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TRENDS IN CONVENTIONAL ARMS TRANSFERS TO THE THIRD WORLD
BY MAJOR SUPPLIER, 1974-1981

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INTRODUCTION

This report is an update of previous reports by the Congressional Research Service (CRS) on the subject of conventional arms transfers. It provides unclassified background data on more recent trends in the transfer of conventional arms by major suppliers to the Third World. A more detailed discussion and analysis of U.S. conventional arms transfer policy by CRS can be found in Changing Perspectives on U.S. Arms Transfer Policy. This committee print, prepared for the Subcommittee on International Security and Scientific Affairs of the House Foreign Affairs Committee, was published on September 25, 1981.

WHAT DATA IS INCLUDED AND WHY

There are various approaches that can be taken to provide useful data on conventional arms transfer activity by major suppliers. Deciding what to include or exclude can affect in important ways the impressions left by the final data set. In this report an effort is made to include most of the information that could reasonably be associated with U.S. and foreign conventional arms transfer programs. Some exclusions were made as a matter of analytic judgment. But such exclusions and inclusions are clearly indicated in the footnotes of the accompanying tables.

At this point it should be noted that U.S. commercial sales and deliveries data has been excluded from the U.S. agreements and deliveries values. This was done because the U.S. government's Foreign Military Sales (FMS) program accounts for the greatest percentage of U.S. conventional arms sales. Further,

most of the commercial sales of any size from 1974-1981 went to Europe or to developed nations such as Japan or Australia. Commercial transfers to the Near East and South Asia did not average above \$350 million a year from 1974-1981. U.S. commercial arms sales to Latin America and Sub-Saharan Africa were especially negligible during this period. Finally, the U.S. government does not track the totals and the cancellations of these commercially licensed sales with the same degree of precision that it does U.S. government-to-government sales — making the accuracy of commercial figures subject to question.

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likely to be
> 1 billion/yr.

On the other hand, U.S. FMS construction sales and deliveries are included in the U.S. values totals. To exclude FMS construction data would eliminate billions from U.S. sales figures to the Third World. These billions involve almost exclusively one country--Saudi Arabia. From FY1974-FY1981 Saudi Arabia accounted for \$15.541 billion of the \$15.548 billion in worldwide FMS construction sales agreements for that period. In short, the Saudis participated in nearly all of them.

The building of an airfield or a naval base and/or associated support facilities can be legitimately included in FMS totals as they are sales of items that can have a clear military application. If their purpose is intended to be non-military, it seems likely that they would be funded through other U.S. non-military programs. If FMS construction data is to be excluded it would seem more appropriate to exclude that part of it that has no potential military application. Unclassified Defense Department data makes clear that the overwhelming dollar value of Saudi FMS construction sales in the period from the early 1970s to the present have been for military related projects. Consequently, this category is included in the U.S. totals in its entirety.

Training is a smaller component of the U.S. foreign military sales program. But it is nonetheless an important part of it as it would be in the case of any foreign military sales program. It is not enough merely to sell a squadron of aircraft or a number of tanks. Purchasing nations need support in learning how to use the systems sold to them. If this training is part of the package associated with the original sale of the weapons systems or part of one such as the formal U.S. International Military Education and Training (IMET) program -- the training provided serves both a military and policy end. In this context, counting military training in its broadest sense as part of the foreign military sales value of a country's program seems quite legitimate.

In this report, grant military assistance programs, training and construction are counted for all countries, not just the United States. In this way comparisons, although based on judgements regarding which categories to count, are reasonably consistent across the board. U.S. data on all these categories are readily available, unlike the same data regarding the foreign suppliers. Estimates by the U.S. government can be criticized because no one can guarantee that it has all the data regarding foreign arms transfers that it needs for complete comparisons. Some argue that foreign arms transfer data available to the U.S. government understates the facts in important ways. Nonetheless, that data which was provided by the U.S. government for this report do establish a reasonable, if not perfect, basis for useful comparisons.

It is disingenuous to argue that the Soviet data regarding values of their arms transfers are misleading because of attractive financing terms the Soviets provide to Third World buyers while failing to note that the U.S. also provides various forms of concessional FMS financing to a number of countries. Furthermore, to win foreign sales contracts, it

is clear that U.S. arms merchants also engage in competitive practices such as providing various pricing concessions in the "packaging" of their weapons systems — sometimes including co-production arrangements or other "offsets" on the system sold.

Yet this discussion of the merits of inclusion or exclusion of various categories of a foreign military sales program in the gross dollar value of that program would be remiss if a larger point regarding the relative value of the use of these aggregate dollar totals was not addressed. Simply put, the use of aggregate dollar values in evaluating a country's foreign military sales program are of relatively limited utility because of a number of factors. Some of these key factors are set out below.

① First, due to the wide swings upward or downward from one year to the next in the total dollar value of arms transfer agreements of various countries, it is possible to pick a year or two at random and "prove" many things with the data available for those years. Two obvious examples shown in Table 1 are the U.S. and foreign agreement data for 1980 and 1981. If 1980 was discussed in a vacuum, it would seem that the French were on the verge of matching the U.S. in value of sales contracts. Likewise, the Soviet Union would seem to have a massive "lead" in sales over other individual suppliers — given its \$14.7 billion sales figure. However, by reviewing the 1981 arms transfer agreement data, one can readily see that the agreement values for the United States, the French, and the Soviet Union dropped remarkably in that year.

② These transfer agreement data are also subject to constant revision as purchasers chose to cancel contracts entered into in a previous year. Until actual deliveries of items contracted for occurs there is no assurance that a large sales year will fulfill its initial promise. In the case of the U.S.,

for example, it is clear that had Iran not cancelled large orders of the mid-to late 1970s the total value of U.S. arms transfer agreements with the Third World from 1974-1981 would have been about \$6.4 billion higher (see footnote at the bottom of Table 1.)

③ Furthermore, the artificial cut-off points for counting dollar values of sales can have a significant effect on the total picture. The United States data is calculated in fiscal year terms. The foreign data in calendar year terms. In either case, should a major sale be consummated one day after the given arbitrary cut-off point — be it the end of a fiscal or calendar year — the selling nation's agreement values may be notably lower or higher, depending upon the given circumstances. An obvious example of this is the AWACS-F-15 enhancement package of \$8.5 billion for Saudi Arabia which cleared congressional review in October 1981, but is not counted in 1981 U.S. totals because the fiscal year ended on September 30.

Other sales clearing congressional review after September 30, 1981 include F-16s for Pakistan and Venezuela. Should they be counted in FY1982 U.S. agreements totals along with most of the Saudi AWACS package, the U.S. agreements values for that year will jump dramatically from 1981 totals. Estimates of the executive branch made in the FY1983 Security Assistance Program Congressional Presentation Document stated that roughly \$17.7 billion in FY1982 sales agreements involving Egypt, Saudi Arabia, Pakistan, South Korea, and Venezuela were possible. In an August 2, 1982 press statement, Under Secretary of State James L. Buckley noted that at least \$10.2 billion in sales agreements for FY1982 had been concluded with certain Third World nations, and that another \$4 billion in FMS agreements (\$2 billion in FMS construction) with Saudi Arabia alone was possible before the end of FY1982.

Once arms transfer agreements are concluded, it generally takes more than a year or two for the items sold to be delivered. For example, the Saudis purchased 60 F-15 fighters in the summer of 1978 and only received the first in-country delivery of an operational aircraft in January 1982. Thus the basic utility of the dollar values of arms transfer agreements is in indicating long-range trends in sales activity by arms suppliers. The gross dollar values indicate what is or has been in the delivery "pipeline." To use these data for purposes other than assessing general trends in seller/buyer activity is to risk drawing hasty conclusions that may be rapidly invalidated by events. This same generalization would apply to arms transfer delivery values provided in Table 2. Thus the answer to the perennial question: Who is number one in Third World arms sales is likely to vary from year to year depending on a wide range of circumstances.

A much more useful data set in assessing the arms transfers to the Third World by suppliers is that which indicates who has actually delivered numbers of specific classes of military items to a region. These data are relatively hard data inasmuch as they reflect events that have occurred. These data, will not, however, provide details relating the sophistication level of the equipment delivered. For example, they will not indicate whether supersonic aircraft delivered were F-5s or F-15s, MIG 21s or MIG 23s, or Mirage F-1s, or Mirage 2000s, but they will show relative trends in the delivery of various classes of equipment and will also indicate who the major suppliers are from region to region over time. In the end, it is this trend line data that can indicate who is or is not developing a market for a category of weapon in a region, and perhaps suggest whether or not an arms race is emerging.

In this context, the data in this report are set out in a series of tables. Table 1 shows the dollar values of arms transfer agreements with the Third World,

by supplier from 1974-1981. Table 2 shows the dollar values of arms deliveries to the Third World by supplier for the same years. Tables 1A and 1B show the averages of agreement values of suppliers for 1974-1977 and 1978-1981 respectively in an effort to smooth out the highs and lows of the data over two periods roughly coinciding with the Nixon-Ford administrations(1974-1977) and the Carter administration (1978-1981). Tables 2A and 2B show the same averaged data for delivery values of supplies during the same two periods--1974-1977 and 1978-1981. Tables 3 through 7 provide delivery data of major suppliers to the Third World and to specific regions from 1974-1977, 1978-1981 and 1974-1981. These tables give detailed totals of specific weapons categories actually delivered to either the Third World or a specific region of it by specific major suppliers during the time periods noted.

Nations considered part of each region are listed at the end of the tables as are descriptions of items included in the twelve specific weapons categories used. Throughout, the Third World is considered to be all non-European nations, and all countries not members of NATO or the Warsaw Pact. Excluded as well from the Third World category are Japan, Australia and New Zealand. None of the data included in the Third World deliveries tables includes items delivered to any country that is not considered to be a Third World nation by this definition.

TRENDS 1974-1981

Table 1 shows the annual current dollar values of arms transfer agreements with Third World countries by major suppliers from 1974 through 1981. As these data indicate, the value of U.S. arms sales agreements in nominal terms remained fairly level throughout this period until the uniquely low year of 1981. In

constant dollar terms, taking inflation into account, the sales values actually declined over the eight years. This is true even if the MASF account (Military Assistance Service Fund that supported Asian forces in the South East Asian War Zone) is included for the pertinent years. The inclusion of terminated Iranian contracts also would not alter the validity of this basic generalization.

Tables 1A and 1B indicate that the nominal value of U.S. arms transfers from 1978-1981 averaged about \$1.73 billion less than the value for the period from 1974-1977. Factoring inflation into these figures shows that the real value of these U.S. agreements declined.

The trends shown in Tables 1, 1A, and 1B for the Soviet Union indicate that in nominal (unadjusted for inflation) terms it averaged slightly more than \$1.8 billion in sales agreements in 1978-1981 period compared to the 1974-1977 period. Even taking inflation into account, the Soviet Union made real market share gains in the eight year period from 1974-1981. However, comparing the U.S. and USSR during the entire 1974-1981 period, the United States made Third World sales in nominal terms that exceeded those of the USSR by about \$9.1 billion. Yet in the more recent period, from 1978-1981, the Soviet Union sold about \$2.5 billion more to the Third World than the United States did. The extraordinary nature of the Third World sales levels for all major suppliers in 1980 and 1981 suggest that the U.S. and the Soviet Union are probably close in nominal terms in Third World arms sales and that the 1982 data, when available, may very well prove this to be the case.

During the period from 1974-1981, the major Western European suppliers all made nominal and real gains in their shares of the conventional arms market in the Third World. Tables 1, 1A, and 1B show that French arms sales agreements averaged over \$1.8 billion more in the 1978-1981 period compared to the 1974-1977 period. Of course, the extraordinary 1980 sales year skews the French

totals higher. Nonetheless, the data clearly indicate that France is the major conventional arms seller after the United States and the Soviet Union. The United Kingdom, West Germany and Italy follow the French in descending rank order of sales agreements values in both the 1974-1977, and 1978-1981 periods. But it is clear that as individual sellers (and as an aggregate group) the British, West Germans, and Italians have played an important role in the conventional arms traffic during the years from 1974-1981. While their performance from year to year has not been as consistently high as the French, even taking inflation into account their net share of the arms market has grown in real terms compared to the United States.

The data in tables 2, 2A, and 2B reflect the fact that values of deliveries by the United States, the USSR and the major Western suppliers have increased in both nominal and real terms from 1974-1981. The most notable increase in the delivery values has been that of the Soviet Union, which more than doubled the average value of its deliveries during 1977-1981 compared to 1974-1977. The data for the other major suppliers reflects a more steady growth in nominal terms and a more modest growth in real terms, when adjustments for inflation are made.

Table 3 shows the number of specific classes of weapons delivered to the Third World by the major suppliers from 1974-1977, 1978-1981 and 1974-1981. This table (and its regional counterparts) adds a qualitative dimension to this presentation by indicating the types and amounts of weapons the major suppliers transferred during these time periods, and which suppliers were most responsible for deliveries of the classes of weapons listed to Third World recipients.

The data in table 3 shows that the United States during the period from 1974-1977 led in four of the twelve categories of weapons deliveries, while the Soviets led in five. The four major West European suppliers led in three

categories. During the period from 1978-1981, the United States led in no categories, the Soviets led in nine, while the major West Europeans again led in three. For the entire period from 1974-1981, the United States led in four categories, the Soviets in five and the major West Europeans in three. Overall these data indicate that in the most recent four years, the West Europeans are maintaining notable shares of the Third World markets in helicopters, other aircraft and naval craft--both in minor surface combatants and submarines. The Europeans are also gaining a greater share of the guided missile boat market, otherwise dominated by the Soviet Union. The United States does not manufacture and export a naval craft in this category. The Soviets lead over the eight year period has been consistently in four categories -- tanks and self-propelled guns, artillery, supersonic combat aircraft and surface-to-air missiles.

When the Third World weapons delivery data is broken down into the major regions of the Third World, it becomes evident who are the major suppliers and who has and is now dominating the given region in deliveries of specific classes of weapons. Table 4 clearly indicates the dominance of the United States in weapons deliveries to the East Asia and the Pacific region from 1974-1977. The U.S. led in ten out of eleven categories of items actually delivered. The area became more competitive from 1978-1981, with the United States still leading in seven categories to four for the Soviet Union and one for the major Western European suppliers.

Table 5 shows that in the Near East South Asia region the Soviet Union dominated deliveries, ranking first in six categories from 1974-1977 compared to three each for the United States and the major Western European suppliers. In the period from 1978-1981 the Soviet Union led in deliveries of 10 weapons categories compared to two for the major Western Europeans and none for the United States.

Table 6 shows the increasing importance of the major Western European suppliers in arms transfers to Latin America. In the period from 1974-1977 the United States led in deliveries of six weapons categories and was tied in one with the major Western European suppliers. The Soviets led in three categories, the major Western Europeans in two. However, for the period from 1978-1981, the major Western European suppliers led deliveries in five categories compared to four for the Soviet Union and three for the United States.

The United States has not been the leading supplier of any category of major weapons to Sub-Saharan Africa during either the 1974-1977 or 1978-1981 periods as Table 7 indicates. The major arms supplier to this region in both the 1974-1977 and 1978-1981 periods has been the Soviet Union. In 1974-1977 the Soviets led deliveries in 7 categories to 3 for the major Western European suppliers, with a tie in one category. From 1978-1981, the Soviet Union led in 9 delivery categories to two for the major Western European suppliers.

In summary, these regional weapons delivery data collectively show that the Soviet Union has become the leading arms supplier to the Third World of several major classes of conventional weaponry from 1977-1981. The United States has also transferred substantial quantities of these same categories of weapons, but has not matched the Soviets in terms of sheer numbers delivered in the recent four year period. It is also clear that the major Western European suppliers have become, in the recent period, serious competitors for arms markets in every region of the Third World, especially in Latin America.

Despite these trends a note of caution is warranted. These aggregate data on weapons categories delivered by the major suppliers do not provide indicies of the quality, or level of sophistication of the weapons actually delivered by a given supplier to a particular region. As the history of conventional conflicts in the 1970s suggests, quality and/or sophistication of weaponry can offset a quantitative disadvantage. The fact that the United States may not "lead" in quantities of weapons delivered to a region does not necessarily mean that the weapons it has transferred cannot compensate, to an important degree, for larger quantities of less capable weapons systems delivered by the Soviet Union or others.

In addition, these data do not provide any indication of the capabilities of the recipient nations to use effectively the weapons actually delivered to them. Superior training -- coupled with quality equipment -- may, in the end, prove to be a more important factor in a nation's ability to successfully wage conventional war than the sheer magnitude of conventional weapons it may have in its inventory.

Table 1

ARMS TRANSFER AGREEMENTS WITH THE THIRD WORLD, BY SUPPLIER ^{1/}
 [In millions of current U.S. dollars]

	1974	1975	1976 ^{2/}	1977	1978	1979	1980	1981
TOTAL-----	20,263	20,550	24,393	25,134	21,416	28,631	43,803	26,728
Non-Communist-----	13,323	16,120	16,578	14,454	17,526	18,321	27,533	12,828
Of which:								
United States----	8,723	9,990	12,468	6,439	7,486	8,901	9,463	4,868
France-----	2,060	2,630	1,040	3,140	1,950	4,350	8,680	1,215
United Kingdom---	750	940	600	1,415	3,860	1,270	2,170	1,460
West Germany----	620	630	730	1,200	2,520	900	770	1,150
Italy-----	410	1,040	360	980	1,390	340	2,870	370
Other free world-	760	890	1,380	1,280	320	2,560	3,580	3,765
Communist-----	6,940	4,430	7,815	10,680	3,890	10,310	16,270	13,900
Of which: U.S.S.R.---	5,970	3,670	6,600	9,750	2,920	8,880	14,770	6,630
Other Communist-----	970	760	1,215	930	970	1,430	1,500	7,270
*Dollar inflation index(1974=100)-----	100	109	117	125	134	144	160	181

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S. data are for fiscal year given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for South Vietnam, Laos, Philippines, Thailand, and South Korea. MASF for FY1974 was \$840,000,000; for FY1975 \$544,000,000. Related grant transfers to South Korea and Thailand, also excluded, were \$11,000,000 in FY1979; \$132,000,000 in FY1980; and \$100,000,000 for FY1981. All data are current as of January 1, 1982, and reflect termination of all sales contracts. The value of Iranian contracts cancelled but not included in the U.S. data above are as follows: FY1974 (\$390,000,000); FY1975 (\$1,157,000,000); FY1976 and transitional quarter(\$236,000,000; FY1977(\$2,953,000,000); FY1978 (\$1,673,000,000); FY1979 (\$6,000,000); FY1980 (\$0). FY1981 (\$0). Third World category excludes Warsaw Pact nations, NATO nations, Europe, Japan, Australia, New Zealand.

^{2/} U.S. data for FY1976 includes the transitional quarter (FY 197T).

Source: U.S. Government.

Table 1A

ARMS TRANSFER AGREEMENTS VALUES AVERAGES, TO THIRD WORLD BY SUPPLIER, 1974-1977 ^{1/}
 [In millions of current U.S. dollars]

	1974	1975	1976 ^{2/}	1977	Average (1974-1977)
TOTAL	20,263	20,550	24,393	25,134	22,585.00
Non-Communist	13,323	16,120	16,578	14,454	15,118.75
Of which:					
United States----	8,723	9,990	12,468	6,439	9,405.00
France-----	2,060	2,630	1,040	3,140	2,217.50
United Kingdom---	750	940	600	1,415	926.25
West Germany----	620	630	730	1,200	795.00
Italy-----	410	1,040	360	980	697.50
Other free world-	760	890	1,380	1,280	1,077.50
Communist-----	6,940	4,430	7,815	10,680	7,466.25
of which: U.S.S.R.---	5,970	3,670	6,600	9,750	6,497.50
Other Communist-----	970	760	1,215	930	968.75

*Dollar inflation
 index(1974=100)----- 100 109 117 125

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S. data are for fiscal year given (and cover the period from July 1, 1973 through September 30, 1977). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for South Vietnam, Laos, Philippines, Thailand, and South Korea. MASF for FY1974 was \$840,000,000; for FY1975 \$544,000,000. All data are current as of January 1, 1982, and reflect termination of all sales contracts. The value of Iranian contracts cancelled but not included in the U.S. data above are as follows: FY1974 (\$390,000,000); FY1975 (\$1,157,000,000); FY1976 and transitional quarter (\$236,000,000); FY1977 (\$2,953,000,000). Third World category excludes Warsaw Pact Nations, NATO nations, Europe, Japan, Australia, New Zealand.

^{2/} U.S. data for FY1976 includes the transitional quarter (FY 197T).

Source: U.S. Government.

Table 1B

ARMS TRANSFER AGREEMENTS VALUES AVERAGES, TO THIRD WORLD BY SUPPLIER, 1978-1981 ^{1/}
 [In millions of current U.S. dollars]

	1978	1979	1980	1981	Average (1978-1981)
TOTAL	21,416	28,631	43,803	26,723	30,144.50
Non-Communist	17,526	18,321	27,533	12,828	19,052.00
Of which:					
United States----	7,486	8,901	9,463	4,868	7,679.50
France-----	1,950	4,350	8,680	1,215	4,048.75
United Kingdom---	3,860	1,270	2,170	1,460	2,190.00
West Germany----	2,520	900	770	1,150	1,335.00
Italy-----	1,390	340	2,870	370	1,242.50
Other free world-	320	2,560	3,580	3,765	2,556.25
Communist-----	3,890	10,310	16,270	13,900	11,092.50
of which: U.S.S.R.---	2,920	8,880	14,770	6,630	8,300.00
Other Communist-----	970	1,430	1,500	7,270	2,792.50
*Dollar inflation					
index(1974=100)-----	134	144	160	181	

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S data are for fiscal year given (and cover the period from October 1, 1977 through September 30, 1981). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for Thailand, and South Korea. Related grant transfers to South Korea and Thailand, also excluded, were \$11,000,000 in FY1979; \$132,000,000 in FY1980; and \$100,000,000 for FY1981. All data are current as of January 1, 1982, and reflect termination of all sales contracts. The value of Iranian contracts cancelled but not included in the U.S. data above are as follows: FY1978 (\$1,673,000,000); FY1979 (\$6,000,000); FY1980 (\$0). FY1981 (\$0). Third World category excludes Warsaw Pact Nations, NATO nations, Europe, Japan, Australia, New Zealand.

Source: U.S. Government.

Table 2

ARMS DELIVERIES TO THE THIRD WORLD, BY SUPPLIER ^{1/}
 [In millions of current U.S. dollars]

	1974	1975	1976 ^{2/}	1977	1978	1979	1980	1981
TOTAL-----	7,263	8,044	11,916	15,392	18,912	21,923	21,179	23,414
Non-Communist-----	4,343	5,014	7,666	9,652	11,702	11,733	12,379	14,234
Of which:								
United States----	2,793	3,084	4,646	5,932	6,382	6,463	5,079	6,144
France-----	480	480	960	1,010	1,700	1,360	2,780	3,670
United Kingdom---	450	400	530	725	1,030	770	1,600	1,200
West Germany----	180	270	520	620	660	740	960	910
Italy-----	130	190	190	350	700	615	600	800
Other free world-	310	590	820	1,015	1,230	1,785	1,360	1,510
Communist-----	2,920	3,030	4,250	5,740	7,210	10,190	8,800	9,180
Of which: U.S.S.R.---	2,530	2,400	3,400	5,000	6,230	9,180	7,480	7,160
Other communist-----	390	630	850	740	980	1,010	1,320	2,020
*Dollar inflation index(1974=100)-----	100	109	117	125	134	144	160	181

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S. data are for fiscal year given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for South Vietnam, Laos, Philippines, Thailand, and South Korea. MASF deliveries values for FY1974 were \$1,159,000,000; for FY1975 \$1,125,000,000. Related grant transfers to South Korea and Thailand, also excluded, were \$11,000,000 in FY1979; \$10,000,000 in FY1980 and \$100,000,000 in FY1981. All data are current as of January 1, 1982. Third World category excludes Warsaw Pact nations, NATO nations, Europe, Japan, Australia, New Zealand.

^{2/} United States data for FY1976 include the transitional quarter (FY 197T).

Source: U.S. Government

Table 2A

ARMS DELIVERIES VALUES AVERAGES TO THIRD WORLD BY SUPPLIER, 1974-1977 ^{1/}
 [In millions of current U.S. dollars]

	1974	1975	1976 ^{2/}	1977	Average (1974-1977)
TOTAL	7,263	8,044	11,916	15,392	10,653.75
Non-Communist	4,343	5,014	7,666	9,652	6,668.75
Of which:					
United States----	2,793	3,084	4,646	5,932	4,113.75
France-----	480	480	960	1,010	732.50
United Kingdom---	450	400	530	725	526.25
West Germany----	180	270	520	620	397.50
Italy-----	130	190	190	350	215.00
Other free world-	310	590	820	1,015	683.75
Communist-----	2,920	3,030	4,250	5,740	3,985.00
of which: U.S.S.R.---	2,530	2,400	3,400	5,000	3,332.50
Other Communist-----	390	630	850	740	652.50
 *Dollar inflation index(1974=100)-----	 100	 109	 117	 125	

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S. data are for fiscal year given (and cover the period from July 1, 1973 through September 30, 1977). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for South Vietnam, Laos, Philippines, Thailand, and South Korea. MASF for FY1974 was \$840,000,000; for FY1975 \$544,000,000. All data are current as of January 1, 1982, and reflect termination of all sales contracts. Third World category excludes Warsaw Pact Nations, NATO nations, Europe, Japan, Australia, New Zealand.

^{2/} U.S. data for FY1976 includes the transitional quarter (FY 197T).

Source: U.S. Government.

Table 2B

ARMS DELIVERIES VALUES AVERAGES TO THIRD WORLD BY SUPPLIER, 1978-1981 ^{1/}
 [In millions of current U.S. dollars]

	1978	1979	1980	1981	Average (1978-1981)
TOTAL	18,912	21,923	21,179	23,414	21,357.00
Non-Communist	11,702	11,733	12,379	14,234	12,512.00
Of which:					
United States-----	6,382	6,463	5,079	6,144	6,017.00
France-----	1,700	1,360	2,780	3,670	2,377.50
United Kingdom---	1,030	770	1,600	1,200	1,150.00
West Germany-----	660	740	960	910	817.50
Italy-----	700	615	600	800	678.75
Other free world-	1,230	1,785	1,360	1,510	1,471.25
Communist-----	7,210	10,190	8,800	9,180	8,845.00
of which: U.S.S.R.---	6,230	9,180	7,480	7,160	7,512.50
Other Communist-----	980	1,010	1,320	2,020	1,332.50

*Dollar inflation
 index(1974=100)----- 134 144 160 181

* Based on Department of Defense Price Deflator (minus pension funds).

^{1/} U.S. data are for fiscal year given (and cover the period from October 1, 1977 through September 30, 1981). Foreign data are for the calendar year given. Statistics shown for foreign countries are based upon estimated selling prices. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance and training programs. U.S. commercial sales contract values are excluded, as are values of the Military Assistance Service Funded account (MASF) which provided grant funding for Thailand, and South Korea. Related grant transfers to South Korea and Thailand, also excluded, were \$11,000,000 in FY1979; \$132,000,000 in FY1980; and \$100,000,000 for FY1981. All data are current as of January 1, 1982, and reflect termination of all sales contracts. Third World category excludes Warsaw Pact Nations, NATO nations, Europe, Japan, Australia, New Zealand.

Source: U.S. Government.

Table 3

NUMBERS OF WEAPONS DELIVERED BY MAJOR SUPPLIERS TO THE THIRD WORLD 1/

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R</u>	<u>Major Western European ^{2/}</u>
<u>1974-1977</u>			
Tanks and Self-Propelled Guns-----	3,881	4,595	1,215
Artillery-----	3,123	7,375	1,260
APCs and Armored Cars-----	6,853	5,245	1,470
Major Surface Combatants-----	61	12	19
Minor Surface Combatants-----	144	58	189
Submarines-----	13	9	14
Supersonic Combat Aircraft-----	822	1,280	215
Subsonic Combat Aircraft-----	510	230	35
Other Aircraft-----	938	170	490
Helicopters-----	463	305	890
Guided Missile Boats-----	0	32	8
Surface-To-Air Missiles (SAMs)-----	2,450	14,345	1,755
<u>1978-1981</u>			
Tanks and Self-Propelled Guns-----	2,375	5,635	510
Artillery-----	2,783	7,000	1,145
APCs and Armored Cars-----	5,658	6,810	3,230
Major Surface Combatants-----	23	28	43
Minor Surface Combatants-----	33	110	93
Submarines-----	1	6	8
Supersonic Combat Aircraft-----	500	1,795	240
Subsonic Combat Aircraft-----	149	190	75
Other Aircraft-----	330	300	410
Helicopters-----	172	845	715
Guided Missile Boats-----	0	42	21
Surface-To-Air Missiles (SAMs)-----	4,995	5,665	585
<u>1974-1981</u>			
Tanks and Self-Propelled Guns-----	6,256	10,230	1,725
Artillery-----	5,906	14,375	2,405
APCs and Armored Cars-----	12,511	12,055	4,700
Major Surface Combatants-----	84	40	62
Minor Surface Combatants-----	177	168	282
Submarines-----	14	15	22
Supersonic Combat Aircraft-----	1,322	3,075	455
Subsonic Combat Aircraft-----	659	420	110
Other Aircraft-----	1,268	470	900
Helicopters-----	635	1,150	1,605
Guided Missile Boats-----	0	74	29
Surface-To-Air Missiles (SAMs)-----	7,445	20,010	2,340

1/ Third World category excludes Warsaw Pact nations, NATO nations, Europe, Japan, Australia and New Zealand. U.S. data are for fiscal years given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for calendar years given.

2/ Major Western European includes France, United Kingdom, West Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

Table 4

NUMBERS OF WEAPONS DELIVERED BY MAJOR SUPPLIERS TO EAST ASIA & THE PACIFIC 1/

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R</u>	<u>Major Western European</u> <u>2/</u>
<u>1974-1977</u>			
Tanks and Self-Propelled Guns-----	543	275	30
Artillery-----	1,904	120	75
APCs and Armored Cars-----	1,101	95	20
Major Surface Combatants-----	31	0	1
Minor Surface Combatants-----	88	0	0
Submarines-----	2	4	0
Supersonic Combat Aircraft-----	236	15	0
Subsonic Combat Aircraft-----	106	0	0
Other Aircraft-----	449	105	110
Helicopters-----	106	40	75
Guided Missile Boats-----	0	0	0
Surface-To-Air Missiles (SAMs)-----	185	0	15
<u>1978-1981</u>			
Tanks and Self-Propelled Guns-----	714	640	50
Artillery-----	870	475	115
APCs and Armored Cars-----	870	355	230
Major Surface Combatants-----	14	7	0
Minor Surface Combatants-----	25	44	16
Submarines-----	0	0	2
Supersonic Combat Aircraft-----	218	240	0
Subsonic Combat Aircraft-----	118	55	10
Other Aircraft-----	67	100	80
Helicopters-----	150	130	115
Guided Missile Boats-----	0	8	3
Surface-To-Air Missiles (SAMs)-----	1,078	175	0
<u>1974-1981</u>			
Tanks and Self-Propelled Guns-----	1,257	915	80
Artillery-----	2,774	595	190
APCs and Armored Cars-----	1,971	450	250
Major Surface Combatants-----	45	7	1
Minor Surface Combatants-----	113	44	16
Submarines-----	2	4	2
Supersonic Combat Aircraft-----	454	255	0
Subsonic Combat Aircraft-----	224	55	10
Other Aircraft-----	516	205	190
Helicopters-----	256	170	190
Guided Missile Boats-----	0	8	3
Surface-To-Air Missiles (SAMs)-----	1,263	175	15

1/ Excludes Japan, Australia and New Zealand. U.S. data are for fiscal years given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for calendar years given.

2/ Major Western European includes France, United Kingdom, West Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

Table 5

NUMBERS OF WEAPONS DELIVERED BY MAJOR SUPPLIERS TO NEAR EAST & SOUTH ASIA 1/

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R</u>	<u>Major Western European</u> <u>2/</u>
<u>1974-1977</u>			
Tanks and Self-Propelled Guns-----	3,168	3,230	1,020
Artillery-----	725	4,195	665
APCs and Armored Cars-----	5,426	3,955	1,065
Major Surface Combatants-----	4	10	14
Minor Surface Combatants-----	26	15	88
Submarines-----	0	5	3
Supersonic Combat Aircraft-----	559	1,000	115
Subsonic Combat Aircraft-----	262	150	15
Other Aircraft-----	345	25	135
Helicopters-----	282	180	685
Guided Missile Boats-----	0	27	3
Surface-To-Air Missiles (SAMs)-----	2,265	12,680	1,540
<u>1978-1981</u>			
Tanks and Self-Propelled Guns-----	1,656	4,155	390
Artillery-----	940	4,065	730
APCs and Armored Cars-----	4,731	5,125	1,950
Major Surface Combatants-----	4	16	7
Minor Surface Combatants-----	6	10	28
Submarines-----	1	3	2
Supersonic Combat Aircraft-----	270	1,310	205
Subsonic Combat Aircraft-----	19	85	30
Other Aircraft-----	128	90	175
Helicopters-----	7	575	390
Guided Missile Boats-----	0	23	17
Surface-To-Air Missiles (SAMs)-----	3,917	4,170	510
<u>1974-1981</u>			
Tanks and Self-Propelled Guns-----	4,824	7,385	1,410
Artillery-----	1,665	8,260	1,395
APCs and Armored Cars-----	10,157	9,080	3,015
Major Surface Combatants-----	8	26	21
Minor Surface Combatants-----	32	25	116
Submarines-----	1	8	5
Supersonic Combat Aircraft-----	829	2,310	320
Subsonic Combat Aircraft-----	281	235	45
Other Aircraft-----	473	115	310
Helicopters-----	289	755	1,075
Guided Missile Boats-----	0	50	20
Surface-To-Air Missiles (SAMs)-----	6,182	16,850	2,050

1/ U.S. data are for fiscal years given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for calendar years given.

2/ Major Western European includes France, United Kingdom, West Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

Table 6

NUMBERS OF WEAPONS DELIVERED BY MAJOR SUPPLIERS TO LATIN AMERICA 1/

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R</u>	<u>Major Western European</u> <u>2/</u>
<u>1974-1977</u>			
Tanks and Self-Propelled Guns-----	136	305	110
Artillery-----	275	215	165
APCs and Armored Cars-----	293	55	120
Major Surface Combatants-----	26	0	2
Minor Surface Combatants-----	30	17	55
Submarines-----	11	0	11
Supersonic Combat Aircraft-----	18	85	35
Subsonic Combat Aircraft-----	142	5	10
Other Aircraft-----	142	15	95
Helicopters-----	69	45	40
Guided Missile Boats-----	0	3	5
Surface-To-Air Missiles (SAMs)-----	0	565	95
<u>1978-1981</u>			
Tanks and Self-Propelled Guns-----	5	70	30
Artillery-----	917	420	130
APCs and Armored Cars-----	14	175	210
Major Surface Combatants-----	5	1	21
Minor Surface Combatants-----	2	21	29
Submarines-----	0	3	4
Supersonic Combat Aircraft-----	0	85	30
Subsonic Combat Aircraft-----	12	0	5
Other Aircraft-----	97	55	65
Helicopters-----	15	30	115
Guided Missile Boats-----	0	7	0
Surface-To-Air Missiles (SAMs)-----	0	245	70
<u>1974-1981</u>			
Tanks and Self-Propelled Guns-----	141	375	140
Artillery-----	1,192	635	295
APCs and Armored Cars-----	307	230	330
Major Surface Combatants-----	31	1	23
Minor Surface Combatants-----	32	38	84
Submarines-----	11	3	15
Supersonic Combat Aircraft-----	18	170	65
Subsonic Combat Aircraft-----	154	5	15
Other Aircraft-----	239	70	160
Helicopters-----	84	75	155
Guided Missile Boats-----	0	10	5
Surface-To-Air Missiles (SAMs)-----	0	810	165

1/ Excludes Canada. U.S. data are for fiscal years given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for calendar years given.

2/ Major Western European includes France, United Kingdom, West Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

Table 7

NUMBERS OF WEAPONS DELIVERED BY MAJOR SUPPLIERS TO AFRICA (SUB-SAHARAN) 1/

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R</u>	<u>Major Western European 2/</u>
<u>1974-1977</u>			
Tanks and Self-Propelled Guns-----	34	785	55
Artillery-----	219	2,845	355
APCs and Armored Cars-----	33	1,145	265
Major Surface Combatants-----	0	2	2
Minor Surface Combatants-----	0	26	46
Submarines-----	0	0	0
Supersonic Combat Aircraft-----	9	180	65
Subsonic Combat Aircraft-----	0	75	10
Other Aircraft-----	2	25	150
Helicopters-----	6	40	90
Guided Missile Boats-----	0	2	0
Surface-To-Air Missiles (SAMs)-----	0	1,100	105
<u>1978-1981</u>			
Tanks and Self-Propelled Guns-----	0	770	40
Artillery-----	56	2,040	170
APCs and Armored Cars-----	43	1,155	840
Major Surface Combatants-----	0	4	15
Minor Surface Combatants-----	0	35	20
Submarines-----	0	0	0
Supersonic Combat Aircraft-----	12	160	5
Subsonic Combat Aircraft-----	0	50	30
Other Aircraft-----	38	55	90
Helicopters-----	0	110	95
Guided Missile Boats-----	0	4	1
Surface-To-Air Missiles (SAMs)-----	0	1,075	5
<u>1974-1981</u>			
Tanks and Self-Propelled Guns-----	34	1,555	95
Artillery-----	275	4,885	525
APCs and Armored Cars-----	76	2,300	1,105
Major Surface Combatants-----	0	6	17
Minor Surface Combatants-----	0	61	66
Submarines-----	0	0	0
Supersonic Combat Aircraft-----	21	340	70
Subsonic Combat Aircraft-----	0	125	40
Other Aircraft-----	40	80	240
Helicopters-----	6	150	185
Guided Missile Boats-----	0	6	1
Surface-To-Air Missiles (SAMs)-----	0	2,175	110

1/ U.S. data are for fiscal years given (and cover the period from July 1, 1973 through September 30, 1981). Foreign data are for calendar years given.

2/ Major Western European includes France, United Kingdom, West Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

DESCRIPTION OF ITEMS COUNTED IN WEAPONS CATEGORIES, 1974-1981

Tanks and Self-propelled Guns

Light, medium and heavy tanks
Self-propelled artillery
Self-propelled assault guns

Artillery

Field and air defense artillery, mortars, rocket launchers, and recoilless rifles -- 100 mm. and over
FROG launchers -- 100 mm. and over

Armored Personnel Carrier (APCs) and Armored Cars

Personnel carriers, armored and amphibious
Armored infantry fighting vehicles
Armored reconnaissance and command vehicles

Major Surface Combatants

Aircraft carriers, cruisers, destroyers, frigates

Minor Surface Combatants

Minesweepers, subchasers, motor torpedo boats
Patrol craft, motor gunboats

Submarines

All submarines, including midget submarines

Guided Missile Patrol Boats

All boats in this class

Supersonic Combat Aircraft

All fighters and bombers designed to function operationally at speeds above Mach 1.

Subsonic Combat Aircraft

All fighters and bombers, including propeller driven, designed to function operationally at speeds below Mach 1.

Other Aircraft

All other fixed-wing aircraft, including trainers, transports, reconnaissance aircraft, and communications/utility aircraft

Helicopters

All helicopters, including combat and transport.

Surface-to-air Missiles (SAMs)

All air defense missiles, excluding those which are shoulder-fired.

NATIONS IN REGIONS IDENTIFIED IN ARMS DELIVERY TABLES AND CHARTS

EAST ASIA AND PACIFIC

Australia
 Brunei
 Burma
 China
 Fiji
 French Polynesia
 Gilbert Islands
 Hong Kong
 Indonesia
 Japan
 Kampuchea (Cambodia)
 North Korea
 North Vietnam
 Laos
 Macao
 Malaysia
 Nauru
 New Caledonia
 New Hebrides
 New Zealand
 Norfolk Islands
 Papua New Guinea
 Philippines
 Pitcairn
 Singapore
 Solomon Islands
 South Korea
 South Vietnam
 Taiwan
 Thailand
 Western Somoa

NEAR EAST AND SOUTH ASIA

Afghanistan
 Algeria
 Bahrain
 Bangladesh
 Egypt
 India
 Iran
 Iraq
 Israel
 Jordan
 Kuwait
 Lebanon
 Libya
 Morocco
 Nepal
 North Yemen (Sana)
 Oman
 Pakistan
 Qatar
 Saudi Arabia
 South Yemen (Aden)
 Sri Lanka
 Syria
 Tunisia
 United Arab Emirates

EUROPE

Albania
 Austria
 Bulgaria
 Belgium
 Canada
 Czechoslovakia
 Cyprus
 Denmark
 Finland
 France
 Germany, Democratic
 Republic
 Germany, Federal
 Republic
 Greece
 Hungary
 Iceland
 Ireland
 Italy
 Liechtenstein
 Luxembourg
 Malta
 Netherlands
 Norway
 Poland
 Portugal
 Romania
 Spain
 Sweden
 Switzerland
 Turkey
 United Kingdom
 U.S.S.R.
 Yugoslavia

NATIONS IN REGIONS IDENTIFIED IN ARMS DELIVERY TABLES AND CHARTS (cont.)

AFRICA (SUB-SAHARAN)

Angola
 Benin
 Botswana
 Burundi
 Cameroon
 Cape Verde
 Central African Empire/Republic
 Chad
 Congo
 Djibouti
 Equatorial Guinea
 Ethiopia
 Gabon
 Gambia
 Ghana
 Guinea
 Guinea-Bissau
 Ivory Coast
 Kenya
 Lesotho
 Liberia
 Madagascar
 Malawi
 Mali
 Mauritania
 Mauritius
 Mozambique
 Niger
 Nigeria
 Reunion
 Rwanda
 Senegal
 Seychelles
 Sierra Leone
 Somalia
 South Africa
 St. Helena
 Sudan
 Swaziland
 Tanzania
 Togo
 Uganda
 Upper Volta
 Zaire
 Zambia
 Zimbabwe

LATIN AMERICA

Antigua
 Argentina
 Bahamas
 Barbados
 Belize
 Bermuda
 Bolivia
 Brazil
 British Virgin Islands
 Cayman Islands
 Chile
 Colombia
 Costa Rica
 Cuba
 Dominica
 Dominican Republic
 Ecuador
 El Salvador
 Falkland Islands
 French Guiana
 Grenada
 Guadeloupe
 Guatemala
 Guyana
 Haiti
 Honduras
 Jamaica
 Martinique
 Mexico
 Montserrat
 Netherlands Antilles
 Nicaragua
 Panama
 Paraguay
 Peru
 St. Christ-Nevis
 St. Lucia
 St. Pierre and Miquelon
 St. Vincent
 Suriname
 Trinidad-Tobago
 Turks and Caicos
 Uruguay
 Venezuela