

**33d QUARTERLY REPORT TO THE CONGRESS
AND THE TRADE POLICY COMMITTEE
ON TRADE BETWEEN THE
UNITED STATES AND THE
NONMARKET ECONOMY
COUNTRIES DURING
1982**

USITC PUBLICATION 1368

APRIL 1983



UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Alfred E. Eckes, Chairman

Paula Stern

Veronica A. Haggart

Kenneth R. Mason, Secretary to the Commission

Report principally prepared by:

Office of Economics

Martin F. Smith
Chief, Trade Reports Division

Magdolna Kornis
Janet Whisler
James Wojtasiewicz

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

C O N T E N T S

	<u>Page</u>
Introduction-----	1
Summary-----	3
Trade in 1982 between the United States and the nonmarket economy	
countries-----	5
U.S. exports to the NME's-----	5
Food and live animals-----	9
Crude materials-----	13
Chemicals-----	14
Manufactures classified by chief material-----	15
Other export developments-----	16
U.S. imports from the NME's-----	19
Crude materials-----	24
Mineral fuels-----	24
Manufactures classified by chief material-----	25
Machinery and transportation equipment-----	26
Miscellaneous manufactured articles-----	26
Other import developments-----	27
China:	
Introduction-----	31
Economic developments:	
Domestic economy-----	33
Foreign trade-----	34
Developments affecting commercial relations with the	
United States-----	35
Review of most-favored-nation status-----	35
Eximbank financing-----	36
Lifting of U.S. embargo on furskins from China-----	37
U.S. export controls-----	38
Negotiations on a new textile agreement-----	39
Meeting of United States-China Joint Economic Committee-----	41
U.S. International Trade Commission actions on imports	
from China-----	42
Developments in Chinese trade relations with third	
countries-----	44
Grain agreements-----	44
Textile agreement with EC-----	44
U.S. exports-----	45
Grains-----	45
Cotton and soybeans-----	46
Manmade fibers-----	47
Softwood logs-----	48
Wood pulp-----	48
Plastics resins-----	49
Yarns and fabrics-----	49
U.S. imports-----	50
Petroleum and petroleum products-----	50
Apparel of textile materials-----	51
Other imports-----	51

CONTENTS

	<u>Page</u>
U.S.S.R:	
Introduction-----	53
Economic Developments:	
U.S. assessments-----	53
Soviet statements and data-----	56
Developments affecting commercial relations with the	
United States-----	57
U.S. restrictions on exports of oil and gas equipment and	
technology-----	58
East-West policy coordination-----	59
Long-term U.S.-U.S.S.R. grain agreement-----	60
Meeting of the U.S.-U.S.S.R. Trade and Economic Council-----	60
Economic Relations with Third Countries:	
Dependence on trade-----	61
Foreign trade and debt-----	62
U.S. exports-----	63
Food and live animals-----	64
Chemicals-----	66
Machinery and transport equipment-----	67
Crude materials-----	68
Animal and vegetable oils and fats-----	70
Miscellaneous manufactures-----	70
Mineral fuels and lubricants-----	70
Other exports-----	71
U.S. imports-----	71
Chemicals-----	72
Manufactured goods classified by chief material-----	73
Mineral fuels, lubricants-----	74
Other imports-----	74
Eastern Europe:	
Introduction-----	75
Developments affecting commercial relations with the	
United States-----	75
Suspension of Poland's most-favored-nation status-----	75
U.S. sanctions against Poland-----	77
Rescheduling of Poland's 1982 hard-currency debt-----	79
Continuation of MFN treatment for Romania and Hungary-----	81
Rescheduling of Romania's 1981-82 hard-currency debt-----	82
New education tax on emigrants from Romania-----	83
Hungarian liquidity crisis, new credits, import	
restrictions-----	83
U.S. International Trade Commission actions affecting	
Eastern European NME's-----	84
Hot-rolled carbon steel plate from Romania-----	84
Montan wax from East Germany-----	85
U.S. exports-----	86
U.S. imports-----	88

CONTENTS

	<u>Page</u>
Appendix A. Major items in U.S. trade with nonmarket economy countries-----	91
Appendix B. Leading U.S. imports and exports in trade with the nonmarket economy countries-----	109
Glossary-----	141
Index-----	143

Figures

1. U.S. trade with the nonmarket economy countries, 1973-82,-----	7
2. U.S. exports to the nonmarket economy countries (NME's), China, and then U.S.S.R., by quarters, 1979-82-----	10
3. Relative shares of U.S. exports to the nonmarket economy countries, 1981 and 1982-----	11
4. Relative shares of U.S. imports from the nonmarket economy countries, 1981 and 1982-----	21
5. U.S. imports from the nonmarket economy countries (NME's), China and the U.S.S.R., by quarters, 1979-82-----	22

Tables

1. U.S. trade with the world and with the nonmarket economy countries (NME's), 1980-82, October-December 1981, and October-December 1982-----	6
2. U.S. exports to the individual nonmarket economy countries and to the world, 1980-82, October-December 1981, and October-December 1982-----	8
3. U.S. exports to the world and to the nonmarket economy countries (NME's), by SITC Sections, 1981 and 1982-----	12
4. 20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B numbers, 1981 and 1982--	17
5. 20 U.S. export items for which the nonmarket countries (NME's) collectively accounted for the largest market share in 1982, by Schedule B numbers, 1981 and 1982-----	18
6. U.S. imports from the individual nonmarket economy countries and from the world, 1980-82, October-December 1981, and October-December 1982-----	20
7. U.S. imports from the world and from the nonmarket economy countries (NME's), by SITC Sections, 1981 and 1982-----	23
8. 20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA numbers, 1981 and 1982-----	28
9. 20 U.S. import items for which the nonmarket countries (NME's) collectively accounted for the largest market share in 1982, by TSUSA items, 1981 and 1982-----	29
10. U.S. Trade with China, by SITC Sections, 1980-82-----	32
11. U.S. trade with the U.S.S.R., by SITC Sections, 1980-82-----	54
12. U.S. trade with Eastern Europe, by SITC Sections, 1980-82-----	76

CONTENTS

	<u>Page</u>
A-1. Agricultural items: U.S. exports to the individual nonmarket economy countries and to the world, 1980-82, October-December 1981, and October-December 1982-----	92
A-2. U.S. exports to the nonmarket economy countries, by SITC Sections, October-December 1982-----	93
A-3. Agricultural items: U.S. imports from the individual nonmarket economy countries and from the world, 1980-82, October-December 1981, and October-December 1982-----	94
A-4. U.S. imports from the nonmarket economy countries, by SITC Sections, October-December 1982-----	95
A-5. U.S. trade with all nonmarket economy countries, by SITC Sections, 1980-82-----	96
A-6. U.S. trade with Albania, by SITC Sections, 1980-82-----	97
A-7. U.S. trade with Bulgaria, by SITC Sections, 1980-82-----	98
A-8. U.S. trade with Cuba, by SITC Sections, 1980-82-----	99
A-9. U.S. trade with Czechoslovakia, by SITC Sections, 1980-82-----	100
A-10. U.S. trade with East Germany, by SITC Sections, 1980-82-----	101
A-11. U.S. trade with Hungary, by SITC Sections, 1980-82-----	102
A-12. U.S. trade with Mongolia, by SITC Sections, 1980-82-----	103
A-13. U.S. trade with North Korea, by SITC Sections, 1980-82-----	104
A-14. U.S. trade with Poland, by SITC Sections, 1980-82-----	105
A-15. U.S. trade with Romania, by SITC Sections, 1980-82-----	106
A-16. U.S. trade with Vietnam, by SITC Sections, 1980-82-----	107
 B-1. Leading items exported to the nonmarket economy countries (NME's), Schedule B Nos., 1982, 1981, and October-December 1982-----	 108
B-2. Leading items imported from the nonmarket economy countries (NME's), by TSUSA items, 1982, 1981, and October-December 1982--	109
B-3. Leading items exported to Eastern Europe, by Schedule B Nos., 1982, 1981, and October-December 1982-----	110
B-4. Leading items imported from Eastern Europe, by TSUSA items, 1982, 1981, and October-December 1982-----	111
B-5. Leading items exported to Albania, by Schedule B Nos., 1982, 1981, and October-December 1982-----	112
B-6. Leading items imported from Albania, by TSUSA items, 1982, 1981, and October-December 1982-----	113
B-7. Leading items exported to Bulgaria, by Schedule B Nos., 1982, 1981, and October-December 1982-----	114
B-8. Leading items imported from Bulgaria, by TSUSA items, 1982, 1981, and October-December 1982-----	115
B-9. Leading items exported to China, by Schedule B Nos., 1982, 1981, and October-December 1982-----	116
B-10. Leading items imported from China, by TSUSA items, 1982, 1981, and October-December 1982-----	117
B-11. Leading items exported to Cuba, by Schedule B Nos., 1982, 1981, and October-December 1982-----	118
B-12. Leading items imported from Cuba, by TSUSA items, 1982, 1981, and October-December 1982-----	119
B-13. Leading items exported to Czechoslovakia, by Schedule B Nos., 1982, 1981, and October-December 1982-----	120

CONTENTS

	<u>Page</u>
B-14. Leading items imported from Czechoslovakia, by TSUSA items, 1982, 1981, and October-December 1982-----	121
B-15. Leading items exported to East Germany, by Schedule B Nos., 1982, 1981, and October-December 1982-----	122
B-16. Leading items imported from East Germany, by TSUSA items, 1982, 1981, and October-December 1982-----	123
B-17. Leading items exported to Hungary, by Schedule B Nos., 1982, 1981, and October-December 1982-----	124
B-18. Leading items imported from Hungary, by TSUSA items, 1982, 1981, and October-December 1982-----	125
B-19. Leading items exported to Mongolia, by Schedule B Nos., 1982, 1981, and October-December 1982-----	126
B-20. Leading items imported from Mongolia, by TSUSA items, 1982, 1981, and October-December 1982-----	127
B-21. Leading items exported to North Korea, by Schedule B Nos., 1982, 1981, and October-December 1982-----	128
B-22. Leading items imported from North Korea, by TSUSA items, 1982, 1981, and October-December 1982-----	129
B-23. Leading items exported to Poland, by Schedule B Nos., 1982, 1981, and October-December 1982-----	130
B-24. Leading items imported from Poland, by TSUSA items, 1982, 1981, and October-December 1982-----	131
B-25. Leading items exported to Romania, by Schedule B Nos., 1982, 1981, and October-December 1982-----	132
B-26. Leading items imported from Romania, by TSUSA items, 1982, 1981, and October-December 1982-----	133
B-27. Leading items exported to the U.S.S.R., by Schedule B Nos., 1982, 1981, and October-December 1982-----	134
B-28. Leading items imported from the U.S.S.R., by TSUS items, 1982, 1981, and October-December 1982-----	135
B-29. Leading items exported to Vietnam, by Schedule B Nos., 1982, 1981, and October-December 1982-----	136
B-30. Leading items imported from Vietnam, by TSUSA items, 1982, 1981, and October-December 1982-----	137

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.

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, Poland, 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. At the suggestion of the United States Trade Representative and after consultation with the appropriate congressional committees, the Commission decided that Yugoslavia would no longer be included in the countries covered by this report. This decision was effective with the 27th report. (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.) In the opinion of many analysts, Yugoslavia is not appropriately classified as an NME. Also, it is not a member of the Warsaw Pact or the Council for Mutual Economic Assistance (CMEA). Yugoslavia has special status with the Organization for Economic Cooperation and Development and is a leader in the movement of nonaligned countries.

At the present time, Romania, Hungary, and China receive most-favored-nation (MFN) tariff treatment from the United States. Poland's MFN status was indefinitely suspended by the President in October 1982. 1/ Most other NME's have never 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 2/ 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 the year 1982 and examines U.S. exports, imports, and the balance of trade with these countries, as well as the commodity composition of this trade. This report also contains a summary for each major nonmarket economy--China, the Soviet Union, and Eastern Europe--of economic and other developments affecting U.S. trade and commercial relations with these countries, and a brief review of developments in U.S. trade with each of them. A glossary and a cumulative subject index are also included.

1/ Presidential Proclamation No. 4991, Oct. 27, 1982.

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

SUMMARY

U.S. trade with the nonmarket economy countries (NME's) fell by 12.6 percent in 1982, to \$9.8 billion. U.S. exports accounted for most of the decline, with the result that the positive trade balance that the United States has traditionally enjoyed with the NME's shrank from \$4.5 billion in 1981 to just \$3.3 billion last year.

China continued to dominate trends in U.S.-NME trade. It accounted for 44 percent of all U.S. exports to these countries in 1982, and 68 percent of all imports from them. China was the only major NME supplier that increased its shipments to the United States last year, with petroleum and apparel accounting for the growth. The Soviet Union was the only major NME country to which U.S. exports were higher last year. Stepped-up sales of soybeans and superphosphoric acid were responsible for the rise, as the effects of the post-Afghanistan embargo wore off. U.S. exports to Eastern Europe tumbled by almost one-half. A combination of political and economic factors led to disruptions in the region's system of production, trade and finance, which put severe pressure on most countries in that area to conserve hard-currency reserves.

Commercial relations between the United States and China became more strained in some areas in 1982. From the perspective of U.S. exports, the problems centered on the conditions under which U.S. business must operate in China. Also, China continued to be dissatisfied with U.S. controls on exports to that country, particularly as they restrict the availability of nuclear-related products and technology. The main issue in U.S. imports from China last year was the heightening conflict between the two countries over the system of quotas on the entry into the U.S. market of very competitive Chinese textiles and apparel. As of December 31, 1982, when the bilateral agreement governing this trade expired, little progress had been made toward reaching a new accord.

Cool economic relations prevailed throughout 1982 between the United States and the Soviet Union. The United States remained unsuccessful in dissuading its allies from assisting the U.S.S.R. in the construction of the Siberian-European natural gas pipeline. However, other East-West economic policy proposals of the United States met with some success when the parties to the Organization of Economic Cooperation and Development Export Credit Arrangement on Export Credits agreed to raise the minimum interest rate for official credits to the U.S.S.R. While no new long-term U.S.-U.S.S.R. grain supply agreement was concluded in 1982, the United States did agree to a second one-year extension of the original agreement that permits very high levels of grain sales to the Soviet Union through September 1983. Another notable event in commercial relations during the year was the meeting of the U.S.-U.S.S.R. Trade and Economic Council in Moscow--the first such meeting held in 4 years.

The suspension of Poland's long-held MFN status was the most significant development in U.S. commercial relations with Eastern European countries in 1982. At the same time, the United States extended MFN tariff treatment to Hungary and Romania for another year.

During the year, the U.S. International Trade Commission instituted 3 investigations of imports from NME's possibly disrupting the U.S. market. One market disruption case involved imports from East Germany, and 2 involved imports from China. In addition, the U.S. International Trade Commission and the Department of Commerce conducted 4 investigations under U.S. antidumping statutes that involved products from NME's. Imports from China were subject of three and imports from Romania of one of these cases.

TRADE IN 1982 BETWEEN THE UNITED STATES
AND THE NONMARKET ECONOMY COUNTRIES

The value of total two-way trade between the United States and the NME's dropped by 12.6 percent from 1981 to 1982 (table 1). At \$9.8 billion, U.S.-NME trade was at its lowest level since 1979. Though both imports and exports declined, a 16.7-percent slide in U.S. shipments to the NME's was the main feature of this trade during 1982. The fall in exports--from \$7.9 billion in 1981 to \$6.5 billion in 1982--was the first year-to-year decline since 1977 (fig. 1). For imports from the NME's, the 3.1-percent drop to \$3.3 billion in 1982 was the first since 1975.

The sharp decline in U.S. exports led to a 27-percent shrinkage of the U.S. merchandise trade surplus with the NME's, from \$4.5 billion in 1981 to \$3.3 billion in 1982. ^{1/} Even so, U.S. trade with the NME's remained very one-sided: for every 1 dollar's worth of goods imported from the NME's, the United States shipped them 2 dollars' worth. Almost nine-tenths of the reduction in the U.S. merchandise trade surplus with the NME's between 1981 and 1982 was attributable to a continuing narrowing of the bilateral surplus with China. This surplus peaked in 1980 at \$2.7 billion, but has since been cut by 75 percent. Since that year, exports to China have fallen, but the rapid growth in U.S. imports has continued.

The value of all U.S. merchandise export and import transactions with the world also declined between 1981 and 1982, but by less than the drop in U.S.-NME trade. As a result, the relative importance of the NME's as trading partners declined slightly; they accounted for only 2.18 percent of total U.S. goods trade in 1982, down from 2.30 percent in 1981. The share of the NME's in total U.S. exports dropped to 3.16 from 3.43 percent in 1981; the NME share in the U.S. import market rose slightly--from 1.31 to 1.35 percent--as imports from NME sources fell less rapidly than did total U.S. imports from the world.

U.S. Exports to the NME's

U.S. exports to the NME's declined by \$1.3 billion from 1981 to 1982, but there were considerable differences in export performance from market to market. China remained the leading NME market for U.S. exports, but the value of shipments declined for the second year in a row (table 2). The year-to-year fall of \$694 million accounted for just over half of the total decline in the dollar value of U.S. exports to all NME's.

Poland and Romania--both of which faced debt crises during the year--were the other major factors in the overall weakening trend. Exports to these two largest Eastern European markets for U.S. exports were off by over one-half from 1981. For the six Eastern European CMEA member countries ^{2/} combined, U.S. exports declined by 57 percent from 1980 to 1982, as credit problems,

^{1/} The overall U.S. merchandise trade balance was in deficit by \$35 billion in 1982.

^{2/} Poland, Romania, East Germany, Hungary, Czechoslovakia, and Bulgaria. Albania is not a member of the CMEA.

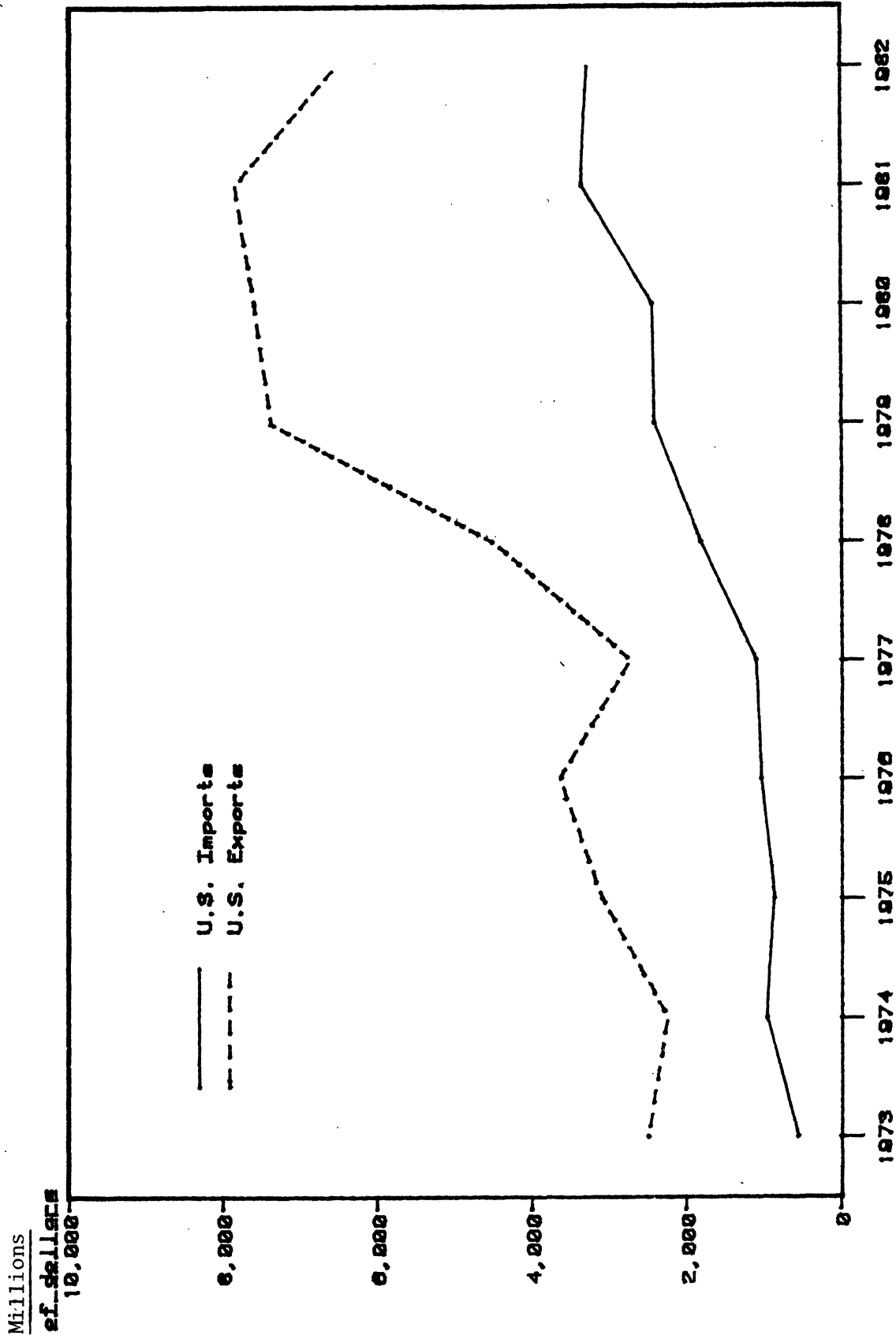
Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's),
1980-82, October-December 1981, and October-December 1982

Item	1980	1981	1982	October-December--	
				1981	1982
U.S. world trade:					
Exports-----million dollars---	216,592	228,870	207,158	56,743	48,496
Imports-----do-----	239,943	259,012	242,340	65,202	58,708
Balance-----do-----	-23,351	-30,142	-35,182	-8,459	-10,212
Trade turnover (exports plus imports) million dollars---	456,536	487,881	449,498	121,945	107,203
U.S. trade with NME's:					
Exports-----million dollars---	7,600	7,852	6,540	2,101	1,133
Imports-----do-----	2,440	3,380	3,276	799	745
Balance-----do-----	5,160	4,472	3,263	1,302	388
Trade turnover (exports plus imports) million dollars---	10,040	11,232	9,816	2,899	1,877
Share of total U.S. trade accounted for by trade with NME's:					
Exports-----percent---	3.51	3.43	3.16	3.70	2.34
Imports-----do-----	1.02	1.31	1.35	1.23	1.27

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 Census-basis imports for consumption at customs value. Exports are domestic exports only, including Defense Department military assistance shipments, and are valued on an f.a.s. basis.

Figure 1.--U.S. trade with the nonmarket economy countries, 1973-82.



Source: Based on official statistics of the U.S. Department of Commerce.

Table 2.--U.S. exports to the individual nonmarket economy countries and to the world,
1980-82, October-December 1981, and October-December 1982

(In thousands of dollars)						
Market	1980	1981	1982	October-December--		
				1981	1982	
Albania-----	6,891	6,137	16,400	4,895	6,143	
Bulgaria-----	160,701	258,104	106,453	57,512	8,769	
China-----	3,748,993	3,598,601	2,904,535	921,813	516,231	
Cuba-----	119	558	951	148	122	
Czechoslovakia-----	185,145	82,420	83,598	23,332	9,977	
East Germany-----	477,389	295,557	222,657	59,124	41,063	
Hungary-----	79,020	77,511	67,842	19,726	17,374	
Mongolia-----	64	75	344	13	4	
North Korea-----	-	-	100	-	-	
Poland-----	710,446	680,547	292,606	92,662	104,814	
Romania-----	720,231	503,890	223,231	37,032	30,120	
U.S.S.R-----	1,509,747	2,338,818	2,588,975	878,534	388,261	
Vietnam-----	1,148	10,135	31,995	5,767	9,825	
Total-----	7,599,895	7,852,353	6,539,686	2,100,557	1,132,704	
Total, U.S. exports to the world-----	216,592,219	228,869,586	207,157,641	56,743,497	48,495,886	

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

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

deteriorating terms of trade with the U.S.S.R., and stagnation of their internal economies and export markets squeezed these countries' ability to import from the West. 1/

In contrast, exports to the Soviet Union were up a modest 11 percent in 1982, mostly on the strength of a postembargo surge of agricultural shipments in the first quarter of the year. However, figure 2 shows that sales to the U.S.S.R. have fallen back sharply since then.

As a result of these divergent trends, the relative shares of the individual markets in total U.S. exports to the NME's changed somewhat from 1981. Figure 3 shows that the main shifts were a rise of nearly 10 percentage points in the Soviet share, offset by declines of 3 points in Romania's share and of more than 4 points in Poland's.

The product composition of U.S. exports to the NME's did not change greatly from 1981 to 1982. As in past years, food remained much more important in exports to the NME's than in total U.S. exports, with this being offset by a much lower share of manufactured goods other than chemicals in exports to the NME's than in total exports to the world (table 3). Within the overall downward trend of U.S. exports to the NME's in 1982, the main shifts that did occur in the kinds of products exported were: (1) a decline of 3.5 percentage points in the large share of food and live animals; (2) smaller declines in the shares of crude materials and of manufactures classified by chief material; and (3) a relatively great increase in the share of chemicals.

Food and live animals

In the case of food and live animals (products classified in SITC sec. 0), the drop in the share of total exports to NME markets accounted for by these products corresponded to a 22-percent decline in value between 1981 and 1982. The fall in the relative importance of these products was most pronounced in Eastern Europe, where food and live animals exports accounted for 72 percent of total U.S. exports in 1981, but only 48 percent in 1982. The share of SITC section 0 products actually rose in exports to China, from 37 to 43 percent; it declined for the U.S.S.R. to 63 percent in 1982 from 68 percent in 1981.

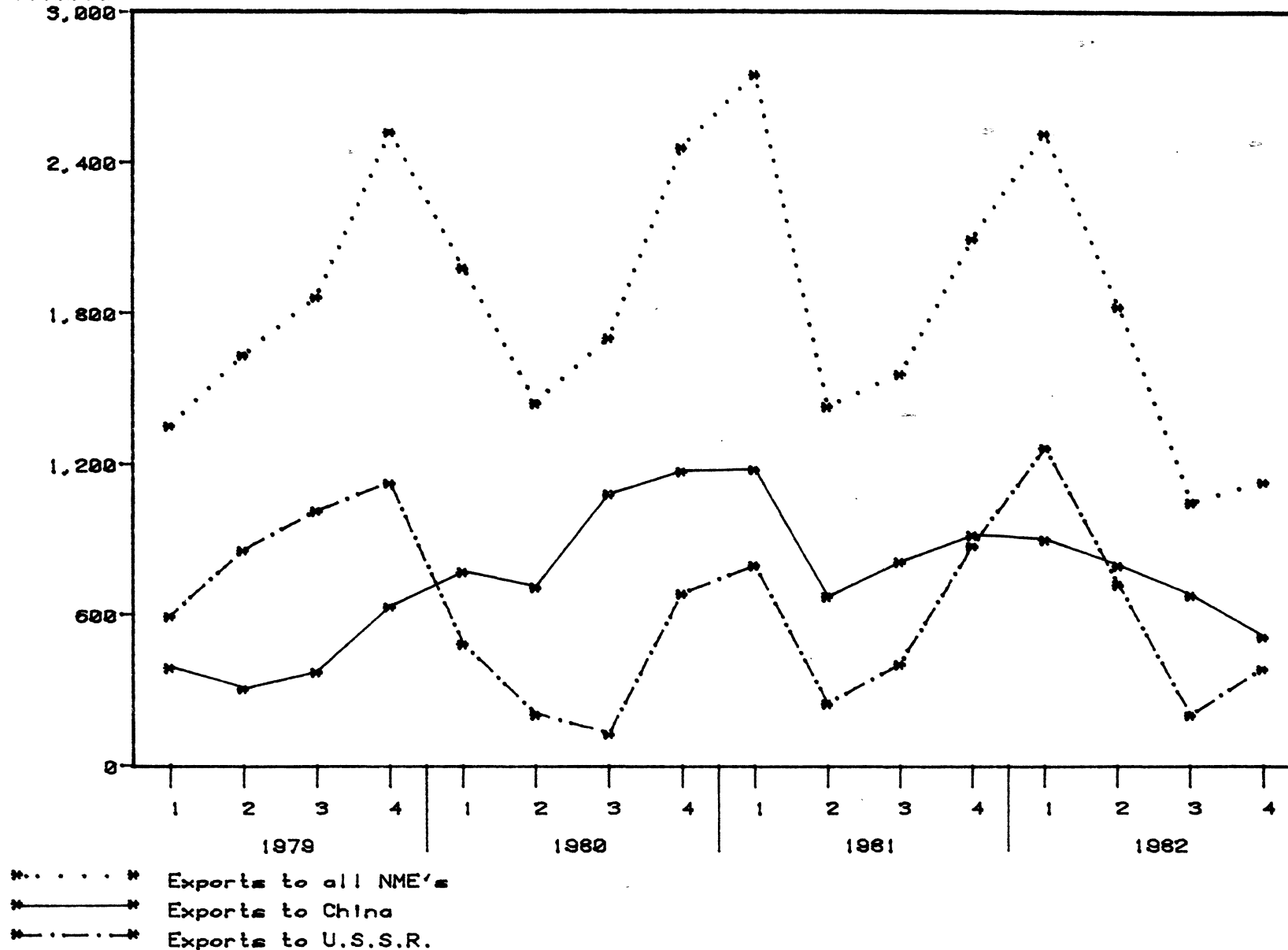
Three specific products accounted for almost all of the \$951 million drop in food and live animals exports to all NME's in 1982: yellow corn (Schedule B No. 130.3465); soybean oil cake and oil-cake meal (Schedule B No. 184.5260); and unmilled wheat (Schedule B No. 130.6540). Appendix table B-1 shows that exports of these items dropped by a combined total of \$878 million between 1981 and 1982.

A collapse in yellow corn shipments to Eastern Europe--especially to Poland, Romania, and Bulgaria--far outweighed increases in other markets. U.S. exports to Eastern Europe fell from \$914 million in 1981 to \$297 million last year. Yellow corn exports to China actually tripled to \$189 million in 1982, and exports to the U.S.S.R. rose moderately, to \$819 million.

1/ Wharton Econometric Forecasting Associates (WEFA), Centrally Planned Economies Outlook, September 1982, pp. 2-3.

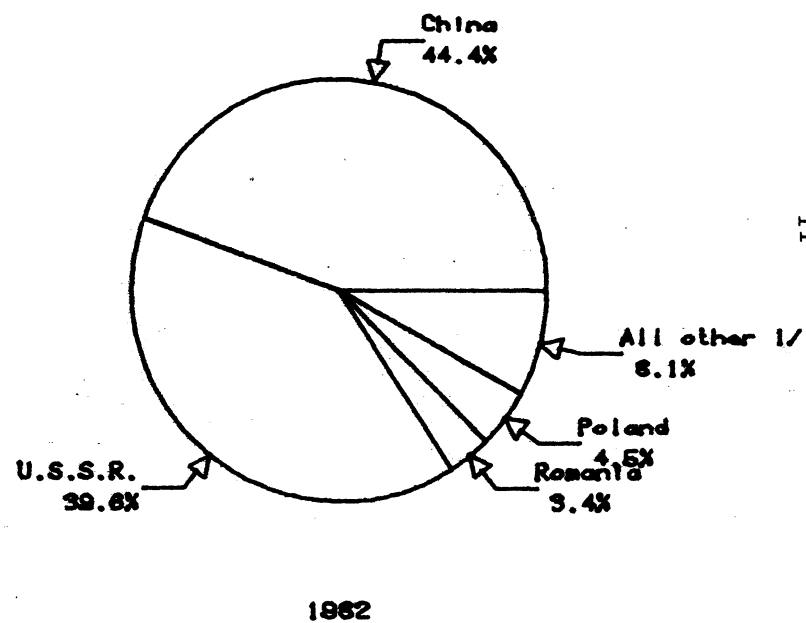
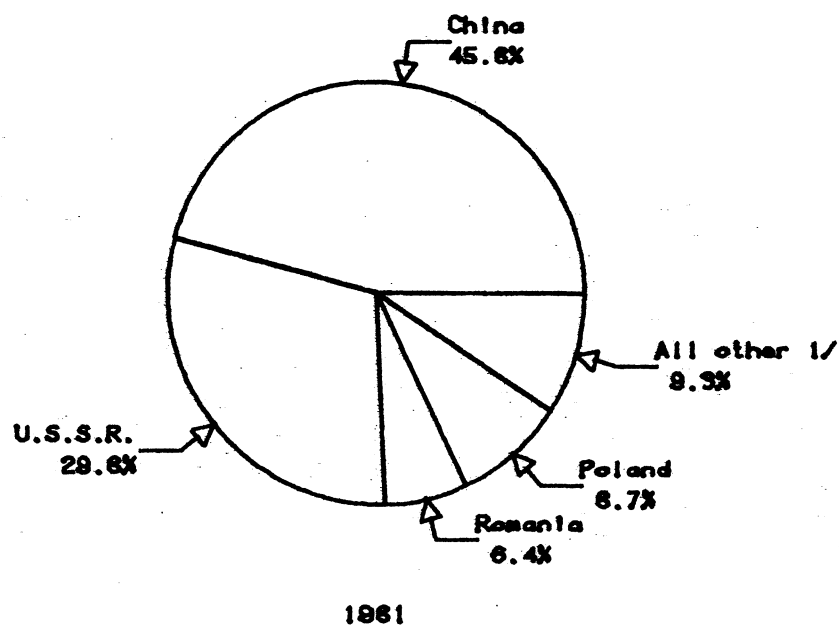
Figure 2.--U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1979-82.

million
dollars



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

Figure 3.--Relative shares of U.S. exports to the nonmarket economy countries, 1981 and 1982.



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

Source: Based on data in table.

Table 3.--U.S. exports to the world and to the nonmarket economy countries (NME's), 1/
by SITC Sections, 1981 and 1982

SITC Section	Total exports		Exports to the NME's	
	1981	1982	1981	1982
	Value (million dollars)			
0. Food and live animals	30,178	23,830	4,306	3,355
1. Beverages and tobacco	2,915	3,026	28	15
2. Crude materials--inedible, except fuel	20,920	19,193	1,339	1,009
3. Mineral fuels, lubricants, etc	10,293	12,743	113	126
4. Oils and fats--animal and vegetable	1,774	1,569	92	64
5. Chemicals	22,969	21,949	668	866
6. Manufactured goods classified by chief material	21,016	17,117	510	324
7. Machinery and transportation equipment	94,035	85,236	631	550
8. Miscellaneous manufactured articles	16,367	15,609	145	173
9. Commodities and transactions not elsewhere classified	8,402	6,885	20	58
Total	228,370	207,158	7,852	6,540
	Percent of total			
0. Food and live animals	13.2	11.5	54.8	51.3
1. Beverages and tobacco	1.3	1.5	.4	.2
2. Crude materials--inedible, except fuel	9.1	9.3	17.1	15.4
3. Mineral fuels, lubricants, etc	4.5	6.2	1.4	1.9
4. Oils and fats--animal and vegetable	.8	.8	1.2	1.0
5. Chemicals	10.0	10.6	8.5	13.2
6. Manufactured goods classified by chief material	9.2	8.3	6.5	5.0
7. Machinery and transportation equipment	41.1	41.1	8.0	8.4
8. Miscellaneous manufactured articles	7.2	7.5	1.9	2.7
9. Commodities and transactions not elsewhere classified	3.7	3.3	.3	.9
Total	100.0	100.0	100.0	100.0

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

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

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

For unmilled wheat, exports to the Soviet Union were likewise up moderately. For the second straight year, U.S. grain sales to the Soviets were roughly equally divided between wheat and corn; over the preceeding 3 years, the value of exports of corn had been about double that of wheat. However, a \$222 million drop in exports to China--the largest NME market for wheat--was the determining factor in declining overall sales to the NME's. China's requirements for imported wheat have lessened following several good grain harvests. Exports to Eastern Europe also fell sharply, but that market is only a minor one for U.S. wheat.

However, for soybean oilcake and oil cake meal Eastern Europe has been by far the most important NME market, 1/ and accounted for 17 percent of worldwide U.S. exports of these products in 1981. Soybean oilcake exports to Eastern Europe declined sharply in 1982. Exports to Poland almost disappeared, falling from \$73.5 million in 1981 to just \$1.4 million last year. As a result, the NME share in total U.S. exports of soybean oilcake and oilcake meal fell to under 6 percent. Eastern European consumption of soybean meal declined substantially between the 1980/81 and 1981/82 crop years, probably due to reduced animal herds and progress in substituting nonimported feeds for imported meal. Total meal imports from all sources are estimated to have fallen by about 25 percent in the 1981/82 crop year. 2/ The even sharper fall in U.S. exports to the region--particularly to Poland and to Romania--probably resulted from the unavailability of Commodity Credit Corporation credits or guarantees, which had been used extensively to finance this trade.

Crude materials

Exports to the NME's of crude materials (products classified in SITC sec. 2) declined by 25 percent in 1982, following a drop of 15 percent from 1980 to 1981. China has been the leading NME market for these products. In 1982, U.S. crude materials exports to China fell by \$516 million (47 percent); exports to Eastern Europe and the Soviet Union rose sharply, for a net fall of \$330 million to all NME's.

Four items accounted for most of U.S. exports of crude materials to the NME's in 1982. Exports of soybeans (Schedule B No. 175.4100)--the largest item in crude materials exports to the U.S.S.R. and Eastern Europe--were up, which determined the overall trend in crude materials exports to those markets. China is the only significant NME market in the three other largest items in this category: cotton (Schedule B Nos. 300.1060 and 300.1550); discontinuous polyester fibers (Schedule B No. 309.4242); and softwood logs (Schedule B Nos. 200.3510 and 200.3514). Very large declines in the fiber items outweighed continuing rapid growth in exports of logs in 1982.

1/ Eastern European soybean imports from the United States are primarily in the form of soybean meal; Soviet imports are of whole soybeans. This is because Eastern Europe is self-sufficient in edible oils, but the Soviet Union uses both the oil and the meal produced by crushing whole soybeans. Exports to the Soviet Union of whole soybeans (which are classified in SITC sec. 2--Crude materials) were up sharply in 1982. Exports during 1981 had been affected by the Carter administration embargo following the Soviet invasion of Afghanistan.

2/ U.S. Department of Agriculture, Foreign Agricultural Circular on Oilseeds and Products No. 1-83, Jan. 1983, p.12.

U.S. exports of cotton to China peaked at \$701 million in 1980, as domestic supplies were not sufficient to supply a rapidly growing cotton textiles industry. However, starting with the 1980/81 crop year, there were two successive record cotton crops, and another record is expected in the current (1982/83) crop year. From 1981 to 1982, cotton exports to China fell by 62 percent to \$178 million. For the second half of 1982, exports of the two main cotton items--Schedule B Nos. 300.1060 and 300.1550--were down by 92 percent from those in the corresponding period of 1981, to only \$9.9 million.

Exports of discontinuous manmade fiber to China also underwent a steep decline last year, falling by 71 percent from a record \$312 million in 1981. The Chinese apparently overestimated their capacity to process this fiber into textile products, which resulted in the accumulation of unwanted inventories. For the principal item in this product group--polyester fibers classified in Schedule B No. 309.4242--exports to China had accounted for 78 percent of worldwide U.S. exports in 1981; this share fell to 52 percent for all of last year, and was only 43 percent in the fourth quarter.

The future of U.S. exports to China of both cotton and manmade fibers, as well as of soybeans, was brought into question by the Chinese in early 1983 during bilateral textiles negotiations then being conducted. With negotiations at a temporary impasse, the United States on January 13 unilaterally imposed quotas on imports from China of 32 categories of textile products. In apparent response, China announced on January 19 that it was banning further purchases in 1983 of U.S. cotton, soybeans, and chemical fibers. Even apart from this ban, however, it seems likely that for purely economic reasons U.S. exports to the Chinese of these three products will not approach the levels recorded in recent years.

Softwood logs was the fourth major crude materials product group exported to the NME's in 1982. As is the case with cotton and chemical fibers, China is the only significant NME market for U.S. logs; unlike exports of those products, though, softwood log shipments to China continued to grow rapidly in 1982. These exports grew from insignificant levels as late as 1979 to \$42 million in 1980, more than doubled to \$89 million in 1981, and more than doubled again to \$212 million last year. China accounted for 17 percent of total U.S. exports of all types of logs (Schedule B No. 200.35) in 1982, up from 8 percent in 1981. For Douglas-fir logs (Schedule B No. 200.3510), exports of \$162 million to China last year were 27 percent of total U.S. exports. The growth of China as a market for U.S. logs is the result of increased Chinese demand and an oversupply in the United States due to a slump in the construction industry. The Soviet Union--which is not currently shipping logs to China--is the only other potential supplier of large quantities of softwood logs. China has forest resources, but estimates of the time it will take to develop them range from 10 to 50 years.

Chemicals

Exports of items classified in SITC section 5, Chemicals, rose by 30 percent from 1981 to 1982, making this the only major product category that recorded a year-to-year increase in the value of shipments to the NME's. The chemicals category has increased its share of U.S. exports to the NME's each

year since 1978, when it accounted for 3.3 percent of the total; in 1982, this share was 13.2 percent. Rising exports of fertilizers to all three major NME markets--the Soviet Union, Eastern Europe, and China--and of synthetic resins and plastic materials to China have been the principal factors in the increasing importance of this category since 1978.

Two items accounted for most of the \$198 million increase in chemicals exports to the NME's in 1982. There was a \$102 million spurt in shipments of superphosphoric acid (SPA) (Schedule B No. 480.7025) to the Soviet Union, and a \$95 million increase in exports of polyethylene resins (Schedule B No. 444.16) to China.

The rise in SPA exports to the U.S.S.R. from \$166 million in 1981 to \$268 million last year resulted from the full-scale resumption of shipments under a long-term countertrade agreement with Occidental Petroleum following the lifting of the Carter administration embargo in 1981. The Soviet Union is by far the largest foreign market for this product, which is used to make liquid fertilizer. Shipments of SPA under the 1974 agreement began in 1979.

Polyethylene resins are used to make a wide variety of plastic packaging and construction goods, toys, and so forth. Until very recently, the United States has enjoyed a cost advantage in producing this resin, since the U.S. industry is based on relatively low-priced natural gas feedstocks; the European and other suppliers' production is based on naphtha, a petroleum product. A large increase was also recorded in exports to China of polypropylene resins (Schedule B No. 444.17); shipments of saturated polyester resins (Schedule B No. 444.15) and of styrene resins (Schedule B No. 444.20) fell sharply.

Manufactures classified by chief material

The share of manufactures classified by chief material in all U.S. exports to the NME's declined last year to 5.0 percent from 6.5 percent in 1981. Products classified in SITC section 6 include leather, rubber and wood products, paper, textiles, and mineral manufactures, as well as basic metal products. They have played a relatively minor role in exports to Eastern Europe and the Soviet Union, accounting for less than 3 percent of total U.S. sales in those markets in every year since 1978.

Since 1979, this category has been more prominent in trade with China, having accounted for 14.2 percent of U.S. exports in that year, and slightly less since then. From 1981 to 1982, this share fell from 12.4 to 9.5 percent, as exports of manufactures classified by chief material declined at a faster rate than did overall exports to China. A fall of \$172 million in exports to China accounted for over nine-tenths of the total decline in exports of these products to the NME's last year.

Several different types of products have been prominent in U.S. exports in this category to China over the last 5 years, but there is no indication that there will be a continuing market for any of these U.S. goods. In 1979, shipments of tubes, pipes, and fittings of iron or steel (SITC group 678) reached \$150 million, which was 62 percent of the section 6 total. U.S. exports of these products to China did not exceed \$10 million in any year before then, and have not since. Paper exports (SITC group 641), which were

under \$3 million in 1979, became the leading U.S. export in the category in 1980, with shipments of \$130 million. They then dropped by over half in 1981 and by another 41 percent to just \$36 million in 1982. In 1981, the two leading product groups were textile yarn (SITC group 651) at \$204 million and woven fabrics of manmade fibers (SITC group 653) at \$68 million. The only notable increase in exports for 1982 was a jump from \$193,000 to \$22 million in exports of unwrought copper (SITC group 682), which did not come close to offsetting declines in the yarn, woven fabric, and paper items.

Other export developments

A number of other items in various SITC categories showed significant export increases or decreases from 1981 to 1982, though these shifts were of lesser magnitude than those discussed above. For each of these other product groups, one market accounted for most or all of the total change in U.S. exports to all NME's last year.

Exports to Eastern Europe of butter (SITC group 023) declined by \$27 million. Exports to that market of raw hides (SITC group 211) rose by \$21 million, and the value of special export transactions (SITC group 931)--specifically, miscellaneous items donated for relief--was up by \$16 million last year. ^{1/} Exports to the Soviet Union of lubricating oils (SITC subgroup 334.5) were up \$26 million; miscellaneous articles of resins or plastic materials (SITC subgroup 893.9) rose by \$17 million. Declining by \$31 million were shipments to the U.S.S.R. of animal oils, fats, and greases (SITC subgroup 411.3), and also down by \$39 million were exports of vehicle parts and accessories (SITC subgroup 784.9). Exports to China of pulp and waste paper (SITC group 251) fell by \$51 million in 1982.

Among individual export items that increased most in percentage terms from 1981 to 1982, bovine leather (Schedule B No. 121.0515) was the largest in value of shipments to all NME markets combined (table 4). China has been the only significant NME market for this product and has accounted for three-fourths or more of worldwide U.S. exports in recent years.

Although the NME's are relatively unimportant overall as a market for U.S. exports, there are a number of products for which the NME's accounted for a large share of total U.S. exports last year (table 5). Easily the largest is superphosphoric acid (Schedule B No. 480.7025--see discussion in the section on chemicals exports, above). Exports to China make the NME's the most important foreign market for polyester yarns (Schedule B No. 310.0010) and fibers (Schedule B No. 309.4242). For two fairly large items--unwrought copper (Schedule B No. 612.0440) and sunflower seed oil (Schedule B No. 176.5400)--the NME share went from zero in 1981 to almost half of total U.S. exports last year.

^{1/} The value of exports in this latter category to Vietnam also rose, from \$7 million in 1981 to \$25 million in 1982.

Table 4.--20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B numbers, 1981 and 1982 1/

Schedule B number	Commodity	Major NME customer	Percentage change, 1982 from 1981		Value of exports to all NME's in 1982
			All NME's	World	
			Percent		1,000 dollars
664.0586	Parts, n.e.s., of boring and drilling machines	U.S.S.R.2/	2002.3	8.9	20,713
818.3300	Medicinal and pharmaceutical products donated for relief or charity	Poland	1276.7	74.0	11,897
475.4520	Automotive, diesel, and marine engine lubricating oil	U.S.S.R.2/	1268.4	-26.0	10,836
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split	China	690.1	724.9	30,289
674.1022	Converters, including foundry machines and parts, n.e.s.	Bulgaria	520.2	-3.3	6,644
475.6781	Mixtures of hydrocarbons n.s.p.f., derived from petroleum, shale oil, natural gas, or combinations thereof, n.e.s.	U.S.S.R.2/	518.4	-17.2	3,912
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	Poland	435.9	5.6	6,123
404.1860	Alcohols, phenols, and their derivatives, n.s.p.f.	China	414.8	22.3	2,695
660.9490	Parts and attachments, n.s.p.f., for pumps for liquids	do	410.5	-4.4	9,149
790.4600	Sausage casings, n.s.p.f., whether or not cut to length	U.S.S.R.2/	369.5	1.2	7,196
250.0225	Wood pulp, sulphite, bleached, n.e.s.	Bulgaria	-97.2	-23.1	663
252.8010	Bleached kraft linerboard	China	-95.8	-49.3	538
674.3045	Metalworking machine tools, for cutting or hobbing gears, new, n.s.p.f.	do	-87.0	-41.8	597
444.2110	Polyvinyl alcohol resins	do	-83.7	-19.1	603
687.6087	Chips, dice, and wafers (parts of transistors and related electronic crystal components)	do	-82.8	9.2	708
115.5700	Dried milk and cream, other than nonfat dry milk	Poland	-82.7	-51.8	2,149
404.2250	Terephthalic acid dimethyl ester (dimethyl terephthalate)	China	-81.9	-61.6	2,296
664.1098	Parts, n.s.p.f., for lifting, handling, loading, or unloading machinery, n.s.p.f.	U.S.S.R.2/	-79.6	-2.3	1,135
202.2220	Hemlock lumber, rough	China	-78.3	-14.6	1,016
666.2510	Meat and poultry processing machinery and equipment and parts thereof	Romania	-77.6	-9.3	577

1/ Only items which accounted for at least 500,000 dollars' worth of exports in both 1981 and 1982 are included in this table.

2/ Includes U.S. exports to Estonia, Latvia, and Lithuania.

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

Table 5.--20 U.S. export items for which the nonmarket countries (NME's) collectively accounted for the largest market share in 1982, by Schedule B numbers, 1981 and 1982 1/

Schedule B number	Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's in 1982
			1981	1982	
			Percent		1,000 dollars
480.7025	Phosphoric acid, 65 percent or more available phosphorus				
121.0515	Pentoxide equivalents	U.S.S.R.2/	91.9	92.8	268,485
678.3220	Bovine leather, rough, russet, and crust, wet blue, not split	China	82.3	78.8	30,289
	Machines for assembling electric filament and discharge lamps				
	and electric tubes				
818.3100	Food products, n.s.p.f., donated for relief or charity	East Germany	3.1	65.4	3,602
475.4555	Insulating or transformer oils	Poland	30.9	64.2	14,462
664.0577	Rippers and rooters (attachments for excavating machinery)	U.S.S.R.2/	39.8	57.4	27,967
309.4242	Polyester fibers, noncontinuous	do	30.3	54.6	7,893
117.8200	American-type cheeses, except Cheddar	China	78.1	52.9	70,975
531.2770	Silica bricks and shapes	Poland	-	52.3	4,125
121.0530	Bovine leather, rough, russet, and crust, wet blue, split,	China	-	51.3	2,597
	other than grains				
310.0010	Textured yarns, of polyester	do	35.8	50.9	26,373
818.3900	Products, n.e.s., donated for relief or charity	China	52.9	50.2	114,455
812.0440	Unwrought copper, unalloyed, n.e.s.	Vietnam	27.4	48.5	46,065
176.5400	Sunflower seed oil	China	-	47.6	21,786
200.3502	Southern yellow pine, long leaf pine, Shortleaf	U.S.S.R.2/	-	45.3	22,678
	pine, slash pine, and Virginia pine logs and timber, rough				
790.5510	Pressure sensitive tape having a plastic backing	China	-	42.4	1,995
182.9725	Wheat-flour-soya blends, donated for relief or charity	U.S.S.R.2/	21.5	37.8	36,268
117.8600	Cheeses, except Cheddar and other American-type cheeses	Poland	.2	37.0	3,321
486.6600	Organophosphorus-containing insecticide preparations, n.s.p.f.	do	-	35.7	7,798
431.3010	Acetic anhydride	China	18.7	35.4	20,881
		do	18.6	34.7	2,266

1/ Only items which accounted for at least 1 million dollars' worth of exports in 1982 are included in this table.
2/ Includes U.S. exports to Estonia, Latvia, and Lithuania.

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

U.S. Imports From the NME's

Overall U.S. imports from the NME's declined slightly last year by \$104 million, or 3.1 percent, from those in 1981. Imports from China rose by \$386 million, up 21 percent from imports in 1981 (table 6). U.S. imports from China have grown every year since the process of normalization of trade relations began in the late 1970's, but the 1982 increase was the smallest year-to-year percentage gain since 1977. Imports were down sharply from the next three most important NME suppliers to the U.S. market--Romania, the Soviet Union, and Poland. Taken together, these three countries' shipments to the United States dropped 39 percent from 1981 to 1982, with the \$496-million drop more than offsetting the rise in imports from China. Imports from other significant NME sources--Hungary, Czechoslovakia, East Germany, and Bulgaria--showed little change.

Figure 4 illustrates the growing importance of China in total U.S. imports from the nonmarket economy countries, and the decline of the middle tier of NME suppliers. China accounted for two-thirds of all imports from NME's last year, up from 54 percent in 1981 and from just 17 percent as recently as 1978. In 1978, China was the 58th ranked trading partner of the United States in terms of import value, and 44th in terms of total trade turnover (exports plus imports). By last year, China had become the 21st ranked U.S. trading partner in terms of both imports and total turnover.

Figure 5 shows how imports from China have come to dominate the trend in total imports from the nonmarket economy countries in the last few years; imports from the Soviet Union determined the overall trend until about 1980. Figure 5 also shows that the 1982 increase in imports from China consisted mainly of a third quarter surge that did not continue through to yearend. The third quarter jump was composed of sharply higher imports of petroleum and apparel.

Compared with U.S. imports from all sources in 1982, imports from the nonmarket economy countries were made up of a much higher proportion of miscellaneous manufactured articles (items classified in SITC sec. 8), and a much lower share of machinery and transportation equipment (SITC sec. 7). This pattern is even more pronounced in imports from China. NME's also supplied relatively more manufactured goods classified by chief material (SITC sec. 6) and chemicals (SITC sec. 5), and relatively less mineral fuels (SITC sec. 3), than did other sources of U.S. imports last year (table 7).

Several trends can be identified in the pattern of imports from the NME's in recent years. Imports of food and live animals (SITC sec. 0), mainly consisting of meat from Eastern Europe, have decreased in relative importance in each year since 1978. In that year, these products accounted for 13.4 percent of total U.S. imports from the NME's; by 1982, this share was down to 7.9 percent. There has been rapid growth in apparel imports from the NME's (principally from China) over the past 5 years, which has led SITC section 8--miscellaneous manufactured articles--in a rise from 19.0 percent of total U.S. imports in 1978 to 32.6 percent last year. This category was by far the most important one in total imports from the NME's in 1982. A third noteworthy trend in the pattern of U.S. imports from the NME's is the near disappearance of trade in commodities and transactions not elsewhere classified (SITC sec. 9). Nonmonetary gold from the U.S.S.R. has

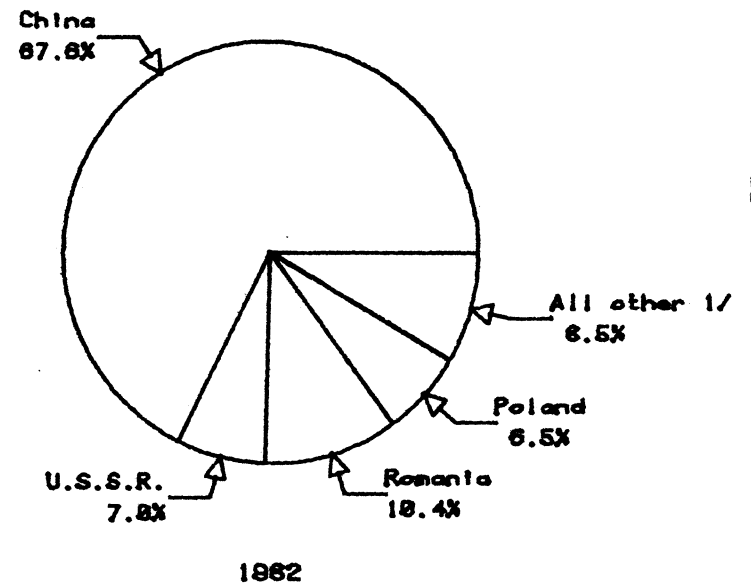
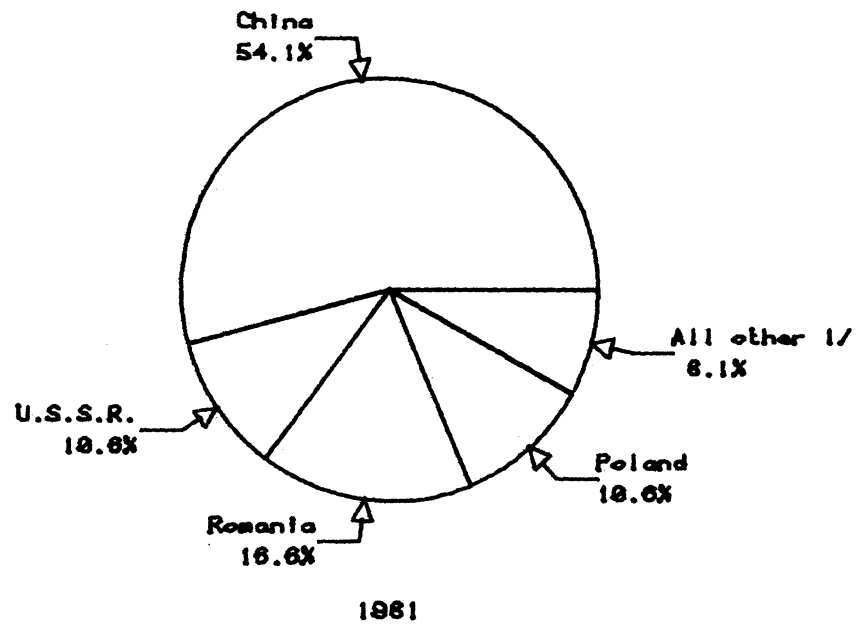
Table 6.--U.S. imports from the individual nonmarket economy countries and from the world, 1980-82, October-December 1981, and October-December 1982

Source	(In thousands of dollars)				
	1980	1981	1982	October-December--	
				1981	1982
Albania	10,718	3,985	2,760	1,265	815
Bulgaria	22,845	25,604	25,124	6,796	6,701
China	1,039,177	1,830,027	2,215,856	468,253	526,447
Cuba	19	36	1,621	9	1,618
Czechoslovakia	61,102	67,232	61,548	17,614	15,406
East Germany	42,959	44,702	51,773	11,470	8,425
Hungary	104,269	127,939	133,238	35,646	35,243
Mongolia	2,223	3,635	3,628	368	349
North Korea	52	47	8	-	-
Poland	414,919	359,939	212,883	60,442	55,154
Romania	310,561	559,449	339,121	129,421	44,673
U.S.S.R.	431,246	357,424	228,792	67,567	49,675
Vietnam	34	96	-	-	-
Total	2,440,122	3,380,116	3,276,356	798,852	744,506
Total, U.S. imports from the world	239,943,468	259,011,977	242,339,988	65,201,929	58,707,593

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

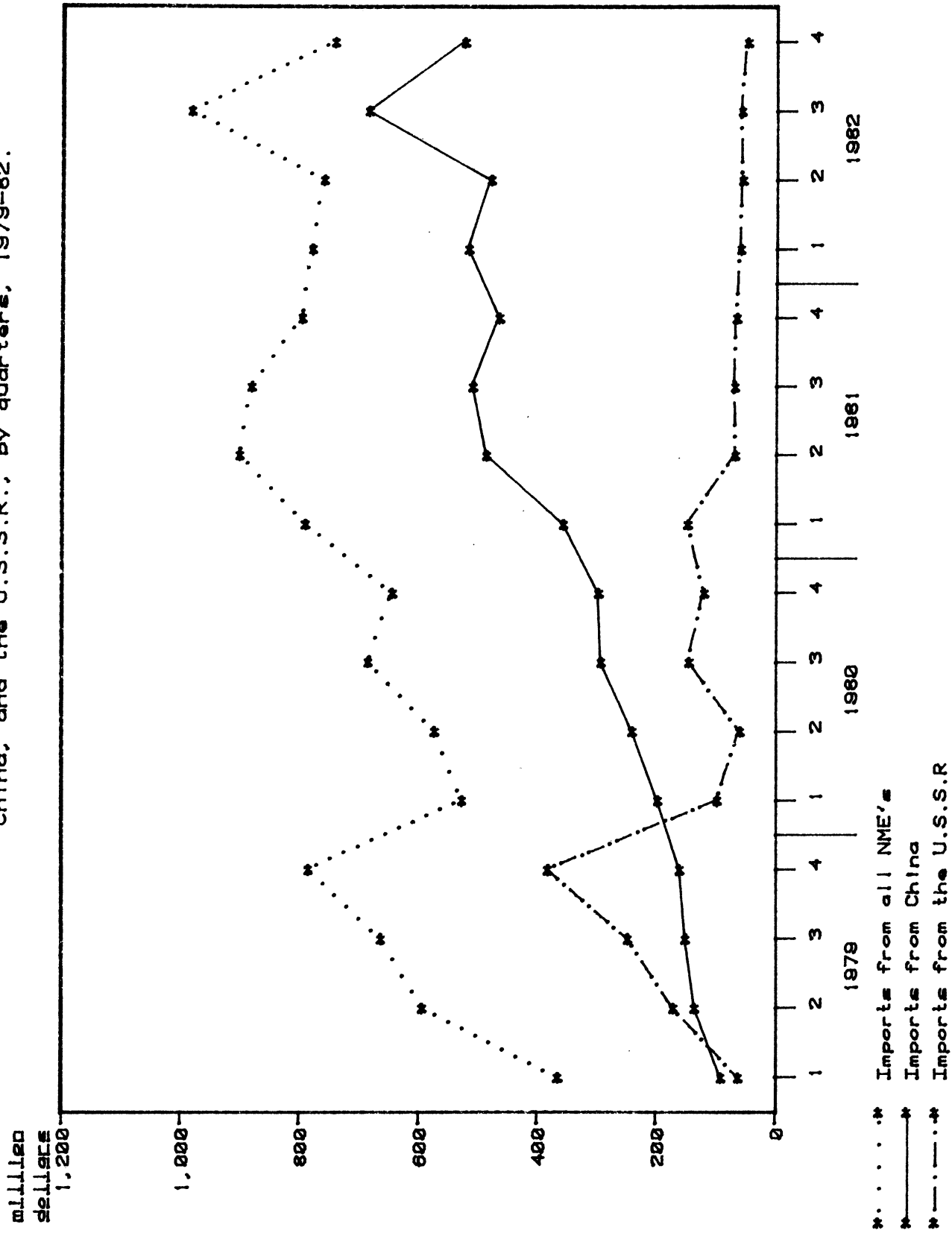
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 4.--Relative shares of U.S. Imports from the nonmarket economy countries, 1981 and 1982.



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

Figure 5.--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), ^{1/} by SITC Sections, 1981 and 1982

SITC Section	Total imports		Imports from the NME's	
	1981	1982	1981	1982
Value (million dollars)				
0. Food and live animals-----	15,116	14,362	277	259
1. Beverages and tobacco-----	2,932	3,025	35	36
2. Crude materials--inedible, except fuel-----	11,038	8,671	339	144
3. Mineral fuels, lubricants, etc-----	80,632	64,977	554	690
4. Oils and fats--animal and vegetable-----	488	401	1	1
5. Chemicals-----	9,140	9,378	255	284
6. Manufactured goods classified by chief material-----	37,181	33,138	795	586
7. Machinery and transportation equipment-----	69,522	73,278	274	190
8. Miscellaneous manufactured articles-----	25,885	27,732	816	1,068
9. Commodities and transactions not elsewhere classified-----	7,079	7,379	33	20
Total-----	259,012	242,340	3,380	3,276
Percent of total				
0. Food and live animals-----	5.8	5.9	8.2	7.9
1. Beverages and tobacco-----	1.1	1.2	1.0	1.1
2. Crude materials--inedible, except fuel-----	4.3	3.6	10.0	4.4
3. Mineral fuels, lubricants, etc-----	31.1	26.8	16.4	21.1
4. Oils and fats--animal and vegetable-----	.2	.2	.2	.2
5. Chemicals-----	3.5	3.9	7.6	8.7
6. Manufactured goods classified by chief material-----	14.4	13.7	23.5	17.9
7. Machinery and transportation equipment-----	26.8	30.2	8.1	5.8
8. Miscellaneous manufactured articles-----	10.0	11.4	24.1	32.6
9. Commodities and transactions not elsewhere classified-----	2.7	3.0	1.0	.6
Total-----	100.0	100.0	100.0	100.0

^{1/} Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

^{2/} Less than 0.05 percent.

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

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

accounted for almost all imports in this category over the past 5 years. Gold imports made SITC section 9 the largest category in imports from the NME's in 1979, accounting for 23.1 percent of total U.S. imports in that year. This share fell to just 3.9 percent in 1980, to 1.0 percent in 1981, and again to 0.6 percent last year.

The main shifts that occurred last year in the composition of U.S. imports from the NME's are discussed below by SITC sections. From 1981 to 1982, declines were recorded of \$210 million in imports of manufactures classified by chief material (SITC sec. 6), \$195 million in imports of crude materials (SITC sec. 2), and \$85 million in imports of machinery and transportation equipment (SITC sec. 7). These were mostly offset by increases of \$252 million in imports of miscellaneous manufactures (SITC sec. 8) and of \$136 million in U.S. purchases from the NME's of mineral fuels (SITC sec. 3).

Crude materials

The 58-percent drop in the value of crude materials imports from the NME's last year represented a return to more normal levels from a doubling of imports in this category from 1980 to 1981. That surge was almost entirely caused by shipments of shelled peanuts (TSUS item 145.4880) from China that amounted to \$152 million in 1981. A drought in the United States in 1980 led to a disastrous 1980/81 peanut crop. To relieve the shortage, quotas on peanut imports were temporarily raised by 300 million pounds (from the normal limit of 1.7 million pounds). China supplied over half of the peanuts imported under the increased quota. The ceiling has now reverted to 1.7 million pounds per quota year (July 31 to Aug. 1), and peanut imports from China have again become a minor trade item--\$1.3 million in 1982. ^{1/}

Apart from peanuts, crude materials imports have constituted between 4 and 7 percent of total U.S. imports from the NME's over the past 5 years. China's share of these imports has risen steadily over this period, from 43 percent of the total in 1978 to 75 percent in 1980 and to 83 percent last year. Principal crude materials items imported from the NME's include: barium ore (TSUS item 472.10), with \$27 million in imports in both 1981 and 1982; crude, sorted feathers (TSUSA item 186.1560), with shipments down from \$25 million in 1981 to \$10 million last year; and tungsten ore (TSUSA item 601.5400), with imports off from \$21 million in 1981 to \$7 million in 1982. China is the only NME source of barium and tungsten ore, and supplied 80 percent of all NME shipments in the feathers item in 1982.

Mineral fuels

The share of mineral fuels (SITC sec. 3) in total imports from the NME's increased sharply in 1981 and again last year. It was 8.2 percent of all U.S. imports from these countries in 1980, and stood at 21.1 percent last year. Mineral fuels is now the second largest category of U.S. imports from the NME's, although these countries supply only a very small part of total U.S. imports of petroleum and other fuels.

^{1/} See the 27th Quarterly Report . . ., pp. 32-38, and the 29th Quarterly Report . . ., pp. 40 and 41 for more detail on peanut imports from China.

The significant items in U.S. imports from the NME's in this section are all petroleum or petroleum products: gasoline (TSUSA item 475.2520), crude petroleum (TSUSA items 475.0510 and 475.1010), naphthas derived from petroleum (TSUSA item 475.3500), and light fuel oils (TSUSA item 475.1015). All these items except the last one are among the top 20 TSUSA items imported from the NME's during 1982 (appendix table B-2). The overall rise from 1981 to 1982 of \$136 million in mineral fuels imports from the NME's was the net result of large moves--down as well as up--that took place in imports of several products.

The largest of these changes was a jump from zero to \$181 million in the value of crude petroleum imports from China. China has been the only NME supplier to the United States of crude petroleum in the last two years, and the 1982 imports were about 2.5 times the previous high of \$72 million imported in 1979. Gasoline, the single most important mineral fuels item in both 1981 and 1982, also recorded a large increase: imports from the NME's were up by \$68 million to \$417 million. Gasoline imports from China, which only entered the U.S. market in 1979, were up strongly. Gasoline from China accounted for four-fifths of all NME shipments to the United States, and for 20 percent of U.S. imports of this product from all sources in 1982. Imports from Romania, which has a refining industry based on imported crude, were down by \$20 million, while Soviet shipments were up from zero in 1981 to \$10 million in 1982.

Total imports from NME sources of naphtha derived from petroleum declined by \$21 million, though imports from China were up. Light fuel oil imports, which amounted to \$90 million from NME sources in 1981, mostly from the Soviet Union, totaled only \$8 million in 1982, and the only NME supplier was East Germany.

Manufactures classified by chief material

U.S. imports from the nonmarket economy countries of products classified in SITC section 6 dropped by one-fourth from 1981 to 1982. This decline followed 2 years of rapid import increases. Imports from China--mainly of cotton fabrics, textile furnishings and made-up articles, and knotted carpets and rugs--accounted for 64 percent of all imports from the NME's in this category in 1982, up from 46 percent in 1981. China's share increased last year, in spite of slow growth in the value of its own shipments to the U.S. market, because imports of these products from other NME sources dropped sharply. They were down by 55 percent from Eastern Europe and by nearly 40 percent from the U.S.S.R.

The main items that accounted for last year's \$210 million drop in imports from the NME's in this category were steel plate not in coils (TSUSA item 607.6615), which fell by \$118 million; steel oil well casing pipe (TSUSA items 610.3920 and 610.4220), down \$18 million; and unwrought nickel (TSUSA item 620.0300), down by \$26 million.

The main NME supplier of the steel plate item in 1981 was Romania (\$88 million), with Poland also providing significant amounts (\$37 million). Imports from Romania fell to only \$1.4 million in 1982. This almost total disappearance of Romanian plate was probably in part the result of the

uncertainty caused by an antidumping case involving this product that was not resolved until yearend 1982. ^{1/} However, steel plate imports from Poland--which were not involved in the case--were also down, by 87 percent.

Machinery and transportation equipment

U.S. imports from the NME's of products classified in SITC section 7 fell by 31 percent from 1981 to 1982. This decline followed 4 consecutive years of increasing imports, and reduced the share of machinery and transportation equipment items in total U.S. imports from the NME's from 8.1 percent in 1981 to 5.8 percent last year.

This category is the largest of the three SITC sections for which Eastern Europe is the major NME source. Over the past 5 years, Eastern Europe has supplied 89 percent of all machinery and transportation equipment imports from the NME's, with China providing 10 percent and the Soviet Union only 2 percent. Eastern Europe accounted for all of last year's \$85 million drop in these imports from the NME's. Several specific items within SITC section 7 recorded fairly large declines in the value of imports from the NME's from 1981 to 1982. Metalworking machine tools (TSUS items 674.30, 674.32, and 674.35) declined 42 percent in value from 1981. Poland, Romania, and Czechoslovakia accounted for most of these imports, and for all of the \$16-million fall last year in total shipments from all NME's. Imports of pumps for liquids (TSUS item 660.97) fell by \$33 million. Imports from Romania and China--the only two significant NME suppliers of these articles--had risen sharply in 1981, and the decline in 1982 represented a return to prior trade levels. A \$9-million drop in imports of motor-vehicle parts (TSUSA item 692.3288) was accounted for by reduced shipments from Hungary, which provided over nine-tenths of all U.S. imports of this item from the NME's in both 1981 and 1982. Items imported from Hungary in this category were the subject of an antidumping investigation in 1981 which led to price undertakings by the Hungarian producer in November of that year. ^{2/} Imports from Romania of railway passenger cars (TSUS item 690.15) dropped \$11 million to just \$1.5 million in 1982. Romania nonetheless remained the leading foreign supplier of this item, as imports from other sources also declined.

Miscellaneous manufactured articles

SITC section 8 has been the leading category of imports from the NME's since 1980, and last year accounted for nearly one-third of all imports from those countries. By far the largest and fastest growing component of this trade is imports from China of apparel and clothing accessories (SITC division 84). The value of apparel imports from China grew by 56 percent last year, following a 58-percent jump the year before. At \$612 million in 1982, these imports accounted for almost one-fifth of all U.S. imports from all the NME's. The increase from 1981 to 1982 in shipments from China in this category was \$220 million, or almost nine-tenths of the total increase last year in U.S. imports of all miscellaneous manufactures from all NME's.

^{1/} For more information on this action, see the section later in this report on Eastern Europe.

^{2/} See the section on Eastern Europe later in this report for more details on this situation.

U.S. imports of apparel from China were governed during 1982 by the United States-China Textile Agreement signed in September 1980. This agreement, patterned after U.S. bilateral textile agreements concluded under the Multifiber Arrangement, expired on December 31, 1982. 1/

Products other than apparel in the miscellaneous manufactures category showed little change in imports from China last year. U.S. imports of SITC section 8 items from the Soviet Union continued to be negligible. Miscellaneous manufactures are an important category of imports from Eastern Europe, accounting for 27 percent of all imports from that area last year. Apparel (SITC division 84) and footwear (SITC division 85) are the two main components of U.S. imports of miscellaneous manufactures from Eastern Europe, but the value of shipments of these products has held about steady for the past 5 years and did not change greatly in 1982.

Other import developments

There were significant declines in U.S. imports of two product categories outside the SITC sections reviewed above. Shipments of canned hams (TSUSA item 107.3525, which falls within SITC sec. 0--Food and live animals) from Eastern Europe fell \$40 million from 1981 to 1982. Poland, the main supplier, accounted for most of the drop. Shipments from the Soviet Union of refined gold bullion (TSUSA item 605.2020, within SITC sec. 9) declined by \$20 million to just \$1.5 million. In 1979, the Soviet Union shipped 548 million dollars' worth of gold bullion to the United States and was the leading foreign source, but gold imports from the U.S.S.R. have declined sharply each year since then. 2/

Table 8 shows TSUSA items for which U.S. imports from the NME's increased or decreased the most (in percent) from 1981 to 1982. Cocoa butter (TSUS item 156.35) imports from China--the sole NME supplier of this product--first appeared in 1981. The \$13.9 million in cocoa butter imports from China in 1982 represented 8 percent of total U.S. imports of that commodity. Of the TSUSA items for which most or all U.S. imports were supplied by the NME's, none exceeded \$10 million in NME import value in 1982 (table 9).

1/ See the section later in this report on developments in commercial relations with China for a discussion of the negotiations. For more detail on the growth of U.S. apparel imports from China, see the 32d Quarterly Report . . ., pp. 39-51, and the 24th Quarterly Report . . ., pp. 47-85.

2/ See the 25th Quarterly Report . . ., p. 60, for a discussion of gold imports from the U.S.S.R.

Table 8.--20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA numbers, 1981 and 1982 1/

TSUSA item number	Commodity	Major NME supplier	Percentage change, 1982 from 1981		Value of imports from all NME's in 1982
			All NME's	World	
			-----Percent-----		1,000 dollars
156.3500	Cocoa butter-----	China-----	734.9	-25.2	13,950
422.4200	Tungsten compounds, n.e.s-----	-----do-----	614.3	610.1	4,596
700.5900	Footwear with open toes and heels of the slip-on type, held to the foot without the use of laces or fasteners-----	-----do-----			
480.3000	Urea, n.e.s-----	-----do-----	2/ 323.4	2/ 267.7	3,694
700.6400	Rubber or plastic soled, n.e.s., valued not over \$3.00 per pair-----	U.S.S.R. 3/-----	321.6	32.0	12,194
678.5085	Combination machines containing tape players, other-----	China-----	2/ 279.7	2/ 343.0	12,118
605.2050	Gold dore and gold precipitates, not bullion-----	-----do-----	268.1	16.6	1,951
411.2400	Sulfamethazine-----	U.S.S.R. 3/-----	258.4	26.5	2,588
306.6100	Cashmere goat hair, not sorted, etc-----	Hungary-----	254.5	28.2	2,716
420.9800	Sodium compounds, chromate and dichromate-----	China-----	245.6	376.2	1,772
		Romania-----	234.5	164.0	1,836
145.4880	Peanuts, shelled-----	-----do-----	-99.1	-99.3	1,330
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s-----	Poland-----	-95.0	-42.4	6,165
605.2020	Gold bullion, refined-----	U.S.S.R. 3/-----	-93.0	-15.0	1,493
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds-----	East Germany-----	-91.4	-52.5	7,701
660.9754	Pumps for liquids and liquid elevators, centrifugal pumps, n.s.p.f-----	Romania-----	-89.9	-9.9	792
660.9756	Reciprocating pumps, other, except parts-----	-----do-----	-89.5	-32.4	2,805
690.1500	Passenger, baggage, etc., railroad cars, not self-propelled-----	-----do-----	-87.9	-88.1	1,535
446.1531	Polyisoprene rubber-----	-----do-----	-82.3	-47.5	806
521.1720	Bauxite, calcined, other-----	China-----	-80.5	-67.0	2,064
702.4060	Headwear, other than caps, not sewed, etc., not bleached or colored, n.s.p.f-----	-----do-----	-77.6	-69.9	750

1/ Only items which accounted for at least 500,000 dollars' worth of imports in both 1981 and 1982 are included in this table.

2/ Trade for this item was included in TSUSA numbers 700.6005/15/25/30/35/45/55/60 prior to July 1, 1981.

3/ Includes U.S. imports from Estonia, Latvia, and Lithuania.

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

Table 9.--20 U.S. Import items for which the nonmarket countries (NME's) collectively accounted for the largest market share in 1982, by TSUSA items, 1981 and 1982 1/

TSUSA item number	Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's in 1982
			1981	1982	
			Percent		1,000 dollars
618.0400	Aluminum silicon-----	U.S.S.R. 2/-----	82.4	100.0	1,543
612.2010	Beryllium copper-----	do-----	100.0	99.9	1,658
366.6000	Pile or tuft construction of cotton-----	China-----	87.8	99.1	1,226
422.4200	Tungsten compounds, n.e.s-----	do-----	98.0	98.6	4,596
306.6293	Camel hair, sorted, etc-----	Mongolia-----	96.0	97.4	2,620
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches-----	Romania-----	98.1	97.1	2,942
365.0000	Handmade-lace furnishings, of cotton, valued not over \$50 per pound-----	China-----	97.3	97.0	1,600
186.3000	Bristles, crude or processed-----	do-----	95.7	95.7	6,742
140.3000	Dried, desiccated or dehydrated garlic-----	China-----	80.4	95.2	1,998
417.2800	Ammonium molybdate-----	do-----	100.0	93.2	7,736
694.4143	Airplanes, single engine-----	Poland-----	37.7	92.9	1,850
494.2000	Montan wax-----	East Germany-----	87.9	92.7	1,707
222.5700	Floor coverings of unspun vegetable materials, n.e.s-----	China-----	90.3	91.6	6,733
411.8000	Sulfathiazole and sodium sulfathiazole-----	Poland-----	53.7	91.4	2,061
366.2740	Shop towels, n.e.s., of cotton, not ornamented, not jacquard- figured-----	China-----	78.8	87.9	6,764
365.9110	Lace or net furnishing of silk, n.s.p.f-----	do-----	79.1	85.7	1,121
100.0110	Horses, male, for breeding-----	U.S.S.R. 2/-----	-	84.4	1,242
124.1045	Sable furskins, whole, undressed-----	do-----	71.1	83.8	7,236
379.3905	Men's jogging, warm-up and similar athletic jacket of cotton knit-----	Romania-----	3/ 91.7	83.3	2,728
365.8670	Tablecloths and napkins, of manmade fibers, made on a lace, net, or knitting machine-----	China-----	76.3	82.5	8,590

1/ Only items which accounted for at least 1 million dollars worth of imports in 1982 are included in this table.

2/ Includes U.S. imports from Estonia, Latvia, and Lithuania.

3/ Trade for this item was reported under TSUSA number 380.0609 in 1981.

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

CHINA

Introduction

The value of two-way trade between the United States and China decreased slightly in 1982 to \$5.1 billion from the record high of \$5.4 billion in 1981. Following a 4-percent decline in 1981, exports to China fell by 19 percent; imports, after rising 76 percent in 1981, increased by 21 percent. As a result, the U.S. merchandise trade surplus, which reached an alltime high of \$2.7 billion in 1980 and was \$1.8 billion in 1981, declined to \$688.7 million in 1982.

U.S. exports to China decreased from \$3.6 billion in 1981 to \$2.9 billion in 1982 (table 10), with agricultural commodities accounting for two-thirds of the loss in U.S. sales. For the second consecutive year, shipments of cotton and soybeans fell sharply, and the trend was accelerated by a small decrease in wheat exports in 1982. The primary reason for declining U.S. farm exports was the success of China's agricultural reforms. In 1977-81, China increased its cotton output by an average of 10 percent per year and its production of oil-bearing crops by an average of 26 percent per year; moreover, the yields in 1982 appear to have exceeded all previous levels. Grain production in China also reached record or near-record levels in 1979-81, and the 1982 harvests are estimated to have surpassed the yield in any previous year. Although the growth rates of agricultural output in the past few years are probably not sustainable, further increases in the production of most crops are likely. Thus, barring poor harvests because of weather or other unpredictable factors, the downturn in U.S. farm sales to China does not seem likely to be reversed.

Among nonagricultural exports, manmade fibers and yarns showed a large decline. On the positive side, China's purchases of U.S. logs, plastics resins, and leather increased substantially in 1982. Only small gains were made in U.S. sales of machinery and equipment, the sector long expected by U.S. businesses to offer the greatest potential for the growth of exports to China. On the other hand, the prospects for large increases in such exports improved during 1982 as China's leaders, in a series of announcements, revealed plans to develop its energy resources and transport facilities and to modernize existing industrial plants.

Imports from China increased from \$1.8 billion in 1981 to \$2.2 billion in 1982. The most significant gains were in crude petroleum and petroleum products, which increased \$284.7 million, and apparel of textile materials, which increased \$215.5 million. China has the world's fastest growing textile industry, and its apparel exports to the United States have increased an average 78 percent in value annually since 1978. As a group, apparel items alone accounted for 27 percent of all imports from China in 1982.

Despite the sharp reduction in the U.S. surplus, the imbalance in bilateral trade remained a major problem from the Chinese point of view. One reason is that the United States has had a favorable balance in its trade with China every year since 1977, whereas the approach of China's leaders to foreign trade is to seek surpluses or bilaterally balanced trade with individual countries. They have been concerned about this even when, as in 1981 and 1982, their overall trade position with the world was in surplus. More important, the investment plans announced in 1982 imply that China will have to increase its imports substantially beginning in 1983 if the leadership

Table 10.--U.S. trade with China, by SITC Sections, 1980-82

(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals-----	1,264,632	1,332,406	1,238,263
1. Beverages and tobacco-----	339	1,133	279
2. Crude materials--inedible, except fuel-----	1,183,254	1,102,797	586,862
3. Mineral fuels, lubricants, etc-----	1,773	3,076	3,108
4. Oils and fats--animal and vegetable-----	73,426	21,797	6,525
5. Chemicals-----	382,945	408,498	497,031
6. Manufactured goods classified by chief material-----	427,874	446,883	274,857
7. Machinery and transportation equipment-----	356,828	208,556	216,696
8. Miscellaneous manufactured articles-----	55,801	70,932	78,121
9. Commodities and transactions not elsewhere classified-----	2,121	2,522	2,793
Total-----	3,748,993	3,598,601	2,904,535
U.S. imports:			
0. Food and live animals-----	55,226	95,231	118,964
1. Beverages and tobacco-----	1,512	1,960	2,506
2. Crude materials--inedible, except fuel-----	125,936	298,997	119,018
3. Mineral fuels, lubricants, etc-----	132,442	295,428	580,172
4. Oils and fats--animal and vegetable-----	1,985	339	650
5. Chemicals-----	101,606	125,288	131,678
6. Manufactured goods classified by chief material-----	229,244	367,473	376,667
7. Machinery and transportation equipment-----	5,257	39,681	42,994
8. Miscellaneous manufactured articles-----	382,709	599,180	835,883
9. Commodities and transactions not elsewhere classified-----	3,260	6,452	7,324
Total-----	1,039,177	1,830,027	2,215,856

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

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

is to meet public commitments to modernize the economy. On the other hand, pressure on China to curtail its exports, especially of textile products, increased in the United States and other countries during 1982.

Economic developments

The domestic economy.--China's performance in both industry and agriculture was stronger in 1982 than in 1981. The State Economic Commission reported that industry grew an estimated 7 percent in value. 1/ After an almost 5-percent decline in output in 1981, heavy industry grew 9 percent; growth in light industry decelerated to approximately 6 percent from 14 percent in 1981. With record harvests reported in grains and other crops, early estimates indicate that the overall growth rate for agriculture may have also been about 7 percent. Although the good performance in agriculture reflected better weather conditions, it was to a large extent attributable to the continuation and success of a Government program to increase farm production by offering the peasants higher prices for their crops and giving them more freedom to decide what crops to grow. 2/

The push to develop the economy rapidly led to enormous deficits in China's national budget in 1979 and 1980. To curb the inflation that resulted and reduce the budget deficit, the Government made sharp cuts in expenditures for capital construction in 1980 and further curtailed spending for investment in 1981. At the same time, official economic policy was apparently changed; the largest cuts were made in funds allocated to heavy industry--which had been the focus of China's development program--and a new emphasis was placed on light industry and agriculture. One result of this shift in China's resources and the severe contraction of heavy industry was the cancellation or suspension of a number of major projects requiring foreign capital and technical services. Light industrial development was limited largely to the modernization of existing plant facilities, although the productive capacity of a few industries--notably the textile and apparel industries--continued to be expanded. By late 1981, after the budget deficit had been reduced to a more acceptable level, 3/ the Government increased its expenditures for capital construction, beginning with some of the projects that had been suspended. 4/

In its 1982 economic plan, released in May, China targeted industry to grow 4 percent in value, with heavy industry increasing 1 percent and light industry, 7 percent. There could be several reasons why the results were so far off target. One possibility is that China's presently limited supply of energy may have led to a slowdown of light industrial growth in order to accommodate the concurrent expansion of heavy industry. Secondly,

1/ U.S. Foreign Broadcast Information Service (FBIS), Daily Report: China, Jan. 6, 1983, p. K 20. Other data in this section are from Wharton Econometric Forecasting Associates, Inc. (WEFA), Centrally Planned Economies Outlook, March 1983, pp. 155-169.

2/ See section on U.S. cotton and soybean exports in this report.

3/ China reduced its national budget deficit from 17.1 billion yuan in 1979 and 12.8 billion yuan in 1980 to 2.5 billion yuan in 1981. The deficit was 3.0 billion yuan in 1982.

4/ See discussion of the Baoshan iron and steel complex in the section on Eximbank financing in this report.

overproduction in light industry in 1980 (when the growth rate was 18 percent) and 1981 (14 percent) may have led to the subsequent curtailment of output in this sector in 1982. 1/ The much higher than planned increase in heavy industry (following a larger decline than was intended in 1981) may also reflect the inability of China's leaders to control the performance of the economy after making a change in policy. 2/

The revival of heavy industry in 1982 was accompanied by increases in energy production. Crude petroleum output rose nearly 1 percent; output of coal, 3.2 percent; and that of hydroelectricity, 5.8 percent. 3/ These gains represented a substantial improvement over the performance of the energy sector in 1981, when oil output declined 4.5 percent and coal, 0.6 percent. Nevertheless, both energy conservation and the development of reserves are crucial to China's modernization. In reassessing the economic goals for China in 1980, the leadership accorded strategic priority to developing its energy potential, but delayed undertaking the large-scale investments required until the budget deficit was restored to a more sustainable level. Several planned projects, involving U.S. and other foreign companies, were announced in 1982. 4/ It will be 4 or 5 years, however, before coal output can be increased significantly and probably almost a decade before offshore oil production can be started on a commercial basis.

Foreign trade.--Preliminary data for 1982 indicate that China had a record surplus of \$4.7 billion in total merchandise trade. Exports increased 3.5 percent; imports fell 10.8 percent. This was the second consecutive year that its trade was in surplus; in 1981, the surplus was \$1.7 billion, with exports growing 19 percent and imports decreasing 4.5 percent. In 1979 and 1980 China's merchandise trade registered record deficits, after being almost in balance in 1978.

Although the surplus reached a record level, the dollar value of China's total merchandise trade declined 3.4 percent to \$40.9 billion in 1982; it was \$42.3 billion in 1981. Recession in the industrial countries--which have accounted for most of the growth in China's trade since 1977--probably contributed to the slower growth in exports. The large decline in imports may reflect a policy of conserving foreign exchange in anticipation of the massive amount of imports that will be required to develop energy resources, build adequate transportation and communications facilities, and modernize industrial plants. The depressed prices of some of China's major imports also limited the outlay of foreign exchange in 1982.

China's cutback in total imports was reflected in its trade with the United States. Two-way trade declined 5.7 percent in value as U.S. exports to China decreased by 19.3 percent, and the U.S. surplus in trade with China was reduced 61.1 percent.

1/ WEFA, Centrally Planned Economies Outlook, March 1983, p. 157.

2/ The Economist Intelligence Unit (EIU), Quarterly Review of China, North Korea, No. 1, 1983, pp. 12 and 13.

3/ Oil accounts for nearly 25 percent of China's current energy supply; coal, for approximately 70 percent; and hydroelectricity, for 5 percent (Business China, Dec. 22, 1982, p. 189).

4/ For examples of U.S. involvement in China's energy development, see the section on the 1982 meeting of the United States-China Joint Economic Committee in this report.

Developments Affecting Commercial Relations With the United States

The rapid growth of trade between the United States and China has been accompanied by the emergence of a number of bilateral problems. Although the basic framework of economic ties established between the two countries in 1980 was reaffirmed and strengthened by developments in 1982, relations in some areas of bilateral trade became more strained. On the positive side were the continuance of the waiver extending most-favored-nation tariff treatment to imports from China, the authorization of a major loan to China by the Export-Import Bank of the United States (Eximbank), and the lifting of the U.S. import embargo on furs from China. However, it became increasingly evident in 1982 that several problems could seriously impede the future development of U.S. commercial relations with China.

From the Chinese perspective, U.S. controls on the export to China of dual-use goods ^{1/} and related services and U.S. import barriers continued to be major problems. During 1982, the controls on nuclear-related exports became a more pressing issue; at the same time, disagreement over U.S. import barriers was exemplified by the breakdown of negotiations to replace the 3-year bilateral agreement on trade in textiles that expired on December 31 and by an increase in the number of petitions alleging injury, or the threat of injury, to a U.S. industry by imports from China. On the other hand, the primary problems perceived by the U.S. side related to the conditions under which U.S. business must operate in China--in particular, the absence of a well-defined legal framework for conducting commercial activities. This was one of the major topics for discussion raised by the United States at a meeting of the United States-China Joint Economic Committee held in December 1982.

Review of most-favored-nation status

Section 402 of the Trade Act of 1974 prohibits the extension of MFN tariff treatment to the products of any NME that denies or severely restricts emigration by its citizens, but also permits the President to waive the prohibition if he determines that granting a country MFN status would promote free emigration. The provisions of the act further stipulate, however, that a waiver in effect can be terminated by the Congress if either house adopts a resolution of disapproval during a 60-day annual review period.

Testimony at the 1982 hearings on this matter indicated that China's commitments to maintain an "open-door" trade policy and to carry out its modernization plans with Western support have been accompanied by efforts to make its emigration policies more liberal. Travel restrictions have been significantly relaxed; for example, approximately 10,000 business visas were issued to Chinese citizens in 1981. The latest data available at the time of the hearings also showed that over 90,000 Chinese with approved visa petitions were waiting to immigrate to the United States. Although China is believed to have denied or delayed issuing passports to persons with skills essential to

^{1/} Products having both civilian and potentially significant military applications.

the modernization process, the principal obstacle to the increased immigration of Chinese to the United States remains the limitation imposed by U.S. immigration laws.

The United States-China consular convention came into effect in February 1982. This bilateral agreement should serve to promote more liberal emigration since the notes that accompany the convention provide for the facilitation of travel requested by persons for the purpose of family reunification and by persons who claim dual nationality. The consular convention was one of the four bilateral agreements signed by the United States and China on September 17, 1980, 1/ but because it is a treaty rather than an executive agreement, it required Senate confirmation. The convention was ratified by the Senate in January 1982 and became effective after an exchange of notes between the two countries. 2/

The Presidential waiver initially extending MFN treatment to imports from China was one of the provisions of the 3-year bilateral trade agreement that, following a concurrent resolution of approval by the Congress, became effective February 1, 1980. During the last quarter of 1982, the administration reviewed trade relations between the two countries over the life of the agreement and, finding that a satisfactory balance of benefits has been maintained, President Reagan recommended on December 23, 1982, that the agreement be renewed. 3/ The extension of the agreement for another 3-year period, beginning February 1, 1983, is automatic, provided it is not disapproved by Congress. 4/

Eximbank financing

In September 1982 Eximbank authorized a loan of \$60.4 million and a guarantee of an \$8.1 million private loan to China to support \$80.5 million in U.S. exports. The transaction is a contract for steelmaking equipment and technical assistance to construct a cold-rolling mill that is to be part of the iron and steel complex at Baoshan, near Shanghai. Wean United of Pittsburgh, the major U.S. supplier, will provide the private financing guaranteed by Eximbank, and the Chinese will make a \$12 million cash payment.

An almost identical arrangement was made to support the Baoshan steel project in April 1980, shortly after China became eligible for Eximbank financing. The initial commitment was allowed to expire, however, when--as part of a major cutback in planned expenditures for capital construction--the Chinese suspended all work on the project early in 1981. Construction on the first phase of the three-part complex has been resumed with financing provided by the Japanese, but U.S. participation in the project, which is part of the second phase of construction, is not expected to begin until at least 1985. Wean United and other U.S. suppliers are subcontractors under a revised

1/ The other three were the agreement on trade in textiles, the civil air transport agreement, and the maritime transport agreement.

2/ The primary purpose of the consular convention is to define the protections and services that are available to U.S. citizens traveling or living in China and, conversely, to Chinese citizens that are traveling or temporarily residing in the United States.

3/ 47 F.R. 57653.

4/ Although the agreement was renewed, the continuance of MFN treatment remains subject to annual reviews by the Congress.

agreement signed by a 17-member West German-led consortium. The agreement calls for the sale of \$460 million in goods and services to China. The credit arrangements authorized by Eximbank for the U.S. portion of the export sale differ from its earlier commitment in that Eximbank has now guaranteed the private loan and has raised the rate of interest on its direct financing to 11 percent. The higher interest rate reflects a new international Arrangement on Officially Supported Export Credits that was adopted by the Organization for Economic Cooperation and Development in July 1982. (The initial credit commitment was at the then-current Eximbank rate of 8.75 percent.)

To date, Eximbank financing for China has been much more limited than was envisioned when, during a trip to China in 1979, Vice President Mondale pledged that up to \$2 billion in credits would be extended over the next 5 years. Commitments for direct loans by Eximbank, including the \$60.4 million authorized for the Baoshan project, totaled only \$117.5 million as of December 31, 1982. Because of the economic readjustments underway in China since 1979, 1/ the opportunities for U.S. companies to make major sales of machinery and equipment to China have been fewer than were expected. Another inhibiting factor has been the lending rates charged by Eximbank, which the Chinese consider too high.

Lifting of U.S. embargo on furskins from China

After completing the steps required by title IV of the Trade Act of 1974 to normalize economic relations with China in 1980, both the administration and Congress began a review of other U.S. laws that, because of their discriminatory provisions, could hamper the further development of bilateral trade and investment.

One such legislative provision has prohibited the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins that are the product of China or the U.S.S.R. The embargo was initially authorized by section 11 of the Trade Agreements Extension Act of 1951 and imposed in the same year by Presidential proclamation; it has since appeared as a headnote in the Tariff Schedules of the United States Annotated (TSUSA). 2/ A provision to lift this prohibition on imports from China was included in an omnibus tariff, trade, and customs bill passed by Congress on December 22, 1982. 3/ The ban on imports of these products from the Soviet Union remains in effect.

Prior to the imposition of the embargo in 1951, China and the U.S.S.R. were both major suppliers of furskins to the United States. In recent years, U.S. furskins imports have been largely limited to mink and fox, which together amounted to \$100.1 million in 1982. Mink accounted for 82 percent by value of all such imports. The leading suppliers of imported furskins in 1982 were Denmark, Finland, and Canada.

1/ See 29th Quarterly Report . . ., pp. 25-29, and the section on developments in China's domestic economy in this report.

2/ Headnote 4, subpt. B, pt. 5, schedule 1.

3/ The bill was signed into law (Public Law 97-446) by President Reagan on Jan. 12, 1983.

U.S. export controls

In December 1981, the Office of Export Administration issued new export-licensing guidelines that permit the sale to China of equipment and related services having significantly higher technical levels than would be approved for export to other NME's. 1/ This action led to a substantial rise in the number of licenses granted for exports to China during the first few months of 1982, including some licenses for shipment of highly sophisticated computers. For the entire year, however, the increase was not large: 1,763 license applications covering \$342.8 million in exports were approved in 1982, compared with 1,161 applications covering \$337.8 million in exports in 1981. From China's point of view, U.S. export controls on computers and other high-technology items are still too restrictive; the issue has remained a major source of friction in bilateral relations.

The principal reason that the United States has not yet been willing to approve the sale of certain computers and other products or processes that the Chinese want is concern over their potential use in the production of nuclear weapons. Although China has nuclear technology, it is U.S. policy not to export equipment that has nuclear applications unless the importing country will make a commitment to limit the use of the item to peaceful purposes. 2/ However, the Chinese have refused to sign the nuclear nonproliferation treaty or any other international agreement that seeks to control nuclear testing or the spread of nuclear weapons. In an attempt to resolve this issue, the United States and China have held discussions concerning a bilateral agreement on peaceful nuclear cooperation.

The controversy over export controls was heightened in 1982 when the Chinese announced that they were planning to construct a 1,800-megawatt nuclear power plant in Guangdong Province and asked U.S. companies to submit cost estimates for the nuclear equipment and related technical services. Although the United States will not grant licenses for such exports until a bilateral nuclear cooperation agreement is concluded, negotiations on an agreement remained deadlocked throughout 1982. One problem was that the Chinese would not agree to permit plants supplied with U.S. reactors to be opened to periodic outside inspection. This is a requirement that the United States normally imposes as a condition for any nuclear supply commitment, to insure that no materials are being diverted to weapons development. A second--and potentially more serious--difference stemmed from reports that in the last 2 years the Chinese have exported their nuclear materials and possibly technology to countries that are believed to be developing nuclear weapons. The Chinese may have supplied one or more countries directly or simply failed to safeguard their exports to a designated country against

1/ Several earlier steps were taken to ease controls on exports to China. See 24th Quarterly Report . . ., pp. 38-40, and 29th Quarterly Report . . ., pp. 32-34.

2/ U.S. Department of State, Bureau of Public Affairs, GIST: U.S. Nuclear Export and Nonproliferation Policy, March 1983.

transfer to another. Regardless of the circumstances, the United States has also demanded assurances that China will not divert U.S.-supplied nuclear technology to third parties. 1/

Negotiations on a new textile agreement

Negotiations to renew the United States-China agreement on trade in textiles began in August 1982 in the midst of a sharp rise in the quantity of Chinese apparel and fabrics entering the U.S. market. With production and employment in the domestic textile industry already reduced by the U.S. recession, the stage was set for a difficult series of talks. U.S. producers wanted to curtail China's exports or, at the least, narrowly limit further increases. The Chinese wanted a substantial upward revision in the annual rates of growth permitted for items subject to U.S. import quotas.

In addition to the current economic environment, another more fundamental factor contributing to the wide gap between the two countries' negotiating positions was the nature of the U.S. system of limiting textile imports. 2/ This system makes no provision for the rapid growth of imports from a new supplier. It was set up to provide for an orderly rate of import growth from each supplier, which has had the effect of locking into their positions as leading suppliers those countries that were the largest exporters to the United States at the time of its inception in 1971. Since a new supplier by definition begins with a relatively small export base, a system that limits percentage increases in trade (as opposed to the absolute level) is very restrictive. Throughout the negotiations, the Chinese have contended that, since they now have the world's largest textile industry, they should be accorded special treatment. Among the other factors China has cited to support its position are its large purchases of U.S. textile fibers, its overall deficit in trade with the United States, and its dependence on textiles to earn the foreign exchange required to purchase U.S. goods.

In 1978, when the United States began its efforts to bring Chinese textile imports into the system of bilateral quotas, China's share of U.S. textile and apparel imports (in terms of quantity) was only 3.5 percent. 3/ By 1980, China had become the fifth largest supplier of textile products to the U.S. market, following Hong Kong, Taiwan, the Republic of Korea, and

1/ For a more detailed account of China's nuclear power program and the problems underlying the negotiation of a bilateral nuclear cooperation agreement, see The China Business Review, September-October 1982, pp. 40-47, and Far Eastern Economic Review, Aug. 27, 1982, pp. 41-44, and Nov. 26, 1982, pp. 19-22.

2/ The international legal basis and the "ground rules" for the current U.S. system of bilateral textile agreements are set forth in the Multifiber Arrangement (MFA), an international agreement that provides for the orderly growth of textile trade among the parties to it. The agreement was initially concluded in 1973 and was revised and extended in 1977 and again in 1981. China is not a signatory to the MFA, but the United States-China agreement is modeled on the bilateral agreements the United States has negotiated under the MFA.

3/ Computed from data in U.S. International Trade Commission, U.S. Imports of Textile and Apparel Products Under the Multifiber Arrangement, 1976-1981 and January-June 1982, USITC Publication 1330, December 1982, pp. A-15 and A-16. The unit of measure is equivalent square yards.

Japan; by 1981, it had surpassed Japan. 1/ The surge in imports from China that occurred in 1982 further closed the gap. The data for 1982 show that Taiwan accounted for 15.8 percent (by quantity) of U.S. imports of apparel and other textile products; Hong Kong, 14.2 percent; the Republic of Korea, 12.9 percent; and China, 11.3 percent. 2/

In order to control the increase in Chinese exports to the United States during the nearly 2 years of negotiations required to reach a bilateral agreement, the United States unilaterally imposed quotas on imports from China of seven categories of apparel in May 1979 and on two additional categories in October 1979. Eight of these categories were placed under mutually acceptable quantitative limits when a 3-year agreement was signed in September 1980 (the quotas were made retroactive to January 1, 1980). This agreement permitted the United States to restrict additional categories if the increase in imports of an item from China was found to be disrupting or threatening to disrupt the U.S. market. A "call to consultation" could be issued and, using a formula in the agreement, a 12-month limitation on the quantity of a textile product imported from China could be automatically imposed by the United States if mutual agreement on the level of trade was not reached during the 90-day consultation period. During the life of this agreement, which expired on December 31, 1982, the consultation mechanism was invoked to restrict imports from China in another 19 categories of apparel and 1 fabric category. This brought to 28 the total number of product groups for which the quantity of imports was controlled under mutually acceptable or formula limits. 3/ More than half the quotas came into effect for the first time during 1982.

Despite strong pressure from the domestic textile industry to reduce imports from China, the United States began negotiations on a new agreement by offering the Chinese an annual rate of growth for the limited categories which (though well below the increases that had been permitted under the old agreement) was less restrictive than the settlements reached earlier in 1982 with the three major U.S. suppliers. 4/ On the other hand, China began negotiations by demanding growth rates for its textile exports under quota that exceeded the annual rates of increase established under the first agreement and continued to resist any compromise of its position. After three rounds of negotiations, almost no progress had been made when the agreement expired. 5/

1/ Ibid.

2/ Computed from official statistics of the U.S. Department of Commerce.

3/ In a few cases, only one import limit applies to two of the categories of cotton, manmade-fiber, or woolen textile products used by the United States to monitor import shipments and administer the bilateral agreements program on trade in textiles. A total of 25 specific limits applied to the 28 categories of textile products from China that were restricted as of the end of 1982.

4/ A new agreement reached with Hong Kong in March 1982 called for growth rates in the restricted categories of 0.5-2.0 percent; similar agreements were concluded a few months later with Taiwan and the Republic of Korea. Estimates of the average annual rate of growth that will be permitted for imports subject to specific limits are 1 percent or less.

5/ On Jan. 13, 1983, after the fourth unsuccessful round of negotiations, the United States imposed unilateral import quotas on 32 categories of Chinese textiles, adding four apparel items to the 28 products already restricted under the expired agreement. The quotas will apply for a 12-month period, retroactive to Jan. 1, 1983, or until agreement on the level of trade in each category can be reached. A fifth round of negotiations was held in March, in which some progress was reportedly made.

Meeting of United States-China Joint Economic Committee

The third annual meeting of the United States-China Joint Economic Committee, created in 1979 to coordinate U.S. economic ties with China, was held in December. As in previous years, the 3-day agenda covered trade, finance and investment, taxes, economic exchanges, and the U.S. and Chinese economies. However, it was the discussions on investment that are expected to yield the most significant results.

In 1982 China announced plans for substantial new investment to develop its coal and oil reserves, hydroelectric power, and transportation and communications facilities. In order to meet the massive capital and technical requirements, a new emphasis was placed on seeking foreign participation in these large-scale undertakings by means of some type of joint-venture arrangement. The Chinese showed particular interest in U.S. involvement, and a number of U.S. companies were ready to respond. For example, in February 1982, when China opened the bidding for rights to exploit its offshore oil reserves, half the invitations were issued to U.S. companies. In addition, several other U.S. companies signed agreements during 1982 that could eventually involve them in major joint ventures with the Chinese to develop that country's energy resources. 1/ At an investment meeting held in June, China also offered foreign investors the opportunity to participate in 121 small-scale industrial projects; more than 10 technical and investment cooperation agreements involving U.S. firms resulted. Nevertheless, U.S. companies have continued to be reluctant to invest in China, especially in major projects, until a bilateral investment treaty can be concluded. Although the need for an investment treaty had previously been discussed with the Chinese, it was not until the recent meeting of the Joint Economic Committee that both sides agreed to begin negotiations. 2/

The treaty is expected to provide protection such as assuring U.S. companies treatment under Chinese laws and regulations that is as favorable as that given to both the Chinese economic organization and any other foreign investors involved in a project. It would also guarantee the right to repatriate profits and provide for prompt and adequate compensation in the event of expropriation. Although U.S. companies can now obtain insurance against certain risks of inconvertibility and expropriation under the operating agreement concluded between the U.S. Overseas Private Investment Corporation (OPIC) and the People's Insurance Company of China in 1980, the coverage OPIC provides is limited because China is a controlled economy and its currency is not freely convertible.

1/ For example, an agreement for the largest potential joint venture signed to date was reached between Island Creek Coal Co., a subsidiary of Occidental Petroleum Co., and China's Ministry of Coal in March 1982. The U.S. company will do a feasibility study as a prelude to developing the Pingshuo coal mine in northern China, in which it expects to invest \$350 million. The first U.S. contract to drill for China's offshore oil was also signed in 1982; the U.S. participants are Atlantic Richfield Co. and Santa Fe International Corp.

2/ The first U.S. draft of the treaty was completed in March 1983 and presented to interested U.S. parties for comment. Negotiations with the Chinese were scheduled to begin in June.

The United States initiated a program to promote bilateral investment treaties with developing countries in 1981, and signed treaties with two countries in 1982. 1/ China signed an investment treaty with Sweden in 1982, and is actively negotiating investment treaties with West Germany, Switzerland, and Japan. If the U.S. negotiations with China are successful, the treaty must then be ratified by the Senate before coming into effect.

U.S. International Trade Commission actions
on imports from China

After a year in which there were no new cases of alleged material injury, or threat of material injury, to a U.S. industry by reason of imports from China, 2/ five investigations were instituted in 1982. Two of the petitions for relief were filed under section 406 of the Trade Act of 1974, alleging that imports from China were causing market disruption. 3/ The products in question were certain items of ceramic kitchenware and tableware and canned mushrooms. The other three petitions alleged that imports from China were being sold in the United States at less than fair value. On the basis of these petitions, the Commission instituted investigations under Section 733(a) of the Tariff Act of 1930 on the question of injury to a domestic industry by imports of greige polyester/cotton printcloth, cotton shop towels, and canned mushrooms.

In its investigation on certain ceramic kitchenware and tableware from China, the Commission found that the rapid increase in imports from China was not a significant cause of the difficulties being experienced by the domestic industry. 4/ However, the vote that resulted from the investigation on canned mushrooms was evenly divided, 5/ giving the President the option of accepting either an affirmative or a negative decision as the finding of the Commission. President Reagan accepted the determination of the two

1/ The United States signed investment treaties with Egypt and Panama in 1982. A treaty was concluded with Costa Rica in February 1983, and negotiations with four countries are underway. None of the treaties that were signed will become effective until ratified by the Senate.

2/ The only such case before the Commission in 1981 was based on a petition filed in 1980. In its final investigation on the question of injury to the U.S. menthol industry, the Commission determined that imports from China of menthol, which had been found to be sold in the United States at less than fair value, were not materially injuring, or threatening to materially injure, the domestic industry.

3/ In section 406 investigations, which apply only to imports from a Communist country, the determination of market disruption must be based on a finding of a rapid increase in imports during a recent time period. To make an affirmative determination, the Commission must find that the increase in imports, whether absolute or relative, is a significant cause of material injury or threat of material injury to a domestic industry. If the finding is affirmative, the Commission must also recommend a specific import restriction to remedy or prevent the market disruption.

4/ Voting in the negative were Chairman Alfred E. Eckes and Commissioners Paula Stern, Michael Calhoun, and Veronica A. Haggart. Commissioner Eugene J. Frank voted in the affirmative.

5/ Chairman Alfred E. Eckes and Commissioner Paula Stern found no market disruption; Commissioners Eugene J. Frank and Veronica A. Haggart voted in the affirmative.

Commissioners who found no market disruption, but directed the United States Trade Representative to monitor imports of canned mushrooms from China for the purpose of considering whether relief for the domestic industry may be appropriate in the future. 1/

Following the split vote of the Commission in the section 406 investigation (but prior to the President's decision), a petition was filed on October 18, 1982, alleging that imports of canned mushrooms from China are being, or are likely to be, sold in the United States at less than fair value. In its preliminary investigation on the question of injury, the Commission voted unanimously on November 22, 1982, that there is a reasonable indication that the U.S. canned mushroom industry is being materially injured or threatened with material injury. A final determination will be made by the Commission if the Department of Commerce makes an affirmative finding on the question of sales at less fair value. 2/

The U.S. canned mushroom industry has remained in a depressed state despite the relief provided in November 1980 in the form of a tariff increase. (The higher duty is subject to staged reductions that will return it to the previous level in November 1983.) Although the increase in the tariff was followed by an overall decline in U.S. imports of canned mushrooms in 1981, owing to a reduction in the quantities supplied by Taiwan and the Republic of Korea, imports from China more than doubled, substantially increasing China's share of the U.S. market. This trend continued in 1982, with the quantity of imports supplied by China rising from 27.4 million pounds in 1981 (31.0 percent of the total quantity imported) to 35.4 million pounds in 1982 (34.8 percent of the total). The ratio of imports from China to U.S. canned mushroom consumption, by quantity, increased from 13.7 percent in 1981 to 16.3 percent in 1982. 3/ Total imports of canned mushrooms also rose in 1982, probably reflecting in part the first staged reduction in the tariff on November 1, 1981 and the second reduction in November 1982.

Unanimous affirmative findings were reached by the Commission in the two section 731 (antidumping) cases on textile products from China. In its preliminary investigations on imports of polyester/cotton printcloth and cotton shop towels, the Commission found that there is a reasonable indication that the U.S. industry is threatened with material injury. 4/ The Department of Commerce therefore continued its investigations on the question of whether these imports are being sold in the United States at less than fair value. 5/

1/ For a more detailed discussion of these two investigations, see the 32d Quarterly Report . . ., pp. 33-36.

2/ The preliminary determination of the Department of Commerce, which was originally scheduled to be made by Mar. 28, 1983, has been postponed to not later than May 16, 1983.

3/ Computed from data in U.S. International Trade Commission, Processed Mushrooms . . . , Report to the President on Investigation No. 332-84 . . ., USITC Publication 1351, February 1983.

4/ For a more detailed discussion of the two investigations, see the 32d Quarterly Report . . ., pp. 36-38.

5/ On Mar. 9, 1983, the Department of Commerce made a preliminary affirmative finding on polyester/cotton printcloth, but extended the date for making its final determination. As a result, the Commission's final investigation on the question of injury was temporarily suspended.

China was the leading supplier of U.S. imports of polyester/cotton printcloth (the designation used for a group of related fabrics chiefly of cotton) and cotton shop towels in 1982. The value of imports from China was \$19.6 million for printcloth and \$6.8 million for shop towels.

Developments in Chinese trade relations with third countries

With the opening of its economy to foreign trade and, more recently, to foreign participation in its development, China has rapidly expanded its bilateral ties with both industrial and developing nations. Two areas of particular relevance to the United States are China's agreements with other grain-exporting countries and its agreement with the European Community on trade in textiles.

Grain agreements.--Canada was the only country with which China renewed a grain agreement in 1982. The new agreement, extending from August 1982 to August 1985, calls for China to purchase from 10.5 million to 12.5 million metric tons of wheat over the 3-year period, or roughly 3.5 million to 4.2 million metric tons annually. This represents an increase over the commitment made under the previous agreement between Canada and China, which called for the purchase of 2.8 million to 3.5 million metric tons of wheat annually.

The other countries with which China has bilateral grain agreements and the annual commitment currently in effect under each agreement are as follows: Australia, 1.5 million to 2.5 million tons of wheat; Argentina, 1.0 million to 1.5 million tons of wheat, corn, and soybeans; and France, 500,000 to 700,000 tons of wheat. China also has a barter agreement with Thailand, under which it imports 100,000 tons of corn annually in exchange for crude oil.

Under the 4-year United States-China grain agreement, which will remain in effect through December 31, 1984, the Chinese have a commitment to purchase from 6 million to 8 million metric tons of wheat and corn annually. 1/ Thus, China's total annual grain-import commitment ranges from 12.5 million to 16.5 million metric tons, giving the Chinese considerable latitude to adjust their purchases from year to year. In 1981, China imported approximately 13 million tons of grain, of which the United States supplied 7.9 million tons or 61 percent. Despite a record grain output in China in 1982, its imports increased to about 15 million tons, 2/ with the United States accounting for 8.4 million tons or 56 percent of the total. 3/

Textile agreement with the EC.--China's 3-year agreement on trade in textiles with the EC will expire at the end of 1983, a year after the expiration of the United States-China agreement. For this reason, the forthcoming negotiations on its renewal are expected to be affected to a considerable extent by the outcome of the textile negotiations that began

1/ The agreement includes a provision that permits China to purchase up to 9 million tons of grain annually without giving the United States prior notice; permission to buy over 9 million tons would depend on the status of the U.S. market.

2/ EIU, Quarterly Economic Review of China, North Korea, No. 1, 1983, p. 12.

3/ See the section on U.S. grain exports in this report.

between the United States and China in August 1982. The present EC agreement with China allows less growth in most major categories than was permitted in the restricted categories under the United States-China agreement that expired on December 31. However, the United States substantially increased the number of restricted items in 1982 and has insisted that China must accept lower annual rates of increase in a new agreement. These actions set a precedent that can be cited by the EC in its negotiations with China.

The United States and the EC together account for about one-third of China's exports of apparel and other textile products. The latest data available for comparison show that in 1981 U.S. imports of textile products from China were \$590 million and the EC imports were \$500 million.

U.S. Exports

The value of U.S. exports to China decreased by \$694.1 million in 1982. Crude materials (table 10, SITC sec. 2), the category that includes cotton, soybeans, and manmade fibers, declined \$515.9 million, but notable decreases also occurred in the value of sales to China in other broad commodity groups: manufactured goods classified by chief material (SITC sec. 6), food and live animals (SITC sec. 0), and oils and fats (SITC sec. 4). Chemicals (SITC sec. 5) was the only category of exports that increased significantly.

Grains

Despite a decrease in value of \$94.1 million, food exports--consisting almost entirely of wheat and corn--amounted to \$1.2 billion and accounted for 42.6 percent of all U.S. exports to China in 1982. The decline in this category was in wheat exports, which decreased from \$1.3 billion in 1981 to \$1.0 billion in 1982, or by 17.5 percent (app. table B-9). However, the quantity of wheat exported declined only 8.3 percent, from 7.4 million to 6.8 million metric tons. A worldwide surplus of wheat in 1982 depressed its price in international markets. Exports of corn to China increased 203 percent, from \$62.5 million in 1981 to \$189.4 million in 1982. Prices were slightly lower, and the quantity of U.S. corn shipped to China was up from 0.5 million to 1.6 million metric tons, or by 240 percent. In 1981, most of the corn exports to China occurred during the fourth quarter, when the price declined following a record U.S. harvest. Since the price of corn remained depressed in 1982, this was probably the primary reason for China's large purchases from the United States. U.S. exports of corn to China in the fourth quarter of 1982 alone were \$92.0 million, which was \$29.5 million more than their value in all of 1981.

China's imports of wheat and corn combined, although lower in value in 1982 than in 1981, increased from 7.9 million metric tons in 1981 to 8.4 million metric tons in 1982. This quantity exceeded the 6 million to 8 million tons that the Chinese are committed to buy annually under the United States-China grain agreement, but was less than the 9 million tons that the United States has agreed to sell to China annually without receiving prior notice. ^{1/}

Data released by China on grain output (a total production figure that includes wheat, rice, corn and other coarse grains, and tubers) show that harvests reached record or near-record levels in each year from 1979 to 1982,

^{1/} See the section on grain agreements in this report for more information on this agreement.

with the yield in 1982 reaching an estimated alltime high of 335 million tons. ^{1/} Yet despite the excellent output, continued large-scale grain imports appear to be necessary for an improvement in China's living standards. Rising incomes in both urban and rural areas have increased demand for wheat and other high-quality grains, but the Government's procurement of grain for distribution throughout China has not increased correspondingly. In addition, the frequency of shortfalls in the quantity available for urban centers has increased in recent years because the Government has transferred a larger share of the grain back to certain rural areas as an incentive to farmers to specialize in industrial crops. ^{2/} The new record harvest in 1982 is therefore not expected to significantly reduce China's grain imports in 1983.

Cotton and soybeans

A 2-year decline in U.S. exports of cotton and soybeans to China appears to have become a trend that is not likely to be reversed. After decreasing from \$701.3 million in 1980 to \$464.1 million in 1981, China's imports of U.S. cotton dropped to only \$177.8 million in 1982. Similar decreases took place in its purchases of soybeans; U.S. exports to China were \$155.2 million in 1980, but fell to \$129.7 million in 1981 and to \$63.2 million in 1982. An additional loss has come from the reduction in U.S. sales of soybean oil (SITC sec. 4); China imported \$56.5 million in soybean oil from the United States in 1980, \$17.1 million in 1981, and none in 1982. From 1980 to 1982, the decrease in U.S. exports to China of the three commodities combined was \$671.9 million. ^{3/}

The primary reason for the cutback in China's imports of cotton, soybeans, and soybean oil is the success of its agricultural reforms, usually referred to as the agricultural responsibility system. In the late 1970's, the Chinese Government began to offer various incentives to the peasants to shift the cultivation of some land out of grain and into industrial crops such as cotton, oilseeds, sugar, tea, and silkworm cocoons. The principal incentive was an increase in prices paid by the Government; on average, the state raised its procurement prices 4 percent in 1978, 23 percent in 1979, 7 percent in 1980, and another 6 percent in 1981. ^{4/} In 1980, a flexible

^{1/} FBIS, Daily Report: China, Jan. 13, 1983, p. K 16. The U.S. Department of Agriculture has estimated that China's 1982 harvest may have exceeded 340 million tons.

^{2/} See the following discussion of China's agricultural reforms.

^{3/} On Jan. 19, 1983, China announced that it was banning further purchases of U.S. cotton and soybeans in 1983. The announcement was ostensibly made in response to the U.S. imposition of unilateral quotas on imports of textile products from China after the bilateral textile agreement had expired and little or no progress had been made in negotiating a new agreement. However, it is doubtful that China would have imported a significant quantity of either cotton or soybeans in the absence of the ban. The Chinese have not contracted to buy any U.S. cotton since the fall of 1981 or any soybeans since May 1982; thus, during 1982, U.S. exports to China of these commodities were largely based on previous commitments.

^{4/} The increases in procurement prices included a higher price for grain, to help raise output of grain per acre at the same time that some grain land was being shifted to the cultivation of other crops.

purchasing policy was also instituted to allow above-quota production to be sold at a premium above the basic procurement price. Also, farmers were permitted to sell some products at rural trade fairs and urban markets at freely negotiable prices.

Another important change was the transfer of decisionmaking about what crops to grow and how to grow them from the commune, a central planning unit established in 1958 by Mao Zedong, to individual families or groups of families. Each family group was given responsibility for a small plot of land and could set its own targets, selling a fixed quantity of a Government-targeted crop at the basic procurement price, above-quota production at a premium, and other products on the free market. The new state constitution adopted in 1982 formally took administrative control over China's 800 million peasants from the communes.

Although the production of grain has increased under the agricultural responsibility system, the largest gains in output have been made in industrial crops. Cotton production increased an average of 10 percent per year in 1977-81, and the output of soybeans and other oil-bearing crops (which include cottonseed, rapeseed, peanuts, and sunflowerseed) rose an average of 26 percent annually. China's State Statistical Bureau reported that the output of both cotton and oil-bearing crops reached a new record level in 1982. 1/

Manmade fibers

U.S. exports of manmade fibers to China also declined steeply in 1982. The Chinese had been buying heavily; their imports of U.S.-produced polyester fibers increased from \$56.8 million in 1979 to \$182.9 million in 1980 and to \$281.8 million in 1981. In May 1982, without warning China stopped purchasing polyester fibers from the United States (and all other countries) and accepted only deliveries based on contracts already signed. As a result, the value of U.S. polyester-fiber exports to China decreased by 75 percent in 1982, to \$69.9 million (app. table B-9). 2/ The Chinese gave "excess inventories" as the reason for halting purchases, further indicating that they might not need to purchase any polyester fibers in 1983. 3/

1/ FBIS, Daily Report: China, Jan. 13, 1983, p. K 16; EIU, Quarterly Economic Review of China, North Korea, No. 1, 1983, pp. 14 and 15.

2/ Polyester staple, or noncontinuous polyester fibers (Schedule B item 309.4242), accounted for most of the U.S. manmade-fiber exports to China, which also included some other types of fibers such as acrylic and nylon, plus filaments and strips. These other items accounted for an additional \$25.6 million in U.S. exports to China in 1982. Their share was higher in 1982 than in 1980 or 1981 because China continued to buy other fibers, especially acrylic, after halting its purchases of polyester.

Synthetic yarns are usually also classified as manmade fibers, but the SITC system classifies manmade fibers and filaments as crude materials (SITC sec. 2) and synthetic yarns as manufactured goods classified by chief material (SITC sec. 6). Yarns are therefore treated separately in this report.

3/ In January 1983, China announced a ban on all purchases of manmade fibers from the United States in 1983. Although the ban appeared to be a retaliation against the U.S. imposition of a unilateral import quota on China's textile products, it served to confirm that China had accumulated an excessively large supply of polyester fibers. (The ban also included cotton and soybeans; see footnote 3 on p. 47).

Since 1978 China has made substantial investments in manmade-fiber plants, and the domestic production of fibers has been growing. However, uncontrolled importing was probably the primary reason that, by early 1982, China was holding an excess supply of polyester fibers. In 1980, a new policy was instituted that permitted Provincial governments to export their above-quota output and to retain the foreign exchange thus earned to import new materials for production. The textile-producing Provinces--in addition to the state textiles trading corporation--began importing polyester fibers. In the absence of a coordinated plan, a massive oversupply was reportedly accumulated. ^{1/}

Softwood logs

The United States did not begin selling logs (SITC sec. 2) to China until 1980, but by 1982 the value of exports had increased more than fourfold, partially offsetting the losses in crude-materials exports caused by the decline in exports of cotton, soybeans, and polyester fibers. After increasing from \$41.4 million in 1980 to \$89.2 million in 1981, China's imports of U.S. logs reached \$211.9 million in 1982. The Chinese have also been importing a small amount of lumber (valued at \$5.1 million in 1982), but prefer the unprocessed, less expensive logs. The main product sold by the United States to China is softwood saw logs. In 1982, these sales by value consisted of 76 percent of Douglas-fir and 20 percent of western hemlock (app. table B-9); the remainder were of spruce and miscellaneous categories. China has been using most of the logs in the construction of an economic infrastructure--namely, in building railroads (crossties, bridge trestles, and buildings) and port facilities. Some of the logs have been used for construction in the mining industry (a sector scheduled for substantial growth), and a small amount is used in furniture.

Favorable prices for China, the result of a depressed U.S. housing market and a reduction in Japan's imports of U.S. logs, are probably the reason that its imports of logs from the United States have increased so rapidly. However, because of population pressure, China's forests have been severely depleted. For several decades, there is likely to be a considerable gap between China's supplies of logs and lumber and the quantity it will require for industrial growth. U.S. exports of logs to China are likely to continue to increase as the economy is developed, but alternative supplies would be available to China from countries such as Canada, Sweden, Norway, Chile, New Zealand, and the U.S.S.R.

Wood pulp

Wood pulp is another crude-materials export that declined sharply in 1982. After amounting to \$66.8 million in 1980 and \$67.9 million in 1981, U.S. exports of wood pulp to China fell nearly 80 percent in 1982 to \$14.0 million. It appears that the Chinese built up their inventories of wood pulp in 1980 and 1981, since they continued to import heavily from Canada and also began making purchases from the United States in 1980. The U.S. industry

^{1/} The China Business Review, January-February 1982, pp. 38-43.

therefore expects exports to China to increase again. ^{1/} The long fibers of the imported pulp are needed to add strength to China's domestic short-crop fibers such as straw and bamboo. The pulp is used in making paper products such as newsprint, writing and printing papers, and tissues for domestic consumption.

Plastics resins

The increase in U.S. exports of chemicals (SITC sec. 5) in 1982 stemmed largely from the rapid growth in China's purchases of plastics resins. The combined value of U.S. exports of polyethylene and polypropylene resins to China climbed from only \$18.9 million in 1980 to \$72.1 million in 1981 and to \$212.0 million in 1982 (app. table B-9). China accounted for 18 percent of total U.S. exports of polyethylene resins in 1982; its share of U.S. exports of polypropylene resins was 27 percent.

China manufactures some plastics resins, but most of the plants are small, labor-intensive operations that use outmoded equipment. Although plans to modernize a few of the larger plants and to expand the industry have been announced, China's imports of plastics resins are expected to continue to increase. ^{2/} Its growing uses of plastics resins range from the production of injection-molded consumer goods such as housewares and toys to a variety of packaging materials that include woven bags for fertilizers and chemicals and plastic bags for its apparel exports.

The plastics resins accounted for 42.6 percent, by value, of all U.S. exports of chemicals to China in 1982, replacing fertilizers as the leading export group in this SITC category. U.S. sales of fertilizers to China were \$147.0 million, or 29.6 percent of total U.S. chemicals exports to China in 1982.

Yarns and fabrics

U.S. exports of yarns (SITC sec. 6) to China decreased 40 percent to \$121.8 million in 1982. As with manmade fibers, the decline followed a sharp rise in sales to China, from \$61.4 million in 1980 to \$202.4 million in 1981. Thus, China probably accumulated a large inventory of yarns--in conjunction with a massive oversupply of polyester fibers--that led to the decrease in its imports of yarns from the United States in 1982. Most of the U.S.-produced yarns that the Chinese have been buying are synthetic textured yarns. Fabric made of polyester textured filament yarn has a different look and feel than that made of polyester staple, resembling silk more than cotton. ^{3/}

U.S. exports of fabrics (SITC sec. 6) to China also declined steeply, from \$77.9 million in 1981 to \$5.5 million in 1982. In 1981, woven fabrics of polyester and polyester and cotton blends were China's leading fabrics imports from the United States, accounting for \$52.4 million in U.S. sales. In 1982, these exports were only \$4.6 million.

^{1/} Ibid., September-October 1982, p. 53.

^{2/} Chemical Week, Sept. 29, 1982, p. 55.

^{3/} The China Business Review, January-February 1983, p. 39.

U.S. Imports

The value of U.S. imports from China increased \$385.8 million to \$2.2 billion in 1982. Although the increase occurred in every SITC category but crude materials (SITC sec. 2), the two most significant commodity groups were mineral fuels and lubricants (SITC sec. 3), consisting almost entirely of crude petroleum and petroleum products, and miscellaneous manufactures (SITC sec. 8), mostly various items of apparel. Imports in these two broad groups combined increased from \$894.6 million in 1981 to \$1.4 billion, and thus accounted for 63.9 percent of the value of all U.S. imports from China in 1982.

Petroleum and petroleum products

U.S. imports of petroleum and petroleum products nearly doubled in 1982, increasing to \$580.2 million from \$295.4 million in 1981 (app. table B-10). Part of the increase, a total of \$180.5 million in imports, was due to U.S. purchases of crude oil and shale from China in 1982; there were none in 1981. Larger U.S. imports of gasoline and naphthas accounted for the remainder. The United States bought \$336.9 million in gasoline from China in 1982, \$78.1 million more than in 1981, and \$62.8 million in naphthas, \$26.1 million more than in 1981. U.S. imports of gasoline from China accounted for 19.8 percent of all U.S. imports of motor gasoline in 1982 in terms of value; the ratio of imports from China to total U.S. imports was 3.6 percent for naphthas and 0.4 percent for crude petroleum.

Although China exports much more crude petroleum than petroleum products, 1/ its exports to the United States, which began in 1979, have mainly consisted of petroleum products. Thus, gasoline and naphthas together constituted more than two-thirds of U.S. oil imports from China in 1982, providing China more dollar earnings per unit than crude petroleum would; at the same time, the amount of crude petroleum that the United States purchased from China in 1982 was far larger than in any previous year, providing China higher total dollar earnings. China is faced with an increasingly serious dilemma: its petroleum exports are a major source of the foreign exchange that it needs to modernize the economy, but petroleum production in China has stagnated in the last few years. 2/ At current levels of oil production (and with limited growth in coal and hydroelectric output), China can barely sustain its present level of industrialization. 3/ The situation has worsened for China with the decline in international oil prices. For example, the value of U.S. imports of gasoline from China increased 30.2 percent in 1982, but the quantity of gasoline imported increased 41.3 percent.

1/ A spokesman for the Chinese Ministry of Petroleum Industry recently announced that China had exported 127 million tons of crude oil and petroleum products since 1973, the year in which China started exporting oil. According to his statement, crude oil constituted 101 million of the 127 million tons exported (FBIS, Daily Report: China, Jan. 7, 1983, p. K 10.)

2/ See the section on economic developments in China earlier in this report.

3/ EIU, Quarterly Economic Review of China, North Korea, 4th quarter 1982, p. 10. Wharton Econometric Forecasting Associates expects China to suffer an energy shortage before 1985, which will require it to import large quantities of petroleum products (WEFA, Centrally Planned Economies Outlook, March 1983, p. 162.

Apparel of textile materials

U.S. imports from China of clothing and related accessories made of cotton, manmade fabrics, and wool increased \$215.5 million to \$587.5 million in 1982. This represented a 58-percent increase over such imports in 1981, and a nearly 900-percent increase since China started to expand its apparel exports to the U.S. market in 1978. In terms of value, apparel accounted for 70.3 percent of all imports of miscellaneous manufactured articles (SITC sec. 8) from China in 1982 and for 26.5 percent of total U.S. imports from China.

Product diversification accounted for a sharp rise in apparel imports from China in early 1982. With 13 categories of apparel already subject to quantitative import limits under the bilateral textile agreement, China rapidly expanded its exports to the United States in those categories that were not yet restricted. For example, after imports of woolen sweaters were placed under quota in 1981, imports of cotton sweaters began to flood the U.S. market in 1982. These imports, the only category of Chinese sweaters not previously restricted, 1/ were placed under a formula limit in August 1982. 2/ Underwear and sleepwear were among the other types of imports from China that increased, since the restricted categories were confined to outerwear prior to 1982. As a result, the United States placed specific limits on a total of 14 categories of apparel from China in 1982 alone. Since most of these quotas were imposed in the last half of the year, they had only a limited restrictive effect during 1982.

Among the 20 leading items imported from China in 1982 (app. table B-10) were 6 items of apparel, accounting for a total of \$106.9 million in imports. However, the value of these imports tends to understate the quantity of Chinese apparel entering the U.S. market since most of the clothing imported from China is in the low end of the price range for that particular type of apparel.

As two of China's major markets, the United States and the EC, have become more restrictive, China has expanded its exports of apparel in other markets. In 1982, it was the second largest supplier of clothing to Japan, following the Republic of Korea.

Other imports

Compared with imports of mineral fuels and lubricants and miscellaneous manufactured articles, imports from China in other SITC sections showed only small increases. The third largest absolute increase in terms of SITC categories was a rise of \$23.7 million in imports from China of food and live

1/ The United States initially imposed a unilateral quota on manmade-fiber sweaters from China in 1979. This quota became one of the agreed limits when the United States-China textile agreement was signed on Sept. 17, 1980.

2/ Using a formula specified in the bilateral textile agreement, the United States can impose a quota on a textile import from China when agreement on the level of trade cannot be reached. For a more detailed discussion of the mechanism for imposing formula limits, see the section on negotiations on a new textile agreement in this report.

animals (SITC sec. 0). Cocoa butter was the item most responsible for the increase; such imports from China were \$1.7 million in 1981 and \$13.9 million in 1982 (app. table B-10). When China was granted MFN status in 1980, imports of cocoa butter were extended duty-free treatment; the column 2 tariff rate that previously applied to China is 25 percent ad valorem. Thus, China has become a competitive supplier to the U.S. market, reportedly offering a high-quality product at a low price.

Crude materials (SITC sec. 2) was the only category of U.S. imports from China that declined in 1982. The largest decrease was in imports of shelled peanuts, which amounted to \$151.6 million in 1981 but fell to \$1.3 million in 1982. A temporary increase of 300 million pounds in the U.S. quota on shelled peanuts was terminated as of July 31, 1981. The value of imports from China in 1982 represented a normal situation under a U.S. quota of 1.7 million pounds. ^{1/}

Smaller but significant decreases also occurred in two other crude-materials imports from China: crude sorted feathers, which declined from \$21.7 million in 1981 to \$7.8 million in 1982, and tungsten ore, which decreased from \$20.7 million in 1981 to \$7.3 million in 1982. The primary reason for the decline in imports of feathers was a decrease in demand for coats, comforters, and other products using feathers and down in their construction. Some of the contributing factors were a depressed U.S. consumer market, a change in fashion preferences, and an improvement in the quality of less expensive manmade fibers that can be substituted for feathers and down.

Both the U.S. recession and falling oil prices contributed to the decline in U.S. imports of tungsten ore. Tungsten is used for drill bits, for the cutting edges of machine tools, in the production of wire and rod, and as an essential alloy for various specialty tool steels. China is the world's largest producer of tungsten, and it continued to maintain a relatively large export market as other supplying countries such as Australia, Bolivia, and Canada cut their output and exports in 1982. Thus the decline in imports from China appears to have resulted from a smaller demand for tungsten ore in U.S. petroleum production and other U.S. industries.

^{1/} See the section on developments in U.S. imports from the NME's earlier in this report.

U.S.S.R.

Introduction

In 1982, the already poor climate for U.S.-U.S.S.R. trade deteriorated further after President Reagan imposed new economic sanctions against the Soviets in December 1981. Affected only lightly by these sanctions in overall terms, this trade was holding steady during the year at about the level of 1981.

Commercial relations between the two countries continued to be virtually frozen through the better part of the year. However, prospects for better relations began to appear in the last quarter, as several potentially favorable developments occurred. There was a change in the leadership of the U.S.S.R.; President Reagan eased some of his earlier trade sanctions against the Soviets; and a meeting of the United States-U.S.S.R. Trade and Economic Council was held again after a break of 4 years.

Trade between the United States and the U.S.S.R. amounted to \$2.8 billion in 1982, up just 4.5 percent from 1981 (table 11). The slow growth of this trade was due principally to a continued decline of U.S. imports from the U.S.S.R., which amounted to just \$229 million. This was 36 percent less than in 1981. Meanwhile, exports to the Soviet Union continued to climb from their low level during the embargo. They reached \$2.6 billion, up 11 percent from 1981. Growth in the value of this market was restrained by depressed grain prices. Grains continued to be the single most important item in U.S.-U.S.S.R. trade. In 1982, grains alone accounted for 63 percent of all U.S. exports to the Soviets, or 58 percent of two-way trade.

An uptrend in U.S. exports, accompanied by falling U.S. imports during the year, further exacerbated the traditional imbalance of U.S.-U.S.S.R. trade in favor of the United States; in 1982, U.S. exports to the Soviets were 11 times larger than U.S. imports from them. The \$2.4-billion U.S. surplus stemming from this imbalance contrasted sharply with the continued widening of the U.S. deficit in trade with the world. Throughout the years, Soviet trade officials have repeatedly asked the U.S. Government to strive for a better balance in bilateral trade. However, redressing the imbalance would involve finding Soviet-manufactured goods suitable for the U.S. market--a task of considerable difficulty.

In 1982, the Soviet Union continued to rank as the second largest NME market for U.S. exports, accounting for 40 percent of total U.S. shipments to these countries (fig. 3). By contrast, the U.S.S.R. accounted for only 7 percent of U.S. imports from NME's (fig. 4). Since 1980, the year which saw the greatest effects of President Carter's post-Afghanistan sanctions, China has replaced the U.S.S.R. as the leading NME trading partner of the United States in terms of combined exports and imports.

Economic developments

U.S. assessments.--In 1982, it appeared to many Western observers that the Soviet economy was encountering difficulties that were unprecedented in its recent history. Some Soviet experts in the United States referred to them as a "very serious crisis--the most serious since Stalin's days." ^{1/} Throughout the year,

^{1/} Interview with Marshall I. Goldman, Russian Research Center, Harvard University, in U.S. News and World Report, Nov. 22, 1982, p. 29.

Table 11.--U.S. trade with the U.S.S.R., 1/ by SITC Sections, 1980-82
(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals:			
1. Beverages and tobacco:	971,744	1,600,140	1,642,161
2. Crude materials--inedible, except fuel:	2,773	400	2,979
3. Mineral fuels, lubricants, etc:	56,187	59,350	214,249
4. Oils and fats--animal and vegetable:	26,473	62,840	90,013
5. Chemicals:	28,148	56,089	40,565
6. Manufactured goods classified by chief material:	31,580	180,220	287,846
7. Machinery and transportation equipment:	34,458	32,871	25,961
8. Miscellaneous manufactured articles:	268,795	300,814	225,458
9. Commodities and transactions not elsewhere classified:	88,880	45,371	59,129
Total	1,509,747	2,338,818	2,588,975
U.S. imports:			
0. Food and live animals:			
1. Beverages and tobacco:	1,814	2,675	5,236
2. Crude materials--inedible, except fuel:	5,612	8,446	9,961
3. Mineral fuels, lubricants, etc:	15,503	17,820	9,511
4. Oils and fats--animal and vegetable:	11,232	106,795	10,356
5. Chemicals:	2/	19	5
6. Manufactured goods classified by chief material:	148,038	93,509	117,307
7. Machinery and transportation equipment:	125,812	100,241	60,555
8. Miscellaneous manufactured articles:	3,444	2,387	1,579
9. Commodities and transactions not elsewhere classified:	29,843	2,860	9,053
Total	89,949	22,673	5,230
	431,246	357,424	228,792

1/ Includes Estonia, Latvia, and Lithuania.

2/ Value less than \$500.

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

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

scholars and the media focused on serious food supply problems, persistently low housing and consumption standards, and the comparatively new phenomenon of a hard-currency shortage plaguing the Soviet economy. Many perceived the apparent pervasiveness of corruption, the black market, alcoholism, and high infant mortality in the Soviet society as signs attesting to its deterioration. All noted that, in recent years, the rate of Soviet economic growth has steadily declined.

Recently, however, the CIA gave a less negative report on Soviet economic prospects and strength. This was prepared at the request of Senator William Proxmire (D-Wis.), who asked for a "balanced assessment" of the Soviet economy, noting "an unusual confusion in Congress and the general public" on the subject. ^{1/} The CIA report, authored by Mr. Henry Rowen (Chairman, National Intelligence Council), pointed out that in historical perspective the Soviet economy has done well. It achieved a 4.6-percent average annual growth of GNP from 1950 through 1981. This performance put the U.S.S.R. roughly in the middle of the range of OECD countries in terms of GNP growth over the same period. Rapid growth took place simultaneously with the building of a strong military force and steadily rising per capita consumption (which nonetheless was consistently subordinated to a high rate of capital investment and remained well below levels attained in non-Communist industrial countries).

It is only in more recent years that Soviet economic performance has begun to slide. With a continuing rise in military expenditures (currently 13 to 14 percent of GNP), it was no longer able to provide for a high level of investment. According to the CIA, growth slowed down to less than 2 percent in 1979-81, and to about 1.5 percent in 1982. Shortages of food and other consumer goods appear to have worsened, even though Soviet authorities broke precedent by slating consumption to grow faster than investment in the current 5-year plan. ^{2/}

The report listed several reasons for the recent deterioration of the Soviet economy. Some are outside the Government's control, including bad weather, international economic and trade developments, and, most importantly, the tightening of the country's mineral and labor resources. Meanwhile, claimed the report, the inherent weakness of the centralized Soviet economic system has also begun to be more sorely felt. The system is ill suited to making efficient use of new technology. It is thus not equipped to cope efficiently with worsening conditions.

On the basis of performance in 1981 and 1982, the CIA expects that most objectives of the current Soviet 5-year plan will not be met. Agriculture, where systemic problems have been compounded by harsh weather, has been thus far the major problem area. But many other key economic sectors have performed poorly, such as metallurgy, building materials, and transportation. Most important, the productivity increases on which the plan depended have not materialized. A few bright spots in the bleak picture includes the development and production of certain natural resources (primarily natural gas), and the nuclear power industry.

^{1/} Central Intelligence Agency, Henry Rowen, Central Intelligence Agency Briefing on the Soviet Economy, before the Joint Economic Committee, released on Jan. 8, 1983, p. 2.

^{2/} The CIA estimates that consumption accounted for 55 percent of the Soviet GNP in 1982, far below the share in most non-Communist industrial countries.

Despite indications of recent deterioration, the report strongly emphasized the basic strength of the Soviet economy, 1/ which stems from the country's sheer size, its abundant natural resources, a large accumulation of capital stock, and a well-trained labor force. In this context, in the author's words: "we do not consider an 'economic collapse'--a sudden and sustained decline in GNP--even a remote possibility." 2/

Soviet statements and data.--There were several uncharacteristic references to economic difficulties by Soviet officials during the year. Leonid Brezhnev, the late Soviet leader, announced a special food program in May, citing "the necessity to reduce imports from capitalist countries . . . some of which use grain sales as an instrument of political pressure." 3/ At the same time, Brezhnev criticized Soviet agricultural managers for failing to mechanize production and to increase efficiency on farms. He pointed to the prevailing shortage of fertilizers and herbicides and to inadequate transportation and storage facilities. He also stated that meat, vegetables, fruits, and dairy products were in short supply.

The Brezhnev food program called for additional investments to be directed especially into the weak areas of the food chain: agricultural machinery, storage facilities, farm-to-market transportation, and plant and equipment for food processing. It provided new incentives for State and collective farms and for private plot holders, including higher prices to be paid by the State for a variety of agricultural products, effective January 1, 1983. The program also called for organizational changes, but according to Western analysts, these are short of meaningful structural reforms. 4/

In marking the 60th anniversary of the U.S.S.R., Yuri Andropov, the new Soviet leader, acknowledged his predecessor's food program as a short-term solution. He indicated, however, that in the long term "a more in-depth and consistent specialization of agriculture on a nationwide scale will be required." 5/ In the same address, Mr. Andropov singled out the country's transportation network as a major bottleneck of the Soviet economy.

According to official Soviet data, the annual targets for national income (the Soviet equivalent of GNP), industrial output, and labor productivity were not met in 1982. 6/ Moreover, programs for economizing with material resources and for introducing new equipment and technology were not fully implemented. 7/ There were shortfalls in the output of ferrous metals 8/ and

1/ Henry Rowen, op. cit., p. 11. According to CIA data, in 1982, Soviet GNP will amount to \$1.6 trillion, roughly 55 percent of GNP in the United States.

2/ Ibid., p. 2.

3/ Business Week, June 7, 1982, p. 6.

4/ Business Eastern Europe, June 11, 1982, p. 185, and Henry Rowen, p. 33.

5/ Foreign Broadcasting Information Service, (FBIS) U.S.S.R. Dec. 21, 1982, p. P 4.

6/ Foreign Broadcasting Information Service (FBIS), U.S.S.R. Jan. 24, 1983, p. S 1.

7/ Ibid.

8/ Steel shortage has been a major problem during the year. Reflecting relative Soviet backwardness in technology, the Soviet Union consumes comparatively more steel than Western advanced industrial countries.

of mineral fertilizers, and cement. In contrast, Soviet sources reported the overfullfillment of targets for gas and coal extraction, machine tool production, and agricultural machinery, among other industries.

The Soviets reported rapid progress on the Siberian-European gas pipeline; U.S. opposition to it apparently gave the project the highest priority. According to Mr. Nikolai Baibakov (Chairman, State Planning Committee), construction will be completed in 1983, and gas will flow to Western Europe through the pipeline beginning in 1984. 1/

The Soviets expect National Income to grow at 3 percent in 1983. The annual plan gives high priority to the energy, agriculture, and transportation sectors.

Developments Affecting Commercial Relations with the United States

Cool economic relations between the United States and the Soviet Union prevailed throughout 1982. The current chill began after the Soviet invasion of Afghanistan in 1979 provoked a U.S. trade embargo. Although President Reagan revoked the previous administration's agricultural and fertilizer embargo in April 1981, he imposed seven new measures on December 30, 1981, in response to the Soviet role in the imposition of martial law in Poland. As a result, the two countries did not negotiate a new long-term grain agreement or maritime agreement in 1982; the Soviet Purchasing Commission of New York City remained closed; Aeroflot flights to the United States remained suspended; and the U.S.-Soviet exchange agreements in the areas of energy, space, science, and technology were not renewed. 2/

Some of the new sanctions were directed toward further tightening the procedures governing the transfer of U.S. technology to the Soviets. This was done by, in effect, halting the processing of validated export licenses to the U.S.S.R. for all items and technology on the Commodity Control List. 3/ One particular measure broadened the existing embargo on the exports of technology for the Soviet natural gas and petroleum industry to include transmission and refining equipment. On June 12, 1982, President Reagan extended this particular measure further to include equipment produced abroad by subsidiaries and foreign licensees of U.S. companies. The President noted that--

The objective of the United States in imposing sanctions has been and continues to be to advance reconciliation in Poland. Since December 30, 1981, little has changed concerning the situation in Poland. 4/

While the U.S. Administration set out to implement the President's sanctions on strategic exports to the U.S.S.R., legislators continued their efforts to assess the scope and impact of acquisition of U.S. technology by

1/ The Journal of Commerce, Nov. 24, 1982, p. 4A.

2/ 29th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During 1981, USITC Publication 1236, March 1982 (hereafter 29th Quarterly Report), p. 48.

3/ The Commodity Control List is a list maintained by the Commerce Department of "dual-use" goods and technology having both civilian and potentially significant military applications.

4/ Weekly Compilation of Presidential Documents, June 21, 1982, p. 820.

the Soviets. The Permanent Subcommittee on Investigations of the Senate Committee on Governmental Affairs held public hearings in May 1982 to probe the effectiveness of the executive branch in enforcing export controls, particularly with regard to transfer of high technology to the Soviet Union and its allies. A report of the Central Intelligence Agency (CIA) made public at these hearings concluded that huge amounts of technology and equipment had passed into Soviet hands by both legal and illegal means. The CIA report described the Soviet Union's campaign to acquire Western technology as being ". . . massive, well planned, and well managed--a national program approved at the highest party and governmental levels." 1/

In November 1982, the subcommittee issued the results of its inquiry. 2/ Their report stated that the enforcement tools now available to the Department of Commerce and the Customs Service are inadequate, and that a restructuring of U.S. efforts to halt unauthorized technology transfer is being called for. 3/

U.S. restrictions on exports of oil and gas equipment and technology

Both the December 1981 and June 1982 embargos on oil and gas equipment and technology were aimed principally at slowing or stopping the construction of the Soviet gas pipeline which is being built to supply Western and Eastern Europe with Soviet natural gas. The pipeline will connect Urengoi in Siberia with Western Europe; it is being constructed with European financial and technical support and is generally considered a landmark project in East-West economic relations.

Ever since the 1981 Ottawa economic summit conference of the main industrial countries, the question of Western assistance for this pipeline had given rise to dispute between the United States and the market economy countries participating in the project. On that occasion, President Reagan warned the other leaders that the pipeline deal, which involves large-scale, long-term Soviet gas sales in exchange for Western financial and technical assistance, would make their countries dangerously dependent on Soviet energy supplies. However, the President was not successful in Ottawa, or any time later, in dissuading the interested countries from participation in the pipeline.

Although the President's December 1981 sanctions affected only U.S. suppliers, 4/ his June 1982 measures also blocked subsidiaries and licensees of U.S. companies abroad from making delivery of equipment for the pipeline that had already been contracted for. The prospective effect of these measures on six companies and their employees--two in West Germany, two in France, and one each in Italy and the United Kingdom--evoked sharp protests from the European allies. 5/

1/ Central Intelligence Agency, Soviet Acquisition of Western Technology, April 1982, p. 1.

2/ 97th Congress, Senate Permanent Subcommittee on Investigations, Transfer of United States High Technology to the Soviet Union and Soviet Bloc Nations, Nov. 15, 1982.

3/ The enforcement program of the U.S. Customs Service, Operation Exodus, was discussed in the 31st Quarterly Report . . . , pp. 35-39.

4/ See U.S. exports, later in this report.

5/ 31st Quarterly Report . . . , pp. 30 and 31.

The conflict was resolved on November 13, 1982, when the President revoked both his December 1981 and June 1982 sanctions involving the Soviet gas pipeline. 1/ Acting on the President's November announcement, the Commerce Department eliminated the advance licensing requirements for oil and gas transmission and refining equipment (turbines, compressors, pipeline valves) that it had imposed earlier in 1981, while maintaining advanced technology applied in the production of such equipment subject to case-by-case licensing. Commerce also resumed the processing of license applications on a case-by-case basis for exports of other goods and technology to the U.S.S.R.; processing had been suspended since December 1981. Commerce again started granting licenses for sales of products to be used in oil and gas exploration and production in the U.S.S.R.: drilling rigs, blowout preventers, drill pipe, submersible pumps, etc.

The November 1982 revocation of the December 1981 and June 1982 technology sanctions was made in the context of a "substantial agreement on a plan of action with regard to the economic policy toward the Soviet Union" between the United States and its allies. The President pointed out that it was this understanding which made it unnecessary to maintain the pipeline sanctions any longer. 2/

East-West policy coordination

This November 1982 accord was the second attempt of the United States and its allies during the year to agree on a comprehensive East-West economic policy. At the June economic summit conference in Versailles, France, the United States tried to convince the other Western leaders that the policy of economic detente has contributed significantly to the Soviet military buildup. 3/

The United States advocated tighter restrictions on Soviet access to Western technology and credit, but U.S. allies--especially West Germany and France--favored maintaining normal economic ties with the U.S.S.R. Although the joint declaration following the Versailles summit did include provisions for certain coordinated restraints on East-West economic relations, the allies subsequently claimed that they had made no commitment to change their policies. This conflict flared up immediately following the Versailles meeting, and resulted in President Reagan's extending his December 1981 sanctions to affect European companies, as discussed above.

The more recent (November 1982) understanding between the United States and its allies calls for coordination of policies such as Western purchases of Soviet natural gas, an active search by Western users for non-Soviet sources of gas, tighter controls on transfer to the Soviet Union of strategic materials and technology, and harmonized restriction on the terms of officially supported export credits to be made available to that country. 4/ The purpose of the agreement, said the President, is "not to engage in trade arrangements which contribute to the military or strategic advantage of the U.S.S.R. or serve to preferentially aid the heavily subsidized Soviet

1/ The President's radio address of Nov. 13, 1982.

2/ Ibid.

3/ 31st Quarterly Report . . ., p. 29.

4/ The President's radio address of Nov. 13, 1982.

economy." 1/ The parties agreed to have Western international organizations, such as the North Atlantic Treaty Organization (NATO) and the Organization for Economic Cooperation and Development (OECD) conduct various studies needed to formulate such a coordinated East-West economic policy.

Some progress had already been made in 1982 in the area of harmonized credit restraints with respect to the U.S.S.R. 2/ The most recent International Arrangement on Export Credits adopted by OECD members on June 30, 1982, reclassified the Soviet Union from its former status of an "intermediate" country to that of a "relatively rich" country. The arrangement also raised the minimum interest rate permissible for loans to "rich" countries by OECD governments. The rate applicable on loans to the Soviet Union was set accordingly at 12.4 percent--4 percentage points higher than in November 1981. 3/ Following a most recent agreement between the United States and the allies, however, it is expected that a harmonized Western credit policy will be developed that will go beyond OECD guidelines. This policy would specify such things as minimum downpayments, maximum length of loans and other credit terms to further restrict government-subsidized Western credits and credit guarantees to the Soviet Government.

Long-term U.S.-U.S.S.R. grain agreement

As one of the seven economic sanctions ordered against the U.S.S.R. in 1981, the President postponed negotiations on a new long-term U.S.-U.S.S.R. grain supply agreement. As a result, no long-term grain agreement was concluded in 1982 to replace the first such accord that was to expire in September, 1982. Instead, on July 30, 1982, the President authorized a second 1-year extension of the original agreement which will now run through September 30, 1983.

Both extensions continued the terms of the initial agreement. The Soviets are required to buy at least 6 million tons of grains in an October-September "agreement year." They may purchase an additional 2 million tons without any further authorization from the U.S. Government. The United States is committed to make available up to 8 million tons of grains for shipment to the Soviet Union, but may offer more. In fact, when he extended the grain agreement this year, the President authorized U.S. officials to explore the possibility of selling grains to the Soviets over and above the basic 8 million ton commitment. 4/

Meeting of the U.S.-U.S.S.R. Trade and Economic Council

Despite the negative overtones in the U.S. Government's East-West trade policy, some interested parties began to view U.S.-Soviet trade prospects with greater optimism towards the end of 1982. Encouraged by the removal of certain export restrictions in November, some 250 executives representing 125 U.S. companies gathered in Moscow for the seventh meeting of the

1/ Ibid.

2/ 31st Quarterly Report . . . , pp. 33-35.

3/ At the time of the Arrangement, the reduction of export credit subsidies in general had been under negotiations in the OECD for some time. It was in this general context that the United States proposed that OECD members apply limits on the total amount of official loans that are extended to the U.S.S.R. and its allies.

4/ 32d Quarterly Report . . . , pp. 30-32. See also the section on U.S. exports later in this report.

United States-U.S.S.R. Trade and Economic Council. 1/ This was the Council's first meeting in 4 years; it had been rendered inactive by the Soviet invasion of Afghanistan and ensuing tension in U.S.-Soviet relations. The Council met as scheduled, despite Soviet leader Brezhnev's death only 5 days earlier. The participants discussed a broad range of questions connected with the Council's activities, and explored possibilities for improved trade relations. Leading Soviet trade officials identified petrochemicals, metals, consumer goods, food, and farm machinery as the most promising areas of U.S.-Soviet cooperation.

Economic relations with third countries

Dependence on trade.--In 1982, calls by the United States for other Western countries to restrict East-West trade triggered interest in the question of the extent to which the U.S.S.R. relies on foreign trade, especially on trade with advanced industrial countries. In assessing the share of foreign trade in Soviet economic activity, Western analysts have reached quite different conclusions, some challenging the generally accepted belief in a high degree of Soviet self-sufficiency.

According to Wharton Econometric Forecasting Associates, total exports account for 6 to 8 percent and imports equal 4 to 6 percent of Soviet GNP, depending on methods of trade valuations 2/ and the dollar estimate used of Soviet GNP. 3/ Meanwhile, a study recently completed under the auspices of the U.S. Bureau of Census claimed that the Soviet foreign trade participation ratios 4/ calculated by others understate that economy's dependence on imports. 5/ This study arrived at a 20-percent Soviet import dependency ratio for 1980 by measuring Soviet foreign trade in domestic prices rather than the prices actually paid and received by the Soviets, and by using the Soviet concept of National Income instead of the Western GNP concept. 6/ This high import ratio, the authors believe, casts doubt on the generally accepted view that the Soviet economy continues to be highly self-sufficient. 7/

1/ The United States-U.S.S.R. Trade and Economic Council was established in 1974 to promote trade, as well as economic and scientific-technical cooperation between the two countries. Members are U.S. companies and Soviet foreign trade and industrial organizations.

2/ The assessment of Soviet foreign trade by different experts varies according to the prices they use. See remainder of this section.

3/ Wharton Econometric Forecasting Associates (Wharton), Centrally Planned Economies Current Analysis, 1982, No. 101., p. 1.

4/ Foreign trade participation ratios are the ratios of exports or imports to GNP in a given period.

5/ U.S. Bureau of the Census, Vladimir G. Treml and Barry L. Kostinsky, The Domestic Value of Soviet Foreign Trade; Exports and Imports in the 1972 Input-Output Table, October 1982.

6/ The authors believe that domestic prices, even if arbitrary, reflect Soviet scarcity relations better than world market prices. Accordingly--they claim--measuring Soviet imports at those prices paid by the Soviet consumer (which are higher than world market prices) will yield more accurate measures for Soviet dependence on imports than ratios based on actual transaction prices.

7/ According to the Census study, the ratio of Soviet imports to National Income rose from 8.6 percent in 1970 to 20 percent in 1980, and the ratio of exports to National Income was up from 6.3 to 6.9 percent in the same period.

Imports from the West alone equal some 5 percent of Soviet GNP, according to the latest CIA estimate. The same source puts Soviet dependence on all imports at about 12 or 13 percent. 1/ Although a 5-percent dependency ratio on the West may appear low in overall terms, all experts agree that the Soviets rely heavily on imports from the West to meet their requirements for some commodities.

The CIA report considers the U.S.S.R. basically self-sufficient, yet greatly benefiting from trade with the West. 2/ It points out that the Soviets rely on imports of Western capital and technology to increase or maintain production of some of their valuable raw materials. As to agricultural imports from the West, the report claims that these have become critical to Soviet efforts to improve--or simply to maintain--the quality of the Soviet diet. Nonetheless, according to the CIA, the Soviet Union remains basically self-sufficient with respect to food, of which an adequate supply can be maintained without imports. 3/

Foreign trade and debt.--According to Soviet statistics, total foreign trade turnover of the U.S.S.R. increased 9.7 percent in January-September 1982 from the corresponding period of 1981. In 1981, the value of Soviet foreign trade expanded by 17 percent over that in 1980. 4/ West Germany continued to be the leading trading partner among non-Communist countries in terms of bilateral trade, followed by Finland, Italy, Japan, and France, in that order. Argentina, which was one of the leading non-NME trading partners of the Soviets in 1981, ranked low in 1982, as Soviet imports plummeted from that country.

The U.S.S.R. earns hard currency for imports principally from exporting petroleum, natural gas, gold, and other minerals. In 1981, soft prices for petroleum and gold depressed Soviet earnings of hard currency; at the same time, massive grain imports caused Soviet hard-currency expenditures to soar. This led to a considerable hard-currency trade deficit, liquidity problems, and increased debt. 5/

Last year, the Soviets sought to remedy these problems by curtailing imports from the advanced industrial countries and from other hard-currency areas. Wharton economists estimate that in January-September 1982, the value of Soviet imports from the developed West increased by only 5.4 percent over the corresponding period of 1981. 6/ Imports from developing countries were estimated to have actually declined by 16.3 percent. Restraints on imports from advanced industrial countries had their greatest effect on items other

1/ Henry Rowen, Central Intelligence Agency Briefing On The Soviet Economy, before the Joint Economic Committee, Subcommittee on International Trade, Finance and Security Economics, released on Jan. 8, 1983, p. 37.

2/ Ibid. p. 37.

3/ Ibid. pp. 16 and 17.

4/ Supplement to Foreign Trade, U.S.S.R. (a monthly magazine published by the U.S.S.R. Ministry of Foreign Trade), December 1982.

5/ 29th Quarterly Report . . ., p. 50.

6/ Wharton CPE Analysis, 1983, No. 1, p. 6.

than grains, such as equipment needed to modernize Soviet industry, and Western consumer goods. Sharply falling Soviet imports from developing countries—including Argentina, Brazil and Thailand—occurred mostly in the area of grains and other agricultural goods; 1/ these reductions were in part the result of supply problems in those countries.

Meanwhile, in order to maintain the level of their hard-currency export earnings, the Soviets augmented the volume of their oil exports to the West, even though this meant putting further pressure on oil prices in world markets. They also stepped up their sales of natural gas. Wharton economists estimate that the already-dominant share of energy products in total Soviet hard-currency exports continued to rise in 1982, and may have reached some four-fifths of the total. 2/ Overall Soviet exports to the developed West were up 15.7 percent in January–September 1982 over the corresponding period of 1981. Exports to developing countries, part of which were also for hard currency, increased by 12 percent, as a result of higher sales of arms. 3/

In contrast, Soviet trade with other members of the Council of Mutual Economic Assistance (CMEA) was characterized by stagnant Soviet exports and rising Soviet imports. Trade with CMEA partners constitutes one-half of total Soviet foreign trade. Exports were affected as the Soviet Union diverted some of the major items traditionally shipped to the CMEA area (energy, raw materials) to hard-currency markets. This shift markedly reduced the customary surplus in Soviet trade with other NME's, and caused major hardship for these countries.

While they were improving their trade balance with the market economies, the Soviets also eased their hard-currency debt burden. 4/ They are expected to end the year with an estimated \$8.8 billion hard-currency debt, compared with \$10.8 billion at the end of 1981. 5/ Unlike most Eastern European countries, the U.S.S.R. continues to be regarded as a good credit risk.

U.S. Exports

In 1982, U.S. exports to the U.S.S.R. amounted to \$2.6 million. This was up 10.7 percent over those in 1981 (table 11), but down 28 percent from their record level of 1979. Although U.S. prohibitions were in effect during the year on exports of some products to the U.S.S.R., the overall impact of the sanctions on exports to that country was small. After the April 1981 revocation of the grain embargo and other export restrictions relating to Soviet agriculture, only shipment of high-technology and strategic items continued to be under controls.

Agricultural commodities constituted 72 percent of U.S. exports to the Soviets in 1982, compared with 79 percent in the preembargo year of 1979, and 69 percent in the embargo year of 1980. Despite larger shipments of grains in

1/ Ibid.

2/ Ibid. p. 5

3/ Ibid. p. 2.

4/ Wharton, CPE Current Analysis, 1982, 102/103 pp. 12 and 17. Estimates of Soviet debt vary, with some of them as high as \$20 billion. In CPE Current Analysis, No. 104, Dec. 30, 1982, Wharton economists compare their own estimates on hard-currency trade and debt with those of others, discussing the differences in their methodologies.

5/ Ibid.

1982, depressed grain prices caused the export value in the dominant food section (SITC 0) to remain virtually unchanged from 1981. This largely determined the slow growth of total exports to the Soviets during the year.

Both expansions and contractions were recorded in the other, much smaller export categories. Chemical exports (SITC sec. 5) continued their long-term growth. With the full-scale postembargo resumption of soybean deliveries to the Soviets, crude material exports (SITC sec. 2) rebounded from their atypically low level of 1981. Exports of mineral fuels and lubricants (SITC sec. 3) and those in the miscellaneous manufactures' category (SITC sec. 8) also climbed considerably.

Conversely, exports of machinery and transportation equipment (SITC sec. 7) continued to decline from their 1979 peak. This reflected, in part, President Reagan's suspension of high-technology transfer to the Soviets from December 1981 through November 1982. There were also declines in exports of animal and vegetable oils and fats (SITC sec. 4) and of manufactures classified by chief material (SITC sec. 6).

Food and live animals

U.S. exports of food and live animals (SITC sec. 0) to the U.S.S.R. amounted to \$1.6 billion in 1982, up 2.6 percent from the level in 1981, but 28 percent less than that in 1979. They consisted predominantly of grains, but also included major sales of shelled almonds, broiler chickens, and a few other items. Shipments of hops plummeted in 1982 to a mere \$3 million from \$14 million in 1981, removing the item from the list of leading exports to the U.S.S.R. Shipments of sugar, another leading food export to the Soviets in 1981, were not repeated in 1982.

Grains--In 1982, the United States exported 11.3 million metric tons of grains to the U.S.S.R.--4.3 million tons of wheat and 7 million tons of corn. Although these volumes were 5 percent and 29 percent more, respectively, than in 1981, U.S. receipts from grain exports to the U.S.S.R. edged up only by 4 percent. The reason was the decline in the average unit values of these shipments, especially of corn.

In January-April 1981, U.S. grains to the Soviets were still under a partial embargo, but there was no grain embargo in effect in 1982. Exports were regulated only by the long-term U.S.-U.S.S.R. grain supply agreement and the intermittent consultations provided for in this accord. ^{1/} In January-September 1982, when this agreement was in its sixth year (first 1-year extension), the Soviets had been authorized to buy a total of 23 million metric tons of U.S. grains, including the purchases they made in October-December 1981. However, actual Soviet purchases under this quota amounted to only 13.9 million tons. ^{2/}

The grain supply agreement entered in its seventh year (second 1-year extension) in the 4th quarter of 1982. In consultations conducted under its provisions, the United States invited the Soviets once more to purchase a total of 23 million metric tons of U.S. grains during the period from October 1, 1982, through September 30, 1983. The Soviets actually contracted

^{1/} For the principal provisions of the grain supply agreement, see Economic relations with the United States, earlier in this report.

^{2/} See also 32d Quarterly Report . . ., pp. 30-32.

for slightly over 6 million tons of this amount by the end of 1982, 1/ which represents the minimum quantity they are committed to buy during the current agreement year ending September 30, 1983.

The U.S.S.R. was the world's number one grain importer in the July-June 1981/82 crop year, with imports amounting to an estimated 46 million tons. This constituted 22 percent of global grain trade. Even though they were apparently having a poor 1982 harvest for the fourth year in succession, 2/ the Soviets are expected to reduce grain imports to 36 million metric tons in July-June 1982/83. 3/

According to analysts, the U.S. share of this total will largely depend on the availability of supplies from other exporters. It is generally believed that, unless a new U.S.-U.S.S.R. long-term agreement is concluded, the United States will become a residual supplier for the Soviets. 4/

The Soviets began to diversify their grain imports following the partial embargo President Carter imposed against them in January 1980. Before then, the United States accounted for the major share of the Soviet grain market--three-fourths of the total in July-June 1978/79, the last crop year preceding the embargo. The U.S. share plummeted to 24 percent of total Soviet imports in 1980/81, the crop year most affected by the embargo, and the United States was replaced by Argentina as the Soviets' leading supplier. In 1981/82, a crop year no longer affected by the embargo, the United States became once again the number one supplier of the U.S.S.R., but has not regained its preembargo share of the Soviet market. The U.S. share of Soviet grain imports was only 34 percent.

Farm groups are generally skeptical that the U.S.S.R. will purchase more of this year's authorized 23 million tons of grains than they bought in 1981/82. Some question whether there will be any more major shipments of U.S. wheat in the remainder of the agreement year. 5/ Canada, the largest competitor of the United States in the Soviet grain market, has recently offered a line of credit to the U.S.S.R. for purchasing their grain, thereby increasing their competitive edge.

Argentina is expected to continue as the major U.S. competitor for corn sales in the Soviet market. However, unlike Canada, it is not considered likely that Argentina will support its sales with credit guarantees. Analysts in the Department of Agriculture doubt that in 1982/83 Argentina will be able to maintain last year's level of exports to the Soviets when it exceeded U.S. coarse grain exports to that country. 6/

1/ U.S. Department of Agriculture, Foreign Agricultural Service, FG-2-83, Jan. 14, 1983, p. 2.

2/ The second year for which the Soviets did not published the results of their grain harvest was 1982. They stated, however, that it was considerably better than in 1981.

3/ U.S. Department of Agriculture, Foreign Agricultural Service, FG-2-83, Jan. 14, 1983, p. 1.

4/ Statement of Mr. William Brock, United States Trade Representative, February 1983, to Senator Robert Dole (R-Kansas).

5/ The Journal of Commerce, Feb. 21, 1983, p. 3A.

6/ United States Department of Agriculture, Foreign Agricultural Service, FG-2-83, Jan. 14, 1983, p. 2.

In calendar year 1982, the U.S.S.R. received 10.6 percent of total U.S. wheat exports and 14.3 percent of U.S. corn exports, by volume. With third-country markets for U.S. grains shrinking, Soviet shares of the total were a few percentage points higher in 1982 than in 1981. Last year, large crops in key exporting nations coincided with the reduced ability of many importing countries to buy grains. As markets became smaller, competition among exporters intensified, and the U.S. position was further weakened by the strong dollar. In 1982, U.S. farmers suffered a third consecutive year-to-year decline in net income.

Given these conditions, the total size of the Soviet grain market and the U.S. share in this market are of great importance to the U.S. farmer. According to a spokesman for the U.S. agricultural community, Soviet demand for grain imports is bound to rise; thus, the U.S.S.R. "offers a great potential" for U.S. sales. 1/

Shelled almonds--Exports of shelled almonds shipped to the Soviets in 1982 amounted to \$10 million, down 37 percent from the level of 1981. The volume of shipments dropped only 6 percent, with the decline in value reflecting predominantly falling prices. In recent years, shelled almonds have been regularly on the list of leading exports to the Soviets, who use them mostly for candy production.

U.S. almond growers market aggressively in the U.S.S.R., competing with Spanish and Italian suppliers. In 1982, the U.S.S.R. received 5.9 percent of all U.S. exports, compared with 6.8 percent in 1981.

Chemicals

With shipments amounting to \$288 million, chemicals (SITC sec. 5) were the second leading category of U.S. exports to the Soviets in 1982 (table 11). The 60-percent increase in the value of these exports over 1981 was mostly due to larger volumes of superphosphoric acid (SPA) shipped to the U.S.S.R.

Superphosphoric acid--SPA is consistently the largest component of U.S. chemicals shipped to the U.S.S.R. It is a highly concentrated liquid substance from which fertilizers are processed. SPA exports to the Soviets are being made under the terms of a 20-year agreement concluded in 1973 with the Occidental Petroleum Corp. of California. This accord provides for the sale by Occidental of substantial quantities of SPA and the purchase from the Soviets of substantial quantities of ammonia, urea, and potash through 1997. 2/ Under the agreement, the prices and volumes for all four products are negotiated periodically and embodied in specific contracts, and the profitability of Occidental's business with the U.S.S.R. depends on the outcome of these negotiations. This, in turn, is heavily influenced by developments in the fertilizer markets of the world, which are currently severely depressed.

1/ Statement of Whitney MacMillan (Chairman, Cargill Inc.), in November 1982, at the Moscow meeting of the United States-U.S.S.R. Trade and Economic Council.

2/ See following section on U.S. imports in this report.

The regular flow of SPA from the United States to the Soviets was interrupted for 15 months by the embargo President Carter imposed in January 1980, and which President Reagan subsequently revoked in April 1981. Shipments of SPA in 1982 amounted to \$268 million (table B-27), 62 percent more than in 1981. The volume of these shipments expanded even more (by 65 percent). Declining average unit values reflected depressed prices for phosphates and other fertilizers in world markets.

The United States is presently the only major exporter of SPA, and it sells almost exclusively to the U.S.S.R. In 1982, the Soviets accounted for 93 percent of all U.S. exports, while they apparently bought SPA only from the United States. Recent developments indicate, however, that the Soviets are seeking to diversify their SPA imports. It was reported that a Spanish company has signed a 10-year contract for sales of SPA to the U.S.S.R. starting in 1984. 1/ While the embargo on exports of phosphates was in effect, the Soviets obtained alternate supplies of phosphate rock or phosphatic fertilizers from Tunisia, Morocco, Belgium, and the Republic of South Africa. They themselves have substantial phosphate reserves, but a large portion is of poor quality.

Other chemicals--In 1982, products other than SPA collectively accounted for only 7 percent of all U.S. chemicals shipped to the U.S.S.R. They included compound catalysts, industrial varnishes, and various preparations and compounds, none of which are on the list of the 20 leading items exported to the U.S.S.R. last year.

In November 1982, Monsanto, a U.S. company with a long history of trading with the Soviets, signed a two-way trade agreement with the U.S.S.R. for 1983-85. 2/ The accord stipulates that the overall volume of bilateral trade will reach 300 million dollars in these 3 years. On the export side, the agreement provides for delivery of pesticides and various resins to the U.S.S.R. 3/

Machinery and transport equipment

Machinery and transport equipment (SITC sec. 7) ranked second in 1981 but only third in 1982 among the SITC categories of U.S. exports to the U.S.S.R. (table 11). Shipments continued to decline, totalling \$225 million, compared with \$301 million in 1981 and \$363 million in 1979. The downtrend apparently resulted first from President Carter's tightening controls on the transfer of high-technology to the U.S.S.R., then by President Reagan's virtual suspension of such sales from December 1981 through November 1982. Products incorporating advanced technology are concentrated in SITC section 7. 4/

In 1982, there were no exports of certain SITC 7 section items that had been shipped to the U.S.S.R. in 1981, such as pipehandling equipment and certain metalworking and tire-building machines. Tractors and tractor parts remained on the 1982 list of the 20 leading items in exports to the U.S.S.R., and a new section 7 item, tractor shovel loaders, also appeared on the list (table B-27).

1/ The Journal of Commerce, July 6, 1982, p. 22 B.

2/ See section on U.S. imports, p. in this report.

3/ Foreign Broadcasting Information Service, Nov. 18, 1982, p. A-3.

4/ See "Developments Affecting Commercial Relations with the United States" earlier in this report.

In overall terms, the high-technology sanctions had no major effect on either country's trade. The Soviet Union relies mostly on Western Europe and Japan for its needs of machinery and transportation items. 1/ Meanwhile, sales to the U.S.S.R. have always been relatively minor in proportion to the total in this important class of U.S. exports.

Nonetheless, particular areas of the Soviet economy have been adversely affected by the restrictions, as was intended. But some economic interests and geographic areas in the United States were also hurt. In 1982, one notable U.S. victim of the policy on high-technology exports was the Caterpillar Tractor Co. of Illinois, the world leader in construction machinery. Caterpillar lost a \$90 million sale for 200 units of large pipelaying equipment. It has been reported that most of this contract subsequently went to Japan's Komatsu Co., which is second in the field. Another well-known U.S. company caught in the political conflict was General Electric (along with its European subsidiaries and licensees.) 2/ General Electric was not allowed to deliver turbines and compressors for the Siberian-European pipeline. The denied equipment is generally considered to represent unique U.S. technology.

In July 1982, the Senate Subcommittee on International Economic Policy held hearings concerning the implications of the U.S. embargos of 1981 and 1982 on sales of energy equipment and technology to the U.S.S.R. The Chairman of the Senate Foreign Relations Committee, Senator Charles E. Percy (R-Ill.), pointed out at this hearing that approximately 75 percent of the products affected are manufactured in Illinois. 3/

Mr. Lionel H. Olmer (Undersecretary for International Trade, U.S. Department of Commerce) estimated before the Subcommittee that the United States might loose between \$300 million to \$600 million over the next 3 years in direct or indirect exports as a result of these sanctions. 4/ After the sanctions were rescinded in November 1982, it was estimated that there had been a loss of sales amounting to some \$200 million during the 11 months they had been in effect. 5/

With the resumption of the processing of export license applications following the November announcement, prospects improved that SITC section 7 sales to the Soviets would revive. It has been reported, for example, that the International Harvester Co. and Soviet officials reopened talks involving the sale of product engineering and licenses for a combine plant in the U.S.S.R. 6/

Crude materials

Rebounding soybean sales to the U.S.S.R. made crude materials (SITC sec. 2) once again an important category of U.S. exports to the U.S.S.R., with shipments amounting to \$214 million (table 11). Soybeans accounted for

1/ See "Developments affecting Commercial Relations with the United States" earlier in this report.

2/ Ibid.

3/ Hearings before the Subcommittee on International Economic Policy, Senate Foreign Relations Committee, on July 30, 1982, and Aug. 12-13, 1982, pp. 3 and 4.

4/ Transcript of the hearing, p. 7.

5/ Time, Dec. 6, 1982.

6/ The Journal of Commerce, Nov. 26, 1982, p. 23B.

four-fifths of U.S. exports in this group. Copper ore accounted for most of the remainder; shipments of molybdenum ore and alumina, leading exports in 1981, were not repeated in 1982.

Soybeans--Following exports of 1.8 million tons of soybeans in 1979, U.S. data show virtually no shipments to the Soviets for 1980 and 1981. Exports to the Soviets were embargoed from January 1980 through April 1981, after which the Soviets did not resume purchases from the United States until late 1981. Shipments on record for 1982 reflect, in part, deliveries against orders the Soviets placed in the last quarter of 1981. Exports in 1982 amounted to 649,000 metric tons, valued at \$171 million. The Soviets accounted for 2.5 percent of all U.S. soybean exports by volume during the year.

Soviet demand for vegetable proteins for feed, and for oils and fats for food and industrial uses soared during the past decade. However, domestic oilseed output, from which these items are processed, has been insufficient to keep pace with this demand. The Soviets are major producers of sunflower seed and cotton seed, but climate and soil conditions for growing soybeans are not favorable. Large Soviet imports of oilseeds--almost all soybeans--began in 1975, and they have remained high ever since. According to the Department of Agriculture (USDA), imports of soybeans amounted to a record 1.8 million metric tons in 1978/79 (apparently all from the United States), and are forecasted at 1.4 million tons for 1982/83. 1/

In the embargo year of 1980 and in most of 1981, the Soviets relied almost exclusively on Argentina and Brazil for soybeans. However, in 1982 production and exports by these countries were down, resulting in the resurgence of the U.S. share in Soviet imports.

As in the case of grains, large Soviet demand is matched by a pressing need in the United States to sell soybeans. Mutual interest brought a U.S. team of scientists and soybean processors together with Soviet scientists and trade officials in Moscow at the end of 1982. Participants of the U.S. team were impressed by the Soviets' interest in protein feed, 2/ which could translate into continued demand for imported soybeans. Nonetheless, Soviet imports of soybeans are restricted by the limited capacity of suitable oilseed-crushing facilities in the U.S.S.R. This constraint could translate into additional Soviet demand for the end product of the crushing process--soybean oil and soybean oilcake and meal. 3/

Copper ore--In 1982, U.S. shipments of copper ore to the U.S.S.R. climbed to \$34 million, or by 37 percent in value (table B-27). As the price of copper ore was considerably down in 1982, the increase in export value corresponded to an even larger jump in the volume of exports (58 percent). During the year, the U.S.S.R. accounted for 16 percent of all U.S. copper ore exports, by value.

The Soviets themselves are major producers and net exporters of copper ore. It is believed, however, that their copper industry has been having difficulties in meeting a combination of fast rising domestic demand and

1/ United States Department of Agriculture, Foreign Agricultural Service, U.S.S.R.: 1982 Annual Oilseeds and Products Report, Oct. 29, 1982, and United States Department of Agriculture, World Oilseed Situation, FOP 1-83, p. 9.

2/ The Journal of Commerce, Jan. 18, 1983, p. 26

3/ Soybean oil is classified in SITC sec. 4, and oilcake and meal, in SITC sec. 0.

obligations for delivery of ore to Eastern Europe. These circumstances may explain the Soviet decision to purchase the competitively priced U.S. copper ore. 1/

Animal and vegetable oils and fats

Although Soviet imports of inedible tallow are reportedly on the rise, 2/ U.S. exports of this item to the U.S.S.R. were down 63 percent by value in 1982, amounting to \$18 million. This fall was mostly the result of a decline in the volume of these shipments, though unit values were somewhat lower, too.

The reduction in SITC section 4 exports (table 11) caused by declining tallow shipments was partly offset by first-time deliveries in 1982 of \$23 million in sunflower oil (table B-27). Soviet demand for imported edible oil is reportedly growing, especially for sunflower oil and soybean oil. 3/ The last year in which the United States exported soybean oil to the U.S.S.R. was 1979. Thereafter, the Soviets imported this item mostly from Brazil and the Netherlands.

Miscellaneous manufactures

Exports of products classified in SITC section 8 were up to \$59 million in 1982, or by 30 percent over 1981 (table 11). The increase was due to larger sales of pressure-sensitive tape and major shipments of sausage casings to the Soviets during the year. The U.S.S.R. is a relatively important U.S. customer for both items, accounting in 1982 for 38 percent (by value) of all U.S. exports of tapes and for 10 percent of U.S. sausage casings exports.

Plastic-backed, pressure-sensitive tape is being used for industrial packaging purposes. The United States is a net exporter of this item, which is considered superior in quality to similar items produced in other countries. Although pressure-sensitive tapes have been on the list of leading items sold to the Soviets year after year, exports declined steadily during 1979-81. Exports turned upward for the first time in 1982, when the value of shipments amounted to \$36 million (table B-27), and almost doubled over 1981. Exports of sausage casings almost quadrupled by value in 1982 compared with exports in 1981.

The larger 1982 shipments of these two items were partly offset by declining sales, or no sales, in 1982 of some other items classified in the miscellaneous manufactures section, including equipment for chemical and physical analysis, and various instruments.

Mineral fuels and lubricants

Exports to the U.S.S.R. of mineral fuels and lubricants (SITC sec. 3) have expanded steadily in recent years. They were up 43 percent by value in 1982, amounting to \$90 million (table 11). Calcinated petroleum coke is the leading item in the section, but the other items--various oils--were responsible for last year's export growth in this group.

1/ American Metal Market, July 14, 1982.

2/ U.S. Department of Agriculture, Foreign Agricultural Service, USSR: Oilseeds and Products, Nov. 1982.

3/ Ibid.

Calcinated petroleum coke, a product of the petroleum-refining process, is used in the electrolysis of aluminum. There is a large U.S. industry that processes the required low-sulphur petroleum, and has sufficient capability for calcination. The Soviets import this product, since they do not have calcination facilities in those locations where low-sulphur petroleum is available. However, the Soviets are expected to establish the needed facilities and phase out imports in a few years.

In 1982, the U.S.S.R. received some 10 percent by value of U.S. exports of calcinated petroleum coke. These shipments amounted to \$34 million (table B-27), reflecting virtually unchanged volumes and unit values from 1981.

In contrast, export earnings from various mineral oils rose considerably during the year. Insulating or transformer oil shipments, were up 65 percent by value over 1981, amounting to \$28 million. The United States also shipped 11 million dollars' worth of automotive/diesel/marine oil to the U.S.S.R in 1982, compared with trivial amounts in 1981. Exports of lubricating oils, amounting to \$13 million, were also up in value but somewhat down in volume.

Other exports

In 1982, shipments to the U.S.S.R. of manufactured goods classified by chief material (SITC sec. 6) continued their steady decline to \$26 million from \$33 million in 1981. This brought exports in this category to about half of their 1979 value. Shipments of belting for industrial equipment, made largely of textile materials, were not repeated during the year. In 1981, exports of the product amounted to \$11 million. Exports to the Soviets of manmade fibers also declined. Shipments of tobacco resumed in 1982 following an interruption in 1981. Because of this, shipments of products falling within SITC section 1 (where tobacco is classified) reached record levels, amounting to almost \$3 million during the year (table 11).

U.S. Imports

U.S. imports from the U.S.S.R. continued their steep decline in 1982. They amounted to \$229 million, which was 36 percent less than in 1981 (table 11), and 74 percent less than in 1979. Imports began to fall precipitously in 1980, when shipments of Soviet gold bullion to the United States were suddenly reduced to negligible amounts. In 1978 and 1979, gold accounted for well over half of total U.S. imports from the U.S.S.R, but there have been no large Soviet gold sales to the United States since then. Meanwhile, imports other than gold also declined in both 1981 and 1982.

Imports from the U.S.S.R. were not affected by U.S. trade sanctions imposed in connection with developments in Afghanistan and Poland ^{1/}, since all trade measures taken in response to these events were applied to U.S. exports.

In 1982--as was the case in 1980 but not in 1981--chemicals (SITC sec. 5) were the leading class of commodities imported from the Soviets. Manufactured goods classified by chief material (SITC sec. 6) retained the

^{1/} The United States has never granted most-favored-nation (MFN) tariff treatment to products imported from the U.S.S.R. As a result, these imports are assessed the generally higher rates of duty shown in column 2 of the TSUS.

second position they held in 1981, even though they continued their steady, rapid decline. Imports of mineral fuels and lubricants (SITC sec. 3) plummeted in 1982 to less than one-tenth of their value in 1981, when they were the number one class of Soviet products shipped to the United States. There were no shipments in 1982 of three petroleum products that had accounted for a combined total of \$107 million in U.S. imports in 1981. This was the main factor in the \$129 million reduction of overall U.S. imports from the U.S.S.R.

However, the downtrend in total U.S. imports was not confined to any single product category. Among items appearing on the list of 20 leading imports from the U.S.S.R. in both 1981 and 1982, 10 had lower average unit values in 1982 than in 1981, and 7 were shipped in smaller quantities last year.

Chemicals

Chemical imports (SITC sec. 5) from the U.S.S.R. amounted to \$117 million in 1982, or 25 percent more than in 1981 (table 11). The increase was caused by sharply rising average unit values of ammonia, and by shipments from the U.S.S.R. of urea and potassium chloride, which were not exported to the United States in 1981.

Anhydrous ammonia--Anhydrous ammonia was the leading import item from the U.S.S.R. in 1982, amounting to \$89 million (table B-28). This was 39 percent of all U.S. imports from that country last year. The 605,000 short tons entering the United States during the year represented a second consecutive year-to-year decline from the 1.1 million short tons imported in 1980. Although the volume of ammonia imports was down by 24 percent compared with the volume in 1981, a 49-percent jump in the average unit values of these shipments pushed up their value compared with the value in 1981. The U.S.S.R. supplied 30 percent by value of all U.S. anhydrous ammonia imports during the year.

Soviet anhydrous ammonia is the counterpart on the import side of the phosphates the United States exports to the U.S.S.R. under the 20-year countertrade agreement with Occidental Petroleum. 1/ At the end of 1979, and again in the early part of 1980, ammonia imports from the U.S.S.R. faced the possibility of restrictions by the U.S. Government as a result of allegations that they were causing market disruption. The issue was ultimately resolved by a negative vote of the U.S. International Trade Commission in March 1980, 2/ and no restrictions on imports of Soviet ammonia are currently in effect. Nonetheless, Soviet (as well as Mexican and Caribbean) ammonia reportedly continues to cause pricing problems for the domestic industry. 3/

Ammonia has also been the main Soviet export item in the countertrade arrangements that have been concluded with the U.S.S.R. by many other advanced industrial countries. Soviet efforts to honor their ammonia export commitment under these agreements have been apparently jeopardized by interruptions in production, and other problems. 4/

1/ See section on U.S. exports, earlier in this report.

2/ See 25th Quarterly report . . ., p. 61.

3/ The Journal of Commerce, Dec. 27, 1982, p. 22B.

4/ The Journal of Commerce, Oct. 20, 1982, p. 21 B.

Other chemicals--Urea and potash--also chemicals for making fertilizers--are the other U.S. import items provided for in the long-term agreement between Occidental Petroleum and the Soviets. In 1982, 97 thousand short tons of urea, valued at \$10 million, entered the United States from the Soviet Union. There were no urea imports from the U.S.S.R. in 1981. The fact that only limited quantities of Soviet urea have been received in prior years, and the failure by the Soviets to provide potash as called for by the countertrade deal, were the result of poor product quality, as well as transportation and production problems within the U.S.S.R. 1/

A long-term agreement concluded between Monsanto and the Soviets in November 1982 provides for future imports of ammonia, methanol, aniline, and organic chemicals from the U.S.S.R.

Manufactured goods classified by chief material

Imports of products classified in SITC section 6 amounted to \$61 million in 1982, down 40 percent from 1981 (table 11). A major decline in the prices of nonferrous metals products was largely responsible, although the volume of shipments of many items fell sharply, too.

In 1982, palladium--a precious and strategic metal used primarily by the automotive, oil-refining and electronic industries--was the second leading import item from the U.S.S.R. The Soviet Union is the second ranking U.S. supplier of this item after the Republic of South Africa. The Soviets accounted for 25 percent of total U.S. imports in 1982. Although the volume of Soviet palladium shipments was 19 percent larger in 1982 than in 1981, a sharp fall in the prices of these shipments reduced their value by 20 percent to \$25 million (table B-28).

Palladium is one of the platinum group metals, which also include platinum sponge, rhodium, and other platinum products. The combined value of platinum group imports from the U.S.S.R. declined sharply in 1982. Nonetheless the Soviet Union remained a major supplier of several specific platinum group items to the U.S. market.

The U.S.S.R. has 25 percent of the world's platinum resources and is a leading producer of platinum group metals. In 1982, unusually heavy sales of Soviet platinum had been reported, which had the effect of depressing world market prices for platinum vis-a-vis gold prices. 2/

The U.S.S.R. is not a major source of unwrought nickel imported by the United States. During the year, the Soviet Union accounted for only 3 percent of total U.S. nickel imports, most of which came from Canada, Norway, and Australia. Imports of Soviet nickel plummeted in 1982 to one-third of their 1981 value, amounting to \$12 million (table B-28). There were sharp reductions in both the volume and prices of shipments.

The Soviets are the world's second largest producers of nickel, which is an important source of their hard-currency earnings. Much of the nickel mined in the U.S.S.R. is a coproduct of other metals. This is the case, for

1/ Occidental Petroleum Corp., Annual Report, 1981, p. 11.

2/ The Journal of Commerce, Sept. 22, 1982.

example, at the mining complex at Norilsk in northern Siberia, where cobalt, copper, silver, and platinum group metals are produced along with nickel. ^{1/}

Mineral fuels, lubricants

Petroleum and petroleum products (SITC sec. 3), which produce some four-fifths of all Soviet hard-currency earnings, are of only limited importance in Soviet exports to the United States. U.S. imports in this section amounted in 1982 to only \$10 million, compared with \$107 million in 1981. Soviet shipments of petroleum and products to the United States go back several years, but the amount of this trade has fluctuated widely from year to year. U.S. petroleum imports were very low in 1980 and in 1982 (table 11); meanwhile, the peak level reached in 1981 was only slightly higher than exports had been in 1975.

Soviet petroleum products shipped to the United States have generally been made up of one or more of the following items: crude petroleum, heavy fuel oils, light fuel oils, naphtas, and gasoline. In 1981, heavy fuel oils led the list of the 20 leading items imported from the U.S.S.R.. Light fuel oils and naphtas were also on this list. Of these items none was imported in 1982. Instead, gasoline reappeared as a major import from the U.S.S.R. in 1982 after a hiatus of 2 years.

Other imports

Running counter to the trend of generally declining imports from the U.S.S.R., shipments of Soviet vodka (within SITC sec. 1) increased in 1982, reaching \$9.3 million (table B-28).

Shipments of another traditional Soviet consumer item to the United States--sable furskins (within SITC sec. 2)--inched up in volume but not in value. Imports were \$7 million in 1982 (table B-28). According to U.S. furcoat producers, large inventories of skins left over from 1981 might account for the comparatively low prices of these imports. Demand for sable coats was essentially unchanged.

Metal coins (within SITC sec. 8) reappeared in 1982 among the leading items imported from the U.S.S.R. (table B-28), amounting to \$6 million. While this trade was much above the very low level of imports in 1981, it was only a fraction of the value of Soviet metal coins imported in 1979 and 1980. The "chervonetz" is the principal type of Soviet metal coin entering the United States. It is a quarter-ounce gold coin which is not a means of exchange in the U.S.S.R. In the parlance of the coin business, it is a "trade coin" like the South African Krugerrand. Being less popular for investment purposes than the Krugerrand, the "chervonetz" is sought predominantly by collectors in the United States.

^{1/} American Metal Market, July 14, 1982.

EASTERN EUROPE 1/

Introduction

Shrinking precipitously for the second consecutive year, the traditional surplus in the U.S. merchandise trade balance with Eastern Europe disappeared almost entirely in 1982. From \$1.4 billion in 1980, it narrowed to just over one half that value in 1981, and was only \$173 million in 1982. U.S. exports to the region fell sharply in 1981 and especially in 1982. These falling exports were accompanied by rising U.S. imports from the area in 1981 and a comparatively modest decline of imports in 1982 (table 12).

Before 1981, a surplus in trade with Eastern Europe helped to offset the overall U.S. trade deficit, at least to a small extent. But in the last two years, as the value of this trade shrank from small to negligible, the surplus also lost its importance in the U.S. trade picture. In 1982, two-way trade amounted to \$1.8 billion, compared with its 1980 peak value of \$3.3 billion. Exports to Eastern Europe were \$1 billion--equal to only 5 tenths of one percent of overall U.S. exports last year. Imports from the region amounted to \$824 million, or 3 tenths of one percent of overall U.S. imports in 1982.

The shrinking Eastern European market for U.S. products reflected, to some extent, the measures taken to conserve hard-currency by most Eastern European nations in recent years. Having virtually no more access to credit after mid-1981 because of their accumulated debt, these countries sharply curtailed hard-currency imports. Meanwhile, they managed to keep hard-currency exports almost steady. Following years of major deficits, Eastern Europe collectively balanced its hard-currency trade by the end of 1981, and by the end of 1982 pushed itself into a significant hard-currency trade surplus. 2/

Although Eastern European markets for the exports of most advanced countries were shrinking, they closed up even more to U.S. products. The United States registered widening deficits in trade with 2 Eastern European countries in 1982: Romania and Hungary. 3/ Meanwhile, favorable U.S. trade balances with the other 4 countries of the area deteriorated. During the year, the U.S. trade surplus in the region was largest with East Germany (\$171 million), which accounted for almost all of the overall surplus with the 6-country area during the year.

Developments Affecting Commercial Relations With the United States

Suspension of Poland's most-favored-nation status

Poland's most-favored-nation status in trade with the United States was indefinitely suspended effective November 1, 1982. In the official suspension proclamation, President Reagan cited Poland's failure since 1978 to meet its commitment, undertaken in the protocol for Poland's accession to the General

1/ For the purposes of this report, Eastern Europe consists of the CMEA members of the region, i.e.: Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. Albania, which is not a CMEA member, is excluded.

2/ Estimates of this surplus range from \$4 to \$5 billion.

3/ In 1979, the United States had a deficit with Hungary for the first time; this deficit increased in most following years. The United States had a deficit with Romania in 1978, then again in 1981 and 1982.

Table 12.--U.S. trade with Eastern Europe, 1/ by SITC Sections, 1980-82
(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals	1,516,459	1,372,971	474,670
1. Beverages and tobacco	23,320	26,503	11,245
2. Crude materials--inedible, except fuel	335,467	176,576	206,588
3. Mineral fuels, lubricants, etc	81,752	41,107	17,399
4. Oils and fats--animal and vegetable	10,455	14,389	16,465
5. Chemicals	58,123	78,417	79,194
6. Manufactured goods classified by chief material	60,219	30,088	23,060
7. Machinery and transportation equipment	196,125	121,417	107,529
8. Miscellaneous manufactured articles	45,725	28,090	35,935
9. Commodities and transactions not elsewhere classified	5,288	8,472	24,301
Total	2,332,933	1,898,029	996,387
U.S. imports:			
0. Food and live animals	225,312	179,507	134,417
1. Beverages and tobacco	20,233	24,481	23,849
2. Crude materials--inedible, except fuel	14,587	14,858	9,329
3. Mineral fuels, lubricants, etc	55,623	151,759	99,431
4. Oils and fats--animal and vegetable	1,996	1,047	430
5. Chemicals	46,885	36,371	33,327
6. Manufactured goods classified by chief material	190,720	327,331	148,040
7. Machinery and transportation equipment	188,547	231,946	144,951
8. Miscellaneous manufactured articles	210,685	213,861	222,641
9. Commodities and transactions not elsewhere classified	2,066	3,705	7,275
Total	956,654	1,184,865	823,691

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

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

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

Agreement on Tariffs and Trade (GATT), to increase the total value of its imports from GATT members by not less than 7 percent a year. State Department spokesman Alan Romburg said the action "was seen by the President as a tangible way of expressing our deep displeasure over the Polish government's action to abolish Solidarity on October 8." 1/

After being suspended following World War II, Poland's MFN status was restored by the United States in 1960, in an attempt to encourage Polish economic independence from the Soviet Union. Because it was restored prior to the enactment of the Trade Act of 1974, Poland's MFN status was not subject to the provisions of section 402 of that act. These provisions require MFN status for other nonmarket economy countries to be renewed each year, and make renewal conditional upon certification by the President that such renewal will promote freedom of their citizens to emigrate.

Since the the rates of duty shown in column 2 of the Tariff Schedules of the United States (the non-MFN rates) that are now in effect are generally higher than the column 1 (MFN) rates, the suspension had the effect of raising rates of duty on many U.S. imports from Poland. Table 13 presents current column 1 and column 2 rates for key items imported from Poland. Where the duty rate for an item is specific (cents per pound) or compound (a specific rate plus an ad valorem rate), the table also shows ad valorem equivalent rates (in parentheses) based on average unit values of imports from Poland in 1981.

Rates of duty for two of the major items, canned hams and coal, did not change. The largest tariff-rate increase among the major items was for imports of certain woven fabrics--from 4.3 percent ad valorem to 40 percent ad valorem. The effect of the higher duties on levels of U.S. imports from Poland will depend on the amount of the duty increase for individual items, and on the extent to which U.S. customers will prefer to switch to another source (domestic or foreign) or not buy the product at all, rather than pay a higher price for the Polish goods. According to press reports in Warsaw, Polish foreign-trade experts have recommended rejecting a proposal to lower export prices of Polish goods destined for the U.S. market to compensate for the higher non-MFN tariffs. Polish officials have estimated the short-term loss in Poland's exports to the United States caused by the suspension of MFN status at up to \$60 million a year. 2/

U.S. sanctions against Poland

The suspension of Poland's MFN status came in response to the Government's banning of the Solidarity trade union in October 1982. Other U.S. sanctions against Poland were announced when martial law was imposed in December 1981; these remain in effect. The sanctions include a ban on any new U.S. Government credits to Poland, U.S. refusal to negotiate the rescheduling of payments on Polish debts from previous Government loans, and opposition to Poland's currently pending application for membership in the International Monetary Fund. The United States has also suspended Poland's reinsurance

1/ The Washington Post, Oct. 26, 1982, p. A14.

2/ Business Eastern Europe, vol. XII, No. 1, Jan. 7, 1983, p. 2.

Table 13.--U.S. rates of duty for selected U.S. imports
from Poland, by TSUS items

(Cents per pound; percent ad valorem)			
TSUS item No.	Description	Col. 1 rate	Col. 2 rate
107.35	Canned hams-----	3¢ (1.9 %)	3¢ (1.9 %).
110.47	Frozen fish-----	Free	1.25¢ (1.6%).
335.95	Woven fabrics of vegetable fibers (except cotton).	4.3% <u>1/</u>	40%.
380.12	Men's or boy's cotton coats, not knit.	8%	37.5%.
380.39	Men's or boy's cotton wearing apparel, not knit.	16.5%	37.5%.
380.66	Men's or boy's wool wearing apparel, not knit.	37.5¢ + 21% (25.4%)	58.5%.
521.31	Coal-----	Free	Free.
607.66	Steel plate-----	7% <u>1/</u>	20%.
646.26	Nails-----	0.5%	3.5%.
674.32	Boring, drilling, and milling machines.	5.1% <u>1/</u>	30%.
674.35	Other metalworking machine tools.	6% <u>1/</u>	30%.
700.35	Men's or boy's leather footwear.	8.5%	20%.

1/ The most recent scheduled decrease in this rate took effect Jan. 1, 1983; the next will be effective Jan. 1, 1984.

credit line with the Export-Import Bank, Polish fishing rights in U.S. waters, and civil aviation privileges in U.S. airspace. 1/

President Reagan's stated conditions for removal of these sanctions have been the lifting of martial law, release of all detainees, and restoration of a dialogue with the Catholic Church and with Solidarity. The President modified the third condition somewhat on December 10, 1982, when he restated the conditions without any reference to the now-abolished Solidarity. He called instead for dialogue with "truly representative forces of the Polish nation, such as the church and the freely formed trade unions." 2/

So far these conditions for removal of the sanctions have been partially satisfied. On December 18, 1982, the Polish Parliament voted to suspend martial law in that country, effective December 31. In suspending rather than lifting martial law, the Parliament abolished most aspects of military rule but left certain key measures in effect; it also retained the power to reinstate martial law if necessary.

1/ One additional measure--a freeze on processing by the Commerce Department of applications for validated licenses to export controlled commodities to Poland--was imposed in June 1982 but rescinded in November 1982, when President Reagan removed the ban on sales of oil and natural-gas equipment to the Soviet Union.

2/ The New York Times, Dec. 11, 1982, p. 32.

All detainees, meaning persons being held without having been accused of any crime, have been released. But the Polish Government has admitted that at least 1,500 people accused or convicted of violating martial law regulations are still in prison; exiled supporters of Solidarity have charged that up to 10,000 people are now in jail in Poland for crimes against martial law. 1/

As for President Reagan's call for dialogue with representatives of the church and freely formed trade unions, Polish leader General Wojciech Jaruzelski met with Cardinal Jozef Glemp, head of the Catholic Church in Poland, on November 8. The two men "conducted a review of the current situation in the country and expressed common concern for the maintenance and consolidation of calm, social harmony, and active work," according to a Polish press report. 2/ After their meeting, General Jaruzelski and Cardinal Glemp announced that Pope John Paul II would be invited to visit Poland on June 18, 1983. But Polish officials have refused to meet with Lech Walesa or other former Solidarity leaders, on the grounds that with Solidarity now abolished these men are no more than private citizens. On the other hand, Polish workers have shown little interest in joining the new Government-sponsored trade unions formed when Solidarity was banned. As Poland's official news agency reported on December 21, 1982, in the Warsaw daily Trybuna Ludu, "Most employees are still waiting for the fact that will confirm that the new trade unions are really independent, useful and capable of safeguarding employees' interests." 3/

Rescheduling of Poland's 1982 hard-currency debt

On November 3, 1982, Polish officials and a committee of representatives of Western creditor banks signed an agreement on rescheduling part of Poland's 1982 debt. According to the agreement, 95 percent of the \$2.3 billion 4/ in nonguaranteed principal due to Western banks in 1982 is to be repaid over a period of 3-1/2 years, after a 4-year grace period. The interest rate on the deferred principal was set at 1.75 percent over the London interbank lending rate, plus a 1-percent rescheduling fee. Poland is to repay the remaining 5 percent of the principal in two parts, on August 20 and November 20, 1983.

Poland and the banks also agreed that \$1.1 billion 5/ in interest payments due in 1982 on Poland's entire debt to Western banks would be paid in three installments: on November 19, 1982, December 20, 1982, and March 20, 1983. This constituted a concession by the banks; the 1981 commercial debt rescheduling agreement, similar in many other respects to this year's agreement, called for all interest to be paid by the end of the year. However, Poland did not actually pay the final \$400 million in 1981 interest until March 1982. This year's agreement formally allows this to happen again.

1/ The New York Times, Dec. 18, 1982, p. A10.

2/ U.S. Foreign Broadcast Information Service (FBIS), Daily Report: Eastern Europe, Nov. 8, 1982, p. G3.

3/ FBIS, Daily Report: Eastern Europe, Dec. 27, 1982, p. G10.

4/ Wharton Econometric Forecasting Associates, Inc. (WEFA), Centrally Planned Economies: Balance of Payments and Debt Report, Poland, Jan. 26, 1983, Section 4, p. 6.

5/ The Wall Street Journal, Sept. 16, 1982, p. 35.

The 1982 rescheduling agreement also differs from the 1981 agreement in that 50 percent of each of the interest payments is to be returned to Poland in the form of short-term trade credits. During the negotiations leading up to the agreement, Poland had asked that 80 percent of the interest due be recycled into new credits.

Of the \$2.3 billion in rescheduled principal, \$0.3 billion is owed to U.S. commercial banks. 1/ This amounts to 13 percent of the total. West German banks hold 20 percent of Poland's 1982 rescheduled debt, and French banks hold 14 percent. 2/

Besides the nonguaranteed bank debt, Poland also owed \$3.1 billion to Western governments in 1982. 3/ This "official" debt consists of principal due in 1982 on direct loans from Western governments and government-guaranteed commercial loans. Poland's 1982 official debt was not paid and not rescheduled. In 1981 the governments took the lead, reaching an official debt rescheduling agreement before serious talks between Poland and the banks even began, but in 1982, Western governments, led by the United States, refused to enter into any negotiations with Poland. Refusal to renegotiate official debt is one of President Reagan's sanctions against Poland.

Of the \$3.1 billion in official debt payments due in 1982, \$665 million (21 percent) is owed to the U.S. Government, 4/ mostly to the Commodity Credit Corporation. Poland also owes approximately \$1.5 billion in 1982 interest on its total debt to Western governments, including \$149 million to the U.S. Government. 5/

Facing the need to reschedule debt in future years after already having to reschedule its Western debt for 1981 and 1982, Poland has proposed long-term rescheduling of its debts to Western commercial banks. Mr. Janusz Obodowski, Deputy Prime Minister in charge of the economy, made the proposal in a December 29 speech to Poland's Parliament. Mr. Obodowski said that Poland might not be able to make the payments on already rescheduled debt, which are to begin in 1985 for 1981 debt and in 1986 for 1982 debt, and that therefore Poland would "strive to work out jointly a concept of rescheduling of installments of repayments of our debts over many years" 6/ Reacting to the proposal, one London banker said, "A medium-term solution would make sense." 7/ In his December 29 speech, Mr. Obodowski also stated Poland's willingness to begin discussions with Western governments on rescheduling 1982 official debt.

1/ WEFA, Centrally Planned Economies: Balance of Payments and Debt Report, Poland, Jan. 26, 1983, Section 4, p. 8.

2/ Ibid., p. 7.

3/ Ibid., p. 6. This figure was gained by adding the totals for 1982 "Developed West-guaranteed," and "Commercial Credits." According to WEFA, these commercial credits were probably loans from the French and Canadian Governments.

4/ Ibid., p. 8.

5/ U.S. Department of State.

6/ FBIS, Daily Report: Eastern Europe, Dec. 30, 1982, p. G5.

7/ Financial Times, Dec. 30, 1982, p. 1.

As of December 31, 1981, the last date for which a breakdown by country is available, Poland's total hard-currency debt, not including interest, stood at \$24.3 billion; 1/ \$1.7 billion (7 percent) of this was owed to the U.S. Government and \$1.1 billion (5 percent) was owed to U.S. banks. 2/

Continuation of MFN treatment for Romania and Hungary

After the regularly required annual review, MFN status for Romania and Hungary was continued for another year. Sections 402(a) and 402(b) of the Trade Act of 1974 prohibit the extension of MFN status to any NME that denies or severely restricts emigration by its citizens. The President may waive the prohibition for a specific country if he determines that granting the country MFN status will promote freedom of emigration; however, both the general waiver authority of the President and the waivers that have been granted by him to specific countries are subject to successive annual reviews and approval by the Congress. 3/ MFN was originally granted to Romania on August 3, 1975, and to Hungary on July 1, 1978. Each year since it was first granted, MFN status for those countries has been renewed.

On June 2, 1982, President Reagan sent a message to Congress recommending that the waivers currently in effect with respect to Hungary and Romania be allowed to remain in effect for another 12 months. With respect to Hungary, the President said that the majority of citizens seeking to emigrate receive permission to do so without great difficulty. But with respect to Romania, although the President recommended continuing MFN for 1982, he warned that MFN approval for 1983 will be in jeopardy unless Romania's formal emigration procedures are improved and the rate of emigration of Jews from Romania to Israel increases.

There was some congressional opposition last year to continuing Romania's MFN status. A letter to the President dated June 1, 1982, and signed by 31 Senators expressed concern about harassment of Christian groups and the Hungarian minority in Romania, cumbersome emigration procedures, and declining emigration of Romanian Jews to Israel. The letter stated, "At this point we are unpersuaded that another extension of MFN for Romania will have the desired effect." A letter expressing similar concerns and signed by 51 Senators was subsequently sent to Romanian President Nicolae Ceausescu. Resolutions were introduced in the Senate and the House of Representatives to disapprove the President's waiver for Romania. In the end, neither the House nor the Senate passed such a resolution before the August 31, 1982, deadline, and the President's recommendation for extension of both MFN waivers was thereby accepted.

1/ WEFA, Centrally Planned Economies: Balance of Payments and Debt Report, Poland, Jan. 26, 1983, Section 4, p. 6.

2/ Ibid., p.8.

3/ The President's waiver authority and any waivers granted under that authority expire each year on July 3. By adopting a simple resolution of disapproval in either the House or the Senate, Congress can terminate the general waiver authority or any specific waiver. If neither the Senate nor the House acts within 60 days of the annual expiration date, the waivers are automatically continued. In 1982, as in other recent years, both the Senate and the House held hearings on MFN status for Romania and Hungary during this 60-day period.

Rescheduling of Romania's 1981-82 hard-currency debt.

Romania experienced serious difficulties in meeting its 1981-82 hard-currency debt repayment obligations, largely because of a growing deficit in its hard-currency trade. That deficit increased from \$783 million in 1978 to \$1,079 million in 1979 and to \$1,632 million in 1980. 1/

The deficits came about because the cost of Romania's hard-currency imports of raw materials--such as petroleum, coke and metallurgical coal, and fertilizer and feed grains--has risen much faster than Romania's hard-currency earnings from exports of finished goods, such as refined petroleum products, steel, and food.

For a time, Romanian planners offset these deficits with hard-currency borrowing, in the hope that eventually their industrial investments would begin paying off in hard-currency export earnings. But by the spring of 1981, Western bankers, already shaken by Poland's debt difficulties, had decided that Romania's long-term ability to earn hard currency through exports was too limited to support current levels of hard-currency imports plus payments on increasing hard-currency debts. The bankers cut off all new credits, and, after failing to meet some of its 1981 payments by the end of that year, Romania finally notified its creditors in early 1982 that its debts would have to be rescheduled. Romania also finally took action in 1981 to correct its hard-currency trade imbalance, mostly by cutting imports. The result was a \$210 million surplus in this trade for 1981. The most recent official Romanian forecast anticipated a hard-currency trade surplus of over \$200 million for 1982. 2/

Of \$10.2 billion in total Romanian hard-currency debt, 43 percent (\$4.3 billion) was due to be repaid in 1982 alone. 3/ Besides debts to Western governments, banks, and suppliers, Romania also owed hard currency in 1982 to developing countries, the IMF and World Bank, and to socialist countries. Seven percent (\$0.3 billion) of the \$4.3 billion due in 1982 and 6 percent (\$0.6 billion) of the \$10.2 billion total debt was owed to the United States (the Government, banks, and suppliers combined). 4/

In early December 1982, Romania signed an agreement with representatives of Western bank creditors to reschedule its 1981 and 1982 debt to Western banks. The 14 biggest creditors, including Manufacturers Hanover Trust Company of the United States, signed the agreement on December 8; 200 other creditor banks signed a few days later.

The agreement provided for rescheduling of 80 percent of the debt over a period of 6-1/2 years, after a 3-year grace period. Interest on the rescheduled payments was set at 1.75 percent over the London interbank borrowing rate. Romania agreed to pay the 20 percent of the debt that was not rescheduled in two installments early in 1983.

1/ WEFA, Centrally Planned Economies: Balance of Payments and Debt Report, Romania, Feb. 4, 1983, Section 1, p. 3.

2/ Ibid.

3/ Ibid., Section 4, p. 1.

4/ Ibid., p. 5.

This rescheduling agreement concerned \$2.4 billion due to Western banks in 1982, plus \$0.5 billion that remained unpaid from 1981. 1/ In July 1982, Romania reached an agreement with Western governments to reschedule on similar terms \$500 million in 1981-82 debt on medium- and long-term Western government credits.

Government and bank credits with a maturity of less than 1 year (\$318 million unpaid from 1981 and \$643 million due in 1982) were not rescheduled; Romania was to repay these short-term credits by the end of 1982. Also not rescheduled was money owed directly to foreign firms for goods and services already provided (\$636 million overdue from 1981 and \$116 million due in 1982). 2/ These firms had to negotiate individually with the Romanian Government to arrange repayment.

New education tax on emigrants from Romania

Despite the concern over Romania's emigration procedures expressed by the President and Congress in the course of the 1982 MFN renewal process, the Romanian Government announced on November 1 that it would begin to impose a new tax on emigrants. The tax will require emigrants to repay to the Romanian Government in hard currency the full costs of education received free in Romania. For some, the tax could amount to thousands of dollars. In addition, the property of emigrants would be confiscated. Reacting to the announcement, a State Department spokesman said on November 8, "By imposing this draconian measure, beyond the average citizen's ability to pay, the Romanian government appears to be closing the emigration door to most citizens. If that is the case, the Romanian government has gravely jeopardized its ability to retain its MFN status."

In December, the administration announced plans to send a high-ranking official to Bucharest in early 1983 to make clear to the Romanians the consequences of such a tax. As of December 31, 1982, Romania had not yet begun actually collecting the tax from emigrating citizens, according to State Department officials.

Hungarian liquidity crisis, new credits, import restrictions

Hungary approached a serious liquidity crisis at the end of the first quarter of 1982, as its convertible currency reserves declined from \$1.9 billion on January 1 to \$374 million on March 31. 3/ This was largely due to the withdrawal of \$1.1 billion in short-term deposits from Hungary over this period, as the international banking community reacted to debt crises in Poland and Romania by tightening credit availability for all NME's.

Hungary took a number of steps to avert the crisis. A short-term credit of \$510 million was arranged through the Bank for International Settlements. In August 1982, Hungary signed a \$260 million medium-term loan provided by 15 major European banks. 4/

1/ WEFA, Centrally Planned Economies: Current Analysis, Mar. 1, 1982, p. 2.

2/ WEFA, Centrally Planned Economies: Balance of Payments and Debt Report, Romania, Feb. 4, 1983, Section 4, p. 1.

3/ WEFA, Centrally Planned Economies: Current Analysis, July 2, 1982, p. 1.

4/ Financial Times, Aug. 10, 1982, p. 13.

Hungary joined the International Monetary Fund on May 6, 1982, 1/ and the World Bank on July 8, 1982. In December 1982, the IMF approved a standby credit of 475 million special drawing rights (SDR) and a compensatory financing facility of 72 million SDR for Hungary. 2/

All these credits were granted as temporary measures to allow Hungary to implement certain specified longer term measures to improve its balance of payments. Rebuilding of reserves and reduction of overall debt were to be accomplished by reducing domestic demand (by tight controls on real incomes, enterprise investment, and the state budget), and by boosting hard-currency exports.

Hungary took an additional step to improve its external payments situation on September 1, 1982, when it announced the imposition of quotas and surcharges on certain hard-currency imports. The list of products affected by this measure included two that are of some significance to U.S. exports to Hungary: cattle hides and cotton. U.S. exports of cattle hides to Hungary declined from \$3.9 million in 1981 to \$2.6 million in 1982; cotton exports declined from \$3.8 million in 1981 to zero in 1982. These two products combined accounted for 10 percent by value of U.S. exports to Hungary in 1981.

Hungary also attempted to make its exports more competitive in hard-currency markets by devaluing its currency--the forint--with respect to Western currencies by a total of 11 percent in several staged reductions over the second half of 1982.

U.S. International Trade Commission actions affecting
Eastern European NME's

Hot-rolled carbon steel plate from Romania.--On January 11, 1982, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by five U.S. steel producers, alleging that imports of certain steel products from Romania were being, or were likely to be, sold in the United States at less than fair value (LTFV). On the basis of the petitions, the Commission instituted a preliminary investigation to determine whether a U.S. industry was being materially injured or threatened with material injury by reason of imports of hot-rolled carbon steel plate from Romania allegedly sold at LTFV (investigation No. 731-TA-58 (Preliminary)). The Department of Commerce also initiated an investigation, for the purpose of determining sales at LTFV.

1/ Romania joined the IMF on Dec. 15, 1972. Poland joined the IMF on Dec. 27, 1945, withdrew in 1950, and reapplied in 1981. That application is still pending. (See the article in this section on U.S. sanctions against Poland.)

2/ IMF Press Release No. 82/62, Dec. 8, 1982. The value of the SDR in U.S. dollars is based on the market exchange rates of five major currencies, and thus fluctuates from day to day. Based on the December 1982 average dollar value of the SDR, Hungary's standby credit was equivalent to \$520 million; the compensatory financing facility was equivalent to \$79 million.

On February 18, 1982, the Commission found that there was a reasonable indication that these imports are materially injuring or threatening to injure a domestic industry. 1/ On April 16, 1982, the Department of Commerce announced an affirmative preliminary determination of sales at less than fair value. Because the Commerce Department decided that Romania was a state-controlled-economy country for the purposes of the investigation, the antidumping statute required the selection of a surrogate market economy whose prices could be used to construct a fair market value for the goods in question. Finland was selected as the surrogate country. On a preliminary basis, Commerce estimated the weighted-average dumping margin at 13.2 percent, and directed the U.S. Customs Service to suspend liquidation of entries and to require a security deposit from importers equal to the estimated dumping margin.

On August 10, 1982, the Commission instituted a final investigation to determine the question of import injury in this case (investigation No. 731-TA-58 (Final)). However, before the Commission issued a final determination, the Department of Commerce suspended its investigation. The suspension, announced on December 28, 1982, was based on an agreement by Metalimportexport, the Romanian exporter, to revise its prices so as to eliminate sales of hot-rolled carbon steel plate to the United States at less than fair value. 2/

The agreement calls for the Commerce Department to provide its estimate of the foreign market value of Romanian hot-rolled carbon steel plate to Metalimportexport twice each year. Metalimportexport has agreed to adjust its price for subsequent sales of this product in the United States so that the price will not be less than the Department's estimate. The Romanian exporter will also provide a report to the Commerce Department each quarter, itemizing all sales of carbon steel plate exported directly or indirectly to the United States in the previous quarter. The quarterly reports must list all sales prices with adjustments, show how the net prices were calculated, and show that these prices are at or above the Department's foreign market value estimate.

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. 3/ The finding was based on an investigation (No. TA-406-7) instituted on October 28, 1981, under section 406 of the Trade Act of 1974, following receipt of a petition from the American Lignite

1/ Certain Steel Products From Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany: Determinations of the Commission . . . in Investigations Nos. 731-TA-53 Through 86 (Preliminary) . . ., vol. 1, USITC Publication 1221, February 1982.

2/ The suspension of the Department of Commerce investigation became effective on Jan. 4, 1983. The Commission's final investigation in this case was also suspended, effective the same day.

3/ The determination was made by a 4-to-1 vote with Chairman Bill Alberger, Vice Chairman Michel 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.

Products Co., the sole U.S. producer of unrefined montan wax. East Germany is the major source of U.S. imports of this product. Montan wax is used primarily in the manufacture of one-time carbon paper.

Section 406 investigations apply only to imports from a Communist country. 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 from a Communist country during a recent period of time must be a significant cause of material injury, or the threat thereof, to the domestic industry producing that article. In this investigation, the Commission found that imports of unrefined montan wax from East Germany were not increasing rapidly and did not reach the issue of material injury.

Numerous attempts have been made in the past to obtain relief from imports of East German montan wax for the U.S. producer. On October 28, 1955, the Secretary of the Treasury advised the Chairman of the Commission that "montan wax in its crude form from the Soviet Zone of Germany and from Czechoslovakia is being, or is likely to be, sold in the United States at less than fair value." The Commission then conducted an investigation and reached a negative determination in the case.

More recently, the Commission conducted investigation No. 731-TA-30 under section 731 of the Tariff Act of 1930 to determine whether the domestic industry producing unrefined montan wax was being materially injured, or was threatened with material injury, by reason of imports of montan wax from East Germany allegedly being sold at less than fair value. In this case, after the Commerce Department reached affirmative preliminary and final determinations of sales at less than fair value, the Commission determined, on August 26, 1981, that the domestic industry was being materially injured by reason of the imports. ^{1/} However, after the Commission's final determination, the Commerce Department reviewed the LTFV sales and concluded that, as a result of both an increase in the U.S. sales price and the appreciation of the U.S. dollar, no margin of dumping existed on any of the sales made during the period of review. Thus, even though an affirmative determination of dumping was reached, no dumping duties were collected.

Attempts to pass legislation to restrict imports of montan wax from East Germany go back to 1955. Since that year, such legislation has been introduced at least 11 times; none of the bills were ever passed. Until recently, the legislation being proposed would have imposed duties on the imports. A bill introduced in 1982, H.R. 5751, was the first attempt to impose a quota on montan wax imports. ^{2/}

U.S. Exports

In 1982, U.S. exports to Eastern Europe that began in 1981 continued the decline, falling to just 43 percent of 1980 exports. This was the lowest value of these exports in the last 5 years. Except to Czechoslovakia, a

^{1/} Unrefined Montan Wax From East Germany: Determination of the Commission in Investigation No. 731-TA-30 (Final) . . ., USITC Publication 1180, August 1981.

^{2/} On Jan. 3, 1983, H.R. 394 was introduced in the 98th Congress. Like the bill proposed in the previous Congress, this legislation would impose a quota on montan wax imports from East Germany.

country which had sharply curtailed imports of U.S. goods already in 1981, they declined to all countries of the region (table 12).

Exports fell from their peaks in earlier years in all major SITC sections: food and live animals (SITC sec. 0), crude materials (SITC sec. 2), and machinery and transportation items (SITC sec. 7). These three categories accounted for 48 percent, 21 percent, and 11 percent of all U.S. exports to Eastern Europe in 1982, respectively (table 12).

Until last year, between one half and three fourths of all U.S. exports to Eastern Europe had consisted of food and feed products (SITC sec. 0). In 1982, however, SITC sec. 0 exports to the region declined sharply and accounted for less than one-half of the total. This group of products was mainly responsible for the precipitous decline of overall U.S. exports to the area. The countries that cut down most radically on U.S. food and feed imports in 1982 were Romania, Poland and Bulgaria. East Germany and Czechoslovakia had already curtailed them in 1981, with East Germany making further reductions in 1982. (Hungary, itself a grain exporting country, does not normally import U.S. grains.) Grains and soybean oilcake and meal were the principal U.S. export items affected by shrinking East European markets in the last 2 years. Corn and wheat exports plummeted in 1982 to all Eastern European purchasers of U.S. grains, and wheat shipments to Czechoslovakia, Poland, and Romania ceased completely during the year. Soybean oilcake and meal exports fell precipitously to Poland, Romania, East Germany, and Bulgaria, rising only to Czechoslovakia.

Exports of machinery and transportation items (SITC sec. 7) to the region also declined in both 1981 and 1982. This was mainly attributable to Eastern European efforts to restrain capital goods purchases for hard currency. Notable is the 1982 decline of communications equipment exports (schedule B 68527), mostly to Poland.

Crude material (SITC sec. 2) exports to Eastern Europe, which fell sharply in 1981, rebounded somewhat in 1982. This was the result of larger shipments last year of soybeans (mostly to Romania), and of cattle hides (to Romania, Czechoslovakia, and especially to Poland). Running counter to this trend were sulphur shipments to Romania which declined sharply from their record 1981 levels, and cotton shipments to the entire region which virtually ceased. In 1981, the United States exported \$19 million worth of cotton to Eastern Europe, mostly to Poland and Hungary.

Chemicals (SITC sec. 5) was the only significant area in which the value of U.S. exports to Eastern Europe increased in both 1981 and 1982 (table 12). This reflected the region's sustained demand for fertilizers, medicinal and pharmaceutical products, and miscellaneous other chemical products (table B-3). In 1982, chemicals accounted for almost 8 percent of overall U.S. exports to Eastern Europe, compared with 4 percent in 1981.

Among the smaller SITC categories of U.S. exports to the region, there was a notable decline in mineral fuel shipments (SITC sec. 3), stemming from falling U.S. coal sales to Romania during the year.

U.S. Imports

Overall U.S. imports from Eastern Europe were up in 1981, but dropped back last year to below 1980 levels (table 12). There were precipitous declines in Polish shipments to the United States in both 1981 and 1982. These were attributable to some extent to the weakened production and export capabilities of that country. 1/ However, Romania was the country most responsible for the decline of overall U.S. imports from the region in 1982. In 1980 and again in 1981, Romania and Poland jointly accounted for over three-fourths of all U.S. imports from Eastern Europe, but their combined share dropped to two-thirds of the total in 1982 (table 6).

U.S. imports from Eastern Europe are more diversified than are U.S. exports to that area. In 1982, 91 percent of overall imports fell into five SITC categories (table 12). In the largest group--miscellaneous manufactured articles (SITC sec. 8)--the value of imports increased slightly in both 1981 and 1982. In all other major sections, however, U.S. imports last year were below even 1980 levels.

Imports of manufactured goods classified by chief material (SITC sec. 6) fell most precipitously as the unusually large iron and steel products' imports from Romania that took place in 1981 (involving plates and pipes) 2/ dwindled in 1982. Iron and steel products' imports also fell sharply from Poland last year.

Imports of Eastern European machinery and transportation items (SITC sec. 7)--mostly from Poland, Romania and Hungary--declined in 1982 from their comparatively high 1981 value to the lowest value in the last 4 years. Shipments of lower value--mostly from Poland, Romania and Hungary--were responsible. Major items with shrinking imports in this group included pumps for liquids, railway cars and parts (Romania), metalworking machine tools (Poland), and buses and motor vehicle parts (Hungary).

In 1981 and 1982, Poland was primarily responsible for falling U.S. imports of food (SITC sec. 0) from Eastern Europe. The main item in this trade is canned hams, which has for years topped the list of leading TSUS items in imports from the region (table B-4). Canned hams were the number one product imported last year from Hungary as well as from Poland, and unlike Polish ham shipments, imports of Hungarian ham did not fall significantly from 1981 to 1982. Hops, an ingredient in making beer, is another major item in food imports from Eastern Europe. Imports of hops increased in 1982 from Czechoslovakia, becoming the leading U.S. import item from that country.

U.S. imports of Eastern European mineral fuels (SITC sec. 3)--mostly from Romania--were down in 1982 from 1981, but stayed above their 1980 value (table 12).

As stated, imports of miscellaneous manufactures (SITC sec. 8) from Eastern Europe were sustained in 1982 at approximately the level of the last 5 years (table 12). Romania accounted for more than one half of such imports from the area, followed by Poland and Hungary. In contrast to its trade

1/ The suspension of MFN duty treatment for imports from Poland, effective Nov. 1, 1982, did not have a large impact on full-year 1982 imports from that country.

2/ See Hot-rolled Carbon Steel Plate from Romania, on p. of this report

performance in other commodity areas, Romania increased its exports of miscellaneous manufactures to the United States. The value of U.S. imports of Romanian wearing apparel and wooden furniture was up, but footwear imports from Romania were lower. The main shifts in imports of this category were declines in the value of apparel and footwear imports from Poland, while the value of apparel and footwear imports from Hungary was up. Footwear imports were down and apparel imports up from the region as a whole.

The beverages and tobacco category (SITC sec. 1) is one of the smaller product groups in U.S. imports from Eastern Europe. One particular item from one source--oriental leaf tobacco from Bulgaria--accounts for most U.S. imports from the region. Oriental leaf tobacco imports from Bulgaria, which were \$18 million in 1982, kept overall U.S. imports from that country above their 1980 value (table A-7).

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, 1980-82, October-December 1981, and October-December 1982

Market	1980	1981	1982	October-December--	
				1981	1982
	Value (1,000 dollars)				
Albania	224	-	-	-	-
Bulgaria	127,339	197,270	64,021	42,870	3,775
China	2,209,524	1,956,287	1,498,086	501,377	198,303
Cuba	-	-	-	-	-
Czechoslovakia	154,574	58,240	62,115	15,892	5,803
East Germany	453,248	284,181	203,902	56,583	34,330
Hungary	24,419	12,934	7,154	6,127	1,857
Mongolia	-	-	175	-	-
North Korea	-	-	69	-	-
Poland	571,461	592,874	180,228	76,521	75,498
Romania	462,595	368,391	133,503	16,218	16,162
U.S.S.R.	1,047,128	1,664,986	1,855,415	642,014	191,747
Vietnam	-	153	5	-	-
Total	5,050,513	5,135,316	4,004,675	1,357,602	527,476
Total U.S. agricultural exports to the world	41,255,934	43,338,212	36,625,410	11,297,486	8,825,349
	Agricultural exports as a percentage of total exports				
Albania	3.3	-	-	-	-
Bulgaria	79.2	76.4	60.1	74.5	43.0
China	58.9	54.4	51.6	54.4	38.4
Cuba	-	-	-	-	-
Czechoslovakia	83.5	70.7	74.3	68.1	58.2
East Germany	94.9	96.2	91.6	95.7	83.6
Hungary	30.9	16.7	10.5	31.1	10.7
Mongolia	-	-	50.9	-	-
North Korea	-	-	69.6	-	-
Poland	80.4	87.1	61.6	82.6	72.0
Romania	64.2	73.1	59.8	43.8	53.7
U.S.S.R.	69.4	71.2	71.7	73.1	49.4
Vietnam	-	1.5	1/	-	-
Total	66.5	65.4	61.2	64.6	46.6
Total, U.S. exports to the world	19.0	18.9	17.7	19.9	18.2

1/ Less than 0.05 percent.

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

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

Table A-2.--U.S. exports to the nonmarket economy countries, by SITC Sections, October-December 1982

SITC Section	(In thousands of dollars)								
	Albania	Bulgaria	China	Cuba	Czechoslovakia	East Germany	Hungary		
0. Food and live animals-----	-	23	194,130	-	-	34,179	260		
1. Beverages and tobacco-----	-	3,751	12	-	9	-	468		
2. Crude materials--inedible, except fuel-----	513	599	67,675	-	5,861	1,169	1,524		
3. Mineral fuels, lubricants, etc-----	5,631	-	62	-	-	-	10		
4. Oils and fats--animal and vegetable-----	-	-	1	-	-	-	-		
5. Chemicals-----	-	518	132,901	93	305	233	1,837		
6. Manufactured goods classified by chief material-----	-	328	37,612	-	916	548	1,803		
7. Machinery and transportation equipment-----	-	2,021	60,856	-	1,689	4,725	9,600		
8. Miscellaneous manufactured articles-----	-	1,512	22,086	6	1,109	147	1,593		
9. Commodities and transactions not elsewhere classified-----	-	16	896	23	87	63	279		
Total-----	6,143	8,769	516,231	122	9,977	41,063	17,374		
Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total			
0. Food and live animals-----	-	-	61,004	258	185,253	-	475,108		
1. Beverages and tobacco-----	-	-	896	179	1,262	-	6,577		
2. Crude materials--inedible, except fuel-----	-	-	17,074	22,807	82	-	117,303		
3. Mineral fuels, lubricants, etc-----	-	-	5	1	28,680	-	34,328		
4. Oils and fats--animal and vegetable-----	-	-	2,506	-	5,164	-	7,671		
5. Chemicals-----	-	-	5,198	141	96,355	-	237,581		
6. Manufactured goods classified by chief material-----	-	-	1,152	1,287	7,162	4	50,814		
7. Machinery and transportation equipment-----	-	-	6,352	2,250	49,162	3	136,658		
8. Miscellaneous manufactured articles-----	1	-	881	3,179	15,067	10	45,591		
9. Commodities and transactions not elsewhere classified-----	3	-	9,745	19	75	9,808	21,013		
Total-----	4	-	104,814	30,120	388,261	9,825	1,132,704		

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

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

Table A-3.--Agricultural items: U.S. imports from the individual nonmarket economy countries and from the world, 1980-82, October-December 1981, and October-December 1982

Source	1980	1981	1982	October-December--	
				1981	1982

Note.--Due to rounding, figures may not add to the totals shown.
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table A-4.--U.S. imports from the nonmarket economy countries, by SITC Sections, October-December 1982

(In thousands of dollars)

SITC Section	Albania	Bulgaria	China	Cuba	Czechoslovakia	East Germany	Hungary
0. Food and live animals-----	-	734	28,854	-	2,862	75	9,557
1. Beverages and tobacco-----	-	4,899	564	-	201	215	234
2. Crude materials--inedible, except fuel-----	672	9	20,663	-	185	65	521
3. Mineral fuels, lubricants, etc-----	-	-	152,489	-	-	420	-
4. Oils and fats--animal and vegetable-----	-	-	140	-	-	-	-
5. Chemicals-----	3	257	27,485	1,614	3,260	211	1,975
6. Manufactured goods classified by chief material-----	137	8	80,938	-	3,789	3,331	5,550
7. Machinery and transportation equipment-----	-	644	10,983	-	1,533	2,722	7,529
8. Miscellaneous manufactured articles-----	4	129	202,667	4	3,432	1,274	9,447
9. Commodities and transactions not elsewhere classified-----	-	20	1,665	-	145	113	430
Total-----	815	6,701	526,447	1,618	15,406	8,425	35,243
	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
0. Food and live animals-----	-	-	21,694	3,308	435	-	67,520
1. Beverages and tobacco-----	-	-	274	354	3,713	-	10,453
2. Crude materials--inedible, except fuel-----	326	-	107	119	2,043	-	24,709
3. Mineral fuels, lubricants, etc-----	-	-	1/	-	-	-	152,910
4. Oils and fats--animal and vegetable-----	-	-	-	1/	3	-	143
5. Chemicals-----	-	-	2,844	1,608	28,812	-	68,067
6. Manufactured goods classified by chief material-----	23	-	14,290	7,885	12,522	-	128,473
7. Machinery and transportation equipment-----	-	-	5,259	8,865	254	-	37,789
8. Miscellaneous manufactured articles-----	-	-	10,596	22,476	1,075	-	251,104
9. Commodities and transactions not elsewhere classified-----	-	-	90	5/	818	-	3,338
Total-----	349	-	55,154	44,672	49,675	-	744,506

1/ Less than \$500.

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

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

Table A-5.--U.S. trade with all nonmarket economy countries, 1/ by SITC Sections, 1980-82

(In thousands of dollars)				
SITC Section	1980	1981	1982	
U.S. exports:				
0. Food and live animals	3,752,835	4,305,670	3,355,099	
1. Beverages and tobacco	26,432	28,036	14,503	
2. Crude materials--inedible, except fuel	1,575,133	1,339,174	1,009,198	
3. Mineral fuels, lubricants, etc	116,306	112,621	125,544	
4. Oils and fats--animal and vegetable	112,029	92,274	63,555	
5. Chemicals	473,153	667,923	865,899	
6. Manufactured goods classified by chief material	522,593	509,876	323,957	
7. Machinery and transportation equipment	822,087	630,968	549,989	
8. Miscellaneous manufactured articles	190,851	145,346	173,472	
9. Commodities and transactions not elsewhere classified	8,475	20,465	58,469	
Total	7,599,895	7,852,353	6,539,686	
U.S. imports:				
0. Food and live animals	282,351	277,431	258,627	
1. Beverages and tobacco	27,357	34,886	36,316	
2. Crude materials--inedible, except fuel	168,885	339,071	143,917	
3. Mineral fuels, lubricants, etc	199,297	553,981	689,959	
4. Oils and fats--animal and vegetable	3,982	1,405	1,086	
5. Chemicals	296,583	255,253	283,947	
6. Manufactured goods classified by chief material	545,795	795,056	585,548	
7. Machinery and transportation equipment	197,249	274,049	189,526	
8. Miscellaneous manufactured articles	623,320	816,041	1,067,590	
9. Commodities and transactions not elsewhere classified	95,304	32,944	19,842	
Total	2,440,122	3,380,116	3,276,356	

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

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

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

Table A-6.--U.S. trade with Albania, by SITC Sections, 1980-82

(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	224	444	1,251
3. Mineral fuels, lubricants, etc-----	6,307	5,598	15,023
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	5	4	13
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	293	89	96
8. Miscellaneous manufactured articles-----	1	-	17
9. Commodities and transactions not elsewhere classified-----	60	2	1
Total-----	6,891	6,137	16,400
U.S. imports:			
0. Food and live animals-----	-	19	2
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	10,663	3,860	2,464
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	50	86	21
6. Manufactured goods classified by chief material-----	-	9	263
7. Machinery and transportation equipment-----	-	-	2
8. Miscellaneous manufactured articles-----	5	12	8
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	10,718	3,985	2,760

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

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

Table A-7.--U.S. trade with Bulgaria, by SITC Sections, 1980-82

		(In thousands of dollars)		
SITC Section		1980	1981	1982
U.S. exports:				
0. Food and live animals		118,929	180,884	56,992
1. Beverages and tobacco		7,187	9,882	6,987
2. Crude materials--inedible, except fuel		4,676	16,960	6,984
3. Mineral fuels, lubricants, etc.		30	-	-
4. Oils and fats--animal and vegetable		-	-	-
5. Chemicals		12,188	36,517	13,861
6. Manufactured goods classified by chief material		1,683	1,350	794
7. Machinery and transportation equipment		7,260	8,767	16,017
8. Miscellaneous manufactured articles		8,656	3,535	4,725
9. Commodities and transactions not elsewhere classified		93	209	93
Total		160,701	258,104	106,453
U.S. imports:				
0. Food and live animals		1,944	2,014	1,907
1. Beverages and tobacco		15,173	18,766	18,682
2. Crude materials--inedible, except fuel		35	66	99
3. Mineral fuels, lubricants, etc.		1	-	-
4. Oils and fats--animal and vegetable		-	-	-
5. Chemicals		493	858	1,464
6. Manufactured goods classified by chief material		451	136	25
7. Machinery and transportation equipment		2,736	2,963	2,612
8. Miscellaneous manufactured articles		1,958	776	277
9. Commodities and transactions not elsewhere classified		53	24	58
Total		22,845	25,604	25,124

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

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

Table A-8.--U.S. trade with Cuba, by SITC Sections, 1980-82
(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	35	510	744
6. Manufactured goods classified by chief material	34	3	-
7. Machinery and transportation equipment	14	18	130
8. Miscellaneous manufactured articles	30	8	31
9. Commodities and transactions not elsewhere classified	6	19	46
Total	119	558	951
U.S. imports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	1/	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	1,614
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	15	11	5
9. Commodities and transactions not elsewhere classified	4	25	2
Total	19	36	1,621

1/ Value less than \$500.

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

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

Table A-9.--U.S. trade with Czechoslovakia, by SITC Sections, 1980-82

(In thousands of dollars)				
SITC Section	1980	1981	1982	
U.S. exports:				
0. Food and live animals	141,125	47,715	48,148	
1. Beverages and tobacco	3,644	52	34	
2. Crude materials--inedible, except fuel	11,181	11,598	14,370	
3. Mineral fuels, lubricants, etc	11	7	1	
4. Oils and fats--animal and vegetable	-	-	-	
5. Chemicals	3,714	2,227	2,108	
6. Manufactured goods classified by chief material	4,912	3,371	2,912	
7. Machinery and transportation equipment	13,775	11,498	11,651	
8. Miscellaneous manufactured articles	5,726	5,385	3,826	
9. Commodities and transactions not elsewhere classified	1,056	567	548	
Total	185,145	82,420	83,598	
U.S. imports:				
0. Food and live animals	9,242	10,059	11,237	
1. Beverages and tobacco	660	718	840	
2. Crude materials--inedible, except fuel	417	1,321	1,558	
3. Mineral fuels, lubricants, etc	-	-	359	
4. Oils and fats--animal and vegetable	-	-	-	
5. Chemicals	1,529	1,512	4,083	
6. Manufactured goods classified by chief material	13,765	21,959	19,532	
7. Machinery and transportation equipment	14,638	14,746	7,532	
8. Miscellaneous manufactured articles	20,497	16,498	16,049	
9. Commodities and transactions not elsewhere classified	354	420	358	
Total	61,102	67,232	61,548	

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

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

Table A-10.--U.S. trade with East Germany, by SITC Sections, 1980-82

(In thousands of dollars)				
SITC Section	1980	1981	1982	
U.S. exports:				
0. Food and live animals	451,348	283,094	203,011	
1. Beverages and tobacco	237	163	369	
2. Crude materials--inedible, except fuel	6,231	2,430	4,788	
3. Mineral fuels, lubricants, etc	434	-	-	
4. Oils and fats--animal and vegetable	-	-	-	
5. Chemicals	8,807	3,232	1,080	
6. Manufactured goods classified by chief material	806	1,417	1,434	
7. Machinery and transportation equipment	6,136	2,520	8,420	
8. Miscellaneous manufactured articles	2,433	2,003	2,991	
9. Commodities and transactions not elsewhere classified	956	698	565	
Total	477,389	295,557	222,657	
U.S. imports:				
0. Food and live animals	192	418	530	
1. Beverages and tobacco	170	154	366	
2. Crude materials--inedible, except fuel	2,625	724	1,830	
3. Mineral fuels, lubricants, etc	1,597	1,195	9,439	
4. Oils and fats--animal and vegetable	-	-	-	
5. Chemicals	5,292	5,101	6,141	
6. Manufactured goods classified by chief material	12,900	14,896	15,331	
7. Machinery and transportation equipment	12,630	17,235	12,693	
8. Miscellaneous manufactured articles	7,310	4,774	4,673	
9. Commodities and transactions not elsewhere classified	242	205	768	
Total	42,959	44,702	51,773	

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

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

Table A-11.--U.S. trade with Hungary, by SITC Sections, 1980-82

(In thousands of dollars)				
SITC Section	1980	1981	1982	
U.S. exports:				
0. Food and live animals	18,687	2,629	1,596	
1. Beverages and tobacco	420	-	653	
2. Crude materials--inedible, except fuel	4,689	9,942	5,567	
3. Mineral fuels, lubricants, etc	17	23	23	
4. Oils and fats--animal and vegetable	15	16	6	
5. Chemicals	10,284	17,664	15,030	
6. Manufactured goods classified by chief material	11,961	8,730	10,447	
7. Machinery and transportation equipment	25,917	33,224	27,361	
8. Miscellaneous manufactured articles	6,520	4,634	6,034	
9. Commodities and transactions not elsewhere classified	510	648	1,125	
Total	79,020	77,511	67,842	
U.S. imports:				
0. Food and live animals	27,775	29,312	29,642	
1. Beverages and tobacco	1,421	1,908	1,592	
2. Crude materials--inedible, except fuel	779	2,167	2,002	
3. Mineral fuels, lubricants, etc	-	-	-	
4. Oils and fats--animal and vegetable	-	-	-	
5. Chemicals	5,781	6,842	6,058	
6. Manufactured goods classified by chief material	8,910	8,105	15,265	
7. Machinery and transportation equipment	38,417	57,505	44,357	
8. Miscellaneous manufactured articles	20,892	21,061	33,376	
9. Commodities and transactions not elsewhere classified	294	1,039	944	
Total	104,269	127,939	133,238	

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

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

Table A-12.--U.S. trade with Mongolia, by SITC Sections, 1980-82

		(In thousands of dollars)		
SITC Section		1980	1981	1982
U.S. exports:				
0. Food and live animals		-	-	-
1. Beverages and tobacco		-	-	-
2. Crude materials--inedible, except fuel		-	-	175
3. Mineral fuels, lubricants, etc		-	-	-
4. Oils and fats--animal and vegetable		-	-	-
5. Chemicals		11	1	-
6. Manufactured goods classified by chief material		8	22	12
7. Machinery and transportation equipment		4	16	37
8. Miscellaneous manufactured articles		37	29	103
9. Commodities and transactions not elsewhere classified		3	7	17
Total		64	75	344
U.S. imports:				
0. Food and live animals		-	-	-
1. Beverages and tobacco		-	-	-
2. Crude materials--inedible, except fuel		2,197	3,526	3,595
3. Mineral fuels, lubricants, etc		-	-	-
4. Oils and fats--animal and vegetable		-	-	-
5. Chemicals		-	-	-
6. Manufactured goods classified by chief material		-	1	23
7. Machinery and transportation equipment		-	-	-
8. Miscellaneous manufactured articles		26	108	-
9. Commodities and transactions not elsewhere classified		-	-	10
Total		2,223	3,635	3,628

Note.--Due to rounding, figures may not add to the totals shown.
 Source: Compiled from official statistics of the U.S. Department of Commerce.

Table A-13.--U.S. trade with North Korea, by SITC Sections, 1980-82

(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	69
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	-	-	30
8. Miscellaneous manufactured articles-----	-	-	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	-	-	100
U.S. imports:			
0. Food and live animals-----	-	-	8
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	10	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	5	-	-
6. Manufactured goods classified by chief material-----	14	-	-
7. Machinery and transportation equipment-----	1/	35	-
8. Miscellaneous manufactured articles-----	32	3	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	52	47	8

1/ Value less than \$500.

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

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

Table A-14.--U.S. trade with Poland, by SITC Sections, 1980-82

(In thousands of dollars)			
SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals	447,334	531,436	120,328
1. Beverages and tobacco	11,831	9,360	2,098
2. Crude materials--inedible, except fuel	143,555	60,118	66,551
3. Mineral fuels, lubricants, etc	53	30	7
4. Oils and fats--animal and vegetable	10,440	14,373	16,459
5. Chemicals	17,420	12,198	32,180
6. Manufactured goods classified by chief material	15,497	4,370	3,653
7. Machinery and transportation equipment	53,201	35,976	21,144
8. Miscellaneous manufactured articles	8,876	6,649	8,408
9. Commodities and transactions not elsewhere classified	2,240	6,037	21,779
Total	710,446	680,547	292,606
U.S. imports:			
0. Food and live animals	159,190	113,124	75,634
1. Beverages and tobacco	1,152	1,144	633
2. Crude materials--inedible, except fuel	1,652	3,999	899
3. Mineral fuels, lubricants, etc	9,542	1,439	17
4. Oils and fats--animal and vegetable	1,996	1,047	430
5. Chemicals	23,324	15,353	9,337
6. Manufactured goods classified by chief material	96,639	110,838	42,364
7. Machinery and transportation equipment	51,809	49,058	30,123
8. Miscellaneous manufactured articles	68,944	62,272	49,045
9. Commodities and transactions not elsewhere classified	671	1,664	4,421
Total	414,919	359,939	212,888

1/ Value less than \$500.

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

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

Table A-15.--U.S. trade with Romania, by SITC Sections, 1980-82

(In thousands of dollars)		1980	1981	1982
SITC Section				
U.S. exports:				
0. Food and live animals	339,036	327,212		44,595
1. Beverages and tobacco	-	7,046		1,105
2. Crude materials--inedible, except fuel	165,135	75,527		108,330
3. Mineral fuels, lubricants, etc	81,207	41,047		17,368
4. Oils and fats--animal and vegetable	-	-		-
5. Chemicals	5,710	6,579		14,934
6. Manufactured goods classified by chief material	25,360	10,850		3,818
7. Machinery and transportation equipment	89,836	29,432		22,937
8. Miscellaneous manufactured articles	13,513	5,884		9,952
9. Commodities and transactions not elsewhere classified	433	313		191
Total	720,231	503,890		223,231
U.S. imports:				
0. Food and live animals	26,969	24,580		15,466
1. Beverages and tobacco	1,657	1,790		1,736
2. Crude materials--inedible, except fuel	9,080	6,581		2,941
3. Mineral fuels, lubricants, etc	44,483	149,124		89,633
4. Oils and fats--animal and vegetable	-	-		1/
5. Chemicals	10,465	6,705		6,243
6. Manufactured goods classified by chief material	58,055	171,397		55,522
7. Machinery and transportation equipment	68,317	90,439		47,634
8. Miscellaneous manufactured articles	91,084	108,479		119,221
9. Commodities and transactions not elsewhere classified	451	353		726
Total	310,561	559,449		339,121

1/ Value less than \$500.

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

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

Table A-16.--U.S. trade with Vietnam, by SITC Sections, 1980-82
(In thousands of dollars)

SITC Section	1980	1981	1982
U.S. exports:			
0. Food and live animals	-	153	5
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	7	4
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	453	273	1,072
6. Manufactured goods classified by chief material	-	9	67
7. Machinery and transportation equipment	29	57	12
8. Miscellaneous manufactured articles	376	916	137
9. Commodities and transactions not elsewhere classified	290	8,720	30,698
Total	1,148	10,135	31,995
U.S. imports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	-
6. Manufactured goods classified by chief material	5	-	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	6	7	-
9. Commodities and transactions not elsewhere classified	24	89	-
Total	34	96	-

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

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 nonmarket economy countries (NME's) 1/, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.6540	Wheat, unmilled, not donated for relief or charity	\$1,863,103,471	\$2,096,129,638	\$107,762,676
130.3465	Yellow corn, not donated for relief or charity	1,305,049,130	1,758,241,233	338,123,590
175.4100	Soybeans, other than seed for planting	319,239,704	187,760,527	15,832,998
480.7025	Phosphoric acid, 65 percent or more available phosphorus			
	pentoxide equivalents	268,485,210	166,002,438	91,648,913
200.3510	Douglas-fir logs and timber, rough	161,959,472	63,977,845	33,484,571
310.0010	Textured yarns, of polyester	114,455,304	151,369,584	4,762,712
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches	109,681,973	280,324,394	1,995,799
480.8005	Diammonium phosphate fertilizer	90,911,429	76,411,407	24,872,217
184.5260	Soybean oilcake and oilcake meal	83,778,121	275,627,965	1,354,287
444.1610	Polyethylene resins, low and medium density	83,589,703	18,801,572	24,562,059
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers			
120.1400	Cattle hides, whole	78,513,357	33,772,457	15,136,059
309.4242	Polyester fibers, noncontinuous	72,478,663	45,248,097	20,131,577
300.1550	Cotton, not carded, not combed, staple length 1-1/8 inches or more, n.e.s.	70,974,582	282,074,784	11,559,318
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over	65,898,473	194,214,585	224,191
480.3000	Urea	55,194,414	57,983,242	14,650,696
664.0584	Parts, n.e.s., of oil and gas field drilling machines	55,034,117	18,954,982	18,112,440
444.1620	Polyethylene resins, high density	53,386,511	37,511,434	8,958,224
818.3900	Products, n.e.s., donated for relief or charity	49,894,648	19,572,012	13,987,545
200.3514	Western hemlock logs and timber, rough	46,064,661	12,126,969	17,566,183
	Total	42,975,704	17,628,975	7,453,754
	Total U.S. exports to NME's	4,990,168,652	5,793,734,140	772,179,809
		6,539,686,387	7,852,352,644	1,132,703,664

1/ Includes exports to Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Mongolia, North Korea, Poland, Romania, the 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 nonmarket economy countries (NME's) ^{1/}, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
475.2520	Gasoline-----	\$417,071,107	\$348,985,851	\$88,308,293
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	152,891,172	-	24,275,913
480.6540	Anhydrous ammonia-----	88,765,017	78,413,750	22,365,613
107.3525	Canned hams and shoulders, 3 pounds and over-----	87,409,177	127,271,207	28,559,153
475.3500	Naphthas, derived from petroleum, etc., n.e.s-----	82,538,719	103,236,797	21,209,459
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	40,961,780	54,282,049	7,556,433
622.0200	Tin, other than alloyed, unwrought-----	35,495,244	22,262,960	4,053,032
755.1500	Fireworks-----	31,139,357	24,323,907	7,485,997
475.0510	Crude petroleum and crude shale oil, testing under 25 degrees A.P.I-----	27,627,659	-	18,695,276
472.1000	Barytes ore, crude-----	27,135,096	27,431,332	5,037,128
605.0260	Palladium-----	24,880,341	31,264,641	6,502,755
383.9050	Women's coats, other than 3/4-length or longer, n.e.s-----	24,668,742	2/ 9,090,184	5,287,593
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair-----	21,176,517	14,583,001	6,162,933
383.3448	Women's corduroy coats, not ornamented, not knit, valued over \$4 each, n.s.p.f-----	3/ 20,204,535	3/ -	1,463,877
379.9530	Men's coats of manmade fibers, not knit, n.s.p.f-----	19,475,473	4/ 3,426,722	8,007,147
379.8355	Men's wool suits, not knit, not ornamented-----	19,123,868	5/ 11,446,221	5,229,714
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)-----	18,229,048	29,686,061	4,390,199
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches-----	17,688,098	19,098,455	4,646,710
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored-----	16,836,623	15,068,203	3,555,656
727.3540	Furniture, of wood, n.s.p.f-----	16,099,230	13,656,966	4,573,439
	Total-----	1,189,416,803	933,528,307	277,366,320
	Total U.S. imports from NME's-----	3,276,355,794	3,380,116,387	744,505,820

^{1/} Includes imports from Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Mongolia, North Korea, Poland, Romania, the U.S.S.R., and Vietnam.

^{2/} Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8163.

^{3/} From Jan. 1, 1982, through April 8, 1982, this item was grouped with present TSUSA items 383.3450 and 383.3452 under the now-deleted item 383.3455. Prior to Jan. 1, 1982, these items were grouped under the now-deleted item 382.1220.

^{4/} Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.8419.

^{5/} On Jan. 1, 1982, item 379.8355 was formed from former items 380.6653 and 380.6654. The figure reported for 1981 represents an aggregation of trade reported under the 2 items.

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

Table B-3.--Leading items exported to Eastern Europe 1/, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	Yellow corn, not donated for relief or charity	\$296,922,898	\$914,104,678	\$61,947,537
175.4100	Soybeans, other than seed for planting	84,751,197	49,620,089	15,832,998
184.5260	Soybean oilcake and oilcake meal	83,778,126	275,627,965	1,354,287
120.1400	Cattle hides, whole	61,455,793	39,027,090	18,230,784
480.7050	Concentrated superphosphates	27,136,670	37,149,876	-
480.4500	Phosphates, crude, and apatite	21,330,489	13,087,587	6,338,098
818.3900	Products, n.e.s., donated for relief or charity	20,489,269	4,607,853	9,327,831
116.0100	Butter	17,513,137	44,485,944	9,315,685
818.3100	Food products, n.s.p.f., donated for relief or charity	14,437,310	4,511,923	799,583
130.6540	Wheat, unmilled, not donated for relief or charity	14,228,433	54,589,071	5,924,164
521.3110	Low volatile bituminous coal	11,179,565	15,398,695	-
818.3300	Medicinal and pharmaceutical products donated for relief or charity	10,091,782	414,986	2,236,072
176.5260	Soybean oil, n.e.s., donated for relief or charity	8,756,342	-	1,293,852
415.4500	Sulfur, native elemental or recovered	8,564,475	23,843,581	2,789,429
117.8600	Cheeses, except Cheddar and other American-type cheeses	7,797,853	-	5,576,198
131.4030	Wheat flour, n.e.s., donated for relief or charity	7,780,266	114,986	755,065
601.6100	Zinc ore	7,714,187	2,420,336	876,986
692.3840	Parts of tractors, other than tracklaying tractors	6,922,590	4,462,388	2,111,604
177.5640	Tallow, inedible	6,671,650	7,035,535	1,211,947
674.1022	Converters, including foundry machines and parts, n.e.s.	6,544,037	987,159	313,040
	Total	724,226,069	1,491,489,742	146,234,960
	Total U.S. exports to Eastern Europe	996,386,890	1,898,028,635	212,117,065

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

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

Table B-4.--Leading items imported from Eastern Europe ^{1/}, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
107.3525	Canned hams and shoulders, 3 pounds and over	\$87,409,177	\$127,271,207	\$28,559,153
475.2520	Gasoline	69,846,469	90,241,408	-
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair	20,568,211	14,210,587	6,063,860
475.3500	Naphthas, derived from petroleum, etc., n.e.s.	19,786,154	49,974,626	-
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	17,658,554	18,391,090	4,646,710
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per pair	14,452,566	5,972,163	2,136,600
379.8355	Men's wool suits, not knit, not ornamented	13,890,593	2/ 9,649,778	2,644,629
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	12,789,178	10,696,542	3,444,400
727.3540	Furniture, of wood, n.s.p.f.	12,386,215	10,380,758	3,573,112
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80	12,192,090	10,754,374	3,557,168
692.3288	Parts for motor vehicles, n.e.s.	12,045,396	21,079,004	2,211,668
686.9030	Other lamps, including standard household	11,455,717	9,329,628	2,280,214
700.3350	Men's footwear, of leather, n.e.s., cement soles	10,899,145	16,565,623	1,685,637
610.4220	Oil well casing, other than alloy steel, threaded or otherwise	8,818,418	16,798,551	-
692.3460	Parts for agricultural tractors	8,703,532	10,717,598	1,639,946
192.2320	Hops, not in pellets	8,424,002	3/	1,520,867
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	7,701,342	8,907,947	-
727.1500	Furniture and parts, of bentwood	7,605,870	7,385,998	1,725,236
110.4740	Pollock blocks, frozen, over 10 pounds	7,060,345	9,926,053	-
383.3415	Women's cotton raincoats, n.e.s., 3/4-length or longer	6,909,302	4/ 5,374,211	1,005,475
	Total	370,602,276	453,627,146	66,494,675
	Total U.S. imports from Eastern Europe	823,690,730	1,184,865,425	165,601,002

^{1/} Includes imports from Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.^{2/} On Jan. 1, 1982, item 379.8355 was formed from former items 380.6653 and 380.6654. The figure reported for 1981 represents an aggregation of trade reported under the 2 items.^{3/} Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 192.2510 under the now-deleted item 192.2500.^{4/} Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.1206.

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

Table B-5.--Leading items exported to Albania, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
521.3110	Low volatile bituminous coal	\$13,119,506	\$5,598,075	\$5,630,750
521.3120	Bituminous coal, n.e.s.	1,903,390	-	-
309.3270	Grouped filaments and strips, continuous, n.e.s.	1,250,919	443,823	512,558
688.1900	Insulated wire and cable, n.s.p.f.	94,527	76,852	-
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations	16,943	-	-
438.1090	Blood and blood derivatives, except for passive immunization, n.e.s.	13,032	4,324	-
661.3510	Household refrigerators and combination refrigerator-freezers, under 13.5 cubic feet	625	1,005	-
818.3900	Products, n.e.s., donated for relief or charity	529	-	-
684.3035	Cooking stoves and ranges, household, not microwave ovens	16,399,982	6,124,079	6,143,308
	Total	16,399,982	6,137,384	6,143,308
	Total U.S. exports to Albania			

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

Table B-6.--Leading items imported from Albania, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
161.9400	Sage, unground	\$2,098,522	\$2,608,025	\$659,792
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide	298,656	958,451	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	240,301	-	118,398
161.0300	Basil, crude	31,688	-	-
161.6700	Crude origanum	21,883	-	-
439.1090	Natural drugs, n.e.s., crude	20,648	85,805	2,653
361.4500	Floor coverings of wool, valued over 30 cents per square foot, n.s.p.f.	18,746	1/	18,746
653.2200	Metal coins, n.e.s.	7,531	11,700	3,558
162.0100	Savory, crude or not manufactured	4,949	14,552	4,949
161.9000	Rosemary, crude or not manufactured	4,925	35,535	4,925
654.0225	Cooking and kitchen ware, of copper, not brass	3,435	-	-
435.7500	Stramonium	2,464	-	-
709.6120	X-ray tubes	1,995	-	2,464
146.6600	Dried berries	1,751	-	-
193.2550	Vegetable substances, crude, n.s.p.f.	883	10,400	-
383.0390	Women's, girls' or infants' wearing apparel of cotton, knit, n.s.p.f.	673	2/	-
654.0535	Articles, wares, and parts, of copper, n.s.p.f.	576	-	-
	Total	2,759,626	3,724,468	815,485
	Total U.S. imports from Albania	2,759,626	3,985,079	815,485

1/ Prior to April 1, 1981, this item was grouped with present TSUSA item number 361.4300 under the now-deleted item 361.4400.
 2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.0037. There were no imports reported under this number during 1981.

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

Table B-7.--Leading items exported to Bulgaria, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	: Yellow corn, not donated for relief or charity-----	\$31,999,603	\$127,714,564	-
184.5260	: Soybean oilcake and oilcake meal-----	23,388,326	52,136,264	-
480.7050	: Concentrated superphosphates-----	11,263,548	29,872,086	-
674.1022	: Converters, including foundry machines and parts, n.e.s-----	6,286,280	234,051	-
170.3320	: Flue-cured cigarette leaf filler tobacco, stemmed-----	4,859,792	6,808,728	\$3,617,435
601.6100	: Zinc ore-----	3,210,000	2,420,336	-
170.3340	: Burley cigarette leaf filler tobacco, stemmed-----	1,835,248	2,718,186	18,450
660.9415	: Oil well and oil field pumps-----	1,670,934	47,531	-
666.0046	: Machines for cleaning seed and grain and for sorting and grading crops-----	1,663,143	3,065	-
140.0300	: Great northern beans, dried, desiccated, or dehydrated, except seed-----	1,471,455	698,897	-
433.1035	: Compound catalyst preparations, other than of nickel-----	1,456,212	101,700	179,415
415.4500	: Sulfur, native elemental or recovered-----	1,228,605	1,774,511	-
792.1020	: Unfilled gelatine capsules-----	1,186,688	-	253,000
250.0281	: Wood pulp, sulphate and soda, bleached, softwood, n.e.s-----	1,052,597	524,061	-
664.0584	: Parts, n.e.s., of oil and gas field drilling machines-----	958,501	31,945	376,395
250.0284	: Wood pulp, special alpha and dissolving grades-----	779,048	575,719	-
661.9880	: Parts, n.s.p.f., of filtering and purifying equipment-----	764,555	215,732	525,511
711.8750	: Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	643,919	487,869	261,540
250.0225	: Wood pulp, sulphite, bleached, n.e.s-----	598,509	-	598,509
710.1020	: Depth-sounding navigational apparatus, and parts thereof-----	462,480	-	-
	Total-----	96,779,443	226,365,245	5,830,255
	Total U.S. exports to Bulgaria-----	106,452,666	258,103,949	8,768,906

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

Table B-8.--Leading items imported from Bulgaria, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	\$17,658,554	\$18,207,934	\$4,646,710
117.6700	Pecorino cheese, not for grating	1,806,346	1,744,537	724,274
676.0530	Typewriters, nonelectric, nonautomatic, portable	1,500,025	1,838,821	77,492
452.0000	Rose oil or attar of roses	991,790	595,346	145,600
167.3020	Wine, not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	958,406	545,037	246,873
674.3512	Machine tools, metal-cutting, engine or toolroom	760,173	845,404	550,870
676.0510	Typewriters, electric, nonautomatic, portable	290,815	151,330	11,100
439.1090	Natural drugs, n.e.s., crude	268,339	194,669	89,368
383.7210	Women's wearing apparel, of wool, not knit valued over \$4 per pound, n.e.s. coats other than 3/4-length or longer	78,058	15,552	78,058
439.3090	Natural drugs, n.e.s., advanced	72,659	6,645	780
167.3040	Wine, not over 14 percent alcohol, valued over \$4 per gallon, in containers not over 1 gallon	57,549	7,000	-
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating	50,849	37,107	744
161.5500	Mint leaves, crude or not manufactured	49,097	48,364	-
419.8400	Phosphorus, compounds, n.s.p.f.	47,806	-	-
124.1015	Hare, whole skins raw or not dressed	40,332	-	-
274.4000	Postage stamps, etc., and government stamped envelopes, with no printing other than official imprint	29,186	-	-
379.7820	Men's separate coats, not knit, valued not over \$4 per pound	25,317	25,317	25,317
379.8735	Men's wearing apparel, n.e.s., silk, not knit	24,188	-	-
450.2040	Flavoring extracts, not containing alcohol, n.e.s., other than spice oleoresins	20,905	-	14,540
999.9500	Formal and informal entries, \$250 and under, estimated	20,000	-	-
	Total	24,750,394	24,237,746	6,611,726
	Total U.S. imports from Bulgaria	25,124,275	25,604,231	6,700,615

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.6320.

2/ On Jan. 1, 1982, item 379.7820 was formed from former items 380.6322 and 380.6324. There were no imports reported under these items in 1981.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.7535. There were no imports reported under this item in 1981.

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

Table B-9.--Leading items exported to China, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.6540	Wheat, unmilled, not donated for relief or charity	\$1,046,693,286	\$1,268,977,341	\$101,838,512
130.3465	Yellow corn, not donated for relief or charity	189,357,738	62,461,114	91,991,508
200.3510	Douglas-fir logs and timber	161,959,472	63,977,845	33,484,571
310.0010	Textured yarns, of polyester	114,307,352	151,369,584	4,762,712
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	109,614,733	270,250,482	1,928,559
480.8005	Diammonium phosphate fertilizer	85,796,697	76,411,407	24,872,217
444.1610	Polyethylene resins, low and medium density	83,573,189	18,800,682	24,562,059
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers	78,513,357	33,771,417	15,136,059
309.4242	Polyester fibers, noncontinuous	69,918,946	281,798,675	11,047,396
300.1550	Cotton, not carded, not combed, staple length 1-1/8 inches or more, n.e.s.	65,898,473	192,363,993	224,191
175.4100	Soybeans, other than seed for planting	63,224,783	129,708,438	18,112,440
480.3000	Urea	55,034,117	18,954,982	13,987,545
444.1620	Polyethylene resins, high density	49,894,648	19,573,012	8,451,924
664.0584	Parts, n.e.s., of oil and gas field drilling machines	44,156,187	28,071,072	7,453,754
200.3514	Western hemlock logs and timber, rough	42,475,704	17,628,975	6,906,824
252.7810	Unbleached kraft linerboard	31,701,027	36,765,623	8,339,316
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split	30,220,071	3,833,551	346,230
121.0530	Bovine leather, rough, russet, and crust, wet blue, split, other than grains	26,372,681	17,060,407	138,040
433.1035	Compound catalyst preparations, other than of nickel	25,681,205	5,375,709	7,979,722
612.0440	Unwrought copper, unalloyed, n.e.s.	21,785,778		381,554,579
	Total	2,395,179,444	2,697,153,309	516,230,905
	Total U.S. exports to China	2,904,535,286	3,598,600,792	

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

Table B-10.--Leading items imported from China, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
475.2520	Gasoline-----	\$336,884,131	\$258,744,443	\$88,308,293
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	152,891,172	-	24,275,913
475.3500	Naphthas, derived from petroleum, etc., n.e.s-----	62,752,565	36,670,080	21,209,459
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	37,076,803	47,159,553	6,962,087
622.0200	Tin, other than alloyed, unwrought-----	35,495,244	22,262,960	4,053,032
755.1500	Fireworks-----	31,139,357	24,323,907	7,485,997
475.0510	Crude petroleum and crude shale oil, testing under 25 degrees A.P.I-----	27,627,659	-	18,695,276
472.1000	Barytes ore, crude-----	27,135,096	27,431,332	5,037,128
383.9050	Women's coats, other than 3/4-length or longer, n.e.s-----	21,071,889	1/ 4,336,899	5,185,532
383.3448	Women's corduroy coats, not ornamented, not knit, valued over \$4 each, n.s.p.f-----	2/ 19,851,761	2/ -	1,463,877
379.9530	Men's coats of manmade fibers, not knit, n.s.p.f-----	19,105,945	3/ 3,422,473	7,897,781
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)-----	18,229,048	29,686,061	4,390,199
326.3092	Woven fabrics, not wholly of cotton, not fancy or figured, not colored-----	16,836,623	15,068,203	3,555,656
383.4753	Women's corduroy trousers and slacks, cotton-----	16,017,738	4/ 17,576,302	1,724,008
383.9065	Women's shorts, not knit, man-made fibers-----	15,808,089	5/ 1,888,018	10,112,834
222.4000	Baskets and bags of bamboo-----	15,693,559	17,861,516	3,168,826
366.2460	Terry towels of cotton, of pile or tufted construction, valued over \$1.45 per pound-----	15,040,450	6,654,621	3,583,655
383.9015	Women's blouses and shirts, n.e.s., man-made fibers, not knit---	15,015,631	6/ 11,182,485	3,670,987
766.2560	Antiques, n.s.p.f-----	13,988,185	13,989,087	2,518,351
156.3500	Cocoa butter-----	13,949,741	1,670,800	546,144
	Total-----	911,610,686	539,928,740	223,845,035
	Total U.S. imports from China-----	2,215,856,342	1,830,027,004	526,447,354

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8163.

2/ From Jan. 1, 1982, through April 8, 1982, this item was grouped with present TSUSA item numbers 383.3450 and 383.3452 under the now-deleted item 383.3455. Prior to Jan. 1, 1982, these items were grouped under the now-deleted item 382.1220.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.8419.

4/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.3353.

5/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8182.

6/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8137.

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

Table B-11.--Leading items exported to Cuba, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----			
660.5445	Parts of compression-ignition piston-type engines, n.e.s.-----	\$735,520	\$176,300	\$92,000
818.3900	Products, n.e.s., donated for relief or charity-----	77,152	-	-
694.6507	Parts designed for use in civil aircraft, n.e.s.-----	45,795	18,722	22,920
383.1220	Women's dresses, of cotton, not knit-----	35,000	-	-
818.3400	Wearing apparel donated for relief or charity-----	17,100	-	-
683.6080	Engine electrical equipment other than ignition equipment and distributors-----	13,700	-	6,000
683.6040	Starter (cranking) motors-----	9,578	-	-
442.8500	Drugs, packaged or measured for retail, n.e.s., for human use-----	7,661	-	-
441.9000	Artificial mixtures for therapeutic or prophylactic uses, with neither antibiotics nor vitamins, not packaged for retail-----	3,000	-	-
442.7900	Vitamin, nutrient, and hematonic preparations, for human use, n.e.s.-----	2,500	-	-
438.2900	Anatomical parts of the human body and analogous biological products intended for diagnostic uses, for human use, n.e.s.-----	2,000	-	-
676.0570	Nonautomatic typewriters, not portable-----	1,000	-	1,000
	Total-----	950,813	195,022	121,920
	Total U.S. exports to Cuba-----	950,813	558,182	121,920

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

Table B-12.--Leading items imported from Cuba, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
419.7200	Nickel compounds, oxide	\$1,614,000	-	\$1,614,000
653.2200	Metal coins, n.e.s.	4,521	-	4,031
851.1000	Photographic films, etc., for public institutions, etc.	2,210	-	-
724.2520	Stereophonic, etc., records, 33-1/3 r.p.m.	600	-	-
	Total	1,621,331	-	1,618,031
	Total U.S. imports from Cuba	1,621,331	\$36,187	1,618,031

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

Table B-13.--Leading items exported to Czechoslovakia, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	Yellow corn, not donated for relief or charity	\$30,761,440	\$40,782,124	-
184.5260	Soybean oilcake and oilcake meal	17,240,495	4,849,530	-
120.1400	Cattle hides, whole	10,086,199	8,541,287	\$5,405,375
692.3160	Tractor, new, with a net engine horsepower rating of 345 horsepower and over	3,517,791	282,162	-
175.4100	Soybeans, other than seed for planting	3,151,549	-	341,755
678.5090	Other machines n.s.p.f., and parts thereof	1,987,547	337,432	19,756
207.0035	Wooden pencil slats	1,141,226	1,402,152	289,724
678.5019	Machines for weaving and other wire fabricating and wire- drawing machines and draw benches	862,846	67,338	436,000
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof	750,146	339,539	128,942
486.2900	Insecticides, unmixed, n.e.s.	699,426	573,165	-
670.1220	Textile reeling or winding machines	691,840	1,960,661	2,000
540.4200	Glass rods, tubes, and tubing	676,419	472,831	115,288
124.1527	Muskrat furskins, whole, undressed	561,100	1,138,090	-
310.0026	Yarns of cellulosic fibers, other than textured yarns	514,821	597,552	96,002
381.1520	Men's and boys' denim trousers and slacks, of cotton, not knit	508,236	477,055	-
818.9000	General merchandise, valued not over \$500	441,281	486,701	44,553
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations	377,411	577,617	64,642
664.0572	Dozer attachments	359,652	29,816	-
674.1022	Converters, including foundry machines and parts, n.e.s.	300,224	6,320	300,224
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f.	296,386	503,171	104,099
	Total	74,926,035	63,424,543	7,348,360
	Total U.S. exports to Czechoslovakia	83,597,784	82,419,872	9,977,450

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

Table B-14.--Leading items imported from Czechoslovakia, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
192.2520	Hops, not in pellets	\$5,639,848		
107.3525	Canned hams and shoulders, 3 pounds and over	5,169,509	1/ \$4,720,587	\$1,237,45
610.3920	Oil well casing, other than alloy steel, not advanced	5,034,013	6,523,816	1,438,467
700.2940	Melt work footwear, of leather, valued over \$6.80 per pair	3,252,513	4,281,404	-
401.1000	Benzene	2,982,017		549,772
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	1,760,445	1,509,635	2,982,017
700.3550	Men's footwear, of leather, n.e.s., cement soles	1,734,238	2,278,031	439,401
336.6241	Woven fabrics of wool, not over 10 ounces per square yard	1,688,516	2/	40,483
700.2960	Men's melt footwear, of leather, n.e.s., valued over \$6.80 per pair	1,150,539	1,393,852	265,993
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	1,105,708		212,519
727.1500	Furniture and parts, of bentwood	1,024,706	928,600	98,021
437.3000	Antibiotics, natural and not artificially mixed	945,706	938,895	203,537
741.3000	Beads, bugles, and spangles, n.e.s.	941,799	1,056,979	270,000
772.5109	Passenger car tires, radial	860,844	774,859	192,611
741.3500	Imitation gemstones, except imitation gemstone beads	830,056	3/ 885,577	455,153
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80	812,411		187,055
186.1565	Downs, not meeting Federal standards	810,971	218,399	221,950
167.0515	Ale, porter, stout, and beer, glass containers, not over 1 gallon	809,414	423,772	50,357
607.1700	Wire rods, of iron or steel, not tempered or treated, valued over 4 cents per pound	780,988	692,993	181,430
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type	741,608	114,236	604,833
	Total	38,075,899	1,546,183	44,146
	Total U.S. imports from Czechoslovakia	61,548,011	28,287,818	9,675,204

1/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 192.2510 under the now-deleted item 192.2500.
 2/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 336.6441 under the now-deleted item 336.6041.
 3/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 772.5112 under the now-deleted item 772.5105.

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

Table B-15.--Leading items exported to East Germany, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	Yellow corn, not donated for relief or charity	\$159,494,459	\$184,175,370	\$26,874,754
124.5260	Soybean oilcake and oilcake meal	27,537,098	58,405,000	-
130.6540	Wheat, unmilled, not donated for relief or charity	14,228,433	28,000,835	5,924,164
678.3220	Machines for assembling electric filament and discharge lamps and electric tubes	3,602,438	-	3,602,438
601.6100	Zinc ore	2,478,236	-	876,986
709.1690	Parts of electro-medical apparatus	2,353,830	29,890	765,244
106.9200	Swine livers	1,712,703	6,719	1,377,991
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof	1,396,211	447,334	11,259
668.0262	Machines for finishing pulp, paper, or paperboard	891,570	-	-
250.0281	Wood pulp, sulphate and soda, bleached, softwood, n.e.s.	700,150	-	-
724.4535	Magnetic tape for video or video and audio recording	621,135	226,891	72,376
712.5040	Instruments n.e.s. for measuring or testing electrical characteristics, and parts thereof	481,185	4,149	-
818.9000	General merchandise, valued not over \$500	462,385	694,205	61,511
480.4500	Phosphates, crude, and apatite	453,945	-	-
355.0740	Textile webs, batting, and nonwoven fabrics, of manmade fibers, n.e.s.	432,641	1,125,544	182,022
124.1527	Muskra furskins, whole, undressed	397,935	65,000	-
300.3021	Cotton linters, n.e.s.	393,342	434,169	152,686
678.3524	Injection-molding machines for use in processing rubber or thermosetting materials	341,779	1/	-
207.0035	Wooden pencil slats	286,653	-	-
531.1135	Refractory and heat-insulating mortars, ramming mixes and castables, and super refractory powders, of clay, n.s.p.f.	225,000	-	225,000
	Total	218,490,936	273,615,106	40,126,431
	Total U.S. exports to East Germany	222,657,076	295,557,277	41,063,367

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 678.3520.

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

Table B-16.--Leading items imported from East Germany, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt			-
	Universal viscosity at 100 degrees F of less than 45 seconds--			-
480.5000	Potassium chloride, crude	\$7,701,342		
772.5109	Passenger car tires, radial	3,290,227	\$4,149,818	\$747,813
668.2345	Printing presses, not letter or offset	2,604,999	1/	226,972
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type	2,603,061	263,113	
430.3000	Urea, n.e.s.	2,067,322	6,417,522	320,000
772.5112	Passenger car tires other than radial	1,760,000		-
494.2000	Montan wax	1,731,949		337,550
772.5135	Truck and bus tires, radial	1,707,320	1,195,123	405,555
124.1025	Mink furskins, except "Japanese mink," undressed	1,633,506	2/	491,977
772.5138	Truck and bus tires, other than radial	1,369,052	446,683	-
121.5000	Pig and hog leather	1,255,255	2/	444,292
676.0510	Typewriters, electric, nonautomatic, portable	1,125,285	1,396,113	57,566
668.5060	Parts of printing presses	1,031,349	1,616,734	716,721
674.3527	Gear-tooth grinding and finishing machines	865,637	916,321	42,796
546.6840	Tableware, kitchen ware, and cooking ware, valued over \$5 each--	794,037	508,418	224,998
678.5085	Combination machines containing tape players, other	716,515	875,412	26,361
999.9500	Formal and informal entries, \$250 and under, estimated	681,011	135,986	2,735
534.1100	Ceramic statues, etc., valued over \$2.50 each	610,690	86,600	82,190
546.6040	Tableware, etc., valued over \$0.50 but not over \$3	526,808	609,111	107,779
	Total	485,918	726,117	75,671
	Total U.S. imports from East Germany	34,561,379	1/ 23,489,163	4,310,776
		51,772,502	44,702,480	8,424,916

1/ Prior to Jan. 1, 1982, these items were grouped together under the now-deleted item 772.5105, with reported trade of \$4,148,092 in 1981. This amount is included in the total figure.

2/ Prior to Jan. 1, 1982, these items were grouped together with present TSUSA item numbers 772.5127 and 772.5129 under the now-deleted item 772.5115.

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

Table B-17.--Leading items exported to Hungary, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
692-3840	Parts of tractors, other than tracklaying tractors	\$5,401,144	\$4,270,810	\$1,562,247
480-8005	Diammonium phosphate fertilizer	5,114,732	-	-
661-1263	Gas compressors n.s.p.f., including reciprocating and rotary, over 1,000 horsepower	3,946,631	-	3,946,631
120-1400	Cattle hides, whole	2,276,179	2,953,704	703,866
480-7050	Concentrated superphosphates	2,099,029	7,277,790	-
540-4200	Glass rods, tubes, and tubing	1,924,143	2,403,964	656,196
660-4872	Gasoline engines, not aircraft, automobile, or marine, under 6 brake horsepower	1,521,278	1,072,741	658,650
435-7700	Cardiovascular drugs	1,117,967	1,121,534	-
674-3598	Other new (including container-making) metal-forming machine tools valued at least \$2,500 each, n.e.s.	1,113,507	-	-
121-5737	Bovine leather, not rough, russet, and crust, n.e.s.	1,018,783	-	461,962
486-2800	Organophosphorus insecticides, other than methyl parathion	990,727	10,802	121,451
688-4060	Electrical articles and electrical parts of articles, n.s.p.f.	980,665	658,147	55,409
772-5000	Pneumatic tires designed for tractors or for agricultural or horticultural machinery or implements	946,023	684,470	255,591
310-0009	Textured yarns, of nylon, 1,000 denier and over	933,603	422,352	-
130-3440	Corn seed, except sweet, not donated for relief or charity	887,267	646,880	-
309-4242	Polyester fibers, noncontinuous	827,977	-	345,378
346-0600	Cotton pile fabrics, corduroys	818,013	9,750	-
435-2300	Corticosteroids, n.s.p.f. (bulk)	809,606	2,219,969	809,606
692-2926	Brake linings and disc brake pads for motor vehicles	808,121	615,049	-
710-2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	729,610	353,264	367,993
	Total	34,265,002	24,721,226	9,944,980
	Total U.S. exports to Hungary	67,842,340	77,511,000	17,373,742

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

Table B-18.--Leading items imported from Hungary, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$20,491,963	\$22,218,641	\$7,452,714
692.3288	Parts for motor vehicles, n.e.s.-----	11,855,448	20,788,310	2,169,186
686.9030	Other lamps, including standard household-----	10,733,285	8,744,803	2,027,845
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair-----	9,373,675	7,376,165	3,593,416
692.3460	Parts for agricultural tractors-----	7,391,535	9,091,454	1,468,889
692.0440	Motor buses, other (including diesel)-----	4,200,720	10,049,089	-
379.8355	Men's wool suits, not knit, not ornamented-----	4,033,958	1/ 1,537,555	1,522,438
130.3000	Seed corn or maize, certified-----	2,401,417	1,263,264	-
607.8344	Sheets, not coated or plated with metal, pickled or cold rolled, other than alloy iron or steel-----	2,364,305	-	2,364,305
333.7550	Women's suits, n.e.s., not knit, wool-----	2,210,037	2/ 745,172	-
379.8311	Men's suit-type coats and jackets made of wool, not knit-----	2,099,734	3/ 1,108,022	722,040
678.3220	Machines for assembling electric filament and discharge lamps, n.e.s.-----	1,862,500	956,117	31,860
411.2400	Sulfamethazine-----	1,633,302	650,765	962,666
618.2565	Aluminum sheets and strip, not clad, wrought-----	1,597,761	435,419	348,206
772.5136	Truck and bus tires, radial-----	1,509,440	4/ -	458,560
107.3040	Bacon, not boned and cooked-----	1,497,675	1,771,855	687,458
700.4560	Women's footwear, of leather, n.e.s., valued over \$2.50 per pair-----	1,468,415	264,100	8,073
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches-----	1,388,791	1,029,395	380,369
700.4530	Women's footwear, of leather, vulcanized soles, valued over \$2.50 per pair-----	1,378,041	282,231	226,275
612.3980	Brass strips, wrought, not cut, etc-----	1,366,709	40,102	236,834
	Total-----	90,858,761	88,352,459	24,661,134
	Total U.S. imports from Hungary-----	133,237,539	127,939,171	35,243,200

1/ On Jan. 1, 1982, item 379.8355 was formed from former items 380.6653 and 380.6654. The figure reported for 1981 represents an aggregation of trade reported under the 2 items.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.6340.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.6611.

4/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item numbers 772.5127, 772.5129, and 772.5138 under the now-deleted item 772.5115.

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

Table B-19.--Leading items exported to Mongolia, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
120.1400	Cattle hides, whole-----	\$175,000	-	-
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof-----	82,187	-	-
660.9470	Turbine pumps-----	28,900	-	-
818.3900	Products, n.e.s., donated for relief or charity-----	16,521	\$7,413	\$2,912
274.4000	Postage and revenue stamps and government stamped envelopes and postal cards-----	10,000	-	-
661.6504	Solar energy collectors, and parts thereof-----	8,595	1/	-
686.9060	Electric filament lamps, n.e.s., designed for operating at 100 volts or more-----	4,629	-	-
547.6020	Laboratory glassware, whether or not graduated or calibrated-----	3,870	11,501	-
760.4440	Pen point holders, pencil clips, pencil point protectors, and parts of pens and pencils n.s.p.f.-----	2,500	-	-
687.6055	Photo-sensitive solar cells-----	2,495	-	-
709.3000	Medical, dental, surgical, and veterinary instruments and apparatus, n.s.p.f., and parts thereof-----	2,039	-	-
711.8741	Nonelectrical electrochemical instruments for chemical analysis, n.e.s.-----	2,017	2/	-
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	1,519	949	-
653.4680	Heating apparatus of base metal, not electrically operated, n.s.p.f.-----	1,500	-	-
710.8550	Protractors, rules, draftsmen's lettering pens, hand styliuses, drafting and drawing instruments, and related apparatus, n.e.s. Nonautomatic typewriters, not portable-----	964	-	964
676.0570	Total-----	833	-	-
	Total U.S. exports to Mongolia-----	343,569	19,863	3,876
		343,569	74,742	3,876

1/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 661.6520.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted and more comprehensive item 711.8740.

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

Table B-20.--Leading items imported from Mongolia, by TSUSA items, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
306.4293	Camel hair, sorted, etc	\$1,498,657	\$2,184,090	\$90,743
306.6100	Cashmere goat hair, not sorted, etc	708,217	-	-
306.4192	Camel hair, not sorted, etc	673,555	384,000	171,712
306.6200	Cashmere goat hair, sorted, etc	634,241	952,022	-
306.4394	Camel hair, scoured	63,604	-	63,604
534.9400	Smokers' articles, household articles, and art and ornamental articles, n.s.p.f., of nonbone chinaware or of subporcelain	16,023	-	16,023
100.9580	Live animals, n.s.p.f.	10,000	-	-
307.0200	Waste of wool or hair, burr and card, not advanced	9,700	-	-
124.1060	Furskins, n.e.s., not whole	6,608	-	-
533.7900	Household ware of nonbone chinaware or of subporcelain, n.s.p.f.	5,905	-	5,905
533.7800	Household ware of nonbone chinaware or of subporcelain, including selected cups, saucers, bowls, plates, etc	768	-	768
120.2047	Goat and kid hides and skins	380	-	380
	Total	3,627,658	3,520,112	349,135
	Total U.S. imports from Mongolia	3,627,658	3,635,223	349,135

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

Table B-21.--Leading items exported to North Korea, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
120.1765	Hides and skins, bovine, not whole, n.e.s.	\$59,425	-	-
709.1665	Electromedical complete patient monitoring systems	23,048	-	-
682.4525	Single-phase AC motors, 1-20 horsepower	7,300	-	-
	Total	99,773	-	-
	Total U.S. exports to North Korea	99,773	-	-

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

Table B-22.--Leading items imported from North Korea, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
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	\$47,234	-

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

Table B-23.--Leading items exported to Poland, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	Yellow corn, not donated for relief or charity	\$45,337,355	\$335,353,646	\$35,072,783
120.1400	Cattle hides, whole	21,871,406	5,484,581	2,604,852
175.4100	Soybeans, other than seed for planting	20,939,127	25,287,422	9,209,693
818.3900	Products, n.e.s., donated for relief or charity	20,484,071	4,601,110	9,326,461
116.0100	Butter	17,513,137	44,485,944	9,315,435
480.4500	Phosphates, crude, and apatite	15,711,544	6,691,056	2,319,454
818.3100	Food products, n.s.p.f., donated for relief or charity	16,437,310	4,511,923	799,583
480.7050	Concentrated superphosphates	13,774,093	-	-
818.3300	Medicinal and pharmaceutical products donated for relief or charity	10,091,782	414,986	2,236,072
176.5260	Soybean oil, n.e.s., donated for relief or charity	8,756,342	-	1,293,852
117.8600	Cheeses, except Cheddar and other American-type cheeses	7,797,853	-	5,576,198
131.6030	Wheat flour, n.e.s., donated for relief or charity	7,780,266	114,986	755,065
177.5640	Tallow, inedible	6,671,650	7,031,705	1,211,947
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	6,111,197	1,008,765	2,442,925
692.3820	Parts of tracklaying tractors	5,847,169	6,379,422	765,085
182.9715	Corn-soya-milk blends, donated for relief or charity	5,007,404	-	-
117.8200	American-type cheeses, except Cheddar	4,124,779	-	-
818.3400	Wearing apparel donated for relief or charity	3,897,212	1,933,302	2,042,142
182.9725	Wheat-flour-soya blends, donated for relief or charity	3,320,843	24,187	455,894
115.5040	Nonfat dry milk, not donated for relief or charity	3,272,594	4,590,365	-
Total		242,747,134	447,913,400	2,739,890
Total U.S. exports to Poland		292,606,379	680,546,781	88,217,381

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

Table B-24.--Leading items imported from Poland, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$55,170,379	\$86,298,698	\$18,503,687
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	9,332,785	8,374,515	2,737,046
110.4740	Pollock blocks, frozen, over 10 pounds-----	7,060,345	9,800,790	-
379.8355	Men's wool suits, not knit, not ornamented-----	5,944,257	1/ 5,686,437	462,118
383.3415	Women's cotton raincoats, n.e.s., 3/4-length or longer-----	4,898,813	2/ 3,916,685	1,003,718
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s.-----	4,777,785	36,656,416	3,866,727
862.1000	Articles for exhibition, for encouragement of agriculture, art, etc.-----	4,000,000	-	-
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per pair-----	3,349,781	3,371,256	424,898
674.3512	Machine tools, metal-cutting, engine or toolroom-----	3,220,410	8,446,352	117,185
379.4620	Men's and boys' suit-type sport coats and jackets made of corduroy-----	3,198,362	3/ 2,963,289	705,857
709.4500	Artificial respiration appliances, including gas masks and similar respirators-----	3,104,770	7,972	753,855
672.1620	Sewing machines, other-----	3,016,221	5,670,279	606,900
700.3550	Men's footwear, of leather, n.e.s., cement soles-----	2,877,276	5,661,132	473,885
192.2520	Hops, not in pellets-----	2,784,154	-	83,408
727.1500	Furniture and parts, of bentwood-----	2,744,623	4/ 3,540,247	793,294
336.6249	Worsted, valued over \$2 but not over \$9 per pound-----	2,651,794	5/ -	844,186
379.6215	Men's suit-type coats and jackets imported as parts of suits, cotton, not knit-----	2,228,618	6/ 3,031,115	253,971
379.4615	Men's and boys' raincoats 3/4-length or longer, other than corduroy, valued over \$4 each-----	2,173,505	7/ 2,599,902	1,023,806
146.7630	Strawberries in containers holding more than 40 ounces-----	1,999,165	1,993,701	511,946
646.2622	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, uncoated-----	1,950,647	5,469,285	755,173
	Total-----	126,483,690	193,488,071	33,921,660
	Total U.S. imports from Poland-----	212,887,725	359,938,824	55,153,892

1/ On Jan. 1, 1982, item 379.8355 was formed from former items 380.6653 and 380.6654. The figure reported for 1981 represents an aggregation of trade reported under the 2 items.

2/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.1206.

3/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.1235.

4/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 192.2510 under the now-deleted item 192.2500.

5/ Prior to Jan. 1, 1982, this item was grouped with present TSUSA item number 336.6449 under the now-deleted item 336.6049.

6/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.3941.

7/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 380.1220.

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

Table B-25.--Leading items exported to Romania, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
175.4100	Soybeans, other than seed for planting	\$60,660,521	\$17,916,318	\$6,281,550
130.3465	Yellow corn, not donated for relief or charity	29,330,041	226,078,974	-
120.1400	Cattle hides, whole	27,201,188	22,047,518	9,516,691
184.5260	Soybean oilcake and oilcake meal	14,257,920	86,697,465	-
521.3110	Low volatile bituminous coal	11,179,565	15,398,695	-
415.4500	Sulfur, native elemental or recovered	7,335,870	22,069,070	2,789,429
521.3120	Bituminous coal, n.e.s.	6,155,213	25,549,303	-
480.4500	Phosphates, crude, and apatite	5,225,000	6,396,531	4,018,644
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f.	4,131,172	3,785,679	1,416,459
417.7100	Barium compounds	2,959,967	-	-
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	2,683,421	376,934	787,312
446.1521	Polychloroprene (neoprene) synthetic rubber	2,678,155	1,040,247	-
712.5052	Recording instruments and apparatus for measuring or checking electrical quantities, n.s.p.f., and parts thereof	2,662,072	289,471	948,348
404.0580	Hydrocarbons, except derivatives, n.e.s.	2,287,037	-	-
486.2900	Insecticides, unmixed, n.e.s.	2,268,000	2,716,225	-
674.3588	Mechanical presses, metal-forming	2,100,000	-	-
601.6100	Zinc ore	2,025,951	-	-
772.5000	Pneumatic tires designed for tractors or for agricultural or horticultural machinery or implements	1,838,214	4,147,771	721,218
678.3560	Parts of machines used for molding or otherwise forming rubber or plastics articles, other than tire-building machines	1,646,476	3,793	6,476
250.0281	Wood pulp, sulphate and soda, bleached, softwood, n.e.s.	1,503,802	1,903,419	-
	Total	190,129,602	436,417,413	26,486,127
	Total U.S. exports to Romania	223,230,645	503,889,756	30,120,011

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

Table B-26.--Leading items imported from Romania, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
475.2520	Gasoline	\$69,846,469	\$90,241,408	-
475.3500	Naphtha, derived from petroleum, etc., n.e.s.	19,786,154	49,974,626	-
727.3540	Furniture, of wood, n.s.p.f.	11,639,120	9,092,317	\$3,359,498
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80	11,288,554	10,535,975	3,335,218
700.4540	Women's footwear, of leather, cement soles, valued over \$2.50 per pair	10,825,918	5,762,149	2,463,000
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per pair	9,952,196	1,207,055	1,499,183
610.4220	Oil well casing, other than alloy steel, threaded or otherwise	8,321,347	15,002,428	-
610.4965	Pipes, tubes, and blanks, over 4.5 inches but not over 16 inches in diameter	6,800,423	1/ 13,932,873	-
107.3525	Canned hams and shoulders, 3 pounds and over	6,577,326	8,482,319	1,164,285
700.3550	Men's footwear, of leather, n.e.s., cement soles	6,170,600	3,663,358	1,054,238
727.2900	Chairs of wood, not folding, not teak, n.e.s.	4,154,195	2,275,657	1,125,635
379.8355	Men's wool suits, not knit, not ornamented	3,840,279	5,330,635	660,073
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	3,822,236	2,751,810	1,065,362
310.5049	Yarns wholly of noncontinuous manmade fibers plied, acrylic	3,786,194	2,906,856	1,296,698
727.1500	Furniture and parts, of bentwood	3,743,491	1,315,603	728,405
379.9565	Men's suits, n.e.s., man-made fibers	3,737,552	4,562,962	427,566
680.3712	Ball bearings, radial ball bearings, outside diameter over 30 mm but not over 52mm	3,699,338	9,248,549	793,649
690.3560	Parts of cars, other	3,690,913	6,957,247	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	3,616,290	4/ 4,689,327	460,170
383.9050	Women's coats, other than 3/4-length or longer, n.e.s.	3,567,717	247,933,154	102,061
	Total	198,866,312	559,448,601	19,535,041
	Total U.S. imports from Romania	339,120,678		44,672,505

1/ Prior to Jan. 1, 1982, this item was grouped with 13 other present TSUSA items under the now-deleted items 610.4925, 610.4930, 610.4934, and 610.4938.

2/ On Jan. 1, 1982, item 379.8355 was formed from former items 380.6653 and 380.6654. The figure reported for 1981 represents an aggregation of trade reported under the 2 items.

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

4/ Prior to Jan. 1, 1982, this item was classified under the now-deleted item 382.8163.

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

Table B-27.--Leading items exported to the U.S.S.R. 1/, 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
130.3465	Yellow corn, not donated for relief or charity	\$818,768,494	\$781,675,441	\$184,134,545
130.6540	Wheat, unmilled, not donated for relief or charity	802,181,752	772,563,226	-
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	268,485,210	166,002,438	91,648,913
175.4100	Soybeans, other than seed for planting	171,263,724	8,432,000	-
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over	51,036,637	56,746,278	14,650,696
790.5510	Pressure-sensitive tape having a plastic backing	36,094,621	19,691,851	10,223,290
517.5120	Petroleum coke, calcined	34,288,801	33,055,016	12,775,750
601.2200	Copper ore	34,153,732	24,975,063	-
475.4555	Insulating or transformer oils	27,927,621	16,138,998	7,375,767
692.3320	Parts of tracklaying tractors	25,650,775	48,537,702	1,228,765
176.5400	Sunflower seed oil	22,678,186	-	-
664.0586	Parts, n.e.s., of boring and drilling machines	20,002,890	156,120	9,720,343
177.5640	Tallow, inedible	17,886,867	48,508,766	5,163,927
692.3840	Parts of tractors, other than tracklaying tractors	17,194,778	35,386,633	1,031,494
664.0230	Integral tractor shovel loaders, rear engine mounted, new, 4-wheel drive, bucket capacity of 10 to 15 cubic yards	15,753,071	-	5,611,970
475.4580	Lubricating oils, n.s.p.f., except white mineral oils	13,023,907	12,001,620	1,334,914
475.4520	Automotive, diesel, and marine engine lubricating oil	10,785,775	773,722	5,525,599
165.4300	Shelled almonds, not blanched	10,042,970	16,003,365	-
664.0577	Rippers and rooters (attachments for excavating machinery)	7,826,133	8,412,347	2,245,608
660.5440	Parts of tractor engines	7,727,864	8,274,989	-
	Total	2,412,758,809	2,057,335,575	352,721,581
	Total U.S. exports to the U.S.S.R.	2,588,975,403	2,338,818,084	388,261,334

1/ Includes exports to Estonia, Latvia, and Lithuania.

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

Table B-28.---Leading items imported from the U.S.S.R. 1/, by TSUSA items, 1932, 1931, and October-December 1932

TSUSA item No.	Description	1932	1931	October-December 1932
480.6540	Anhydrous ammonia	\$88,765,017	\$78,413,750	\$22,365,613
605.0260	Palladium	24,836,173	31,142,395	6,502,755
620.0300	Nickel, unwrought	12,181,708	37,775,824	2,037,299
480.3000	Urea, n.e.s.	10,434,414	-	4,147,952
475.2520	Gasoline	10,340,507	-	-
422.5220	Uranium compounds, fluorides	9,647,061	11,278,337	-
169.3300	Vodka, in containers holding not over 1 gallon, valued over \$7.75 per gallon	7,173,490	5,798,505	3,096,290
124.1045	Sable furskins, whole, undressed	7,164,280	8,119,886	1,936,831
653.2200	Metal coins, n.e.s.	6,103,865	328,604	43,138
480.5000	Potassium chloride, crude	4,600,239	-	1,153,595
605.0220	Platinum sponge	3,961,199	4,625,530	1,227,690
605.0270	Rhodium	3,474,803	3,475,170	184,075
605.2030	Gold dore and gold precipitates, not bullion	2,587,618	721,914	47,336
169.3700	Vodka, not over 1 gallon, valued not over \$7.75 per gallon	2,172,584	1,405,703	451,953
114.3000	Crabs, n.e.s.	2,106,815	-	-
605.0290	Platinum group metals and combinations, n.e.s.	1,909,293	6,397,167	246,285
605.0750	Palladium bars, plates, etc.	1,684,518	2,814,968	288,798
612.2010	Beryllium copper	1,657,781	-	277,423
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide	1,629,077	2,456,132	-
245.2020	Hardboard valued over \$96.66-2/3 per short ton, other	1,568,820	1,977,160	468,330
	Total	203,999,222	196,731,045	44,530,273
	Total U.S. imports from the U.S.S.R.	228,792,228	357,424,134	49,674,813

1/ Includes imports from Estonia, Latvia, and Lithuania.

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

Table B-29.--Leading items exported to Vietnam, by Schedule B Nos., 1982, 1981, and October-December 1982

Schedule B No.	Description	1982	1981	October-December 1982
818.3900	Products, n.e.s., donated for relief or charity	\$25,187,114	\$7,235,727	\$8,168,264
818.9000	General merchandise, valued not over \$500	5,432,787	1,484,765	1,561,839
818.3300	Medicinal and pharmaceutical products donated for relief or charity	1,069,411	272,836	-
795.0000	Nonenumerated products	78,340	-	78,340
818.3400	Wearing apparel donated for relief or charity	69,507	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.	61,400	5,880	-
772.0400	Household articles n.s.p.f., of rubber or plastics	57,580	350,523	10,000
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof	7,527	-	-
547.6020	Laboratory glassware, whether or not graduated or calibrated	5,338	-	3,813
818.3100	Food products, n.s.p.f., donated for relief or charity	5,134	77,962	-
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	4,000	6,664	-
709.1670	Electro-medical apparatus, n.s.p.f.	4,000	-	-
692.5000	Motorcycles	3,000	-	3,000
661.1500	Air pumps, vacuum pumps, and parts thereof	2,413	-	-
442.6100	Corticosteroid preparations	2,336	-	-
676.0570	Nonautomatic typewriters, not portable	1,833	-	-
711.8038	Nonelectrical dial indicating pressure gauges, and parts thereof, not for industrial process	1,269	-	-
694.6507	Parts designed for use in civil aircraft, n.e.s.	1,000	-	-
709.1200	Basal metabolism and blood pressure apparatus, and parts thereof	702	-	-
	Total	31,994,671	9,986,319	9,825,256
	Total U.S. exports to Vietnam	31,994,671	10,134,825	9,825,256

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

Table B-30.--Leading items imported from Vietnam, by TSUSA items, 1982, 1981, and October-December 1982

TSUSA item No.	Description	1982	1981	October-December 1982
653.2200	Metal coins, n.e.s-----	-	\$2,665	"
	Total-----	-	2,665	"
	Total U.S. imports from Vietnam-----	-	96,101	"

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

GLOSSARY

Abbreviation	Full wording
CTA	Central Intelligence Agency
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)
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalized System of Preferences
IMF	International Monetary Fund
LTFV	Less than fair value
MFA	Multifiber Arrangement
MFN	Most-favored-nation
NME's	Nonmarket economy countries
OEA	Office of Export Administration (U.S. Department of Commerce)
OECD	Organization for Economic Cooperation and Development
QGL	Qualified General License
SCE	State-controlled economy
SDR	Special Drawing Rights
SIC	Standard Industrial Classification
	MSIC: SIC-based import product groupings
	OSIC: SIC-based domestic manufactured output categories
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
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USITC	U.S. International Trade Commission

INDEX

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

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

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

Albania: U.S. exports and imports, annual; No. 1, pp. 42-43 (incl. table); No. 5, p. 57; No. 9, p. 72; No. 13, pp. 52-53; No. 17, pp. 70-71; No. 21, p. 80; No. 25, pp. 111-113; No. 29, p. 119

Alcoholic beverages: see Vodka

Aluminum:

U.S. exports and imports; No. 8, pp. 34-37 (incl. table)

U.S. imports; No. 14, pp. 26-30 (incl. table)

Ammonia: U.S. imports from the U.S.S.R.; No. 16, pp. 26-32 (incl. tables); No. 20, p. 20; No. 21, pp. 27-28; No. 33, p. 72

Animal and vegetable products:

see also Down and feathers, Hides and skins, Mushrooms, and Rabbit meat
U.S. imports; No. 6, pp. 17-21 (incl. table)

Antimony oxide: U.S. imports from China; No. 6, p. 34; No. 9, p. 33

Apparel: see Textile and textile products

Aspirin: U.S. imports; No. 6, p. 33

Bicycles: U.S. imports; No. 6, p. 50

Bulgaria: U.S. exports and imports, annual; No. 1, pp. 39-41 (incl. table); No. 5, pp. 53-55 (incl. table); No. 9, pp. 66-70, (incl. table); No. 13, pp. 49-52 (incl. table); No. 17, pp. 66-69 (incl. table); No. 21, pp. 75-79 (incl. table); No. 25, pp. 99-103 (incl. table); No. 29, pp. 104-108

Canned hams: see Hams, canned

Ceramic kitchenware and tableware: U.S. imports from China; No. 31, pp. 40-41; No. 32, pp. 33-34, pp. 52-60; No. 33, p. 42

Chemical products:

U.S. imports; No. 2, pp. 36-46 (incl. tables); No. 6, pp. 31-36 (incl. table)
 U.S. imports from East Germany; No. 17, p. 59

Chicory roots, crude: U.S. imports; No. 6, p. 21

China:

Economic developments; No. 29, pp. 25-29; No. 33, pp. 33-34
 Eximbank financing; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26, p. 37;
 No. 32, pp. 32-33, No. 33, pp. 36-37
 Joins International Monetary Fund; No. 22, p. 65; No. 23, pp. 21-23
 Most Favored Nation status; No. 19, p. 19; No. 20, p. 19; No. 22, p. 61;
 No. 23, pp. 31-32; No. 27, pp. 50-52; No. 19, p. 30; No. 31, pp. 39-40;
 No. 33, pp. 35-36
 Overseas Private Investment Corporation insurance; No. 23, pp. 25-26
 Textiles; No. 24, pp. 47-85; No. 26, pp. 45-66
 Textile agreement with the EC; No. 33, p. 44-45
 U.S.-China Bilateral Agreements; No. 24, pp. 36-38
 U.S.-China Joint Economic Committee; No. 24, p. 33; No. 33, pp. 41-42
 U.S.-China textile negotiations; No. 19, p. 20; No. 23, pp. 26-27; No. 24,
 pp. 78-85; No. 26, p. 40; No. 33, p. 39-40; No. 33, pp. 39-40
 U.S. exports and imports, annual; No. 1, pp. 10-12 (incl. table); No. 5,
 pp. 24-29 (incl. table); No. 9, pp. 27-33 (incl. table); No. 13, pp. 19-23
 (incl. table); No. 17, pp. 23-30 (incl. table); No. 21, pp. 28-38 (incl.
 table); No. 25, pp. 33-48 (incl. table); No. 29, pp. 36-43 (incl. table);
 No. 33, pp. 45-52 (incl. table)
 U.S. export controls; No. 27, pp. 54-56; No. 29, pp. 32-34; No. 33, pp. 38-39
 World Bank loan; No. 27, pp. 52-54

Chrome ore:

U.S. imports from Albania; No. 21, p. 80
 U.S. imports from the U.S.S.R.; No. 9, p. 21

Clothespins:

U.S. imports; No. 6, pp. 47-49 (incl. table); No. 28, p. 43
 U.S. imports from China; No. 15, p. 16; No. 16, p. 17; No. 17, p. 29
 U.S. imports from Poland; No. 15, p. 16; No. 16, p. 17; No. 17, pp. 35-36
 U.S. imports from Romania; No. 15, p. 16; No. 16, p. 17

Clothing: see also Textile and textile products

U.S. imports; No. 6, p. 30; No. 8, pp. 25-27 (incl. table)
 U.S. imports from China; No. 9, pp. 31-32; No. 33, p. 51

Coal:

U.S. exports to East Germany; No. 21, p. 68
 U.S. exports to Romania; No. 13, p. 35
 U.S. exports to Yugoslavia; No. 21, p. 51
 U.S. imports from Poland; No. 13, p. 28; No. 17, p. 37; No. 21, p. 46

Cocoa butter: U.S. imports from China; No. 33, p. 52

Commodity Control List (CCL): see Export controls, U.S.

Commodity Credit Corporation (CCC): No. 9, p. 37; No. 5, p. 32; No. 12,
 p. 24; No. 13, pp. 17-18, p. 26, p. 34; No. 16, p. 12; No. 17, p. 27, p. 34,
 p. 46, p. 60; No. 21, p. 33, p. 42, p. 53, p. 56; No. 24, pp. 41-42;
 No. 29, p. 68

Computers and computer parts: U.S. exports to the U.S.S.R., No. 23, p. 46.

Coordinating Committee for Multilateral Export Controls (COCOM): No. 22, p. 42, No. 23, pp. 28-29

Copper and copper articles:

U.S. imports from Poland; No. 21, p. 45

U.S. imports from Yugoslavia; No. 6, p. 44; No. 7, pp. 45-49 (incl. table)
No. 9, p. 40; No. 13, p. 31

U.S. exports to the U.S.S.R.; No. 33, p. 69

Cotton: see also Textile and textile products

U.S. exports to China; No. 21, p. 34; No. 26, pp. 45-66; No. 33, p. 46-47

U.S. exports to Hungary; No. 21, p. 73

U.S. exports to Romania; No. 21, p. 56

U.S. imports; No. 8, pp. 18-24 (incl. tables)

U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 8, pp. 18-24 (incl. table); No. 9, pp. 31-32; No. 24, pp. 63-77

Cuba: U.S. exports and imports, annual; No. 1, pp. 44-45 (incl. table); No. 5, p. 56; No. 9, p. 71; No. 13, p. 53; No. 17, pp. 70-71; No. 21, p. 81; No. 25, p. 114; No. 29, p. 119

Czechoslovakia:

U.S.-Czechoslovakian financial claims; No. 23, pp. 32-33; No. 29, p. 73

U.S. exports and imports, annual; No. 1, pp. 28-31 (incl. table); No. 5, pp. 43-45 (incl. table); No. 9, pp. 53-56 (incl. table); No. 13, pp. 37-41 (incl. table); No. 17, pp. 49-54 (incl. table); No. 21, pp. 61-65; No. 25, pp. 94-99; No. 29, pp. 114-118

Democratic Republic of Germany: see Germany, East

Diamonds: U.S. imports from the U.S.S.R.; No. 9, p. 21; No. 13, p. 19

Down and feathers:

U.S. imports; No. 16, pp. 19-25 (incl. tables)

U.S. imports from China; No. 13, p. 22; No. 16, pp. 19-25 (incl. tables); No. 17, p. 30; No. 21, p. 37; No. 33, p. 52

U.S. imports from Yugoslavia; No. 13, pp. 31-32

Eastern Europe: No. 29, pp. 64-82; No. 33, pp. 45-89

East Germany: see Germany, East

East-West Trade Statistics Monitoring System: Imports from NME's in relation to the U.S. market; No. 31, pp. 43-63 (incl. tables)

Energy development: No. 30, pp. 31-35

Export Administration, Office of: Changes in control status country group designations; No. 23, pp. 29-30

Export controls, U.S.: No. 18, p. 19; No. 20, pp. 43-44; No. 21, pp. 9-18; No. 22, pp. 19-59 (incl. tables and figure); No. 23, pp. 27-31, 35-45 (incl. tables); No. 24, p. 35; No. 27, pp. 39-47 and pp. 54-56; No. 30, pp. 25-27; No. 31, pp. 30-33; No. 32, pp. 29-30; No. 29, pp. 32-34; No. 33, pp. 38-39 and pp. 58-59

Export credit restraints, OECD: No. 31, pp. 33-35; No. 33, p. 60

Export-Import Bank (Eximbank) financing:

for China; No. 22, p. 62; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26, p. 37; No. 32, pp. 32-33; No. 33, pp. 36-37
for Hungary; No. 20, p. 21
for Romania; No. 20, p. 21; No. 27, pp. 48-50; No. 29, pp. 70-71

Feathers: see Down and feathers

Ferroalloys and nonferrous metals: U.S. imports; No. 6, pp. 44-45; No. 7, pp. 37-44 (incl. tables)

Fibers, flax and hemp:

U.S. imports; No. 6, p. 24
U.S. manmade fiber exports to China; No. 33, pp. 47-48

Fibers, manmade: U.S. exports to China; No. 26, pp. 58-66; No. 33, p. 47-48

Fibrous vegetable materials: U.S. imports from China; No. 6, pp. 23-24

Fireworks: U.S. imports from China; No. 6, pp. 50-51; No. 8, pp. 43-46 (incl. table)

Flax: see Fibers, flax and hemp

Footwear:

U.S. imports; No. 2, pp. 18-25 (incl. tables); No. 6, pp. 51-52; No. 8, pp. 38-42 (incl. table)
U.S. imports from Czechoslovakia; No. 21, p. 64
U.S. imports from Poland; No. 9, p. 34
U.S. imports from Romania; No. 9, p. 48 No. 11, pp. 17-25 (incl. tables); No. 13, p. 36; No. 21, pp. 58-59
U.S. imports from Yugoslavia; No. 19, pp. 25-37 (incl. tables)

Foreign Trade Statistics, changes in 1978: No. 14, pp. 16-19

Furniture, wooden: see Wood furniture

Furskins: Lifting of embargo on U.S. imports from China; No. 33, p. 37

Gas, natural:

U.S. imports from the U.S.S.R.; No. 9, p. 18
U.S.S.R.-European gas pipeline; No. 28, p. 37-39; No. 32, pp. 29-30; No. 33, pp. 58-59

General Agreement on Tariffs and Trade (GATT):

Membership for Hungary; protocols of accession; No. 27, p. 79
Membership for Poland; protocols of accession; No. 27, pp. 77-79
Membership for Romania; protocols of accession; No. 27, p. 79
NME participation in; No. 27, pp. 57-93; No. 29, p. 77

Generalized System of Preferences (GSP): No. 9, p. 41; No. 13, pp. 36-37; No. 17, p. 42, p. 49; No. 19, p. 19; No. 21, p. 30, p. 48, pp. 60-61; No. 22, p. 65

Germany, East: U.S. exports and imports, annual; No. 1, pp. 32-35 (incl. table); No. 5, pp. 49-52 (incl. table); No. 9, pp. 57-60 (incl. table); No. 13, pp. 41-46 (incl. table); No. 17, pp. 54-60 (incl. table); No. 21, pp. 65-69; No. 25, pp. 85-94 (incl. table); No. 29, pp. 98-103

Glass and glassware:

U.S. imports; No. 6, pp. 37-39; No. 8, pp. 28-33 (incl. tables); No. 19, pp. 38-54 (incl. tables)

U.S. imports from Romania; No. 5, p. 40; No. 9, pp. 15, 49

Gloves: see also Textile and textile products

U.S. imports from China; No. 13, p. 23; No. 14, p. 14; No. 17, p. 29

Gold, nonmonetary:

U.S. imports; No. 14, pp. 20-21 (incl. table)

U.S. imports from the U.S.S.R.; No. 21, p. 25; No. 25, p. 60

Gold coins: U.S. imports from Hungary; No. 1, pp. 36-37; No. 5, p. 46; No. 33, p. 74

Golf cars: U.S. imports from Poland; No. 3, p. 16; No. 5, p. 32; No. 21, pp. 45-46; No. 23, pp. 33-34

Grain:

U.S. exports; No. 1, p. 13; No. 3, pp. 3-5 (incl. table); No. 4, pp. 2-4 (incl. table); No. 5, pp. 1-4 (incl. table); No. 6, pp. 1-5 (incl. table); No. 7, pp. 8-11 (incl. table); No. 8, pp. 6-8 (incl. table); No. 9, pp. 11-13 (incl. tables); No. 12, pp. 11-28 (incl. tables); No. 13, p. 9 (incl. table); No. 14, p. 10 (incl. table); No. 16, pp. 12-13 (incl. table); No. 17, pp. 12-13 (incl. table); No. 18, pp. 11-12 (incl. table); No. 19, pp. 14-15 (incl. table); No. 20, pp. 15-16 (incl. table); No. 21, p. 9 (incl. table); No. 22, p. 29 (incl. table); No. 23, pp. 5-9, 43-45 (incl. table); No. 31, pp. 11-15; No. 32, p. 12, pp. 30-32

U.S. exports to Bulgaria; No. 12, p. 28; No. 17, p. 68; No. 21, p. 78

U.S. exports to China; No. 9, pp. 27-29; No. 12, pp. 23-24; No. 15, p. 12; No. 17, pp. 26-27; No. 21, p. 33; No. 26, pp. 31-35; No. 32, p. 12; No. 33, p. 44 and pp. 45-46

U.S. exports to Czechoslovakia; No. 9, p. 53; No. 12, p. 26; No. 17, p. 52; No. 21, p. 63

U.S. exports to Eastern Europe; No. 32, p. 12; No. 33, p. 87

U.S. exports to East Germany; No. 9, pp. 57-59; No. 12, pp. 23-24; No. 13, p. 41; No. 17, pp. 56-58; No. 21, pp. 66-68

U.S. exports to Hungary; No. 12, p. 27; No. 21, pp. 71-73

U.S. exports to Poland; No. 5, p. 31; No. 9, p. 36; No. 12, pp. 24-25;

No. 13, p. 25; No. 17, pp. 33-34 (incl. table); No. 21, p. 41 (incl. table)

U.S. exports to Romania; No. 8, pp. 12-13; No. 9, p. 50; No. 12, p. 28;

No. 17, pp. 45-46 (incl. table); No. 21, pp. 54-56

U.S. exports to the U.S.S.R.; No. 5, pp. 17-18; No. 9, pp. 11-13 (incl. table); No. 12, pp. 19-23 (incl. table); No. 13, p. 17; No. 17, pp. 19-20 (incl. table); No. 21, pp. 21-23; No. 22, pp. 27-29 (incl. tables);

No. 23, p. 36; No. 24, pp. 30-32; No. 25, pp. 53-57; No. 27, p. 41;

No. 28, p. 35-37; No. 32 pp. 30-32; No. 33, p. 60, and pp. 64-66

U.S. exports to Yugoslavia; No. 12, p. 27; No. 17, p. 41; No. 21, p. 50

Grain agreements:

United States and China; No. 26, pp. 31-35
 China and third countries, No. 33, p. 45

Hams, canned:

U.S. imports; No. 6, p. 18; No. 7, pp. 22-28 (incl. tables); No. 23, pp. 51-55 (incl. tables); No. 33, p. 88
 U.S. imports from Hungary; No. 21, p. 74
 U.S. imports from Poland; No. 9, p. 34; No. 13, p. 27; No. 17, p. 35; No. 21, p. 43

Headwear: see also Textile and textile products

U.S. imports; No. 7, pp. 56-59 (incl. table)
 U.S. imports from China; No. 6, p. 51

Hemp: see Fibers, flax and hempHides and skins: see also Furskins

U.S. exports; No. 12, pp. 28-35 (incl. tables)
 U.S. exports to Czechoslovakia; No. 21, p. 63

High-technology items: U.S. exports to the U.S.S.R.; No. 22, pp. 40-52 (incl. tables); No. 24, pp. 38-40; No. 25, p. 59; No. 33, pp. 58-59Hops: U.S. imports; No. 7, pp. 29-32 (incl. table); No. 33, p. 88Hungary:

Economic reforms; No. 30, pp. 43-65
 Eximbank financing; No. 20, p. 21
 Membership in the General Agreement on Tariffs and Trade; No. 27, p. 79
 Most Favored Nation status; No. 17, p. 60; No. 19, pp. 20-21; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40
 U.S. exports and imports, annual; No. 1, pp. 36-38 (incl. table); No. 5, pp. 46-48 (incl. table); No. 9, pp. 61-65 (incl. table); No. 13, pp. 46-49 (incl. table); No. 17, pp. 60-66 (incl. table); No. 21, pp. 70-75 (incl. table); No. 25, pp. 103-110 (incl. table); No. 29, pp. 108-113

Iridium: see Platinum group metalsIron and steel: see also Steel

U.S. imports; No. 2, pp. 26-35 (incl. tables)
 U.S. imports from Poland; No. 13, p. 27

International Monetary Fund (IMF): China joins; No. 22, p. 65, No. 23, pp. 21-23Korea, North: U.S. exports and imports, annual; No. 21, p. 81; No. 25, p. 114; No. 29, p. 119Labor content of U.S. exports to the nonmarket economy countries: No. 4, pp. 11-16 (incl. tables)Labor content of U.S. imports from the nonmarket economy countries: No. 3, pp. 18-26 (incl. tables)Lightbulbs: U.S. imports from Hungary; No. 16, p. 18; No. 17, p. 65

Logs, softwood: U.S. exports to China, No. 33, p. 48

Machine tools: U.S. exports and imports; No. 1, p. 13; No. 10, pp. 18-54 (incl. tables)

Manganese alloys: see Ferroalloys

Menthol: U.S. imports from China, No. 23, p. 34; No. 26, p. 43

Metals and metal products:

U.S. imports; No. 6, pp. 41-46 (incl. table)

U.S. imports from Yugoslavia; No. 13, p. 31

Mongolia: U.S. exports and imports, annual; No. 1, pp. 46-47 (incl. table); No. 5, p. 57; No. 9, p. 72; No. 13, p. 53; No. 17, pp. 70-71; No. 21, p. 81; No. 25, p. 113; No. 29, p. 119

Montan wax: U.S. imports from East Germany; No. 24, pp. 45-46; No. 25, p. 93-94; No. 26, p. 44; No. 28, pp. 40-41; No. 29, pp. 74-77; No. 30, pp. 36-39; No. 33, pp. 85-86

Most Favored Nation (MFN) status:

for China; No. 22, p. 61; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, p. 30; No. 31, pp. 39-40

for Hungary; No. 17, p. 60; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40; No. 33, p. 81

for NME's; No. 18, p. 17

for Romania; No. 17, p. 43; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40; No. 33, p. 81, 83

for Poland; No. 33, pp. 77-78

Motor vehicle equipment: U.S. imports from Hungary; No. 15, pp. 22-25 (incl. table)

Multifiber Arrangement (MFA): see Textiles

Mushrooms:

U.S. Imports; No. 24, pp. 43-45 (incl. table)

U.S. Imports from China, No. 30, pp. 41-43; No. 32, pp. 34-36; No. 33, p. 43

Natural gas: see Gas, natural

Nickel, unwrought: U.S. imports, No. 14, pp. 22-26 (incl. table)

Nonmetallic minerals and metals: U.S. imports, No. 6, pp. 37-40 (incl. table)

North Korea: see Korea, North

Nuclear reactor parts: U.S. exports to Yugoslavia; No. 12, p. 5; No. 13, p. 30

Oil and gas well machinery:

U.S. exports, No. 20, pp. 22-45 (incl. tables)

U.S. exports to the U.S.S.R.; No. 15, p. 17; No. 22, pp. 46-47; No. 33, pp. 58-59

Oilseed meals: U.S. exports to Poland; No. 21, p. 42 (incl. table)

Olympics-related items: U.S. exports to the U.S.S.R.; No. 22, pp. 58-59

Operation Exodus: No. 31, pp. 35-39

Osmium: see Platinum group metals

Overseas Private Investment Corporation (OPIC) insurance: for China; No. 23, pp. 25-26

Oxides, inorganic; No. 6, p. 35

Palladium: see Platinum group metals

Pantothenic acid: U.S. imports; No. 6, pp. 33-34

Peanuts: U.S. imports from China; No. 27, pp. 32-38; No. 33, p. 52

People's Republic of China: see China

Petroleum and petroleum products:

U.S. imports from China; No. 17, p. 30; No. 21, p. 36; No. 32, p. 23; No. 33, p. 50

U.S. imports from Romania; No. 2, p. 7; No. 32, p. 23

U.S. imports from the U.S.S.R.; No. 2, p. 7; No. 4, p. 10; No. 9, pp. 18-20; No. 13, p. 18; No. 32, p. 23; No. 33, p. 74

Phosphates: see also Ammonia

U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 22, pp. 52-58; No. 25, p. 58; No. 33, p. 66

Plastics resins: U.S. exports to China; No. 33, p. 49

Platinum group metals: U.S. imports from the U.S.S.R.; No. 9, p. 20; No. 11, pp. 33-45 (incl. tables); No. 13, p. 18; No. 33, p. 73

Plywood, birch: U.S. imports from the U.S.S.R.; No. 6, pp. 22-23; No. 7, pp. 33-36 (incl. table)

Poland:

Membership in the General Agreement on Tariffs and Trade; No. 27, p. 77

Long-term trends in U.S.-Polish trade; No. 28, pp. 45-63 (incl. tables)

U.S. assistance to; No. 28, pp. 39-40; No. 29, pp. 68-69; No. 32, p. 14

U.S. exports and imports, annual; No. 1, pp. 18-20 (incl. table); No. 5, pp. 30-33 (incl. table); No. 9, pp. 34-39 (incl. table); No. 13, pp. 23-28 (incl. table); No. 17, pp. 30-37 (incl. table); No. 21, pp. 38-46; No. 25, pp. 69-78 (incl. table); No. 29, pp. 88-97

Potassium chloride: U.S. imports from East Germany; No. 9, p. 59

Printcloth:

U.S. imports from China; No. 32, pp. 37-38; No. 33, pp. 43-44

Qualified General License: see Export controls, U.S.

Rabbit meat: U.S. imports from China; No. 6, p. 17; No. 9, p. 32

Rhodium: see Platinum group metals

Romania:

Eximbank financing; No. 20, p. 21; No. 27, pp. 48-50; No. 29, pp. 70-71
 Membership in the General Agreement on Tariffs and Trade; No. 27, p. 79
 Most Favored Nation status; No. 17, p. 43; No. 19, p. 20; No. 23, pp. 31-32;
 No. 29, pp. 72-73; No. 31, pp. 39-40
 U.S. exports and imports, annual; No. 1, pp. 25-27 (incl. table); No. 5,
 pp. 38-42 (incl. table); No. 9, pp. 46-52 (incl. table); No. 13, pp. 32-37
 (incl. table); No. 17, pp. 43-49 (incl. table); No. 21, pp. 52-61 (incl.
 table); No. 25, pp. 79-85 (incl. table); No. 29, pp. 83-87
 Agreements with European Community; No. 29, pp. 77-78
 Suspension of U.S. Credits; No. 30, pp. 27-41

Ruthenium: see Platinum group metals

Sanctions, trade: see Export controls, U.S.

Silicon alloys: see Ferroalloys

Skins, animal: see Hides and skins

Soviet Union: see Union of Soviet Socialist Republics

Soybeans and soybean products:

U.S. exports; No. 20, pp. 46-79 (incl. tables)
 U.S. exports to Bulgaria; No. 17, p. 68; No. 21, p. 78
 U.S. exports to China; No. 21, p. 34; No. 33, pp. 46-47
 U.S. exports to Czechoslovakia; No. 17, p. 52; No. 21, p. 63
 U.S. exports to Eastern Europe; No. 32, p. 14
 U.S. exports to Hungary; No. 17, pp. 63-64; No. 21, p. 73
 U.S. exports to Poland; No. 21, p. 42 (incl. table)
 U.S. exports to Romania; No. 9, p. 50; No. 17, pp. 45-46 (incl. table);
 No. 21, pp. 54-56
 U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 25, p. 58; No. 33, p. 69
 U.S. exports to Yugoslavia; No. 13, p. 31; No. 17, pp. 40-41; No. 21, p. 50

Specified products; miscellaneous and nonenumerated products: U.S. imports;
 No. 6, pp. 47-52 (incl. table)

Steel: see also Iron and Steel

U.S. imports from Czechoslovakia; No. 17, pp. 53-54
 U.S. imports from Poland; No. 17, p. 35; No. 18, p. 18; No. 19, p. 21;
 No. 21, pp. 44-45; No. 32, p. 25
 U.S. imports from Romania; No. 29, pp. 74-77; No. 30, pp. 39-41; No. 32,
 p. 25

Suits: see also Textile and textile products

U.S. imports from Romania; No. 9, p. 48

Sulfonamides: U.S. imports; No. 6, p. 31

Superphosphoric acid: see Phosphates

Textiles and textile products:

see also Clothing, Cotton, Gloves, Headwear, Suits, Towels and Printcloth

U.S. exports to China; No. 26, pp. 45-66; No. 32, p. 14

U.S. imports; No. 2, pp. 53-60 (incl. tables); U.S. imports; No. 6, pp. 26-30 (incl. table)

U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 17, p. 29; No. 18, pp. 16-17; No. 19, p. 20; No. 20, p. 19; No. 21, pp. 31, 35-36; No. 22, pp. 62-64; No. 24, p. 33, pp. 47-85 (incl. tables); No. 32, pp. 39-51; No. 33, p. 51

U.S. imports from Poland; No. 13, p. 27 (incl. table); No. 17, p. 36 (incl. table); No. 21, pp. 43-44; No. 29, pp. 71-72

U.S. imports from Romania; No. 17, p. 47 (incl. table); No. 21, pp. 59-60; No. 29, pp. 71-72

U.S. imports from Hungary; No. 32, p. 23

Tin: U.S. imports from China; No. 2, p. 47-52 (incl. table); No. 4, p. 10 (incl. table); No. 5, p. 25-26; No. 9, p. 31; No. 21, p. 37

Titanium and titanium sponge: U.S. imports from the U.S.S.R.; No. 21, p. 27

Tobacco, oriental cigarette leaf:

U.S. imports; No. 11, pp. 46-54 (incl. tables)

U.S. imports from Bulgaria; No. 9, p. 66; No. 13, pp. 49-51; No. 17, p. 69; No. 21, p. 79

Tools: U.S. imports; No. 6, pp. 41-44 (incl. tables)

Towels:

U.S. imports from China; No. 32, pp. 36-37; No. 33, pp. 43-44

Tractors, agricultural:

U.S. imports; No. 7, pp. 50-55 (incl. tables)

U.S. imports from the U.S.S.R.; No. 13, p. 19

Truck trailer axle and brake assemblies: U.S. imports from Hungary; No. 26, pp. 42-43; No. 28, pp. 41-42; No. 29, pp. 44-63

Tungsten: U.S. imports from China; No. 5, p. 26; No. 15, pp. 18-22 (incl. table); No. 33, p. 52

Union of Soviet Socialist Republics: see also Export controls, U.S.

U.S. exports and imports, annual; No. 1, pp. 13-17 (incl. table); No. 5, pp. 17-23 (incl. table); No. 9, pp. 18-26 (incl. table); No. 13, pp. 9-19 (incl. tables); No. 17, pp. 16-23 (incl. table); No. 21, pp. 19-28 (incl. table); No. 25, pp. 49-62 (incl. table); No. 29, pp. 44-63; No. 53, pp. 53-74

United States-China Joint Economic Commission: see Joint Economic Commission

United States-U.S.S.R. Trade and Economic Council: No. p. 60

Versailles conference: No. 31, pp. 29-30

Vietnam: U.S. exports and imports, annual; No. 21, p. 81; No. 25, p. 113; No. 29, p. 119

Vodka: U.S. imports from the U.S.S.R.; No. 17, p. 23; No. 33, p. 74

Watch movements: U.S. imports from the U.S.S.R.; No. 16, pp. 33-37 (incl. table)

Wax, montan: see Montan wax

Weaving machines: U.S. imports from Czechoslovakia; No. 21, p. 65

Wheat: see Grain

Wood and paper; printed matter: U.S. imports; No. 6, pp. 22-25 (incl. table)

Wood furniture: U.S. imports; No. 11, pp. 26-32 (incl. tables); No. 25, p. 68; No. 26, p. 26

Woodpulp:

U.S. exports; No. 12, pp. 35-44 (incl. tables); No. 33, pp. 46-49

U.S. exports to China; No. 33, p. 48

World Bank: Loan to China; No. 27, pp. 52-54

Yarns and fabrics: U.S. exports to China; No. 33, p. 49

Yugoslavia: U.S. exports and imports, annual; No. 1, pp. 21-24 (incl. table); No. 5, pp. 34-37 (incl. table); No. 9, pp. 40-45 (incl. table); No. 13, pp. 28-32 (incl. table); No. 17, pp. 37-42 (incl. table); No. 21, pp. 46-52 (incl. table); No. 25, pp. 62-69 (incl. table)

