

# CONSEIL DE L'ATLANTIQUE NORD NORTH ATLANTIC COUNCIL

~~N A T O~~ UNCLASSIFIED

ORIGINAL: FRENCH  
7th March, 1977

DOCUMENT  
C-M(77)12

## TRADE BETWEEN THE NATO AND COMMUNIST COUNTRIES IN 1975

### 13th Report by the Economic Committee

#### Note by the Chairman

The attached report has been prepared mainly on the basis of OECD foreign trade statistics compiled by the International Staff(1); it consists of:

- the report proper, which deals with the pattern of foreign trade between the NATO countries and the Communist countries in 1975(2), developments in 1976 and the outlook for 1977;
- three Annexes, the first containing a detailed analysis of trade between the NATO and the Communist countries in 1975, the second giving an account of trade in that same year between the latter and the non-NATO member countries of the OECD and the third consisting of a series of statistical tables and graphs.

2. This document is forward to the Council for information.

(Signed) J. BILLY

NATO,  
1110 Brussels.

---

(1) AC/127-D/538 dated 2nd July, 1976 and  
AC/127-D/541 dated 24th September, 1976

(2) Communist Countries

- Eastern Europe: Poland, Hungary, Bulgaria, Rumania,  
Czechoslovakia and GDR
- USSR
- China
- Others: Albania, North Korea, North Vietnam

N A T O UNCLASSIFIED

TRADE BETWEEN THE NATO AND THE  
COMMUNIST COUNTRIES IN 1975

CONTENTS

|  | <u>Paragraphs</u> |
|--|-------------------|
| <u>Report proper</u>   |                   |
| <u>Summary</u>   | 1- 7              |
| <u>Introduction</u>  | 8-12              |
| (i) <u>Pattern of trade between the NATO and<br/>        the Communist countries in 1975</u>   | 13                |
| (a) Exports  | 14-16             |
| (b) Imports  | 17                |
| (c) Main trading partners  | 18                |
| (d) Degree of dependence on trade  | 19-23             |
| (ii) <u>1976 trends in trade between the NATO<br/>          and the Communist countries</u>  | 24-29             |
| (iii) <u>Outlook</u>   |                   |
| (a) Trade with the USSR and Eastern Europe   | 30-34             |
| (b) Trade with China   | 35-38             |
| <br><u>ANNEX I - Country studies: Trade between the NATO<br/>and the Communist countries in 1975</u>                                 |                   |
| A. NATO countries' trade with the USSR   | 1- 8              |
| B. NATO countries' trade with the East<br>European countries   | 9-16              |
| C. NATO countries' trade with China  | 17-20             |
| D. NATO countries' trade with the other<br>Communist countries   | 21-23             |
| <br><u>ANNEX II - Country studies (cont.): Trade between<br/>the non-NATO OECD countries and the Communist<br/>countries in 1975</u> |                   |
| A. Trade with the USSR   | 1- 4              |
| B. Trade with the East European countries  | 5- 8              |

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

C-M(77)12

-3-

|  | Paragraphs |
|--|------------|
| C. Trade with China  | 9-10       |
| D. Trade with the other Communist countries                    | 11-13      |
| E. Special case of Yugoslav trade with the Communist countries | 14-17      |

ANNEX III

Table I: NATO countries' exports to the Communist countries as a percentage of their total exports (1971 to 1975)

Table II: NATO country imports from the Communist countries as a percentage of their total imports (1971 to 1975)

Table III: Recapitulation of the overall growth of NATO countries' trade with the Communist countries and with the world (exports) between 1959 and 1975

Table IV: Recapitulation of total growth of NATO countries' trade with the Communist countries and with the world (imports) between 1959 and 1975

Table V: NATO countries' trade with the Communist countries in the first half of 1976

Graphs I to IV: Growth of NATO countries' trade with the world and with the Communist countries between 1960 and 1975

TRADE BETWEEN THE NATO AND COMMUNIST COUNTRIES IN 1975Summary

1. Between 1971 and 1975, trade between the NATO and the Communist countries grew rapidly but unevenly: Allied countries' sales increased 3.4 fold and their purchases 2.4 fold. This led to a significant increase in their trade surplus which during the period under review climbed to \$17.3 milliard. Having financed most of their deficit by means of Western credits and loans, the Communist countries are now faced with a level of indebtedness in convertible currencies which in some cases is disturbingly high (see paragraphs 8-12).

2. NATO country exports to the Communist countries as a whole (\$22.65 milliard) rose by 26% in 1975 mainly as a consequence of the big jump (78%) in sales to the USSR (\$8.6 milliard) generated by the resumption of grain purchases and a steady flow of orders for industrial plant. Sales to Eastern Europe (\$11.6 milliard) rose more slowly (10%) reflecting the efforts of those countries to keep down their deficit with the West. Deliveries to China (\$2.2 milliard) fell by 4% as a result of sharp cuts in Chinese buying of agricultural produce. NATO country imports (\$14.63 milliard) rose by only 7% under the combined effects of the economic recession and a slower rate of increase in the price of Communist countries' exports (paragraphs 13 to 17).

3. Among the Alliance countries, the Federal Republic of Germany was the leading exporter to the Communist countries, followed by the United States and France; it was also their best customer, ahead of Italy and France (paragraph 18).

4. The Communist countries account for only a very small proportion of Allied countries' trade: 3.2% of imports and 5.1% of exports in 1975 although for some countries the Eastern markets provided an appreciable outlet. On the other hand, NATO countries play a relatively much bigger part in Communist countries' trade: 19% of sales and 27% of purchases in the case of the Soviet Union and the Eastern countries combined and 15% and 30% respectively in the case of China. During the year under review, however, overall trade with the European Communist countries dropped mainly because of the increase in prices within the COMECON, which have increased the value of intra-COMECON trade, the drop in the demand for certain goods in the West and the efforts of the Communist countries to exercise more control over their purchases from the West (paragraphs 19 to 23).

5. NATO country exports to the Soviet Union in 1976 will probably amount to between \$8.6 and 8.8 milliard which is about the same as in 1975; sales to Eastern Europe will probably drop slightly to about \$11 milliard; deliveries to China, also

C-1\*(77)12

-5-

slightly smaller, could amount to about \$2.1 milliard. Allied countries' imports from the USSR could rise by about 25% to \$6.5 milliard. Purchases in Eastern Europe and China are likely to increase more slowly (by about 10%) to \$9 and \$1.2 milliard respectively. On the basis of these tentative figures, the Allied countries' trade surplus with the Soviet Union, Eastern Europe and China will be about \$2 to 2.5, \$2 and \$0.9 milliard respectively (paragraphs 24-29).

6. The performance of current contracts should fuel a high level of Allied countries' exports to the European Communist countries throughout 1977 and even into 1978. The technological appetite of the recipient countries will, in addition, remain large over the next few years given the fact that full attainment of the modernization and development goals in certain industrial sectors will be contingent on procurement in the West. The growing indebtedness of the Eastern countries will, however, act as a break on their inclination to import as well as perhaps on the willingness of the Western banks to increase their credits. Consequently, the possibility of larger NATO country deliveries to the USSR and Eastern Europe will depend much more than in the past on the capacity of those countries to pay for their purchases with currency earned in the West from exports or invisibles (paragraphs 30-34).

7. Future increases in Allied country sales to China will probably be influenced by two factors: China's agricultural output, which will determine, inter-alia, the size of grain purchases and the level of its currency earnings. China seems bent however on abiding by its customary practice of keeping its external indebtedness down to a minimum (paragraphs 35-38).

## INTRODUCTION

2. This report deals, firstly with the pattern of trade between the NATO and Communist countries in 1975, secondly with trends in 1976 and thirdly with the outlook for 1977. It comprises two annexes, one consisting of a detailed analysis of trade in 1975 and the other describing the trade of non-NATO members of the OECD. There is also a series of statistical tables.

9. 1975 is an interesting reference year for a retrospective analysis of trade between the NATO and Communist countries inasmuch as it marked the end of the Soviet and Eastern country five-year plans for the first half of the decade. Some purpose may perhaps be served therefore by charting the pattern of trade between the two groups during the years 1971/1975.

10. During the period under review, Alliance countries' exports to the Communist countries rose significantly faster than their exports to the rest of the world, the ratios being 5.6 and 2.4 respectively. The situation was in sharp contrast with the trends in the previous five years(1). By and large, it reflects the growing dependence of the Eastern economies on Western capital goods incorporating sophisticated technology for the implementation of their production targets. In addition, the Soviet Union has, in some years, been a large buyer of grain, on the United States and Canadian markets(2); the so far sporadic nature of this type of transaction is largely responsible for the fluctuations in overall Soviet imports from the NATO countries. The delivery, starting in October 1976 and going on until 1981, of 6 to 8 million tons of United States grain to the Soviet Union and of 4 million tons of grain to the GDR and Poland(3) will however act as a regulator and these sales will become one of the major components of East/West trade over the medium-term.

11. In contrast, the increase in NATO countries' imports from the Eastern countries between 1971 and 1975 was roughly the same as the increase in their overall procurement (142% and 127% respectively, making a yearly average of 19.3% and 17.3%). Yearly fluctuations between the two geographical categories of trade were similar, indicating that Communist countries' sales to the Alliance countries were affected, like Alliance imports from other sources, by the economic situation in the West and, in particular, by the 1975 recession.

12. The uneven growth of trade between Communist and Alliance countries triggered off a steady increase in the Communist countries' trade gap which between 1971 and 1975 widened to \$17.3 milliard as compared with \$1.5 milliard during the preceding five years(4). This development was matched by the growing indebtedness of the Eastern countries. It is believed that in some cases, the servicing of Western loans and credits accounts for 20-25%, and more, of their currency earnings, a figure which is often regarded as a maximum.

- 
- (1) Between 1966 and 1970, the value of overall Alliance country exports and of their exports to Communist countries increased in the ratio of 1.5 and 1.4 respectively.
  - (2) Between 1971 and 1975 the Soviet Union imported some 60 million tons of grain from the West (mainly the Alliance countries).
  - (3) However in 1976, Poland was forced to order a further 8 million tons or so of grain from the West.
  - (4) Between 1971 and 1975 the cumulative deficit of the Communist countries vis-a-vis the OECD countries as a whole totalled \$19.6 milliards.

-7-

C-M(77)12

It is possible therefore that the scale of procurement in the West will in future be much more closely tied to their convertible currency earnings, in other words, to the success of their export policy in particular.

(1) Pattern of trade between the NATO and Communist countries in 1975

13. The growth of trade in value terms between NATO and Communist countries in 1975 (\$37.5 milliard) was significantly below the 1974 level: 17.6% as compared with 31.9%. In contrast, it was much greater than the increase in Alliance countries' overall trade (4.2%). The increase in Alliance country exports (25.8%) to a total of \$22.65 milliard was well above the increase in Communist countries' exports which totalled \$14.63 milliard making an increase of 6.8%. The Communist countries' trade deficit grew accordingly from \$4.3 milliard in 1974 to \$8 milliard in 1975. Their trade gap with the OECD countries as a whole, which was \$5.3 milliard in 1974 widened to \$10.7 milliard in 1975.

(a) Exports

14. The rate of increase in NATO countries' sales to the USSR was very different from the rate of increase in their sales to the other Communist countries. Exports to the USSR (\$8.6 milliard) surged ahead (by 78% as compared with 13% in 1974) reflecting on the one hand the size of grain purchases from North America and, on the other hand, the intensive procurement of semi-manufactured items and capital goods. After deduction of the value of agricultural produce supplied to the USSR by the United States and Canada, the main suppliers of this type of goods, it will be found that NATO countries' deliveries rose by 43% in 1974 and by 58% in 1975 while in volume terms the rate of increase doubled from one year to the next, rising from 15-20% to about 40%(1). In the depressed conditions of 1975, this increase in Soviet purchases had a stabilizing effect on certain Alliance economies which was all the greater for being centred to a large extent on sectors particularly hard hit by the weakness of demand (iron and steel and mechanical engineering in particular).

15. On the other hand, the increase in Alliance countries' sales to Eastern Europe (\$11.6 milliard) was well below 1974 levels (10% as compared with 41%) and reflects the increase in prices. This cutback in volume could be a sign that several of the countries concerned are trying, by greater selectivity in their purchases, to keep down their trade deficit. It has proved possible to apply this policy to capital goods in particular, following delays in the implementation of investment programmes.

(1) See Annex I, paragraph 3

-7-

16. NATO countries' exports to China (\$2.2 milliard) fell last year by 4% mainly as a result of reduced buying of agricultural produce from North America.

(b) Imports

17. The rate of increase in NATO countries' imports was far lower than in the previous year: purchases from the USSR (\$5.2 milliard) increased by 9% as compared with 48% in 1974 and from the East European countries (\$8.2 milliard) by 6% as compared with 25%, whereas the increase in imports from China (\$1 milliard) was only 3.5% (28% in 1974). This development reflects a lower rate of increase in the unit value of Communist countries' sales rather than a drop in the volume of the latter's exports to Alliance countries' markets(1).

(c) Main trading partners

18. Among the NATO countries, the Federal Republic of Germany remained the main supplier of goods to the Communist countries in 1975, followed by the United States and France. Exports by those three countries totalled \$8.7, \$3.1 and \$3 milliard respectively and accounted for 38%, 14% and 13%, or 65% in all (two thirds) of total sales by the NATO group. The Federal Republic of Germany, Italy and France in that order were the best customers, their purchases totalling \$4.8, \$2.1 and \$1.9 milliard or 33%, 14% and 13% (60% in all) of imports by the Alliance countries as a whole.

(d) Degree of dependence on trade

19. After stagnating in 1974, the share of total exports from NATO countries taken by the Communist countries rose in 1975 from 4.3% to 5.1%. In the case of some NATO countries, mainly the Federal Republic, France and Italy, the relative size of the Eastern markets increased significantly(2). This development came within the context of a much smaller increase in worldwide exports by the three countries concerned. The situation is, however, unlikely to recur in 1976 since world trade has recovered to some extent. The position held by the Communist countries in total Alliance countries' imports in 1975 was, however, about the same as in the previous year: 3.2% as compared with 3.1%. Apart from Iceland, which gets most of its oil from the USSR, the relative position of the Eastern countries as suppliers to the West was a small one(3).

(1) See Annex I, paragraphs 6, 12 and 19. However, a clear picture of developments, volume-wise, can only be obtained by comparing statistics for each individual product for 1974 and 1975 and these are not available for the present.

(2) See Annex III, Table I.

(3) See Annex III, Table II.

C-M(77)12

-9-

20. The NATO countries are important customers and suppliers for the Communist countries. In 1975(1) they accounted for 19% of the combined exports and 27% of the imports of the Soviet Union and Eastern Europe. As regards China, they are believed to have accounted for 15% of its exports and 30% of its imports(2).

21. Nonetheless, the relative position held by NATO countries in overall East European trade between 1974 and 1975 fell from 24% to 21% in the case of exports and from 31% to 27% in the case of imports. This drop is mainly due to last year's upsurge in inter-regional trade and in trade with the Soviet Union and reflects the increase in prices applied to intra-COMECON transactions as well as the volume increase in Eastern Europe's transactions which was higher with the aforementioned zone than with the Alliance countries(3). As pointed out by the United Nations Economic Commission for Europe, this real increase in intra-COMECON trade partly reflects the increase in industrial co-operation between the members of that Organization(4). Account should also be taken of the efforts by certain Communist countries to exercise more effective control over imports paid for in convertible currency and of the effect on the development of their trade with the capitalist countries of the economic slowdown in the West.

22. The geographical pattern of Soviet trade in 1975 was influenced by trade flows: the Alliance country share of Soviet exports fell from 18% in 1974 to 16% for the reasons which also applied in Eastern Europe. On the other hand, the relative position held by NATO countries as suppliers to the Soviet Union rose over the same period from 21% in 1974 to 24%.

23. As for the relative importance of the advanced market economy countries as a whole in Communist countries' trade, it will be found that the OECD countries supplied the Soviet Union in 1975 with 39% of its total imports and took 29% of its exports. In some Eastern European countries these percentages were higher, particularly so in Poland where the figures were 51% and 34% and in Rumania where they were 44% and 37%(5).

---

(1) GATT and OECD statistics.

(2) Estimates based on CIA evaluations of total Chinese trade in 1975.

(3) It can be estimated, on the basis of Soviet statistics and UN evaluations, that the East European countries increased the volume of trade among themselves and with the USSR by about 10% in 1975 (prices moreover rose by an average of 20%); on the other hand, the real increase in their trade with the NATO countries was probably zero (the increase of about 8% in value being primarily due to the effects of price movements).

(4) Source: UN, Economic Survey of Europe in 1975.

(5) Source: GATT, Annual Report, 1976

As for China, trade with the OECD countries (about 67% of its purchases and 41% of its sales in 1975) was almost double its trade with Alliance countries only. This difference can obviously be explained by Japan's position as China's principal trading partner(1).

(ii) 1976 trends in trade between the NATO and the Communist countries

24. During the first half of 1976, for which adequate statistics are available, Alliance countries' exports to the Soviet Union (\$4.8 milliard) rose by 28% in comparison with the first half of 1975. This increase can be entirely explained by North American sales of grain to the Soviet Union. On the other hand sales by the European members of the Alliance dropped by 4%(2). The latter, after a peak reached in the second half of 1975 have taken a downward course. An extrapolation of linear tendencies during the periods January 1975-June 1976 and June 1975-June 1976 indicate that they could total about \$5.8-6.0 milliard in 1976 representing a drop of 5-10% over 1975. On the other hand, United States and Canadian exports will probably continue to expand to \$2.3 milliard in the first case(3) and to about \$0.5 milliard in the second. NATO countries' sales to the USSR, therefore, could total between \$8.6 and 8.8 milliards in 1976 which is about the same as last year (\$8.6 milliards).

25. In the first half of 1976, Soviet sales on Alliance markets (\$3.3 milliards) rose by 37% as a consequence of more buoyant Western demand and also, it would seem, of higher oil exports(4). Over the year, the trend is towards an increase in Soviet deliveries of about 25% to a total value of about \$6.5 milliard. This being so, the Soviet Union's trade deficit with the NATO countries in 1976 could fall from \$3.4 milliard in 1975 to \$2-2.5 milliard.

26. During the first half of the year, Alliance countries' exports to Eastern Europe (\$5.6 milliard) dropped by 6%, an indication that the countries in that area have continued their efforts to reduce their trade gap by cutting back on certain low-priority purchases which have to be paid for in foreign currency. On the strength of trends observed during the period

- 
- (1) Annex II to the present document gives a detailed account of trade relations between the Communist and the non-NATO OECD countries in 1975.
  - (2) See Annex III, Table V
  - (3) US Department of Commerce estimate published in "Overseas Business Report", September 1976
  - (4) According to "Petroleum Economist", purchases of Soviet oil by the EEC countries are believed to have risen from 2.9 million tons during the first half of 1975 to 7 million tons between January and June 1976, making an increase of 141%.

C-M(77)12

-11-

from January 1975 to June 1976, it can be forecast that NATO Europe sales to that area will total about \$9.5 milliard this year (as compared with \$10.5 in 1975). North American sales may, however, rise significantly to some \$1.5 milliard given the greater volume of agricultural produce to be supplied by the United States. Total NATO deliveries in 1976 could therefore total some \$11 milliard which means a drop of about 5% in relation to 1975. Between January and June 1976, NATO country imports from Eastern Europe (\$4.5 milliard) rose by 13%; a 10% increase for the year seems likely and this would bring the value of the imports up to \$9 milliard. Eastern Europe's trade deficit with the Alliance countries in 1976 could therefore be of the order of \$2 milliard as against \$3.4 milliard last year.

27. In the light of the trends described above, NATO countries' exports to the European Communist countries could total \$19.5 to 20 milliard in 1976 whereas imports from those countries could come to about \$15.5 milliard. This would give the Alliance countries a surplus of \$4 to \$4.5 milliard (as compared with \$6.8 milliard in 1975). If to these figures are added those taken from a linear extrapolation of trade between the USSR and Eastern Europe on the one hand, and the eight non-NATO OECD countries on the other(1), sales by OECD countries to the European Communist countries will total an estimated \$27 to \$27.5 milliard this year, and exports by the latter to the OECD zone will total \$21 milliard. The Soviet and East European trade deficit in its transactions with the non-Communist industrialized countries would consequently be between \$6 and \$6.6 milliard (as compared with \$8.2 milliard in 1975).

28. During the first half of 1976, Alliance countries' exports to China (\$1.1 milliard) rose by 6%. This development was the result of divergent trends in NATO Europe and NATO North American sales. The first rose by 33%, mainly as a consequence of the supply by Germany and France of industrial plant ordered in previous years; the second fell by 40% after a further cut in China's purchases of agricultural produce (particularly grain and cotton). Over the whole of the year, a slight drop (about 5%) can be expected in Alliance country exports which will total about \$2.1 milliard.

29. During the same half year, Alliance countries' imports (\$0.6 milliard) increased by 12% and this trend should continue during the second half of the year; they could therefore total about \$1.2 milliard which would mean a trade gap of about 0.9 milliard for China (as compared with \$1.2 milliard in 1975). A forecast of trade between the latter country and all the industrialized market economy countries in 1976 is not easy since the trend of Sino-Japanese trade, which is the predominant factor, is uncertain and subject to sharp fluctuations.

---

(1) Australia, Austria, Finland, Ireland, Japan, Spain, Sweden and Switzerland

On the basis of very tentative estimates, it may be assumed that China's sales to the OECD countries as a whole could represent some \$2.2 milliard and its purchases from the latter about \$4.3 milliard. China's trade gap with the non-Communist developed countries would thus stand at \$2.1 milliard, or about the same as in 1975.

(iii) Outlook

(a) Trade with the Soviet Union and Eastern Europe

30. Forecasts of trade between the NATO and European Communist countries are hampered by the unpredictable development of certain factors which underpin such trade. While the five-year plans of the Eastern economies include a section on foreign trade this is drafted in language which is far too general to allow a precise prognostication of East-West trade. In addition imports by European Communist countries from the West over the past five years have often been used to make good the inadequacies of domestic production and to permit the achievement of planning targets in a number of industrial and agricultural sectors, whereas their exports to the industrialized Western countries have been directly tied to fluctuations in demand from the latter.

31. NATO country sales will continue to depend on the overall orders for industrial goods placed by the USSR and Eastern Europe with the advanced non-Communist countries. The size of orders in 1974 and 1975 which was considerable(1) would seem to indicate that the level of plant deliveries will remain high in 1977 and even in 1978. In their plans for 1976-80, all the European Communist countries have laid emphasis on improvements in productivity and on the modernization and development of industrial sectors such as energy, chemistry and electro-mechanical engineering. This being so, their technology requirements will remain large and will call for substantial imports. In view of their technological lead, the non-Communist industrialized countries, especially the Alliance countries, are particularly well placed to satisfy these needs.

32. The Eastern countries' requirements for agricultural produce could remain high but will depend on harvest results. Agreements have already been reached with the United States for the yearly supply of 10 to 12 million tons of grain to the USSR, Poland and the GDR. These transactions will be worth between \$6.5 and \$8 milliard at 1975 prices and deliveries will be staggered over the period 1976-1981.

33. If exports from Western countries to the USSR and the Eastern European countries continued to grow, this was possible mainly because of the financial assistance given to the Eastern countries. The indebtedness of the latter has, however, reached proportions which are a source of concern, not only to

---

(1) Soviet orders alone for plant, placed in the West in 1974 and in 1975, totalled some \$8 milliard.

C-M(77)12

-13-

the Western bankers but also to the Eastern borrowers(1). In the case of Poland, for example, the servicing of the debt mops up about 29% of hard currency earnings from exports; in the case of the USSR the percentage is believed to be in excess of 20%. Pre-occupied by this trade gap, the European Communist countries are attempting to build up exports and to exercise greater selectivity in their imports of industrial goods. This factor will probably make for a slow-down in the rate of growth in Western sales. A second inhibiting factor could be the possible failure of Eastern efforts to boost exports to the West since the inability to increase currency earnings would force them to cut back on procurement. It is worth remembering in this context that the 1977 prospects for economic expansion in the non-Communist industrialized countries are less promising than a few months ago; in particular the rate of increase of stockpiling will probably slacken. This being so, the West's need for imports could diminish.

34. Depressed economic conditions in the West would have less impact on the Soviet Union, able to rely on its own oil and natural gas, than on the East **European countries**. The position of the latter is weaker, their penetration of Western markets has already been brought up short by the lack of diversity in their exports which consist primarily of agricultural produce, semi-processed industrial goods and certain consumer durables. To keep a hold on their markets, the European Communist countries will in all likelihood endeavour to make procurements part of barter transactions. The future growth of trade will depend more heavily than hitherto on the implementation of arrangements of this type. These will be made easier by the acquisition by the Eastern countries of Western technology designed to improve the quality of their exports to the West.

(b) Trade with China

35. Traditionally, China's imports from the Alliance countries have included a high proportion of agricultural products(2). The good harvests of the past two years have enabled it to cut back this type of purchase quite considerably. In 1975 and in 1976, the reduction was more or less offset by the increase in its imports of industrial goods. It is obviously

- 
- (1) This indebtedness has been put by the United Nations Economic Commission for Europe at about \$26 milliard at the end of 1975, while according to other sources the figure is about \$30 milliard made up as follows: 11 milliard for the USSR, 7 milliard for Poland and 12 milliard for the other Eastern European countries.
  - (2) In 1974, 30% of Alliance country exports to China consisted of such products.

not possible to forecast China's grain requirements for 1977 but a new development, which could have an adverse effect on the expansion of Western sales, has been the apparent reduction in Chinese orders for capital equipment in 1975 and in the first half of 1976. If, in addition, deliveries of agricultural products remain at their present levels, a decline in total NATO country exports to China seems likely.

36. In the longer term, the outlook for the growth of Alliance countries' exports must be seen against the background of changes in the pattern of China's trade with the non-Communist countries as a whole and with Japan. China's main trading partner, in particular, as well as with Hong Kong and Singapore with which it usually has a substantial trade balance. The latter play a large part in the financing of its purchases in the industrialized, market economy countries.

37. In this connection and although the trade policy to be adopted by China's new leaders remains to a large extent unknown, it seems likely that any increase in Chinese procurement from the Alliance countries will hinge on an improvement in the country's financial situation. Despite a significant reduction in its overall trade deficit (which, according to the CIA experts, dropped from \$0.8 milliard in 1974 to \$0.4 milliard in 1975) China's situation is a difficult one. According to certain sources(1) its gold and currency reserves shrank from about \$3 milliard in 1973 to \$1.5 milliard in 1975, while its backlog of deferred payments(2) is believed to be \$0.9-1.0 milliard at the present time.

38. As in the case of the other Communist countries, the development of Alliance countries' sales to China will depend on the latter's export capabilities which will in turn be subject to the world economic situation and to the expansion of the Chinese economy, particularly with respect to oil.

(1) Source: Far Eastern Economic Review, 29th October, 1976.  
(2) Euphemism used in China to define short and medium term export credits.

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

COUNTRY STUDIES: TRADE BETWEEN THE NATO  
AND THE COMMUNIST COUNTRIES IN 1975

A. NATO COUNTRIES' TRADE WITH THE USSR

(i) Exports

1. In 1975 there was a strong upsurge in NATO countries' exports to the Soviet Union (\$8.6 milliard) which by comparison with the previous year rose by 78% as compared with 13% in 1974. This development is in contrast with the trend of Alliance countries' sales to Eastern Europe which went up by only 10% (41% in 1974) and to China which dropped by 4% (+29% in 1974). This being the case, the Soviet Union's share of total NATO countries' exports to the Communist countries rose sharply from 27% in 1974 to 38%.

2. This increase in NATO countries' sales to the USSR has a twofold explanation: on the one hand, the resumption of large-scale purchases of grain in North America and, on the other hand, sustained Soviet imports of capital goods and semi-finished products. United States and Canadian grain exports in 1975 rose to about \$1.5 milliard as compared with \$290 million in the previous year(1); this increase accounted for approximately one third of the overall increase in Alliance countries' sales to the Soviet Union. The latter also stepped up its imports of capital goods and semi-manufactured items, as witness the 52% increase (from \$4.2-\$6.4 milliard) in its procurement, consisting mainly of this category of goods, in the European NATO countries and the twofold increase in the value of its purchases of machinery in the United States (which rose from \$225 million in 1974 to \$547 million)(2).

- 
- (1) United States and Canadian grain sales to the USSR in 1974 totalled \$278 million and \$10 million respectively (source: OECD). In 1975, United States deliveries totalled \$1.1 milliard (source: United States statistics); in the case of Canada, practically all its exports to the Soviet Union (\$402 million) are believed to have been accounted for by grain.
- (2) OECD and United States statistics. According to GATT, Soviet imports of machinery in 1975 (including transport equipment) from industrialized, market economy, countries increased by 86% as compared with about 20% for semi-manufactures. This situation marks a break with the trend in previous years when Soviet purchases of Western semi-manufactures grew faster than its purchases of machinery. This development will be taken up in the Economic Directorate's forthcoming study on the structure by category of trade between the NATO and the Communist countries.

ANNEX I to  
C-M(77)12

-2-

3. The above development applies to trade in value terms. The increase in the volume of NATO countries' exports to the Soviet Union cannot be assessed precisely given the difficulty of measuring the increase in the unit value of these exports on the basis of the statistics normally published(1). A very rough calculation will show, however, that in real terms, the rise in Soviet imports was about 55%(2). A time-based comparison of this increase has little value given the sharp fluctuations in the level of Soviet grain purchases which have hinged primarily on the sharp swings in Soviet agricultural production. Leaving aside North American agricultural produce, it will be seen that NATO countries' sales to the USSR rose in value terms by 43% in 1974 and by 58% in 1975, compared with the previous year, whereas in volume terms they rose by only 15-20% in 1974 but by 40% in 1975(3).

4. This twofold increase in the real growth of Soviet imports other than grain is in direct contrast with the 1975 contraction in the volume of total exports by most of the NATO countries. In some of these countries, the anti-cyclical effect of Soviet sales has been doubly felt since it has in most cases affected branches particularly hard hit by the Western recession (particularly iron and steel and mechanical engineering).

- 
- (1) The statistics available only show the increase in the unit value of sales by each Alliance country of certain, far too general, categories of goods; in addition, the data is worked out on the basis of world-wide exports by the countries concerned and the structure of these exports by type of goods, at this general level, does not tally with the structure of sales to the Soviet Union.
- (2) This estimate has been worked out mainly on the basis of increases in the unit values of exports of plant and semi-manufactures by the Soviet Union's main suppliers in the Alliance, the increases being then weighted by the relative position they held in Soviet imports in 1974. This calculation showed an average increase in 1975 of about 11-12% of the unit value of sales by NATO countries excluding grain supplies from the United States and Canada which were excluded and treated separately.
- (3) Price movements in 1974 triggered off a 20-25% increase in the unit value of Alliance country industrial exports (see C-M(75)81, paragraph 24); an assessment of results in 1975 would seem to show that the unit value of the latter type of goods rose by about 11-12%. (See footnote (2) above).

5. North America's share of Alliance countries' sales to the USSR in 1975 increased twofold, rising from 13% in 1974 to 26% as a consequence of an increase in deliveries which was five times higher than in the case of the European members of the Alliance (250% as compared with 52%). Canadian exports (\$402 million) increased 13-fold whereas United States exports trebled to \$1,837 million. Among the European countries, a noteworthy development was the strong recovery in United Kingdom sales (\$463 million) after several years of relative stagnation; French exports (\$1,145 million) also expanded much faster than in 1974 (73% as compared with 15%) whereas the Federal Republic of Germany (\$2,824 million) and Italy (\$1,023 million) followed suit at a slightly slower rate than in the previous year (52% and 66% respectively as compared with 57% and 76%). In contrast Belgium's export performance weakened (falling 4% to \$353 million) and this was equally true of Turkey (-5%, \$74 million).

(ii) Imports

6. NATO country imports from the USSR in 1975 totalled \$5.25 milliard which represents 36% of the value of those countries' imports from the Communist countries as a whole. The growth of Soviet deliveries (9%) was much slower than in 1974 (48%); it is probable, however, that this slower rate of increase does not reflect the growth trend in real terms. This is because, within the context of East/West trade, price movements last year led to a deterioration in the Soviet terms of trade. According to very rough estimates, it would seem that after having fallen by about 10-15% in 1974, the volume of Soviet exports to the Alliance countries in fact increased by about 5-10% in 1975(1). This development seems to be in sharp contrast with the trend of total imports by the Alliance countries and mainly reflects fluctuations in the procurement by those countries of Soviet oil which after dropping by 19% in 1974(2) rose again in 1975.

---

(1) The unit value of Soviet deliveries of oil and petroleum products to Alliance countries in 1974 increased 2.4 times (see C-M(76)44). The average increase in the price of other goods exported by the Soviet Union (mainly raw materials and semi-manufactures) can be estimated, on the basis of data published by the IMF and the OECD on world rates for this type of goods, at about 40%. In the light of these figures it may be deduced that there was an increase of about 70% in the unit value of Soviet sales on Alliance markets and, therefore, a reduction of 13% in the volume of these sales. Information available on the 1975 world market prices of most goods exported to the Alliance countries by the Soviet Union would seem to indicate an extremely low or even zero growth rate. This being so, the increase in value terms probably reflects the increase in real terms.

(2) Source: C-M(76)44

ANNEX I to  
C-M(77)12

7. The European members of the Alliance took 95% (\$4,968 million) of NATO countries' imports from the USSR. Of these countries, the Federal Republic of Germany, the United Kingdom, Italy and France were the best customers, accounting between them for three-quarters of Alliance countries' total imports from that source. The pattern of imports varied, however, from one country to another, rising in France by 31% to \$769 million, and rising likewise, although more slowly, (by 6% and 9% respectively) in the Federal Republic of Germany (\$1,295 million) and in Italy (\$876 million). In the case of the United Kingdom, Soviet imports (\$889 million) actually fell by 4%.

(iii) Trade Balance

8. The wide gap between Soviet exports and imports which was the main feature of 1975 produced a considerable increase in the Soviet Union's trade deficit with the NATO countries. From a nominal figure of \$14 million in 1974 it rose to \$3,379 million or three times the record high reached in 1973 (\$1,031 million). More than half of the NATO countries' surplus (\$1,956 million) came from Soviet trade with North America, and in particular with the United States (\$1,582 million) and was generated primarily by grain sales. The grouping consisting of the European NATO countries which normally had an adverse trade balance with the Soviet Union moved into the black (\$1,423 million) mainly as a consequence of the increase in the Federal Republic of Germany's surplus (\$1,529 million as compared with the \$633 million in 1974) and to a lesser degree of France's surplus (\$375 million as compared with \$73 million). The United Kingdom is the only Alliance country to have had a large negative balance (\$426 million) but this was nevertheless below the figure for the previous year (\$671 million).

B. NATO COUNTRIES' TRADE WITH THE EAST EUROPEAN COUNTRIES

(i) Exports

9. The rate of increase in NATO countries' sales to the six East European countries in 1975 (\$11.6 milliard) slackened considerably with a figure of 10% as compared with 41% the previous year. This means that in volume terms the growth rate was zero since export prices rose by the same percentage. This stabilization, volumewise, reflects the efforts of certain East European countries to reduce their trade deficit with the West by a more selective import policy.

10. Poland remained the Alliance countries' best customer, buying goods from them to the value of \$4,087 million or 16% which represents the highest increase recorded, after Bulgaria(1). In contrast procurement by East Germany, (\$2,265 million) rose by only 11%, procurement by Czechoslovakia (\$1,392 million) and by Hungary (\$1,306 million) marked time and purchases by Rumania (\$1,619 million) in fact dropped by 2%.

11. Of the Alliance countries, the Federal Republic of Germany had the best supplier record. However its share of Alliance countries' exports fell in 1975 from 49% to 45% owing to the very slight increase (2%) in the value of its sales (\$5,228 million(2)). A new development was the strong growth (53%) of French exports (\$1,453 million); that country's share of total NATO sales rose from 9% in 1974 to 13% overtaking Italy (10%). Another point to be mentioned is the 47% increase in Polish purchases from the United States (\$583 million), probably the consequence of the supply by the United States of part of the grain ordered for delivery in agricultural year 1975/1976.

(iii) Imports

12. The yearly rate of increase of NATO country imports from Eastern Europe in 1975 (\$8.2 milliard) was a modest one (6%) and well below the 1974 figure (25%). In real terms, however, the results were the same and the growth rate was zero or slightly below. This standstill was mainly due to the economic recession in most Western countries but the agricultural difficulties faced by certain Western European countries in the year under review reduced their export capabilities for this type of goods which account for a large part of their total exports to Western markets. Thus, according to GATT(3), Rumania's sales of agricultural produce to the advanced industrialized countries were down by 35% in 1975 following the extensive flooding which the country experienced that year.

13. Among the East European countries, Poland kept its place as main Alliance country supplier with deliveries up by 10% (\$2,378 million). Next was Eastern Germany with exports of \$2,019 million (an increase of 7%), two-thirds of which were taken by the Federal Republic of Germany. Exports from Hungary and Bulgaria dropped by 2% to \$944 million and \$310 million respectively. In the case of the latter country, this drop followed on a very modest rise in 1974 although its imports from the NATO countries rose very sharply during this two year period (76% in 1974 and 37% in 1975).

(1) Bulgaria kept up its high level of imports from the Alliance countries (up by 37%) in 1975 and for the second year in succession outpaced its East European neighbours in this field.

(2) Of which 1,594 dollars-worth went to the GDR as part of intra-German trade.

(3) Source: GATT, Yearly Report 1976

ANNEX I to  
C-M(77)12

-6-

14. East European sales on NATO countries' markets were directed first and foremost to the Federal Republic of Germany which accounted for 40% (representing \$3,274 million) of the total(1). The Federal Republic's share of total Alliance country imports increased slightly in 1975 (39% in 1974). Italy, France and the United Kingdom, in that order, were the other main customers for East European goods: their buying record (\$1,044, \$924 and \$625 million respectively) differed however in relation to the preceding year. France's imports for example rose rapidly (by 25%) to a level higher than in any other NATO country whereas imports by Italy and the United Kingdom dropped by 4% and 6% respectively.

(iii) Trade Balance

15. The NATO countries' trade balance with the East European countries increased again in 1975 to \$3,386 million as compared with \$2,775 million in 1974. This increase was due to the higher deficits recorded by Poland (up from \$1,360 million to \$1,709 million), Bulgaria (up from \$331 million to \$579 million) and East Germany (up from \$163 million to \$247 million). Rumania, on the other hand, was able to reduce its trade gap from \$369 million in 1974 to \$287 million. The Alliance countries' trade surplus with Hungary and Czechoslovakia remained at roughly the same level as in 1974 (\$362 and \$204 million as compared to \$337 and \$216 million).

16. Among the NATO countries, the Federal Republic of Germany once again had the biggest trade surplus (\$1,954 million) although this was slightly less than in 1974 when it reached \$2,097 million. The 1975 increase in the East European trade gap was mainly to the advantage of France whose trade surplus increased from \$211 million in 1974 to \$529 million and of the United States whose surplus rose from \$282 million to \$541 million. The United Kingdom's trade surplus also increased from \$84 to \$204 million whereas the Italian trade balance, which has traditionally been negative, registered a surplus in 1975 (\$108 million). On the other hand, there was an increase in the trade deficit of both Turkey (from \$94 million in 1974 to \$121 million) and Denmark (from \$62 million to \$108 million).

C. NATO COUNTRIES' TRADE WITH CHINA

(i) Exports

17. NATO countries' sales to China in 1975 (\$2.2 milliard) dropped by 4% in value terms. This drop is the consequence of two conflicting developments: the 46% fall in North American sales (from \$1,254 million in 1974 to \$674 million) and the

(1) Of which \$1,359 came from the GDR as part of intra-German trade

47% increase in NATO Europe sales (from \$1,051 million to \$1,546 million). The contraction was particularly sharp in the case of the United States whose sales in value terms were halved by comparison with 1974, (from \$807 million to \$804 million) as a result of the fall in agricultural exports.

18. The increase in NATO Europe exports to China is largely accounted for by the performances of the Federal Republic of Germany (\$523 million, an increase of 24%) and France (\$374 million, an increase of 133%) implementing agreements reached in 1973 and in 1974 for the supply of industrial plant particularly in the chemical and iron and steel sectors.

(ii) Imports

19. NATO countries' imports from China totalling \$1 milliard rose very slightly in 1975 (3.5%). In real terms however, this increase may have been more substantial in view of the fall in world prices of a number of goods, particularly tin and unfinished textiles of which China is an exporter. Furthermore, and according to Japanese sources(1), the Chinese are reported to have reduced the price of a number of items to stimulate their exports. In contrast with the trend in imports, sales to the United States rose by 38%, from \$115 million in 1974 to \$158 million mainly as a consequence of larger deliveries of tin. On the other hand, exports to the European NATO countries (\$839 million) marked time.

(iii) Trade Balance

20. The NATO countries' trade with China in 1975 produced a surplus which was slightly lower than in the previous year (\$1,168 million as compared with \$1,287 million). The distribution of this surplus between the members of the Alliance was quite different however; the North American surplus dropped from \$1,077 million in 1974 to \$461 million, mainly as a result of the fall from \$693 million to \$145 million in the United States surplus, whereas the European NATO countries increased their surplus from \$210 million to \$707 million.

D. NATO COUNTRIES' TRADE WITH THE OTHER COMMUNIST COUNTRIES(2)(3)

(i) Exports

21. NATO countries' exports to the other Communist countries dropped by 30% in 1975 (from \$351 million in 1974 to \$246 million) as a result of the sharp cut-back in North Korean

(1) Source: Far Eastern Economic Review 26th March, 1976.

(2) The term "other Communist countries" refers to Albania, North Korea and North Vietnam.

(3) The country statistics used in this section have been taken from the IMF publication "Direction of Trade".

ANNEX I to  
C-M(77)12

-8-

procurements (from \$287 million to \$144 million). This cut-back was felt in particular by France and Canada whose sales fell from \$97 million to \$22 million and from \$44 million to \$5 million respectively. In contrast, deliveries by the Federal Republic of Germany remained at about the same level as in the previous year (\$75 million as against \$82 million). NATO countries' exports to Albania totalled \$58 million, (\$49 million in 1974); the main exporting countries were Italy, the Federal Republic and Canada. In the case of North Vietnam, imports totalled \$43 million as compared with \$16 million in 1974, France and Norway being the main beneficiaries.

(ii) Imports

22. The growth of imports (\$154 million as against \$114 million in 1974) is mainly the consequence of the increase in North Korean exports (from \$76 million to \$107 million), primarily to the Federal Republic of Germany (\$51 million) and to France (\$42 million). Allied purchases in Albania remained at about the same level (\$35 million in 1974 as compared with \$32 million), with Italy the main customer. Procurement from North Vietnam was on a modest level (\$8 million) with France, the United Kingdom and Belgium the main recipients.

(iii) Trade balance

23. The surplus in NATO countries' trade with the other Communist countries which in 1974 reached a record figure of \$237 million fell sharply in 1975 to \$92 million as a result of the contraction of North Korea's trade gap (the North Korean level of indebtedness is high) from \$211 to \$37 million. The trade surpluses with Albania and North Vietnam rose slightly, however, from \$17 million to \$23 million and from \$14 million to \$35 million respectively.

COUNTRY STUDIES (CONTINUED): TRADE BETWEEN THE  
NON-NATO OECD COUNTRIES(1) AND THE  
COMMUNIST COUNTRIES IN 1975

A. TRADE WITH THE USSR

(i) Exports

1. Exports to the USSR by the eight non-NATO OECD countries totalled \$3.9 milliard in 1975. The rate of increase in these exports (45%), while still very high, was below the figure for 1974 (79%); it was also below the rate of increase in NATO countries' exports (\$8.6 milliard) even after deduction of the value of North American grain deliveries(2). Japan and Finland with deliveries worth \$1,626 million and \$1,134 million respectively were still the leading exporters in this group of countries and ranked third and fifth among the Western countries as a whole. It should also be noted that in 1975 the Soviet Union was Finland's best customer taking 21% of its exports.

(ii) Imports

2. The share of Soviet trade with the OECD countries as a whole held by the eight countries concerned was higher in the case of Soviet sales than in the case of Soviet procurements: 41% as compared with 31%. Imports by these eight countries from the Soviet Union in 1975 (totalling \$3.6 milliard) marked time (increasing by 1%) after a rise of 71% in 1974 by comparison with 1973(3). This pause was mainly due to the 17% reduction in Japanese buying which fell from \$1,418 million in 1974 to \$1,170 million although the difference was just made up by the seven other countries. Finnish imports which climbed by 134% in 1974 rose by only 2% in 1975, from \$1,247 million to \$1,270 million. This startling difference was the consequence of variations in the price of oil which makes up the bulk of Soviet deliveries to Finland. The Soviet Union's other main customers were Sweden and Austria whose purchases (\$526 million and \$318 million respectively) nevertheless increased less rapidly than in the previous year (by 31% and 34% respectively as against 93% and 83%).

- 
- (1) These countries are: Australia, Austria, Finland, Ireland, Japan, Spain, Sweden and Switzerland  
(2) After deduction of North American grain deliveries, the rate of increase of NATO country exports in 1975 was 58% (see Annex I, paragraph 3)  
(3) It will be recalled that exports from NATO countries in 1975 amounted to \$5.25 milliard

(iii) Trade balance

3. The eight countries concerned had a trade surplus of \$309 million in 1975 which is substantially less than the figure obtained by the Alliance countries (\$3,379 million). This surplus was recorded after two years of large deficits (\$871 million in 1974 and \$575 million in 1973). A comparison of the aggregate balance between 1973 and 1975 of trade between the Soviet Union and the eight countries under review, on the one hand, and the NATO countries, on the other, will show that in the first case the Soviet Union earned a surplus of \$1,137 million and in the second recorded a deficit of \$4,824 million.

4. Japan recorded the highest surplus (\$457 million) followed by Australia (\$347 million). On the other hand, Sweden, Austria and Finland had fairly large deficits (\$232 million, \$102 million and \$136 million respectively). The Soviet surplus in trade with Finland did not however give rise to any inflow of currency given the bilateral agreements between the two countries under which Finland may pay for its imports of Soviet oil by deliveries of other goods.

B. TRADE WITH THE EAST EUROPEAN COUNTRIES

(i) Exports

5. The general downward trend in the growth of East European procurement in the West was also true of imports from the eight countries under review (\$3.5 milliard) which rose by 19% as compared with 54% in the previous year. Nonetheless this increase was twice as large as the increase in Alliance countries' exports (9%)(1). Austria and Sweden lengthened their lead as the main supplier countries of Eastern Europe: the value of their deliveries (\$1,063 million and \$803 million respectively) increased by 35% and 33%. Switzerland was likewise in a leading position with exports (\$560 million) up by 22%. Japan, in contrast, with sales of \$573 million, marked time.

6. In the case of all eight countries, Poland was the best customer. Its imports (\$1,412 million) rose by 32% and originated mainly in Sweden (\$411 million), Austria (\$332 million) and Japan (\$257 million). On the other hand, imports by Rumania (\$386 million) fell by 5%.

---

(1) NATO country sales: \$11.6 milliard

(ii) Imports

7. Imports by the eight countries in 1975 (\$2.3 milliard) increased by only a modest 5%. The situation varied widely from one country to another: imports by Sweden (\$563 million), Spain (\$312 million) and Finland (\$301 million) moved up relatively fast (29%, 28% and 15% respectively) whereas imports by Switzerland (\$223 million) and, in particular, by Japan (\$206 million) fell by 9% and by 26%. Of the Eastern European countries, Poland held its position as main supplier with a figure of \$794 million. However, the growth rate of its exports (11%) was lower than the figure for East Germany (\$379 million, an increase of 16%). As for Hungary (\$304 million) and Bulgaria (\$82 million), their exports fell by 20% and 17% respectively.

(iii) Trade balance

8. The non-NATO members of the OECD earned a surplus of \$1,145 million on their trade with Eastern Europe in 1975 as compared with \$704 million the previous year and \$454 million in 1973. Thus, over this period the surplus has matched that of the Alliance countries(1). Imports by Eastern Europe taken as a whole were covered to about the same extent in the case of the eight countries under review as in the case of the Alliance countries: in 1975, the ratio was 67% in the first case and 71% in the second. Over half the total East European deficit can be attributed to Poland (\$618 million) the balance being accounted for mainly by Hungary (with a trade gap of \$226 million) and Bulgaria (\$130 million). A noteworthy development was the reduction of Rumania's trade tap from \$105 million in 1974 to \$53 million.

C. TRADE WITH CHINA

(i) Exports

9. As in the previous year, non-NATO OECD exports to China (\$2,751 million) were dominated by Japan (goods to the value of \$2,259 million). Japanese sales, up by 14%, were about equal to total Alliance country sales and reflect the position of Japan among China's Western suppliers. Australia, with exports to a value of \$326 million (\$321 million in 1974) ranked second in the export league.

---

(1) The Alliance countries' surplus on trade with Eastern Europe rose from \$1,283 million in 1973 to \$2,775 million in 1974 and to \$3,386 million in 1975

ANNEX II to  
C-M(77)12

-4-

(ii) Imports and trade balance

10. Imports by the eight countries from China, up by 13%, totalled \$1,769 million in 1975 (as compared with imports by the fifteen Alliance countries which totalled \$1 milliard). This figure is largely accounted for by Japanese purchases (\$1,531 million) which rose 17% by comparison with the previous year. China had a trade deficit of \$982 million with these eight countries in 1975 (\$893 million the previous year) which can be attributed first and foremost to transactions with Japan (totalling \$728 million) and, to a substantially lesser degree to transactions with Australia (totalling \$240 million).

D. TRADE WITH THE OTHER COMMUNIST COUNTRIES(1)(2)

(i) Exports

11. Exports by the eight countries (\$371 million) were mainly to North Korea; purchases by that country dropped significantly in 1975, dwindling from \$350 million in 1974 to \$286 million. This development appears to be due to the performance of Japan, the main supplier, whose sales fell from \$252 million to \$181 million as well as of Finland and Australia who, after totalling sales of \$32 million and \$29 million respectively in 1974, did practically no business the following year. Sweden on the other hand increased its sales during the same period from \$10 million to \$66 million, a rise which is probably explained by the delivery of mining equipment ordered in 1974. North Vietnam raised its spending from \$33 million in 1974 to \$75 million dividing its purchases equally between Japan and Sweden. Albania's imports were of nominal value.

(ii) Imports

12. Imports by the eight countries in 1975 totalled \$118 million (as against \$152 million in the preceding year). They originated mainly from North Korea (\$68 million) and to

- 
- (1) The term "other Communist countries" covers Albania, North Korea and North Vietnam  
(2) Trade statistics for Albania, North Korea and North Vietnam used in this section are taken from the IMF publication "Direction of Trade"

a lesser extent from North Vietnam (\$27 million). Imports from Albania were even lower (\$13 million)(1). Japan was practically the sole customer of these three countries.

(iii) Trade balance

13. The group making up the "other Communist countries" ran up a deficit of \$253 million in its commercial transactions with the eight non-NATO OECD countries in 1975. This adverse balance is mainly the consequence of North Korea's trade gap (of \$218 million) attributable mainly to its dealings with Japan (\$116 million) and with Sweden (\$66 million).

E. SPECIAL CASE OF TRADE BETWEEN YUGOSLAVIA AND THE COMMUNIST COUNTRIES

14. Seen in the context of developments in East-West trade, the case of Yugoslav transactions with the Communist countries is of some interest since the former has forged multiple economic ties with the OECD and with the COMECON countries and takes part, moreover, in some of the activities of both these Organizations.

15. In 1975, Yugoslav exports to the Communist countries totalled \$1,919 million(2) which was less than Italy but more than the United Kingdom and Finland(3). As happened in the Western countries, the rate of growth of these exports slowed in 1975 to 13% as against 64% in 1974. This slowdown can be traced mainly to the practical standstill (a 3% increase) in East European procurements (\$859 million) whereas Soviet procurements (\$1,012 million) continued to increase rapidly (by 42%). It must be remembered, however, that the East European markets provide an excellent outlet for Yugoslavia, which in 1975 channelled 47% of its exports towards them.

- 
- (1) According to OECD statistics, Australia imported goods to the value of \$7 million in 1975 from the three countries grouped together under the heading of "other Communist countries". No confirmation of this figure has been found in the IMF statistics which explains why total deliveries by the three countries do not exactly tally with the figure given at the beginning of the paragraph.
- (2) Not including sales to North Vietnam
- (3) It will be remembered that sales to the Communist countries by Italy, UK and Finland in 1975 totalled \$2,349, \$1,474 and \$1,332 respectively

ANNEX II to  
C-M(77)12

-6-

16. Yugoslav imports from the Communist countries totalled \$1,893 million(1) in 1975. They were comparable to imports by France and higher than imports by the United Kingdom(2). They followed a trend which was almost identical with the trend of imports by the eight non-NATO member countries of the OECD, namely, a steep rise in 1974 (59%) followed by stagnation in 1975 (an increase of 1%) which was true both of Soviet (\$807 million, up 0.2%) and of East European (\$1,037 million, up 3%) imports. The Eastern countries accounted for 25% of total Yugoslav imports in 1975, a figure well below the corresponding figure for exports.

17. Yugoslavia's trade balance with the Communist countries moved out of a \$187 million deficit in 1974 to a \$26 million surplus in 1975. This development mainly reflects the switch from the deficit with the USSR in 1974 (\$90 million) to a comfortable surplus (\$206 million) the following year(3). In contrast, Yugoslavia had a large deficit in its transactions with Eastern Europe both in 1974 and in 1975 (\$174 million and \$178 million respectively).

- 
- (1) Not including imports from North Vietnam
  - (2) Imports by France and the United Kingdom from the Communist countries in 1975 totalled \$1,916 and \$1,652 million respectively
  - (3) It must be remembered that Soviet-Yugoslav trade is conducted on the basis of bilateral clearing agreements

TABLE I

NATO COUNTRIES' EXPORTS TO THE COMMUNIST COUNTRIES AS A  
PERCENTAGE OF THEIR TOTAL EXPORTS

|                                     | 1960       | 1971       | 1972       | 1973       | 1974       | 1975       |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| Belgium/Luxembourg                  | 3.7        | 1.5        | 1.7        | 2.4        | 3.1        | 3.2        |
| Denmark                             | 3.9        | 4.0        | 3.5        | 3.2        | 3.9        | 4.0        |
| France                              | 4.0        | 4.1        | 3.9        | 4.1        | 4.1        | 5.8        |
| Federal Republic<br>of Germany(1)   | 6.6        | 6.8        | 7.0        | 7.6        | 8.3        | 9.5        |
| Greece                              | 22.0       | 13.0       | 13.6       | 11.7       | 12.1       | 11.7       |
| Iceland                             | 23.1       | 10.9       | 12.1       | 8.7        | 12.4       | 16.9       |
| Italy                               | 5.8        | 5.4        | 4.7        | 4.8        | 5.9        | 6.7        |
| Netherlands                         | 1.7        | 1.9        | 2.1        | 2.2        | 2.6        | 2.7        |
| Norway                              | 4.8        | 2.8        | 3.7        | 3.5        | 4.2        | 5.3        |
| Portugal                            | 2.3        | 0.6        | 0.6        | 0.6        | 0.9        | 2.2        |
| Turkey                              | 12.2       | 12.3       | 11.9       | 10.1       | 10.6       | 8.8        |
| United Kingdom                      | 3.5        | 3.1        | 3.2        | 3.3        | 3.1        | 3.4        |
| <b>Total NATO Europe</b>            | <b>4.7</b> | <b>4.4</b> | <b>4.4</b> | <b>4.8</b> | <b>5.3</b> | <b>6.0</b> |
| Canada                              | 0.8        | 2.1        | 3.1        | 2.7        | 2.0        | 3.0        |
| United States                       | 1.0        | 0.9        | 1.8        | 3.5        | 2.3        | 2.9        |
| <b>Total NATO North<br/>America</b> | <b>0.9</b> | <b>1.2</b> | <b>2.2</b> | <b>3.3</b> | <b>2.2</b> | <b>2.9</b> |
| <b>Total NATO</b>                   | <b>3.3</b> | <b>3.4</b> | <b>3.7</b> | <b>4.3</b> | <b>4.3</b> | <b>5.1</b> |

(1) In the case of the Federal Republic of Germany, the figures include sales to the GDR as part of intra-German trade, which accounted for 2.0% of total FRG exports in 1960, 2.0% in 1971, 1.9% in 1972, 1.6% in 1973, 1.6% in 1974 and 1.7% in 1975

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

ANNEX III to  
C-M(77)12

-2-

TABLE II

NATO COUNTRIES' IMPORTS FROM THE COMMUNIST COUNTRIES  
AS A PERCENTAGE OF THEIR TOTAL IMPORTS

|                                | 1960 | 1971 | 1972 | 1973 | 1974 | 1975 |
|--------------------------------|------|------|------|------|------|------|
| Belgium/Luxembourg             | 2.2  | 1.9  | 1.9  | 2.0  | 2.1  | 2.2  |
| Denmark                        | 4.9  | 3.3  | 3.4  | 3.8  | 4.6  | 5.2  |
| France                         | 2.8  | 3.1  | 3.1  | 3.1  | 2.9  | 3.5  |
| Federal Republic of Germany(1) | 7.1  | 5.8  | 5.9  | 6.2  | 6.4  | 6.4  |
| Greece                         | 7.9  | 5.0  | 5.5  | 5.5  | 4.7  | 5.3  |
| Iceland                        | 22.7 | 10.2 | 10.4 | 8.9  | 13.5 | 12.5 |
| Italy                          | 6.1  | 6.0  | 6.2  | 5.8  | 4.9  | 5.4  |
| Netherlands                    | 2.6  | 1.9  | 2.1  | 2.0  | 2.3  | 2.5  |
| Norway                         | 3.4  | 4.2  | 3.2  | 3.0  | 2.8  | 2.7  |
| Portugal                       | 1.5  | 1.2  | 0.9  | 1.0  | 0.8  | 2.2  |
| Turkey                         | 9.1  | 10.4 | 10.8 | 8.5  | 7.1  | 5.7  |
| United Kingdom                 | 3.6  | 3.9  | 3.8  | 3.8  | 3.2  | 3.1  |
| Total NATO Europe              | 4.5  | 4.1  | 4.2  | 4.2  | 4.0  | 4.2  |
| Canada                         | 0.3  | 0.7  | 0.8  | 0.8  | 0.8  | 0.6  |
| United States                  | 0.5  | 0.5  | 0.6  | 0.8  | 1.0  | 0.9  |
| Total NATO North America       | 0.5  | 0.5  | 0.7  | 0.8  | 0.9  | 0.8  |
| Total NATO                     | 3.3  | 3.0  | 3.1  | 3.2  | 3.1  | 3.2  |

- (1) In the case of the Federal Republic of Germany, the figures include purchases from the GDR as part of intra-German trade, which accounted for 2.0% of total FRG imports in 1960, 1.9% in 1971, 1.8% in 1972, 1.8% in 1973, 1.8% in 1974 and 1.8% in 1975.

N A T O U N C L A S S I F I E DANNEX III to  
C-M(77)12TABLE III: RECAPITULATION OF NATO COUNTRIES' TRADE WITH CERTAIN COUNTRIES, GROUPS OF COMMUNIST COUNTRIES AND WITH THE WORLD BETWEEN 1959 AND 1975EXPORTS TO EASTERN EUROPE, THE SOVIET UNION, CHINA AND THE WORLD

Millions of US Dollars

|    |      | EASTERN EUROPE |              |            | USSR        |              |            | CHINA       |              |            | TOTAL COMMUNIST COUNTRIES |              |            | WORLD       |              |            |
|----|------|----------------|--------------|------------|-------------|--------------|------------|-------------|--------------|------------|---------------------------|--------------|------------|-------------|--------------|------------|
|    |      | NATO EUROPE    | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL | NATO EUROPE               | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL |
| 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      | 43,512      | 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       | 228,822    |
| 15 | 1973 | 6,782          | 685          | 7,467      | 2,803       | 1,482        | 4,285      | 808         | 977          | 1,785      | 10,531                    | 3,169        | 13,700     | 219,170     | 96,510       | 315,680    |
| 16 | 1974 | 9,560          | 954          | 10,513     | 4,198       | 639          | 4,838      | 1,051       | 1,254        | 2,304      | 15,108                    | 2,897        | 18,006     | 286,327     | 131,286      | 417,613    |
| 17 | 1975 | 10,411         | 1,147        | 11,558     | 6,391       | 2,239        | 8,630      | 1,546       | 674          | 2,220      | 18,577                    | 4,077        | 22,654     | 307,504     | 139,953      | 447,458    |

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

N A T O    U N C L A S S I F I E D

ANNEX III to  
C-2(77)12

TABLE IV: RECAPITULATION OF NATO COUNTRIES' TRADE WITH CERTAIN COUNTRIES, GROUPS OF COMMUNIST COUNTRIES AND WITH THE WORLD BETWEEN 1959 AND 1975

IMPORTS FROM EASTERN EUROPE, THE USSR, CHINA AND THE WORLD

Millions of US Dollars

|    |      | EASTERN EUROPE |              |            | USSR        |              |            | CHINA       |              |            | TOTAL COMMUNIST COUNTRIES |              |            | WORLD       |              |            |
|----|------|----------------|--------------|------------|-------------|--------------|------------|-------------|--------------|------------|---------------------------|--------------|------------|-------------|--------------|------------|
|    |      | NATO EUROPE    | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL | NATO EUROPE               | NATO AMERICA | NATO TOTAL | NATO EUROPE | NATO AMERICA | NATO TOTAL |
| 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      | 29,268       | 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         | 78           | 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          | 4,547      | 2,023       | 111          | 2,134      | 469         | 81           | 550        | 6,782                     | 503          | 7,285      | 162,501     | 74,477       | 236,978    |
| 15 | 1973 | 5,771          | 412          | 6,183      | 3,017       | 237          | 3,254      | 680         | 117          | 797        | 9,541                     | 767          | 10,308     | 228,444     | 92,427       | 320,871    |
| 16 | 1974 | 7,036          | 702          | 7,738      | 4,450       | 374          | 4,824      | 840         | 177          | 1,017      | 12,439                    | 1,253        | 13,693     | 312,523     | 133,265      | 445,788    |
| 17 | 1975 | 7,566          | 606          | 8,172      | 4,968       | 282          | 5,250      | 839         | 214          | 1,053      | 13,524                    | 1,105        | 14,629     | 321,551     | 130,895      | 452,446    |

N A T O    U N C L A S S I F I E D

## NATO UNCLASSIFIED

TABLE V: NATO COUNTRIES' TRADE WITH THE COMMUNIST COUNTRIES IN THE 1ST HALF OF 1976(1)

ANNEX III to  
C-M(77)12

(Millions of US Dollars)

|                         | USSR   |        |         | EASTERN EUROPE |        |         | CHINA  |       |         | OTHER COMMUNIST COUNTRIES |      |         | TOTAL COMMUNIST COUNTRIES |        |         |
|-------------------------|--------|--------|---------|----------------|--------|---------|--------|-------|---------|---------------------------|------|---------|---------------------------|--------|---------|
|                         | EXP    | IMP    | BALANCE | EXP.           | IMP.   | BALANCE | EXP.   | IMP.  | BALANCE | EXP.                      | IMP. | BALANCE | EXP.                      | IMP.   | BALANCE |
| Belgium/<br>Luxembourg  | 118.7  | 158.2  | -39.5   | 239.9          | 149.2  | 90.7    | 27.8   | 27.5  | 0.3     | 9.8                       | 3.6  | 6.2     | 396.2                     | 338.5  | 57.7    |
| Denmark                 | 35.3   | 96.4   | -61.1   | 101.7          | 157.1  | -55.4   | 8.6    | 12.2  | -3.6    | 3.8                       | 0.2  | 3.6     | 149.3                     | 265.9  | -116.6  |
| France                  | 618.9  | 459.7  | 159.2   | 849.8          | 536.5  | 313.3   | 260.9  | 99.8  | 161.1   | 30.4                      | 8.2  | 22.2    | 1760.1                    | 1104.3 | 655.8   |
| Fed. Rep.<br>of Germany | 1317.3 | 826.9  | 490.4   | 2367.1         | 1749.7 | 617.4   | 388.3  | 127.6 | 260.7   | 34.6                      | 23.2 | 11.4    | 4107.3                    | 2727.4 | 1379.9  |
| Greece(2)               | 48.2   | 70.6   | -22.4   | 109.3          | 94.6   | 14.7    | 0.1    | 2.5   | -2.4    | 0.9                       | 2.4  | -1.5    | 158.5                     | 170.1  | -11.6   |
| Iceland                 | 11.5   | 26.5   | -15.0   | 10.6           | 5.2    | 5.4     | -      | 0.2   | -0.2    | -                         | -    | -       | 22.1                      | 31.9   | -9.8    |
| Italy                   | 465.0  | 541.5  | -76.5   | 458.2          | 534.4  | -76.2   | 73.8   | 75.7  | -1.9    | 12.5                      | 4.3  | 8.2     | 1009.4                    | 1155.9 | -146.5  |
| Netherlands             | 95.6   | 188.5  | -92.9   | 280.8          | 273.4  | 7.4     | 30.7   | 42.2  | -11.5   | 18.1                      | 6.6  | 11.5    | 425.2                     | 510.8  | -85.6   |
| Norway                  | 34.3   | 45.1   | -10.8   | 109.0          | 117.3  | -8.3    | 17.3   | 3.9   | 13.4    | 2.0                       | 0.7  | 1.3     | 162.6                     | 166.9  | -4.3    |
| Portugal                | 33.0   | 41.7   | -8.7    | 14.3           | 23.9   | -9.6    | 0.4    | 0.4   | -       | -                         | -    | -       | 47.8                      | 66.1   | -18.3   |
| Turkey                  | 54.8   | 41.4   | 13.4    | 58.8           | 114.1  | -55.3   | 2.3    | 0.7   | 1.6     | -                         | -    | -       | 115.8                     | 156.2  | -40.4   |
| United<br>Kingdom       | 229.2  | 647.5  | -418.3  | 381.2          | 334.7  | 46.5    | 82.4   | 76.8  | 5.6     | 2.3                       | 3.4  | -1.1    | 695.1                     | 1062.4 | -367.3  |
| NATO EUROPE             | 3061.8 | 3144.0 | -82.2   | 4980.7         | 4090.1 | 890.6   | 892.6  | 469.5 | 423.1   | 114.4                     | 52.6 | 61.8    | 9049.4                    | 7756.4 | 1293.0  |
| Canada                  | 353.6  | 24.5   | 329.1   | 65.7           | 65.2   | 0.5     | 111.8  | 37.2  | 74.6    | 4.4                       | 2.3  | 2.1     | 535.6                     | 129.2  | 406.4   |
| United States           | 1403.1 | 99.9   | 1303.2  | 568.5          | 318.0  | 250.5   | 119.7  | 90.3  | 29.4    | 1.2                       | 1.2  | -       | 2092.5                    | 509.4  | 1583.1  |
| NATO AMERICA            | 1756.7 | 124.4  | 1632.3  | 634.2          | 383.2  | 251.0   | 231.5  | 127.5 | 104.0   | 5.6                       | 3.5  | 2.1     | 2628.1                    | 638.6  | 1989.5  |
| TOTAL NATO              | 4818.5 | 3268.4 | 1550.1  | 5614.9         | 4473.3 | 1141.6  | 1124.1 | 597.0 | 527.1   | 120.0                     | 56.1 | 63.9    | 11677.5                   | 8395.0 | 3282.5  |

(1) Including intra-German trade. (FRG exports to GDR = \$741 million  
FRG imports from GDR = \$735 million)

(2) Estimates

Sources: OECD, foreign trade statistics, series A, and Wirtschaft and Statistik

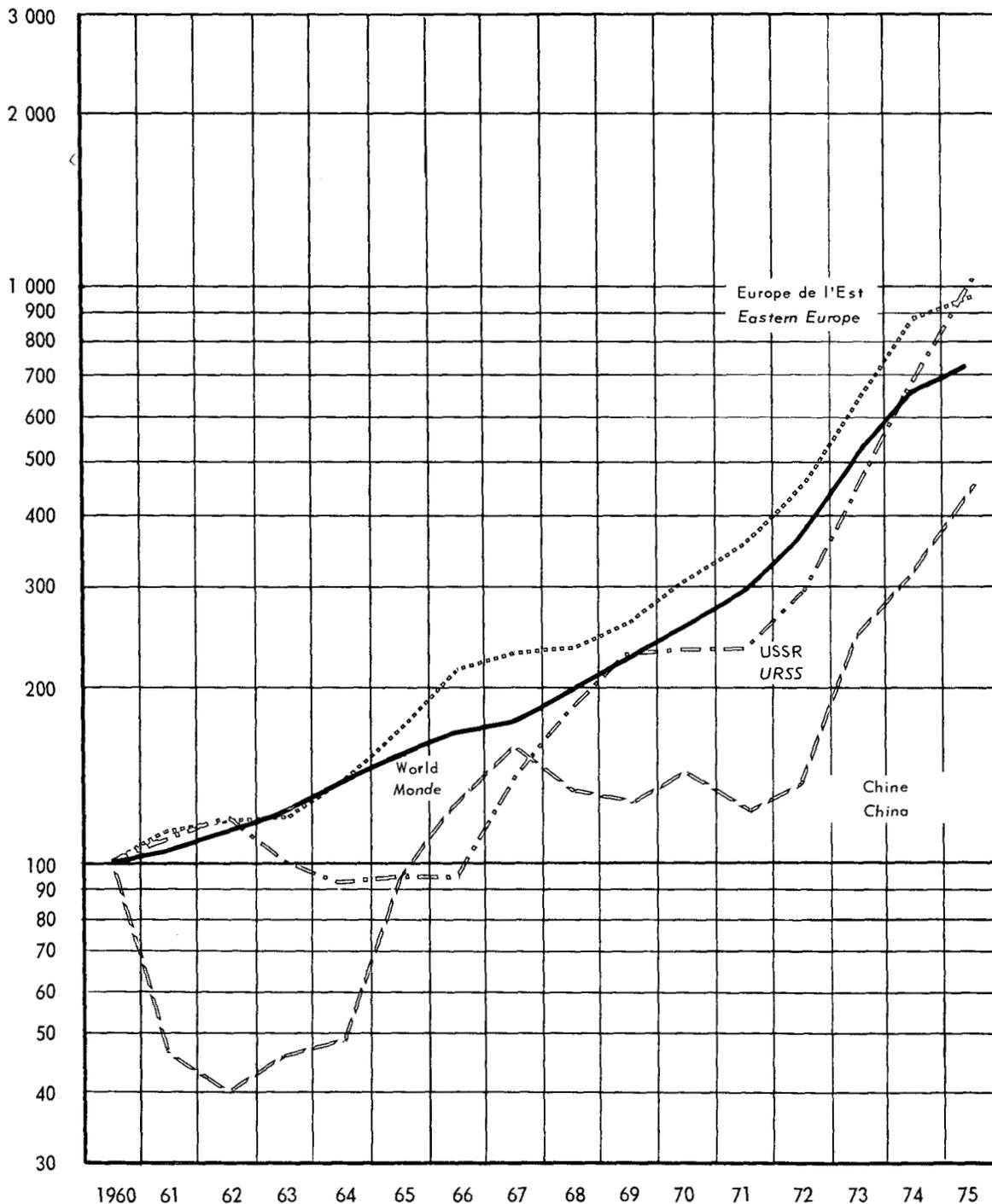
GRAPHIQUE I - GRAPH I

EVOLUTION DU COMMERCE DES PAYS DE L'OTAN 1960 - 1975 (1960 = 100) \*

DEVELOPMENT OF NATO COUNTRIES' TRADE 1960 - 1975 (1960 = 100) \*

TOTAL DES EXPORTATIONS DES PAYS OTAN D'EUROPE VERS LE MONDE,  
L'EUROPE DE L'EST, L'URSS ET LA CHINE

TOTAL NATO EUROPE EXPORTS, WORLD WIDE AND TO EASTERN EUROPE,  
THE SOVIET UNION AND CHINA



\* Valeurs absolues : voir Annexe III, tableau III  
Absolute values : see Annex III, table III

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

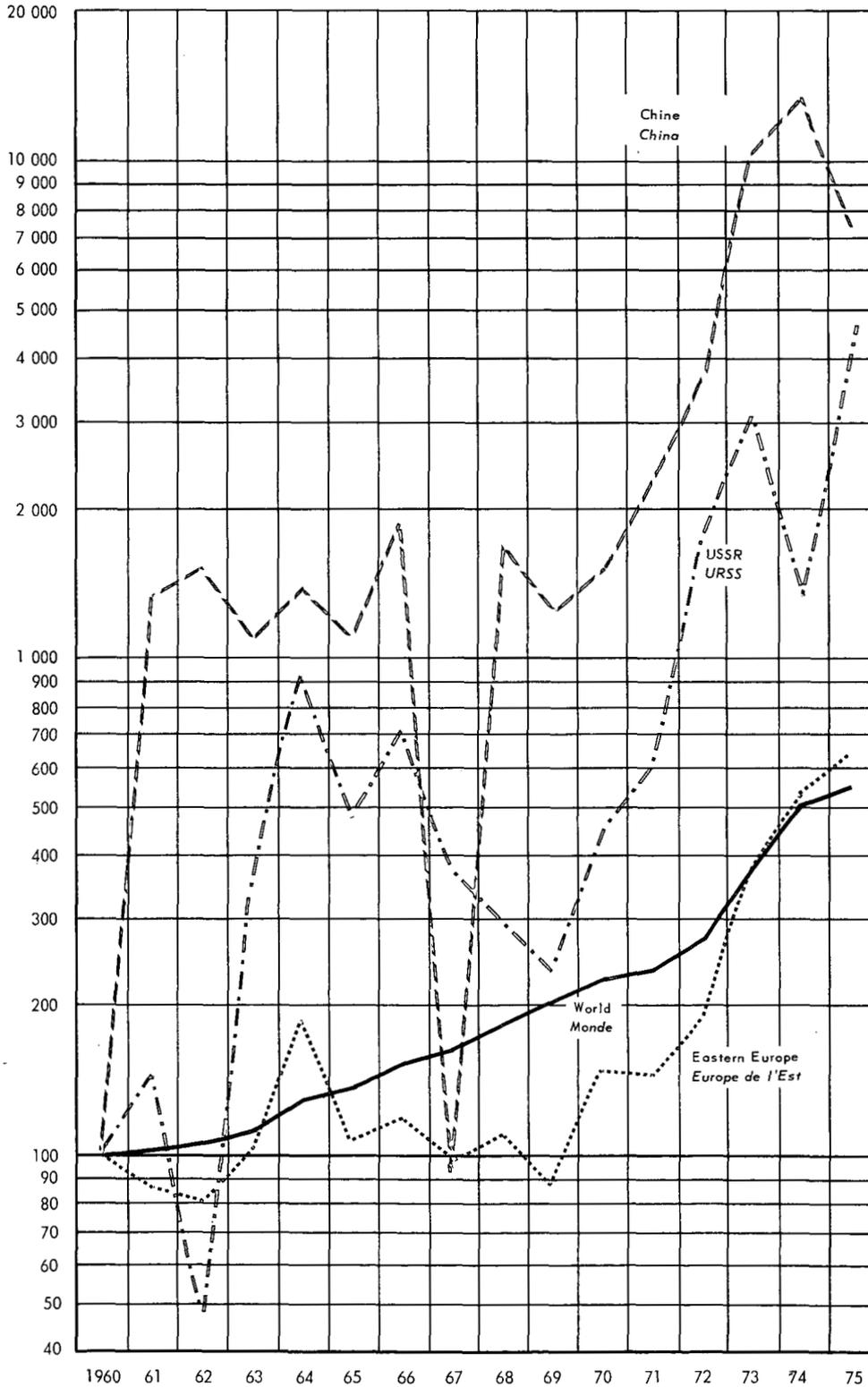
GRAPHIQUE II - GRAPH II

EVOLUTION DU COMMERCE DES PAYS DE L'OTAN 1960 - 1975 (1960 = 100) \*

DEVELOPMENT OF NATO COUNTRIES' TRADE 1960 - 1975 (1960 = 100) \*

TOTAL DES EXPORTATIONS DES PAYS OTAN D'AMERIQUE DU NORD,  
VERS LE MONDE, L'EUROPE DE L'EST, L'URSS ET LA CHINE

TOTAL NATO NORTH AMERICA EXPORTS WORLDWIDE, AND TO EASTERN EUROPE,  
THE SOVIET UNION AND CHINA



\* Valeurs absolues : voir Annexe III, tableau III  
Absolute values : see Annex III, table III

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

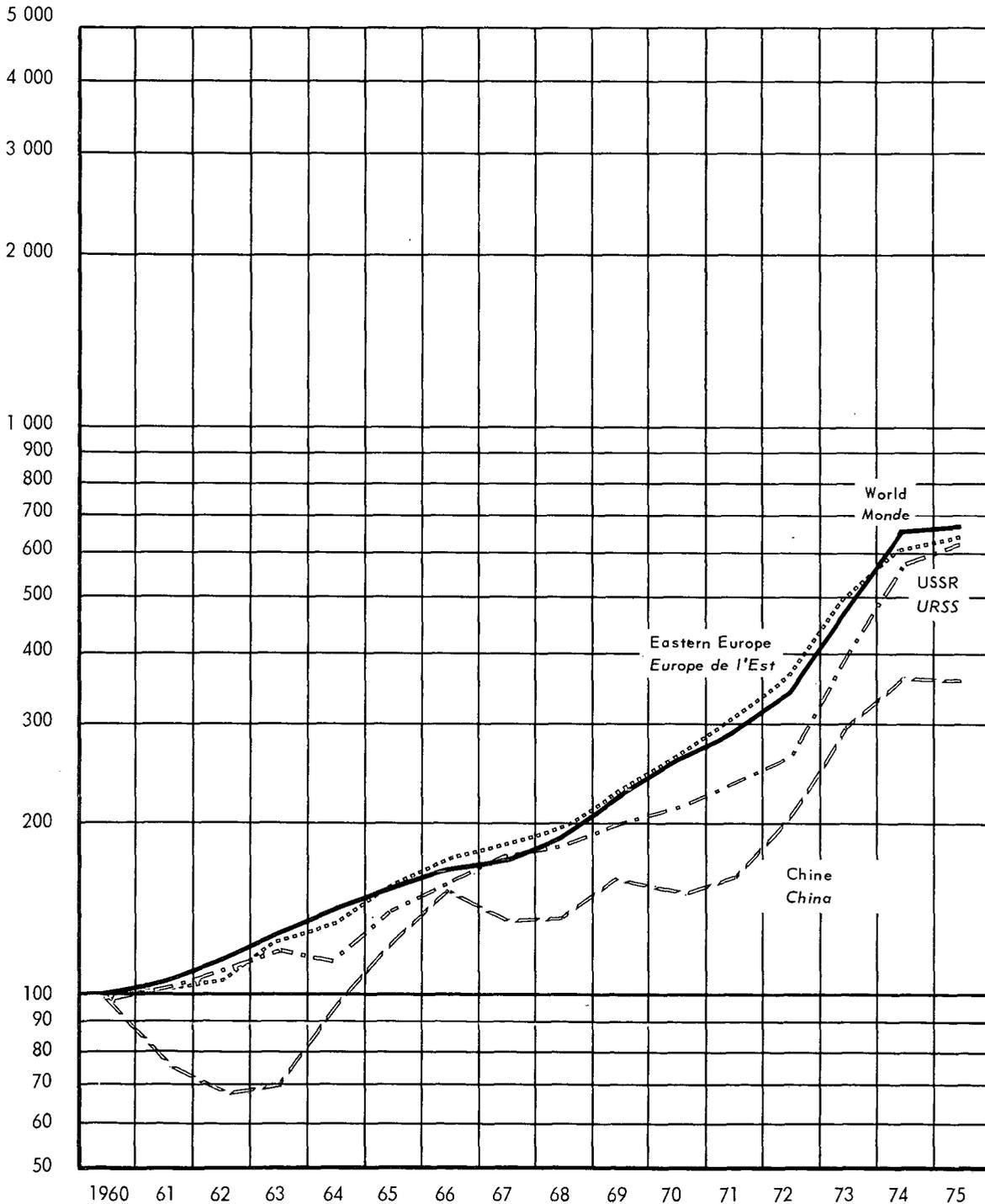
GRAPHIQUE III - GRAPH III

EVOLUTION DU COMMERCE DES PAYS DE L'OTAN 1960 - 1975 (1960 = 100) \*

DEVELOPMENT OF NATO COUNTRIES' TRADE 1960 - 1975 (1960 = 100) \*

TOTAL DES IMPORTATIONS DES PAYS OTAN D'EUROPE, EN PROVENANCE DU MONDE,  
DE L'EUROPE DE L'EST, DE L'URSS ET DE LA CHINE

TOTAL NATO EUROPE IMPORTS WORLDWIDE AND FROM EASTERN EUROPE,  
THE SOVIET UNION AND CHINA



\* Valeurs absolues : voir Annexe III, tableau IV  
Absolute values : see Annex III, table IV

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

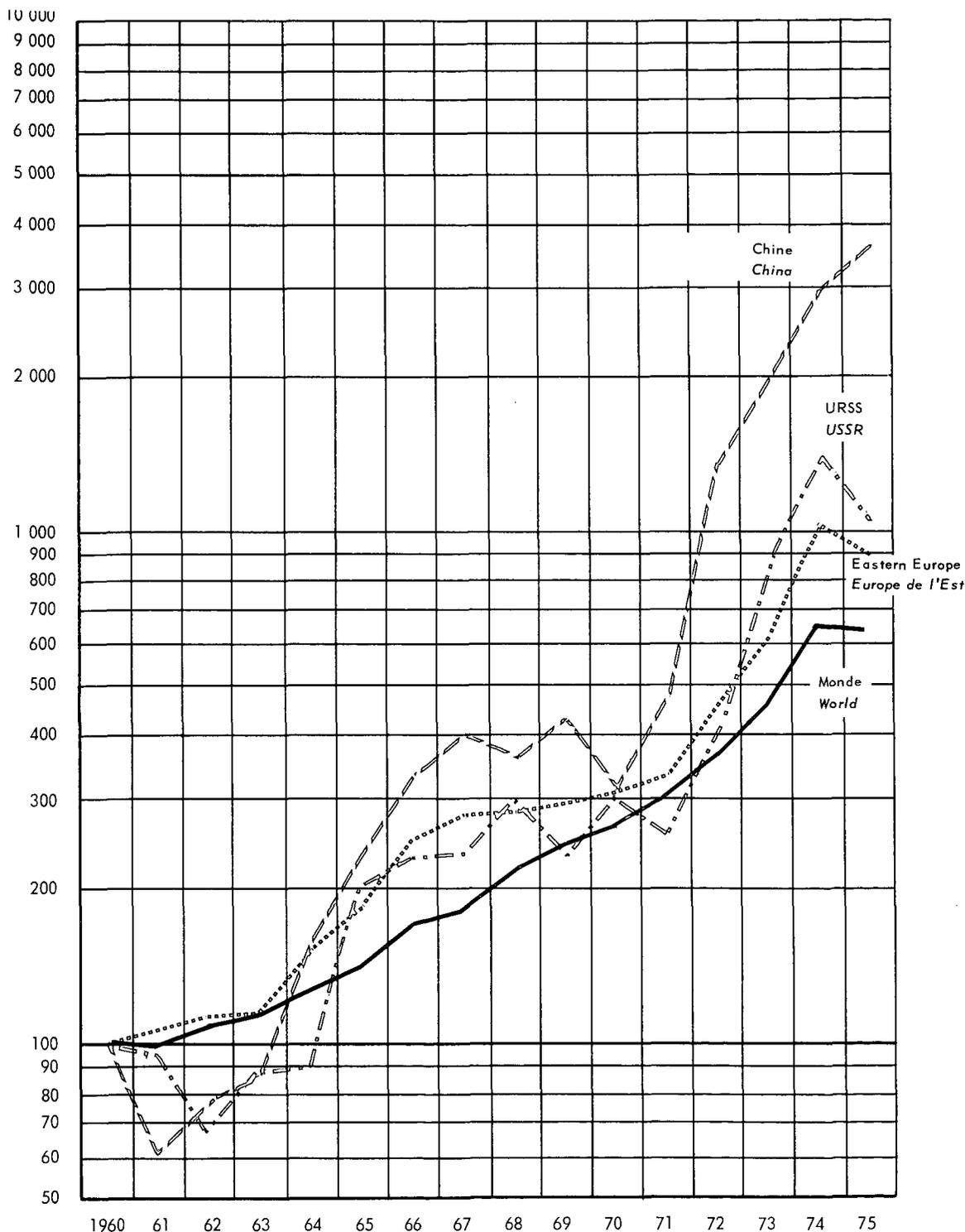
GRAPHIQUE IV - GRAPH IV

EVOLUTION DU COMMERCE DES PAYS DE L'OTAN 1960 - 1975 (1960 = 100) \*

DEVELOPMENT OF NATO COUNTRIES' TRADE 1960 - 1975 (1960 = 100) \*

TOTAL DES IMPORTATIONS DES PAYS OTAN D'AMERIQUE DU NORD EN PROVENANCE  
DU MONDE, DE L'EUROPE DE L'EST, DE L'URSS ET DE LA CHINE

TOTAL NATO NORTH AMERICA IMPORTS, WORLD-WIDE, AND FROM EASTERN EUROPE,  
THE SOVIET UNION AND CHINA



\* Valeurs absolues : voir Annexe III, tableau III  
Absolute values : see Annex III, table III

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE