U.S. EMBARGOES ON AGRICULTURAL EXPORTS: IMPLICATIONS FOR THE U.S. AGRICULTURAL INDUSTRY AND U.S. EXPORTS

Report on Investigation No. 332-157 Under Section 332 of the Tariff Act of 1930

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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The Commission, on its own motion, instituted this investigation (No. 332-157) on February 22, 1983, under section 332 (b) of the Tariff Act of 1930 (19 U.S.C. 1332 (b)) for the purpose of gathering and presenting information on U.S. embargoes on agricultural exports during the past decade. During that period, the United States restricted or embargoed certain agricultural exports five times for reasons involving foreign policy, national security, and short-supply considerations. The specific actions on exports were (1) the soybean embargo of 1973, (2) the 1974 moratorium on grain sales to the U.S.S.R., (3) the moratorium on grain sales to the U.S.S.R. in 1975, (4) the moratorium on grain exports to Poland in 1975, and (5) the 1980 embargo on agricultural exports to the U.S.S.R.

This report provides a historical background of these restrictive export actions over the last decade and analyzes their effects on U.S. and foreign trade patterns, particularly in grains and soybeans. Although all of the restrictive actions of the past decade are examined, more detailed data are devoted to the 1980 embargo, because it was more recent, of longer duration, and involved larger volumes of exports. Also, according to respondents surveyed in the course of the investigation, it was the most damaging to the U.S. long-term agricultural exports and to the reputation of the United States as a reliable supplier of agricultural commodities. The report also examines the impact of the 1980 action on stocks and the effect of the embargo on U.S. consumers.

Public notice of the investigation was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of March 9, 1983 (48 F.R. 9971). The information presented in the report was obtained from questionnaires, private individuals and organizations dealing in grain and other agricultural products, and Federal Government sources.

1/ See app. A for the Commission's notice of the investigation in the Federal Register.

2/ A summary of written submissions in response to the Commission's questionnaires is presented in app. B.
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Exports of agricultural products have become increasingly important to the U.S. balance of trade in recent years. Even though various restrictions were in effect on U.S. exports of agricultural products during the last decade, the U.S. balance of trade for agricultural products was positive every year during the period and increased irregularly from $7.2 billion in 1973 to $26.5 billion in 1981; in 1982, it amounted to $23.7 billion.

The value of U.S. agricultural exports increased from $8 billion in the early 1970's to a record high of $44 billion in 1981. In 1982, such exports amounted to $37 billion, representing a decline of about 16 percent from the level of 1981. Factors influencing the increase over the last decade included population growth in the developing countries, substantial worldwide increases in real per capita income which enabled consumers to eat more of their domestically produced livestock and poultry products, the capacity of the U.S. transportation system to deliver large quantities of agricultural products to foreign markets, and increased farm productivity. Another factor influencing exports was the value of the U.S. dollar in relation to the value of the currencies of certain other major agricultural product exporters and importers, although over the decade, these relationships varied by country and by year. The United States, with its abundant farmland, has remained the leading world exporter of agricultural products, because it had the capacity to increase output with less rise in unit costs than has existed in many other countries.

In 1982, about 22 percent of the cash receipts of the U.S. agricultural sector were derived from exports, compared with about 12 percent in the early 1970's and about 26 percent in 1981. During the past decade, grains and soybeans, the primary agricultural commodities affected by restrictions on agricultural exports, consistently have been equivalent to slightly more than one-half of the total value of U.S. agricultural exports.

A summary of the Commission study on the U.S. restrictions or embargoes that were in effect during the past decade of rapidly increasing exports in the U.S. agricultural sector is highlighted below.

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1/ The term "embargo," as used in this report, covers export sales restrictive actions which, though often referred to as embargoes, allowed certain export sales.

2/ Government activities as of September 1983 which are related to this study include Congressional review and possible renewal of the 1979 Export Administration Act (this Act expired Sept. 30, 1983) and the announcement on July 28, 1983, by the Secretary of Agriculture and the United States Trade Representative that the United States and the Soviet Union had reached agreement on a new 5-year grain and soybean agreement which began Oct. 1, 1983. The 1975 agreement expired Sept. 30, 1983.
1. Following the 1980 embargo, the U.S. share of the world market for grains, soybeans and soybean products declined despite irregular overall increases in U.S. exports of these items over the period.

From 1978/79 to 1982/83, the U.S. share of the world market for wheat and soybeans (and soybean products) each declined by 4 percentage points, and the share for coarse grains 1/ declined by 3 percentage points. However, during the period, the United States remained price competitive in the world grain and soybean market, resulting in an overall increase in exports. From 1978/79 to 1982/83, U.S. exports of wheat were up 24 percent (7.7 million tons 2/), exports of coarse grains rose, but ultimately declined by 7 percent (4.0 million tons), and exports of soybeans and soybean products were up 14 percent (4.8 million tons in soybean equivalent). Although U.S. exports to the Soviet Union dropped after the 1980 embargo, they increased to many other markets, including those where demand had not been satisfied, because traditional suppliers had shipped their supplies to the Soviet market. A comparison of U.S. exports in the crop year immediately preceding the embargo with those during and after the embargo reveals increases in U.S. exports of wheat and wheat products primarily to China, Brazil, and Yugoslavia; coarse grains went mostly to Mexico and Japan; and soybeans and soybean products went to the Netherlands, Eastern Europe, and Spain.

2. After the 1980 embargo, major countries that compete with the United States in the world grain and soybean markets expanded their production and exports of these commodities so as to capture a growing share of the world trade. Accordingly, consuming countries diversified their sources of supply.

Over 1979/80 to 1982/83 (during and after the 1980 embargo), production of wheat in Canada increased from 17 million to 28 million tons, or by 60 percent, and production in Argentina increased from 8 million to 14 million tons, or by nearly 80 percent. Likewise, coarse grain production in the European Community (EC) increased from 69 million to 71 million tons, or by about 3 percent; in Canada, such production increased from 19 million to 27 million tons, or by 43 percent; and in Argentina, production increased irregularly from 11 million to 17 million tons, or by about 57 percent. These increases in production were generally accompanied by acreage planted increases. Although production of grains by the major U.S. competitors increased after the embargo, as did production in the United States, that in the United States has remained nearly double the output of the competitors combined.

Following the 1980 embargo, production of soybean meal in Brazil increased irregularly from 8 million to 10 million tons, or by 25 percent, and production in Argentina increased from 0.6 million to 1.6 million tons, or by nearly twofold; production of soybean oil in Brazil increased from 2.0 million to 2.5 million tons, or by 25 percent; and in Argentina, it tripled from 0.1 million to 0.3 million tons. Some of these soybean products processed in Brazil and Argentina were produced from imported soybeans. U.S. production of soybeans averaged 56 million tons annually after the 1980 embargo, or about

1/ Coarse grains are defined as corn, oats, barley, sorghum, rye, millet, and mixed grains.

2/ Throughout this report, the term "tons" refers to metric tons unless otherwise indicated.
3 times larger than the combined production of the major U.S. competitors in the world markets. U.S. production of soybean meal averaged about 19 percent greater than that of its major competitors, while production of soybean oil averaged 17 percent greater.

After the 1980 embargo, exports of wheat and coarse grains from Canada rose from 20 million to 27 million tons, or by over 37 percent; the Canadian share of the world market rose from 11 to 15 percent. Exports of wheat and coarse grains from the EC rose from 15 million to 21 million tons following the 1980 embargo, or by over 36 percent; the EC's share of the world market increased from 8 to 11 percent. In addition, exports of wheat and coarse grains from Argentina increased from 11 million to 18 million tons following the embargo, or by about 61 percent. The Argentine share of the world market increased from 6 to 10 percent after the embargo.

After the 1980 embargo, U.S. exports of soybeans and soybean products dropped irregularly from 40 million to 39 million tons, or by nearly 4 percent; the U.S. share of the world market declined from 58 to 50 percent. Such exports from Argentina rose from about 3 million to 4 million tons, or by about 15 percent, but that country's share of the world market remained at 5 percent. Exports mostly of soybean products from the EC increased from about 10 million to 11 million tons after the 1980 embargo, or by about 15 percent, and the EC's share of the world market rose by 1 percentage point to 15 percent. Exports mostly of soybean products from Brazil rose immediately after the embargo from 11 million to 19 million tons and then dropped to 16 million tons, representing an overall increase of about 47 percent. Brazil's share of the world market rose overall from 16 percent to 21 percent.

After the embargo, the major consuming areas (the U.S.S.R., the EC, Japan, Eastern Europe, and China) increased their imports from major U.S. competitor countries which had increased their production and exports.

3. The United States is viewed as an unreliable world supplier of agricultural commodities, particularly after the 1980 embargo.

During the investigation, officials of major U.S. grain and soybean exporting companies—which accounted for nearly 60 percent of the exports—as well as trade associations and general farm organizations reported that the U.S. reputation as a reliable supplier of agricultural commodities to the world market, especially in the grain and oilseed sector, suffered particularly as a result of the embargo imposed on these commodities by the U.S. Government in 1980. This, they agreed, encouraged other competitor countries to increase agricultural production and exports and to intensify their efforts to stimulate future exports so as to satisfy agricultural commodity purchasers, particularly those to which the U.S. Government had restricted exports. Although short-term effects of the embargo often were noted, such as creating chaos in the market system, long-term effects such as
increased production and exports by foreign competitors were more frequently cited. 1/ 2/

4. Subsequent to the 1980 embargo, legislation has been enacted to provide for producer compensation in the case of selected embargoes and to provide for export contract sanctity.

An embargo protection clause, added to the Agriculture and Food Act of 1981, requires the Department of Agriculture to make payments to producers or increase the price-support loan rate if the President restricts agricultural exports to any country or area for reasons of national security or foreign policy without a similar restriction on all U.S. exports. An amendment to the Agricultural Act of 1970, effective January 11, 1983, prohibits the President from curtailing the export of agricultural products for which an export sales contract has been entered into before the announcement of an embargo and which requires delivery within 270 days after the date of imposition of an embargo.

5. The U.S. Government incurred costs to cushion the adverse effects of the 1980 embargo.

The minimum cost to the U.S. Government for its attempt to ameliorate the effects of the 1980 embargo was the $475 million loss incurred by the Commodity Credit Corporation (CCC) as a result of its purchase and resale of commodity contracts. Approximately 76 percent of the grains and soybeans purchased by the Government was sold back to the original exporters. In addition, the USDA made direct purchases of (1) corn and wheat from farmers and elevator operators at a cost of approximately $978 million and (2) frozen whole broilers from U.S. producers at a cost of $5.5 million. While these

1/ Commissioner Stern notes, even though the 1980 embargo created short-term chaos in the market system, according to an econometric analysis by the ITC staff contained in the Office of Industries memorandum ID-83-117 of October 3, 1983, the 1980 embargo had no statistically significant effect on prices received by U.S. farmers for wheat, corn, and soybeans or on total U.S. wheat, corn, or soybean exports. This econometric model, using monthly data, attempted to explain movements in wheat, corn, and soybean prices. Although monthly data tend to be more volatile than annual data, this model was able to explain a major portion of the movement in prices. A possible explanation for the econometric results is that the U.S. Government's various efforts to lessen or nullify the suspension's short term effects and the diversion of U.S. exports to other markets were successful in offsetting the short-term impact on U.S. farm prices and export volumes.

2/ Chairman Eckes and Commissioners Haggart and Lodwick believe that the econometric analysis prepared by the ITC staff contained in memorandum ID-83-117 had no bearing on the findings of this report. The only result of the 14 multiple regressions completed was that in none of the 14 was the embargo a statistically significant explanatory variable. A statistical test of the model used showed that it failed on average to explain 46 percent of the price and volume variation. With such a high level of uncertainty, it is inappropriate to conclude that the 1980 embargo had no significant effect on prices or export volumes.
expenditures are expected to be at least partially recovered through Government sale or disposition, net Government costs for these purchases are not known, but are in addition to the CCC loss in exporters' contracts. Other costs were incurred by the Government such as the costs of increased price-support loan rates and modification in farmer-owned reserve programs, but no estimates are available on the costs of these actions.

6. The 1980 embargo of agricultural exports was a major factor influencing the decline in the U.S. share of the Soviet wheat and coarse grain market after 1980. 1/

The direct effect of the 1980 U.S. agricultural product embargo on exports to the Soviet Union was to stop the sale of about 13 million tons of corn, 4 million tons of wheat, and 1.4 million tons of soybeans and soybean products which the U.S. Government agreed the Soviets could purchase during 1979/80, and lesser amounts of certain other agricultural products (such as broilers) to the Soviet market. During 1977/78 to 1982/83, Soviet imports of wheat and coarse grain increased irregularly from 18.4 million tons to 32.0 million tons or by 74 percent. However, the U.S. share of such imports declined sharply from 74 percent of the total in 1978/79 (the crop year preceding the embargo) to 19 percent in 1982/83, even though U.S. stocks of the products which were available for export averaged about one-half of annual production for wheat and 20 to 40 percent of that for coarse grains. Meanwhile, the share of the Soviet market gained by major competitors of the United States increased significantly from 25 percent in 1978/79 to 73 percent in 1982/83. During 1977/78 to 1982/83, U.S. combined exports of wheat and coarse grains to the U.S.S.R. fluctuated downward from 11.2 million to 6.2 million tons; Canada's increased steadily from 2.1 million to 8.9 million tons; Argentina's increased from 1.4 million to 9.6 million tons, and the EC's exports rose from 0.2 million to 3.8 million tons.

7. The 1980 embargo of agricultural products was a major factor affecting the lack of U.S. sales of soybeans and soybean products to the Soviet Union after the embargo.

Although Soviet imports of soybeans and soybean products increased about twofold from 1978/79 (the year preceding the embargo) to 1982/83, the U.S. share of this market decline irregularly from 64 to 4 percent during the period, notwithstanding the fact that U.S. stocks of soybeans ranged from 13 to 20 percent of production. As the share of the Soviet market supplied by the United States declined, the share of soybeans supplied by Brazil and Argentina and the share of soybean meal supplied by Brazil and the EC increased dramatically.

1/ The 1980 embargo did allow sales of up to 8 million tons of wheat and corn to the U.S.S.R. provided under the 1975 U.S.-U.S.S.R. Grain Supply Agreement.
8. During and after the 1980 embargo, the Soviet Union entered into a number of long-term bilateral trade supply agreements for wheat, coarse grains, and soybeans and soybean products with countries which are major U.S. competitors in the world market, and in July 1983, the United States and the U.S.S.R. concluded a new 5-year grain agreement.

Since 1980, the Soviet Union has entered into a number of bilateral trade agreements or arrangements with supplying countries other than the United States which cover a number of commodities including wheat, coarse grains, and soybeans and soybean products. The more important agreements are with Canada, Argentina, and Brazil, all of which are major U.S. competitors in the world market. The Canadian agreement calls for the U.S.S.R. to purchase a minimum of 25 million tons of grain over a 5-year period, and for the Canadian Government to provide Can. $1 billion in guaranteed commercial credit to finance the sale. A 5-year agreement with Argentina signed in 1980 provides for minimum annual Soviet purchases of 4 million tons of coarse grains and 500,000 tons of soybeans during 1981-85; a Soviet-Brazilian agreement calls for Brazil to annually provide 500,000 tons of soybeans and 400,000 tons of soybean meal during 1982-86, and 500,000 tons of corn during 1983-86. In addition, the U.S. Government announced on July 28, 1983, that the United States and the Soviet Union have agreed to a new 5-year grain agreement which calls for minimum annual purchases of 9 million tons of grains and/or soybeans or soybean products, quantities approximately 50 percent greater than the old agreement. However, the Soviet negotiators insisted on dropping a clause, included in the first agreement, which allowed the United States to stop sales in times of short supply.

9. The 1973 soybean embargo 1/ gained the United States a reputation as being an unreliable supplier of soybeans and soybean products. After the embargo, the U.S. share of the world soybean and soybean product market declined, although exports of such products (after an initial decline) continued to increase since that action.

U.S. exports of soybeans and soybean products dropped 23 percent (from 1973/74 to 1974/75) to 19.0 million tons after the 1973 embargo, but they then increased 24 percent in 1975/76 to 23.5 million tons. Exports then continued to climb to record levels of more than 38 million tons in 1981/82 and 1982/83. However, over the 9-year period, the U.S. share of the world soybean market declined from 80 percent in 1973/74 to 61 percent in 1982/83 as other producers, principally in South America, expanded their exports. Despite the decline in the U.S. share of the world soybean market, U.S. exports of soybeans to its single most important market, Japan, increased after a brief pause subsequent to the 1973 action; furthermore, the U.S. share of the Japanese import market also rose, from 88 percent in 1973 to 97 percent in 1982.

1/ The 1973 trade action was an embargo on exports of U.S. soybeans, cottonseed, and their products. It was short term and motivated by a supply shortage. The action lasted from June 27 to July 2, 1973. From July to October 1973, an export license system was in effect. After October 1, 1973, all controls were lifted.
10. U.S. exports of wheat and coarse grains continued to increase after the 1974 and 1975 grain sales moratoria both in quantitative terms and as a share of the world export market through 1979/80. These moratoria were followed by the first long-term U.S.-U.S.S.R. grain agreement.

During the 1974 and 1975 grain sales moratoria, U.S. exports of wheat and coarse grains dropped from 71.7 million tons in 1973/74 to 63.9 million tons in 1974/75, and then rebounded to 81.7 million tons in 1975/76. The U.S. share of world trade followed a similar trend, declining from 54 percent in 1973/74 to 50 percent in 1974/75, and then rising to 57 percent in 1975/76, when the first long-term grain agreement was signed. Thereafter, until the 1980 embargo, U.S. exports trended upward, reaching 89.2 million tons in 1978/79 and accounting for 55 percent of world trade in grains. U.S. exports of grain to the U.S.S.R., the major market affected by the moratoria, fell from 15.4 million tons in 1973 to 4.1 million tons in 1974; they then increased irregularly from 7.1 million tons in 1975 to 18.4 million tons in 1979. The U.S. share of the Soviet grain import market in 1979 was 69 percent, compared with 45 percent in 1975 and 63 percent in 1973, indicating that the United States actually increased its market share during the 6-year period before the 1980 embargo.
PRESIDENTIAL AUTHORITY AND LEGISLATIVE HISTORY OF THE
EXPORT ADMINISTRATION ACT

Legislation has been in place since at least the late 1940's which permits the control of U.S. exports to protect the security and economy of the United States and to further its foreign policy objectives and meet its international obligations.

The Export Administration Act of 1969, which was passed by Congress on December 23, 1969, and approved by the President on December 30, extended the Export Control Act of 1949 to June 30, 1971, and then became effective on the Export Control Act's termination. 1/ The 1969 act delegated to the President, as the 1949 act had, the authority to control exports subject to U.S. jurisdiction or exported by any person subject to U.S. jurisdiction, and authorized controls over exports for three purposes: 2/

(A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States." 3/

The Export Administration Act of 1969, as amended, expired on September 30, 1979, and was replaced by the Export Administration Act of 1979. 4/ The intended purpose of the 1979 act was to provide authority to control exports where necessary, but also to ensure that such authority is exercised with maximum efficiency and that controls are confined to those necessary to achieve the purposes of the act. The general thrust of the law is set forth in section 3 of the act, which allows the President to impose export controls for reasons of national security, foreign policy and short supply. 5/ The act allows export controls only after full consideration of the impact on the economy of the United States and only to the extent necessary--

1/ Copies of the 1949 Act and the 1969 Act are included in app. C.
2/ These were the same reasons listed in the Export Control Act of 1949:
National security, foreign policy, and short supply.
3/ Public Law 91-184, 83 Stat. 841.
4/ A copy of the 1979 act is included in app. C.
5/ The act also authorizes export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism.

1
(A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States; (B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and (c) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand."

Use of Export Controls and Their Effects

Historically, the United States has been the world's largest exporter of wheat, feed grains, and soybeans and soybean products (table 1 in app. D). The United States Department of Agriculture (USDA) reports that trade sanctions have been employed on agricultural exports by the United States a half dozen times over a period of 30 years. Since 1973, there have been five instances of agricultural commodity or product export restriction: the soybean embargo of 1973; a 1974 moratorium (2 weeks) on grain sales to the U.S.S.R.; a moratorium on grain sales to the U.S.S.R. in 1975; a moratorium on grain exports to Poland in 1975; and the 1980 embargo on agricultural exports to the U.S.S.R. Some of these actions were of very short duration and had almost imperceptible direct effects. Others (e.g., the 1980 embargo to the Soviet Union) were lengthy in duration and directly affected significant export sales for which bona fide contracts had been made.

The 1973 embargo on soybean exports lasted only a few days. It was followed by a system of export licenses, lasting about 13 months. U.S. exports of soybeans and soybean products dropped following the embargo, but the action was taken because of concerns regarding a shortage in U.S. supplies, particularly of soybeans. Similarly, the three actions in 1974 and 1975 were the result of supply concerns in the United States and increased export demand. The 1980 action regarding sales to the Soviet Union, taken for foreign policy reasons, coincided with large U.S. supplies.

1/ U.S. Congress, Senate Agriculture Committee, Economic Impact of Agricultural Embargoes, hearings held Feb. 3 and 5, 1982, p. 64.
Use of Export Controls, 1973-75

Action of 1973

The export embargo covering soybeans in 1973 was taken under the "short supply" provisions of the 1969 act. The first signs of supply problems which led to the embargo appeared in the autumn of 1972 when the demand for U.S. soybeans and soybean meal increased sharply. During January 1973, the U.S. Department of Agriculture released restrictions on "set-aside" cropland to increase production of soybeans, feed grains, and food grains. In the spring of 1973, heavy rains and flooding hindered plantings. With soybean production estimated at 1.28 billion bushels, the USDA released an additional 13.5 million acres of feed grain set-aside land for planting feed grains or soybeans.

The U.S. dollar was devalued by about 10 percent on February 15, 1973. This contributed to increased foreign demand for U.S. soybean meal and other oilseed meals. In the first part of April, the USDA suspended exports of vegetable oils under the Commodity Credit Corporation (CCC) Export Credit Sales Program, and announced curtailment of the amount of edible oils programmed under Food for Peace.

On June 13, 1973, the President imposed price ceilings on all retail and wholesale prices and announced an export-monitoring system for agricultural exports as part of his general economic stabilization program. Under the export-monitoring program, each exporter was to report weekly to the Department of Commerce concerning the volume of anticipated exports of wheat, rice, barley, corn, rye, oats, sorghum, soybeans, soybean oil-cake and meal, cottonseeds, and cottonseed oil-cake and meal.

On June 27, 1973, the Secretary of Commerce announced the imposition of an embargo on the exports of U.S. soybeans, cottonseeds, and their products; it lasted until July 2, 1973. From that date until October 1, 1973, the embargo was replaced with an export-licensing system administered by the Office of Export Control of the U.S. Department of Commerce under which exports were permitted on a contract-by-contract basis, after consideration of domestic needs. Export licenses were to be issued against each verified contract for 50 percent of the unfilled balance of soybean contracts and for 40 percent of the unfilled balance of soybean oil cake and meal contracts. On October 1, 1973, adequate production of soybeans and other oilseeds having been assured, all controls on exports of such products were lifted.

The causes for the short supplies were international: Harvesting problems in the United States (caused by less-than-optimum weather); droughts and crop failures in the U.S.S.R., India, Australia, and the Republic of South Africa; sharply reduced output of fishmeal (a protein source in animal feed) by Peru in 1972 and 1973; continuing growth in world demand for livestock products (for which soybeans are an important protein feed source) and the devaluation of the U.S. dollar (which made U.S. agricultural exports relatively less expensive in world markets).

Land which the Government encourages not to be planted, so as to have more orderly markets.
On October 8, 1973, the USDA's export-reporting system became effective pursuant to section 812 of the Agriculture and Consumer Protection Act of 1973, amending the Agriculture Act of 1970. In October 1974, the export-reporting system was transferred to the Foreign Agricultural Service of the USDA.

U.S. exports of soybeans and soybean products declined from 24.7 million tons in 1973/74 to 19.0 million tons in 1974/75, and then rebounded to 23.5 million tons in 1975/76. Thereafter, U.S. exports continued to increase, reaching more than 38 million tons in 1981/82 and 1982/83. Although U.S. exports of soybeans and soybean products rose during the 9-year period, the U.S. share of the world exports of such products declined, from 80 percent in 1973/74 to 61 percent in 1982/83. Other producers of soybeans, principally Argentina, Brazil, and Paraguay, increased their shipments to world markets during this period.

Japan is the single most important foreign market for U.S. soybeans. Japanese imports of such soybeans rose from 2.9 million tons in 1971 (15 percent of total U.S. imports) to 3.2 million tons in 1973 (28 percent of total U.S. exports) when the U.S. soybean embargo was in place and then dropped to 2.9 million tons in 1974 (21 percent of total U.S. exports), as shown in the following table.

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>United States</th>
<th>China</th>
<th>Brazil</th>
<th>All other</th>
<th>Total</th>
<th>U.S. share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-----------</td>
<td>2,927</td>
<td>283</td>
<td>0</td>
<td>2</td>
<td>3,212</td>
<td>91</td>
</tr>
<tr>
<td>1972-----------</td>
<td>3,126</td>
<td>254</td>
<td>0</td>
<td>16</td>
<td>3,396</td>
<td>92</td>
</tr>
<tr>
<td>1973-----------</td>
<td>3,210</td>
<td>226</td>
<td>185</td>
<td>14</td>
<td>3,635</td>
<td>88</td>
</tr>
<tr>
<td>1974-----------</td>
<td>2,924</td>
<td>232</td>
<td>82</td>
<td>6</td>
<td>3,244</td>
<td>90</td>
</tr>
<tr>
<td>1975-----------</td>
<td>3,041</td>
<td>240</td>
<td>44</td>
<td>9</td>
<td>3,334</td>
<td>91</td>
</tr>
<tr>
<td>1976-----------</td>
<td>3,287</td>
<td>133</td>
<td>126</td>
<td>8</td>
<td>3,554</td>
<td>92</td>
</tr>
<tr>
<td>1977-----------</td>
<td>3,427</td>
<td>98</td>
<td>59</td>
<td>18</td>
<td>3,602</td>
<td>95</td>
</tr>
<tr>
<td>1978-----------</td>
<td>4,143</td>
<td>80</td>
<td>2</td>
<td>35</td>
<td>4,260</td>
<td>97</td>
</tr>
<tr>
<td>1979-----------</td>
<td>3,839</td>
<td>267</td>
<td>1</td>
<td>25</td>
<td>4,132</td>
<td>93</td>
</tr>
<tr>
<td>1980-----------</td>
<td>4,226</td>
<td>100</td>
<td>35</td>
<td>40</td>
<td>4,401</td>
<td>96</td>
</tr>
<tr>
<td>1981-----------</td>
<td>4,022</td>
<td>113</td>
<td>1</td>
<td>61</td>
<td>4,197</td>
<td>96</td>
</tr>
<tr>
<td>1982-----------</td>
<td>4,196</td>
<td>112</td>
<td>0</td>
<td>36</td>
<td>4,344</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: Compiled from official statistics of the U.S. Department of Agriculture.

After 1974, Japanese imports of soybeans from the United States climbed by more than one-third, amounting to 4.2 million tons in 1982 and 97 percent of the Japanese import market in that year.

In 1973, the unit value of U.S. exports of soybeans to Japan jumped 78 percent to $224 per ton and then increased further to $263 per ton in 1974 before dropping to $234 per ton in 1975. The sharp increase in the price of soybeans in 1973 resulted in higher Japanese feed prices, which in turn pushed
up the price of beef. 1/ Japan sought to alleviate its soybean supply problems by increasing the number of its suppliers and turning to other producers, particularly in South America. There, the Japanese have helped to finance growth in the Brazilian crushing industry.

Japan's imports of soybean oil cake and meal are small (under 10 percent) in relation to its imports of soybeans. The following table shows Japanese imports of meal (in soybean equivalent) during 1971-82.

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>United States</th>
<th>Brazil</th>
<th>All other</th>
<th>Total</th>
<th>U.S. share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-1982</td>
<td>55:</td>
<td>0:</td>
<td>10:</td>
<td>65:</td>
<td>85:</td>
</tr>
<tr>
<td>1973-1982</td>
<td>292:</td>
<td>0:</td>
<td>57:</td>
<td>348:</td>
<td>84:</td>
</tr>
<tr>
<td>1974-1982</td>
<td>156:</td>
<td>0:</td>
<td>10:</td>
<td>166:</td>
<td>94:</td>
</tr>
</tbody>
</table>

Source: Compiled from official statistics of the U.S. Department of Agriculture.

During the early 1970's, the United States supplied 84 percent or more of the meal imported by Japan; U.S. exports to that market ranged from 43,000 to 292,000 tons (soybean equivalent) annually during the period. Since 1975, however, Brazil has become an important competitor of the United States in the Japanese meal market. During 1980-82, U.S. exports of meal to Japan dropped from 301,000 to 59,000 tons, and the U.S. share of the import market declined from 73 to 54 percent. Meanwhile, Brazil's share increased from 22 percent in 1980 to 44 percent in 1982. Notwithstanding the drop in U.S. meal exports to Japan, aggregate U.S. exports of soybeans and meal in 1981 and 1982, at 4.2 million tons, were 37 percent higher than in 1971 and 1972, and the U.S. share of the Japanese import market between the two periods rose from 92 to 95 percent.

Actions Taken in 1974 and 1975

The moratorium actions taken on grain in 1974 and 1975 were requests to foreign governments (the U.S.S.R. and Poland) to voluntarily suspend purchases and to U.S. grain companies to voluntarily suspend sales; the moratorium actions were not taken by invoking the Export Administration Act and were not embargoes. The three moratoria were called because of supply concerns and worry over resultant consumer price increases. In mid-1974 and 1975, U.S. stocks of wheat had reached relatively low levels, equivalent to 14 and 24 percent, respectively, of the preceding crops, compared with inventories equal to about one-half of the crop in 1972. Feed grain stocks in 1974 and 1975 dropped to about 10 percent of production, compared with 23 percent in 1972. Two of the moratoria covered trade to the U.S.S.R. in 1974 and 1975, and one covered trade with Poland in 1975. The commodities involved were primarily wheat and feed grains. Also, either monitored or licensed during 1974 and 1975 were rice, soybeans and meal, soybean oil, cottonseed and meal, cottonseed oil, other vegetable oils, protein animal feed, and animal fats.

On August 12, 1974, the USDA revised downward its 1974/75 estimate of the corn crop from 6.7 billion bushels to 4.9 billion bushel or 27 percent. This was further reduced 4 percent to 4.7 billion bushels on October 10. Thus, the final 1974/75 estimate was 17.5 percent below actual production of 5.7 billion bushels in 1973/74.

On October 4, 1974, expressing concern over U.S. grain stock levels, the President requested two large grain companies to voluntarily void export contracts calling for the sale of 2.3 million tons of U.S. corn (equivalent to 82 million bushels, or 1.2 percent of forecasted production) and 0.9 million tons of U.S. wheat (equivalent to 30 million bushels, or 0.07 percent of production). On October 7, 1974, the USDA announced a voluntary prior-approval system for export sales of wheat, corn, soybeans, soybean meal, soybean oil-cake, and grain sorghum. Barley and oats were added to the list on October 11. On March 6, 1975, the moratorium came to an end with the Secretary of Agriculture announcing the termination of the voluntary prior-approval system. The export-reporting system, set in motion by the Agriculture and Consumer Protection Act of 1973, remained in effect.

Between June and July 1975, projections of U.S.S.R. grain production dropped from 210 million to 185 million tons, a decrease of 12.5 percent. Soviet grain import requirements were estimated by the USDA at 20 million tons (equivalent to over 735 million bushels), or some 10 percent of U.S. production in 1974/75. On July 24, the USDA asked export firms to notify it before making major grain sales to the Soviets. Some 4.2 million tons had already been sold. Testimony given to Congressional Committees in July and August of 1975 stated that--

1. By August 9, the U.S. grain sales to the Soviets included 10.3 million tons of wheat, corn, and barley;

2. These grain sales could lead to a sharp rise in U.S. food prices;
3. Grain sales to the Soviets should be stopped until mid-October; and

4. Central Intelligence Agency estimates were for Soviet grain import requirements possibly reaching 40 million tons. USDA estimates of U.S.S.R. grain production were reduced another 5.4 percent in August 1975 to 175 million tons, with Soviet import requirements set at 25 million tons. On August 11, the Secretary of Agriculture called on grain companies to withhold further sales to the U.S.S.R. until such time as U.S. crop figures were known, or until mid-October. 

On September 9, 1975, the President announced his intention to explore the possibility of a long-term grain agreement with the Soviet Union, and extended the moratorium on grain sales to the Soviets until mid-October. This action was pursuant to article 2 of the Constitution, which contains both stated and implied authority for the President to conduct foreign relations. In September an agreement was announced, covering the period of October 1, 1976, to September 30, 1981. It committed the Soviet Union to make minimum yearly purchases of 6 million tons of U.S. wheat and corn in approximately equal proportions. It further provided that an additional 2 million tons could be purchased yearly without consulting the U.S. Government. Soviet purchases in excess of 8 million tons required approval by the Secretary of Agriculture. The signing of the U.S.-Soviet grain agreement on October 20, 1975, marked the end of the moratorium.

The events surrounding the 3-month moratorium on grain sales to Poland are closely tied to the 1975 moratorium on grain sales to the U.S.S.R. In both cases, supply considerations motivated a temporary hold in sales, and in both cases, the hold provided impetus to the successful negotiation of a 5-year grain trade agreement.

Suspension in trading was requested by the State Department in mid-September after Polish purchases of 1.9 million tons of wheat and corn had already been concluded. On November 27, 1975, the U.S. Secretary of Agriculture and the Polish Minister of Agriculture exchanged letters concerning the 5-year agreement. Poland agreed to purchase 2.5 million tons of U.S. wheat and corn each year with a year-to-year 20-percent fluctuation authorized, depending on the size of the U.S. crop and Polish import requirements.

An additional complicating factor was the walkout on Aug. 11, 1975, by members of the International Longshoremen's Association, who refused to load grain on Russian-bound vessels because of their concern about increased food prices owing to sales to the Soviet Union. The boycott lasted until Sept. 9. In October 1975, USDA estimates of Soviet grain production were once again dropped, to 170 million tons, or 45 million tons (21 percent) short of the projected goal. Also released were estimates of U.S. production, showing record harvests for wheat (2.137 billion bushels) and corn (5.737 billion bushels).
During 1973/74 to 1977/78, the period which includes the three moratoria, U.S. exports of wheat and coarse grains dropped from 71.7 million tons in 1973/74 to 63.9 million tons in 1974/75 and then rebounded to 81.7 million tons in 1975/76. Thereafter, exports continued to increase, reaching 89.2 million tons in 1978/79. A similar trend was followed by the U.S. share of world trade in such grains, which dropped from 54 percent in 1973/74 to 50 percent in 1974/75, and then climbed to 57 percent in 1975/76; in 1978/79, the U.S. share was 55 percent.


<table>
<thead>
<tr>
<th>Calendar year</th>
<th>United States</th>
<th>Canada</th>
<th>Australia</th>
<th>Argentina</th>
<th>All</th>
<th>Total</th>
<th>U.S. share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-74</td>
<td>0.0</td>
<td>1.8</td>
<td>0.3</td>
<td>0.2</td>
<td>1.2</td>
<td>3.5</td>
<td>-</td>
</tr>
<tr>
<td>1972-74</td>
<td>7.2</td>
<td>4.7</td>
<td>.5</td>
<td>0.0</td>
<td>3.1</td>
<td>15.5</td>
<td>46</td>
</tr>
<tr>
<td>1973-74</td>
<td>15.4</td>
<td>4.2</td>
<td>.8</td>
<td>.7</td>
<td>2.8</td>
<td>23.9</td>
<td>64</td>
</tr>
<tr>
<td>1974-74</td>
<td>4.1</td>
<td>.5</td>
<td>.6</td>
<td>1.8</td>
<td>1.1</td>
<td>7.1</td>
<td>58</td>
</tr>
<tr>
<td>1975-74</td>
<td>7.1</td>
<td>2.7</td>
<td>1.2</td>
<td>1.3</td>
<td>3.6</td>
<td>15.9</td>
<td>45</td>
</tr>
<tr>
<td>1976-74</td>
<td>12.0</td>
<td>3.1</td>
<td>1.3</td>
<td>1.1</td>
<td>3.1</td>
<td>20.6</td>
<td>58</td>
</tr>
<tr>
<td>1977-74</td>
<td>6.3</td>
<td>2.4</td>
<td>1.0</td>
<td>.5</td>
<td>.3</td>
<td>10.5</td>
<td>60</td>
</tr>
<tr>
<td>1978-74</td>
<td>14.3</td>
<td>3.7</td>
<td>1.1</td>
<td>2.7</td>
<td>.9</td>
<td>22.7</td>
<td>63</td>
</tr>
<tr>
<td>1979-82</td>
<td>18.4</td>
<td>2.9</td>
<td>1.6</td>
<td>1.5</td>
<td>2.3</td>
<td>26.7</td>
<td>69</td>
</tr>
<tr>
<td>1980-82</td>
<td>7.3</td>
<td>6.7</td>
<td>4.3</td>
<td>5.4</td>
<td>4.2</td>
<td>27.9</td>
<td>26</td>
</tr>
<tr>
<td>1981-82</td>
<td>9.5</td>
<td>8.6</td>
<td>2.0</td>
<td>10.5</td>
<td>7.6</td>
<td>38.2</td>
<td>25</td>
</tr>
<tr>
<td>1982-82</td>
<td>12.5</td>
<td>9.6</td>
<td>2.1</td>
<td>6.1</td>
<td>5.2</td>
<td>35.5</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Imports of grains by the Soviet Union varied from year to year owing largely to substantial changes in annual output. U.S.S.R. imports of U.S. grain rose from zero in 1971 to 15.4 million tons in 1973, and then dropped to 4.1 million and 7.1 million tons in 1974 and 1975, respectively, the years in which the grain sales moratoria occurred. Then, during 1976-79, Soviet purchases of U.S. grain increased again, with a dip in 1977, from 12.0 million to 18.4 million tons. Meanwhile, the U.S. share of Soviet grain imports rose from zero in 1971 to 64 percent in 1973, and then dropped to 58 and 45 percent during the moratoria years. Thereafter, until the embargo in 1980, the United States increased its share of the Soviet market, supplying 69 percent of the total imports in 1979.
The 1980 Embargo

Affected Commodities and Countries

On January 4, 1980, the President announced a suspension of shipments of agricultural commodities to the U.S.S.R. On January 7, 1980, the President issued a directive to the Secretary of Commerce, in consultation with the Secretary of Agriculture and other appropriate officials, to take immediate action under the Export Administration Act to terminate shipments of agricultural commodities and products, including wheat and corn, to the Soviet Union. The President cited foreign policy and the national security as reasons for the embargo. The President directed that the embargo would not affect the 8.0 million tons of wheat and corn covered by the 1975 U.S.-U.S.S.R. Grain Supply Agreement. 1/ As a result of the President's directive, the Department of Commerce issued Federal regulations (45 F.R. 1883) effective January 7, 1980, which prohibited exports and reexports of agricultural commodities (except the allowable level of 8.0 million tons of corn and wheat) to the U.S.S.R. without a special export license; licenses were to be issued only on a case-by-case basis from the Department of Commerce. 2/ On February 4, the regulations were amended (45 F.R. 8289) to allow certain agricultural commodities to be removed from validated licensing and made eligible for export to the U.S.S.R. under a general export license; these products included such items as alcoholic beverages, tobacco, and wood products. Other commodities were divided into two groups. One group included those commodities subject to a validated license, but for which no license would be issued because they were determined to be commodities that could contribute significantly to the Soviet grain-livestock complex (primarily meats, dairy products, birds' eggs, grains, milled grain products, peanuts, certain oils, and animal feed). The other group consisted of commodities which remained subject to validated licensing, but for which licenses were issued if it was determined that the objectives of the President would not be undermined (primarily live animals, fish and shellfish, hides, skins, leather, malts and starches, certain oils, tallow, and fats and greases). The export

1/ The U.S.-U.S.S.R. Grain Supply Agreement was signed on Oct. 20, 1975, and provided that over the next 5 years the Soviets purchase at least 6 million tons of corn and wheat annually, beginning with the 1976/77 (October-September) crop year. In addition, whenever the U.S. supply of grain was sufficient, the Soviets could purchase an additional 2 million tons of corn and wheat without prior approval or consultation with the U.S. Government. Consultations were required for purchases in excess of 8 million tons. In October 1979, the United States agreed to allow the Soviets to purchase up to 25 million tons of U.S. wheat and corn during 1979/80. The agreement was scheduled to expire on Sept. 30, 1981, but was extended for 1981/82 and 1982/83. Table 2 shows U.S. sales of corn and wheat to the U.S.S.R. covered under the agreement during 1976/77 to 1982/83. Over the period, sales of wheat and corn averaged 10.5 million tons annually.

2/ See app. E for a copy of items which have been subject to licensing or which have been monitored under the law during 1971-82.
of these commodities was reviewed on a case-by-case basis. USDA officials report that the embargo directly affected sales (in 1979/80) of about 13 million tons of U.S. corn, 4 million tons of wheat, about 1.3 million tons of soybeans and soybean meal, and some quantities of poultry and other commodities. On April 24, 1981, the President announced the lifting of the embargo.

**Government Efforts to Ameliorate Effects on the Grain Trade and on Farmers**

In conjunction with the announcement of the embargo in January 1980, the President directed the Secretary of Agriculture to take the necessary actions to protect the American agricultural industry from any adverse effects of the export embargo. This directive ultimately led the USDA to take various market actions, implemented by the USDA's Commodity Credit Corporation. The actions included the USDA's purchase of U.S. exporters' contracts for grain that could not be delivered, the direct purchase of wheat, corn, and poultry by the USDA, and increased price-support loan rates for wheat and corn, along with modification in the farmer-owned reserve to make participation more attractive.

**Offer to purchase grain and soybeans affected by the embargo**

On January 7, 1980, the U.S. Government announced that the CCC would purchase U.S. exporters' contracts for corn, wheat, and soybeans which had been contracted for by the Soviet Union. By February 1, 1980, CCC officials had finalized a contract assumption agreement with grain-exporting companies. Under the agreement, the USDA agreed to purchase sales contracts made by private firms at the price which would have occurred if the Soviet sales had gone through, with certain price adjustments. All but two of the exporters signed the agreement. A contract was eligible for purchase by the USDA if (1) the grain covered by the contract was not deliverable because of the embargo; (2) the contract was valid before January 4, 1980; and (3) it was properly reported under the Export Sales Reporting Act. The CCC's purchase price was determined from the original contractual sales price minus a deduction for the exporters' pretax profit margin and adjustments for any

1/ On June 20, 1980, the U.S. Government announced that domestic grain-trading companies would be allowed to sell non-U.S. grain through their foreign affiliates to the Soviets.

premiums associated with special terms required for Soviet sales (such as special insecticide treatment); a deduction was also computed for those companies in a short position on January 4. 1/ In addition, the agreement allowed the CCC to delay taking delivery 2/ with the stipulation that it pay the exporter an agreed-upon sum for the additional interest and storage costs of a delayed delivery. The agreement also authorized the CCC to sell the contracts.

There were 202 separate contracts, valued at about $2.6 billion (including delayed delivery costs), purchased from 13 exporters. 2/ The CCC resold the contracts, using a weekly bid process, from March 27 to August 7, 1980. Of the 14.4 million tons of grain, soybeans, and soybean products purchased by the CCC, approximately 76 percent was resold back to the original exporter for a CCC loss of about $475 million. The following table summarizes the contracts purchased and losses realized on those purchases by the CCC.

Contracts and commodities purchased and resold by the Commodity Credit Corporation and total loss on all contracts, by specified countries, 1980

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Number of contracts purchased</th>
<th>Commodity purchases Quantity (1,000 metric tons):</th>
<th>Quantity Value 1/ ($Million):</th>
<th>Quantity resold to original exporter (1,000 metric tons):</th>
<th>Total loss on all contracts ($Million):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn----------</td>
<td>106</td>
<td>8,932</td>
<td>1,344</td>
<td>6,883</td>
<td>255.8</td>
</tr>
<tr>
<td>Wheat---------</td>
<td>66</td>
<td>4,296</td>
<td>870</td>
<td>3,182</td>
<td>143.7</td>
</tr>
<tr>
<td>Soybeans------</td>
<td>14</td>
<td>710</td>
<td>217</td>
<td>534</td>
<td>53.4</td>
</tr>
<tr>
<td>Soybean meal</td>
<td>16</td>
<td>400</td>
<td>102</td>
<td>280</td>
<td>20.7</td>
</tr>
<tr>
<td>Soybean oil</td>
<td>2</td>
<td>30</td>
<td>20</td>
<td>22</td>
<td>1.4</td>
</tr>
<tr>
<td>Total---------</td>
<td>202</td>
<td>14,369</td>
<td>2,552</td>
<td>10,901</td>
<td>475.0</td>
</tr>
</tbody>
</table>

1/ Includes $163 million in delayed delivery costs.


Note.—Because of rounding, figures may not add to the totals shown.

1/ An exporter was considered to be in a short position when he had not fully purchased the grain required for his contractual obligations to the Soviets.

2/ The USDA reports that the rescheduling of delivery allowed for additional time to consummate assumption agreements and to establish administrative procedures.

USDA purchases of wheat, corn, and poultry

As part of the Government's attempt to nullify the effect of the embargo and remove an amount of grain from the domestic market place equal to that affected by the suspension, the USDA purchased wheat and corn from elevator operators and farmers during February-June 1980. During this period, the CCC entered into 43,929 individual contracts to purchase a total of 4.1 million tons of corn and 4.2 million tons of wheat at a cost of approximately $978 million. 1/ This grain was generally purchased through a bidding method. Under this system, a farmer or elevator operator could submit a bid during a bidding period which would be accepted if it was at or below the CCC's computed county market price. In April, the system was changed for wheat to a posted price system. Under this plan, a price was posted in each county at which the CCC offered to buy wheat on a first-come, first-served basis until the amount of wheat purchased equaled that suspended from shipment to the Soviet Union.

As a result of the suspension, the USDA announced on January 19, 1980, that bids would be accepted from domestic producers for the purchase of frozen whole broilers. 2/ 3/ The USDA reported purchases of approximately 11 million pounds of such broilers, valued at $5.5 million. The USDA also announced that it would increase its purchases of chicken under section 6 of the National School Lunch Act (June 4, 1946 C. 281 60 Stat. 230). Total USDA purchases of chicken for domestic programs amounted to 80.7 million pounds, valued at $47.9 million, during 1978/79 (July-June). Such purchases increased to 103.6 million pounds, valued at $61.3 million, during 1979/80; they amounted to 88.9 million pounds, valued at $61.7 million, in 1980/81.

Other USDA actions

Immediately after the embargo was announced, the USDA took various other actions to support the farm-level price of grain affected by the embargo.

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1/ Ibid., p. 34. While this expenditure is expected to be at least partially recovered through Government sale or disposition, net Government costs for these purchases are not known.

2/ Purchases were made under the provisions of sec. 32 of Public Law 74-320.

3/ In late 1979, a domestic company finalized a contract to provide the Soviet Union with 65,000 tons of frozen whole broilers. The contract was valued at approximately $100 million and at the time of the announcement of the sales suspension, 5,000 tons was packed and ready to be shipped.
including increasing the wheat and corn price-support loan rates (which act as a floor price for the commodity) \(^1\) and making the farmer-owned grain reserve program more attractive to corn producers in an attempt to remove corn from the open market. The farmer-owned grain reserve program was established to remove grain from the marketplace in surplus years and release it to the marketplace in short years. It allowed participating farmers to receive a CCC loan and storage payment for grain entered into the reserve, with the stipulation that the grain was to remain in the reserve until the national average market price (NAMP) (computed by the the USDA) reached a predetermined release level. When the release level was reached, the farmer could remove this grain from the reserve (after settlement was made on the loan and prepaid storage payments). If the NAMP reached the call level, the CCC required all reserve loans to be paid in full, or the CCC took title to the grain. In order to encourage farmers to place corn in the reserve (about equal to that affected by the embargo) the CCC increased the release and call levels for corn, allowed previously ineligible farmers to participate, waived the first year's interest on corn reserve loans, and increased reserve storage payments. These actions did attract corn into the farmer-owned reserve, but not in the quantity and time frame desired by the USDA. Consequently, as stated previously, the USDA began a direct-purchase action for corn from farmers and elevator operators until it felt a sufficient amount of corn had been removed from the marketplace.

\(^1\) Price-support programs during the period under review were authorized on certain agricultural commodities (including wheat and corn) by the Food and Agriculture Act of 1977, as amended. In general, price-support programs had been in existence under various legislation since 1933. The major parts of the price-support program under the 1977 act included deficiency payments (target prices), nonrecourse loans, purchases, and farmer-owned reserves.

For each farm there was established a normal crop average (NCA) based on the acreage of designated crops planted on the farm in 1977. Producers who planted within their NCA were eligible for a full target price guarantee. All producers were also eligible to participate in the Government's loan program and reserve programs if they certified their planted acreage at local USDA offices. Target prices were established by the Secretary of Agriculture. If the national average market price received by farmers was below the target price, deficiency payments were made to eligible producers.

The loan program allowed a producer to place his harvested grain under loan from the CCC at a specified amount per bushel. He could repay the loan (and accrued interest) at any time during the crop year and then sell his grain in the marketplace, or he could elect to turn over the grain to the Government, thereby fulfilling the loan obligation. In general, the loan rate has acted as a floor for domestic market prices, which have seldom dropped below the loan rate. Inventories acquired by the Government under the loan program are sold or donated for domestic use or sold for export.
Effects on Farm Programs for Succeeding Years

An "embargo protection" clause was added to the Agriculture and Food Act of 1981, which provides for producer compensation in the case of a selective agricultural embargo (Public Law 97-98, 95 Stat. 1276). This clause provides that if the executive branch of the Federal Government suspends or restricts agricultural commodity exports to any country or area for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law without a similar suspension or restriction of all U.S. exports, and if U.S. export sales of the affected agricultural commodity to such country or area exceed 3 percent of the total sales of that commodity to all foreign markets in the year preceding the suspension year, producers of the affected commodity will be compensated. It requires the Secretary of Agriculture to (1) make payments to the producer equal to the difference between the average market price of the commodity during a 60-day period immediately following the embargo and 100 percent of the parity price of that commodity; (2) increase the loan level for the commodity to 100 percent of parity effective as of the date of the embargo; or (3) utilize a combination of the above measures.

On January 11, 1983, the Agricultural Act of 1970 (7 U.S.C. 612c-3) was amended by the addition of a provision on export sanctity. This change forbids the President to prohibit or curtail the export of any agricultural commodity or the products thereof under an export sales contract entered into before the announcement of an export embargo and the terms of which require delivery within 270 days after the date the suspension is imposed.

Commission questionnaire recipients (including agricultural commodity and product merchants, cooperatives, and trade associations) were asked to comment on this amendment. Comments received almost universally commended the amendment. Respondents generally noted that the frequency and nature of past restrictive sales actions made it necessary to legislate a reasonable policy.

1/ A similar provision was included in the Food and Agriculture Act of 1977, however, it applied only to embargoes initiated on the basis of a determination of short supply.

2/ The "parity price" of individual commodities is determined by the Secretary of Agriculture according to a statutory formula and is, in effect, the price that a certain quantity of a specific commodity would have to command in order to give the producer the same equivalent purchasing power as existed during a statutory period.

3/ An exception permits the President to prohibit or curtail the export of any commodity or the products thereof during a period for which the President has declared a national emergency, or for which Congress has declared war.

of contract sanctity, and the amendment would add assurance to overseas customers that past embargoes will not be repeated. However, it was noted by certain respondents that unconditional contract sanctity, with no time limit, is a superior policy, since it was felt that the threat of Government-imposed export sanction is, in itself, damaging to prices and sales prospects.

Effects of the 1980 Embargo

World Trade in Wheat, Coarse Grains, Soybeans and Soybean Products

Major Exporters

The United States, Canada, the EC, Argentina, and Australia are the major world exporters of grains (table 3). During 1978/79 to 1982/83, annual world exports of wheat (including the wheat equivalent of flour) and coarse grains averaged 188.5 million metric tons. Of this amount, the United States accounted for 55 percent; Canada, 12 percent; the EC, 9 percent; Argentina, 8 percent; Australia, 7 percent; and all other countries, 9 percent.

1/ Commissioner Stern notes, although it is generally believed by agricultural commodity and product merchants, cooperatives, and trade associations that the embargo of 1980 was damaging to commodity prices, according to an econometric analysis by the ITC staff contained in the Office of Industries memorandum ID-83-117 of October 3, 1983, the 1980 embargo had no statistically significant effect on prices received by U.S. farmers for wheat, corn, and soybeans or on total U.S. wheat, corn, or soybean exports. This econometric model, using monthly data, attempted to explain movements in wheat, corn, and soybean prices. Although monthly data tend to be more volatile than annual data, this model was able to explain a major portion of the movement in prices. A possible explanation for the econometric results is that the U.S. Government's various efforts to lessen or nullify the suspension's short-term effects and the diversion of U.S. exports to other markets were successful in offsetting the short-term impact on U.S. farm prices and export volumes.

2/ Chairman Eckes and Commissioners Haggart and Lodwick believe that the econometric analysis prepared by the ITC staff contained in memorandum ID-83-117 had no bearing on the findings of this report. The only result of the 14 multiple regressions completed was that in none of the 14 was the embargo a statistically significant explanatory variable. A statistical test of the model used showed that it failed on average to explain 46 percent of the price and volume variation. With such a high level of uncertainty, it is inappropriate to conclude that the 1980 embargo had no significant effect on prices or export volumes.
During the last 5 crop years, the United States was the world's primary supplier of wheat, exporting 62 percent of its average wheat production and accounting for 44 percent of total average world wheat exports. Canada was the second largest wheat exporter during 1978/79 to 1982/83, exporting 77 percent of its production and supplying 19 percent of world exports. The EC was the third largest wheat exporter, accounting for 14 percent of world exports (representing about 24 percent of EC wheat production).

Coarse grains.--The United States was also the largest exporter of coarse grains during 1978/79 to 1982/83, accounting for an average of 65 percent of world coarse grain exports, which was equal to approximately 27 percent of average U.S. coarse grain production during the period. Argentina was the second largest supplier, exporting 63 percent of average Argentine production and accounting for an average of 11 percent of world coarse grain exports. Canada was the third most important world supplier, accounting for an average of 6 percent of world exports (equal to about 24 percent of Canadian production) during the period.

Soybeans and soybean products.--The United States, Brazil, the EC, and Argentina were the major world suppliers of soybeans, soybean meal, and soybean oil during 1978/79 to 1982/83 (table 4). During this period, the United States accounted for 49 percent of world exports of soybeans, soybean meal, and soybean oil (in soybean equivalent). About 63 percent of the U.S. exports of soybeans, soybean meal, and soybean oil consisted of soybeans; these exports were equal to approximately 41 percent of average U.S. soybean production during the period. Approximately 28 percent of average U.S. soybean meal production and about 19 percent of average U.S. soybean oil production was exported during the period. Brazil accounted for about one-fifth of average world soybean and soybean product exports over the last 5 crop years. Brazil has been a net importer of soybeans, and its most important soybean export item has been soybean meal, which accounted for 61 percent of its average exports of beans, meal, and oil during 1978/79 to 1982/83. The EC was the third largest exporter of soybeans and soybean products, accounting for 14 percent of world exports. The EC is also an importer of soybeans, and had its average exports about evenly divided between meal and oil during the period.

Major importers

Average annual world imports of wheat and coarse grains over the last 5 crop years amounted to 188.6 million tons (table 5). About 52 percent of this amount was made up of coarse grains, with wheat imports accounting for the remaining percentage. The U.S.S.R. was the primary importer of grain, accounting for 17 percent of average annual world imports during 1978/79 to 1982/83. Japan, the EC, Eastern Europe, and China were other major importers, accounting for 13, 8, 7, and 7 percent, respectively, of average annual world imports during the period.

Wheat.--During 1978/79 to 1982/83, the major importers of wheat were the U.S.S.R. (accounting for 16 percent of average annual world imports) and China (13 percent). Other important importers included Japan, Eastern Europe, and the EC.
Coarse grains.—Japan and the U.S.S.R. were the major importers of coarse grains during the last 5 crop years, accounting for 19 and 18 percent, respectively, of average annual world imports. The EC and Eastern Europe were also important markets.

Soybeans and soybean products.—World imports of soybeans and soybean products during 1978/79 to 1982/83 averaged 70.5 million tons annually (in soybean equivalent) and consisted of 39 percent soybeans, 34 percent soybean meal, and 27 percent soybean oil (table 6). The EC was, by far, the major importer, accounting for 39 percent of average annual world imports of these items. Eastern Europe (accounting for 9 percent), Japan (7 percent), and the U.S.S.R. (5 percent) were also major markets.

The EC was the primary market for soybeans during 1978/79 to 1982/83. Average annual EC imports during the period were equivalent to 43 percent of world imports. Japan (16 percent), Spain (10 percent), and the U.S.S.R. (5 percent) were other major importers of soybeans.

Effect of the Embargo on World Grain Trade Patterns

The direct effect of the 1980 U.S. agricultural product embargo on exports to the Soviet Union was to stop the sale of about 13 million tons of corn, 4 million tons of wheat, 1.4 million tons of soybeans and soybean products, and lesser amounts of certain other agricultural products (such as broilers) to the Soviet market. Since U.S. grain and soybeans were the primary agricultural products affected by the 1980 action the following discussion will concentrate on how the embargo affected world trade in these products.

Soviet trade

The following tabulation shows the share of total Soviet imports of grain supplied by the United States and other major suppliers during 1977/78 to 1982/83.

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1/ The total of which is the difference between the 8-million-ton level allowed under the 1975 U.S.-U.S.S.R. Grain Supply Agreement and the 25.0-million-ton level which the U.S. Government agreed the Soviets could purchase during 1979/80 (October-September). When the embargo was announced the U.S.S.R. had contracted for about 22 million tons of U.S. wheat and corn of which 5.5 million tons had been shipped or loaded. United States General Accounting Office, Lessons to be Learned From Offsetting the Impact of the Soviet Grain Sales Suspension, July 27, 1981, p. 2.

2/ U.S. exports of wheat, coarse grains, and soybeans and soybean products accounted for 97 percent of total agricultural exports to the Soviet Union in 1979, or $2.9 billion.
Wheat and coarse grain: U.S.S.R. imports and shares of such imports accounted for by the United States and by major competitors, crop years 1977/78 to 1982/83

<table>
<thead>
<tr>
<th>Year 1/</th>
<th>Soviet wheat and coarse grain imports in million tons</th>
<th>Share of Soviet wheat and coarse grain imports accounted for by major suppliers</th>
<th>Total of major competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>18.4</td>
<td>68: (15: 10: 2)</td>
<td>28</td>
</tr>
<tr>
<td>1978/79</td>
<td>15.1</td>
<td>74: (9: 14: 1)</td>
<td>25</td>
</tr>
<tr>
<td>1979/80</td>
<td>30.4</td>
<td>50: (17: 11: 13)</td>
<td>44</td>
</tr>
<tr>
<td>1980/81</td>
<td>34.0</td>
<td>24: (33: 20: 9)</td>
<td>66</td>
</tr>
<tr>
<td>1981/82 2/---</td>
<td>45.0</td>
<td>34: (30: 20: 6)</td>
<td>61</td>
</tr>
<tr>
<td>1982/83 2/---</td>
<td>32.0</td>
<td>19: (30: 28: 12: 3)</td>
<td>73</td>
</tr>
</tbody>
</table>

1/ July 1-June 30.
2/ Preliminary.

Source: Based on data in table 7 of this report.

Wheat and coarse grains.—Soviet imports of wheat and coarse grains increased during the period, but the U.S. share of such imports declined rather sharply. Meanwhile, the total share of major U.S. competitors increased substantially in 1979/80, compared with that of the previous year, and this trend continued throughout the period (with the exception of 1981/82) (figs. 1-3). 1/ In 1978/79 (the year preceding the 1980 embargo), the United States supplied almost three-quarters of Soviet grain imports. However, by 1982/83, U.S. exports accounted for less than one-fifth of such trade. The embargo was lifted in April 1981, but the U.S. share of Soviet grain imports never recovered to levels attained in 1977/78 and 1978/79, and in fact, fell to its lowest level of the period in 1982/83 (19 percent). Over the same period, major U.S. competitors in the world grain trade increased their share of the Soviet market from 28 to 73 percent. In short, in order to compensate for grain supplies that were expected to come from the United States during the period the embargo was in effect, the Soviets diversified their suppliers and increased their purchases from other sources, such as Argentina, Australia, Canada, and the EC and generally continued this trend through 1982/83.

1/ The sales restrictions were imposed in Jan. 4, 1980.
Figure 1.—Wheat: U.S.S.R. imports by major suppliers, 1977/78 to 1982/83 (July-June).

Source: Based on data in table 7 of this report.
Figure 2.---Coarse grains: U.S.S.R. imports by major suppliers, 1977/78 to 1982/83 (July-June).

Source: Based on data in table 7 of this report.
Figure 3.--Wheat and coarse grains: U.S.S.R. imports by major suppliers, 1977/78 to 1982/83 (July-June).

Source: Based on data in table 7 of this report.
1982/83. 1/ During 1977/78 to 1982/83, U.S. exports of wheat to the U.S.S.R. declined irregularly from 3.3 million to 3.0 million tons, averaging 3.8 million tons annually; Canada's increased steadily from 1.7 million to 7.1 million tons and Argentina's increased from 1.1 million to 4.2 million tons (table 7). During the same period, U.S. exports of coarse grains to the Soviet Union declined irregularly from 9.2 million to 3.2 million tons, averaging 7.6 million tons annually; Argentina's exports to the U.S.S.R. increased irregularly from 1.6 million to 5.4 million tons (table 7).

Soybeans and soybean products.—During 1977/78 to 1982/83, U.S.S.R. imports of soybeans and soybean products (in terms of soybean equivalents) increased from 0.9 million to 5.5 million tons (table 8).

Before the imposition of the U.S. export embargo, most of the Soviet imports were in the form of soybeans, but afterward, the bulk of the imports consisted of soybean meal and oil. During 1977/78 to 1982/83, the Soviet Union did not import significant quantities of soybean meal or soybean oil from the United States as can be seen in the following table.

### Soybeans and soybean products: U.S.S.R. imports from the United States, crop years, 1977/78 to 1982/83

<table>
<thead>
<tr>
<th>Crop Year 1/ (July 1–June 30)</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Total 2/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>805</td>
<td>0</td>
<td>0</td>
<td>805</td>
</tr>
<tr>
<td>1978/79</td>
<td>1,187</td>
<td>34</td>
<td>0</td>
<td>1,221</td>
</tr>
<tr>
<td>1979/80</td>
<td>807</td>
<td>0</td>
<td>232</td>
<td>1,039</td>
</tr>
<tr>
<td>1980/81</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1981/82</td>
<td>710</td>
<td>0</td>
<td>0</td>
<td>710</td>
</tr>
<tr>
<td>1982/83</td>
<td>199</td>
<td>0</td>
<td>0</td>
<td>199</td>
</tr>
</tbody>
</table>

1/ In soybean equivalent.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

1/ The U.S.S.R. also increased its purchases of meat and meat products, from $844 million in 1979 to $1.4 billion in 1980 and $1.6 billion in 1982, and substituted hay, forage, and soybean meal for feed grain in its grain/livestock complex. On Jan. 13, 1980, representatives from Argentina, Australia, Canada, and the EC met with U.S. representatives to discuss cooperation in withholding grain to the U.S.S.R. Australia, Canada, and the EC agreed to cooperate with the United States, pledging not to directly or indirectly replace the 17 million tons of grain affected by the embargo. Argentina did not agree to limit its sales of grain to the U.S.S.R. and in 1980 signed a 5-year agreement to supply that market 4 million tons of corn and sorghum and 500,000 tons of soybeans annually beginning in 1981.
However, U.S.S.R. imports of soybeans from the United States were equivalent to about 89 percent, 64 percent, and 55 percent of total U.S.S.R. imports of soybeans and soybean products in 1977/78, 1978/79, and 1979/80, respectively (table 8). Thereafter, the U.S. share dropped to zero in 1980/81, 15 percent in 1981/82, and 4 percent in 1982/83. During this period, total U.S.S.R. imports of these products increased about fivefold, with an especially large increase in soybean meal imports (from zero in 1977/78 to 3.3 million tons in 1982/83). Brazil and the EC supplied the bulk of the increased Soviet imports.

Trade agreements.--Since 1980, the Soviets have entered into a number of bilateral trade agreements or arrangements with countries other than the United States which cover wheat, coarse grains, and soybeans and soybean products. The more important agreements are with Canada, Argentina, and Brazil. USDA officials report that the Canadian agreement calls for the U.S.S.R. to purchase a minimum of 25 million tons of grain over a 5-year period, and that the Canadian Government provide Can. $1 billion in guaranteed commercial credit to finance the sale. A 5-year agreement with Argentina signed in 1980 provides for minimum annual Soviet purchases of 4 million tons of coarse grains and 500,000 tons of soybeans during 1981-85; a Soviet-Brazilian agreement calls for Brazil to provide annually 500,000 tons of soybeans and 400,000 tons of soybean meal during 1982-86, and 500,000 tons of corn during 1983-86.

The U.S.-U.S.S.R. long-term grain agreement, originally signed in 1975, expired on September 30, 1983. On July 28, 1983, the Secretary of Agriculture and the United States Trade Representative announced that the United States and Soviet Union had reached agreement on a new long-term grain agreement following the general framework of the old agreement. It became effective October 1, 1983 and requires the Soviets to purchase 9 million tons (up 50 percent from the old agreement of corn and wheat annually, in roughly equal portions), and the Soviets may purchase 12 million tons (up from 8 million tons) without prior U.S. Government approval. The new agreement allows the Soviets to substitute purchases of 500,000 pounds of soybeans or soybean meal for 1 million tons of corn and wheat.\(^2\) Soviet negotiators succeeded in dropping a clause, included in the first agreement, which allowed the United States to cut off sales in times of short supply. However, it was never exercised during the life of the 1975 agreement.

U.S. and chief competitors' trade

Although U.S. exports of wheat, coarse grains, and soybeans and soybean products to the Soviet Union were affected by the 1980 embargo (and most likely would have been at higher levels had not the embargo existed), total U.S. exports of these commodities did not decline during the crop years the embargo was in effect (1979/80 and 1980/81) compared with such exports in

\(^1\) The USDA reports that the Soviets may be shifting to a strategy of depending more on foreign suppliers for heavy infusions of processed oilseed meal. If this is true, feed grain imports will most likely fall gradually as the Soviets become more efficient in utilizing new protein feed rations.

\(^2\) USDA officials reported in mid-August that the Soviets made their first purchase of 200,000 tons of soybeans under the new agreement.
1978/79, but rather increased (table 1). Alternate markets developed, resulting in increased U.S. exports of wheat and wheat products to China, Brazil, and Yugoslavia; coarse grains to Mexico and Japan; and soybeans and soybean products to the Netherlands, Eastern Europe, and Spain, in addition to other increases to many other smaller markets. USDA officials report that during the embargo, U.S. exports increased to many markets where demand had not been satisfied, because traditional suppliers had shipped their supplies to the more lucrative Soviet market.

In addition to the 1980 embargos, there were undoubtedly many other supply and demand factors, such as fluctuations in foreign country exchange rates, government farm policies, and changes in annual harvest and consumption levels which also affected world trade. However, after the embargo was discontinued, the U.S.S.R. did not purchase wheat, coarse grains, and soybeans and soybean products in the U.S. market to the extent it had before the embargo. Furthermore, the U.S. share of world wheat exports increased from 1977/78 to 1979/80, but declined thereafter, and the U.S. share of world soybean and soybean product exports increased during 1977/78 to 1979/80, but was at a lower level thereafter.

Wheat and coarse grains.—During 1977/78 to 1982/83, the United States was the chief supplier of wheat and coarse grains to the world market. U.S. exports of such grains ranged from 83.6 million tons in 1977/78 to 114.3 million tons in 1980/81 (table 9). The U.S. share of the world market increased from about 53 percent in 1977/78 to 58 percent in 1979/80 and then declined to 50 percent in 1982/83, while the combined shares of chief U.S. competitors increased irregularly from 36 percent to 41 percent over the period. Three of the top four chief U.S. competitors—Canada, the EC, and Argentina—increased their shares of the world market over the period, and Australia's share declined. Canada's share increased from 12 to 15 percent during 1977/78 to 1982/83, with most of the increase taking place in wheat exports (table 10). The EC's share of world wheat and coarse grain exports increased irregularly from 7 percent in 1977/78 to 11 percent in 1982/83 (table 11) with all of the increase in the wheat sector. A comparison of Argentina's share of world wheat and coarse grain exports in 1977/78 to 1982/83 reveals about a 1-percent increase, which was also accounted for by increased wheat exports (table 12). Australia's world market share declined irregularly during 1977/78 to 1982/83 (primarily because of supply problems resulting from poor harvests) from 8 to 5 percent with substantial declines taking place in both the wheat and coarse grain markets (table 13).

The U.S. share of world exports of both wheat and coarse grains declined over the 1977/78 to 1982/83 period as shown in the following tables.

1/ With the exception of soybeans and soybean products in 1980/81.
2/ It might be noted that statistics issued by the International Monetary Fund indicate that during 1979-82, the trade weighted value of the U.S. dollar increased by 26 percent, while that for Canada declined by 12 percent and that for Australia increased by less than 1 percent. Canada and Australia are major U.S. competitors in the world grain export market and as a result of the change in the exchange rates over the period their products would have become less expensive than U.S. products in the currencies of purchasing countries.
### Wheat: Total world exports and share of world exports, by principal suppliers, crop years 1977/78 to 1982/83

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Total world exports (Million tons)</th>
<th>Share of total world wheat exports supplied by--</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>United States</td>
<td>Canada</td>
<td>EC</td>
</tr>
<tr>
<td>1977/78--</td>
<td>72.8</td>
<td>43</td>
<td>22</td>
</tr>
<tr>
<td>1978/79--</td>
<td>72.0</td>
<td>45</td>
<td>19</td>
</tr>
<tr>
<td>1979/80--</td>
<td>86.0</td>
<td>43</td>
<td>17</td>
</tr>
<tr>
<td>1980/81--</td>
<td>94.2</td>
<td>44</td>
<td>18</td>
</tr>
<tr>
<td>1981/82--</td>
<td>102.0</td>
<td>48</td>
<td>17</td>
</tr>
<tr>
<td>1982/83--</td>
<td>98.2</td>
<td>41</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Based on tables 9 through 13 of this report.

### Coarse grains: Total world exports and share of world exports, by principal suppliers, crop years 1977/78 to 1982/83

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Total world exports (Million tons)</th>
<th>Share of total world coarse grain exports supplied by--</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>United States</td>
<td>Canada</td>
<td>EC</td>
</tr>
<tr>
<td>1977/78--</td>
<td>84.8</td>
<td>62</td>
<td>4</td>
</tr>
<tr>
<td>1978/79--</td>
<td>90.3</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>1979/80--</td>
<td>100.9</td>
<td>71</td>
<td>5</td>
</tr>
<tr>
<td>1980/81--</td>
<td>104.9</td>
<td>69</td>
<td>4</td>
</tr>
<tr>
<td>1981/82--</td>
<td>105.9</td>
<td>58</td>
<td>7</td>
</tr>
<tr>
<td>1982/83--</td>
<td>88.0</td>
<td>60</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Based on tables 9 through 13 of this report.

Figures 4 and 5 and table 14 show wheat and coarse grain production, by the United States and its major competitors during 1977/78 to 1982/83. Over the period the United States increased its wheat production by 37 percent while two of its major competitors, Canada and Argentina, increased their production by 39 and 154 percent, respectively. Australia's production declined by about 7 percent. U.S. coarse grain production increased by 24 percent during 1977/78 to 1982/83, while the EC and Canada increased their production by 7 and 19 percent, respectively. Argentina's production declined by 9 percent over the period.

Acreage planted by major U.S. competitors generally increased after the 1980 embargo. Canada increased its planted acreage of grains and oilseeds, including wheat and coarse grains, from 56.2 million acres in 1980 to
Figure 4.-- Wheat: U.S. production and production of major competitors, 1977/78-1982/83 (July-June).

Source: Based on data in table 14 of this report.
Figure 5.--Coarse grain: U.S. production and production of major competitors, 1977/78-1982/83 (July-June).

Source: Based on data in table 14 of this report.
60.6 million acres in 1981. 1/ Argentina increased its planted acreage of cereals and oilseeds from 48.9 million acres in 1979/80 to 52.4 million acres in 1980/81, and Brazil increased its soybean area from 20.5 million acres in 1979 to 21.7 million in 1980. 1/

**Soybeans and soybean products.**—U.S. exports of soybeans and soybean products (in soybean equivalent) rose from 31.3 million tons in 1977/78 to 39.8 million tons in 1979/80 and then dropped to 31.6 million tons in 1980/81 before rebounding to 38.4 million tons in 1982/83 (table 15). The U.S. share of world exports of such products increased from 55 to 58 percent during 1977/78 to 1979/80, declined sharply to 45 percent in 1980/81, and then rose to about 51 and 50 percent in 1981/82 and 1982/83, respectively. Generally, this was the same pattern noted for the U.S. share of world grain exports: An increasing market share of exports until the embargo, and then a steadily declining share (in the case of grain) or an irregularly declining share (in the case of soybeans and soybean products). During 1977/78 to 1982/83, the U.S. share of world soybean exports increased irregularly from 85 to 89 percent (dipping to 78 percent in 1980/81), while that of world soybean meal exports declined from 36 percent to 30 percent (peaking at 40 percent in 1979/80), and that of world soybean oil exports dropped from 33 to 25 percent (peaking at 37 percent in 1979/80).

Brazil, the EC, and Argentina are the major U.S. competitors in the world soybean and soybean product market. A comparison of their combined shares of the world export market for these products during 1977/78 to 1982/83 is shown in the following table.

**Soybeans and soybean products: Shares of world exports accounted for by the United States and its major competitors, crop years 1977/78 to 1982/83**

<table>
<thead>
<tr>
<th>Crop year</th>
<th>United States</th>
<th>Major competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>55</td>
<td>41</td>
</tr>
<tr>
<td>1978/79</td>
<td>55</td>
<td>40</td>
</tr>
<tr>
<td>1979/80</td>
<td>58</td>
<td>35</td>
</tr>
<tr>
<td>1980/81</td>
<td>45</td>
<td>47</td>
</tr>
<tr>
<td>1981/82</td>
<td>51</td>
<td>41</td>
</tr>
<tr>
<td>1982/83</td>
<td>50</td>
<td>41</td>
</tr>
</tbody>
</table>

1/ July 1-June 30.
2/ Brazil, the EC, and Argentina.

*Source: Based on data in table 15 through 18 of this report.*

Over the period, the United States lost about 5 percentage points of its market share (or about 10 percent); its major competitors' shares remained about the same. In 1977/78 and 1978/79, the respective shares of the United States were 55 and 55 percent; in 1980/81, it was 45 percent and then rose to 51 and 50 percent in 1981/82 and 1982/83, respectively.

1/ Acreage information obtained from commercial counselors at the embassies of Canada, Argentina, and Brazil.
States and its major competitors did not change significantly; however, in 1979/80 and 1980/81 (about the time of the 1980 embargo) the U.S. share increased and then decreased sharply, but the share supplied by the major U.S. competitors did the opposite. The U.S. share recovered somewhat in 1981/82 and 1982/83, but never regained the previous levels achieved during 1977/78 to 1979/80. At least part of this decline can be attributed to increased Soviet purchases on the world market of soybeans and soybean products during 1977/78 to 1982/83 and the lack of Soviet interest in U.S. supplies. The Argentine and EC shares of the world export market for soybeans and soybean products were relatively stable, at about 5 and 15 percent, respectively, over the period (table 16 and 17). However, the Brazilian share declined from 22 to 16 percent during 1977/78 to 1979/80, increased sharply to 28 percent in 1980/81, and then declined to 21 percent in 1981/82 and 1982/83 (table 18). The Brazilian peak penetration of 28 percent in 1980/81 coincided with the smallest U.S. share (45 percent) of the world market for soybeans and soybean products during 1977/78 to 1982/83. The majority (63 percent in 1982/83) of Brazilian exports have been in the form of soybean meal and have generally been shipped to the EC and Eastern Europe, and in recent years (since 1980/81), to the U.S.S.R.

Figures 6–8 and table 19 show soybean, soybean meal, and soybean oil production by the United States and its major competitors during 1977/78 to 1982/83. Over the period, the United States increased its soybean production by 29.4 percent, while its major competitors increased their production by 46 percent (fig. 6). During 1977/78 to 1982/83, U.S. soybean meal production increased by 17 percent, and production of major U.S. competitors (Brazil, the EC, and Argentina) increased 21 percent (fig. 7). During the same time period, U.S. production of soybean oil increased by 15 percent. However, major U.S. competitors in the world market for soybean oil (Brazil, the EC, and Argentina) increased their combined share by 24 percent (fig. 8).

Commission questionnaire responses on this subject generally cite the 1980 embargo as a contributing reason for U.S. loss of world market share in agricultural products and commodities. Nearly all respondents felt that the restrictive sales actions taken over the last decade (especially the 1980 action) caused overseas customers to doubt the reliability of the United States as a supplier and gave other countries, especially Brazil and Argentina, an incentive to increase production and exports.
Figure 6. Soybeans: U.S. production and production of major competitors, crop years 1977/78 to 1982/83.

Source: Based on data in table 19 of this report.
Figure 7.-- Soybean meal: U.S. production and production of major competitors, crop years 1977/78 to 1982/83.

Source: Based on data in table 19 of this report.
Figure 8.-- Soybean oil: U.S. production and production of major competitors, crop years 1977/78 to 1982/83.

Source: Based on data in table 19 of this report.
Questionnaire Responses on the Effect of the Embargo on Domestic Operations 1/

Short-term effects

The majority of respondents reported their operations were affected by the 1980 embargo through an immediate market disruption (which was even described in such terms as "market chaos"). Respondents indicated that all segments of the marketing chain were thrown out of kilter, resulting in a jammed commodity pipeline (with clogged grain elevators and transportation facilities), labor problems, confusion, and considerable expense. Demurrage expense on barge and rail transportation and added interest expense for carrying inventories that could not be shipped were listed as additional expenses incurred immediately. Prices were described as declining immediately (affecting the value of commodities held by producers, elevator operators, and processors), with strong volatility at lower price levels. The resultant business atmosphere was described as one in which there was little or no commercial activity immediately after the embargo until participants had a better idea of what it all meant. It was also reported that a considerable amount of employee time was spent nonproductively sorting out contractual problems which developed on both domestic purchases and export sales because of the suspension.

Long-term effects

The majority of the respondents to Commission questionnaires reported the long-term effects of the 1980 embargo to be potentially far more important than the short-term effects and to be extremely important regarding future U.S. exports.

Long-term effects generally noted by the respondents included lost exports, lost world market share (resulting from the United States being regarded as an unreliable supplier of agricultural commodities, which in turn encouraged increased competition from such countries as Canada, the EC, Brazil, and Argentina), encouragement for competing countries to increase production and exports, and resulting expensive domestic farm programs to support prices. Respondents also felt that the threat of an embargo is detrimental to sales of U.S. agricultural commodities.

1/ Information received from general farm organizations indicates unanimous strong opposition to embargoes and/or moratoriums placed on agricultural exports unless the actions are for national security reasons and are applied to exports of all products, agricultural and nonagricultural. In general, the farm organizations expressed the view that restrictive export trade actions in the 1970's and in 1980 have fostered a reputation that the United States is an unreliable supplier of agricultural commodities in the world market. They argue that this belief has in turn affected U.S. agricultural exports and ultimately farm prices. Moreover, in their view, the actions also encouraged other producing countries to increase production and exports. The organizations emphasized that even the threat of an embargo adversely affects U.S. markets, and embargoes should not be declared unless approved by Congress.
U.S. processors of soybeans reported (both in questionnaires and verbally) that the 1980 embargo negatively affected their long-term operations because other processors (especially in the EC), who sell soybean products to the U.S.S.R., compete with U.S. processors for U.S. soybeans. The domestic processors report that this market competition results in decreased margins for themselves, since they must pay a higher price for raw product but cannot benefit in sales to the U.S.S.R., because the Soviets have chosen not to purchase these products from U.S. processors.

Effects on U.S. Consumers

The price received by U.S. farmers for grain accounted for only about 12 percent of the total cost of cereal and bakery products in 1982. Most of the cost of consumer goods was accounted for by value added, transportation costs, and profits. Presumably, none of these other factors were affected by the grain embargo. Therefore, it is doubtful that U.S. consumers gained, in terms of lower food prices, from the Soviet grain embargo.

Effects on U.S. Stocks

The fluctuations in annual U.S. stocks in recent years are closely related to the size of the U.S. crop. U.S. and world stocks of wheat, coarse grains, and soybeans are shown in table 20. U.S. stocks of wheat increased irregularly during 1978/79 to 1982/83, from 25 million tons (equivalent to 25 percent of total world stocks) to 42 million tons (equivalent to 43 percent of world stocks). U.S. stocks of coarse grains increased from 46 million tons in 1978/79 to 53 million tons in 1979/80, declined to 35 million tons in 1980/81, and then increased to 107 million tons in 1982/83. During the period, the U.S. share of world stocks increased from 52 percent to 73 percent. U.S. stocks of soybeans showed the same pattern, increasing irregularly from 5 million tons in 1978/79 to 12 million tons in 1982/83; during that period, the U.S. share of world stocks increased from 43 percent to 64 percent.
APPENDIX A

NOTICE OF INVESTIGATION IN THE FEDERAL REGISTER
Competitive Position of U.S. Producers of Robotics in Domestic and World Markets

AGENCY: International Trade Commission.

ACTION: The Commission, on its own motion, instituted investigation No. 332-155, under section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), for the purpose of gathering and presenting information on the competitive position of the U.S. robotics industry in domestic and international markets. The study will assess capital, labor, technology, and other economic factors affecting the manufacture and use of robotics in the United States and in foreign countries. The effects of the increasing application of robotics on the operations of domestic and foreign automobile, aircraft, and appliance industries will be explored.

EFFECTIVE DATE: February 23, 1983.

FOR FURTHER INFORMATION CONTACT:

Written Submissions: While there is no public hearing scheduled for this study, written submissions from interested parties are invited. Commercial or financial information which a party desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked “Confidential Business Information” at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission’s Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. To be assured of consideration by the Commission in this study, written statements should be received by the close of business on August 12, 1983. All submissions should be addressed to the Secretary, United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 83-8077 Filed 3-2-83; 8:45 am]
BILLING CODE 7020-02-M

[332-155]

Stainless Steel Sheet and Strip From France

AGENCY: International Trade Commission.

ACTION: Rescheduling of the prehearing conference to be held in connection with the subject investigation.


Notice is hereby given that the prehearing conference originally scheduled for April 20, 1983 in connection with the subject investigation (48 FR 7825) is rescheduled to April 18, 1983 at 10:00 a.m. in room 117 of the U.S. International Trade Commission Building.

Issued: February 23, 1983.

Kenneth R. Mason,
Secretary.

[FR Doc. 83-8048 Filed 3-2-83; 8:45 am]
BILLING CODE 7020-02-M

[332-157]

U.S. Embargoes on Agricultural Exports: Implications for the U.S. Agricultural Industry and U.S. Exports

AGENCY: International Trade Commission.

ACTION: In accordance with the provisions of section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the Commission has instituted, on its own motion, investigation No. 332-157 for the purpose of gathering and presenting information on U.S. embargoes on agricultural exports. The study will examine the impact of the embargoes on the U.S. agricultural industry and U.S. exports. It will provide a factual presentation of the terms of the embargoes and an analysis of the effects of the embargoes on U.S. and foreign trade patterns, prices, and stocks.


FOR FURTHER INFORMATION CONTACT:
Mr. Lowell Grant, principal analyst...
SUPPLEMENTARY INFORMATION: The NASA Advisory Council’s Informal Task Force for the Study of the Mission of NASA was established under the NASA Advisory Council to conduct a study of the directions NASA should take in the future (including goals, programmatic objectives, and possible missions) and to report its findings and recommendations to the Council. The Task Force is chaired by Dr. George E. Solomon, and has a total of 14 members. Visitors will be admitted to the meeting room up to its capacity, which is approximately 60 persons including Task Force members and other participants. Visitors will be requested to sign a visitor’s register.

TYPE OF MEETING: Open.

AGENDA:
March 25, 1983
8 a.m.—Introduction.
9:30 a.m.—Status reports by subgroups.
1 p.m.—Task Force Working Session.
4 p.m.—Adjourn.

Richard L. Daniels,
Director, Management Support Office, Office of Management.
March 2, 1983.

BILLING CODE 7510·01·46

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice (83·23)]

NASA Advisory Council; Meeting

AGENCY: National Aeronautics and Space Administration.

ACTION: Notice of meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act, Pub. L. 92·463, as amended, the National Aeronautics and Space Administration announces a forthcoming meeting of the NASA Advisory Council, Informal Task Force for the Study of the Mission of NASA.

DATE AND TIME: March 25, 1983, 9 a.m. to 4 p.m.

ADDRESS: NASA Headquarters, Room 7002, 400 Maryland Avenue SW., Washington, D.C. 20546.

FOR FURTHER INFORMATION CONTACT:
Mr. Nathaniel B. Cohen, Code LB·4, National Aeronautics and Space Administration, Washington, D.C. 20546 (202·785·8383).

Arkansas Power & Light Co.; Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 70 to Facility Operating License No. DPR·51, issued to Arkansas Power and Light Company (the licensee), which added a license condition for operation of Arkansas Nuclear One, Unit No. 1 (ANO·1) located in Pope County, Arkansas. The amendment is effective as of the date of issuance.

The amendment adds a condition to the license regarding the implementation of a secondary water chemistry monitoring program.

The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission’s rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission’s rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve significant hazards consideration.

The Commission has determined that the issuance of this amendment will not result in any significant environmental impact and that pursuant to 10 CFR 51.5(4), and environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see [1] the licensee’s application dated November 9, 1982, [2] Amendment No. 70 to License No. DPR·51, and [3] the Commission’s letter to the licensee dated March 1, 1983. All of these items are available for public inspection at the Commission’s Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the Arkansas Tech University, Russellville, Arkansas. A copy of items (2) and (3) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Licensing.

Dated at Bethesda, Maryland, this 1st day of March 1983.

For the Nuclear Regulatory Commission.

John F. Stolz,
Chief, Operating Reactors Branch, No. 4, Division of Licensing.

BILLING CODE 7510·01·46

Commonwealth; Edison Co. Systematic Evaluation Program; Availability of Final Integrated Plant Safety Assessment Report for the Dresden Nuclear Power Station, Unit 2

The Nuclear Regulatory Commission’s (NRC) Office of Nuclear Reactor Regulation (ONRR) has published its Final Integrated Plant Safety Assessment Report (IPSA) [NUREG·0823] related to the Commonwealth Edison Company’s (licensee) Dresden Nuclear Power Station, Unit 2 located in Grundy County, Illinois.

The Systematic Evaluation Program (SEP) was initiated by the NRC to review the design of older operating nuclear reactors plants to reconfirm and document their safety. This report documents the review completed under the Systematic Evaluation Program for the Dresden 2 Plant. Areas in the report identified as requiring further analysis or evaluation and required modifications for which design descriptions have not yet been provided by the licensee to the NRC will be reviewed as part of the operating license.
APPENDIX B

QUESTIONNAIRE RESPONSES
**Questionnaire Responses**

**Background**

As part of the investigation, a total of 38 questionnaires were sent to various sectors of the grains and oilseeds industries, requesting both quantitative and qualitative responses. The questionnaires were sent to grain and oilseed merchants, grain and oilseeds cooperatives and associations, flour merchants, animal feed merchants, and soybean oil and meal merchants. The questionnaire recipients were asked to provide data on total sales and lost sales (as a result of the restrictive sales actions taken during 1973-80), to provide information on how their domestic operations were affected by these actions, and to comment on legislation related to export sales restrictions. A total of 20 responses were received, as shown in the following tabulation:

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>Number of questionnaires returned</th>
<th>Share of export sales in sector represented by responses 1/</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grains and oilseeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>merchants</td>
<td>5</td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Grains and oilseeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>coops and associations</td>
<td>4</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Flour merchants</td>
<td>3</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Animal feed merchants</td>
<td>3</td>
<td></td>
<td>2/</td>
</tr>
<tr>
<td>Soybean oil and meal merchants</td>
<td>5</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Estimated by the staff of the U.S. International Trade Commission.
2/ Less than 0.5 percent.

1/ Information received from general farm organizations indicates unanimous strong opposition to embargoes and/or moratoriums placed on agricultural exports unless the actions are for national security reasons and are applied to exports of all products, agricultural and nonagricultural. In general, the farm organizations expressed the view that restrictive export trade actions in the 1970's and in 1980 have fostered a reputation that the United States is an unreliable supplier of agricultural commodities in the world market. They argue that this belief has in turn affected U.S. agricultural exports and ultimately farm prices. Moreover, in their view, the actions also encouraged other producing countries to increase production and exports. The organizations emphasized that even the threat of an embargo adversely affects U.S. markets, and embargoes should not be declared unless approved by Congress.
The respondents' export sales accounted for an estimated 58 percent of average annual U.S. grains and oilseeds exports, 20 percent of soybean meal and oil exports, and about 17 percent of flour exports. Trade by cooperatives and animal feed merchants accounted for only a small share of the total exports, because cooperatives often sell to grain and oilseed merchants rather than export directly, and exports of secondary animal feeds (e.g., mixed feeds) by feed merchants are small in relation to exports of grain, oilseeds, and their byproducts.

In the areas of merchandising and processing of grains and oilseeds, a few concerns dominate. Collectively, these concerns have many subsidiaries. They are vertically and horizontally integrated to a high degree, thus covering all aspects of the grains and oilseeds industry, as well as of related industries. Thus, the comments submitted are representative of the industries in question.

Trade action of 1973

The 1973 trade action was an embargo on exports of U.S. soybeans, cottonseed, and their products. It was short term and motivated by a supply shortage. The action lasted from June 27 to July 2, 1973. From July to October 1973, an export license system was in force. After October 1, 1973, all controls were lifted.

Virtually all of the respondents believe that the 1973 action caused lost export markets, and that it hurt friendly trading partners, particularly Japan. It was seen as yielding an unfair advantage to those nations which the United States competes in world markets. The comments included mention the increased investments in the Southern Hemisphere, which were triggered by this trade action, e.g., Japan is said to have invested heavily in Brazilian soybean-producing and crushing capabilities so as to avoid any future shortfall because of U.S. actions. Respondents reported sales losses as a result of this action equivalent to about 6 percent of their total sales during the period in which lost sales were reported.

Actions of 1974 and 1975

In 1974 and 1975, three U.S. trade actions were taken. These were motivated by short-supply conditions in the United States and were moratoria rather than embargoes. Two of the moratoria covered trade with the U.S.S.R., and one covered trade with Poland. The first action, which was basically a request by the President for two large grain-exporting concerns to void certain U.S.S.R. exporting contracts, began on October 4, 1974, and ended on March 6, 1975. A similar action was taken by the President on August 11, 1975, and lasted until October 20, 1975. The third action involved a suspension of sales to Poland, beginning in mid-September 1975 and ending on November 27. The commodities covered were primarily wheat and coarse grains. Also included, i.e., either monitored or licensed during the period in question, were rice, soybeans, cottonseed, soybean meal, cottonseed meal, soybean oil, cottonseed oil, animal feed, animal fats, and other vegetable oils.
Comments on events of 1974 and 1975

The overall opinion was that the United States lost markets and was viewed as a less-than-reliable supplier of agricultural commodities. In general, however, the effects of these actions were reported by the respondents as being more short term than the actions in other years, although it was generally noted that any restrictive sales action imposed by the United States is detrimental to future sales. Lost sales reported by respondents, as a result of these actions, represented less than 1 percent of their total sales during the period lost sales were reported.

Action of 1980

This action began in January 1980 and ended in April 1981. It was taken under the Export Administration Act of 1979 for national security and foreign policy reasons and affected commodities which might contribute to the U.S.S.R. agriculture feed/livestock complex. In order of frequency, the following were the primary comments submitted:

(a) The 1980 embargo caused further loss of markets;
(b) it resulted in increased production by foreign competitors;
(c) it gave an unfair advantage to foreign competitors;
(d) it caused a loss of trust in the United States as a supplier;
(e) the long-term effects will outweigh the short-term effects; and
(f) had serious short-term effects on U.S. corporations and farmers by creating chaos in the marketing system and jamming up the supply pipeline.

Respondents also noted that as a result of the 1980 embargo actual volume of grain and oilseeds traded changed very little because of the nature of world demand. Responses indicated that all reported lost sales were to the Soviet Union or Eastern Europe. Lost sales reported by respondents as a result of the 1980 embargo were equivalent to about 10 percent of total sales during the period lost sales were reported.

Comment on contract sanctity clause

There was almost universal approval of the legislation by respondents. However, many respondents felt although it was a step in the right direction, the legislation should go even further in regarding the sanctity of sales contracts for agricultural commodities. Some respondents doubted that complete contract sanctity could ever be realized since national security and foreign policy considerations by the U.S. Government, as provided for in the Export Administration Act of 1979, will always be overriding factors.

1/ This may be attributed to the fact that 1975 was highlighted by the U.S.-U.S.S.R. long-term grain agreement, which promoted orderly marketing.
2/ Amendment to the Agriculture Act of 1970.
APPENDIX C

[CHAPTER 11]

AN ACT

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

DECLARATION OF POLICY

Sec. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

Sec. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils,
during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

Sec. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this Act.

VIOLATIONS

Sec. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

Sec. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing
such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

**EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT**

Sec. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

**QUARTERLY REPORT**

Sec. 8. The head of any department or agency, or official exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

**DEFINITION**

Sec. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

**EFFECT ON OTHER ACTS**

Sec. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

**EFFECTIVE DATE**

Sec. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

**TERMINATION DATE**

Sec. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Approved February 26, 1949.
EXPORT ADMINISTRATION ACT OF 1969

For Legislative History of Act, see p. 2705

PUBLIC LAW 91-184; 83 STAT. 841

(H.R. 4253)

An Act to provide for continuation of authority for regulation of exports.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

SHORT TITLE:

Section 1. This Act may be cited as the “Export Administration Act of 1969”.

FINDINGS

Sec. 2. The Congress finds that—

(1) the availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States;

(2) the unrestricted export of materials, information, and technology without regard to whether they make a significant contribution to the military potential of any other nation or nations may adversely affect the national security of the United States;

(3) the unwarranted restriction of exports from the United States has a serious adverse effect on our balance of payments; and

(4) the uncertainty of policy toward certain categories of exports has curtailed the efforts of American business in those
categories to the detriment of the overall attempt to improve the trade balance of the United States.

DECLARATION OF POLICY

Sec. 3. The Congress makes the following declarations:
(1) It is the policy of the United States both (A) to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest, and (B) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States.
(2) It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.
(3) It is the policy of the United States (A) to formulate, re-formulate, and apply any necessary controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and (B) to formulate a unified trade control policy to be observed by all such nations.
(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.
(5) It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States.

AUTHORITY

Sec. 4. (a) (1) The Secretary of Commerce shall institute such organizational and procedural changes in any office or division of the Department of Commerce which has heretofore exercised functions relating to the control of exports and continues to exercise such controls under this Act as he determines are necessary to facilitate and effectuate the fullest implementation of the policy set forth in this Act with a view to promoting trade with all nations with which
the United States is engaged in trade, including trade with (A) those countries or groups of countries with which other countries or groups of countries having defense treaty commitments with the United States have a significantly larger percentage of volume of trade than does the United States, and (B) other countries eligible for trade with the United States but not significantly engaged in trade with the United States. In addition, the Secretary shall review any list of articles, materials, or supplies, including technical data or other information, the exportation of which from the United States, its territories and possessions, was heretofore prohibited or curtailed with a view to making promptly such changes and revisions in such list as may be necessary or desirable in furtherance of the policy, purposes, and provisions of this Act. The Secretary shall include a detailed statement with respect to actions taken in compliance with the provisions of this paragraph in the second quarterly report (and in any subsequent report with respect to actions taken during the preceding quarter) made by him to the Congress after the date of enactment of this Act pursuant to section 10.

(2) The Secretary of Commerce shall use all practicable means available to him to keep the business sector of the Nation fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging the widest possible trade.

(b) To effectuate the policies set forth in section 3, the President may prohibit or curtail the exportation from the United States, its territories and possessions, of any articles, materials, or supplies, including technical data or other information, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. Rules and regulations prescribed in the interest of the national security shall provide that express permission and authority must be sought and obtained to export articles, materials, or supplies, including technical data or other information, from the United States, its territories and possessions, to any nation or combination of nations, if the President determines that (1) such articles, materials, supplies, data, or information would make a significant contribution to the military potential of such nation or nations which would prove detrimental to the national security of the United States, and (2) articles, materials, supplies, data, or information of comparable quality and technology to that sought to be exported are not readily available to such nation or nations from other sources: Provided, That express permission and authority shall be required to be sought and obtained, in accordance with such rules and regulations, in order to export to any nation or nations articles, materials, supplies, data, or information with respect to which the President has not made the determination referred to in clause (2), if the President (A) determines such action to be necessary in the interest of national security, and (B) includes in the first quarterly report submitted, pursuant to section 10, after
taking such action a full and detailed statement with respect to such action setting forth the pertinent articles, materials, supplies, data, or information; the nations or nations affected thereby; and the reasons therefor. Rules and regulations prescribed under this subsection shall implement the provisions of section 3(5) of this Act and shall require that all domestic concern receiving requests for the furnishing of information or the signing of agreements as specified in such section must report this fact to the Secretary of Commerce for such action as he may deem appropriate to carry out the purposes of such section.

(c) Nothing in this Act, or in the rules and regulations authorized by it, shall in any way be construed to require authority and permission to export articles, materials, supplies, data, or information except where the national security, the foreign policy of the United States, or the need to protect the domestic economy from the excessive drain of scarce materials makes such requirement necessary.

(d) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate.

(e) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (B) or (C) of paragraph (2) of section 3 of this Act.

CONSULTATION AND STANDARDS

Sec. 5. (a) In determining what shall be controlled hereunder, and in determining the extent to which exports shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Consistent with considerations of national security, the President shall from time to time seek information and advice from various segments of private industry in connection with the making of these determinations.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

VIOLATIONS

Sec. 6. (a) Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regula-
tion, order, or license issued thereunder shall be fined not more than $10,000 or imprisoned not more than one year, or both. For a second or subsequent offense, the offender shall be fined not more than three times the value of the exports involved or $20,000, whichever is greater, or imprisoned not more than five years, or both.

(b) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be fined not more than five times the value of the exports involved or $20,000, whichever is greater, or imprisoned not more than five years, or both.

(c) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed $1,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(d) The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed.

(e) Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within two years after payment, on the ground of a material error of fact or law in the imposition. Notwithstanding section 1346(a) of title 28 of the United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues necessary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Nothing in subsection (c), (d), or (f) shall limit

(1) the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;

(2) the authority to compromise and settle administrative proceedings brought with respect to violations of this Act, or any regulation, order, or license issued under this Act; or
(3) the authority to compromise, remit, or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

Sec. 7. (a) To the extent necessary or appropriate to the enforcement of this Act or to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1833 (27 Stat. 443; 49 U.S.C. 46) shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology. A detailed statement with respect to any action taken in compliance with this subsection shall be included in the first quarterly report made pursuant to section 6 after such action is taken.
EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

Sec. 8. The functions exercised under this Act are excluded from the operation of sections 551, 553-559, and 701-706, of title 5 United States Code.

INFORMATION TO EXPORTERS

Sec. 9. In order to enable United States exporters to coordinate their business activities with the export control policies of the United States Government, the agencies, departments, and officials responsible for implementing the rules and regulations authorized under this Act shall, if requested, and insofar as it is consistent with the national security, the foreign policy of the United States, the effective administration of this Act, and requirements of confidentiality contained in this Act

(1) inform each exporter of the considerations which may cause his export license request to be denied or to be the subject of lengthy examination;

(2) in the event of undue delay, inform each exporter of the circumstances arising during the Government's consideration of his export license application which are cause for denial or for further examination;

(3) give each exporter the opportunity to present evidence and information which he believes will help the agencies, departments, and officials concerned to resolve any problems or questions which are, or may be, connected with his request for a license; and

(4) inform each exporter of the reasons for a denial of an export license request.

QUARTERLY REPORT

Sec. 10. The head of any department or agency, or other official exercising any functions under this Act, shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

Sec. 11. The term "person" as used in this Act includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECTS ON OTHER ACTS

Sec. 12. (a) The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tinplate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with

**EFFECTIVE DATE**

Sec. 13. (a) This Act takes effect upon the expiration of the Export Control Act of 1949.
(b) All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 or section 6 of the Act of July 2, 1940 (54 Stat. 714), shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

**TERMINATION DATE**

Sec. 14. The authority granted by this Act terminates on June 30, 1971, or upon any prior date which the Congress by concurrent resolution or the President by proclamation may designate.

Approved December 30, 1969.
PUBLICATION 96-72 [S. 737]: September 29, 1979

EXPORT ADMINISTRATION ACT OF 1979

For Legislative History of Act, see p. 1147

An Act to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. This Act may be cited as the "Export Administration Act of 1979".

SEC. 2. The Congress makes the following findings:

(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.

(2) Exports contribute significantly to the economic well-being of the United States and the stability of the world economy by increasing employment and production in the United States, and by strengthening the trade balance and the value of the United States dollar, thereby reducing inflation. The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

(3) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, which would strengthen the Nation's economy.

(4) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing on fulfillment of the foreign policy of the United States.

(5) Exports of goods or technology without regard to whether they make a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States.

(6) Uncertainty of export control policy can curtail the efforts of American business to the detriment of the overall attempt to improve the trade balance of the United States.

(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which

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contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

(9) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to achievement of a positive balance of payments, to reducing the level of Federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.

DECLARATION OF POLICY

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States to minimize uncertainties in export control policy and to encourage trade with all countries with which the United States has diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(2) It is the policy of the United States to use export controls only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States;

(B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and

(C) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(3) It is the policy of the United States (A) to apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to encourage observance of a uniform export control policy by all nations with which the United States has defense treaty commitments.

(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States—

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person;

(B) to encourage and, in specified cases, require United States persons engaged in the export of goods or technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person; and
(C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular goods or technology or other information to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on exports from the United States. No action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.

(9) It is the policy of the United States to cooperate with other countries with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.

(10) It is the policy of the United States that export trade by United States citizens be given a high priority and not be controlled except when such controls (A) are necessary to further fundamental national security, foreign policy, or short supply objectives, (B) will clearly further such objectives, and (C) are administered consistent with basic standards of due process.

(11) It is the policy of the United States to minimize restrictions on the export of agricultural commodities and products.

GENERAL PROVISIONS

SEC. 4. (a) TYPES OF LICENSES.—Under such conditions as may be imposed by the Secretary which are consistent with the provisions of this Act, the Secretary may require any of the following types of export licenses:

(1) A validated license, authorizing a specific export, issued pursuant to an application by the exporter.

(2) A qualified general license, authorizing multiple exports, issued pursuant to an application by the exporter.

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(3) A general license, authorizing exports, without application by the exporter.

(4) Such other licenses as may assist in the effective and efficient implementation of this Act.

(b) COMMODITY CONTROL LIST.—The Secretary shall establish and maintain a list (hereinafter in this Act referred to as the “commodity control list”) consisting of any goods or technology subject to export controls under this Act.

(c) FOREIGN AVAILABILITY.—In accordance with the provisions of this Act, the President shall not impose export controls for foreign policy or national security purposes on the export from the United States of goods or technology which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the foreign policy or national security of the United States.

(d) RIGHT OF EXPORT.—No authority or permission to export may be required under this Act, or under regulations issued under this Act, except to carry out the policies set forth in section 3 of this Act.

(e) DELEGATION OF AUTHORITY.—The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may consider appropriate, except that no authority under this Act may be delegated to, or exercised by, any official of any department or agency the head of which is not appointed by the President, by and with the advice and consent of the Senate. The President may not delegate or transfer his power, authority, and discretion to overrule or modify any recommendation or decision made by the Secretary, the Secretary of Defense, or the Secretary of State pursuant to the provisions of this Act.

(f) NOTIFICATION OF THE PUBLIC; CONSULTATION WITH BUSINESS.—The Secretary shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging trade. The Secretary shall meet regularly with representatives of the business sector in order to obtain their views on export control policy and the foreign availability of goods and technology.

NATIONAL SECURITY CONTROLS

SEC. 5. (a) AUTHORITY.—(1) In order to carry out the policy set forth in section 3(2)(A) of this Act, the President may, in accordance with the provisions of this section, prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. The authority contained in this subsection shall be exercised by the Secretary, in consultation with the Secretary of Defense, and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses described in section 4(a) of this Act.

(2)(A) Whenever the Secretary makes any revision with respect to any goods or technology, or with respect to the countries or destinations, affected by export controls imposed under this section, the Secretary shall publish in the Federal Register a notice of such revision and shall specify in such notice that the revision relates to controls imposed under the authority contained in this section.
Whenever the Secretary denies any export license under this section, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this section. The Secretary shall also include in such notice what, if any, modifications in or restrictions on the goods or technology for which the license was sought would allow such export to be compatible with controls imposed under this section, or the Secretary shall indicate in such notice which officers and employees of the Department of Commerce who are familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restriction, if appropriate.

In issuing regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting critical technologies to military use, the difficulty of devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the reexport of critical technologies from other countries to countries that pose a threat to the security of the United States. Such regulations shall not be based upon the assumption that such effective safeguards can be devised.

Policy Toward Individual Countries.—In administering export controls for national security purposes under this section, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President considers appropriate. The President shall review not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence.

Control List.—(1) The Secretary shall establish and maintain, as part of the commodity control list, a list of all goods and technology subject to export controls under this section. Such goods and technology shall be clearly identified as being subject to controls under this section.

(2) The Secretary of Defense and other appropriate departments and agencies shall identify goods and technology for inclusion on the list referred to in paragraph (1). Those items which the Secretary and the Secretary of Defense concur shall be subject to export controls under this section shall comprise such list. If the Secretary and the Secretary of Defense are unable to concur on such items, the matter shall be referred to the President for resolution.

(3) The Secretary shall issue regulations providing for review of the list established pursuant to this subsection not less frequently than every 3 years in the case of controls maintained cooperatively with other countries, and annually in the case of all other controls, in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments, with or without oral presentation. Such regulations shall further provide that, as part of...
such review, an assessment be made of the availability from sources outside the United States, or any of its territories or possessions, of goods and technology comparable to those controlled under this section. The Secretary and any agency rendering advice with respect to export controls shall keep adequate records of all decisions made with respect to revision of the list of controlled goods and technology, including the factual and analytical basis for the decision, and, in the case of the Secretary, any dissenting recommendations received from any agency.

(d) MILITARILY CRITICAL TECHNOLOGIES.—(1) The Secretary, in consultation with the Secretary of Defense, shall review and revise the list established pursuant to subsection (c), as prescribed in paragraph (3) of such subsection, for the purpose of insuring that export controls imposed under this section cover and (to the maximum extent consistent with the purposes of this Act) are limited to militarily critical goods and technologies and the mechanisms through which such goods and technologies may be effectively transferred.

(2) The Secretary of Defense shall bear primary responsibility for developing a list of militarily critical technologies. In developing such list, primary emphasis shall be given to—

(A) arrays of design and manufacturing know-how,
(B) keystone manufacturing, inspection, and test equipment,
(C) goods accompanied by sophisticated operation, application, or maintenance know-how, which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a significant advance in a military system of any such country.

(3) The list referred to in paragraph (2) shall be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act.

(4) The initial version of the list referred to in paragraph (2) shall be completed and published in an appropriate form in the Federal Register not later than October 1, 1980.

(5) The list of militarily critical technologies developed primarily by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list, subject to the provisions of subsection (c) of this section.

(6) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

(e) EXPORT LICENSES.—(1) The Congress finds that the effectiveness and efficiency of the process of making export licensing determinations under this section is severely hampered by the large volume of validated export license applications required to be submitted under this Act. Accordingly, it is the intent of Congress in this subsection to encourage the use of a qualified general license in lieu of a validated license.

(2) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a validated license under this section for the export of goods or technology only if—

(A) the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, under the terms of such multilateral agreement, such export requires the specific approval of the parties to such multilateral agreement;
(B) with respect to such goods or technology, other nations do not possess capabilities comparable to those possessed by the United States; or
(C) the United States is seeking the agreement of other suppliers to apply comparable controls to such goods or technology and, in the judgment of the Secretary, United States export controls on such goods or technology, by means of such license, are necessary pending the conclusion of such agreement.

(3) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a qualified general license, in lieu of a validated license, under this section for the export of goods or technology if the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party, but such export does not require the specific approval of the parties to such multilateral agreement.

(4) Not later than July 1, 1980, the Secretary shall establish procedures for the approval of goods and technology that may be exported pursuant to a qualified general license.

(f) FOREIGN AVAILABILITY.—(1) The Secretary, in consultation with appropriate Government agencies and with appropriate technical advisory committees established pursuant to subsection (h) of this section, shall review, on a continuing basis, the availability, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, of any goods or technology the export of which requires a validated license under this section. In any case in which the Secretary determines, in accordance with procedures and criteria which the Secretary shall by regulation establish, that any such goods or technology are available in fact to such destinations from such sources in sufficient quantity and of sufficient quality so that the requirement of a validated license for the export of such goods or technology is or would be ineffective in achieving the purpose set forth in subsection (a) of this section, the Secretary may not, after the determination is made, require a validated license for the export of such goods or technology during the period of such foreign availability, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

(2) The Secretary shall approve any application for a validated license which is required under this section for the export of any goods or technology to a particular country and which meets all other requirements for such an application, if the Secretary determines that such goods or technology will, if the license is denied, be available in fact to such country from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that denial of the license would be ineffective in achieving the purpose set forth in subsection (a) of this section, subject to the exception set forth in paragraph (1) of this subsection. In any case in which the Secretary makes a determination of foreign availability under this paragraph with respect to any goods or technology, the Secretary shall determine whether a determination of foreign availability under paragraph (1) with respect to such goods or technology is warranted.

(3) With respect to export controls imposed under this section, any determination of foreign availability which is the basis of a decision
to grant a license for, or to remove a control on, the export of a good or technology, shall be made in writing and shall be supported by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

(4) In any case in which, in accordance with this subsection, export controls are imposed under this section notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability. Whenever the President has reason to believe goods or technology subject to export control for national security purposes by the United States may become available from other countries to countries to which exports are controlled under this section and that such availability can be prevented or eliminated by means of negotiations with such other countries, the President shall promptly initiate negotiations with the governments of such other countries to prevent such foreign availability.

(5) In order to further carry out the policies set forth in this Act, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this Act.

(6) Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall, consistent with the protection of intelligence sources and methods, furnish information to the Office of Export Administration concerning foreign availability of goods and technology subject to export controls under this Act, and such Office, upon request or where appropriate, shall furnish to such departments and agencies the information it gathers and receives concerning foreign availability.

(g) Indexing.—In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (c) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other department or agency of the United States objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list. The Secretary shall also consider, where appropriate, removing site visitation requirements for goods and technology which are removed from the list unless objections described in this subsection are raised.

(h) Technical Advisory Committees.—(1) Upon written request by representatives of a substantial segment of any industry which produces any goods or technology subject to export controls under this section or being considered for such controls because of their significance to the national security of the United States, the Secretary shall appoint a technical advisory committee for any such goods or technology which the Secretary determines are difficult to evaluate because of questions concerning technical matters, worldwide availability, and actual utilization of production and technology, or
licensing procedures. Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State and, in the discretion of the Secretary, other Government departments and agencies. No person serving on any such committee who is a representative of industry shall serve on such committee for more than four consecutive years.

(2) Technical advisory committees established under paragraph (1) shall advise and assist the Secretary, the Secretary of Defense, and any other department, agency, or official of the Government of the United States to which the President delegates authority under this Act, with respect to actions designed to carry out the policy set forth in section 324(A) of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates, including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary or the Secretary of Defense from consulting, at any time, with any person representing industry or the general public, regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary, to present evidence to such committees.

(3) Upon request of any member of any such committee, the Secretary may, if the Secretary determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by such member in connection with the duties of such member.

(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the chairman, unless the chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this subsection. Each such committee shall be terminated after a period of 2 years, unless extended by the Secretary for additional periods of 2 years. The Secretary shall consult each such committee with respect to such termination or extension of that committee.

(5) To facilitate the work of the technical advisory committees, the Secretary, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the goods or technology with respect to which that committee furnishes advice.

(6) Whenever a technical advisory committee certifies to the Secretary that goods or technology with respect to which such committee was appointed have become available in fact, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that requiring a validated license for the export of such goods or technology would be ineffective in achieving the purposes set forth in subsection (a) of this section, and provides adequate documentation for such certification, in accordance with the procedures established pursuant to subsection (f)(1) of this section, the Secretary shall investigate such availability, and if
such availability is verified, the Secretary shall remove the requirement of a validated license for the export of the goods or technology, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis and the estimated economic impact of the decision.

(i) MULTILATERAL EXPORT CONTROLS.—The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee (hereinafter in this subsection referred to as the "Committee") with a view toward accomplishing the following objectives:

(1) Agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such agreement of the Committee, and all changes thereto.

(2) Agreement to hold periodic meetings with high-level representatives of such governments, for the purpose of discussing export control policy issues and issuing policy guidance to the Committee.

(3) Agreement to reduce the scope of the export controls imposed by agreement of the Committee to a level acceptable to and enforceable by all governments participating in the Committee.

(4) Agreement on more effective procedures for enforcing the export controls agreed to pursuant to paragraph (3).

(j) COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES.—(1) Any United States firm, enterprise, or other nongovernmental entity which, for commercial purposes, enters into any agreement with any agency of the government of a country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement (to which the United States and such country are parties) calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report the agreement with such agency to the Secretary.

(2) The provisions of paragraph (1) shall not apply to colleges, universities, or other educational institutions.

(k) NEGOTIATIONS WITH OTHER COUNTRIES.—The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for conducting negotiations with other countries regarding their cooperation in restricting the export of goods and technology in order to carry out the policy set forth in section 3(9) of this Act, as authorized by subsection (a) of this section, including negotiations with respect to which goods and technology should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

(l) DIVERSION TO MILITARY USE OF CONTROLLED GOODS OR TECHNOLOGY.—(1) Whenever there is reliable evidence that goods or technology, which were exported subject to national security controls under this section to a country to which exports are controlled for national security purposes, have been diverted to significant military use in violation of the conditions of an export license, the Secretary for as long as that diversion to significant military use continues—

(A) shall deny all further exports to the party responsible for that diversion of any goods or technology subject to national
security controls under this section which contribute to that particular military use, regardless of whether such goods or technology are available to that country from sources outside the United States; and

(B) may take such additional steps under this Act with respect to the party referred to in subparagraph (A) as are feasible to deter the further military use of the previously exported goods or technology.

(2) As used in this subsection, the terms "diversion to significant military use" and "significant military use" means the use of United States goods or technology to design or produce any item on the United States Munitions List.

FOREIGN POLICY CONTROLS

Sec. 6. (a) Authority.—(1) In order to carry out the policy set forth in paragraph (2)(B), (7), or (8) of section 3 of this Act, the President may prohibit or curtail the exportation of any goods, technology, or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, to the extent necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations. The authority granted by this subsection shall be exercised by the Secretary, in consultation with the Secretary of State and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses issued by the Secretary.

(2) Export controls maintained for foreign policy purposes shall expire on December 31, 1979, or one year after imposition, whichever is later, unless extended by the President in accordance with subsections (b) and (e). Any such extension and any subsequent extension shall not be for a period of more than one year.

(3) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of denial, the denial of such license that the license was denied under the authority contained in this subsection, and the reasons for such denial, with reference to the criteria set forth in subsection (b) of this section. The Secretary shall also include in such notice what, if any, modifications in or restrictions on the goods or technology for which the license was sought would allow such export to be compatible with controls implemented under this section, or the Secretary shall indicate in such notice which officers and employees of the Department of Commerce who are familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions, if appropriate.

(4) In accordance with the provisions of section 10 of this Act, the Secretary of State shall have the right to review any export license application under this section which the Secretary of State requests to review.

(b) Criteria.—When imposing, expanding, or extending export controls under this section, the President shall consider—

(1) the probability that such controls will achieve the intended foreign policy purpose, in light of other factors, including the availability from other countries of the goods or technology proposed for such controls;

(2) the compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall United States
policy toward the country which is the proposed target of the controls;
(3) the reaction of other countries to the imposition or expansion of such export controls by the United States;
(4) the likely effects of the proposed controls on the export performance of the United States, on the competitive position of the United States in the international economy, on the international reputation of the United States as a supplier of goods and technology, and on individual United States companies and their employees and communities, including the effects of the controls on existing contracts;
(5) the ability of the United States to enforce the proposed controls effectively; and
(6) the foreign policy consequences of not imposing controls.

(c) Consultation With Industry.—The Secretary, before imposing export controls under this section, shall consult with such affected United States industries as the Secretary considers appropriate, with respect to the criteria set forth in paragraphs (1) and (4) of subsection (b) and such other matters as the Secretary considers appropriate.

(d) Alternative Means.—Before resorting to the imposition of export controls under this section, the President shall determine that reasonable efforts have been made to achieve the purposes of the controls through negotiations or other alternative means.

(e) Notification To Congress.—The President in every possible instance shall consult with the Congress before imposing any export control under this section. Except as provided in section 7(g)(3) of this Act, whenever the President imposes, expands, or extends export controls under this section, the President shall immediately notify the Congress of such action and shall submit with such notification a report specifying—
(1) the conclusions of the President with respect to each of the criteria set forth in subsection (b); and
(2) the nature and results of any alternative means attempted under subsection (d), or the reasons for imposing, extending, or expanding the control without attempting any such alternative means.
Such report shall also indicate how such controls will further significantly the foreign policy of the United States or will further its declared international obligations. To the extent necessary to further the effectiveness of such export control, portions of such report may be submitted on a classified basis, and shall be subject to the provisions of section 12(c) of this Act.

(f) Exclusion For Medicine and Medical Supplies.—This section does not authorize export controls on medicine or medical supplies. It is the intent of Congress that the President not impose export controls under this section on any goods or technology if he determines that the principal effect of the export of such goods or technology would be to help meet basic human needs. This subsection shall not be construed to prohibit the President from imposing restrictions on the export of medicine or medical supplies, under the International Emergency Economic Powers Act. This subsection shall not apply to any export control on medicine or medical supplies which is in effect on the effective date of this Act.

(g) Foreign Availability.—In applying export controls under this section, the President shall take all feasible steps to initiate and conclude negotiations with appropriate foreign governments for the purpose of securing the cooperation of such foreign governments in controlling the export to countries and consignees to which the
United States export controls apply to any goods or technology comparable to goods or technology controlled under this section.

(h) International Obligations.—The provisions of subsections (b), (c), (d), (f), and (g) shall not apply in any case in which the President exercises the authority contained in this section to impose export controls, or to approve or deny export license applications, in order to fulfill obligations of the United States pursuant to treaties to which the United States is a party or pursuant to other international agreements.

(i) Countries Supporting International Terrorism.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

1. Such country has repeatedly provided support for acts of international terrorism.
2. Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.

(j) Crime Control Instruments.—(1) Crime control and detection instruments and equipment shall be approved for export by the Secretary only pursuant to a validated export license.
(2) The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand, or to such other countries as the President shall designate consistent with the purposes of this subsection and section 5028 of the Foreign Assistance Act of 1961.

(k) Control List.—The Secretary shall establish and maintain, as part of the commodity control list, a list of any goods or technology subject to export controls under this section, and the countries to which such controls apply. Such goods or technology shall be clearly identified as subject to controls under this section. Such list shall consist of goods and technology identified by the Secretary of State, with the concurrence of the Secretary. If the Secretary and the Secretary of State are unable to agree on the list, the matter shall be referred to the President. Such list shall be reviewed not less frequently than every three years in the case of controls maintained cooperatively with other countries, and annually in the case of all other controls, for the purpose of making such revisions as are necessary in order to carry out this section. During the course of such review, an assessment shall be made periodically of the availability from sources outside the United States, or any of its territories or possessions, of goods and technology comparable to those controlled for export from the United States under this section.

SHORT SUPPLY CONTROLS

Sec. 7. (a) Authority.—(1) In order to carry out the policy set forth in section 3(2)(C) of this Act, the President may prohibit or curtail the export of any goods subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. In curtailing exports to carry out the policy set forth in section 3(2)(C) of this Act, the President shall allocate a portion of export licenses on the basis of factors other than a prior history of exportation. Such factors shall include the extent to which a country engages...
in equitable trade practices with respect to United States goods and treats the United States equitably in times of short supply.

(2) Upon imposing quantitative restrictions on exports of any goods to carry out the policy set forth in section 3(2)(C) of this Act, the Secretary shall include in a notice published in the Federal Register with respect to such restrictions an invitation to all interested parties to submit written comments within 15 days from the date of publication on the impact of such restrictions and the method of licensing used to implement them.

(3) In imposing export controls under this section, the President's authority shall include, but not be limited to, the imposition of export license fees.

(b) Monitoring.—(1) In order to carry out the policy set forth in section 3(2)(C) of this Act, the Secretary shall monitor exports, and contracts for exports, of any good (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Any such monitoring shall commence at a time adequate to assure that the monitoring will result in a data base sufficient to enable policies to be developed, in accordance with section 3(2)(C) of this Act, to mitigate a short supply situation or serious inflationary price rise or, if export controls are needed, to permit imposition of such controls in a timely manner. Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection.

(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each item monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(3) The Secretary shall consult with the Secretary of Energy to determine whether monitoring or export controls under this section are warranted with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including, but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels.

(c) Petitions for Monitoring or Controls.—(1)(A) Any entity, including a trade association, firm, or certified or recognized union or group of workers, which is representative of an industry or a substantial segment of an industry which processes metallic materials capable of being recycled with respect to which an increase in domestic prices or a domestic shortage, either of which results from increased exports, has or may have a significant adverse effect on the national economy or any sector thereof, may transmit a written petition to the Secretary requesting the monitoring of exports, or the imposition of export controls, or both, with respect to such material, in order to carry out the policy set forth in section 3(2)(C) of this Act.
(B) Each petition shall be in such form as the Secretary shall prescribe and shall contain information in support of the action requested. The petition shall include any information reasonably available to the petitioner indicating (i) that there has been a significant increase, in relation to a specific period of time, in exports of such material in relation to domestic supply, and (ii) that there has been a significant increase in the price of such material or a domestic shortage of such material under circumstances indicating the price increase or domestic shortage may be related to exports.

(2) Within 15 days after receipt of any petition described in paragraph (1), the Secretary shall publish a notice in the Federal Register. The notice shall (A) include the name of the material which is the subject of the petition, (B) include the Schedule B number of the material as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (C) indicate whether the petitioner is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material, and (D) provide that interested persons shall have a period of 30 days commencing with the date of publication of such notice to submit to the Secretary written data, views, or arguments, with or without opportunity for oral presentation, with respect to the matter involved. At the request of the petitioner or any other entity described in paragraph (1)(A) with respect to the material which is the subject of the petition, or at the request of any entity representative of producers or exporters of such material, the Secretary shall conduct public hearings with respect to the subject of the petition, in which case the 30-day period may be extended to 45 days.

(3) Within 45 days after the end of the 30- or 45-day period described in paragraph (2), as the case may be, the Secretary shall—

(A) determine whether to impose monitoring or controls, or both, on the export of such material, in order to carry out the policy set forth in section 3(2)(C) of this Act; and

(B) publish in the Federal Register a detailed statement of the reasons for such determination.

(4) Within 15 days after making a determination under paragraph (3) to impose monitoring or controls on the export of a material, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within 30 days following the publication of such proposed regulations, and after considering any public comments thereon, the Secretary shall publish and implement final regulations with respect to such monitoring or controls.

(5) For purposes of publishing notices in the Federal Register and scheduling public hearings pursuant to this subsection, the Secretary may consolidate petitions, and responses thereto, which involve the same or related materials.

(6) If a petition with respect to a particular material or group of materials has been considered in accordance with all the procedures prescribed in this subsection, the Secretary may determine, in the absence of significantly changed circumstances, that any other petition with respect to the same material or group of materials which is filed within 6 months after consideration of the prior petition has been completed does not merit complete consideration under this subsection.

(7) The procedures and time limits set forth in this subsection with respect to a petition filed under this subsection shall take precedence over any review undertaken at the initiative of the Secretary with respect to the same subject as that of the petition.
(8) The Secretary may impose monitoring or controls on a temporary basis after a petition is filed under paragraph (1)(A) but before the Secretary makes a determination under paragraph (3) if the Secretary considers such action to be necessary to carry out the policy set forth in section 322(C) of this Act.

(9) The authority under this subsection shall not be construed to affect the authority of the Secretary under any other provision of this Act.

(10) Nothing contained in this subsection shall be construed to preclude submission on a confidential basis to the Secretary of information relevant to a decision to impose or remove monitoring or controls under the authority of this Act, or to preclude consideration of such information by the Secretary in reaching decisions required under this subsection. The provisions of this paragraph shall not be construed to affect the applicability of section 552(b) of title 5, United States Code.

(d) DOMESTICALLY PRODUCED CRUDE OIL.—(1) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), no domestically produced crude oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652) (except any such crude oil which (A) is exported to an adjacent foreign country to be refined and consumed therein in exchange for the same quantity of crude oil being exported from that country to the United States; such exchange must result through convenience or increased efficiency of transportation in lower prices for consumers of petroleum products in the United States as described in paragraph (2)(A)(ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign country and reenters the United States) may be exported from the United States, or any of its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) the President makes and publishes express findings that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity or quality of petroleum refined within, stored within, or legally committed to be transported and sold within the United States;

(ii) will, within 3 months following the initiation of such exports or exchanges, result in (I) acquisition costs to the refiners which purchase the imported crude oil being lower than the acquisition costs such refiners would have to pay for the domestically produced oil in the absence of such an export or exchange, and (II) not less than 75 percent of such savings in costs being reflected in wholesale and retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contracts which may be terminated if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are clearly necessary to protect the national interest; and

(v) are in accordance with the provisions of this Act; and

(B) the President reports such findings to the Congress and the Congress, within 60 days thereafter, agrees to a concurrent resolution approving such exports on the basis of the findings.

(3) Notwithstanding any other provision of this section or any other provision of law, including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil to any country
pursuant to a bilateral international oil supply agreement entered into by the United States with such nation before June 25, 1979, or to any country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency.

(e) Refined Petroleum Products.—(1) No refined petroleum product may be exported except pursuant to an export license specifically authorizing such export. Not later than 5 days after an application for a license to export any refined petroleum product or residual fuel oil is received, the Secretary shall notify the Congress of such application, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export. Such notification shall be made to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) The Secretary may not grant such license during the 30-day period beginning on the date on which notification is received, unless the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that the proposed export is vital to the national interest and that a delay in issuing the license would adversely affect that interest.

(3) This subsection shall not apply to (A) any export license application for exports to a country with respect to which historical export quotas established by the Secretary on the basis of past trading relationships apply, or (B) any license application for exports to a country if exports under the license would not result in more than 250,000 barrels of refined petroleum products being exported from the United States to such country in any fiscal year.

(4) For purposes of this subsection, “refined petroleum product” means gasoline, kerosene, distillates, propane or butane gas, diesel fuel, and residual fuel oil refined within the United States or entered for consumption within the United States.

(5) The Secretary may extend any time period prescribed in section 10 of this Act to the extent necessary to take into account delays in action by the Secretary on a license application on account of the provisions of this subsection.

(f) Certain Petroleum Products.—Petroleum products refined in United States Foreign Trade Zones, or in the United States Territory of Guam, from foreign crude oil shall be excluded from any quantitative restrictions imposed under this section except that, if the Secretary finds that a product is in short supply, the Secretary may issue such regulations as may be necessary to limit exports.

(g) Agricultural Commodities.—(1) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy except to the extent the President determines that such exercise of authority is required to carry out the policies set forth in subparagraph (A) or (B) of paragraph (2) of section 3 of this Act. The Secretary of Agriculture shall, by exercising the authorities which the Secretary of Agriculture has under other applicable provisions of law, collect data with respect to export sales of animal hides and skins.

(2) Upon approval of the Secretary, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or
for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed to carry out the policy set forth in section 3(2)(C) of this Act subsequent to such approval. The Secretary may not grant such approval unless the Secretary receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds (A) that such commodities will eventually be exported, (B) that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, (C) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and (D) that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary may issue such regulations as may be necessary to implement this paragraph.

(3) If the authority conferred by this section or section 6 is exercised to prohibit or curtail the export of any agricultural commodity in order to carry out the policies set forth in subparagraph (B) or (C) of paragraph (2) of section 3 of this Act, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail. If the Congress, within 30 days after the date of its receipt of such report, adopts a concurrent resolution disapproving such prohibition or curtailment, then such prohibition or curtailment shall cease to be effective with the adoption of such resolution. In the computation of such 30-day period, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

(h) BARTER AGREEMENTS.—(1) The exportation pursuant to a barter agreement of any goods which may lawfully be exported from the United States, for any goods which may lawfully be imported into the United States, may be exempted, in accordance with paragraph (2) of this subsection, from any quantitative limitation on exports (other than any reporting requirement) imposed to carry out the policy set forth in section 3(2)(C) of this Act.

(2) The Secretary shall grant an exemption under paragraph (1) if the Secretary finds, after consultation with the appropriate department or agency of the United States, that—

(A) for the period during which the barter agreement is to be performed—

(i) the average annual quantity of the goods to be exported pursuant to the barter agreement will not be required to satisfy the average amount of such goods estimated to be required annually by the domestic economy and will be surplus thereto; and

(ii) the average annual quantity of the goods to be imported will be less than the average amount of such goods estimated to be required annually to supplement domestic production; and

(B) the parties to such barter agreement have demonstrated adequately that they intend, and have the capacity, to perform such barter agreement.

(3) For purposes of this subsection, the term "barter agreement" means any agreement which is made for the exchange, without monetary consideration, of any goods produced in the United States for any goods produced outside of the United States.

(4) This subsection shall apply only with respect to barter agreements entered into after the effective date of this Act.
(1) UNPROCESSED RED CEDAR.—(1) The Secretary shall require a validated license, under the authority contained in subsection (a) of this section, for the export of unprocessed western red cedar (Thuja plicata) logs, harvested from State or Federal lands. The Secretary shall impose quantitative restrictions upon the export of unprocessed western red cedar logs during the 3-year period beginning on the effective date of this Act as follows:

(A) Not more than thirty million board feet scribner of such logs may be exported during the first year of such 3-year period.
(B) Not more than fifteen million board feet scribner of such logs may be exported during the second year of such period.
(C) Not more than five million board feet scribner of such logs may be exported during the third year of such period.

After the end of such 3-year period, no unprocessed western red cedar logs may be exported from the United States.

(2) The Secretary shall allocate export licenses to exporters pursuant to this subsection on the basis of a prior history of exportation by such exporters and such other factors as the Secretary considers necessary and appropriate to minimize any hardship to the producers of western red cedar and to further the foreign policy of the United States.

(3) Unprocessed western red cedar logs shall not be considered to be an agricultural commodity for purposes of subsection (g) of this section.

(4) As used in this subsection, the term "unprocessed western red cedar" means red cedar timber which has not been processed into—

(A) lumber without wane;
(B) chips, pulp, and pulp products;
(C) veneer and plywood;
(D) poles, posts, or pilings cut or treated with preservative for use as such and not intended to be further processed; or
(E) shakes and shingles.

(j) EXPORT OF HORSES.—(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, or any of its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under paragraph (2) of this subsection.

(2) The Secretary, in consultation with the Secretary of Agriculture, may issue regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.

FOREIGN BOYCOTTS

SEC. 8. (a) PROHIBITIONS AND EXCEPTIONS.—(1) For the purpose of implementing the policies set forth in subparagraph (A) or (B) of paragraph (5) of section 3 of this Act, the President shall issue regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with
Employment discrimination. prohibition.

Business information.

Letter of credit.

Regulatory exceptions.

any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary.

(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) Regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms, other than with respect to carriers or route of shipment as may be permitted by such regulations in order to comply with precautionary requirements protecting against war risks and confiscation.
(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regarding requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for his own use, including the performance of contractual services within that country, as may be defined by such regulations.

(3) Regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) This section shall apply to any transaction or activity undertaken, by or through a United States person or any other person, with intent to evade the provisions of this section as implemented by the regulations issued pursuant to this subsection, and such regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b) FOREIGN POLICY CONTROLS.—(1) In addition to the regulations issued pursuant to subsection (a) of this section, regulations issued under section 6 of this Act shall implement the policies set forth in section 3(3).

(2) Such regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 3(3) shall report that fact to the Secretary, together with such other information concerning such request as the Secretary may require for such action as the Secretary considers appropriate for carrying out the policies of that section. Such person shall also report to the Secretary whether such person intends to comply and whether such person has complied with such request. Any report filed pursuant to this paragraph shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any goods or technology to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the
United States person involved at a competitive disadvantage. The Secretary shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary, considers appropriate for carrying out the policies set forth in section 3(5) of this Act.

(c) **Preemption.**—The provisions of this section and the regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, or of any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

**PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS**

Sec. 9. (a) **Filing of Petitions.**—Any person who, in such person's domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a good historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a good, may transmit a petition of hardship to the Secretary requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary shall prescribe and shall contain information demonstrating the need for the relief requested.

(b) **Decision of the Secretary.**—Not later than 30 days after receipt of any petition under subsection (a), the Secretary shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary considers appropriate.

(c) **Factors To Be Considered.**—For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of export controls shall reflect the Secretary's consideration of factors such as the following:

1. Whether denial would cause a unique hardship to the petitioner which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary shall take into account—
   - (A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;
   - (B) potential serious financial loss to the applicant if not granted an exception;
   - (C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the good under control;
   - (D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;
   - (E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and
(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular good.

(2) The effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits shall not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the petitioner.

PROCEDURES FOR PROCESSING EXPORT LICENSE APPLICATIONS

SEC. 10. (a) PRIMARY RESPONSIBILITY OF THE SECRETARY.—(1) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this section.

(2) It is the intent of the Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other department or agency of the Government.

(3) To the extent necessary, the Secretary shall seek information and recommendations from the Government departments and agencies concerned with aspects of United States domestic and foreign policies and operations having an important bearing on exports. Such departments and agencies shall cooperate fully in rendering such information and recommendations.

(b) INITIAL SCREENING.—Within 10 days after the date on which any export license application is submitted pursuant to subsection (a)(1), the Secretary shall—

(1) send the applicant an acknowledgment of the receipt of the application and the date of the receipt;

(2) submit to the applicant a written description of the procedures required by this section, the responsibilities of the Secretary and of other departments and agencies with respect to the application, and the rights of the applicant;

(3) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this section;

(4) determine whether it is necessary to refer the application to any other department or agency and, if such referral is determined to be necessary, inform the applicant of any such department or agency to which the application will be referred; and

(5) determine whether it is necessary to submit the application to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, if so, inform the applicant of this requirement.

(c) ACTION ON CERTAIN APPLICATIONS.—In each case in which the Secretary determines that it is not necessary to refer an application to any other department or agency for its information and recommendations, a license shall be formally issued or denied within 90 days after a properly completed application has been submitted pursuant to this section.

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(d) **Referral to Other Departments and Agencies.**—In each case in which the Secretary determines that it is necessary to refer an application to any other department or agency for its information and recommendations, the Secretary shall, within 30 days after the submission of a properly completed application—

1. refer the application, together with all necessary analysis and recommendations of the Department of Commerce, concurrently to all such departments or agencies; and
2. if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation to be referred to any such department or agency with respect to such application for the purpose of describing the export in question in order to determine whether such documentation accurately describes the proposed export.

(e) **Action by Other Departments and Agencies.**—(1) Any department or agency to which an application is referred pursuant to subsection (d) shall submit to the Secretary, within 30 days after its receipt of the application, the information or recommendations requested with respect to such application. Except as provided in paragraph (2), any such department or agency which does not submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the Secretary to have no objection to the approval of such application.

2. If the head of any such department or agency notifies the Secretary before the expiration of the time period provided in paragraph (1) for submission of its recommendations that more time is required for review by such department or agency, such department or agency shall have an additional 30-day period to submit its recommendations to the Secretary. If such department or agency does not submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the Secretary to have no objection to the approval of such application.

(f) **Action by the Secretary.**—(1) Within 90 days after receipt of the recommendations of other departments and agencies with respect to a license application, as provided in subsection (e), the Secretary shall formally issue or deny the license. In deciding whether to issue or deny a license, the Secretary shall take into account any recommendation of a department or agency with respect to the application in question. In cases where the Secretary receives conflicting recommendations, the Secretary shall, within the 90-day period provided for in this subsection, take such action as may be necessary to resolve such conflicting recommendations.

2. In cases where the Secretary has determined that an application should be denied, the applicant shall be informed in writing, within 5 days after such determination is made, of the determination, of the statutory basis for denial, the policies set forth in section 3 of the Act which would be furthered by denial, and, to the extent consistent with the national security and foreign policy of the United States, the specific considerations which led to the denial, and of the availability of additional procedures.
of appeal procedures. In the event decisions on license applications are deferred inconsistent with the provisions of this section, the applicant shall be so informed in writing within 5 days after such deferral.

(4) If the Secretary determines that a particular application or set of applications is of exceptional importance and complexity, and that additional time is required for negotiations to modify the application or applications, the Secretary may extend any time period prescribed in this section. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.

(g) SPECIAL PROCEDURES FOR SECRETARY OF DEFENSE.—(1) Notwithstanding any other provision of this section, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever the Secretary of Defense determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to recommend to the President that such export be disapproved.

(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the Secretary, and confirm in writing the types and categories of transactions which should be reviewed by the Secretary of Defense in order to make a determination referred to in paragraph (1). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the Secretary shall notify the Secretary of Defense of such request, and the Secretary may not issue any license or other authority pursuant to such request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider any notification submitted by the Secretary pursuant to this paragraph and, not later than 30 days after notification of the request, shall—

(A) recommend to the President that he disapprove any request for the export of the goods or technology involved to the particular country if the Secretary of Defense determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

(B) notify the Secretary that he would recommend approval subject to specified conditions; or

(C) recommend to the Secretary that the export of goods or technology be approved.

If the President notifies the Secretary, within 30 days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

(3) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this subsection, and, to the extent applicable, in accordance with the time periods and procedures otherwise set forth in this section.

(4) Whenever the President exercises his authority under this subsection to modify or overrule a recommendation made by the Secretary of Defense or exercises his authority to modify or overrule any recommendation made by the Secretary of Defense under subsection (c) or (d) of section 5 of this Act with respect to the list of goods and technologies controlled for national security purposes, the Presi-
dent shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense.

(h) MULTILATERAL CONTROLS.—In any case in which an application, which has been finally approved under subsection (c), (f), or (g) of this section, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such subsections, but the Secretary shall notify the applicant of the approval of the application (and the date of such approval) by the Secretary subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review. If such multilateral review has not resulted in a determination with respect to the application within 60 days after such date, the Secretary's approval of the license shall be final and the license shall be issued, unless the Secretary determines that issuance of the license would prove detrimental to the national security of the United States. At the time at which the Secretary makes such a determination, the Secretary shall notify the applicant of the determination and shall notify the Congress of the determination, the reasons for the determination, the reasons for which the multilateral review could not be concluded within such 60-day period, and the actions planned or being taken by the United States Government to secure conclusion of the multilateral review. At the end of every 60-day period after such notification to Congress, the Secretary shall advise the applicant and the Congress of the status of the application, and shall report to the Congress in detail on the reasons for the further delay and any further actions being taken by the United States Government to secure conclusion of the multilateral review. In addition, at the time at which the Secretary issues or denies the license upon conclusion of the multilateral review, the Secretary shall notify the Congress of such issuance or denial and of the total time required for the multilateral review.

(i) RECORDS.—The Secretary and any department or agency to which any application is referred under this section shall keep accurate records with respect to all applications considered by the Secretary or by any such department or agency, including, in the case of the Secretary, any dissenting recommendations received from any such department or agency.

(j) APPEAL AND COURT ACTION.—(1) The Secretary shall establish appropriate procedures for any applicant to appeal to the Secretary the denial of an export license application of the applicant.

(2) In any case in which any action prescribed in this section is not taken on a license application within the time periods established by this section (except in the case of a time period extended under subsection (f)(4) of which the applicant is notified), the applicant may file a petition with the Secretary requesting compliance with the requirements of this section. When such petition is filed, the Secretary shall take immediate steps to correct the situation giving rise to the petition and shall immediately notify the applicant of such steps.

(3) If, within 30 days after a petition is filed under paragraph (2), the processing of the application has not been brought into conformity with the requirements of this section, or the application has been brought into conformity with such requirements but the Secretary has not so notified the applicant, the applicant may bring an action in an appropriate United States district court for a restraining order, a temporary or permanent injunction, or other appropriate relief, to require compliance with the requirements of this section. The United
States district courts shall have jurisdiction to provide such relief, as appropriate.

VIOLATIONS

SEC. 11. (a) IN GENERAL.—Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than 5 years, or both.

(b) WILLFUL VIOLATIONS.—(1) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned not more than 10 years, or both.

(2) Any person who is issued a validated license under this Act for the export of any good or technology to a controlled country and who, with knowledge that such a good or technology is being used by such controlled country for military or intelligence gathering purposes contrary to the conditions under which the license was issued, willfully fails to report such use to the Secretary of Defense, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned for not more than 5 years, or both. For purposes of this paragraph, "controlled country" means any country described in section 620(f) of the Foreign Assistance Act of 1961.

(c) CIVIL PENALTIES; ADMINISTRATIVE SANCTIONS.—(1) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed $10,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(2)(A) The authority under this Act to suspend or revoke the authority of any United States person to export goods or technology may be used with respect to any violation of the regulations issued pursuant to section 8(a) of this Act.

(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the regulations issued pursuant to section 8(a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the regulations issued pursuant to section 8(a) of this Act shall be made available for public inspection and copying.

(d) PAYMENT OF PENALTIES.—The payment of any penalty imposed pursuant to subsection (c) may be made as a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the
collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

(e) Refunds.—Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within 2 years after payment, on the ground of a material error of fact or law in the imposition of the penalty. Notwithstanding section 1346(a) of title 28, United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) Actions for Recovery of Penalties.—In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues necessary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Other Authorities.—Nothing in subsection (c), (d), or (f) limits—

1. the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;
2. the authority to compromise and settle administrative proceedings brought with respect to violations of this Act, or any regulation, order, or license issued under this Act; or
3. the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

SEC. 12. (a) General Authority.—To the extent necessary or appropriate to the enforcement of this Act or to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949 or the Export Administration Act of 1969, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) Immunity.—No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of section 6002 of
title 18, United States Code, shall apply with respect to any individual who specifically claims such privilege.

(1) Confidentiality.—(1) Except as otherwise provided by the third sentence of section 8b(2) and by section 11(c)(2)(C) of this Act, information obtained under this Act on or before June 30, 1980, which is deemed confidential, including Shippers' Export Declarations, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary determines that the withholding thereof is contrary to the national interest. Information obtained under this Act after June 30, 1980, may be withheld only to the extent permitted by statute, except that information obtained for the purpose of consideration of, or concerning, license applications under this Act shall be withheld from public disclosure unless the release of such information is determined by the Secretary to be in the national interest. Enactment of this subsection shall not affect any judicial proceeding commenced under section 552 of title 5, United States Code, to obtain access to boycott reports submitted prior to October 31, 1976, which was pending on May 15, 1979; but such proceeding shall be continued as if this Act had not been enacted.

(2) Nothing in this Act shall be construed as authorizing the withholding of information from the Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.

(2) Reporting Requirements.—In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology.

(3) Simplification of Regulations.—The Secretary, in consultation with appropriate United States Government departments and agencies and with appropriate technical advisory committees established under section 52(h), shall review the regulations issued under this Act and the commodity control list in order to determine how compliance with the provisions of this Act can be facilitated by simplifying such regulations, by simplifying or clarifying such list, or by any other means.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 13. (a) Exemption.—Except as provided in section 11(c)(2), the functions exercised under this Act are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(b) Public Participation.—It is the intent of the Congress that, to the extent practicable, all regulations imposing controls on exports
under this Act be issued in proposed form with meaningful opportunity for public comment before taking effect. In cases where a regulation imposing controls under this Act is issued with immediate effect, it is the intent of the Congress that meaningful opportunity for public comment also be provided and that the regulation be reissued in final form after public comments have been fully considered.

ANNUAL REPORT

SEC. 14. (a) CONTENTS.—Not later than December 31 of each year, the Secretary shall submit to the Congress a report on the administration of this Act during the preceding fiscal year. All agencies shall cooperate fully with the Secretary in providing information for such report. Such report shall include detailed information with respect to—

(1) the implementation of the policies set forth in section 3;
(2) general licensing activities under sections 5, 6, and 7, and any changes in the exercise of the authorities contained in sections 5(a), 6(a), and 7(a);
(3) the results of the review of United States policy toward individual countries pursuant to section 5(b);
(4) the results, in as much detail as may be included consistent with the national security and the need to maintain the confidentiality of proprietary information, of the actions, including reviews and revisions of export controls maintained for national security purposes, required by section 5(c)(3);
(5) actions taken to carry out section 5(d);
(6) changes in categories of items under export control referred to in section 5(e);
(7) determinations of foreign availability made under section 5(f), the criteria used to make such determinations, the removal of any export controls under such section, and any evidence demonstrating a need to impose export controls for national security purposes notwithstanding foreign availability;
(8) actions taken in compliance with section 5(f)(5);
(9) the operation of the indexing system under section 5(g);
(10) consultations with the technical advisory committees established pursuant to section 5(h), the use made of the advice rendered by such committees, and the contributions of such committees toward implementing the policies set forth in this Act;
(11) the effectiveness of export controls imposed under section 6 in furthering the foreign policy of the United States;
(12) export controls and monitoring under section 7;
(13) the information contained in the reports required by section 7(b)(2), together with an analysis of—
(A) the impact on the economy and world trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;
(B) the worldwide supply of such commodities, and
(C) actions being taken by other countries in response to such shortages or increased prices;
(14) actions taken by the President and the Secretary to carry out the antiboycott policies set forth in section 351 of this Act;
(15) organizational and procedural changes undertaken in furtherance of the policies set forth in this Act, including changes to increase the efficiency of the export licensing process and to fulfill the requirements of section 10, including an
analysis of the time required to process license applications, the number and disposition of export license applications taking more than 90 days to process, and an accounting of appeals received, court orders issued, and actions taken pursuant thereto under subsection (j) of such section;

(16) delegations of authority by the President as provided in section 4(e) of this Act;

(17) efforts to keep the business sector of the Nation informed with respect to policies and procedures adopted under this Act;

(18) any reviews undertaken in furtherance of the policies of this Act, including the results of the review required by section 12(d), and any action taken, on the basis of the review required by section 12(e), to simplify regulations issued under this Act;

(19) violations under section 11 and enforcement activities under section 12; and

(20) the issuance of regulations under the authority of this Act, including an explanation of each case in which regulations were not issued in accordance with the first sentence of section 13(b).

(b) REPORT ON CERTAIN EXPORT CONTROLS.—To the extent that the President determines that the policies set forth in section 3 of this Act require the control of the export of goods and technology other than those subject to multilateral controls, or require more stringent controls than the multilateral controls, the President shall include in each annual report the reasons for the need to impose, or to continue to impose, such controls and the estimated domestic economic impact on the various industries affected by such controls.

(c) REPORT ON NEGOTIATIONS.—The President shall include in each annual report a detailed report on the progress of the negotiations required by section 5(i), until such negotiations are concluded.

REGULATORY AUTHORITY

Sec. 15. The President and the Secretary may issue such regulations as are necessary to carry out the provisions of this Act. Any such regulations issued to carry out the provisions of section 5(a), 6(a), 7(a), or 8(b) may apply to the financing, transporting, or other servicing of exports and the participation therein by any person.

DEFINITIONS

Sec. 16. As used in this Act—

(1) the term "person" includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof;

(2) the term "United States person" means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President;

(3) the term "good" means any article, material, supply or manufactured product, including inspection and test equipment, and excluding technical data;

(4) the term "technology" means the information and know-how that can be used to design, produce, manufacture, utilize, or
reconstruct goods, including computer software and technical data, but not the goods themselves; and
(5) the term “Secretary” means the Secretary of Commerce.

EFFECT ON OTHER ACTS.

Sec. 17. (a) In General.—Nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) Coordination of Controls.—The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with the authority exercised under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) Civil, Aircraft Equipment.—Notwithstanding any other provision of law, any product (1) which is standard equipment, certified by the Federal Aviation Administration, in civil aircraft and is an integral part of such aircraft, and (2) which is to be exported to a country other than a controlled country, shall be subject to export controls exclusively under this Act. Any such product shall not be subject to controls under section 38(b)(2) of the Arms Export Control Act. For purposes of this subsection, the term “controlled country” means any country described in section 620(f) of the Foreign Assistance Act of 1961.

(d) Nonproliferation Controls.—(1) Nothing in section 5 or 6 of this Act shall be construed to supersede the procedures published by the President pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978.

(2) With respect to any export license application which, under the procedures published by the President pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, is referred to the Subgroup on Nuclear Export Coordination or other interagency group, the provisions of section 10 of this Act shall apply with respect to such license application only to the extent that they are consistent with such published procedures, except that if the processing of any such application under such procedures is not completed within 180 days after the receipt of the application by the Secretary, the applicant shall have the rights of appeal and court action provided in section 10(j) of this Act.

(e) Termination of Other Authority.—On October 1, 1979, the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611-1613d), is superseded.

AUTHORIZATION OF APPROPRIATIONS

Sec. 18. (a) Requirement of Authorizing Legislation.—Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act unless previously and specifically authorized by law.

(b) Authorization.—There are appropriated to the Department of Commerce to carry out the purposes of this Act—

(1) $8,000,000 for each of the fiscal years 1980 and 1981, of which $1,250,000 shall be available for each such fiscal year only for purposes of carrying out foreign availability assessments pursuant to section 5(f)(5), and,

(2) such additional amounts, for each such fiscal year, as may be necessary for increases in salary, pay, retirement, other
employee benefits authorized by law, and other nondiscretionary costs.

**EFFECTIVE DATE**

SEC. 19. (a) **EFFECTIVE DATE.**—This Act shall take effect upon the expiration of the Export Administration Act of 1969.

(b) **ISSUANCE OF REGULATIONS.**—(1) Regulations implementing the provisions of section 10 of this Act shall be issued and take effect not later than July 1, 1980.

(2) Regulations implementing the provisions of section 7(c) of this Act shall be issued and take effect not later than January 1, 1980.

**TERMINATION DATE**

SEC. 20. The authority granted by this Act terminates on September 30, 1983, or upon any prior date which the President by proclamation may designate.

**SAVINGS PROVISIONS**

SEC. 21. (a) **IN GENERAL.**—All delegations, rules, regulations, orders, determinations, licenses, or other forms of administrative action which have been made, issued, conducted, or allowed to become effective under the Export Control Act of 1949 or the Export Administration Act of 1969 and which are in effect at the time this Act takes effect shall continue in effect according to their terms until modified, superseded, set aside, or revoked under this Act.

(b) **ADMINISTRATIVE PROCEEDINGS.**—This Act shall not apply to any administrative proceedings commenced or any application for a license made, under the Export Administration Act of 1969, which is pending at the time this Act takes effect.

**TECHNICAL AMENDMENTS**

SEC. 22. (a) Section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) is amended by striking out “sections 6(c), (d), (e), and (f) and 7(a) and (c) of the Export Administration Act of 1969” and inserting in lieu thereof “subsections (c), (d), (e), and (f) of section 11 of the Export Administration Act of 1979, and by subsections (a) and (c) of section 12 of such Act”.

(b)(1) Section 103(c) of the Energy Policy and Conservation Act (42 U.S.C. 6212(c)) is amended—

(A) by striking out “1969” and inserting in lieu thereof “1979”; and

(B) by striking out “(A)” and inserting in lieu thereof “(C)”.

(2) Section 254(e)(3) of such Act (42 U.S.C. 6274(e)(3)) is amended by striking out “section 7 of the Export Administration Act of 1969” and inserting in lieu thereof “section 12 of the Export Administration Act of 1979”.

(c) Section 993(c)(2)(D) of the Internal Revenue Code of 1954 (26 U.S.C. 993(c)(2)(D)) is amended—

(1) by striking out “4(b) of the Export Administration Act of 1969 (50 U.S.C. App. 2403(b))” and inserting in lieu thereof “7(a) of the Export Administration Act of 1979”; and

(2) by striking out “(A)” and inserting in lieu thereof “(C)”.  

1 U.S.Cong. & Adm.News '79-15 93 STAT. 535
INTERNATIONAL INVESTMENT SURVEY ACT AUTHORIZATIONS

Sec. 23. (a) Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended to read as follows:

"AUTHORIZATIONS

"Sec. 9. To carry out this Act, there are authorized to be appropriated $4,400,000 for the fiscal year ending September 30, 1980, and $4,500,000 for the fiscal year ending September 30, 1981."

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

MISCELLANEOUS

Sec. 24. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "or beer", in the second sentence immediately after "wine".

Approved September 29, 1979.

88
P.L. 96-72
LAWS OF 96th CONG.—1st SESS. Sept. 29

MISCELLANEOUS

Sec. 24. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "or beer", in the second sentence immediately after "wine".

Approved September 29, 1979.

LEGISLATIVE HISTORY

HOUSE REPORTS: No 96-200 accompanying H.R. 4034 (Comm. on Foreign Affairs) and No 96-492 (Comm. of Conference).

SENATE REPORT No 96-119 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RPPT. (H.R. Vol. 125 (1979):

July 18, 20, 21, considered and passed Senate.
May 31, July 24, Sept 11, 18, 21, 25, H.R. 4034 considered and passed House.

passage vacated and S. 737, amended, passed in lieu.
Sept 27, Senate agreed to conference report.
Sept 29, House agreed to conference report.

93 STAT. 536
APPENDIX D

STATISTICAL TABLES
Table 1.—Wheat, coarse grains, and soybeans and soybean products: World exports, U.S. exports, and U.S. share of world exports, crop years 1970/71 to 1982/83

<table>
<thead>
<tr>
<th>Year</th>
<th>World exports of—</th>
<th>U.S. exports of—</th>
<th>U.S. share of world exports—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wheat 1\</td>
<td>Coarse grains 2\</td>
<td>Soybeans and soybean products 3\</td>
</tr>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Million metric tons</td>
</tr>
<tr>
<td>1970/71</td>
<td>55.0</td>
<td>23.9</td>
<td>19.9</td>
</tr>
<tr>
<td>1971/72</td>
<td>52.0</td>
<td>24.9</td>
<td>16.9</td>
</tr>
<tr>
<td>1972/73</td>
<td>67.0</td>
<td>28.1</td>
<td>31.7</td>
</tr>
<tr>
<td>1973/74</td>
<td>63.0</td>
<td>31.1</td>
<td>31.0</td>
</tr>
<tr>
<td>1974/75</td>
<td>64.3</td>
<td>29.4</td>
<td>28.0</td>
</tr>
<tr>
<td>1975/76</td>
<td>66.7</td>
<td>42.6</td>
<td>31.7</td>
</tr>
<tr>
<td>1976/77</td>
<td>63.3</td>
<td>82.5</td>
<td>41.6</td>
</tr>
<tr>
<td>1977/78</td>
<td>72.8</td>
<td>83.5</td>
<td>47.1</td>
</tr>
<tr>
<td>1978/79</td>
<td>72.0</td>
<td>89.7</td>
<td>51.4</td>
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<tr>
<td>1979/80</td>
<td>86.0</td>
<td>100.9</td>
<td>56.9</td>
</tr>
<tr>
<td>1980/81</td>
<td>94.2</td>
<td>105.5</td>
<td>36.4</td>
</tr>
<tr>
<td>1981/82</td>
<td>102.0</td>
<td>105.3</td>
<td>61.7</td>
</tr>
<tr>
<td>1982/83</td>
<td>98.2</td>
<td>88.8</td>
<td>42.9</td>
</tr>
</tbody>
</table>

1/ Includes wheat equivalent of flour.
2/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
3/ In soybean equivalent.
4/ Preliminary

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note: Crop years vary by country.
Table 2.--Corn and wheat: U.S. sales to the U.S.S.R. under the U.S.-U.S.S.R. Grain Supply Agreement of 1975, crop years 1976/77 to 1982/83

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Agreement year</th>
<th>Corn</th>
<th>Wheat</th>
<th>Total 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976/77</td>
<td>3.1</td>
<td>3.1</td>
<td>6.1</td>
</tr>
<tr>
<td>1977/78</td>
<td>11.1</td>
<td>3.5</td>
<td>14.6</td>
</tr>
<tr>
<td>1978/79 2/</td>
<td>11.5</td>
<td>4.0</td>
<td>15.5</td>
</tr>
<tr>
<td>1979/80</td>
<td>5.8</td>
<td>2.2</td>
<td>7.9</td>
</tr>
<tr>
<td>1980/81</td>
<td>5.7</td>
<td>3.8</td>
<td>9.5</td>
</tr>
<tr>
<td>1981/82</td>
<td>7.8</td>
<td>6.1</td>
<td>13.9</td>
</tr>
<tr>
<td>1982/83</td>
<td>3.0</td>
<td>3.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>

1/ Oct. 1-Sept. 30

2/ Includes 89,000 tons of wheat and 219,000 tons of corn carried over from the second year, and 173,000 tons of wheat and 125,000 tons of corn exported in October and November 1979 to complete the third-year purchase.

Table 3.--Wheat and coarse grains: Average annual world production and exports, by principal sources, crop years 1978/79 to 1982/83 1/

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Source</th>
<th>Wheat Production</th>
<th>Wheat Exports 2/</th>
<th>Coarse grains Production</th>
<th>Coarse grains Exports</th>
<th>Total Production</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>64.7</td>
<td>40.4</td>
<td>232.7</td>
<td>63.0</td>
<td>297.5</td>
<td>103.4</td>
</tr>
<tr>
<td>Canada</td>
<td>22.0</td>
<td>16.9</td>
<td>22.7</td>
<td>5.5</td>
<td>44.6</td>
<td>22.3</td>
</tr>
<tr>
<td>EC</td>
<td>53.6</td>
<td>13.0</td>
<td>69.4</td>
<td>5.0</td>
<td>123.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Argentina</td>
<td>9.3</td>
<td>5.0</td>
<td>16.8</td>
<td>10.5</td>
<td>26.9</td>
<td>15.4</td>
</tr>
<tr>
<td>Australia</td>
<td>14.0</td>
<td>10.1</td>
<td>5.8</td>
<td>2.7</td>
<td>19.8</td>
<td>12.8</td>
</tr>
<tr>
<td>All other</td>
<td>284.2</td>
<td>5.6</td>
<td>406.9</td>
<td>10.9</td>
<td>690.9</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>447.9</td>
<td>90.9</td>
<td>754.2</td>
<td>97.6</td>
<td>1,202.1</td>
<td>188.5</td>
</tr>
</tbody>
</table>

1/ Crop years vary by country.
2/ Includes the wheat equivalent of flour.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.

Table 4.--Soybeans, soybean meal, and soybean oil: Average annual world production and exports, by principal sources, crop years 1978/79 to 1982/83 1/

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Source</th>
<th>Soybeans Production</th>
<th>Soybeans Exports 2/</th>
<th>Soybean meal 2/ Production</th>
<th>Soybean meal 2/ Exports</th>
<th>Soybean oil 2/ Production</th>
<th>Soybean oil 2/ Exports</th>
<th>Total 2/</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>55.6</td>
<td>22.7</td>
<td>29.0</td>
<td>8.1</td>
<td>29.5</td>
<td>5.5</td>
<td>36.4</td>
</tr>
<tr>
<td>Brazil</td>
<td>13.7</td>
<td>1.1</td>
<td>11.6</td>
<td>9.0</td>
<td>12.6</td>
<td>4.7</td>
<td>14.8</td>
</tr>
<tr>
<td>EC</td>
<td>53.6</td>
<td>.2</td>
<td>11.3</td>
<td>5.0</td>
<td>11.2</td>
<td>5.2</td>
<td>10.4</td>
</tr>
<tr>
<td>Argentina</td>
<td>3.6</td>
<td>2.2</td>
<td>1.1</td>
<td>1.0</td>
<td>1.1</td>
<td>.7</td>
<td>3.9</td>
</tr>
<tr>
<td>All other</td>
<td>13.8</td>
<td>.9</td>
<td>19.3</td>
<td>.8</td>
<td>18.0</td>
<td>2.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>86.7</td>
<td>27.2</td>
<td>72.4</td>
<td>23.9</td>
<td>72.4</td>
<td>19.0</td>
<td>74.0</td>
</tr>
</tbody>
</table>

1/ Crop years vary by country.
2/ Converted to soybean equivalent.
3/ Includes shipments of soybean products made from imported soybeans, and consequently, overstates world trade.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.
Table 5.—Wheat and coarse grains: Average annual world imports, by principal markets, crop years 1978/79 to 1982/83 1/

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Market</th>
<th>Wheat 2/</th>
<th>Coarse grains</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.S.R</td>
<td>14.7</td>
<td>17.2</td>
<td>31.9</td>
</tr>
<tr>
<td>Japan</td>
<td>5.7</td>
<td>18.5</td>
<td>24.2</td>
</tr>
<tr>
<td>EC</td>
<td>4.6</td>
<td>11.3</td>
<td>15.9</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>5.3</td>
<td>8.7</td>
<td>13.9</td>
</tr>
<tr>
<td>China</td>
<td>11.4</td>
<td>2.0</td>
<td>13.4</td>
</tr>
<tr>
<td>All other</td>
<td>48.9</td>
<td>40.4</td>
<td>89.3</td>
</tr>
<tr>
<td>Total</td>
<td>90.5</td>
<td>98.1</td>
<td>188.6</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes the wheat equivalent of flour.
3/ Includes Poland, the German Democratic Republic, Czechoslovakia, Hungary, Romania, Yugoslavia, and Bulgaria.

Note.—Because of rounding, figures may not add to the totals shown.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 6.—Soybeans, soybean meal, and soybean oil: Average annual world imports, by principal markets, crop years 1978/79 to 1982/83 1/

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Market</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC</td>
<td>11.8</td>
<td>13.0</td>
<td>2.7</td>
<td>27.5</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>4.3</td>
<td>4.6</td>
<td>1.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Japan</td>
<td>4.3</td>
<td>3.0</td>
<td>1.0</td>
<td>6.6</td>
</tr>
<tr>
<td>U.S.S.R</td>
<td>1.5</td>
<td>1.7</td>
<td>0.6</td>
<td>3.7</td>
</tr>
<tr>
<td>India</td>
<td>4/ 3/</td>
<td>3.2</td>
<td>3.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Spain</td>
<td>2.8</td>
<td>0.2</td>
<td>3/</td>
<td>3.1</td>
</tr>
<tr>
<td>All other</td>
<td>6.4</td>
<td>4.6</td>
<td>11.1</td>
<td>22.1</td>
</tr>
<tr>
<td>Total</td>
<td>27.5</td>
<td>24.3</td>
<td>18.8</td>
<td>70.5</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Converted to soybean equivalent.
3/ Includes Poland, the Germany Democratic Republic, Czechoslovakia, Hungary, Romania, Yugoslavia, and Bulgaria.
4/ Less than 0.1 million metric tons.

Source: Compiled from official statistics of the U.S. Department of Agriculture.
Table 7.--Wheat and coarse grains: U.S.S.R. imports, by principal sources, crop years 1977/78 to 1982/83 1/  

(In millions of metric tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>3.3</td>
<td>2.9</td>
<td>3.9</td>
<td>3.0</td>
<td>6.9</td>
<td>3.0</td>
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<td>Canada</td>
<td>1.7</td>
<td>2.0</td>
<td>2.1</td>
<td>4.5</td>
<td>4.8</td>
<td>7.1</td>
</tr>
<tr>
<td>Australia</td>
<td>0.3</td>
<td>1.1</td>
<td>2.7</td>
<td>2.5</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Argentina</td>
<td>1.1</td>
<td>3/</td>
<td>2.0</td>
<td>3.0</td>
<td>3.1</td>
<td>4.2</td>
</tr>
<tr>
<td>EC</td>
<td>3/</td>
<td>3/</td>
<td>0.7</td>
<td>0.9</td>
<td>1.7</td>
<td>3.5</td>
</tr>
<tr>
<td>All other</td>
<td>0.2</td>
<td>0.1</td>
<td>0.6</td>
<td>2.1</td>
<td>0.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Total 4/</td>
<td>6.7</td>
<td>5.1</td>
<td>12.1</td>
<td>16.0</td>
<td>19.5</td>
<td>20.5</td>
</tr>
<tr>
<td>Coarse grains:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>9.2</td>
<td>8.3</td>
<td>11.3</td>
<td>5.0</td>
<td>8.5</td>
<td>3.2</td>
</tr>
<tr>
<td>Canada</td>
<td>0.2</td>
<td>1.1</td>
<td>1.3</td>
<td>2.3</td>
<td>4.4</td>
<td>1.8</td>
</tr>
<tr>
<td>Australia</td>
<td>3/</td>
<td>3/</td>
<td>1.3</td>
<td>4.4</td>
<td>1.1</td>
<td>3/</td>
</tr>
<tr>
<td>Argentina</td>
<td>1.6</td>
<td>1.4</td>
<td>3.1</td>
<td>8.2</td>
<td>10.2</td>
<td>5.4</td>
</tr>
<tr>
<td>EC</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.6</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>All other</td>
<td>0.6</td>
<td>3/</td>
<td>1.2</td>
<td>1.5</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Total 4/</td>
<td>11.7</td>
<td>10.0</td>
<td>18.3</td>
<td>18.0</td>
<td>25.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>12.5</td>
<td>11.2</td>
<td>15.2</td>
<td>8.0</td>
<td>15.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Canada</td>
<td>1.9</td>
<td>2.1</td>
<td>3.4</td>
<td>6.8</td>
<td>9.2</td>
<td>8.9</td>
</tr>
<tr>
<td>Australia</td>
<td>0.3</td>
<td>1.1</td>
<td>4.0</td>
<td>2.9</td>
<td>2.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Argentina</td>
<td>2.7</td>
<td>1.4</td>
<td>5.1</td>
<td>11.2</td>
<td>13.3</td>
<td>9.6</td>
</tr>
<tr>
<td>EC</td>
<td>0.2</td>
<td>0.2</td>
<td>0.9</td>
<td>1.5</td>
<td>2.4</td>
<td>3.8</td>
</tr>
<tr>
<td>All other</td>
<td>0.8</td>
<td>0.1</td>
<td>1.8</td>
<td>3.6</td>
<td>2.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Total 4/</td>
<td>18.4</td>
<td>15.1</td>
<td>30.4</td>
<td>34.0</td>
<td>45.0</td>
<td>32.0</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Preliminary.
3/ Less than 50,000 tons.
4/ Included grain equivalent of flour but does not include rice and pulses.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.
Table 8.--Soybeans and soybean products: U.S.S.R. imports of soybeans and soybean products, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Total 3/</th>
<th>U.S. share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td></td>
<td></td>
<td></td>
<td>Percent</td>
</tr>
<tr>
<td>1977/78---:</td>
<td>0.9</td>
<td>0.0</td>
<td>0.1</td>
<td>0.9</td>
<td>89</td>
</tr>
<tr>
<td>1978/79---:</td>
<td>1.8 3/</td>
<td>0.5</td>
<td>0.3</td>
<td>1.9</td>
<td>64</td>
</tr>
<tr>
<td>1979/80---:</td>
<td>1.1</td>
<td>0.5</td>
<td>0.3</td>
<td>1.9</td>
<td>55</td>
</tr>
<tr>
<td>1980/81---:</td>
<td>1.4</td>
<td>1.3</td>
<td>0.3</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>1981/82---:</td>
<td>1.7</td>
<td>2.1</td>
<td>1.1</td>
<td>4.9</td>
<td>15</td>
</tr>
<tr>
<td>1982/83 4/---:</td>
<td>1.5</td>
<td>3.3</td>
<td>0.7</td>
<td>5.5</td>
<td>4</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ In soybean equivalent.
3/ Less than 500,000 metric tons.
4/ Preliminary.

Source: Compiled from official statistics of the United States Department of Agriculture.

Note.--Because of rounding, figures may not add to the totals shown.

Table 9.--Wheat and coarse grains: U.S. exports of domestic merchandise and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat 2/</th>
<th>Coarse grains 3/</th>
<th>Total 4/</th>
<th>Share of world exports of--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td></td>
<td></td>
<td>Wheat</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1977/78---:</td>
<td>31.5</td>
<td>52.1</td>
<td>83.6</td>
<td>43</td>
</tr>
<tr>
<td>1978/79---:</td>
<td>32.3</td>
<td>56.9</td>
<td>89.2</td>
<td>45</td>
</tr>
<tr>
<td>1979/80---:</td>
<td>37.2</td>
<td>71.6</td>
<td>108.8</td>
<td>43</td>
</tr>
<tr>
<td>1980/81---:</td>
<td>41.9</td>
<td>72.4</td>
<td>114.3</td>
<td>44</td>
</tr>
<tr>
<td>1981/82---:</td>
<td>49.1</td>
<td>61.4</td>
<td>110.5</td>
<td>48</td>
</tr>
<tr>
<td>1982/83 4/---:</td>
<td>40.0</td>
<td>52.9</td>
<td>92.9</td>
<td>41</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes wheat equivalent of flour.
3/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Total and percentages calculated from unrounded figures.
Table 10.--Wheat and coarse grains: Canadian exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat 2/</th>
<th>Coarse grains 3/</th>
<th>Total</th>
<th>Share of world exports of--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Wheat</td>
<td>Coarse grains</td>
</tr>
<tr>
<td>1977/78</td>
<td>15.9</td>
<td>3.7</td>
<td>19.6</td>
<td>22</td>
</tr>
<tr>
<td>1978/79</td>
<td>13.3</td>
<td>3.9</td>
<td>17.4</td>
<td>19</td>
</tr>
<tr>
<td>1979/80</td>
<td>15.0</td>
<td>4.8</td>
<td>19.8</td>
<td>17</td>
</tr>
<tr>
<td>1980/81</td>
<td>17.0</td>
<td>4.6</td>
<td>21.6</td>
<td>18</td>
</tr>
<tr>
<td>1981/82</td>
<td>17.8</td>
<td>7.6</td>
<td>25.4</td>
<td>17</td>
</tr>
<tr>
<td>1982/83</td>
<td>21.0</td>
<td>6.2</td>
<td>27.2</td>
<td>21</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes wheat equivalent of flour.
3/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Total and percentages calculated from unrounded figures.

Table 11.--Wheat and coarse grains: EC exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat 2/</th>
<th>Coarse grains 3/</th>
<th>Total</th>
<th>Share of world exports of--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Wheat</td>
<td>Coarse grains</td>
</tr>
<tr>
<td>1977/78</td>
<td>5.2</td>
<td>5.5</td>
<td>10.7</td>
<td>7</td>
</tr>
<tr>
<td>1978/79</td>
<td>8.8</td>
<td>5.3</td>
<td>14.0</td>
<td>12</td>
</tr>
<tr>
<td>1979/80</td>
<td>10.4</td>
<td>5.0</td>
<td>15.4</td>
<td>12</td>
</tr>
<tr>
<td>1980/81</td>
<td>14.7</td>
<td>5.6</td>
<td>20.3</td>
<td>16</td>
</tr>
<tr>
<td>1981/82</td>
<td>15.5</td>
<td>5.2</td>
<td>20.7</td>
<td>15</td>
</tr>
<tr>
<td>1982/83</td>
<td>15.5</td>
<td>5.5</td>
<td>21.0</td>
<td>16</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes wheat equivalent of flour.
3/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Total and percentages calculated from unrounded figures.
Table 12.--Wheat and coarse grains: Argentine exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat 2/: Coarse $3/$</th>
<th>Total</th>
<th>Share of world exports of--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Wheat</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>1977/78---</td>
<td>2.6 : 11.0 : 13.6 : 4 : 13 : 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979/80-----</td>
<td>4.8 : 6.6 : 11.4 : 6 : 7 : 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982/83 4/---</td>
<td>7.5 : 10.8 : 18.3 : 8 : 12 : 10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes wheat equivalent of flour.
3/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Total and percentages calculated from unrounded figures.

Table 13.--Wheat and coarse grains: Australian exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat 2/: Coarse $3/$</th>
<th>Total</th>
<th>Share of world exports of--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Wheat</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>1979/80-----</td>
<td>14.9 : 4.1 : 19.0 : 17 : 4 : 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980/81------</td>
<td>10.6 : 2.2 : 12.8 : 11 : 2 : 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981/82------</td>
<td>11.0 : 3.4 : 14.4 : 11 : 3 : 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982/83 4/---</td>
<td>8.0 : 1.3 : 9.3 : 8 : 1 : 5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ Includes wheat equivalent of flour.
3/ Includes corn, sorghum, oats, barley, rye, millet, and mixed grains.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.--Total and percentages calculated from unrounded figures.
Table 14.--Wheat and coarse grains: Production of the United States and its major competitors, crop years 1977/78 to 1982/83

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Wheat production 1/</th>
<th>Coarse grain production 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>United States</td>
<td>Competitors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Canada</td>
</tr>
<tr>
<td>1977/78</td>
<td>55.7</td>
<td>19.9</td>
</tr>
<tr>
<td>1978/79</td>
<td>48.3</td>
<td>21.1</td>
</tr>
<tr>
<td>1979/80</td>
<td>58.1</td>
<td>17.2</td>
</tr>
<tr>
<td>1980/81</td>
<td>64.6</td>
<td>19.2</td>
</tr>
<tr>
<td>1981/82</td>
<td>76.2</td>
<td>24.8</td>
</tr>
<tr>
<td>1982/83 2/</td>
<td>76.4</td>
<td>27.6</td>
</tr>
</tbody>
</table>

|           | United States       | Competitors                | Total of competitors |
|           |                     | EC                         | Canada             | Argentina       |                          |
| 1977/78   | 205.7               | 66.5                       | 22.3              | 18.3            | 107.1                    |
| 1978/79   | 222.1               | 70.1                       | 20.3              | 17.2            | 107.6                    |
| 1979/80   | 238.7               | 69.1                       | 18.6              | 10.6            | 98.3                     |
| 1980/81   | 198.4               | 69.7                       | 21.8              | 21.0            | 112.5                    |
| 1981/82   | 249.0               | 67.8                       | 26.0              | 18.4            | 112.2                    |
| 1982/83 2/ | 255.5               | 71.3                       | 26.6              | 16.6            | 114.5                    |

1/ Production data includes all harvest occurring within the July-June year indicated, except that small grain crops from the early harvesting Northern Hemisphere areas are "moved forward;" e.g., the May 1977 harvests in areas such as India, North Africa, and southern United States are actually included in "1977/78" crop year, which begins July 1, 1977.

2/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.
Table 15.—Soybeans and soybean products: U.S. exports of domestic merchandise and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Total 2/</th>
<th>Soybean meal</th>
<th>Soybean oil</th>
<th>Soybean and soybean product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>19.1</td>
<td>6.9</td>
<td>5.3</td>
<td>31.3</td>
<td>85</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>1978/79</td>
<td>20.1</td>
<td>7.5</td>
<td>6.0</td>
<td>33.6</td>
<td>81</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>1979/80</td>
<td>23.8</td>
<td>9.1</td>
<td>6.9</td>
<td>39.8</td>
<td>84</td>
<td>40</td>
<td>37</td>
</tr>
<tr>
<td>1980/81</td>
<td>19.7</td>
<td>7.7</td>
<td>4.2</td>
<td>31.6</td>
<td>78</td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td>1981/82</td>
<td>25.3</td>
<td>7.9</td>
<td>5.3</td>
<td>38.5</td>
<td>87</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>1982/83 3/</td>
<td>24.9</td>
<td>8.4</td>
<td>5.1</td>
<td>38.4</td>
<td>89</td>
<td>30</td>
<td>25</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ In soybean equivalent.
3/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.—Total and percentages calculated from unrounded figures. Share is calculated from gross world exports and, consequently, includes shipments of soybean products made from imported soybeans and may overstate world trade.

Table 16.—Soybeans and soybean products: Argentine exports and share of world exports, crop years 1977/78 to 1982/83

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Total 2/</th>
<th>Soybean meal</th>
<th>Soybean oil</th>
<th>Soybean and soybean product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>12.0</td>
<td>0.4</td>
<td>0.4</td>
<td>2.8</td>
<td>9</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1978/79</td>
<td>2.8</td>
<td>0.5</td>
<td>0.3</td>
<td>3.6</td>
<td>11</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>1979/80</td>
<td>2.4</td>
<td>0.4</td>
<td>0.6</td>
<td>3.4</td>
<td>12</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1980/81</td>
<td>2.7</td>
<td>0.6</td>
<td>0.4</td>
<td>3.6</td>
<td>11</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1981/82</td>
<td>2.0</td>
<td>1.0</td>
<td>0.8</td>
<td>3.8</td>
<td>7</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1982/83 3/</td>
<td>1.1</td>
<td>1.4</td>
<td>1.4</td>
<td>3.9</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ In soybean equivalent.
3/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.—Total and percentages calculated from unrounded figures. Share is calculated from gross world exports and, consequently, includes shipments of soybean products made from imported soybeans and may overstate world trade.
Table 17.—Soybeans and soybean products: EC exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Soybeans</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Soybean meal 2/</th>
<th>Soybean oil 2/</th>
<th>Soybeans and soybean products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Million metric tons</td>
<td>Percent</td>
<td>Million metric tons</td>
<td>Percent</td>
</tr>
<tr>
<td>1977/78</td>
<td>0.2</td>
<td>3.4</td>
<td>4.6</td>
<td>8.2</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>1978/79</td>
<td>0.4</td>
<td>3.9</td>
<td>5.3</td>
<td>9.5</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>1979/80</td>
<td>0.3</td>
<td>4.5</td>
<td>5.1</td>
<td>9.9</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>1980/81</td>
<td>0.2</td>
<td>4.9</td>
<td>5.0</td>
<td>10.1</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>1981/82</td>
<td>0.2</td>
<td>5.6</td>
<td>5.4</td>
<td>11.2</td>
<td>3/</td>
<td>21</td>
</tr>
<tr>
<td>1982/83</td>
<td>0.2</td>
<td>5.9</td>
<td>5.4</td>
<td>11.4</td>
<td>3/</td>
<td>21</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ In soybean equivalent.
3/ Less than 0.5 percent.
4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.—Total and percentages calculated from unrounded figures. Share is calculated from gross world exports and, consequently, includes shipments of soybean products made from imported soybeans and may overstate world trade.
Table 18.—Soybeans and soybean products: Brazilian exports and share of world exports, crop years 1977/78 to 1982/83 1/

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1977/78</td>
<td>0.8</td>
<td>7.9</td>
<td>3.8</td>
<td>13.6</td>
<td>4</td>
<td>41</td>
<td>24</td>
</tr>
<tr>
<td>1978/79</td>
<td>6.6</td>
<td>6.9</td>
<td>3.2</td>
<td>10.6</td>
<td>3</td>
<td>35</td>
<td>19</td>
</tr>
<tr>
<td>1979/80</td>
<td>1.2</td>
<td>6.9</td>
<td>3.0</td>
<td>11.1</td>
<td>4</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>1980/81</td>
<td>1.8</td>
<td>10.8</td>
<td>7.2</td>
<td>19.8</td>
<td>7</td>
<td>43</td>
<td>36</td>
</tr>
<tr>
<td>1981/82</td>
<td>7.7</td>
<td>10.2</td>
<td>5.1</td>
<td>16.1</td>
<td>3</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td>1982/83 3/</td>
<td>9.9</td>
<td>10.2</td>
<td>5.1</td>
<td>16.3</td>
<td>3</td>
<td>36</td>
<td>25</td>
</tr>
</tbody>
</table>

1/ The crop year begins July 1.
2/ In soybean equivalent.
3/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Note.—Total and percentages calculated from unrounded figures. Share is calculated from gross world exports and, consequently, includes shipments of soybean products made from imported soybeans and may overstate world trade.
Table 19.--Soybeans, soybean meal, and soybean oil: Production of the United States and its major competitors, crop years 1977/78 to 1982/83

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Crop year</th>
<th>Soybean production</th>
<th>Soybean meal production</th>
<th>Soybean oil production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>United States</td>
<td>Competitors</td>
<td>United States</td>
</tr>
<tr>
<td></td>
<td>Brazil</td>
<td>Argentina</td>
<td>Paraguay</td>
</tr>
<tr>
<td>1977/78</td>
<td>47.9</td>
<td>10.2</td>
<td>2.7</td>
</tr>
<tr>
<td>1978/79</td>
<td>50.9</td>
<td>10.2</td>
<td>3.7</td>
</tr>
<tr>
<td>1979/80</td>
<td>61.7</td>
<td>15.2</td>
<td>3.6</td>
</tr>
<tr>
<td>1980/81</td>
<td>48.8</td>
<td>15.2</td>
<td>3.5</td>
</tr>
<tr>
<td>1981/82</td>
<td>54.4</td>
<td>12.8</td>
<td>4.1</td>
</tr>
<tr>
<td>1982/83</td>
<td>62.0</td>
<td>14.8</td>
<td>3.5</td>
</tr>
</tbody>
</table>

1/ Crop year varies according to individual country.
2/ Preliminary.

Source: Compiled from official statistics of the United States Department of Agriculture.
Table 20.--Wheat, coarse grains, and soybeans: Ending stocks of the United States and the world, crop years 1977/78 to 1982/83

(In millions of metric tons)

<table>
<thead>
<tr>
<th>Crop year</th>
<th>United States</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wheat</td>
<td>Coarse grains</td>
</tr>
<tr>
<td>1977/78</td>
<td>32.0</td>
<td>2/ 41.2</td>
</tr>
<tr>
<td>1978/79</td>
<td>25.2</td>
<td>46.4</td>
</tr>
<tr>
<td>1979/80</td>
<td>24.5</td>
<td>52.7</td>
</tr>
<tr>
<td>1980/81</td>
<td>26.9</td>
<td>34.7</td>
</tr>
<tr>
<td>1981/82</td>
<td>31.7</td>
<td>73.1</td>
</tr>
<tr>
<td>1982/83</td>
<td>41.9</td>
<td>106.9</td>
</tr>
</tbody>
</table>

1/ Crop years vary by commodities.
2/ Feed grains.
3/ Preliminary.
4/ Not available.

Source: Compiled from official statistics of the U.S. Department of Agriculture.
Appendix E

COMMODITIES LICENSED AND/OR MONITORED UNDER THE SHORT SUPPLY PROVISIONS OF THE EXPORT ADMINISTRATION ACTS, 1971–82
Commodities Licensed and/or Monitored under the Short-Supply Provisions of the Export Administration Act, as supplied by the U.S. Department of Commerce

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Commodities monitored</th>
<th>Commodities licensed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971--------</td>
<td>Walnut logs and veneer</td>
<td>Cooper and scrap.</td>
</tr>
<tr>
<td></td>
<td>Coal and coke</td>
<td>Nickel and scrap.</td>
</tr>
<tr>
<td></td>
<td>Ferrous scrap</td>
<td></td>
</tr>
<tr>
<td>1972--------</td>
<td>Walnut logs and veneer</td>
<td>Cooper.</td>
</tr>
<tr>
<td></td>
<td>Coal and coke</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ferrous scrap</td>
<td></td>
</tr>
<tr>
<td>1973--------</td>
<td>Walnut logs and veneer</td>
<td>Cattlehides.</td>
</tr>
<tr>
<td></td>
<td>Ferrous scrap</td>
<td>Soybeans and meal.</td>
</tr>
<tr>
<td></td>
<td>Wheat</td>
<td>Cottonseed and meal.</td>
</tr>
<tr>
<td></td>
<td>Rice</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feedgrains</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Soybeans and meal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cottonseed and meal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Soybean oils</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cottonseed oils</td>
<td></td>
</tr>
<tr>
<td>1974--------</td>
<td>Ferrous scrap</td>
<td>Ferrous scrap.</td>
</tr>
<tr>
<td></td>
<td>Nitrogenous and phosphatic fertilizers.</td>
<td>Petroleum.</td>
</tr>
<tr>
<td></td>
<td>Wheat</td>
<td>Soybeans and meal.</td>
</tr>
<tr>
<td></td>
<td>Rice</td>
<td>Soybean oils.</td>
</tr>
<tr>
<td></td>
<td>Feedgrains</td>
<td>Cottonseed oils.</td>
</tr>
<tr>
<td></td>
<td>Soybeans and meal</td>
<td>Other vegetable oils.</td>
</tr>
<tr>
<td></td>
<td>Soybean oils</td>
<td>Protein animal feed.</td>
</tr>
<tr>
<td></td>
<td>Cottonseed oils</td>
<td>Animal fats.</td>
</tr>
<tr>
<td></td>
<td>Cottonseed oils</td>
<td>Cottonseed and meal.</td>
</tr>
<tr>
<td>1975--------</td>
<td>Ferrous scrap</td>
<td>Ferrous scrap.</td>
</tr>
<tr>
<td></td>
<td>Nitrogenous and phosphatic fertilizers.</td>
<td>Petroleum and</td>
</tr>
<tr>
<td></td>
<td>Bituminous coal</td>
<td>petroleum products.</td>
</tr>
<tr>
<td>1977--------</td>
<td>Nitrogenous and mixed nitrogenous and phosphatic fertilizers.</td>
<td>Petroleum and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>petroleum products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Synthetic and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>manufactured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>natural gas.</td>
</tr>
<tr>
<td>1978--------</td>
<td>Nitrogenous and mixed nitrogenous and phosphatic fertilizers.</td>
<td>Petroleum and</td>
</tr>
<tr>
<td></td>
<td>Bituminous coal and coke</td>
<td>petroleum products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Synthetic and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>manufactured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>natural gas.</td>
</tr>
<tr>
<td>1979--------</td>
<td></td>
<td>Petroleum and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>petroleum products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Commodities Licensed and/or Monitored under the Short-Supply Provisions of the Export Administration Act, as supplied by the U.S. Department of Commerce—Con.

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Commodities monitored</th>
<th>Commodities licensed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-------</td>
<td></td>
<td>Synthetic and manufactured natural gas. Western red cedar, unprocessed.</td>
</tr>
</tbody>
</table>