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MEMORANDUM FOR: Mrs. Jean Marburg  
IER - EPI  
Department of State

SUBJECT: Recent Developments in Bloc-Free World Trade,  
Nonferrous Metals and Minerals

In response to your telephoned request of 21 December 1961, a summary of data on Bloc-Free World trade in aluminum, copper, lead, zinc, tin, and asbestos for 1959, 1960, and 1961 and a brief comment on recent developments in Bloc-Free World Trade have been prepared. Two copies of the comments and summary table are attached.

Attachment

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Recent Developments in Bloc-Free World Trade,

Nonferrous Metals and Minerals

Since 1955 the Sino-Soviet Bloc has become an increasingly important factor in the world trade of nonferrous metals and minerals. Following the formation of the Bloc in the late 1940's and until 1955 at least, trade between the countries of the Sino-Soviet Bloc and the Free World in nonferrous metals and minerals consisted almost entirely of limited imports by the Bloc. Shipments to the Bloc of many of the strategic nonferrous commodities actually were embargoed by the principal Western suppliers, and official trade therefore was slight. Since 1955, however, the Bloc has initiated exports of significant quantities of aluminum, asbestos, lead, zinc and tin to the West and has continued sizable imports of copper. (See the attached table for quantitative information.)

Despite the fact that the volume of Bloc exports of these nonferrous commodities never has constituted a major share of the world trade, timing and pricing of specific sales have caused considerable concern in the western markets. Sales of aluminum and tin in the Free World by the USSR in 1958, for example, were made at a time when the western metal markets already were weakened by the existence of sizable surpluses. After a considerable amount of unfavorable publicity, the USSR agreed to limit shipments to the West during 1959 of four of the principal metals - aluminum, lead, zinc, and tin. These agreements apparently did not represent any real concession on the part of the USSR and probably resulted in propaganda benefits for the USSR for cooperating with the Free World in the control of these commodities. At the present time, no limitations on Soviet exports of these metals are in effect. Although recent shipments of lead and zinc from the Bloc have increased, those of aluminum and tin have declined.

Bloc imports also have had some impact on the Free World. The USSR, Communist China, and the European Satellites have provided a market for the output of several nonferrous commodities from some of the underdeveloped countries. With the removal of the CCGO embargo from all forms of copper in the last half of 1958, the Bloc began to import significant tonnages of unwrought copper from underdeveloped countries in Africa and Latin America in preference to the more expensive forms of copper sold by the countries of the Industrial West.

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Some of the Satellites also have been importing aluminum, lead, and asbestos from the Free World while the USSR at the same time has been exporting sizable quantities of these same commodities to the West. In addition to these imports by the Bloc, the USSR also has imported from the Free World such raw materials as bauxite from Greece and lead and zinc ore and concentrate from Iran.

The extent of future Sino-Soviet Bloc trade in the above-mentioned commodities will depend to a considerable degree on the realization of production goals and the increased consumption requirements relative to the planned industrial growth and higher standard of living. Due to the secrecy concerning the levels of production and consumption of nonferrous metals, particularly effective in the USSR, future trade moves cannot be forecast easily. Nevertheless, the continued import of copper from the West probably will be necessary in large quantities for the next several years at least. In regard to exports, however, non-strategic domestic requirements may be sacrificed to the need for gaining foreign exchange when the western markets appear favorable.

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Sino-Soviet Bloc Trade with the Free World,  
Major Nonferrous Metals\* and Minerals

Thousand metric tons

	1959			1960			1961 (Incomplete)**		
	Exports	Imports	Net	Exports	Imports	Net	Exports	Imports	Net
Aluminum	44	35	9 (export)	22	37	15 (import)	9	7	2 (export)
Copper	4	280	276 (import)	3	247	244 (import)	1	56	55 (import)
Lead	21	17	4 (export)	41	21	20 (export)	30	1	29 (export)
Tin	18	negl.	18 (export)	13	negl.	13 (export)	6	1	5 (export)
Zinc	58	5	53 (export)	74	4	70 (export)	64	negl.	64 (export)
Asbestos	88	6	82 (export)	102	12	90 (export)	59	N.A.	N.A.

\* Not including trade in raw materials.

\*\* From fragmentary information available as of 5 January 1962.

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