1954, to Mar. 31, 1955.	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954. Ext. and suppl. —to June 30, 1955.	July 1, 1953, to June 30, 1954.	*Jan. 1, 1954, to Dec. 31, 1954.	*Jan. 1, 1954, to Dec. 31, 1954.	-----
Greece.....	July 28, 1954, to July 27, 1955.	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	June 5, 1954, to June 4, 1955.	*Jan. 1, 1954, to Dec. 31, 1954.	June 1, 1954, to June 30, 1955.	*Dec. 23, 1953, to Dec. 31, 1954.	-----
Iceland.....	July 1, 1954, to Dec. 31, 1955.	-----	Sept. 16, 1954, to Aug. 31, 1957. Annual quotas to 1955.	Mar. 1, 1953, to Feb. 28, 1954. Ext. to Dec. 31, 1955.	Jan. 1, 1954, to Dec. 31, 1954.	Apr. 13, 1954, to Dec. 31, 1955.	*October 1954, to Dec. 31, 1955.	-----
Italy.....	Oct. 27, 1953, to Oct. 26, 1954.	Sept. 1, 1953, to Dec. 31, 1954.	-----	Jan. 1, 1954, to Dec. 31, 1954.	July 1, 1953, to June 30, 1954. Ext. to Dec. 31, 1954.	Dec. 19, 1954, to Dec. 19, 1955.	*Jan. 1, 1953, to Dec. 31, 1953.	-----
Netherlands.....	Jan. 1, 1954, to Dec. 31, 1954.	June 15, 1947, to Dec. 31, 1948. <i>Annual tacit re- newal.</i>	Feb. 1, 1954, to Jan. 31, 1955.	Oct. 1, 1953, to Sept. 30, 1954.	Jan. 1, 1949, to Dec. 31, 1949. Annual tacit re- newal.	-----	*July 1, 1954, to July 1, 1955.	-----
Norway.....	Jan. 1, 1954, to Dec. 31, 1954.	-----	Jan. 1, 1954, to Dec. 31, 1954.	Feb. 1, 1954, to Jan. 31, 1955.	May 1, 1954, to Apr. 30, 1955.	June 1, 1954, to May 31, 1955.	*Jan. 1, 1954, to Dec. 31, 1954.	-----
Sweden.....	Jan. 1, 1954, to Dec. 31, 1954. Suppl.—(Sept. 4) 1954.	-----	-----	Oct. 1, 1954, to Sept. 30, 1955.	May 1, 1954, to Apr. 30, 1955.	*Apr. 1, 1954, to Mar. 31, 1955.	*Jan. 1, 1954, to Dec. 31, 1954.	-----

Switzerland.....	<i>Apr. 1, 1948. In- definite.</i>	Jan. 1, 1949, to Dec. 31, 1949. Annual tacit re- newal.	Apr. 1, 1954, to Mar. 31, 1955.	Oct. 1, 1953, to Sept. 30, 1954.	July 1, 1949, to June 30, 1954. Annual tacit re- newal.	Aug. 1, 1953, to July 31, 1954.			
Turkey.....			July 1, 1953, to June 30, 1954.	June 1949, to May 31, 1950. Auto- matic annual ex- tension.	<i>July 1, 1948, to June 30, 1949. Annual tacit re- newal.</i>	Apr. 15, 1954, to Apr. 14, 1955.	*Apr. 1, 1954, to Mar. 31, 1955.		
United Kingdom.....			July 1, 1953, to June 30, 1954.	Sept. 1, 1954, to Aug. 31, 1955.	(Nov. 11) 1954, to 1956.				
Finland.....	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	July 18, 1953, to Dec. 31, 1954.	Jan. 1, 1954, to Dec. 31, 1954.	May 1, 1954, to Apr. 30, 1955. Suppl.—Dec. 13, 1954, to Apr. 30, 1955.	
II. Outside Europe									
Afghanistan.....	Jan. 1, 1954, to Dec. 31, 1954.		(Aug. 22) 1954. One year.						
Burma.....								Jan. 1, 1954, to Dec. 31, 1956.	
Ceylon.....								Jan. 1, 1954, to Dec. 31, 1955.	
Egypt.....	(Mar. 26, 1954) to Mar. 26, 1955.							Jan. 18, 1954, to Jan. 17, 1955.	
India.....	Jan. 1, 1954, to Dec. 31, 1958.	<i>June 1, 1953, to Dec. 31, 1954.</i>	Nov. 17, 1953, to Dec. 31, 1954.	June 17, 1954, to Dec. 31, 1955.	Jan. 1, 1953, to Dec. 31, 1954.	Mar. 23, 1954, to Dec. 31, 1954.	Oct. 16, 1954, to Oct. 15, 1955.	Oct. 14, 1954, to Oct. 13, 1956.	
Indonesia.....			July 15, 1954, to July 14, 1955.	July 1, 1954, to June 30, 1955.	May 1, 1954, to Apr. 30, 1955.	July 1, 1954, to June 30, 1955.		Sept. 1, 1954, to Aug. 31, 1955	
Iran.....	Apr. 1, 1954, to Mar. 31, 1955.								
Israel.....		Dec. 20, 1954, to Dec. 31, 1955.		Feb. 26, 1954, to Feb. 25, 1955.	July 1, 1954, to June 30, 1955.	Sept. 9, 1954, to Dec. 31, 1955.			
Lebanon.....	Sept. 11, 1954, to Sept. 10, 1955.		Nov. 20, 1954, to Nov. 19, 1955.				Feb. 14, 1954, to Jan. 31, 1955.		
Syria.....			Mar. 27, 1953, to Mar. 26, 1954.						
Argentina.....	August 1954, to August 1955.		Sept. 3, 1952, to Dec. 31, 1954.	(Apr. 22, 1954)....	Jan. 1, 1954, to Dec. 31, 1954.		Sept. 6, 1954. One year.		
Brazil.....			May 17, 1953, to May 16, 1954.		(Nov. 23, 1954). One year.				
Mexico.....			Nov. 9, 1949, to Dec. 31, 1954.						
Paraguay.....			Nov. 15, 1953, to Nov. 14, 1954. Annual tacit re- newal.	Nov. 1, 1953, to Oct. 31, 1954. Annual tacit re- newal.					
Uruguay.....	July 28, 1954, to July 27, 1956.						*June 29, 1954, to June 28, 1955.		

NOTES:

Italics: First postwar agreement; in effect in 1954 but signed in previous year.

Bold Face: First postwar agreement.

*—Nongovernmental agreement.

Dates within parentheses indicate date of signature; effective date not available.

addition, there were several new agreements not listed on the chart that provided payments mechanisms without schedules for delivery of commodities.

The Soviet Union, as in 1953, was especially active in adding new agreements to its trade network in 1954. Communist China now has trade pacts with four non-Communist countries in Asia; only one of these was in effect before 1954. East Germany and Rumania accounted for 17 of the new agreements.

As in 1953, the most novel development in the field of East-West trade agreements was the expansion outside Europe, although the great majority of trade pacts are still with Western European countries. Many of the non-European agreements are noticeably vague. But they do attract attention to the Communist countries, and thus form a part of their campaign to extend their prestige and influence.

The Permanent Pattern of Priorities

In late 1953 and early 1954 a big topic of public discussion in the East-West trade field was Soviet purchases of consumer goods.

The vast, undersupplied consumers' markets in the U. S. S. R. and some of the satellites were often eyed eagerly by East-West traders seeking outlets for the free world's abundance. During that period the novelty of sizeable increases in Soviet-bloc buying of foodstuffs and raw materials and products for light industry caused some to believe that the Soviet-bloc markets were at last being opened. This optimism existing in some circles was fed by the propaganda of Communist governments proclaiming interest in their peoples' welfare, and also by the natural hope of the free men of the West to see the harness loosened from the Soviet bloc's captive populations.

On the other hand, many in the West, recalling similar periods in Soviet history, were skeptical. They doubted that the commercial forays for food and fabrics represented any fundamental change in Soviet economic policies which would create a permanent expansion in East-West trade.

By the end of 1954, the optimism had considerably faded and the skepticism had grown. It became apparent that the primary concern of the Soviet bloc in foreign trade, as in the past, was still the procurement of equipment and raw materials for its basic industries. This concern can be noticed in different aspects of the bloc's foreign trading operations—in the bilateral trade negotiations, in the character of their statements in meetings of the United Nations Economic Commission for Europe (ECE), in the foreign and domestic propaganda, and in the actual shipments flowing into the Soviet areas from the free world.

One of the Western Europeans who had attended the April 1954 meeting of the ECE's Trade Consultative Group summed up his

impression of Soviet trading interests something like this: The Soviets are not interested in a large revival of East-West trade; they only want to buy specific items like copper, electrical machinery, etc., which are called for in their plan; and to get these items, they are willing to buy other goods as well and to sell a minimum amount of their traditional exports.

The Soviet bloc's concentrated interest in industrial equipment and raw materials is most obvious in the trade promotion work of COFRACI, a private organization in France, one of the European propaganda groups which grew out of the Moscow Economic Conference of 1952. Such groups direct their message primarily to business circles. An article in the COFRACI *Bulletin* for January-February 1954, urges the French to develop their trade with Bulgaria and Rumania. First, importers are urged to buy quantities of Bulgarian cereals, fruits, vegetables, tobacco, and eggs. Then, a long list was cited of "the French products desired by Bulgaria."

Metal-cutting machinery; forge and press equipment; electrical machinery; mining machinery; grain-grinding machinery; metallurgical machinery and rolling mills; transportation and handling equipment pumps and compressors; chemical, food and construction industry machinery; woodworking machinery; medical and laboratory apparatus; bearings; ferrous metals; galvanized steel sheets; tin; steels; soldering electrodes; aluminum (in blocks); aluminum semifinished products; nonferrous metals, products, alloys; copper (in blocks); copper, semifinished products and wire; steel-aluminum conductors; chemical products; tanning products and dyes, aniline dyes; pharmaceuticals, superphosphates; refractory materials; magnesium bricks; automobile tires; raffia; cotton thread; woolens.

The bid for expanded French trade with Rumania is similar. But COFRACI does not stop at urging such trade deals. Speaking of Czechoslovakian trade, COFRACI openly presses the French to make "concessions" so they can increase their trade and procure from Czechoslovakia such items as "coal tar, coke and coke dust, timber and paper pulp." The article warns: "The French Administration cannot hope to obtain these products without making a few concessions. It is the interest of all industrialists for the Administration to do so as these concessions involve the export of French products which have been affected by the Battle Act, aluminum, primarily." This type of continuing pressure to break up the multilateral system of security trade controls is, of course, familiar.

The commodity pattern of European Soviet-bloc imports in the postwar period shows a continual emphasis on three major categories of products: machinery, metals and metal products, and transport equipment (especially marine).

Only a few free-world countries have published their detailed commodity trade data for 1954. From the fragmentary information that is available, there is every reason to believe that the Soviet bloc's buying of machinery in the free world did not decline.

Wanted: A Merchant Fleet

The fourth MDAC report, *East-West Trade Trends* (pp. 32-33), described how the Soviet bloc went on a "shopping spree" for ships during 1953. Even though many of the orders will take several years to fill, 1954 deliveries of vessels constructed in the free world for the Soviet bloc clearly showed the effect of the new Soviet interest in acquiring a merchant marine.

The bloc has shipyards of its own, but these cannot turn out enough vessels of the types desired to satisfy the demands of the economic planners for military and merchant marines, and the yards concentrate on vessels for military use. The Soviet Union and Poland are the only bloc countries with fleets worth mentioning. Many of the ships are slow, old, and badly in need of repair. These fleets together are not yet large enough to carry all the goods shipped in intra-bloc trade, not to mention East-West trade. For example, Soviet Russia's tanker "fleet" increased from 163,000 gross registered tons in 1953 to 218,000 gross registered tons in 1954. But the U. S. S. R. still has only a handful of tankers, and this shortage is serious. The 15 free-world countries that cooperate in strategic trade controls prohibit the sale of tankers to the Soviet bloc. In Chapter IV will be found the story of how the Soviet Union pressed the Danes unsuccessfully in 1954 to sell them two tankers, and even broke up the trade negotiations when they couldn't get their own way. In such cases, there is no doubt of the impact of free-world strategic trade controls on the military capabilities of the Soviet bloc.

On the other hand, the Soviet bloc can obtain many types of cargo and fishing vessels and marine equipment not on the free-world embargo list.

During the first half of 1954, deliveries of ships of various types from Western Europe (excluding Finland) to the Soviet bloc amounted to \$12 million, which is well above the value of \$8 million for the vessels delivered in the entire previous year. (Finland is the largest single exporter of ships to the Soviet bloc and made deliveries amounting to \$46 million in 1953 and about \$50 million in 1954.) A substantial portion of these purchases were used vessels which are in heavy demand by the bloc.

In addition to the deliveries in 1954, the Soviet bloc placed orders for a large number of new non-strategic-type vessels to be built in Western European shipyards for delivery in 1955 or later. Their interest appears to be chiefly in merchant ships, refrigerated ships, fishing vessels, and specialized harbor craft.

Meat, Bread and Butter

The European countries of the Soviet orbit bought much more food in the free world in 1954 than in the year before. The rise appeared

to have been checked in the latter part of the year. There was increasing evidence that many of the orders were one-shot affairs. The free-world farmers who furnished the foodstuffs were realizing—if they had not known all along—that their new customers were not necessarily permanent ones.

In any case, the amounts, whether rising or falling, were small in terms of the immense populations to be fed. A privileged few may have eaten better, but the imports could hardly have benefited the many.

During most of 1954, meat was short in the Soviet Union and rationed in some other Soviet-bloc countries. Meat being scarce, and livestock production being chronically behind plan and in deplorable shape, the Communists turned to the free world as an additional source. By October 1954, the Soviet Union had bought or contracted to buy from free-world countries 142,000 tons of beef, mutton, and pork. This is more than seven times the quantity of meat brought into the U. S. S. R. from the free countries in 1953. The largest suppliers were New Zealand and Uruguay, followed by Argentina, Denmark, and France in that order. Soviet buyers also found meat in South Africa, Kenya, Canada, and Ireland.

All these purchases made the U. S. S. R. the world's third largest meat buyer in 1954. In addition, Czechoslovakia and East Germany each committed themselves to buy 5,000 tons in their trade agreements with free-world countries.

The Soviet bloc imported more fish, too. This might well have been part of the attempt to deal with the meat shortages. Imports of 176,000 tons in the first half of 1954 may be compared with 91,000 tons in the same months of 1953, and almost 214,000 tons in all of 1953. Norway, Sweden, the Netherlands, Iceland, and the United Kingdom were the main suppliers. For Iceland and Norway, the Soviet bloc became a market of considerable importance, buying 23 percent and 15 percent, respectively, of their fish exports in the first 11 months of the year.

As for butter, the U. S. S. R., in 1954 as in 1953, was the world's second largest buyer and imported at least 28.5 thousand tons (not all countries have reported yet). East Germany bought almost 19,000 tons, about two-thirds as much as the U. S. S. R. On the other hand, Poland, which was the No. 2 buyer in the Soviet bloc in 1953, apparently ended its purchases. According to figures which the U. S. S. R. gave to the United Nations Economic Commission for Europe (ECE), almost all its butter imports in the 1953-54 season were re-exported to satellite countries, and the same program is planned for 1954-55.

One of the most interesting of all changes in the pattern of Soviet-bloc *imports* is the recent influx of bread grains from the free world.

This is especially interesting because Eastern Europe has traditionally relied upon grain as its leading *export*. The shifts in the Soviet bloc's grain trade will be described in the next section.

What Can the Bloc Sell?

The problem of what to export is a perennial one for the U. S. S. R. and its European empire. The major traditional exports of most of those countries have been products of farm, forest, and mine. Yet, these products are hungrily sought by those responsible for the ambitious heavy industrial program which has been the main economic goal of Soviet planners. Furthermore, the Communist economic system has stacked the cards against agriculture. At the same time the system is not conducive to the production of the high-quality industrial goods which can compete in markets where the products of Western industry are available.

This dilemma has gnawed at the foreign-trade planners of the U. S. S. R. ever since the first 5-year plan was started in 1928. It has come to plague the European satellites ever since their "Sovietization." The problem in the satellites has been further aggravated by Moscow's policy of having "first call" upon satellite production.

Thus the sources of Soviet-bloc products that are exportable to the free world have been drying up.

The traditional grain exports of Eastern Europe, including the U. S. S. R., have been dwindling. Exports of wheat, rye, barley, oats, and corn from the European Soviet bloc to the free world dropped from 2,875,000 tons in the 1952-53 season to 1,256,000 tons in the 1953-54 season. (See Figure IV.) Prospects for the 1954-55 season are no better. Contrary to all previous practices, the Soviet-bloc countries stopped including grain on their list of goods available for export to the West, which they distributed in the ECE meetings. Furthermore there have been delays and cancellations in connection with the Soviet bloc's existing commitments to deliver grain.

Hungary, the former breadbasket of central Europe, imported large quantities of grain in 1954. Poland had become a net importer of grain in 1952, and Rumania, a grain-producing nation, has had severe difficulties in meeting its obligations.

In late 1954 these countries were forced to import grain on a large scale from Western Europe, and to make these purchases in some cases by means of private Western European credits because they were already overdrawn on their credit facilities with the Western government.

Additional information on the increasing flow of grains—especially bread grains—from the free world into the "breadbasket" regions behind the Curtain will be available when more trade figures come in. The story may deserve telling in some future MDAC report.

FIGURE IV.—GRAIN EXPORTS FROM EUROPEAN SOVIET BLOC TO THE FREE WORLD IN THE LAST 3 SEASONS

[In metric tons]

Year	U. S. S. R.	Bulgaria	Rumania	Hungary	Poland	Totals
Barley:						
1951-52.....	611, 156	4, 950	4, 390	-----	21, 773	642, 269
1952-53.....	242, 518	-----	-----	-----	-----	242, 518
1953-54.....	157, 998	11, 947	-----	-----	32, 917	202, 862
Wheat:						
1951-52.....	1, 065, 438	27, 879	266, 974	96, 850	2, 292	1, 459, 433
1952-53.....	1, 900, 530	73, 701	165, 530	30, 678	21, 674	2, 192, 113
1953-54.....	635, 397	112, 086	63, 636	34, 888	-----	846, 007
Rye:						
1951-52.....	136, 572	955	26, 276	28, 860	11, 401	213, 866
1952-53.....	176, 286	8, 275	11, 229	14, 499	1 9, 802	210, 289
1953-54.....	106, 671	304	9, 940	-----	-----	116, 915
Oats:						
1951-52.....	202, 805	4, 350	-----	-----	-----	207, 155
1952-53.....	40, 835	-----	6, 297	-----	49, 152	96, 284
1953-54.....	23, 978	-----	-----	-----	-----	23, 978
Corn:						
1951-52.....	274, 053	-----	99, 816	27, 903	-----	401, 772
1952-53.....	41, 863	19, 021	72, 341	515	-----	133, 740
1953-54.....	15, 646	19, 598	424	30, 206	-----	65, 874
Total of all 5 grains from European Soviet bloc:						
1951-52.....	-----				2, 924, 495	-----
1952-53.....	-----				2, 874, 944	-----
1953-54.....	-----				1, 255, 636	-----

¹ Czechoslovakia.

Coal from Poland is another Soviet-bloc export of traditional importance. It too has been declining as an export to the free world. Most of this drop occurred before 1954. There was no sign of revival in that year. Some of the satellites were having difficulties in coal output. The reduced exports were apparently due to both declining output and to the increase in coal requirements within Poland and in other Soviet-bloc countries.

Petroleum from the U. S. S. R. and Rumania appears to have replaced grain as the No. 1 export of the European Soviet bloc to the free world in 1954. The two commodities are fairly close in total value, and petroleum seems, temporarily at least, to be on the way up. In quantity, the petroleum exports from the Soviet Union and Rumania amounted to 4.5 million tons in 1954, compared with 1.7 million tons the year before. New purchasers were found, for the first time in some cases, in Algeria, Egypt, Israel, Argentina, India, and Turkey. Most of the exports, however, went to Western Europe, and made up about 5 percent of its total petroleum consumption. For certain countries the percentage was higher; the marketing arrangements which had been set up in Finland and Iceland in 1953, developed in 1954 to the point where the U. S. S. R. was supplying almost all the oil imports of these countries.

Risks in Reliance

The situation just mentioned concerning oil is not unique. There are other cases in which the U. S. S. R. has become the major supplier

or purchaser for a given commodity in the foreign trade of a given free-world country. This is more often true in regard to Soviet purchases than sales. For example, in 1954 the U. S. S. R. bought 43 percent of Argentina's linseed oil exports and 27 percent of her exports of butter; 23 percent of Iceland's fish exports; and during the first half of 1954, 50 percent of Uruguay's meat exports.

When, as between two free-world countries, it is said that one of them takes a certain percentage of another's exports or supplies a certain percentage of its imports, this means that the numerous separate transactions of various private (and often highly competitive) individual buyers and sellers have been added together to compute the totals flowing in commerce across the national boundaries.

But when we speak of the transactions between a free-world country and a Communist-ruled country, it is a different matter. On the Communist side, the trade statistics represent the purchases or sales of a single large buyer or seller, the state Ministry of Trade. This single trader—the government—therefore has a considerable influence on trade patterns. When it changes its sales or purchase plans, either calculatedly or through the pressure of new economic conditions at home, the change can have a sharp impact. Sometimes the U. S. S. R.'s sudden exits and entrances have created quite a stir in free-world markets. For example, the sudden re-emergence of the U. S. S. R. on manganese markets in late 1953 and 1954 was possibly one of the various factors disrupting and depressing India's foreign markets for manganese in 1954.

When the U. S. S. R. or another Soviet-bloc country becomes a very large or sole supplier to a free-world nation, its withdrawal can result in serious problems. And the mere threat of withdrawal can generate pressures which can be exploited politically.

For many countries, all of this is more of a potential problem hovering in the background of East-West trade than a current danger. It is, at present, just one of the difficulties of trading with the Soviet bloc. These difficulties are described in some detail in chapter IV.

CHAPTER III

The Voices of Moscow

*"The practical task of Communist policy is to incite one against the other * * *. We Communists must use one country against another."*—Lenin, 1920.

In the tumultuous three decades since the death of Lenin, nations seeking peace and friendly relations across all borders have been frequently subjected to this Communist tactic of "one country against another." One of the fields in which the tactic has been employed over and over is that of East-West trade.

The Soviet bloc's long-term objectives in its economic relations with the free world may be summarized as follows:

1. To drive wedges among free-world nations at every opportunity.
2. To supply their own economy, especially the industrial-military base, with imports which help the bloc become more powerful and less dependent on the free world.
3. To increase the reliance of free-world nations on the bloc for markets or supplies, and thus make those nations more vulnerable to bloc pressures.

An analysis of the East-West trade propaganda with which Moscow supports its objectives shows the recurrence of the following themes:

- That Soviet-bloc countries are always interested in the expansion of world trade, and that they conduct trade without restrictions or prohibitions and without interference in the internal affairs of other countries.

- That trade equals peace; peace equals trade.

- That the Soviet bloc offers vast, stable crisis-free markets; that economic crisis exists or is imminent in the free world—and that trade with the bloc is the means of achieving economic stability.

- That trade with the Soviet bloc helps non-industrial countries develop their economies, and this trade should be substituted for economic relations with the United States and Western Europe.

- That free-world strategic trade controls prevent the expansion of East-West trade and are responsible for its low level, and that the program is not multilateral but is imposed by the United States.

• That “other” free-world countries have more liberal dealings with the bloc and are taking steps to expand trade, while “your country is being left behind.”

Around and Around

By these propaganda lines, Moscow seeks to accomplish many goals within its long-term objectives. One of these is to rouse merchants in each free-world trading nation against the strategic trade controls of their government.

By telling merchants in each country that “other” countries are profiting enormously through East-West trade, the Communists aim not only to stir up bad feeling and weaken free-world unity—in accordance with Lenin’s instruction to “incite one against the other”—but also to achieve certain economic goals. They are trying to get strategic goods. They are also trying to improve the terms on which they buy goods. The idea is to foster rivalry among free-world businessmen, so that they will grant them credits, lower their prices, or make other concessions in the hope of snaring the business.

Many of the things that the Communist propagandists say in one country would not bear repeating in another. Much of the propaganda is tailored for an audience in a specific nation and is not exportable beyond its borders.

For example, on October 14, 1954, Radio Moscow announced in a broadcast to West Germany: “Profitable trade with the East has had to cease * * *. West Germany’s traditional trade with the East is dead * * *. In no other European country have United States authorities been able to restrict the trade with the East.”

At the same time the Communists were saying something different in the United Kingdom. There, they tried to convey the idea that British traders are being outdistanced by the West Germans in the race for rich markets behind the Curtain. For example, on March 1, 1955, Radio Moscow said in a broadcast to the U. K. that the Western strategic trade controls were causing “greater competition for the world market,” and as a result, “Britain is being forced to cede her position to West Germany * * *.” (The British are warned about the Japanese too, and, of course, the Japanese are warned about the British.)

The Communist line in West Germany would also have sounded strange to someone in Denmark who happened to pick up a copy of the Danish Communist newspaper, *Land og Folk*. On January 9, 1955, this paper declared that Germany’s trade with the East was causing the port of Copenhagen to be outdistanced by West Germany’s port of Hamburg. For this, *Land og Folk* blamed Denmark’s adherences to the free-world controls over strategic materials. The Communist newspaper said that in West Germany the controls were “apparently not taken so seriously.”

Italians are told that they are the last to take steps to increase their trade with the Soviet bloc. The Italian Communist newspaper *l'Unita*, in a typical article in June 1954, repeated a Communist charge that West Germany had exported Italian sulfur to Rumania. The article said that "after all, many other capitalist countries, first of all Great Britain, are deriving great benefit from the expansion of their trade * * *. Why should we not follow these examples?"

When a Soviet-bloc country entertains a trade mission from a free-world country, or signs a trade agreement with it, Communist propagandists in other free-world countries try to spread the news—and rub it in. After a group of private British businessmen visited Moscow in February 1954, West Germans were told that "England, the home of many discoveries in the past, has especially distinguished herself * * *. The emissaries of the city of London set sail for Moscow to return with orders worth 20 million pounds." (The same broadcast, in March 1954, announced that a "sensational piece of news" had just been received from America. Actually the "news" was a relatively moderate fluctuation in steel production, but the announcer said: "The economic crisis which has been looming for so long has arrived and it is gathering momentum like an avalanche, carrying with it and destroying everything in its path. The masters of Wall Street stand helpless by the sickbed of the capitalist economy.")

A typical illustration of how the propagandists report the signing of trade agreements was the Moscow broadcast to Italy on March 1, 1954, picturing greater East-West trade as one of the remedies for Italy's economic difficulties and saying: "Numerous countries have accepted this Soviet proposal, and trade agreements have been concluded with France, Argentina, Denmark, Greece, Norway, Iran and others."

In Austria, the Vienna Communist daily paper opened an article entitled "East-West Trade—Big Business for the West" by demanding: "Does the government intend to wait until the others have got ahead of us?" This article highlighted West Germany's trading activities with the Soviet bloc.

Back in West Germany, a Communist broadcast announced that "negotiations have been going on successfully in Moscow recently with the representatives of English and French business circles."

And in France, businessmen were told that other countries were leaving the French behind.

In the Persian language there are broadcasts calling attention to Ceylon's trade with Communist China. Broadcasts are beamed to Latin American countries painting a bright picture of Argentina's trade agreement with Soviet Russia. And thus it goes, around and around, different words but fundamentally the same tune in every place.

CHAPTER IV

Problems in East-West Trading

Western merchants can do business with Soviet-bloc countries. They can successfully carry on trade with Communist governments, and many of them would like to carry on more than they do—that is, in the types of goods which would not contribute directly to military power. But business with Communist governments is not conducted in the manner that is normal between free-world commercial enterprises. It is different in many ways, and the merchants soon learn what the differences are. Some of them even learn the hard way. They can gain nothing by ignoring the special problems they must face.

One of the prominent features of the year 1954 was a noticeable increase in public recognition of those special problems. The press of Western Europe contained many articles pointing out the difficulties of trading with the Soviet bloc. Representatives of almost every Western European government, even while seeking peaceful East-West trade, spoke out plainly concerning various obstacles that the Soviet bloc places in the way of normal trade. At the trade consultations sponsored by the United Nations Economic Commission for Europe (ECE) in April 1954, Western trade experts repeatedly mentioned the failures of Soviet-bloc countries to send them the amount of goods they desired at a price and quality they could accept.

This growing disposition to deplore the difficulties did not, of course, lead the West to drop its interest in such markets and supplies as may be had in Eastern Europe. But it did have the effect of further deflating the Communist-promoted myth that beyond the Iron Curtain there exists a vast potential of reliable, profitable, and satisfying commerce which remains untapped only because of the free world's selective controls over strategic exports. Despite the continued efforts of Communist propagandists (discussed in Chapter III), this old myth gives way increasingly to an awareness that the chief obstacles to a large-scale expansion of East-West trade are inherent in the Soviet economic structure and policies.

A good many of the special problems facing East-West traders stem from the nature of the Soviet-type economy and the fact that the trading system is a 100-percent state monopoly.¹

¹ "How the Kremlin Controls Trade" was described in *East-West Trade Trends*, the fourth MDAC report (May 1954), pp. 6-7.

Lack of Reciprocity

The Soviet system in its dealings with the free world is characterized by a lack of reciprocity. A Soviet-bloc country seeks privileges that it will not accord to other peoples and governments. For example, it does not allow the businessmen and traders of free-world nations to live on its territory, either to establish and keep up contacts with prospective buyers or to keep an eye on local conditions in order to see what goods they might buy. But the Communist government maintains trading staffs in all free-world countries where it has a trading interest. Recently, the U. S. S. R. has been entertaining private trade missions from time to time for specific purposes, but they are still carefully screened by the Soviet Government. The businessman, in dealing with Soviet-bloc governments, is still prevented from following his normal practice of working through an office or agent on the spot, and hopping a plane whenever he wants to talk over a deal with the customers or suppliers.

Veil of Secrecy

This exclusiveness is a part of the veil of secrecy that surrounds Soviet Communist activities. Economic developments in Soviet-bloc markets are guarded like military secrets. Discussion of markets and prospects, except by accredited high officials, is prohibited by law. Soviet-bloc governments do not follow practices common in other trading nations of publishing data on trade opportunities within the country for the guidance of the foreign businessman. Nor do they provide information on the results of their foreign trade transactions. One motive for this may be the advantage of inducing traders—armed only with hearsay and not facts—to outbid each other into terms favorable to the Soviet-bloc government. In the regular trade bulletins of the UN Statistical Office, one can find summaries of the official trade returns of 58 countries, but not the U. S. S. R. and its satellites. In the fall of 1954 the U. S. S. R. slightly modified its secrecy policy by furnishing figures to the ECE on its trade with Western Europe. This was the first time any such disclosures have been made since 1937. The figures have, of course, been derived all along from the published statistics of Western European countries, but the Soviet action was encouraging, and free-world countries can hope that it was an initial step that will be followed by other similar movements toward relaxation.

Discrimination Under Cover

The Soviet Government has often said it has no export control laws. True, there are no published rules and regulations. These are unnecessary because all trade is conducted by the government. The

plans drawn up periodically by the government simply omit any items—and there are many more than in the West—that it does not wish to offer in any particular markets. To make quick changes, a secret directive circulated among the bureaucracy will suffice. Thus, even in the face of existing formal trade agreements or contracts to deliver, Soviet-bloc goods can be and are effectively withheld from a trade partner without any public announcement.

As the one buyer or seller for the entire U. S. S. R., the Soviet Ministry of Trade is in a powerful position to discriminate against trade partners who are in disfavor for one reason or another. It can easily manipulate the price asked or offered in a manner to discourage any purchase or sale in which the Soviet Government has lost interest.

Price Manipulation

A state-controlled economy, in its monopolistic trading operations, is not closely governed by such considerations as costs of production and domestic price levels. The sale of some of its goods abroad below cost is not economically fatal to such an enterprise. Moreover, such sales are common since the primary purpose is not to make a profit on an individual export transaction, but rather to earn purchasing power for the procurement of specified products from abroad, or to acquire political gain.

When the Soviet bloc buys goods in the free world, the purchase cost does not determine the prices at which these goods are offered in the Iron Curtain markets. It is estimated that the butter which the U. S. S. R. buys in the world market for 45 cents a pound is sold for the equivalent (at official exchange rates) of \$3 a pound in the state stores. Similarly, oranges are imported at 2½ cents apiece and sold at \$1.25; the people pay \$1 a pound for sugar which the government bought at 3 to 4 cents a pound.

Communist Preoccupations

The preoccupation of the Communists in drawing the Soviet-bloc countries ever closer together and in forcing industrialization upon them is familiar. How this affects trade has been discussed previously. The fluctuation in grain exports described in Chapter III is a good example. The Soviet-bloc governments are not shy in admitting the preferences that are accorded to intra-bloc trade. And intra-bloc trade has grown enormously at the expense of East-West trade. The U. S. S. R. conducts over 80 percent of its trade with countries inside its own orbit.

Behind all this is the Soviet Communist drive to become independent economically and politically from any non-Communist influences—not necessarily to exclude trade but to put it on their own terms. And this preoccupation provides real problems for any outsider trying

to develop a permanent market pattern with the Communist countries. It has helped create the reputation acquired in trade circles that the U. S. S. R. is "the one-time buyer."

One-Time Buyer

The President of the Federation of British Industries recently expressed the attitude of many free-world businessmen on the problem of dealing with the Soviet monopolies:

Few, if any, of us would put down an expensive new plant or building to cater for trade with countries where initial orders may never be repeated regardless of the price, regardless of the value we may offer but simply on political grounds.

The reasons for not repeating an order may be either economic or political, but the problem is the same for free-world industrialists.

Soviet interest in importation of machinery is keen. But a good deal of it is not a continuing business. The free-world exporter has no way of checking the Soviet market to see if his sale is one of the frequent ones which the Soviets have no intention of repeating.

Some foreign machines are imported just to be copied. They are sent to research institutes where they are carefully studied and copies turned out to enlarge the domestic supply and reduce the need to depend on foreigners for such machines. The Soviet governments do not honor international patents. In a very real sense, the research institutes serve in part as a substitute for normal foreign trade ties.

The foreign businessman engaging in trade with the Soviet Government has found it impossible to plan or maintain a durable commercial relationship by standing ready to fill its needs for the type of merchandise he is especially competent to supply.

For example, in the late 1920's American manufacturers put a good deal of resources and sales efforts into providing high-grade products and building goodwill among Soviet purchasers of their tractors and other agricultural equipment. The effort did not pay off. After 1931, the Soviet Government struck farm machinery from its import list, and the expenditure of foreign exchange on this product came to a sudden halt. From \$41,902,000 in 1930 and \$37,887,000 in 1931, United States exports of farm machinery to the U. S. S. R. dropped to \$119,000 and \$109,000 and \$12,000, respectively, in 1932, 1933, and 1934.

Ups and Downs

In normal commerce between pairs of countries, it is not unusual to see fluctuations in trade levels from year to year because of changes in the availability or prices of the goods. However, the swift and erratic swings of the pendulum that mark the commerce of the U. S. S. R. are somewhat different. They cannot be predicted on the basis of

the commercial considerations which traders can observe and understand. A new decision, handed down by the Communist Party, can create a sudden spurt in demand for new products on a foreign market—or it can disrupt an established set of export-import arrangements between free-world suppliers with equal suddenness. All too often the Soviet-bloc governments appear and reappear in individual markets either as buyer or seller with no apparent economic reason for their behavior.

For example, the Soviet Government withdrew from Iceland's foreign markets in 1947. Total trade dropped from \$9.7 million in 1947 to \$2 million in 1949. The U. S. S. R. stayed out of Iceland's markets until 1953. In the latter year, however, official Soviet policy called for a display of concern for the Soviet consumer and a display of a new interest in the trade of selected countries; apparently Iceland qualified as a country of current importance to the interests of the U. S. S. R.

The U. S. S. R., always a sporadic buyer of Australian wool, once again entered the Australian wool market in May 1953, after an absence of about 2½ years. Soviet bidding was characterized by bids well above the customary prices and also above the limits which Australia's traditional customers could offer, thus disturbing the market. The volume of total U. S. S. R. imports from Australia, as well, has fluctuated sharply from about \$0.7 million in 1947 up to \$31 million in 1949, dropping to \$25,000 in 1952 and rising again to \$31 million for the first 10 months of 1954.

In Mexico, the Soviet Union made its appearance some years ago as a sizeable buyer of a fiber called henequen. In 1948, Mexican exports of henequen to the Soviet Union amounted to \$10 million. In 1949 they declined by half, and then they disappeared altogether.

In July 1954 the Soviet Government broke up negotiations for a trade agreement with Denmark by its insistence that the Danish Government reverse its previous decision and commit itself to build two tankers for delivery to the U. S. S. R. The Danish Government characterized the Soviet ultimatum as politically motivated.

There are other examples of these ups and downs in selected countries. Some abrupt changes, like the Soviet bloc's cutting off trade with Yugoslavia, were done for admitted political reasons. Others remain unexplained.

Uncertainty After the Deal

The last year has brought forth several widely publicized examples of the uncertainties of trading with the Soviet bloc.

Beginning around March 1955, there were a number of newspaper despatches which reported that the Soviet Union had cancelled some of the orders previously placed in free-world countries. Later re-

ports indicated that some of these orders were reinstated afterwards.

During recent postwar years, Finnish manufacturers of prefabricated housing expanded their capacity in order to take care of the Soviet demand for the product. One of the reasons for the industry's optimistic planning was the 5-year trade agreement between Russia and Finland in which the former committed itself to import an average of 600,000 square meters of housing from Finland annually during 1950-55. Soviet negotiators, however, in January 1955, reduced the 1955 quota of purchases to 250,000 square meters as compared with the 1954 quota of 750,000 square meters and 900,000 square meters each during 1952 and 1953. This leaves the future of this important Finnish export commodity in a condition of uncertainty.

Questions of Quality

One of the biggest problems in East-West trade has been the poor quality of many Soviet-bloc products. The free world's complaints are confirmed in the words of the Communists themselves. Both in the U. S. S. R. and the satellites, high officials have urged better quality and have been critical of shoddy goods. These admissions, of course, were made only in the home audiences.

The case of the East German trucks is an interesting one. In the courts of one of the Western nations in July 1954, two representatives of an East German automotive monopoly were summoned to answer complaints of the Western purchasers. These buyers demanded that the contract to buy the vehicles be legally canceled because of their defective quality. Following is a passage from the complaint to the court:

The truck was in use from 13 February to 2 April 1954, when the gear box broke and as no replacement parts were available, the purchasers have not since been able to use the truck. Three days after the truck was purchased the relay was broken and the charge warning light showed whatever it pleased. The relay caught fire and threatened to set the whole truck afire. The relay was replaced but then the dynamo burned. The steering mechanism was broken a little later. The gear box was broken the first time. The gauges ceased working; the lights worked badly. The tires fell apart since they were made of old, probably wartime tires, by recapping. The handbrake broke. Both windshield wiper motors burned out. From one side all the wheel bolts broke off and the overload spring brackets broke one after the other. The chassis of the truck was bent badly. On the third working day the dumping equipment became unoperational. The capacity of the load-platform was 28 percent smaller than advertised.

No one would suppose that all Soviet-bloc exports are that bad. But unfortunately, free-world buyers of Soviet and satellite products all too often have trouble getting their money's worth—and this applies to many kinds of goods.

The complaints over the defective trucks were probably no surprise to the East German authorities. A month earlier, a more succinct description of the problem—a little understated—had appeared in their periodical *Kraftfahrzeug Technik*: “It is common knowledge that some of our bicycle, motorcycle, and car models no longer reach international technical standards.”

CHAPTER V

Economic Courses in Eastern Europe

What has been going on behind the Curtain which may have a bearing on East-West trade?

Official statements appear from time to time within the Soviet bloc. Some of these have been reports on the growth of production; others have urged greater efforts in selected portions of the economy. The facts given the outside world by which these statements could be judged are extremely scarce. What does come out is frequently in confusing or misleading form.

After Stalin died in March 1953, there was a series of official statements which were widely interpreted to indicate a "softer" policy. Internally, the Soviet regime announced a new course. Much was said in official speeches and in the Soviet press about concern for the consumer. Externally, a desire to build up more friendly relations with the "capitalist" world seemed to be displayed, although hostile words and actions were mingled with the conciliatory gestures. The European satellite countries followed the lead of the U. S. S. R., and sometimes appeared to outdo the Kremlin with "new courses" in their own economies.

These events of 1953 and early 1954, as well as the Soviet economic developments of the preceding decades, were described in the fourth MDAC report, *East-West Trade Trends*, issued a year ago. It was pointed out there (p. 17) that the Soviet-bloc rulers had "made a great fanfare about supplying more consumer goods to their people without basically changing their war-oriented economy."

Recently there have been new events in the U. S. S. R. which have fascinated the world. Early in 1955, Malenkov resigned as Premier, confessing incompetence in the pursuit of an improved agricultural program.

During the same general period, both before and after the Malenkov resignation, the official propaganda about heavy industry became more noticeable, and certain Soviet economists who had written about an increase in consumer goods were rebuked. Echoes again were heard in the European satellites. And because the gestures toward the consumer had coincided with the time when Malenkov was the Soviet Premier, some observers in speculating about the 1955 events tended

to identify Malenkov personally with a so-called "soft" policy and to identify his successors with a "return" to the "hard" Stalin policy of concentrating upon heavy industry.

It is not our purpose here to present an analysis of the power struggle in the Kremlin. But inasmuch as the policies of rapid heavy industrialization were never basically overruled, it would certainly be risky to identify any individuals—whether they be Malenkov, Bulganin, or Khrushchev—with either an overruling or a "return."

In trying to interpret the different statements made from time to time by the Soviet leaders, it is important to remember that official pronouncements of all types, and this includes the output of the state-owned press and radio, are part of a carefully prepared propaganda "line." This does not mean that everything one hears is untrue. Official statements may or may not be genuine expositions of a policy which will actually be carried out. But they are sure to be part of a campaign to manipulate public opinion for purposes which will not be openly expressed. A shift in the "line" is a new tactical maneuver.

With this in mind, let us examine some of the actions that have been taken in the economies of the Soviet-bloc countries while all the talk was going on.

It will be found that more remained the same throughout the 1953-55 period than was changed.

It will also be found that conditions in the satellites were quite different from those in the U. S. S. R., despite the similarity in speeches. The conditions were different to start with, different actions were taken, and different results followed.

Inside the U. S. S. R.

By the time Stalin died in 1953, the output of steel, coal, cement, machinery, and so on, was well above 1940 levels. In the early post-war years the rates of growth had been rapid, in part because they largely represented restoration of facilities damaged during the war. These high rates were not sustained; in fact, since 1950 the *rates* of increase have been declining. By 1953 it was clear that some of the goals set for 1955 in the fifth 5-year plan would not be fulfilled. Most significant was the lag in the productivity of labor. This meant that in order to attain 1955 production targets, more labor would be needed in industry than could well be spared from other sectors, unless the system could be made more productive.

The greatest difficulties, however, were in agriculture. A considerable setback had occurred during the war. The total crop acreage and the number of livestock were not restored to the prewar (1940) levels until 1951. And even then, the yields per unit of land and per animal were so low that agricultural *output* did not approximate prewar out-

put until 1952. Then in 1953 it slipped back again below the prewar level.

In the meantime, the population had grown considerably. Neither food supplies nor housing had kept pace with this growth. Light industry (such as textiles, clothing, and food processing) had been neglected by comparison with heavy industry, and retail trade was highly inefficient. All of this meant that despite the progress in heavy industry, and despite the new importance of their country in world affairs, the people of the Soviet Union were probably worse off as consumers, especially for food supplies, than they had been in the late 1930's, which had been no bed of roses.

The low level of consumption and the unsatisfactory productivity of labor in both industry and agriculture are connected with one another. The Soviet rulers are eager to stimulate their people to work harder by means of the old capitalist incentives such as piece rates and bonuses. But why should a man break his back to make a little more money when there is hardly anything he can buy with it?

These problems had been recognized and studied before Stalin died. There are indirect references in his last major statement on economic policy to some of the reforms which appeared in 1953 and 1954. Undoubtedly his death had some effect on the timing and extent of their introduction. But the 1953 shift in the propaganda line which was intended to show a new concern for the consumer exaggerated the differences between pre-Stalin and post-Stalin economic policies in practice. Basic objectives of the regime remained unchanged, and even the means of attaining them were not as radically altered as they were made to appear.

In August 1953, Malenkov spoke in general terms of improved consumer prospects, but nothing specific was promised until late October. From then on, a series of high-level decrees raised the 1955 targets for retail trade, for the food industry, and for other light industry, describing these planned goals in much more detail than earlier announcements. The descriptions were mouth-watering, but the changes in output actually were moderate in most cases. The whole effect was presented as a 2-to-3-year push, which apparently was to taper off in 1956.

Other decrees were aimed at the rejuvenation of agriculture. Increased incentives were offered to farmers to produce more, both in their collective farm work and on their own private plots. Some reforms were also made in the organization of Soviet farming.

How was all this to be achieved? Partly by an increase in the government's investment in agriculture and light industry, partly by reforms in the Ministry of Trade, and more fundamentally, by a hoped-for increase in the productivity of the economy as a whole. The government seemed to hope this last could be accomplished by a series

of measures designed to increase the efficiency of management in industry. The high degree of centralization had bound the managers up in a good deal of red tape and restrictions, and the regime apparently believed that a certain degree of decentralization might free the plants for more efficient work. Higher productivity in agriculture was to be stimulated by lowering the high taxes and by raising the low prices of farm products.

It is important to note that no cutbacks in planned output for heavy industry were ever mentioned in the U. S. S. R., although the satellite governments did mention such cutbacks.

Throughout the year, statements reminding listeners of the importance of heavy industry were included in all major Soviet speeches on the economy, including Malenkov's own speech of August 1953.

Actual performance in 1953 showed only one change from trends prevailing until then. Retail trade moved up fast at the end of the year. Since there had been no corresponding increase in output, this increase in trade resulted from selling off accumulated inventories at reduced prices, a sort of Communist "fire sale."

Farm output in 1953 showed no improvement—in fact it worsened—and the increase in industrial output was less than in 1952.

In 1954, however, over-all industrial output increased at a slightly higher rate than before. Retail trade did not; apparently the "fire sale" was a one-shot affair. Agriculture still lagged badly, although output was larger than in 1953. Investment in light industry during 1954 was raised, but remained a very small fraction of the total. There was increased output in both heavy and light industry. If anything, this increase was larger in heavy industry than in light. In short, the regime got what it wanted most—some increased productivity—while the average consumer got very little more than before.

In 1955, attempts to revive agriculture continued; budget allocations in agriculture increased. The decentralization measures introduced in 1954 remained in effect. In late 1954 some Soviet spokesmen went back to talking more insistently about heavy industry and less about the consumer. The 1955 budget showed an increase in the allocations to heavy industry and a cut in light industry. But these changes should not be overemphasized, since it must be remembered that the Soviet Communists never actually sacrificed heavy industry or went all-out for the consumer.

Inside the European Satellites

The shifts in the propaganda line within the European satellites were similar to those in the U. S. S. R. This applies both to 1953 and early 1955.

But the circumstances were different. The satellite countries were relatively new to Communism. They were only in the early stages of

transition from a free-world type of consumer economy to a Soviet-type of war economy. The satellites showed greater signs of maladjustments before 1953 than were found in the economy of the U. S. S. R. In a very general sense they were suffering from the same diseases as the U. S. S. R. in 1953, with rates of increase in industrial production falling and with agriculture stagnating. But the ailments were much worse in the satellites. The actions taken in the satellites under the 1953 "new courses" were much more sweeping. They were even less successful.

Ambitious long-term industrialization plans had been started in these Eastern European countries around 1950. These were stepped up to very high levels during the Korean War. Signs of economic strain became quite noticeable in 1952, and the situation grew worse in 1953. By then it became clear that many of the targets for industrial growth could not possibly be achieved in 1954. So a large element in the "new course" introduced in 1953 was a reduction in these targets for 1954 to levels which were more likely to be obtained in practice. Rather than admit failure, it was possible for satellite leaders to speak of a reorientation of the economy to help consumers. (In some cases failures were acknowledged.)

The graph below (Figure V) shows the extent to which the original plans for 1954, already the most modest since the adoption of Soviet-style planning in these countries, had to be modified at midyear because of the failures in the early months.

If Soviet agriculture was sick, the crisis in satellite agriculture was even more acute. The Communists were uprooting the traditional forms of farm production and substituting Communist collectivization. But collectivization was progressing slowly.

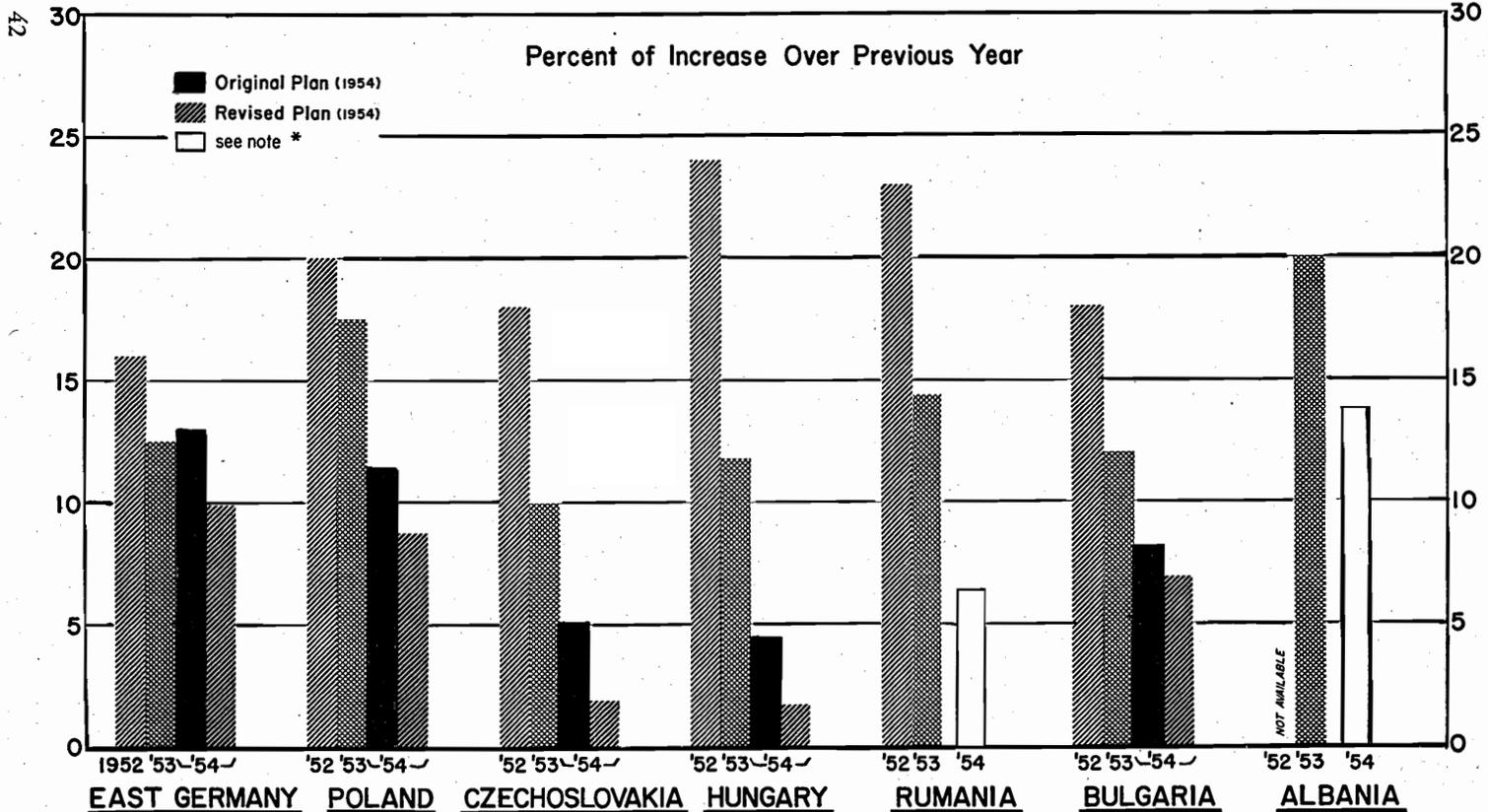
The collective farms have not proved to be efficient organizations, even in the U. S. S. R. But there, at least, the farmers have had 20 years of experience with them. They passed through a period in the early 1930's when almost the entire farm-owning population in the U. S. S. R. lost their farms in one swoop and either had to join a collective farm or work at forced labor. Herds were slaughtered, farm production fell sharply, and many people starved.

The satellite states, though pressing hard to reshape agriculture into Communist patterns, shied away from this extreme and tried to collectivize more gradually. The result has been a state of confusion and uncertainty all around: The private farmers had no incentive to work hard when their success would only make them better targets for persecution and expropriation, and the minority who were already collectivized felt put upon and had little incentive to labor for the state. Consequently, agriculture in the satellites has fallen off badly.

Under the "new courses" satellite agriculture received more attention from Communist rulers, as it did in the U. S. S. R. Investment

FIGURE V

ANNOUNCED RATES OF SATELLITE INDUSTRIAL GROWTH



NOTE: Figures for Original Plan 1954, as reported in Soviet announcements; figures for 1954 Revised Plan calculated on the basis of actual increase and reported percent of plan fulfillment.

*Neither Rumania nor Albania announced its Original Plan for 1954. Thus it is not known if the 1951 figures represent the Original Plan or a revision.

was increased and concessions of various kinds were made to the farmers, even including for some countries the permission to leave collective farms under certain conditions.

In many of the Eastern European countries, consumption and living standards which had been higher than in the U. S. S. R. began to fall as soon as Sovietization plans were imposed, and were falling lower each year. This had a special impact on peoples who had known something better and who had had Communism thrust down their throats so recently.

These conditions in industry and agriculture varied somewhat as between satellite countries, and so did the remedies which were applied. Hungary represents one extreme, in that industrial failures and agricultural resistance were probably the greatest. The adoption of "new course" measures in 1953 was earliest and most extensive in Hungary, and furthermore Hungary was the only country where official repudiation was made in 1955. Poland is probably the best example of the other extreme—that is, most like the U. S. S. R.—in having the slowest and least change, first one way and then the other. We shall examine the events in Hungary in some detail, because they bring out most clearly the problems of the last 2 years. But it must not be thought that Hungary's experience was unique in kind; most of what happened there was also happening in Czechoslovakia and Rumania, and to a lesser degree in the other countries as well.

Hungary and the "New Course"

In July 1953, Prime Minister Imre Nagy and other Communist leaders stepped forth with sweeping proposals for reform of the Hungarian economy. They said that previous programs for industrialization had been too ambitious, that Hungary should devote more of its efforts to agriculture and should import products of heavy industry from other Soviet-bloc countries better equipped to produce them.

In line with this thinking, the emphasis on heavy-industry targets was lessened, and some projects on which construction had begun were abandoned outright. In an effort to encourage the farmer, the government reduced his taxes and his compulsory deliveries to the state, raised the prices of farm goods, and gave permission to individuals to leave collective farms. This last was the most extreme change.

From then on, there was a good deal of confusion. Old-line Communists in the Hungarian Party didn't like these new-fangled ideas, and forced some back-tracking. At the same time, the dominant group under Nagy was still pushing its program, and they blamed all economic failures on the "left deviationism" of those who could not appreciate the merits of the new policy. Many of the planned goals

were revised again in 1954. New farm decrees were issued, often contradicting the effect of the decrees that had come before.

The farmers' reaction was interesting. About half of the collective farm members pulled out and returned to private farming, even though they had to do so under more and more unfavorable conditions. Farmers who were forgiven their past failures to pay taxes or make compulsory deliveries went on to further delinquencies, feeling that if they could get away with it once, they had the government on the run and could do it again.

Labor discipline in the factories also deteriorated. The usual goal is not only to increase production but also to increase it by a larger amount each year. Total production in 1954, however, increased much less than its already modest plan. According to government announcements, production in heavy industry even dropped by 3.1 percent. At the same time, the government's bill for wages zoomed, partly as a result of unauthorized wage increases made by factory managers in efforts to make their quotas. Lower productivity plus higher wage cost equals gross inefficiency.

The 1954 output of coal, needed to keep other industries running, fell short of plan by 650,000 tons, even though more labor was forced into the pits. Output of electric power apparently rose only 5 percent in 1953, as compared with 10 percent as originally planned. It was announced that steel output (given only for open-hearth steel, but this is the bulk of Hungary's steel output) fell 4.1 percent below 1953, which means that production was 12 percent below plan. Light industry reportedly increased production about 10 percent, but the increase was less than in any year since 1950. Harvests of wheat and rye, the largest Hungarian crops, decreased; acreage was said to be 6.9 percent larger than in 1953, but the yield per acre was said to have been 22 percent lower. Poor weather and the Danube flood were partly responsible for this last failure. But in addition there were collection failures in almost all crops.

And what of the consumer who was supposed to benefit from the "new course"? Manufactured consumer goods increased, but not as much as planned. Retail sales increased, but the largest percentages of increase were found among items such as butter, candy, radio sets, and bicycles. Such goods are beyond the reach of most of the population. The supply of bread was even more meager than before. Housing was extremely short; by October 1 only 13,000 of the 40,000 new dwellings planned for the year had been completed.

These are all quantity figures; it is impossible to describe in general terms all the complaints about quality which appeared in the papers. (The papers do print criticisms of specific shortcomings but never any general criticism of the government.)

To put it bluntly, the "new course" in Hungary had fallen on its face. Instead of solving old problems it created a lot of new ones and left the old ones about where they were before.

And in the first week of March 1955, Premier Nagy also fell. The Central Committee of the Hungarian Workers (Communist) Party denounced him as a "rightist deviationist" who had undermined the economy. The Central Committee stated in confused terms its intention of restoring the top priority of heavy industry. The switch was not complete; it was still claimed that the pre-1953 pace of industrialization was exaggerated, and that the June 1953 decisions were right but had been incorrectly applied. The Central Committee reports indicated a crackdown on workers and farmers, the latter through a renewal of the collectivization drive and a return to harsher collection policies. The committee also proposed an increase of 5.7 percent in industrial output in 1955. This is apparently no more than a return to their original schedules for 1954 and 1955.

Conclusions

Most of this report has been on Soviet-bloc economic activities in the free world. The purpose is not to reveal new facts, but to summarize and bring into focus the over-all picture of what the Soviet bloc has been doing. The intention is to give the reader some idea of Soviet-bloc operations and activities abroad and the related problems which confront the United States Government and the other governments and businessmen of the free world. The five chapters of the report are actually just one chapter of the much bigger story of relationships between the free world and the Soviet bloc. The fifth MDAC report, *The Revision of Strategic Trade Controls*, told another part of this larger story. But even that is not the whole of it; for economic defense, including strategic trade controls, is but one aspect of the entire foreign economic policy of the United States and the free world.

An over-all appraisal of foreign economic policy is, of course, beyond the scope of this report. Some of the most recent activities of the United States in this broader field were described in the President's *Report to Congress on the Mutual Security Program* for the 6-month period ended December 31, 1954. But the broader picture must be kept in mind if the facts and fictions surrounding Communist foreign economic activity are to be seen in proper perspective. If perspective is lacking, there is apt to be either an exaggeration or an under-estimation of the problems which confront the free world in economic relations with the Soviet-bloc countries. The situation calls for neither undue alarm nor apathy. This government constantly studies the implications of what the Soviet bloc does in its economic relations with the free world, and takes them into full account.

Following are some of the main implications and conclusions that emerge from the developments we have described in the five chapters of this report:

- As we have seen, 1954 was a year when East-West trade showed a moderate increase and the trade agreement network expanded. The Soviet bloc increased its imports faster than its exports, but the imports began to taper off in the latter part of the year. Prospects are not bright for another general increase of East-West trade in 1955. If the recent trend in Soviet-bloc exports continues, the over-all level of East-West trade may even decline.

- Some of the expansion in East-West trade in 1954 came out of the sizeable increases in Soviet-bloc purchases of food. The Communist regimes had made promises to their consumers. Domestic production

was inadequate; chronic and acute problems plagued agriculture. Though the imports of food made a certain impact in some foreign markets, they did not have any real effect on Soviet-bloc living standards. For example, the U. S. S. R. purchases of meat—one of the most spectacular increases in imports—were only enough to provide a few meals during the entire year if it had been distributed throughout the population. As it was, the meat went on the tables of the privileged few. In any case, consumer goods imports seemed to drop off as the year went on, and the Soviet consumer is left pretty much where he was before—with lots of propaganda and not very much to eat or wear.

- Soviet-bloc purchases of all sorts from the free world in 1954 demonstrated the continuing primary interest of the Communist countries in procuring capital goods to keep their forced industrialization rolling along. In order to fulfill their plans to build a merchant marine, they also kept on shopping in Western shipbuilding markets for bargains in both old and new vessels.

- Moscow used various approaches to interest the underdeveloped countries in becoming “economic partners” of Soviet-bloc Communism. Although the propaganda outdistanced the actions, there was no doubt that the Soviet interest and intentions in these areas were serious. They can be expected to continue. The underdeveloped countries face a dilemma in their need for outside help.

- Free-world merchants cannot conduct business with Soviet-bloc countries in the manner that is normal between free-world commercial enterprises. One of the prominent features of the year 1954 was a noticeable increase in public recognition of the special problems which confront those who trade with the Soviet-bloc countries.

- An important obstacle to East-West trade is the Soviet bloc’s inability to act as a reliable supplier of traditional exports, especially farm and forest products. This is illustrated by the recent rise in Soviet-bloc imports of grain, which has traditionally moved in the other direction. Another major difficulty in trading with the Soviet bloc is its demand for special concessions in many of its deals. These difficulties arise largely out of the nature of the Communist economic system and its forms of trading.

- In order to obtain raw materials or as a part of their effort at economic and political penetration, the U. S. S. R. and some of the satellites may in the future sell small additional amounts of capital goods in the free world, at least as token deliveries to the underdeveloped areas. However, a large increase is not likely under present Soviet-bloc plans, and apparently could be made only at very heavy sacrifices within the European Soviet bloc and China.

● Looking back at the period 1953 to 1955, one main conclusion appears: Despite various alterations in the whole East-West trade picture, there is more that remains the same than has changed—both internally and externally in Soviet foreign economic policy. If anything, this last year has shown more clearly that commodity exchanges entered into by the Soviet-bloc countries are invariably connected to broader government economic and political motivations in which trade is not an end in itself but a vehicle of an often aggressive total foreign policy. There is a growing appreciation of these facts in the free world.

APPENDIX A

Trade Controls of Free-World Countries

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Trade Controls of Free-World Countries

This appendix summarizes the national trade-control measures of the countries cooperating with one another in the multilateral control system. The descriptions of their controls are supplementary to information contained in the main text of the report. Descriptions of the trade controls of other friendly countries have been contained in similar appendices to previous MDAC reports, and, since their control procedures have in most cases not undergone substantial revision, they are not repeated in this appendix.

As indicated in previous reports, much of the detailed information on security trade controls has a security classification. Thus these descriptions must, in a public report, be presented in somewhat general terms. In most cases, they concern primarily the basic export license and customs control procedures originally established for directing foreign trade to particular currency areas, conserving goods in short supply, and for other economic or financial reasons. Security trade control has been generally exercised through these basic procedures, supplemented to increase its effectiveness, by import certificate-delivery verification (IC/DV) procedures, shipping controls, and recently adopted transit and transaction controls. The descriptions which follow describe the main features of these national control systems. The countries are arranged in alphabetical order.

BELGIUM-LUXEMBOURG

License Requirements

The basic legislation from which the present import-export control system in Belgium has developed was a law of June 30, 1931, modified by the law of July 30, 1934, which authorized in broad general terms the regulation of Belgium's foreign commerce to promote the general economic well-being of the country. The convention with the Grand Duchy of Luxembourg on the 23d of May 1935, amending the economic union convention of 1922, established also a combined Belgo-Luxembourg Administrative Commission (the Commission Administrative Mixte Belgo-Luxembourgeoise) and in this way provided a central agency for coordinating the import and export licensing procedures of Belgium and Luxembourg. Pursuant to the 1935 convention, when the appropriate agency of either government desires to modify or expand regulations pertaining to import and export controls, the recommendation is discussed with the appro-

plate agencies of the other government; their agreement having been reached, the new policies are communicated to the Mixed Commission which then transmits identical instructions to the Belgian Central Office of Licenses and Quotas and the Luxembourg Office of Licenses. This procedure insures close coordination of the import and export licensing operations of the two governments in order that the general economic welfare of both may best be served.

The control over exports effected by the requirement of export licenses is reinforced by special controls applied at the time of the actual export of the licensed merchandise. Submission to these special controls is required as a previous condition to the obtaining of certain licenses, these special additional controls being applied by reason of the special nature of the merchandise to be exported or to assure the direct delivery of the merchandise to its foreign destination.

Applicants for export licenses must make a declaration that they are familiar with the conditions upon which licenses are issued and the regulations relative to exchange controls, and that they accept these conditions and regulations without reserve. The applicant also acknowledges that the licenses are not transferable and that any irregularity in his application or utilization of the license subjects him to possible refusals of any new export license applications and may expose him to prosecution for a criminal offense. Exporters of products whose final destination is controlled must sign an undertaking that their exports are not to be re-exported. In such cases, the exporter renounces his right to obtain any subsequent export licenses in all cases for which nonre-export declarations are required, if the present undertaking is evaded.

Transit Controls

A royal decree of January 17, 1955, authorizes the Minister of Economic Affairs to impose a transit licensing requirement for certain items coming from or going to countries he may designate. A second decree of the same date by the Minister of Economic Affairs requires the production of a Belgian transit license, or a transit authorization certificate (TAC) issued by certain countries, for the shipment through Belgium in transit of items named in the decree coming from the countries participating in the TAC scheme and destined for any of the Soviet-bloc countries. Luxembourg issued similar decrees January 20 and February 1, 1955.

Financial Controls

Prior authorization is required for all buying and selling transactions abroad by Belgian and Luxembourg residents. The exchange control is carried out by the Belgo-Luxembourg Exchange Institute.

Shipping Controls

Belgium has taken action to prevent the carrying of strategic goods in Belgian ships to Communist Chinese and North Korean destinations.

CANADA

Authority for the control of exports in Canada is derived from the Export and Import Permits Act, an act of Parliament, which came into effect on June 1, 1954.

Permit Requirements

The Canadian approach to export control is based on two lists: (1) The Export Control List of strategic commodities for which export permits are required for practically all commercial exports to any destination, except the United States, and (ii) the Area Control List of countries, the shipment to which of any goods

requires an export permit. The Area Control List comprises all Communist countries plus Hong Kong, Macao, and Indochina. General export permits are in effect which enable shipments of a list of nonstrategic items to Hong Kong; shipments of casual gift parcels of trivial value to Communist countries; shipments to Canadian diplomatic missions; etc.

Transaction Controls

Under the act, Canada has also enacted a form of transaction control whereby it becomes an offense for a resident of Canada to knowingly cause or assist any shipment of strategic goods to be made from Canada, or any other place, to Communist countries.

Transit Controls

New regulations were made effective January 16, 1955, respecting transit shipments. These regulations stipulate that no person shall transship or cause or assist in the transshipment of or accept for transshipment to a country included in the Area Control List any goods included in the Export Control List, unless a transit authorization certificate covering such goods and issued by the exporting country, or by the country of residence of the exporter, has been presented to and endorsed by a Canadian collector of customs or, in the absence of such certificate, approval for the transshipment has been given by the Minister of Trade and Commerce, or by a person authorized by him to do so.

An export permit is required for all goods originating outside Canada when tendered for export in the same condition as when imported, without further processing or manufacture in Canada. Goods in transit in bond on a through journey on a billing originating outside of Canada, clearly indicating the ultimate destination of the goods to a third country, do not require a Canadian export permit. Foreign goods passing through Canada to a third country without a through bill of lading require a Canadian export permit. (If such goods represent United States shipments of controlled goods passing through Canada to third countries, they must be covered by a United States export permit.) All Canadian goods having an undeclared ultimate destination require export permits. Shipments of United States goods through Canada must be accompanied by a copy of the United States export declaration form.

Export controls are administered by the Export and Import Permits Section of the Canadian Department of Trade and Commerce.

DENMARK

License Requirements

Export licenses are required for all commodities, except certain agricultural products, if the goods are exported to or intended for end use in countries which are not members of the European Payments Union or are within the dollar area.

For the goods enumerated in the below-mentioned Commodity Lists A and B, export licenses are required, irrespective of the country of destination.

List A of the Danish export regulations consists of items of strategic significance. For most of these items the licensing authority is the Board of Supply, but the Ministry of Justice controls exports of arms, munitions, military equipment, and machinery for the production thereof. For the exportation of ships, the Board of Supply must obtain prior approval from the Ministry of Commerce, Industry, and Navigation.

List B consists of nonstrategic goods. Export licenses for these are issued by the Board of Supply, the Board of Health, the Ministry of Public Works, or the

National Bank of Denmark according to the nature of the commodity concerned.

Denmark has instituted import certificate-delivery verification procedures.

Exchange Controls

The National Bank of Denmark exercises strict controls over all transactions in foreign exchange. Earnings in foreign currencies must be repatriated and sold to the bank unless special exceptions are made.

Transit Controls

The export controls apply to merchandise exported from the Copenhagen free-port, including exports from transit or bonded warehouses and goods from free-port or private warehouses. They also apply to goods in transit through Denmark, unless these are transiting on a through bill of lading and there is no change in ultimate destination. In addition, Denmark has adopted the TAC scheme. These control measures thus prevent unauthorized diversion of embargo goods in transit through Denmark.

All transit transactions financed by Denmark are subject to control by the national bank, regardless of whether the goods in question actually pass through Denmark or are forwarded directly between the countries of origin and destination. In its administration of these provisions the bank observes the same rules as the export control authorities with which the bank cooperates closely in this field.

Shipping Controls

An arrangement has been made by the Danish Government with Danish shipping companies to prevent the carrying in Danish vessels of strategic goods to Communist China and North Korea. This arrangement is implemented through a licensing system operated under a voluntary agreement with Danish shipowners.

FRANCE

License Requirements

Export licenses are required for over one-half the commodities identified in the French tariff nomenclature. Governmental authority for this control is contained in various decrees, the latest dated November 30, 1944. These decrees also permit addition to or removal from the list of controlled commodities merely by publication of a notice in the *Journal Officiel*.

Applications for license to export, as submitted by French exporters, are examined by the Ministry of Industry and Energy, by the Office des Changes (where monetary and financial factors are given consideration), and on occasion by appropriate technical committees and personnel in other agencies. At the time the application for export license is submitted, the exporter may be instructed by the Ministry of Industry and Energy to submit a sample, photograph, blueprint, drawing, or other detailed description of the commodity in question. These data are used in determining the advisability of issuing the export license requested. At the port of exit, random samples of actual exports are extracted by customs officials and these are compared by competent technicians with the original data submitted with the license application. This procedure is designed to assure in as many instances as practical that the commodity exported is identical with the commodity for which the export license is issued.

In the event fraudulent action on the part of the exporter is found and can be legally established, the exporter is subject to confiscation of the goods in question and fines ranging upward to four times the value of the shipment.

plus penal servitude. The control system in operation in France makes it possible to block or encourage exports to any destination of commodities requiring export licenses.

Transit Controls

On December 30, 1954, and January 12, 1955, the French Government published new regulations effective respectively on the 1st and 15th of January 1955 concerning the regulation of imports, exports, and re-exports of a certain number of products which enter France under transit status. In essence, these regulations state that the products affected cannot be diverted to certain specified countries (which comprise the Soviet bloc) if their exportation begins in countries participating in the transit authorization certificate scheme unless the country of export so authorizes the change in destination.

Financial Controls

All transactions in foreign exchange engaged in by French residents, particularly those in which a French resident takes title to foreign merchandise, require the prior authorization of the French Government.

An "exchange commitment" (guaranteeing the return to the government of the exchange proceeds of a transaction) is required for all exports and re-exports of merchandise to which a French resident holds title. Where the products concerned are subject to export license, the export license suffices for the exchange commitment.

Shipping Controls

In order to avoid the transport on French vessels of strategic commodities to Communist China, the French Government has reached agreement with the only French shipping firm operating on the China run that the latter will not transport commodities of any description to Communist China unless these are covered by export license or permit indicating Communist China as the destination and issued by the French Government or a friendly foreign government maintaining the same level of controls as concerns strategic items to China as is maintained in France.

The French Government has also instituted controls to deny bunkering facilities to vessels transporting strategic commodities to Communist China.

GERMANY (FEDERAL REPUBLIC) AND WESTERN BERLIN

License Requirements

No commodity can be exported from the Federal Republic of Germany or West Berlin unless it is covered by an export declaration (*Ausfuhrerklaerung*) which is issued by the interior customs authorities. However, certain types of exports require a special export declaration (*Sonder-Ausfuhrerklaerung*) which is granted by the same customs authorities only after a certificate of approval (*Lieferungsgenehmigung*) has been obtained, as appropriate, from the Central Export Control Office of the Federal Government or the Central Licensing Agency of the West Berlin Senate. A certificate of approval is required for the following:

(a) Exports to all countries in the free world of all commodities on the German "restricted list" in excess of DM1,000 (ball and roller bearings are excluded from this procedure and therefore require a certificate of approval regardless of the value of the shipment).

(b) All exports to the European Soviet bloc, Communist China, North Korea, North Viet Nam, Hong Kong and Macao, with the exception of certain non-

strategic groups of commodities, i. e., foodstuffs, certain types of textiles and consumer goods.

The German "restricted list," which is similar to the United States "positive list," comprises commodities under control for security and short-supply reasons and includes all items covered by Title I and Title II of the MDAC Act.

Exports to numerous western countries, including peripheral countries, are subject to one form or another of end-use checks. Import certificate-delivery verification procedures have been in operation since July 1951.

In conjunction with the issuance of either the export control document or the special export control document, the interior customs authorities observe a definite procedure for physical inspection of commodities being exported. Additional control over commodities being exported from the Federal Republic is exercised by the border customs authorities.

Financial Controls

All triangular transactions between residents of Western Germany and West Berlin and residents of other areas are subject to either a general or a specific transit trade permit (*Allgemeine or Einzel Transit Handels Genehmigung*) issued by the foreign trade banks. A specific transit trade permit is needed for all transactions where the final destination of the goods is in a Soviet bloc country, Hong Kong or Macao. Before the granting of a transit trade permit, the transaction in question is not only screened with respect to the currency problems but also in regard to the strategic nature of the goods. The latter screening is done by export control officials who have the power to prevent the transaction.

Transit Controls

Certain items are prohibited for intransit shipments on the grounds of health and sanitation, but the number of items so prohibited is very small and the prohibited list has not been changed since 1939. German customs officials may inspect transit shipments at the border and remove any items prohibited under German law. They then seal the containers of all other goods and such goods are permitted to proceed, in accordance with international agreement on transit traffic, without further inspection or restriction, except to insure at the exit border that the original customs seals remained unbroken.

Effective January 15, 1955, the Federal Government implemented the transit authorization certificate scheme (TAC). Under the German procedure, transit shipments of strategic commodities listed by the Federal Government and originating in a COCOM country, which are destined for the Soviet bloc but are not accompanied by a transit authorization certificate, will be detained pending proper clearance by the exporting country. The same procedure will be followed for strategic transit shipments which originated in a nonparticipating country but where the principal of the transaction is a resident of a COCOM country.

Intransit shipments arriving in the freeport of Hamburg are subject to a customs documentary and physical check before being allowed to enter the freeport. When in the freeport, such shipments are under the control of the freeport authorities, and may be loaded, unloaded, or reloaded only with their approval. The destination of intransit shipments arriving in the freeport of Hamburg traveling under a "through bill of lading" can only be changed upon instructions of the original shipper, while the destination of intransit goods traveling under an "ordinary bill of lading" can be determined by the responsible local forwarding agent.

Intransit shipments consigned to West German firms and remaining in the freeport of Hamburg for shipment to a consignee outside Western Germany, require an intransit trade permit (*Transit Handelsgenehmigung*), except when the goods are returned to country of origin. Such intransit trade permits are

issued by the State Central Banks after careful scrutiny of the West German firm and in accordance with the same regulations applying to shipments of West German origin, and approval by the West German Central Export Control Office. West German firms must be listed in the official trade register in order to qualify for an intransit trade permit.

A similar procedure is enforced in the freeports of Bremen and Bremerhaven, with the exception that the functions within the freeport are carried out by federal customs authorities rather than freeport authorities. This procedure also applies to Cuxhaven, Emden, and Kiel, which are freeports of very minor importance.

GREECE

License Requirements

Export licenses are required for all strategic commodities, all minerals, and for certain nonstrategic commodities for which export quotas have been established. For nonstrategic shipments, licenses are issued by the Bank of Greece in accordance with directives from the Greek Foreign Trade Administration, Ministry of Commerce. For strategic shipments, including those to the Soviet bloc countries, licenses must be obtained from the Foreign Trade Administration. In the case of countries with which Greece has bilateral trade agreements (which includes the Soviet bloc countries), such licenses are limited to the quantities specified in the respective agreements.

Transit Controls

A transit shipment whose final destination is not indicated on the manifest or shipping documents must be licensed by the FTA prior to being re-exported. If the destination be indicated, no export license is required.

Financial Controls

Foreign exchange proceeds must be surrendered to the Bank of Greece.

Shipping Controls

Effective March 17, 1953, the Greek Government prohibited Greek-flag vessels from calling at Communist ports in China and North Korea. This was accomplished by the Greek Council of Ministers Act No. 204 of March 17, which was enacted into law by the Greek Parliament on May 7. Violators are punishable under the provisions of law No. 2317 of 1953, published in Greek Government Gazette No. 61 dated March 17.

The Greek foreign investment law (No. 2687 of 1953) provides that foreign vessels transferred to the Greek flag may only be resold to countries named in the instrument of approval executed at the time of the transfer of the vessel to Greek registry. So far, such instruments have not included Soviet-bloc countries. With only minor exceptions, the sale to other countries of Greek-flag ships not covered by an instrument under law 2687 requires the prior approval of the Greek Government.

Current bunkering controls require licensing both by the Bank of Greece and the customs authorities. Ship repair controls require licensing by the customs authorities. In neither case is the licensing control based on the nationality of the vessel to be serviced nor, in the latter case, the type of materials used for repair or installed.

ITALY

License Requirements

All commodities listed in the new *Tabella Esport* (the Italian export list) dated March 3, 1955, require an export license to all destinations, except Somali-

land, which is issued by the Ministry of Foreign Trade. All items internationally accepted for embargo or quantitative control are included in the *Tabella Esport*. Goods not listed in the *Tabella* are exempt from license, but must be exported in conformity with exchange regulations, which vary according to the country of destination and clearing or other financial agreements.

All exports to Communist China, Czechoslovakia, and Eastern Germany require an export license, while licensing of exports for other Soviet-bloc countries is covered by special regulations for each country. Export and import licenses for trade with Communist China and Eastern Germany are presently granted only to SPEI, a special entity under the Government agency ARAR, appointed to administer this and which acts as agent for firms wishing to trade with these countries.

Exports to the Soviet bloc also require bank validations, as virtually all trade with the Soviet bloc is conducted under bilateral agreements which specify the commodities that may be traded and the methods by which payment is to be made. Normally, shipments to the East comprise only those commodities specified in a trade agreement with an eastern country. In order to facilitate checking of eastbound shipments, trade with the Soviet bloc is funnelled through selected frontier customs points.

The formulation of export control policy and the administration of the export licensing system are the primary responsibility of the Ministry of Foreign Trade. This Ministry is advised by a special interministerial committee.

Italy is employing import certificate-delivery verification procedures and carries out end-use checks for shipments to destinations outside the Soviet bloc, particularly for questionable transactions involving goods of a strategic nature. The country of origin is notified if an attempt is made to divert a shipment.

Financial Controls

Financial control over all export transactions is maintained through the licensing system and through implementation of existing exchange control regulations.

Strict bilateral trade agreements with almost all members of the Soviet bloc have constituted, in effect, a financial ceiling on exports to Eastern Europe. Italian exports to Communist China, for which there is a unilateral compensation arrangement but no trade agreement, must be paid for in hard currency or must be exchanged for goods acceptable to the Italian Government, an arrangement that has severely restricted Italo-Chinese trade. Italian exchange control regulations would not normally permit payment for imports from the Soviet bloc in hard currencies, although sterling is occasionally used in payment for the few items not included in the trade agreements. In certain instances ship charters are completed for sterling when circumstances warrant or it is considered convenient.

Transit Controls

In order to implement the international TAC agreement on transit controls, instructions were issued to Italian customs offices on January 2, 1955, to the effect that foreign commodities in transit through Italy, in order to be considered in direct transit, must be covered by commercial or freight documents showing ultimate destination of the commodities to a specific foreign country, which destination should be clearly noted in the origin of the shipment. For embargo items directed to the Soviet bloc, this requirement may be met by the presentation of a transit authorization certificate. If a shipment of this kind arrives at an exit customs point without the proper documentation to establish that it is in direct transit, customs is required to hold the commodities in storage until its

status can be clarified. These regulations should, in conformity with COCOM agreements, effectively close the loophole previously caused by the lack of control over shipments in direct transit.

In the case of indirect transit shipments, a check is also made on the regularity of the transaction from the foreign currency standpoint. Operators contemplating indirect transit operations must submit an application to the appropriate agency (Bank of Italy, directly or through authorized bank; or Ministry of Foreign Trade, General Directorate for Currencies) when any item listed in part A of the *Tabella Esport* (which includes all strategic items except International List III) is purchased abroad. To allow a certain flexibility, a transit operator may purchase the goods abroad and have them shipped to Italy before making application to the Ministry of Foreign Trade; however, in this case he must submit to the bank which holds his currency account a written commitment that the goods will be sent directly to Italy and not diverted. He must also obtain the clearance of the General Directorate for Currencies before the goods can be onforwarded through Italy to another country.

The routing of both direct and indirect transit shipments is kept under surveillance to ascertain that it is natural and normal and to avoid routing that may facilitate diversion.

Shipping Controls

The Ministry of Merchant Marine has drafted a bill which, when enacted into law, will give the Italian Government the power to exercise control over shipping traffic with countries of the Soviet bloc. The bill contemplates quite severe penalties to be imposed upon owners and masters of ships failing to comply with regulations established by the Ministry of Merchant Marine. Consideration of this bill by Parliament has been delayed for more than a year and a half, however, and there seems to be no immediate prospect that it will be enacted into law.

Penalties

Penalties that may be imposed under Italian law for violations of export-control regulations include (1) imprisonment up to 3 months, (2) fines up to 40,000 lire, and (3) confiscation of the merchandise involved. These penalties have on occasion been supplemented by fines as high as 50 million lire (\$80,000) for crimes committed in connection with false customs declarations or currency violations in export transactions. Persons and firms under investigation for illegal export transactions are denied foreign trading privileges.

Irregularities under the customs law may be punished by fines from 2,000 to 20,000 lire, while other infractions may incur the penalties contemplated by the penal code.

JAPAN

License Requirements

Licenses from the Japanese Ministry of International Trade and Industry are required for exports of any commodity on the Japanese export control list. No exports to North Korea have been permitted since the outbreak of the Korean War. Exports to Communist China are limited to nonstrategic items. Exports of strategic items to any other Communist bloc country are strictly controlled.

End-use checks are made also on suspicious exports of strategic items, and the import certificate-delivery verification procedure has been utilized since April 1, 1953.

Transit Controls

Intransit cargo is offloaded under customs supervision and is normally kept in a bonded warehouse or other area under the complete control of customs officials.

Japan applies transit authorization certificate procedures to certain offloaded intransit cargo destined for the Soviet bloc exported from any country cooperating in the TAC scheme, or which was exported from any country if the principal in the transaction is a resident of a COCOM country.

Financial Controls

For balance-of-payments reasons, Japan closely controls its receipts and expenditures of foreign exchange. These controls are not related to security measures except indirectly in connection with trade with Communist China and the Soviet Union.

Trade with these areas is largely confined to barter transactions which must be settled on the basis of back-to-back or escrow letters of credit approved by foreign exchange banks.

Shipping and Bunkering Controls

Since June 1951 it has been required that bills of lading issued by carriers for strategic items licensed for export must contain a "Notice to Carrier" stating that delivery of the goods to countries other than the destination designated in the export license is prohibited without the express permission of the licensing authority.

Japanese shipowners have been notified that Japanese vessels are not authorized to carry strategic goods to Communist China from Japan or from any other country unless shipment has been licensed by a COCOM country.

Administrative measures also have been adopted to prevent foreigners from chartering or using Japanese vessels to carry contraband goods to Communist China or North Korea. The Ministry of Transportation has announced that applications for approval of a bareboat or time charter of a Japanese vessel to a foreigner must show that the charterer has guaranteed that during the period of the charter the vessel will not enter any port in Communist China or North Korea with strategic goods on board the vessel unless the shipment has been licensed by a COCOM country.

The Ministry of International Trade and Industry furthermore has instructed Japanese oil companies not to furnish fuel bunkers to any vessels carrying strategic goods to Communist China or North Korea unless the shipment has been licensed by a COCOM country.

THE NETHERLANDS

License Requirements

All exports from the Netherlands are subject to export licenses. General licenses are granted on transactions of \$2,500 or less involving most industrial products and on transactions of \$250 or less involving some items appearing on the international control lists, provided that these transactions are with either OEEC or dollar area countries. Under this system, an exporter completes and submits the export license to the Netherlands customs which then approves the transaction without prior reference to the licensing authorities. Individual licenses are required for all other transactions, including those involving the balance of the items on the international list regardless of whether or not the transaction involves goods valued at \$250 or less.

Export licenses are generally issued by the *Centrale Dienst voor In-en Uitvoer* (Central Import and Export Office). The IC/DV system is applied extensively. If an application for the export of strategic goods is made, the "CDIU" informs the exporter that an export license may only be granted after an import certificate has been produced. In such cases, the applicant is also required to submit a delivery verification form in due course.

If strategic goods are to be exported to countries not participating in the IC/DV system, the final destination is checked in most cases before the export license is granted. If the application concerns transactions of less strategic importance, the exporter is obliged to prove, on the basis of customs documents, a bill of lading, or other documents, that the goods arrived in the country of destination. Finally, the customs authorities have the right to satisfy themselves that the goods to be exported are identical with the description thereof on the export license when the goods leave the country. They can also stop the export of goods if it appears that they are being sent in a direction which does not conform with the final destination specified in the export license.

Financial Controls

All transactions by Netherlands residents involving payment to or received from a party abroad are subject to foreign exchange licenses issued by the Netherlands Bank. The export license generally includes authorization for individual banks to act on the proposed transaction.

The IC/DV system is also applied to these transactions to the extent applicable. In other cases, end-use checks are conducted on a large scale.

Shipping Controls

The Netherlands instituted voyage controls in May 1953 aimed at preventing the carriage of strategic commodities by Netherlands ships to Communist China and North Korea except pursuant to special permission.

Transit Controls

Pursuant to royal decree regarding the transit control of strategic commodities, strategic goods sent from participating countries or shipped for the account of a resident of one of the participating countries which after unloading pass in transit through the Netherlands to the Soviet bloc are subject to control. In this connection, a list of strategic goods subject to such transit control has been published.

NORWAY

License Requirements

All commodities to be exported to any destination require export licenses. The licensing authorities using existing powers can prevent the export of any item for security reasons.

Norway applies import certificate-delivery verification procedures.

Transit Controls

Goods which are to pass through the territory of Norway may be re-exported without license only if it is clearly stated by their conveying documents that the goods are going straight to the foreign destination. If the re-export does not take place within 90 days, a Norwegian export license must be secured. The destination listed on the original documents must remain the same, and the goods may not be transformed in any way during their stay in the country. The customs authority applies a control to that effect. An export license is required for all commodities in transit to a Soviet-bloc country even though the re-export takes place within 90 days. There are no freeport areas in Norway.

Financial Controls

Strict exchange controls are maintained by the government through the Bank of Norway. The granting of an export license carries with it the obligation on the part of the exporter to relinquish the foreign exchange to the Bank of Norway as soon as received from the foreign buyer; a maximum of 60 days is allowed between export and remittance, although under certain circumstances the government may grant the exporter an extension of time. Transfers of capital from Norway require the prior approval of the Bank of Norway.

Shipping Controls

The Norwegian Foreign Office announced publicly in April 1953, that the Norwegian war risk insurance group had refused to insure Norwegian vessels delivering strategic articles to Communist Chinese and North Korean ports. The Foreign Office also announced that Norwegian ships had not violated the United Nations Resolution of May 18, 1951, prohibiting the shipment of strategic material to Communist China and North Korea. Several allegations that they had done so had been investigated and found to be unjustified.

PORTUGAL

License Requirements

All exports are subject to licensing under regulations issued in 1948 except that export licenses are not generally required for shipments to Portuguese overseas provinces. Portugal's export trade with the Soviet bloc is not important and consists almost entirely of cork, which is not on any strategic or restricted list. The Portuguese colonies exert varying degrees of export control.

Transit Controls

Portuguese controls over goods in transit are now under revision and are expected to be amended to establish additional safeguards against undesirable diversions of strategic commodities.

Financial control is exercised over all exports as a part of the license control system.

TURKEY

License Requirements

Export licenses are required for most of the important export commodities, including all goods considered to be of a strategic nature. The goods which are subject to export licenses appear on List II attached to the Turkish foreign trade regulations issued in September 1953. For the goods appearing on that list, export licenses are required for shipments to all destinations; the licenses are issued by the Ministry of Economy and Commerce, with the exception of some agricultural commodities for which authority to grant export licenses has been delegated to other organizations. Goods not appearing on List II may be exported upon the presentation of a customs exit declaration which is based on the exporter's application. All exports are subject to strict foreign exchange regulations.

Turkey applies import certificate-delivery verification procedures with respect to the shipment of strategic commodities.

Transit Controls

Goods which are to pass through the territory of Turkey may be re-exported without license only if all shipping documents (including bill of lading and ship's manifest) and outer containers carry the name of the Turkish port of

transit, the phrase "in transit to" and the name of the city and country of destination. Goods entered in transit may be re-exported without further control; however, the government reserves the right to inspect transit shipments in cases of suspicion of irregularity. The re-export of goods covered by "in transit" bills of lading, without an export license, is contingent on proof that the goods were not purchased with foreign exchange made available by Turkish authorities.

The re-exportation of all foreign goods cleared through Turkish customs is subject to the authorization of the Ministry of Economy and Commerce.

The Turkish Government is authorized by law to establish free zones in Turkish ports, but thus far no such free zone has been established.

Financial Controls

Strict exchange controls are maintained by the government through the Ministry of Finance and the Central Bank. Turkish exporters are required to sell to a bank in Turkey the foreign exchange proceeds of exports within 3 months from the date of exportation and within 15 days of the date of receipt of the foreign exchange by the exporters. Foreign exchange may be sold to persons and firms in Turkey only by banks, against permits issued by the Ministry of Finance. All payments in foreign exchange, from funds available abroad to persons and firms in Turkey, are subject to the authorization of the Ministry of Finance. Other capital transactions involving foreign exchange, by persons and firms in Turkey, are also subject to the authorization of the Ministry of Finance.

UNITED KINGDOM

License Requirements

The export control system in the United Kingdom is similar to but not identical with that of the United States. It is administered by the Board of Trade. Although the present system grew out of measures originally promulgated at the start of World War II, its primary purpose now is the safeguarding of the country's requirements of strategic and short-supply goods, and the restriction of the flow of such items to undesirable destinations. The United Kingdom security trade control program was instituted in 1947.

The United Kingdom export control mechanism operates in the following manner:

The consolidated order, which encompasses all the items subject to control, is a published document and revisions are issued in the form of statutory orders which are also published in the *Board of Trade Journal* (an official weekly). The list is arranged into three schedules. The first schedule lists goods which, in general, cannot be exported to any destination without a license. The second schedule lists additional goods of no strategic interest which, in general, can be exported to any destination without a license. The two schedules are, however, subject to two qualifications. Firstly, a limited number of goods included in the first schedule can be exported without license to destinations within the British Commonwealth, Ireland, and the United States. Such goods are listed in the third schedule. Secondly, no goods, even those included on the second schedule, can be exported to North Korea or to China, Macao, North Viet Nam, and Tibet without a license.

The extent of the restriction on individual items is reflected in the administration of the control. Strict control is maintained over items which are prohibited exportation to certain areas, as, for instance, aircraft, firearms, ammunition, atomic materials. The exportation of a wide range of goods of strategic importance, including rubber, to Communist China is prohibited, as is

the exportation to the Soviet bloc in Europe of a somewhat narrower range of commodities. The export to the Soviet bloc of many other items is subject to limitations as to quantities permitted to be shipped. In addition, there is the great bulk of items on which control is achieved through case-by-case scrutiny of individual license applications.

The United Kingdom has effectively implemented import certificate-delivery verification procedures.

Transit Controls

The United Kingdom has had in effect since November 1951 a system whereby certain items arriving from other countries are subject to transshipment control. Individual licenses are required for all of the items on the licensing list before any of the goods, after being landed in the United Kingdom, can be transshipped to any destination other than the British Commonwealth, Ireland, and the United States. The present control is operated over all goods embargoed to the Soviet bloc. In administering the control, the British authorities normally grant licenses when they are satisfied that the goods will not be diverted to the Soviet bloc, China, etc., contrary to the wishes of the exporting country.

The United Kingdom also cooperates fully in the implementation of the TAC scheme.

Transaction Controls

As one of the reinforcement measures to strengthen security controls agreed when the Soviet-bloc embargo list was reviewed in 1954, the United Kingdom introduced a control on merchanting transactions operative from 7th January 1955. This control prohibits the disposal by persons in, or ordinarily resident in, the United Kingdom of specified strategic goods which are situated outside the United Kingdom to any authority of, or person in, the Soviet bloc, China, Tibet, or North Korea, or to any other person if the person disposing of the goods has reasonable cause to believe that the goods will be imported directly or indirectly into the Soviet bloc, China, Tibet, or North Korea. The goods covered by the control are those which are subject to embargo for Soviet-bloc countries.

Shipping Controls

In order to restrict further the flow of strategic goods to China and as an additional measure of control, a statutory order (titled the Control of Trade by Sea (China and North Korea) Order, 1953) was made on March 13, 1953, pursuant to which the Ministry of Transport and Civil Aviation is empowered to control all shipping to China and North Korea. In essence, the order applies to all British ships having a gross tonnage of 500 tons, limits the type of trade in which the ships may engage and the voyages which may be undertaken, affects the class of cargo or passengers which may be carried, and imposes certain conditions on the hiring of ships. Approximately a hundred items are listed in a schedule which is an integral part of the license issued under the order in question. These items are banned from carriage to China in British-flag vessels.

While formal shipping controls were not adopted until March 17, 1953, British shipping circles were kept under fairly close scrutiny by the government ever since the adoption on May 18, 1951, by the Additional Measures Committee of the United Nations, of the resolution to apply economic sanctions against China as a result of her aggressive intervention in Korea.

Complementary controls over the bunkering of vessels carrying strategic cargo (as defined in the Shipping Control Order) to China were adopted at the same time that the order affecting shipping became operative. These controls

are administered by the Ministry of Fuel and Power on an informal basis, in cooperation with British oil companies which deny bunkers to ships carrying strategic cargo to China.

UNITED STATES

Export Controls in General

The Department of Commerce is responsible for controls over nearly all commercial exportations from the United States under the Export Control Act of 1949, as extended.

The Department of State is responsible for control over the exportation of arms, ammunition, and implements of war; the Atomic Energy Commission administers controls over the export of major atomic energy items; and the Department of Treasury administers controls over the exportation of gold and narcotics. All such items require export licenses, and shipments to the Soviet bloc are not permitted.

Administration of Export Controls by Commerce Department

All commodities exported to any destination, except Canada, from the United States, its territories and possessions are subject to export control. There are three main techniques utilized in the administration of such controls:

1. Shipments of commodities contained in the Positive List¹ are under control to virtually all destinations.

2. For some commodities, a general license is authorized permitting exportation to virtually all friendly destinations without requiring that an export license be issued.

3. All commodities, whether or not on the Positive List and irrespective of any general license provisions, are under licensing control to subgroup A destinations (i. e., Soviet bloc, including Communist China and North Korea), Hong Kong and Macao.

The Comprehensive Export Schedule published by the Bureau of Foreign Commerce (BFC) of the Department of Commerce must be consulted in order to determine whether a validated license is required for the exportation of a given commodity to a specific destination as well as to determine other export control regulations of the Commerce Department. The Comprehensive Export Schedule is supplemented 2 or 3 times a month by BFC's Current Export Bulletin. The Secretary of Commerce's Quarterly Report to the President and the Congress reports major policy changes and activities of the Department of Commerce in carrying out its export control activities.

The two main policies as indicated in the Export Control Act which is administered by the Department of Commerce are export controls for security and for short supply reasons. The objective of security controls as embodied in the Export Control Act of 1949, as extended, is to exercise the necessary vigilance over exports from the standpoint of their significance to the national security. The controls were designed to deny or restrict the exportation of strategic commodities to the Soviet bloc in order to impede the buildup and maintenance of the Soviet war potential. Shipments of all commodities to Communist China and North Korea are embargoed while shipments to other Soviet-bloc destinations, Hong Kong, and Macao are either denied or restricted. In addition, all proposed shipments of strategic commodities to all destinations, except Canada, are carefully scrutinized to assure that the goods will not be transshipped or diverted to unfriendly hands. The Commerce Department has developed procedures to

¹ The Positive List of Commodities is a current list contained in the Comprehensive Export Schedule showing the commodities which require a validated license from the Bureau of Foreign Commerce of the Department of Commerce.

prevent the frustration of our own export controls which would result from shipping a strategic item to a country which (1) ships identical or closely similar items to the Soviet bloc, or (2) would use the American item directly in the manufacture of strategic items for the Soviet bloc.

In order to prevent the transshipment abroad of United States commodities, the Department of Commerce also has regulations covering the unauthorized movement of United States commodities after they leave United States shores. These regulations generally referred to as the "destination control" provisions are designed to prohibit the re-exportation from the country of ultimate destination except upon written authorization from BFC. These regulations also restrict ships, planes or other carriers from delivering United States origin goods to other than the destination specified on the export control documents. In addition, the United States participates in the international IC/DV (import certificate/delivery verification) system described elsewhere in this report.

In addition to United States export controls for security reasons, it is necessary to administer export controls for short supply reasons in order to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal demand. Such controls are usually exercised by means of export programs or quotas fixed by the Secretary of Commerce. The easing of supply programs in recent months has led to the prompt lifting of nearly all domestic controls over materials; such actions have generally been followed by the relaxation of related export controls for short supply reasons. Thus, export controls for short supply reasons do not play as important a part as before in comparison with security controls.

Transit Controls

A validated export license is required for the exportation from any seaport, land frontier, airport, or foreign trade zone in the United States of certain strategic goods in transit through the United States which originate in or are destined for a foreign country. The commodities so controlled are the ones which are identified on the United States Department of Commerce Positive List by an asterisk. These procedures are used to implement United States participation in the TAC scheme.

Shipping Controls

Department of Commerce Transportation Order T-1 denies any United States-registered vessel or aircraft authority to carry items listed on the Positive List, or arms, ammunition and implements of war or fissionable material, to any Soviet-bloc destination, Hong Kong, or Macao without a validated license issued by BFC or other appropriate licensing agencies or the express permission of the Under Secretary of Commerce for Transportation. This order includes shipments from foreign ports as well as from the United States.

Department of Commerce Transportation Order T-2 has the effect of preventing the transportation of any commodities directly or indirectly to Communist China, North Korea, or areas under their control, by United States-registered vessels or aircraft. It also prohibits American ships and aircraft from calling at any port or place in Communist China.

A validated license is required for delivery in United States ports of specified types of petroleum and petroleum products to foreign vessels, if the foreign carrier has called at any point under Far Eastern Communist control, or at Macao, since January 1, 1953, or will carry commodities of any origin from the United States destined directly or indirectly for any such point within a period of 120 days in the case of a vessel, or 30 days in the case of any aircraft. This regulation also requires that if a carrier is registered in or under charter to a

Soviet-bloc country or is under charter to a national of a Soviet-bloc country it will be necessary to apply to BFC for a validated license.

American petroleum companies at certain foreign ports are prohibited without a Treasury Department authorization from bunkering any vessel bound for a Communist Far East port or Macao or which is carrying goods destined for Communist China or North Korea. Similar restrictions apply to the bunkering by these companies of vessels returning from Communist Far East ports or Macao.

Financial and Transaction Controls

The Foreign Assets Control Regulations, administered by the Treasury Department, block the assets here of Communist China, North Korea and their nationals and prohibit unlicensed dealings involving property in which Communist China, or North Korea, or their nationals, have any interest. The regulations prevent the use of United States financial facilities by those countries and their nationals. These regulations also prohibit the unlicensed importation of goods of Chinese Communist or North Korean origin.

Treasury regulations also prohibit Americans, including foreign subsidiaries of United States firms, from participating in the purchase or sale of certain important commodities for ultimate shipment from any country outside the United States to the countries of the Soviet bloc. These transactions controls, which are complementary to the United States export control laws, are administered by the Treasury Department under Foreign Assets Control Regulations.

APPENDIX B

Text of Mutual Defense Assistance Control Act (Battle Act)

APPENDIX B

Text of the Mutual Defense Assistance Control Act of 1951 [H. R. 4550], Public Law 213, 82d Congress, 65 Stat. 644, Approved October 26, 1951

AN ACT To provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Defense Assistance Control Act of 1951."

TITLE I—WAR MATERIALS

SEC. 101. The Congress of the United States, recognizing that in a world threatened by aggression the United States can best preserve and maintain peace by developing maximum national strength and by utilizing all of its resources in cooperation with other free nations, hereby declares it to be the policy of the United States to apply an embargo on the shipment of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to (1) increase the national strength of the United States and of the cooperating nations; (2) impede the ability of nations threatening the security of the United States to conduct military operations; and (3) to assist the people of the nations under the domination of foreign aggressors to reestablish their freedom.

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United

States, including the Union of Soviet Socialist Republics and all countries under its domination.

This Act shall be administered in such a way as to bring about the fullest support for any resolution of the General Assembly of the United Nations, supported by the United States, to prevent the shipment of certain commodities to areas under the control of governments engaged in hostilities in defiance of the United Nations.

SEC. 102. Responsibility for giving effect to the purposes of this Act shall be vested in the person occupying the senior position authorized by subsection (e) of section 406 of the Mutual Defense Assistance Act of 1949, as amended, or in any person who may hereafter be charged with principal responsibility for the administration of the provisions of the Mutual Defense Assistance Act of 1949. Such person is hereinafter referred to as the "Administrator."

SEC. 103. (a) The Administrator is hereby authorized and directed to determine within thirty days after enactment of this Act after full and complete consideration of the views of the Departments of State, Defense, and Commerce; the Economic Cooperation Administration; and any other appropriate agencies, and notwithstanding the provisions of any other law, which items are, for the purpose of this Act, arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition, and implements of war which should be embargoed to effectuate the purposes of this Act: *Provided*, That such determinations shall be continuously adjusted to current conditions on the basis of investigation and consultation, and that all nations receiving United States military, economic, or financial assistance shall be kept informed of such determinations.

(b) All military, economic, or financial assistance to any nation shall, upon the recommendation of the Administrator, be terminated forthwith if such nation after sixty days from the date of a determination under section 103 (a) knowingly permits the shipment to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, of any item which he has determined under section 103 (a) after a full and complete investigation to be included in any of the following categories: Arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war: *Provided*, That the President after receiving the advice of the Administrator and after taking into account the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the

strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country's controls over the export to the Soviet bloc of items of strategic importance, may direct the continuance of such assistance to a country which permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States: *Provided further*, That the President shall immediately report any determination made pursuant to the first proviso of this section with reasons therefor to the Appropriations and Armed Services Committees of the Senate and of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives, and the President shall at least once each quarter review all determinations made previously and shall report his conclusions to the foregoing committees of the House and Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which determinations have been made.

SEC. 104. Whenever military, economic, or financial assistance has been terminated as provided in this Act, such assistance can be resumed only upon determination by the President that adequate measures have been taken by the nation concerned to assure full compliance with the provisions of this Act.

SEC. 105. For the purposes of this Act the term "assistance" does not include activities carried on for the purpose of facilitating the procurement of materials in which the United States is deficient.

TITLE II—OTHER MATERIALS

SEC. 201. The Congress of the United States further declares it to be the policy of the United States to regulate the export of commodities other than those specified in Title I of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to strengthen the United States and other cooperating nations of the free world and to oppose and offset by nonmilitary action acts which threaten the security of the United States and the peace of the world.

SEC. 202. The United States shall negotiate with any country receiving military, economic, or financial assistance arrangements for the recipient country to undertake a program for controlling exports of items not subject to embargo under Title I of this Act, but which in the judgment of the Administrator should be controlled to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 203. All military, economic, and financial assistance shall be terminated when the President determines that the recipient country (1) is not effectively cooperating with the United States pursuant to this title, or (2) is failing to furnish to the United States information sufficient for the President to determine that the recipient country is effectively cooperating with the United States.

TITLE III—GENERAL PROVISIONS

SEC. 301. All other nations (those not receiving United States military, economic, or financial assistance) shall be invited by the President to cooperate jointly in a group or groups or on an individual basis in controlling the export of the commodities referred to in Title I and Title II of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 302. The Administrator with regard to all titles of this Act shall—

(a) coordinate those activities of the various United States departments and agencies which are concerned with security controls over exports from other countries;

(b) make a continuing study of the administration of export control measures undertaken by foreign governments in accordance with the provisions of this Act, and shall report to the Congress from time to time but not less than once every six months recommending action where appropriate; and

(c) make available technical advice and assistance on export control procedures to any nation desiring such cooperation.

SEC. 303. The provisions of subsection (a) of section 403, of section 404, and of subsection (c) and (d) of section 406 of the Mutual Defense Assistance Act of 1949 (Public Law 329, Eighty-first Congress) as amended, insofar as they are consistent with this Act, shall be applicable to this Act. Funds made available for the Mutual Defense Assistance Act of 1949, as amended, shall be available for carrying out this Act in such amounts as the President shall direct.

SEC. 304. In every recipient country where local currency is made available for local currency expenses of the United States in connection with assistance furnished by the United States, the local currency administrative and operating expenses incurred in the administration of this Act shall be charged to such local currency funds to the extent available.

SEC. 305. Subsection (d) of section 117 of the Foreign Assistance Act of 1948 (Public Law 472, Eightieth Congress), as amended, and subsection (a) of section 1302 of the Third Supplemental Appropriation Act, 1951 (Public Law 45, Eighty-second Congress), are repealed.

APPENDIX C

Statistical Tables

APPENDIX C

Statistical Tables

- Table 1. Trade of free world with the Soviet bloc, annually 1947-54. and semiannually, 1952-54.
- Table 2. Trade of free world with the Soviet bloc, quarterly 1952-54.
- Table 3a. Exports of principal free-world countries to the Soviet bloc, 1951.
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- Table 9a. United States trade with the Soviet bloc, 1937, 1948 and 1952-54.
- b. United States exports to the Soviet bloc, by principal commodities, 1948 and 1952-54.
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Table 10a. Free-world exports to the Soviet bloc, by principal commodity groups, 1951-53.

b. Free-world imports from the Soviet bloc, by principal commodity groups, 1951-53.

GENERAL NOTE.—Unless otherwise noted, the Soviet bloc comprises the following: Soviet European satellites, which include Albania, Bulgaria, Czechoslovakia, Soviet Zone of Germany, Hungary, Poland, and Rumania; U. S. S. R.; Outer Mongolia; North Korea, beginning 1951; and China for which data since 1949 refer (as far as possible) to mainland China, Manchuria, Inner Mongolia, and Tibet.

SOURCE FOR ALL TABLES: International Economic Analysis Division, Bureau of Foreign Commerce.

TABLE 1.—TRADE OF FREE WORLD WITH THE SOVIET BLOC, ANNUALLY 1947-54 AND SEMIANNUALLY 1952-54

[In millions of United States dollars]

Period covered	Total Soviet bloc	European Soviet bloc	European satellites	U. S. S. R.	Communist China
Free-world exports					
Year 1947.....	2,005.7	1,333.5	856.5	477.0	672.2
Year 1948.....	1,968.5	1,434.2	900.7	533.5	534.3
Year 1949.....	1,679.6	1,355.1	918.4	436.7	324.5
Year 1950.....	1,544.8	1,092.7	791.6	301.1	452.1
Year 1951.....	1,687.9	1,241.7	854.2	387.5	446.2
Year 1952.....	1,438.3	1,165.7	682.4	483.3	272.6
Year 1953.....	1,388.9	1,101.3	677.8	423.5	287.6
Year 1954 ¹	1,720.0	1,435.0	850.0	585.0	285.0
1952:					
First half.....	725.7	606.2	340.9	265.3	119.5
Second half.....	703.0	549.9	334.9	215.0	153.1
1953:					
First half.....	638.6	470.4	312.4	158.0	168.2
Second half.....	745.4	626.0	360.5	265.5	119.4
1954:					
First half.....	902.7	768.1	416.2	351.9	134.6
Second half ¹	817.3	666.9	433.8	233.1	150.4
Free-world imports					
Year 1947.....	1,424.7	1,006.8	732.9	273.9	417.9
Year 1948.....	2,008.0	1,519.7	1,026.0	493.7	488.3
Year 1949.....	1,799.1	1,371.5	1,090.7	280.8	427.6
Year 1950.....	1,726.6	1,191.9	939.8	252.1	534.7
Year 1951.....	² 1,883.0	1,358.1	967.5	390.6	524.7
Year 1952.....	² 1,625.6	1,257.5	794.4	463.1	365.0
Year 1953.....	² 1,620.0	1,177.2	803.1	374.1	434.1
Year 1954 ¹	² 1,738.0	1,360.0	890.0	470.0	371.2
1952:					
First half.....	² 840.6	668.3	398.4	269.9	171.7
Second half.....	² 781.4	585.6	393.2	192.4	193.3
1953:					
First half.....	² 748.0	518.4	376.2	142.2	225.7
Second half.....	² 868.2	655.0	423.1	231.9	208.4
1954:					
First half.....	² 794.5	616.6	426.4	190.2	176.4
Second half ¹	² 943.5	743.4	463.6	279.8	194.8

See general note above, listing countries included in the Soviet bloc.

NOTE.—Figures are unadjusted for price changes. Semiannual figures are based on monthly data which are unrevised and partially incomplete. They will not, therefore, add exactly to annual totals.

¹ Estimated as of Apr. 1, 1955.

² Includes Outer Mongolia.

TABLE 2.—TRADE OF FREE WORLD WITH THE SOVIET BLOC, QUARTERLY 1952-54

[In millions of United States dollars]

Period covered	Total Soviet bloc			European satel- lites			U. S. S. R.			Communist China		
	1952	1953	1954	1952	1953	1954	1952	1953	1954	1952	1953	1954
Exports to the Soviet bloc												
January-March.....	360.5	337.0	441.1	178.6	163.6	194.4	141.5	78.3	173.6	40.4	95.1	73.1
April-June.....	365.2	301.6	461.6	162.3	148.8	221.8	123.8	79.7	178.3	79.1	73.1	61.5
July-September.....	334.6	308.1	375.4	153.0	157.0	214.6	102.3	99.2	90.9	79.3	51.9	69.9
October-December.....	368.4	437.3	1441.9	181.9	203.5	219.2	112.7	166.3	142.2	73.8	67.5	80.5
Imports from the Soviet bloc												
January-March.....	² 440.7	² 347.8	² 396.4	212.6	176.7	204.7	133.9	63.7	102.9	93.8	105.4	88.1
April-June.....	² 399.9	² 400.2	² 398.1	185.8	199.5	221.7	136.0	78.5	87.3	77.9	120.3	88.3
July-September.....	² 372.0	² 408.3	² 469.2	189.9	189.2	232.6	90.6	111.9	145.2	90.4	104.9	90.7
October-December.....	² 409.4	² 459.9	¹ 474.3	203.3	233.9	231.0	101.8	120.0	134.6	102.9	103.5	104.1

See general note on p. 80, listing countries included in the Soviet bloc.

NOTE.—Figures are unadjusted for price changes. Quarterly figures are based on monthly data which are unrevised and partially incomplete. They will not, therefore, add exactly to annual totals.

¹ Estimated as of Apr. 1, 1955.

² Includes Outer Mongolia.

TABLE 3A.—EXPORTS OF PRINCIPAL FREE-WORLD COUNTRIES TO THE SOVIET BLOC, 1951

[In millions of United States dollars]

Exporting country	World	Total Soviet bloc		European bloc	European satellites	U. S. S. R.	Communist China
		Total value	Total value	As percentage of exports to world	Total value	Total value	Total value
United States.....	16,602.3	2.8	(1)	2.8	2.7	0.1	(2)
Canada.....	3,608.0	.9	(1)	.6	.6	(2)	.3
OEEC Countries, total..	27,238.4	810.6	3.0	757.6	590.3	167.3	53.0
Austria.....	453.8	60.5	13.3	59.7	59.7	(2)	.8
Belgium-Luxembourg.....	2,651.4	64.4	2.4	55.0	41.7	13.3	9.4
Denmark.....	838.8	40.0	4.8	39.9	39.7	.2	.1
France.....	4,174.4	40.5	1.0	38.5	33.6	4.9	2.0
Germany, Federal Republic.....	3,508.5	103.2	2.9	99.2	99.2	(2)	4.0
Greece.....	101.8	.4	.4	.4	.4	(2)	(2)
Iceland.....	44.6	3.5	7.9	3.5	3.5	(2)	(2)
Ireland.....	228.3	.1	(1)	.1	.1	(2)	(2)
Italy and Trieste.....	1,644.5	66.0	4.0	65.1	41.4	23.7	.9
Netherlands.....	1,956.1	40.0	2.0	39.7	38.1	1.6	.3
Norway.....	620.0	29.2	4.7	28.5	16.4	12.1	.7
Portugal.....	262.9	4.8	1.8	4.8	1.5	3.3	(2)
Sweden.....	1,778.5	126.7	7.1	125.2	91.8	33.4	1.5
Switzerland.....	1,082.0	86.0	7.9	60.3	55.3	5.0	25.7
Turkey.....	314.0	24.7	7.9	24.7	22.6	2.1	(2)
United Kingdom.....	7,578.8	120.6	1.6	113.0	45.3	67.7	7.6
OTHER EUROPE							
Finland.....	866.5	4148.4	17.1	147.6	26.1	4121.5	.8
Yugoslavia.....	183.7	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	583.2	54.9	9.4	53.9	46.7	7.2	1.0
French Morocco.....	251.9	3.1	1.2	3.1	3.1	(*)	(*)
Gold Coast.....	255.5	9.6	3.8	9.6	.1	9.5	(*)
Iran.....	590.6	22.6	3.8	22.6	4	22.2	(*)
Iraq.....	81.0	(2)	(1)	(2)	(2)	(2)	(2)
Israel.....	44.8	2.1	4.6	2.1	2.1	(2)	(2)
Sudan.....	183.5	.8	.4	.8	.8	(2)	(2)
Union of South Africa.....	948.4	1.6	.2	1.6	1.6	(2)	(2)
FAR EAST							
Ceylon.....	399.9	8.5	2.1	.9	.9	(2)	7.6
Hong Kong.....	775.8	280.7	36.2	(2)	(2)	(2)	280.7
India.....	1,646.1	30.9	1.9	17.7	4.1	13.6	13.2
Indochina.....	135.1	.6	.4	(2)	(2)	(2)	.6
Indonesia.....	1,291.8	2.4	.2	2.3	2.3	(2)	.1
Japan.....	1,357.7	5.8	.4	(2)	(2)	(2)	5.8
Malaya.....	1,957.1	92.9	4.7	60.4	36.3	24.1	32.5
Pakistan.....	749.8	72.6	9.7	27.2	23.0	4.2	45.4
Taiwan.....	98.2	(2)	(*)	(2)	(2)	(2)	(2)
OCEANIA							
Australia.....	2,047.0	55.5	2.7	54.5	41.3	13.2	1.0
New Zealand.....	694.8	26.1	3.8	26.1	22.6	3.5	(2)
LATIN AMERICA							
Argentina.....	1,152.3	34.5	3.0	34.5	34.5	(2)	(2)
Brazil.....	1,757.4	7.9	.5	6.6	6.6	(2)	1.3
Uruguay.....	236.3	.6	.2	.6	.6	(2)	(2)

See general note on p. 80, listing countries included in the Soviet bloc.

NOTE.—Exports include reexports for the following countries: Australia, Ceylon, Gold Coast, Hong Kong, India, Ireland, Japan, Malaya, New Zealand, Pakistan, Sudan, Union of South Africa, United Kingdom, and the United States.

¹ Less than 0.05 percent.

² Less than \$50,000.

³ Not reported.

⁴ Includes reparations delivered to U. S. S. R. valued at \$53,899,000 in 1951.

* None.

TABLE 3B.—IMPORTS OF PRINCIPAL FREE-WORLD COUNTRIES FROM THE SOVIET BLOC, 1951

[In millions of United States dollars]

Imports from.....	World	Total Soviet bloc		European bloc	European satellites	U. S. S. R.	Communist China
		Total value	As percentage of imports from world	Total value	Total value	Total value	Total value
Importing country	Total value	Total value	As percentage of imports from world	Total value	Total value	Total value	Total value
United States.....	10,967.4	110.3	1.0	63.8	36.3	27.5	146.5
Canada.....	3,877.1	8.3	.2	6.5	6.0	.5	1.8
OEEC Countries, total.....	33,727.8	1,100.4	3.3	936.1	661.8	274.3	164.3
Austria.....	652.7	71.9	11.0	71.6	71.6	(2)	.3
Belgium-Luxembourg.....	2,544.0	57.8	2.3	39.4	22.6	16.8	18.4
Denmark.....	1,012.5	70.7	7.0	62.1	52.4	9.7	8.6
France.....	4,546.2	70.5	1.6	53.1	39.4	13.7	17.4
Germany, Federal Republic.....	3,537.5	136.7	3.9	87.9	87.5	.4	48.8
Greece.....	398.4	.6	.1	.6	.6	(2)	(*)
Iceland.....	56.7	3.9	6.8	3.9	3.9	(2)	(*)
Ireland.....	572.9	7.7	1.3	6.9	6.4	.5	.8
Italy and Trieste.....	2,166.5	80.9	3.7	73.0	50.9	22.1	7.9
Netherlands.....	2,561.3	66.9	2.6	49.6	35.6	14.0	17.3
Norway.....	877.3	29.4	3.3	27.0	16.8	10.2	2.4
Portugal.....	329.4	1.8	.5	1.4	1.4	(2)	.4
Sweden.....	1,775.2	137.0	7.7	129.5	116.4	13.1	7.5
Switzerland.....	1,364.4	57.4	4.2	44.5	39.1	5.4	12.9
Turkey.....	402.0	20.0	5.0	19.9	19.9	(2)	.1
United Kingdom.....	10,930.8	287.2	2.6	265.7	97.3	168.4	21.5
OTHER EUROPE							
Finland.....	676.0	108.2	16.0	107.5	66.1	41.4	.7
Yugoslavia.....	390.8	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	803.0	43.2	5.4	42.3	22.0	20.3	.9
French Morocco.....	456.2	15.8	3.5	3.2	2.7	.5	12.6
Gold Coast.....	177.3	2.2	1.2	2.2	2.2	(2)	(2)
Iran.....	249.1	23.6	9.5	23.5	4.6	18.9	.1
Iraq.....	142.4	4.3	3.0	4.2	4.2	(2)	.1
Israel.....	343.3	10.5	3.1	9.8	9.6	.2	.7
Sudan.....	120.5	3.6	3.0	3.5	3.1	.4	.1
Union of South Africa.....	1,278.1	9.0	.7	8.4	8.4	(2)	.6
FAR EAST							
Ceylon.....	327.3	2.4	.7	1.5	1.2	.3	.9
Hong Kong.....	852.3	155.1	18.2	4.1	3.7	.4	151.0
India.....	1,770.3	38.4	2.2	9.7	8.1	1.6	28.7
Indochina.....	303.9	7.6	2.5	.9	.9	(2)	6.7
Indonesia.....	873.2	6.8	.8	4.3	4.3	(2)	2.5
Japan.....	2,047.9	424.0	1.9	2.2	2.2	(2)	21.6
Malaya.....	1,542.1	46.7	3.0	5.2	5.2	(2)	41.5
Pakistan.....	519.9	24.6	4.7	7.6	6.3	1.3	17.0
Taiwan.....	134.0	6.8	5.1	.1	.1	(2)	6.7
OCEANIA							
Australia.....	2,112.5	31.6	1.5	23.8	21.6	2.2	7.8
New Zealand.....	578.3	2.9	.5	1.4	1.0	.4	1.5
LATIN AMERICA							
Argentina.....	1,360.8	38.6	2.8	38.5	38.5	(2)	.1
Brazil.....	2,010.6	10.3	.5	10.3	10.3	(*)	(2)
Uruguay.....	309.4	1.1	.4	1.1	1.1	(2)	(2)

See general note on p.80, listing countries included in the Soviet bloc.

¹ United States imports from Outer Mongolia are included with China since data are not separately available.

² Less than \$50,000.

³ Not reported.

⁴ Includes imports from Outer Mongolia of \$200,000.

*None.

TABLE 3C.—EXPORTS OF PRINCIPAL FREE-WORLD COUNTRIES TO THE SOVIET BLOC, 1952

[In millions of United States dollars]

Exporting country	Exports to.....		As percentage of exports to world	European bloc	European satellites	U. S. S. R.	Communist China
	World	Total Soviet bloc					
	Total value	Total value		Total value	Total value	Total value	Total value
United States.....	15,200.7	1.1	(1)	1.1	1.1	(2)	(*)
Canada.....	4,396.4	.6	(1)	.6	.6	(2)	(*)
OEEC Countries, total.....	27,185.5	788.8	2.9	744.8	513.4	231.4	44.0
Austria.....	506.9	64.5	12.7	64.2	63.9	.3	.3
Belgium-Luxembourg.....	2,451.0	60.1	2.5	59.5	44.6	14.9	.6
Denmark.....	849.1	35.2	4.2	35.0	21.2	13.8	.2
France.....	3,889.4	42.0	1.1	38.8	32.3	6.5	3.2
Germany, Federal Republic.....	4,077.0	92.9	2.3	90.1	89.9	.2	2.8
Greece.....	119.9	.4	.3	.4	.4	(2)	(*)
Iceland.....	39.4	2.8	7.1	2.8	2.8	(*)	(*)
Ireland.....	284.1	(2)	(1)	(2)	(2)	(*)	(*)
Italy and Trieste.....	1,386.5	59.4	4.3	55.7	35.3	20.4	3.7
Netherlands.....	2,113.4	36.4	1.7	36.4	31.5	4.9	(2)
Norway.....	565.3	29.9	5.3	28.2	17.9	10.3	1.7
Portugal.....	236.9	7.2	3.0	7.2	1.3	5.9	(2)
Sweden.....	1,571.4	118.2	7.5	117.6	73.1	44.5	.6
Switzerland.....	1,100.1	60.4	5.5	42.4	40.0	2.4	18.0
Turkey.....	362.9	20.3	5.6	20.2	17.8	2.4	.1
United Kingdom.....	7,632.2	159.1	2.1	146.3	41.4	104.9	12.8
OTHER EUROPE							
Finland.....	717.6	³ 183.8	25.6	177.2	21.9	³ 155.3	6.6
Yugoslavia.....	246.5	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	416.8	73.0	17.5	64.1	35.3	28.8	8.9
French Morocco.....	273.8	1.5	.5	1.5	1.5	(*)	(2)
Gold Coast.....	241.6	12.0	5.0	12.0	(4)	12.0	(*)
Iran.....	151.1	24.3	16.1	24.3	1.0	23.3	(*)
Iraq.....	55.9	.2	.5	.1	(2)	.1	.1
Israel.....	42.6	2.6	6.1	2.6	1.4	1.2	(2)
Sudan.....	122.8	.8	.6	.8	.8	(2)	(2)
Union of South Africa.....	922.5	2.1	.2	2.1	2.1	(4)	(4)
FAR EAST							
Ceylon.....	315.5	28.9	9.2	2.9	2.4	.5	26.0
Hong Kong.....	507.3	91.0	17.9	(4)	(4)	(*)	91.0
India.....	1,303.3	16.4	1.3	6.2	2.0	4.2	10.2
Indochina.....	116.7	.1	.1	(4)	(4)	(4)	.1
Indonesia.....	907.5	9.8	1.1	9.8	9.8	(4)	(2)
Japan.....	1,272.9	.8	.1	.2	(2)	.2	.6
Malaya.....	1,239.7	30.3	2.4	30.3	20.9	9.4	(2)
Pakistan.....	532.5	119.6	22.5	35.7	20.3	15.4	83.9
Taiwan.....	116.5	(4)		(4)	(4)	(4)	(4)
OCEANIA							
Australia.....	1,716.2	8.9	.5	8.3	8.3	(2)	.6
New Zealand.....	673.6	10.0	1.5	10.0	10.0	(*)	(*)
LATIN AMERICA							
Argentina.....	709.5	12.9	1.8	12.9	12.9	(2)	(2)
Brazil.....	1,408.8	6.5	.5	6.5	6.5	(4)	(2)
Uruguay.....	208.9	1.3	.6	1.3	1.3	(*)	(*)

See general note on p. 80, listing countries included in the Soviet bloc and note on table 3a for countries whose data include reexports.

¹ Less than 0.05 percent.

² Less than \$50,000.

³ Includes reparations delivered to U. S. S. R. valued at \$35,719,000 from January to September 1952 when reparations deliveries were terminated.

⁴ Not reported.

*None.

TABLE 3D.—IMPORTS OF PRINCIPAL FREE-WORLD COUNTRIES FROM THE SOVIET BLOC, 1952

[In millions of United States dollars]

Imports from..... Importing country	World	Total Soviet bloc		European bloc	European satellites	U. S. S. R.	Communist China
	Total value	Total value	As percentage of imports from world	Total value	Total value	Total value	Total value
United States.....	10,716.8	167.3	0.6	39.6	22.8	16.8	24.6
Canada.....	4,120.3	8.7	.2	7.4	5.0	2.4	1.3
OEEC Countries, total..	32,322.1	925.4	2.9	867.7	565.4	302.3	57.7
Austria.....	653.6	73.6	11.3	73.6	73.5	.1	(2)
Belgium-Luxembourg.....	2,460.5	37.4	1.5	32.7	21.1	11.6	4.7
Denmark.....	962.2	39.2	4.1	39.2	28.1	11.1	(2)
France.....	4,432.1	63.0	1.4	57.4	38.7	18.7	5.6
Germany, Federal Republic.....	3,884.8	105.5	2.7	87.9	83.9	4.0	17.6
Greece.....	346.2	.6	.2	.6	.6	(2)	(2)
Iceland.....	55.9	3.7	6.7	3.7	3.7	(2)	(*)
Ireland.....	482.2	2.3	.5	2.0	1.8	.2	.3
Italy and Trieste.....	2,335.6	86.8	3.7	84.6	50.5	34.1	2.2
Netherlands.....	2,257.2	59.3	2.6	54.4	28.8	25.6	4.9
Norway.....	873.5	35.5	4.1	32.3	20.9	11.4	3.2
Portugal.....	347.4	.8	.2	.7	.7	(2)	.1
Sweden.....	1,728.6	108.4	6.3	107.6	87.6	20.0	.8
Switzerland.....	1,205.1	45.4	3.8	35.5	32.7	2.8	9.9
Turkey.....	555.9	20.6	3.7	20.6	20.6	(*)	(2)
United Kingdom.....	9,741.3	243.3	2.6	234.9	72.2	162.7	8.4
OTHER EUROPE							
Finland.....	791.7	153.5	19.4	153.2	71.6	81.6	.3
Yugoslavia.....	373.0	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	628.3	46.3	7.4	45.6	14.5	31.1	.7
French Morocco.....	515.8	8.6	1.7	3.1	3.1	(2)	5.5
Gold Coast.....	186.4	1.6	.9	1.6	1.6	(2)	(2)
Iran.....	165.2	27.4	16.6	27.3	3.4	23.9	.1
Iraq.....	173.2	4.1	2.3	4.0	4.0	(2)	.1
Israel.....	321.1	5.0	1.6	4.9	4.9	(2)	.1
Sudan.....	177.2	5.5	3.1	5.4	5.3	.1	.1
Union of South Africa.....	1,172.9	4.4	.4	4.4	4.4	(2)	(2)
FAR EAST							
Ceylon.....	357.5	8.0	2.2	1.1	.8	.3	6.9
Hong Kong.....	661.4	146.6	22.2	1.3	1.0	.3	145.3
India.....	1,688.0	40.4	2.4	6.4	4.6	1.8	34.0
Indochina.....	448.4	8.2	1.8	.8	.8	(2)	7.4
Indonesia.....	924.0	5.3	.6	3.4	3.4	(2)	1.9
Japan.....	2,028.8	17.9	.9	3.0	2.5	.5	14.9
Malaya.....	1,256.9	42.5	3.4	3.0	3.0	(2)	39.5
Pakistan.....	609.7	8.6	1.4	6.0	5.6	.4	2.6
Taiwan.....	187.2	9.7	5.2	(2)	(2)	(*)	9.7
OCEANIA							
Australia.....	1,734.8	14.0	.8	10.5	9.4	1.1	3.5
New Zealand.....	644.2	2.3	.4	1.6	1.4	.2	.7
LATIN AMERICA							
Argentina.....	1,177.3	17.1	1.5	16.8	16.8	(*)	.3
Brazil.....	2,009.5	5.9	.9	5.9	5.9	(*)	(2)
Uruguay.....	257.3	1.1	.4	1.1	1.1	(*)	(*)

See general note on p. 80, listing countries included in the Soviet bloc.

¹ Includes imports from Outer Mongolia of \$3,100,000.

² Less than \$50,000.

³ Not reported.

*None.

TABLE 3E.—EXPORTS OF PRINCIPAL FREE-WORLD COUNTRIES TO THE SOVIET BLOC, 1953

[In millions of United States dollars]

Exporting country	Exports to.....		As percentage of exports to world	European bloc	European satellites	U. S. S. R.	Communist China
	World	Total Soviet bloc					
	Total value	Total value		Total value	Total value	Total value	Total value
United States.....	15,766.8	1.8	(1)	1.8	1.8	(2)	(*)
Canada.....	4,184.8	.5	(1)	.5	.5	(2)	(*)
OEEC Countries, total..	27,602.6	804.4	2.9	709.0	518.2	190.8	95.4
Austria.....	537.6	58.5	10.9	58.5	57.0	1.5	(2)
Belgium-Luxembourg.....	2,259.3	66.1	2.9	64.7	48.2	16.5	1.4
Denmark.....	893.9	44.3	5.0	44.0	23.1	20.9	.3
France.....	3,957.8	63.3	1.6	50.9	34.0	16.0	12.4
Germany, Federal Republic.....	4,453.2	140.3	3.1	115.3	113.6	1.7	25.0
Greece.....	132.0	8.3	6.3	8.3	6.5	1.8	(2)
Iceland.....	43.3	8.6	19.8	8.6	3.1	5.5	(2)
Ireland.....	319.2	.4	.1	.4	.4	(*)	(2)
Italy and Trieste.....	1,488.1	62.7	4.2	58.0	34.9	23.1	4.7
Netherlands.....	2,129.0	60.9	2.9	56.9	34.2	22.7	4.0
Norway.....	508.6	32.9	6.5	32.0	16.9	15.1	.9
Portugal.....	218.5	5.6	2.6	5.6	1.0	4.6	(2)
Sweden.....	1,477.0	69.7	4.7	67.0	45.2	21.8	2.7
Switzerland.....	1,204.4	60.8	5.0	34.3	31.4	2.9	26.5
Turkey.....	396.0	29.3	7.4	29.3	26.9	2.4	(*)
United Kingdom.....	7,524.7	92.7	1.2	75.2	40.9	34.3	17.5
OTHER EUROPE							
Finland.....	572.0	179.3	31.4	173.9	28.4	145.5	5.4
Yugoslavia.....	186.0	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	394.5	48.2	12.2	37.8	25.9	11.9	10.4
French Morocco.....	269.4	1.9	.7	1.9	1.9	(*)	(2)
Gold Coast.....	251.4	10.1	4.0	10.1	(2)	10.1	(*)
Iran.....	89.6	11.2	12.5	11.2	2.3	8.9	(*)
Iraq.....	55.5	1.7	3.1	1.4	1.3	.1	.3
Israel.....	57.5	2.0	3.4	2.0	.9	1.1	(*)
Sudan.....	127.5	.1	.1	(2)	(2)	(*)	.1
Union of South Africa.....	920.7	1.8	.2	1.8	1.8	(2)	(3)
FAR EAST							
Ceylon.....	329.3	51.5	15.6	.6	.6	(*)	50.9
Hong Kong.....	478.4	94.6	19.8	(*)	(*)	(*)	94.6
India.....	1,114.3	14.6	1.3	7.3	6.5	.8	7.3
Indochina.....	95.4	(3)	(*)	(3)	(3)	(3)	(3)
Indonesia.....	819.6	4.5	.5	4.5	4.5	(3)	(2)
Japan.....	1,274.8	4.6	.4	.4	.1	(2)	4.5
Malaya.....	951.2	15.5	1.6	13.6	13.6	(*)	1.9
Pakistan.....	438.9	19.8	4.5	12.5	5.1	7.4	7.3
Taiwan.....	127.6	(3)	(*)	(3)	(3)	(3)	(3)
OCEANIA							
Australia.....	2,021.5	62.2	3.1	56.9	23.8	33.1	5.3
New Zealand.....	659.7	11.1	1.7	11.1	11.1	(*)	(*)
LATIN AMERICA							
Argentina.....	1,147.8	24.4	2.1	24.4	13.1	11.3	(2)
Brazil.....	1,539.3	11.3	.7	10.4	10.4	(2)	.9
Uruguay.....	269.8	1.2	.4	1.2	.9	.3	(2)

See general note on p. 80, listing countries included in the Soviet bloc and note on table 3a for countries whose data include reexports.

¹ Less than 0.05 percent.

² Less than \$50,000.

³ Not reported.

*None.

TABLE 3F.—IMPORTS OF PRINCIPAL FREE-WORLD COUNTRIES FROM THE
SOVIET BLOC, 1953

[In millions of United States dollars]

Imports from Importing country	World	Total Soviet bloc		European bloc	European satellites	U. S. S. R.	Communist China
	Total value	Total value	As percentage of imports from world	Total value	Total value	Total value	Total value
United States.....	10,873.8	145.7	0.4	36.4	25.6	10.8	0.6
Canada.....	4,449.4	6.0	.1	4.9	4.0	.9	1.1
OECEC Countries, total.....	31,379.2	924.1	2.9	795.9	552.0	243.9	128.2
Austria.....	545.7	60.1	11.0	59.1	59.0	.1	1.0
Belgium-Luxembourg.....	2,422.6	47.4	2.0	40.1	23.4	16.7	7.3
Denmark.....	1,000.3	40.6	4.1	38.5	30.1	8.4	2.1
France.....	4,006.7	51.4	1.3	40.4	23.5	16.9	11.0
Germany, Federal Republic.....	3,877.8	167.9	4.3	134.7	119.1	15.6	33.2
Greece.....	294.3	3.8	1.3	3.8	3.6	.2	(2)
Iceland.....	67.8	5.8	8.6	5.8	4.2	1.6	(*)
Ireland.....	513.6	2.7	.5	1.9	1.0	.9	.8
Italy and Trieste.....	2,395.1	53.8	2.2	46.4	37.1	9.3	7.4
Netherlands.....	2,354.3	68.6	2.9	53.5	22.2	31.3	15.1
Norway.....	912.0	43.9	4.8	40.3	23.3	17.0	3.6
Portugal.....	330.9	.9	.3	.7	.7	(2)	.2
Sweden.....	1,577.0	61.4	3.9	59.8	49.7	10.1	1.6
Switzerland.....	1,182.8	50.7	4.3	34.6	30.5	4.1	16.1
Turkey.....	532.6	29.5	5.5	29.5	29.5	(*)	(2)
United Kingdom.....	9,365.7	235.6	2.5	206.8	95.1	111.7	28.8
OTHER EUROPE							
Finland.....	529.8	182.3	34.4	180.7	91.1	89.6	1.6
Yugoslavia.....	395.3	(*)	(*)	(*)	(*)	(*)	(*)
NEAR EAST AND AFRICA							
Egypt.....	503.2	38.6	7.7	37.9	23.8	14.1	.7
French Morocco.....	488.9	13.2	2.7	6.0	6.0	(*)	7.2
Gold Coast.....	200.8	2.1	1.1	2.1	2.1	(2)	(2)
Iran.....	168.2	16.4	9.7	14.5	5.3	9.2	1.9
Iraq.....	192.3	6.0	3.1	2.9	2.9	(2)	3.1
Israel.....	286.9	2.4	.8	2.4	2.4	(2)	(2)
Sudan.....	145.5	3.6	2.4	3.6	3.2	.4	(2)
Union of South Africa.....	1,191.0	3.2	.3	3.2	3.2	(2)	(2)
FAR EAST							
Ceylon.....	337.6	45.5	13.5	1.6	1.6	(2)	43.9
Hong Kong.....	677.7	150.0	22.1	(2)	(2)	(2)	150.0
India.....	1,186.0	7.9	.7	4.4	3.5	.9	3.5
Indochina.....	394.3	6.0	1.5	(2)	(2)	(2)	6.0
Indonesia.....	753.0	7.0	.9	4.9	4.8	.1	2.1
Japan.....	2,409.6	37.8	1.6	8.1	6.0	2.1	29.7
Malaya.....	1,057.9	40.3	3.8	5.9	5.9	(2)	34.4
Pakistan.....	350.2	4.2	1.2	1.2	1.2	(2)	3.0
Taiwan.....	191.7	5.8	3.0	(2)	(2)	(2)	5.8
OCEANIA							
Australia.....	1,289.3	10.7	.8	6.5	4.8	1.7	4.2
New Zealand.....	457.8	1.9	.4	1.3	1.2	.1	.6
LATIN AMERICA							
Argentina.....	861.6	15.3	1.8	15.3	15.3	(*)	(2)
Brazil.....	1,319.9	9.9	.8	9.9	9.9	(2)	(2)
Uruguay.....	195.2	.8	.4	.8	.8	(2)	(2)

See general note on p. 80, listing countries included in the Soviet bloc.

¹ Includes imports from Outer Mongolia of \$8,700,000.

² Less than \$50,000.

³ Not reported.

*None.

TABLE 3G.—EXPORTS OF PRINCIPAL FREE-WORLD COUNTRIES TO THE SOVIET BLOC, 1954¹

[In millions of United States dollars]

Exporting country	Exports to.....		As per-centage of exports to world	European bloc		U. S. S. R.	Com-munist China
	World	Total Soviet bloc		European bloc	European satellites		
	Total value	Total value		Total value	Total value	Total value	Total value
United States.....	15,076.8	6.0	(²)	6.0	5.8	0.2	(³)
Canada.....	3,982.5	6.1	0.2	6.0	1.0	5.0	0.1
OEEC COUNTRIES							
Austria.....	609.6	53.8	9.6	57.5	56.0	1.5	1.3
Belgium-Luxembourg.....	2,303.5	66.8	2.9	66.3	42.0	24.3	.5
Denmark.....	948.3	61.9	6.5	61.5	43.2	18.3	.4
France.....	4,190.0	82.8	2.0	74.1	43.2	30.9	8.7
Germany, Federal Republic.....	5,354.1	207.0	3.9	185.5	172.9	12.6	21.5
Greece (11 months).....	126.1	8.5	6.8	8.5	5.9	2.6	(⁴)
Iceland.....	51.9	12.9	24.9	12.9	5.0	7.9	(⁵)
Ireland.....	322.3	.3	.1	.3	.3	(*)	(*)
Italy and Trieste.....	1,636.7	62.8	3.8	56.6	31.3	25.3	6.2
Netherlands.....	2,384.3	85.8	3.6	84.8	52.0	32.8	1.0
Norway.....	582.8	45.1	7.7	45.1	20.8	24.3	(⁶)
Portugal.....	253.5	6.2	2.4	6.2	1.4	4.8	(⁶)
Sweden.....	1,587.6	67.4	4.3	66.7	43.9	22.8	.7
Switzerland.....	1,230.4	59.1	4.8	35.8	32.2	3.6	23.3
Turkey.....	334.9	53.8	16.1	53.8	48.6	5.2	(⁴)
United Kingdom.....	7,767.8	115.2	1.5	95.8	56.3	39.5	19.4
OTHER EUROPE							
Finland.....	681.0	190.3	27.9	183.7	37.1	146.6	6.6
Yugoslavia.....	235.6	6.1	2.6	6.1	5.1	1.0	(⁴)
NEAR EAST AND AFRICA							
Egypt.....	399.4	56.3	14.1	44.9	39.5	5.4	11.4
French Morocco.....	366.7	3.0	.8	3.0	2.4	.6	(*)
Gold Coast (11 months).....	283.7	18.6	6.6	18.6	(⁶)	18.6	(*)
Iran (6 months).....	53.5	12.4	23.2	12.4	1.3	11.1	(⁶)
Iraq (9 months).....	33.7	.4	1.2	(*)	(*)	(*)	.4
Israel (11 months).....	76.8	3.1	4.0	3.1	.8	2.3	(*)
Sudan (11 months).....	107.9	.9	.8	.7	.7	(*)	.2
Union of South Africa (10 months).....	705.5	1.1	.2	1.1	1.1	(⁴)	(⁴)
FAR EAST							
Ceylon.....	380.0	46.9	12.3	.4	.4	(⁴)	46.5
Hong Kong.....	423.0	68.4	16.2	(*)	(*)	(*)	68.4
India.....	1,176.9	17.6	1.5	10.4	5.3	5.1	7.2
Indochina (10 months).....	76.9	(⁴)	(*)	(⁴)	(⁴)	(⁴)	(⁴)
Indonesia.....	856.1	9.1	1.1	6.8	6.4	.4	2.3
Japan.....	1,629.3	24.1	1.5	5.0	5.0	(⁶)	19.1
Malaya.....	975.5	16.7	1.7	10.3	10.3	(⁶)	6.4
Pakistan (11 months).....	321.2	29.8	9.3	7.3	3.7	3.6	22.5
Taiwan.....	93.3	(⁴)	(*)	(⁴)	(⁴)	(⁴)	(⁴)
OCEANIA							
Australia.....	1,685.1	55.5	3.3	52.3	21.5	30.8	3.2
New Zealand.....	684.4	15.6	2.3	15.5	7.3	8.2	.1
LATIN AMERICA							
Argentina (7 months).....	622.9	74.6	12.0	74.6	27.4	47.2	(⁴)
Brazil (10 months).....	1,250.7	19.6	1.6	17.1	17.1	(⁴)	2.5
Uruguay.....	(⁷)	23.7	(*)	23.7	3.8	19.9	(⁴)

See general note on p. 80, listing countries included in the Soviet bloc and note on table 3a for countries whose data include reexports.

¹ January through December except where noted.

² Less than 0.05 percent.

³ \$6,000 only, representing shipments for the use of a diplomatic mission of a friendly foreign country.

⁴ Not reported.

⁵ Less than \$50,000.

⁶ Excludes exports to Tibet for October-December.

⁷ Not available.

* None.

TABLE 3H.—IMPORTS OF PRINCIPAL FREE-WORLD COUNTRIES FROM THE
SOVIET BLOC, 1954¹

[In millions of United States dollars]

Imports from.....	World	Total Soviet bloc		European bloc	European satellites	U. S. S. R.	Communist China
	Total value	Total value	As percentage of imports from world	Total value	Total value	Total value	Total value
United States.....	10,206.7	² 49.3	0.5	42.3	30.5	11.8	³ 0.2
Canada.....	4,221.4	5.6	.1	3.9	3.2	.7	1.7
OEEC COUNTRIES							
Austria.....	634.8	60.3	9.5	59.5	58.1	1.4	.8
Belgium-Luxembourg.....	2,550.0	51.3	2.0	49.1	21.1	28.0	2.2
Denmark.....	1,161.9	44.6	3.8	44.3	28.6	15.7	.3
France.....	4,215.3	76.2	1.8	66.8	26.6	40.2	9.4
Germany, Federal Republic.....	4,708.8	226.3	4.8	190.2	168.0	22.2	36.1
Greece (11 months).....	300.8	8.3	2.8	8.3	7.1	1.2	(⁴)
Iceland.....	69.4	12.7	18.3	12.7	4.6	8.1	(⁴)
Ireland.....	503.8	1.9	.4	1.7	1.1	.6	.2
Italy and Trieste.....	2,401.0	64.8	2.7	62.7	39.0	23.7	2.1
Netherlands.....	2,813.0	58.8	2.1	52.6	29.6	23.0	6.2
Norway.....	1,018.6	44.2	4.3	41.8	28.5	13.3	2.4
Portugal.....	350.4	.9	.3	.7	.7	(⁴)	.2
Sweden.....	1,776.3	69.7	3.9	68.1	41.4	26.7	1.6
Switzerland.....	1,305.1	49.4	3.7	38.4	32.9	5.5	11.0
Turkey.....	478.3	45.5	9.5	45.5	42.1	3.4	(⁴)
United Kingdom.....	9,461.0	231.7	2.4	206.5	89.6	116.9	25.2
OTHER EUROPE							
Finland.....	661.5	190.1	28.7	187.3	98.9	88.4	2.8
Yugoslavia.....	333.6	3.8	1.2	3.8	2.7	1.1	(*)
NEAR EAST AND AFRICA							
Egypt.....	458.9	26.9	5.9	26.1	19.5	6.6	.8
French Morocco.....	479.8	13.7	2.9	2.8	2.7	.1	10.9
Gold Coast (11 months).....	178.3	2.6	1.5	2.6	2.5	.1	(⁴)
Iran (6 months).....	104.5	14.6	14.0	10.6	4.8	5.8	4.0
Iraq (9 months).....	148.0	5.3	3.6	2.3	2.3	(⁴)	3.0
Israel (11 months).....	263.9	6.3	2.4	6.3	4.7	1.6	(⁴)
Sudan (11 months).....	127.4	8.8	6.9	8.7	8.5	.2	.1
Union of South Africa (10 months).....	1,050.6	2.6	.2	2.6	2.6	(⁴)	(⁴)
FAR EAST							
Ceylon.....	293.4	33.1	11.3	1.1	.7	.4	32.0
Hong Kong.....	601.2	121.1	20.1	(⁴)	(⁴)	(⁴)	121.1
India.....	⁶ 1,232.2	⁶ 10.4	.8	6.4	4.0	2.4	⁶ 4.0
Indochina (10 months).....	280.8	7.0	2.5	(⁴)	(⁴)	(⁴)	7.0
Indonesia (11 months).....	580.3	13.2	2.3	10.1	9.5	.6	3.1
Japan.....	2,399.4	48.4	2.0	7.6	5.3	2.3	40.8
Malaya.....	1,025.6	32.7	3.2	4.2	4.2	(⁴)	28.5
Pakistan (11 months).....	297.2	2.8	1.0	1.3	1.1	.2	1.5
Taiwan.....	211.4	3.4	1.6	(⁴)	(⁴)	(⁴)	3.4
OCEANIA							
Australia.....	1,692.0	12.8	.8	8.8	7.4	1.4	4.0
New Zealand.....	596.6	2.3	.4	1.7	1.3	.4	.6
LATIN AMERICA							
Argentina (7 months).....	560.4	32.7	6.0	32.7	22.4	10.3	(⁴)
Brazil (10 months).....	1,355.8	14.0	1.0	14.0	14.0	(⁴)	(⁴)
Uruguay.....	(⁷)	2.6	(*)	2.6	2.6	(⁴)	(⁴)

See general note on p. 80, listing countries included in the Soviet bloc.

¹ January through December except where noted.

² Includes imports from Outer Mongolia, of \$6,800,000.

³ Imports from China were \$179,000 in January-December 1954.

⁴ Less than \$50,000.

⁵ Not reported.

⁶ Excludes imports from Tibet for October-December.

⁷ Not available.

* None.

TABLE 4.—TRADE OF FREE-WORLD AND COCOM COUNTRIES WITH EUROPEAN SOVIET BLOC, 1947-54

[In millions of United States dollars]

Year	Exports to European Soviet bloc					Imports from European Soviet bloc				
	Total free world	Total COCOM		European COCOM		Total free world	Total COCOM		European COCOM	
	Value	Value	Percent of free world	Value	Percent of free world	Value	Value	Percent of free world	Value	Percent of free world
EUROPEAN SOVIET BLOC										
1947.....	1,333.5	785.8	58.9	410.2	30.8	1,006.8	504.4	50.1	390.3	38.8
1948.....	1,434.2	576.1	40.2	429.7	30.0	1,519.7	809.8	53.3	688.3	45.3
1949.....	1,355.1	645.1	47.6	570.2	42.1	1,371.5	792.4	57.8	701.9	51.2
1950.....	1,092.7	533.4	48.8	502.4	46.0	1,191.9	732.0	61.4	641.6	53.8
1951.....	1,241.7	512.2	41.3	508.8	41.0	1,358.1	752.1	55.4	679.7	50.0
1952.....	1,165.7	519.8	44.6	517.9	44.4	1,257.5	695.1	55.3	645.1	51.3
1953.....	1,101.3	542.5	49.3	540.2	49.1	1,177.2	684.0	58.1	634.6	53.9
1954.....	1,435.0	757.5	52.8	740.5	51.6	1,360.0	823.4	60.6	769.5	56.6
EUROPEAN SATELLITES										
1947.....	856.5	538.2	62.8	316.7	37.0	732.9	338.4	46.2	303.6	41.4
1948.....	900.7	447.8	49.7	333.9	37.0	1,026.0	484.5	47.2	452.5	44.1
1949.....	918.4	506.8	55.2	446.0	48.6	1,090.7	612.3	56.1	563.9	51.7
1950.....	791.6	437.5	55.3	407.9	51.5	939.8	546.4	58.1	495.1	52.7
1951.....	854.2	383.2	44.9	379.9	44.5	967.5	468.8	48.5	424.4	43.9
1952.....	682.4	335.5	49.2	333.8	48.9	794.4	396.2	49.9	365.9	46.1
1953.....	677.8	383.4	56.6	381.1	56.2	803.1	443.1	55.2	407.5	50.7
1954.....	1 850.0	2 529.5	62.3	2 517.7	60.9	1 890.0	2 520.0	58.4	2 480.9	54.0
U. S. S. R.										
1947.....	477.0	247.6	51.9	93.5	19.6	273.9	166.0	60.6	86.7	31.7
1948.....	533.5	128.3	24.0	95.8	18.0	493.7	325.3	65.9	235.8	47.8
1949.....	436.7	138.3	31.7	124.2	28.4	280.8	180.1	64.1	138.0	49.1
1950.....	301.1	95.9	31.8	94.5	31.4	252.1	185.6	73.6	146.5	58.1
1951.....	387.5	129.0	33.3	128.9	33.3	390.6	283.3	72.5	255.3	65.3
1952.....	483.3	184.3	38.1	184.1	38.1	463.1	298.9	64.5	279.2	60.3
1953.....	423.5	159.1	37.6	159.1	37.6	374.1	240.9	64.4	227.1	60.7
1954.....	1 585.0	2 225.7	38.6	2 220.5	37.7	1 470.0	2 302.4	64.3	2 287.6	61.2

See general note on p. 80, listing countries included in the Soviet bloc.

NOTE.—COCOM countries are Belgium, Denmark, France, Federal Republic of Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey, United Kingdom, Canada, Japan, and United States.

¹ Estimated as of Apr. 1, 1955.

² Incomplete. Excludes trade of Greece for December.

TABLE 5.—TRADE OF COCOM COUNTRIES WITH THE EUROPEAN SOVIET BLOC,
SEMIANNUALLY, 1951-54

[In millions of United States dollars]

Country	1951		1952		1953		1954	
	First half	Second half						
Exports to European Soviet bloc								
Total COCOM.....	250.0	262.2	270.5	249.3	221.1	321.4	373.3	384.2
European COCOM.....	247.1	261.7	269.7	248.2	219.9	320.3	369.2	371.3
Belgium-Luxembourg.....	30.2	24.8	32.1	27.4	33.2	31.5	33.2	33.1
Denmark.....	17.1	22.8	18.4	16.7	12.3	31.7	37.8	23.7
France.....	18.7	19.9	21.0	17.8	25.0	26.0	37.2	36.9
Germany, Federal Republic.....	58.1	41.1	28.8	61.3	37.3	78.0	77.4	108.1
Greece.....	.1	.3	.1	.3	4.4	3.9	5.2	5.6
Italy and Trieste.....	29.1	36.0	26.7	29.0	23.8	34.1	31.4	25.2
Netherlands.....	18.5	21.1	22.1	14.3	15.0	41.9	37.9	46.9
Norway.....	16.0	12.5	12.3	15.9	12.5	19.5	24.2	20.8
Portugal.....	2.2	2.6	3.4	3.8	3.6	2.0	4.5	1.7
Turkey.....	13.8	10.9	11.4	8.8	13.8	15.5	31.6	22.2
United Kingdom.....	43.3	69.7	93.4	52.9	39.0	36.2	48.8	47.1
Other COCOM.....	2.9	.5	.8	1.1	1.2	1.1	4.1	12.9
United States.....	2.5	.3	.5	.6	.9	.9	.9	5.1
Canada.....	.4	.2	.3	.3	.3	.2	3.2	2.8
Japan.....	(1)	(*)	(1)	.2	(1)	(1)	(1)	5.0
Imports from European Soviet bloc								
Total COCOM.....	374.8	377.3	354.0	341.1	282.5	401.5	354.5	468.9
European COCOM.....	333.6	346.1	329.5	315.6	256.0	378.6	329.4	440.1
Belgium-Luxembourg.....	20.4	19.0	13.0	19.7	14.2	26.0	20.0	29.1
Denmark.....	32.0	30.1	19.3	19.8	17.7	20.8	22.5	21.8
France.....	22.0	31.1	36.6	20.8	26.5	13.9	30.8	36.0
Germany, Federal Republic.....	39.3	48.6	27.5	60.4	48.9	85.8	80.2	110.0
Greece.....	.4	.2	.1	.5	1.3	2.5	4.1	5.2
Italy and Trieste.....	44.2	28.8	41.7	42.9	25.1	21.3	29.5	33.4
Netherlands.....	26.9	22.7	25.7	28.7	16.4	37.0	21.7	30.8
Norway.....	14.3	12.7	14.1	18.2	14.3	26.0	21.1	20.6
Portugal.....	.7	.7	.2	.5	.5	.3	.2	.6
Turkey.....	9.7	10.2	7.6	13.0	12.7	16.7	18.0	27.5
United Kingdom.....	123.7	142.0	143.7	91.1	78.4	128.3	81.3	125.1
Other COCOM.....	41.2	31.2	24.5	25.5	26.5	22.9	25.1	28.8
United States.....	35.7	28.1	19.5	20.1	20.4	16.0	19.7	22.6
Canada.....	3.6	2.8	2.7	4.7	2.2	2.7	1.6	2.4
Japan.....	1.9	.3	2.3	.7	3.9	4.2	3.8	3.8

See general note on p. 80, listing countries included in the Soviet bloc.

1 Less than \$50,000.

* None.

TABLE 6.—TRADE OF COCOM COUNTRIES WITH U. S. S. R., SEMIANNUALLY, 1951-54

[In millions of United States dollars]

Country	1951		1952		1953		1954	
	First half	Second half						
Exports to U. S. S. R.								
Total COCOM.....	39.7	89.3	114.4	69.9	47.2	111.9	127.0	¹ 98.7
European COCOM.....	39.7	89.2	114.4	69.7	47.2	111.9	124.1	¹ 96.4
Belgium-Luxembourg.....	5.2	8.1	11.8	3.0	3.0	13.5	12.7	11.6
Denmark.....	.1	.1	8.2	5.6	1.4	19.5	16.4	1.9
France.....	.9	4.0	3.3	3.2	3.4	12.6	19.2	11.7
Germany, Federal Republic.....	(²)	(²)	(²)	.2	.1	1.6	4.8	7.8
Greece.....	(*)	(*)	(²)	(²)	1.3	.5	1.9	3.6
Italy and Trieste.....	8.7	15.0	9.1	11.3	6.9	16.2	14.1	11.2
Netherlands.....	.9	.7	3.1	1.8	2.2	20.5	17.8	15.0
Norway.....	6.5	5.6	4.4	5.9	5.6	9.5	13.0	11.3
Portugal.....	1.2	2.1	2.9	3.0	2.7	1.9	4.1	.7
Turkey.....	(*)	2.1	1.8	.6	(*)	2.4	.5	4.7
United Kingdom.....	16.2	51.5	69.8	35.1	20.6	13.7	19.6	19.9
Other COCOM.....	(²)	.1	(²)	.2	(²)	(²)	2.9	2.3
United States.....	(²)	.1	(²)	.2				
Canada.....	(²)	(*)	(²)	(²)	(²)	(²)	2.9	2.1
Japan.....	(*)	(*)	(*)	.2	(²)	(²)	(²)	(²)
Imports from U. S. S. R.								
Total COCOM.....	126.9	156.4	176.8	122.1	69.2	171.7	116.4	¹ 186.0
European COCOM.....	114.6	140.7	166.9	112.3	62.3	164.8	109.2	¹ 178.4
Belgium-Luxembourg.....	9.0	7.8	3.1	8.5	4.1	12.6	10.5	17.5
Denmark.....	4.4	5.3	8.0	3.1	3.1	5.3	8.5	7.2
France.....	3.9	9.8	12.5	6.2	7.4	9.5	18.1	22.1
Germany, Federal Republic.....	.2	.2	.1	3.9	5.2	10.4	7.7	14.5
Greece.....	(*)	(²)	(*)	(²)	(²)	.2	.5	3.7
Italy and Trieste.....	16.3	5.8	17.2	16.9	4.3	5.0	9.3	14.4
Netherlands.....	4.8	9.2	14.3	11.3	5.8	25.5	7.4	15.6
Norway.....	4.6	5.6	3.8	7.6	3.6	13.4	5.9	7.4
Portugal.....	(²)							
Turkey.....	(²)	(*)	(*)	(*)	(*)	(*)	.9	2.5
United Kingdom.....	71.4	97.0	107.9	54.8	28.8	82.9	40.4	76.5
Other COCOM.....	12.3	15.7	9.9	9.8	6.9	6.9	7.2	7.6
United States.....	12.3	15.2	9.4	7.4	6.4	4.4	5.8	6.0
Canada.....	(²)	.5	.5	1.9	.3	.6	.2	.5
Japan.....	(²)	(²)	(²)	.5	.2	1.9	1.2	1.1

¹ Incomplete. Excludes trade of Greece for December.

² Less than \$50,000.

³ July-November only.

⁴ Not reported in source.

*None.

TABLE 7.—TRADE OF FREE-WORLD AND COCOM COUNTRIES WITH COMMUNIST CHINA, 1947-54

[In millions of United States dollars]

Year	Total Free World	Total COCOM countries		United States		Total Free World	Total COCOM countries		United States	
	Value	Value	Percent of world exports	Value	Percent of world exports	Value	Value	Percent of world imports	Value	Percent of world imports
	Exports to Communist China					Imports from Communist China				
1947.....	672.2	482.7	71.8	353.5	52.6	417.9	182.0	43.6	116.7	27.9
1948.....	534.3	364.7	68.3	273.4	51.2	488.3	204.8	41.9	120.3	24.6
1949.....	324.5	127.4	39.3	82.7	25.5	427.6	168.9	39.5	107.1	25.0
1950.....	452.1	102.8	22.7	46.5	10.3	534.7	265.9	49.7	146.5	27.4
1951.....	446.2	31.1	7.0	(1)	(2)	524.7	212.7	40.5	46.5	8.9
1952.....	272.6	25.7	9.4	(*)	(*)	365.0	87.4	23.9	24.6	6.7
1953.....	287.6	70.7	24.6	(*)	(*)	434.1	140.2	32.2	.6	.1
1954.....	³ 285.0	76.9	27.0	(4)	(2)	³ 371.2	126.7	34.1	.2	.1

NOTE.—China data, since 1949, refer as far as possible only to mainland China, Manchuria, Inner Mongolia, and Tibet. For list of COCOM countries, see table 4.

¹ Less than \$50,000.

² Less than 0.05 percent.

³ Estimated as of Apr. 1, 1955.

⁴ \$6,000 only representing shipments for the use of a diplomatic mission of a friendly foreign country.

* None.

TABLE 8.—TRADE OF FREE-WORLD WITH COMMUNIST CHINA, ANNUALLY AND SEMIANNUALLY, 1951-54

[In millions of United States dollars]

	Annual				Semiannual							
					1951		1952		1953		1954	
	1951	1952	1953	1954	First half	Second half						
Exports to Communist China												
Total.....	446.2	272.6	287.6	1 285.0	306.6	139.6	119.5	153.1	168.2	119.4	134.6	1 150.4
Australia.....	1.0	.6	5.3	3.2	.5	.5	.2	.4	1.4	3.9	1.1	2.1
Belgium-Luxembourg.....	9.4	.6	1.4	.5	7.9	1.5	.3	.3	1.3	.1	.2	.3
Ceylon.....	7.6	26.0	50.9	46.5	(*)	7.6	12.5	13.5	25.0	25.9	17.9	28.6
Denmark.....	.1	.2	.3	.4	.1	(2)	.1	.1	.1	.2	.1	.3
Egypt.....	1.0	8.9	10.4	11.4	.9	.1	2.5	6.4	4.9	5.5	10.3	1.1
Finland.....	.8	6.6	5.4	6.6	.4	.4	.1	6.5	1.0	4.4	1.2	5.4
France.....	2.0	3.2	12.4	8.7	1.5	.5	.9	2.3	9.7	2.7	5.4	3.3
French Morocco.....	(*)	(2)	(2)	(2)	(3)	(*)	(*)	(2)	(*)	(2)	(*)	(2)
Germany, Federal Republic.....	4.0	2.8	25.0	21.5	3.3	.7	.2	2.6	13.7	11.3	8.0	13.5
Hong Kong.....	280.7	91.0	94.6	68.4	201.5	79.2	29.1	61.9	63.7	30.9	31.8	36.6
India.....	13.2	10.2	7.3	4 7.2	6.6	6.6	7.0	3.2	4.6	2.7	2.9	4 4.3
Indochina.....	.6	.1	(2)	(3)	.5	.1	(2)	.1	(2)	(2)	(2)	(3)
Italy and Trieste.....	.9	3.7	4.7	6.1	.8	.1	2.0	1.7	3.9	.8	3.6	2.5
Japan.....	5.8	.6	4.5	19.1	5.1	.7	.3	.3	2.3	2.2	4.7	14.4
Malaya.....	32.5	(2)	1.9	6.4	32.5	(*)	(2)	(2)	.2	1.7	2.5	3.9
Netherlands.....	.3	(2)	4.0	1.0	.3	(2)	(2)	(2)	2.6	1.4	.4	.6
Pakistan.....	45.4	83.9	7.3	7 22.5	22.8	22.6	54.5	29.4	3.6	3.7	22.5	(2)
Sweden.....	1.5	.6	2.7	.7	.5	1.0	.2	.4	2.3	.4	.2	.5
Switzerland.....	25.7	18.0	26.5	23.3	13.1	12.6	7.3	10.7	15.7	10.8	.9	13.7
Taiwan.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom.....	7.6	12.8	17.5	19.4	5.7	1.9	1.9	10.9	8.7	8.8	8.2	11.2
United States.....	(2)	(*)	(*)	(2)	(*)	(2)	(*)	(*)	(*)	(*)	(2)	(2)
Other free-world countries.....	6.1	2.8	5.5	12.1	2.6	3.5	.4	2.4	3.5	2.0	4.0	8.1

TABLE 8.—TRADE OF FREE-WORLD WITH COMMUNIST CHINA, ANNUALLY AND SEMIANNUALLY, 1951-54—Continued

	Annual				Semiannual							
	1951	1952	1953	1954	1951		1952		1953		1954	
					First half	Second half						
Imports from Communist China												
Total.....	524.7	365.0	434.1	1 371.2	269.2	255.5	171.7	193.3	225.7	208.4	176.4	1 194.8
Australia.....	7.8	3.5	4.2	4.0	3.3	4.5	2.3	1.2	1.9	2.3	2.0	2.0
Belgium-Luxembourg.....	18.4	4.7	7.3	2.2	11.1	7.3	2.5	2.2	4.2	3.1	1.4	.8
Ceylon.....	.9	6.9	3.9	32.0	.4	.5	.3	6.6	22.1	21.8	16.3	15.7
Denmark.....	8.6	(2)	2.1	.3	5.4	3.2	(2)	(2)	2.1	(2)	.3	(2)
Egypt.....	.9	.7	.7	.8	.5	.4	.4	.3	.3	.4	.3	.3
Finland.....	.7	.3	1.6	2.9	.1	.6	.2	.1	.1	1.5	1.9	1.0
France.....	17.4	5.6	11.0	9.4	13.0	4.4	3.1	2.5	5.2	5.8	4.4	5.0
French Morocco.....	12.6	5.5	7.2	10.9	4.6	8.0	4.0	1.5	4.7	2.5	5.4	5.5
Germany, Federal Republic.....	48.8	17.6	33.2	36.1	17.7	31.1	8.2	9.4	14.8	18.4	16.0	20.1
Hong Kong.....	151.0	145.3	150.0	121.1	79.7	71.3	60.7	84.6	84.9	65.1	53.0	68.1
India.....	28.7	34.0	3.5	4 4.0	1.5	27.2	10.2	23.8	1.4	2.1	2.1	4 1.9
Indochina.....	6.7	7.4	6.0	7 7.0	2.7	4.0	3.3	4.1	3.9	2.1	4.1	6 2.9
Italy and Trieste.....	7.9	2.2	7.4	2.1	5.9	2.0	.9	1.3	4.3	3.1	.8	1.3
Japan.....	21.6	14.9	29.7	40.8	14.6	7.0	5.6	9.3	12.6	17.1	18.1	22.7
Malaya.....	41.5	39.5	34.4	28.5	21.7	19.8	21.0	18.5	20.3	14.1	14.9	13.6
Netherlands.....	17.3	4.9	15.1	6.2	10.4	6.9	2.8	2.1	11.8	3.3	3.4	2.8
Pakistan.....	17.0	2.6	3.0	7 1.5	11.3	5.7	1.4	1.2	1.2	1.8	.8	5 7
Sweden.....	7.5	.8	1.6	1.6	4.9	2.6	.6	.6	6.6	1.0	1.1	.5
Switzerland.....	12.9	9.9	16.1	11.0	8.9	4.0	3.5	6.4	8.1	8.0	5.5	5.5
Taiwan.....	6.7	9.7	5.8	3.4	1.8	4.9	4.5	5.2	2.9	2.9	1.8	1.6
United Kingdom.....	21.5	8.4	28.8	25.2	10.2	11.3	5.0	3.4	12.0	16.8	10.8	14.4
United States.....	48.5	24.6	.6	.2	31.8	14.7	22.6	2.0	.2	.4	.1	.1
Other free-world countries.....	21.8	16.0	20.9	20.0	7.7	14.1	9.0	7.0	6.1	14.8	11.9	8.1

Note: China data refer as far as possible to mainland China; Manchuria, Inner Mongolia and Tibet.

¹ Estimated as of April 1, 1955.

² Less than \$50,000.

³ Not reported.

⁴ Excludes exports to and imports from Tibet for October-December.

⁵ January-October only.

⁶ July-October only.

⁷ January-November only.

⁸ July-November only.

*None.

TABLE 9A.—UNITED STATES TRADE WITH THE SOVIET BLOC COUNTRIES, 1937, 1948, 1952, 1953, AND 1954

[United States statistics; in thousand dollars]

Country	Exports, including reexports					General imports				
	1937 ¹	1948	1952	1953	1954	1937	1948	1952	1953	1954
Total Soviet bloc.....	143,892	396,641	1,097	1,776	5,964	206,506	233,482	67,311	46,127	49,294
Bloc in Europe.....	94,189	123,241	1,097	1,776	5,958	102,884	113,138	39,586	36,437	42,277
U. S. S. R.....	42,892	27,879	20	19	219	30,768	86,825	16,818	10,791	11,809
European satellites.....	51,297	95,362	1,077	1,757	5,739	72,116	26,313	22,768	25,646	30,468
Albania.....	147	344	(*)	2	-----	137	-----	52	65	8
Bulgaria.....	490	2,086	24	5	5	1,862	831	275	353	311
Czechoslovakia.....	13,233	21,563	75	40	1,005	37,183	22,125	1,477	2,262	3,064
East Germany.....	n. s. s.	n. s. s.	622	1,079	599	n. s. s.	n. s. s.	7,118	6,583	3,794
Estonia.....	1,244	7	-----	-----	-----	937	(*)	-----	-----	-----
Hungary.....	693	8,029	69	2	2,476	5,512	1,613	2,913	1,717	1,335
Latvia.....	1,744	1	-----	-----	-----	767	6	-----	-----	-----
Lithuania.....	511	115	-----	-----	-----	1,172	10	1	-----	1
Poland and Danzig.....	26,297	55,675	286	622	1,588	19,568	1,249	10,247	14,295	21,570
Rumania.....	6,938	7,542	-----	7	66	4,978	480	683	372	382
Bloc in Asia.....	49,703	273,400	-----	-----	² 6	103,622	120,345	27,725	9,690	7,017
China (including Manchuria).....	49,703	273,400	-----	-----	² 6	103,622	120,345	³ 24,605	⁴ 611	179
Outer Mongolia ⁵										
North Korea.....	n. s. s.	n. s. s.	-----	-----	-----	n. s. s.	n. s. s.	-----	-----	-----

NOTE.—Columns may not add exactly due to rounding.

¹ Data represent direct shipments only which in prewar years greatly understated the trade with Central European countries; for a total of direct and indirect imports of United States merchandise see foreign country statistics.² Represent shipments for the use of a diplomatic mission of a friendly foreign country.³ Consisted chiefly of strategic materials specifically licensed for import.⁴ Consisted chiefly of strategic materials specifically licensed for import in 1952 but not actually imported until 1953, and Chinese material located in free countries before December 1950 and purchased in those countries by Americans.⁵ United States does not consider Outer Mongolia as a part of Communist China; traditionally for statistical purposes, however, Outer Mongolia was included with China through 1952. Separate figures for this area have been compiled since January 1953, the 1952 breakdown is estimated.^{*} Less than \$500.

N. s. s.: Not shown separately.

TABLE 9B.—UNITED STATES EXPORTS TO SOVIET BLOC COUNTRIES, BY PRINCIPAL COMMODITIES, 1948, 1952, 1953, AND 1954

[United States statistics; in thousand dollars]

Commodity	U. S. S. R.				European satellites ¹				China and Outer Mongolia ²	
	1948	1952	1953	1954	1948 ¹	1952	1953	1954	1948	1954
Total, including reexports.....	27,879	20	19	219	95,362	1,077	1,757	5,739	273,400	² 6
Total, domestic.....	27,506	15	18	219	94,117	1,017	1,674	5,628	273,027	² 6
Animal oils and fats, edible.....					1,832				11	
Dairy products.....	3				9,492			64	512	
Cattle hides, wet.....				17	49					
Calf and kid skins, wet.....								98		
Tallow, inedible.....								552		
Barley.....								154		
Corn, except seed corn.....								1,311	100	
Rice.....					10				21,462	
Wheat and wheat flour.....					29			770	9,984	
Grains and preparations, n. e. s.....					2			133	268	
Beans and peas, dry ripe.....					18			289		
Peanuts.....					1,033					
Cooking and salad oils.....	n. s. s.				n. s. s.			371	n. s. s.	
Tobacco and manufactures.....	775	(*)			4,871	744	³ 1,208	529	8,410	
Raw cotton.....					22,380				64,025	
Hops.....							55		25	
Wool rags.....	91				1,349		319	⁴ 1,198	1	
Paper, related products and manufactures.....	(*)			1	63	1			6,432	
Petroleum and products.....	403				475		1		13,947	
Iron and steel-mill products.....	312			1	287	(*)			7,647	
Copper and manufactures.....	31				2,349				1,769	
Electrical apparatus.....	4,309				3,866	3			5,619	
Industrial machinery.....	18,570			1	22,638	2	(*) 10	4	18,166	
Automobiles, parts and accessories.....	239	3	3		936	5	8	5	2,329	² 6
Aircraft.....	89				155				11,970	
Vessels.....									4,953	
Coal-tar products.....	8			179	1,038				4,475	
Medicinal and pharmaceutical preparations.....	41				1,603	10	1	18	5,392	
Industrial chemicals.....	156				590				3,146	
Chemical specialties.....	2				316			39	1,707	
Articles for relief or charity.....	186	8	5	16	11,281	181	25	52	1,569	
Books, legal forms and other printed matter.....	78	1	6	1	127	4	6		15,418	
Scientific and professional apparatus.....	311				194	22	1		1,972	
Military and naval equipment, n. e. s.....									27,612	
Other exports of United States merchandise.....	1,902	3	4	3	7,134	44	40	129	34,106	

NOTE.—Columns may not add exactly due to rounding.

¹ Total exports to individual Soviet countries are shown in separate table; East Germany not included in 1948.

² Data for 1954 represent shipments for the use of a diplomatic mission of a friendly foreign country; exports were nil in 1952 and 1953.

³ Principally to East Germany.

⁴ Includes \$89,000 of reexports of wool rags to Poland and Danzig. *Less than \$500.

N. e. s.: Not elsewhere specified.

N. s. s.: Not separately shown.

TABLE 9C.—UNITED STATES IMPORTS FROM SOVIET BLOC COUNTRIES, BY PRINCIPAL COMMODITIES, 1948, 1952, 1953, AND 1954

[United States statistics; in thousand dollars]

Commodity	U. S. S. R.				European satellites ¹				China and Outer Mongolia ² 1948	China ³			Outer Mongolia		
	1948	1952	1953	1954	1948	1952	1953	1954		1952 ²	1953	1954	1952 ²	1953	1954
General imports.....	86,825	16,818	10,791	11,809	26,313	22,768	25,646	30,468	120,345	24,605	611	179	3,120	9,080	6,839
Imports for consumption ⁴	86,186	16,808	10,780	11,676	29,168	22,460	23,574	30,963	117,366	25,749	978	266	3,283	8,257	7,385
Meats and sausage casings.....	913	523	79	49	6	7,259	10,574	17,677	673	2					
Fish products including shellfish.....	696	565	311	372	(*)	20	23	12	740						
Other foodstuffs.....	1	2			460	544	496	279	4,856	57	10	8			
Furs and manufactures.....	40,688	12,380	7,071	8,177	1,466	668	345	418	9,107	14	91				
Bristles.....	210	818	849	550	32	457	437	310	23,135	17,845	199	74	701	2,310	1,079
Feathers, crude.....	95	85	162	258	1,619	2,885	1,606	696	3,928	6,034	299	1			
Tobacco, unmanufactured.....	2,053	1			2,228	4	36	21	11						
Hops.....	272				2,781										
Tung oil.....									26,275	2					
Cotton waste.....	473	217	20	211		1			824						
Raw cotton and linters.....	1,985	776	562	781					4						
Wool, unmanufactured.....	1,181			39				169	6,031	347	57	(*)	2,493	5,831	6,055
Hair and manufactures.....	491	295	359	221	15	43	10	3	2,837	108	54	3		50	251
Silk waste.....	117	142	32	270					216	315					
Other textiles and manufactures.....	739			2	6,092	795	621	1,146	16,413	527	85	20	90	63	
Glass and glass products.....	1	(*)			2,420	1,202	715	913	4	(*)					
Pottery and clay products.....	1	(*)	(*)		173	296	142	55	827	15	6	1			
Precious and semiprecious stones, imitations and industrial diamonds.....	802		5		2,767	153	650	493	379	1					
Manganese ore.....	8,243														
Chrome ore.....	14,024														
Tungsten ore.....									4,102	170					
Tin.....									3,199						
Antimony.....						127			2,037						
Precious metals, jewelry and plated ware.....	1,774	(*)	643	219	1,309	11	17	20	365	3	1	2			
Fertilizers and fertilizer materials.....	780				18	2,746	2,849	1,487							
Fire works.....								1	1,814	5	(*)				
Photographic goods.....	6	19	16	13	38	1,897	1,337	1,771	54						
Artworks and antiques.....	8	3	10		11	114	84	58	276	102	93	119		3	
Beads and fabrics and articles of beads.....					2,646	20	251	449	4						
Vessels returned (Lend-Lease).....	7,855														
All other imports.....	2,779	982	664	514	5,087	3,219	3,381	4,985	9,255	202	83	35			

NOTE.—Columns may not add exactly due to rounding.

¹ Total imports from individual Soviet countries are shown in separate table; East Germany not included in 1948.² Trade with Outer Mongolia was reported in statistics for China until 1953. The 1952 data in this table are adjusted figures, showing Outer Mongolian products separately.³ Since December 1950, United States imports of Chinese merchandise have consisted chiefly of strategic materials, for which import licenses were issued in 1951 and early 1952, and Chinese products purchased outside China, from countries which had obtained the merchandise before December 1950.⁴ Commodity data are imports for consumption. Imports for consumption represent merchandise entered immediately upon arrival into consumption or merchandising channels plus merchandise withdrawn from bonded customs warehouses; "General Imports" data represent merchandise entered immediately upon arrival into consumption or merchandising channels plus merchandise entered into bonded customs warehouses.

* Less than \$500.

TABLE 10A.—FREE-WORLD EXPORTS TO THE SOVIET BLOC, BY PRINCIPAL COMMODITY GROUPS, 1951-53

[In millions of United States dollars]

Commodity or commodity group	Total to Soviet bloc			European satellites			U. S. S. R.			Communist China		
	1951	1952	1953	1951	1952	1953	1951	1952	1953	1951	1952	1953
Exports, total.....	1,687.9	1,438.3	1,388.9	854.2	682.4	677.8	387.5	483.3	423.5	446.2	272.6	287.6
Dairy products.....	15.5	19.5	60.3	15.2	13.0	22.4	(¹)	6.5	37.7	.3	(¹)	.2
Fish.....	25.5	26.5	31.3	18.8	17.1	16.6	6.5	9.2	14.7	.2	.2	(¹)
Other and unspecified food, beverages and tobacco.....	94.3	75.8	109.4	47.4	36.3	68.6	41.9	36.7	36.8	5.0	2.8	4.0
Oilseeds, fats and oils.....	23.5	15.0	23.8	14.6	8.9	8.8	7.8	5.7	10.2	1.1	.4	4.8
Crude rubber.....	204.5	158.1	82.0	27.4	31.2	16.4	80.3	100.9	17.3	96.8	26.0	48.3
Wood, cork and manufactures, except paper.....	58.8	73.2	51.9	37.0	26.2	18.6	20.7	44.5	31.6	1.1	2.5	1.7
Paper, paperboard and manufactures.....	26.0	25.1	25.3	6.8	5.0	5.9	1.9	9.0	12.5	17.3	11.1	6.9
Raw wool and animal hair.....	122.3	50.3	103.2	95.8	32.7	44.4	24.7	10.0	40.0	1.8	7.6	18.8
Raw cotton.....	121.7	197.9	74.9	77.1	64.3	40.4	1.2	41.4	15.9	43.4	92.2	18.6
Other and unspecified textile fibers and manufactures.....	120.3	86.9	87.6	68.8	52.6	48.6	10.3	24.2	31.0	41.2	10.1	8.0
Other and unspecified inedible crude materials and manufactures.....	36.9	25.6	26.6	28.0	20.9	20.4	5.5	2.1	2.4	3.4	2.6	3.8
Fertilizers, crude and manufactured.....	27.4	37.5	24.0	16.5	14.5	6.3	(¹)	(*)	(*)	10.9	23.0	17.7
Nonmetallic minerals and manufactures.....	21.8	14.2	21.1	17.0	13.3	20.1	.3	.1	.4	4.5	.8	.6
Iron and steel and manufactures.....	107.8	77.8	126.9	56.5	63.2	90.3	9.2	12.3	17.3	42.1	2.3	19.3
Base metal ores and other and unspecified base metals and manufactures.....	43.7	71.1	68.9	33.2	59.5	50.7	5.4	8.3	12.3	5.1	3.3	5.9
Dyeing, tanning, and coloring materials.....	50.1	28.4	37.1	21.0	15.9	16.1	.2	.2	.9	28.9	12.3	20.1
Medicines and pharmaceuticals.....	41.3	37.7	40.7	12.2	9.5	4.7	.6	.6	.8	28.5	27.6	35.2
Other and unspecified chemicals.....	51.7	41.3	46.2	24.1	24.7	28.9	2.5	5.4	4.4	25.1	11.2	12.9
Electrical machinery.....	61.5	54.4	52.2	35.7	33.8	28.3	12.9	17.2	16.5	12.9	3.4	7.4
Mining, construction and industrial machinery, including bearings.....	74.7	67.0	69.4	44.2	39.9	39.8	27.4	20.9	22.1	3.1	6.2	7.5
Other and unspecified machinery.....	97.3	58.8	44.6	54.9	39.2	28.6	27.2	17.4	10.4	15.2	2.2	5.6
Ships and boats.....	63.2	74.4	57.9	.2	1.5	.5	62.8	72.9	57.4	.2	(*)	(*)
Other and unspecified transport equipment.....	42.3	14.9	7.7	27.7	12.6	6.9	3.7	2.1	.4	10.9	.2	.4
Prefabricated buildings.....	28.4	32.5	28.1	.1	.1	(*)	28.3	32.4	28.1	(*)	(*)	(*)
Other and unspecified merchandise.....	127.4	74.4	87.8	74.0	46.5	45.5	6.2	3.3	2.4	47.2	24.6	39.9

See general note on p. 80, listing countries included in the Soviet bloc.

NOTE.—Values shown above should not be considered exact measures of the trade of the free-world with the Soviet bloc in each commodity group. While strenuous efforts have been made to achieve comparability from year to year, this has not been entirely possible, owing to limitations inherent in available source materials. Data for 1951 are based on commodity groupings not strictly comparable with those for 1952 and 1953. In general the values of specifically identified groups tend to be somewhat understated, as commodity figures are not available from all free-world countries in sufficient detail to fit into the groups shown. The "other and unspecified" categories, therefore, include unknown amounts properly classifiable among the listed commodity groups. Values of commodity groups not available for 1954 at time of printing.

¹ Less than \$50,000.

*None or none reported in available statistics.

TABLE 10B.—FREE-WORLD IMPORTS FROM THE SOVIET BLOC, BY PRINCIPAL COMMODITY GROUPS, 1951-53

[In millions of United States dollars]

Commodity or commodity group	Total from Soviet bloc			European satellites			U. S. S. R.			Communist China		
	1951	1952	1953	1951	1952	1953	1951	1952	1953	1951	1952	1953
Imports, total.....	1 1,883.0	1 1,625.6	1 1,620.0	967.5	794.4	803.1	390.6	463.1	374.1	524.7	365.0	434.1
Live animals and meat.....	79.5	74.9	92.0	64.6	49.8	69.2	1.2	8	1.1	13.7	24.3	21.7
Dairy products.....	31.0	44.7	51.9	16.4	26.1	21.5	(*)	(*)	(2)	14.6	18.6	30.4
Cereals and preparations.....	219.9	346.0	229.0	35.8	57.2	59.0	155.5	246.4	119.3	28.6	42.4	50.7
Fruits and vegetables.....	52.0	69.7	65.3	17.7	16.1	14.1	1	1	7	34.2	53.5	50.5
Sugar and preparations.....	56.5	73.1	52.8	37.8	49.0	29.9	14.9	23.8	16.7	3.8	3	6.2
Other and unspecified food, beverages, and tobacco.....	112.3	55.8	58.7	38.5	9.1	10.2	20.9	21.7	22.3	52.9	25.0	26.2
Oilseeds.....	111.5	43.5	68.3	2.8	4.5	4.0	(*)	(2)	(2)	108.7	39.0	64.3
Oils and fats.....	54.2	34.6	47.1	8.1	4.3	4.1	(2)	(*)	3	46.1	30.3	42.7
Wood and lumber, unmanufactured.....	64.0	73.3	105.9	20.5	38.0	46.7	43.5	34.4	58.4	(2)	9	8
Other and unspecified wood, paper, and manufactures.....	62.5	32.8	27.4	32.0	15.5	12.9	22.0	12.1	7.4	8.5	5.2	7.1
Wool and manufactures.....	24.9	1 11.6	1 31.3	8.3	2.7	5.0	4.6	2.7	5.9	12.0	3.7	14.0
Cotton and manufactures.....	58.6	41.4	44.5	24.5	24.5	28.1	16.2	12.9	11.4	17.9	4.0	5.0
Other and unspecified textile fibers and manufactures.....	78.3	35.9	50.0	42.4	14.9	17.6	3.4	2.5	1.7	32.5	18.5	30.7
Furskins and manufactures.....	55.6	1 43.8	1 40.1	1.9	2.6	2.6	51.8	39.0	33.7	1.9	1.5	1.5
Other and unspecified inedible crude materials and manufactures.....	65.4	70.2	62.5	18.2	14.4	15.5	6.0	3.4	4.2	41.2	52.4	42.8
Fertilizers, crude and manufactured.....	22.4	36.7	37.2	19.8	31.6	30.0	2.5	5.0	6.6	1	1	6
Coal and related fuels.....	256.2	199.6	173.8	244.8	181.5	154.7	11.2	17.1	16.0	2	1.0	3.1
Petroleum and products.....	16.6	25.7	56.4	11.2	15.8	40.6	5.4	9.9	15.8	(*)	(2)	(*)
Other and unspecified nonmetallic minerals and manufactures.....	60.7	52.2	50.3	52.3	44.1	42.3	4.6	5.2	3.0	3.8	2.9	5.0
Base metals, ores, and manufactures.....	37.5	31.8	32.9	24.9	14.1	13.3	8.5	16.0	18.6	4.1	1.7	1.0
Chemicals (excluding fertilizers).....	60.3	31.5	43.3	35.4	20.4	27.5	4.8	4.4	5.6	20.1	6.7	10.2
Machinery.....	45.1	38.0	41.8	44.4	37.6	41.2	4	3	5	3	1	1
Transport equipment.....	23.3	18.3	24.7	22.0	16.9	21.6	1.3	1.4	3.1	(2)	(2)	(2)
Other and unspecified merchandise.....	234.7	140.5	132.8	143.2	103.7	91.5	11.8	4.0	21.8	79.5	32.9	19.5

See general note on p. 80, listing countries included in the Soviet bloc.

NOTE.—Values shown above should not be considered exact measures of the trade of the free-world with the Soviet bloc in each commodity group. While strenuous efforts have been made to achieve comparability from year to year, this has not been entirely possible, owing to limitations inherent in available source materials. Data for 1951 are based on commodity groupings not strictly comparable with those for 1952 and 1953. In general the values of specifically identified groups tend to be somewhat understated, as commodity figures are not available from all free-world countries in sufficient detail to fit into the groups shown. The "other and unspecified" categories, therefore, include unknown amounts properly classifiable among the listed commodity groups. Values of commodity groups not available for 1954 at time of printing.

¹ Includes imports from Outer Mongolia

² Less than \$50,000.

*None or none reported in available statistics.