

# THE ECONOMIC CONTENT OF SOVIET TRADE WITH THE WEST\*

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## I

### THE U.S.S.R. AS A COMMERCIAL POWER

The observer who follows the activities of the Soviet Union as a commercial power is plagued by a special kind of occupational insecurity. He often has the uneasy feeling that he may be looking at the object of his investigation through the wrong end of the telescope. What worries him, of course, is the all too obvious fact that somehow his own observations do not quite seem to tally with the findings of the rest of the community of scholars who are studying the same terrestrial entity through their own specialized scientific instruments.

Thus, for example, the student of Soviet international trade finds that the U.S.S.R. fails to turn up in his observations anywhere in the front rank of commercial powers. Although the Soviet Union is today unmistakably the second largest economy in the world, as a trading nation it turns up somewhere between France and Canada, *i.e.*, at a considerable distance behind the world's three leading commercial powers.

Broadly measured, by the total value of their exports (in billions of dollars), the score for the five principal trading nations was as follows in 1963: for United States, 23.4; for West Germany, 14.6; for the United Kingdom, 11.4; for France, 8.1; for the U.S.S.R., 7.3.

Measured by a more specialized yardstick, namely by the prime industrial component of these exports, *i.e.*, the amount of machinery and equipment placed into world trade channels, the U.S.S.R. recedes still further away from the front rank of trading powers, falling behind both Italy and Japan. The Soviet Union, which is known to be the second largest producer of machinery in the world, exported in 1962 only slightly over one billion dollars' worth of machinery and transport equipment to all destinations, within as well as outside the Soviet Bloc. Six other industrial nations exported a larger amount of machinery and equipment.

Much to his surprise, too, the observer finds that the Soviet Union turns up, instead, as the second largest importer of machinery among the trading nations of the world. This makes it necessary, by the rules of the game, to classify the U.S.S.R.

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as a net importer of machinery, by a ratio of nearly two to one. (\$2.5 billion imports as against \$1.4 billion exports.)

Another basic characteristic, which has the effect of reducing the influence of the U.S.S.R. on the world market at large, is the fact that Soviet trade in general, as well as its trade in industrial products in particular, is largely confined to a fixed circle of trade partners, namely to the dozen or so states that profess the same political philosophy. As measured by their ruble value, seventy per cent of all Soviet foreign trade transactions are conducted within the confines of the Communist Bloc; this intra-bloc trade absorbs five of the total \$7 billions worth of exports.

As a result, the Soviet Union comes into the world market at large annually to exchange about \$2 billion worth of goods. With this limited volume of merchandise at its disposal, the U.S.S.R. falls into the category of such lesser lights among the major trading nations as Sweden and Switzerland; in fact somewhere between the former and the latter.

As far as the non-Communist nations are concerned, therefore, the contribution made by the Soviet Union to their foreign trade in the course of any recent year, measured in aggregate terms, amounts to less than two per cent.

We cannot, however, ignore the fundamental fact that the Soviet Union functions in the world market as the leading member of an integrated commercial bloc of nations who follow a common trade policy. Hence, the impact exerted upon the world of commerce is generally recognized to be a regional impact. The problem of trading with the U.S.S.R. does, in fact, tend to be viewed by every nation, or group of nations, as inseparable from the issue of trading with the Soviet-dominated region as a whole. Translated into dollar terms, therefore, we have to augment the \$1.8 billion worth of Soviet export commodities by another \$2.3 billion, representing the export total, and the purchasing power, of the countries of Eastern Europe.

Here, it may be noted with some interest, we have another telescopic effect—in reverse again. The volume of trade of the three main political components of the Communist Bloc seems to be inversely proportional to the size of their population: China has been importing only some 0.7 billion dollars' worth of merchandise from all non-bloc sources in recent years.

## II

### THE IMPACT OF SOVIET BLOC TRADE ON OPINION WITHIN THE WEST

The plain economic fact that the Soviet Bloc as a whole is only modestly, one might say cautiously, engaged in foreign trade, especially with respect to the outside world, has not, however, prevented this trade from looming up as a subject of considerable controversy within the West. It is not, of course, a new controversy. The two protagonists in the debate, namely the United States and Western Europe, parted ways on this issue sometime in 1954, the year in which the post-Stalin leadership in Russia returned in force, so to speak, to the markets of Europe. Since then, the two components of the Atlantic Community have followed a divergent course of policy

toward the trade of the Soviet Union and its allies. Over the intervening years, this difference in outlook has merely picked up some added conviction, in the measure as the nations of West Europe have gained in economic strength and self-confidence.

It goes without saying that our respective attitudes, on the two sides of the Atlantic, have developed within dissimilar climates of public opinion and under the impact of a different record of experience so far as the markets of the Soviet Bloc are concerned. We can easily recognize, to begin with, that there is one fundamental factor at work among the democratic allies on both sides of the Atlantic Ocean. In all cases, of course, these are free societies in which the policies evolved by their governments tend to be the kind of policies that the public of each country will support. We must assume, therefore, that their trade policies are no exception.

#### A. The Prevailing U.S. Attitude Toward East-West Trade

Under the influence of our own public opinion, we in the United States have kept ourselves largely aloof of the trade overtures which the Soviet leadership has made towards the West since the end of the Stalin era. We have tended to be more concerned with the political hazards inherent in the expansion of trade across the Iron Curtain than with the potential economic advantages. We have felt no strong economic pressure to accommodate ourselves to the principle of "business as usual" in our trade policy toward a coalition of states that follow an avowedly hostile policy against ourselves and our allies.

Our own experience during the past ten years, moreover, has persuaded us that we have not suffered any serious economic damage by keeping our commodity trade with the Soviet Bloc under a tight check-rein of security controls. As far as our commercial interests are concerned, Eastern Europe is, after all, far away, geographically as well as economically. Its prime export commodities—chiefly raw materials, mineral fuels, and foodstuffs—are of little interest to our importers. Hence, the dollar value of our imports has tended to hover around a figure in the tens of millions of dollars, as against the hundreds of millions of dollars of imports arriving annually from Eastern into Western Europe. In 1962, for instance, the actual figures were: \$79 million imported from East Europe into the United States; \$2,527 million into Western Europe. From Russia, in particular, we imported \$16 million worth of commodities in the same year, while each of the four leading West European trading nations imported between one and two hundred million dollars' worth of merchandise.

#### B. The General Response of Western Europe to Trading With the Soviet Bloc

The West Europeans, who are normally joined by Japan on this issue, are generally disposed in favor of more or less normal relations with the U.S.S.R. and its allies in the sphere of trade. They tend, therefore, to minimize the political hazards inherent in trading with the Communist countries on an extensive scale, provided that such trade is understood to exclude highly strategic commodities. The reasons

for their more favorable disposition are purely economic, and rather easy to identify. By comparison with the United States, these countries, without exception, are far more dependent upon external trade. This may be illustrated by the fact that the United States imports annually a volume of goods that is equal to some three per cent of its gross national product. By contrast, in the case of the countries of West Europe who are in the forefront in world trade—the United Kingdom, France, West Germany, and Italy—the value of their annual imports makes up seventeen, eleven, fourteen, and twelve per cent, respectively, of their national product. For countries like Belgium and the Netherlands the proportions are still higher, namely thirty to thirty-five per cent.

It needs also to be borne in mind, too, that the nations of Western Europe are more aware, economically, than we are of the markets of the East. This is simply a matter of old-fashioned economic complementarity. On that basis, there has long been in existence a steady and active exchange of goods between the West and the East on the European continent. In this exchange, the Eastern half has always been able to earn substantial purchasing power in the West by means of its traditional export of raw materials, such as timber, sawn lumber, pulpwood, plywood, coal, coke, crude oil, fuel oil, metal ores, flax, cotton, foodstuffs and furs. In foodstuffs alone, for example, the West imported over \$500 million worth of merchandise from the East in 1962; in crude materials, \$550 million; in mineral fuels, \$450 million. The Western half of this exchange also has a long tradition behind it. The appetite of the East European countries for finished products from the Western half of the continent, especially industrial machinery, has been very strong and active for a matter of decades.

To this should be added the highly relevant fact that the manufacturers of West Europe are generally more outward-looking in their sales promotion than are their counterparts in this country. Their typically small domestic economies tend to place a high premium on keeping in constant touch with any and all potential foreign outlets. Given the narrow capacity of their internal markets, they view this as a kind of insurance against the ever present danger of under-utilization of existing capacity. Because of this pressing need for substantial external sales, the national governments of these countries are also, for their part, extremely reluctant to interfere in the normal activities related to trade promotion, except, of course, under conditions of imminent danger of war; or, as at the present, with respect to a limited list of war-related export commodities.

Then, too, the West European nations are, as a general rule, deficient in low-cost domestic raw materials and foodstuffs. Accordingly, they must function economically as the workshop to the rest of the world. This is reflected, for example, in the high proportion of machinery and other finished products (seventy-eight per cent) in the composition of their exports. In the light of this particular pressure, they operate on the assumption that their best markets are to be found in the countries undergoing rapid industrial development. The countries of Eastern Europe, of course,

represent this kind of market. As the trade record shows, some two-thirds of all of West Europe's exports to the Soviet Bloc (\$1.3 out of \$2.0 billion) fall within two broad groups of merchandise, namely machinery (including vehicles) and manufactured goods.

It has long been a matter of some surprise to the American observer of West European commercial practice that despite the fact that a high proportion of their exports to East Europe consist of advanced types of machinery, the Western manufacturers do not seem to be particularly concerned over the Soviet habit of importing advanced models of production equipment as prototypes, with the purpose of copying in mind. It seems that they have learned from decades of experience that by the time a new model of a machine is fully copied by the Russians and placed into serial production there, this model has already been superseded by one or more newer versions of the same product. As a result, the West Europeans indicate that they see in this practice, if anything, a rather effective, if unintended, way of building a systematic lag into sectors of the production system of the countries of East Europe.

At the same time, the West Europeans are too experienced and sophisticated a group of nations to allow their economies, or their trade, to become seriously dependent upon the markets of the Soviet Bloc. As a matter of fact, they have not, and this may be demonstrated quantitatively. Thus, for example, even in the case of the two nations that are most actively involved in trading across the Iron Curtain at present, West Germany and Italy, their exports to the entire Communist Bloc account for less than six per cent of all exported merchandise. For Western Europe, as a whole, the relevant percentage has remained at about 4.5 per cent for the past several years.

Still another significant fact that needs to be taken account of in this connection is the unique system of state trading employed by the countries of East Europe. This, too, serves as a source of effective pressure upon their trading partners in the Western half of the continent. Thus, while it is true that as a trading area the Communist Bloc is in itself not large enough to exercise any serious economic influence either upon the total external commerce or upon the general economic level of the Western countries, individual commercial transactions of the kind that are typically offered by the Communist-ruled states, especially by the U.S.S.R., are often large enough to produce a strong impact upon the business community of the individual Western nation. This becomes less surprising when we recall that one order of such magnitude may make the difference between a profitable and a middling year for an individual business firm in the West. Again, it is worth noting that a transaction of the same size would not necessarily cause the same splash in the capacious domestic market of the United States.

Taken together, those elements of commercial self-interest add up to a complex of pressures in favor of trading with the East which no national government within these societies has in the past been willing or able to resist.

## III

## THE ECONOMIC REALITIES OF EAST-WEST TRADE

The present dialogue within the Atlantic community on the subject of East-West trade is certainly as timely as it is necessary. Thus far, however, our dialogue seems to be proceeding under a rather serious handicap, namely without the benefit of any clear and precise knowledge of the economic content of this trade. There seems to be very little awareness in our intra-Western discussions of precisely what kind of commodities are being exchanged between the Western and the Communist halves of the European continent. As a result, most of the terms in which the present Western dialogue across the Atlantic is conducted have become largely irrelevant to the current realities of East-West trade.

Thus, for example, there is not much point in continuing to argue about this trade as if it were largely an operation by means of which the Soviet Bloc allows the Iron Curtain to be parted from time to time in order to bring in some odds and ends of Western products or materials needed to help build up the military potential of the U.S.S.R. The plain fact is that East-West trade today is not this kind of an exercise at all. If anywhere, the Soviet Union is manifestly self-sufficient in the realm of military production. Moreover, if and when it does come up against a missing ingredient in this sphere of production, as we know from past experience, the Soviet military high command does not choose to rely on the overt commercial channel to make good the deficiency. There is very little leverage, therefore, that we can exert against the military component of the Soviet economy through the flow of commodity trade. The basic Soviet determination to generate a volume of military production that is heavily out of proportion to the available supply of resources and prevailing level of productivity of the Soviet economy is a fact of life over which we are not, we must admit, in any position to exert a direct influence. At the same time, as we will try to show at a later point, this determination in itself is important because it lies at the root of many of the current observable shortages within the Soviet economy.

It is equally unrealistic, we submit, to view with alarm the present exchange of commodities in East-West trade as an operation in which the countries of Western Europe are running the risk of developing a dangerous degree of economic dependence on the markets of the East. If this were true, it would indeed make Western Europe vulnerable to the arbitrary will of the Communist strategists who could, whenever it suited their purpose, sever the commercial lines of communication across the Iron Curtain. The current economic content of East-West trade, however, does not point to any observable degree of dependence on the part of the Western nations. To begin with, all the goods exported by Western Europe to the Soviet Bloc add up to some 4.5 per cent of their global exports; the proportion on the import side, as may be expected, is of the same order of magnitude. Furthermore, from the standpoint of the types of commodities involved, it is fair to say that there is not

a single category of import goods now being received from East Europe for which there are not available ready and adequate replacements in the non-Communist world. Even in the much publicized case of petroleum products, the sobering fact to bear in mind is that Western Europe at present draws less than ten per cent of its total imports from the Soviet Bloc.

It is generally recognized, therefore, that as far as the Western European countries are concerned, the principal pull of the markets of the East comes from the export side of their trade interests. The countries of Soviet Europe interest them primarily as an outlet for the products of their highly developed, expanding, and surplus-producing industrial plants. They look upon Eastern Europe as an area that represents a rather permanent outlet for the great variety and volume of their manufactured products, especially for commodities in the vast category of industrial machinery. At present, for example, the exportation of machinery and transport equipment from the countries of Western Europe to those of Eastern Europe comes to an annual figure of \$750 million. What is more, this figure has been growing steadily in recent years. At the same time, manufactured products other than machinery, valued at another \$600 million, have also been shipped out annually by the producers of Western Europe to the markets of the Eastern half of the continent.

Yet, it is important to stress that as far as Western Europe is concerned, these sales do not bear the mark of a distinctive dependence upon the unique requirements of the Soviet Bloc. They do, to be sure, represent an extremely valuable additional outlet for current sales. This, in turn, has the effect of reducing the pressure of surpluses upon the economies and the price levels of the exporting countries. To this extent, of course, West European exports to Eastern Europe help to solve important short-term, quantitative problems. But there is no evidence that this market represents a specialized, qualitative outlet for Western manufacturers. Thus, for example, most observers would agree that an expansion in the capacity of any other market, either at home or anywhere abroad, would provide a fully acceptable substitute in the sense that it could easily take up the slack created by the loss of outlets in Eastern Europe.

For the countries of the East, on the other hand, the specific economic content of their trade with the West is of a much higher order of significance. In the first place, it absorbs a far more substantial proportion of their total trade. For the U.S.S.R., as well as for the Bloc as a whole, the nations of the industrial West account for eighteen per cent of all trade transactions. As a proportion of total trade, therefore, East-West trade is four times as large for the Eastern as it is for the Western group of trade partners.

Viewed in commodity terms, the East European countries display a far more impressive degree of specific localized dependence upon the industrial countries of the West. As exporters of raw materials (minerals, forests products, and farm commodities), they find their most natural and ready outlet among the nations that represent the largest concentration of processing industries in the world. At the same

time, the goods they export are in no sense unique raw materials. Nor are the quantities involved significant. The West, for example, managed quite well without Soviet petroleum before 1955. Now, after a major Soviet export effort, the petroleum it markets in Western Europe add up to something like eight per cent of the region's imports from all sources. To the U.S.S.R., on the other hand, the market of Western Europe represents forty per cent of the entire volume of its petroleum exports.

Clearly, however, the heart of the matter, so far as the countries of the East are concerned, is to be found on the import side of their trade with the West. They obviously attach enormous value to the access it affords them to the abundant reservoir of industrial products represented by these diversified, demand-sensitive economies. This is for them a distinctive, precise, and responsive source of supply for which there is no substitute either within the Bloc or in any other segment of the world economy.

To begin with, Western Europe has proven itself to the hilt as an ever abundant source from which the East can, and does, help itself to compensate for the periodic shortfalls in production that are characteristic of its centrally and imprecisely planned economies. In recent years, however, the economic contribution made by the West, via the channels of trade, has revealed a new dimension. The U.S.S.R. in particular has begun regularly to turn to the industrial West for advanced models of production equipment in a variety of fields. This particular type of importation has been undertaken in a systematic effort to modernize selected branches of the domestic civilian economy. The fact that the West has served as an increasingly useful reservoir of industrial prototypes can be demonstrated quantitatively as follows: machinery and transport equipment now account for forty-seven per cent of all Soviet imports from the Industrial West, as compared with thirty-one per cent in 1958.

SOVIET IMPORTS OF MACHINERY FROM THE INDUSTRIAL WEST

Year	Millions of Dollars	Percent of total imports from these countries
1958.....	194.1	31.2
1959.....	293.9	38.8
1960.....	456.4	42.7
1961.....	469.8	43.2
1962.....	596.0	47.1

To the regular observer of the Soviet economic scene, the present large-scale Soviet intake of chemical equipment from the West with a view to modernize the domestic industry is not in any sense a novel departure; it is only the latest, most advertised manifestation of a settled Soviet policy of industrial modernization through the importation of prototypes. The fact is that within the past decade, as shown by the record, the U.S.S.R. has turned to the West for new ideas and techniques, via selected



U.S.S.R. IMPORTS OF MACHINERY AND TRANSPORTATION EQUIPMENT  
FROM THE INDUSTRIAL WEST IN 1962

Item	Millions of Current U.S. Dollars 1962
Machinery and Transport Equipment, Total <sup>a</sup> .....	596.0
Metal cutting tools.....	15.8
Power generating and electrical equipment.....	28.2
Crushing and grinding equipment.....	12.4
Rolling mill and foundry equipment.....	2.9
Food and light industry equipment.....	89.9
Food industry.....	58.8
Chemical industry equipment.....	88.4
Pulp and paper industry equipment.....	141.2
Industrial fittings.....	12.4
Professional scientific and controlling instruments and apparatus.....	13.9
Railway vehicles.....	3.2
Motor vehicles and parts.....	2.5
Ships and marine equipment.....	144.1
Other.....	11.6
Unspecified.....	29.3

a. Because of rounding, components may not add to the totals shown.

Source: FOREIGN TRADE OF THE U.S.S.R. IN 1962 (in Russian) Moscow, 1963.

imports, in such diverse fields as electric locomotives, merchant ships, marine engines, tankers, fishing trawlers, truck tires, textile machinery, synthetic rubber, man-made fibers, oil-pipe machinery, cement mills, and paper production equipment.

Moreover, the whole course of the East-West commodity exchange over the past ten years has demonstrated beyond any doubt that the pattern of procurement followed by the U.S.S.R. has been something more than a mere adjustment to passing shortages that have tended temporarily to befall its rapidly expanding domestic economy. On the contrary, this procurement has displayed all the earmarks of a studied method on the part of Soviet planners to employ imported Western innovations as a compensation for the structural failure of the economic system of the U.S.S.R., along with the rest of the Soviet Bloc, to develop new technical ideas along the entire spectrum of industrial production.

While this is a calculated method for absorbing important innovations, it is nevertheless not an easy or a pleasant choice for the Soviet planners to make, nor for their political superiors to approve. They simply have no choice in the matter. There are no other means at hand by which to bridge the wide gaps that continue to persist in the U.S.S.R. with respect to such categories as newly-developed products, new processes, new materials, or research talent for the advancement of the productivity of civilian economy across the board. It is generally agreed among outside observers, moreover, that these gaps will continue to plague the Soviet leaders as long as they remain committed to the scheme of resources allocation which they follow at present, namely the kind that will generate a variety and modernity of military production that is palpably out of proportion to the magnitude and productivity of the domestic industrial plant.

The above brief review of the economic content of East-West trade would seem to warrant the conclusion that the U.S.S.R. derives from this exchange a variety of benefits that are both unique and seminal in terms of economic diversification. It enables the U.S.S.R. to maintain a pipeline between the West and the East by means of which new ideas, processes and market-tested results are fed into the Soviet industrial plant. There is no doubt that this represents an important long-range political advantage of a kind that Moscow is not likely to under-value.

Does it follow from the above that the nations of West Europe, for their part, have been drawn into a one-sided commodity exchange in which all perceivable long-term advantages are on the other side? Is this an exchange in which the West is dissipating its superior resources in innovation? The weight of the evidence, it seems to us, is against any such harsh judgment. The nations of Western Europe, it must be said at the outset, have, after all, consistently kept their commodity exchange with the East within reasonable quantitative bounds, somewhere near four per cent of their total world commerce. It needs also to be recalled that Western Europe has regularly withheld from the Bloc a list of goods jointly classified as of likely strategic importance to the military potential of the nations on the other side of the Iron Curtain. The list has not been as comprehensive as the United States would have liked. But it is a roster of critical goods based on the West's own assessment of the practical hazards inherent in this trade. What is more, the withholding of goods on this small strategic list is known to have been strictly enforced. To this should be added still another fact, namely that the Western countries have been able, in their exchange with the East, to pursue and strengthen their traditional role in the international division of labor, ever widening, in fact, the range of their specialization in the export of advanced production equipment.

Quite apart from the above, however, the West European trading nations have achieved an effect of exceptional political importance. By following their natural bent toward trading with all comers in time of peace, these nations have succeeded in building up among the economies of the East a significant and continuing dependence upon the tested industrial techniques and products of the West. By means of this remarkable utility, they may have built up some sort of modest economic deterrent against any reckless line of international action on the part of the production-minded politicians of the Soviet camp.

All in all, the experience of the past ten years should have demonstrated to the Soviet leadership the valid proposition that under present conditions of rapidly moving technological change, economic modernization can only be maintained within the setting of a cooperative enterprise. Any nation today that wants to continue to benefit from the explosion of new technical ideas cannot afford to live in isolation. The plain fact is that no nation can reasonably count on having encompassed within its own boundaries enough resources in risk capital, enough ingenuity, or enough "breaks" to develop all the improvements in productivity that could possibly enable it to share fully in the benefits flowing from the main stream of technical

innovations. Today, it is quite clear, only the society that opens its doors full and wide to welcome all technological influences from abroad can truly keep up with the movement of social and economic progress. The Soviet leaders have obviously not yet arrived at the acceptance of the idea that progress is indivisible. Perhaps, however, they could be nudged in that direction.

APPENDIX TABLE I  
EXPORTS FROM THE WEST TO EASTERN EUROPE  
(In million U.S. Dollars)

Products	From the United States				From Western Europe			
	1959	1960	1961	1962	1959	1960	1961	1962
TOTAL EXPORTS.....	89.1	193.3	133.0	124.8	1,366.6	1,727.0	1,910.0	2,087.8
Food and live animals....	35.5	103.9	36.7	50.8	111.3	116.5	127.2	178.9
Beverages and tobacco...	1.4	2.8	1.9	1.5	34.1	30.1	34.5	27.4
Crude materials inedible, except fuels.....	20.8	25.2	32.4	38.1	150.0	160.6	172.9	160.5
Mineral fuels, lubricants and related materials.....	—	.1	.3	.1	1.1	3.2	3.0	3.6
Animal and vegetable oils and fats.....	10.7	9.3	24.7	15.8	18.1	14.2	19.4	16.2
Chemicals.....	4.3	6.2	6.2	4.0	134.6	168.0	183.8	204.8
Manufactured goods classified chiefly by material.....	3.9	19.1	6.8	2.1	471.0	642.1	634.3	675.5
Machinery and transport equipment.....	10.3	23.4	20.5	7.6	397.5	534.5	671.3	756.3
Miscellaneous manu- factured articles.....	.7	1.1	1.2	1.5	38.0	47.1	47.2	47.2
Commodities and trans- actions not classified according to kind.....	1.1	1.7	1.9	3.5	10.6	10.2	15.8	17.5

Source: Analytical Abstracts, O.E.C.D., Paris, Jan.-Dec., 1962. Series B.

APPENDIX TABLE 2  
IMPORTS FROM EASTERN EUROPE INTO THE WEST  
(In million U.S. Dollars)

Products	Into the United States				Into Western Europe			
	1959	1960	1961	1962	1959	1960	1961	1962
TOTAL IMPORTS . . . . .	78.9	80.2	80.3	78.4	1670.2	1952.0	2095.2	2253.4
Food and live animals . . . . .	24.7	31.1	30.4	28.3	432.2	464.4	564.2	542.6
Beverages and tobacco . . . . .	.2	.2	.2	.3	12.2	14.0	15.0	22.6
Crude materials inedible, except fuels . . . . .	16.9	14.0	16.1	18.7	360.7	499.3	518.4	548.1
Minerals fuels, lubricants and related materials . . . . .	.3	.2	.2	.2	340.9	399.1	410.1	455.5
Vegetable oil and fats . . . . .	—	—	—	—	7.3	16.1	16.1	20.5
Chemicals . . . . .	16.2	11.5	11.0	5.0	97.4	117.0	113.2	108.3
Manufactured goods classified chiefly by material . . . . .	10.8	11.6	11.3	13.4	251.8	280.3	270.0	358.4
Machinery and transport equipment . . . . .	4.2	4.1	3.0	3.6	90.7	97.9	112.3	112.4
Miscellaneous manufactured articles . . . . .	4.8	6.7	7.3	8.5	48.2	58.0	70.1	78.4
Commodities and transactions not classified according to kind . . . . .	.4	.5	.5	.5	8.3	5.6	4.8	6.8

Source: Analytical Abstracts, O.E.C.D., Paris Jan.-Dec., 1962, Series B.

MACHINERY EXPORTS IN WORLD TRADE  
(1962)

	Millions of dollars	Percent	To less developed countries [\$ Millions]
<i>Machinery Exports, Total</i> . . . . .	33,140	100.0	8,600
<i>Free World Developed Countries</i> . . . . .	28,630	86.4	7,820
U.S. . . . .	8,350	25.2	—
F.R.G. . . . .	6,130	18.5	—
U.K. . . . .	4,650	14.0	—
France . . . . .	1,980	6.0	—
Italy . . . . .	1,409	4.3	—
Japan . . . . .	1,230	3.7	—
<i>Communist Countries</i> . . . . .	4,230	12.8	590
USSR . . . . .	1,169	3.5	286

Source: United Nations Monthly Bulletin of Statistics, March 1964. Special Table C.III.E.

COMPARATIVE IMPACT OF TWO-WAY TRADE BETWEEN WEST AND EAST EUROPE  
(1962)

	Millions of dollars	Percent
Exports of West Europe, Total . . . . .	56,794	100.0
To East Europe . . . . .	2,391	4.2
Imports of West Europe, Total . . . . .	64,359	100.0
From East Europe . . . . .	2,527	4.0
Exports of East Europe, Total . . . . .	15,965	100.0
To West Europe . . . . .	2,527	15.8
Imports of East Europe, Total . . . . .	16,186	100.0
From West Europe . . . . .	2,391	14.8

Source: Annual data of U. S. Dept. of Commerce, United Nations Monthly Bulletin of Statistics March 1964, pp. 90-91.