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AC/127-WP/420

ECONOMIC COMMITTEE

NATO COUNTRIES TRADE WITH COMMUNIST COUNTRIES IN 1973

Draft of 11th Report

Note by the Economic Directorate

The present report, based on statistics prepared by the International Staff(1), comprises:

- a summary of the main features of NATO countries trade with the Communist countries(2) in 1973 and an indication of future prospects;
- three Annexes constituting an analytical study, on the one hand of East/West trade from the standpoint of its development in value terms in 1973(3) and, on the other hand, of the commodity composition of NATO countries trade with the Communist countries in 1972(4);
- a series of statistical tables and graphs.

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- (1) AC/127-D/492 of 29th July, 1974, AC/127-D/497 of 10th October, 1974 and AC/127-D/501 of 19th December, 1974
- (2) Communist countries  
Eastern Europe: Poland, Hungary, Bulgaria, Rumania, Czechoslovakia and the GDR  
USSR  
China  
Other Communist countries: Albania, Korea, North Vietnam, these three countries together represent less than 1% of NATO countries two-way trade with the Communist countries
- (3) Annex I: Analysis of NATO countries trade with Communist countries in 1973  
Annex II: Trade of non-NATO countries' members of OECD with the Communist countries in 1973
- (4) Annex III: NATO countries commodity trade with Communist countries in 1972. This study can only be completed when the OECD complete statistical data is published, usually some 18 months after the period under consideration

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SUMMARY AND PROSPECTS

(a) Main Features

2. In 1973 two-way trade of NATO countries with Communist countries expanded more rapidly (+51.3%) than their overall trade (36.7%). It continued, nevertheless, to account for a small share thereof (3.8%: 4.3% for exports and 3.2% for imports); however, the importance of this trade to member countries varied quite substantially from one to the other. It was minimal in the case of Portugal and relatively small in that of the Benelux countries. On the other hand, exports of Germany (7.6%) to this group of countries were not much below those to the United States (8.4% of overall sales). Percentages were even higher for Greek (11.7%), Turkish (10.1%) and Icelandic (8.7%) exports, though the figures were well below their levels of the late 1960s and early 1970s. In all cases the share of Eastern Europe in this trade was much larger than that of the USSR or China. Although somewhat smaller, the share of Communist countries in certain NATO countries' imports remained significant, Iceland 8.9%, Turkey 8.5%, Germany 6.2% and Italy 5.8%(1).

3. In their trade with Communist countries the Allied countries had a surplus of \$3.4 billion, exports exceeding imports by 25%. Were it not for this positive factor the aggregate deficit (\$5.2 billion) of NATO countries in their world trade would have been greater by some 65%. The surplus resulted mainly from trade with the USSR (\$1,031 million), China (\$988 million) and Poland (\$816 million). The United States, as a result of large grain sales but also following the expansion of deliveries of other commodities, recorded the largest trade surplus amounting to \$1,900 million. The Federal Republic of Germany was a close second with a positive trade balance of \$1,760 million. A large proportion of the United States surplus accrued from trade with the Soviet Union (\$976 million) and with China (\$626 million). Two countries, Italy and the United Kingdom, have seen a very substantial increase in their trade deficits which reached \$538 million and \$460 million, respectively. All other European Allies, with the exception of the Benelux area and France, also registered deficits.

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- (1) The rôle of NATO countries in Communist countries foreign trade in 1973 - or in 1972 when more recent data are not available - was significant and, in some cases, substantial.
- Approximate share in total exports of: USSR 16%, GDR 17%, Poland 27%, Czechoslovakia (1972) 14%, Hungary (1972) 18%, Rumania 29%, Bulgaria (1972) 9%, China 20%.
  - Approximate share in total imports of: USSR 22%, GDR 19%, Poland 33%, Czechoslovakia (1972) 16%, Hungary (1972) 21%, Rumania 34%, Bulgaria (1972) 11%, China 40%
- (Source: National Statistics, except China for which IMF, GATT and OECD trade statistics have been used to reach an estimate)

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4. The growth in exports of member countries to the Communist area was impressive, almost 60%. Of exports totalling \$13.7 billion, nearly one-third (\$4.3 billion) were channelled by Allied countries to the Soviet Union. Sales to that country actually increased by 61% in 1973. The United States and Germany were the principal trading partners, each supplying almost 28% of total Allied exports. France came third with 13.4% followed by Italy with 8.2%.

5. Sales to Eastern Europe, growing by 47%, amounted to \$7.5 billion, with Germany providing nearly one-half of total NATO countries' exports. Poland, having purchased \$2.5 billion in goods or twice as much as in 1972, replaced the GDR (\$1.6 billion) as the most important customer of the area. Rumania came third with purchases amounting to \$1.1 billion: an increase of 39% in one year.

6. Exports to China registered a record growth of 130% and rose to \$1.8 billion. The United States, having raised its exports more than elevenfold, became China's principal supplier (\$690 million), but many NATO European countries also did quite well, in particular Germany with sales reaching \$310 million (+88%), and the United Kingdom with exports growing by 165% to \$207 million.

7. In 1973 imports of Alliance countries from Communist countries rose faster than their imports from the whole world 42%, against 35%, reaching \$10.3 billion. The increase in North American purchases, in particular the United States, was quite remarkable, \$767 million against \$503 million in 1972, but the driving force in the expansion were the imports by European members of the Alliance which went up by 40% to reach \$9.5 billion. All countries without exception increased their purchases in the Communist area.

8. Purchases in the USSR amounted to \$3.3 billion. The United Kingdom with \$808 million was the main customer, although a large part of certain Soviet goods it procures, such as diamonds and furs, are subsequently re-exported. France was the fourth ranking customer of the Soviet Union, it developed its purchases there quite substantially by 48% to \$433 million. The United States performance was even more impressive, purchases increasing more than twofold from \$96 million to \$214 million. Eastern Europe delivered some 60%, \$6.2 billion, of NATO countries' purchases in the Communist area. Supplies from Poland accounted for 27% of the total, but were still some \$800 million short of Polish imports from the NATO area. The GDR took second place with \$1.4 billion, of which almost \$1 billion represented sales to the Federal Republic of Germany. The latter, with purchases totalling \$2.6 billion, remained

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Eastern Europe's major customer. Imports from China totalled \$797 million, 45% more than in 1972. The bulk of the purchases, \$680 million, were made by the European members of the Alliance whilst North American sales, although expanding, reached a modest figure of \$117 million. Thus, whilst the United States sold to China goods to the value of some \$690 million, its purchases in that country were less than one-tenth of that figure, \$64 million.

(b) Prospects

9. In 1974, as a result of changes in the terms of trade(1) and for the first time in two decades, NATO countries may well incur a sizeable trade deficit with the Soviet Union - perhaps of the order of \$500 million to \$1,000 million - if trends observed in trade with the USSR in the first half of 1974 continue to hold true for the entire year. On this basis NATO countries' imports from the USSR would grow by between 50% to 70% in value terms to \$5,000 million to \$5,500 million. Exports would only rise by about 10% to \$4,500 million(2). The huge trade surplus (\$976 million) which accrued to the United States in 1973 from its substantial grain sales to the Soviet Union will not repeat itself as deliveries of grain have declined. The trade deficit of European NATO countries, which amounted to \$214 million in 1973, may well more than double or triple in 1974, though Germany will probably continue to have a sizeable trade surplus with the USSR.

10. In 1975, however, NATO countries' trade deficit with the USSR might well decrease and even be reconverted into a surplus. Imports by member countries from the USSR in 1975 might remain at the same level as in 1974 or possibly decline. While demand for Soviet oil and gas will no doubt remain strong, the price and/or volume of Soviet exports of raw materials could fall appreciably as a result of general slackening of economic activity in the West and the decline already evident in world markets for certain basic products. Furthermore, exportable surpluses in the USSR might also be reduced by growth of domestic demand or failures in meeting the objectives of the plan.

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- (1) In particular the rise in the price of gold - of which some 250 tons may have been sold in 1974 - and of petroleum  
(2) Such a development would reflect a decline of sales in real terms

11. In contrast, in 1975 NATO countries' exports to the USSR will probably grow faster than in 1974. The Soviet economy, not being affected unfavourably by the oil crisis as are NATO countries' economies, will maintain a relatively rapid rate of growth of demand for imports, particularly of Western machinery and technology. The financial strength which the USSR enjoys at present due to a sharp rise in the price of gold and oil, along with the export credit facilities available in NATO countries, also strengthens the capacity of that country to increase its purchases in NATO countries. The increase in acquisition of Western equipment pertains especially to extractive industries which aim at the exploitation of Soviet natural resources such as oil, coal, timber and metals for which there is a demand in world markets. Soviet orders for Western machinery placed in 1973 have been estimated at over \$2,000 million and those of 1974 at least \$2,800 million. The total value of Soviet orders for 1974 could even be raised as high as \$6,400 million (including over \$2,000 million placed in West Germany) if some widely reported projects are included; among these are \$1,000 million Kursk steel plant, six Italian petrochemical plans (\$957 million) and the order placed with an Italian firm for 2.5 million tons of steel pipes worth \$1,500 million to be supplied over a five-year period in exchange for coal, ferrous minerals and scrap metal. Assuming one-third of these orders are carried out in 1975, Soviet machinery imports from NATO countries would double over 1973 and 1972.

12. The future development of trade between the United States and the Soviet Union still hinges on a number of political considerations and on the volume of credits which the Export-Import Bank is able to grant to that country. Although the potential for a trade expansion exists, the rejection by the Soviet Union of the 1972 Trade Agreement with Washington makes it doubtful that US/USSR commerce will expand substantially in 1975.

13. In so far as future Soviet grain purchases are concerned, a large degree of uncertainty still exists. In October 1974, the Soviet Union contracted 2.2 billion tons of wheat and maize worth about \$300 to \$350 million from the United States. This may have been promoted by the fact that the 1974 grain harvest has fallen short of the 1974 plan target(1).

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- (1) According to Baibakov, the Chairman of the State Planning Commission, it totalled 195.5 million tons compared with the objective of 205.6 million tons. It is likely that the Soviet figure is in any case inflated, as it generally does not take account of waste due to moisture and losses during transportation and storage

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Of course whether, in 1975, the Soviet Union will procure, in North America and elsewhere in the West, new supplies of grain and other foodstuffs on as large a scale as in 1972 and 1973 will depend on that country's harvest results as well as on the level of world stocks.

14. Trade of member countries with Eastern Europe in 1974 may show a surplus of as much as \$3,000 million, or almost three times the surplus of 1973. If changes registered in the first half of 1974 continue to hold true throughout the year, NATO countries' exports will rise slightly faster than in 1973 (by 50% to \$11,000 million) while imports, growing by about 30%, will reach \$8,000 million. Such a rapid expansion of NATO countries' exports to Eastern Europe for two consecutive years would not be surprising because of the rise in world prices and the familiar East European policy of economic modernization, which depends to a large extent on imports of Western equipment and technology financed by Western credits.

15. In this respect, Poland is one of the most ambitious countries in Eastern Europe. Increases in investments recorded in 1972-1973 were over 23% a year (source: AC/127-D/498, page 10), and were made possible partly by Western machinery and equipment. Exports by NATO countries to Poland, following rapid increases in 1972-1973, rose by 50% to 60% in the first half of 1974. This increase has now, however, been matched by an equally fast growth in imports by NATO countries from Poland. Such purchases recorded an increase of about 40% in the first half of 1974. Hence, in 1974 as a whole, the trade surplus of member countries with Poland seem likely to reach \$1,500 million.

16. Poland is expected to borrow at least \$2,000 million in NATO countries in 1974 to finance its growing trade with the West. France is reported to have extended a line of credit worth \$900 million for 1974-1975 and extensions of export credits by the United States are reported to amount to \$495 million. The Polish Authorities do not seem to expect any serious difficulties in obtaining such credits or in raising Euroloans partly because they have been directed in many cases towards its increasingly viable export sector (e.g. ship-building, coal, copper mining); Poland doubled its machinery orders in 1974 to \$600 million or more, thus accounting for three-quarters of East European countries' orders placed in NATO countries. Some of the equipment ordered by Poland is scheduled for delivery in 1975 or later, thus boosting estimates of exports by NATO countries to Poland in those years.

17. Rumania, the only Warsaw Pact country which conducts more than half (about 55%) of its trade with non-Communist countries, also seems to have the heaviest debt burden to NATO countries. Rumania will probably again incur a sizeable trade deficit in 1974 with NATO countries which will be covered by credits. Having already availed itself of a large volume of credits in the past, however, Rumania may now find itself in a financially difficult position and may feel some constraints in 1975.

18. There are indications that during the second half of 1974 NATO countries' trade with Eastern Europe tapered off somewhat as a result of the slow-down in economic activity in the West. Such a development, which may well continue in 1975 by curtailing hard-currency earnings of East European countries reduces their capacity to import from the West and to finance their debt servicing. The East European countries have been affected, although in varying degrees, by the oil crisis, the boost in many foodstuffs and basic products prices and the generalized inflation in the West which has increased the cost of manufactured products.

19. The deterioration of the terms of trade with the West may result in a reorientation of trade towards intra-COMECON trade. In this regard, the Soviet export price policy towards its East European partners may have a decisive influence in frustrating current efforts at creating a closer interdependence of the East European economies with the market economies. Some countries, in particular Czechoslovakia, Hungary and the GDR, have introduced import restrictions, started campaigns of savings of raw materials imported from the West and adjusted domestic prices to reduce demand of foreign products, in particular those from hard-currency areas.

20. In 1974 and - possibly - in 1975, as in 1973, the development of trade with China will probably result from a faster growth of the Allied countries' exports rather than from a rapid expansion of imports from that country. The Allied countries thus may accumulate a large surplus in their trade with China.

21. Already in the first half of 1974 the Allied members' exports to China seem to have registered an increase of 80% to 90% relative to the first half of 1973, while the rate of growth recorded in imports seems to be about 40%. Assuming these trends hold true for the entire year, NATO members' exports in 1974 may amount to \$3,000 to \$3,500 million while imports may total \$1,000 to \$1,200 million, thus giving rise to a massive trade gap with the NATO area of the order of \$2,000 million. The expansion at the rate of 80% of NATO

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countries' exports to China in 1974 seem probable if account is taken of the requirements of that country for Western advanced technology, as indicated by the size and the nature of the Chinese orders placed in the West in the last two or three years, as well as of its requirements for foodstuffs and raw materials. Chinese orders placed in the West, including Japan, over the last three years are estimated at \$1.5 billion. Some of the deliveries connected with these orders which concern mainly turnkey plants, communications and transport equipment, may take place in 1974 and 1975 or even later. Allied members' imports from China, however, may not grow as fast as in the first half of 1974 as a result of the slowing down of economic activity. The trade gap, referred to above, is unlikely to be covered from China's gold and currency reserves, estimated at \$3,000 million only, or by large exports of oil from its booming petroleum industry. Consequently China will have increasingly to rely on short or medium term credits (5 years) to cover its trade deficit with NATO countries. After considerable hesitation, this country has recently indicated her interest in such credits (in Chinese terms deferred payments). Concurrently, however, the Chinese Authorities may, in the face of inflated Western prices, become much more selective in their purchases and even reduce in 1975 certain types of imports from non-Communist industrialized countries.

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ANALYSIS OF NATO COUNTRIES TRADE WITH  
COMMUNIST COUNTRIES IN 1973

EXPORTS

1. In 1973 exports from NATO countries to all Communist countries grew by a record 60% to \$13.7 billion, in current dollars. The 60% growth rate exceeded considerably the 35% rise registered in exports in the previous year and also the 38% increase achieved in exports from NATO countries to the world. The rapid growth in exports to Communist countries, in value terms, is due, to some extent, to the sharp price increases which have taken place on world markets and to further depreciation in the value of the dollar. But even in volume terms the growth was undoubtedly substantial, reaching an estimated rate of 35-40%(1).

(a) Exports to the USSR

2. Exports to the Soviet Union, which consisted largely of machinery and foodstuffs, grew by 61%, as against 53% in 1972, and amounted to \$4,284.6 million. The United States and West Germany were the principal suppliers. The Soviet Union's purchases - mainly foodstuffs - in the United States, registering more than a twofold increase in one year, amounted to \$1,190 million, 1.7% of total United States exports in 1973, as against 1.1% in 1972 and 0.4% in 1971. As a consequence the share of the United States in total NATO countries' exports rose from 21% in 1972 to 28% in 1973, the highest percentage share over two decades. On the other hand Canadian exports levelled off (+ 2%) after their record rise of 128% in 1972.

3. NATO European countries' exports to the Soviet Union increased by 54% as against 38% for their exports to the world. Sales by Germany, consisting mainly of machinery and equipment, grew more rapidly (66%). They totalled \$1,182.6 million and, as in the previous five years, accounted for slightly over one-quarter (27.6%) of NATO countries' exports

4. France, which ranks third among suppliers to the Soviet Union, boosted its exports by 71% to \$576 million, thus raising its share in NATO countries' exports from 12.7% in 1972 to 13.4% in 1973. Although exports from Italy - \$352 million - and from the United Kingdom - \$238 million - showed some increase over their 1972 level, their share in total NATO countries' exports, which has been decreasing in the last five

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(1) Estimation based on data given in GATT publication "International Trade 1973/74" Table 41 on flows of the Eastern Trading Area

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years, declined further. The share of Italian exports fell from 10.1% in 1972 to 8.2% in 1973 and that of the British exports from 8.5% to 5.6%. In contrast Belgium, which managed to increase its exports by 139% to \$213 million, raised its share in NATO countries' exports from 3.4% in 1972 to 5.0% in 1973.

(b) Exports to Eastern Europe

5. NATO countries' exports, growing by 47% in value terms, amounted to \$7,466.6 million. Although all countries increased their sales, the most dynamic growth has been recorded in exports by the United States 123% to \$606 million, Belgium/Luxembourg 66% to \$289 million, Germany 54% to \$3,690 million, the Netherlands 52% to \$416 million and Greece 48% to \$121 million. Germany was the most important supplier, accounting for 49% of total exports. France, with exports totalling \$732 million came next; its share in the total, however, declined from 11.8% in 1972 to 9.8% in 1973. Italy and the United Kingdom, other important suppliers to Eastern Europe, had the same experience. Italy's share in NATO countries' exports fell from 10.1% in 1972 to 8.5% in 1973; that of the United Kingdom from 9.1% to 7.4%. In contrast, the United States raised its share in total NATO countries' exports from 5.3% in 1972 to 8.1% in 1973.

6. Purchases by Poland jumped 98% to reach the record sum of \$2,518 million, a figure equal to one-third of all East European imports from NATO countries. Germany, Poland's chief supplier, increased its sales by 123% to \$1,005 million, that is, 40% of the total. The United States, raising its exports threefold to \$350 million, overtook the United Kingdom to take second place. The United Kingdom, France and Italy exports totalled \$272 million, \$268 million and \$187 million respectively. Belgian (+ 131%) and Dutch sales (+ 78%) registered a remarkable increase in 1973, although their absolute value, \$124 million and \$112 million respectively, are well behind those of the five principal suppliers.

7. Purchases by the GDR (\$1,568 million) grew by 19%, the lowest growth rate in East Europe as regards purchases from NATO countries. East Germany lost in 1973 its position as the most important buyer in East Europe and is now second to Poland. East Germany's principal trading partner continued to be the Federal Republic of Germany, whose exports (totalling \$1,118 million) accounted for over two-thirds (71%) of total NATO countries' sales. The Netherlands continued to develop its exports (+ 49% to \$122 million) and took second place replacing France whose sales (\$82 million) dropped by 40% after a steady growth since 1969.

8. Romania, which increased its purchases by 39% to \$1,105 million, has moved to third place. Germany was the main supplier, 40% of NATO countries' exports to Romania. Its sales, \$444 million, grew by 50%. Another remarkable feature is the development of American sales by 68% to \$117 million. The latter is the fourth principal supplier replacing the United Kingdom whose sales, \$83 million, declined by 16%. France and Italy, ranking second and third, had sales of \$168 million and \$130 million respectively.

9. Sales to Czechoslovakia rose by 31% to \$1,053 million. The growth of German exports, 49% to \$567 million, accounts for some three-quarters of the increase in NATO countries' exports. Other salient features are the development of American sales by 46% to \$72 million and the slight decline of exports by Italy, down by 4% to \$86 million, which nevertheless remains the second supplier of the CSSR.

10. As outlets for NATO exports Hungary and Bulgaria came last. In both countries the Federal Republic of Germany is the main supplier: 46% of NATO countries' exports to Hungary, which amounted to \$855 million, and 43% of those to Bulgaria, which reached \$367 million.

(c) Exports to China

11. After a relative stagnation between 1967 and 1971, NATO countries' exports picked up in 1972 and registered a growth of 26% to \$778 million. This trend was continued in 1973 when a record growth of 130% was registered and exports amounted to \$1,785 million. In that year China became the third Communist client of NATO countries. It is noteworthy that this development was largely the result of growing trade relations between the United States and China. The former exports to the latter increased more than elevenfold to \$690 million, thus accounting for 39% of total exports as against 8% in 1972. The foregoing explains why Canada's share in NATO exports dropped from 34% in 1972 to 16% in 1973 despite a 10% increase in its exports (\$288 million). In 1973 North American deliveries represented 55% of NATO exports to China.

12. NATO Europe sales to China also grew steeply (by 77% to \$808 million). This was mainly due to the expansion of German and British sales which rose respectively by 88% to \$310 million and by 165% to \$207 million.

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(d) Exports to "other Communist countries"

13. In 1973 exports by NATO countries coming under the heading "other Communist countries"(1), amounted to \$163 million as against \$51 million in 1972. This figure represented 1.2% of total Allied sales to all the Communist countries examined in this document. This growth of 219% in one year is essentially the result of purchases by North Korea which grew fourfold in 1973 to an estimated \$125 million(2). French exports to this country reached \$62 million, about half NATO countries' sales, and scored an increase of 400% in one year. The Federal Republic of Germany (\$39 million, + 400% too) and Canada (\$11 million, + 70%), were the other main suppliers. Despite the lack of comprehensive commodity statistics for 1973, it is reasonable to assume that the pattern of sales was similar to that in 1972: Canada and France exporting grain and Germany selling machines. NATO countries' exports to Albania reached \$32 million(2) against \$21 million in 1972. Canada, with sales growing threefold (\$12 million), has replaced Italy as the main supplier; while Italian sales (\$10 million) grew by 15% only. As in 1972, it is likely that Canadian deliveries were made up of wheat and those from Italy consisted of machinery and semi-manufactured goods. Sales to North Vietnam have been modest (\$6 million)(2), the Federal Republic of Germany being the main supplier (\$2.4 million).

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IMPORTS

14. In 1973, NATO countries' imports from all Communist countries rose by 42% in value terms(3) as against 21% in 1972, and reached \$10,307.7 million; thus imports from Communist countries grew faster than NATO countries' imports from the world, which increased by 35%. The rapid growth registered in NATO countries' imports from Communist countries was, to a large extent, due to the sharp price increases in energy products and other basic commodities of which some Communist countries, in particular the USSR and Poland, are exporters. Imports from the USSR grew faster - 52% - than imports from all Communist countries (42%) or from Eastern Europe (36%).

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- (1) Albania, North Korea and North Vietnam  
(2) Source: Direction of Trade IMF  
(3) Possibly some 30-33% in real terms

15. In the NATO area, the European Allies continued to represent the main market for Communist countries exports: 93% of the total. In 1973, as in the past, the major customer was Germany; its purchases, totalling \$3,462.7 million, accounted for about one-third of total NATO countries' imports. Imports by Italy, the United Kingdom and France, the other principal customers, amounted to \$1,612 million, \$1,460 million and \$1,175 million, respectively.

(a) Imports from the Soviet Union

16. NATO countries' imports reached \$3,253.8 million. The rate of growth of imports of the United States (124%) was even faster than that of their exports to the Soviet Union (118%), however in value terms the figure, \$214 million, was relatively modest and represented only 0.3% of United States imports from the world. The United Kingdom, increasing its purchases by 44% to \$808 million, remained the USSR's best customer, taking about a quarter of Soviet deliveries to the NATO area. In addition the United Kingdom procured in the Soviet Union about 55% of its total purchases in the Communist countries. German purchases rose by 69% to \$713 million while purchases by France, registering a 49% growth, amounted to \$433 million. Sales to Italy grew more slowly (36%); they nevertheless totalled \$442 million. Soviet sales in Belgium and Denmark also registered a fast growth: 70% in the former to \$178 million and 152% in the latter (\$94 million).

(b) Imports from Eastern Europe

17. Among Communist countries, Eastern Europe as a whole was in 1973 the largest supplier (\$6,183 million) of the NATO area: 60% of total imports, a percentage which fluctuated only marginally over the last few years. Germany, accounting for 42% of total NATO countries' imports, continued to be Eastern Europe's major customer. Italy retained the second place: its purchases totalled \$1,029 million. East European sales in France and Britain amounted to \$574 million and \$534 million respectively while sales in the United States totalled only \$304 million, two million dollars short of sales in the Netherlands.

18. Poland confirmed in 1973 its position of main East European supplier of the NATO area, expanding her sales by 41% to \$1,702, i.e. about one half and one quarter respectively of Soviet and East European sales to the NATO area. West Germany was the main customer, with imports totalling \$463 million (+ 51%), followed by Italy (\$272 million, + 31%) and the United Kingdom (\$233 million, + 31%).

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Purchases by the United States (\$182 million, + 31%) still represented the bulk (60%) of this country's imports from East European countries. Purchases by France were slightly less (\$167 million), but grew at a faster rate (+ 43%).

19. NATO countries' imports from the GDR (\$1,447 million) grew at a relatively lower rate (+ 31%) than from the other East European countries. West Germany remained the main purchaser (\$992 million) and bought 69% of all East German exports to NATO countries. France (\$107 million) was the second ranking customer. Czechoslovakia increased its exports (\$970 million) by 33%. West Germany (\$377 million), Italy (\$133 million) and the United Kingdom (\$95 million) were the main clients. However the United Kingdom imports grew at a lower rate (+ 19%) than those of West Germany (+ 40%) and Italy (+ 46%). Sales by Romania (\$917 million, + 35%) went mostly to West Germany (\$526 million), Italy (\$207 million) and France (\$123 million), with French imports growing fastest (+ 41% as against + 31% and + 28% in the case of West Germany and Italy, respectively). West Germany and Italy were the main customers of both Hungary and Bulgaria, whose exports to all NATO countries were \$846 million and \$301 million, respectively.

(c) Imports from China

20. NATO countries' imports from China rose 45% and amounted to \$797 million, a much lower figure than exports. As previously the principal trading partners were West Germany, France, Italy and the United Kingdom with purchases totalling \$150 million (+ 41%), \$147 million (+ 42%), \$128 million (+ 52%) and \$117 million (+ 32%). Although smaller (\$64 million), imports by the United States grew at a faster rate (+ 98%).

(d) Imports from "other Communist countries"

21. Increasing by 35% NATO countries' imports from the group of countries entitled "other Communist countries"(1) reached, in 1973, \$73 million: 0.7% of total Allied imports from all Communist countries. The bulk of the supplies, \$55 million, came from North Korea: France (\$19 million), the Federal Republic of Germany (\$17 million) and Belgium (\$10 million) were the main clients(2). It is quite likely that North Korean sales consisted mainly of non-ferrous metals.

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(1) Albania, North Korea and North Vietnam  
(2) Source: Direction of Trade IMF

Sales by Albania, mainly agricultural produce, some petroleum and raw materials, amounted to \$17 million. The bulk of the deliveries went to Italy (\$10 million) and to Greece (\$3 million). Purchases in North Vietnam were very modest (\$1 million).

22. Trade with these countries resulted in 1973 in a surplus of \$89 million in favour of NATO countries: most of this arose from trade by France (\$45 million) and Germany (\$23 million).

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TRADE BALANCE

23. In 1973 Communist countries' exports to NATO countries covered a smaller proportion of their imports than in 1972. The percentage fell from 85% in 1972 to 75% in 1973, thus raising Communist countries' trade deficit with NATO countries from \$1.3 billion in 1972 to \$3.4 billion in 1973. Three Communist countries, the USSR, China and Poland, incurred the largest trade deficits which amounted respectively to \$1,031 million (almost twice as much as the previous year, despite improved terms of trade). \$988 million (an increase of 338%), and \$816 million. The increase in the Polish trade deficit was most striking, rising from \$70 million in 1972 to \$816 million in 1973.

24. The Soviet Union's trade imbalance was covered partly by drawings on credit and partly by gold sales which it is estimated have gone up from 175 tons in 1972 to 300 tons in 1973, realising \$960 million. In that year Soviet credit drawings (including drawings on credit extended by the CCC) have probably altogether amounted to as much as \$800 million in NATO countries alone. These two figures together evidently exceed the trade deficit, indicating that deliveries of products bought on a credit basis were not necessarily delivered in 1973 and that hard currency earnings may have also served to repay previous debts and for other purposes.

25. The United States and Germany benefited mostly from the trade surplus which accrued to NATO countries in their trade with Communist countries. The surplus in the case of the United States, which reached \$1.9 billion in 1973 as against \$526 million in 1972, resulted mostly from that country's trade with the Soviet Union (\$976 million) and China (\$626 million). Germany's trade surplus, which amounted to \$1.8 billion, was twice as much as in 1972. Two-thirds of this surplus resulted from Germany's trade with Eastern Europe;

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Poland accounted for nearly half of that surplus. After Germany, Canada had the largest (\$498 million) trade surplus with Communist countries, followed by France (\$288 million). Two countries, Italy and the United Kingdom, had trade deficits of the order of \$538 million and \$460 million, respectively. Italy's trade deficit was largely due to trade with Eastern Europe, while the United Kingdom incurred a deficit with the Soviet Union. Part of this deficit is due to the United Kingdom's imports of diamond and fur from the USSR, a substantial part of which is subsequently re-exported.

TRADE OF NON-NATO MEMBER COUNTRIES OF THE OECD  
WITH COMMUNIST COUNTRIES IN 1973

A. USSR

(i) Exports

1. Exports of non-NATO member countries of the OECD to the Soviet Union grew very little in 1973. Exports rose by 20% in value terms but in real terms, because of inflation, growth was probably nil or even negative in contrast to the rapid growth of 61% - in value terms - recorded by NATO countries in their sales to the USSR in that year. Even in value terms, the 20% growth registered in the exports of non-NATO members of the OECD reflects a slow-down compared with an increase of 36% a year recorded in the previous two years. Moreover, although in 1972 exports of non-NATO countries to the Soviet Union had grown faster (+36.5%) than their exports to the world (+20.5%), in 1973 this situation was reversed since total exports grew by 35%. The ratio between exports of non-NATO member countries of the OECD, which amounted to \$1.5 billion, and those of NATO countries fell from 47% in 1972 to 35% in 1973. Japan and Finland continued to be the principal suppliers, accounting for about 32% (\$484 million) and 30% (\$452 million) respectively of total sales. Australia, raising its sales by about two and a half times to \$247 million, accounted for 16% of total exports.

(ii) Imports

2. Imports of non-NATO countries of the OECD from the Soviet Union recorded a sharp increase of 58%, thus exceeding by 11 percentage points the growth rate registered in imports from the world. While all non-NATO member countries of the OECD increased their purchases in the USSR by \$760 million in 1973, Japan raised its imports by \$483 million, thus accounting for 64% of the rise. Non-NATO country imports, totalling \$2.1 billion, amounted to about two-thirds of total NATO country imports from the USSR. Japan and Finland continued to be the principal customers with purchases amounting to \$1.1 billion and \$532 million, respectively.

(iii) Trade Balance

3. In 1973, non-NATO member countries of the OECD registered a sizeable deficit of the order of \$575 million in their trade with the Soviet Union, while NATO countries recorded a surplus amounting to \$103 million in the same year. The former countries' global deficit with the Soviet Union, however,

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would have been higher if Australia had not recorded a surplus, totalling \$242 million, largely because of grain and wool sales. With the exception of Australia and Switzerland, all other non-NATO member countries of the OECD continued to have a deficit in their trade with the Soviet Union; in the case of Japan it moved up from \$90 million in 1972 to \$593 million in 1973, thus accounting for nearly one-half of that country's global deficit.

B. EASTERN EUROPE

(i) Exports

4. Non-NATO member countries of the OECD, like the Alliance members, continued to export more to Eastern Europe than to the USSR. Their sales to that area, rising by 46% and at about the same speed as those of NATO countries, reached \$1,906 million as against \$7,466 million for the Alliance countries. Exports from Australia and Sweden, however, grew much faster, by 71% and 68% respectively. Despite a relatively smaller - 42% - expansion in exports by Austria, that country remained the largest supplier of Eastern Europe among non-NATO member countries of the OECD with sales amounting to \$510 million, or nearly as much as those of the United Kingdom. Sweden was the next largest supplier with sales totalling \$405 million. Japan, exporting goods worth \$324 million to Eastern Europe, held only fourth place, next to Switzerland, on the list of most important suppliers.

5. In Eastern Europe, Poland, raising its purchases in non-NATO member countries of the OECD by 66%, compared with 98% in the Alliance members, to \$675 million, thus accounting for over one-third of total Eastern European imports, was the most important customer. Its principal suppliers were Sweden (\$175 million), Japan (\$130 million) and Austria (\$123 million). Poland's purchases in Sweden and Australia, however, showed a particularly rapid growth, increasing by more than twofold.

6. Next to Poland, Czechoslovakia raised its purchases substantially by 50%, to \$298.6 million, thus retaining its position as the third largest customer in Eastern Europe. Its principal suppliers were Austria (\$98 million) and Switzerland (\$63 million). East Germany, raising its purchases by 31% to \$303 million, continued to be the second largest customer. That country's imports from Sweden and Austria, its principal suppliers, amounted to \$90 million and \$69 million, respectively. Purchases by Hungary, Rumania and Bulgaria amounted to \$257 million, \$248 million and \$124 million, respectively. Austria, with sales totalling \$127 million, continued to be the principal supplier of Hungary; Japan that of Rumania and Bulgaria with supplies amounting to \$71 million and \$36 million, respectively.

(ii) Imports

7. Imports from Eastern Europe, rising less slowly - 41% - than from the world (up 47%), reached \$1,452 million compared to \$6,183 million of NATO countries' imports. Austria was the largest customer with purchases totalling \$438 million followed by Sweden (\$300 million) and Switzerland (\$183 million), while Japan's purchases in Eastern Europe, rising by 54% in one year, still amounted to only \$153 million.

8. Poland and Czechoslovakia supplied the bulk - one-half - of total imports. Purchases in Poland rose by 39% to \$428 million, and in Czechoslovakia by 38% to \$307 million. Hungary, East Germany, Rumania and Bulgaria, in that order, supplied the rest. Although imports from Rumania registered an increase of as much as 61%, purchases in that country totalled only \$184 million, as against \$260 million in Hungary or \$205 million in East Germany.

9. Among non-NATO member countries of the OECD, Sweden was the principal customer of both Poland and East Germany. That country's purchases in Poland, amounting to \$107 million, accounted for one-fourth of the total and in East Germany (\$75 million) for over one-third. Austria was by far the most important client of Hungary, Czechoslovakia and Rumania: its imports from Hungary (\$126 million), amounted to one-half of total imports of non-NATO member countries of the OECD, those from Czechoslovakia (\$109 million) and from Rumania (\$50 million) accounted for about one-third of total imports. Austria was also the second most important customer of East Germany, its imports totalling \$51 million accounted for one-fourth of the total.

(iii) Trade Balance

10. Like the Alliance members, non-NATO member countries of the OECD scored a surplus in their trade with Eastern Europe. In 1973, their surplus, however, amounted to only \$454 million as against \$1,283 million recorded by NATO countries. Japan, Switzerland and Sweden had the largest trade surpluses. Nearly one-half of Japan's total trade surplus (\$171 million) resulted from its trade with Poland. A large proportion of Switzerland's aggregate surplus (\$147 million) also accrued mainly from the positive results (\$61 million) recorded in its trade with Poland.

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C. CHINA

(i) Exports

11. Exports grew quite rapidly - 74% - though not as fast as those from NATO countries which increased by 130%. Out of total sales amounting to \$1,304 million, \$1,039 million were supplied by Japan and \$139 million by Australia.

(ii) Imports

12. Imports - totalling \$1,172 million - of non-NATO member countries of the OECD from China, mainly by Japan, whose purchases amounted to \$974 million, exceeded those of NATO countries by \$374 million. The expansion (83%) in imports of the former group of countries was also much faster than that (45%) of NATO countries. Japan's purchases in China, however, grew even faster, 98%.

(iii) Trade Balance

13. In 1973, non-NATO member countries of the OECD had in their trade with China a surplus of the order of \$133 million, as against \$988 million recorded in the same year by the Alliance members. In 1973, Japan had a much smaller surplus - only \$66 million - than in the previous two years: \$255 million in 1971 and \$118 million in 1972. In contrast to the previous two years, Australia scored a surplus of \$52 million in its trade with China. Sweden continued to have a small surplus - \$22 million - while Switzerland managed a small surplus (\$13 million), thus eliminating the negligible deficit (\$0.24 million) it had incurred in the previous year.

D. OTHER COMMUNIST COUNTRIES(1)

(i) Exports

14. After an increase of 173% in 1972, sales by non-NATO member countries of the OECD to "other Communist countries" grew by a relatively modest 14% in 1973. Their value (\$123 million) represented, as in the case of NATO countries, a very small percentage (2.5%) of total deliveries to all Communist countries. As in 1972, exports to North Korea, \$108 million(2), represented the bulk of the deliveries, the main supplier being Japan with sales amounting to \$100 million. Exports to North Vietnam, \$12 million, originated mainly from Sweden, \$7 million. Sales to Albania were quite small, \$2.5 million, of which over 50% originated in Sweden, \$1.3 million.

(1) Albania, North Korea and North Vietnam

(ii) Imports

15. Imports from the "other Communist countries" by the eight member countries of the OECD who do not belong to NATO amounted to \$87 million in 1973 as against \$44 million in the previous year. Sales by North Korea almost doubled in one year to \$76 million(1) in 1973 and were almost exclusively destined to Japan. That country also absorbed almost all the sales of North Vietnam which reached \$8 million. Exports by Albania were quite small, \$3 million.

(iii) Trade Balance

16. 1973 witnessed a sharp decline from \$63 million to \$36 million of the trading surplus of the eight OECD countries referred to above. This development mainly resulted from a decrease of the deficit of North Korea with Japan (\$28 million in 1973 against \$56 million in 1972). On the other hand the deficit of North Vietnam with Sweden grew fivefold to \$8.4 million in 1973.

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(1) Source: Direction of Trade (IMF)

NATO COUNTRIES COMMODITY TRADE WITH  
COMMUNIST COUNTRIES IN 1972(1)

I. SALIENT POINTS

1. The most spectacular aspect of the increase of imports by the Soviet Union from NATO countries in 1972 has been the tremendous growth (+290%) of foodstuffs purchases, in particular grains; such purchases represented 29.5% of Soviet imports against 11.6% in 1971. Although the Soviet Union procured very large quantities of grain in 1973, this development, mainly linked to fluctuations in the harvest, cannot be considered as setting a trend which will continue at the same very high level in the future. Manufactures and industrial equipment represent the bulk of NATO countries' exports to the USSR: sales increased by 25% in 1972 (1% only in 1971) and represented more than half (52%) of Soviet imports from NATO countries in 1972. The bulk of the imports of manufactures was composed of steel products, machine tools and other mechanical equipment. This would indicate that the USSR, in its trade with NATO countries, gives priority to the type of products which could increase its own industrial potential and accelerate the development of its own natural resources. A further indication of this is the relatively modest proportion in Soviet imports of electrical machinery and appliances and transport equipment as well as the minute share of miscellaneous manufactured articles (mainly consumer durables), deliveries of which, after having stagnated in 1971, actually declined (-9%) in 1972 and represented only 4.4% of Soviet imports from NATO countries. As far as these goods are concerned, the USSR prefers to import them from its COMECON partners and a number of less developed countries.

2. On the other hand, in 1972 as in previous years, NATO countries' imports from the USSR were mainly composed (59%) of mineral fuels and related materials as well as crude materials. Sales of machinery and transport equipment, despite a 42% increase in value, represented only 7% of Soviet exports to NATO countries; the expansion of such sales was, however, the main reason for a doubling of Turkish imports from the USSR. There is every reason to believe that the structural imbalance in the trade between the USSR and its main trading partners belonging to the Alliance will continue in the foreseeable future. Indeed, a substantial and lasting expansion of Soviet exports of equipment goods and consumer durable and non-durable goods is only likely within the framework of industrial

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(1) For full statistical data see AC/127-D/492 dated 29th July, 1974 compiled from OECD statistics for trade by commodity in 1972

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co-operation agreements. These would allow the Soviet Union to manufacture goods of a type and quality which would be acceptable to Western consumers and so obtain outlets in the West. Meanwhile, it would appear that the Soviet Union, in exchange for the machinery, plant and equipment procured in NATO countries, is prepared to supply basic products, fuels and a certain range of semi-manufactured goods. This attitude would explain the rapid growth of Soviet deliveries of semi-products, +37%, against an increase of 13% of total exports in 1972. Should the present high prices of many basic products in world markets continue it would act as a further incentive to the Soviet Union to maintain this export pattern and keep for its own internal development a substantial part of the goods manufactured with the help of Western plants and equipment.

3. Basically there is no significant difference in the pattern of NATO countries' exports to the Soviet Union and to Eastern Europe, although in 1972 the importance of agricultural produce in such exports was relatively less (ranging from 17% of total exports to Czechoslovakia to 3% of the total to Bulgaria). Manufactured goods, in particular steel products and textiles, as well as machinery and transport equipment, constituted about half of NATO exports to the GDR and Czechoslovakia and an even larger percentage in the case of the less industrialized countries of Eastern Europe: Hungary - 55%, Poland - 59%, Rumania - 67% and Bulgaria - 71%. For all these countries, as for the Soviet Union, it is quite clear that the bulk of the purchases in NATO countries is destined to accelerate the development of their industry.

4. Raw materials and fuels represented a much smaller share of East European, than of Soviet, exports to NATO countries in 1972. It is only in the case of Poland and of Rumania that such sales were substantial, 27% and 25% of total exports respectively. Manufactured goods, in particular semi-products, represented between 17% to 24% of East European sales, except in the case of Czechoslovakia where the percentage was significantly higher, 33%. On the other hand, the share of machinery and transport equipment in NATO countries' imports from that area was relatively modest, representing 10%, 14% and 19% of the total NATO countries' purchases from Poland, the GDR and Czechoslovakia respectively; these three countries being the main East European suppliers of such goods. Whereas Czechoslovakia and Poland increased their sales to the NATO area by 24% and 50% respectively in 1972, East German deliveries declined by 3%, probably as a result of that country's commitments to its COMECON partners. Agriculture produce continued to play an important rôle in NATO countries' imports from all East European countries except Czechoslovakia. It represented in 1972 44% of

Hungarian sales and a substantial proportion of other Eastern countries' deliveries, between 18% in the case of the GDR and 37% in that of Bulgaria. Lastly, miscellaneous manufactured articles - mainly consumer durables - were imported in increasing quantities by NATO countries. In 1972 their share in East European sales fluctuated between 23% in the case of East German deliveries and 14% in that of Bulgarian exports. In all East European countries, with the exception of Czechoslovakia, the expansion of sales to NATO countries as a whole was largely the result of the expansion of deliveries of agricultural produce and miscellaneous manufactured articles.

5. The structure of East European exports presents a number of elements of uncertainty. Agricultural sales, based principally on live animals and meat, benefited in 1972 and 1973 from the increase in world market prices but their development, in real terms, depends on the vagaries of the market for such produce, and in particular on decisions taken in the European Economic Community which is the main Western buyer. East European sales of manufactured articles (SITC 8) consist mainly of clothing, footwear and furniture. The growth of demand in the West for these products has been mainly promoted by constant diversification and an ever widening range. The marketing problem, therefore, for East European countries, is to be able to ensure a steady growth of their deliveries, not only by producing goods of a quality broadly similar to that of Western products but also by increasing the range of goods offered.

6. As far as Allied countries' exports to China are concerned, 1972 witnessed an unprecedented development of deliveries of raw materials, the value of which was ten times higher than in 1971, their percentage share of total NATO countries' sales rising to 15%. Exports of chemical and manufactured goods also grew substantially, by 44%, but their share in total NATO sales dropped from 41% in 1971 to 27% in 1972. On the other hand, China's purchases of machinery and transport equipment grew by 160% and represented 28% of NATO sales as against 23% in 1971; such sales consisted mainly of electrical machinery and transport equipment. China seems increasingly bent on procuring goods with a high technological input which it is unable to manufacture because it lacks either the adequate plants or the know-how. This trend continued in 1973. NATO countries' imports of agricultural produce and raw materials from China in 1972 grew respectively by 29% and 22%, and represented more than half (55%) of their purchases in that country. However, China's sales of semi-finished products, in particular non-ferrous metals and textile yarns, grew very considerably (64%) and represented 23% against 20% in 1971 of total Chinese deliveries. Although the share of miscellaneous manufactured articles, mainly durable consumer goods, was only 12% of total Chinese sales, the latter in 1972 had a record growth of 74%.

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II. NATO COUNTRIES TRADE WITH EUROPEAN COMMUNIST COUNTRIES(1)

A. EXPORTS

7. In 1972, the commodity composition of NATO countries' exports to the European Communist countries was broadly similar to that of the previous years. The bulk of such exports comprised four major groups of commodities which in decreasing order of importance were: machinery and transport equipment, manufactured goods, food products and chemicals. These amounted to \$6,587.8 million, i.e. 85% of total sales which reached \$7,756.3 million.

(a) Machinery and Transport Equipment (SITC Section 7)

8. In 1972, NATO countries' sales of machinery and transport equipment reached \$2,450 million, a rise of 30%(2). Their share in total NATO exports to European Communist countries declined slightly from 33% to 31.6% following the sharp increase in foodstuff exports that year.

9. The Soviet Union, which received a third of NATO countries' exports to the European Communist countries, is the main customer. The share of North America remained small, 8.7% (\$70.3 million). United States sales - 88% of this figure - mainly comprised metal working machinery and spare parts, while the bulk of Canadian exports consisted of special purpose lorries, trucks and vans. The Federal Republic of Germany and the United Kingdom were the only NATO European countries which recorded a growth of their sales. German exports grew substantially (\$367.3 million), 45% of NATO sales against 27% in 1971, and concentrated on machinery other than electric, in particular metal, wood and plastic working machinery. Despite a 14% increase in sales (\$95.5 million) which covered a broad range of machinery, the United Kingdom remained the fourth NATO supplier of the USSR, preceded by France, Italy and Germany in that order. Italy (\$128 million) is a large supplier of parts and accessories, while the share of electrical machinery and appliances (22%) in French exports (\$117 million) is relatively high. In several cases sales of machinery and equipment are part of complete plants, delivered to the Soviets on a turnkey basis. OECD trade statistics, however, do not identify such transactions.

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- (1) European Communist countries: USSR and Eastern Europe (GDR, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania). Trade figures for Albania are a residual factor (\$20.7 million for exports and \$11.6 million for imports) and have been left in the aggregate figure for Eastern Europe.
- (2) While NATO countries' exports to the world of machinery and transport equipment grew in 1972 by 17%

10. In 1972, Eastern Europe purchased \$1,639 million worth of machinery and transport equipment from NATO countries, i.e. twice as much as the USSR. Ninety-seven per cent of these purchases were made in NATO-Europe, and North American sales remained modest (\$43 million). A large proportion of the exports to European Communist countries of France (72%, \$294 million), Germany (68%, \$789 million) and the United Kingdom (65%, \$179 million) was channelled to Eastern Europe. Italy's proportion, while substantial (58%, \$175 million), is relatively smaller. The Federal Republic of Germany was by far the main Western supplier of the area.

11. Poland and Rumania - the principal East European customers - and Hungary increased their imports by 93%, 36% and 27% respectively: other East European countries either increased their purchases by much smaller percentages or, in the case of Bulgaria, actually reduced their procurements. Machinery other than electric represent a substantial proportion of NATO countries' exports to Eastern Europe. However, sales of transport equipment are important in the case of:

- France: 78% of sales to the GDR (rail freight cars), 32% of sales to Rumania (passenger motor cars); these two countries are the main East European customers of that country.
- Italy: 22% of sales to Czechoslovakia (passenger motor cars).
- Netherlands and Denmark: 20% and 32% respectively of sales to Poland (ships and boats).

(b) Manufactured goods (SITC Section 6)

12. In 1972, NATO countries' sales of manufactured goods to European Communist countries grew at a slower pace than those of machinery, almost 21%(1) to reach \$1,798 million. Their share in total exports to these countries dropped to 23.2% from 26.1% in 1971.

13. The Soviet Union, purchased nearly one-third (\$571 million) of NATO exports to the area. It mainly procured steel products: 60% of total purchases, over half of which was composed of tubes and pipes, presumably for the oil and

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(1) The growth of NATO countries' exports of manufactured goods to the world was 16.5% in 1972

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natural gas industries. Steel products represented 87% of West German sales which amounted to \$239 million and 72% of UEBL exports which totalled \$61 million. French exports (\$86 million) came second after those of West Germany, and comprised mainly steel products (44%), textiles (21%) and paperboard (11%). Italian deliveries (\$85 million) were spread between textiles (39%), steel products (35%) and skins and leathers (11%). The United Kingdom sold \$58 million worth of goods: textiles (48%), steel products (30%), tin and other ferrous metals (10%).

14. Germany was the principal supplier of Eastern Europe with exports amounting to \$660 million, 54% of NATO countries' sales to that area. A large proportion of German sales (43% - \$282 million) were channelled to the GDR. The Federal Republic of Germany was also the first ranking supplier of manufactured products to all the other East European countries. Deliveries from other main NATO exporters were comparatively small: \$165 million from Italy, \$117 million from France and \$116 million from the United Kingdom.

15. Among East European countries the principal customers were the GDR with purchases totalling \$339 million and Poland whose purchases, \$311 million, registered a record growth of 57% in one year. Steel products and textiles represented in most cases the bulk of NATO countries deliveries to Eastern Europe. In addition, the rôle of non-ferrous metals in British exports to Poland and the GDR, respectively 40% and 61% of total deliveries, should be mentioned.

(c) Food Products (SITC Section 0)

16. Sales of food products, totalling \$1,419 million, registered a twofold increase in value over 1971(1), thus raising their share in total NATO country sales to European Communist countries from 13% in 1971 to 18% in 1972.

17. The Soviet Union, which bought nearly four times as much in 1972 as in 1971, as a result of the poor harvests of that year, was by far the major customer. Sales to the USSR amounted to \$784 million. United States sales to the USSR grew in one year from \$16 million to \$370 million (about 45% maize, 40% wheat, 8% barley, 7% other grain and food products),

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(1) NATO countries' exports of food products to the world grew by 25% in 1972, i.e. a quarter only of the growth rate of sales to the European Communist countries

while those of Canada moved from \$111 million to \$269 million (90% wheat, 10% barley). North America provided just over 80% of Soviet purchases in NATO countries, against 63% in 1971. Among NATO European countries, France is the only one to have substantially increased its sales to the Soviet Union, from \$8 million to \$61 million (of which 58% barley and 26% wheat). It would seem that in 1972 the USSR concentrated its grain purchases in the West, while procuring in Eastern Europe and Yugoslavia its other food imports, in particular meat.

18. Sales of food to Eastern Europe amounted to \$635 million, increasing by 24% between 1971 and 1972. The major customers remained the GDR (\$173 million, +40%), Poland (\$173 million, +23%) and Czechoslovakia (\$138 million, +17%). Whereas North America supplied the bulk of food deliveries to the USSR, it is the NATO European countries which provided the largest share (78%) of NATO countries' exports to Eastern Europe. The Federal Republic of Germany supplied 35% of NATO deliveries to Eastern Europe; this area represented an outlet for 14% of its total food exports, or for 33% of its food exports outside the Common Market. North American sales consisted mainly of wheat, maize and barley, but also of feedstuff for animals in the case of US deliveries of Poland. West Germany concentrated its sales on feedstuff for animals and grains, while France mainly sold barley, Italy, Turkey and Greece fruits and vegetables, the UEBL dairy products, eggs and sugar, the Netherlands re-exported spices, Norway fish and fishmeal and Denmark dairy products, eggs and feedstuff for animals.

(d) Chemical (SITC Section 5)

19. In 1972, NATO countries' sales to the European Communist countries grew by 27%(1) to \$920 million. This figure represented 12% of NATO countries total exports to the area. The United States, however, have not participated in this growth as its exports (\$33 million) declined by 30%.

20. The Soviet Union continued to be the main customer with purchases totalling \$215 million. However sales to that country grew at a much slower rate (10%) than those to Eastern Europe (33%), where the GDR (\$195 million) and Poland (\$160 million) increased their purchases even faster (about

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(1) A higher rate of growth than that of NATO countries' sales of chemicals to the world (+18%)

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50% in 1972). West Germany, once again, the main supplier; its exports represented between 79% (in the case of the GDR) and 33% (in that of Bulgaria) of NATO deliveries. American exports are essentially directed to the USSR and consist of chemical elements and compounds. On the other hand, European sales were more diversified, in addition to chemical elements and compounds they comprised plastic materials, dyeing, tanning and colouring materials as well as manufactured fertilizers.

(e) Other Commodities (SITC Sections 1, 2, 3, 4, 8 and 9)

21. NATO countries' exports to European Communist countries under these various sections of the SITC (\$1,168 million), amounted in 1972 to some 15% of total sales to that area. Forty-three per cent of these exports consisted of crude materials, 33% of manufactured consumer goods and 10% of mineral fuels. The share of the other items was small; however sales of tobacco were a significant element of Greek and Turkish sales to the area.

22. Soviet Union purchases amounted to \$275 million. Purchases of crude materials, in particular oil seeds, nuts and kernels from the United States, hides and skins from the Netherlands, textile fibres not manufactured from Greece, Turkey and the United Kingdom, represented 45% of the total. Imports of manufactured goods, 42% of the total, consisted mainly of clothing and footwear from the United Kingdom, France and Italy, scientific, medical, optical, measure control instruments from Germany and the United Kingdom.

23. Eastern Europe was, in 1972, a much larger buyer (\$893 million) than the USSR of commodities coming under the SITC sections referred to above. As far as crude materials (43% of the total) and manufactured goods (30% of the total) are concerned, products purchased were broadly in the same range as those procured by the USSR and from the same sources, except that the United States mainly supplied undressed hides and skins and textile fibres and that lumber and cork was delivered by Portugal. The other important item, mineral fuels (13% of the total), consisted mostly of purchases by the GDR (\$86 million) mainly from Germany and the Netherlands, by Poland (\$10 million) from the same suppliers and also from the United Kingdom and by Rumania (\$15 million) mainly from Germany, Italy and the United States.

B. IMPORTS

24. In 1972 NATO countries' imports (\$6,398 million) from European Communist countries were mainly made up of: manufactured goods (21.4%), food (19%), crude materials (15.1%), mineral fuels (14.9%), miscellaneous manufactured articles (11.9%), machinery and transport equipment (9.7%) and chemicals (5%).

(a) Manufactured Goods (SITC Section 6)

25. NATO countries' imports from European Communist countries registered in 1972 an increase of 22% and reached \$1,370 million. This figure was \$428 million less than that of NATO exports of manufactured goods to these countries.

26. Imports from the Soviet Union at \$383 million(1) grew much faster, 37%, than Soviet total sales to NATO countries (12.6%). Non-ferrous metal (55%), iron and steel (19%), as well as precious stones (5.8%)(2), made up the bulk of Allied countries imports. Germany, the United Kingdom, the United States and Turkey with purchases totalling \$94.2 million, \$72.8 million, \$63.7 million and \$44.9 million, thus accounting together for 72% of the total, were the principal customers. Turkey alone accounted for as much as one-third of total NATO countries steel imports from the USSR.

27. Eastern Europe principal exports are iron and steel, non-ferrous metals and, far behind, textile yarns and fabrics. The GDR, Czechoslovakia and Poland were the principal suppliers: their exports totalled \$270 million, \$244 million and \$202 million respectively. Germany, accounting for 72% of total NATO countries' imports from the GDR and 35% from Czechoslovakia was the principal customer of those two countries, as it was of Poland, although its share was smaller (30%). Italy, the United Kingdom, France and the United States were the other principal customers.

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- (1) This figure, however, is much smaller than the value of actual imports of manufactured goods from the USSR, since the United Kingdom does not give the geographical breakdown of its purchases of diamonds. Very approximate calculations would indicate that in 1972 such British imports from the USSR might have reached about \$290 million
- (2) Excluding the United Kingdom

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(b) Food (SITC Section 0)

28. Imports of food products from European Communist countries increased in 1972 by 23% rising to \$1,218 million.

29. Purchases in the Soviet Union declined by about 31% to \$77 million, i.e. some 4% of total imports by NATO countries. The main clients were the United Kingdom with imports amounting to \$25 million, most of which wheat; France with \$19 million spent mainly on canned fish and live poultry and Germany with \$14 million, mainly representing the value of wheat and vegetable imports.

30. The bulk of NATO countries' imports of food came from Eastern Europe (\$1,141 million). The growth in 1972 was particularly rapid, 30%. Poland is the main supplier with one-third of the area sales; it is followed by Hungary, 24%, the GDR, 17% and Rumania, 13%. Italian purchases in Eastern Europe - consisting mainly of live animals - represented 11% of that country's imports of food from the whole world. Live animals, meat, meat preparations and tinned meat represented the largest part of food imports from the area by other NATO countries, in particular France, the United Kingdom, the United States and Germany.

(c) Crude Materials (SITC Section 2)

31. Growth in imports of crude materials from the European Communist countries, which totalled \$967 million, was much less (12%) than in manufactures. These consisted mainly of timber, textile fibres, crude fertilizers, metal-ferrous ores and scrap metal.

32. Imports from the Soviet Union at \$515 million made up 53% of the total. The principal customers were the United Kingdom, Germany, France and Italy, whose share in total NATO country imports amounted to 26%, 20%, 18% and 17% respectively. In Eastern Europe the principal suppliers were Poland with sales totalling \$130 million and Rumania with \$103 million. The United Kingdom was the first ranking customer of Poland, and Italy that of Rumania, while Germany was one of the principal customers of both Poland and Rumania.

(d) Mineral Fuels (SITC Section 3)

33. Imports totalled \$953 million. The bulk of the purchases, \$581 million, or 61% of the total, were made in the Soviet Union. The principal customers were Italy with imports amounting to \$196 million, Germany (\$132 million) and France (\$113 million). Imports consisted mainly of crude oil and petroleum products but also in the case of France, Belgium and Italy, of coal.

34. Although NATO countries' purchases in Eastern Europe were considerably less than in the Soviet Union, they nevertheless registered a much more rapid growth than those from the Soviet Union. For instance, imports from East Germany (essentially brown coal, petroleum products and coke), rose by 35% to \$72 million, from Rumania (petroleum products) by 24% to \$70 million and from Poland (mainly anthracite) by 16% to \$198 million, while from the USSR they rose by only 4%. The bulk of the GDR exports (\$66 million) were channelled towards Germany. Italy, Germany and France were the principal customers of Poland.

(e) Miscellaneous Manufactured Articles (SITC Section 8)

35. NATO countries' imports of miscellaneous manufactured articles from European Communist countries registered a remarkable growth in 1972 (38%) and reached \$763 million. This figure is twice as large as that of NATO countries' exports of commodities falling under Section 8 of the SITC to the European Communist countries.

36. Imports from the Soviet Union - mainly watches, control instruments and photographic goods - were negligible (\$21 million). In Eastern Europe, the GDR was the main supplier of NATO countries (\$257 million). In other East European countries sales varied from \$126 million for Rumania to \$108 million for Hungary, however Bulgaria's exports lagged far behind and reached \$31 million only. Clothing, furniture and footwear were the main exports of Eastern Europe.

(f) Machinery and Transport Equipment (SITC Section 7)

37. Despite a 20% growth in 1972, sales by the European Communist countries of machinery and transport equipment to NATO countries amounted to \$623 million, i.e. only a quarter of the value of NATO countries' exports to them, and just under 1% of NATO countries total imports of these commodities from the world. Nevertheless, the share of machinery and transport equipment in Portugal, Norway and Turkey total imports from the European Communist countries was quite large: 44% in the case of the first two countries and 53% in that of the third.

38. The Soviet Union increased by 42% its sales to NATO countries (\$127 million) mainly as a result of a 100% increase in exports to Turkey which reached \$63 million. The bulk of Soviet sales consisted of machinery other than electric; however sales of transport equipments were made to the United Kingdom (road vehicles) and to Germany (aircrafts).

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39. Imports from Eastern Europe (\$496 million) represented 80% of NATO purchases in the European Communist countries. The GDR (\$153 million), Czechoslovakia (\$139 million) and Poland (\$120 million) were the main suppliers, while the most important purchasers were Germany (\$143 million), France (\$76 million), Norway (\$58 million) and the United Kingdom (\$44 million). The range of goods sold by Eastern Europe is wider than that by the USSR: electrical machinery and appliances, machinery other than electric, and transport equipment. As regards this last item, Norway is a substantial importer of ships and boats from Poland and the GDR: about 10% of its world imports.

### III. NATO COUNTRIES TRADE WITH COMMUNIST CHINA

#### A. EXPORTS

40. In 1972, 96% of NATO countries' sales to China (\$1,325 million) was made up of machinery and transport equipment, food, manufactured products, crude materials and chemicals.

##### (a) Machinery and Transport Equipment (SITC Section 7)

41. Sales more than doubled (+160%) and reached \$373 million, 63% of the total was supplied by the United States. Almost half of the American exports consisted of electrical machinery, in particular telecommunication equipment. The other main suppliers were Germany, France and the United Kingdom; between 73% and 45% of these countries' sales consisted of transport equipment (in particular rolling stock and aircrafts).

##### (b) Food (SITC Section 0)

42. Exports rose by 80% to \$341 million; the United States and Canada accounted for 99% of NATO countries' deliveries which consisted entirely of wheat and maize.

##### (c) Manufactured Goods (SITC Section 6)

43. Despite a growth of 53% to \$248 million, the share of this group of products in total Chinese imports from NATO countries declined from 26.5% in 1971 to 18.7% in 1972, indicating the growing interest of China in Western technology and equipment rather than in semi-manufactured products. Principal suppliers were Germany, the United Kingdom, Italy and the United States and main deliveries consisted of iron and steel goods and non-ferrous metals.

(d) Crude Materials (SITC Section 2)

44. Sales registered a record tenfold increase in one year and rose to \$189 million. The United States and Turkey were the principal suppliers accounting respectively for 79% and 10% of deliveries. China bought from the United States mainly soya beans, unmanufactured textile fibres and metal scrap and from Turkey unmanufactured textile fibres.

(e) Chemicals (SITC Section 5)

45. Exports of chemicals grew by 28% to \$114 million. China mainly purchased chemical elements and compounds from Germany (its first ranking supplier) and from the United States, as well as manufactured fertilizers from Italy and the Netherlands. Sales by other NATO countries were much less important.

B. IMPORTS

46. NATO countries' imports from China (\$545 million) in 1972 were essentially made up of crude materials (34%), manufactured goods (23%), food (21%), miscellaneous manufactured articles (12%) and chemicals (7%). Chinese sales of machinery and transport equipment were insignificant.

(a) Crude Materials (SITC Section 2)

47. NATO countries' imports rose by 22% and reached \$183 million in 1972. They consisted mainly of unmanufactured textile fibres and crude animal and vegetable materials, of less importance were Chinese sales of hides and skins and of oil seeds. Germany, Italy and the United Kingdom were the main purchasers.

(b) Manufactured Goods (SITC Section 6)

48. Imports of manufactured goods by NATO countries grew by 64% to \$128 million; in 1972 their share in total imports from China was 23% as against 20% in 1971. Textile yarns, mainly cotton, and tin represented the bulk of Chinese exports. France, the United Kingdom and Canada were the major clients.

(c) Food (SITC Section 0)

49. Food imports increased by 29% to \$115 million and consisted mainly of fresh and congealed meat, fruits and vegetables. France was the main purchaser followed by Germany, Italy, the United Kingdom and the Netherlands.

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(d) Miscellaneous Manufactured Articles (SITC Section 8)

50. Although the value of Chinese sales of miscellaneous manufactured articles to NATO countries was still quite modest (\$65 million) it had grown by 74% in 1972. Canada, France, Germany, the United Kingdom, the United States and Italy were the main purchasers of footwear, clothing, toys and works of art which constituted most of Chinese sales coming under Section 8 of SITC.

(e) Chemicals (SITC Section 5)

51. Imports of chemicals were small (\$36 million), the main clients being Germany, France, the United Kingdom and Italy. Chinese sales mainly consisted of wood and resin based chemical products and perfume materials.

TABLE I

NATO COUNTRY EXPORTS TO COMMUNIST COUNTRIES AS  
A PERCENTAGE OF THEIR TOTAL EXPORTS

	1960	1971	1972	1973
Belgium/Luxembourg	3.7	1.5	1.7	2.4
Denmark	3.9	4.0	3.5	3.2
France	4.0	4.1	3.9	4.1
Federal Republic of Germany(1)	6.6	6.8	7.0	7.6
Greece	22.0	13.0	13.6	11.7
Iceland	23.1	10.9	12.1	8.7
Italy	5.8	5.4	4.7	4.8
Netherlands	1.7	1.9	2.1	2.2
Norway	4.8	2.8	3.7	3.5
Portugal	2.3	0.6	0.6	0.6
Turkey	12.2	12.3	11.9	10.1
United Kingdom	3.5	3.1	3.2	3.3
Total NATO Europe	4.7	4.4	4.4	4.8
Canada	0.8	2.1	3.1	2.7
United States	1.0	0.9	1.8	3.5
Total NATO North America	0.9	1.2	2.2	3.3
Total NATO	3.3	3.4	3.7	4.3

(1) In the case of the Federal Republic of Germany the figures cover both exports to the Communist countries and deliveries to the GDR. Source: AC/127-D/497

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N A T O U N C L A S S I F I E D

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ANNEX IV to  
AC/127-WP/420TABLE IINATO COUNTRY IMPORTS FROM THE COMMUNIST COUNTRIES AS  
A PERCENTAGE OF THEIR TOTAL IMPORTS

	1960	1971	1972	1973
Belgium/Luxembourg	2.2	1.9	1.9	2.0
Denmark	4.9	3.3	3.4	3.8
France	2.8	3.1	3.1	3.1
Federal Republic of Germany(1)	7.1	5.8	5.9	6.2
Greece	7.9	5.0	5.5	5.5
Iceland	22.7	10.2	10.4	8.9
Italy	6.1	6.0	6.2	5.8
Netherlands	2.6	1.9	2.1	2.0
Norway	3.4	4.2	3.2	3.0
Portugal	1.5	1.2	0.9	1.0
Turkey	9.1	10.4	10.8	8.5
United Kingdom	3.6	3.9	3.8	3.8
Total NATO Europe	4.5	4.1	4.2	4.2
Canada (fob)	0.3	0.7	0.8	0.8
United States (fob)	0.5	0.5	0.6	0.8
Total NATO North America	0.5	0.5	0.7	0.8
Total NATO	3.3	3.0	3.1	3.2

(1) In the case of the Federal Republic of Germany the figures cover both imports from the Communist countries and deliveries by the GDR. Source: AC/127-D/497

N A T O U N C L A S S I F I E D

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TABLE III  
NATO COUNTRIES' BALANCE OF TRADE WITH  
THE COMMUNIST COUNTRIES  
(US \$ millions)

	1960	1971	1972	1973
Belgium/Luxembourg	53.16	- 46.68	- 16.44	102.96
Denmark	- 30.48	- 6.36	- 19.80	- 95.88
France	96.00	187.44	175.32	287.88
Federal Republic of Germany(1)	25.29	351.53	903.55	1,760.48
Greece	- 10.56	- 18.83	- 9.98	- 19.71
Iceland	- 4.80	- 5.04	- 1.10	- 6.56
Italy	- 78.00	-156.48	-333.48	-538.44
Netherlands	- 49.32	- 22.44	- 12.48	45.60
Norway	- 6.60	- 98.88	- 21.12	- 21.96
Portugal	- 0.72	- 15.49	- 12.37	- 17.95
Turkey	- 3.36	- 29.89	- 56.85	- 46.34
United Kingdom	- 99.12	-244.20	-304.20	-460.32
Total NATO Europe	-108.51	-105.32	291.05	989.76
Canada (fob)	26.52	276.84	473.52	498.00
United States (fob)	114.00	155.76	526.20	1,903.80
Total NATO North America	140.52	432.60	999.72	2,401.80
Total NATO	32.01	327.28	1,290.77	3,391.56

(1) In the case of the Federal Republic of Germany the figures cover trade with the GDR. Source: AC/127-D/497

TABLE IV/TABLEAU IV

RECAPITULATION OF OVERALL DEVELOPMENT 1959-1973 FOR NATO EUROPE, NATO NORTH AMERICA AND TOTAL NATO  
RECAPITULATION DU DEVELOPPEMENT GLOBAL 1959-1973 POUR OTAN EUROPE, OTAN AMERIQUE DU NORD ET TOTAL OTAN

1. EXPORTS TO EASTERN EUROPE, THE U.S.S.R., COMMUNIST CHINA AND THE WORLD

1. EXPORTATIONS VERS L'EUROPE DE L'EST, L'U.R.S.S., LA CHINE COMMUNISTE ET LE MONDE

Millions US Dollars (Annual Totals) - Millions de Dollars EU (Totaux annuels)

		EASTERN EUROPE EUROPE DE L'EST			U.S.S.R. U.R.S.S.			COMMUNIST CHINA CHINE COMMUNISTE			TOTAL COMMUNIST COUNTRIES TOTAL DES PAYS COMMUNISTES			WORLD MONDE		
		NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO
(o)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	1959	963	107	1,070	403	20	423	330	2	332	1,696	129	1,825	38,282	22,778	61,060
2	1960	1,066	182	1,248	624	48	672	335	9	344	2,025	239	2,264	45,512	25,861	69,373
3	1961	1,187	159	1,346	691	70	761	156	121	277	2,034	350	2,384	46,724	26,448	73,172
4	1962	1,237	147	1,384	733	23	756	134	138	272	2,104	308	2,412	49,205	27,293	76,498
5	1963	1,282	184	1,466	630	162	792	157	97	254	2,069	443	2,512	53,767	29,393	83,160
6	1964	1,470	342	1,812	585	439	1,024	164	126	290	2,219	907	3,126	59,927	33,785	93,712
7	1965	1,760	194	1,954	590	227	817	313	97	410	2,663	519	3,182	67,118	35,111	102,229
8	1966	2,283	218	2,501	587	338	925	423	171	594	3,322	734	4,056	73,407	39,871	113,278
9	1967	2,461	178	2,639	870	180	1,050	531	84	615	3,887	447	4,334	76,938	42,082	119,020
10	1968	2,436	201	2,637	1,154	140	1,294	451	151	602	4,069	495	4,564	86,233	46,963	133,196
11	1969	2,766	159	2,925	1,399	115	1,514	435	113	548	4,667	391	5,058	96,974	51,742	148,716
12	1970	3,220	270	3,490	1,474	215	1,689	473	135	608	5,197	625	5,822	112,382	59,361	171,743
13	1971	3,704	263	3,967	1,451	287	1,738	417	202	619	5,603	763	6,366	128,071	61,813	189,884
14	1972	4,753	336	5,089	1,825	833	2,658	456	322	778	7,073	1,503	8,576	158,968	69,854	228,821
15	1973	6,781	685	7,467	2,802	1,482	4,285	808	977	1,785	10,531	3,169	13,699	219,171	95,510	315,681

TABLE V/TABLEAU V

RECAPITULATION OF OVERALL DEVELOPMENT 1959-1973 FOR NATO EUROPE, NATO NORTH AMERICA AND TOTAL NATO  
RECAPITULATION DU DEVELOPPEMENT GLOBAL 1959-1973 POUR OTAN EUROPE, OTAN AMERIQUE DU NORD ET TOTAL OTAN

2. IMPORTS FROM EASTERN EUROPE, THE U.S.S.R., COMMUNIST CHINA AND THE WORLD

2. IMPORTATIONS EN PROVENANCE DE L'EUROPE DE L'EST, L'U.R.S.S., LA CHINE COMMUNISTE ET LE MONDE

Millions US Dollars (Annual Totals) - Millions de Dollars EU (Totaux annuels)

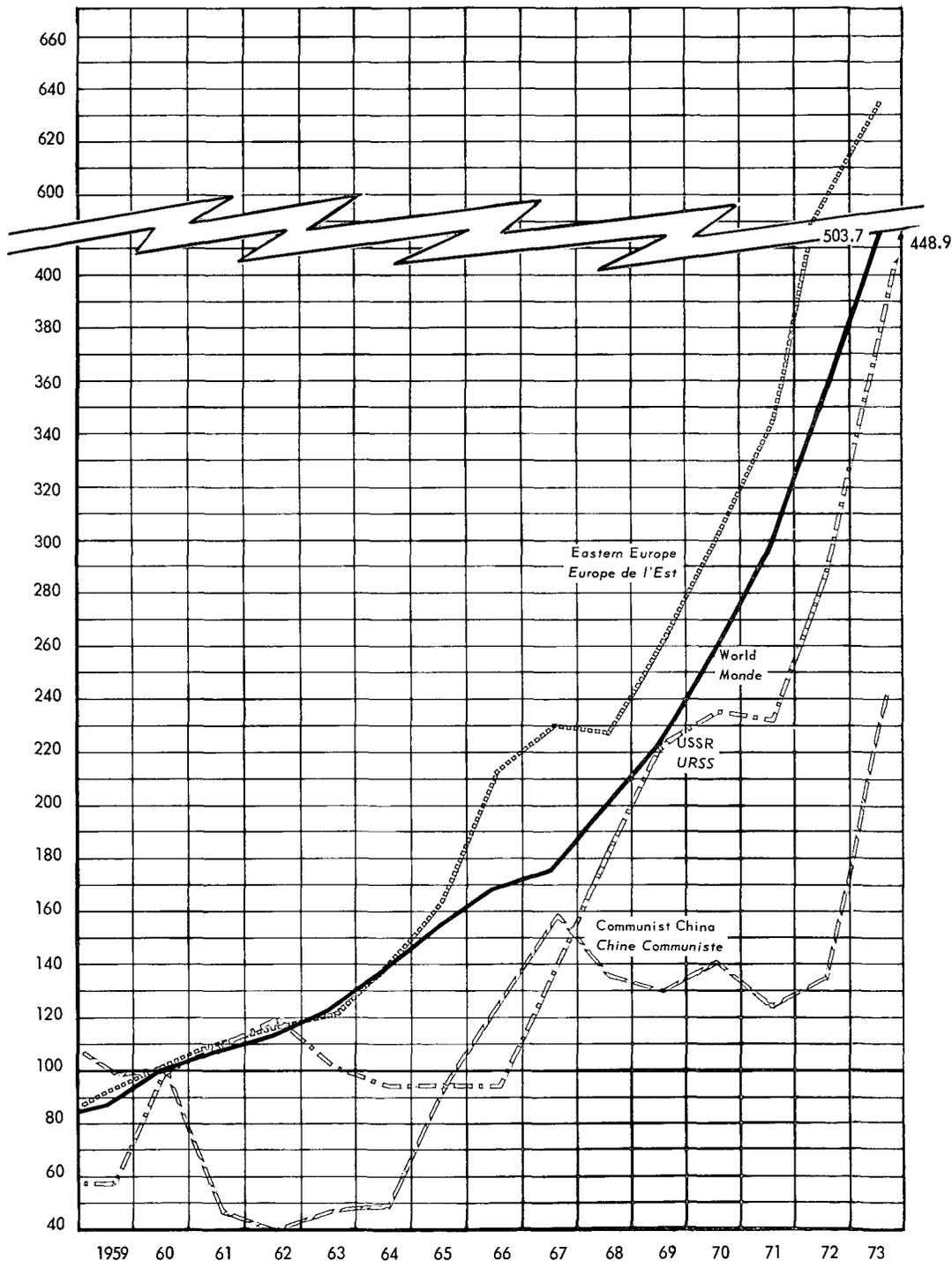
		EASTERN EUROPE EUROPE DE L'EST			U.S.S.R. U.R.S.S.			COMMUNIST CHINA CHINE COMMUNISTE			TOTAL COMMUNIST COUNTRIES TOTAL DES PAYS COMMUNISTES			WORLD MONDE		
		NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO	NATO EUROPE	NATO NORTH AMERICA	TOTAL NATO
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	1959	957	62	1,019	642	30	672	191	5	196	1,790	97	1,887	40,080	20,885	60,965
2	1960	1,145	67	1,212	758	26	784	231	6	237	2,134	99	2,233	47,494	20,515	68,009
3	1961	1,202	71	1,273	790	25	815	181	4	185	2,173	100	2,273	50,131	20,054	70,185
4	1962	1,256	76	1,332	858	18	876	159	4	163	2,273	98	2,371	54,295	22,101	76,396
5	1963	1,450	76	1,526	930	24	954	163	5	168	2,543	105	2,648	60,354	23,113	83,467
6	1964	1,554	101	1,655	896	24	920	220	9	229	2,670	134	2,804	67,504	25,652	93,156
7	1965	1,781	123	1,904	1,098	52	1,150	293	14	307	3,172	189	3,361	73,213	29,266	102,481
8	1966	2,037	168	2,205	1,216	60	1,276	361	19	380	3,623	248	3,871	79,219	34,669	113,888
9	1967	2,143	187	2,330	1,323	63	1,386	320	24	344	3,796	273	4,069	82,085	37,066	119,151
10	1968	2,249	191	2,440	1,388	78	1,466	322	22	344	3,977	291	4,268	90,558	44,553	135,111
11	1969	2,568	203	2,771	1,519	63	1,582	376	25	401	4,499	291	4,790	106,557	49,188	155,745
12	1970	3,016	209	3,225	1,643	81	1,724	353	18	371	5,050	309	5,359	123,526	53,271	176,797
13	1971	3,496	232	3,728	1,790	70	1,860	378	28	406	5,708	331	6,039	137,891	61,062	198,953
14	1972	4,236	311	4,546	2,023	111	2,134	469	81	550	6,782	503	7,285	162,501	74,477	236,979
15	1973	5,771	412	6,183	3,016	237	3,254	680	117	797	9,541	767	10,308	228,444	92,427	320,871

GRAPH I - GRAPHIQUE I

THE DEVELOPMENT OF NATO COUNTRIES' TRADE  
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1959 - 1973

LE DEVELOPPEMENT DU COMMERCE DES PAYS DE L'OTAN  
AVEC LE MONDE ET LES PAYS COMMUNISTES 1959 - 1973

NATO EUROPE EXPORTS 1960 = 100 (\*)  
EXPORTATIONS OTAN EUROPE 1960 = 100 (\*)



(\*) The absolute values (million US \$) for 1973 would read as follows :  
USSR = 2.802; Eastern Europe = 5.781; Communist China = 808; World = 219.171 (see Annex, page 35)

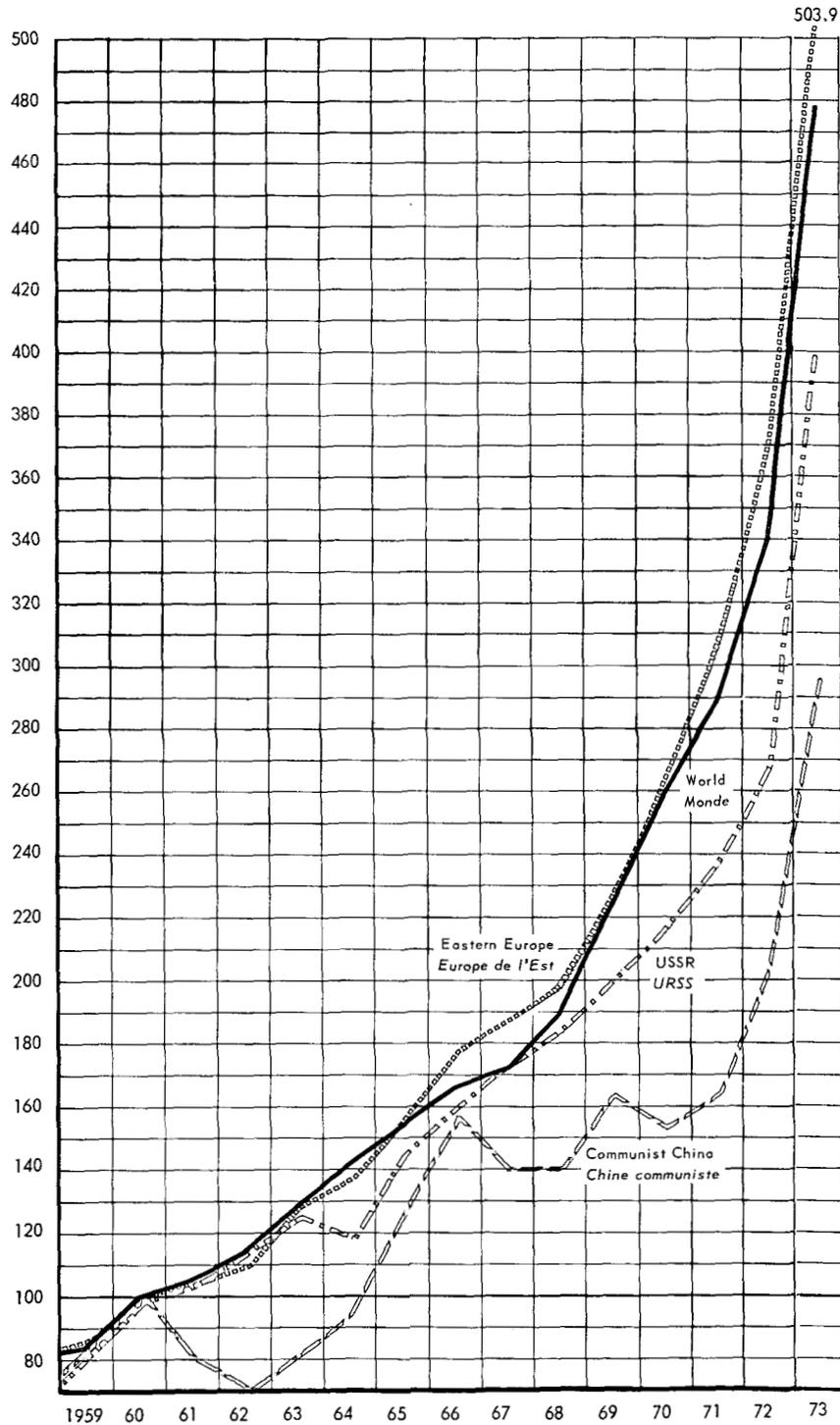
Les valeurs absolues (en millions de \$ EU) des exportations pour 1973 s'établissent comme suit :  
URSS = 2.802; Europe de l'Est = 6.781; Chine Communiste = 808; Monde = 219.171 (voir Annexe, page 35)

GRAPH II - GRAPHIQUE II

THE DEVELOPMENT OF NATO COUNTRIES' TRADE  
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1959-1973

LE DEVELOPPEMENT DU COMMERCE DES PAYS DE L'OTAN  
AVEC LE MONDE ET LES PAYS COMMUNISTES 1959-1973

NATO EUROPE IMPORT 1960 = 100 (\*)  
IMPORTATIONS OTAN EUROPE 1960 = 100 (\*)



(\*) The absolute values (million US \$) for 1973 would read as follows :  
USSR = 3.017; Eastern Europe = 5.771; Communist China = 680; World = 228.444 (see Annex, page 36)

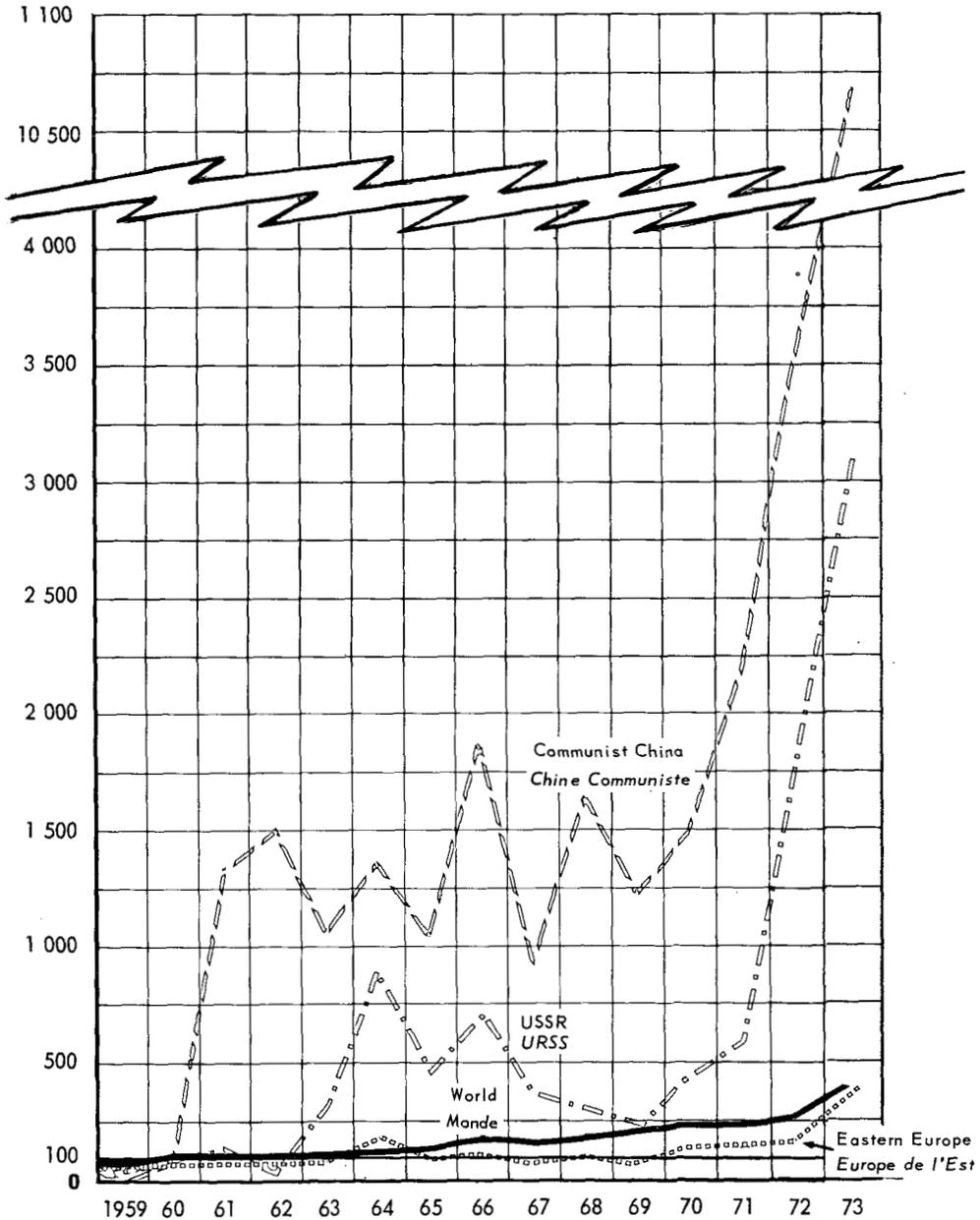
Les valeurs absolues (en millions de \$ EU) des importations pour 1973 s'établissent comme suit :  
URSS = 3.017; Europe de l'Est = 5.771; Chine Communiste = 680; Monde = 228.444 (voir Annexe, page 35)

GRAPH III - GRAPHIQUE III

THE DEVELOPMENT OF NATO COUNTRIES' TRADE  
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1959-1973

LE DEVELOPPEMENT DU COMMERCE DES PAYS DE L'OTAN  
AVEC LE MONDE ET LES PAYS COMMUNISTES 1959-1973

NATO NORTH AMERICA EXPORTS 1960 = 100 (\*)  
EXPORTATIONS OTAN AMERIQUE DU NORD 1960 = 100 (\*)



(\*) The absolute values (million US \$) for 1973 would read as follows :  
USSR = 1.482; Eastern Europe = 685; Communist China = 977; World = 96.510 (see Annex, page 35)

Les valeurs absolues (en millions de \$ EU) des exportations pour 1973 s'établissent comme suit :  
URSS = 1.482; Europe de l'Est = 685; Chine Communiste = 977; Monde = 96.510 (voir Annexe, page 35)

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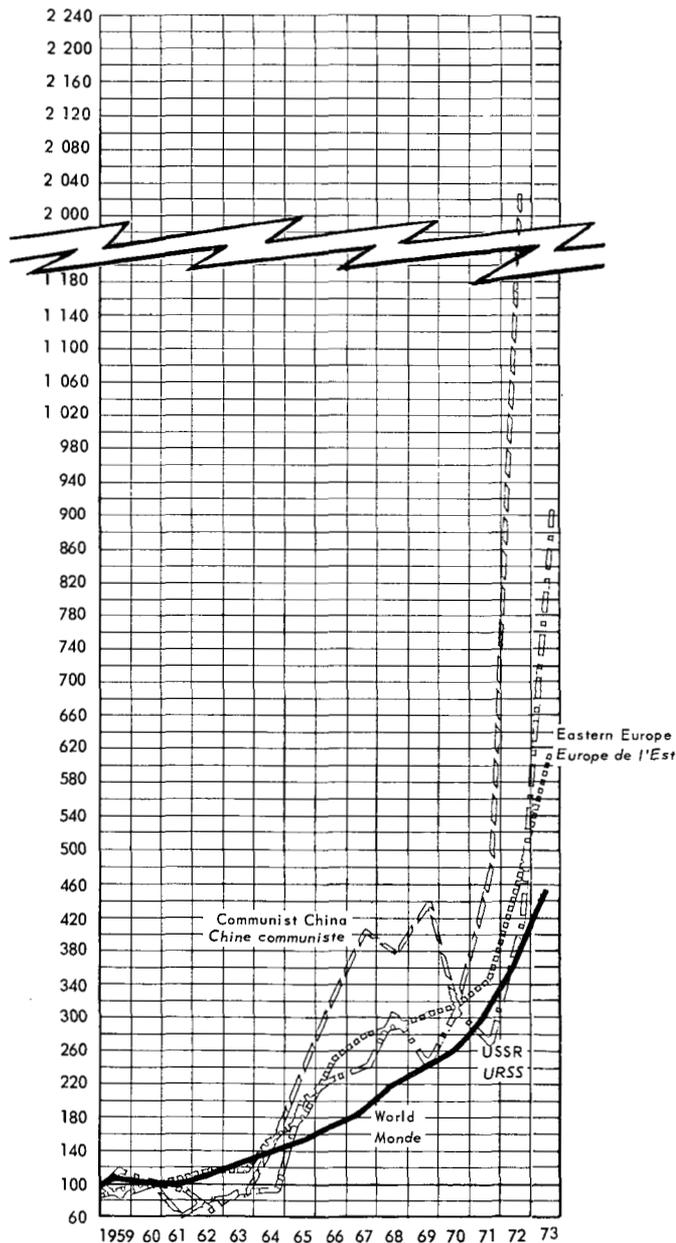
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GRAPH IV - GRAPHIQUE IV

THE DEVELOPMENT OF NATO COUNTRIES' TRADE  
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1959-1973

LE DEVELOPPEMENT DU COMMERCE DES PAYS DE L'OTAN  
AVEC LE MONDE ET LES PAYS COMMUNISTES 1959-1973

NATO NORTH AMERICA IMPORTS 1960 = 100 (\*)  
IMPORTATIONS OTAN AMERIQUE DU NORD 1960 = 100 (\*)

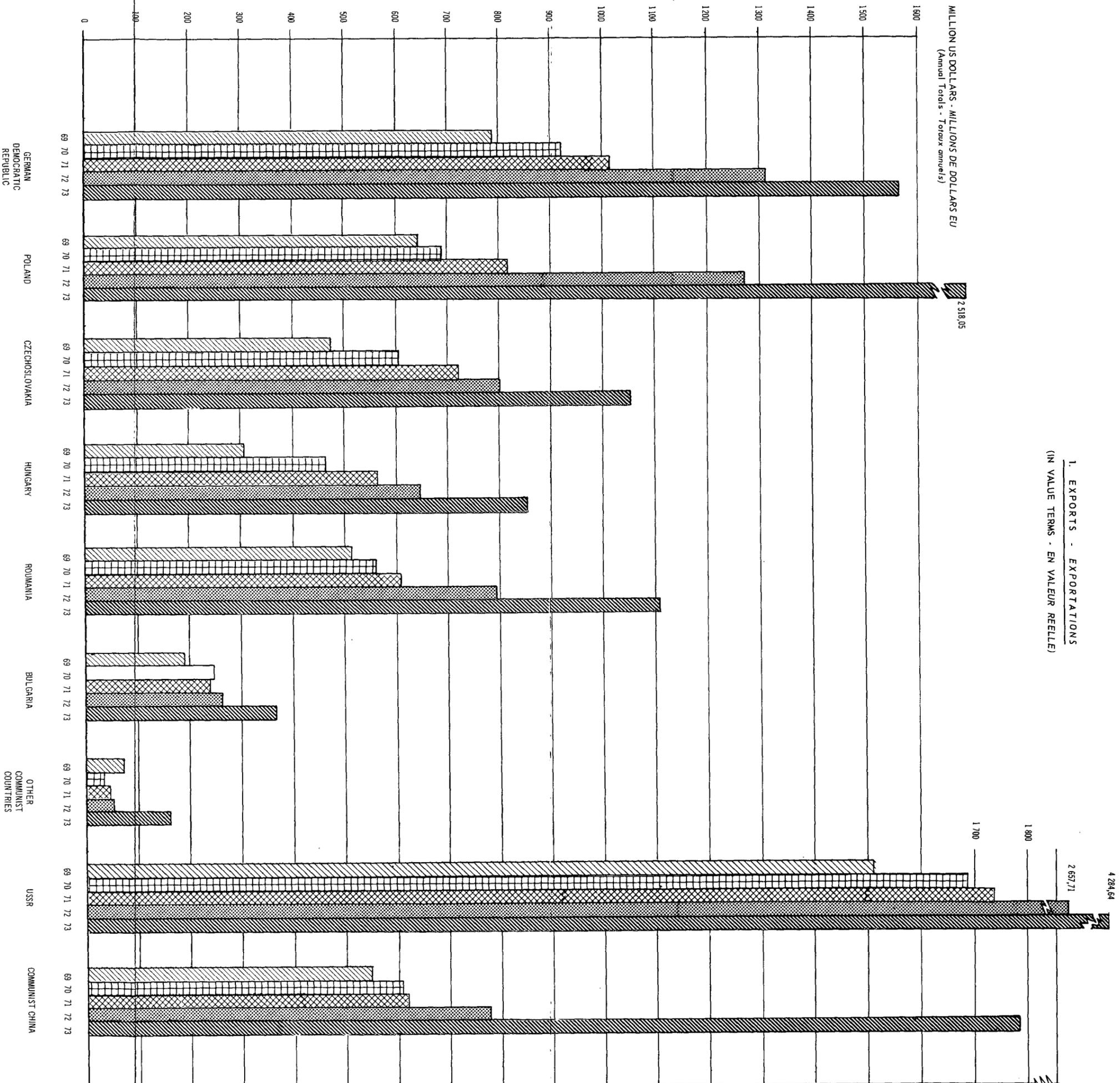


(\*) The absolute values (million US \$) for 1973 would read as follows :  
USSR = 237; Eastern Europe = 412; Communist China = 117; World = 92.427 (see Annex, page 36)

Les valeurs absolues (en millions de \$ EU) des importations pour 1973 s'établissent comme suit :  
URSS = 237; Europe de l'Est = 412; Chine Communiste = 117; Monde = 92.427 (voir Annexe, page 36)

GRAPH V - GRAPHIQUE V

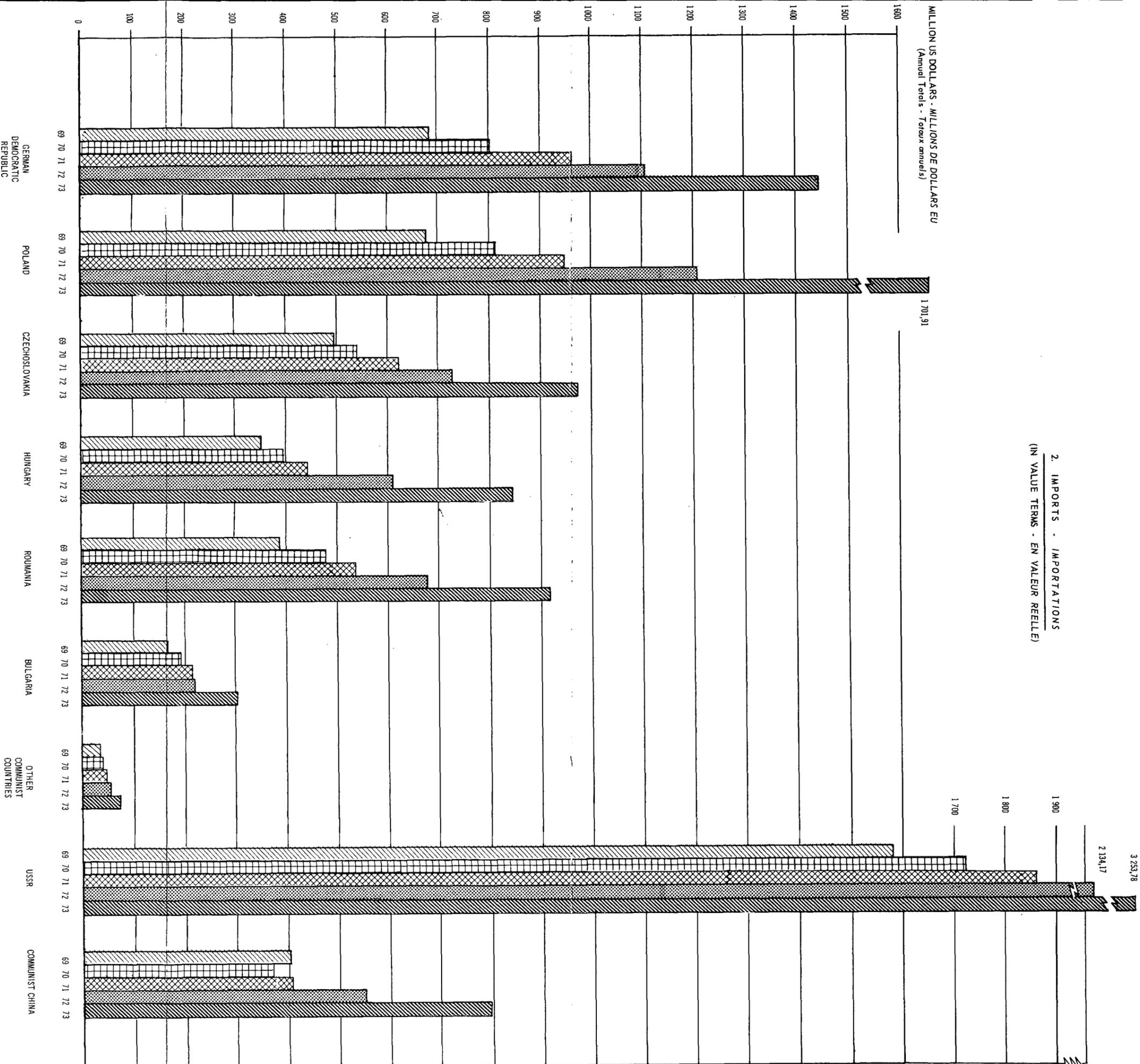
III - C1 - NATO COUNTRIES' TRADE WITH EACH OF THE INDIVIDUAL COMMUNIST COUNTRIES 1969 - 1973  
 III - C1 - COMMERCE DES PAYS DE L'OTAN AVEC CHACUN DES PAYS COMMUNISTES 1969 - 1973



NOTE : For figures, see pages 6-8 - En ce qui concerne les chiffres, voir pages 6-8.

GRAPH VI - GRAPHIQUE VI

III - C2 - NATO COUNTRIES' TRADE WITH EACH OF THE INDIVIDUAL COMMUNIST COUNTRIES 1969 - 1973  
III - C2 - COMMERCE DES PAYS DE L'OTAN AVEC CHACUN DES PAYS COMMUNISTES 1969 - 1973



NOTE : For figures, see pages 10-12 - En ce qui concerne les chiffres, voir pages 10-12.