

**28TH QUARTERLY REPORT TO THE CONGRESS
AND THE TRADE POLICY COMMITTEE ON TRADE
BETWEEN THE UNITED STATES AND THE
NONMARKET ECONOMY COUNTRIES
DURING JULY-SEPTEMBER 1981**



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Bill Alberger, Chairman
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Alfred E. Eckes
Eugene J. Frank

Kenneth R. Mason, Secretary to the Commission

Report principally prepared by:

Office of Economics

Thomas F. Jennings
Magdolna B. Kornis
Janet Whisler
Lisa Colacurcio

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

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INTRODUCTION

This series of reports by the United States International Trade Commission is made pursuant to section 410 of title IV of the Trade Act of 1974 (19 U.S.C. 2440), which requires the Commission to monitor imports from and exports to certain nonmarket economy countries (NME's). These countries include those listed in headnote 3(f) of the Tariff Schedules of the United States (TSUS) 1/ and others not listed in the headnote, 2/ viz., Hungary, the People's Republic of China (China), Poland, and Romania. These are countries whose exports can be investigated by the Commission under section 406 of title IV of the Trade Act of 1974. Through control of the level of production, distribution process, and the price at which articles are sold, they could disrupt the domestic market in the United States and thereby injure U.S. producers. Under the statute, the Commission publishes a summary of trade data not less frequently than once each calendar quarter for Congress and, until January 2, 1980, the East-West Foreign Trade Board. As of that date, the East-West Foreign Trade Board was abolished, and its functions were transferred to the Trade Policy Committee, chaired by the United States Trade Representative.

Earlier reports in this series have included Yugoslavia among the NME's whose trade with the United States is monitored. At the suggestion of the United States Trade Representative, and after consultation with the appropriate congressional committees, the Commission has decided that Yugoslavia would no longer be included in the countries covered by this report. This decision was effective with the 27th report. 3/ In the opinion of many analysts, Yugoslavia is not appropriately classified as an NME country. Also, it is not a member of the Warsaw Pact or the Council for Mutual Economic Assistance. It is a contracting party to the General Agreement on Tariffs and Trade (GATT) and a member of the International Monetary Fund and the World Bank. Yugoslavia has special status with the Organization for Economic Cooperation and Development and is a leader in the movement of nonaligned countries.

1/ The following countries or areas are listed under headnote 3(f) of the TSUS: Albania, Bulgaria, Cuba, Czechoslovakia, the German Democratic Republic (East Germany), Estonia, those parts of Indochina under Communist control or domination, North Korea, the Kurile Islands, Latvia, Lithuania, Mongolia, Southern Sakhalin, Tanna Tuva, and the U.S.S.R.

2/ When most-favored-nation tariff treatment is accorded a Communist country, that country is no longer included in headnote 3(f).

3/ 27th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During April-June 1981, USITC Publication 1188, September 1981, hereafter 27th Quarterly Report . . .

As specified by the statute, one objective of the report is to provide data on the effect of imports from NME's on the production of like or directly competitive articles in the United States and on employment within industries producing those articles. Therefore, the report includes trade statistics for those NME's whose current trade with the United States is at least at a level that could present problems for domestic industry: Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R., and Vietnam.

At the present time, Poland, Romania, Hungary, and China receive most-favored-nation (MFN) tariff treatment from the United States. Most of the NME's have not been accorded this treatment because of the policy legislated as section 5 of the Trade Agreements Extension Act of 1951, i.e., that the President should take appropriate action to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. In the Tariff Schedules of the United States (TSUS), the unconditional MFN rates of duty are set forth in column 1. The rates applicable to products of designated Communist nations 1/ are set forth in column 2; for the most part, these are the higher rates that were established in 1930. The rates of duty resulting from this policy vary considerably from item to item, and discrimination is not present at all for products that historically have been duty free or dutiable at the same rates in columns 1 and 2. Therefore, actual or potential U.S. imports from countries that do not enjoy MFN privileges depend in some measure on the rates of duty on the specific items involved.

This particular report contains a summary of U.S. trade with the NME's during July-September 1981 and examines U.S. exports, imports, and the balance of trade with each country, as well as the commodity composition of such trade. Important issues in U.S. commercial relations with the NME's and pertinent economic and trade developments are discussed. The report also examines U.S. trade with Poland during 1950-80.

1/ Those nations referred to in headnote 3(f) of the TSUS.

SUMMARY OF THIRD-QUARTER DEVELOPMENTS

Following the relaxation of the trade sanctions against the Soviet Union in April 1981, the volume of trade between the United States and the nonmarket economy countries (NME's) during July-September was valued at \$2.4 billion. This is 4.7 percent higher than in April-June 1981 and 2.3 percent higher than in the corresponding period of 1980. The slight increase in overall trade turnover resulted from a rise of 9.1 percent in July-September exports to the NME's over those in the previous quarter. This was attributable to an increase in grain shipments to both China and the Soviet Union. Imports declined 2.2 percent from record high second quarter levels.

The United States continued to maintain a positive balance of trade with the NME's during July-September. Although the surplus of \$680 million represented an increase of \$150 million over the previous quarter's level, it was still the second smallest recorded in U.S.-NME trade since October-December 1978.

During July-September 1981, China maintained its position as the leading NME trading partner of the United States. It accounted for 52.2 percent of U.S. exports to and 58.0 percent of U.S. imports from all NME's in the 3-month period. The Soviet Union was the second most important NME customer for U.S. exports, but was fourth (behind China, Romania, and Poland) as an NME source of U.S. imports. China, Romania, and Poland together accounted for 85.0 percent of third quarter imports from the NME's. China and the Soviet Union were responsible for 78.3 percent of the quarter's exports to the NME's.

Among the notable commercial developments of the quarter were two concerning U.S.-U.S.S.R. grain trade, the principal avenue of commerce between the two countries. First, the U.S.-U.S.S.R. grain supply agreement, originally negotiated in 1975 and effective for the 5-year period ending September 30, 1981, was extended for a sixth year. Secondly, authorization was given the Soviets to purchase additional grain above the minimum stipulated in the agreement. This opened the possibility for greatly increased grain sales to the Soviet Union in the coming months.

During the quarter, as the crisis situation in Poland was worsening and food shortages were being reported, the U.S. extended an additional \$55 million in credits to Poland. The long-term loan was made under Title I of Public Law 480, and will provide Poland with 350,000 tons of corn for feed to be delivered in the fall.

THIRD QUARTER DEVELOPMENTS IN TRADE BETWEEN THE UNITED STATES AND NONMARKET ECONOMY COUNTRIES

The value of trade between the United States and the NME's in July-September 1981 was only 2.3 percent higher than that in the corresponding quarter of 1980. Imports from the NME's increased compared with imports in July-September 1980; however, the value of exports, the larger component of this trade, was lower than that during the corresponding period of 1980. The lower level of exports is particularly noteworthy since in July-September 1980, the value of U.S. sales to the Soviet Union was less than in any quarter following the imposition of economic sanctions against that country. Although U.S.-NME trade increased 4.7 percent in July-September 1981 compared with such trade in April-June 1981 owing to a rise in exports, this nominal improvement occurred after exports to the NME's had declined during April-June to the lowest level in more than 2 years. On the other hand, imports decreased slightly in July-September after reaching a record high in April-June 1981.

The trade turnover (exports plus imports) between the United States and the NME's was \$2.4 billion in July-September 1981. U.S. exports were valued at \$1.6 billion, \$142 million (or 8.3 percent) less than in the corresponding 1980 period. Imports amounted to \$884 million, representing an increase in value of \$197 million, or 28.7 percent, compared with imports in July-September 1980. Thus, while exports accounted for 71.3 percent of U.S.-NME trade in July-September 1980, they were only 63.9 percent of the trade turnover in July-September 1981.

Trade Patterns With NME's

Following a 48-percent decline, from \$2.8 billion in January-March 1981 to \$1.4 billion in April-June 1981, ^{1/} the value of U.S. exports to the NME's increased 9.1 percent in July-September 1981. During the same period, U.S. exports to the world decreased by 9.4 percent (table 1). The decrease in U.S. exports as a whole was partly attributable to the strength of the dollar during July-September relative to other major trading currencies. This factor has only a negligible effect upon exports to the NME's, since their purchases from the United States are largely limited to essentials for which the United States is a primary source: grains and other food products, and certain industrial raw materials and equipment. The primary constraint on their imports from the United States is a chronic hard-currency shortage rather than the exchange rate of the dollar vis-a-vis other hard currencies.

The rise in U.S. exports to the NME's in July-September was largely attributable to an increase in grain shipments to both China and the Soviet Union. In addition, shipments of superphosphoric to the Soviet Union were resumed in July, following the lifting of the U.S. embargo on the exportation to the U.S.S.R. of phosphatic fertilizers, including phosphoric acid, ^{2/} by

^{1/} The data for April-June 1981 have been adjusted in this report to reflect revisions supplied by the Bureau of the Census on Oct. 26, 1981, and Dec. 2, 1981. NME exports amounting to \$14,076,000 were subtracted from the second quarter data and included in the data for July-September 1981.

^{2/} Superphosphoric is a highly concentrated form of phosphoric acid that is used by the Soviets to make fertilizer.

Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's),
by quarters, July 1980-September 1981

Item	1980		1981		
	July- September	October- December	January- March	April- June	July- September
Total U.S. trade:					
Exports-----million dollars--	52,062	56,985	58,614	59,558	53,954
Imports-----do-----	56,856	60,877	64,422	66,085	63,303
Balance-----do-----	-4,794	-3,892	-5,808	-6,527	-9,349
Trade turnover (exports plus imports)					
million dollars--	108,918	117,863	123,036	125,643	117,257
U.S. trade with NME's:					
Exports-----million dollars--	1,706	2,464	2,754	1,434	1,564
Imports-----do-----	687	647	793	904	884
Balance-----do-----	1,018	1,817	1,961	530	680
Trade turnover (exports plus imports)					
million dollars--	2,393	3,112	3,547	2,338	2,448
Share of total U.S. trade accounted					
for by trade with NME's:					
Exports-----percent--	3.28	4.32	4.70	2.41	2.90
Imports-----do-----	1.21	1.06	1.23	1.37	1.40
Trade turnover-----do-----	2.20	2.64	2.88	1.86	2.09

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

Note.--Import figures in this and all other tables in this report are imports for consumption on a customs-value basis. Exports are domestic exports only, including Defense Department military assistance shipments, and are valued on an f.a.s. basis.

President Reagan on April 24, 1981. These were the first such shipments since the embargo on phosphates was ordered by President Carter in February 1980. 1/

Exports of agricultural products to NME's other than China, the U.S.S.R., and Poland declined, substantially offsetting the larger grain sales to China and the Soviet Union.

Despite the limited rise in exports to the NME's, the NME share of U.S. exports increased because U.S. exports to the world decreased. After dropping to 2.4 percent in April-June 1981, the lowest NME share of total U.S. exports since at least 1977, the ratio increased to 2.9 percent in July-September 1981. 2/

The value of U.S. imports from the NME's decreased by 2.2 percent in July-September, after an increase of 14 percent from January-March to April-June 1981. U.S. imports from the world decreased by 4.2 percent, and so there was essentially no change in the share of imports from the NME's to U.S. imports from the world during July-September. This ratio of NME imports (1.4 percent) to total U.S. imports for April-September 1981 was the highest since October-December 1979.

Imports from China, which increased by 36 percent from January-March to April-June 1981, continued to increase in July-September, by 4.8 percent. However, this relatively small gain was more than offset by the decline in U.S. purchases from several of the other NME's--most notably Romania.

The positive balance in U.S. trade with the NME's increased from \$530 million in April-June 1981 to \$680 million in July-September 1981. Nevertheless, with the exception of the surplus in the second quarter, that recorded in the third quarter was the smallest for U.S.-NME trade since October-December 1978. U.S. imports from five NME's exceeded the U.S. exports to these countries: Romania, Hungary, Czechoslovakia, Albania, and Mongolia.

U.S. Exports to the NME's

Table 2 shows U.S. exports to the NME's and to the world by Standard International Trade Classification (SITC) commodity sections for January-September 1980 and January-September 1981. A comparison of trade in these two periods indicates that exports to the NME's have declined or only nominally increased in a broad range of products. However, in one

1/ The United States made one shipment of superphosphoric to the Soviet Union in June (see 27th Quarterly Report . . ., p. 20). However, the shipment, valued at \$14,076,000, was misclassified under Schedule B No. 480.7015, the export classification for a less concentrated form of phosphoric acid. Exports under this number were also incorrectly shown in monthly data supplied by the Bureau of the Census for July, August, and September. When these errors were corrected, the Bureau of the Census included the one shipment made in June in the July-September data and reclassified all exports of superphosphoric under Schedule B No. 480.7025. For this report, the data were adjusted for April-June 1981 and July-September 1981 to conform with the corrections made by Census.

2/ See 27th Quarterly Report . . ., p. 7, footnote 1.

Table 2.--U.S. exports to the world and to the nonmarket economy countries (NME's),
by SITC 1/ Nos. (Revision 2), January-September 1980 and January-September 1981

SITC Section No.	Description	Total exports		Exports to the NME's	
		Jan.-Sept. 1980	Jan.-Sept. 1981	Jan.-Sept. 1980	Jan.-Sept. 1981
		Value (million dollars)			
0	Food and live animals-----	19,482	22,949	2,324	3,138
1	Beverages and tobacco-----	1,875	1,998	25	24
2	Crude material--inedible, except fuel-----	18,252	15,419	1,181	1,009
3	Mineral fuels, lubricants, etc-----	5,701	6,944	87	79
4	Oils and fats--animal and vegetable--	1,519	1,338	93	80
5	Chemicals-----	15,717	15,917	345	413
6	Manufactured goods classified by chief material-----	16,795	15,911	306	406
7	Machinery and transport equipment----	61,778	72,265	620	481
8	Miscellaneous manufactured articles--	12,310	12,682	148	110
9	Commodities and transactions not elsewhere classified-----	6,177	6,702	7	10
	Total-----	159,607	172,126	5,135	5,752
		Percent of total			
0	Food and live animals-----	12.2	13.3	45.3	54.5
1	Beverages and tobacco-----	1.2	1.2	.5	.4
2	Crude material--inedible, except fuel-----	11.4	9.0	23.0	17.5
3	Mineral fuels, lubricants, etc-----	3.6	4.0	1.7	1.4
4	Oils and fats--animal and vegetable--	1.0	.8	1.8	1.4
5	Chemicals-----	9.8	9.2	6.7	7.2
6	Manufactured goods classified by chief material-----	10.5	9.2	6.0	7.1
7	Machinery and transport equipment----	38.7	42.0	12.1	8.4
8	Miscellaneous manufactured articles--	7.7	7.4	2.9	1.9
9	Commodities and transactions not elsewhere classified-----	3.9	3.9	.1	.2
	Total-----	100.0	100.0	100.0	100.0

1/ Standard International Trade Classification.

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

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

commodity group--food and live animals (SITC Section 0)--exports have increased substantially; in January-September 1981, the value of exports to the NME's in this category was \$3.1 billion. This was \$814 million, or 35 percent, higher than in January-September 1980. The commodity composition of U.S. exports to the NME's has shifted during the last year even further from that of U.S. total exports to the world.

Food exports--primarily wheat and corn--accounted for 54.5 percent of all U.S. exports to the NME's in January-September 1981. This was a larger share by almost 10 percentage points than that in January-September 1980. Most of the increase occurred during January-March 1981, when U.S. grain shipments are traditionally much higher than from April through September. (In U.S. exports to the world during the first quarter, the ratio of food exports to total U.S. exports increased by only 2.4 percentage points from the ratio in January-March 1980, and by only 1.1 percentage points from January-September 1980 to January-September 1981.) Thus, while the NME countries accounted for only 3.3 percent of total U.S. exports in January-September 1981, their share of food exports was rising to 13.7 percent, up from 11.9 percent in January-September 1980.

An increase in shipments of wheat and corn to the Soviet Union accounted for 65 percent of the January-September increase of \$814 million in food exports to the NME's. However, only a relatively small portion of these shipments can be attributed to the lifting of the partial embargo on grain exports to the U.S.S.R. on April 24, 1981. One of the main reasons for the higher level of grain exports in January-September 1981 than in the corresponding 1980 period relates to the timing of shipments under the U.S.-U.S.S.R. grain agreement. For purposes of the agreement, each "agreement year" begins on October 1. Between October 1, 1979, and January 4, 1980, when the partial grain embargo became effective, the United States shipped 4.8 million metric tons of corn and wheat, valued at \$682.1 million, to the Soviet Union. By comparison, approximately 3.2 million metric tons of grain, valued at \$533.8 million, were shipped during October-December 1980. Since a larger amount was shipped in October-December 1979 than was shipped in October-December 1980, the amount of grain remaining to be exported under the terms of the bilateral agreement was less in 1980 than was the quantity required to meet this commitment in 1981.

The partial grain embargo limited such exports in each agreement year--October 1 through September 30--to 8 million metric tons, the maximum quantity that the United States had agreed to offer the Soviet Union without prior consultation. Approximately 3.2 million metric tons of the 1979/80 commitment were therefore shipped in 1980 prior to September 30, and 4.8 million tons of the 1980/81 commitment were scheduled for delivery from the beginning of January through September 30, 1981, prior to the time that President Reagan lifted the embargo. In both 1980 and 1981, the committed quantity was met by the end of April. In June 1981, the United States authorized the Soviet purchase of an additional 6 million tons of grain for delivery before September 30, 1981. However, the shipments made in August and September under this authorization totaled only about 1.5 million metric tons, valued at approximately \$212.1 million. 1/

1/ Higher prices also contributed to the higher value of U.S. grain exports to the Soviet Union in 1981. The unit value of the corn shipped in January-September 1981 was approximately 12.5 percent higher than that shipped in January-September 1980. The increase in the unit value of wheat was 4.5 percent.

The largest decrease in exports to the NME's was in machinery and transport equipment (SITC Section 7), the leading group of U.S. exports to the world. In January-September 1981, the value of sales to the NME's in this category was only \$481 million, representing a decrease of 22.4 percent from the value in January-September 1980. The decline in these sales to China was equal to the total drop for all the NME's. 1/

In the latter part of 1980, China's leaders announced plans to substantially reduce investment in heavy industry. Further reductions were announced in early 1981, some of which involved the indefinite postponement of ongoing projects and the cancellation of orders for foreign equipment to complete them. Although Japan was the exporting country most affected by the cutbacks, U.S. sales of machinery and transport equipment to China decreased by about one-half, from \$297.9 million in January-September 1980 to \$157.9 million in the corresponding period of 1981. U.S. exports to China in this category were only \$38.1 million in the most recent quarter (July-September), representing a 38-percent decline from the value of such exports in April-June 1981 (table 3).

On the other hand, during the third quarter of 1981, China was the leading NME market for U.S. exports in five broad commodity categories (SITC Sections 0, 2, 5, 6, and 8). The largest category of exports to the NME's was food exports to China, accounting for 40 percent of such U.S. exports to the NME's and 21.7 percent of total U.S. sales to these countries in July-September 1981. Three items--wheat (over 99 percent of sales to China in SITC Section 0), noncontinuous polyester fibers (SITC Section 2), and textured polyester yarns (SITC Section 6)--accounted for 64 percent of the value of U.S. exports to China and one-third of all U.S. sales to the NME's. However, compared with U.S. exports to China in July-September 1980, those in July-September 1981 decreased in every SITC commodity category. 2/ The value of total U.S. exports to China was \$816.2 million, which was \$268.7 million, or 25 percent, less than in July-September 1980.

This decline in exports to China was more than offset by exports of wheat, corn, and superphosphoric to the Soviet Union, valued at \$280.3 million. The increase in these items was 100 percent from July-September 1980, when an embargo on their export to the U.S.S.R. was in effect. 3/ Nonetheless, the level of U.S. exports to NME's as a group was lower in July-September 1981 (relative to July-September 1980) because declines in sales were by no means limited to China.

1/ The value of U.S. sales of machinery and transport equipment to China was \$140 million less in January-September 1981 than in January-September 1980. The decrease in exports of machinery and transport equipment to all the NME's was \$139 million.

2/ The only category that showed an increase was beverages and tobacco (SITC sec. 1), which accounted for 0.04 percent of the U.S. sales to China in July-September 1981.

3/ As was noted above, shipments under the partial grain embargo had been completed prior to July-September 1980, and a total embargo had been placed on the exportation of phosphates to the U.S.S.R.

Table 3.--U.S. exports to the nonmarket economy countries,
by SITC 1/ Nos. (Revision 2), July-September 1981

(In thousands of dollars)

SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
0	Food and live animals-----	-	27,603	338,869	-	2	30,123	496
1	Beverages and tobacco-----	-	-	287	-	-	-	-
2	Crude material--inedible, except fuel-----	215	19	161,464	-	2,866	406	2,041
3	Mineral fuels, lubricants, etc-----	-	-	42	-	4	-	20
4	Oils and fats--animal and vegetable---	-	-	4,159	-	-	-	-
5	Chemicals-----	-	14,662	102,399	358	293	1,178	3,045
6	Manufactured goods classified by chief material-----	-	635	105,567	3	1,021	197	2,126
7	Machinery and transport equipment-----	6	2,817	38,081	-	2,809	95	5,449
8	Miscellaneous manufactured articles---	-	847	14,746	-	1,533	458	1,806
9	Commodities and transactions not elsewhere classified-----	-	48	578	-	45	57	141
	Total-----	221	46,630	816,192	361	8,573	32,515	15,124
		Mongolia	North Korea	Poland	Romania	U.S.S.R.	Viet- nam	Total
0	Food and live animals-----	-	-	133,548	46,944	218,536	61	846,182
1	Beverages and tobacco-----	-	-	1,129	875	-	-	2,291
2	Crude material--inedible, except fuel-----	-	-	2,587	14,134	12,012	-	195,743
3	Mineral fuels, lubricants, etc-----	-	-	4	10,705	2,863	-	13,639
4	Oils and fats--animal and vegetable---	-	-	1,184	-	6,294	-	11,637
5	Chemicals-----	1	-	1,464	391	70,199	122	194,113
6	Manufactured goods classified by chief material-----	15	-	772	4,866	5,952	-	121,155
7	Machinery and transport equipment-----	7	-	4,954	4,879	82,458	57	141,612
8	Miscellaneous manufactured articles---	8	-	1,930	1,029	10,170	336	32,862
9	Commodities and transactions not elsewhere classified-----	5	-	1,036	58	94	2,479	4,539
	Total-----	35	-	148,607	83,879	408,579	3,055	1,563,771

1/ Standard International Trade Classification.

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

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

Exports to Romania decreased by 60 percent from \$209.3 million in July-September 1980 to \$83.9 million in July-September 1981, the largest absolute quarterly decline in U.S. sales to any NME but China. Although the absolute value of the loss in sales to several other NME's was much smaller, the percentage decline in sales to them was nonetheless substantial. Exports to Albania decreased by 93.8 percent; to Czechoslovakia, by 68.5 percent; to East Germany, by 36.0 percent; to Bulgaria, by 18.7 percent; and to Hungary, by 17.6 percent. Of the 13 NME's, U.S. sales increased to only 5: the U.S.S.R., Poland, Vietnam, Mongolia, and Cuba. Total U.S. exports to each NME in July-September 1980 and July-September 1981 are shown in table 4.

Exports to the individual NME's during January-September 1980 and January-September 1981 are also given in table 4. Viewed on the basis of three quarters, the value of U.S. exports to seven countries were higher in 1981, with sales to China and Bulgaria also showing increases. Among the larger NME markets of the United States, exports to China were higher by only 4.1 percent in the 1981 period, while those to the Soviet Union were higher by 77.8 percent, and to Poland, by 21.2 percent. The relative shares of U.S. exports to the NME's between 1980 and January-September 1981 are diagrammed in figure 1.

Usually, much of the increase or decrease in total U.S. exports to most NME's is related to their import requirements for grain and other agricultural commodities. By the same token, changes in the level of total U.S. exports to these countries as a group--especially the quarter-to-quarter fluctuations--are largely accounted for by the rise or fall in exports to the leading NME markets for U.S. agricultural products. During July-September 1981, U.S. farm sales to China, the Soviet Union, and Poland, in the aggregate, accounted for 87.2 percent of all agricultural exports to the NME's and for 49.7 percent of the total U.S. exports to the NME's; during January-September, these countries accounted for 79.3 percent of all farm sales to NME's and for 52.1 percent of total U.S. exports to NME's. The value and percentage share of U.S. agricultural items exported to each NME are shown in table 5.

While agricultural exports to the Soviet Union reached a much higher level in January-September 1981 than in January-September 1980, those to China were slightly below their earlier level. Underlying this small decline were substantial shifts in China's imports of three commodities. There was a rise in China's purchases of U.S. wheat and a decrease in its imports of both corn and cotton.

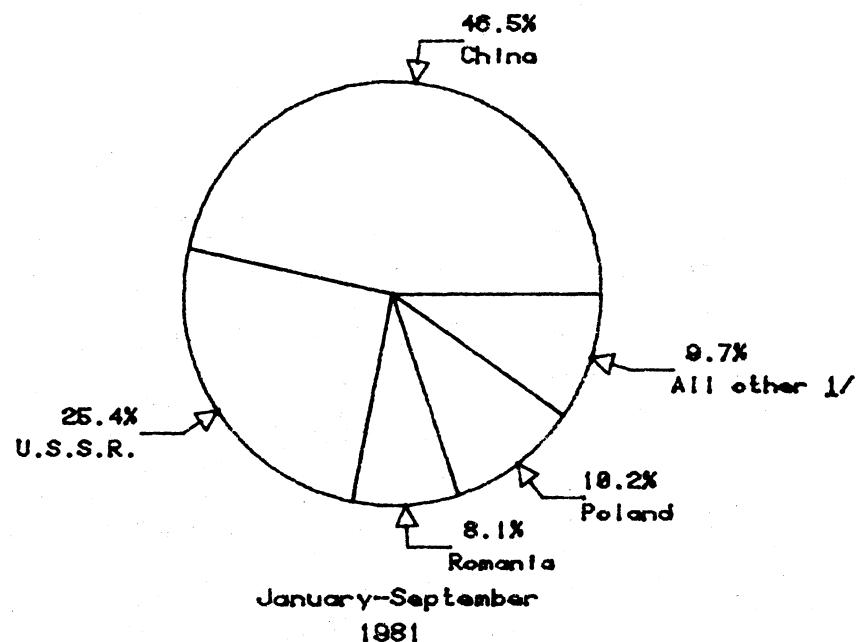
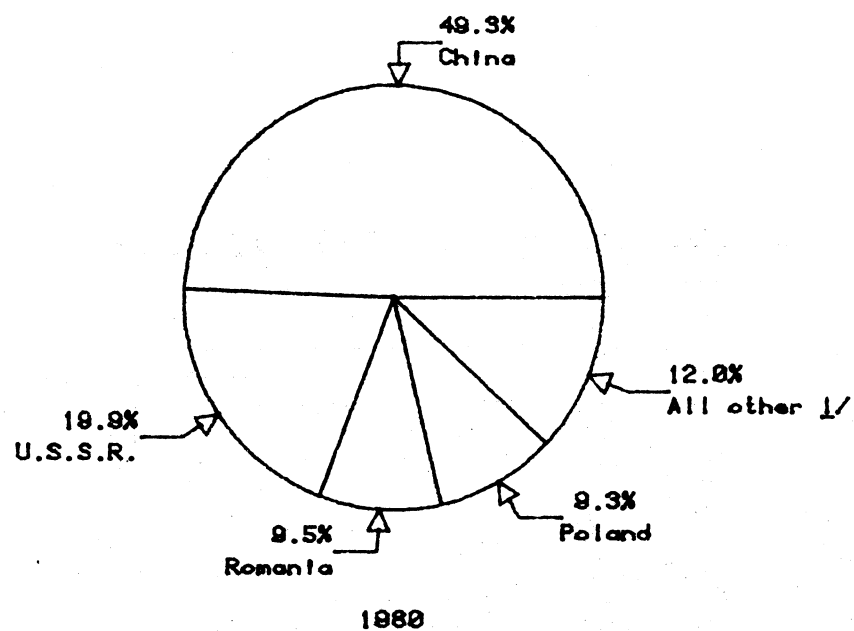
During January-September 1981, U.S. wheat shipments to China totaled 5.5 million metric tons, valued at \$963.7 million, compared with the 3.9 million metric tons of wheat, valued at \$648.8 million, that was shipped in January-September 1980. Approximately 40 percent of the 1981 shipments were made in July-September. Wheat accounted for 47.6 percent of total U.S. exports to China in that quarter. Wheat exports to China increased from \$222.6 million in April-June 1981 to \$388.7 million in July-September, and U.S. shipments of wheat and corn to the U.S.S.R. increased from \$84.4 million to \$212.2 million. The concurrent rise in grain shipments to these two countries largely accounted for the upturn in total U.S. exports to the NME's in the third quarter of 1981, as is indicated in figure 2.

Table 4.—U.S. exports to the individual nonmarket economy countries and to the world, 1979-80, January-September 1980, January-September 1981, July-September 1980, and July-September 1981

(In thousands of dollars)							
Market	1979	1980	January-September		July-September		
			1980	1981	1980	1981	
China-----	1,716,500	3,748,993	2,571,883	2,676,788	1,084,858	816,192	
U.S.S.R-----	3,603,632	1,509,728	821,044	1,460,032	128,008	408,579	
Romania-----	500,464	720,231	573,786	466,858	209,264	83,879	
Poland-----	786,258	710,446	485,016	587,885	125,940	148,607	
East Germany-----	354,522	477,389	356,474	236,433	50,807	32,515	
Bulgaria-----	56,225	160,701	117,227	200,592	57,386	46,631	
Hungary-----	77,588	79,020	60,364	57,785	18,355	15,124	
Czechoslovakia-----	281,129	185,145	142,055	59,088	27,214	8,573	
Vietnam-----	541	1,148	663	4,368	391	3,055	
Albania-----	10,054	6,891	6,847	1,242	3,571	221	
Mongolia-----	80	64	42	62	29	35	
Cuba-----	299	119	63	410	13	361	
North Korea-----	13	-	-	-	-	-	
Total-----	7,387,305	7,599,876	5,135,463	5,751,544	1,705,835	1,563,771	
Total, U.S. exports							
to the world-----	178,578,003	216,592,219	159,606,757	172,126,153	52,061,916	53,953,855	

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

Figure 1.--Relative shares of U.S. exports to the nonmarket economy countries, 1980 and January-September 1981.



1/ East Germany, Bulgaria, Czechoslovakia, Hungary, Mongolia, Albania, Vietnam, Cuba, and North Korea.

Source: Based on data in table 4.

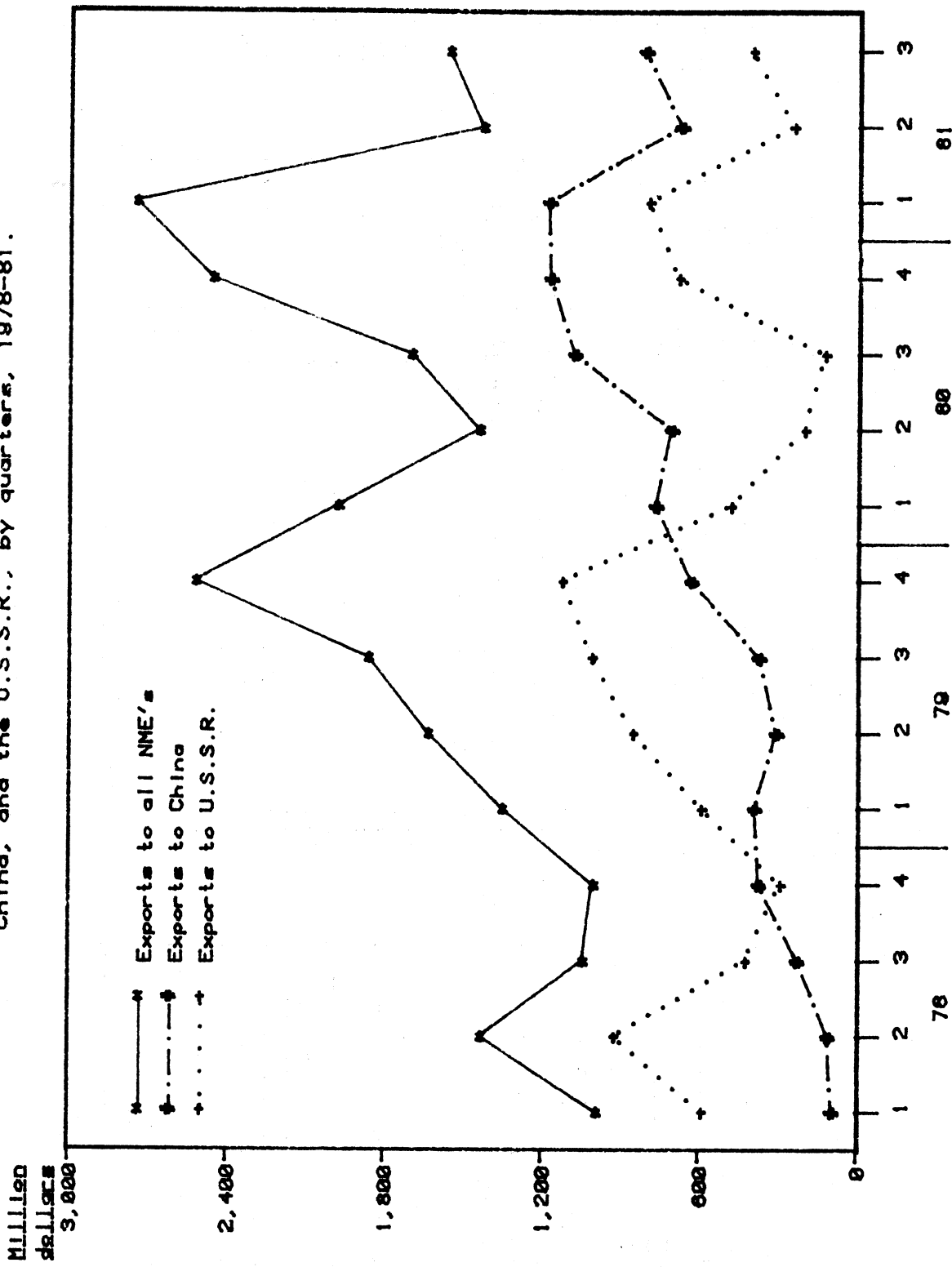
Table 5.--Agricultural items: U.S. exports to the individual nonmarket economy countries and to the world, 1979-80, January-September 1980, January-September 1981, July-September 1980, July-September 1981

Market	1979	January-September--		July-September--		
		1980	1981	1980	1981	
Value (1,000 dollars)						
China-----	990,159	2,209,524	1,546,782	1,454,911	616,212	419,068
U.S.S.R-----	2,854,896	1,047,118	496,823	1,022,972	2,067	224,914
Romania-----	336,515	462,595	379,844	352,173	117,645	51,217
Poland-----	651,371	571,461	388,095	516,353	93,337	133,418
East Germany-----	321,818	453,248	377,086	227,598	48,315	30,195
Bulgaria-----	41,019	127,339	95,288	154,400	43,991	27,603
Hungary-----	24,466	24,419	22,749	6,807	4,936	2,434
Czechoslovakia-----	247,999	154,574	118,068	42,348	21,772	2,783
Vietnam-----	-	-	-	153	-	61
Albania-----	151	224	224	-	224	-
Mongolia-----	-	-	-	-	-	-
Cuba-----	-	-	-	-	-	-
North Korea-----	-	-	-	-	-	-
Total-----	5,468,394	5,050,503	3,384,959	3,777,714	948,499	891,693
Total, U.S. agricultural exports to the world-----	34,745,385	41,255,934	29,507,233	32,040,725	9,499,509	8,971,474
Agricultural exports as a percent of total exports						
China-----	57.7	58.9	60.1	54.4	56.8	51.3
U.S.S.R-----	79.2	69.4	60.5	65.9	1.6	46.3
Romania-----	67.2	64.2	61.2	75.4	56.2	61.1
Poland-----	82.8	80.4	80.0	87.8	74.1	89.8
East Germany-----	90.8	94.9	94.6	96.3	95.1	92.9
Bulgaria-----	73.0	79.2	81.3	77.0	76.7	59.2
Hungary-----	31.5	30.9	37.7	11.8	26.9	16.1
Czechoslovakia-----	88.2	83.5	83.1	71.7	80.0	32.5
Vietnam-----	-	-	-	3.5	-	2.0
Albania-----	1.5	3.3	3.3	-	6.3	-
Mongolia-----	-	-	-	-	-	-
Cuba-----	-	-	-	-	-	-
North Korea-----	-	-	-	-	-	-
Total-----	74.0	66.5	65.9	64.7	55.6	54.3
Total, U.S. exports to the world-----	20.8	19.5	18.5	18.6	18.2	16.6

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

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

Figure 2.--U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1978-81.



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

On the other hand, China's purchases of U.S. corn decreased from 1.1 million metric tons, valued at \$136.8 million, in January-September 1980 to 0.1 million (137 thousand) metric tons, valued at \$21.2 million, in January-September 1981. ^{1/} U.S. sales of cotton to China also declined, from \$562.7 million in January-September 1980 to \$346.0 million through September 1981. Both an extension of the acreage devoted to growing cotton and a good harvest in China in 1980 reduced import requirements in 1981.

Agricultural exports to Poland increased by 33 percent from January-September 1980 to January-September 1981, raising their share to nearly 90 percent of the total U.S. sales to Poland. This represented an increase of almost 15 percentage points in the share from July-September 1980--when strikes and the ensuing acute economic crisis first began--to July-September 1981. Because of Poland's problems in paying for exports, U.S. agricultural exports to Poland declined from \$273.5 million in January-March 1981 to \$109.5 million in April-June; however, after new financing arrangements had been made and additional financing sources had been provided, they were back up to \$133.4 million in July-September. ^{2/}

Tables 6-8 show various aspects of the commodity composition of U.S. exports to NME's. Groups of commodities that are traditionally important in U.S.-NME trade are listed in table 6, along with the value of exports of these products to the NME's and their share of such shipments in total U.S. exports. In January-September 1981, the NME's accounted for one-fourth of all U.S. wheat exports and for almost one-third of all U.S. sales of manmade fibers. The value of these latter shipments more than doubled from January-September 1980 to January-September 1981. China was the leading NME purchaser of both wheat and manmade fibers from the United States. The NME's also accounted for at least 20 percent of total U.S. exports of corn, soybean oilcake and meal, and cotton during January-September 1981.

The individual Schedule B items for which the NME's collectively account for the largest market shares are contained in table 7. China was the major customer for 10 such items; Poland, for 7; and the Soviet Union, for 3. Recent shipments of food items to Poland account for a number of previously less significant items being included in the data for January-September 1981.

Items of which the dollar value of U.S. exports to the NME's changed substantially from January-September 1980 and January-September 1981 are shown in table 8. Of the 20 commodities listed, China accounts for 9 of the 10 that increased and for 7 of the 10 items that declined substantially. These changes were most likely the result of China's cutback in heavy industrial output and the renewed emphasis upon the light industries and agricultural production.

^{1/} Because the price of corn increased relatively more than the price of wheat in 1981, at least part of the decrease in China's purchases of corn was probably attributable to China's substituting wheat for corn. In January-September 1981, U.S. exports to China of wheat and corn combined were approximately the minimum quantity that China agreed to buy each year under the 4-year bilateral grain agreement that became effective Jan. 1, 1981. The United States has agreed to offer China up to 9 million metric tons annually without prior consultation. According to U.S. Secretary of Agriculture John R. Block, China said that they did not expect to need more than the agreed-upon 6 million to 9 million tons in 1981 (New York Times, Oct. 19, 1981, p. D1).

^{2/} See the section on "U.S. Assistance to Poland" in this report.

Table 6.--U.S. exports of selected major commodities to the nonmarket economy countries (NME's),
January-September 1980 and January-September 1981

Commodity	Major NME customer	Share of total		Value of	
		exports accounted		exports to	
		for by NME's		all NME's	
		Jan.-Sept. 1980	Jan.-Sept. 1981	Jan.-Sept. 1980	Jan.-Sept. 1981
		Percent		1,000 dollars	
Cattle hides	Romania	11.6	7.5	57,548	36,392
Cereal grains	China and U.S.S.R.	17.7	20.0	2,035,580	2,753,502
Barley, unmilled	East Germany	4.1	6.1	5,686	12,484
Corn, unmilled	U.S.S.R.	19.4	20.0	1,122,084	1,254,947
Wheat	China	20.0	25.3	907,494	1,485,905
Fertilizers	U.S.S.R.	6.4	9.6	154,944	195,516
Magnesium	Romania	9.6	2.4	9,812	1,683
Metal ores	U.S.S.R.	.9	2.8	11,408	24,132
Petroleum and natural gas	do	.2	1.0	2,853	21,650
Soybean oilcake and meal	Romania and Poland	18.7	21.6	233,687	257,815
Soybeans	China	6.5	3.5	267,306	147,299
Textiles	do				
Cotton	do	12.1	12.9	840,785	862,897
Manmade fibers	do	25.0	20.2	611,145	363,315
Titanium	do	16.7	30.7	181,740	405,187
Tobacco	do	0	1.4	0	1,700
	Bulgaria and Poland	1.4	1.3	24,506	23,399

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

Table 7.--20 U.S. export items for which the nonmarket economy countries (NME's) collectively account for the largest market share, by Schedule B Nos., January-September 1980 and January-September 1981 ^{1/}

Schedule B No.	Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's in
			Jan.-Sept. 1980	Jan.-Sept. 1981	Jan.-Sept. 1981
			Percent		1,000 dollars
116.0100	Butter-----	Poland-----	-	91.9	24,849
112.6000	Fish in airtight containers-----	-----do-----	-	90.7	5,819
480.7025	Phosphoric acid, 65 percent or more----	U.S.S.R-----	38.8	89.8	68,044
699.0030	Tugboats and towboats-----	China-----	-	89.2	19,982
309.4242	Polyester fibers, noncontinuous-----	-----do-----	60.8	77.1	207,840
113.8040	Fish, prepared or preserved, n.e.s-----	Poland-----	-	70.2	1,886
176.2520	Linseed oil, crude-----	-----do-----	-	69.7	6,321
300.1530	American Pima cotton-----	-----do-----	34.6	69.7	7,289
252.8230	Corrugated medium wrapping and----- packaging paper.	China-----	12.7	68.7	4,858
674.3529	Gear tooth grinding and finishing----- metal working machines.	U.S.S.R-----	28.9	66.1	10,674
121.7060	Leather, n.e.s-----	China-----	17.5	55.9	25,975
310.0010	Textured yarns, of polyester-----	-----do-----	30.5	53.8	111,388
358.0400	Belting and belts, for machinery,----- of textile fibers, n.e.s.	U.S.S.R-----	.3	53.6	10,758
444.6000	Polyester resins, unsaturated-----	China-----	56.1	52.3	30,105
345.5052	Knit fabrics of noncellulosic fibers, circular knit.	-----do-----	-	47.0	5,384
182.9742	Flour and grits, defatted, derived from oilseeds.	Poland-----	64.9	43.1	2,050
310.0008	Textured yarns of nylon, less than 1,000 denier.	China-----	15.6	43.1	12,326
300.1550	Other cotton, staple length 1-1/8 inches or more.	-----do-----	35.9	40.1	110,189
177.5000	Lard-----	Poland-----	-	37.0	11,977
310.0034	Polyester continuous yarns with a tenacity of 8 grams per denier or more.	China-----	6.1	36.9	3,705

^{1/} Only items which accounted for at least 1 million dollars' worth of exports in January-September 1981 are included in this table.

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

Table 8.--20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B Nos., January-September 1980 and January-September 1981 ^{1/}

Schedule B No.	Commodity	Major NME customer	Percentage change, January-Sept. 1981 from January-Sept. 1980		Value of exports to all NME's in Jan.-Sept. 1981
			All NME's	World	
			-----Percent-----		<u>1,000 dollars</u>
338.2930	Woven fabrics of polyester, continuous.	China-----	2,510.8	50.9	23,474
200.3514	Western hemlock logs-----	-----do-----	1,528.2	-45.8	11,316
250.0281	Wood pulp, sulphate and soda, bleached, soft wood.	-----do-----	1,244.9	11.3	26,058
121.7060	Leather, n.e.s.-----	-----do-----	579.0	112.9	25,975
772.5000	Pneumatic tires for agricultural equipment.	Romania-----	572.9	4.6	3,611
661.7060	Industrial machinery for treatment of chemicals; and parts.	China-----	510.0	-27.4	4,259
444.2040	Polystyrene homopolymer-----	-----do-----	482.2	-10.8	10,692
310.0008	Textured yarns of nylon less than 1,000 denier.	-----do-----	420.7	88.8	12,326
685.2001	Television receivers-----	-----do-----	412.1	-4.8	4,903
309.4245	Acrylic and modacrylic fibers (in continuous form).	-----do-----	405.2	20.8	23,391
683.9540	Parts of industrial and laboratory furnaces and ovens.	Poland-----	-92.4	-.7	622
444.2310	Polyvinyl chloride (PVC) and copolymer resins, uncompounded.	China-----	-90.0	11.5	525
664.0513	Drilling and boring machines, n.e.s.-----	-----do-----	-89.2	5.1	602
433.1066	Lubricating oil and grease additive preparations, n.e.s.	-----do-----	-88.7	.1	846
772.6220	Wrapped reinforced hose-----	U.S.S.R.-----	-85.2	-4.2	782
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split.	China-----	-84.7	-78.4	918
121.5707	Bovine leather uppers-----	-----do-----	-84.3	-34.8	1,726
630.3540	Magnesium, unwrought-----	Romania-----	-81.7	-22.0	1,683
618.0670	Alloys of aluminum, n.s.p.f.-----	China-----	-77.0	-31.3	668
618.0300	Unwrought aluminum, other-----	-----do-----	-74.0	-48.4	3,255

^{1/} Only items which accounted for at least 500,000 dollars' worth of exports in both January-September 1980 and January-September 1981 are included in this table.

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

U.S. Imports from the NME's

After a nominal decrease of 2.2 percent from April-June 1981, the value of U.S. imports from the NME's was \$883.9 million during July-September. This value was still much higher than in any quarter previous to 1981. The United States imported 2,581 million dollars' worth of commodities from the NME's in January-September, representing an increase of 44 percent over such imports in the corresponding period of 1980. U.S. imports from the NME's in January-September 1980 and January-September 1981 are shown by SITC commodity sections in table 9.

Manufactured goods classified by chief material (SITC Section 6) and miscellaneous manufactured articles (SITC Section 8) together account for nearly half of U.S. imports from the NME's. Led by a rise in shipments of steel plate from Romania (Section 6), imports in both of those categories increased in January-September 1981. However, their share of all U.S. imports from NME's declined as the value of imports of other commodities increased substantially. In January-September 1981, imports from the NME's were significantly higher in two categories: mineral fuels and lubricants (SITC Section 3) and crude materials, except fuel (SITC Section 2).

The largest increase in imports from the NME's occurred in mineral fuels and lubricants, a category that includes petroleum and dominates U.S. imports from the world. Although the value of total U.S. imports in this category increased by only 4.5 percent from January-September 1980 to January-September 1981, the rise in such imports from NME's was 171 percent. The increase was mainly attributable to larger U.S. purchases of petroleum products from two countries: gasoline and petroleum-derived naphthas from China (valued at \$201.7 million and accounting for 45 percent of the increase); and fuel oils and naphthas from the Soviet Union (valued at \$106.8 million and accounting for another 39 percent). There were no imports of refined petroleum from the U.S.S.R. during January-September 1980. 1/

Imports of gasoline and naphthas from Romania were also higher and accounted for the remainder of the \$433 million in mineral fuels and lubricants that the United States bought from the NME's. Although petroleum products are a major source of hard currency for Romania, the volume of its exports, to a large extent, depends upon the availability and world market prices of the crude oil imported for its refining operations. Romania's sales of petroleum products to the United States increased from \$34.9 million in January-September 1980 to \$122.6 million in the first three quarters of 1981.

1/ Both crude petroleum, valued at \$6.2 million, and petroleum-derived naphthas, valued at \$5.0 million, were imported from the Soviet Union in 1980. However, the latter (also imported in January-September 1981) was imported only during October-December 1980.

Table 9.--U.S. imports from the world and from the nonmarket economy countries (NME's),
by SITC 1/ Nos. (Revision 2), January-September 1980 and January-September 1981

SITC Section No.	Description	Total imports		Imports from the NME's	
		Jan.-Sept. 1980	Jan.-Sept. 1981	Jan.-Sept. 1980	Jan.-Sept. 1981
		Value (million dollars)			
0	Food and live animals-----	11,596	11,396	204	226
1	Beverages and tobacco-----	1,805	2,086	20	26
2	Crude material--inedible, except fuel-----	7,663	8,504	129	294
3	Mineral fuels, lubricants, etc-----	59,518	62,210	160	433
4	Oils and fats--animal and vegetable--	373	366	4	1
5	Chemicals-----	6,342	7,069	198	178
6	Manufactured goods classified by chief material-----	24,180	27,466	396	598
7	Machinery and transport equipment----	44,801	50,588	148	201
8	Miscellaneous manufactured articles--	17,576	18,987	461	598
9	Commodities and transactions not elsewhere classified-----	5,262	5,139	73	27
	Total-----	179,117	193,810	1,792	2,581
		Percent of total			
0	Food and live animals-----	6.5	5.9	11.4	8.8
1	Beverages and tobacco-----	1.0	1.1	1.1	1.0
2	Crude material--inedible, except fuel-----	4.3	4.4	7.2	11.4
3	Mineral fuels, lubricants, etc-----	33.2	32.1	8.9	16.8
4	Oils and fats--animal and vegetable--	.2	.2	.2	.0
5	Chemicals-----	3.5	3.6	11.0	6.9
6	Manufactured goods classified by chief material-----	13.5	14.2	22.1	23.2
7	Machinery and transport equipment----	25.0	26.1	8.3	7.8
8	Miscellaneous manufactured articles--	9.8	9.8	25.7	23.2
9	Commodities and transactions not elsewhere classified-----	2.9	2.7	4.1	1.0
	Total-----	100.0	100.0	100.0	100.0

1/ Standard International Trade Classification.

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

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

Crude materials also accounted for a larger share of U.S. imports from NME's in January-September 1981, increasing 165 percent to \$294 million from such imports in the corresponding period of 1980. Approximately 70 percent of such imports consisted of four items--peanuts, natural barium sulfate, feathers, and tungsten ore--bought only or primarily from China. 1/ Most of the increase was in peanuts and was attributable to the poor peanut crop in the United States in 1980.

During January-June 1981, China supplied 155.2 million pounds, or 51.2 percent, of the peanuts entering the United States under a temporarily increased quota that the President had authorized to offset a domestic shortage. These imports totaled \$148.6 million, accounting for 17.5 percent of the value of imports from China and for 8.8 percent of the value of imports from all NME's as a group in January-June. 2/

By comparison, imports of peanuts were negligible during July-September, since both the regular quota on peanuts--1.7 million pounds for the 1980/81 year ending July 31--and the supplementary quota--an additional 300 million pounds--had been filled in June. Imports during July-September were restricted to the regular 1.7-million-pound quota for the new 1981/82 year, which was filled immediately from supplies being held in port pending the reopening of the quota on August 1. Only 1.8 million dollars' worth of peanuts from China entered the United States during July-September. 3/

Nevertheless, total U.S. imports from China were valued at \$512.7 million in July-September, higher than in either the first or second quarter of 1981. This was primarily the result of increased imports in three other categories: mineral fuels and lubricants, manufactured goods classified by chief material, and miscellaneous manufactured articles. China was also the leading NME supplier of U.S. imports in these categories (table 10).

During July-September, U.S. imports from China exceeded those from any other NME in every SITC category but two. Mineral fuels and lubricants, consisting entirely of gasoline and naphthas, were nearly one-quarter of the value of U.S. purchases from China; in the other SITC categories, no single item contributed substantially to the total value of imports. 4/ Nonetheless,

1/ China was the only NME source of these commodities with the exception of \$2.7 million of the \$21.6 million in feathers imported from the NME's in January-September 1981. The United States also imported feathers from Czechoslovakia and Romania.

2/ For a more detailed discussion of the quota arrangements and of peanut imports during January-June 1981, see 27th Quarterly Report . . ., pp. 32 and 36-37.

3/ Since a normal peanut crop was harvested in the United States in 1981, it is not likely that any additional imports of peanuts will be authorized during the remainder of the quota year ending July 31, 1982.

4/ Leading imports from China in other categories included mushrooms (SITC sec. 0), natural barium sulfate and feathers (sec. 2), ammonium molybdate (sec. 5), hand-knotted wool floor coverings and cotton printcloth shirting (sec. 6), and women's cotton slacks (sec. 8). The import value of each item is shown in table A-4.

Table 10.--U.S. imports from the nonmarket economy countries,
by SITC 1/ Nos. (Revision 2), July-September 1981

(In thousands of dollars)								
SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
0	Food and live animals-----	-	650	26,555	-	919	243	4,142
1	Beverages and tobacco-----	-	5,995	664	-	102	127	463
2	Crude material--inedible, except fuel-----	612	-	38,822	-	401	16	430
3	Mineral fuels, lubricants, etc-----	-	-	120,871	-	-	264	-
4	Oils and fats--animal and vegetable---	-	-	60	-	-	-	-
5	Chemicals-----	2	310	31,370	-	311	210	1,408
6	Manufactured goods classified by chief material-----	-	62	96,043	-	5,864	3,826	2,242
7	Machinery and transport equipment----	-	498	16,022	-	2,846	4,698	10,712
8	Miscellaneous manufactured articles----	3	8	180,976	-	4,049	1,283	7,458
9	Commodities and transactions not elsewhere classified-----	-	24	1,285	-	85	15	819
	Total-----	616	7,546	512,667	-	14,578	10,682	27,673
		Mongolia	North Korea	Poland	Romania	U.S.S.R.	Viet- nam	Total
0	Food and live animals-----	-	-	22,702	6,835	523	-	62,569
1	Beverages and tobacco-----	-	-	179	469	2,154	-	10,153
2	Crude material--inedible, except fuel-----	831	-	733	684	3,096	-	45,624
3	Mineral fuels, lubricants, etc-----	-	-	-	13,795	30,962	-	165,891
4	Oils and fats--animal and vegetable---	-	-	-	-	8	-	68
5	Chemicals-----	-	-	3,703	683	12,913	-	50,909
6	Manufactured goods classified by chief material-----	-	-	33,228	57,507	19,863	-	218,634
7	Machinery and transport equipment----	-	-	13,421	27,008	345	-	75,551
8	Miscellaneous manufactured articles----	-	-	18,141	38,451	748	5	251,121
9	Commodities and transactions not elsewhere classified-----	-	-	948	130	121	-	3,426
	Total-----	831	-	93,053	145,562	70,733	5	883,946

1/ Standard International Trade Classification.

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

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

China accounted for 58 percent of the value of all commodities imported from the NME's in July-September 1981. Imports from China were 73 percent higher than in July-September 1980, when its share was only 43 percent of the total imports.

Romania was the leading NME supplier of machinery and transport equipment (SITC Section 7), exporting items such as industrial pumps, railway cars, and tractors. The production of machinery and transport equipment is strongly supported by the Romanian Government as a leading source of hard-currency earnings.

The leading Romanian export to the United States in January-September 1981 was, however, carbon steel plate, which accounted for 55 percent of the \$57.7 million in total imports from Romania in SITC Section 6. Steel plate imports from Romania increased from \$1.6 million in July-September 1980 to \$31.4 million in July-September 1981. During January-September of 1981, imports of carbon steel plate from Romania totaled \$66.1 million, compared with \$3.8 million during the corresponding period of 1980. 1/

Table 11 shows total U.S. imports from each NME in January-September of 1980 and 1981 and July-September of 1980 and 1981. The relative shares of U.S. imports from the NME's in 1980 and during January-September 1981 are also illustrated in figure 3. They show that Romania surpassed the Soviet Union to become the second largest NME supplier of U.S. imports during 1981, both in the July-September period and on the basis of three quarters. Carbon steel plate accounted for 22 percent of total imports from Romania during the third quarter and for 15 percent of the total over the 9-month period.

Poland ranked third despite a decrease in the value of imports it supplied to the United States. As the Polish economy deteriorated and domestic shortages increased, some major exports from Poland declined sharply or stopped in 1981. Although canned hams remained the leading U.S. import from Poland, the value of shipments decreased from \$29.8 million in April-June to \$16.5 million in July-September. 2/ Coal, traditionally a major import from Poland, has not been shipped to the United States since January-March 1981. 3/

1/ On Nov. 18, 1981, the Commission instituted an investigation under sec. 733(a) of the Tariff Act of 1930 in response to advice from the U.S. Department of Commerce that imports of hot-rolled carbon steel plate from Romania were likely to be sold at less than fair value (LTFV) in the U.S. market. At issue in the Commission's investigation is whether there is a reasonable indication that these imports are materially injuring or threatening to materially injure a domestic industry. A preliminary determination must be made by the Commission on or before Jan. 4, 1982.

2/ Poland's Government banned exports of food from Poland when martial law was imposed on Dec. 13, 1981.

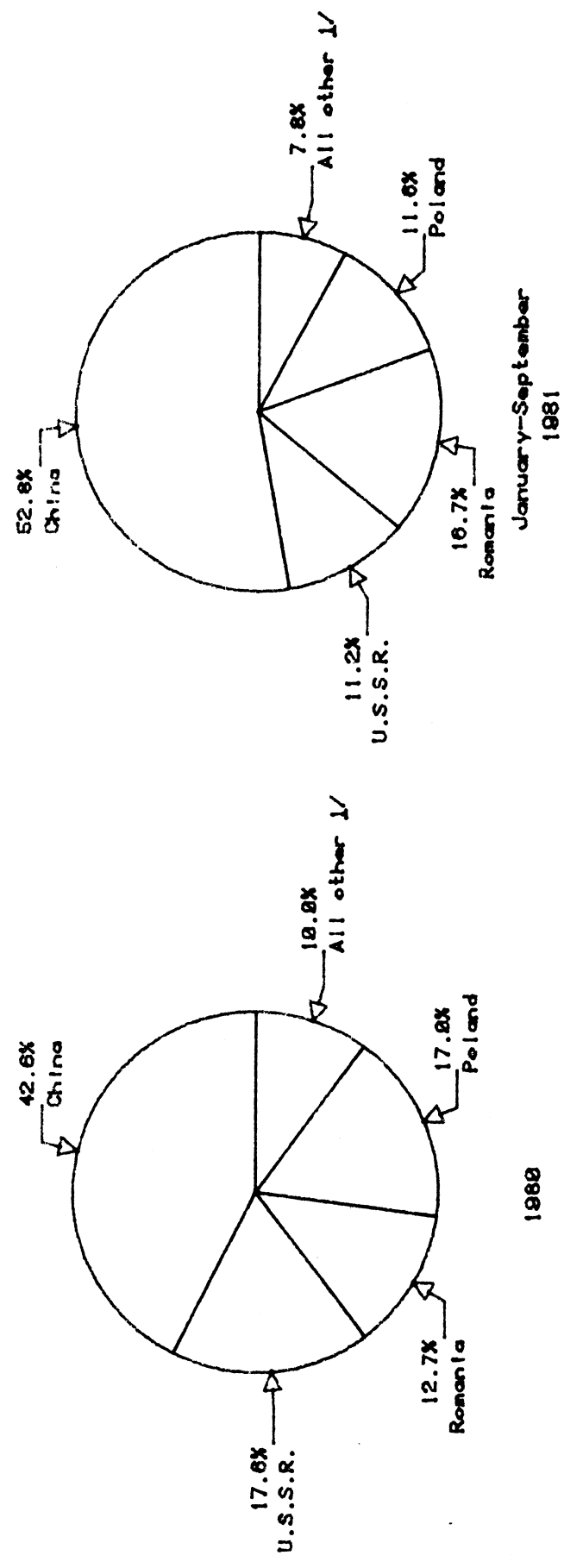
3/ Poland's coal output was 19.1 percent lower in January-September 1981 than in the corresponding period of 1980. (The Economist Intelligence Unit, Ltd., Quarterly Economic Review of Poland, East Germany, November 1981, p. 13.)

Table 11.--U.S. imports from the individual nonmarket economy countries and from the world, 1979-80, January-September 1981, January-September 1980, and July-September 1981

Source	(In thousands of dollars)					
	1979	1980	January-September		July-September	
			1980	1981	1980	1981
China-----	548,543	1,039,177	738,999	1,361,774	295,720	512,667
U.S.S.R-----	872,595	430,387	308,356	289,405	147,482	70,733
Romania-----	329,051	310,561	250,949	430,028	87,892	145,56
Poland-----	426,090	414,919	309,707	299,497	95,890	93,053
East Germany-----	35,666	42,959	32,730	33,232	9,297	10,682
Bulgaria-----	30,145	22,845	17,235	18,808	5,607	7,546
Hungary-----	112,129	104,269	77,894	92,293	26,498	27,673
Czechoslovakia-----	49,899	61,102	45,386	49,618	15,245	14,578
Vietnam-----	711	34	33	96	5	5
Albania-----	9,002	10,718	9,287	2,720	3,022	616
Mongolia-----	3,753	2,223	1,510	3,267	730	831
Cuba-----	152	19	16	27	-	-
North Korea-----	127	52	51	47	-	-
Total-----	2,417,863	2,439,263	1,792,152	2,580,813	687,387	883,946
Total, U.S. imports from the world-----	205,922,700	239,994,468	179,117,096	193,810,048	56,856,160	63,303,252

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

Figure 3.---Relative shares of U.S. Imports for consumption from the nonmarket economy countries, 1980 and January-September 1981.



1/ East Germany, Bulgaria, Czechoslovakia, Hungary, Mongolia, Albania, Vietnam, Cuba, and North Korea.

Source: Based on data in table 11.

Smaller shipments of gold was the primary reason for the decline in U.S. imports from the Soviet Union in 1981. No shipments took place in July-September 1981, compared with \$65.9 million in gold imports in July-September 1980. On the basis of three quarters, gold shipments in 1981 were \$47.5 million less than those in 1980. Quarterly U.S. imports from the NME's as a group, from China, and from the Soviet Union are illustrated in figure 4.

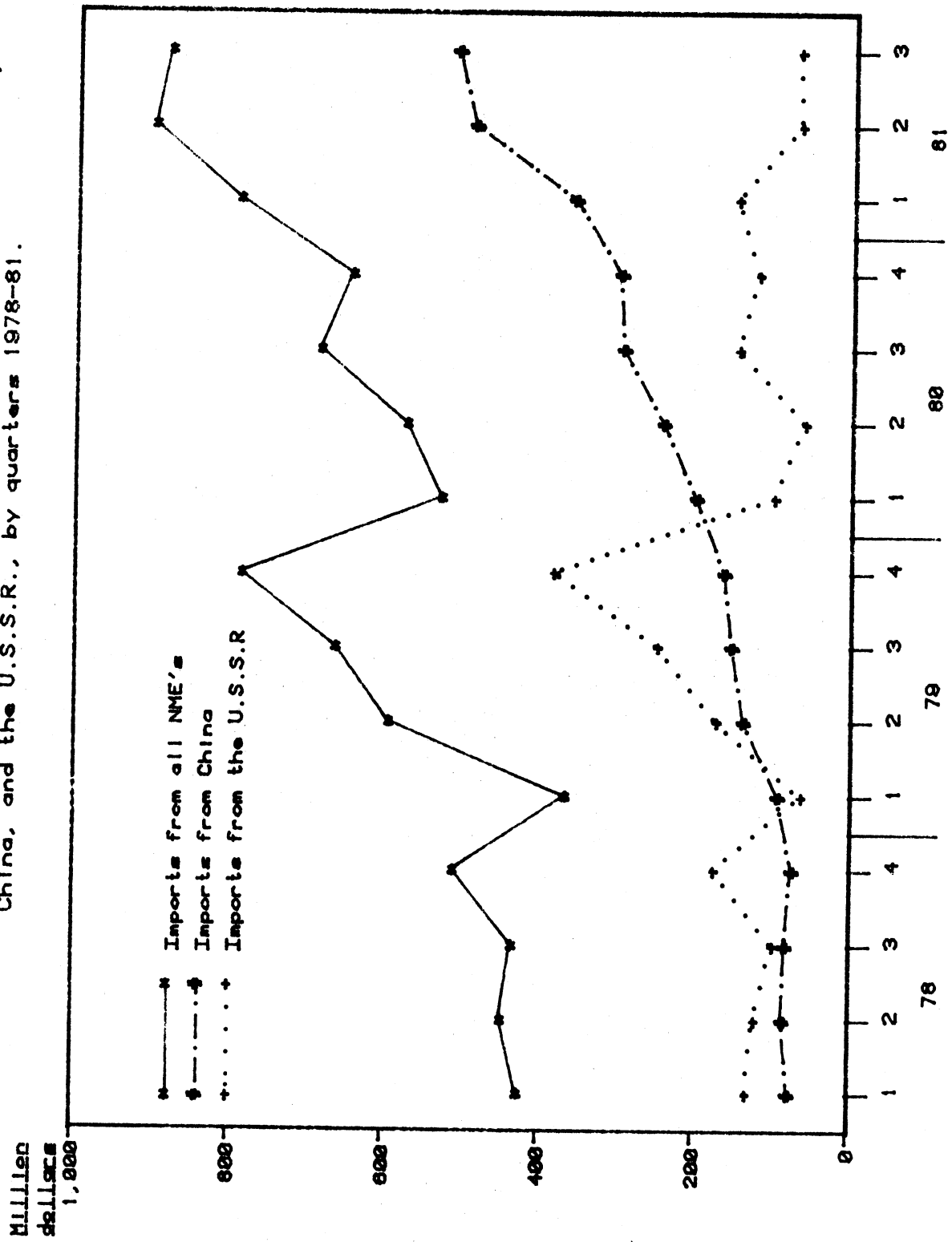
Total U.S. agricultural imports from the individual NME's in January-September of 1980 and 1981 and July-September of 1980 and 1981 are shown in table 12. In January-September 1981, agricultural imports from all NME's as a group increased by \$153.1 million from such imports in the corresponding period of 1980. This was largely attributable to an increase of \$150.4 million in imports from China of peanuts, following the authorization of a temporarily higher quota. On the other hand, the value of agricultural imports from the NME's was lower in July-September 1981 than in July-September 1980, and the ratio of agricultural to total imports from NME's declined by 3.7 percentage points. Among the specific import items that decreased substantially from July-September 1980 to July-September 1981 were licorice root and downs from China and canned hams from Poland. 1/

Table 13 shows selected major commodities imported from the NME's in January-September 1980 and January-September 1981. The largest increases were in petroleum products and in textiles (apparel manufactures and accessories, hand-knotted wool carpets, and fabrics) from China. It is noteworthy that the NMF share of U.S. imports of canned hams declined by almost 8 percentage points, from 55.9 to 48.1 percent, in 1981. Although the decrease was largely attributable to the smaller supply available from Poland, such imports from Romania also declined. Imports of canned hams from Hungary and Czechoslovakia increased.

The 20 U.S. import items for which the NME's collectively accounted for the largest market share in January-September 1980 and January-September 1981 are shown in table 14; 20 items that have increased or decreased substantially are shown in table 15.

1/ Although U.S. agricultural imports from Albania were lower in July-September 1981 than in July-September 1980, the ratio of the agricultural to total imports was significantly higher. This resulted from a decrease of \$2.2 million in U.S. purchases of chrome ore, the principal nonfarm product that Albania exports to the United States.

Figure 4.--U.S. imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters 1978-81.



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

Table 12.--Agricultural items: U.S. imports from the world and from the individual nonmarket economy countries, 1979-80, January-September 1980, January-September 1981, July-September 1980, and July-September 1981

Source	1979	1980	January-September--		July-September--	
			1980	1981	1980	1981
Value (1,000 dollars)						
China-----	85,684	133,125	97,909	263,230	32,728	40,292
U.S.S.R-----	14,698	9,636	8,417	9,098	3,876	3,433
Romania-----	33,588	30,470	23,069	23,131	6,938	7,974
Poland-----	163,969	155,743	115,659	95,760	36,611	20,270
East Germany-----	2,248	2,825	2,795	470	357	133
Bulgaria-----	23,239	17,440	12,989	15,724	3,995	6,937
Hungary-----	35,752	30,586	20,936	24,999	5,929	5,054
Czechoslovakia-----	7,726	10,441	6,179	7,601	1,292	1,415
Vietnam-----	1	-	-	-	-	-
Albania-----	2,524	3,833	2,418	1,772	537	341
Mongolia-----	3,752	2,197	1,485	3,158	705	831
Cuba-----	-	-	-	-	-	-
North Korea-----	-	-	-	10	-	-
Total-----	373,192	396,280	291,855	444,953	92,968	86,679
Total, U.S. agricultural imports from the world-----	16,725,061	17,366,236	12,867,192	12,719,604	3,980,316	3,789,465
Agricultural imports as a percent of total imports						
China-----	15.6	12.8	13.2	19.3	11.1	7.9
U.S.S.R-----	1.7	2.2	2.7	3.1	2.6	4.9
Romania-----	10.2	9.8	9.2	5.4	7.9	5.5
Poland-----	38.5	37.5	37.3	32.0	38.2	21.8
East Germany-----	6.3	6.6	8.5	1.4	3.8	1.2
Bulgaria-----	77.1	76.3	75.4	83.6	71.2	91.2
Hungary-----	31.9	29.3	26.9	27.1	22.4	18.3
Czechoslovakia-----	15.5	17.1	13.6	15.3	8.5	9.7
Vietnam-----	.1	-	-	-	-	-
Albania-----	28.0	35.8	26.0	65.1	17.8	55.3
Mongolia-----	1/ 99.9	98.9	98.3	96.7	96.6	100.0
Cuba-----	-	-	-	-	-	-
North Korea-----	-	-	-	20.6	-	-
Total-----	16.4	15.9	16.3	17.2	13.5	9.8
Total, U.S. imports from the world-----	8.1	7.2	7.2	6.6	7.0	6.0
1/ Actually 99.97 percent.						

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

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

Table 13.--U.S. imports of selected major commodities from the nonmarket economy countries (NME's),
January-September 1980 and January-September 1981

Commodity	Major NME supplier	Share of total		Value of	
		imports accounted		imports from	
		for by NME's		all NME's	
		Jan.-Sept. 1980	Jan.-Sept. 1981	Jan.-Sept. 1980	Jan.-Sept. 1981
		Percent		1,000 dollars	
Cereal grains	Romania	1.7	12.9	466	4,515
Corn, unmilled	do	8.7	37.7	466	4,507
Chromium scrap	China	3.6	2.8	837	597
Coal	Poland	11.6	2.4	8,381	1,439
Copper	do	.6	.4	6,754	3,605
Feathers and downs	China	41.3	40.7	20,047	23,803
Fertilizers	U.S.S.R.	7.3	5.5	67,114	57,278
Furniture	Romania	5.0	4.9	19,858	21,259
Glass and glass products	do	6.7	5.8	29,807	28,765
Macaroni	China	7.1	6.2	1,737	1,920
Metal ores	do	1.9	1.0	33,049	20,772
Nickel	U.S.S.R.	2.6	4.9	17,289	35,627
Petroleum and natural gas	China	.3	.7	149,915	431,048
Precious metals	U.S.S.R.	3.4	2.1	138,189	60,903
Gold bullion	do	3.4	1.4	65,889	18,349
Platinum	do	7.8	7.7	53,376	39,181
Prepared pork	Poland	55.9	48.1	137,251	117,765
Textiles	China	4.9	6.3	456,567	667,505
Footwear	Romania and China	3.6	3.4	80,242	81,935
Nonrubber footwear	do	5.5	4.6	69,075	62,676
Manmade fibers	Romania	1.5	1.4	1,800	2,404
Tin	China	.9	2.2	5,499	10,473
Titanium	do	30.7	12.0	24,795	14,447
Tobacco	Bulgaria	3.6	3.5	13,042	15,275
Typewriters	Bulgaria and East Germany	1.9	1.9	5,266	4,625

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

Table 14.--20 U.S. import items for which the nonmarket economy countries (NME's) collectively account for the largest market share, by TSUSA Nos., January-September 1980 and January-September 1981 1/

TSUSA item No.	Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's in Jan.-Sept. 1981
			Jan.-Sept. 1980	Jan.-Sept. 1981	
			-----Percent-----		1,000 dollars
417.2800	Ammonium molybdate	China	95.7	100.0	13,588
542.3120	Ordinary glass	Romania	86.9	99.5	1,828
306.4293	Camel hair, sorted	Mongolia and China	79.4	95.2	4,059
186.3000	Bristles, crude or processed	China	90.3	95.2	5,409
222.5700	Floor coverings of unspun vegetable materials.	do	88.2	92.9	7,843
380.0609	Men's and boys' jogging jackets	Romania	72.2	92.9	3,641
363.3020	Cotton pillow cases including bolster sets.	China	83.0	90.2	1,762
702.3785	Headwear n.e.s., not sewed	do	79.0	88.1	6,716
690.1500	Railway cars, passenger	Romania	10.1	86.3	10,753
366.6000	Cotton furnishings, n.e.s.	China	83.5	84.9	1,340
470.3000	Gall nuts, crude or processed	do	22.0	82.7	1,075
380.3941	Men's and boys' suit-type cotton coats.	Poland	78.9	81.4	3,987
546.6240	Cut glass tableware	Romania	88.0	79.4	1,039
365.8670	Tablecloths and napkins, of manmade fibers.	China	62.0	77.3	3,816
366.2740	Strip towels	do	42.0	75.8	5,133
606.3100	Ferromolybdenum	do	-	75.2	2,809
320.2032	Printcloth shirting, cotton	do	77.9	74.2	23,488
188.5025	Gum rosin	do	58.0	73.5	2,881
308.0440	Raw silk	do	71.4	73.3	4,980
169.3800	Vodka	U.S.S.R.	63.7	73.3	4,369

1/ Only items which accounted for at least 1 million dollars' worth of imports in January-September 1981 are included in this table.

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

Table 15.--20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA Nos., January-September 1980 and January-September 1981 1/

TSUSA item No.	Commodity	Major NME supplier	Percentage change,		Value of	
			January-Sept. 1980 from		Imports from	
			January-Sept. 1981	World	all NME's in	Jan.-Sept.
			All		Jan.-Sept.	1981
			NME's			
			-----	-----	-----	-----
			Percent		1,000	dollars
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored.	China	1,306.4	1,169.3	12,348	
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-rolled, n.e.s.	Romania	517.8	45.5	99,420	
610.4930	Hollow bars, not suitable for use in manufacture of ball or roller	do	500.7	145.0	4,685	
382.0459	bearings, n.e.s. Women's manmade-fiber blouses, not knit.	China	433.9	126.7	3,373	
664.1056	Hydraulic jacks, n.s.p.f.	do	408.4	13.1	2,705	
727.1100	Furniture of rattan, n.s.p.f.	do	381.5	88.4	3,925	
700.4560	Women's footwear, of leather, n.e.s., valued over \$2.50 a pair.	Romania	368.4	4.6	5,013	
169.3800	Vodka in containers, not over 1 gallon, valued over \$7.75 per gallon.	U.S.S.R.	367.8	306.9	4,369	
610.3920	Oil well casing, other than alloy steel, not advanced.	Romania	324.3	432.3	10,047	
748.2100	Artificial flowers, etc., n.e.s.	China	321.6	41.0	2,616	
605.0710	Platinum bars, plates, and sheets	U.S.S.R.	-88.0	-20.0	731	
629.1200	Titanium waste and scrap, unwrought	China	-82.7	-27.3	1,426	
605.0750	Palladium bars, plates, etc.	U.S.S.R.	-80.5	36.7	2,273	
382.3305	Women's cotton blouses, not knit	China	-79.2	28.6	775	
653.2200	Metal coins, n.e.s.	do	-79.0	-28.5	7,001	
521.3180	Coal, n.s.p.f., including lignite, but not including peat.	Poland	-77.8	-26.3	1,439	
765.0300	Paintings, etc. by hand	China	-75.6	.1	2,208	
601.1560	Chrome ore, 46 percent or more chromic oxide.	U.S.S.R.	-75.2	-30.3	1,026	
605.2020	Gold bullion, refined	do	-72.2	-31.9	18,349	
382.3309	Women's other cotton blouses	China	-70.1	30.6	1,616	

1/ Only items which accounted for at least 500,000 dollars' worth of imports in both January-September 1980 and January-September 1981 are included in this table.

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

THIRD-QUARTER DEVELOPMENTS AFFECTING U.S. COMMERCIAL RELATIONS
WITH NONMARKET ECONOMY COUNTRIES

U.S.-U.S.S.R. Grain Trade Negotiations

The lifting by the United States of the partial embargo on exports of grain to the Soviet Union in April 1981 1/ was followed by two important developments in the third quarter of the year: the extension of the 5-year U.S.-U.S.S.R. grain supply agreement for a sixth year, 2/ and the subsequent authorization of Soviet grain purchases even beyond those stipulated in that agreement.

Extension of the U.S.-U.S.S.R. grain supply agreement

The expiration date of the grain supply agreement on September 30, 1981, was already approaching when the President of the United States revoked the partial grain embargo in April. U.S. grain interests favored a new long-term accord to assure predictable and sizable sales to the Soviet Union for the coming years. The end of the embargo raised the possibility that a second long-term grain supply accord would soon be concluded. Instead, on August 5, 1981, the United States and the Soviet Union agreed to extend the current agreement for another year. 3/

The 1-year extension carried the same conditions as the initial agreement: the Soviets are required to buy at least 6 million tons of grains between October 1, 1981, and September 30, 1982, and they may purchase an additional 2 million tons without consulting the U.S. Government. The United States is committed to make up to 8 million tons of grains available in this period for shipment to the Soviet Union, including 6 million tons that had been informally offered in June. 4/

U.S. grain producers and traders expressed disappointment that the first post-embargo meeting of the two Governments had not resulted in a new long-term agreement. 5/ The extension committing the Soviets to buy only 6 million tons of U.S. grains left the actual level of U.S. exports dependent on Soviet demand, the availability of grain from other sources, and Soviet policy on sourcing their needs.

1/ For a discussion of this subject, see the 27th Quarterly Report. . ., p. 39.

2/ When it was concluded in 1975, this agreement was intended to put grain sales on a stable and predictable basis after large Soviet purchases began in the early 1970's, disrupting markets. Under its terms, the Soviets agreed to purchase at least 6 million tons and the United States agreed to offer for sale at least 8 million tons of corn and wheat combined in each agreement year from Oct. 1, 1976, to Sept. 30, 1981.

3/ Reported in the 27th Quarterly Report. . ., p. 40.

4/ Ibid., p. 39.

5/ The Wall Street Journal, Aug. 6, 1981, p. 6.

U.S. offer of additional grains

During July-September of 1981, prospects for the Soviet grain harvest became progressively poorer. The most recent U.S. Department of Agriculture (USDA) projections for the 1981 Soviet grain crop indicate a harvest of 175 million tons--more than 50 million short of the target figure. 1/ This would be the third consecutive poor harvest in the Soviet Union and the worst harvest in 6 years.

For 1981/82, the USDA expects the Soviets to establish a new record in grain imports in order to offset the shortfall. In November, USDA projections of Soviet imports for July-June 1981/82 stood at 43 million tons--8 million more than the record level reached the preceding year. These imports would include 24 million tons of coarse grains, 8 million tons of wheat, and 1 million tons of other grains. 2/ The Soviet Government reportedly has made provision to increase the capability of Soviet ports for handling more grains.

Current expectations of record Soviet demand for foreign grains coincide with unusual pressures on U.S. farmers to export more. The recent strength of the dollar has dimmed U.S. export prospects at a time of bumper wheat and coarse grain crops. Abundant exportable supplies 3/ at low prices this year have depressed U.S. farm income, which had already suffered last year from rising costs--especially from high interest rates. In this context, capturing a significant share of the Soviet market assumed great importance for U.S. farmers.

On September 30, 1981, the delegations of the United States and the Soviet Union met for their first semiannual consultation under the extended grain supply agreement. At the conclusion of this meeting it was announced that the United States would make 15 million tons of grains available to the U.S.S.R. through September 30, 1982, in addition to the commitment of 8 million tons made earlier by the United States under the extended agreement. 4/ The offer raised the volume of U.S. grains the Soviets could buy up to 23 million tons. This total was only 2 million tons short of the 25 million tons of U.S. grains allowed for October-September 1979/80--the largest quantity of exports ever authorized under the grain supply agreement. 5/

Actual U.S. exports of grains to the Soviet Union were largest in 1978/79 (October-September), when they exceeded 15 million tons. In the 1980/81 agreement year--which was affected by the embargo until April 4, 1981--U.S. exports amounted to 9.6 million tons. Of this amount, 8 million were exports

1/ USDA, Foreign Agricultural Circular, FG-39-81, Nov. 12, p. 1.

2/ USDA, Foreign Agricultural Circular, FG-40-81, Nov. 13, p. 1.

3/ According to the USDA, the value of U.S. farm exports increased only 8 percent in Fiscal Year 1980/81, compared with a 27-percent rise in Fiscal Year 1979/80. See USDA, Outlook for U.S. Agricultural Exports, Nov. 2, 1981.

4/ USDA, Foreign Agricultural Circular, FG-36-81, p. 3.

5/ Following the Soviet invasion of Afghanistan, the Soviets were not allowed to take advantage of this preembargo authorization. As stipulated by the partial grain embargo, actual U.S. grain sales to the Soviets in 1979/80 did not exceed the original U.S. commitment of 8 million tons under the grain supply agreement.

under the grain supply agreement, and 1.6 million were under the June 1981 authorization of an additional 6 million tons for delivery before September 30, 1981. 1/

Trade outlook

With export limitations on the U.S. side thus removed, the actual 1981/82 level of U.S.-U.S.S.R grain trade depends on the Soviet Union. Observers generally believe that the Soviets will continue their efforts to minimize their reliance on the United States. Some expect, however, that still-favorable U.S. prices and shipping rates 2/ and, most important, lack of sufficient supplies from other sources, might nonetheless induce large Soviet purchases of U.S. grains this year.

According to the USDA, 1981/82 shipments from Argentina to the U.S.S.R. might exceed the 13 million to 14 million tons (July-June basis) forecasted earlier, and shipments from Canada could reach 7 million tons (August-July basis). 3/ During the 1980/81 agreement year--most of which was affected by the U.S. embargo--these countries were the two principal non-U.S. suppliers to the Soviet Union, providing 11 million and 7 million tons, respectively. Under Secretary of Agriculture Seely Lodwick recently stated that the Soviets might buy some 10 million of the newly authorized 15 million tons of U.S. grains for 1981/82. 4/ Adding this to the 8 million tons the Soviets would buy under the extended grains supply agreement, their imports of U.S. grains would total 18 million tons during October-September 1981/82.

Some important factors that will influence the actual level of U.S. grain sales to the Soviet Union, are, however, still unknown. One significant factor will be grain harvests in the Southern Hemisphere--specifically in Argentina and Australia. The mix of coarse grains versus wheat in Soviet import purchases will also affect the U.S. share in the Soviet grain market--adversely if the Soviets emphasize wheat, as they have done recently. 5/ U.S.-U.S.S.R. political and trade relations also remain major determinants of grain trade levels, particularly through their influence on prospects for a new long-term grain supply accord.

Soviet-European Gas Pipeline: The U.S. Position

At the Ottawa summit conference between the leaders of seven industrial democracies held in July 1981, President Reagan warned his summit partners about the dangers of their becoming dependent on Soviet energy. His particular concern was the planned 3,500-mile pipeline to be built with European and Japanese financial and technical support that would in a few

1/ 27th Quarterly Report. . . , p. 39.

2/ Journal of Commerce, Oct. 1, 1981, p. 5A.

3/ USDA, Foreign Agricultural Circular, FG-36-81, p. 2.

4/ Journal of Commerce, Oct. 2, 1981, p. 1.

5/ USDA, Foreign Agricultural Circular, FG-37-81, p. 4.

years supply Siberian natural gas to several Western European countries. The countries attending the conference were not responsive to the particular issue raised by the President, but they agreed on the need for consultations and, where appropriate, coordination of their economic relations with the Soviet Union. Specifically, they agreed to hold a high-level meeting of the Coordinating Committee for Multilateral Export Controls (COCOM) 1/ this fall to discuss ways of improving the system of multilateral controls that govern Western exports of strategic materials and related technology to the Soviet Union.

Following the Ottawa conference, Western European companies continued to negotiate various elements of the planned transaction with the Soviets. The Europeans have acknowledged that the arrangement would, indeed, make them more dependent on Soviet supplies of natural gas. However, they have reportedly developed a scheme to reduce their vulnerability that involves the capability to switch the supply system to use Dutch gas, if needed. 2/

In July-September 1981, the Soviet Union awarded multibillion dollar contracts for the construction of the pipeline to a West German-French consortium led by Mannesmann Anlagbau and Creusot-Loire, and to an Italian group led by Nuovo Pignone. Additional contracts and subcontracts went to other European and Japanese companies, and some others are still in the process of negotiation. Ruhrgas A.G., the West German gas utility, continued their protracted negotiations on the price and volume of the natural gas they will purchase through the pipeline. 3/

Negotiations on financing the project also continued during the quarter. A consortium of German banks signed a framework agreement with the Soviets on financing sales of equipment for the pipeline. The accord resolved, or postponed the resolution of, disagreements between the parties on the amount of credit coverage and on interest rates. Negotiations between the Soviets and Dutch, French, and Italian banking interests also took place.

Despite President Reagan's opposition in July to the pipeline and continued U.S. efforts to halt the project by subsequent diplomatic missions, 4/ European Governments--especially West Germany--created a favorable climate for pipeline-related negotiations between private interests in their countries and Soviet officials. The 10th meeting of the Joint West German-Soviet Economic Commission in September was largely devoted to discussion of cooperation in the field of energy.

1/ COCOM is a multilateral organization through which the United States and its allies attempt to coordinate controls over the exports of strategic materials and technology to Communist countries. Membership in COCOM consists of all the members of the North Atlantic Treaty Organization except Iceland and Japan.

2/ The Washington Post, Nov. 11, 1981, p. A22.

3/ In November, following the quarter under review, Ruhrgas and the Soviets concluded a long-term agreement which provides for the delivery of 45 billion dollars' worth of Soviet gas to West Germany over the next 25 years.

4/ Following up on President Reagan's suggestion that Europeans should consider alternatives to heavy reliance on the Soviets for energy, Mr. Myer Rashish, Under Secretary of State for Economic Affairs, met with representatives of European countries in October and November. The Under Secretary proposed increased deliveries of U.S. coal to Europe and United States-European collaboration on liquefied natural gas and synthetic gas projects.

As of the end of September 1981, the U.S. Government and U.S. firms were not involved in the project in any direct form. In August, the Commerce Department did authorize the sale to the U.S.S.R. of 100 pipelayers worth approximately \$40 million. However, these pipelaying tractors were sold by the Caterpillar Tractor Co. subject to the condition that they will not be used for the Siberian-European pipeline. Lawrence Brady, Assistant Secretary of Commerce for Trade Administration, defended the approval on grounds that had it been denied, the Soviet Union would have been able to purchase the pipelayers from other sources. 1/

Certain U.S. companies are involved indirectly in the pipeline project through their affiliate relationships with European firms. For example, gas turbines for the pipeline that are under contract for shipment by European companies are reportedly manufactured under license from the General Electric Co. Some equipment committed to the Soviets by European producers may include components made in the United States. Moreover, U.S. oil companies have equity interests in Ruhrgas A.G., the West German company that is buying the Soviet gas.

U.S. Assistance to Poland

In July-September 1981, the United States continued to extend special assistance to relieve Poland's chronic food crisis. In July, the U.S. Government decided to grant a special long-term loan of \$55 million to provide Poland with 350,000 tons of corn for feed to be delivered in the fall. The loan was made under title I of Public Law 480, which allows beneficiary countries to purchase U.S. agricultural products on terms more favorable than those for normal commercial transactions. The decision in favor of such a concessionary sale to Poland was made in response to a Polish plea for emergency aid to prevent the forced slaughter of poultry and hogs. The \$55 million allocated for this program includes \$7.4 million derived from the requirement that 50 percent of title I shipments be in U.S. flag vessels.

On September 30, 1981, the \$670 million in Commodity Credit Corporation (CCC) credit guarantees available for U.S. agricultural exports to Poland for Fiscal Year 1981 expired. 2/ Although Poland has enjoyed CCC credit guarantee authorizations for years, this amount was much larger than had been available in prior years, and was the largest amount ever made available to any single country under the program. 3/ President Carter approved this amount in September 1980 in response to the worsening Polish food situation. At the

1/ The Washington Post, Aug. 12, 1981, p. D8. Caterpillar received approval in early December for the sale of an additional 200 pipelayers to the Soviet Union. As a result of President Reagan's Dec. 29 imposition of sanctions on the sale of high technology equipment to the Soviet Union, some of these previously licensed equipment sales are unlikely to occur. (Washington Post, Dec. 31, 1981, p. A10.)

2/ The export credit guarantee program of the Commodity Credit Corporation of the USDA is designed to expand U.S. agricultural exports by stimulating U.S. bank financing of foreign purchases on credit terms of up to 3 years. CCC's credit guarantee will cover most of the amount owed to the U.S. banks in case the foreign purchaser defaults.

3/ See 24th Quarterly Report. . . , p. 41.

time of this writing, no CCC credit guarantees have been granted to Poland for Fiscal Year 1982. 1/

U.S. International Trade Commission Investigations Involving NME's

Antidumping investigations

Two antidumping investigations involving imports from NME's were in progress during July-September 1981. Antidumping investigations are conducted by the U.S. Department of Commerce and the Commission. When the Commission makes an affirmative preliminary determination concerning material injury to a U.S. industry in a dumping case, the investigation is continued by the Department of Commerce, which is responsible for determining, first on a preliminary basis, whether the imported product is being, or is likely to be, sold at less than fair value (LTFV), within the meaning of the Tariff Act of 1930. If the preliminary finding made by Commerce is affirmative, the investigation will be returned to the Commission for a final determination on the question of material injury while Commerce proceeds towards its final determination on the question of LTFV sales.

Montan wax from East Germany.--In August 1981, the Commission determined unanimously under section 735(b) of the Tariff Act of 1930 that an industry in the United States is being materially injured by reason of imports from East Germany of unrefined montan wax, which the Department of Commerce has determined to have been sold at less than fair value (Investigation No. 731-TA-30 [Final]). 2/ As a result of these findings, Commerce issued an antidumping duty order. 3/

The Commission instituted its investigation in March 1981, after an affirmative preliminary determination was made by Commerce that unrefined montan wax from East Germany is being, or is likely to be, sold in the United States at LTFV. 4/ The Commerce investigation was prompted by a still-earlier preliminary determination made by the Commission that there is a reasonable indication of material injury to a U.S. industry due to montan wax imports from East Germany. 5/

In July 1981, Commerce made a final affirmative determination in this case, finding a weighted average dumping margin of 6.58 percent. In

1/ In October, Poland requested CCC credit guarantees amounting to \$740 million for Fiscal Year 1982. More recently, Poland asked for \$200 million emergency food credits. Following the quarter under review, further sales on concessionary terms (payable in zlotys) and outright donations of U.S. food to Poland were approved. The latter were to be provided from U.S. surplus stock and distributed by two American relief agencies: CARE and Catholic Relief.

2/ Voting in the affirmative were Chairman Bill Alberger, Vice Chairman Michael J. Calhoun, Commissioner Catherine Bedell, and Commissioner Paula Stern.

3/ 46 F.R. 45177-45178, Sept. 10, 1981. Subsequent to this action, following receipt of a petition from American Lignite Products Co., the Commission instituted investigation No. TA-406-7 on unrefined montan wax from East Germany. The purpose of this investigation is to determine whether market disruption exists with respect to an article produced by a domestic industry. The Commission's report on this investigation is due to be transmitted to the President by Jan. 13, 1982.

4/ 26th Quarterly Report. . . , p. 44.

5/ See 24th Quarterly Report. . . , pp. 45-46.

accordance with the regulations applicable to determining the foreign value of imports from state-controlled economies, Commerce calculated dumping margins using a value composed of the estimated costs of specific factors of production in East Germany, based on similar costs in West Germany. 1/ In August 1981, after refining their calculations, Commerce revised the average dumping margin to 13.02 percent. 2/

Derived from lignite, unrefined montan wax is a substance which is used principally as a flow agent in the production of "one-time" carbon paper. East Germany is the only source of U.S. imports. Montan wax is important in the context of U.S. trade with East Germany; montan wax ranked sixth in value among all items the United States imported from that country in 1980.

In its investigation, the Commission found that, for the purposes of this case, only one enterprise--the petitioner--constituted the domestic industry, since only the petitioner's product was like the wax imported from East Germany. Among the considerations leading to the Commission's finding of material injury were a substantial increase in imports and a rise in their share of the U.S. market from 1977 through 1980, especially in 1980. Despite a decline in the absolute volume of such imports in January-June 1981, the share of wax from East Germany in the U.S. market continued to increase when compared with the share in the corresponding period of 1980. 3/

In the 3-1/2 years considered in the Commission's investigation, the montan wax imported from East Germany undersold the domestic product by margins ranging from 9.3 to 24.2 percent. The lower priced wax from East Germany ultimately prompted the U.S. producer to reduce his prices during a period of increasing production costs, thus contributing to a decline in his production, employment, and profitability. 4/

Truck trailer axle-and-brake assemblies and parts thereof from Hungary.--In September 1981, the Commission instituted an investigation pursuant to section 735 of the Tariff Act of 1930 to determine whether a U.S. industry is materially injured or threatened with material injury by reason of imports of truck trailer axle-and-brake assemblies and parts (trailer axles) from Hungary sold at LTFV (Investigation No. 731-TA-38 [Final]).

This investigation was instituted following receipt of notice that Commerce had made a preliminary determination that there was a reasonable basis to believe that trailer axles are being sold in the United States at LTFV. On a preliminary basis, Commerce estimated the weighted average dumping margin at 68.1 percent, and directed the U.S. Customs Service to suspend

1/ Because the state controls in NME's affect the pricing of an item to the extent that neither the home-market nor export prices can be used as evidence of fair value, the home-market price of a commodity imported from an NME is normally determined with reference to the prices and costs of the same or similar products in a market economy country.

2/ At the exporter's request, the dumping margin is currently under further review by Commerce.

3/ Because they are derived from confidential submissions, the statistical data developed in the investigation are omitted here, as they were in the Commission's published report. See Unrefined Montan Wax from East Germany, . . ., USITC Publication 1180, August 1981.

4/ Ibid., pp. 6-8.

liquidation of the assemblies and to require a security deposit from importers equal to the estimated dumping margin. 1/ Commerce was due to make a final determination on the question of LTFV sales by December 1, 1981. Should this determination be affirmative, the Commission was to make its final determination concerning material injury or the threat thereof by January 15, 1982. 2/

The Commerce investigation was instituted following an earlier affirmative preliminary determination injury by the Commission. In March 1981, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured or was threatened with material injury by reason of these imports allegedly sold at LTFV. 3/

For the purposes of this particular case, Commerce concluded that Hungary was a state-controlled economy. It therefore proceeded under section 733(c) of the Tariff Act of 1930, which requires Commerce to determine the foreign market value of the merchandise by using prices of such or similar merchandise in a "non-state controlled," or free market, country. An Italian producer was chosen as the surrogate supplier for the preliminary "fair value" determination. In its report, however, Commerce noted the major economic reforms Hungary is currently undertaking 4/ and stated that in future cases, Hungary might be treated as a market economy country for purposes of determining home-market value.

One U.S. producer imports trailer axles from Hungary, which are manufactured according to his design and specifications. During 1980, the first year in which there were imports from Hungary, this company purchased all of the Hungarian-made axles. 5/ Imports continued to increase in 1981; the value of imports in the first half of the year was only 15 percent less than in all of 1980.

1/ 46 F.R. 46152.

2/ On Nov. 17, Commerce decided to suspend its final investigation, as U.S. officials entered into negotiations with the Hungarian exporter to seek assurances of an end to LFTV sales. Subsequently, the Commission also suspended its final investigation on the question of material injury.

3/ See the 26th Quarterly Report . . ., p. 42.

4/ For years, Hungary has been in the forefront among the centrally planned economies in introducing market forces. Actions taken by the Hungarian Government have included the decentralization of decision making, an incentive system for managers and workers, and price reforms.

5/ Because the import data supplied to the Commission by one company are business confidential, statistical data are omitted here, as they were in the Commission's public report: Truck trailer-axle-and-brake assemblies from Hungary, March 1981, USITC Publication 1135.

Other investigations

Clothespins.--In July 1981, the Commission instituted an investigation under section 203(i)(2) and (i)(3) of the Trade Act of 1974 for the purpose of advising the President of its judgment as to the probable economic effect on the domestic clothespin industry of the extension, reduction, or termination of import relief presently in effect with respect to imports of wooden and plastic spring-type clothespins valued not over \$1.70 per gross. Import relief in the form of quantitative restrictions (quotas) proclaimed in February 1979 is scheduled to terminate on February 22, 1982, unless extended by the President. 1/ Several NME's, including Poland, China, and Romania, have been significant suppliers of imported clothespins.

The import relief was provided by the President following receipt of an affirmative Commission determination based on a Commission investigation under section 201 of the Trade Act of 1974, a so-called escape clause investigation, (Investigation No. TA-201-36, Clothespins). 2/ That investigation covered imports from all sources, including NME countries. The section 201 investigation was conducted following completion of an investigation by the Commission under section 406 of the Trade Act of 1974 concerning possible market disruption by reason of imports of clothespins from China, Poland, and Romania. 3/ The Commission found that clothespin imports from China were disrupting the U.S. market (but that imports from Poland and Romania were not), and recommended that the President establish quotas on such imports. The President did not take such action, having noted the significance of imports from other sources.

In 1978, before the quotas were instituted, Poland ranked fourth, China fifth, and Romania sixth as a source, by value, of clothespins imported into the United States. In 1980 and January-June 1981, Poland was the second leading source, by value, of these items. China was the fifth most important supplier, by value, of clothespins in 1980, and the fourth most important in January-June 1981. There have been no clothespin imports from Romania since 1978. Czechoslovakia, which had not exported any clothespins to the United States since 1977, was the sixth most important supplier by value in 1980; however, there were no imports from Czechoslovakia in January-June 1981.

1/ On Dec. 7, 1981, the Commission transmitted its report to the President and advised that termination or reduction of the import relief would have an adverse economic effect on the domestic industry producing clothespins and recommended that import relief be extended for an additional 3 years at the level presently in effect.

2/ Clothespins . . . , USITC Publication 933, December 1978, .

3/ Clothespins from the People's Republic of China, the Polish People's Republic, and the Socialist Republic of Romania, USITC Publication 902, August 1978. The Commission's affirmative vote concerning China, and their negative vote concerning Romania, were unanimous. There was, however, one dissenting affirmative vote concerning imports from Poland--that of then-Chairman Parker.

LONG-TERM TRENDS IN U.S.-POLISH TRADE

Pre-MFN Situation and the Granting of MFN Treatment by the United States

In the last three decades, Polish trade with the United States, and the world, has expanded considerably in both value and variety. Poland's increasing economic independence from Moscow has led to a broadening of trade relations with Western nations. This increased trade has been facilitated over the relatively recent past by Western willingness to extend credits, both official and private, to Poland. Extension of MFN status to Poland by the United States has helped Polish goods to become more competitive in U.S. markets. Table 16 indicates that Poland's total world trade has increased nearly 30 times in the 30-year period from 1950 to 1980, or by an average annual rate of 11.2 percent. Trade between the United States and Poland (table 17) has expanded even faster over the same period, at an average rate of 14.4 percent.

Poland was first given unconditional MFN status in 1925 by an agreement entered into by President Calvin Coolidge. ^{1/} U.S. policy at the time was to enter into reciprocal MFN arrangements with all countries. This policy changed after World War II with Communist control of Eastern Europe, and in June 1951, Poland lost MFN status as a result of the implementation of the Trade Agreements Expansion Act of 1951. This act (sec. 5, P.L. 82-50, 65 stat. 73) directed the President to "suspend, withdraw or prevent the application" of MFN tariff rates to imports "from any nation . . . dominated or controlled by . . . the world Communist movement." Imports into the United States from these nations thus became subject to the generally higher tariff rates in column 2 of the TSUS. ^{2/}

In 1956, the Gomulka regime came to power in Poland and sought a measure of independence from Moscow and closer relations with the West. President Eisenhower encouraged these efforts by granting limited economic credits. During 1957-59, the United States provided \$61 million to Poland through the Export-Import Bank as credits to purchase raw materials, agricultural commodities, and machinery. In December 1960, the Eisenhower administration restored MFN privileges to Poland, acting within the scope of the limited discretion allowed by the 1951 statute. This reversal was due largely to Poland's rapprochement with the West and its likely participation in the GATT.

Even during the 8-1/2 years Poland was subject to column 2 tariff rates, its exports to the United States continued to increase. In 1951, total exports from Poland to the United States were valued at \$9.8 million; they rose to \$31.7 million in 1959. During 1953-60, Polish exports to the United States exceeded those of any other individual NME. By 1960, Polish goods accounted for over half of all U.S. imports from the NME's. One reason why U.S. imports of Polish products did not decline during the non-MFN period was that the duty applicable to the largest single item in this trade--canned cooked ham--did not change. Since the United States had never made a trade agreement concession for that product, the column 1 (MFN) and column 2 rates

^{1/} U.S. Department of State Treaty Series No. 727, Agreement Effectuated by Exchange of Notes Between the U.S. and Poland, signed Feb. 10, 1925.

^{2/} Yugoslavia was exempted from this directive since, at the time, it was subject to economic blockade by all other Eastern European nations.

Table 16.—Polish world imports, exports, and trade turnover, by specified years, 1950-80

(In millions of dollars)

Year	:	Imports	:	Exports	:	Trade turnover
	:		:		:	
1950-----	:	668	:	630	:	1,298
1955-----	:	932	:	913	:	1,845
1960-----	:	1,495	:	1,326	:	2,821
1965-----	:	2,340	:	1,102	:	3,442
1970-----	:	3,608	:	1,851	:	5,459
1975-----	:	12,536	:	5,342	:	17,878
1980-----	:	18,871	:	12,230	:	31,101
	:		:		:	

Source: United Nations, Statistical Yearbook, 1961;
United Nations, Monthly Bulletin of Statistics, July 1981.

Table 17.—United States-Polish Trade, 1950-80

(In thousands of dollars)			
Year	U.S. imports from Poland	U.S. exports to Poland	Trade turnover
1950	11,113	9,008	20,121
1951	9,766	697	10,463
1952	10,347	286	10,633
1953	13,971	622	14,593
1954	21,512	1,588	23,100
1955	25,756	3,104	28,860
1956	28,054	3,722	31,776
1957	29,597	73,059	102,656
1958	28,684	105,309	133,993
1959	31,680	74,764	106,444
1960	38,650	143,112	181,762
1961	41,248	74,856	116,104
1962	45,586	94,577	140,163
1963	42,718	108,936	151,654
1964	54,164	138,064	192,228
1965	65,491	35,226	100,717
1966	82,492	52,991	135,483
1967	90,224	61,000	151,224
1968	96,913	82,174	179,087
1969	98,033	53,000	151,033
1970	97,602	69,838	167,440
1971	107,227	73,141	180,368
1972	139,171	111,528	250,699
1973	181,904	349,317	531,221
1974	263,173	394,588	657,761
1975	241,297	580,084	821,381
1976	314,436	621,035	935,471
1977	326,508	436,536	763,044
1978	435,947	677,022	1,112,969
1979	426,090	786,258	1,212,348
1980	414,919	710,446	1,125,365

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

were the same. Though the withdrawal of MFN status did not result in an absolute decrease in the value of U.S. imports from Poland, it did affect the composition of U.S. imports from Poland by hindering the development of a U.S. market for a variety of Polish goods. For example, in 1951, Polish pork products were 40 percent of total U.S. imports from Poland. In 1952, they rose to 70 percent, and in 1953 reached 75 percent.

After MFN status was restored to Poland in 1960, Polish exports to the United States underwent considerable diversification. In 1970, pork products constituted only 50 percent of total imports. Currently, canned hams, although the largest single category of U.S. imports from Poland, account for only 30 percent of the total. ^{1/}

Poland's Trading Partners--United States vis-a-vis Other Nations

The majority of Poland's international trade has traditionally been with other Council for Mutual Economic Assistance (CMEA) countries. Poland was an original member of the CMEA when it was formed in 1949. Approximately 50 to 60 percent of Poland's trade is with these Communist nations (tables 18 and 19). The U.S.S.R. is Poland's largest trading partner and has consistently supplied around 30 percent of total Polish import needs. Conversely, the U.S.S.R. receives 30 percent of all Poland's exports. During 1960-79, the Soviet share of Polish imports reached a high of 37.7 percent (1970) and a low of 25.3 percent (1975). During this period, the Soviet share of Polish exports fluctuated irregularly from 29.4 percent in 1960 to 35.3 percent of total exports in 1979. East Germany and Czechoslovakia are Poland's other large CMEA trading partners. They account for approximately 7 and 8 percent, respectively, of overall Polish trade.

Although the Western industrialized countries' trade with Poland is considerably less than that of the CMEA countries with Poland, it is still substantial. The share of imports from the West ^{2/} during 1960-79 varied from 25.8 to 49.3 percent of Poland's total foreign trade, but the proportion of Polish exports to the West fluctuated within a more limited range of from 28.4 to 32.0 percent of the global total. The United States has maintained a steady flow of trade with Poland, though it is not Poland's largest Western partner; in 1980, it ranked third behind West Germany and the United Kingdom. U.S. exports to Poland have ranged from a low of 1.6 percent of Poland's overall imports in 1970 to a high of 6.0 percent in 1976. In the last few years, the United States has supplied approximately 4.1 percent of Poland's import needs, mostly in the form of grain. Polish exports to the United States have constituted around 3 percent of Poland's total annual exports for the past 15 years.

The developing countries (LDC's) collectively imported between 4.2 percent and 7.7 percent of Poland's exports, but no individual LDC was a significant trading partner. The LDC's as a whole provided Poland with 7.6 to 8.6 percent of its import needs from 1960 to 1979. Tables 20 and 21 show the significant increase in Polish trade with these countries since 1965. The

^{1/} For a more detailed explanation, see "Canned Hams from Eastern Europe," 23d Report, pp. 47-63.

^{2/} Canada, the United States, Japan, Austria, Belgium, Denmark, France, West Germany, Italy, Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

Table 18.—Percentage distribution of Polish exports,
by markets and by specified years, 1960-79

Market	1960	1970	1975	1976	1977	1978	1979
Polish exports to—							
Socialist countries <u>1/</u> -----	62.6	63.9	59.9	59.7	60.3	61.1	60.9
CMEA-----	55.0	60.6	56.9	57.0	57.3	58.0	57.8
U.S.S.R-----	29.4	35.3	31.5	30.3	31.7	33.9	35.3
Western industrial countries-----	29.8	28.4	31.5	32.0	31.3	31.3	31.1
United States-----	2.4	2.6	2.3	2.6	3.0	3.3	2.6
West Germany-----	5.2	5.1	5.2	6.3	6.3	6.8	7.2
France-----	1.1	1.7	3.2	3.3	3.3	3.3	3.0
United Kingdom-----	7.5	4.3	2.8	2.9	2.8	3.2	3.2
Developing countries-----	7.5	7.7	8.6	8.3	8.5	7.6	8.1
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Includes all CMEA members, China, Yugoslavia, North Korea, Vietnam.

Source: COMECON Foreign Trade Data 1980, edited by the Vienna Institute for Comparative Economic Studies.

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

Table 19.--Percentage distribution of Polish imports,
by sources and by specified years, 1960-79

Source	1960	1970	1975	1976	1977	1978	1979
Polish imports from--							
Socialist countries 1/-----							
CMEA-----	63.5	68.6	45.8	46.9	51.9	54.1	54.4
U.S.S.R-----	58.1	65.9	43.8	44.9	49.8	51.9	51.8
	31.1	37.7	25.3	25.5	29.1	29.9	31.4
Western industrial countries-----							
United States-----	29.7	25.8	49.3	48.9	43.3	40.5	37.9
West Germany-----	5.6	1.6	4.7	6.0	3.7	4.4	4.3
France-----	4.5	4.0	8.1	8.7	7.2	6.8	6.5
United Kingdom-----	1.7	2.4	4.8	5.8	3.9	3.2	3.6
	5.9	5.3	5.3	4.9	5.6	5.7	4.3
Developing countries-----							
Total-----	6.8	5.7	4.9	4.2	4.8	5.3	7.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1/ Includes all CMEA members, China, Yugoslavia, North Korea, Vietnam.							

Source: COMECON Foreign Trade Data 1980, edited by the Vienna Institute for Comparative Economic Studies.

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

Table 20.—Polish exports, by major markets and by specified years, 1965-80

(In millions of U.S. dollars, f.o.b.)

Market	1965	1970	1975	1977	1978	1979	1980
Poland exports to—							
Centrally planned economies ^{1/} -----	1,347	2,194	5,923	7,099	8,260	9,514	9,111
China-----	19	26	64	61	98	144	109
U.S.S.R-----	781	1,251	3,244	3,883	4,782	5,722	5,322
Developed market economies-----	685	1,062	3,459	4,053	4,696	5,311	6,028
United States-----	70	93	234	365	462	419	426
European Community-----	390	629	1,925	2,285	2,776	3,268	3,667
Japan-----	1	30	70	56	53	65	79
Canada-----	11	13	40	52	77	79	63
Developing countries-----	196	292	899	1,113	1,158	1,424	1,859
Total-----	2,228	3,548	10,281	12,265	14,114	16,249	16,998

^{1/} Includes China, Bulgaria, Czechoslovakia, East Germany, Hungary, Romania, U.S.S.R., Albania, North Korea, Vietnam, and Mongolia.

Source: United Nations, Monthly Bulletin of Statistics, July 1981.

Table 21.--Polish imports, by major sources and by specified years, 1965-80

(In millions of U.S. dollars, f.o.b.)										
Source	1965	1970	1975	1977	1978	1979	1980			
Poland imports from--										
Centrally planned economies 1/-----	1,479	2,408	5,540	7,339	8,430	9,187	10,163			
China-----	25	24	46	54	95	102	129			
U.S.S.R-----	728	1,361	3,178	4,246	4,810	5,488	6,260			
Developed market economies-----	634	987	6,366	6,475	6,665	6,823	6,627			
United States-----	30	58	590	545	707	758	751			
European Community-----	325	607	3,507	3,486	3,545	3,532	3,565			
Japan-----	5	21	291	275	325	281	227			
Canada-----	26	11	56	170	201	159	274			
Developing countries-----	227	213	630	802	994	1,574	2,081			
Total-----	2,340	3,608	12,536	14,616	16,089	17,584	18,871			
1/ Includes China, Bulgaria, Czechoslovakia, East Germany, Hungary, Romania, U.S.S.R., Albania, North Korea, Vietnam, and Mongolia.										

Source: United Nations, Monthly Bulletin of Statistics, July 1981.

Polish debt situation (see below) makes it unlikely that the LDC's share of Polish imports will increase much in the short term. Poland will be forced to rely on imports from the wealthier CMEA and Western countries that can provide goods on credit.

Development of Trade Between the United States and Poland

During the last 20 years of trade between the United States and Poland, three patterns in trade relations have emerged that are likely to continue throughout the 1980's. First, grain has consistently been the primary U.S. export to Poland. Second, U.S. imports from Poland have become diversified, with manufactured goods now constituting a substantial portion of trade. Finally, Poland's recent policy to curtail all but the most essential imports has led to a decline in U.S. sales of nonfood goods to Poland and to a slight decrease in the positive balance of trade the U.S. has enjoyed with that nation.

During 1960-70, sales to the United States by Poland increased by an average annual rate of 10 percent; this was lower than the 14-percent growth rate experienced a decade earlier. These figures suggest that reextension of MFN status had little impact on the trend of Polish exports to the United States. It did, though, seem to have some effect on the variety of goods exported. By the 1970's, the structure of U.S. imports from Poland had changed gradually; food and crude materials declined in importance relative to manufactured goods.

Agricultural products (grains in particular) have dominated U.S. exports to Poland. Following irregular growth in the 1960's, sales of these products increased sharply throughout the 1970's. In 1975, the United States and Poland reached a 5-year agreement under which Poland was authorized to purchase 2.5 million metric tons (mmt) (plus or minus 20 percent) of U.S. grain annually. Subsequent poor harvests forced the Poles to keep their purchases on the high side of the arrangement and to request a new agreement for access to larger quantities of grain. In 1978, the United States assured Poland that no formal agreement was necessary, and that an indication of their import needs was sufficient. U.S. grain exports to Poland in 1979 amounted to 3.1 mmt; in 1980, such exports were 2.6 mmt; available data for 1981 indicate that 2.0 mmt was exported to Poland during January-September 1981.

In 1976, Poland instituted a policy reducing chronic hard-currency trade deficits by limiting imports to essential products. This affected U.S. sales to Poland of nonfood products like crude materials, machinery and transport equipment, and miscellaneous manufactured goods. This policy also diminished the U.S. balance of trade surplus with Poland, as shown in the following tabulation:

<u>Year</u>	<u>U.S. trade surplus with Poland</u> <u>(1,000 dollars)</u>
1975-----	338,787
1976-----	306,599
1977-----	110,028
1978-----	241,075
1979-----	360,168
1980-----	295,527

The large U.S. surplus in 1979 was due to increased grain sales, which dropped off somewhat in 1980. Agricultural products are expected to remain the leading commodity exported by the United States to Poland during the 1980's.

Major Classes of Goods Traded

U.S. exports to Poland by SITC sections

Table 22 shows bilateral trade between the United States and Poland in the 1970's, by one-digit categories (sections) of the Standard International Trade Classification (SITC). During the last decade, products in the food and live animals category (SITC 0) have consistently accounted for the largest volume of U.S. exports to Poland. Grain is the principal product in this category. U.S. sales of food and live animals to Poland have varied from \$252 million to \$509 million over the last 5 years. The volume of Polish grain purchases is principally dependent on two factors: the outcome of Polish harvests and the availability of foreign exchange. Before 1971, U.S. sales of agricultural products to Poland fluctuated greatly, both in value and as a share of total U.S. exports to Poland. For instance, in 1964, the value of food and live animal sales was \$77 million, over 50 percent of the total value of exports. In 1965, however, sales were only \$8 million, less than 25 percent of the annual total value. The most significant increase in Polish agricultural purchases were in 1973, when the value of sales was five times greater than the 1972 level (an increase from \$39 million to \$215 million). Since that year, sales have continued to climb, though at a much slower rate.

Other major exports to Poland fall in SITC categories 2 (crude material-inedible except fuel) and 7 (machinery and transport equipment). Products in these categories include cattle hides, soybeans, heavy machinery, and motor-vehicle parts. Sales in both categories have increased significantly in the last 10 years. The value of machinery and transport equipment exports increased over 70 times, from only \$1.9 million in 1965 to \$136.6 million in 1975, because the Poles emphasized increased production of consumer goods, and needed imported capital in order to achieve this goal. Recently, the Polish debt situation has made purchases from this category less feasible. In 1980, sales of these products were down to \$53 million, nearly half the 1978 level.

U.S. imports from Poland by SITC sections

Over the last two decades, most U.S. imports from Poland have also been in SITC category 0 (food and live animals). Canned hams have always accounted for an overwhelming share of the trade in that category. As previously noted, though, the relative importance of pork products in U.S. imports from Poland has declined. In 1965, the value of products from Poland in this category was \$35.2 million, over 50 percent of the total value of U.S. imports from Poland. By the late 1970's, sales of food products were valued at over \$150 million but were nearly 40 percent of the total value of U.S. imports from Poland.

U.S. imports of Polish goods have diversified considerably and include many finished manufactured products. Items in SITC categories 6 (manufactured goods classified by chief material) and 8 (miscellaneous manufactured articles) have come to account for a substantial percentage of total Polish

Table 22.--U.S. trade with Poland, by SITC section Nos., 1965 and 1970-80

SITC		(In thousands of U.S. dollars)												
Section	Description	1965	1970	1971	1972	1973 1/	1974	1975	1976	1977	1978	1979	1980	
No.														
U.S. exports														
0	Food and live animals-----	8,081	18,383	37,506	39,210	214,680	171,543	297,989	430,073	251,600	413,715	508,520	447,867	
1	Beverages and tobacco-----	622	1,757	1,715	2,557	3,630	7,772	4,791	6,492	11,119	11,237	13,369	11,831	
2	Crude material--inedible, except fuel-----	8,497	24,028	14,776	31,457	71,029	73,424	79,385	47,087	50,403	97,584	127,975	143,555	
3	Mineral fuels, lubricants, etc-----	2	48	191	254	174	130	238	273	242	151	355	53	
4	Oils and fats--animal and vegetable-----	11,224	12,900	10,126	8,830	13,575	10,036	14,184	8,306	3,748	11,425	29,391	10,440	
5	Chemicals-----	1,266	6,513	3,454	6,266	5,425	11,412	20,013	16,062	16,038	10,260	17,793	16,884	
6	Manufactured goods classified by chief material-----	1,366	1,211	1,635	5,579	8,674	28,567	15,707	13,835	11,083	12,743	15,747	15,223	
7	Machinery and transport equipment-----	1,864	3,602	2,620	15,128	26,551	81,315	136,612	89,308	85,546	103,312	60,979	53,160	
8	Miscellaneous manufactured articles-----	1,323	1,220	992	1,932	4,466	9,266	8,116	8,550	7,517	15,284	10,281	9,193	
9	Commodities and transactions not elsewhere classified-----	979	172	126	313	1,114	1,122	3,050	1,049	1,240	1,312	1,848	2,240	
	Total-----	35,224	69,834	73,141	111,526	349,317	394,588	580,084	621,035	438,536	677,022	786,258	710,446	
U.S. imports														
0	Food and live animals-----	35,160	54,480	50,808	62,588	82,803	82,108	118,165	144,955	126,680	151,404	168,066	159,190	
1	Beverages and tobacco-----	109	315	347	511	891	454	743	529	452	685	520	1,152	
2	Crude material--inedible, except fuel-----	5,567	3,181	3,077	3,852	4,753	4,736	4,477	7,201	7,168	4,844	3,306	1,652	
3	Mineral fuels, lubricants, etc-----	227	88	121	170	131	7,057	2,581	9,197	18,819	19,744	20,838	9,542	
4	Oils and fats--animal and vegetable-----	6	12	180	249	-	1,588	547	908	1,721	1,708	1,550	1,996	
5	Chemicals-----	2,348	3,442	4,096	10,475	13,494	18,510	15,067	22,608	16,353	21,382	22,638	23,324	
6	Manufactured goods classified by chief material-----	16,924	26,487	38,029	41,982	50,380	102,754	42,634	50,748	61,730	109,674	80,666	96,430	
7	Machinery and transport equipment-----	512	1,934	1,477	3,713	7,238	16,292	20,949	18,435	28,316	33,453	46,616	49,461	
8	Miscellaneous manufactured articles-----	4,433	7,831	8,858	15,429	21,794	28,859	34,820	58,506	64,747	92,067	81,151	71,501	
9	Commodities and transactions not elsewhere classified-----	206	176	234	201	419	816	1,316	1,349	522	987	738	671	
	Total-----	65,491	97,946	107,277	139,171	181,904	263,173	241,299	314,436	326,508	435,947	426,090	414,919	
1/ Imports are general imports.														

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

sales to the United States. These categories include products like footwear, furniture, and towels. In the last 3 years, articles in the category "miscellaneous manufactured articles" have risen to about 20 percent of total U.S. imports from Poland, whereas in 1965, these products accounted for less than 7 percent of the total. Whether sales of this type continue to rise will largely depend on the general availability of such goods, given recent plant shutdowns and a turbulent Polish labor situation.

Imports in the mineral fuels and lubricants category (SITC 3) had been increasing steadily until 1980, when purchases dropped 54 percent from the 1979 level. A decline in lignite and bituminous coal shipments accounted for this drop. Poland, the world's second largest exporter of coal after the United States, had to cut back foreign coal sales because of domestic production problems. Work stoppages and a general decrease in hours worked by miners in 1980 were the major reasons for diminished coal output in Poland. This trend of diminished fuels exports is likely to continue since Polish coal production continues to be depressed. Total output in January-June 1981 was 23 million metric tons (22 percent) less than that of the corresponding period of 1980.

Leading Items Traded Between the United States and Poland

U.S. exports to Poland

As noted, agricultural products have always been the most significant category of U.S. exports to Poland (table 23). Grains, in particular, are the major exports. Although the value of various grains sold to Poland fluctuated widely during 1973-80, yellow corn has remained the leading export. Sales of this product have increased substantially in both dollar value and in relative terms. In 1973, corn exports were valued at \$50.2 million, less than 15 percent of total U.S. exports to Poland. By 1980, they had jumped to \$293.2 million, or over 40 percent of the total. U.S. sales of soybeans and wheat have increased in value, from \$10.8 million in 1976 to \$66.8 million in 1980. Trends have been considerably different for other types of grains. Wheat sales decreased from \$66.3 million in 1973 to \$58.6 million in 1980, and Poland has stopped buying U.S. grain sorghum in significant quantities.

Other agricultural exports to Poland, like cotton, tobacco, and cattle hides, are necessary raw materials for many Polish industries (i.e., cloth, cigarettes, and footwear). Nevertheless, U.S. sales of these products have declined in relative importance from the beginning of the 1973-80 period. Presumably, this drop is due to lack of foreign exchange and persistent labor problems. U.S. cotton exports decreased from 2.3 percent of total 1974 exports to Poland to less than 1 percent of 1980 exports to Poland. Although tobacco sales have increased in current dollar value, they, too, have declined as a share of total U.S. exports to Poland.

U.S. imports from Poland

Table 24 shows the leading products imported into the United States from Poland during 1973-80. Throughout the 1960's and 1970's, U.S. imports of Polish goods diversified considerably. Reallocation of MFN status to Poland in 1960 coincided with the beginning of this trend. Historically, Polish pork products have held an overwhelming share of trade, but in the mid-1970's, imports of these goods gradually declined in relative terms. Canned hams

Table 23.--Leading items exported to Poland from the United States, by Schedule B No., 1973-80

Schedule B : No. :	Description :	1973 :	1974 :	1975 :	1976 :	1977 :	1978 :	1979 :	1980 :
120.1400 :	Cattle hides-undressed-----1,000 dollars--:	15,641 :	9,739 :	7,425 :	6,292 :	9,106 :	8,320 :	19,574 :	19,451 :
130.3465 :	Yellow corn (not donated for relief)-do--:	50,224 :	63,945 :	142,456 :	184,161 :	128,385 :	161,417 :	249,594 :	293,207 :
130.4040 :	Grain sorghum unmilled-----do--:	2,293 :	2,699 :	32,715 :	60,720 :	13,027 :	32,376 :	27,489 :	1/ :
130.6540 :	Wheat unmilled (except for relief)---do--:	66,319 :	18,589 :	65,328 :	92,295 :	55,772 :	63,381 :	107,564 :	58,570 :
170.3320 :	Tobacco, flue-cured cigarette filler-do--:	1,517 :	3,137 :	2,156 :	2,373 :	6,393 :	7,018 :	10,956 :	9,115 :
175.4100 :	Soybeans-----do--:	28,566 :	36,151 :	31,666 :	10,796 :	1/ :	39,827 :	54,585 :	66,809 :
184.5260 :	Soybean oilcake and meal-----do--:	76,757 :	62,741 :	33,173 :	73,853 :	41,262 :	108,550 :	76,317 :	73,023 :
300.1060 :	Cotton-raw 1 to 1-1/8 inches-----do--:	8,448 :	9,262 :	2,981 :	9,842 :	3,949 :	13,000 :	19,986 :	6,215 :
480.4500 :	Phosphate-----do--:	919 :	4,945 :	19,662 :	6,328 :	21,151 :	25,442 :	7,125 :	31,672 :
692.3820 :	Tractor parts n.s.p.f-----do--:	1,772 :	5,675 :	7,852 :	11,632 :	12,633 :	11,428 :	5,986 :	8,012 :
:	Total, above items-----do--:	252,456 :	216,883 :	345,414 :	458,292 :	291,678 :	470,759 :	579,176 :	566,074 :
:	Total, U.S. exports to Poland-----do--:	349,317 :	394,588 :	580,084 :	621,035 :	436,536 :	677,022 :	786,258 :	710,446 :
:	Share of total accounted for by :	:	:	:	:	:	:	:	:
:	above items-----percent--:	72.3 :	55.0 :	59.5 :	73.8 :	66.8 :	69.5 :	73.7 :	79.7 :

1/ Not available.

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

Table 24.--Leading items imported from Poland to the United States, by TSUSA item Nos., 1973-80

TSUSA item No.	Description	1973	1974	1975	1976	1977	1978	1979	1980
107.3525	Canned hams and shoulder, 3 pounds and over-----1,000 dollars--	63,741	62,272	97,438	116,050	102,503	125,656	139,425	133,815
107.3560	Pork, n.e.s., canned, boned, and cooked---do--	6,808	6,028	5,189	8,433	3,889	7,226	5,380	2,942
335.9500	Woven fabrics, other, of vegetables fibers, : n.e.s. weighing over 4 ounces per sq yd-do--	3,907	4,684	3,928	5,811	4,883	5,553	6,862	7,482
493.1200	Casein-----do--	4,089	3,884	1,967	1,215	1,832	2,034	1/ 1,263	3,571
521.3180	Coal, n.e.s., including lignite but : not peat-----do--	115	7,040	2,581	2,935	3,692	17,353	17,371	7,641
607.6615	Steel plates, not cold rolled or coated---do--	5,825	19,382	9,667	8,857	16,450	47,930	13,732	18,136
646.2622	Brads, nails, etc. of iron or steel, : smooth shank, 1 inch or more in : length, uncoated-----do--	5,050	8,274	5,502	6,980	7,597	6,484	3,620	5,028
692.1090	Motor vehicles n.e.s-----do--	2,397	3,389	5,923	4,608	4,976	7,441	4,300	2,500
700.3550	Men's footwear of leather, n.e.s., : cement soles-----do--	1,412	3,204	6,631	9,712	7,289	11,996	7,941	9,500
727.1500	Furniture and parts made of bentwood-----do--	3,262	4,914	4,955	5,684	5,391	7,046	5,728	4,083
	Total, above items-----do--	96,606	123,071	143,781	170,285	158,502	238,719	205,622	194,698
	Total U.S. imports from Poland-----do--	181,904	263,173	241,297	314,436	326,508	435,947	426,090	414,919
	Share of total accounted for by above : items-----percent--	53.1	46.8	59.6	54.2	48.5	54.8	48.3	46.9

1/ Prior to Jan. 1, 1980, this item was classified under the now deleted item 493.1500.

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

(over 3 pounds) still constitute the leading U.S. purchase from Poland, and the absolute value of these purchases has grown at an average annual rate of 11.2 percent since 1973. In 1973, the value of U.S. imports of canned hams was \$63.7 million; in 1980, it had risen to \$133.8 million. The value of other pork product imports has declined in the last 3 years, from a high of \$7.2 million in 1978 to only \$2.9 million in 1980. Imports of canned hams in 1981 are only three-quarters of their 1980 corresponding period levels. An unusually low potato crop in 1980-81 contributed significantly to this decrease, as potatoes are a major source of hog feed in Poland.

U.S. imports from Poland now include a sizable proportion of manufactured goods. In the last few years, U.S. purchases of men's leather footwear, woven fabrics, and assorted articles of apparel have substantially increased. Other manufactured products like brads, nails, furniture, motor vehicles (n.e.s.), and steel plate have been leading imports from Poland since 1973.

Polish shipments of electric golf carts to the United States (classified under TSUSA item 692.1090--motor vehicles, n.e.s.) increased steadily from 1973 to 1978 but declined significantly in 1979 and 1980. In June 1980, the U.S. International Trade Commission reversed its 1975 determination that Polish golf carts threatened material injury to U.S. industries, and U.S. purchases of this product have increased substantially during January-June 1981.

U.S. imports of coal and of steel plate, though still important in trade with Poland, have recently decreased in both absolute and relative terms. In the case of coal, the decline was the direct result of Polish labor problems. The value of exports of steel plate to the United States reached a high of \$47.9 million in 1978 and declined thereafter to \$13.7 million in 1979. There was a slight rise to \$18.1 million in 1980. In 1979, the U.S. Treasury Department found that Polish steel plate was being sold in the U.S. at less than fair value (LTFV) and referred the case to the Commission to determine if LFTV sales were injuring the U.S. steel industry. Although the Commission reached a negative determination in June 1979, sales of this product never returned to near the 1978 record.

The Polish Debt Problem

Discussions of the Polish economic crisis, while acknowledging the contributory role of the political and social change taking place in that country, generally focus on the level of hard-currency debt as the principal manifestation of the problems that country faces. It is cited both as a barometer of the country's economic difficulties and as an obstacle to any quick resolution of those difficulties.

Poland's hard-currency debt increased markedly in the 1970's, from \$1 billion in 1971 to more than \$20 billion in 1979. The following tabulation illustrates the level of the debt during the decade: 1/

<u>Year</u>	<u>Hard-currency debt</u> (in millions of dollars)
1971-----	1,138
1972-----	1,564
1973-----	2,796
1974-----	4,643
1975-----	8,014
1976-----	11,483
1977-----	13,967
1978-----	17,844
1979-----	20,490

Polish official debt was estimated to be \$24.5 billion at yearend 1980, and some observers believe that the current level approaches \$28 billion. 2/ Approximately two-thirds of the total amount is owed to Western commercial banks, the remainder being owed to Western governments. West Germany is Poland's largest Western creditor, holding official and private claims in the amount of approximately \$4.5 billion. The United States accounts for about \$3.3 billion of the debt, with \$1.8 billion owed to the U.S. Government and \$1.5 billion owed to U.S. commercial banks.

A program of rapid industrialization was initiated in Poland in the early 1970's. 3/ Success of the program depended on a number of factors, among them, significant increases in capital imports to permit an expansion of domestic consumption and investment. As a result, Polish imports of these goods from the West increased rapidly. For a number of structural reasons,

1/ Source: "U.S.-Polish Trade Trends, January-December 1980," East-West Trade Policy Staff Paper, U.S. Department of Commerce, May 1981, p. 14.

2/ A Polish Government report, dated November 1981, and prepared for Western creditor governments, contains a figure of \$25.1 billion as the officially acknowledged debt level.

3/ For a more complete explanation of the so-called "new development strategy," see Zbigniew M. Fallenbuchl, "The Polish Economy at the Beginning of the 1980's," in East European Economic Assessment, Part 1--Country Studies, 1980, a compendium of papers submitted to the Joint Economic Committee, 97th Cong., 1st Sess. (1981), pp. 33-71.

the intended and necessary concomitant increase in exports to the West did not occur. ^{1/} A limited measure of success, however, was achieved in terms of increased production and higher national income. Yet, because the planned improvements in the trade situation did not materialize, indications of serious problems were beginning to appear by the middle of the decade. The positive balance of trade that Poland had had with the West in 1971 had turned into a deficit of \$2.9 billion in 1976. During the same period, the hard-currency debt increased from \$1 billion to over \$11 billion. Subsequent reductions in the size of the trade deficit slowed, but did not stop, increases in the level of the debt.

One indication of a country's debt burden is the debt-service ratio, that is, payments on debt to foreigners as a percent of the debtor country's exports. The following tabulation ^{2/} shows Poland's debt service ratio and its gross debt as a share of its exports to non-Communist markets (in percent) :

<u>Year</u>	<u>Debt-service ratio</u>	<u>Gross-debt ratio</u>
1972-----	15	87
1973-----	19	111
1974-----	23	120
1975-----	30	194
1976-----	42	259
1977-----	59	286
1978-----	79	324
1979-----	92	333

The base data show that the growth of Polish hard-currency debt has far outpaced the growth of exports to countries that could supply Poland with hard currency as payment for Polish exports. Not only has the level of the debt long since passed the point where it is equal to the annual value of Polish exports to the hard-currency area, but the point is nearing at which Poland's annual debt service payments will be greater than its hard-currency export earnings. The likelihood of this precarious position being reached is only strengthened by the strikes and labor problems which serve to further limit the availability of Polish goods for export, coal being the most important example. ^{3/}

During January-June 1981, Polish exports fell by 23 percent and imports by 16 percent from those in the corresponding period of 1980. This further exacerbated the country's balance-of-payments deficit, already plagued by sharply rising interest payments on convertible-currency medium- and short-term debt. Production of coal, the country's largest hard-currency earner, amounted to 8.5 million metric tons in January-June 1981, down from the 19.5 million metric tons recorded in January-June 1980.

^{1/} The 1974/75 recession in the West and sluggish recovery thereafter added to Poland's difficulty of increasing traditional markets and developing new sales opportunities.

^{2/} G. Fink, An Assessment of European CMEA Countries Hard Currency Debt, Occasional Paper No. 72, The Vienna Institute for Comparative Economic Studies, September 1981, p. 20.

^{3/} Polish coal exports to West Germany are down by 44 percent this year; those to the United States were off by 83 percent in January-September 1981 (table 13).

The term structure of the Polish debt presents a particularly difficult problem. Generally speaking, a debt structure which is composed of some longer maturities and in which repayments are not excessively concentrated in time is preferred. In Poland's case, though, over \$5 billion of the outstanding credits was scheduled to fall due 1981. Since Poland's balance-of-payments problems are worsening, foreign creditors have recognized that debt repayment according to schedule was not realistic. Negotiations on debt rescheduling were therefore opened in early 1981. In April, inter-Governmental agreement was reached on the rescheduling of nearly \$3 billion in Government credits due this year. Western governments agreed to defer 90 percent of the principal payments due this year and all interest due on the publicly held portion of the debt. The agreement rescheduled that portion of the debt to the years 1986-89.

The problem of rescheduling the nearly \$2.4 billion owed to 460 western commercial banks this year was addressed by a committee of commercial bankers. A proposal to have the 1981 debts repaid over a period of 7 to 8 years was presented to the Polish Government in August and was conditioned on Poland's meeting all interest payments and keeping creditor banks fully informed about developments in the economy. The proposal, which would postpone repayment of 95 percent of the principal payments on Poland's debt to private lenders falling due during April-December 1981, was less favorable than the agreement previously negotiated with Western governments. Interest payments for 1981 would not be deferred under the arrangement, for example. It is estimated that about \$2.4 billion is involved in the private debt rescheduling and that, before the end of 1981, \$500 million in interest will be owed on this portion of the debt. Negotiations are continuing between the Government and the committee of Western bankers.

The initial reaction by Polish officials to the proposal by the bankers' consortium was that the terms of the agreement are too stringent. 1/ In November, the Polish Government gave an initial response to the proposed condition of keeping creditors informed by releasing detailed information on the country's economic situation. 2/ A December 10 deadline was set for reaching agreement on the bank debt negotiations, but recent events in Poland have required the parties to put this date off until December 31. 3/ At any rate, the negotiations for rescheduling are still dependent on Poland's paying the 1981 interest on the commercial portion of the debt. It has been pointed out that it is not in the interests of the Western banks to call a default on their loans to Poland. 4/ Such action would only rule out whatever long-term aspirations Western commercial interests have of Poland's becoming a more valuable trading partner. The Western banks' position is that conclusion of an agreement and repayment of the 1981 interest are preconditions for any further short-term extensions of private credit as well as for any rescheduling of the commercial debt falling due in 1982.

1/ Business Eastern Europe, July 31, 1981, p. 243; and Wall Street Journal, July 31, 1981, p. 22.

2/ Wall Street Journal, Dec. 7, 1981, p. 30.

3/ Observers feel that even the Dec. 31 date is not realistic. Since the imposition of martial law in Poland, Western banking officials have been unable to contact their Polish counterparts. A conclusion to the negotiations is not expected before January 1982 at the earliest.

4/ Financial Times, Dec. 7, 1981, p. 12.

Even sanguine observers of the Polish economic situation realize that the phenomenon of debt rescheduling is only beginning and can realistically be expected to repeat itself again and again over the next several years. The Poles themselves admit that additional financing will be needed for a minimum of 5 more years. 1/

The future of Western trade relations with Poland is obviously tied closely to a resolution of the current hard-currency debt problem. Poland has practically exhausted whatever ability it has to raise credits on its own. It has been argued that Western banking interests must continue to aid Poland financially in order to assist the country out of the economic morass in which it finds itself. 2/ Even the Poles have argued that additional Western credits will be needed in the immediate future in order to maintain a viable economy. 3/ The economic future of Poland lies in its making sufficient reforms domestically to enable it to regain a position in which sources of hard-currency financing will again have confidence in the country. Expansion of exports remains crucial to any long-term solution to the difficulties in Poland. One recent encouraging development has been the November 10 application by Poland to join the International Monetary Fund and the World Bank. Membership in these international organizations could be of particular benefit to Poland. Its precarious economic situation could only be improved by the monitoring efforts and the economic policy conditions traditionally imposed by the agencies. Western commercial creditors would, no doubt, be reassured by the possibility of Poland's tapping a new source of desperately needed financing.

1/ The economic problems of Poland are so great that even under the most optimistic terms foreseen by Polish officials themselves, it is expected to take at least 5 years before the country can return to the level of national income attained in 1978. (From July speech by Zbigniew Madej, Economic Minister, as reported in Washington Post, July 18, 1981, p. A16.)

2/ Wall Street Journal, Dec. 7, 1981, p. 30.

3/ Curiously, the possibility of obtaining additional credits from its CMEA partners was not mentioned in the November presentation to the Western bank consortium.

APPENDIX

LEADING U.S. EXPORTS AND IMPORTS IN TRADE
WITH THE NONMARKET ECONOMY COUNTRIES

Table A-1.--Leading items exported to the nonmarket economy countries (NME's), by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	: January-September : : 1981 : : 1981 : : 1980		
		: July-September-- : : 1981 : : 1980		
130.6540	Wheat, unmilled, not donated for relief-----	\$1,485,904,930	\$544,574,834	\$536,895,736
130.3465	Yellow corn, not donated for relief-----	1,253,355,089	232,968,980	198,327,604
184.5260	Soybean oilcake and meal-----	257,815,189	18,090,090	35,773,934
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches-----	244,544,183	1,379,574	43,726,332
309.4242	Polyester fibers, noncontinuous-----	207,839,587	87,670,479	55,348,297
175.4100	Soybeans, n.e.s.-----	147,289,031	24,831,802	8,252,100
310.0010	Textured yarns, of polyester-----	111,388,386	49,608,370	13,152,260
300.1550	Other cotton, staple length 1-1/8 inches or more-----	110,189,256	103,693	58,321,917
480.7025	Phosphoric acid, 65 percent or more available phosphorus : pentoxide equivalents-----	68,044,444	68,044,444	-
480.8005	Diammonium phosphate fertilizer-----	55,880,394	9,652,289	24,428,541
177.5640	Tallow, inedible-----	51,125,506	8,676,454	1,081,907
692.3160	Tracklaying tractors, new, with net engine horsepower : of 345 and over-----	46,370,416	22,704,084	27,085,286
692.3820	Parts of tracklaying tractors, n.s.p.f.-----	46,083,154	7,054,646	14,537,677
480.7050	Concentrated superphosphates-----	42,167,605	18,633,166	15,147,907
200.3510	Douglas-fir logs and timber, rough-----	40,735,845	19,744,878	7,456,418
252.7810	Kraft linerboard-----	36,765,623	2,881,293	40,006,473
120.1400	Cattle hides, whole-----	35,917,978	8,419,750	15,368,827
692.3840	Parts, n.e.s., of other tractors, n.s.p.f.-----	32,423,160	14,772,553	5,333,708
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	31,409,763	8,884,518	5,079,481
444.6000	Polyester resins, unsaturated-----	30,105,177	8,300,795	15,828,123
	Total-----	4,335,354,716	1,156,996,692	1,121,152,528
	Total, U.S. exports to the NME's-----	5,781,649,387	1,572,072,600	1,705,835,981

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

Table A-2.--Leading items imported from nonmarket economy countries (NME's), by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:	July-September--	
		1981	1981	1980
475.2520	Gasoline-----	\$228,730,748	\$103,462,114	\$21,941,741
145.4880	Peanuts, shelled-----	150,391,940	1,778,358	2,926
107.3525	Canned hams and shoulders, 3 pounds and over-----	109,708,090	24,892,812	40,743,826
475.3500	Naphthas, derived from petroleum, etc., n.e.s-----	103,236,797	31,190,593	9,095,235
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- : rolled, n.e.s-----	99,420,181	42,768,550	7,706,913
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt : Universal viscosity at 100 degrees F of less than 45 seconds--	89,613,579	30,931,675	387,662
480.6540	Anhydrous ammonia-----	51,273,399	11,593,736	24,740,441
360.1515	Floor coverings of wool, valued over 66-2/3 cents per : square foot-----	40,513,448	14,734,872	12,701,501
620.0300	Nickel, unwrought-----	35,626,276	1,131,859	2,734,621
605.0260	Palladium-----	24,934,808	6,741,143	15,971,953
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn : number 20)-----	23,487,703	7,170,273	6,896,559
472.1000	Barytes ore, crude-----	21,975,739	9,614,155	5,576,002
186.1560	Feathers, not meeting Federal standards-----	21,620,080	7,692,975	5,247,583
382.1220	Women's, girls', or infants' coats, 3/4-length or longer, : corduroy, valued over \$4 each-----	20,058,891	8,261,770	2,812,952
660.9756	Reciprocating pumps, other, except parts-----	18,704,132	13,746,745	69,447
605.2020	Gold bullion, refined-----	18,348,909	-	65,889,344
692.3288	Parts for motor vehicles, n.e.s-----	17,812,899	5,236,817	3,511,636
755.1500	Fireworks-----	17,733,664	2,820,810	3,657,841
700.3550	Men's footwear, of leather, n.e.s., cement soles-----	15,978,435	4,636,753	6,458,328
382.3353	Women's slacks, etc., of cotton, corduroy, not knit-----	14,613,817	10,320,843	2,458,942
	Total-----	1,123,783,535	338,726,853	238,605,453
	Total, U.S. imports from the NME's-----	2,580,813,214	883,946,420	687,387,095

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

Table A-3.--Leading items exported to China, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September:		July-September--	
		1981	1981	1981	1980
130.6540	Wheat, unmilled, not donated for relief-----	\$963,742,385	\$388,670,099		\$484,125,584
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches-----	237,637,626	764,497		40,448,901
309.4242	Polyester fibers, noncontinuous-----	207,563,478	87,670,479		54,938,008
310.0010	Textured yarns, of polyester-----	111,388,386	49,608,370		13,152,260
300.1550	Other cotton, staple length 1-1/8 inches or more-----	108,338,664	103,693		58,321,917
175.4100	Soybeans, n.e.s.-----	97,668,942	24,831,802		-
480.8005	Diammonium phosphate fertilizer-----	55,880,394	9,652,289		24,428,541
200.3510	Douglas-fir logs and timber, rough-----	40,735,845	19,744,878		7,456,418
252.7810	Kraft linerboard-----	36,765,623	2,881,293		40,006,473
444.6000	Polyester resins, unsaturated, etc-----	28,631,753	7,873,767		15,828,123
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	26,963,985	6,940,215		3,815,868
121.7060	Leather, n.e.s.-----	25,965,653	6,741,702		2,578,292
250.0281	Wood pulp, sulphate and soda, bleached, softwood-----	24,079,596	3,105		1,775,500
338.2930	Woven fabrics of polyester, continuous-----	23,452,339	4,668,380		811,612
309.4245	Acrylic and modacrylic fibers (in noncontinuous form)-----	23,390,950	8,619,756		1,668
250.0225	Wood pulp, sulphite, bleached-----	22,982,015	1,861,278		5,621,493
130.3465	Yellow corn, not donated for relief-----	21,158,960	-		15,279,456
444.1700	Thermoplastic resins; polypropylene resins-----	20,792,116	8,742,359		5,114,406
338.2960	Woven fabrics of manmade fibers, blends wholly of polyester and cotton-----	20,698,022	8,310,200		426,805
699.0030	Tugboats and towboats-----	19,982,000	-		-
	Total-----	2,117,818,732	637,688,162		774,131,325
	Total, U.S. exports to China-----	2,676,787,991	816,192,191		1,084,857,583

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

Table A-4.--Leading items imported from China, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September 1981	July-September-- 1981	1980
475.2520	Gasoline-----	\$165,009,285	\$97,491,028	\$21,941,741
145.4880	Peanuts, shelled-----	150,391,940	1,778,358	2,926
475.3500	Naphthas, derived from petroleum, etc., n.e.s-----	36,670,080	23,366,890	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	34,893,345	12,890,754	11,337,754
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)-----	23,487,703	7,170,273	6,896,559
472.1000	Barytes ore, crude-----	21,975,739	9,614,155	5,576,002
186.1560	Feathers, not meeting Federal standards-----	18,889,406	6,755,838	4,990,974
382.1220	Women's, girls', or infants' coats, 3/4-length or longer, corduroy, valued over \$4 each-----	18,371,685	7,709,026	2,463,333
755.1500	Fireworks-----	17,733,664	2,820,810	3,657,841
382.3353	Women's slacks, etc., of cotton, corduroy, not knit-----	14,580,043	10,296,437	2,443,928
417.2800	Ammonium molybdate-----	13,588,170	3,118,524	2,305,322
601.5400	Tungsten ore-----	13,404,900	4,557,714	4,843,497
222.4000	Baskets and bags of bamboo-----	12,403,848	3,576,313	3,680,150
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored-----	12,348,411	4,180,337	878,016
144.2053	Straw mushrooms in containers each holding more than 9 ounces---	10,476,097	5,084,264	1,511,736
622.0200	Tin, other than alloyed, unwrought-----	10,472,961	4,504,647	338,679
766.2560	Antiques, n.s.p.f-----	10,341,831	3,692,614	2,642,787
380.0652	Men's and boys' shirts, of cotton, knit, n.s.p.f-----	9,161,880	2,652,052	744,078
629.1420	Titanium sponge, unwrought-----	9,124,580	3,816,851	2,961,739
382.5871	Women's sweaters, n.e.s., of wool, valued over \$5 per pound----	8,911,275	2,334,165	10,986,040
	Total-----	612,236,843	217,411,050	90,203,102
	Total, U.S. imports from China-----	1,361,773,758	512,666,898	295,720,387

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

Table A-5.--Leading items exported to the U.S.S.R., by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September:		July-September--	
		1981		1981	1980
130.6540	Wheat, unmilled, not donated for relief	\$467,573,474		\$133,082,758	-
130.3465	Yellow corn, not donated for relief	465,920,482		79,138,040	-
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	68,044,444		68,044,444	-
177.5640	Tallow, inedible	45,949,511		6,294,374	-
692.3160	Tracklaying tractors, new, with net engine horsepower of 345 and over	45,133,452		21,467,120	\$26,411,276
692.3820	Parts of tracklaying tractors, n.s.p.f.	39,929,252		6,081,126	12,699,497
692.3840	Parts, n.e.s., of other tractors, n.s.p.f.	29,195,717		14,414,816	2,327,409
517.5120	Petroleum coke, calcined	21,247,049		-	1,164,058
145.4300	Shelled almonds, not blanched	16,003,365		1,488,760	501,811
790.5510	Pressure-sensitive tape, with plastic backing	15,649,347		2,392,980	12,827,414
155.2025	Crystalline or dry amorphous sugar beets or sugar cane, suitable for human consumption without further refining	15,603,140		4,714,637	-
475.4580	Lubricating oils, n.s.p.f., except white mineral oils	12,001,620		-	1/
664.1074	Pipehandlers, n.s.p.f.	11,625,609		11,351,609	-
358.0400	Belting and belts, for machinery, of textile fibers, n.e.s.	10,748,387		2,740,266	-
674.3529	Metalworking machines for gear-tooth grinding and finishing, valued at least \$2,500 each	10,529,946		2,403,393	1,084,557
192.2500	Hops	10,008,603		-	257,500
501.3300	Molybdenum ore	9,546,553		1,843,848	2,264,649
417.1240	Aluminum oxide (alumina)	8,570,006		140,553	-
475.4555	Insulating or transformer oils	7,971,502		2,810,060	-
601.2200	Copper ore	7,010,761		7,010,761	-
	Total 2/	1,318,262,220		365,419,545	59,538,171
	Total, U.S. exports to the U.S.S.R.	1,460,032,421		408,579,231	128,008,218

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 475.4565.
 2/ Because of changes in the Schedule B trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-6.--Leading items imported from the U.S.S.R., by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:	July-September--	
		1981	1981	1980
475.1015	: Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt			
	: Universal viscosity at 100 degrees F of less than 45 seconds--	\$80,705,632	\$30,931,675	-
480.6540	: Anhydrous ammonia-----	51,273,399	11,593,736	\$24,740,441
620.0300	: Nickel, unwrought-----	35,626,276	1,131,859	2,400,227
605.0260	: Palladium-----	24,812,562	6,618,897	15,971,953
605.2020	: Gold bullion, refined-----	18,348,000	-	65,889,344
475.3500	: Naphthas, derived from petroleum, etc., n.e.s-----	16,592,091	-	-
475.1035	: Heavy fuel oils, testing 25 degrees A.P.I. or more, Saybolt			
	: Universal viscosity at 100 degrees F of more than 125 seconds--	9,466,806	-	-
605.0290	: Platinum group metals and combinations, n.e.s-----	6,314,747	5,501,540	1,832,055
124.1045	: Sable furskins, whole, undressed-----	5,866,930	2,392,031	3,041,695
169.3800	: Vodka, in containers holding not over 1 gallon, valued			
	: over \$7.75 per gallon-----	4,172,501	1,580,472	440,390
605.0220	: Platinum sponge-----	3,439,078	1,376,153	378,000
605.0270	: Rhodium-----	3,304,865	1,762,473	587,731
240.1440	: Plywood, with face ply of birch, not face finished-----	2,302,752	1,116,919	691,982
605.0750	: Palladium bars, plates, etc-----	2,273,271	318,271	3,484,843
618.1000	: Aluminum waste and scrap-----	2,213,260	-	-
629.1420	: Titanium sponge, unwrought-----	1,745,625	-	-
601.1520	: Chrome ore, chromium content not over 40 percent chromic oxide--	1,706,432	-	-
520.3300	: Diamonds, over 1/2 carat, cut, not set-----	1,274,464	714,375	-
601.1560	: Chrome ore, 46 percent or more chromic oxide-----	1,020,600	-	-
245.2020	: Hardboard valued over \$96.66-2/3 per short ton, other-----	929,563	379,050	383,313
	: Total-----	273,388,854	65,417,451	119,841,974
	: Total, U.S. imports from the U.S.S.R.-----	289,405,441	70,733,288	147,482,476

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

Table A-7.--Leading items exported to Romania, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September 1981	July-September--	
			1981	1980
130.3465	: Yellow corn, not donated for relief-----	\$209,883,760	\$42,767,745	\$40,148,151
184.5260	: Soybean oilcake and meal-----	86,697,465	-	7,021,660
521.3120	: Bituminous coal, n.e.s-----	22,321,047	6,584,125	5,418,624
120.1400	: Cattle hides, whole-----	22,047,518	4,188,893	4,576,396
175.4100	: Soybeans, n.e.s-----	17,916,318	-	8,252,100
415.4500	: Sulfur, native elemental or recovered-----	14,773,015	4,962,292	2,729,844
521.3110	: Low volatile bituminous coal-----	13,226,389	4,066,400	5,549,832
130.6540	: Wheat, unmilled, not donated for relief-----	8,379,214	3,136,124	40,945,453
170.6500	: Cigarettes-----	7,045,944	875,070	-
480.4500	: Phosphates, crude, and apatite-----	6,396,531	2,016,686	1,651,781
250.0284	: Wood pulp, special alpha and dissolving grades-----	3,395,587	913,673	1,608,034
772.5000	: Pneumatic tires for agricultural machinery-----	2,962,485	2,349,907	3,494
676.5560	: Parts for automatic data processing machines and units, : n.s.p.f-----	2,890,249	1,115,886	1,819,510
674.9002	: Parts, for appliances, other-----	2,716,482	172,015	1,301,814
486.2900	: Insecticides, unmixed, n.e.s-----	2,716,225	-	-
119.5300	: Eggs in the shell, other-----	2,702,686	-	-
664.1096	: Parts, for oil and gas field lifting equipment, other-----	2,610,000	-	-
250.0281	: Wood pulp, sulphate and soda, bleached, softwood-----	1,903,419	1,312,059	15,000
678.3075	: Parts for glassworking machines-----	1,750,000	-	-
140.3100	: Beans, seed-----	1,412,292	-	-
	: Total-----	433,746,626	74,460,875	121,041,693
	: Total, U.S. exports to Romania-----	466,858,121	83,879,003	209,264,483

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

Table A-8.--Leading items imported from Romania, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:		July-September--	
		1981	:	1981	1980
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s.	\$66,134,083	:	\$31,351,034	\$1,648,423
475.2520	Gasoline	63,721,463	:	5,971,086	-
475.3500	Naphthas, derived from petroleum, etc., n.e.s.	49,974,626	:	7,823,703	9,095,235
660.9756	Reciprocating pumps, other, except parts	12,433,137	:	8,214,254	34,149
107.3525	Canned hams and shoulders, 3 pounds and over	11,120,103	:	4,492,620	4,109,166
600.1500	Passenger, baggage, etc., railroad cars, not self-propelled	10,753,329	:	4,764,357	2,612,155
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt	8,907,947	:	-	-
	Universal viscosity at 100 degrees F of less than 45 seconds--	8,728,170	:	3,558,495	993,385
610.4220	Oil well casing, other than alloy steel, threaded or otherwise--	8,438,462	:	3,074,758	641,469
602.3406	Agricultural tractors, power takeoff horsepower of 40 or more	6,883,005	:	2,610,943	2,839,633
	but less than 80--	6,845,227	:	155,298	1/
700.3550	Men's footwear, of leather, n.e.s., cement soles	6,129,643	:	2,640,597	2,228,055
690.3560	Parts of cars, other	5,478,880	:	1,764,972	1,330,524
727.3540	Furniture, of wood, n.s.p.f.	5,109,808	:	2,713,330	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	4,704,999	:	4,306,477	678,764
610.3920	Oil well casing, other than alloy steel, not advanced	4,602,658	:	1,457,752	6,751,892
700.4560	Women's footwear, of leather, n.e.s., valued over \$2.50 per pair	4,513,084	:	1,740,007	406,938
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair	4,207,514	:	-	2,103,032
610.4930	Hollow bars, not suitable for use in manufacture of ball or roller bearings, n.e.s.	4,103,754	:	1,533,749	1,032,978
446.1531	Polyisoprene rubber	3,895,031	:	1,407,844	568,198
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each--	296,684,923	:	89,581,276	37,073,996
382.8187	Women's, girls', or infants' suits, of man-made fibers, not knit:	430,027,760	:	145,562,254	87,891,674
	Total 2/		:		
	Total, U.S. imports from Romania		:		

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 690.3500.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-9.—Leading items exported to Poland, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September:		July-September--	
		1981	1981	1981	1980
130.3465	Yellow corn, not donated for relief	\$295,793,680	\$86,605,503		\$75,577,992
184.5260	Soybean oilcake and meal	73,539,706	-		-
175.4100	Soybeans, n.e.s.	25,287,422	-		-
116.0100	Butter	24,849,296	15,479,324		-
130.6540	Wheat, unmilled, not donated for relief	17,035,853	17,035,853		-
177.5000	Lard	11,976,939	-		-
115.5700	Nonfat dry milk, containing not over 3 percent of butterfat, other	9,116,081	4,845,528		-
300.1530	American Pima cotton and Sea Island cotton	6,979,843	888,934		-
480.4500	Phosphates, crude, and apatite	6,691,056	-		9,968,719
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	6,188,939	-		3,159,209
112.6000	Fish, in airtight containers, other than canned	5,818,995	2,981,160		-
692.3820	Parts of tracklaying tractors, n.s.p.f.	5,109,739	655,663		1,581,207
184.5000	Linseed oilcake and meal	4,989,502	2,197,436		-
170.3320	Flue-cured cigarette filler tobacco, stemmed	4,212,769	-		3,059,472
176.5220	Soybean oil, crude, including degummed	3,981,063	-		-
177.5640	Tallow, inedible	3,973,666	1,183,581		1,078,529
131.3030	Head rice, long grain, not parboiled, not donated for relief	3,930,083	-		-
131.3040	Head rice, medium grain, not parboiled, not donated for relief	3,595,556	-		5,251,597
120.1400	Cattle hides, whole	3,365,003	802,432		1,377,657
176.2520	Linseed oil, crude	3,360,140	-		-
	Total	519,795,331	132,675,414		101,054,382
	Total, U.S. exports to Poland	587,884,646	148,606,869		125,939,592

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

Table A-10.--Leading items imported from Poland, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:	July-September--	
		1981	1981	1980
107.352	Canned hams and shoulders, 3 pounds and over-----	\$79,167,734	\$16,517,783	\$31,439,685
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-			
	rolled, n.e.s-----	33,286,098	11,417,516	6,058,490
110.4740	Pollock blocks, frozen, over 10 pounds-----	9,800,790	3,651,605	-
674.3512	Machine tools, metal-cutting, engine or toolroom-----	6,529,445	2,830,654	1,031,995
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing			
	over 4 ounces per square yard-----	6,170,906	2,092,723	1,637,205
380.6653	Men's suits, of wool, valued over \$4 per pound-----	5,633,445	2,645,609	1,731,731
646.2622	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or			
	more in length, uncoated-----	4,870,460	2,262,950	1,430,289
700.3550	Men's footwear, of leather, n.e.s., cement soles-----	4,789,357	571,096	2,466,304
609.8041	Channels, other than alloy iron or steel, maximum			
	cross-sectional dimension of 3 inches or more-----	4,483,131	2,717,104	168,945
672.1620	Sewing machines, other-----	4,020,076	1,367,744	1/
646.2626	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or			
	more in length, coated-----	3,328,131	970,998	308,760
727.1500	Furniture and parts, of bentwood-----	2,911,982	880,088	764,606
382.1206	Women's raincoats, n.e.s., 3/4-length or longer, valued over \$4			
	each-----	2,810,890	1,220,641	424,396
612.6200	Brass rods, wrought-----	2,762,057	1,873,874	854,471
366.2460	Terry towels of cotton, of pile or tufted construction,			
	valued over \$1.45 per pound-----	2,735,256	617,844	513,179
646.6320	Cap screws, of iron or steel, having shanks or threads over			
	0.24 inch in diameter-----	2,710,299	1,158,110	520,947
692.1090	Automobile trucks, valued under \$1,000-----	2,654,610	577,260	158,730
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per			
	pair-----	2,613,421	589,630	1,099,639
380.3941	Men's and boys' suit-type coats, of cotton, not knit, not			
	ornamented-----	2,452,535	661,282	1,065,505
380.1235	Men's and boys' suit-type coats, of cotton corduroy-----	2,399,423	1,250,467	865,532
	Total 2/-----	186,130,046	55,874,978	52,540,409
	Total, U.S. imports from Poland-----	299,496,728	93,053,345	95,889,573

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 672.1600.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-11.--Leading items exported to East Germany, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September		July-September--	
		1981	1981	1981	1980
130.3465	: Yellow corn, not donated for relief	\$137,736,832	\$14,960,761	\$25,700,217	
184.5260	: Soybean oilcake and meal	48,451,000	-	10,053,600	
130.6540	: Wheat, unmilled, not donated for relief	28,000,835	2,650,000	11,824,699	
130.1040	: Barley, n.s.p.f.	10,703,709	10,703,709	-	
130.1020	: Barley for malting purposes	1,780,172	1,780,172	-	
444.6000	: Polyester resins, unsaturated, etc	1,473,424	427,028	-	
355.0740	: Paddings, waddings, and upholstery fillings, of manmade fibers, other	1,091,579	153,879	-	
309.7630	: Manmade fibers of polyester, waste and advanced waste	870,547	199,212	9,068	
818.9000	: General merchandise, valued not over \$500	591,089	57,374	109,658	
435.1530	: Penicillin, other	510,780	510,780	-	
711.8070	: Pressure gages, industrial process, electrical	424,736	-	7,300	
711.8710	: Chemical-analysis equipment and parts, electrical, n.s.p.f.	311,568	191,660	3,780	
300.3021	: Cotton linters, n.e.s.	268,864	71,696	90,670	
175.4100	: Soybeans, n.e.s.	235,941	-	-	
661.9880	: Parts, n.s.p.f., of filtering and purifying equipment	212,120	3,826	-	
685.2725	: Transceivers for frequencies over 400 MHz	211,737	-	-	
487.3050	: Antioxidants, antizonants, and stabilizers	206,097	128,349	-	
444.2520	: Polymerization- and copolymerization-type resins	202,656	-	-	
170.3320	: Flue-cured cigarette filler tobacco, stemmed	163,037	-	-	
444.5410	: Epoxy molding compounds	150,082	-	1/	
	: Total 2/	233,596,805	31,838,446	47,798,992	
	: Total, U.S. exports to East Germany	236,433,304	32,514,938	50,806,963	

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 444.5400.

2/ Because of changes in the Schedule B trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-12.--Leading items imported from East Germany, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:	July-September--	
		1981	1981	1980
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type-----	\$5,631,393	\$2,112,591	\$584,178
480.5000	Potassium chloride, crude-----	3,050,168	-	1,047,533
772.5105	Passenger car tires, new-----	2,640,046	750,076	297,174
772.5115	Pneumatic truck and bus tires, new-----	1,730,974	1,182,438	360,835
676.0510	Typewriters, electric, nonautomatic, portable-----	1,205,374	191,084	312,500
121.5000	Pig and hog leather-----	931,358	212,558	456,000
668.2340	Offset presses, of the roll-fed type, weighing 3,500 pounds or more-----	886,165	298,730	-
494.2000	Montan wax-----	804,943	263,863	332,495
668.5060	Parts of printing presses-----	793,716	397,679	175,259
546.6840	Tableware, kitchen ware, and cooking ware, valued over \$5 each--	641,825	273,135	110,162
674.3025	Gear hobbers-----	636,637	191,975	46,737
546.6040	Tableware, etc., valued over \$0.30 but not over \$3-----	551,594	173,611	102,689
534.1100	Ceramic statues, etc., valued over \$2.50 each-----	524,123	178,473	136,014
674.3527	Gear-tooth grinding and finishing machines-----	399,859	114,498	-
207.0080	Articles of wood, n.s.p.f-----	391,362	166,907	229,712
722.1635	Still 35-mm cameras, n.e.s., valued over \$10 each-----	372,199	72,961	77,587
408.2300	Herbicides, including plant growth regulators, n.e.s-----	327,805	-	-
674.3272	Boring machines, used or rebuilt-----	325,231	67,442	3,500
380.0609	Jogging, warmup, and similar types of athletic jackets-----	325,183	48,516	369,890
380.0645	Men's and boys' sweatshirts, of cotton, knit-----	315,533	178,573	236,432
	Total-----	22,485,488	6,875,110	4,878,697
	Total, U.S. imports from East Germany-----	33,232,202	10,681,596	9,296,844

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

Table A-13.--Leading items exported to Bulgaria, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September:	July-September--	
		1981	1981	1980
130.3465	: Yellow corn, not donated for relief-----	\$95,068,153	\$9,496,931	\$25,869,060
184.5260	: Soybean oilcake and meal-----	44,277,488	18,090,090	12,660,014
480.7050	: Concentrated superphosphates-----	20,916,201	14,513,974	6,939,059
175.4100	: Soybeans, n.e.s-----	6,180,408	-	-
601.2500	: Lead ore-----	5,010,112	-	-
422.7700	: Zinc compounds, n.e.s-----	4,931,500	-	-
170.3320	: Flue-cured cigarette filler tobacco, stemmed-----	4,503,525	-	3,329,119
170.3340	: Burley cigarette filler tobacco, stemmed-----	2,718,186	-	1,058,664
601.6100	: Zinc ore-----	2,420,336	-	-
415.4500	: Sulfur, native elemental or recovered-----	1,774,511	-	-
692.3160	: Tracklaying tractors, new, with net engine horsepower			
	: of 345 and over-----	954,802	954,802	674,010
676.2700	: Digital data processing machines, n.s.p.f-----	742,859	-	-
140.0300	: Great northern beans, except seed, dried, etc-----	698,897	-	-
250.0284	: Wood pulp, special alpha and dissolving grades-----	575,719	-	1,264,411
712.5025	: Frequency-testing apparatus, and parts-----	482,124	106,212	7,122
709.6320	: X-ray apparatus, and parts thereof, for medical or dental use---	428,000	428,000	-
710.2820	: Geophysical instruments and parts, electrical-----	330,708	218,254	725,784
517.9540	: Articles of carbon or graphite, n.s.p.f., other-----	330,361	330,361	-
435.8500	: Anticonvulsants, hypnotics, and sedatives-----	318,600	-	70,200
124.1525	: Mink furskins, whole, undressed-----	303,003	-	-
	: Total-----	192,965,493	44,138,624	52,597,443
	: Total, U.S. exports to Bulgaria-----	200,592,385	46,630,810	57,386,348

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

Table A-14.--Leading items imported from Bulgaria, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September		July-September--	
		1981		1981	1980
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	\$13,431,543		\$5,803,871	\$3,298,349
676.0530	Typewriters, nonelectric, nonautomatic, portable	1,557,661		320,270	302,684
117.6700	Pecorino cheese, not for grating	1,222,088		618,390	392,381
674.3512	Machine tools, metal-cutting, engine or toolroom	647,357		140,416	294,121
167.3020	Wine, not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon				
452.6000	Rose oil or attar of roses	407,998		190,759	166,913
676.0510	Typewriters, electric, nonautomatic, portable	344,786		283,275	31,486
700.3550	Men's footwear, of leather, n.e.s., cement soles	151,330		-	70,896
439.1090	Natural drugs, n.e.s., crude	144,141		-	358,686
653.2200	Metal coins, n.e.s.	134,453		14,720	7,973
107.3525	Canned hams and shoulders, 3 pounds and over	131,454		5,391	141,716
161.7100	Paprika, ground or unground	100,408		-	39,976
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	69,291		-	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	50,430		31,209	63,051
382.6315	Women's, girls', or infants' coats, n.e.s., of wool, valued over \$4 per pound	47,872		30,734	-
452.3200	Lavender and spike lavender oil	41,572		-	56,233
674.3522	Machine tools, metal-cutting, n.e.s.	41,108		-	18,750
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating	39,664		22,773	15,600
546.6060	Glassware, not tumblers or tableware, valued over \$0.30 but not over \$3, n.e.s.	37,107		22,352	-
161.5500	Mint leaves, crude or not manufactured	27,226		-	-
	Total	17,425		-	11,489
	Total, U.S. imports from Bulgaria	18,644,914		7,484,160	5,270,304
		18,807,970		7,546,478	5,607,149

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

Table A-15.--Leading items exported to Hungary, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September:	July-September--	
		1981	1981	1980
480.7050	Concentrated superphosphates-----	\$6,508,527	\$1,101,661	-
692.3840	Parts, n.e.s., of other tractors, n.s.p.f-----	2,944,697	315,437	\$1,473,157
678.5002	Oil and gas field wire line and downhold equipment and parts : : thereof-----	2,419,741	-	-
120.1400	Cattle hides, whole-----	2,338,286	899,858	554,268
540.4200	Glass rods, tubes, and tubing-----	2,161,487	502,229	364,183
435.3300	Corticosteroids, n.s.p.f. (bulk)-----	1,690,752	1,028,380	675,621
692.1680	Special-purpose vehicles, nonmilitary, n.s.p.f-----	1,200,000	-	-
692.3340	Tractors, wheel-type, agricultural, with horsepower of : : at least 120 but less than 140-----	1,132,308	-	-
435.7700	Cardiovascular drugs-----	1,121,534	-	-
687.6087	Parts of transistors, chips, dice, and wafers-----	1,093,205	83,611	220,610
692.2928	Brakes and parts thereof, n.e.s-----	1,012,177	294,925	30,580
692.2985	Parts, n.s.p.f., of motor-vehicle chassis, bodies, etc-----	946,498	43,311	356,288
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	850,871	284,597	242,626
666.0063	Parts for harrows, roller stalk cutters, and soil pulvermzers, : : n.s.p.f-----	715,245	35,441	89,940
120.1740	Kip skins, whole-----	687,413	141,153	107,992
660.4872	Gasoline engines, not automobile or marine, under 6 brake : : horsepower-----	680,481	213,780	49,540
130.3440	Corn seed, except sweet, not donated for relief-----	646,880	-	-
435.1530	Penicillin, other-----	629,949	-	-
240.0150	Wood veneers, other hardwood-----	617,744	353,744	-
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches-----	615,077	615,077	-
	Total-----	30,012,872	5,913,204	4,164,805
	Total, U.S. exports to Hungary-----	57,785,207	15,123,572	18,355,403

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

Table A-16.--Leading Items Imported from Hungary, by TSUSA Items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September:		July-September--	
		1981		1981	1980
692.3288	: Parts for motor vehicles, n.e.s.	\$17,384,765	:	\$5,029,999	\$3,382,736
107.3525	: Canned hams and shoulders, 3 pounds and over	16,149,574	:	2,999,012	4,236,897
686.9030	: Other lamps, including standard household	6,804,080	:	2,080,770	1,562,310
692.3460	: Parts for agricultural tractors	6,294,614	:	1,241,037	2,567,420
692.0440	: Motor buses, other (including diesel)	4,878,869	:	1,314,400	-
700.4540	: Women's footwear, of leather, cement soles, valued over \$2.50 per pair	4,743,506	:	2,141,546	2,039,929
124.1040	: Rabbit furskins, whole, undressed	1,692,388	:	351,695	64,670
107.3040	: Bacon, not boned and cooked	1,463,491	:	624,873	555,122
425.3620	: Pesticides	1,293,848	:	596,213	-
130.3000	: Seed corn or maize, certified	1,263,264	:	-	-
167.3040	: Wine, not over 14 percent alcohol, valued over \$4 per gallon, in containers not over 1 gallon	979,149	:	382,921	383,491
161.7100	: Paprika, ground or unground	955,391	:	140,349	91,929
678.3220	: Machines for assembling electric filament and discharge lamps, n.e.s.	937,202	:	-	-
772.5115	: Pneumatic truck and bus tires, new	913,175	:	460,122	-
676.0560	: Typewriters, nonelectric, nonautomatic	815,050	:	130,629	748,076
542.3120	: Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches	760,724	:	195,827	165,929
708.4520	: Sunglasses and sunglasses, valued over \$2.50 per dozen	718,650	:	185,580	-
380.6611	: Men's suit-type sport coats and jackets, of wool, valued over \$4 per pound	667,085	:	484,052	383,434
411.2400	: Sulfamethazine	650,765	:	145,944	-
382.6340	: Women's, girls', or infants' suits of wool, not knit	643,978	:	573,340	510,829
:	: Total	70,009,568	:	19,078,309	16,692,772
:	: Total, U.S. imports from Hungary	92,292,934	:	27,673,022	26,497,808

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

Table A-17.--Leading items exported to Czechoslovakia, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September--	
		1981	1980
130.3465	: Yellow corn, not donated for relief-----	\$27,793,222	-
120.1400	: Cattle hides, whole-----	6,234,610	\$2,379,561
184.5260	: Soybean oilcake and meal-----	4,849,530	-
670.1220	: Textile machines, reeling or winding-----	1,320,441	219,676
130.6540	: Wheat, unmilled, not donated for relief-----	1,173,169	-
207.0035	: Wooden pencil slats-----	996,903	-
124.1527	: Muskrat furskins, whole, undressed-----	734,750	274,182
192.2500	: Hops-----	679,641	-
321.2908	: Cotton denims-----	596,819	596,819
486.2900	: Insecticides, unmixed, n.e.s-----	573,165	-
674.3588	: Mechanical presses, metalforming-----	501,032	-
310.0026	: Yarns of cellulosic fibers, other-----	485,815	-
381.1520	: Men's and boys' denim slacks, of cotton, not knit-----	477,055	350,830
678.3075	: Parts for glassworking machines-----	450,863	440,814
712.1520	: Radiation-measuring and radiation-detecting instruments, : n.s.p.f-----	435,683	237,305
674.3575	: Shearing machines, valued at \$2,500 and more, other-----	432,485	-
711.8710	: Chemical-analysis equipment and parts, electrical, n.s.p.f-----	419,993	90,282
818.9000	: General merchandise, valued not over \$500-----	398,296	44,514
670.8000	: Parts of textile machinery, for reeling, winding, warping, etc.'-----	393,644	320,715
662.1265	: Packaging and wrapping machinery, other-----	332,799	-
	: Total-----	49,279,915	4,954,698
	: Total, U.S. exports to Czechoslovakia-----	59,087,946	8,573,387

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

Table A-18.--Leading items imported from Czechoslovakia, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September--		July-September--	
		1981	1981	1981	1980
610.3920	: Oil well casing, other than alloy steel, not advanced	\$4,937,176	\$1,842,410		\$1,631,472
700.2940	: Welt work footwear, of leather, valued over \$6.80 per pair	3,623,911	1,053,060		1,462,590
107.3525	: Canned hams and shoulders, 3 pounds and over	3,170,271	883,397		918,102
192.2500	: Hops	2,930,426	10,555		-
700.3550	: Men's footwear, of leather, n.e.s., cement soles	1,637,989	583,635		302,007
336.6041	: Woven fabrics of wool, not over 10 ounces per square yard	1,482,270	103,956		-
692.5010	: Motorcycles, with piston displacement not over 50 cubic : centimeters				
610.4220	: Oil well casing, other than alloy steel, threaded or otherwise	1,388,181	360,987		458,040
670.1436	: Weaving machines, jet type	1,285,239	725,538		119,124
546.6020	: Glass tumblers, etc., valued over \$0.30 but not over \$3 each	1,272,823	-		574,492
668.2100	: Offset printing presses, weighing 3,500 pounds or more, : roll-fed type	1,232,290	459,149		439,428
336.6043	: Woven fabrics of wool, over 10 ounces per square yard	1,175,786	357,442		230,970
772.5115	: Pneumatic truck and bus tires, new	1,035,199	357,789		-
766.2560	: Antiques, n.s.p.	877,478	378,465		152,712
437.3000	: Antibiotics, natural and not artificially mixed	829,588	-		12,708
674.3512	: Machine tools, metal-cutting, engine or toolroom	821,648	177,292		244,690
335.9500	: Woven fabrics, other, of vegetable fibers, n.e.s., weighing : over 4 ounces per square yard	731,754	139,610		309,715
741.3500	: Imitation gemstones, except imitation gemstone beads	715,826	216,329		291,289
727.1500	: Furniture and parts, of bentwood	713,311	211,138		296,124
186.1560	: Feathers, not meeting Federal standards	710,627	183,151		94,753
	: Total	668,280	321,465		450
	: Total, U.S. imports from Czechoslovakia	31,240,073	8,365,368		7,538,666
		49,618,006	14,577,885		15,244,827

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

Table A-19.--Leading items exported to Vietnam, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September	July-September--	
		1981	1981	1980
818.3900	Products, n.e.s., donated for relief-----	\$2,431,889	\$2,011,748	\$22,500
818.9000	General merchandise, valued not over \$500-----	579,911	466,976	4,826
818.3400	Apparel, donated for relief-----	551,962	58,863	-
772.0400	Household articles of rubber or plastics, n.s.p.f-----	304,592	264,670	-
818.3300	Medicine, etc., donated for relief-----	272,836	121,829	-
818.3100	Food products, n.s.p.f., donated for relief or charity by : individuals or private agencies-----	77,962	61,496	-
182.9780	Vegetable protein, n.e.s-----	74,682	-	-
709.1690	Parts of electromedical therapeutic apparatus-----	50,800	50,800	-
709.2540	Dental instruments, n.s.p.f., and parts, n.s.p.f-----	10,555	10,555	-
709.1615	Ultrasonic electromedical therapeutic apparatus-----	6,325	6,325	-
256.3840	Graphic paper and paperboard not further advanced than cut to : size and shape, n.s.p.f-----	2,204	-	-
256.6640	Paper or paperboard labels, unprinted-----	1,437	1,437	-
709.4000	Mechano-therapy appliances, and massage apparatus; and parts : thereof, n.s.p.f-----	1,328	-	-
256.4900	Envelopes for correspondence, n.e.s-----	1,175	-	-
	Total-----	4,367,658	3,054,699	27,326
	Total, U.S. exports to Vietnam-----	4,367,658	3,054,699	391,189

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

Table A-20.--Leading items imported from Vietnam, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	: January-September : 1981		: July-September-- 1981		: 1980	
		:	:	:	:	:	:
772.9700	: Other religious articles of rubber or plastics	:	:	:	:	:	:
653.2200	: Metal coins, n.e.s.	:	\$3,130	:	\$3,130	:	-
774.4500	: Artificial flowers, trees, foliage, etc. of rubber or plastics	:	2,665	:	-	:	-
:	: Total	:	1,543	:	1,543	:	-
:	: Total, U.S. imports from Vietnam	:	7,338	:	4,673	:	-
:	:	:	96,101	:	4,673	:	\$4,858

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

Table A-21.--Leading items exported to Albania, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	: January-September :			: July-September-- :		
		:	:	1981	:	1981	1980
521.3110	: Low volatile bituminous coal-----	:	:	\$965,121	:	-	\$3,346,343
309.3270	: Grouped filaments and strips, n.e.s-----	:	:	215,278	:	\$215,278	-
688.1900	: Insulated wire and cable, n.s.p.f-----	:	:	46,262	:	-	-
688.4020	: Particle accelerators, and parts thereof-----	:	:	5,950	:	5,950	-
438.1090	: Blood and blood derivatives, except for passive immunization, : n.e.s-----	:	:	4,324	:	-	-
661.2280	: Air-conditioners, 60,000 Btu per hour and over-----	:	:	3,076	:	-	-
:	: Total-----	:	:	1,240,011	:	221,228	3,346,343
:	: Total, U.S. exports to Albania-----	:	:	1,242,311	:	221,228	3,570,776

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

Table A-22.--Leading items imported from Albania, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September		July-September--	
		1981		1981	1980
161.9400	Sage, unground-----				
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide--	\$1,703,936		\$336,971	\$516,152
601.1540	Chrome ore, chromium content over 40 but under 46 percent chromic oxide-----	646,340		201,858	-
439.1090	Natural drugs, n.e.s., crude-----	198,692		69,139	1,272,080
161.9000	Rosemary, crude or not manufactured-----	77,795		1,713	7,593
161.3900	Laurel bay leaves, crude or not manufactured-----	26,286		-	17,165
162.0100	Savory, crude or not manufactured-----	18,630		-	-
653.2200	Metal coins, n.e.s-----	12,685		-	-
193.2560	Vegetable substances, crude, n.s.p.f-----	11,700		3,000	-
606.8809	Bars of steel, cold formed, finished, not alloy, not over 0.25 percent carbon-----	10,400		3,775	-
601.1560	Chrome ore, 46 percent or more chromic oxide-----	8,537		1/	1/
	Total 2/-----	5,234		-	1,201,445
	Total, U.S. imports from Albania-----	2,720,235		616,456	3,014,435
		2,720,235		616,456	3,021,808

1/ On November 1, 1980, this item was designated to indicate that portion of the trade in items 606.8805 and 606.8815 accepted under temporarily reduced tariff rates.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-23.--Leading items exported to Mongolia, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September 1981	July-September 1981	July-September 1980
547.6020	Laboratory glassware, whether or not graduated or calibrated----	\$11,501	\$11,501	-
711.8740	Chemical-analysis equipment and parts, nonelectrical, n.s.p.f----	11,393	6,796	-
630.7080	Tungsten, n.e.s-----	8,220	-	-
818.3900	Products, n.e.s., donated for relief-----	6,204	4,816	-
678.5065	Machines, for production and assembly of semiconductor devices, etc., n.s.p.f-----	4,243	4,243	-
709.1620	Electromedical therapeutic apparatus, n.s.p.f-----	3,762	-	-
657.2180	Articles of iron or steel, n.e.s-----	3,503	3,503	-
711.8720	Nonelectric spectrometric instruments and parts thereof-----	2,995	-	-
727.1380	Furniture designed for household use, other-----	2,708	-	-
252.8640	Corrugated paper and paperboard, other-----	1,995	-	-
709.1670	Electromedical therapeutic apparatus, n.s.p.f-----	1,860	1,860	-
680.3586	Ball bearings, other-----	1,200	-	-
683.9525	Industrial and laboratory furnaces and ovens-----	1,080	1,080	-
711.8750	Chemical- or physical-analysis equipment and parts, electrical, n.s.p.f-----	949	949	-
433.1079	Prepared culture media-----	597	597	\$1,122
	Total-----	62,210	35,345	1,122
	Total, U.S. exports to Mongolia-----	62,210	35,345	28,789

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

Table A-24.--Leading Items Imported from Mongolia, by TSUSA Items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September		July-September--	
		1981	1981	1981	1980
306.4293	Camel hair, sorted, etc-----	\$2,050,878	\$433,736		\$704,691
306.6200	Cashmere goat hair, sorted, etc-----	938,674	228,150		-
306.4192	Camel hair, not sorted, etc-----	162,810	162,810		-
380.5900	Men's and boy's sweaters, of wool, knit, valued over \$18 per pound wholly of cashmere-----	76,700	-		-
382.5600	Women's, girls', or infants' sweaters, of wool, knit, valued over \$18 per pound wholly of cashmere-----	31,200	-		-
124.1010	Fox furskins, except silver and black, undressed-----	5,829	5,829		-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	1,382	-		-
	Total-----	3,267,473	830,525		704,691
	Total, U.S. imports from Mongolia-----	3,267,473	830,525		729,691

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

Table A-25.--Leading items exported to Cuba, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September	July-September--	
		1981	1981	1980
486.6600	: Organophosphorus-containing pesticide preparations-----	\$331,000	\$331,000	-
818.3300	: Medicine, etc., donated for relief-----	50,050	26,050	-
661.1030	: Fans and blowers, other-----	5,292	-	-
674.7421	: Drills, except rock drills, screwdrivers and nut runners-----	4,860	-	-
676.3050	: Automatic typewriters and word processing units, other-----	3,655	-	-
722.9600	: Equipment for processing or printing motion-picture film-----	3,074	-	-
709.3000	: Medical, dental, surgical, and veterinary instruments, n.s.p.f--	2,796	-	-
256.3840	: Graphic paper and paperboard not further advanced than cut to			
	: size and shape, n.s.p.f-----	2,615	2,615	-
724.0120	: Feature films, 35-mm. and over, positive prints-----	2,499	-	-
668.2005	: Duplicating machines, stencil-type-----	2,111	-	-
674.7427	: Parts and attachments for non-electric power-operated handtools-	1,191	-	-
415.2000	: Chemical elements in any physical form, chlorine-----	867	867	-
	: Total-----	410,010	360,532	-
	: Total, U.S. exports to Cuba-----	410,010	360,532	\$13,007

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

Table A-26.---Leading items imported from Cuba, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September 1981	July-September-- 1980
724.1045	Motion-picture film, n.e.s., positive release prints		
724.2000	Sound recordings produced on photographic or magnetic film, tape, or wire, and suitable for use in motion picture exhibits	\$1,050	-
606.0900	Iron or steel waste and scrap, other	1,000	-
	Total	322	-
	Total, U.S. imports from Cuba	2,372	-
		27,372	-
Source: Compiled from official statistics of the U.S. Department of Commerce.			

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

Table A-27.--Leading items exported to North Korea, by Schedule B Nos., January-September 1981, July-September 1981, and July-September 1980

Schedule B No.	Description	January-September 1981	July-September--	
			1981	1980
	Total, U.S. exports to North Korea-----	-	-	-

1/ There were no exports to North Korea in 1980 or January-September 1981.

Table A-28.--Leading items imported from North Korea, by TSUSA items, January-September 1981, July-September 1981, and July-September 1980

TSUSA item No.	Description	January-September	July-September--	
		1981	1981	1980
685.2411	Solid-state tubeless radio receivers incorporating a clock or timer other than digital-----	\$34,672	-	-
304.3220	Jute butts, waste, and advanced waste-----	9,724	-	-
376.5630	Textile rainwear garments, of fabrics which are coated or filled, with rubber or plastic n.e.s-----	2,838	-	-
	Total-----	47,234	-	-
	Total, U.S. imports from North Korea-----	47,234	-	-

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

GLOSSARY

Abbreviation	Full wording
CAP	Common Agricultural Policy (EC)
CCC	Commodity Credit Corporation (U.S. Department of Agriculture)
CCL	Commodity Control List
CMEA	Council for Mutual Economic Assistance
COCOM	Coordinating Committee for Multilateral Export Controls
EAA	Export Administration Act of 1979 (United States)
EC	European Community
EXIMBANK	Export-Import Bank of the United States
FAO	Food and Agricultural Organization (United Nations)
FYP	Five-year Plan
GATT	General Agreement on Tariffs and Trade
GSP	Generalized System of Preferences
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
LTFV	Less than Fair Value
MFA	Multifiber Arrangement
MFN	Most-favored Nation
NME's	Nonmarket Economy Countries
OEA	Office of Export Administration (U.S. Department of Commerce)
OECD	Organization for Economic Cooperation and Development
OEWPP	Office of East-West Policy and Planning (U.S. Department of Commerce)
OPIC	Overseas Private Investment Corporation (United States)
QGL	Qualified General License
SDR	Special Drawing Rights
SITC	Standard International Trade Classification SITC categories are defined as follows: 1-digit SITC: Section 2-digit SITC: Division 3-digit SITC: Group 4-digit SITC: Subgroup 5-digit SITC: Item
SYE	Square Yard Equivalents
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission

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Each Quarterly Report to the Congress and the Trade Policy Committee on Trade between the United States and the Nonmarket Economy Countries contains:

- (1) summary of developments in U.S.-NME trade for that calendar quarter, with the summary of the fourth quarter as an annual review;
- (2) summary tables and figures describing the value, direction, composition, and individual country trade shares of U.S.-NME trade in that calendar quarter;
- (3) a series of appendix tables describing the leading items traded by the United States with each of the NME countries covered, disaggregated to the 7-digit level of the respective export and import schedules, through the end of that calendar quarter.

Other subjects covered periodically or on an irregular basis are listed below. All page numbers refer to the official USITC publication, with the exception of Report No. 4. Page numbers for that report refer to the copy published by the U.S. Government Printing Office.

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