

**30TH QUARTERLY REPORT TO THE CONGRESS
AND THE TRADE POLICY COMMITTEE ON TRADE
BETWEEN THE UNITED STATES AND THE
NONMARKET ECONOMY COUNTRIES
DURING JANUARY-
MARCH 1982**

USITC PUBLICATION 1265

JUNE 1982



UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Alfred E Eckes, Chairman

Paula Stern

Michael J Calhoun

Eugene J Frank

Veronica A Haggart

Kenneth R Mason, Secretary to the Commission

Report principally prepared by:

Office of Economics

Magdolna B Kornis

Janet Whisler

Thomas F Jennings

**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. 3/ 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.

As specified by the statute, one objective of the reports in this series 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 reports include 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 TSUS, the unconditional MFN rates of duty are set forth in column 1. The rates applicable to products of designated Communist nations 4/

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 (including Vietnam), 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/ Earlier reports in this series included Yugoslavia among the NME's whose trade with the United States is monitored. The reasons for excluding Yugoslavia are presented in the 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 . . .) p. 1.

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

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 January-March 1982 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 also discussed, as well as Hungarian economic reforms and some of their implications for East-West trade.

SUMMARY OF FIRST-QUARTER DEVELOPMENTS

Two-way trade between the United States and the nonmarket economy countries reached \$3.3 billion in the first quarter of 1982. This was the highest level of this trade since the first quarter of 1981, when the value of U.S. exports to and imports from NME's reached \$3.5 billion.

The NME share of U.S. exports to the world rebounded to 4.7 percent following three quarters of lower U.S. reliance on NME markets. Meanwhile, the NME share of U.S. imports from the world continued to be low at 1.3 percent. The traditional U.S. surplus in trade with NME's attained its highest quarterly level in a year, amounting to \$1.7 billion.

Large Soviet purchases of U.S. grains (amounting to some \$900 million), a decline in U.S. exports to China, and soaring imports from that country were the major factors shaping U.S.-NME trade during the quarter. U.S. exports to the Soviets reached record levels, rising 58 percent by value compared with exports in the first quarter of last year. Food and feed (SITC section 0) constituted nearly three-quarters of these exports. In January-March 1982, the Soviet Union accounted for over 70 percent of the U.S. trade surplus with NME's, followed by China with 22 percent. This was a sharp change from calendar year 1981, when China alone was responsible for over half the U.S. surplus in trade with all NME's.

In January-March 1982 the Soviet Union once again became the principal NME market for U.S. exports, moving China to second place. The Soviet market had been dominant among NME's for years prior to January 1980, when the United States imposed trade sanctions involving a partial grain embargo against the Soviet Union. In contrast with the sharp rise in exports, U.S. imports from the Soviet Union were down from those in the corresponding quarter of 1981.

U.S. trade with China moved in the opposite direction. U.S. exports to China were down from the first quarter of last year by 24 percent, while U.S. imports from that country rose 45 percent. Five items accounted for 72 percent of the increase: gasoline, crude petroleum, tin, cocoa butter, and cotton terry towels. China, already the number one NME supplier of imports to the United States in the past 2 years, accounted for two-thirds of all U.S. imports from NME's in the most recent period.

During the quarter, the significance of NME's other than the U.S.S.R. and China in U.S. trade continued to decline; they collectively accounted for less than 14 percent of U.S. exports to all NME's. Exports to each Eastern European country were down from the first quarter of 1981; exports to Poland fell most precipitously. On the import side, NME's other than China and the Soviet Union accounted for some 26 percent of the total, with Romania being the only Eastern European supplier of some significance (11 percent).

The commodity composition of U.S. exports to NME's remained largely unchanged, except for a sharp increase in chemical exports and a decline in sales of machinery and miscellaneous items. The composition of imports from NME's reflected, among other things, larger U.S. purchases of miscellaneous items (from China) and a decline in food and crude materials imports.

January-March 1982 was the first quarter during which the economic sanctions ordered by President Reagan on December 23, 1981, against the Soviet Union and Poland were in effect. As the items affected constitute a relatively small part of U.S. exports to NME's, the impact of the new sanctions is not reflected in overall trade figures.

Notable U.S. commercial developments with NME's in January-March 1982 included the suspension (or delay of extension) of official U.S. export credits and credit guarantees to Romania, and the intensification of U.S. involvement in the development of Chinese energy resources. The U.S. International Trade Commission made two determinations that concerned NME's exclusively and one affecting an NME as well as other countries.

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

During January-March 1982, although the levels of exports, imports, and the trade balance between the United States and the NME's were lower than those of the corresponding quarter of 1981, the share of total U.S. trade accounted for by the NME's remained virtually unchanged. Shipments to the NME's were \$2.5 billion and accounted for 4.7 percent of total U.S. exports, and imports from the NME's were \$782 million and represented 1.3 percent of all foreign goods entered during the quarter.

Total trade turnover between the United States and the NME's reached \$3.3 billion in the first quarter of 1982; this was the highest level since the first quarter of 1981 (table 1). By contrast, during the first quarter of 1982, U.S. trade turnover with the world registered its lowest level in over a year. Owing to the continued downturn in domestic economic conditions on the import side and the adverse effect of a stronger dollar on the export side, total U.S. exports and imports declined; the overall trade balance remained a deficit, increasing by nearly one-fifth from the level recorded in January-March 1981.

U.S. exports to individual NME's during the first quarter are shown in table 2. For the first time since the fourth quarter of 1979--the quarter preceding the sanctions imposed by the Carter administration--the Soviet Union was the leading purchaser of U.S. products among the NME's, accounting for half of all quarterly exports to these countries. Figure 1 shows the relative shares of U.S. exports to the leading NME's during the quarter. China, having been displaced from its leading position as the most significant market for U.S. goods in 1981, was second during the quarter. The change in relative position between the Soviet Union and China when comparing the first quarter with the year 1981 is notable: the share of the U.S.S.R. increased from 30 to 50 percent; that of China decreased from 46 to 36 percent. Together, the Soviet Union and China accounted for over 85 percent of first quarter exports to the NME's. Their combined shares of U.S. exports to the NME's highlights the decline in the share of the U.S. market held by Eastern European and other NME's. While this group of countries accounted for nearly one-fourth of U.S. exports to the NME's during 1981, that share declined to only 14 percent in the first quarter of 1982.

U.S. exports to the nonmarket economy countries were valued at \$2.5 billion in January-March 1982 (table 3), representing an 8.5-percent decline from exports in the corresponding period of 1981. Exports to China in January-March 1982 were off 23.6 percent from their level in the corresponding period of 1981 (exports to China have not yet returned to the levels of late 1980 and early 1981). U.S. shipments to most of the Eastern European NME's also decreased in the first quarter. The only increase occurred in shipments to the Soviet Union, up a dramatic 58 percent from those in the first quarter of 1981, a period when the embargo on U.S. sales of grain was still in effect. Figure 2, depicting quarterly U.S. exports to all NME's as well as individually to China and the U.S.S.R., shows that U.S. exports to the Soviet Union reached a record level in the first quarter of 1982.

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An examination of quarterly U.S. exports to the NME's on the basis of broad commodity groupings (i.e., SITC section numbers) shows that China was the leading purchaser in 5 of the 10 categories. The Soviet Union was the major NME customer in four other categories; it accounted for nearly

Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's),
by quarters, January 1981-March 1982

Item	1981				January-March 1982	
	January-March	April-June	July-September	October-December	January-March	1982
U.S. world trade:						
Exports-----million dollars--	58,614	59,558	53,954	56,743		54,089
Imports-----do-----	64,422	66,085	63,303	65,202		61,052
Balance-----do-----	-5,808	-6,527	-9,349	-8,459		-6,963
Trade turnover (exports plus imports) million dollars--	123,036	125,643	117,257	121,945		115,141
U.S. trade with NME's:						
Exports-----million dollars--	2,754	1,434	1,564	2,101		2,519
Imports-----do-----	793	904	884	799		782
Balance-----do-----	1,961	530	680	1,302		1,737
Trade turnover (exports plus imports) million dollars--	3,547	2,338	2,448	2,900		3,301
Share of total U.S. trade accounted for by trade with NME's:						
Exports-----percent-----	4.70	2.41	2.90	3.70		4.65
Imports-----do-----	1.23	1.37	1.40	1.23		1.28

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.

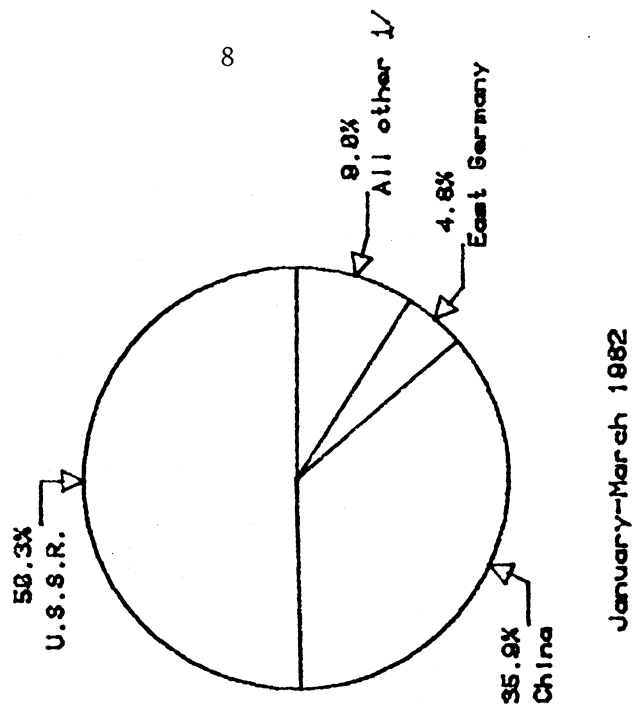
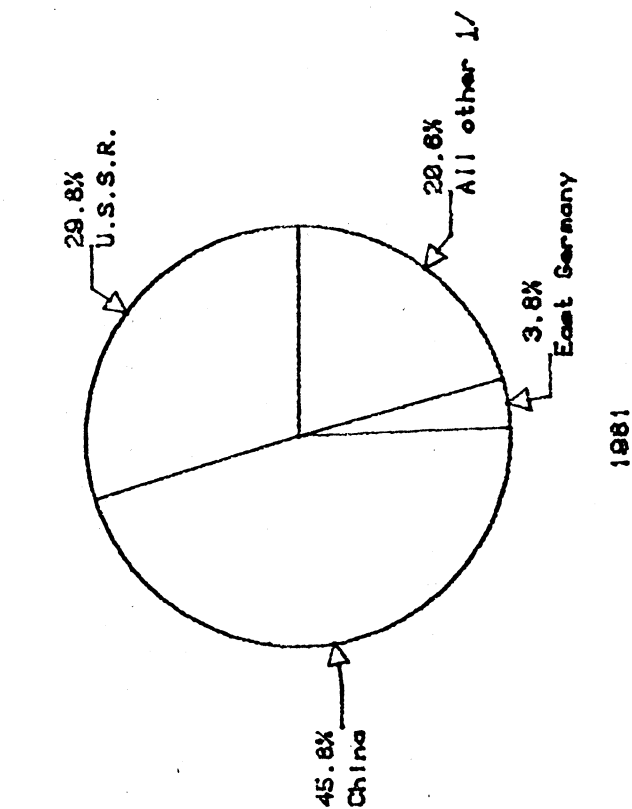
Table 2.--U.S. exports to the nonmarket economy countries, by SITC 1/ Nos. (Revision 2), January-March 1982
(In thousands of dollars)

SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
0	Food and live animals	-	31,050	314,829	-	23,474	116,332	578
1	Beverages and tobacco	-	452	95	-	9	126	-
2	Crude material--inedible, except fuel	228	2,407	274,426	-	4,272	625	2,185
3	Mineral fuels, lubricants, etc	-	-	6	-	-	-	2
4	Oils and fats--animal and vegetable	-	-	1,738	-	-	-	6
5	Chemicals	-	216	165,777	168	1,075	179	8,735
6	Manufactured goods classified by chief material	-	152	79,667	-	752	341	2,790
7	Machinery and transport equipment	1	1,916	48,871	-	1,528	307	5,749
8	Miscellaneous manufactured articles	-	1,092	18,470	-	1,246	2,147	1,391
9	Commodities and transactions not elsewhere classified	-	17	637	3	175	186	195
	Total	229	37,303	904,516	171	32,530	120,242	21,630
		Mongolia	North Korea	Poland	Romania	U.S.S.R.	Viet- nam	Total
0	Food and live animals	-	-	16,960	17,651	930,226	-	1,451,099
1	Beverages and tobacco	-	-	31	-	1,717	-	2,431
2	Crude material--inedible, except fuel	-	-	2,177	40,820	184,674	-	511,815
3	Mineral fuels, lubricants, etc	-	-	-	11,935	18,453	-	30,396
4	Oils and fats--animal and vegetable	-	-	5,151	-	35,401	-	42,296
5	Chemicals	-	-	3,683	9,443	41,141	27	230,442
6	Manufactured goods classified by chief material	2	-	271	619	2,613	17	87,225
7	Machinery and transport equipment	1	-	2,882	8,325	39,517	-	109,124
8	Miscellaneous manufactured articles	10	-	3,283	2,280	12,417	19	42,347
9	Commodities and transactions not elsewhere classified	1	-	4,560	50	252	5,836	11,918
	Total	15	-	38,997	91,123	1,266,411	5,898	2,519,094
	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.

Figure 1.--Relative shares of U.S. exports to the nonmarket economy countries, 1981 and January-March 1982



1/ Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Mongolia, Albania, Vietnam, Cuba, and North Korea.

Source: Based on data in table 4.

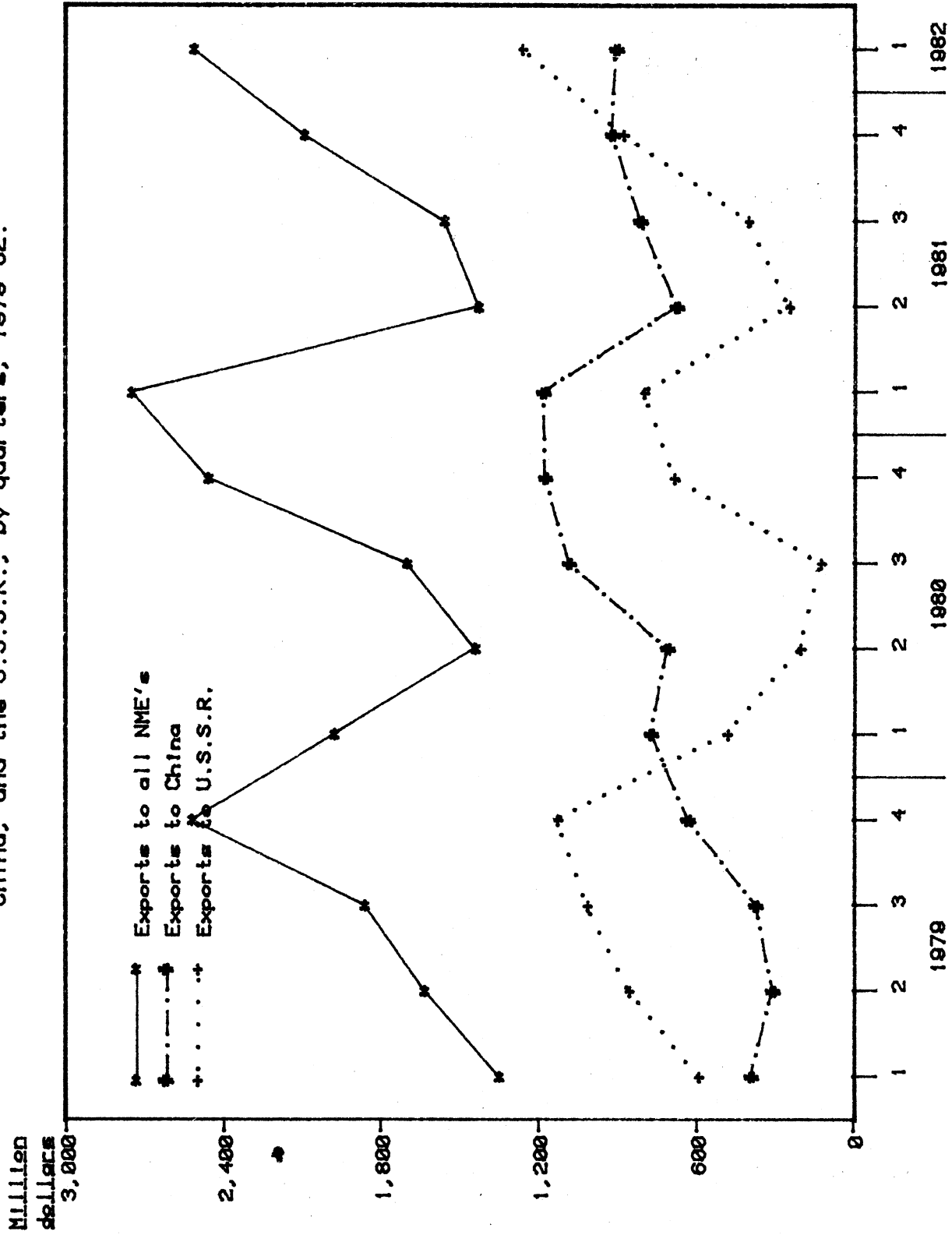
Table 3.--U.S. exports to the individual nonmarket economy countries and to the world,
1979-81, January-March 1981, January-March 1982

Market	(In thousands of dollars)				
	1979	1980	1981	January-March--	
				1981	1982
China-----	1,716,500	3,748,993	3,958,601	1,183,152	904,516
U.S.S.R-----	3,603,032	1,509,728	2,338,567	801,149	1,266,411
Poland-----	786,258	710,446	680,547	304,740	38,997
Romania-----	500,464	720,231	503,890	191,526	91,123
East Germany-----	354,522	477,389	295,557	133,494	120,242
Bulgaria-----	56,225	160,701	258,104	73,585	37,303
Czechoslovakia-----	281,129	185,145	82,420	42,358	32,530
Hungary-----	77,583	79,020	77,511	24,028	21,630
Mongolia-----	80	54	75	15	44
Albania-----	10,054	6,891	6,137	49	229
Vietnam-----	541	1,148	10,135	3	3
Cuba-----	299	119	558	15	167
North Korea-----	13	-	-	-	-
Total-----	7,907,305	7,599,376	7,852,101	2,754,114	2,519,094
Total U.S. exports					
to the world-----	178,413,200	216,592,219	228,869,651	58,614,047	54,089,024

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, 1979-82.



two-thirds of the largest U.S. export category to NME's--food and live animals. This category (SITC Section 0) continued to be the single most important category of products sold to the NME's (table 4). In January-March 1982 such exports constituted nearly 58 percent of all sales to NME's. Grain accounted for the record-high level of exports shipped to the Soviet Union as well as for its being the leading NME purchaser of U.S. products during the first quarter. The Soviets purchased grains under the 1-year extension to the long-term (1976-81) U.S.-U.S.S.R. grain supply agreement negotiated last summer. The current extension authorizes the Soviets to buy up to 23 million tons of grain during the 1-year period ending September 30, 1982. During the first quarter of 1982, 5.6 million tons of U.S. grain was shipped to the Soviets. This brought their total purchases during the current agreement year to 13.8 million tons as of April 1. 1/

U.S. exports of chemicals (SITC Section 5) to the NME's increased dramatically during the first quarter, the export share for the category doubling compared with that in the first quarter 1981. This rise is principally attributable to the fact that sales of phosphoric acid to the Soviet Union were sanctioned during the first quarter of 1981 and were only resumed after the April lifting of the embargo. Sales of resins and compound catalysts to China also increased from levels attained during the corresponding quarter of 1981.

The problems facing the Polish economy are reflected in the trade data for the first quarter of 1982. Poland slipped from third place in 1981 to fifth in January-March 1982 among NME purchasers of U.S. products. The withdrawal of U.S. credits 2/ has registered a definite impact on the Poles' ability to import from the United States. U.S. exports to Poland fell 87 percent in the first quarter of 1982 compared with those in the corresponding period of 1981 and were down 58 percent from exports in the previous quarter. More than half the leading export items to Poland in the first quarter of 1981 do not appear in the quarter currently under review (table B-13, app. B). Four of the five current leading exports, accounting for 43 percent of the quarterly total, are items donated for relief or charity--food products, medicines, and apparel. More than half the leading export items were not exported at all in the corresponding period of 1981. The denial of Commodity Credit Corporation (CCC) credit guarantees no doubt contributed to the absence of certain agricultural items (e.g., corn, wheat, soybeans, lard, and cotton) from the 1982 list.

Romania, another Eastern European NME experiencing a credit crisis and resultant hard-currency shortage, showed a 52-percent decline in first-quarter purchases from the United States. Exports of corn declined from \$74.9 million in the first quarter of 1981 to \$2.1 million in the first quarter of 1982 (table B-9). Other leading items showing declines were soybean oilcake and meal (down 72 percent) and coal (down 47 percent).

1/ U.S. Foreign Agricultural Service, Foreign Agriculture Circular, FG-11-82, p. 2.

2/ Weekly Compilation of Presidential Documents, vol. 7, No. 52, pp. 1404-1407. Also see 29th Quarterly Report . . . , p. 94.

Table 4.--U.S. exports to the world and to the nonmarket economy countries (NME's),
by SITC 1/ Nos. (Revision 2), January-March 1981 and January-March 1982

SITC Section No.	Description	Total exports		Exports to the NME's	
		Jan.-Mar. 1981	Jan.-Mar. 1982	Jan.-Mar. 1981	Jan.-Mar. 1982
		Value (million dollars)			
0	Food and live animals	8,465	6,683	1,610	1,451
1	Beverages and tobacco	682	759	4	2
2	Crude material--inedible, except fuel	6,213	5,345	506	512
3	Mineral fuels, lubricants, etc.	2,151	3,346	41	30
4	Oils and fats--animal and vegetable	455	402	55	42
5	Chemicals	5,411	5,115	126	230
6	Manufactured goods classified by chief material	5,395	4,479	157	87
7	Machinery and transport equipment	23,395	22,469	162	109
8	Miscellaneous manufactured articles	4,196	3,917	31	42
9	Commodities and transactions not elsewhere classified	2,250	1,574	3	12
	Total	58,614	54,089	2,754	2,519
		Percent of total			
0	Food and live animals	14.4	12.3	58.5	57.6
1	Beverages and tobacco	1.2	1.4	.1	.1
2	Crude material--inedible, except fuel	10.6	9.8	20.1	20.3
3	Mineral fuels, lubricants, etc.	3.7	6.1	1.5	1.1
4	Oils and fats--animal and vegetable	.8	.7	2.0	1.6
5	Chemicals	9.2	9.4	4.6	9.1
6	Manufactured goods classified by chief material	9.2	8.2	5.7	3.4
7	Machinery and transport equipment	39.9	41.5	5.9	4.3
8	Miscellaneous manufactured articles	7.2	7.2	1.1	1.6
9	Commodities and transactions not elsewhere classified	3.8	2.9	.1	.4
	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.

The period January-March 1982 was the first full quarter affected by the economic sanctions announced in December 1981. 1/ The President suspended the licensing of exports of certain high-technology equipment to the Soviets, including electronic equipment, computers, and oil and gas equipment. 2/ Such items would normally fall within SITC Sections 6-8. U.S. exports to the Soviet Union in these three categories in the first quarter of 1982 were down 43 percent from those of the previous quarter and 31 percent from those of the corresponding period of 1981.

U.S. imports from individual NME's during January-March 1982 are shown in table 5. China continued to be the leading NME source for U.S. purchases, accounting for two-thirds of the quarterly total. Figure 3 shows the relative shares of U.S. imports from the leading NME's during the quarter and illustrates China's overwhelming significance as an NME source. China's share increased during the quarter, while that of the Soviet Union declined. In 1981 the Eastern European and other NME's accounted for one-third of all U.S. purchases from the NME's. That share was reduced to one-fourth during the first quarter of 1982.

U.S. imports from the NME's were valued at \$782 million during the first quarter of 1982. This is 1.4 percent below the level for the corresponding period of 1981, and the lowest level since the second quarter of 1980. During the quarter, China was the only major NME to increase significantly its sales to the United States; imports from China rose 45 percent compared with those in the first quarter of 1981 (table 6). 3/ Gasoline (TSUSA item 475.2520) and crude petroleum (TSUSA item 475.1010) accounted for 55 percent of the quarterly increase in imports from China. Three additional items were also notably higher than in January-March 1981: tin (TSUSA item 622.0200), cocoa butter (TSUSA item 156.3500), and cotton terry towels (TSUSA item 366.2460). These items accounted for another 16.5 percent of the increase in U.S. purchases from China.

China shipped no crude petroleum to the United States during 1981. However, imports of gasoline from China increased sharply last year, reaching \$97.5 million in the third quarter and \$93.7 million in October-December 1981. Since most of that country's petroleum output must be used domestically, 4/ the Chinese can maximize foreign-exchange earnings from the limited quantities of oil available for export by selling gasoline (or other processed petroleum products) rather than the crude petroleum. U.S. imports from China of both items together amounted to \$110.9 million during the first

1/ See 29th Quarterly Report . . ., p. 48.

2/ Two actions in particular directly addressed themselves to U.S. exports: (1) "The issuance or renewal of licenses for the export to the U.S.S.R. of electronic equipment, computers and other high-technology materials is being suspended" and (2) "Licenses will be required for export to the Soviet Union for an expanded list of oil and gas equipment. Issuance of such licenses will be suspended. This includes pipelayers." Quotations from the Presidential Statement of Dec. 29, 1981.

3/ This quarterly increase followed a 76-percent increase in U.S. imports from China in calendar year 1981. For details, see 29th Quarterly Report . . ., pp. 40-43.

4/ See section on "U.S. Participation in Development of China's Energy Resources" in this report.

Table 5.--U.S. imports from the nonmarket economy countries, by SITC 1/ Nos. (Revision 2), January-March 1982

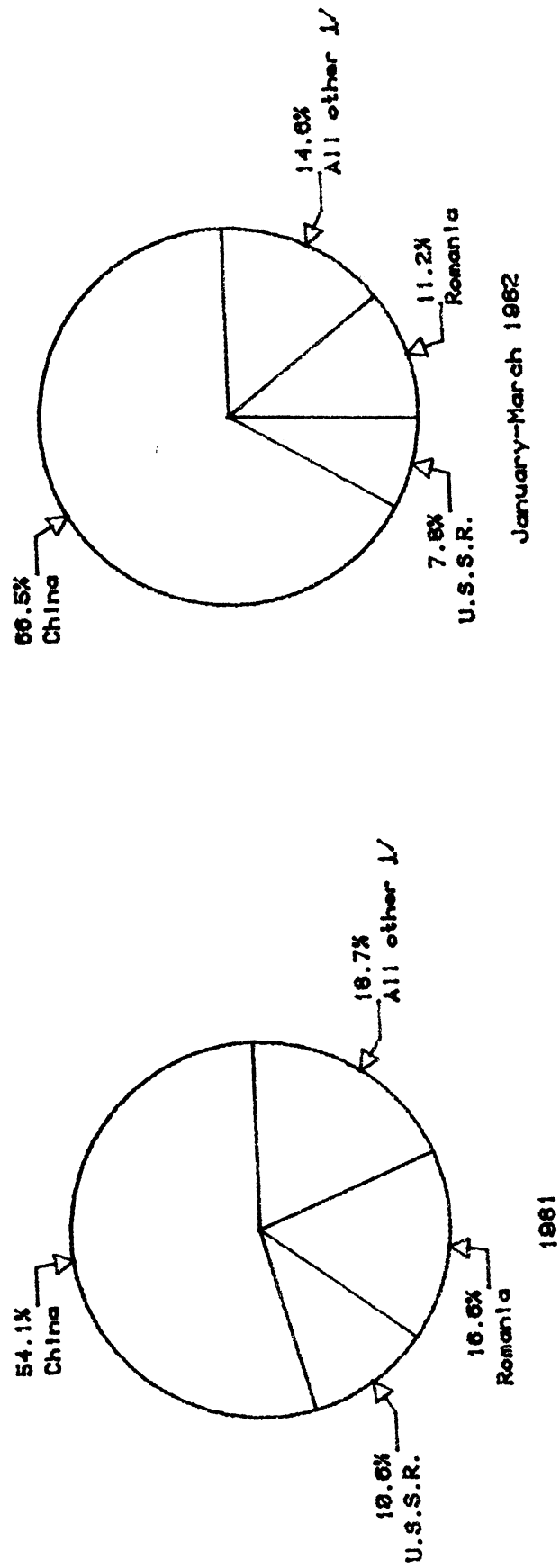
(In thousands of dollars)											
SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czechoslovakia	East Germany	Hungary			
0	Food and live animals	2	476	30,476	-	4,133	20	7,120			
1	Beverages and tobacco	-	3,953	799	-	143	5	736			
2	Crude material--inedible, except fuel	1,026	23	41,017	-	380	866	179			
3	Mineral fuels, lubricants, etc	-	-	114,276	-	328	630	-			
4	Oils and fats--animal and vegetable	-	-	119	-	-	-	-			
5	Chemicals	61	611	33,736	-	374	4,142	1,575			
6	Manufactured goods classified by chief material	9	-	116,740	-	6,031	4,632	2,518			
7	Machinery and transport equipment	-	1,125	8,834	-	2,437	3,258	18,615			
8	Miscellaneous manufactured articles	-	10	172,832	2	4,160	1,195	5,411			
9	Commodities and transactions not elsewhere classified	-	23	1,151	-	69	195	21			
	Total	1,108	6,222	519,980	2	18,055	14,943	36,175			
		Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total			
0	Food and live animals	-	-	10,269	6,015	1,650	-	60,169			
1	Beverages and tobacco	-	-	95	345	1,596	-	7,673			
2	Crude material--inedible, except fuel	1,546	10	439	788	4,172	-	50,156			
3	Mineral fuels, lubricants, etc	-	-	-	16,957	-	-	132,191			
4	Oils and fats--animal and vegetable	-	-	-	-	-	-	119			
5	Chemicals	-	-	1,095	1,317	30,980	-	73,847			
6	Manufactured goods classified by chief material	-	-	-	-	-	-	-			
7	Machinery and transport equipment	-	-	6,576	21,689	20,661	-	178,852			
8	Miscellaneous manufactured articles	-	-	5,254	17,387	170	-	57,082			
9	Commodities and transactions not elsewhere classified	-	-	8,265	22,640	1,046	-	215,561			
	Total	1,546	10	36,093	87,408	61,028	-	782,231			

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.

Figure 3.--Relative shares of U.S. imports for consumption from the nonmarket economy countries, 1981 and January-March 1982



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

Source: Based on data in table 9.

Table 6.--U.S. imports from the individual nonmarket economy countries and from the world,
1979-1981, January-March 1981, and January-March 1982

Source	(In thousands of dollars)				January-March--	
	1979	1980	1981		1981	1982
China-----	548,543	1,039,177	1,830,027		359,786	519,980
U.S.S.R-----	872,595	430,387	356,961		149,666	61,028
Poland-----	426,090	414,919	359,939		103,252	36,092
Romania-----	329,051	310,561	559,449		107,107	87,408
East Germany-----	35,666	42,959	44,702		11,252	14,943
Bulgaria-----	30,145	22,845	25,604		6,620	6,222
Czechoslovakia-----	49,899	61,102	67,232		17,552	18,055
Hungary-----	112,129	104,269	127,939		35,527	36,175
Mongolia-----	3,753	2,223	3,635		1,207	1,546
Albania-----	9,002	10,718	3,985		1,108	773
Vietnam-----	711	34	96		85	-
Cuba-----	152	19	36		2	-
North Korea-----	127	52	47		10	7
Total-----	2,417,863	2,439,263	3,379,653		793,174	782,231
Total, U.S. imports						
from the world-----	205,922,700	239,994,468	259,011,977		64,421,863	61,052,157

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

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

quarter, but gasoline accounted for only \$66.6 million of this total. The resumption of crude-petroleum exports may reflect larger foreign-exchange requirements than China could meet by exporting gasoline, rather than a change in policy.

The level of tin imports from China was four times that in the first quarter of 1981 and 75 percent of the value of such imports during all of 1981. This may be a significant development since in recent years, China has normally been a residual supplier of tin to the U.S. market, accounting for less than 5 percent of the imports. China ranked third as a source of tin during January-March of this year, following Thailand and Indonesia. Imports of cocoa butter from China also increased sharply, from only \$71,110 in the first quarter of 1981 to \$9.0 million in January-March 1982. U.S. chocolate producers became interested in buying cocoa butter from China after that country was granted most-favored-nation (MFN) treatment, which reduced the tariff on this item from the 25-percent column 2 rate to the zero duty MFN rate. Finally, imports of cotton terry towels from China increased to \$6.3 million, 4.5 times their level in the first quarter of 1981. These towels are a relatively low-quality item, purchased mainly for industrial use. The item is not now subject to a specific import ceiling under the U.S.-Chinese textile agreement.

Imports from the Soviet Union during the first quarter dropped dramatically by 59 percent, 1/ and those from Poland slid by 65 percent, compared with the levels of the first quarter of 1981. Figure 4, showing quarterly U.S. imports from leading NME's, illustrates that U.S. imports from China have been increasing, while those from the Soviet Union are still well below their 1980 level. U.S. imports from the Soviet Union in January-March 1982 were lower than those in any quarter since the first quarter of 1977. 2/

The principal categories of imports from the NME's are: miscellaneous manufactured articles (SITC Section 8), manufactured goods classified by chief material (SITC 6), and mineral fuels and lubricants (SITC 3) (table 7). China was the leading supplier in each of these three groups and in four others.

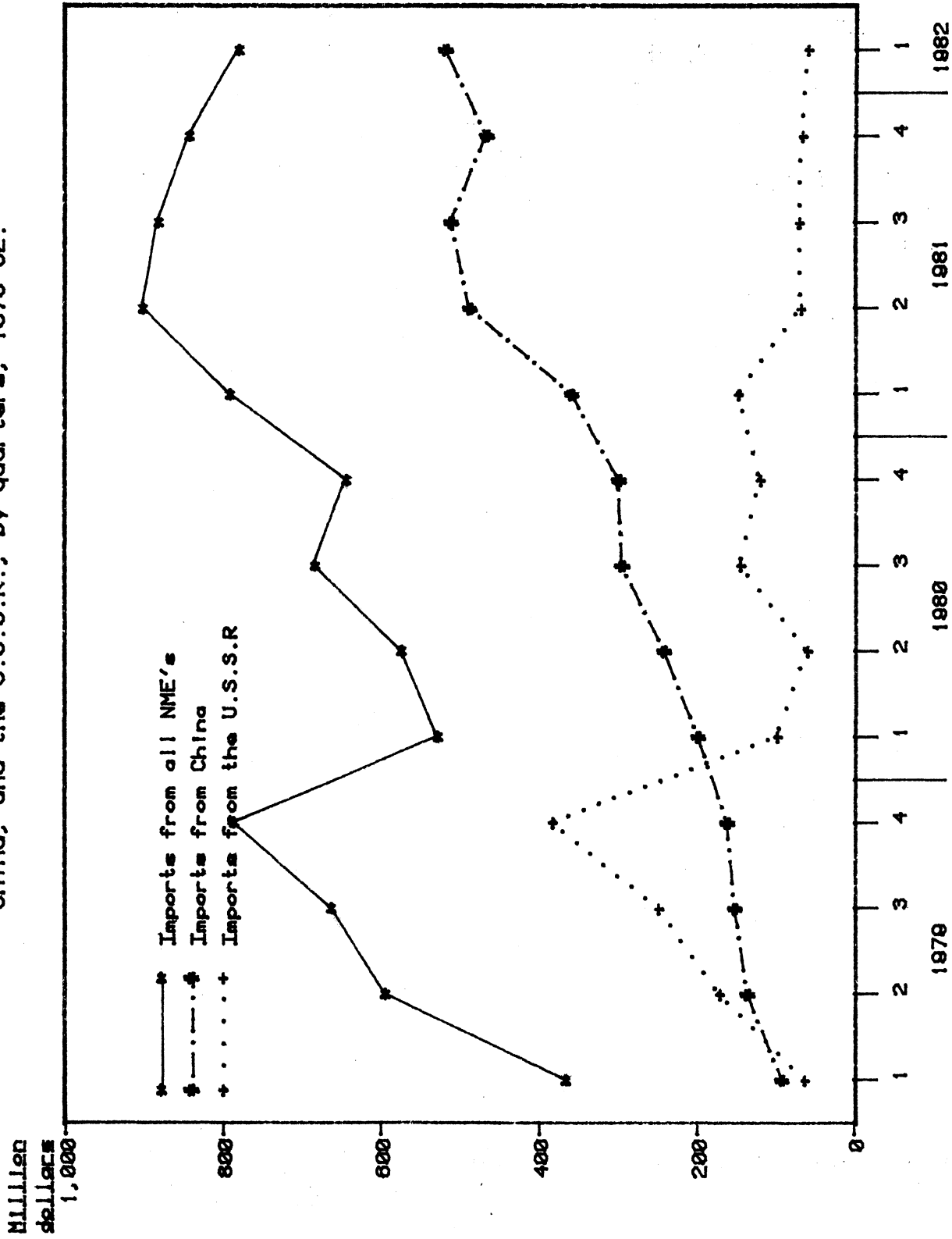
During the first quarter of 1982, miscellaneous manufactured products--the most significant category of imports from the NME's--accounted for 28 percent of the total. The share in the corresponding period of 1981 was 20 percent. Among the products included in this category are articles of wearing apparel from China (women's coats and men's shirts and sport shirts) (table B-4).

Imports of food and live animals from the NME's declined in the first quarter of 1982. The most significant item in this category has traditionally been canned hams. Until this quarter, Poland had been the principal NME supplier of the product to the United States. In the first quarter of 1982, imports of canned hams from Poland decreased to \$2.6 million from \$32.9 million in the corresponding quarter of 1981 (table B-14). Poland accounted for 71 percent of the NME-sourced canned hams sold in the United

1/ Among the items showing declines were gold bullion (98.9 percent), palladium (34.2 percent), and unwrought nickel (13.3 percent).

2/ The decrease in imports, coupled with the increase in U.S. exports to the Soviet Union, resulted in a positive bilateral trade balance of over \$1.2 billion with the Soviets. This accounted for nearly 70 percent of the trade balance between the United States and the NME's recorded in the first quarter.

Figure 4.--U.S. Imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1979-82.



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

Table 7.--U.S. imports from the world and from the nonmarket economy countries (NME's),
by SITC 1/ Nos. (Revision 2), January-March 1981 and January-March 1982

SITC Section No.	Description	Total imports		Imports from the NME's	
		Jan.-Mar. 1981	Jan.-Mar. 1982	Jan.-Mar. 1981	Jan.-Mar. 1982
		Value (million dollars)			
0	Food and live animals	4,145	3,234	83	60
1	Beverages and tobacco	667	583	9	8
2	Crude material--inedible, except fuel	2,840	2,076	88	50
3	Mineral fuels, lubricants, etc	22,225	17,456	120	132
4	Oils and fats--animal and vegetable	155	98	1	-
5	Chemicals	2,264	2,305	68	74
6	Manufactured goods classified by chief material	8,436	8,893	178	179
7	Machinery and transport equipment	16,211	17,951	61	57
8	Miscellaneous manufactured articles	5,807	6,559	165	216
9	Commodities and transactions not elsewhere classified	1,671	1,897	21	7
	Total	64,422	61,052	793	782
		Percent of total			
0	Food and live animals	6.4	5.3	10.5	7.7
1	Beverages and tobacco	1.0	1.0	1.1	1.0
2	Crude material--inedible, except fuel	4.4	3.4	11.1	6.4
3	Mineral fuels, lubricants, etc	34.6	28.6	15.1	16.9
4	Oils and fats--animal and vegetable	.2	.2	.1	-
5	Chemicals	3.5	3.8	8.6	9.5
6	Manufactured goods classified by chief material	13.1	14.6	22.4	22.9
7	Machinery and transport equipment	25.2	29.4	7.7	7.3
8	Miscellaneous manufactured articles	9.0	10.7	20.1	27.6
9	Commodities and transactions not elsewhere classified	1.2	3.1	2.6	.9
	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.

States in the first quarter of 1981. By the first quarter of 1982 this share had dropped to 28 percent, and Hungary had replaced Poland as the principal supplier of canned hams to the United States.

More detailed statistical information on both quarterly exports and imports, including data on commodity groups, is contained in appendix A to this report. Leading U.S. imports and exports in trade with the nonmarket economy countries can be found in appendix B.

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

U.S. Sanctions Against the Soviet Union and Poland

As the new year began, efforts were underway to gain the support of European allies for the economic sanctions imposed by the United States in December 1981 on Poland's martial-law regime and on the Soviet Union for its "heavy and direct responsibility for the repression in Poland." ^{1/} While the United States had little difficulty persuading other members of the North Atlantic Treaty Organization (NATO) to take economic measures against Poland, U.S. officials found the Western Europeans less willing to reduce their financial and trade ties with the Soviet Union.

President Reagan announced the sanctions against Poland on December 23. They included the suspension of Government-supported shipments of dairy and other agricultural products and a prohibition against renewing a line of short-term credit insurance that had been suspended by the Export-Import Bank of the United States (Eximbank) in November. Comparable measures were adopted by the other NATO countries (with the exception of Greece) at a series of meetings held in January. Most important, agreement was reached on ending all government-guaranteed bank credits to Poland for anything except food, a step that essentially stopped the export of Western spare parts and raw materials to that country. The European Community (EC) also decided to end its sales of subsidized food to the Polish Government. It was further agreed that talks on rescheduling Poland's official debts would be postponed.

Of the seven economic sanctions imposed against the Soviet Union by the United States effective December 29, two were directed toward a further tightening of technology transfer. One measure suspended the issuance or renewal of licenses for export of electronic equipment, computers, and other high-technology materials to the U.S.S.R. The second expanded the list of oil and gas equipment requiring licenses for export to the Soviet Union and suspended the issuance of such licenses. In practice, the suspensions extended to all items on the Commodity Control List ^{2/} administered by the Department of Commerce; i.e., the processing of all applications for a validated license to export goods and technical services to the Soviet Union was halted.

Given the commitment of the U.S. allies to the construction of the Soviet-European gas pipeline, ^{3/} the January meeting of the NATO countries ended with their pledging not to undercut one another's sanctions--namely, the U.S. sanctions--and to consider other economic measures against the Soviet Union. Two steps in particular were to be given further consideration: restraints on imports from the Soviet Union and restrictions on the financing of exports to the Soviet Union.

^{1/} Address by President Reagan, Dec. 29, 1981.

^{2/} The Commodity Control List is the list of "dual-use" goods and technology having both civilian and potentially significant military applications.

^{3/} For discussions of the pipeline project, see the 28th Quarterly Report . . ., pp. 37-39, and 29th Quarterly Report . . ., pp. 49-50.

On March 15 the finance ministers of the EC countries (except Greece) agreed to restrict imports of 59 Soviet products, primarily luxury items and some manufactures. Oil and raw materials, which make up the bulk of the EC imports from the Soviet Union, were not affected by the agreement. The restrictions involved a 25-percent reduction, based on 1980 trade, in imports from the U.S.S.R. of certain goods that had been imported in unlimited quantities and a 50-percent cut in imports of other products that were already subject to quantitative restrictions. The annual loss to the Soviet Union will be about \$153 million, or 1.4 percent of the roughly \$11 billion in goods that it exported to the EC in 1980. 1/

Throughout the first quarter, the United States pressed its allies to limit trade with the U.S.S.R. and the Eastern European NME's by restricting export credits. 2/ The U.S. proposals included putting an end to government-subsidized interest rates on credits extended for sales to the Soviet Union and placing a ceiling on the amount of trade with the U.S.S.R. and its satellites that Western governments would finance at commercial rates. No action had been taken as of the end of the quarter. 3/

Suspension of U.S. Credits to Romania

In view of the Romanian Government's difficulties in making timely payments on its large hard-currency debt, the United States has suspended or delayed the extension of any additional official credits to Romania. In February, President Reagan rejected Romania's request for credit guarantees to support its purchases of U.S. agricultural commodities. In addition, during the first quarter the Eximbank delayed making any disbursements to Romania on a \$120.7 million long-term loan that was authorized in June 1981. Meanwhile, U.S. commercial banks, acting in conjunction with European private lending institutions, agreed in principle to accept the deferred repayment of Romanian obligations. During the quarter, the major creditor banks held a series of meetings to discuss the rescheduling of Romania's overdue 1981 payments and the portion of its debt due in 1982.

President Reagan's decision to deny Romania's request for U.S. agricultural export credit guarantees in fiscal year 1982 (October 1, 1981-September 30, 1982) was based largely on concern over that country's financial difficulties. Since Romania was already in arrears on its payments to Western banks and suppliers, the question of whether the loans could be repaid outweighed the other major economic consideration--that the guarantees would serve to increase sales of U.S. farm products. If Romania should fail to pay loans guaranteed by the Department of Agriculture's Commodity Credit

1/ U.S. Import Weekly, Mar. 17, 1982, p. 595.

2/ Unlike its allies, the United States excludes the Soviet Union from any Government-sponsored financing; i.e., the U.S.S.R. is not eligible for either the credit facilities of Eximbank or the Commodity Credit Corporation's credit-guarantee program that supports U.S. grain and other major agricultural exports.

3/ These proposals were among the issues raised by President Reagan at the economic summit meeting held in June. Other leaders would agree only to "handle cautiously financial relations with the U.S.S.R. and other Eastern European countries, in such a way as to insure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits" (communique issued at the end of the Versailles conference, June 6, 1982).

Corporation (CCC), the United States would be forced to choose between declaring Romania in default or permitting delays in repayment, as has been done with Poland. 1/

Romania had requested \$200 million in agricultural credit guarantees for fiscal year 1982; however, the CCC had been seriously considering extending only up to \$65 million. The commodity credits would have been used to buy U.S. corn and soybean meal. In fiscal year 1981, the CCC guaranteed \$50 million in loans by U.S. banks to Romania, which were used to finance purchases of soybean meal.

Events during the first quarter lent support to the administration's decision to suspend the credit guarantees. Two banks acting as collection agents for the U.S. Government notified the CCC that they had not received approximately \$5.8 million in payments that Romania owed on loans extended by the CCC under its direct credit program. 2/ The overdue obligations were subsequently met by the Romanian Government, following a request for immediate payment by the U.S. Department of State. Nonetheless, the incident indicated the seriousness of Romania's shortage of hard currency.

As of March 31, outstanding direct CCC loans to Romania totaled \$28.8 million, of which \$20.5 million is due during this fiscal year (on or before September 30, 1982). Loans supported by CCC credit guarantees amounted to \$49 million, of which \$8.5 million is due by September 30. Both the direct loans and those guaranteed by the CCC were made to Romania for a term of 3 years.

Eximbank has delayed disbursing to Romania any portion of the loan that it authorized last year for the purchase of two 700 megawatt steam turbine generators and related services from the General Electric Co. The financing arrangements called for Eximbank to support 85 percent of the \$142 million in U.S. exports for use in the construction of a nuclear power station. A contract for equipment and services is also held by a Canadian company that will supply the nuclear reactor, and an Italian company will supply the rest of the plant in association with General Electric. 3/ Eximbank's decision to delay its financing of the U.S. portion of the project was made because Romania did not meet certain financial criteria specified in the loan agreement. A \$1 billion loan package from Canada's Export Development Bank was also suspended because of concern over Romania's solvency. The Italian part of the financing is contingent upon activation of the Eximbank and Canadian credits.

The Romanian Government's inability to meet its financial obligations became increasingly apparent when Eximbank began to receive claims from U.S. companies that had protected their short-term credit sales to Romania under

1/ Since the summer of 1981, the CCC has purchased the loan agreements supported by its credit guarantees from U.S. banks, i.e., paid the banks, when Poland failed to meet the payments. The position of the CCC and other U.S. Government officials is that declaring Poland in default would make it impossible to recover any of the loan losses. The payments totaled \$187 million as of June 29, 1982.

2/ CCC's direct credit program was phased out during 1980 and completely replaced by a credit-guarantee program at the beginning of fiscal year 1981. However, a number of such loans are still outstanding.

3/ For a more detailed description of the Eximbank loan, see 27th Quarterly Report . . ., pp. 48-50.

the export credit insurance program operated jointly by Eximbank and the Foreign Credit Insurance Association (FCIA). The suppliers had received only part or none of the payments due them. 1/

As of December 31, 1981, the outstanding balance on Eximbank's loans to Romania (excluding the \$120.7 million loan not yet disbursed) was \$89.8 million. An additional \$93.3 million in short-term credits extended to Romania by U.S. companies is insured under the joint Eximbank-FCIA program. 2/ Most of these payments are due before September 30, 1982. Eximbank also has a program that insures repayment to U.S. banks that extend credit to foreign buyers on behalf of U.S. suppliers. However, at present there are no outstanding guaranteed loans to Romania.

U.S. Government credits and credit guarantees make up only a small fraction of Romania's financial obligations to Western governments, banks, suppliers, and the International Monetary Fund. Estimates of its net hard-currency debt as of January 1, 1982, ranged from \$10.1 billion 3/ to \$12.9 billion. 4/ While the Romanian debt is less than half that of Poland, 5/ much of it is short term. Over \$1 billion in payments to Western banks and Western companies was overdue at the end of 1981, 6/ and \$2.6 billion in interest and principal is scheduled for repayment in 1982. 7/ During the first quarter, no significant progress was made in rescheduling the outstanding 1981 debt or payments due in 1982.

U.S. Participation in Development of China's Energy Resources

During the first quarter, China took steps to launch an energy development program involving significant foreign business participation. On February 15, the Government established the China National Offshore Oil Corporation to oversee the development, production, and marketing of petroleum resources in a 58,000-square-mile area, primarily along China's southern and northeastern coastlines. The following day, the Chinese invited 46 oil

1/ Because of Romania's difficulties in meeting its payments, Eximbank suspended issuing policies on short-term credit sales to Romania on May 7, 1982.

2/ The balance outstanding when insurance for Romania was suspended.

3/ Estimate of Wharton Econometric Forecasting Associates, Inc., as reported in Business Week, May 24, 1982, p. 170.

4/ Business Eastern Europe, Feb. 12, 1982, p. 49.

5/ According to data compiled by Wharton Econometric Forecasting Associates, Inc., Poland's net hard-currency debt was \$22.6 billion as of Jan. 1, 1982 (Business Week, May 24, 1982, p. 170).

6/ Payments overdue to Western banks at the end of 1981 were officially put at "over \$500 million" (The Economist, Mar. 20, 1982, p. 63). The Romanian Government also acknowledged that \$600 million in payments was overdue to Western suppliers at the end of 1981 (The Economist, Apr. 24, 1982, p. 170). These were debts not guaranteed by government export credit agencies. According to Romanian officials, only \$20 million was overdue to U.S. companies at the end of 1981. The estimate made by Western sources was \$300 million. (Washington Post, Apr. 15, 1982, p. A38).

7/ Estimate of Wharton Econometric Forecasting Associates, Inc. (Business Week, May 24, 1982, p. 170).

companies that had already conducted seismic surveys of the undersea reserves to bid for exploration rights. U.S. companies accounted for half of those invited to participate in the bidding. 1/ These initiatives were followed by an announcement, in late March, that the Occidental Petroleum Co. had signed an agreement to study the feasibility of developing the vast coal resources underlying an area of nearly 14.7 square miles in the northern province of Shanxi, about 300 miles from Beijing. Thus, while U.S. companies have been involved in evaluating China's oil and coal resources for several years, these announcements indicate that the Chinese Government is now ready to move ahead on a large scale to modernize its energy sector.

The slump in China's oil and coal production in the last 2 to 3 years has increased the urgency of an energy development program. After leveling off in 1980, oil output in China declined from 106 million tons (2.1 million barrels a day) in 1980 to 101 million tons (2.0 million barrels a day) in 1981, or by approximately 4.5 percent. 2/ Natural gas production, closely related to oil output, dropped 10.7 percent in 1981. Coal production declined 2.4 percent to 680 million tons in 1980 and, despite the priority given the industry under the economic readjustment program initiated late that year, output did not increase in 1981. 3/

China's need to exploit its energy resources and the necessity of foreign participation to increase production capacity quickly appear to have overcome an earlier reluctance to permit the large-scale involvement of U.S. and other Western companies. The approach to major capital investment over the past few years had been to import Western equipment and technology while maintaining complete control over the projects. Now, however, the Chinese are promoting joint ventures both to develop their energy resources and to upgrade or expand other industries. Among the advantages of the new approach are the direct injection of foreign capital and the support provided by the ongoing presence of technical advisors and experienced production and marketing managers. The development of the energy sector will essentially involve a compensation trade approach to joint ventures: China will export the oil and coal at some time in the future in exchange for the money and technical assistance needed to undertake the projects and to reach the production stage.

1/ The 23 U.S. companies invited to bid for oil exploration contracts were: Amoco Orient Petroleum Co.; Chevron Orient, Inc.; Cities Service Orient Petroleum Co.; Conoco Orient, Inc.; Esso Exploration, Inc.; Getty Oil International (Orient), Inc.; Hunt-Sedco International Petroleum Co.; Kerr-McGee Corp.; Mobil Oil Corp.; Murphy Asia Oil Co.; Natomas (Far East), Ltd.; Occidental Eastern Co.; Pecten Orient Co. (Shell USA); Pennzoil Far East, Ltd.; Phillips Petroleum International Corp. Asia; Sunmark Exploration Co.; Superior Oil Co.; Tenneco Far East Exploration and Development Co.; Tesoro Petroleum Corp.; Texaco Orient Petroleum Co.; Texas Eastern Corp.; Union Oil Orient, Ltd.; and Union Texas Asia Offshore, Inc. Two other U.S. companies--Atlantic Richfield and Santa Fe International--signed preliminary agreements with China in June 1981 and are in the process of negotiating the details of their future participation at locations in the South China Sea. However, most of the companies wanted to wait until China had drafted laws on the role of foreign firms in the development of the oil resources and on foreign taxes. In February, within days of the invitation to bid on exploration rights, the Chinese Government issued the Regulations of the People's Republic of China on the Exploitation of Offshore Petroleum Resources in Cooperation with Foreign Enterprises and Detailed Rules and Regulations for the Implementation of the Foreign Enterprise Income Tax Law (the tax law itself was released in December 1981).

2/ China Trade Report, April 1982, p. 3; Business China, May 12, 1982, p. 67.

3/ Business China, May 12, 1982, p. 67.

The agreement contemplated by Occidental Petroleum for the development of the Pingshuo mine in Shanxi Province would not only represent the largest U.S. participation in China's modernization plans to date, but would also be the largest joint venture that the Chinese have implemented with a foreign company. A preliminary assessment by the company has indicated that the mine contains 1.4 billion tons of coal, making it one of the largest open-pit coal deposits in the world. The initial feasibility study will consist of a verification of the mine's potential and further negotiations on the production-sharing and profit-sharing arrangements. A final agreement on joint development of the deposit is expected by early next year; April 1, 1983, has been set as the target date for construction to begin, with production expected to start in the first half of 1985.

Present plans call for the Occidental Petroleum Co. to invest \$230 million in machinery and technology to complete the first phase of a projected three-stage development program, with the Island Creek Coal Co., a wholly owned subsidiary of Occidental, acting as the U.S. partner in the operation of the mine. China is expected to pay the costs of labor and materials for the extensive infrastructure development that will be required for the export of the coal--primarily a 558-mile railway from the mine site at Pingshuo to the coast and some port facilities. Estimates based on a startup in 1985 indicate that the mine can reach a full production level of 15 million tons of coal a year by 1986, resulting in 12.5 million tons of commercial-quality coal. The Chinese intend to export roughly 9 million tons, primarily to Japan, and use the remainder in domestic power plants. Profits from the exports will be divided evenly until Occidental's investment is recovered. Thereafter, the Chinese will receive 60 percent of the profits and Occidental, 40 percent. If the mine is developed to its full potential in the two additional stages now projected, output could reach 45 million tons annually. Negotiations are also underway for the joint exploitation of other coal deposits in China. 1/

Similar compensation trade arrangements are expected when the agreements are signed for the development of China's offshore oil resources. The companies whose bids are successful will be required to provide the investment capital and will bear all exploration risks. The revenues from the petroleum exports will then be used to compensate contractors for their drilling costs. 2/ Although most international oil development contracts allow for 10 years of exploration and 20 years of production under a joint-venture arrangement, the Chinese want to compress the time to 20 years or less--3 to 5 years of exploration and 15 years of production. 3/ The area opened for bidding in February was the first of two offshore oil tracts that foreign companies will be invited to develop jointly with the Chinese.

1/ In April another U.S. company, Fluor Corp., signed an agreement to upgrade a large open-pit mine at Fushun in northeastern China. The mine is already the world's largest operating oil shale mine and a major source of China's present supply of coal. The aim of the 50-million-dollar project (including labor and other domestic costs) is to increase the mine's capacity for export.

2/ Although the Chinese were expected to issue "model contracts" that would provide a basis for negotiating oil development agreements, none were released during the first quarter. Issues such as how the sales revenues are to be split between China and the oil companies remained unsettled.

3/ The China Business Review, July-August 1981, p. 57; The Economist, May 8, 1982, p. 88.

U.S. International Trade Commission Actions Affecting NME's

The Commission completed two investigations involving imports from NME's during the first quarter. A determination was made under section 406 of the Trade Act of 1974 on a petition alleging that imports of unrefined montan wax from East Germany were disrupting the U.S. market. A preliminary finding was made under section 733 of the Tariff Act of 1930 on a petition alleging injury by reason of imports of hot-rolled carbon steel plate from Romania sold in the United States at less than fair value. A third investigation affecting an NME--a review of conditions in the U.S. mushroom-processing industry following the imposition of import relief for the domestic producers in November 1980--was in progress during the quarter. China is now the leading source of imported canned mushrooms.

Montan wax from East Germany

On January 4, 1982, the Commission determined that imports of unrefined montan wax from East Germany were not disrupting the U.S. market. 1/ The finding was based on an investigation instituted on October 28, 1981, under section 406 of the Trade Act of 1974, following receipt of a petition from the American Lignite Products Co., the sole U.S. producer of unrefined montan wax. Section 406 investigations apply only to imports from a Communist country, and, in this case, East Germany is the sole supplier of the imported product. The primary use for both domestic and imported montan wax in the United States is as a flow agent in the manufacture of one-time carbon paper.

To make an affirmative finding of market disruption, the Commission must first find that imports are increasing rapidly, either absolutely or relatively. This rapid increase in imports during a recent period of time must be the basis of the material injury, or threat of material injury, alleged by the petitioner. In its investigation the Commission found that imports were not increasing rapidly and did not reach the issue of material injury. 2/

1/ The determination was made by a 4-to-1 vote with Chairman Bill Alberger, Vice Chairman Michael J. Calhoun, and Commissioners Paula Stern and Alfred Eckes constituting the majority. Commissioner Eugene Frank dissented, having found that imports of montan wax from East Germany are disrupting the U.S. market. The findings of the Commission are presented in Unrefined Montan Wax From East Germany: Report to the President on Investigation No. TA-406-7 . . ., USITC Publication 1214, January 1982.

2/ In 1980 and 1981 an antidumping investigation was conducted by the Commission under sec. 733 of the Tariff Act of 1930 on imports of unrefined montan wax from East Germany. In its determination, reached in August 1981, the Commission found that the U.S. industry was being materially injured by imports of montan wax sold in the United States at less than fair value. However, after reviewing the imports determined to be sold at less than fair value, the Department of Commerce concluded that no margin of dumping existed on any of the sales. In February 1982, all dumping duties previously assessed on imports of montan wax from East Germany were waived and no further duties will be assessed pending another review. On March 8, legislation that would impose a quota on imports of montan wax for a period of 3 years was introduced into the House of Representatives. As the quarter ended, this bill was under consideration by the House Committee on Ways and Means.

Carbon steel plate from Romania

On January 11, 1982, petitions were filed with the Commission and the Department of Commerce by several U.S. steel producers, alleging that imports of certain steel products from Romania are being, or are likely to be, sold in the United States at less than fair value. 1/ The U.S. industry subsequently withdrew the petitions on six products, and Commerce dismissed the petitions on two others because imports of the items from Romania had been nil or negligible in recent years. These actions reduced the scope of the antidumping investigation with respect to steel products from Romania to hot-rolled carbon steel plate.

In reaching a preliminary finding on the question of injury to the U.S. industry, the Commission was able to draw upon information gathered in earlier investigations, instituted on November 18, 1981. 2/ In a preliminary determination made on December 22, the Commission found that there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by imports of hot-rolled carbon steel plate from Romania. The same preliminary determination was again reached by the Commission on February 18, 1982, as a result of the investigations instituted in January following receipt of the petitions filed by U.S. steel producers. 3/ The vote was unanimous in both cases.

The Department of Commerce is continuing its investigations on the question of sales at less than fair value. If Romanian steel plate is found to be sold in the United States at less than fair value, the Commission will make a final determination on the question of injury by imports of this product.

Mushrooms from China

On December 29, 1981, following a request from the United States Trade Representative, the Commission began an investigation to advise the President of developments in the domestic mushroom-processing industry following the

1/ The petitions were filed in conjunction with a number of others alleging that imports of certain steel products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany are being subsidized by their Governments or sold in the United States at less than fair value. All the petitions on imports from Romania alleged sales at less than fair value (subject to investigation as antidumping cases under sec. 733 of the Tariff Act of 1930) rather than subsidized sales (subject to investigation as countervailing duty cases under sec. 703 as the Tariff Act of 1930).

2/ Hot Rolled Carbon Steel Plate From Belgium, Brazil, and Romania:
Determinations of the Commission in Investigations Nos. 701-TA-83 and 701-TA-84 (Preliminary) Under Section 703(a) of the Tariff Act of 1930, and Investigation No. 731-TA-51 (Preliminary) Under Section 733(a) of the Tariff Act of 1930 . . . , USITC Publication 1207, January 1982. The earlier investigations were initiated by Commerce on the basis of data gathered under the Trigger-Price Mechanism program. Following the Commission's investigations, these actions were discontinued and preliminary investigations covering more steel products and more countries were instituted on the basis of the petitions filed by U.S. steel producers.

3/ Certain Steel Products From Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, vols. 1 and 2, USITC Publication 1221, February 1982, covering investigations Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) and 731-TA-53 through 86 (Preliminary).

imposition of a higher tariff on imported canned mushrooms in November 1980. 1/ The investigation was instituted under section 203 of the Trade Act of 1974 in order to determine the effect of import relief, the current extent of injury to the U.S. industry from imports, and the specific efforts that firms in the domestic industry have made to adjust to import competition. 2/

Information gathered in the investigation 3/ showed that imports of canned mushrooms from China have continued to increase since import relief became effective, while total imports of the product have decreased sharply. As the quantity of imported canned mushrooms from Taiwan, the leading U.S. supplier prior to 1981, declined to less than half its 1980 level, China became the major U.S. source of the article. In 1981, canned mushrooms from China accounted for 31 percent (by quantity) of U.S. imports. This represents a significant increase in China's share, which had been only 12.6 percent in 1980, when China was granted most-favored-nation tariff treatment, and less than 1 percent in previous years. The quantity imported from China increased from 265,000 pounds (drained weight) in 1979 to 27.4 million pounds (drained weight) in 1981.

Information obtained in the investigation also showed that, in 1981, the unit values of mushrooms from China were significantly lower than those of mushrooms from Taiwan and The Republic of Korea. This appears to have been the factor most responsible for the increase in China's market share. 4/

1/ The col. 1 (MFN) rate on canned and other prepared mushrooms was raised from 3.2 cents per pound (drained weight) plus 10 percent ad valorem to 10 cents per pound (drained weight) plus 30 percent ad valorem on Nov. 1, 1980. The temporarily higher rate is subject to automatic annual reductions and will revert to the statutory rate on Nov. 1, 1983.

2/ Under sec. 203, the Commission may also be asked to advise the President as to the probable economic effect on the domestic industry of reducing or terminating import relief. In this investigation, the Commission was asked to consider the effect of terminating the higher tariff on canned mushrooms broiled in butter or in butter sauce, an item that constitutes about 4 percent of the annual U.S. imports of canned mushrooms.

3/ Certain Mushrooms: Report to the President on Investigation
No. TA-203-13 . . . , USITC Publication 1239, April 1982.

4/ Ibid., pp. A-24 through A-26.

HUNGARIAN ECONOMIC REFORMS: SOME IMPLICATIONS

For some time Hungary has allowed market forces to have an increasing role in its centrally planned economy. The Hungarian experiment with the so-called New Economic Mechanism (NEM) is being followed with great interest in both other NME's and in market economy countries.

Following the major changes the Hungarian economy has undergone for over a decade, its continued unqualified characterization as a nonmarket economy has become somewhat debatable. Moreover, while several terms are used nearly synonymously to refer to nonmarket economy countries, there seems to be no clear standard by which to determine whether the Hungarian system can be appropriately labeled with any one of them.

Terminological variations in U.S. trade law and academic usage are reviewed immediately below, followed by a general account of the Hungarian economic reforms. These reforms are of current interest for two reasons: first, they have recently been subject of close scrutiny in the context of U.S. trade laws, and second, the NEM and similar programs in Eastern Europe may have a significant effect on East-West trade.

"NME" and Other Terms in Use

U.S. statutes regulating foreign trade include provisions that apply exclusively to trade with NME's, referred to as such or by some other term. These statutes take into account the specific foreign-trade implications of NME characteristics, such as artificial pricing systems, state monopolies for foreign trade and a lack of significant reliance on market forces. NME's are able to export at prices that do not reflect their costs of production and thus are more rapidly able to disrupt foreign markets.

Title IV of the Trade Act of 1974 regulates various aspects of U.S. trade with countries generally referred to as nonmarket economy countries throughout the title. Title IV is also the basis for this series of reports: section 410 requires the U.S. International Trade Commission to monitor U.S. trade with NME's. A terminological exception is made in section 406 of title IV, which provides for the protection of U.S. industry and employment from market disruption by imports originating in countries referred to as Communist rather than as NME's. The term "Communist country" is defined in the act as "any country dominated or controlled by communism." 1/

1/ The discussion of reasons for the semantic inconsistency in title IV is beyond the scope of this report.

In U.S. antidumping legislation, the determination of fair value is separately provided for with regard to imports from those countries that are determined to have state-controlled economies (SCE's). The currently applicable statute is section 773(c) of the Tariff Act of 1930, as amended. 1/

The provisions mentioned thus use three different terms to identify the type of country to which they apply: "NME," "Communist," and "SCE," respectively. Yet, to date, each of these provisions has been applied to virtually the same group of countries, giving the appearance of an interchangeability of these terms in legislative practice.

For the purposes of the East-West Trade Statistical Monitoring System, which includes the present series of quarterly reports, the Commission originally defined NME's as identical with those "Communist countries" whose exports can be investigated under section 406 of the act (market disruption). However, in 1981, the Commission decided that Yugoslavia could not be appropriately considered an NME, and therefore it would no longer be included in the countries covered by this report. 2/ In other words, legislative practice currently treats the countries listed in the introduction of this report as NME's, and these countries plus Yugoslavia as Communist.

Section 773(c) of the Tariff Act of 1930 does not define the meaning of a state-controlled economy or indicate an equivalency of this term with either "Communist" or "NME." In fact, officials of the U.S. Department of Commerce, which administers part of the antidumping statute, emphasize that the question of whether or not a country is state controlled is separately determined for the purposes of each case under investigation. The decision as to whether in a particular case normal procedures of fair-value determination should be ruled out is thus unrelated to the status of the country of origin as an NME, a Communist country, or a market economy under any other statute. 3/

Those countries found to be SCE's in U.S. antidumping cases were all among the Communist countries within the meaning of section 406 of the Trade Act of 1974. Commerce officials emphasize that this is coincidental, as several noncommunist countries might have been easily classified as SCE's had their exports to the United States been significant and had some of their products become the subject of U.S. antidumping investigations. Therefore,

1/ Sec. 773(c) was added to the Tariff Act of 1930 (19 U.S.C. 1677b (c)) by sec. 101 of the Trade Agreements Act of 1979.

2/ See the introduction to this report.

3/ A preliminary determination in an antidumping case concerning menthol from the People's Republic of China uses the following language: "There are no set criteria for whether, in a particular case, the degree of state control over an economy is such as to make home market prices inappropriate for purposes of foreign market value. Neither the language of the statute nor the legislative history offers anything more than the most general guidance. Each case must be decided upon an analysis of the particular economic factors involved." 46 F.R. 3258.

the apparent equivalency of "Communist" with "SCE" in U.S. legislative practice derives primarily from prevailing patterns of U.S. imports from the countries involved. 1/

While all countries determined to be SCE's in antidumping practice were also Communist, not all countries considered Communist were found to be SCE's. In 1977, Commerce determined that Yugoslavia--universally regarded as Communist--did not have a state-controlled economy for the purposes of an antidumping case. 2/ At the time of this finding, Yugoslavia was still included as an NME in this series.

To date, all other Communist countries have been found to be state controlled. Nonetheless, the issue of state control was strongly argued in antidumping proceedings concerning two other Communist countries, which are considered NME's as well. The first country in question was the People's Republic of China. 3/ This case raised the issue whether the finding of state control under section 773(c) should be based on the characteristics of the entire Chinese economy or only on the characteristics of the particular sector relevant to the merchandise in question. 4/

The next opportunity for Commerce to address this issue occurred in a recent antidumping case concerning imports from Hungary. The Hungarian exporter and U.S. importer argued that economic reforms created market-type conditions in Hungary, reducing state control to a degree that allows normal methods of price formation. In a preliminary determination of sales at less than fair value, Commerce concluded that "Hungary's economy is state-controlled to the extent we are unable to determine the foreign market value" 5/

However, Commerce did recognize the significance of the Hungarian reforms and their possible implications for future U.S.-Hungarian trade disputes:

The structure of the Hungarian economy is undergoing major internal reforms. These reforms, if adopted as expected, may change the Hungarian economy sufficiently to establish "free market" characterization in future cases.

1/ Since the Trade Act of 1974 became effective, the following countries have been considered state controlled for the purposes of antidumping cases: Poland (golf carts, carbon steel plate); Romania (footwear, sheet glass); China (menthol), East Germany (montan wax) and Hungary (incandescent lamps and tractor trailer subassemblies).

2/ 42 F.R. 39288.

3/ 46 F.R. 3258.

4/ Commerce determined that "quasi-market conditions" existed with respect to the product in question; nonetheless it determined that China was an SCE for the purposes of that case. 46 F.R. 3258.

5/ 26 F.R. 46153.

We cannot state categorically that certain factors we have relied on in this case will have the same relevance in any other investigation. Therefore, our determination of state control in no way means that in any future investigation we will necessarily treat Hungary as a state-controlled economy. 1/

It has been known for some time that SCE's--i.e., NME's--vary in their degree of economic centralization. Therefore, differences between their economic systems, and a multitude of terms in use for denoting them, create some confusion. Additional terms in wide use that have not been mentioned so far include "centrally planned economies" (CPE's), "command economies," and "socialist economies"; the last is used by the Communist countries themselves. In addition, a separate term was recently coined to distinguish "modified centrally planned economies" (MCPE's) from the "classical" or traditional Soviet-type CPE's. An MCPE is described essentially as the Hungarian economy after 1968 including certain important features of the Polish economy after 1971. 2/

Hungary's Economic Reforms 3/

Background

For some 14 years, Hungary has been pursuing an economic program unique among countries with strong ties to the U.S.S.R. The New Economic Mechanism is an economic policy and regulatory mechanism designed to reconcile market forces with a central planning system. Introduced in 1968, it was interrupted between 1974 and 1978 but was reaffirmed thereafter, triggering new measures based on the original concept.

While other Eastern European countries also experimented with introducing market forces, their actions were tentative in comparison with Hungary's perseverance in pursuing this goal and did not constitute a comprehensive program like the Hungarian NEM.

Following World War II, Hungary adopted a Soviet-type centrally planned economic system as did all other countries in Eastern Europe. 4/ The Hungarians developed multiyear and annual economic plans from draft plans

1/ 26 F.R. 46153.

2/ Thomas A. Wolf, "External Inflation, the Balance of Trade and Resource Allocation in Small Centrally Planned Economies," in The Impact of International Economic Disturbances on the Soviet Union and Eastern Europe, Pergamon Press, 1981.

3/ This section is based on several recently published sources, especially the following: OECD Secretariat, Assessment of the Economic Reforms in Hungary, working paper TC/WP/ (82) 17; Truck Trailer Axle-and-Brake Assemblies and Parts Thereof From Hungary, Memorandum of Rockwell International Corp. on Hungary as a state-controlled economy before the U.S. Department of Commerce, Apr. 22, 1981; Bela Csikos-Nagy, "The Competitiveness of the Hungarian Economy", The New Hungarian Quarterly, autumn 1981; Bela Balassa, The Hungarian Economic Reform, 1982, World Bank staff working paper No. 506.

4/ In the early 1950's, Yugoslavia was expelled from the alliance of the Soviet Union and Eastern European countries. Thereafter, it created its own brand of "socialist market economy."

submitted by the lowest producing units (enterprises, firms, and cooperatives) to the central authorities. After plans for the major economic sectors had been approved by the political leadership, they were broken down and returned to the enterprises. The plans for the most part were set out in quantitative targets. Capital, materials, and labor were centrally allocated among users in accordance with the production targets assigned to them in the plans. A state monopoly was in charge of managing foreign trade, which was thus fully centralized.

In this central planning system, the principal measure of an enterprise's performance was the fulfillment of the plan. Profitability was of minor significance because costs and revenues were not meaningful, being based on largely arbitrary prices. Prices were determined by central authorities on grounds of political and social as well as cost considerations, and they were rarely changed after having been set. Prices therefore did not reflect relative scarcities and bore no relation to world market prices. They were inadequate to clear markets and to evaluate the cost effectiveness of investments, foreign trade or any other economic process in Hungary. Prices instead played a largely passive role, functioning predominantly as accounting units.

Large-scale mobilization of untapped resources--including heretofore underutilized rural and female labor--rewarded the Hungarian CPE with years of rapid growth through the early 1960's, albeit from a relatively low base. However, the shortcomings of what is now frequently referred to as physical planning soon became apparent. Among other problems, the quality and composition of producer goods and consumer goods supplied did not correspond to demand, so that the economy was plagued with shortages of some goods and surpluses of others.

Unconcerned with the real demand for their products, individual managers pursued the fulfillment--preferably overfulfillment--of their production targets. There was also an incentive to keep large inventories to prevent shortages in inputs, and in all other respects to pay little attention to cost. Wastefulness on the enterprise level was compounded by wastefulness in the designation of developmental priorities and the other macroeconomic decisions made by central authorities. These decisions were not guided either by considerations of cost effectiveness or by signals of real needs.

Following the 1956 revolution of the Hungarian people against repression, the new Government reasserted Hungary's allegiance to the U.S.S.R. and the "socialist" character of the Hungarian political-economic system. Nonetheless, it decided to allot a certain role to market forces in regulating the economic process. In the late fifties, authorities introduced measures such as profit sharing for workers, as well as some degree of autonomy for enterprises, and the modest beginnings of a price reform. The abolition of mandatory planning and compulsory delivery of output to the State in the farm sector--also in the late fifties--was the forerunner of the comprehensive reform program (the NEM) which was introduced a decade later.

The guiding principles of the NEM were announced on May 7, 1966, in a resolution of the Central Committee of the Hungarian Socialist Workers' Party. This resolution is considered the basic document of the program, which was put into effect on January 1, 1968.

Under the NEM, economic decisionmaking was to be decentralized to the level of the enterprises, which, in turn, were to be motivated by profit incentives. Making profitability an indicator of the enterprises' efficiency required meaningful, functional prices. The NEM set out, therefore, to limit the scope of central price determination, allowing domestic prices to

gradually find their free-market levels and linking them with world market prices. Enterprises were given autonomy in operating decisions and for some investment decisions. The reformers intended to replace the fulfillment of the plan with profitability as the yardstick of performance.

After the NEM was initiated in 1968, a wide array of measures were gradually introduced. Some of these were first trials in the framework of the new program. Others adjusted or complemented earlier measures reflecting the authorities' learning process about the program, and still others were responses to newly arising domestic or external requirements in the spirit of the NEM.

Owing to its high foreign-trade sensitivity, 1/ the Hungarian economy suffered a shock in the early 1970's from rapidly rising prices in world markets--especially from soaring crude-oil prices. At the same time, world recession and growing protectionist tendencies made Hungarian exports for hard currency increasingly difficult.

In response to these external developments, the Government virtually halted the NEM in 1974-78. Central authorities set out to shield enterprises that were affected by the soaring prices of imported inputs and to support the competitiveness of enterprises on world markets with various schemes of subsidies and preferences. At the same time, authorities levied special taxes on the revenues of those firms they perceived to be reaping extra benefits from subsidized inputs or having more than average profits from exports. The levels of support and taxation were determined on a firm-by-firm basis involving considerable bargaining between the firms and the central authorities. 2/ This practice also clearly amounted to a partial recentralization of economic management, and was in sharp conflict with the fundamental concept underlying the NEM. However, the objectives of the NEM were strongly reaffirmed in 1978, with added emphasis on the goal that Hungary should become competitive in export markets. International competitiveness became the overriding aim of the new round of measures introduced thereafter.

Principal features of the New Economic Mechanism 3/

The provisions of the NEM fall in two major categories: (1) institutional and (2) pertaining to prices and incentives. In the first category, a landmark measure was the abolition of compulsory planning for industrial enterprises, which took effect in 1968, immediately at the outset of the NEM. This act conferred a major degree of autonomy on firms, allowing them to determine their own performance goals, to do their own marketing, acquisition, and hiring, and to decide on certain investments. Some large producers were even authorized to export and import directly. As a corollary of these measures, the NEM began to phase out the central allocation of materials and permit the free movement of labor.

1/ For years, exports have accounted for some half of Hungary's national income; close to half have gone to market economies.

2/ Bela Balassa, The Hungarian Economic Reforms, op. cit., p. 15.

3/ The remainder of this section will discuss certain economic policy decisions under the NEM. Insufficient information and the scope of this report do not allow an assessment of the extent to which these actions were actually put into operation, to which segments of the economy they are applicable or how successful their implementation was. Statements relating to foreign trade generally refer to Hungary's trade with market economies. The special conditions applicable to Hungary's trade with partners in the Council of Mutual Economic Assistance are not separately discussed.

In principle, competition--from both domestic and imported items--was to replace plan directives in guiding the enterprises. However, when the NEM was instituted, the competitive domestic environment required by this concept was missing. The highly concentrated Hungarian industry was dominated by large-scale enterprises relative to the size of the economy, employing 1000 persons or more. Many of these were centrally managed trusts; some represented entire industries, and therefore enjoyed virtual monopoly positions. In order to create a more competitive environment, the Hungarian government made efforts to increase the number of enterprises by breaking up several horizontal trusts and large firms and by establishing new enterprises. 1/

Under NEM provisions a notable role was accorded to cooperatives in the area of industry and construction with the intention of filling the void created by the shortage of small firms. Cooperatives often produced components and parts needed by the larger firms. The NEM also supported the growth of small private enterprises in areas such as services, construction, and retailing and, more recently, in industrial production as well.

In agriculture, the reformers gave further encouragement to workers of the agricultural and nonagricultural socialist sector to farm on small household plots. For example, they eliminated restrictions on livestock size on such plots (farming on household plots and the free marketing of produce from these plots had already been permitted before the NEM). Moreover, the NEM strengthened the rural cooperatives legally and financially, authorizing them to establish ancillary operations, including construction and manufacturing. These operations were to complement rather than replace the collectivized agricultural sector.

The NEM also accommodated the growth of what is generally termed Hungary's "second economy." This includes small-scale private ventures in several areas of the economy, many of which have never been officially registered. Unlike the U.S.S.R. and other Eastern European countries, Hungary has tolerated these activities. The Hungarian authorities apparently recognize that the "second economy" frequently serves a useful social function in satisfying those needs the socialist sector is unable to meet and in augmenting the earnings of individuals in the socialist sector. The "second economy" is only tacitly accepted in the current phase of planned transition to a market economy, and authorities may endeavor to legalize it fully some time in the future.

The NEM also changed the organizational scheme of the central planning authorities, whose disengagement from close supervision of the enterprises allowed the reduction of their bureaucracies. Meanwhile, the role of the National Bank of Hungary increased, reflecting the growing relevance of monetary relationships in the Hungarian economy. The increased autonomy of enterprises in the investment area allowed them to supplement their own investment funds with loans from the National Bank.

However, the central authorities retained ultimate power in the area of investments. The NEM did not dismantle the preexisting system of taxes and subsidies which served to reallocate the funds generated by enterprises

1/ Despite such efforts, the level of concentration in the Hungarian industry remained high, facilitating its temporary recentralization after 1974. In 1978, 700 state-owned enterprises accounted for 84 percent of the industrial work force and 93 percent of the industrial output.

according to centrally determined priorities. The self financing of enterprises has continued to be controlled by significant taxation, and their major investment proposals still depend on centrally allocated grants from the state budget, or on centrally determined priorities in awarding credit.

The centerpiece of the NEM was a major overhaul of the Hungarian price system. The reformers wanted prices to reflect the cost and market valuation of products as they do in market economy countries. Three major price categories--fixed, limited, and free--were established during the transition from the prior system of exclusively fixed prices to the ultimate goal of completely free price formation.

Fixed prices initially continued to predominate in the sphere of energy, basic materials, agricultural products, foodstuffs, and some intermediate products, as authorities wanted the prices of such vitally important commodities to remain stable. In contrast, the reform freed the prices of less essential items--mostly finished industrial goods. In the intermediate category, the reformers allowed prices to vary between specified limits or they set upper limits only. This heterogeneous domestic price system was then linked to world market prices through a complicated system of "foreign trade multipliers" (the forerunner of a subsequent "commercial exchange rate"). The intent was to gradually make domestic prices proportional with world-market prices.

The reformers envisaged that prices that had been originally designated as fixed and/or limited would gradually become free for most industrial and consumer goods. However, this process turned out to be much slower than expected. By 1975, only some 35 percent of such products (not counting investment-related construction goods) belonged to the free category instead of 50 percent, as planned. ^{1/}

As some prices were gradually liberalized while others remained in the fixed and/or limited category, major new incongruities developed (a) between producer and consumer prices and (b) between domestic and foreign prices. In the first case, increases in the liberalized producer prices were transmitted only slowly to consumer prices, which continued to be heavily subsidized. This resulted in the anomalous situation wherein producer prices were on the average higher than consumer prices.

In the second case, despite policy goals to the contrary, domestic prices continued to be isolated from world-market prices, as central authorities shielded enterprises and consumers from the effects of foreign inflation. For example, in 1976, the Hungarian price of petroleum was still only some 60 percent of the world price.

The distorted price system, coupled with a weak incentive system therefore continued to deliver the wrong signals to producers, consumers and workers. This led to excessive demand for investment goods which triggered an influx of imports of technology-intensive Western goods that used up hard-currency reserves. The system also provided insufficient incentives to export and encouraged an unaffordable level and structure of consumption.

^{1/} Figyelo (a Hungarian magazine), Dec. 24, 1980, as cited by Rockwell, op. cit., Annex A. p. 16. 38

Foreign-trade aspects and the most recent measures

These problems led to a thorough reexamination of the NEM in the second half of the 1970's, especially in the context of Hungary's foreign-trade policy. Hungary is a small, resource-poor country with a high dependence on foreign materials and equipment. The effects on its economy of fast-rising world prices had therefore been profound. A few years after the NEM was introduced, Hungary's terms of trade began to deteriorate precipitously. This problem was compounded by increased Western sensitivity to imports following the first oil shock, which sharply curtailed Hungary's opportunities to export for hard currency. These developments interfered with the intentions of the reformers to hold enterprises responsible for profitability and led to substantial Hungarian trade deficits and a sizable external debt in hard currency. 1/

In 1974 the NEM was tacitly interrupted, and a prolonged debate began on the principles and methods of possible adjustments to the new conditions. Some argued in favor of indefinitely protecting the Hungarian economy from harmful external effects by the administrative means characteristic of CPE's. However, by about 1978, a consensus taking the opposite view emerged. The majority argued that domestic adjustments to international economic changes should not be delayed indefinitely. Specifically it was decided that Hungary should reestablish its hard-currency trade balance and control its external debt.

In effect, policymakers decided to subordinate earlier economic objectives--such as rapid domestic growth and price stability--to external equilibrium as their overriding goal. The Hungarians were successful in reducing their hard-currency deficit in 1979 and in virtually eliminating it thereafter. This was achieved by a combination of stringent import restrictions and stepped-up exports mostly in the area of agricultural and food products. Hungary's application for membership in the International Monetary Fund (IMF) and the World Bank in the fall of 1981 implied their readiness to submit to the economic discipline such membership requires. 2/ Nonetheless, the servicing of existing foreign loans, compounded with prospects of further deterioration in Hungary's terms of trade, continue to cloud the outlook for the country's external balance.

The new commitment to external equilibrium after 1978 was coupled with a strong reaffirmation of the NEM for adapting the Hungarian economic structure to the requirements of that equilibrium. International competitiveness became the byword for a new round of reforms initiated in 1980. In the words of a leading Hungarian economist, ". . . in an economy sensitive to foreign trade . . . economic efficiency can only be measured by the standards of international competitiveness." 3/

Hungarian reformers argued that international competitiveness required competitive pricing on the domestic market; therefore, most of the newest provisions pertain to prices and incentives. Foreign prices are to become regulators of Hungarian domestic prices, which will in principle lead to a gradual alignment of domestic prices with world market prices. This also

1/ See the 29th Quarterly Report . . ., p. 110.

2/ In May 1982 the IMF formally approved Hungary as its 146th member. 39

3/ Csikos, op. cit., p. 24.

involves phasing out the import subsidies that discouraged enterprises from saving on imported items. Domestic prices are to reflect the actual cost of imported fuels, materials, and equipment, calculated in terms of "realistic" exchange rates. The reformers hope that taking account of the true cost of imported inputs would induce producers to be more economical in their use. 1/

Similarly, it was decided to phase out export subsidies that reduced the incentives for enterprises to search for profitable ways of exporting. The prices of exportable products on the home market are in principle also limited to the prices these products command on world markets. Previously, firms preferred to sell on the domestic market as, among other advantages, this allowed them to charge higher prices. Tying home-market prices to the prices attainable on world markets is intended to (a) subject monopolistic domestic producers to foreign price competition and (b) eliminate the disincentive for these producers to export.

The new price measures were also designed to establish an appropriate relationship between domestic producer and consumer prices while linking both to world market prices. This was to be accomplished by phasing out consumer subsidies (especially on internationally tradeable products) and by levying sales taxes on consumer items. The combined effect was a marked rise in consumer prices. 2/ Policy makers thus accepted inflation--a notable fact, considering that inflation has always been anathema to socialist dogma. In sacrificing dogmatic constraints, the reformers were hoping that higher consumer prices would render Hungarian consumption patterns affordable for the country. 3/

The alignment of the Hungarian prices with world-market prices required workable exchange rates. 4/ Reformers also decided to achieve at least a partial convertibility of the forint to improve Hungary's international creditworthiness. As a step towards this goal, Hungarian authorities merged the previously separate commercial and tourist rates into a single exchange rate in October 1981, and subjected it to weekly adjustments thereafter.

1/ On Jan. 1, 1980, the average prices of raw materials and basic intermediate products were raised by 30 percent; the increase for energy was 57 percent.

2/ Many consumer prices, including those for foodstuffs, rose significantly in 1978-81. Further increases are anticipated, many of them to occur among essential consumer goods.

3/ The latest price reforms were accompanied by corresponding tax reforms (e.g., a cut in payroll taxes to offset increases in consumer prices), the discussion of which is beyond the scope of this report.

4/ An ongoing debate about what a "realistic" exchange rate should be centers on the question of whether it would be preferable to somewhat undervalue the forint and stimulate exports or to overvalue it and reduce the effects of Western inflation on essential Hungarian imports. For a discussion of these questions and the issue of currency convertibility in Hungary, see Paul Marer, "Exchange Rates and Convertibility in Hungary's Economic Mechanism," published in U.S. Congress, Joint Economic Committee, East European Assessment, pt. 1, 1981.

Competitive prices, once in effect, are expected to shape the Hungarian economic structure in accordance with the country's comparative advantages. They are envisaged as stimulating those industries that can export efficiently or that can substitute efficiently for imports--especially in hard-currency trade. 1/

The sixth Hungarian five-year plan (1981-85) apparently shifted the preexisting emphasis in Hungarian foreign trade from import substitution to export promotion. The plan is aiming at developing Hungary's capabilities for producing and marketing items which can be sold profitably in any market. Two-thirds of the national income increment stipulated in the plan is earmarked for additional exports. 2/ To insure external balance, the plan stipulates relatively slow growth (2.6 to 3.2 percent annually) and aims at maintaining, rather than raising, the standard of living. 3/

Current Status of the NEM and Implications for Western Partners

Hungary's experience shows that a reform program that aims at reconciling two fundamentally different economic systems takes a long time to work through. Pursued for over 14 years, the NEM can be credited with many achievements. This is especially true for the period between 1968 and 1974, when the impact of adverse external circumstances began to be felt. Initial accomplishments included accelerated growth of production and exports. The salutary effects of the newly introduced incentives were apparent in the early years of the NEM in the form of rising productivity, cost reductions, and greater sensitivity to the nature of demand. Since 1968, the range of consumer goods and services available to the Hungarian people has been unique among NME's.

Still, the program seems to be far from achieving its aims. Some of its potentially most effective measures were announced only recently, and therefore their impact has not yet been assessed. Analysts agree that the Government will have to continue to fight deeply entrenched resistance to the program since the new measures threaten the traditional security of both managers and workers.

1/ Hungarian economists measure the efficiency of hard-currency exports by the domestic cost of a unit of hard currency a product or an industry can earn. They measure the efficiency of hard-currency imports by the amount of domestic currency a unit of hard currency spent on the imported product can save. However, these indices of foreign-trade efficiency are considered meaningful only in the context of a realistic domestic price- and cost-accounting system.

2/ Csikos, op. cit., p. 29.

3/ Even before this most recent added emphasis on exports, the Hungarians created highly specialized enterprises equipped with modern machinery, capable of mass-producing items sold at internationally competitive prices. Often-cited examples are the Hungarian "Ikarus" buses, the truck trailer subassemblies mentioned previously, electric lamps, all sold in the United States and other foreign markets.

The reforms of the NEM made the determination of the question of state control for Hungary under the U.S. antidumping law more complex than it would have been with regard to other NME's. The Department of Commerce stated in its affirmative determination of last year in a particular antidumping case that "there is considerable uncertainty as to the extent that the 1978 reforms are being instituted and enforced." 1/ The Commerce report further pointed out some specific factors that limit the action of market forces, such as the investment of enterprises that continue to be state controlled and wage levels that are effectively centrally controlled by means of high marginal tax rates. 2/ With respect to the latter point, it is argued that taxing the increments of wages on a progressive scale puts a de facto ceiling on earnings and may depress the cost of labor sufficiently to interfere with free price formation.

Traditional NME objectives, such as maintaining full employment (which is meant more literally than in Western democracies) and a relatively high degree of egalitarianism, have lingered on in Hungarian socioeconomic policy to date. Wage controls are a positive policy tool from this perspective since they are believed to aid in (a) accommodating more employment from a given wage fund and (b) avoiding significant income disparities. At the same time, wage controls limit the freedom of enterprises to reward productive workers on one hand, and to punish unproductive ones on the other. Similarly, inefficient firms continue to be protected from bankruptcy, so that their workers also continue to be shielded from losing their jobs. 3/

These arguments are especially important when comparing the central controls still prevailing in Hungary with conditions in Yugoslavia, where the national Government's role is limited mostly to fiscal and monetary controls. In Hungary, managers are appointed and supervised by central authorities, whereas Yugoslav firms are under the management of their own workers. The Yugoslav workers' councils are not accountable to any higher authority for their actions; the workers of the firms collectively own their capital assets and allocate profits freely, whether to be distributed or retained for investment. By the same token, the workers' councils are vulnerable to all adverse consequences of their own decisions.

An expert for the U.S. producer's side in the Hungarian truck trailer antidumping case characterized the Yugoslav economy as follows:

The objectives, features and performance of the Yugoslav economy, which is not shielded against the negative effects of a functioning market mechanism (inflation, unemployment, bankruptcy) justify its classification as a socialist market economy 4/

1/ F.R. 46153.

2/ Ibid.

3/ The newest regulations reportedly provide incentives for enterprises to limit the size of their work forces, and they stipulate that firms operating at a loss will eventually be phased out.

4/ Rockwell, op. cit., Annex A, p. 2.

He subsequently suggested that vulnerability to these negative developments in an economy indicate the presence of an operating market system, whether socialist or capitalist. By contrast, an economy that has built-in protections against these threats in the form of preferences and subsidies--as does the Hungarian economy--cannot be considered a market economy, he argued. ^{1/} However, Hungary's market orientation is significant in the context of East-West trade, even if it has not reached the ultimate stage. This was apparent from the serious attention Commerce paid to Hungary's market forces in the truck trailer case when determining the degree of state control.

Spokesmen for NME's have intermittently complained that existing or proposed trade legislation in the United States and other Western countries is based on the presumption that exports from NME's (or SCE's) are unfair per se. In the words of Poland's Professor Soltysinski:

. . . If one starts with such somewhat arrogant assumptions that in each case the costs of production of a socialist enterprise cannot be lower than those of its free market economy competitor, that all our exports are unfair, or that in an SCE everything is subsidized, one will end with discriminatory solutions ^{2/}

He then argued that such presumptions should not preclude SCE's from the opportunity to compete in world markets, including on the basis of price. ^{3/}

Because of their notable trade with Hungary and other Eastern European countries, the West is not uninterested in whether they will succeed in becoming competitive at fair prices on any meaningful scale. A transformation of Hungary and possibly other NME partners into market economies, having meaningful prices, would undoubtedly invite a review of some of the presumptions that may currently underlie Western policies concerning East-West trade.

^{1/} Ibid.

^{2/} Stanislaw Soltysinski, "U.S. Antidumping Laws and State-Controlled Economies", Journal of World Trade Law, Summer 1981, p. 263.

^{3/} Ibid.

APPENDIX A
MAJOR ITEMS IN U.S. TRADE WITH
NONMARKET ECONOMY COUNTRIES

Table A-1.--Agricultural items: U.S. exports to the individual nonmarket economy countries and to the world, 1979-81, January-March 1981, and January-March 1982

Market	1979	1980	1981	January-March--	
				1981	1982
Value (1,000 dollars)					
China	990,159	2,209,524	1,956,287	751,321	506,217
U.S.S.R	2,854,896	1,047,118	1,564,986	689,124	1,129,537
Poland	651,371	571,461	592,874	273,478	24,044
Romania	336,515	462,595	368,391	151,027	56,597
East Germany	321,818	453,248	284,181	130,172	116,360
Bulgaria	41,019	127,339	197,270	64,277	31,502
Czechoslovakia	247,999	154,574	58,240	36,314	27,736
Hungary	24,466	24,419	12,934	1,838	2,548
Mongolia	-	-	-	-	-
Albania	151	224	-	-	-
Vietnam	-	-	153	-	-
Cuba	-	-	-	-	-
North Korea	-	-	-	-	-
Total	5,468,394	5,050,503	5,135,316	2,097,554	1,894,542
Total, agricultural exports to the world	34,745,385	41,255,934	43,338,212	12,559	10,457
Percent of total exports					
China	57.7	58.9	54.3	63.5	56.0
U.S.S.R	79.2	69.4	71.2	86.0	89.2
Poland	82.8	80.4	87.1	89.7	61.7
Romania	67.2	64.2	73.1	78.8	62.1
East Germany	90.8	94.9	96.2	97.5	96.8
Bulgaria	73.0	79.2	76.4	87.3	84.5
Czechoslovakia	88.2	83.5	70.7	85.7	85.3
Hungary	31.5	30.9	16.7	7.6	11.8
Mongolia	-	-	-	-	-
Albania	1.5	3.3	-	-	-
Vietnam	-	-	2.0	-	-
Cuba	-	-	-	-	-
North Korea	-	-	-	-	-
Total	70.9	63.7	65.4	76.2	75.2
Total, exports to the world	19.5	19.0	18.9	21.4	19.3

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 A-2.--U.S. exports of selected major commodities to the nonmarket economy countries (NME's),
January-March 1981 and January-March 1982

Commodity	Major NME customer	Share of total		Value of	
		exports accounted		exports to	
		for by NME's		all NME's	
		Jan.-Mar. 1981	Jan.-Mar. 1982	Jan.-Mar. 1981	Jan.-Mar. 1982
		Percent		1,000 dollars	
Cattle hides	Romania	10.5	9.9	18,211	18,705
Cereals	U.S.S.R.	26.5	34.7	1,395,681	1,352,630
Corn, unmilled	do	29.2	32.0	750,715	476,476
Wheat	do	31.7	43.5	644,800	875,191
Coal	Romania	1.2	.7	15,869	11,915
Fertilizers	China and U.S.S.R.	6.8	13.5	57,807	88,994
Magnesium	Romania	1.3	-	431	-
Metal ores	U.S.S.R.	1.1	7.8	3,406	13,458
Soybean oilcake and meal	East Germany	29.7	14.7	167,717	71,917
Soybeans	U.S.S.R.	4.4	13.6	83,968	241,135
Textiles	China	16.5	10.7	467,622	241,686
Cotton	do	34.6	18.0	323,518	138,768
Manmade fibers	do	24.5	23.1	111,405	97,707

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

Table A-3.--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-March 1981 and January-March 1982 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.-Mar. 1981	Value of exports to all NME's in Jan.-Mar. 1982
			Percent	1,000 dollars	1,000 dollars
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents.	U.S.S.R.	98.6	38,811	
121.0515	Bovine leather, rough, russet and crust, wet blue, not split.	China	76.0	3,050	
121.0530	Bovine leather, rough, russet and crust, wet blue, split.	do	11.9	16,866	
176.5400	Sunflower seed oil	U.S.S.R.	76.7	22,678	
417.7100	Barium compounds	Romania	74.4	2,938	
309.4242	Polyester fibers in noncontinuous form	China	67.3	44,067	
818.3100	Food products n.s.p.f., donated for relief or charity by individuals or private agencies.	Poland	2.2	7,451	
310.0010	Textured yarns, continuous manmade fibers, of nylon, less than 1,000 denier.	China	55.3	46,368	
711.8729	Parts, n.s.p.f. for nonelectric scientific instruments.	do	55.3	1,401	
475.4555	Insulating or transformer oils	U.S.S.R.	52.3	5,887	
818.3900	Commodities n.s.p.f. donated for relief or charity by individuals or private agencies.	Poland	3.4	9,289	
182.9725	Wheat-flour soya blends donated for relief or charity.	do	48.1	1,690	
464.7000	Linear alcohols, ethoxylated	China	13.1	1,103	
130.6540	Wheat, unmilled, not donated for relief or charity.	U.S.S.R.	31.7	875,191	
300.1550	Other cotton having a staple length 1-1/8 inches or more.	China	58.6	61,038	
818.3300	Medicinals and pharmaceuticals donated for relief or charity by individuals.	Poland	39.2	2,823	
818.3400	All wearing apparel donated for relief or charity by individuals or government agencies and used wearing apparel donated for relief by government agencies.	do	4.5	2,137	
338.2932	Woven fabrics wholly of polyester in continuous form.	China	37.1	1,727	
444.1700	Polypropylene resins	do	9.0	29,715	
310.0026	Continuous yarns, cellulosic fibers	do	32.9	2,698	

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

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

Table A-4.--U.S. imports of selected major commodities from the nonmarket economy countries (NME's),
January-March 1981 and January-March 1982

Commodity	Major NME supplier	Share of total		Value of	
		imports accounted		imports from	
		for by NME's	all NME's	Jan.-Mar. 1981	Jan.-Mar. 1982
		Jan.-Mar. 1981	Jan.-Mar. 1982	Jan.-Mar. 1981	Jan.-Mar. 1982
		Percent	Percent	1,000 dollars	1,000 dollars
Chromium scrap	China	2.8	11.4	203	275
Coal	Poland	7.2	-	1,439	-
Copper	U.S.S.R.	.1	.5	353	1,164
Corn, unmilled	Romania	61.5	58.7	4,482	4,891
Feathers and downs	China	37.1	33.1	7,245	3,783
Fertilizers	U.S.S.R.	7.9	9.9	28,777	34,351
Furniture, wooden	Romania	5.2	4.0	6,987	6,147
Glass and glass products	Romania	5.0	4.7	8,316	7,338
Macaroni	China	5.4	7.8	602	865
Metal coins	China	1.1	.1	3,730	366
Metal ores	do	.7	1.7	5,927	8,512
Nickel	U.S.S.R.	2.5	2.7	7,145	6,196
Petroleum and natural gas	China	.5	.7	118,327	131,233
Precious metals	do	3.5	1.4	39,372	12,190
Gold bullion	do	4.6	.1	18,348	203
Silver bullion	China	.1	-	252	-
Platinum	U.S.S.R.	6.9	10.1	12,531	10,733
Prepared pork	Hungary	49.7	16.1	48,924	10,578
Textiles	China	5.6	6.6	195,972	249,476
Footwear	do	2.5	2.5	21,094	22,091
Nonrubber footwear	Romania	3.4	2.8	15,351	16,594
Tin	China	2.2	17.4	4,228	16,828
Titanium	do	10.5	3.3	3,983	589
Tobacco	Bulgaria	3.7	2.8	5,614	3,739
Typewriters	Bulgaria	1.6	1.6	1,401	1,351

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

Table A-5.--20 U.S. import items for which the nonmarket economy countries (NME's) collectively account for the largest market share, by TSUSA items, January-March 1981 and January-March 1982 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.-Mar. 1982
			Jan.-Mar. 1981	Jan.-Mar. 1982	
			-----Percent-----		1,000 dollars
145.4880	Peanuts, shelled-----	China-----	32.8	100.0	1,271
690.1500	Railway cars, passenger-----	Romania-----	54.8	99.8	1,535
417.2800	Ammonium molybdate-----	China-----	100.0	99.1	2,456
422.4200	Tungsten compounds n.s.p.f-----	do-----	-	98.4	1,013
186.3000	Bristles, crude, or processed-----	do-----	94.6	97.2	2,183
222.5700	Floor coverings of unspun fibrous vegetable materials-----	do-----	94.6	96.3	3,229
100.1100	Horses for breeding, male-----	U.S.S.R-----	-	93.8	1,242
678.3220	Machinery for assembly of electronic lamps and tubes-----	Hungary-----	-	92.1	1,563
383.9220	Womens' manmade fiber dresses-----	China-----	-	87.9	1,172
326.3032	Other printcloth, not combed-----	do-----	58.9	85.7	1,377
533.6200	Chinaaware, nonbone or sub-porcelain, household-----	do-----	64.4	82.7	2,758
366.2740	Cotton shop towels, not ornamented or jacquard-figured-----	do-----	67.8	81.9	1,351
365.8670	Net or other ornamented tablecloths and napkins-----	do-----	79.8	79.4	1,604
755.1500	Fireworks-----	do-----	71.5	79.3	7,944
124.1045	Sable furskins, whole, raw-----	U.S.S.R-----	74.2	79.0	2,748
308.0440	Other raw silk in skeins-----	China-----	71.1	77.7	1,713
692.0440	Motor buses, other (including diesel)-----	Hungary-----	71.4	76.4	3,418
192.4000	Licorice root-----	China-----	99.5	73.2	3,480
417.4000	Ammonium tungstate-----	do-----	5.4	71.3	2,413
606.3100	Printcloth shirting n.s.p.f-----	do-----	86.1	71.1	8,238

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

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

APPENDIX B

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

Table B-1.-----Leading items exported to the nonmarket economy countries (NME'S) countries, 1/ by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--	
		1982	1981
130.6540	Wheat, unmilled, not donated for relief-----	\$875,190,539	\$644,799,916
130.3465	Yellow corn, not donated for relief-----	476,475,693	749,677,404
175.4100	Soybeans, n.e.s-----	241,135,217	83,958,095
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches-----	76,738,640	210,356,931
184.5260	Soybean oilcake and meal-----	71,917,474	167,716,536
300.1550	Other cotton, staple length 1-1/8 inches or more-----	61,038,478	110,085,563
310.0010	Textured yarns, of polyester-----	46,368,050	30,625,389
309.4242	Polyester fibers, noncontinuous-----	44,067,265	48,211,226
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents-----	38,810,514	-
480.8005	Diammonium phosphate fertilizer-----	34,161,192	24,830,402
444.1700	Thermoplastic resins; polypropylene resins-----	29,715,246	5,745,652
433.1035	Compound catalysts, n.e.s-----	25,050,275	1,182,799
200.3510	Douglas-fir logs and timber, rough-----	23,865,487	10,403,991
176.5400	Sunflower seed oil-----	22,678,186	-
444.1610	Polyethylene resins, low and medium density-----	19,236,726	248,835
120.1400	Cattle hides, whole-----	18,704,841	18,210,506
177.5640	Tallow, inedible-----	17,001,992	30,425,306
121.0530	Bovine leather, rough, russet, and crust, wet blue, split-----	16,866,472	1,193,834
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	16,522,363	16,507,193
601.2200	Copper ore-----	13,457,780	-
	Total-----	2,169,002,430	2,154,179,578
	Total, U.S. exports to the NME'S-----	2,519,094,324	2,754,113,743
1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, U.S.S.R., and Vietnam.			

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

Table B-2.---Leading items imported from the nonmarket economy countries (NME's) countries, 1/ by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
475.2520	Gasoline---	\$83,513,271	\$22,304,576
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more---	44,203,286	-
480.6540	Anhydrous ammonia---	25,404,208	27,953,992
622.0200	Tin, other than alloyed, unwrought---	16,828,009	4,228,404
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot---	13,462,768	14,674,043
107.3325	Canned hams and shoulders, 3 pounds and over---	9,503,756	46,157,252
156.3500	Cocoa butter---	8,980,179	71,110
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)---	8,327,755	9,904,068
755.1500	Fireworks---	7,944,367	5,739,900
610.4220	Oil well casing, other than alloy steel, threaded or otherwise---	6,998,532	1,442,969
605.0260	Palladium---	6,900,587	10,492,041
383.9050	Women's coats, n.e.s., 3/4 length or longer---	6,851,984	-
366.2460	Terry towels of cotton, of pile or tufted construction, valued over \$1.45 per pound---	6,471,363	2,628,548
620.0300	Nickel, unwrought---	6,196,008	7,144,848
472.1000	Barytes ore, crude---	6,047,886	5,147,829
110.4740	Pollock blocks, frozen, over 10 pounds---	5,777,167	1,358,755
480.3000	Urea, n.e.s.---	5,691,412	-
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored---	5,445,754	4,919,987
601.5400	Tungsten ore---	5,075,920	3,298,863
130.3000	Seed corn or maize, certified---	4,890,893	4,481,618
	Total---	284,515,105	171,948,803
	Total, U.S. imports from the NME's---	782,230,849	793,174,528

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, U.S.S.R., and Vietnam.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8159.

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

Table B-3.---Leading items exported to China, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
130.6540	Wheat, unmilled, not donated for relief	\$274,435,030	\$352,517,387	\$1,268,977,341
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	76,738,640	204,995,360	270,250,482
300.1550	Other cotton, staple length 1-1/8 inches or more	61,038,478	108,234,971	192,363,993
175.4100	Soybeans, n.e.s.	47,301,013	49,628,925	129,708,438
310.0010	Textured yarns, of polyester	46,368,050	30,625,389	151,369,584
309.4242	Polyester fibers, noncontinuous	43,912,576	47,935,117	281,798,675
130.3465	Yellow corn, not donated for relief	39,962,337	15,284,093	62,461,114
444.1700	Thermoplastic resins; polypropylene resins	29,715,246	5,745,652	33,771,417
480.8005	Diammonium phosphate fertilizer	29,046,460	24,830,402	76,411,407
200.3510	Douglas-fir logs and timber, rough	23,865,487	10,403,991	63,977,845
433.1035	Compound catalysts, n.e.s.	23,640,139	-	5,375,709
444.1610	Polyethylene resins, low and medium density	19,236,726	248,835	18,800,682
121.0530	Bovine leather, rough, russet, and crust, wet blue, split	16,866,472	798,754	17,060,407
664.0584	Parts, n.e.s., of oil and gas field drilling machines	15,208,265	15,461,020	28,071,072
480.3000	Urea	13,441,897	2,975,170	18,954,982
200.3514	Western hemlock logs, timber	7,437,935	5,259,893	17,628,975
444.1620	Polyethylene resins, high density	6,998,410	1,024,164	19,572,012
444.1500	Polyester resins, saturated	5,731,564	-	16,465,345
678.5002	Oil and gas field wire line and downhole equipment and parts thereof	4,291,944	627,396	794,224
433.1016	Tetraethyl lead preparations	4,147,775	1,629,677	9,114,192
	Total	789,384,444	878,226,196	2,682,927,896
	Total, U.S. exports to China	904,515,802	1,183,152,166	3,598,600,792

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

Table B-4.---Leading items imported from China, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
475.2520	Gasoline-----	\$66,556,070	\$22,304,576
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	44,203,286	-
622.0200	Tin, other than alloyed, unwrought-----	16,828,009	4,228,404
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	12,629,045	12,061,052
156.3500	Cocoa butter-----	8,980,179	71,110
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)-----	8,327,755	9,904,068
755.1500	Fireworks-----	7,944,367	5,739,900
383.9050	Women's coats, n.e.s., 3/4 length or longer-----	6,597,566	-
366.2460	Terry towels of cotton, of pile or tufted construction, valued over \$1.45 per pound-----	6,319,917	1,393,337
472.1000	Barytes ore, crude-----	6,047,886	5,147,829
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored-----	5,445,754	4,919,987
601.5400	Tungsten ore-----	5,075,920	3,298,863
521.1710	Bauxite, calcined, refractory grade-----	4,444,145	4,574,042
222.4000	Baskets and bags of bamboo-----	4,431,090	4,335,754
144.2053	Straw mushrooms in containers each holding more than 9 ounces-----	3,904,763	1,285,276
379.9550	Men's sport shirts, not knit, manmade fibers-----	3,805,103	-
475.3500	Naphthas, derived from petroleum, etc., n.e.s-----	3,516,134	1,967,245
192.4000	Licorice root-----	3,479,833	3,154,516
383.9065	Women's shorts, not knit, manmade fibers-----	3,271,275	-
379.4050	Men's shirts, n.e.s., knit, cotton-----	3,232,250	-
	Total-----	225,040,347	84,385,959
	Total, U.S. imports from China-----	519,980,223	359,786,330

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8159.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.8441.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 383.8182.

4/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.0652.

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

Table B-5.----Leading items exported to the U.S.S.R., by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
130.6540	Wheat, unmilled, not donated for relief	\$595,026,403	\$276,346,434	\$772,563,226
130.3465	Yellow corn, not donated for relief	327,061,249	360,567,267	781,675,441
175.4100	Soybeans, n.e.s.	163,903,924	-	8,432,000
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	38,810,514	-	168,898,030
176.5400	Sunflower seed oil	22,678,186	-	-
601.2200	Copper ore	13,457,780	-	24,975,063
177.5640	Tallow, inedible	12,722,940	28,565,614	48,508,766
517.5120	Petroleum coke, calcined	10,359,617	12,275,049	33,055,016
692.3820	Parts of tracklaying tractors, n.s.p.f.	8,208,073	21,585,482	48,537,702
790.5510	Pressure-sensitive tape, with plastic backing	6,897,318	3,296,168	19,691,851
145.4300	Shelled almonds, not blanched	6,142,550	13,425,565	16,003,365
475.4555	Insulating or transformer oils	5,886,750	-	16,138,998
446.1521	Neoprene rubber	3,790,101	-	6,220,364
660.5440	Parts of tractor engines	3,785,867	2,403,107	8,274,989
415.4500	Sulfur, native elemental or recovered	3,522,653	-	-
692.3840	Parts, n.e.s., of other tractors, n.s.p.f.	3,369,038	4,837,105	35,386,633
692.2985	Parts, n.s.p.f., of motor-vehicle chassis, bodies, etc.	2,786,990	1,441,476	4,074,228
678.5002	Oil and gas field wire line and downhole equipment and parts thereof	2,550,162	-	2,282,857
475.4580	Lubricating oils, n.s.p.f., except white mineral oils	2,170,986	11,987,398	12,001,620
790.4600	Sausage casings, n.s.p.f.	2,116,588	-	1,399,358
	Total	1,235,247,689	736,730,665	2,008,119,507
	Total, U.S. exports to the U.S.S.R.	1,266,411,186	801,149,162	2,429,711,166

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

Table B-6.----Leading items imported from the U.S.S.R., by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
480.6540	Anhydrous ammonia-----	\$25,404,208	\$27,953,992
605.0260	Palladium-----	6,900,587	10,492,041
620.0300	Nickel, unwrought-----	6,196,008	7,144,848
480.3000	Urea, n.e.s-----	3,931,412	-
124.1045	Sable furskins, whole, undressed-----	2,748,150	3,240,280
605.0290	Platinum group metals and combinations, n.e.s-----	1,402,128	499,677
605.0220	Platinum sponge-----	1,335,229	601,204
100.0110	Horses, male, for breeding-----	1,242,000	-
169.3800	Vodka, in containers holding not over 1 gallon, valued over -\$7.75 per gallon-----	1,146,641	1,186,596
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide-----	1,023,417	1,124,032
612.0640	Copper, unwrought, not alloyed, n.e.s-----	1,012,484	-
480.5000	Potassium chloride, crude-----	993,000	-
240.1440	Plywood, with face ply of birch, not face finished-----	728,349	552,357
270.2580	Books, n.s.p.f., by foreign authors-----	672,603	89,274
605.0270	Rhodium-----	664,679	937,797
605.0710	Platinum bars, plates, etc-----	624,393	170,015
605.0750	Palladium bars, plates, etc-----	544,136	1,782,097
629.1200	Titanium waste and scrap, unwrought-----	515,829	465,426
245.2020	Hardboard valued over \$96.66-2/3 per short ton, other-----	442,389	87,324
124.1025	Mink furskins, except "Japanese mink," undressed-----	329,080	-
	Total-----	57,856,722	56,326,960
	Total, U.S. imports from the U.S.S.R.-----	61,028,077	149,665,826

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

Table B-7.---Leading items exported to Eastern Europe, 1/ by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
130.3465	Yellow corn, not donated for relief	\$109,452,107	\$373,826,044	\$914,104,678
184.5260	Soybean oilcake and meal	71,917,474	167,716,536	275,627,965
175.4100	Soybeans, n.e.s.	29,930,280	34,329,170	49,620,089
120.1400	Cattle hides, whole	15,900,066	16,426,951	39,027,090
818.3100	Food products, n.s.p.f., donated for relief or charity by : individuals or private agencies	7,450,683	83,139	4,511,923
521.3110	Low volatile bituminous coal	7,241,182	6,997,739	15,398,695
130.6540	Wheat, unmilled, not donated for relief	5,729,106	15,936,095	54,589,071
480.8005	Diammonium phosphate fertilizer	5,114,732	-	-
521.3120	Bituminous coal, n.e.s.	4,673,504	8,871,003	25,549,303
818.3900	Products, n.e.s., donated for relief	4,449,102	228,302	4,607,853
486.2900	Insecticides, unmixed, n.e.s.	3,110,074	3,000,715	3,581,890
417.7100	Barium compounds	2,938,182	-	-
818.3300	Medicine, etc., donated for relief	2,630,436	-	414,986
177.5640	Tallow, inedible	2,541,552	1,859,692	7,035,535
404.0580	Hydrocarbons, except derivatives, n.e.s.	2,287,037	-	-
818.3400	Apparel, donated for relief	2,119,058	248,200	1,949,622
480.7050	Concentrated superphosphates	2,099,029	8,576,956	37,149,876
176.5260	Soybean oil, donated for relief or charity	2,061,904	-	-
182.9715	Corn-soya-milk blends, donated for relief or charity	2,056,255	-	-
692.3840	Parts, n.e.s., of other tractors, n.s.p.f.	1,938,274	1,039,562	4,462,388
	Total	285,640,042	639,140,104	1,437,630,964
	Total, U.S. exports to Eastern Europe	341,825,412	769,730,435	1,898,028,635

1/ Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

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

Table B-8.----Leading items imported from Eastern Europe, 1/ by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March---	
		1982	1981
475.2520 : Gasoline-----		\$16,957,201 :	- :
107.3525 : Canned hams and shoulders, 3 pounds and over-----		9,503,756 :	46,157,252 :
610.4220 : Oil well casing, other than alloy steel, threaded or otherwise-----		6,998,532 :	1,442,969 :
110.4740 : Pollock blocks, frozen, over 10 pounds-----		5,777,167 :	1,325,983 :
130.3000 : Seed corn or maize, certified-----		4,890,893 :	4,481,618 :
692.3460 : Parts for agricultural tractors-----		4,390,993 :	3,451,732 :
692.3288 : Parts for motor vehicles, n.e.s.-----		4,248,199 :	8,091,754 :
692.3406 : Agricultural tractors, power takeoff horsepower of 40 or more : : but less than 80-----		4,211,319 :	1,361,282 :
192.2520 : Hops, not in pellets-----		4,142,761 :	- :
862.1000 : Articles for exhibition, for encouragement of agriculture, art, : etc-----		4,000,000 :	- :
383.3415 : Women's cotton raincoats, n.e.s., 3/4 length or longer-----		3,722,576 :	- :
170.2800 : Cigarette leaf, not stemmed, not over 8.5 inches-----		3,615,309 :	4,426,064 :
692.0440 : Motor buses, other (including diesel)-----		3,418,080 :	1,344,215 :
686.9030 : Other lamps, including standard household-----		3,099,153 :	2,073,730 :
610.4965 : Pipes, tubes, and blanks, over 4.5 inches but not over 16 : inches in diameter-----		2,962,034 :	- :
610.3920 : Oil well casing, other than alloy steel, not advanced-----		2,627,940 :	2,052,260 :
690.3560 : Parts of cars, other-----		2,512,490 :	3,328,514 :
379.8355 : Men's wool suits, not knit, not ornamented-----		2,415,287 :	- :
727.3540 : Furniture, of wood, n.s.p.f-----		2,344,633 :	2,548,935 :
480.5000 : Potassium chloride, crude-----		2,262,329 :	823,200 :
Total 5/-----		94,100,652 :	82,909,508 :
Total, U.S. imports from Eastern Europe-----		198,895,641 :	281,310,593 :

1/ Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.1223.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 610.4920.

4/ Prior to Jan. 1, 1982, this item was classified under the now-deleted items 380.6653 and 380.6654.

5/ Because of changes in the TSUSA trade classifications from 1981 to 1982, comparisons are not possible.

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

Table B-9.----Leading items exported to Romania, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
175.4100	Soybeans, n.e.s.	\$27,120,486	\$9,579,734	\$17,916,318
184.5260	Soybean oilcake and meal	14,257,920	51,130,217	86,697,465
120.1400	Cattle hides, whole	11,822,748	11,040,253	22,047,518
521.3110	Low volatile bituminous coal	7,241,182	6,997,739	15,398,695
521.3120	Bituminous coal, n.e.s.	4,673,504	8,871,003	25,549,303
417.7100	Barium compounds	2,938,182	-	-
404.0580	Hydrocarbons, except derivatives, n.e.s.	2,287,037	-	-
486.2900	Insecticides, unmixd, n.e.s.	2,268,000	2,716,225	2,716,225
130.3465	Yellow corn, not donated for relief	2,094,488	74,873,383	226,078,974
678.3560	Parts of molding or forming machines, for rubber or plastic articles,	-	-	-
433.1035	Compound catalysts, n.e.s.	1,640,000	2,000	3,793
664.0584	Parts, n.e.s., of oil and gas field drilling machines	1,296,578	-	408,019
661.1288	Parts, refrigeration and air-conditioning compressors, other	1,021,076	66,806	470,399
674.3531	Sharpening machines	897,000	24,638	50,936
250.0281	Wood pulp, sulphate and soda, bleached, softwood	831,916	-	-
676.5560	Parts for automatic data processing machines and units, n.s.p.f.	776,000	-	1,903,419
130.3440	Corn seed, except sweet, not donated for relief	683,256	658,289	3,785,679
182.9752	Vegetable protein isolates	675,234	798,157	798,157
710.2820	Geophysical instruments and parts, electrical	587,812	-	1,017,064
446.1521	Neoprene rubber	542,392	52,828	376,934
	Total	542,080	-	1,040,247
	Total, U.S. exports to Romania	84,196,891	166,811,272	406,259,145
		91,122,920	191,525,720	503,889,756

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

Table B-10.--Leading items imported from Romania, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
475.2520	Gasoline-----	\$16,957,201	-
610.4220	Oil well casing, other than alloy steel, threaded or otherwise--	6,671,170	1,442,969
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80-----	4,095,814	1,361,282
610.4965	Pipes, tubes, and blanks, over 4.5 inches but not over 16 inches in diameter-----	2,962,034	-
130.3000	Seed corn or maize, certified-----	2,614,863	3,218,354
690.3560	Parts of cars, other-----	2,512,490	3,328,514
107.3525	Canned hams and shoulders, 3 pounds and over-----	2,482,111	4,179,333
727.3540	Furniture, of wood, n.s.p.f-----	2,158,676	2,080,917
383.3415	Women's cotton raincoats, n.e.s., 3/4 length or longer-----	1,805,607	-
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per pair-----	1,590,609	10,913
690.1500	Passenger, baggage, etc., railroad cars, not self-propelled-----	1,534,632	2,061,504
700.3515	Men's and boys' athletic footwear, of leather, n.e.s-----	1,422,793	565,472
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s-----	1,327,948	15,595,245
680.3932	Tapered roller bearings, cup and cone assemblies-----	1,069,573	252,174
379.9565	Men's suits, n.e.s., manmade fibers-----	1,065,520	-
660.9756	Reciprocating pumps, other, except parts-----	1,014,021	1,571,510
680.3712	Ball bearings, radial ball bearings, outside diameter over 30- mm but not over 52-mm-----	961,173	1,013,545
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	959,191	256,356
618.2565	Aluminum sheets and strip, not clad, wrought-----	951,447	270,224
700.3550	Men's footwear, of leather, n.e.s., cement soles-----	938,463	1,712,422
	Total 4/-----	55,095,336	38,920,734
	Total, U.S. imports from Romania-----	87,407,534	107,107,371

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 610.4920.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.1223.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.8452.

4/ Because of changes in the TSUSA trade classifications from 1981 to 1982, comparisons are not possible.

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

Table B-11.—Leading items exported to East Germany, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March		
		1982	1981	1981
130.3465	: Yellow corn, not donated for relief	\$83,065,925	\$76,387,405	\$184,175,370
184.5260	: Soybean oilcake and meal	27,537,098	37,499,500	58,405,000
130.6540	: Wheat, unmilled, not donated for relief	5,729,106	15,936,095	28,000,835
711.8710	: Chemical-analysis equipment and parts, electrical, n.s.p.f.	1,287,934	57,136	447,334
712.5040	: Testing apparatus for electrical instruments	481,185	-	4,149
480.4500	: Phosphates, crude, and apatite	453,945	-	-
207.0035	: Wooden pencil slats	286,653	-	-
818.9000	: General merchandise, valued not over \$500	185,567	336,082	694,205
724.4535	: Tape for video or video and audio recording	176,241	13,585	226,891
170.6500	: Cigarettes	126,490	-	-
676.5560	: Parts for automatic data processing machines and units, : n.s.p.f.	73,882	4,454	111,197
309.3255	: Grouped filaments and strips	55,192	-	156,464
433.1044	: Fuel oil additive preparations, n.s.p.f.	54,922	-	116,282
355.0740	: Paddings, waddings, and upholstery fillings, of manmade fibers, : other	54,162	618,323	1,125,544
709.0900	: Bougies, catheters, drains, and sondes	43,349	-	-
676.3026	: Electrostatic copying machines, direct process	41,612	-	-
438.1030	: Blood plasma, human	35,845	-	-
446.1561	: Synthetic rubber, not containing fillers, etc	31,208	-	121,458
423.1090	: Inorganic compounds, other	30,520	-	28,890
438.3100	: Vaccines, toxoids, and other antigens, for veterinary use	30,355	-	638
	: Total	119,781,191	130,852,580	273,614,257
	: Total, U.S. exports to East Germany	120,242,044	133,493,758	295,557,277

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

Table B-12.--Leading items imported from East Germany, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
480.5000	Potassium chloride, crude-----	\$2,262,329	\$823,200
480.3000	Urea, n.e.s-----	1,760,000	-
772.5109	Passenger car tires, radial-----	1,177,270	-
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type-----		
124.1025	Mink furskins, except "Japanese mink," undressed-----	864,706	2,336,563
678.5085	Combination machines containing tape players, other-----	794,120	98,523
494.2000	Montan wax-----	670,826	30,571
668.2345	Printing presses, not letter or offset-----	630,468	200,574
772.5112	Passenger car tires other than radial-----	602,286	10,075
121.5000	Pig and hog leather-----	488,378	-
546.6840	Tableware, kitchen ware, and cooking ware, valued over \$5 each--	458,911	511,200
668.5060	Parts of printing presses-----	385,461	210,672
546.2020	Tumblers, goblets, and other stemware-----	276,196	192,353
772.5138	Truck and bus tires, other than radial-----	262,453	8,904
546.6040	Tableware, etc., valued over \$0.30 but not over \$3-----	248,534	-
772.5136	Truck and bus tires, radial-----	206,094	180,051
534.1100	Ceramic statues, etc., valued over \$2.50 each-----	161,307	-
999.9500	Formal and informal entries, \$250 and under, estimated-----	144,364	208,391
708.7600	Compound optical microscopes, other-----	134,900	42,000
748.2100	Artificial flowers, etc., n.e.s-----	123,004	62,583
	Total 3/-----	114,580	119,319
	Total, U.S. imports from East Germany-----	11,766,187	5,034,979
		14,943,016	11,252,227
1/	Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 772.5115.		
2/	Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 772.5115.		

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

Table B-13.—Leading items exported to Poland, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March—	
		1982	1981
818.3100	Food products, n.s.p.f., donated for relief or charity by individuals or private agencies	\$7,450,688	\$83,139
818.3900	Products, n.e.s., donated for relief	4,449,102	228,302
818.3300	Medicine, etc., donated for relief	2,630,436	-
177.5640	Tallow, inedible	2,541,552	1,859,692
818.3400	Apparel, donated for relief	2,115,408	245,750
176.5260	Soybean oil, donated for relief or charity	2,061,904	-
182.9715	Corn-soya-milk blends, donated for relief or charity	2,056,255	-
120.1400	Cattle hides, whole	1,914,819	1,519,690
116.0100	Butter	1,726,379	-
182.9725	Wheat-soya-milk blends, donated for relief or charity	1,690,269	-
115.5700	Nonfat dry milk, containing not over 3 percent of butterfat, other	1,295,281	-
117.8600	Cheeses, except Cheddar and other American-type cheeses	937,852	-
792.1020	Unfilled gelatin capsules	828,535	-
115.5020	Nonfat dry milk, donated for relief or charity	590,218	-
678.5090	Concrete and bituminous pavers, finishers, and spreaders, parts	580,719	372,939
692.3820	Parts of tracklaying tractors, n.s.p.f.	534,744	2,469,161
131.4030	Wheat flour, n.e.s., donated for relief or charity	522,090	-
131.3010	Rice, donated for relief or charity	377,901	-
676.5560	Parts for automatic data processing machines and units, n.s.p.f.	358,133	154,606
178.1120	Vegetable salad and cooking oil, partially hydrogenated, donated for relief or charity	334,038	-
	Total	34,936,323	6,933,279
	Total, U.S. exports to Poland	38,997,473	304,739,786

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

Table B-14.--Leading items imported from Poland, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
110.4740	: Pollock blocks, frozen, over 10 pounds-----	\$5,777,167	\$1,245,703
862.1000	: Articles for exhibition, for encouragement of agriculture, art, etc-----	4,000,000	-
107.3525	: Canned hams and shoulders, 3 pounds and over-----	2,643,559	32,877,954
383.3415	: Women's cotton raincoats, n.e.s., 3/4 length or longer-----	1,916,969	-
192.2520	: Hops, not in pellets-----	1,264,580	-
379.8355	: Men's wool suits, not knit, not ornamented-----	1,232,121	-
660.9200	: Fuel injection pumps-----	842,306	489,688
336.6249	: Worsteds, valued over \$2 but not over \$9 per pound-----	838,603	-
335.9500	: Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	808,139	1,939,176
709.4500	: Artificial respiration appliances, including gas masks and similar respirators-----	728,879	2,614
674.3223	: Combination boring, drilling, and milling machines, other-----	674,686	351,020
700.3550	: Men's footwear, of leather, n.e.s., cement soles-----	482,898	2,465,167
674.3512	: Machine tools, metal-cutting, engine or toolroom-----	477,489	1,756,615
607.6615	: Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s-----	474,770	12,797,348
646.2622	: Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, uncoated-----	473,587	1,136,314
626.0200	: Zinc, not alloyed, unwrought-----	450,040	-
672.1620	: Sewing machines, other-----	448,684	1,660,390
411.8000	: Sulfathiazole and sodium sulfathiazole-----	360,420	129,324
680.3712	: Ball bearings, radial ball bearings, outside diameter over 30- mm but not over 52-mm-----	341,924	570,470
383.9035	: Women's raincoats, 3/4 length or longer, manmade fibers-----	327,432	-
	: Total 4/-----	24,564,253	57,421,783
	: Total, U.S. imports from Poland-----	36,092,568	103,251,633

- 1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.1223.
2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted items 380.6653 and 380.6654.
3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 336.6049.
4/ Because of changes in the TSUSA trade classifications from 1981 to 1982, comparisons are not possible.

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

Table B-15.—Leading items exported to Hungary, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March—	
		1982	1981
480.8005	Diammonium phosphate fertilizer	\$5,114,732	—
480.7050	Concentrated superphosphates	2,099,029	4,142,153
692.3840	Parts, n.e.s., of other tractors, n.s.p.f	1,534,464	1,015,991
120.1400	Cattle hides, whole	999,178	858,219
692.2926	Brake linings and disc brake pads for automobiles and trucks	794,457	6,576
692.1680	Special-purpose vehicles, nonmilitary, n.s.p.f	677,487	—
688.4060	Electrical articles and parts, n.s.p.f	539,698	132,549
540.4200	Glass rods, tubes, and tubing	480,875	773,172
123.0000	Sheep, etc., furskins, whole, undressed	471,275	—
310.0009	Textured yarns, of nylon, 1,000 and over	446,326	—
660.4872	Gasoline engines, not automobile or marine, under 6 brake horsepower	413,904	258,869
401.0500	Nitrogen-containing compounds including acridine, carbazole, collidines, indole, lutidines, picolines, and pyridine	335,364	—
712.5040	Testing apparatus for electrical instruments	324,098	5,105
692.2985	Parts, n.s.p.f., of motor-vehicle chassis, bodies, etc	316,638	733,177
792.1020	Unfilled gelatin capsules	282,133	—
182.9752	Vegetable protein isolates	207,988	60,358
345.1040	Knit fabrics, cotton, n.e.s	196,040	117,698
106.9200	Swine, livers	181,059	—
126.0900	Bluegrass seeds	178,567	154,026
676.5560	Parts for automatic data processing machines and units, n.s.p.f	177,743	87,785
	Total	15,771,055	8,345,678
	Total, U.S. exports to Hungary	21,629,952	24,027,502

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

Table B-16.--Leading items imported from Hungary, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
692.3288	Parts for motor vehicles, n.e.s.	\$4,227,287	\$7,935,876
692.3460	Parts for agricultural tractors	3,926,484	2,810,325
692.0440	Motor buses, other (including diesel)	3,418,080	1,344,215
107.3525	Canned hams and shoulders, 3 pounds and over	3,233,191	7,842,357
686.9030	Other lamps, including standard household	3,099,153	1,965,001
130.3000	Seed corn or maize, certified	2,276,030	1,263,264
678.3220	Machines for assembling electric filament and discharge lamps, n.e.s.	1,562,892	-
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair	1,345,786	1,313,060
700.4560	Women's footwear, of leather, n.e.s., valued over \$2.50 per pair	957,123	13,173
618.2565	Aluminum sheets and strip, not clad, wrought	765,158	-
161.7100	Paprika, ground or unground	620,607	585,701
674.3211	Boring, drilling, and milling machines, other	450,439	-
680.3717	Ball bearings over 52-mm but not over 100-mm	401,590	8,747
411.2400	Sulfamethazine	386,689	262,491
167.3020	Wine, not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	356,850	216,477
379.8355	Men's wool suits, not knit, not ornamented	342,280	-
676.0560	Typewriters, nonelectric, nonautomatic	341,524	359,135
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches	288,070	306,308
379.4640	Men's sportcoats and jackets, n.e.s., cotton	268,820	-
167.3040	Wine, not over 14 percent alcohol, valued over \$4 per gallon, in containers not over 1 gallon	259,215	353,373
	Total	28,527,268	26,579,503
	Total, U.S. imports from Hungary	36,175,124	35,527,497
			1,346,790
			86,905,529
			127,939,171

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted items 380.6653 and 380.6654.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.1265.

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

Table B-17.--Leading items exported to Czechoslovakia, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March		1981
		1982	1981	
184.5260	Soybean oilcake and meal	\$13,051,565	\$4,849,530	\$4,849,530
130.3465	Yellow corn, not donated for relief	10,332,847	27,164,911	40,782,124
175.4100	Soybeans, n.e.s.	2,809,794	-	-
120.1400	Cattle hides, whole	1,163,321	3,008,789	8,541,287
486.2900	Insecticides, unmixed, n.e.s.	699,426	186,990	573,165
670.1220	Textile machines, reeling or winding	689,840	585,259	1,960,661
381.1520	Men's and boys' denim slacks, of cotton, not knit	508,236	126,225	477,055
207.0035	Wooden pencil slats	380,339	406,567	1,402,152
660.4965	Gas turbines, for mechanical drives	249,469	-	-
124.1527	Muskrat furskins, whole, undressed	230,100	215,000	1,138,090
310.0026	Yarns of cellulosic fibers, other	215,413	209,982	597,552
711.8750	Chemical- or physical-analysis equipment and parts, electrical, n.s.p.f.	120,709	20,810	339,539
678.3514	Machines used for forming pneumatic tires, n.e.s.	116,100	-	-
818.9000	General merchandise, valued not over \$500	114,726	303,286	486,701
433.1035	Compound catalysts, n.e.s.	113,558	144,848	224,743
540.4200	Glass rods, tubes, and tubing	103,153	-	472,831
771.5200	Plastic or rubber films, strips, or sheets, n.e.s.	93,286	3,203	44,279
130.3440	Corn seed, except sweet, not donated for relief	89,265	83,342	86,987
712.1560	Radiation-measuring and radiation-detecting instruments, parts, n.s.p.f.	85,582	-	9,279
723.1590	Film, n.e.s.	80,000	-	-
	Total	31,246,729	37,308,742	61,985,975
	Total, U.S. exports to Czechoslovakia	32,530,487	42,358,480	82,419,872

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

Table B-18.--Leading items imported from Czechoslovakia, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
192.2520	Hops, not in pellets:		
610.3920	Oil well casing, other than alloy steel, not advanced	\$2,878,181	1,564,503
107.3525	Canned hams and shoulders, 3 pounds and over	2,507,424	1,157,200
700.2940	Welt work footwear, of leather, valued over \$6.80 per pair	1,144,895	1,019,648
700.3550	Men's footwear, of leather, n.e.s., cement soles	982,149	467,508
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing : over 4 ounces per square yard	758,405	257,273
336.6241	Woven fabrics of wool, not over 10 ounces per square yard	479,489	928,600
670.1600	Circular knitting machines for hosiery	454,531	7,311
700.3515	Men's and boys' athletic footwear, of leather, n.e.s.	369,391	185,846
674.3512	Machine tools, metal-cutting, engine or toolroom	348,857	288,413
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	342,383	858,727
401.7600	Xylenols	328,345	1,509,635
610.4220	Oil well casing, other than alloy steel, threaded or otherwise	327,679	-
186.1565	Downs, not meeting Federal standards	327,362	1,796,123
437.3000	Antibiotics, natural and not artificially mixed	308,561	423,772
670.7430	Parts of power-driven weaving machines	294,002	1,056,979
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per : pair	285,199	575,959
727.1500	Furniture and parts, of bentwood	242,636	1,393,852
741.3000	Beads, bugles, and spangles, n.e.s.	237,208	938,895
741.3500	Imitation gemstones, except imitation gemstone beads	236,388	774,859
	Total 3/	233,044	885,577
	Total, U.S. imports from Czechoslovakia	13,086,129	29,421,075
		18,054,996	67,232,118

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 192.2500.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 336.6041.

3/ Because of changes in the TSUSA trade classifications from 1981 to 1982, comparisons are not possible.

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

Table B-19.--Leading items exported to Bulgaria, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
184.5260	Soybean oilcake and meal	\$17,070,891	\$12,395,053	\$52,136,264
130.3465	Yellow corn, not donated for relief	13,958,847	43,123,171	127,714,564
415.4500	Sulfur, native elemental or recovered	1,228,605	1,774,511	1,774,511
250.0284	Wood pulp, special alpha and dissolving grades	779,048	575,719	575,719
792.1020	Unfilled gelatin capsules	475,975	-	-
250.0281	Wood pulp, sulphate and soda, bleached, softwood	361,885	-	524,061
170.3320	Flue-cured cigarette filler tobacco, stemmed	350,945	1,053,484	6,808,728
664.0533	Excavators, crawler mounted, hydraulic, new	288,935	-	-
668.0220	Machines for making rigid containers from pulp and paper products	273,703	-	-
664.0584	Parts, n.e.s., of oil and gas field drilling machines	264,989	22,732	31,945
678.4525	Tobacco processing machines, other, and parts thereof	258,000	-	-
712.5005	Electrical measuring apparatus for internal combustion engines	203,440	-	-
660.2400	Gas generators and parts	163,800	-	-
711.8710	Chemical-analysis equipment and parts, electrical, n.s.p.f.	128,687	4,694	669,670
678.3545	Machines used for molding or otherwise forming rubber or plastic articles, n.e.s.	117,542	-	37,000
712.5025	Frequency-testing apparatus, and parts	116,954	-	484,544
678.5002	Oil and gas field wire line and downhole equipment and parts thereof	113,481	-	-
687.6047	Microprocessors, n.e.s.	109,000	24,741	173,588
170.5100	Unmanufactured tobacco, n.s.p.f.	101,530	135,383	307,124
676.5560	Parts for automatic data processing machines and units, n.s.p.f.	66,689	18,759	313,160
	Total	36,432,946	59,128,247	191,550,878
	Total, U.S. exports to Bulgaria	37,302,536	73,585,189	258,103,949

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

Table B-20.--Leading items imported from Bulgaria, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	\$3,615,309	\$4,411,914
676.0530	Typewriters, nonelectric, nonautomatic, portable	922,583	565,965
452.6000	Rose oil or attar of roses	465,961	61,511
117.6700	Pecorino cheese, not for grating	456,680	363,698
167.3020	Wine, not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	304,175	138,789
674.3512	Machine tools, metal-cutting, engine or toolroom	168,183	389,201
439.1090	Natural drugs, n.e.s., crude	119,901	72,987
167.3040	Wine, not over 14 percent alcohol, valued over \$4 per gallon, in containers not over 1 gallon	33,863	-
161.5500	Mint leaves, crude or not manufactured	22,571	-
999.9500	Formal and informal entries, \$250 and under, estimated	20,000	-
161.7100	Paprika, ground or unground	19,035	69,291
674.3227	Machine tools for drilling, other, valued under \$2,500 each	15,600	1,629
687.8700	Transistors and other electronic crystal components, n.e.s.	14,195	1/
437.3250	Antibiotics, other	10,100	-
632.4300	Silicon, over 99.7 percent silicon	8,000	-
412.2200	Analgesics, other	7,062	11,292
724.1045	Motion-picture film, n.e.s., positive release prints	4,750	-
725.0400	Stringed musical instruments, including violins, violas, violoncellas, and double basses	3,350	-
664.1044	Hoists	3,149	8,238
851.1000	Photographic films, etc., for public institutions, etc	3,000	10,053
	Total	6,217,467	6,074,985
	Total, U.S. imports from Bulgaria	6,222,403	6,620,358

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 687.8600.

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

Table B-21.--Leading items exported to Vietnam, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
818.3900	Products, n.e.s., donated for relief	\$4,659,916	\$1,320	\$7,235,727
818.9000	General merchandise, valued not over \$500	1,175,599	1,622	1,484,765
818.3300	Medicine, etc., donated for relief	26,564	-	272,836
818.3400	Apparel, donated for relief	18,400	-	551,962
256.7190	Paper and paperboard, cut to size or shape; and other articles of pulp, papier-mache, paper, or paperboard, n.s.p.f.	15,200	-	5,880
547.6020	Laboratory glassware, whether or not graduated or calibrated	1,505	-	-
709.1200	Blood pressure apparatus, and parts thereof	702	-	-
	Total	5,897,886	2,942	9,551,170
	Total, U.S. exports to Vietnam	5,897,886	2,942	10,134,825

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

Table B-22.--Leading items imported from Vietnam, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--		1981
		1982	1981	
653.2200	Metal coins, n.e.s.	-	\$2,665	\$2,665
	Total	-	2,665	2,665
	Total, U.S. imports from Vietnam	-	85,428	96,101

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

Table B-23.--Leading items exported to Mongolia, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March--		
		1982	1981	1981
660.9470	Turbine pumps	\$28,900	-	-
818.3900	Products, n.e.s., donated for relief	9,059	1,388	7,413
547.6020	Laboratory glassware, whether or not graduated or calibrated	3,870	-	11,501
709.3000	Medical, dental, surgical, and veterinary instruments, n.s.p.f.	2,039	-	-
711.8750	Chemical- or physical-analysis equipment and parts,			
	electrical, n.s.p.f.	578	-	949
	Total	44,446	1,388	19,863
	Total, U.S. exports to Mongolia	44,446	14,883	74,742

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

Table B-24.--Leading items imported from Mongolia, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No. :	Description :	January-March-- :	
		1982 :	1981 :
306.6200 :	Cashmere goat hair, sorted, etc----- :	\$546,124 :	\$209,077 :
306.4192 :	Camel hair, not sorted, etc----- :	357,655 :	- :
306.4293 :	Camel hair, sorted, etc----- :	355,199 :	997,561 :
306.6100 :	Cashmere goat hair, not sorted, etc----- :	287,167 :	- :
:	Total----- :	1,546,145 :	1,206,638 :
:	Total, U.S. imports from Mongolia----- :	1,546,145 :	1,206,638 :
:	:	:	:

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

Table B-25. Leading items exported to Albania, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March	
		1982	1981
309.3270	Grouped filaments and strips, n.e.s.	\$227,552	\$443,823
661.3510	Household refrigerators and refrigerator-freezers, under 13.5 cubic feet	625	1,005
684.3035	Cooking stoves and ranges, and parts, household, not microwave	520	-
	Total	228,697	444,828
	Total, U.S. exports to Albania	228,697	6,137,384

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

Table B-26.--Leading items imported from Albania, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
161.9400	Sage, unground--	\$456,166	\$798,210
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide--	289,432	167,330
439.1090	Natural drugs, n.e.s., crude--	16,737	60,588
654.0525	Cooking and kitchen ware, of copper, not brass--	3,435	-
653.2200	Metal coins, n.e.s--	2,792	-
709.6120	X-ray tubes--	1,995	-
146.6600	Dried berries--	1,751	-
654.0535	Articles n.s.p.f. of aluminum, not enameled or glazed, not containing non-stick interior finish--	576	-
	Total--	772,884	1,026,128
	Total, U.S. imports from Albania--	772,884	1,107,617
			\$2,608,025
			958,451
			85,805
			11,700
			-
			-
			-
			3,663,981
			3,985,079

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

Table B-27.--Leading items exported to Cuba, by Schedule B Nos., January-March 1982, January-March 1981, and 1981

Schedule B No.	Description	January-March	
		1982	1981
818.3300	Medicine, etc., donated for relief		
818.3900	Products, n.e.s., donated for relief	\$165,520	
442.7900	Vitamin, nutrient and hematonic preparations, for human use, n.e.	3,375	
	Total	2,000	
	Total, U.S. exports to Cuba	170,895	
		170,895	14,817
			195,022
			558,182

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

Table B-28.--Leading items imported from Cuba, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--	
		1982	1981
270.2580	Books, n.s.p.f., by foreign authors		1981
	Total		
	Total, U.S. imports from Cuba		
Source: Compiled from official statistics of the U.S. Department of Commerce.			
			\$315
		2,372	315
			36,187

Table B-29.--Leading items exported to North Korea, by Schedule B Nos., January-March 1982, January-March 1981, and 1981 1/

Schedule B No.	Description	January-March--		
		1982	1981	1981
	Total, U.S. exports to North Korea-----	-	-	-
1/ There were no exports to North Korea in 1981 or January-March 1982.				

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

Table B-30.--Leading items imported from North Korea, by TSUSA items, January-March 1982, January-March 1981, and 1981

TSUSA item No.	Description	January-March--		1981
		1982	1981	
111.1800	Dried fish, whether or not whole, not in airtight containers---	\$7,879	-	-
	Total-----	7,879	-	-
	Total, U.S. imports from North Korea-----	7,879	9,724	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
CPE	Centrally planned economy
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
NEM	New Economic Mechanism of Hungary
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
QGL	Qualified General License
SCE	State-controlled economy
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.

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