

1P-379.



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10 January 1955

Chief, St/PR  
THRU : Acting Chief, D/M  
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M/AG Contribution to Project 20.637

ATTENTION:

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1. Information most readily available indicates that the net export of tobacco from the USSR to the West is negligible.

2. In 1953 the USSR exported tobacco to the following countries:

	<u>Tons</u>	<u>Value (000 Dollars)</u>
Sweden	50	79
Denmark	25	31
Greece	989	1750
Italy	990	1752

3. In the 1954 USSR/Sweden trade agreement, the USSR is to export 75 tons of tobacco to Sweden. In other agreements with the West, the USSR is importing tobacco.

4. The only instance found of rose oil being exported by the USSR was in 1953 to France (value - \$1,000).

5. Information on the valuation of goods involved in the Bulgarian/USSR current trade agreement is not available. The valuation of goods for the period 1945 to 1947 for the purpose of background information is attached to this report at SECRET level.



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## S/TF's Contribution to Project 20.637

Information on the valuation of goods involved in Bulgarian-USSR current trade agreements is not available. Available information on the valuation of goods in the period 1945 to 1947, therefore, has been given for the purpose of background information.

There has been some evidence that a discriminatory price policy was employed by the USSR in trade with Bulgaria during the early postwar years. Examples can be cited of Soviet exports to Bulgaria priced above world market prices and of USSR imports from Bulgaria either at prices substantially lower than world market prices or at the cost of production. From 1945 to 1947 the prices of major USSR exports to Bulgaria showed a proportionately greater increase as compared to free market prices than the prices of major USSR imports from Bulgaria. <sup>1/</sup> In 1945 Bulgaria sold 5,000 kilograms of attar of roses to the USSR at a total price of 550 million leva, i.e., only \$386 per kg. using the official rate of exchange of 285 leva to the U.S. dollar. Calculated at the free exchange rate of about 1,000 leva to the U.S. dollar, the price equalled only \$110 per kg., whereas the world market price was about \$1,200 per kg. <sup>2/</sup>

This discriminatory price policy enabled the USSR to re-sell Bulgarian products on the world market at considerable profit. Moreover, Bulgaria was handicapped in selling any large amounts of marketable products to other countries at higher prices because the bulk of these products was being exported to the USSR. On the other hand, exports from the USSR included products purchased from other countries and resold to Bulgaria at prices higher than Bulgaria would have had to pay if they could have been purchased on the open market. <sup>3/</sup>

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An extensive study of the USSR-Bulgarian terms of trade is anticipated at some later date.

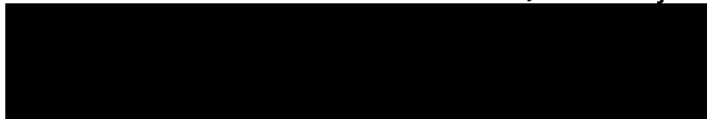
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Sources



2. Margaret Dewar, Soviet Trade with Eastern Europe 1945-49, Royal Institute of International Affairs, London, 1951, page 51, Unclassified



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