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NATO COUNTRIES' TRADE WITH COMMUNIST COUNTRIES

Report by the Committee of Economic Advisers

In the present report, the sixth(1) in the series on trade between NATO member countries and Communist countries, i.e. Eastern Europe, the Soviet Union and Communist China, the Committee of Economic Advisers has analysed briefly the East/West trade returns for 1968(2) in the light of previous developments. After setting out the main features of this trade, some indications are given on the separate performances of NATO Europe and North America. It has also been attempted to look at possible developments in the near future.

I. MAIN FEATURES

2. In 1968 NATO countries' exports to Communist countries increased by 6.5% to \$4,566 million. This percentage, smaller than the one recorded the previous year (7%), was also well below the rate of growth of total exports of NATO countries (11.9%). In 1968, as in 1967, exports by European members of the Alliance to the USSR have been the most dynamic growth factor in East/West trade. NATO countries' imports from Communist countries rose by 5.7% to \$4,255 million, whereas the total imports of the members of the Alliance rose by 13.5%.

3. The share of Communist countries in NATO countries' total trade was in 1968 slightly reduced and stood at 3.4% of exports and 3.2% of imports. The percentages are somewhat higher when NATO Europe is considered separately, 4.7% and 4.4% respectively. Three NATO countries have a much larger stake than other members of the Alliance in trade with the East. Sales by Turkey, Greece and Iceland to the East equalled respectively 18.3%, 15.3% and 15% of their total exports. Respective percentages for imports were 12.8%, 8% and 11.9%. It should, however, be borne in mind that markets in the East also represent attractive outlets for certain industrial and agricultural products of other NATO countries.

(1) The previous report was circulated on 12th August, 1968 under reference C-M(68)35.

(2) The main figures are given in the attached tables and illustrated in the graphs. More complete statistics are given in AC/127-D/265 which was used in drawing up this report.

4. NATO countries' exports to Communist countries exceeded imports from such sources, which has normally been the case in recent years. In 1968 the trade surplus was \$311 million as against \$262 million in the preceding year. The real surplus is likely to be larger as available Western trade statistics are given f.o.b. for exports and c.i.f. for imports. Furthermore, a number of invisible transactions are involved, sale of know-how, licensing agreements, etc., which do not appear in the trade figures. Eastern Europe and Communist China had trade deficits with both NATO Europe and NATO North America, whereas the USSR was in surplus with the European members of the Alliance and had a fairly small deficit with North America; her overall surplus however dropped from \$335 million in 1967 to \$171 million in 1968.

5. It is recalled that Western export credits play an important part in this trade. A separate report on the development of these credits in 1968 has already been submitted to the Council(1). Such credits have become a notable feature of international trade, in particular as regards sales of machinery and plants - a category which has claimed an increasing share of NATO countries' exports to Communist countries. In 1967 machinery, transport equipment and manufactured goods represented 61% of total exports to Eastern Europe and the USSR from NATO countries(2). Statistics of the commodity composition of these exports in 1968 are not yet available.

6. The relative importance of the various Communist markets changed little between 1967 and 1968 although the weight of the Soviet Union increased somewhat. It now receives 28.4% of NATO countries' exports against 58.4% by Eastern Europe and 13.2% by Communist China. The respective shares of NATO Europe (about 91%) and of North America (about 9%) in total East/West trade were practically the same in 1968 as in 1967.

II. TRADE OF EUROPEAN NATO COUNTRIES

7. The performance of the European members of the Alliance as regards their trade with the East has been quite different from one Communist country to another, as will be shown in the following paragraphs.

8. European NATO countries' exports to Eastern Europe(3) at \$2,467 million were only 1.2% higher than in 1967. This development contrasts with the steady growth of these exports during the present decade. Between 1960 and 1968 they doubled and in most years they have grown considerably faster than world trade. The pause recorded in 1968 results from divergent

(1) 19th Report covering the period up to 31st December, 1968
C-M(69)27

(2) See AC/127-D/256 and AC/127-WP/231

(3) Albania, Bulgaria, Hungary, Poland, Rumania, Czechoslovakia and the Soviet Occupied Zone of Germany.

movements in the sales to the various countries. Hungary and Rumania, after a very large increase of their imports in 1967, have apparently been unable further to increase their purchases abroad although they managed to keep them at the high level already attained. The reduction by about 10% of their purchases in NATO countries by the Soviet Zone and Bulgaria - the two Moscow stalwarts - may have been the consequence of a deliberate policy favouring trade with COMECON; on the other hand, Bulgaria may have decided to restrain her imports to avoid over-extending her credit facilities in the West. Poland increased her imports from NATO European countries by 8%, a percentage higher than the one (7%) by which she undertook to increase her imports from GATT members after joining that organization in 1967. This, together with a considerable rise in European sales to Czechoslovakia (+21%), offset the decline of sales to other East European countries. It is worth recording that exports to Czechoslovakia during the second half of 1968 were some 36% above the level reached during the first half of that year. At \$2,255 million, imports from Eastern Europe by European members of the Alliance expanded by 6.7%; imports from Czechoslovakia in particular grew at a faster rate (10%) than the average. The main NATO trading partner of Eastern Europe is the Federal Republic of Germany with 36% of total NATO trade, followed - far behind - by Italy, the United Kingdom and France. Even when trade with the Soviet Zone is excluded, the Federal Republic heads the list with 29% of total NATO trade with that area.

9. The expansion of exports of the European NATO countries to the Soviet Union was in 1968 the salient feature of East/West trade. Following a rise of 48% in 1967 they rose again by 32.6% - \$284 million - to \$1,154 million. This development, which was expected, is to a considerable extent a consequence of the very large amount of export credits extended to the Soviet Union since 1966(1), the effects of which began to be felt in 1967 and is likely to be felt not only this year but also next. There has been a very sharp rise in the sales by France (+65%), Italy (+44%), the United Kingdom (+40%) and the Federal Republic of Germany (+38%). The share of these four countries in total exports by NATO countries to the USSR has grown remarkably from 48% in 1966 to 63% in 1967 and 74% in 1968. In the case of some smaller NATO European countries there has been in 1968 some decline in their exports to the Soviet Union or these exports have remained more or less at their previous level. For NATO Europe as a whole the sharp increase in exports to the Soviet Union in 1967 and 1968 followed a decline during the preceding years when there were large sales of cereals by North America to the

(1) Between 1966 and 1968 the USSR received new export credits amounting to \$1.3 billion (see Table IIIA in C-M(69)27).

USSR; in fact, over the period 1960 to 1968, taken as a whole, the growth of NATO Europe's exports to the Soviet Union has been less than that of NATO Europe's exports to the world. Contrary to their exports, NATO Europe countries' imports from the USSR increased moderately (+4.9%); with the result that the Soviet trade surplus dropped by almost 50% from \$450 million in 1967 to \$234 million in 1968. The four NATO countries mentioned above (Germany, France, the United Kingdom and Italy) are also the main importers of Soviet goods; their share of total NATO imports in 1968 was 78%.

10. Exports by European countries of the Alliance to Communist China at \$451 million were 15% lower in 1968 than in 1967. This is largely due to the upheavals in the Chinese economy caused by the Cultural Revolution. Imports from China were practically stagnant.

III. TRADE OF NORTH AMERICAN NATO COUNTRIES

11. The performance of North American NATO countries' exports to Communist countries has varied from one area to another; there are also differences as between United States and Canada.

12. Exports to Eastern Europe by the North American countries of the Alliance recovered after their decline of 1967 and grew by 10.9% to \$203 million. United States sales to Czechoslovakia did not adhere to this pattern as they dropped by some 26% to \$14 million, whereas imports at \$23.6 million were 7% above their 1967 level. Canadian figures remained practically at their 1967 level. In 1968 the North American trade surplus with Eastern Europe was \$12 million, substantially more than in 1967, but much less than the results achieved between 1960 and 1966.

13. Exports by North American NATO countries to the Soviet Union decreased by almost 22% in 1968. Both Canada and the United States sold less than in 1967, but the decline was considerably bigger in the case of Canada whose exports at \$83 million were some 31% below the previous year's figure. This development is entirely due to a reduction in Canadian wheat deliveries. United States exports, already small, declined by some 5% to \$57 million. On the other hand, while Canadian imports from the Soviet Union fell by just over 5% to \$20 million, United States imports rose by about 40% to \$56.8 million, almost balancing her exports to the USSR. By 1968 the North American share in total NATO countries' exports to the USSR had dropped to 11%, well below the peak percentages recorded in 1964 and 1966 (43% and 36% respectively). The share in total NATO imports from the Soviet Union was 5.2%.

14. In 1968 trade between North American members of the Alliance and Communist China was limited to Canada. That country increased its sales by 78.7% to \$151 million, whereas its imports fell from \$23.2 million in 1967 to \$21.7 million. The trade surplus thus amounted to \$129 million. The fluctuations in Canadian export figures from one year to the next are due to variations in grain deliveries.

IV. FUTURE DEVELOPMENTS

15. Among the East European countries the stagnation in Hungary's and Rumania's purchases abroad, as noted in paragraph 8 above, affected not only imports from the West but from all countries. These two countries have indicated their intention to increase their imports in 1969. Poland, in spite of balance of payments problems, is likely to try and live up to her GATT commitments in which case her imports from the West would continue to grow. Czechoslovakia in 1968 looked as if it could become a new dynamic element in Western trade with Eastern Europe. A substantial expansion of that country's imports would have to be based, as in the case of Rumania and Poland, on credits in hard currencies. In the present circumstances, it is doubtful whether Czechoslovakia will be allowed to seek the hard currency she requires in order to increase considerably her purchases in the West.

16. The desire which exists in Eastern European countries to develop their procurement in the West might indeed be thwarted by pressure by the Soviet Union to channel trade expansion mainly inside COMECON. It is difficult at this juncture to foresee the extent to which Soviet pressure could be applied and might be successful. Much will depend on the general climate of East/West relations. In addition Eastern Europe, which is still far from being able to balance the present level of imports from NATO countries by her exports to them, may, under Soviet pressure, have to refrain from seeking as many Western export credits as it requires; consequently the current hard currency shortage from which it suffers is likely to continue in the future. It should, however, be noted that East European countries have achieved a not insignificant increase of their sales to NATO countries which, since 1965, have been increasing faster than total NATO imports. In 1968 a particularly striking increase was recorded in imports from that area by the Federal Republic of Germany (+16%). This might be an indication that such development could also take place in other NATO countries in the future.

17. With regard to the Soviet Union, there is some ground for believing that exports by NATO European members will continue to grow not only under the impetus given to business by the longer-term credits granted to that country since 1965, but also through the reciprocal desire to expand trade. Recent commercial agreements signed by the Soviet Union, in particular those with France and the United Kingdom, and business deals with German firms, are an indication of such a trend. Some countries have indicated that apart from the traditional Soviet interest in balancing trade bilaterally, there has recently been increasing pressure on Western exporters to arrange for imports from the East which could offset their sales. If such practice were to spread, Western exporters might find it more difficult and complicated to develop outlets in the East.

18. Communist China, which seems to be emerging from the upheavals of the Cultural Revolution, may be shopping again for Western goods, so that the drop in trade with Western Europe recorded in 1968 could prove to be a temporary phenomenon. Canadian exports to Communist China will continue to fluctuate with the Chinese needs for grain. Scarcity of foreign exchange will remain one of the main obstacles to the expansion of imports by Communist China from the West. Even if some Western European countries may see their exports grow substantially, as was the case for the Netherlands in 1968, Communist China will continue to represent for the West a very marginal outlet.

(Signed) A. VINCENT
Chairman

OTAN/NATO,
Brussels, 39.

TABLE INATO COUNTRIES' EXPORTS TO COMMUNIST COUNTRIES AS A
PERCENTAGE OF THEIR WORLD TRADE

	1960	1966	1967	1968
Belgium/Luxembourg	3.7	2.0	2.5	2.0
Denmark	3.9	4.2	4.3	3.5
France	4.0	4.4	4.7	5.1
Federal Republic of Germany(1)	6.6	6.0	6.6	5.9
Greece	22.0	22.9	18.1	15.3
Iceland	23.1	11.9	17.2	15.0
Italy	5.8	5.2	6.0	6.0
Netherlands	1.7	2.0	2.6	2.5
Norway	4.8	3.4	3.3	3.1
Portugal	2.3	1.1	1.1	0.9
Turkey	12.2	15.2	16.8	18.3
United Kingdom	3.5	3.5	4.1	4.0
Total NATO Europe	4.7	4.4	5.0	4.7
Canada	0.8	5.6	2.4	2.2
United States	1.0	0.7	0.6	0.6
Total NATO North America	0.9	1.9	1.1	1.1
TOTAL NATO	3.3	3.5	3.6	3.4

(1) In the case of the Federal Republic of Germany - figures comprise both exports and interzonal trade deliveries to the Soviet-occupied Zone of Germany.

Source: AC/127-D/189(Revised), AC/127-D/265

TABLE II

NATO COUNTRIES' IMPORTS FROM COMMUNIST COUNTRIES AS A
PERCENTAGE OF THEIR WORLD TRADE

	1960	1966	1967	1968
Belgium/Luxembourg	2.2	2.1	2.1	2.0
Denmark	4.9	4.6	4.1	4.0
France	2.8	3.4	3.3	3.1
Federal Republic of Germany(1)	7.1	5.9	6.0	5.9
Greece	7.9	8.3	7.7	8.0
Iceland	22.7	11.3	11.6	11.9
Italy	6.1	6.7	7.7	6.9
Netherlands	2.6	2.3	2.2	2.2
Norway	3.4	3.2	3.2	3.0
Portugal	1.5	1.3	1.1	1.4
Turkey	9.1	11.6	13.2	12.8
United Kingdom	3.6	4.6	4.4	4.3
Total NATO Europe	4.5	4.5	4.6	4.4
Canada (f.o.b.)	0.3	0.8	0.9	0.8
United States (f.o.b.)	0.5	0.7	0.6	0.6
Total NATO North America	0.5	0.7	0.7	0.7
TOTAL NATO	3.3	3.4	3.4	3.2

(1) In the case of the Federal Republic of Germany, figures comprise both imports and interzonal trade deliveries from the Soviet-occupied Zone of Germany.

TABLE III

NATO COUNTRIES' BALANCE OF TRADE
WITH COMMUNIST COUNTRIES(1)

(in million US \$)

	1960 to 1966	1967	1968
Belgium/Luxembourg	- 66.36	+ 28.80	+ 2.04
Denmark	- 168.24	- 23.52	- 35.76
France	+ 410.88	+122.40	+218.16
Federal Republic of Germany(2)	+ 197.91	+401.69	+269.74
Greece	- 68.67	- 2.15	- 40.08
Iceland	- 30.27	- 2.19	- 4.07
Italy	- 746.08	-220.12	- 93.36
Netherlands	- 337.68	+ 5.28	+ 5.40
Norway	- 61.80	- 30.36	- 22.80
Portugal	- 16.04	- 3.67	- 8.16
Turkey	- 41.37	- 3.40	- 7.87
United Kingdom	- 1,241.36	-189.84	-176.40
Total NATO Europe	- 2,169.08	+ 82.92	+106.84
Canada (f.o.b.)	+ 1,972.54	+156.12	+185.16
United States (f.o.b.)	+ 565.56	+ 23.28	+ 19.44
Total NATO North America	+ 2,538.10	+179.40	+204.60
Total NATO	+ 369.02	+262.32	+311.44

Source: AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries.

- (1) Eastern Europe, the USSR and Communist China.
- (2) In the case of the Federal Republic of Germany, figures comprise interzonal trade deliveries to the Soviet Occupied Zone of Germany.

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TABLE IV

NATO COUNTRIES' EXPORTS TO EASTERN EUROPE (1)

Yearly totals f.o.b.

(in million US dollars)

	1960	1966	1967	1968	Percentage change between 1968 and 1967
Belgium/Luxembourg	75.48	88.08	115.20	98.28	- 14.7
Denmark	39.24	74.64	82.44	70.32	- 14.7
France	105.00	311.52	282.72	300.72	+ 6.4
Fed. Rep. of Germany (2)	484.05	966.72	1,055.95	1,030.74	- 2.4
Greece	26.24	64.53	59.06	47.09	- 20.3
Iceland	5.40	6.79	5.01	3.42	- 31.7
Italy	93.96	267.48	325.40	370.32	+ 13.7
Netherlands	50.76	91.20	113.16	132.24	+ 16.9
Norway	25.56	34.08	30.48	33.84	+ 11.0
Portugal	4.68	6.71	7.75	6.70	- 13.5
Turkey	34.32	56.06	58.87	60.17	+ 2.2
United Kingdom	121.20	279.72	302.76	313.20	+ 3.5
Total NATO EUROPE	1,065.69	2,247.53	2,438.80	2,467.04	+ 1.2
Canada	28.20	69.00	48.36	44.16	- 8.7
United States	153.60	156.12	132.64	158.76	+ 17.9
Total NATO North America	181.80	225.12	183.00	202.92	+ 10.9
Total NATO	1,247.49	2,472.65	2,621.80	2,669.96	+ 1.8

(1) Comprising Poland, the Soviet-occupied Zone of Germany, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania.

(2) In the case of the Federal Republic of Germany, figures comprise interzonal trade deliveries.

Source: AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries

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TABLE V
NATO COUNTRIES' IMPORTS FROM EASTERN EUROPE (1)

Yearly totals c.i.f.

(in million US dollars)

	1960	1966	1967	1968	Percentage change between 1968 & 1967
Belgium/Luxembourg	48.36	75.48	76.80	85.80	+ 11.7
Denmark	48.96	85.56	85.68	89.76	+ 4.5
France	59.88	176.28	173.64	190.68	+ 9.8
Fed. Rep. of Germany	511.56	741.46	717.38	830.84	+ 15.8
Greece	27.12	62.64	53.15	84.35	+ 58.7
Iceland	7.92	6.92	8.30	4.81	- 42.0
Italy	140.28	323.76	411.72	370.32	- 10.1
Netherlands	52.92	102.12	107.28	121.44	+ 13.2
Norway	26.64	39.72	46.56	49.80	+ 7.0
Portugal	5.52	12.48	10.74	12.11	+ 12.8
Turkey	36.60	58.23	63.42	68.25	+ 7.6
United Kingdom	179.52	323.28	359.40	347.16	- 3.4
Total NATO Europe	1,145.28	2,007.93	2,114.07	2,255.32	+ 6.7
Canada (f.o.b.)	10.20	39.12	51.48	51.00	- 0.9
United States (f.o.b.)	56.40	122.04	130.44	139.92	+ 7.3
Total NATO North America	66.60	161.16	181.92	190.92	+ 4.9
Total NATO	1,211.88	2,169.09	2,295.99	2,446.24	+ 6.5

(1) Comprising Poland, the Soviet-occupied Zone of Germany, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania.

(2) In the case of the Federal Republic of Germany, figures include interzonal trade deliveries.

Source: AC/127-D/189(Revised) and AC/127-D/265

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TABLE VI

NATO COUNTRIES' BALANCE OF TRADE WITH EASTERN EUROPE

million US \$

	1960 to 1966	1967	1968
Belgium/Luxembourg	- 49.08	+ 38.40	+ 12.48
Denmark	- 83.76	- 3.24	- 19.44
France	+ 485.88	+ 109.08	+ 110.04
Federal Republic of Germany(1)	+ 249.63	+ 338.57	+ 199.90
Greece	- 27.36	+ 5.91	- 37.26
Iceland	- 14.19	- 3.29	- 1.39
Italy	- 320.52	- 86.32	+ 0
Netherlands	- 116.28	+ 5.88	+ 10.80
Norway	- 4.80	- 16.08	- 15.96
Portugal	- 13.09	- 2.99	- 5.41
Turkey	- 31.14	- 4.55	- 8.08
United Kingdom	- 321.24	- 56.64	- 33.96
Total NATO Europe	- 147.79	+ 324.73	+ 211.72
Canada (f.o.b.)	+ 354.72	- 3.12	- 6.84
United States (f.o.b.)	+ 403.68	+ 4.20	+ 18.84
Total NATO North America	+ 758.40	+ 1.08	+ 12.00
Total NATO	+ 610.61	+ 325.81	+ 223.72

Source: AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries.

(1) In the case of the Federal Republic of Germany, figures comprise interzonal trade deliveries to the Soviet Occupied Zone of Germany.

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TABLE VII
NATO COUNTRIES' EXPORTS TO THE USSR

(in million US dollars)

Yearly totals f.o.b.

	1960	1966	1967	1968	Percentage change between 1968 & 1967
Belgium/Luxembourg	18.84	26.52	40.20	47.16	+ 17.3
Denmark	16.20	23.28	17.88	18.96	+ 6.0
France	115.56	75.60	155.28	256.64	+ 65.1
Fed. Rep. of Germany	185.28	135.36	198.00	273.36	+ 38.0
Greece	18.83	28.31	30.50	24.43	- 19.9
Iceland	9.96	9.94	11.65	8.89	- 23.7
Italy	78.96	89.28	124.92	179.52	+ 43.7
Netherlands	11.76	25.20	66.48	46.80	- 29.6
Norway	12.84	14.52	18.72	19.08	+ 1.9
Portugal	2.40	-	-	-	-
Turkey	4.80	18.47	28.42	29.87	+ 5.1
United Kingdom	148.92	148.96	178.20	249.48	+ 40.0
Total NATO Europe	624.35	595.44	870.25	1,153.99	+ 32.6
Canada	8.40	296.52	119.16	82.80	- 30.5
United States	39.60	41.64	60.12	57.36	- 4.6
Total NATO North America	48.00	338.16	179.28	140.16	- 21.8
Total NATO	672.35	933.60	1,049.53	1,294.15	+ 23.3

Source: AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries
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TABLE VIII
NATO COUNTRIES' IMPORTS FROM THE USSR

Yearly totals c.i.f.

(in million US dollars)

	1960	1966	1967	1968	Percentage change between 1968 & 1967
Belgium/Luxembourg	27.12	59.76	59.40	65.64	+ 10.5
Denmark	28.80	39.84	35.28	29.16	- 17.3
France	94.68	171.60	187.08	182.76	- 2.3
Fed. Rep. of Germany	158.52	245.28	264.84	292.32	+ 10.4
Greece	28.33	38.36	37.49	27.12	- 27.7
Iceland	12.24	11.00	10.44	11.39	+ 9.1
Italy	126.48	189.96	274.56	285.96	+ 4.2
Netherlands	44.40	48.48	51.48	54.00	+ 4.9
Norway	19.32	31.56	35.40	27.00	- 23.7
Portugal	2.28	0.54	0.49	2.63	+ 436.7
Turkey	5.88	26.08	27.74	30.46	+ 9.8
United Kingdom	209.76	351.84	338.28	379.44	+ 12.2
Total NATO Europe	757.81	1,214.00	1,322.48	1,387.88	+ 4.9
Canada (f.o.b.)	3.24	10.80	21.24	20.04	- 5.6
United States (f.o.b.)	22.80	48.96	40.80	56.76	+ 39.1
Total NATO North America	26.04	59.76	62.04	76.80	+ 23.8
Total NATO	783.85	1,273.76	1,384.52	1,464.68	+ 5.8

Source : AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries

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TABLE IXNATO COUNTRIES' BALANCE OF TRADE WITH THE USSR

(in million US \$)

	1960 to 1966	1967	1968
Belgium/Luxembourg	- 162.60	- 19.20	- 18.48
Denmark	- 45.36	- 17.40	- 10.20
France	- 262.92	- 31.80	+ 73.68
Federal Republic of Germany	- 51.96	- 66.84	- 18.96
Greece	- 40.26	- 6.99	- 2.69
Iceland	- 15.87	+ 1.21	- 2.50
Italy	- 482.92	- 149.64	- 106.44
Netherlands	- 147.96	+ 15.00	- 7.20
Norway	- 65.40	- 16.68	- 7.92
Portugal	- 2.46	- 0.49	- 2.63
Turkey	- 12.44	+ 0.68	- 0.59
United Kingdom	- 804.08	- 160.08	- 129.89
Total NATO Europe	-2,094.23	- 452.23	- 233.89
Canada (f.o.b.)	+ 914.92	+ 97.92	+ 62.76
United States (f.o.b.)	+ 163.80	+ 19.32	+ 0.60
Total NATO North America	+1,078.72	+ 117.24	+ 63.36
Total NATO	-1,015.51	- 334.99	- 170.53

Source: AC/127-D/189(Revised), AC/127-D/265 and indications given by some member countries.

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TABLE X

NATO COUNTRIES' EXPORTS TO COMMUNIST CHINA

(in million US dollars)

Yearly totals f.o.b.

	1960	1966	1967	1968	Percentage change between 1968 & 1967
Belgium/Luxembourg	44.04	20.28	22.68	19.92	- 12.2
Denmark	2.04	2.52	6.00	2.16	- 64.0
France	52.68	92.40	93.24	87.72	- 5.9
Fed. Rep. of Germany	95.40	129.48	206.52	174.12	- 15.7
Greece	-	-	-	-	-
Iceland	-	-	-	-	-
Italy	39.96	62.64	73.56	61.08	- 17.0
Netherlands	6.84	16.20	12.24	28.92	+ 136.3
Norway	4.08	5.28	7.56	6.48	- 14.3
Portugal	0.24	-	-	-	-
Turkey	-	93.60	0.61	1.04	+ 70.5
United Kingdom	89.76	-	108.12	69.84	- 35.4
Total NATO Europe	335.04	422.40	530.53	451.28	- 14.9
Canada	9.12	171.00	84.48	150.96	+ 78.7
United States	-	-	-	-	-
Total NATO North America	9.12	171.00	84.48	150.96	+ 78.7
Total NATO	344.16	593.40	615.0	602.24	- 2.1

Source : AC/127-D/189(Revised), AC/127-D/265

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TABLE XI

NATO COUNTRIES' IMPORTS FROM COMMUNIST CHINA

Yearly totals f.o.b.

(in million US dollars)

	1960	1966	1967	1968	Percentage change between 1968 & 1967
Belgium/Luxembourg	9.72	15.36	13.08	11.88	- 9.2
Denmark	10.20	11.76	8.88	8.28	- 6.8
France	22.68	53.88	48.12	53.28	+ 9.7
Fed.Re.of Germany	69.36	92.52	76.56	85.32	+ 11.4
Greece	-	0.54	1.07	0.13	- 87.9
Iceland	-	0.13	0.11	0.18	+ 63.6
Italy	24.12	56.52	57.72	48.00	- 16.8
Netherlands	21.36	30.24	27.84	27.12	- 2.9
Norway	3.12	4.92	5.16	5.40	+ 4.7
Portugal	0.24	0.18	0.19	0.12	- 36.8
Turkey	-	0.06	0.14	0.24	+ 71.4
United Kingdom	69.72	94.68	81.24	82.32	+ 1.3
Total NATO Europe	230.52	360.79	320.11	322.27	+ 0.7
Canada (f.o.b.)	5.76	19.08	23.16	21.72	- 6.2
United States (f.o.b.)	-	0.12	0.24	-	+100.0
Total NATO North America	5.76	19.20	23.40	21.72	- 7.2
Total NATO	236.28	379.99	343.51	343.99	+ 0.1

Source: AC/127-D/189(Revised) and AC/127-D/265

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TABLE XII

NATO COUNTRIES' BALANCE OF TRADE WITH COMMUNIST CHINA

(in million US \$)

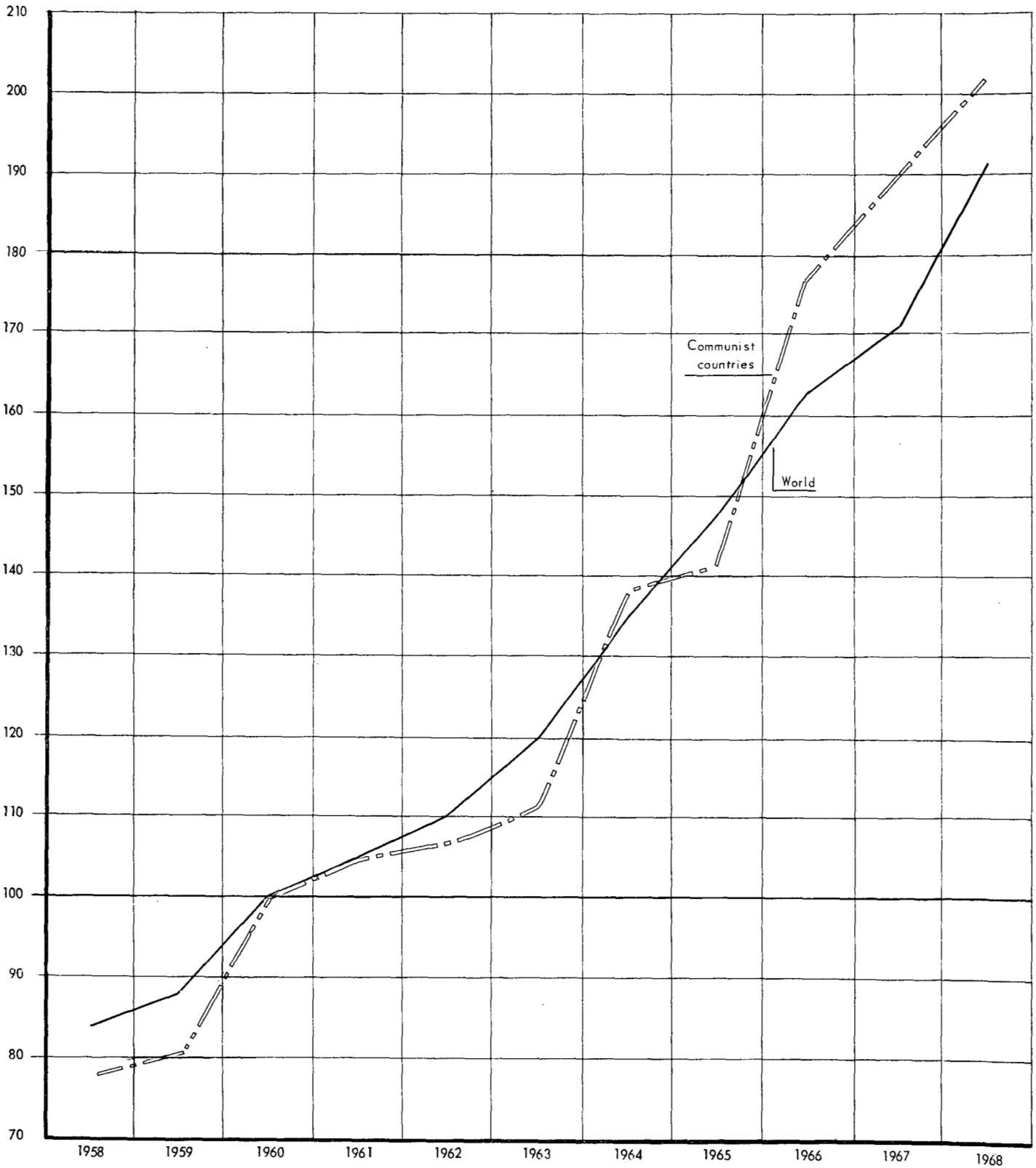
	1960 to 1966	1967	1968
Belgium/Luxembourg	+ 47.16	+ 9.60	+ 8.04
Denmark	- 39.12	- 2.88	- 6.12
France	+ 187.92	+ 45.12	+ 34.44
Federal Republic of Germany	+ .24	+129.96	+ 88.80
Greece	- 1.05	- 1.07	- 0.13
Iceland	- .21	- 0.11	- 0.18
Italy	+ 57.36	+ 15.84	+ 13.08
Netherlands	- 73.44	- 15.60	+ 1.80
Norway	+ 8.40	+ 2.40	+ 1.08
Portugal	- .49	- 0.19	- 0.12
Turkey	+ 2.21	+ 0.47	+ 0.80
United Kingdom	- 116.04	+ 26.88	- 12.48
Total NATO Europe	+ 72.94	+210.42	+129.01
Canada (f.o.b.)	+ 702.90	+ 61.32	+129.24
United States (f.o.b.)	- 1.92	- 0.24	-
Total NATO North America	+ 700.98	+ 61.08	+129.24
Total NATO	+ 773.92	+271.50	+258.25

Source: AC/127-D/189(Revised) and AC/127-D/265.

GRAPH I

THE DEVELOPMENT OF NATO COUNTRIES' TRADE
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

TOTAL NATO COUNTRIES' EXPORTS 1960 = 100 (*)



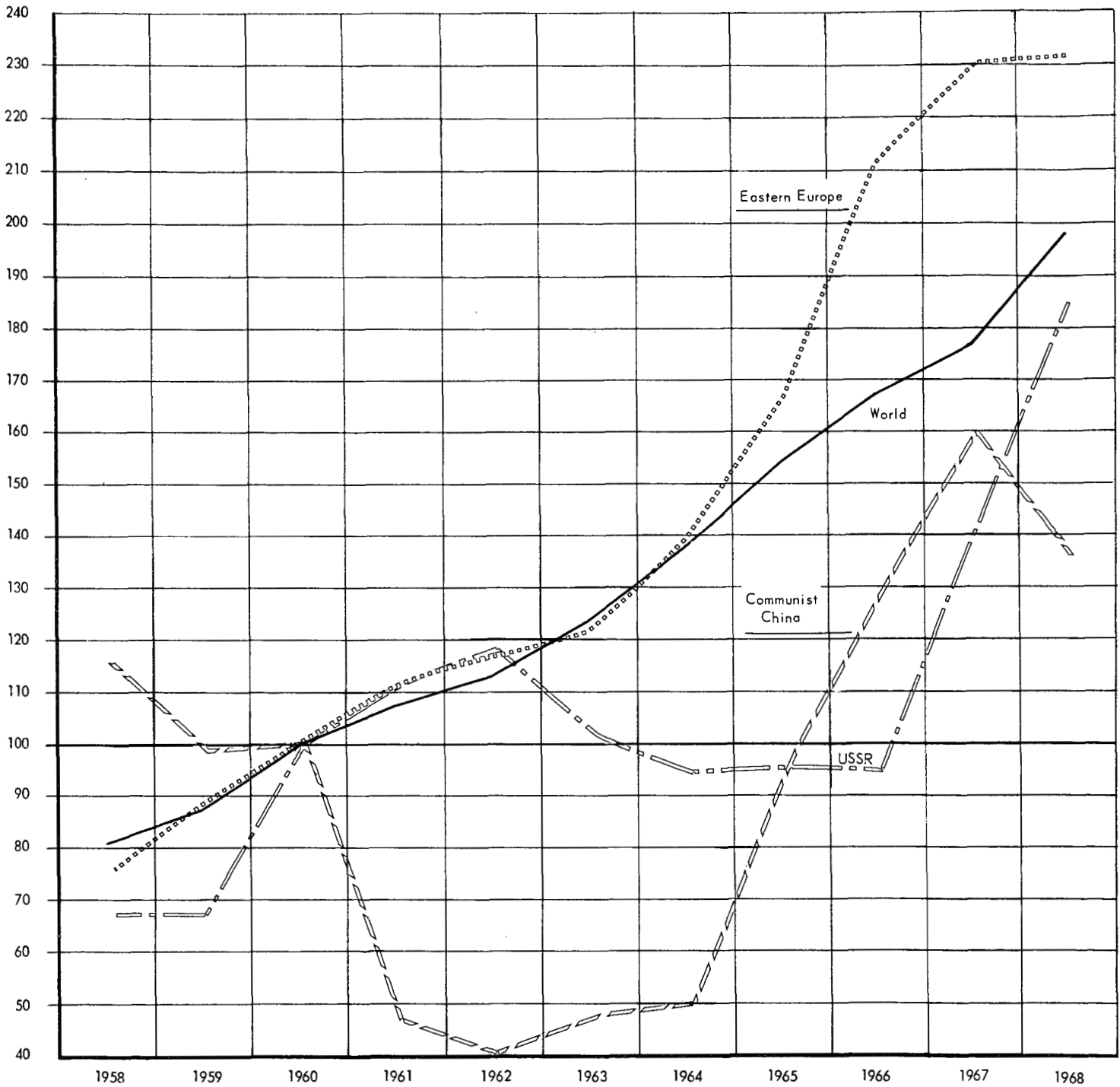
(*) The absolute value (million US \$) for 1968 would read as follows :
Communist Countries = 4,552 ; World = 132,774.

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GRAPH II

THE DEVELOPMENT OF NATO COUNTRIES' TRADE
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

NATO EUROPE EXPORTS 1960 = 100 (*)

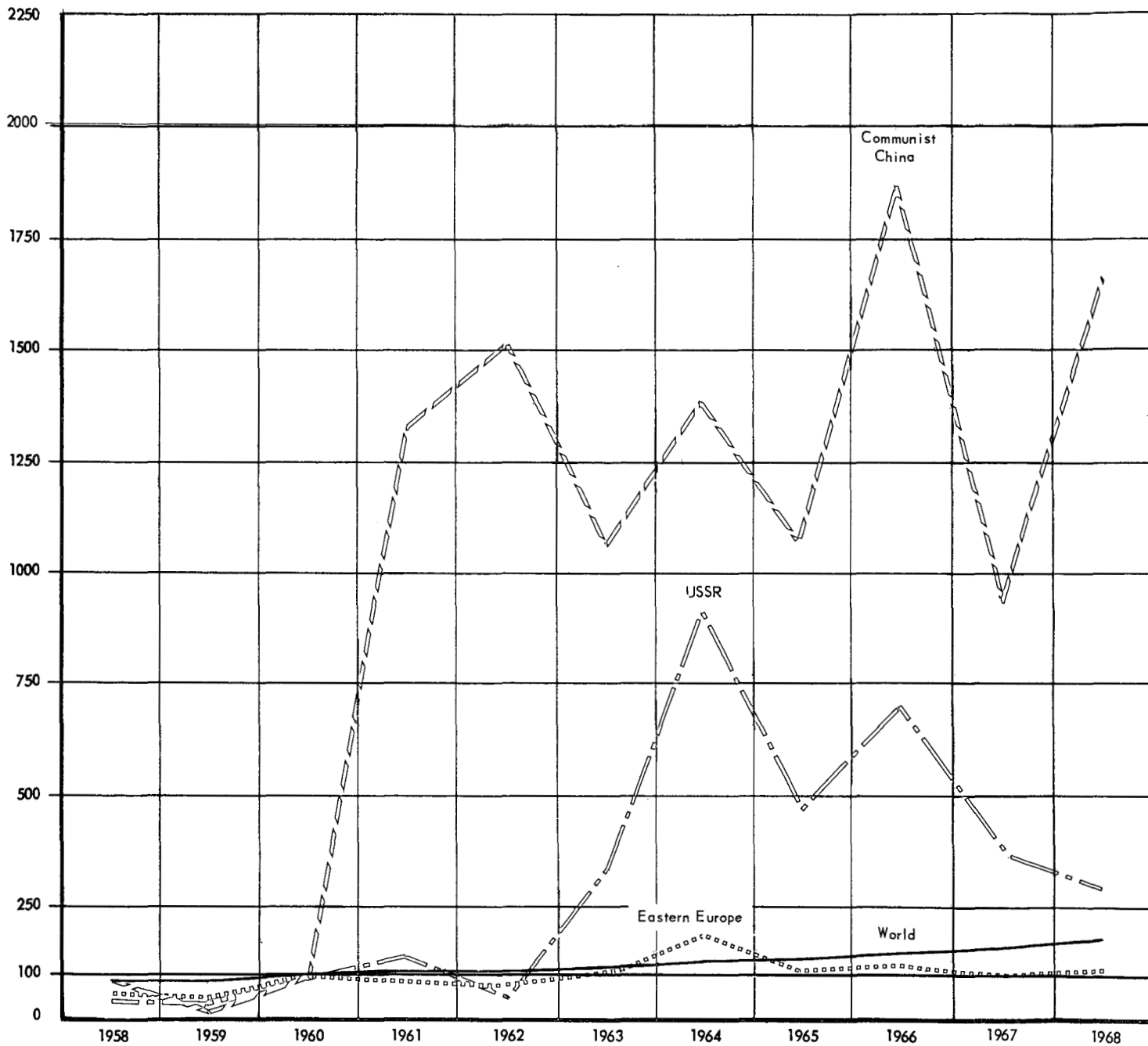


(*) The absolute values (million US \$) for 1968 would read as follows :
USSR = 1,154 ; Eastern Europe = 2,453 ; Communist China = 451 ; World = 86,236

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GRAPH III
THE DEVELOPMENT OF NATO COUNTRIES' TRADE
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

NATO NORTH AMERICA EXPORTS 1960 = 100 (*)



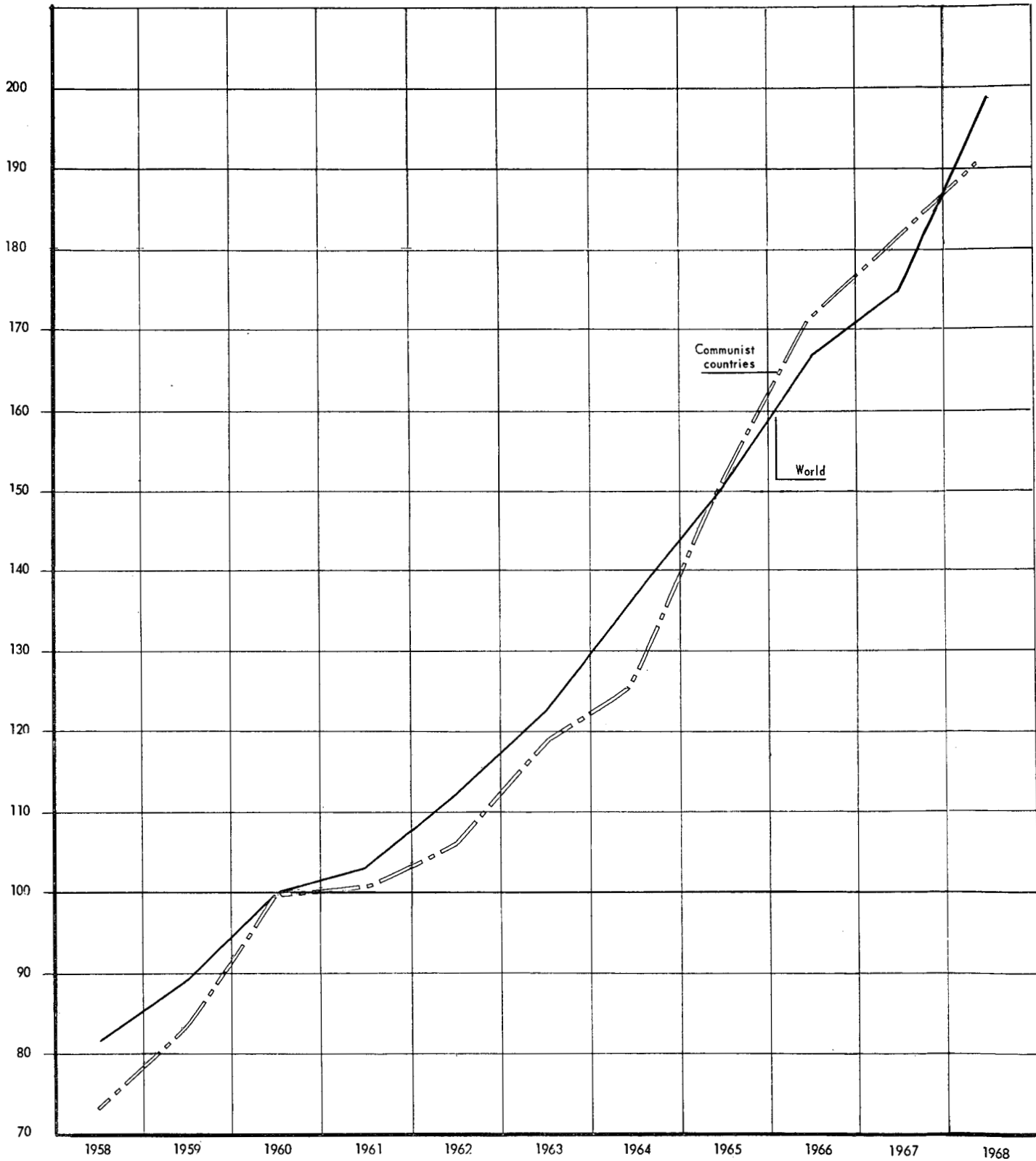
(*) The absolute values (million US \$) for 1968 would read as follows :
USSR = 140 ; Eastern Europe = 203 ; Communist China = 151 ; World = 46,538

GRAPH IV

THE DEVELOPMENT OF NATO COUNTRIES' TRADE

WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

TOTAL NATO COUNTRIES' IMPORTS 1960 = 100 (*)



(*) The absolute values (million US \$) for 1968 would read as follows :
Communist Countries = 4,255 ; World = 134,990.

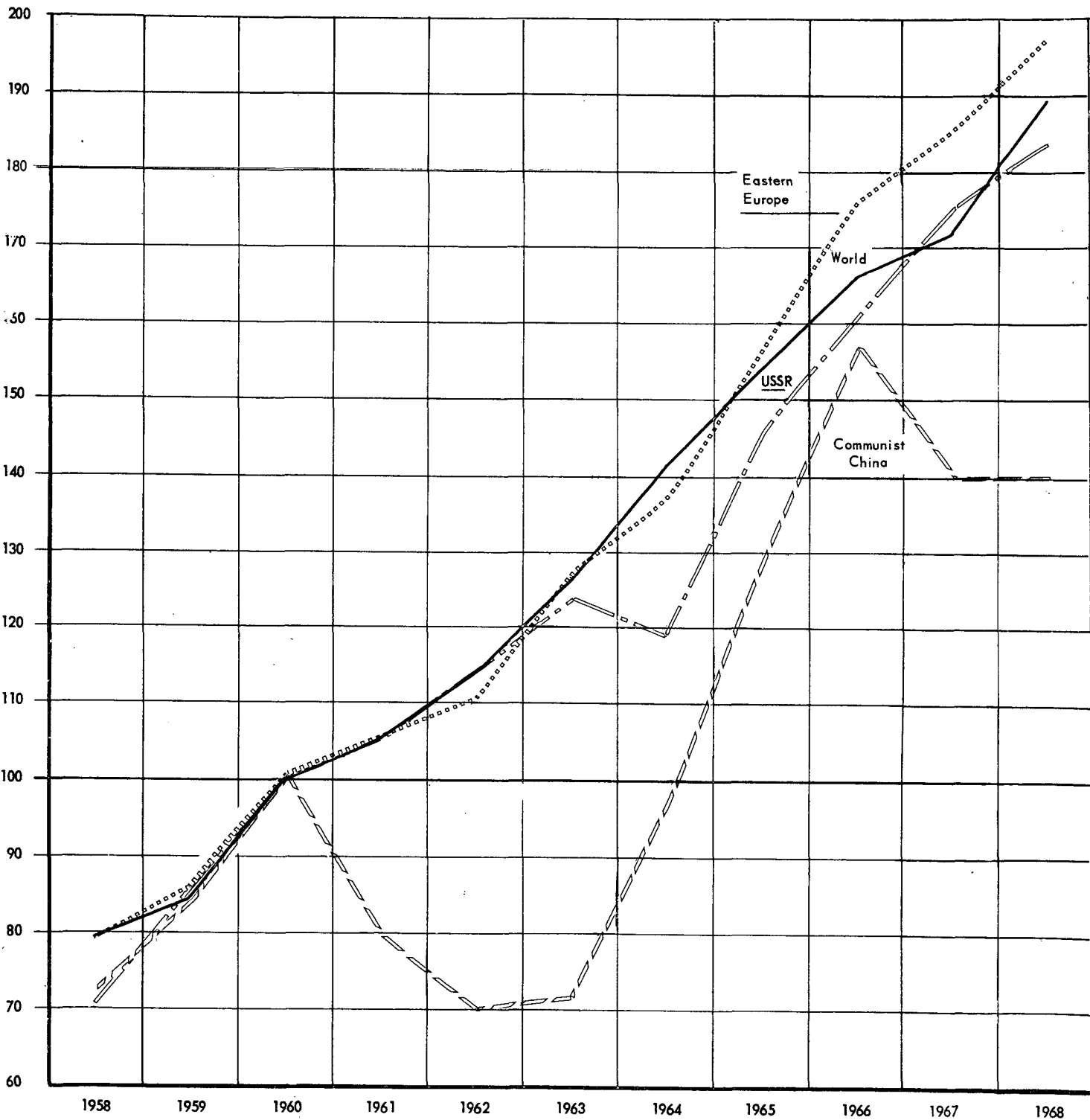
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GRAPH V

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THE DEVELOPMENT OF NATO COUNTRIES' TRADE
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

NATO EUROPE IMPORT 1960 = 100 (*)



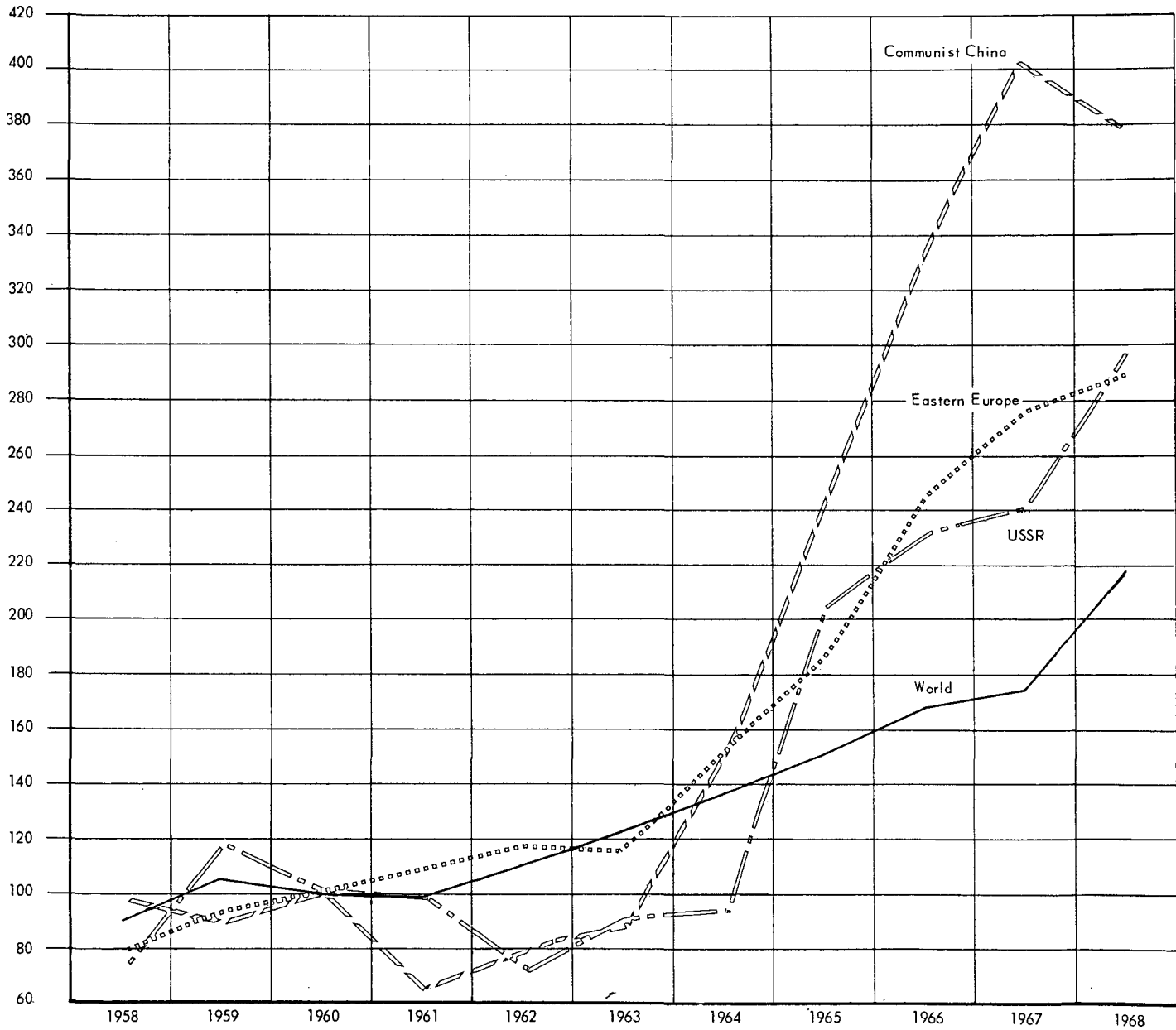
(*) The absolute values (million US \$) for 1968 would read as follows :
USSR = 1,388 ; Eastern Europe = 2,255 ; Communist China = 322 ; World = 90,559

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GRAPH VI

THE DEVELOPMENT OF NATO COUNTRIES' TRADE
WITH THE WORLD AND THE COMMUNIST COUNTRIES 1958-1968

NATO NORTH AMERICA IMPORTS 1960 = 100 (*)



(*) The absolute values (million US \$) for 1968 would read as follows :
USSR = 77 ; Eastern Europe = 191 ; Communist China = 22 ; World = 44,431