

UNITED STATES INTERNATIONAL TRADE COMMISSION

TWELFTH REPORT TO THE CONGRESS AND
THE EAST-WEST FOREIGN TRADE BOARD

ON

TRADE BETWEEN THE UNITED STATES
AND THE NONMARKET ECONOMY COUNTRIES
DURING JULY-SEPTEMBER 1977



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INTRODUCTION

This report by the United States International Trade Commission is made pursuant to section 410 of the Trade Act of 1974 (19 U.S.C. 2440), which requires the Commission to monitor imports from and exports to the nonmarket economy countries (NME's), to provide data on the effect (if any) of such imports on U.S. production and employment, and to publish a summary report of the data not less frequently than once each calendar quarter for Congress and the East-West Foreign Trade Board. This report covers information through the third quarter of 1977.

The nonmarket economy countries for which trade statistics are included in this series of reports are Albania, Bulgaria, People's Republic of China (China), Cuba, Czechoslovakia, German Democratic Republic (East Germany), Hungary, Mongolian People's Republic, Poland, Romania, the U.S.S.R., and Yugoslavia. At a later date, the Democratic People's Republic of Korea, Vietnam, Laos, and Democratic Kampuchea may be included in this series of reports, pending the development of trade. Most of the countries have not been accorded most-favored-nation (MFN) treatment by the United States during the last 25 years. At the present time, only Poland, Yugoslavia, and Romania receive MFN treatment from the United States.

In the Tariff Schedules of the United States (TSUS), the unconditional MFN rates are set forth in rate-of-duty column 1. The rates applicable to products of designated Communist nations or areas are set forth in rate-of-duty column 2; for the most part these rates are the original statutory rates enacted in 1930. The rate policy involved was made effective by the President in 1951 and 1952 pursuant to section 5 of the Trade Agreements Extension Act of 1951, which directed the President as soon as practicable to take such action as was necessary to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. An examination of the individual items or rate provisions of the TSUS reveals that the rate discrimination involved varies considerably from item to item and sometimes is not present at all, as where imports from all sources have been historically free of duty or dutiable at the same rates. It is important, therefore, to look at the particular rate treatment in the TSUS when interest is to be focused on the actual or potential trade in specific imports.

This report examines the volume of U.S. imports and exports with each of the nonmarket economy countries and the commodity composition of that trade, as well as the balance of U.S. trade with these countries. Detailed data are included on the most important U.S. imports and exports in trade with each of the nonmarket economy countries. One objective of the analysis of detailed U.S. import data is to identify items produced in the United States with which the imported products compete and to assess the economic impact, if any, of such imports on the relevant U.S. industry and on employment within that industry.

This report also includes a more detailed analysis of several products that are of particular importance in U.S. trade with the NME countries. These products--grain, hides and skins, and woodpulp--account for a significant portion of the value of U.S. exports to these countries.

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

Trade between the United States and the nonmarket economies (NME's) fell sharply in the third quarter of 1977. Exports, imports, the balance of trade, and trade turnover ^{1/} all declined (table 1). The most significant negative change was in the balance of trade, which declined more than 60 percent. This balance remained positive, but at \$155 million it was at its lowest point in at least 3 years. Decreased exports were primarily responsible for the drop in the trade balance, as U.S. exports to the NME's fell by 34 percent to their lowest point since the fourth quarter of 1974. Decreased grain sales to the Soviet Union were primarily responsible, but declining soybean and soybean oilcake and meal sales to the Soviet Union, Romania, Yugoslavia, Poland, and Czechoslovakia were also responsible. U.S. imports from the NME's declined slightly in value, from \$411 million to \$384 million, to the benefit of the trade balance, but contributed to the 25-percent decline in trade turnover. Decreased imports of petroleum products from the U.S.S.R. and Romania accounted for most of this decline.

These developments, particularly on the export side, are very difficult to anticipate, although the previous quarterly report ^{2/} did note an apparent declining trend in exports which could be dated from the first quarter of 1976. The reason for this difficulty is the somewhat unpredictable nature of U.S. exports of cereals and cereal preparations to the nonmarket economies. Various actions have been taken to alleviate this problem of large unanticipated fluctuations in exports of these products. The whole subject of U.S. exports of grain to NME's is given more expanded treatment in a following section of this report. ^{3/}

The negative developments of the third quarter and considerable uncertainty over the timing of increased grain exports in the coming quarter complicate forecasting; but, based on trade in the first three quarters of 1977, total trade turnover between the United States and the NME's may only reach a level of approximately \$4.6 billion, roughly 15 percent below the record level of \$5.4 billion attained in 1976. The projected trade surplus between the United States and the NME's of approximately \$1.5 billion would also be significantly below the 1976 record level of \$2.5 billion. The NME share of total U.S. exports decreased to 1.87 percent in the third quarter, and their share of U.S. imports, to 1.04 percent, indicating that U.S.-NME trade is not growing at the same rate as U.S. trade with the rest of the world.

Under the impact of declining U.S. agricultural exports, the structure of total U.S. exports to the NME countries in the first 9 months of 1977 has changed significantly from the pattern of the corresponding period of 1976

^{1/} Trade turnover is a measure of the total volume of trade.

^{2/} Eleventh Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries, p.1.

^{3/} See page 11.

Table 1.--U.S. trade with the world and with nonmarket economies, by quarters, 3d quarter 1976 through 3d quarter 1977

(Value in millions of U.S. dollars)					
Item	1976		1977		
	3d quarter	4th quarter	1st quarter	2d quarter	3d quarter
U.S. world trade:					
Exports-----	27,425	30,571	29,454	31,667	28,752
Imports-----	31,402	32,535	34,990	37,911	36,997
Balance-----	-3,977	-1,964	-5,536	-6,244	-8,245
U.S. trade with nonmarket economies:					
Exports-----	850	852	951	816	539
Imports-----	388	347	366	411	384
Balance-----	+462	+495	+585	+405	+155
Trade turnover (exports plus imports)-----	1,238	1,209	1,317	1,227	923
Share of U.S. total trade with the nonmarket economies:					
Exports -----percent-----	3.10	2.79	3.23	2.58	1.87
Imports-----do-----	1.24	1.10	1.05	1.08	1.04

Source: U.S. Department of Commerce publication FT990. Exports are from tables 5 and E-3 and include domestic and foreign merchandise and Defense Department military assistance grant-in-aid shipments. Imports are from tables 6B and I-4B and are general imports. Both imports and exports are valued on a f.a.s. basis.

(table 2). Food, beverage and tobacco exports had a 57.1-percent share in the first three quarters of 1976, but dropped to a 38.7-percent share in this year. Exports of mineral fuels and lubricants have become a larger portion of total exports to the NME countries, reflecting the expanding importance of coal exports to the Eastern European countries and to the U.S.S.R. Although the proportion of manufactured products exported to the NME countries has increased from 31.2 percent to 42.3 percent, the value of these exports has remained virtually unchanged from the first three quarters of 1976.

Significant manufactured exports to these countries in the third quarter of 1977 included various types of machinery to the U.S.S.R., aluminum to China, and tractor and machinery parts to Poland (table 3). Yugoslavia took nearly \$49 million in machinery and transport equipment in this quarter, an amount second only to the value of similar exports to the U.S.S.R. Major items exported to Yugoslavia under this heading were tractors, digital computers, aircraft parts, and parts of nuclear reactors. Yugoslavia imported almost \$17 million in nuclear reactor parts in the first three quarters of 1977.

The composition of U.S. imports from the NME countries has not varied to any great degree from the pattern that existed in 1976 (table 2). The share of imports of food and crude materials from these countries is greater than their share of total U.S. imports, and that of imports of mineral fuels is less. Imports for consumption of beverages and tobacco increased in the third quarter, owing principally to warehouse withdrawals of oriental leaf tobacco previously imported from Bulgaria and Yugoslavia. Semimanufactured imports ^{1/} also posted increases (table 4). Significant imports under this classification in the third quarter included platinum group metals from the U.S.S.R., unwrought copper from Yugoslavia, and steel manufactures from Poland. Approximately one-quarter of all imports from the NME countries are classified as miscellaneous manufactures. ^{2/} Imports of leather footwear from Yugoslavia, Romania, and Czechoslovakia; textiles and clothing from China and Romania; and wood furniture from Yugoslavia are included in this category. The total value of imports in this category increased by over \$23 million in the third quarter of 1977.

On a country-by-country basis, the decline in U.S. total trade turnover in the first three quarters of 1977 was largely the result of decreased turnover with those NME countries that were large importers of U.S. grain in 1976 (tables 5 and 6). Total two-way trade for 1977, projected from three quarters' data, will fall far short of last year's levels with the U.S.S.R., Poland, Czechoslovakia, East Germany, and Bulgaria. Romanian grain imports from the United States, which were high in 1976, have also fallen off this year, but increasing imports of U.S. bituminous coal have, to some extent, had an offsetting effect.

^{1/} Under SITC number 6.

^{2/} Under SITC number 8.

Table 2.--Commodity composition of U.S. trade with the world and with the nonmarket economy countries, January-September 1976 and January-September 1977

(In percent)					
Item	Description	U.S. trade		U.S. trade	
		with the world		with NME's	
		Jan.-Sept.--		Jan.-Sept.--	
		1976	1977	1976	1977
Schedule B		Exports			
No.					
0,1	Food, beverages, and tobacco-----	15.3	13.6	57.1	38.7
2,4	Crude materials-----	10	11.9	8.2	8.7
3	Mineral fuels and lubricants-----	3.7	3.6	.6	5.2
5	Chemicals-----	8.8	9.4	2.9	5.1
6	Manufactured goods classified by chief material-----	10.2	9.8	4.8	6.3
7,8,9	Other manufactured goods and miscellaneous-----	52.1	51.7	26.4	36.0
	Total <u>1/</u> -----	100.0	100.0	100.0	100.0
Schedule A		Imports			
No.					
0,1	Food, beverages, and tobacco-----	9.6	9.8	20.7	20.5
2,4	Crude materials-----	6.0	5.6	8.3	9.7
3	Mineral fuels and lubricants-----	28.0	30.5	10.4	10.2
5	Chemicals-----	3.8	3.8	4.7	4.3
6	Manufactured goods classified by chief material-----	14.7	14.5	29.4	22.7
7,8,9	Other manufactured goods and miscellaneous-----	37.8	35.8	26.4	32.6
	Total <u>1/</u> -----	100.0	100.0	100.0	100.0

1/ Figures may not add to totals shown because of rounding.

Source: Data on U.S. trade with the world from U.S. Department of Commerce publication FT990, tables 4 and 3A; data on U.S. trade with NME's from the Bureau of East-West Trade.

Table 3.--Commodity composition of U.S. exports to the nonmarket economies, by SITC Nos., July-September 1977

(In thousands of U.S. dollars)													
SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czecho- slovakia	German Demo- cratic Republic	Hungary	People's Republic of China	Poland	Romania	U.S.S.R.	Yugo- slavia	Total <u>1/</u>
0	Food and live animals--	-	473	-	580	3,128	10,831	-	76,650	10,674	97,525	2,940	202,801
1	Beverages and tobacco--	-	337	-	1,217	-	-	5	2,026	-	526	812	4,923
2	Crude material--ined- ible, except fuel----	-	162	-	3,523	557	2,044	3,812	8,883	9,303	9,010	6,304	43,598
3	Mineral fuels, lubri- cants, etc-----	1,356	5	-	11	-	2	-	89	16,682	5,739	3,937	27,821
4	Oils and fats--animal and vegetable-----	-	-	-	13	720	-	1,140	967	-	-	-	2,840
5	Chemicals-----	-	260	26	1,109	118	2,629	9,303	3,263	1,078	6,040	3,538	27,364
6	Manufactured goods, classified by chief material-----	-	85	-	545	176	576	8,712	1,763	1,671	17,092	3,233	33,853
7	Machinery and trans- port equipment-----	-	836	1	3,531	1,039	7,654	3,589	17,705	9,650	78,038	48,956	170,999
8	Miscellaneous manu- factured articles----	1	355	55	994	383	489	753	1,496	1,633	13,848	1,666	21,673
9	Commodities and trans- actions not elsewhere classified-----	-	10	-	29	11	67	30	231	23	89	304	794
	Total <u>1/-</u> -----	1,357	2,523	83	11,554	6,131	24,292	27,344	113,073	50,715	227,908	71,690	536,666

1/ Figures may not add to totals shown because of rounding.

Source: Bureau of East-West Trade, U.S. Department of Commerce.

Table 4.--Commodity composition of U.S. imports from the nonmarket economies, by SITC Nos., July-September 1977

(In thousands of U.S. dollars)														
SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czecho- slovakia	German Demo- cratic Republic	Hungary	People's Republic of China	People's Rep. of Mongolia	Poland	Romania	U.S.S.R.	Yugo- slavia	Total <u>1/</u>
0	Food and live animals--	-	148	-	658	-	4,533	6,461	-	34,097	4,361	235	14,715	65,208
1	Beverages and tobacco--	-	9,273	-	48	28	131	76	-	84	467	558	4,870	15,535
2	Crude material--ined-													
	ible, except fuel----	1,023	25	-	471	46	116	14,075	925	1,848	1,634	12,939	4,524	37,626
3	Mineral fuels, lubri-													
	cants, etc-----	-	-	-	-	161	-	3	-	6,250	13,508	20,039	-	39,961
4	Oils and fats--animal													
	and vegetable-----	-	-	-	-	-	-	17	-	442	-	11	-	470
5	Chemicals-----	10	2	-	339	1,680	1,969	4,455	-	3,367	1,057	1,452	2,701	17,032
6	Manufactured goods,													
	classified by chief													
	material-----	-	1,318	-	2,374	769	893	13,496	-	17,397	9,814	19,407	23,812	89,280
7	Machinery and trans-													
	port equipment-----	-	90	-	2,397	832	1,720	98	-	7,459	3,229	1,431	5,491	22,747
8	Miscellaneous manu-													
	factured articles----	13	30	1	3,937	877	1,318	16,228	-	22,274	23,884	908	34,288	103,758
9	Commodities and trans-													
	actions not elsewhere:													
	classified-----	-	4	-	79	55	19	302	-	79	49	470	807	1,864
	Total <u>1/</u> -----	1,046	10,889	1	10,302	4,448	10,699	55,212	925	93,298	58,002	57,450	91,208	393,481

1/ Figures may not add to totals shown because of rounding.

Source: Bureau of East-West Trade, U.S. Department of Commerce.

Note.--Total imports shown are imports for consumption and differ from the figures in table 1, which are general imports.

Table 5.--U.S. exports to the individual nonmarket economies, 1975, 1976,
January-September 1977, July-September 1976, and July-September 1977

(In thousands of U.S. dollars)						
Market	1975	1976	January-September 1977	July-September--		
				1976	1977	
U.S.S.R-----	1,832,607	2,305,934	1,278,813	435,093	227,908	
People's Republic of						
China-----	303,631	135,388	89,474	5,651	27,344	
Poland-----	580,084	621,035	326,546	184,760	113,073	
Yugoslavia-----	323,499	295,413	271,293	64,268	71,690	
Romania-----	189,278	249,033	177,913	89,813	50,715	
Czechoslovakia-----	52,900	147,466	56,671	30,951	11,554	
German Democratic						
Republic-----	17,179	64,767	23,008	16,897	6,131	
Hungary-----	76,052	62,960	55,749	17,638	24,292	
Bulgaria-----	29,298	43,320	17,346	1,631	2,523	
Albania-----	663	1,076	2,132	419	1,357	
Cuba-----	35	89	538	7	83	
People's Republic of						
Mongolia-----	43	31	4	2	-	
Total <u>1/</u> -----	3,405,268	3,926,512	2,299,488	847,130	536,670	
Total U.S. exports:						
to all coun-						
tries <u>1/</u> -----	106,156,726	113,323,145	88,233,843	26,259,813	28,204,259	

1/ These figures do not correspond exactly to those given in table 1 because export figures in table 1 include U.S. exports of foreign merchandise, whereas figures in this table do not. Also, in total U.S. exports, figures in this table do not include Department of Defense military-assistance shipments, whereas corresponding figures in table 1 include these figures. Exports are valued on an f.a.s. basis.

Source: Bureau of East-West Trade, U.S. Department of Commerce.

Table 6.--U.S. imports for consumption from the individual nonmarket economies, 1975, 1976, January-September 1977, July-September 1976, and July-September 1977

(In thousand of U.S. dollars)						
Source	1975	1976	Jan.-Sept. 1977	July-September		
				1976	1977	
U.S.S.R.-----	242,411	214,556	177,725	60,947	57,450	
People's Republic of China----	156,271	194,649	155,606	54,345	55,212	
Poland-----	241,297	314,436	251,263	77,242	93,298	
Yugoslavia-----	248,887	383,099	268,943	106,695	91,208	
Romania-----	135,057	200,118	189,999	57,488	58,002	
Czechoslovakia-----	35,567	34,802	28,860	9,957	10,302	
German Democratic Republic----	9,996	13,421	12,818	3,895	4,448	
Hungary-----	34,966	47,559	36,354	12,618	10,699	
Bulgaria-----	4,785	11,231	19,596	2,738	10,889	
Albania-----	2,824	2,544	1,343	577	1,046	
Cuba-----	3	27	106	1	1	
People's Republic of						
Mongolia-----	1,646	2,252	1,725	494	925	
Total 1/-----	1,113,711	1,418,694	1,144,338	386,997	393,481	
Total U.S. imports						
from all countries 1/---	96,515,103	121,120,869	110,011,764	32,232,384	36,972,277	

1/ These figures do not agree exactly with the import figures in table 1 because these figures are imports for consumption, whereas the import figures in table 1 are general imports.

Source: Bureau of East-West Trade, U.S. Department of Commerce.

Total U.S. trade with China, Hungary, and Mongolia should equal or slightly exceed last year's level. U.S. trade with Cuba has increased markedly and should total about \$900,000 in 1977, up from \$116,000 in 1976. Total U.S.-Yugoslavia trade is projected to reach over \$700 million this year, very little of it based on imports of U.S. grain. In addition, U.S. trade with Yugoslavia in the first 9 months of 1977 has been nearly balanced compared with the deficit recorded in 1976. Albanian imports of U.S. coal have expanded U.S. total trade turnover with this country to a projected \$4.5 million in 1977.

Figure 1, drawn from the data in table 5, compares the relative shares of U.S. exports to the NME countries in 1976 with these shares in January-September 1977. The grain importing countries, U.S.S.R., Poland, and those included in "other," have experienced declining shares relative to China, Yugoslavia, and Romania.

Figure 2, drawn from data contained in table 6, compares the individual country shares of U.S. imports from the NME countries in 1976 with the shares in January-September 1977. These shares are largely unchanged, illustrating the stability of the distribution of U.S. imports from these countries in recent months. A rise in U.S. imports from Poland reflected increased U.S. imports of coal, gasoline, and hams, and a fall in imports from Yugoslavia was due mainly to the lower value of copper imports relative to that in 1976.

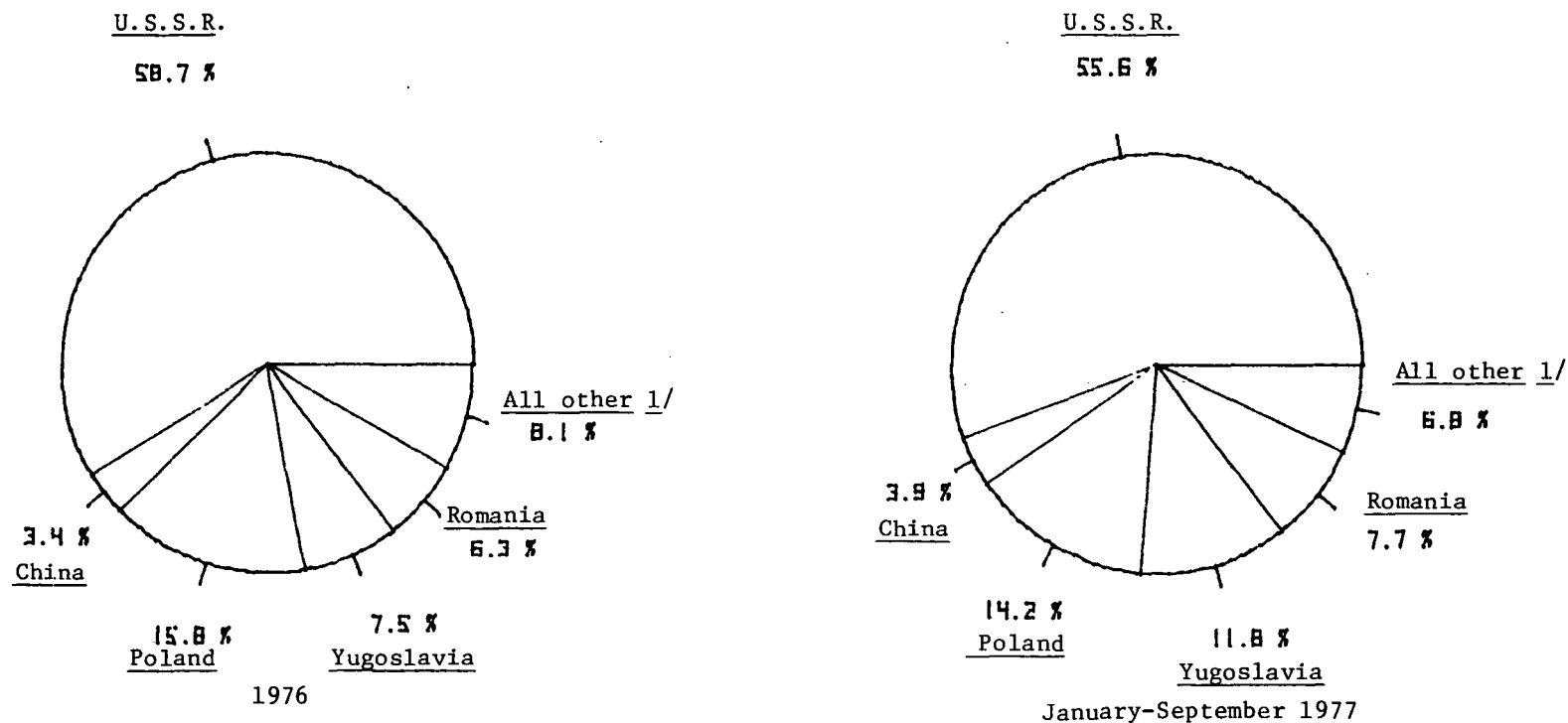
ANALYSIS OF SIGNIFICANT U.S. EXPORTS TO THE NONMARKET ECONOMY COUNTRIES

Grain

Exports of grain are a very important positive factor in the U.S. balances of trade and payments. ^{1/} The average annual value of their positive contribution to the balance of payments exceeded \$10 billion over the 1973-76 period (table 7). U.S. exports of grain to the nonmarket economy countries averaged \$1.4 billion over this period or approximately 14 percent of total U.S. grain exports. Recent developments indicate that U.S. grain exports to the NME's will again be a significant positive element in U.S. trade in 1977.

^{1/} Grains, principally wheat, rice, barley, corn, rye, and oats, constitute the cereals component of the Schedule B export division 04 entitled "cereals and cereal preparations; and preparations of flour, starch, or malt extract." Exports of grain dominate this export division, and are highlighted in this report. Their share in 1976 was approximately 95 percent. New Schedule B numbers, 130.1000 through 130.6540, inclusive, will be in effect in 1978.

Figure 1.--Relative shares of U.S. exports to the nonmarket economy countries in 1976 and January-September 1977.

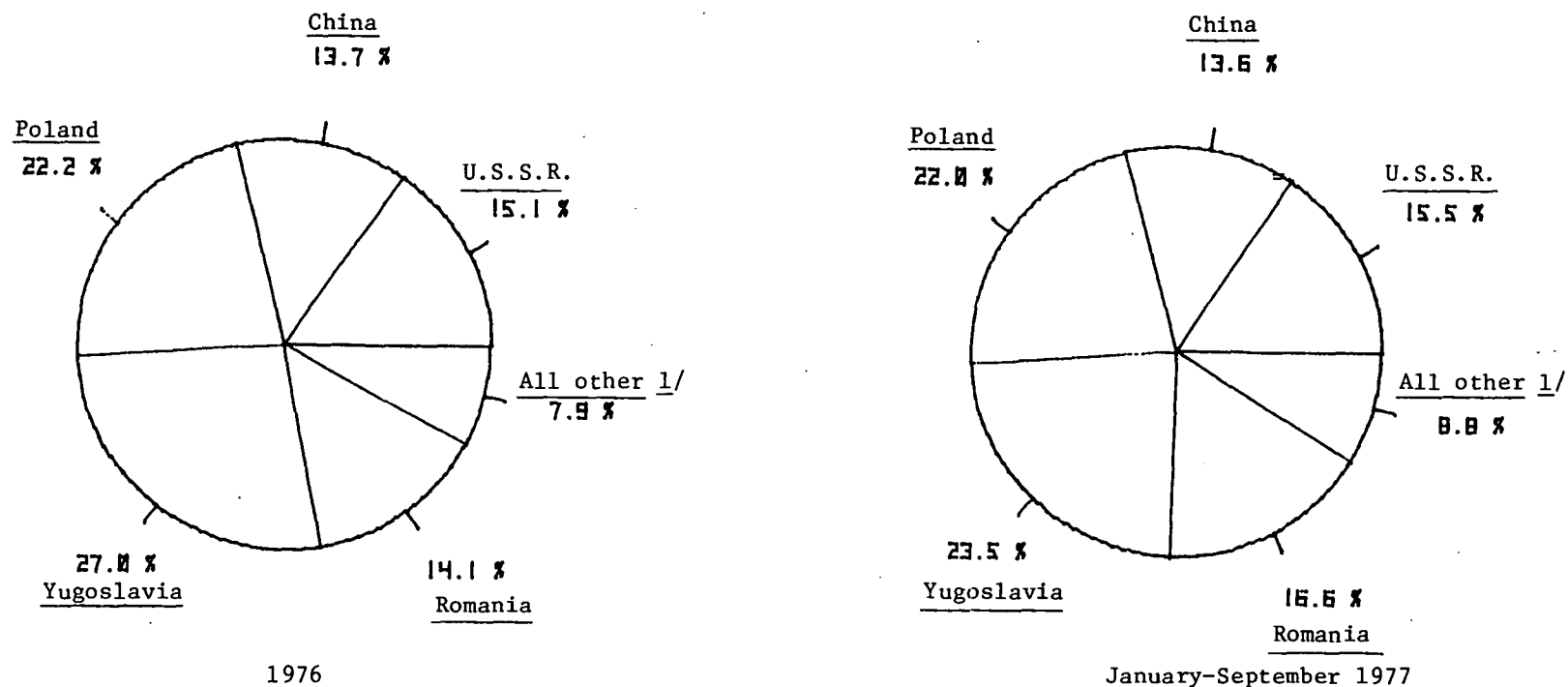


1/ Czechoslovakia, German Democratic Republic, Hungary, Bulgaria, Albania, Cuba, and Mongolia.

Source: Based on data in table 5.

Note.--Percentages may not add to exactly 100, because of rounding.

Figure 2.--Relative shares of U.S. imports from the nonmarket economy countries in 1976 and January-September 1977



1/ Czechoslovakia, German Democratic Republic, Hungary, Bulgaria, Albania, Cuba, and Mongolia.

Source: Based on data in table 6.

Table 7.--Cereal and cereal preparations: U.S. exports to the nonmarket economy countries, 1973-76, January-September 1976, January-September 1977, July-September 1976, and July-September 1977 ^{1/}

(Value in thousands of U.S. dollars)									
Market	1973	1974	1975	1976	January-September		July-September		
					1976	1977	1976	1977	
Bulgaria-----	-	9,995	14,180	28,455	28,448	85	3	-	
Czechoslovakia-----	7,150	84	62	69,680	37,899	8,903	20,475	-	
German Democratic Republic--	10,226	12,556	6,816	48,742	34,428	13,800	10,694	2,290	
Hungary-----	1,595	759	92	411	411	5,964	12	5,402	
People's Republic of China--	410,084	329,686	-	-	-	-	-	-	
Poland-----	134,967	103,146	255,243	346,737	287,960	139,327	111,609	73,403	
Romania-----	8,084	67,765	73,716	74,039	44,560	14,198	38,243	10,641	
U.S.S.R-----	836,692	277,925	1,105,488	1,346,938	1,148,395	618,387	218,421	93,804	
Yugoslavia-----	45,055	31,915	42	155	147	124	-	44	
Total NME's-----	1,453,853	833,831	1,456,239	1,915,157	1,582,248	800,788	399,457	185,584	
Total U.S. exports-----	8,495,124	10,330,855	11,643,083	10,910,926	8,241,412	6,663,839	2,683,880	2,186,838	
Share of total U.S. exports to the NME's-----percent--	17.1	8.1	12.5	17.6	19.2	12.0	14.0	8.5	

^{1/} Based on Schedule B, division 04.

Source: U.S. Department of Commerce Publication FT410 and the Bureau of East-West Trade, U.S. Department of Commerce.

Background

The United States, Canada, Australia, and the European Community are the principal suppliers of grain exports to the world market. The United States supplies approximately one-half of this market and, with Canada, serves as the principal reserve source of exports to meet unexpected demands by other countries. In this role the United States has often been the residual source of grain exports to the NME's.

Exports of grain to the NME's are a very important component of total U.S. exports to these countries. The share of grain in total U.S. exports to the NME's has ranged from a high of 54 percent in 1973 to 33 percent in 1974 as NME demand for grain imports has varied with domestic availability. More recently this share increased to 49 percent in 1976 but fell to 35 percent in January-September 1977. Recent developments indicate that this share will very likely increase because of adverse harvest conditions, particularly in the U.S.S.R. and Poland.

Large U.S. exports of grain to the NME's would present no problem for U.S.-NME trade, if the volume were relatively stable. This has not been the case, as the absolute figures and percentages clearly show. On occasion, increased NME demand for U.S. grain has occurred when U.S. stocks were not adequate to permit large purchases without disruption to the United States and world markets. The prime example of this event occurred in 1973 when large purchases by the Soviet Union at a time of increased world demand and low stocks resulted in large increases in the prices of grains, particularly wheat. In order to introduce some stability into this market, a U.S.-U.S.S.R. grain-purchase agreement was negotiated in 1975 which provides for a guaranteed minimum annual purchase of 6 million tons of grain. Purchases in excess of a stipulated amount (originally 8 million tons) would require intergovernmental consultation. There are also understandings regarding purchases, but no formal agreements, between the United States and Poland and the German Democratic Republic.

Nine of the 12 NME countries monitored in this report have purchased grain from the United States in the period January 1973-September 1977 (see table 7). 1/ By far the largest purchaser has been the U.S.S.R., followed by Poland and China. The NME share of U.S. grain exports has fluctuated widely, falling from 19.7 percent in 1973 to a low of 8.1 percent in 1974 and then rising through 1975 to 17.6 percent in 1976. In the first three quarters of 1977, U.S. grain exports to the NME countries totaled \$800.8 million, the lowest level since 1974, but still accounted for 12 percent of total U.S. grain exports in that period.

1/ Albania, Cuba, and Mongolia do not purchase U.S. grain and are not reviewed.

U.S. grain sales to the NME's

As shown in table 8, virtually all U.S. grain sales to these countries are of wheat and corn. In the period January 1973-September 1977, wheat sales to the NME's, peaked in 1973 at \$952 million then declined irregularly to \$420.1 million in 1976. Wheat exports are stronger this year, totaling \$396.9 million through September 1977, compared with only \$280.0 million in the corresponding period of 1976. The value of corn sales to the NME countries generally lagged behind that of wheat sales in the years 1973-75. In 1976, however, corn exports reached \$1,390.5 million, 72 percent of the total value of grain exports to these countries. Much of the increase in corn imports by the NME countries is to support the feeding of livestock. Other grains regularly exported to the NME's include barley and sorghum, mostly for animal feed, and rice.

Wheat.--The United States has exported wheat to seven NME countries since 1974, but only the U.S.S.R., China, and Poland have made large purchases (table 9). In 1974, China purchased 1.9 million metric tons (hereinafter referred to as tons) of wheat from the United States, but did not buy any U.S. grain from 1974 to September 1977. The Soviet Union has made large purchases in every year since 1974, but imported a record 4.0 million tons in 1975, accounting for 89 percent of the volume of U.S. wheat exports to the NME countries in that year. Purchases in the first three quarters of 1977 totaled 2.3 million tons, bringing U.S.S.R. imports of U.S. wheat in the 12-month period ending September 1977 to just over 3.0 million tons, the minimum annual wheat purchase agreed to in the U.S.-Soviet Grain Agreement.

Polish imports of U.S. wheat have risen steadily since 1974, from less than 200,000 tons in that year to 633,000 tons in 1976. U.S. wheat exports to Poland reached 573,000 tons in the 9 months ending September 1977, 22 percent over shipments in the same period in 1976. Since late 1975 the United States and Poland have had an understanding in which the Poles expressed the intention of purchasing approximately 2.5 million tons of grain from the United States annually ^{1/}. Although Polish imports of U.S. grain have not yet reached the agreed level, this year's poor harvest in Poland should result in more U.S. exports.

Czechoslovakia and the German Democratic Republic (East Germany) are net importers of grain, both depending on traditional suppliers among the NME and free-market countries. In the past, their U.S. wheat purchases have only reflected short-term necessity. Recent reversals in the East German agricultural sector have improved U.S. opportunities for grain exports to that country. The United States and East Germany agreed at the end of 1976 that annual requirements for U.S. grain are expected to reach 1.5 to 2.0 million

^{1/} Press Release on the understanding on grain trade between the United States and Poland, reached by U.S. Secretary of Agriculture Earl L. Butz and Minister of Agriculture of Poland Kazimierz Barcikowski, November 17, 1975.

Table 8.--Cereal and cereal preparations: U.S. exports to the nonmarket economy countries, by types, 1973-76, January-September 1976, and January-September 1977

(In millions of U.S. dollars)

Type of grain	1973	1974	1975	1976	January-September	
					1976	1977
Wheat-----	952.0	401.1	746.5	420.1	280.0	396.9
Corn-----	435.3	391.6	644.5	1,370.5	1,198.8	367.9
Grain sorghums--	2.6	6.1	36.0	82.6	66.3	9.8
Barley-----	12.2	10.2	5.7	21.2	16.6	-
Rice-----	-	12.3	14.0	18.2	18.2	19.2
Other cereals and cereal preparations--	51.8	12.5	9.5	2.6	2.3	7.0
Total, NME's	1,453.9	833.8	1,456.2	1,915.2	1,582.2	800.8
Total U.S. exports---	8,495.1	10,330.9	11,643.1	10,910.9	8,241.4	6,663.8

Source: U.S. Department of Commerce publication FT410, FT455, and FT990, table E-6.

Table 9.--Wheat, unmilled: 1/ U.S. exports to the nonmarket economy countries, 1974-76, January-September 1976, and January-September 1977

Market	1974	1975	1976	January-September	
				1976	1977
Quantity (1,000 metric tons)					
Czechoslovakia-----	0	0	95	95	0
German Democratic Republic--	0	15	98	97	20
People's Republic of China--	1,906	0	0	0	0
Poland-----	199	418	633	468	573
Romania-----	0	86	427	330	56
U.S.S.R-----	1,063	4,041	1,706	963	2,266
Yugoslavia-----	146	0	0	0	0
Total NME's-----	3,314	4,560	2,959	1,953	2,915
Total U.S. exports-----	24,901	30,878	26,541	20,765	18,003
Value (1,000 U.S. dollars)					
Czechoslovakia-----	-	-	14,350	14,349	-
German Democratic Republic--	-	2,756	14,863	14,598	2,290
People's Republic of China--	234,015	-	-	-	-
Poland-----	18,589	65,328	92,495	73,616	52,338
Romania-----	-	11,793	48,453	37,248	5,910
U.S.S.R-----	124,130	666,576	249,985	140,159	336,373
Yugoslavia-----	24,395	-	-	-	-
Total NME's-----	401,129	746,453	420,146	279,970	396,911
Total U.S. exports-----	4,436,685	5,162,252	3,879,840	3,112,892	2,059,572
NME share of total					
U.S. exports-percent--	9.0	14.5	10.8	9.0	19.3
Unit value (per metric ton)					
Total exports to the NME's-----	\$121.0	\$163.7	\$142.0	\$143.4	\$136.2
Total U.S. exports-----	178.2	167.2	146.2	149.9	114.4

1/ Schedule B numbers 041.0010, 041.0020.

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

tons. 1/ Romania is traditionally a grain exporter and Yugoslavia is to a large extent self sufficient. Purchases of U.S. wheat by these two countries in the 1973-76 period were small and irregular and have dwindled to less than \$6 million in the first three quarters of 1977.

From 1974 to 1976, the unit values of U.S. wheat exports to the NME countries were less than those of overall U.S. wheat exports (see table 9). This difference was greatest in 1974 when the value per ton of grain exported to the NME countries was \$121.00, compared with \$178.20 per ton for overall U.S. grain exports. This difference closed sharply in 1975. In the first 9 months of 1977 the unit value of NME wheat purchases substantially exceeded the overall unit value.

Corn.--Statistics on the volume and value of U.S. corn exports to the NME countries since 1974 are presented in table 10. The U.S.S.R. has been the major NME purchaser, accounting for 50 to 75 percent of sales in the period. Soviet imports peaked in 1976, reaching 8.8 million tons valued at \$1.1 billion. China, although a major purchaser of U.S. corn in 1974, has not imported any from the United States since that time. Poland imported increasing quantities of U.S. corn through 1976, but shipments in the first three quarters of 1977 were down to 817,000 tons, only two-thirds the amount in the corresponding period of 1976. The understandings that the United States has with Poland and East Germany concerning future purchases of U.S. grains should result in increasing exports of U.S. corn to these countries in the next few years. U.S. exports of corn to the other NME countries have been small and irregular.

The unit values of U.S. corn exports to the NME countries were less than those of overall exports in 1974 and 1975 (table 10). Since that time, however, NME unit values have exceeded overall unit values. In the first three quarters of 1977, the difference exceeded \$8 per ton, with Soviet purchases at slightly higher unit values.

U.S.S.R.

The Soviet Union is the principal NME market for U.S. grain exports, although the amounts have fluctuated widely from year to year (table 11). The U.S.S.R. imported approximately 23 million tons of grain in the period July 1972-June 1973, including 13.7 million tons from the United States. The 1973 harvest, a record at that time of 222.5 million tons, permitted a reduction of grain imports to 11.1 million tons in the 12 months ending June 1974 and to

1/ Press release on the exchange of views on prospects for trade in grains between the United States and the German Democratic Republic, between Richard E. Bell, Assistant Secretary of Agriculture for International Affairs and Commodity Programs and Dr. Gerhard Beil, State Secretary of the Ministry of Foreign Trade for the German Democratic Republic, November 10, 1976.

Table 10.--Corn, unmilled: 1/ U.S. exports to the nonmarket economy countries, 1974-76, January-September 1976, and January-September 1977

Market	1974	1975	1976	January-September	
				1976	1977
Quantity (1,000 metric tons)					
Bulgaria-----	64	115	246	246	2/
Czechoslovakia-----	0	0	462	189	81
German Democratic Republic--	88	29	148	59	106
Hungary-----	1	2/	2/	2/	35
People's Republic of China--	854	0	0	0	0
Poland-----	502	1,070	1,571	1,232	817
Romania-----	461	432	72	26	57
U.S.S.R-----	2,007	3,162	8,797	8,017	2,140
Yugoslavia-----	52	2/	2/	2/	2/
Total NME's-----	4,029	4,808	11,296	9,769	3,236
Total U.S. exports-----	29,074	32,526	44,327	31,738	29,928
Value (1,000 U.S. dollars)					
Bulgaria-----	9,995	14,780	28,448	28,448	85
Czechoslovakia-----	-	-	55,300	23,524	8,845
German Democratic Republic--	9,633	4,060	16,229	6,808	11,516
Hungary-----	759	92	405	405	5,855
People's Republic of China--	95,671	-	-	-	-
Poland-----	63,945	142,456	184,161	146,842	80,019
Romania-----	63,033	58,613	7,501	2,947	5,458
U.S.S.R-----	141,085	424,443	1,078,364	989,650	256,040
Yugoslavia-----	7,509	19	139	139	59
Total NME's-----	391,630	644,463	1,370,547	1,198,763	367,877
Total U.S. exports-----	3,771,852	4,447,797	5,223,493	3,830,060	3,145,330
NME share of total					
U.S. exports -percent--	10.4	14.5	26.2	31.3	11.7
Unit value (per metric ton)					
Total exports to the NME's-----	\$ 97.2	\$ 134.0	\$ 121.3	\$ 122.7	\$ 113.7
Total U.S. exports-----	129.7	136.7	117.8	120.7	105.1

1/ Schedule B numbers 044.0010, 044.0015, 044.0030, 044.0040, 044.0050, and 044.0060.

2/ Less than 500 metric tons.

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

Table 11.--Grain: Production, exports and imports, by selected nonmarket economy countries, 1973-77 1/

(In thousands of metric tons)					
Country	1973	1974	1975	1976	1977 <u>2/</u>
U.S.S.R.:					
Production-----	222,530	195,780	140,118	223,771	194,000
Exports-----	5,900	5,000	500	3,000	n.a.
Imports-----	11,100	5,400	25,900	10,700	25,000
People's Republic of					
China: <u>3/</u>					
Production-----	250,000	265,000	270,000	285,000	286,500
Exports <u>4/</u> -----	2,142	1,983	1,440	1,000	n.a.
Imports-----	7,645	6,790	3,446	2,140	7,000
Eastern Europe:					
Bulgaria:					
Production-----	7,283	6,262	7,367	8,013	7,981
Exports-----	200	-	552	200	200
Imports-----	26	1,015	246	200	100
Czechoslovakia:					
Production-----	9,657	10,366	9,280	8,988	10,400
Exports-----	20	-	-	-	-
Imports-----	1,420	1,320	1,550	2,455	1,500
German Dem. Rep.:					
Production-----	8,502	9,704	8,911	8,201	9,002
Exports-----	368	306	281	125	125
Imports-----	2,511	3,271	3,380	4,485	3,800
Hungary:					
Production-----	11,574	12,310	12,026	11,316	12,525
Exports-----	2,051	1,701	1,901	500	1,200
Imports-----	248	255	380	225	200
Poland:					
Production-----	21,858	22,977	19,557	20,886	19,200
Exports-----	498	114	109	140	200
Imports-----	3,710	3,760	5,042	5,950	8,000
Romania:					
Production-----	13,757	13,497	15,198	19,754	17,800
Exports-----	1,100	710	1,163	1,500	1,100
Imports-----	595	1,055	379	700	450
Yugoslavia:					
Production-----	14,106	15,591	14,973	16,179	16,900
Exports-----	599	104	300	433	620
Imports-----	833	437	610	550	200
Total Eastern Europe:					
Production-----	86,737	90,707	87,312	93,346	93,808
Net imports-----	4,507	8,148	7,281	11,667	10,805

1/ "Year" refers to harvest year. Thus 1973 includes all grains harvested or traded from July 1973 to June 1974, unless otherwise specified.

2/ Projected.

3/ Calendar years.

4/ Rice only.

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

5.4 million tons in the following 12 months. The disappointing 1974 harvest followed by the disastrous one in 1975 again forced massive grain imports, totaling 25.9 million tons between July 1975 and June 1976. U.S. corn and wheat exports to the U.S.S.R. in the first three quarters of 1976 totaled nearly 9 million tons (tables 9 and 10). The record 1976 harvest reduced total import requirements somewhat, but imports of U.S. corn reached record levels.

The U.S.S.R. looked forward to a good 1977 harvest to rebuild grain stocks and supply increasing domestic consumption requirements. Soviet planners had set the 1977 harvest goal at 213.3 million tons. Imports were projected to total no more than 15 million tons through September of 1978. Then, in November 1977 President Leonid Brezhnev of the U.S.S.R. revealed that the 1977 harvest would produce only 194 million tons because of drought and heavy rains during the harvest. This production shortfall of nearly 20 million tons will result in imports of 20 to 25 million tons, if current economic goals are to be achieved.

Current U.S.S.R. economic goals include an increase in available food supplies, especially meat and dairy products to meet the rising demand foreseen due to planned personal income increases. The Soviet Union has only this year substantially rebuilt its livestock herds after the severe grain shortfall of 1975 forced the slaughter of large numbers of hogs and cattle. The current production shortfall could force another cutback of domestic meat, dairy, and other food products, and the U.S.S.R. will probably prefer grain imports to these more drastic actions. An upsurge in recent months of Soviet grain purchases on the world market would tend to confirm that this is the decision that was made.

Current market conditions favor the U.S.S.R. in this regard. Grain prices, particularly corn prices, are at relatively low levels. Gold prices are relatively high, and the value of the U.S. dollar, relatively low, which should facilitate the financing of hard-currency purchases of U.S. grain. Increased Soviet purchases should have an upward effect on grain prices, if significant quantities are purchased. This would be a positive development for U.S. farmers, who are experiencing increasing costs while their revenues are at low levels.

The U.S.-Soviet Grain Agreement was signed on October 20, 1975, and provides for minimum annual purchases of U.S. grain by the U.S.S.R. and inter-governmental consultations for grain purchases exceeding a maximum amount. The agreement also provides for the use of U.S. flagships to carry a minimum portion of this grain trade, and semi-annual U.S.-Soviet consultations to help anticipate Soviet grain needs. The agreement will remain in force through September 1981. By the terms of the agreement, the U.S.S.R. will annually purchase a minimum of 6 million tons of U.S. wheat and corn in approximately equal proportions from U.S. sources at prevailing market prices. The original agreement also provided for U.S.-Soviet consultations if

purchases exceeded 8 million tons. This limit was recently raised to 15 million tons for the October 1977-September 1978 period, the second year of operation of the agreement.

It is now believed that U.S.S.R. grain imports from the United States will reach 15 million tons in the 12 months ending September 1978. Soviet purchases in this period have already reached 6.4 million tons through mid-December 1977, 4.1 million tons of corn and the remainder of wheat.

The People's Republic of China

China is a net importer of grain on a quantity basis (table 11). Its policy of exporting higher priced rice from areas of surplus production has permitted the importation of larger quantities of lower priced grain. On balance, China has been nearly self sufficient in food production. In 1973 and 1974, China sourced nearly half of its grain purchases in the United States; U.S. grain exports to China totaled nearly \$741 million in those years (table 7). Since that time, however, China has imported grain from its traditional suppliers, Canada, Australia, and Argentina, and no U.S. exports have been reported in the period January 1975-September 1977.

The 1977 harvest faced cold weather, drought during the growing season, and rains at harvest. The mobilization of all available labor helped minimize, but not completely overcome, drought damage to non-irrigated crops, especially the winter wheat. The fall harvest of coarse grains was hindered by very wet conditions that undoubtedly damaged the crops, while the rice harvest was quite good. The total 1977 harvest has been projected to exceed slightly the 1976 harvest of 285 million tons, but current production may be inadequate to provide for the food demands of a growing population.

Chinese grain imports are projected to total 7 million tons in 1977, and further imports of grains and animal feed supplements are likely in 1978. China has purchased soybeans and cotton from the United States for the first time since 1974, and grain purchases in 1978 are likely. International grain prices are good from the purchaser's standpoint, and it is felt that China's traditional sources of grain in the world market will not have the uncommitted stocks available if China is forced to import large quantities of grain through the coming year.

Eastern Europe 1/

Eastern Europe is a net importer of grains. Since 1970, net grain imports have averaged 8 to 9 percent of consumption and have consisted of

1/ Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, and Yugoslavia.

about equal quantities of wheat and coarse grains. The northern countries of Poland, East Germany, and Czechoslovakia are grain-deficit countries; Hungary and Romania are grain exporters. Yugoslavia and Bulgaria are, on average, self sufficient, but periodically enter the grain trade, either to export or to import.

The 1976-80 5-year plans of the Eastern European countries have set goals for substantial increases in grain production based on higher yields. Increased yields are to be achieved through greater mechanization of agriculture, increased application of fertilizers and pesticides, and the introduction of improved seed varieties. Yields have increased markedly under the 1971-75 5-year plan, but it is doubted that this rate of increase can be maintained. Agriculture must compete with other sectors for its share of government investment funds, and major increases in the share of agriculture are not planned in most of these countries, although absolute amounts will increase. Difficult structural problems exist as land is sometimes farmed in uneconomically small holdings. Inadequacies of the transportation system and deficient processing and storage facilities have in the past even reduced the benefits of good harvests. The ultimate unknown is the weather. Badly timed rain or dry spells, which are frequent, can significantly affect year-to-year grain output levels, although this problem is not unique to Eastern Europe.

The Eastern European harvest in 1976 was a record 94.3 million tons but severe drought affected feedgrain supplies in the northern countries (table 11). The overall harvest in 1977 at 93.8 million tons was nearly as good, but certain countries experienced setbacks. Poland suffered from a very poor crop and East Germany is just beginning to recover from a series of poor crops. These developments, combined with reduced feed stocks from last year, should make these two countries good customers for U.S. grain exports through 1978.

Poland, Yugoslavia, and Romania are currently eligible for credit through the Commodity Credit Corporation (CCC), a federally chartered corporation whose officers and staff are employees of the U.S. Department of Agriculture. The CCC extends export credits for sales of eligible U.S. agricultural commodities to countries receiving most-favored-nation (MFN) treatment under U.S. trade law. This financing of exports can extend from 6 months to 3 years. U.S. grains are eligible commodities, but most NME countries cannot participate in this program since they are not MFN-recipient countries and are specifically denied any form of export credit by sections 401 and 402 of the Trade Act of 1974. Poland has received \$592.6 million in CCC credits through FY 1977, and is slated to receive further credits totaling nearly \$300 million in FY 1978. A great portion of this will undoubtedly finance imports of U.S. grain. Romania and Yugoslavia, combined, have received credits of \$328.5 million through FY 1977, but neither country is a major importer of U.S. grain.

Poland.--Poland is the largest East European importer of grain (table 11). Net grain imports have averaged nearly 20 percent of consumption since 1973; the proportion has increased since 1975 because of bad harvests. The

1974 harvest of nearly 23 million tons set a record but was followed by a very short crop in 1975. The grain shortfall that year resulted in widespread slaughtering of livestock in spite of record grain imports of over 5.0 million tons. The 1976 crop was damaged by drought, and even greater levels of imports were required. This year's crop of only 19.2 million tons suffered greatly from wet conditions during the harvest, and it will be necessary to supplement it with imported grain if further livestock reductions are to be prevented. Grain imports are projected to reach a record 8.0 million tons in the 12-month period ending in June 1978. Of this, a minimum of 2.5 million tons is expected to be sourced in the United States, with the remainder to come from Canada and the Soviet Union.

Poland provides an extreme example of the importance of weather in Eastern European grain production, particularly among the northern countries. Cool temperatures dictate a short growing season, and soil moisture is highly dependent on heavy winter snow and summer rains. If the snow has been insufficient relative to the winter cold, winter wheat sown in the previous fall will be damaged by winterkill. Poland is particularly subject to frequent droughts and generous rains are necessary to maintain soil moisture during the growing season. Yet rain in the weeks preceeding or during the harvest can impede or damage the crop. Wheat is particularly susceptible to moisture damage during the harvest.

Poland is committed to an expansion of its grain output, as last year's disturbances over price increases of basic food items forced a reevaluation of the 1976-80 5-year plan. Food production receives greater stress in the revised plan, with output in both crop and livestock sectors slated for greater increases than previously planned. The planned level of Government investment in the agricultural sector has been increased, with emphasis placed on increased yields through mechanization and other technological improvements. More effective management techniques and improved grain handling facilities are to be introduced. The Government also hopes to transfer nearly 5 million acres of small units of private land to larger socialized farms. This is an acceleration over the previous 5-year period, when less than half that amount of land was transferred.

These actions are considered necessary to meet increased food demand associated with artificially low food prices maintained by Government subsidy. An expected rise in personal income (45 percent over the 1976-80 period) will also increase demand. Under the previous 5-year plan, incomes rose much faster than had been anticipated, while food prices remained fixed. Producers' prices were allowed to rise, but the Government paid the difference between the producers' and the retail prices. Particular pressure was placed on meat supplies at that time, as demand rose with increased income but retail prices remained fixed. Although planned per capita consumption of meat is not expected to increase as rapidly through 1980 as it did in the previous 5-year period, even modest increases will put a strain on domestic supply, particularly if bad harvests reduce domestic feedgrain supplies.

The German Democratic Republic.--East Germany is currently second only to Poland in the volume of its grain imports; net imports have averaged 27 percent of consumption since 1974 (table 11). The 1977 harvest, although an improvement of 800,000 tons over the drought-damaged 1976 crop, is still below the record 9.7 million tons of 1974. Grain imports will probably total 3.8 million tons in the July 1977-June 1978 period, and U.S. exports to East Germany are expected to reach 2.5 million tons.

In order to reduce its dependence on grain and feed imports, East Germany is emphasizing grain output over livestock growth in the 1976-80 5-year plan. Grain production is targeted to average 10.5 million tons per year under this plan, 20 percent above the level attained in the previous 5-year period. Improved yields are expected to account for two-thirds of the increase, with additions to area sown to make up the rest. Unexpected increases in livestock under the 1971-75 plan resulted in shortfalls in the domestic supply of feedgrains. This phenomenon could repeat itself. Present plans call for a reversal of that trend, but these ambitious planned increases in feed supplies may not materialize and increased imports of feedgrains may prove inevitable at least through 1978.

Czechoslovakia.--Czechoslovakia's grain imports have averaged 15 percent of consumption since 1973 with the U.S.S.R., Hungary, and Romania the traditional suppliers (table 11). The United States was instrumental in supplying the Czechoslovak market in 1976, when drought caused a serious shortage of feedgrains. In that year half of total Czechoslovak grain imports were sourced in the United States.

As a traditional net importer of grains, Czechoslovakia faces conflicting priorities similar to those of Poland and East Germany. Targeted real-income growth under the 1976-80 5-year plan averages 4.5 percent, yet the Government is committed to the maintenance of stable meat prices. This combination will require expansion of meat, dairy, and other food supplies, and place increasing strain on the domestic grain supply. The current 5-year plan calls for grain output to average 10 to 11 million tons per year, compared with the 9.3-million-ton average in the 1971-75 period. The increase is planned to come almost entirely from greater yields rather than from a larger area sown. The 1977 harvest of 10.4 million tons was a record, in spite of wet harvest conditions, and will largely fulfill these goals. Grain imports can be expected to decrease significantly this year.

Planned increases in livestock and animal feed output may necessitate imports of high-protein feed supplements such as soybean oilcake and meal. It is in this area that U.S. agricultural exports to Czechoslovakia are most likely to be centered. Given the unpredictable weather conditions facing Czechoslovakia, as well as the other northern countries of Eastern Europe, the United States will continue to export grain to this country in years when local production and other imports are insufficient.

Yugoslavia.--Yugoslavia has been only a marginal importer of grain in recent years (table 11). Indeed, under goals set by the current 5-year plan, Yugoslavia hopes to achieve annual grain exports of nearly 2.0 million tons by 1980. The plan also calls for expanded exports of meat and other livestock products, although recent increases in output in this sector have, to some extent, drawn down domestic grain supplies, which might otherwise be available for export.

Yugoslavia finds itself in a period of rising external debt. In order to stem this drain on import capacity, the 1976-80 plan calls for the gradual attainment of self sufficiency in farm products, restraint of agricultural imports, and an increase in exports of food and animal feed. Four good grain harvests, capped with this year's record of 16.9 million tons, have made the first of these goals seem possible. Higher-than-average growth of output of corn, sugar beets, and oilseeds will help meet planned domestic feed requirements, but increasing imports of high-protein animal feed, including soybeans and soy products, are likely if livestock growth is to meet planned goals.

A major problem that inhibits increases in agricultural productivity through mechanization and other large-scale improvements is the ownership structure of the Yugoslav farm sector. Approximately three-quarters of the table land is privately held, with 40 percent of the owners holding tracts of 5 acres or less. Government offers to purchase land and provide pensions have not been successful in changing this distribution. Climate is the second major problem. Variable weather in the early 1970's resulted in Yugoslavia's importing up to 1 million tons of grain annually. It was at this time that the United States became a major supplier. A return to this weather pattern could substantially affect Yugoslavia's ability to meet its farm output goals and result in reopening the Yugoslav market to significant U.S. grain exports.

Hungary.--Hungary has been a net exporter of grain and a major supplier to grain-deficit Eastern European countries such as Poland, Czechoslovakia, and East Germany. The 1977 harvest, at 12.5 million tons, was a record and will help replenish stocks drawn down because of poor crops in 1976. It is likely that most of the record 1977 crop will be consumed domestically to meet planned growth in the livestock sector. Thus, Hungarian grain exports are not expected to reach normal levels this year.

The 1976-80 5-year plan calls for boosting net exports to 3.0 million tons annually by 1980. Weather is relatively favorable in the Hungarian grain-producing areas, and the Government is expecting a gradual increase in yields to accomplish the goal. A consistent grain surplus of this magnitude would not only decrease the likelihood of further large grain purchases from the United States, but would also become a source of supply to the grain-deficit Eastern European countries which now import from the United States.

Romania.--Romania is another regional grain exporter (table 11). The 1976 Romanian grain harvest was a record 19.7 million tons, amounting to a 30-percent increase over 1975. The nearly 18 million tons produced this year is thus somewhat disappointing, especially in light of the rather high planned levels of output foreseen in the 1976-80 5-year plan. Wheat output, roughly one-third of total grain production, did not exceed last year's level, and exports will not increase. Corn output is down considerably from 1976, and some moisture damage was sustained. In the face of recent strong growth in the livestock sector, this would indicate that shortages in the domestic feed-grain supply will develop in 1978 and that there is strong potential for imports of feedgrains and protein feed, such as soybean oilcake and meal.

Bulgaria.--Traditionally a minor grain exporter in the region, Bulgaria has in recent years purchased small quantities of corn from the United States (table 10). Harvests in the last 2 years have averaged a record 8.0 million tons and probably only minimal amounts of grain will be traded in the coming year.

Hides and Skins

The United States is by far the world's largest exporter of bovine hides and skins. 1/ In the first 9 months of 1977, the United States exported \$422.4 million worth of bovine hides and skins to all countries. Exports to nonmarket economy countries were \$52.7 million, or 13.0 percent of total exports. This is a substantially higher proportion than the approximately 3-percent average share of total U.S. exports which are sold to nonmarket economy countries. However, this 13-percent share is less than the average annual share of 18 percent which has occurred since 1970 and significantly less than shares in excess of 20 percent during the early seventies. Romania, the largest U.S. customer, purchased \$21.7 million in the January-September 1977 period, or almost 40 percent of the NME total. Czechoslovakia was second with more than 20 percent, followed by Poland, Yugoslavia, and Hungary (table 12).

Whole cattle hides make up over 95 percent of U.S. exports of bovine hides and skins. Table 13 shows the distribution of exports of whole cattle hides to the 12 largest purchasers in the first 9 months of 1977 on both a quantity and value basis. Four nonmarket economy countries rank very high in this list of purchasers of a significant U.S. export item. Romania was the fourth largest customer. Czechoslovakia, Poland, and Yugoslavia ranked 10th, 11th, and 12th, respectively.

During the 1967-71 period, the U.S.S.R. imported an average of 3.1 million hides annually. The bulk of these imports were supplied by the United

1/ Includes cattle hides, calf, and kip skins. Kip skins are the undressed skins of young steers, cows, and horses.

Table 12.--Bovine hides and skins: U.S. exports to nonmarket economy countries and to all countries, 1974-76, January-September 1976, and January-September 1977

(In thousands of dollars)													
Sched- ule B No.	Item description and period	U.S.S.R.	China	Poland	Yugo- slavia	Romania	Czecho- slovakia	East Germany	Hungary	Bulgaria	Albania	Total, NME's	Total, all countries
211.1010:	Cattle hides, whole:												
	1974-----	7,877	30	9,710	4,090	24,081	9,626	45	4,213	622	-	60,294	287,197
	1975-----	5,182	-	7,425	1,548	9,693	8,031	195	1,432	275	141	33,922	252,152
	1976-----	2,470	-	6,292	5,080	26,517	11,116	159	3,486	746	419	56,285	462,128
	January-September:												
	1976-----	170	-	5,337	3,100	19,244	7,428	125	2,580	746	419	39,149	333,687
	1977-----	653	12	7,496	7,464	21,718	10,896	231	3,480	478	270	52,698	402,781
211.1015:	Cattle hides, exc. whole, cut into crops, croupions, dossets, sides, butts or butt bends:												
	1974-----	-	-	29	-	-	52	-	-	-	-	81	3,516
	1975-----	-	-	-	-	-	-	-	-	-	-	-	2,679
	1976-----	-	-	-	213	-	-	-	-	-	-	213	4,912
	January-September:												
	1976-----	-	-	-	205	-	-	-	-	-	-	205	3,465
	1977-----	214	-	-	137	-	-	-	-	-	-	351	3,018
211.1025:	Cattle hides, exc. whole, n.e.c.:												
	1974-----	-	-	-	-	-	-	-	-	-	-	-	-
	1975-----	-	-	-	-	-	3	-	-	-	-	3	6,187
	1976-----	-	-	-	21	53	-	37	-	-	-	111	4,065
	January-September:												
	1976-----	-	-	-	-	53	-	-	-	-	-	53	2,705
	1977-----	-	-	242	-	-	-	-	-	-	-	242	3,941
211.2010:	Calf skins:												
	1974-----	31	-	26	28	-	64	414	246	-	354	1,163	8,411
	1975-----	-	-	71	68	-	-	444	59	-	273	915	7,654
	1976-----	-	-	14	131	-	29	81	-	-	-	255	9,304
	January-September:												
	1976-----	-	-	-	131	-	-	81	-	-	-	212	7,081
	1977-----	-	-	-	-	-	167	-	-	-	-	167	8,463
211.2020:	Kip skins:												
	1974-----	-	-	287	-	37	-	-	2,464	-	-	2,788	4,070
	1975-----	-	-	186	148	-	-	69	542	-	109	1,054	2,500
	1976-----	-	-	55	221	-	61	-	739	-	-	1,076	4,883
	January-September:												
	1976-----	-	-	55	221	-	-	-	517	-	-	793	3,652
	1977-----	-	-	-	90	-	95	43	1,366	-	-	1,594	4,220

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

Table 13.--Cattle hides, whole: U.S. exports, by principal markets, 1974-76, January-September 1976, and January-September 1977

Market	1974		1975		1976		January-September			
							1976		1977	
	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value
	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>dollars</u>
Japan-----	6,632	111,738	7,099	95,627	9,337	180,297	7,072	132,594	6,337	139,717
Republic of Korea:	1,241	22,040	2,194	33,293	3,103	68,219	2,436	52,635	2,839	72,483
Mexico-----	2,479	35,481	2,350	25,541	1,699	28,421	1,380	22,637	1,258	23,365
Romania-----	1,777	24,081	1,226	9,693	1,651	26,517	1,252	19,244	1,165	21,718
Italy-----	198	3,854	531	7,248	1,535	27,466	1,081	17,825	882	17,151
France-----	303	5,185	492	6,440	809	16,453	563	11,082	679	16,220
Taiwan-----	445	7,013	734	9,180	812	14,553	592	10,579	638	13,257
Spain-----	515	7,810	929	10,356	913	16,176	506	8,483	681	12,179
Canada-----	786	12,181	794	10,319	1,043	17,677	791	13,401	662	12,063
Czechoslovakia---	635	9,626	877	8,031	678	11,116	471	7,428	570	10,896
Poland-----	638	9,710	788	7,425	389	6,292	334	5,337	346	7,496
Yugoslavia-----	220	4,090	110	1,548	252	5,080	164	3,100	324	7,464
Total, these										
countries--	15,869	252,809	18,124	224,701	22,221	418,267	16,642	304,345	16,381	354,009
Total, all										
countries--	18,094	287,197	21,042	252,152	24,885	462,128	18,549	333,687	18,751	402,781

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

States. In 1970, for example, U.S. exports of hides and skins to the U.S.S.R. accounted for nearly two-thirds of that country's total hide imports. At that time, the U.S.S.R. was the largest NME purchaser of U.S. hides and skins and in 1970 accounted for 51 percent of U.S. hide exports to nonmarket economy countries. Soviet imports of U.S. hides, although decreasing, continued to be sizable through 1972. Overall Soviet imports of hides dropped precipitously in 1973, however, and although imports have increased somewhat since, they remain far below earlier levels. During the 1972-75 period, the Soviets imported an average of only 1.1 million hides annually.

Department of Agriculture estimates on international trade in bovine hides and skins are available for 48 selected countries through 1975. The data show that the United States' share of total world exports was 41 percent in 1975. The European Community and Australia were other principal sources with shares of world exports of 30 and 11 percent, respectively. By comparison, Eastern Europe and the Soviet Union together exported only 0.3 percent of world hide shipments.

Some of the developing countries such as Argentina, Brazil, Uruguay, India, Pakistan, and Morocco are large bovine hide producers and, formerly, were also important exporters of hides. In recent years these countries have implemented trade policies which restrict exports of raw hides and skins, but encourage exports and restrict imports of leather and leather manufactures. Licensing, taxes, quotas, and embargoes are commonly used to restrict exports of hides and skins, while rebates, grants, and subsidies are used as incentives to encourage exports of finished leather items such as gloves, footwear, handbags, and wearing apparel. These countries often reinforce the domestic impact of their export incentives by restricting imports of finished leather products through discretionary licensing and high tariffs.

The United States, at various times, has also restricted exports of raw bovine hides. On March 11, 1966, the Department of Commerce established export quotas for cattle hides, calf and kip skins, and bovine leathers in order to provide adequate supplies for domestic needs. These export controls were lifted on November 7, 1966. Sharp price increases in the spring of 1972 caused the Secretary of Commerce to announce export controls on cattle hides on July 15, 1972. The Secretary noted that:

in essence, the major factors underlying the sharp price increases are an increasing demand for hides for current use in the United States, seriously depleted domestic hide and leather inventories, and an abnormal foreign demand here. In part because over 20 percent of total world hide exports have been cut off by the embargoes of former export nations. 1/

1/ "Statement by Secretary of Commerce, Peter G. Paterson, Announcing Export Controls on Cattlehides", July 15, 1972.

In August 1972, Congress passed an amendment to the 1969 Export Administration Act removing hides from the act's restricted list. Congressmen from shoe-producing States made a further attempt to curb hide exports in the spring of 1973, but were unsuccessful.

In 1968, the United States exported 37.2 percent of its bovine hides and skins production. The ratio rose steadily and surpassed 50 percent in 1972. In 1976, 56.9 percent of total bovine hide production was exported. 1/ U.S. hide production in 1977 is expected to be 3 to 5 percent lower than in the previous year owing to a decrease in cattle slaughter. The level of slaughter is expected to recover, however, and by 1980 should reach or exceed the 1976 level.

Prices of hides and skins have risen dramatically over the past few years. Since the United States' share of world exports is so large, the U.S. price tends to be the world price. The U.S. wholesale price index for raw hides and skins compared to a composite index and indexes of their end products are shown in the following tabulation (1968=100).

Year	Hides, skins, leather products	Footwear	Hides and skins	Leather
1974-----	145.1	140.0	195.9	154.3
1975-----	148.5	147.8	174.5	151.5
1976-----	167.8	158.9	258.9	188.1
Jan.-Sept.				
1976-----	166.3	156.8	262.7	186.7
1977-----	179.0	168.1	289.8	201.3

The tabulation shows that the wholesale price of raw hides and skins has risen considerably faster than that of other semiprocessed and manufactured products of leather. The wholesale price index for hides and skins exceeded 300 in the spring of 1977, but has since decreased somewhat. The average for the first 9 months of 1977 was 289.8. Hides for export are more expensive than domestically consumed hides, because of the extra fine salt applied after brining.

Eastern Europe is the principal NME market for U.S. exports of hides and skins (table 12). This is largely the result of increased demand for leather products outstripping the availability of domestically provided hides and skins and decreasing availability of imports of these items from formerly large exporters. These developments would appear to indicate continued large

1/ Production figures from Tanner's Council of America, Inc.; exports based on adjusted Department of Commerce data.

U.S. exports of these products to Eastern Europe. However, some of the principal markets for U.S. exports, i.e., Romania, Czechoslovakia, and Yugoslavia, have initiated efforts to develop alternate sources of supply of hides or of leather and leather products that may cut into future U.S. exports of hides.

In recent years, Eastern Europe has shown impressive development of its shoe and leather industries. Footwear production increased 40 percent between 1965 and 1975 according to data of the Commonwealth Secretariat. 1/ Most of this footwear is for domestic consumption. Intra-bloc trade in shoes has been declining, overall, as Eastern European governments strive to make their countries as self-sufficient as possible, although Eastern European exports of footwear to the Soviet Union have been increasing. Eastern Europe's footwear exports to the United States have increased dramatically from 3.0 million pairs in 1970 to 12.6 million in 1976.

The rapid development of the Eastern Europe leather and footwear industries has, in turn, generated increased demand for raw hides and skins. However, Eastern European production of bovine hides and skins has not responded. In fact, production has declined from an average of 10.6 million pieces annually in the 1966-70 period to 10.2 million pieces annually in the 1971-75 period. Imports, on the other hand, have increased from an annual average of 7.1 million pieces in the 1967-71 period to 8.6 million pieces in the 1972-75 period. 2/ U.S. exports of hides and skins to NME's are principally whole cattle hides (table 12). Exports to the four principal NME markets, Romania, Czechoslovakia, Poland, and Yugoslavia, have decreased steadily on a quantity basis over the 1974-76 period, but are up almost 10 percent in the January-September 1977 period. Total U.S. exports of whole cattle hides were up only 1 percent in this period. It is too early to say if the downward trend has been reversed. U.S. exports to Romania, by far the largest market, were down, while the other three principal markets were up. Much will depend on increasing NME demand for hides and skins versus the development of alternative resources.

The potential for increased U.S. exports of hides and skins to the Soviet Union, a large importer in the past, depends on several factors. Soviet production of hides and skins remained relatively constant during the period 1966-75 (the latest year for which data are available), although production in the 1971-75 period averaged 5.5 percent less than was achieved during 1966-70. In early 1976, the U.S.S.R. and Italy reached an agreement which would significantly increase Soviet capacity to tan raw hides and skins as

1/ The production of leather footwear has not increased as much as total footwear production because of the large percentage of footwear with synthetic soles.

2/ Production and import data from the Foreign Agricultural Service, U.S. Department of Agriculture.

increasing prices of petrochemicals make leather substitutes less attractive. 1/ The agreement provides that Italy's largest tanning enterprise will supply the U.S.S.R. with two complete cattle hide tanneries. Each of these are expected to produce 100 million square feet of tanned leather per year when they reach full production. This Soviet decision to increase tanning capacity by such a large amount will greatly increase Soviet demand for hides and skins. If domestic production of hides is not sufficient, as will probably be the case in the short run, then significant quantities of imports will be required. This may result in increased U.S. exports of hides and skins as all traditional suppliers of these articles have imposed restrictions on exports.

Increased production of footwear and other leather consumer goods in the NME's reflects the high priority given to consumer goods and preferences in their national economic plans. This should continue to have a significant impact on international trade in hides and skins during the remainder of the current 5-year plan. In order to assure themselves adequate supplies of raw hides, leather, and semiprocessed leathers, a number of Eastern European countries have begun participating in cooperative arrangements or giving aid to developing nations to help them establish a leather industry. The main beneficiaries have been India and Mongolia.

India has the largest national cattle herd in the world and is extremely interested in developing its leather industry. To further this aim it has sought help from the World Bank and the European Community as well as Eastern Europe. Western European tanners have been unwilling to provide technical and marketing expertise to India because they feel that India's 25-percent duty on exports of partly finished materials and 10-percent subsidy on finished leather goods will distort trade and give unfair advantage to the Indian product. Assistance, however, has been forthcoming from Eastern Europe.

Romania, the largest NME market for U.S. exports of hides, is involved in a joint venture in India for the production of gloving leather, garment leathers, and upper and lining leathers. Romania provides 12.5 percent of the equity and will receive 50 percent of the output. In addition, a current 5-year trading agreement between the two countries provides that India will send raw hides, semifinished goods, and finished leather to Romania. Yugoslavia is also involved in several equity-participation ventures in India for the processing of leather and goatskins and will provide technical assistance and licenses. One company has been set up entirely as an export unit. It hopes to export finished leather to Western Europe and the United States, but Yugoslavia has agreed to absorb any residual production. Hungary is providing India with sophisticated machinery and technical assistance for the production of leather shoe uppers. In return, Hungary will receive two million pairs of shoe uppers over the 4-year period 1977-80. Czechoslovakia is providing technical assistance to an Indian plant processing cattle hides and goat-and sheepskins.

1/ Leather, February 1976.

Mongolia also has a large volume of livestock, and the development of its shoe and leather industry is of great importance to the economy. Bulgaria and Czechoslovakia have been helping Mongolia develop its shoe and leather industry since 1972. Bulgarian specialists planned and installed a factory in Mongolia for the export of high-value leather. Czechoslovakia has provided technical assistance, machinery, and equipment, and recently a Czechoslovak company sold Mongolia a shoe factory. As part of the technical-assistance program, a Czechoslovak-Mongolian group of specialists in shoe and leather production made a study of the development of the industry up to 1990 which will provide a basis for planning and preparing future plants. The gross volume of production of the leather, sheepskin, fur, and footwear industries of Mongolia is expected to increase by 23 to 26 percent during the current 5-year plan. 1/

Woodpulp

The United States exports woodpulp to all of the nonmarket economy countries except Cuba. The quantity of woodpulp shipped to these countries has been increasing during the first 9 months of 1977, and if this trend continues U.S. woodpulp exports to the NME's will achieve record levels in 1977. The current 5-year plans of all NME's call for expansion of the paper and paper-board industries, and, even though large forest resources are available, increased imports of woodpulp are required. Demand for the U.S. product has increased because U.S. woodpulp is of a high quality which cannot easily be supplied either by production in the nonmarket economy countries or from imports from other market suppliers. The principal U.S. exports of woodpulp to the nonmarket economy countries are chemical dissolving woodpulp and bleached softwood woodpulp, sulphate, other than dissolving (table 14). 2/

Description and uses

Woodpulp is pulp manufactured either by mechanical or chemical means from either softwood or hardwood trees. It is used as part or all of the fiber composition of almost every type of paper. Bleached and purified chemical woodpulp is also used in the production of rayon and other products involving a chemical conversion of the cellulose fiber.

Softwood pulp, which has long fibers, is more desirable for papermaking since it is easier to break down and produces a higher quality, more durable

1/ Leather, January 1977

2/ The United States exports woodpulp under 9 Schedule B numbers--251.3000, 251.6000 (woodpulp, chemical dissolving), 251.7100, 251.7210, 251.7220 (woodpulp, sulphate, bleached softwood, other than dissolving), 251.7230, 251.8100, 251.8210, and 251.8220. As of Jan. 1, 1978, woodpulp exports will be classified under 10 Schedule B numbers from 250.0206 to 250.0287, inclusive.

Table 14.--Woodpulp: U.S. exports to the nonmarket economy countries, by Schedule B Nos., 1974-76,
January-September 1976, January-September 1977

(In thousands of U.S. dollars)												
Sched. B No.	Item and year	U.S.S.R.	China	Poland	Yugo- slavia	Romania	Czecho- slovakia	German Democratic Republic	Hungary	Bulgaria	Total NME's	Total, all countries
251.6000	Woodpulp, chemical dissolving:											
	1974-----	5,152	-	81	5,804	3,032	-	-	-	-	14,069	259,570
	1975-----	9,840	-	1,459	5,259	5,825	446	721	-	-	23,550	270,305
	1976-----	6,787	-	-	4,324	7,121	212	166	326	138	19,074	288,759
	1976 (Jan.-Sept.)-----	5,497	-	-	3,400	5,768	212	166	326	-	15,369	216,244
	1977 (Jan.-Sept.)-----	5,991	-	-	4,261	8,044	-	-	-	386	18,682	247,007
251.7100	Woodpulp sulphate, un- bleached:											
	1974-----	-	-	-	347	-	-	-	-	-	347	39,429
	1975-----	-	1,029	-	-	-	-	-	-	-	1,029	23,512
	1976-----	-	-	-	-	-	-	-	-	-	-	21,432
	1976 (Jan.-Sept.)-----	-	-	-	-	-	-	-	-	-	-	18,111
	1977 (Jan.-Sept.)-----	-	-	664	-	-	-	-	-	-	664	15,211
251.7210	Woodpulp, sulphate, bleached, hardwood, other than dissolving:											
	1974-----	-	-	-	615	-	-	-	-	-	615	189,069
	1975-----	-	-	-	271	-	150	-	-	-	421	221,912
	1976-----	-	-	316	-	-	454	-	-	-	770	187,357
	1976 (Jan.-Sept.)-----	-	-	316	-	-	454	-	-	-	770	142,223
	1977 (Jan.-Sept.)-----	-	-	-	-	-	441	-	-	-	441	123,710
251.7220	Woodpulp, sulphate, bleached, softwood, other than dissolving:											
	1974-----	-	768	-	72	-	-	19	743	-	1,602	223,723
	1975-----	-	2,278	-	-	-	-	-	-	-	2,278	231,733
	1976-----	-	-	2,224	1,009	2,254	-	-	-	-	5,487	237,459
	1976 (Jan.-Sept.)-----	-	-	1,802	883	1,646	-	-	-	-	4,331	181,601
	1977 (Jan.-Sept.)-----	-	-	2,368	699	1,350	20	-	159	-	4,596	207,734

Table 14.--Woodpulp: U.S. exports to the nonmarket economy countries, by Schedule B Nos., 1974-76,
January-September 1976, January-September 1977--Continued

(In thousands of U.S. dollars)												
Sched. B No.	Item and year	U.S.S.R.	China	Poland	Yugo- slavia	Romania	Czecho- slovakia	German Democratic Republic	Hungary	Bulgaria	Total NME's	Total, all countries
251.7230	Woodpulp, sulphate, semi-bleached, other than dissolving:											
	1974-----	-	-	-	-	-	-	-	-	-	-	19,572
	1975-----	-	-	-	-	-	-	-	-	-	-	25,688
	1976-----	-	-	915	-	-	-	-	-	-	915	25,787
	1976 (Jan.-Sept.)-----	-	-	915	-	-	-	-	-	-	915	18,713
	1977 (Jan.-Sept.)-----	-	-	-	-	-	-	-	-	-	-	36,783
251.8220	Woodpulp, sulphite, bleached, softwood, other than dissolving:											
	1974-----	-	173	-	-	-	73	-	-	-	246	76,569
	1975-----	-	1,724	-	-	-	-	-	-	-	1,724	81,636
	1976-----	559	1,302	-	-	-	-	-	-	-	1,861	55,148
	1976 (Jan.-Sept.)-----	559	1,302	-	-	-	-	-	-	-	1,861	41,141
	1977 (Jan.-Sept.)-----	-	1,294	-	-	-	-	-	371	-	1,665	39,391

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

product. Softwood comes from coniferous trees such as pines, spruces, and hemlocks. Hardwood, which has shorter fibers, is not often used for paper-making. It is less abundant than softwood and consequently more expensive. Hardwoods are obtained from dicotyledonous trees such as birch, gum, maple, oak, and poplar.

Chemical dissolving pulps are used in products which involve a chemical conversion of the cellulose fiber into a different physical form or to some cellulose derivative. These pulps can be either sulphite or sulphate and are generally made of softwood, although hardwood is also used for some grades. 1/ The use of chemical dissolving woodpulp gives the finished product increased absorbency, greater bulk and porosity (required for adequate resin saturation), a high tearing resistance, high brightness, cleanliness, and freedom from metallic compounds. It is used in such specialty products as blotting paper, decorative laminate (printed) design paper, shoe-insole base stock, automotive oil-filter paper, air-filter paper, blueprint, heliographic or diazo paper, art paper, electrical papers, photographic base paper, reproduction paper, sandpaper backing paper, and vegetable parchment. Chemical dissolving woodpulp is also used in the production of textile rayon, staple fiber rayon, tire cord rayon, cellulose acetate, and cellulose nitrate.

Bleached sulphate woodpulp, or bleached kraft, is used principally in grades of white paper and boards requiring strength. The pulp is bleached to a high brightness with strength characteristics approaching or equal to those of unbleached pulp. Because of its longer fiber length, softwood bleached sulphate is normally of much higher strength than that made from hardwood. Softwood bleached sulphate is used in such types of paper as bag paper, bond paper, chart paper, envelope paper, ledger paper, milk carton paper, onionskin paper, sanitary papers, special foodboards, and waxing paper.

Production and consumption

U.S. production of woodpulp recovered from a setback in 1975 to exceed slightly the previous production record of 48.2 million short tons in 1974. In 1976, the United States was the world's largest pulp producer with 48,422,300 short tons, followed by Canada with 19,894,000 short tons (table 15). Five nonmarket economy countries produce sufficient quantities of pulp to rank them among the top 20 world producers in 1976. The U.S.S.R. ranked fourth, producing 10,007,900 short tons of pulp, and the People's Republic of China was seventh with 5,291,100 short tons. Poland, Czechoslovakia, and Romania ranked 16th, 17th, and 20th, respectively. 2/ Data on production of woodpulp by nonmarket economy countries for the years 1974-76 are presented in table 16.

1/ The terms "sulphite" and "sulphate" refer to cooking processes in which the wood chips are subjected to different chemical treatments which dissolve most of the ligneous binding material, leaving the fiber.

2/ Pulp and Paper, June 30, 1977.

Table 15.--Woodpulp: 1/ U.S. production and exports, total and by selected markets, 1974-1976, January-September 1976, and January-September 1977

(Quantity in thousands of short tons)						
Item	1974	1975	1976	January-September		
				1976	1977	
U.S. production-----	48,218.3	43,297.6	48,422.3	0		0
U.S. exports:						
Nonmarket economy						
countries:						
U.S.S.R-----	15.7	30.3	21.1	17.8		15.9
Romania-----	10.3	14.2	23.2	17.7		28.2
Yugoslavia-----	20.3	13.8	12.9	10.8		12.1
Poland-----	.3	3.4	13.2	11.5		11.6
Czechoslovakia-----	.3	1.5	1.9	1.9		1.5
East Germany-----	.1	3.4	.8	.8		0
Hungary-----	1.9	0	1.4	1.4		2.1
Bulgaria-----	0	0	.3	0		1.1
China-----	2.3	23.2	5.7	5.7		6.4
Total, NME's-----	51.2	89.8	80.5	67.6		78.9
Total exports to						
the world-----	2,802.4	2,564.5	2,517.6	1,914.9		2,069.4
NME's share of						
total exports						
percent-----	1.8	3.5	3.2	3.5		3.8

1/ Schedule B numbers 251.3000, 251.7100, 251.7210, 251.7220, 251.7230, 251.8100, 251.8210, and 251.8220.

Source: Compiled from official statistics of the U.S. Department of Commerce and Pulp and Paper, June 30, 1975 and June 30, 1977.

Consumption data was obtained only for paper and paperboard. These are the end products of a substantial portion of woodpulp and provide a reasonable estimate of total pulp consumption. On a per capita basis, only one nonmarket economy country, East Germany, ranked as one of the top 20 paper and paperboard consumers in 1976. East Germany's ranking of 17th with 177.5 pounds per capita per year in 1976 fell far below the 589 pounds per capita consumed in the United States, the world's number-one consumer. Other representative per capita consumption figures for 1976 are Czechoslovakia, 161.0 pounds per year; Bulgaria, 123.3 pounds per year; Hungary, 119.4 pounds per year; Poland, 97.0 pounds per year; Yugoslavia, 80.7 pounds per year; U.S.S.R., 75.0 pounds per year; Romania, 70.6 pounds per year; China, 21.8 pounds per year; and Albania, 11.9 pounds per year.

United States and NME trade

U.S. exports of woodpulp to the world fell from a high of 2.8 million short tons in 1974 to 2.6 million short tons in 1975 or by about 8 percent, while U.S. production decreased by approximately 10 percent. U.S. production recovered in 1976, but U.S. exports to the world actually slipped somewhat below the low levels of 1975. Exports in January-September 1977 exceeded their level for the corresponding period of 1976, but indications are that total 1977 exports will not reach the 1974 level (table 15).

U.S. exports to the nonmarket economy countries were almost the reverse of the pattern of exports to the world. Exports to NME's rose from 1.8 percent of total woodpulp exports in 1974 to 3.2 percent in 1976 and 3.8 percent in the first 9 months of 1977. The U.S.S.R. and Romania have been the largest NME customers overall, although Yugoslavia and China have also made relatively large purchases.

Nearly all of the woodpulp that the U.S.S.R. buys from the United States is chemical dissolving. An industry representative indicated that the U.S.S.R. has traditionally bought cellulose acetate pulp and rayon tire cord pulp from the United States. He reported that, the U.S.S.R.'s hard currency problems have recently forced it to reduce purchases of rayon tire cord pulp, which it can produce itself, and concentrate its currency resources on importing acetate-quality pulp which it does not have the production capability to manufacture. The U.S.S.R. has imported very little pulp for papermaking from the United States. It has satisfied most of its requirements for this commodity through imports from Finland, with which it has a bilateral agreement.

In 1976, Romania imported approximately one-third of its total woodpulp purchases from the United States. Romania imports pulp from the United States because it is of a higher quality than Romania can either produce itself or import from other sources. The woodpulp Romania imports from the United States is used for printing purposes.

Import and export data for the nonmarket economy countries indicate that only two of the countries, the Soviet Union and Romania, export more woodpulp than they import (see table 16). Approximately 90 percent of the U.S.S.R.'s woodpulp exports go to Eastern Europe and Cuba. Soviet exports made up approximately half of Eastern Europe's total imports of woodpulp in 1975.

World situation

U.S.S.R.--The Soviet Union has 22 percent of the world's forests and the world's largest softwood resource. However, it has the lowest removal rate of any northern-hemisphere country--0.5 percent per year for 1970-72 and only 0.6 percent per year projected for 1985. This compares with removal rates in the United States and Canada of 1.3 percent per year in 1970-72 and 1.9 percent per year forecast for 1985. 1/

Growth of Soviet pulp production was more favorable--26 percent between 1971 and 1975--but fell increasingly short of the planned target as the period progressed. In 1975, Soviet pulp mills were producing at 85.6 percent of capacity as a result of the phasing-in of pulpmills.

The current 5-year plan for woodpulp stresses economical production, enlargement of the range of products, and increased quality. Production of wood is scheduled to rise by 25 percent, production of pulp by 35 percent, and production of paper and paperboard by 15 to 25 percent. Capital investment is scheduled to rise by 25 percent, compared with a 35.5-percent increase in the 1971-75 period. The increase in productivity is targeted at 23 to 25 percent.

To meet these growth objectives, particularly for paper and paperboard, the Soviet pulp and paper industry will be forced to supplement softwood inputs with other raw materials such as hardwood, fuel wood, waste wood, and wastepaper. The best wood-growing region is in the Soviet Union's south-eastern sector, far away from the large centers of population. Moreover, much of the timber throughout the country is larch, a type of coniferous tree that is unsuitable for production of paper and is so heavy that it sinks in water and thus presents additional problems in logging and shipping. Another problem of resource availability is that a shortage of chemical bleaching agents prevents bleaching units from operating at full capacity. Thus, in order to upgrade the quality of pulp and paper products, the Soviet Union will have to secure a continuous supply of quality chemical agents.

Recently, the Soviets have begun to encourage foreign investment and other involvement on a selective basis in order to expand their pulp and paper industry. Usually, these agreements involve the Western country supplying technological, financial, and other resources in exchange for long-term woodpulp deliveries. In 1974, one major U.S. paper company concluded a long-term

1/ Pulp and Paper, October 1976.

Table 16.--Woodpulp: Production, imports, and exports of selected non-market economy countries, 1974-1976

(In thousands of short tons)			
	1974	1975	1976
U.S.S.R.:			
Production-----	9,019.1	9,615.5	10,007.9
Imports-----	179.6	268.7	275.6
Exports-----	452.7	567.8	578.7
People's Republic of China:			
Production-----	2,204.6	4,960.4	5,291.1
Imports-----	275.6	220.5	220.5
Exports-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
Poland:			
Production-----	954.6	871.9	953.5
Imports-----	178.5	285.7	181.7
Exports-----	4.4	.7	1.9
Yugoslavia:			
Production-----	658.1	627.2	620.6
Imports-----	<u>2/</u> 112.5	<u>2/</u> 92.5	<u>2/</u> 105.2
Exports-----	<u>2/</u> 67.1	<u>2/</u> 31.8	<u>2/</u> 36.3
Romania:			
Production-----	870.8	759.5	771.6
Imports-----	18.1	66.1	66.1
Exports-----	66.1	77.2	77.2
Czechoslovakia:			
Production-----	804.7	823.4	906.1
Imports-----	93.7	106.9	110.2
Exports-----	22.0	8.8	14.3
German Democratic Republic:			
Production-----	848.8	705.5	691.1
Imports-----	198.4	220.8	230.6
Exports-----	<u>1/</u>	20.5	21.8
Hungary:			
Production-----	104.7	94.8	100.3
Imports-----	<u>2/</u> 117.9	<u>2/</u> 154.2	<u>1/</u>
Exports-----	<u>2/</u> 2.5	1.9	<u>1/</u>
Bulgaria:			
Production-----	218.3	263.5	266.8
Imports-----	<u>2/</u> 66.9	<u>2/</u> 75.0	<u>2/</u> 97.0
Exports-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
Albania:			
Production-----	9.3	9.9	9.9
Imports-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
Exports-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
<u>1/</u> Not available. <u>2/</u> Cellulose.			

Source: Compiled from foreign official statistics supplied by the U.S. Department of Commerce and Pulp and Paper, June 30, 1975, and June 30, 1977.

agreement with the Soviet Union that enables it to obtain Soviet pulp in exchange for machinery, equipment, technology, and licenses. Another contract provides for a U.S. company to supply equipment and technology to the Soviets for the construction of a large pulpstone ^{1/} plant near Sverdlovsk.

Yugoslavia.--Yugoslavia's timber reserves are the fifth largest in Europe; however, the harvest rate of 1.3 percent is lower than that of most of Europe. Only about 30 percent of Yugoslavia's forest consists of long-fiber softwood; the rest is hardwood. Yugoslav paper manufacturers have developed a method of producing paper and board with a short-fiber pulp content exceeding 50 percent, but there is still a growing need for long-fibered coniferous wood, which Yugoslavia has been importing from the U.S.S.R.

The Yugoslav Government has assigned high priority in the 1976-80 5-year plan to the further development of the pulp and paper sector. Investment is to increase 30 percent annually during the period. Yugoslavia has expressed interest in U.S.-made pulp and paper mill machinery and equipment and timber-processing equipment such as debarking machinery and chainsaws.

Czechoslovakia.--Paper and board production in Czechoslovakia was 23 percent higher in 1975 than it was in 1970. Forest inventories indicate that the domestic wood supply is sufficient to expand paper and board production by some 150 percent, compared with the 1975 level. Also, the Czechoslovaks are placing emphasis on an increased role for recycled fiber and wastepaper.

Poland.--Plans are to increase investment in the Polish paper and cellulose industry to close the gap between supply and the growing demand for paper and paper products. Consumption is expected to rise from 97.0 pounds per capita in 1976 to 220 pounds per capita by the year 2000, although production would have to increase by more than 100 percent in order to reach this target.

Scandinavia.--The three northern Scandinavian countries--Norway, Sweden, and Finland--have traditionally supplied the nonmarket economy countries with woodpulp. Their proximity to the NME's means that shipping costs, which are substantial for a product such as woodpulp, are relatively low compared with the United States. Wages in Norway and Sweden in this industry have been about equal to those in the United States since 1975. All three of these countries suffered from reduced exports to Western countries during the recession of 1975. However, Finnish pulp and paper exports to Eastern Europe grew both absolutely and relatively during 1975. In particular, Soviet demand for Finnish pulp nearly tripled between 1973 and 1975. The Soviet market share of Finnish pulp and paper exports grew from 12.3 percent in 1974 to 22.0 percent in 1975 as the Soviet Union became Finland's largest customer.

^{1/} A pulpstone is a natural or artificial stone (grindstone) which is channeled or grooved and used for the manufacture of mechanical woodpulp.

One problem facing these countries is decreasing timber reserves, especially in Sweden, where tree removal exceeds annual growth. A temporary agreement in that country between producers and the Government dictates that no expansion or alteration will be undertaken by any company which will result in more consumption of timber than 1973 or 1974 levels. It is generally believed that this, or a similar restriction, will be in effect indefinitely.

Future prospects for U.S. exports

A leveling-off of Scandinavian production could result in increased exports of woodpulp from the United States. If increased imports by NME's are necessary to achieve production goals, the United States certainly has the capacity to supply more of the world's wood needs. One U.S. industry representative has said that U.S. timberlands can handle domestic as well as foreign demand for the next 20 years without even growing more trees faster, which it can do. For example, twice as much wood fiber could be grown in the South as is produced there currently. ^{1/} However, whether these events portend an increased role for U.S. woodpulp exports in the NME import basket remains to be seen.

^{1/} Industry Week, July 19, 1976.

APPENDIX

Table A-1.--Leading items imported from the U.S.S.R., by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
1/ 475.0535	Fuel oils, under 25 degrees A.P.I., Saybolt Universal viscosity at 100°F of more than 125 seconds (heavy fuel oils)-----	\$31,398,899	\$8,920,241	\$12,296,205
605.0260	Palladium-----	19,879,531	6,526,554	7,390,456
618.1000	Aluminum waste and scrap-----	16,684,971	6,026,294	4,746,635
475.3500	Naphthas derived from petroleum, etc., n.e.s-----	11,118,895	11,118,895	-
605.0290	Platinum group metals and combinations, n.e.s-----	10,365,755	4,040,398	4,573,467
475.1010	Crude petroleum, 25 degrees A.P.I. or over-----	7,930,440	-	3,490,766
520.3200	Diamonds, not over 1/2 carat, cut, not set-----	7,926,411	1,397,675	2,412,619
601.1560	Chrome ore, 46% or more chromic oxide-----	6,684,184	1,059,616	5,725,180
765.0300	Paintings, etc., by hand-----	6,340,622	204,450	263,410
124.1045	Sable furskins, whole, raw-----	5,923,668	3,615,476	2,800,480
605.0270	Rhodium-----	5,284,754	771,485	1,469,634
620.0300	Unwrought nickel-----	5,223,411	493,783	120,620
862.1000	Articles imported for exhibition (agriculture, arts, education or science)-----	4,000,000	-	-
520.3300	Diamonds, over 1/2 carat, cut, not set-----	3,131,036	1,022,054	906,256
2/ 475.1015	Fuel oils, 25 degrees A.P.I. or more Saybolt Universal viscosity at 100°F of less than 45 seconds (light fuel oils)-----	3,011,457	-	-
629.1500	Unwrought titanium and waste and scrap-----	2,208,536	1,583,088	61,476
601.1520	Chrome ore, not over 40 percent chromic oxide-----	1,900,117	473,066	1,807,016
423.0060	Inorganic oxides, hydroxides, and peroxide-----	1,881,470	760,735	585,320
245.1000	Hardboard, valued \$48.33-1/3 to \$96.66-2/3 per short ton-----	1,864,984	549,155	35,499
542.3320	Ordinary glass, 16-18.5 ounces per square foot, 40-60 united inches-----	1,418,843	554,913	602,677
	Total imports itemized above-----	154,177,984	49,117,878	49,287,716
	Total U.S. imports from the U.S.S.R-----	177,725,008	57,449,808	60,947,074

Footnotes on following page.

Table A-1.--Leading items imported from the U.S.S.R., by TSUSA items, January-September 1977, July-September 1977, and July-September 1976--Continued

1/ Prior to Jan. 1, 1977, this item was classified under two less comprehensive numbers, 475.0540 and 475.0550. The latter item number is represented by the figures given for trade in the third quarter of 1976, since in that period the U.S. imported no fuel oil categorized under 475.0540 from the U.S.S.R.

2/ Prior to Jan. 1, 1977, this item was classified under two now-deleted numbers--475.1020 and 475.1030. The two former numbers were replaced by the number listed above (475.1015) and a second new number--475.1025. To obtain an accurate comparison of trade in the periods before and after Jan. 1, 1977, the sum of trade in the two new numbers should be measured against trade in the two deleted numbers. In January-September 1977 this trade did not exceed the amount listed above (\$3,011,457) for 475.1015, while in the third quarter of 1976 there were no U.S. imports of light fuel oils from the U.S.S.R.

Table A-2.--Leading items exported to the U.S.S.R., by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
		1977	1977	1976
041.0020	Wheat, unmilled, except for relief-----	\$336,373,145	\$79,080,800	\$62,038,195
044.0060	Yellow corn, unmilled, n.e.c-----	244,149,701	9,716,861	156,383,181
221.4000	Soybeans-----	154,307,498	-	-
042.2060	Rice, milled, n.e.c., medium grain-----	19,239,561	5,006,176	-
893.0045	Pressure sensitive tape, plastic-----	18,276,688	4,720,669	5,493,932
719.2370	Filtering, purifying, and separating machines and : parts, n.e.c., non-food-----	16,883,388	3,160,008	1,965,370
715.2120	Molding machines, and parts n.e.c-----	14,086,429	4,223,501	4,840,447
711.2020	Heat exchangers, steam generating power boiler : accessories-----	13,856,000	381,000	-
051.7210	Shelled almonds, fresh or dried-----	12,364,313	1,786,110	-
044.0030	Corn seed, except sweet corn-----	11,890,088	-	-
599.9920	Compound catalysts, except nickel-----	11,849,280	-	-
332.9410	Petroleum coke, calcined-----	10,869,099	5,117,099	1,130,862
732.8930	Parts and accessories for tracklaying tractors-----	9,271,707	517,921	4,680,175
655.4910	Rubber and friction tape, except surgical-----	8,696,489	522,340	1,938,657
691.1015	Fabricated structural iron and steel-----	8,386,389	1,753,200	4,185,860
719.2170	Parts and attachments, n.e.c., for pumps for liquid---	8,018,907	15,524	2,376,379
715.1020	Gear cutting machines, n.e.c., valued \$1000 and over, : new-----	8,005,333	-	1,005
712.5068	Tracklaying tractors, 200 net engine horsepower and : over-----	7,960,292	-	33,356,330
711.6000	Gas turbines, n.e.c., and parts, for mechanical drives--	7,915,661	3,319,681	1,807,604
283.9340	Molybdenum ores and concentrates-----	7,676,702	4,225,690	-
	Total exports itemized above-----	930,076,670	123,546,580	280,197,997
	Total U.S. exports to the U.S.S.R-----	1,278,813,276	227,908,432	435,093,295

Table A-3.--Leading items imported from the People's Republic of China, by TSUSA items,
January-September 1977, July-September 1977 and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
186.1560	Feathers not meeting Federal standards-----	\$11,086,054	\$3,369,280	\$4,050,599
186.3000	Bristles, crude or processed-----	8,438,758	2,751,698	2,761,102
755.1500	Fireworks-----	7,044,800	1,763,691	1,005,167
320.2032	PC white cotton shirting n.e.s. (average yarn number, 20)-----	5,918,280	2,170,647	3,340,136
766.2560	Antiques n.s.p.f.-----	5,763,476	1,783,936	1,799,781
186.1565	Downs not meeting Federal standards-----	5,278,190	1,963,224	929,365
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	4,315,622	1,634,714	796,255
160.5000	Tea, crude or prepared-----	4,125,710	1,486,063	323,859
320.1038	ABC white cotton sheeting, carded (average yarn number, 10)-----	3,882,592	1,456,200	1,490,147
222.4000	Baskets and bags of bamboo-----	3,856,278	1,100,527	1,098,213
601.5400	Tungsten ore-----	3,849,348	1,855,530	1,462,887
622.0200	Tin, other than alloys, unwrought-----	3,585,725	921,484	5,013,817
145.4400	Cashew nuts, shelled, etc.-----	3,151,186	1,328,784	1,310,588
452.1200	Cassia oil-----	2,145,932	712,826	44,945
306.6200	Cashmere goat hair, sorted, etc.-----	2,141,171	1,015,791	542,518
380.2787	Men's cotton sport shirts, flannel, not knit-----	2,105,512	1,191,659	509,590
161.1300	Cassia, cassia buds, and cassia vera, unground-----	1,876,393	623,048	433,209
222.5700	Floor covering of unspun vegetable material, n.e.s.-----	1,751,157	535,934	436,478
308.0440	Raw silk, in skeins, etc., n.e.s.-----	1,600,905	834,112	1,159,870
161.8300	Pepper, capsicum, etc., unground-----	1,460,315	217,129	277,521
	Total imports itemized above-----	83,377,404	28,716,277	28,786,047
	Total U.S. imports from the People's Republic of China-----	155,605,920	55,212,149	54,345,068

Table A-4.--Leading items exported to the People's Republic of China, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)				
Schedule B No.	Description	January-September 1977	July-September--	
			1977	1976
732.0346	Special-purpose nonmilitary vehicles, n.e.c., new-----	\$28,847,904	-	-
266.2120	Polyester staple, not carded or combed, etc.-----	13,059,919	\$3,811,895	\$934,153
561.1005	Urea, fertilizer material-----	6,397,161	4,601,427	-
684.0120	Aluminum and aluminum alloys, unwrought, n.e.c-----	5,311,341	5,311,341	-
512.0290	Cyclic chemical intermediates, except acids, n.e.c-----	2,716,374	1,152,311	372,630
641.3025	Kraft container board liners, unbleached-----	2,497,364	2,497,364	-
711.5064	Parts and accessories, n.e.c., for automobile, truck, and bus engines, for replacement-----	2,312,266	-	-
861.9999	Parts and accessories, n.e.c., for instruments (except industrial process), n.e.c-----	2,148,271	22,241	11,521
514.6040	Sodium bichromate and chromate-----	2,080,215	2,080,215	-
714.3005	Digital electronic computers-----	1,683,709	-	123,950
599.9920	Compound catalysts, except nickel-----	1,493,035	-	-
251.8220	Pulp, sulphite, softwood, bleached-----	1,294,211	-	-
581.2006	Polyethyl resins, high density-----	1,223,376	619,235	-
411.3220	Tallow, inedible-----	1,140,000	1,140,000	-
719.9242	Nonautomatic valves, etc., and parts, n.e.c., of iron and steel-----	1,111,383	60,912	78,649
719.2250	Parts and attachments, n.e.c., for pumps, for gas and for air and gas compressors, n.e.c-----	818,886	777,605	22,498
512.0993	Miscellaneous organic chemicals, except cyclic, n.e.s-----	743,000	-	-
715.1004	Vertical boring and turning mills, valued over \$1,000--	687,359	687,359	-
732.8948	Parts and accessories, n.e.c., new, for replacement, for nonmilitary motor vehicles, n.e.c-----	660,222	9,364	10,439
719.3150	Oil field equipment and parts, n.e.c-----	657,884	-	-
	Total exports itemized above-----	76,883,880	22,771,269	1,553,840
	Total U.S. exports to the People's Republic of China-----	89,473,715	27,343,848	5,650,868

Table A-5.--Leading items imported from Poland, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
107.3525	Canned hams, shoulders, over 3 pounds-----	\$80,441,386	\$28,476,097	\$27,310,968
475.2520	Gasoline-----	9,924,312	3,087,052	-
1/ 608.8415	Steel plates, not alloy, not in coils, not pickled : or cold rolled-----	7,387,822	4,007,686	2,843,163
646.2620	Brads, nails, etc., smooth shank, round wire, over : 1 inch in length, over 0.065 inch in diameter-----	6,337,639	2,475,936	2,427,761
700.3550	Men's leather footwear n.e.s., cement soles-----	5,321,760	1,721,194	1,837,950
521.3120	Bituminous coal-----	5,188,212	2,145,988	-
380.1240	Men's and boys' corduroy suit-type coats, valued : over \$4 each-----	4,786,548	2,401,652	-
727.1500	Furniture and parts of bentwood-----	4,209,979	1,298,394	1,429,463
335.9500	Other woven fabrics of vegetable fibers, n.e.s., : over 4 ounces per square yard-----	4,085,334	1,326,489	1,323,483
692.1090	Motor vehicles, n.e.s.-----	3,886,578	1,033,500	893,398
110.4710	Cod blocks, frozen, over 10 pounds each-----	3,878,510	724,773	866,356
146.7530	Strawberries, frozen, containers over 40 ounces-----	2,971,310	920,908	1,190,715
107.3560	Pork, n.e.s., canned, boned, and cooked-----	2,957,766	945,635	1,212,840
692.3020	New wheel agricultural tractors, 35 belt : horsepower and over-----	2,425,246	1,180,852	-
380.1260	Men's and boys' cotton suit-type coats, n.e.s., : valued over \$4 each-----	2,356,474	1,192,954	-
380.6650	Men's and boys' wool suits, valued over \$4 : per pound-----	2,324,537	1,334,692	-
382.1206	Women's raincoats n.e.s., 3/4 length or longer, : over \$4 each-----	2,283,894	719,041	979,945
407.8540	Sulfathiazole-----	2,071,048	302,082	-
403.6000	Other cyclic organic chemical products-----	2,062,287	-	1,589,009
608.4620	Flat steel bars, not coated, valued over 5¢ : per pound-----	2,062,130	1,920,567	-
	Total imports itemized above-----	156,962,772	57,215,492	44,105,051
	Total U.S. imports from Poland-----	251,263,498	93,298,099	77,242,184

1/ Prior to Jan. 1, 1977, this item was classified as number 608.8420. Trade figures listed for July-September 1976 represent the old classification, which was replaced by two less comprehensive numbers, 608.8410 and 608.8415. Therefore the values given above for steel plate imports from Poland in 1977 and July-September 1976 are not exactly comparable.

Table A-6.--Leading items exported to Poland, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September	July-September--	
		1977	1977	1976
044.0060	: Yellow corn, unmilled, n.e.c-----	\$80,019,200	\$24,934,432	\$22,704,130
041.0020	: Wheat, unmilled, except for relief-----	52,338,324	48,435,604	30,435,065
081.3030	: Soybean oil-cake and meal-----	41,262,298	50,976	32,825,688
271.3010	: Florida phosphate hard rock and land pebble-----	17,019,567	3,315,337	2,096,494
732.8930	: Parts and accessories for tracklaying tractors-----	10,919,068	2,875,327	1,035,812
211.1010	: Cattle hides, whole-----	7,496,487	289,473	1,588,051
045.9015	: Grain sorghums, unmilled-----	6,874,345	-	54,893,156
121.0010	: Tobacco, flue-cured leaf, stemmed-----	6,115,131	1,251,020	-
719.1975	: Machinery and parts, n.e.c., for treatment of material : by temperature change-----	5,652,207	4,960,757	109,061
051.2010	: Fresh lemons-----	4,209,953	1,216,346	2,798,184
599.5860	: Vegetable proteins-----	3,210,005	1,271,592	2,330,607
263.1031	: Raw cotton, upland domestic, 1 to 1-1/8 inches-----	3,106,750	2,815,375	143,750
411.3220	: Tallow, inedible-----	2,868,128	967,286	513,726
081.3040	: Linseed oil-cake and meal-----	2,664,592	1,311,520	-
211.6000	: Sheep and lamb skins, with wool on, undressed-----	2,516,297	744,892	320,700
251.7220	: Pulp, sulfate, softwood, bleached-----	2,367,829	854,985	1,166,787
121.0090	: Unmanufactured tobacco, n.e.c., including stems, etc--	2,294,561	435,000	629,847
221.1010	: Peanuts, shelled, green-----	2,191,098	-	-
719.8095	: Machines and mechanical appliances, n.e.c., and parts-	1,848,443	114,545	515,176
561.2910	: Concentrated superphosphate-----	1,803,198	-	-
	: Total exports itemized above-----	256,777,481	95,844,467	154,106,774
	: Total U.S. exports to Poland-----	326,545,783	113,073,228	184,760,086

Table A-7.--Leading items imported from Yugoslavia, by TSUSA items, January-September 1977,
July-September 1977, and July-September 1976

(In U.S. dollars)				
TSUSA item No.:	Description	January- September 1977	July-September--	
			1977	1976
107.3525	Canned hams, shoulders, over 3 pounds-----	\$38,213,118	\$12,538,083	\$9,452,444
727.3040	Wood chairs, n.s.p.f.-----	26,100,271	9,067,222	7,552,058
700.3515	Males' leather athletic footwear, n.e.s.-----	20,047,693	5,878,341	5,106,739
612.0640	Unwrought copper, not alloy, n.e.s.-----	17,375,325	7,234,428	18,370,280
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches-----	15,161,195	4,664,168	5,279,359
607.3100	Ferrochrome, over 3 percent carbon-----	10,761,880	3,441,611	4,657,144
605.2040	Silver bullion, refined-----	7,464,692	-	1,399,077
186.1565	Downs not meeting Federal Standards-----	6,999,151	2,769,895	-
727.3500	Wood furniture, n.s.p.f.-----	6,779,265	2,309,710	2,930,816
688.0440	Insulated copper conductors, w/o fittings, 32 A.W.G. and larger-----	5,835,548	2,093,901	2,087,962
618.2560	Aluminum sheets, strips, and plate, not clad-----	4,355,763	1,607,682	1,139,094
727.4000	Wood furniture parts, n.s.p.f.-----	3,835,065	1,303,803	1,381,721
624.0350	Unwrought lead, unalloyed, except bullion-----	3,387,579	976,375	1,758,415
727.1000	Furniture of unspun vegetable material, and parts-----	3,029,642	1,180,449	-
618.1540	Wrought aluminum rods, 0.375 inches and over in diameter-----	2,575,983	654,956	1,177,234
646.2620	Brads, nails, etc., smooth shank, round wire, over 1 inch in length, over 0.065 inch in diameter-----	2,419,542	654,352	-
607.3700	Ferromanganese, 4 percent and over carbon-----	2,167,592	642,743	-
674.3504	Engine lathes, metal-cutting-----	2,166,345	170,878	-
607.5100	Ferrosilicon, 61-80 percent silicon-----	2,119,112	539,797	-
380.1260	Men's and boys' cotton suit-type coats, n.e.s., valued over \$4 each-----	2,029,808	1,048,973	-
	Total imports itemized above-----	182,824,569	58,777,367	62,292,343
	Total U.S. imports from Yugoslavia-----	268,943,034	91,208,163	106,695,112

Table A-8.--Leading items exported to Yugoslavia, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
081.3030	Soybean oil-cake and meal-----	\$19,984,918	\$1,312,789	\$8,071,552
711.7000	Nuclear reactors and parts, n.e.c-----	16,994,543	8,092,899	2,502
221.4000	Soybeans-----	12,001,104	-	-
734.1050	Aircraft, passenger transports, n.e.c., 33,000 lbs. and over, nonmilitary, new-----	8,859,570	-	-
715.2259	Parts, n.e.c., for metalworking rolling mill machinery	7,974,373	1,257,709	24,046
211.1010	Cattle hides, whole-----	7,463,734	2,805,310	1,025,360
734.9230	Parts and accessories, n.e.c., for aircraft, airships, and balloons-----	6,537,285	2,469,859	1,082,602
722.1006	Steam turbine generator sets, 10,000 kilowatts and over-----	6,065,469	33,069	-
714.3005	Digital electronic computers-----	5,778,391	3,613,414	248,779
715.2240	Cold rolling mill machinery for ferrous metals, ex- cept tube rolling-----	5,730,773	-	-
712.5018	Wheel tractors n.e.c., 100 maximum horsepower and over-----	5,469,698	2,152,600	405,363
718.4264	Well drilling machine parts and accessories, n.e.c----	5,440,326	1,253,717	2,761,190
722.1018	Parts, n.e.c., for turbine generator sets-----	5,059,036	1,090,046	11,912
321.4020	Bituminous coal-----	4,491,777	1,503,007	1,550,474
712.5068	Tracklaying tractors, 200 net engine horsepower and over-----	4,362,061	3,062,967	151,092
732.8948	Parts and accessories, n.e.c., new, for replacement, for nonmilitary motor vehicles-----	4,312,770	1,229,564	901,565
251.6000	Woodpulp, chemical dissolving-----	4,260,768	1,295,124	1,719,361
512.0978	Vinyl chloride monomer-----	4,157,931	731,974	2,511,138
561.2910	Concentrated superphosphate-----	3,913,729	-	-
715.2254	Rolling mill metalworking machinery, n.e.c-----	3,755,189	549,895	2,737,800
	Total exports itemized above-----	142,613,445	32,453,943	23,204,736
	Total U.S. exports to Yugoslavia-----	271,293,474	71,690,141	64,268,216

Table A-9.--Leading items imported from Romania, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)				
TSUSA item No.	Description	January- September	July-September --	
		1977	1977	1976
1/ 475.0535	Fuel oils, under 25 degrees A.P.I., Saybolt Universal viscosity at 100°F of more than 125 seconds (heavy fuel oils)-----	\$53,020,837	\$11,328,227	\$21,596,479
475.2520	Gasoline-----	12,290,447	2,179,313	2,577,075
692.3020	New wheel agricultural tractors, 35 belt horsepower and over-----	8,931,421	1,476,397	2,424,268
107.3525	Canned hams, shoulders, over 3 pounds-----	8,195,082	2,925,848	1,867,254
700.4540	Women's leather footwear, cement soles, valued over \$2.50 per pair-----	5,857,637	2,148,291	1,722,433
700.2940	Leather welt work footwear, valued over \$6.80 per pair	3,356,172	1,649,352	945,472
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	3,321,264	914,841	605,245
380.8450	Men's and boys' suits, not knit, man-made fiber-----	3,044,961	547,715	860,078
700.2960	Men's leather welt footwear n.e.s., valued over \$6.80 per pair-----	2,858,881	360,409	694,571
107.3560	Pork n.e.s., canned, boned, and cooked-----	2,689,186	507,529	706,128
380.0645	Men's and boys' cotton knit sport shirts-----	2,584,927	1,474,678	428,192
380.1260	Men's and boys' cotton suit-type coats, n.e.s., not knit, valued over \$4-----	2,521,568	1,016,686	1,365,819
382.7875	Women's and girls' sweaters, knit, man-made fibers----	2,416,041	1,535,515	1,361,153
2/ 475.1015	Fuel oils, 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100°F of less than 45 seconds (light fuel oils)-----	2,312,593	-	-
546.5400	Glassware n.e.s., valued 30¢-\$1 each-----	2,116,692	807,236	740,488
727.3040	Wood chairs n.s.p.f-----	1,904,716	797,789	309,998
727.3500	Wood furniture n.s.p.f-----	1,585,464	633,178	396,188
700.3550	Men's leather footwear, n.e.s., cement soles-----	1,579,907	721,515	731,645
610.4225	Oil well casing, seamless, other than alloy steel, ad- vanced-----	1,548,354	617,244	-
382.3362	Other women's cotton slacks and shorts, not knit, not corduroy or velveteen-----	1,540,587	82,098	273
	Total imports itemized above-----	123,676,737	31,723,861	39,332,759
	Total U.S. imports from Romania-----	189,998,722	58,002,329	57,487,809

Footnotes on following page.

Table A-9.--Leading items imported from Romania, by TSUSA items, January-September 1977, July-September 1977,
and July-September 1976--Continued

1/ Prior to Jan. 1, 1977, this item was classified under two less comprehensive numbers, 475.0540 and 475.0550. The latter item number is represented by the figures given for trade in the third quarter of 1976, since in that period the United States imported no fuel oil categorized under 475.0540 from Romania.

2/ Prior to Jan. 1, 1977, this item was classified under two now-deleted numbers--475.1020 and 475.1030. The two former numbers were replaced by the number listed above (475.1015) and a second new number--475.1025. To obtain an accurate comparison of trade in the periods before and after Jan. 1, 1977, the sum of trade in the two new numbers should be measured against trade in the two deleted numbers. In January-September 1977 this trade did not exceed the amount listed above (\$2,312,593), while in the third quarter of 1976 there were no U.S. imports of light fuel oils from Romania.

Table A-10.--Leading items exported to Romania, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September-- 1977	1976
1/ 321.4020	Bituminous coal-----	\$31,118,976	\$8,566,343	\$2,425,474
221.4000	Soybeans-----	30,278,504	-	13,660,623
211.1010	Cattle hides, whole-----	21,717,888	4,975,641	8,301,641
2/ 321.4030	Metallurgical-grade bituminous coal-----	8,102,603	8,102,603	-
251.6000	Woodpulp, chemical dissolving-----	8,044,469	1,022,000	1,770,619
263.1031	Cotton, upland domestic, 1 to 1-1/8 inches-----	6,548,065	-	-
041.0020	Wheat, unmilled, except for relief-----	5,909,795	5,909,795	33,887,537
081.3030	Soybean oil-cake and meal-----	5,765,992	-	11,508,246
674.7030	Electrolytic tin plate, primary-----	5,614,036	709,370	3,575,199
044.0060	Yellow corn, unmilled, n.e.c-----	5,450,621	2,656,888	-
271.3040	Natural phosphate fertilizer-----	4,400,543	851,039	-
271.3010	Florida phosphate hard rock and land pebble-----	4,119,039	2,402,155	1,979,357
045.9015	Grain sorghums, unmilled-----	2,831,165	2,074,205	4,355,139
732.8938	Parts and accessories, n.e.c., new, for assembly, for nonmilitary motor vehicles-----	2,694,873	82,170	7,125
861.9946	Parts, n.e.c., for industrial instruments, n.e.c-----	1,966,326	721,824	525,513
512.0632	Herbicides, n.e.c-----	1,929,627	18,530	-
711.5068	Parts, n.e.c., for internal combustion engines, n.e.c.	1,470,141	277,088	16,108
715.2120	Molding machines, and parts, n.e.c., metallurgical or metal foundry-----	1,375,000	-	-
251.7220	Pulp, sulfate, softwood, bleached-----	1,350,000	-	982,209
734.9230	Parts and accessories, n.e.c., for aircraft, air ships, and balloons-----	1,311,580	224,115	140,543
	Total exports itemized above-----	151,999,243	38,593,766	83,135,333
	Total U.S. exports to Romania-----	177,912,874	50,714,625	89,812,590

1/ This number was discontinued on Sept. 1, 1977. On that date, trade data previously recorded under this number was listed under two new numbers, 321.4030, metallurgical-grade bituminous coal, and 321.4040, bituminous coal not of metallurgical grade. To obtain a figure for total exports under 321.4020 for the third quarter of 1977, the sum of trade in all three numbers should be taken.

2/ Prior to Sept. 1, 1977, this item and item number 321.4040 were classified under a more comprehensive number, 321.4020. To obtain an accurate comparison of trade in the periods before and after Sept. 1, 1977, the sum of trade in the two new numbers should be measured against trade in the original number.

Table A-11.--Leading items imported from Czechoslovakia, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
107.3525	Canned hams, shoulders, over 3 pounds-----	\$1,664,926	\$569,274	\$376,478
700.2940	Leather welt work footwear, valued over \$6.80 per pair--	1,216,858	554,640	226,601
192.2500	Hops-----	1,147,941	1,389	4,253
700.2960	Men's leather welt footwear, n.e.s., valued over \$6.80 per pair-----	1,075,945	381,120	235,266
546.5400	Glassware, n.e.s., valued 30¢-\$1 each-----	1,071,506	354,034	415,557
608.7100	Steel wire rods, not tempered or treated, valued over 4¢ per pound-----	985,847	264,859	913,295
670.1436	Weaving machines, jet type-----	868,834	580,541	305,187
674.3504	Engine lathes, metal-cutting-----	863,151	327,230	382,909
674.3280	Boring, drilling, and milling machines, except numerically controlled, n.e.s.-----	840,576	309,014	131,161
700.3550	Men's leather footwear, n.e.s., cement soles-----	817,037	83,938	927,040
186.1565	Downs not meeting Federal Standards-----	790,253	470,971	-
727.1500	Furniture and parts of bentwood-----	774,534	301,827	201,059
546.5600	Glassware, n.s.p.f., valued \$1-\$3 each-----	765,292	173,437	221,438
700.2718	Leather welt work footwear, valued \$5-\$6.80 per pair--	742,629	260,392	-
700.3515	Men's leather athletic footwear, n.e.s.-----	681,353	495,239	154,817
741.3500	Imitation gemstones, except beads-----	623,605	186,494	272,276
124.1025	Mink furskins, except Japanese, undressed-----	500,834	-	394
668.2045	Printing presses, n.e.s.-----	496,765	204,274	422,280
335.9500	Other woven fabrics of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	460,236	138,660	214,451
545.5700	Glass prisms for chandeliers, wall brackets, etc.-----	440,867	134,358	129,443
	Total imports itemized above-----	16,828,989	5,791,691	5,533,905
	Total U.S. imports from Czechoslovakia-----	28,860,044	10,301,683	9,957,151

Table A-12.--Leading items exported to Czechoslovakia, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)				
Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
081.3030	Soybean oil-cake and meal-----	\$ 11,908,405	-	-
211.1010	Cattle hides, whole-----	10,895,956	\$ 2,922,379	\$ 2,040,335
044.0060	Yellow corn, unmilled, n.e.c-----	8,845,406	-	6,124,535
221.0530	Sunflower seed-----	3,519,045	-	-
121.0005	Tobacco, flue-cured leaf, unstemmed-----	2,569,298	1,141,483	529,387
212.0010	Muskrat fur skins, undressed-----	1,428,811	-	-
051.2010	Fresh lemons-----	951,335	511,344	708,926
714.9216	Parts and accessories for basic electronic computers--	619,140	172,323	363,233
719.3194	Cranes, crawler-mounted, cable-operated, new-----	530,452	530,452	-
121.0090	Unmanufactured tobacco, n.e.c., including stems, etc--	495,250	-	-
513.6932	Inorganic bases, etc., n.e.c-----	460,707	350,998	-
251.7210	Pulp, sulfate, hardwood, bleached-----	441,223	128,154	85,800
719.3170	Conveyors, n.e.c-----	416,553	416,553	-
599.2080	Herbicidal preparations-----	395,170	15,829	-
714.9207	Storing devices, random access, for electronic com- puters-----	371,945	86,647	-
664.1300	Glass, unworked, in balls, etc-----	368,733	145,745	85,033
718.2924	Offset-type printing presses, over 3,000 pounds, roll-fed-----	359,000	-	-
632.8920	Pencil slats-----	350,507	83,263	123,005
729.5262	Electro-optical instruments, laboratory or scientific, for physical or chemical analysis-----	344,985	116,466	135,182
732.8938	Parts and accessories, n.e.c., new, for assembly, for nonmilitary motor vehicles n.e.c-----	337,515	168,465	43,810
	Total exports itemized above-----	45,609,436	6,790,101	10,239,246
	Total U.S. exports to Czechoslovakia-----	56,670,537	11,553,861	30,951,172

Table A-13.--Leading items imported from the German Democratic Republic, by TSUSA items,
January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
124.1025	Mink furskins, except Japanese, undressed-----	\$1,423,124	\$13,799	\$95,813
480.3000	Urea, n.e.s.-----	1,346,625	1,346,625	-
676.0510	Portable typewriters, nonautomatic, electric-----	620,828	147,840	-
722.1620	Still 35--millimeter cameras, valued over \$10-----	525,166	89,820	525,096
121.5000	Pig and hog leather-----	477,883	86,850	154,800
494.2000	Montan wax-----	420,091	161,264	30,197
480.5000	Potassium chloride, crude-----	388,327	215,000	443,100
546.5900	Glassware, n.s.p.f., valued over \$3 each, except cut or engraved-----	360,795	68,014	29,674
546.5800	Glassware, n.s.p.f., over \$3 each, cut or engraved-----	331,282	151,875	95,899
546.5600	Glassware, n.s.p.f., valued \$1-\$3 each-----	301,485	92,688	78,002
668.2035	Offset printing presses, weighing 3,500 pounds or more, sheet-fed type-----	281,308	44,037	401,012
668.2045	Printing presses, n.e.s.-----	278,940	44,315	-
676.0530	Portable typewriters, nonautomatic, nonelectric-----	226,017	49,262	31,600
207.0050	Articles of wood, n.s.p.f.-----	214,010	101,277	68,449
121.5715	Bovine upper leather, n.s.p.f.-----	197,250	-	-
748.2100	Artificial flowers, etc., n.e.s.-----	186,392	54,567	38,476
421.4200	Sodium sulfate, crude-----	175,995	-	-
734.9600	Skis and snowshoes-----	140,311	140,311	101,334
668.5060	Parts of printing presses-----	138,136	19,021	17,664
674.3280	Boring, drilling, and milling machines, except numerically controlled, n.e.s.-----	130,229	3,078	85,314
	Total imports itemized above-----	8,164,194	2,829,643	2,196,430
	Total U.S. imports from the German Democratic Republic-----	12,817,971	4,448,094	3,895,064

Table A-14.--Leading items exported to the German Democratic Republic, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
044.0060	Yellow corn, unmilled, n.e.c-----	\$11,510,450	-	-
041.0020	Wheat, unmilled, except for relief-----	2,289,742	\$2,289,742	\$6,785,332
051.2010	Fresh lemons-----	1,624,000	613,279	884,520
221.0530	Sunflower seed-----	1,079,891	-	-
421.3020	Cottonseed oil, once-refined-----	719,938	719,938	-
715.2140	Foundry machines, n.e.c., and parts, n.e.c-----	700,000	700,000	-
212.0010	Muskrat fur skins, undressed-----	430,796	225,783	-
051.2030	Fresh grapefruit-----	315,846	191,718	-
292.5010	Alfalfa seed, certified-----	311,399	-	-
283.9200	Tungsten ores and concentrates-----	265,334	-	-
861.6940	Still picture equipment, parts and accessories, etc., n.e.c-----	245,838	245,838	-
211.1010	Cattle hides, whole-----	231,130	51,829	43,007
684.2540	Aluminum and aluminum alloy tubes and pipes, n.e.c-----	188,173	-	-
662.3270	Nonclay firebrick and similar firebrick shapes, except plastic or infusorial earth, n.e.c-----	181,078	-	-
263.2011	Linters, chemical grade-----	174,092	57,240	52,574
011.6040	Pork livers, fresh or frozen-----	172,605	-	-
714.3005	Digital electronic computers-----	161,884	39,544	-
719.3150	Oil field equipment and parts, n.e.c-----	138,418	6,840	-
718.4264	Well drilling machine parts and accessories, n.e.c-----	131,425	131,425	-
664.1300	Glass, unworked, in balls, etc-----	127,627	-	102,091
	Total exports itemized above-----	20,999,666	5,273,176	7,867,524
	Total U.S. exports to the German Democratic Republic-----	23,007,945	6,131,422	16,896,979

Table A-15.--Leading items imported from Hungary, by TSUSA items, January-September 1977,
July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
107.3525	Canned hams, shoulders, over 3 pounds-----	\$13,695,017	\$3,933,621	\$3,629,487
692.3060	Parts of agricultural tractors-----	3,991,266	208,407	3,782,145
686.9030	Other lamps, including household-----	3,101,764	1,077,101	890,498
437.1400	Opium alkaloids-----	1,634,698	1,634,698	-
107.3540	Pork bacon, boned, cooked, and canned-----	1,489,793	412,440	816,527
161.7100	Paprika, ground or unground-----	813,516	23,980	150,726
439.3060	Natural drugs, n.e.s., advanced-----	804,298	-	807,404
772.5115	Pneumatic truck and bus tires, new-----	666,061	150,745	81,051
772.5105	Automobile tires, new-----	623,519	50,772	302,494
692.3040	New agricultural tractors, n.e.s.-----	440,814	-	-
437.2000	Alkaloids and compounds, n.s.p.f., synthetic-----	424,519	154,167	44,763
700.4560	Women's leather footwear, n.s.p.f., valued over \$2.50 per pair-----	384,800	383,990	-
222.6400	Articles, n.e.s., of unspun fibrous vegetable materials-----	348,344	100,564	48,897
546.5400	Glassware n.e.s., valued 30¢-\$1 each-----	341,859	102,097	110,948
686.9010	3-way lamps, 150 watts and under-----	335,196	15,229	58,302
790.3900	Inflatable articles, n.s.p.f.-----	307,520	12,770	39,023
542.3120	Ordinary glass, 16-18.5 ounces per square foot, not over 40 united inches-----	289,910	111,128	143,423
750.2600	Whiskbrooms, valued not over 32¢ each (under quota)-----	289,880	8,097	-
167.3040	Wine, over 14 percent alcohol, valued over \$4 per gallon, containers not over 1 gallon-----	284,778	87,209	58,303
750.2900	Brooms, valued not over 96¢ each (under quota)-----	279,411	56,028	131,050
	Total imports itemized above-----	30,546,963	8,523,043	11,095,041
	Total U.S. imports from Hungary-----	36,353,891	10,699,485	12,617,644

Table A-16.--Leading items exported to Hungary, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
561.2910	Concentrated superphosphate-----	\$8,501,800	\$2,120,200	\$3,176,624
081.3030	Soybean oil-cake and meal-----	7,088,864	3,676,454	3,645,600
732.8920	Parts and accessories, n.e.c., for wheel tractors-----	5,529,052	1,998,737	1,392,276
044.0060	Yellow corn, unmilled, n.e.c-----	5,403,308	5,401,572	-
211.1010	Cattle hides, whole-----	3,480,005	785,429	1,042,336
718.5220	Glass-working machines, and parts, n.e.c-----	2,027,876	1,647,967	-
001.1010	Dairy cattle, for breeding-----	1,738,170	1,520,170	-
714.9202	Output devices for electronic computers, and parts-----	1,448,603	348,165	259,447
211.2020	Kip skins-----	1,365,673	668,351	66,414
211.6000	Sheep and lamb skins, with wool on, undressed-----	1,076,611	177,727	14,210
664.1300	Glass, unworked, in balls, etc-----	886,931	252,431	374,084
712.1005	Planters and transplanters-----	861,251	-	-
712.2050	Parts and accessories, n.e.c., for haying machines-----	622,215	622,215	-
729.5292	Industrial process type instruments, electric or electronic, n.e.c-----	585,250	37,417	2,830
729.5266	Physical properties testing and inspecting instru- ments, electric or electronic-----	554,728	98,511	38,071
715.1020	Gear cutting machines, n.e.c., valued \$1,000 and over, new-----	540,654	-	-
722.1014	Hydraulic turbine generator sets-----	457,074	-	-
044.0030	Corn seed, except sweet corn-----	444,141	-	11,844
891.1135	Magnetic tape recorders, video-----	434,212	-	78,040
541.3042	Erythromycin, bulk-----	391,031	100,031	-
	Total exports itemized above-----	43,437,449	19,455,377	10,101,776
	Total U.S. exports to Hungary-----	55,749,450	24,291,737	17,637,971

Table A-17.--Leading items imported from Bulgaria, by TSUSA items, January-September 1977,
July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.:	Description	January- September 1977	July-September --	
			1977	1976
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches-----	\$15,948,470	\$9,271,512	\$1,847,962
605.2040	Silver bullion, refined-----	1,198,315	1,198,315	-
117.6700	Pecorino cheese, not for grating-----	298,497	56,214	411,078
161.7100	Paprika, ground or unground-----	255,122	-	-
165.1500	Apple and pear juice, not over 1 percent alcohol-----	248,189	-	-
676.0530	Portable typewriters, nonautomatic, nonelectric-----	234,884	60,991	-
546.5400	Glassware n.e.s., valued 30¢-\$1 each-----	157,495	84,903	11,719
452.6000	Rose oil or attar of roses-----	129,813	-	210,670
452.3200	Lavender and spike lavender oil-----	100,658	-	55,919
147.6800	Sultana raisins, no seeds-----	91,701	91,701	-
439.1040	Natural crude drugs of vegetable origin-----	88,282	20,361	17,589
460.0500	Enfleurage greases, floral essences, etc.-----	60,752	-	-
460.8000	Aromatic or odoriferous substances, n.e.s., not artificial mixtures-----	58,974	-	-
674.3232	Drilling machines, upright, single spindle, except numerically controlled-----	45,136	21,353	887
546.5200	Glassware n.e.s., valued not over 30¢ each-----	32,846	10,530	5,245
408.6020	Aromatic or odoriferous benzenoid compounds, n.e.s.-----	30,955	-	-
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	27,438	-	26,300
674.3552	Metal-cutting machine tools, n.e.s.-----	26,480	6,661	-
445.3010	Polyethylene resins, low and medium density-----	23,148	-	-
161.5500	Mint leaves, crude, not manufactured-----	20,679	-	8,675
	Total imports itemized above-----	19,077,834	10,822,541	2,596,044
	Total U.S. imports from Bulgaria-----	19,595,962	10,889,146	2,738,298

Table A-18.--Leading items exported to Bulgaria, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
715.2254	Rolling mill metalworking machinery, n.e.c-----	\$7,342,176	-	-
715.2235	Hot rolling mill machinery, nonferrous-----	2,473,075	-	-
054.2015	Great northern beans, dried, except seed, not donated for relief-----	772,745	\$472,506	-
729.3075	Integrated circuits, semiconductor, monolithic, digital-----	581,936	51,282	\$86,777
891.1135	Magnetic tape recorders, video-----	501,560	113,136	-
211.1010	Cattle hides, whole-----	478,175	162,048	388,300
251.6000	Woodpulp, chemical dissolving-----	386,481	-	-
121.0010	Tobacco, flue-cured leaf, stemmed-----	384,400	336,979	185,792
221.4000	Soybeans-----	284,568	-	-
641.3020	Kraft shipping sack paper-----	250,201	-	-
861.9920	Parts for testing apparatus, n.e.c-----	220,276	6,080	17,907
724.9970	Electronic navigational aids-----	198,564	198,564	-
541.7036	Preparations acting primarily on the digestive system, etc., dosage or retail sales, n.e.c-----	195,633	60,000	52,020
581.3210	Regenerated cellulose, except rayon-----	187,862	-	92,898
715.2140	Foundry machines, and parts, n.e.c-----	179,899	-	33,656
512.0380	Synthetic organic medicinal chemicals, n.e.c., in bulk-----	171,502	104,002	-
719.8095	Machines and mechanical appliances, and parts, n.e.c--	164,996	57,595	-
512.0610	Fungicides-----	150,000	-	-
714.9209	Storing devices (except random access) for electronic computers, and parts-----	142,055	-	766
714.9206	Combination input/output devices for electronic com- puters and parts, n.e.c-----	136,657	136,657	-
	Total exports itemized above-----	15,202,761	1,698,849	858,116
	Total U.S. exports to Bulgaria-----	17,346,109	2,522,654	1,631,106

Table A-19.--Leading items imported from Albania, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September--	
			1977	1976
161.9400	: Unground sage-----	\$ 697,476	\$ 447,820	-
601.1540	: Chrome ore, chromium content 41 to 60 percent			
	: chromic oxide-----	565,853	565,853	\$ 575,000
668.2045	: Printing presses, n.e.s.-----	34,532	-	-
470.5500	: Myrobalan and sumac-----	15,562	10,158	-
653.2260	: Metal coins n.e.s.-----	13,921	13,096	-
124.1020	: Marten furskins, undressed, whole-----	9,717	8,481	1,655
161.2500	: Coriander-----	5,307	-	-
601.1520	: Chrome ore, chromium content not over 40			
	: percent chromic oxide-----	591	591	-
	: Total imports itemized above-----	1,342,959	1,045,999	576,655
	: Total U.S. imports from Albania-----	1,342,959	1,045,999	576,925

Table A-20.--Leading items exported to Albania, by Schedule B. Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
321.4020	: Bituminous coal-----	\$1,811,222	\$1,355,597	-
221.1010	: Cattle hides, whole-----	270,265	-	\$419,374
729.7000	: Electron and proton accelerators, and parts, n.e.c.----	30,324	-	-
512.0993	: Miscellaneous organic chemicals, except cyclic, n.e.c. :	14,106	-	-
581.2062	: Polymerization and copolymerization sheets-----	2,878	-	-
861.9938	: Parts and accessories, n.e.c., for nuclear radiation :			
	: detection and measuring instruments-----	1,210	1,210	-
541.7058	: Broad and medium spectrum antibiotics, except :			
	: penicillins-----	1,120	-	-
861.9999	: Parts and accessories, n.e.c., for instruments n.e.c. :			
	: (except industrial process)-----	827	-	-
	: Total exports itemized above-----	2,131,952	1,356,807	419,374
	: Total U.S. exports to Albania-----	2,131,952	1,356,807	419,374

Table A-21.--Leading items imported from Cuba 1/, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No. :	Description :	January- September 1977 :	July-September--	
			1977 :	1976
480.5000 :	Potassium chloride, crude----- :	\$101,640 :	- :	-
480.8090 :	Other fertilizer material----- :	2,590 :	- :	-
724.1025 :	Feature film, 35-millimeter and over----- :	1,100 :	\$1,100 :	-
653.2260 :	Metal coins n.e.s.----- :	456 :	- :	-
190.4500 :	Live fish, not for human consumption----- :	344 :	- :	-
:	Total imports itemized above----- :	106,100 :	1,100 :	0
:	Total U.S. imports from Cuba----- :	106,100 :	1,100 :	\$673

1/ U.S. trade with Cuba has been under an embargo since Feb. 7, 1962, when President Kennedy, acting under the authority of section 620(a) of the Foreign Assistance Act of 1961, as amended, issued Presidential Proclamation No. 3447 that declares the embargo. Under Section 620(a) of the Foreign Assistance Act of 1961 the Secretary of Commerce is directed to carry out the prohibition on exports, while the Secretary of the Treasury enforces the prohibition of imports. In both cases exceptions may be granted when determined to be appropriate by the respective Secretaries. To date, the number of exceptions granted has been minimal so that trade between the two countries is almost nil.

Table A-22.--Leading items exported to Cuba, by Schedule B Nos., January-September 1977, July-September 1977 and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September --	
			1977	1976
512.0380	Synthetic organic medicinal chemicals, n.e.c., in bulk	\$177,280	-	-
724.9985	Parts and accessories, n.e.c. for telecommunications equipment-----	125,000	-	-
893.0060	Articles for artificial plastic materials, n.e.c-----	46,660	\$39,600	-
861.7125	Dental equipment, n.e.c-----	45,168	-	-
541.8000	Medicinal and pharmaceutical products, donated for re- lief-----	26,400	26,400	-
931.0050	Special transactions, not classified-----	23,200	-	-
541.7076	Pharmaceutical preparations, except biologic, for human use, n.e.c-----	19,100	-	-
719.1514	Air conditioners, year-round-----	14,332	-	-
861.7150	Medical surgical, etc., and veterinary instruments and apparatus, n.e.c-----	11,380	11,380	-
678.5050	Iron or steel electrical conduit fittings-----	11,000	-	-
719.6445	Sprayers and spraying equipment, n.e.c-----	6,580	-	-
931.0020	Commodities donated for relief-----	6,100	-	-
533.3230	Exterior water-type trade sales emulsion paint and other water-thin paint, including dry type-----	5,879	-	-
841.1247	Outergarments, n.e.c., man-made fibers, women's, not knit or crocheted-----	4,400	4,400	-
242.8020	Utility line poles, wood-----	3,975	-	-
533.3220	Exterior oil-type trade sales paints, enamel and varnish, ready-mixed and in tint base form-----	3,180	-	-
719.6420	Sprayers, agricultural and pesticidal, hand-operated----	2,838	-	-
714.1010	Typewriters, standard, nonportable, electric, new-----	1,330	1,330	-
893.0019	Construction plastic products, except pipe and pipe fittings-----	1,300	-	-
678.5034	Steel tube and pipe fittings, forged, welding type-----	1,125	-	-
	Total exports itemized above-----	536,177	83,110	0
	Total U.S. exports to Cuba-----	538,222	83,110	\$6,500

Table A-23.--Leading items imported from the People's Republic of Mongolia, by TSUSA items, January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

TSUSA item No.	Description	January- September 1977	July-September --	
			1977	1976
306.6200	Cashmere goat hair, sorted, etc.-----	\$997,360	\$577,453	\$278,716
306.4293	Camel hair, sorted, etc.-----	566,382	321,458	178,319
124.1018	Lynx furskins, whole, raw-----	115,726	25,817	-
124.1057	Whole furskins, n.e.s. raw-----	40,508	-	36,530
124.1010	Fox furskins, except silver and black, undressed-----	5,100	-	-
	Total imports itemized above-----	1,725,076	924,728	493,565
	Total U.S. imports from People's Republic of Mongolia-----	1,725,076	924,728	493,565

Table A-24.--Leading items exported to People's Republic of Mongolia, by Schedule B Nos., January-September 1977, July-September 1977, and July-September 1976

(In U.S. dollars)

Schedule B No.	Description	January- September 1977	July-September--	
			1977	1976
599.7700	Prepared culture media-----	\$1,609	-	-
512.0380	Synthetic organic medicinal chemicals, n.e.c., in bulk-----	1,512	-	\$1,476
714.1010	Typewriters, standing, electric, new-----	1,330	-	-
	Total exports itemized above-----	4,451	0	1,476
	Total U.S. exports to People's Republic of Mongolia-----	4,451	0	2,484

