

**16TH QUARTERLY REPORT TO THE CONGRESS
AND THE EAST-WEST FOREIGN TRADE
BOARD ON TRADE BETWEEN
THE UNITED STATES AND
THE NONMARKET
ECONOMY COUNTRIES
DURING
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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 1978.

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 (formerly Cambodia) 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, Romania, and Hungary 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 contains analyses of three products that have been imported in increasing amounts from nonmarket economy countries--feathers and down from the People's Republic of China, ammonia from the Soviet Union as part of a countertrade arrangement, and watch movements from the Soviet Union to U.S. insular possessions. The analyses focus on the causes of the increases in imports and the probable effects of these increases on domestic interests.

THIRD QUARTER DEVELOPMENTS IN TRADE BETWEEN THE UNITED STATES
AND NONMARKET ECONOMY COUNTRIES 1/

Total two-way trade between the United States and the nonmarket economy countries (NME's) decreased 18 percent to \$1.7 billion in the third quarter of 1978, compared with \$2.1 billion in trade in the second quarter (table 1). A decrease in U.S. exports to the U.S.S.R. was the principal cause of the decline; exports to the other major NME trading partners--China, Poland, Yugoslavia, and Romania--increased. In contrast, U.S. imports from the NME's remained remarkably stable during each of the three quarters of 1978, varying only by at most \$6 million from one period to another. As a result, the U.S. trade surplus with the NME's fell from \$992 million in the second quarter of 1978 to \$628 million in the third quarter. This was still well above the average quarterly surplus with the NME's during 1977.

The shares of U.S. exports to and imports from the NME's relative to total U.S. exports and imports are shown in the last two rows of table 1. The share of U.S. exports to the NME's decreased from 4.16 percent in the second quarter to 3.32 percent in the third quarter, representing the lowest share during any quarter of 1978, but well above the share in the last two quarters of 1977. The NME share of total U.S. imports remained virtually unchanged at 1.26 percent.

The distribution within broad product groups of U.S. trade with the NME's and with the world on a year-to-date basis is shown in table 2. While precise year-to-year comparisons of trade within broad product groups are not possible because of changes in classifications, the more than doubling of exports of agricultural products and crude materials to the NME countries is a significant development in 1978. The changes in trade classifications were to improve the comparability of U.S. import, export, and production statistics and to adopt Revision 2 of the United Nations Standard International Trade Classification (SITC). 2/ Therefore, some 1977-78 product-group comparisons are just suggestive and only very significant developments, such as that of trade in agricultural products and crude materials, are noted in the text.

U.S. exports to the NME's are much more heavily concentrated in agricultural goods, with food, beverages, and tobacco constituting 54.5 percent, whereas these items account for less than 15 percent of U.S. exports to the world. When soybeans, an agricultural product classified as a crude material, are added, this share of exports to the NME's increases to 62.6 percent. U.S. exports of chemicals, semimanufactures, and manufactured goods to the NME's are small compared with U.S. exports of these items to other countries. Moreover, they are declining as a percentage of U.S. exports to the NME's. On the import side, agricultural goods also constitute a larger

1/ On December 15, 1978, the President of the United States announced that normal diplomatic relations will be established between the United States and the People's Republic of China on Jan. 1, 1979. This report on the third quarter was prepared prior to President Carter's announcement and does not reflect the impact of the new relationship.

2/ See discussion in the 14th Quarterly Report to the Congress and the East-West Foreign Trade Board.

Table 1.--U.S. trade with the world and with nonmarket economies, by quarters, July-September 1977 through July-September 1978 ^{1/}

(In millions of U.S. dollars)

Item	1977			1978	
	July-September	October-December	January-March	April-June	July-September
U.S. world trade:					
Exports-----	29,102	30,650	30,965	37,052	35,281
Imports-----	36,925	38,128	40,551	43,199	43,145
Balance-----	-7,823	-7,478	-9,586	-6,147	-7,864
U.S. trade with nonmarket economies:					
Exports-----	539	767	1,074	1,540	1,170
Imports-----	439	417	544	548	542
Balance-----	+100	+350	+530	+992	+628
Trade turnover (exports plus imports)-----	978	1,184	1,618	2,088	1,712
Share of U.S. total trade with nonmarket economies:					
Exports-----percent--	1.85	2.50	3.47	4.16	3.32
Imports-----do----	1.19	1.09	1.34	1.27	1.26

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^{1/} Because of the inclusion of nonmonetary gold in the statistics for 1978, data for 1977 have been adjusted by the inclusion of nonmonetary gold to both exports and imports. Therefore, data in this table for 1977 are not comparable with data for 1977 in similar tables in reports 9 through 13. Data on imports for 1977 are not adjusted for date of importation.

Source: Data for 1977 are from the 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. Data for 1978 are from U.S. Department of Commerce publications FT900 and FT990. Imports are from tables 8, 10, and I-6 of U.S. Department of Commerce publication FT990. Exports are from table 2 of U.S. Department of Commerce publication FT900 and table E-3 of U.S. Department of Commerce FT990. Both imports and exports are valued on an f.a.s. basis.

Note.--General imports are used in this table as a more accurate measure of the U.S. balance of trade for any given time period. The totals for general imports in this table will not, therefore, correspond with totals for imports for consumption listed in all other tables in the report.

Table 2.--U.S. trade with the world and with the nonmarket economy countries, by Schedule A, B, or E Nos., January-September 1977, and January-September 1978 1/ 2/

Schedule A, B, or E No.	Description	U.S. trade with the world		U.S. trade with the NME's	
		Jan.-Sept. 1977 3/	Jan.-Sept. 1978 4/	Jan.-Sept. 1977 3/	Jan.-Sept. 1978 4/
		Exports (Million U.S. dollars)			
0, 1	Food, beverages, and tobacco-----	11,989	15,167	946	2,057
2, 4	Crude materials-----	10,584	11,987	370	741
3	Mineral fuels and lubricants-----	3,136	2,572	63	45
5	Chemicals-----	8,307	9,222	102	113
6	Manufactured goods classified by chief : material-----	8,628	9,024	124	96
7, 8, 9	Other manufactured goods and miscella- : neous-----	46,251	53,518	802	722
	Total-----	88,894	101,491	2,407	3,774
		Imports (Million U.S. dollars)			
0, 1	Food, beverages, and tobacco-----	10,777	11,425	234	281
2, 4	Crude materials-----	6,133	7,105	105	118
3	Mineral fuels and lubricants-----	33,574	31,444	138	90
5	Chemicals-----	4,171	4,835	52	98
6	Manufactured goods classified by chief : material-----	15,988	20,605	262	381
7, 8, 9	Other manufactured goods and miscella- : neous-----	39,758	52,324	406	661
	Total-----	110,401	127,738	1,197	1,629
		Percent of total exports			
0, 1	Food, beverages, and tobacco-----	13.5	14.9	39.3	54.5
2, 4	Crude materials-----	11.9	11.8	15.4	19.6
3	Mineral fuels and lubricants-----	3.5	2.5	2.6	1.2
5	Chemicals-----	9.3	9.1	4.2	3.0
6	Manufactured goods classified by chief : material-----	9.7	8.9	5.2	2.5
7, 8, 9	Other manufactured goods and miscella- : neous-----	52.4	52.7	33.3	19.1
	Total-----	100.0	100.0	100.0	100.0
		Percent of total imports			
0, 1	Food, beverages, and tobacco-----	9.8	8.9	19.5	17.2
2, 4	Crude materials-----	5.6	5.6	8.8	7.2
3	Mineral fuels and lubricants-----	30.4	24.6	11.5	5.5
5	Chemicals-----	3.8	3.8	4.3	6.0
6	Manufactured goods classified by chief : material-----	14.5	16.1	21.9	23.4
7, 8, 9	Other manufactured goods and miscella- : neous-----	36.0	41.0	33.9	40.6
	Total-----	100.0	100.0	100.0	100.0

See footnotes on following page.

Footnotes for table 2

1/ Because of extensive changes in U.S. import and export statistics effective Jan. 1, 1978, only the following comparisons of statistics are possible: (1) U.S. trade with the NME's on a 1-digit basis in 1977 with U.S. trade with the world on a 1-digit basis in 1977; (2) similarly for 1978; (3) total U.S. trade with the world in 1977 with total U.S. trade with the world in 1978 (import data are not adjusted for date of importation); and (4) similarly for total U.S. trade with the NME's. Data for 1977 on a 1-digit basis should not be compared with data for 1978 on a 1-digit basis for either U.S. trade with the world or for U.S. trade with the NME's.

2/ Because of the inclusion of nonmonetary gold in the statistics for 1978, data for 1977 have been adjusted by the inclusion of nonmonetary gold to both exports and imports. Therefore, 1977 data for this table in this report are not comparable with data for 1977 in similar tables in quarterly reports 9 through 13. Data for 1977 are on the basis of the Standard International Trade Classification (SITC) Revision 1 except for the inclusion of nonmonetary gold; data for imports are not adjusted for date of importation.

3/ Data for exports from old schedule B, domestic merchandise only; data for imports from old schedule A.

4/ Data for exports from new schedule E, domestic merchandise only; data for imports from revised schedule A.

Source: Data on U.S. trade with the world for 1977 from tables 4 and 3B of U.S. Department of Commerce publication FT990. Data on U.S. trade with the world for 1978 from tables 3 and 6 of U.S. Department of Commerce publication FT990. Data on U.S. trade with the NME's from the Bureau of East-West Trade, U.S. Department of Commerce.

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

share of U.S. trade with the NME's than with the world; they are, however, not as dominant as on the export side. In the third quarter, imports of chemicals, semimanufactures, and manufactured goods accounted for 70 percent of total U.S. imports from NME's, whereas they constituted 61 percent of U.S. imports from the world. Such imports from both the NME's and the world have gained importance as a share of total U.S. imports, while the percentage share of mineral fuels and lubricants from both groups has been diminishing.

U.S. imports from each NME country by the SITC are shown for the third quarter in table 3. More than one-fourth of these imports were miscellaneous manufactured articles of which Yugoslavia, Romania, the People's Republic of China (China), and Poland supplied more than 90 percent. Included in this category were such items as wood furniture from Yugoslavia and Poland, footwear from Yugoslavia, Poland, and Romania, textile products from Yugoslavia, Poland, Romania, and China, and antiques from China. Manufactured goods classified by chief material accounted for another quarter. Ferrous metals, copper, and aluminum from Yugoslavia, steel products, oilwell casings, and aluminum from Romania, steel plates, nails, and unwrought zinc from Poland, tin from China, and platinum group metals from the U.S.S.R. were among the items imported in this group. Imports of food and live animals, mainly canned hams from Poland and Yugoslavia, accounted for 12 percent. Other imports from the NME's included mineral fuels from Romania, gold bullion from the U.S.S.R., feathers and down from China, 1/ furskins from the U.S.S.R., ammonia from the U.S.S.R., 2/ and tractors from Romania.

Table 4 shows U.S. exports to the NME's by SITC commodity groups in the third quarter. This table illustrates that, unlike imports which are distributed throughout several product groups, slightly over one-half of U.S. exports to the NME's consisted of food and live animals. The Soviet Union, Poland, and China were the principal recipients of these items, which mainly consisted of grains. About 17 percent of U.S. exports to the NME's were crude materials, including such items as soybeans, cattle hides, woodpulp, and cotton. Machinery and transport equipment accounted for another 18 percent of U.S. exports to the NME's. The U.S.S.R. and Yugoslavia were the major markets for these exports, purchasing such items as oil and gas drilling machinery, tractors and parts, computers and related equipment, machine tools, trucks, and nuclear reactors and parts. Some items in these categories are subject to U.S. and international export controls, 3/ the revision of which are presently under consideration.

U.S. trade with individual NME's is shown in tables 5 and 6. Total U.S.-NME trade during January-September 1978 advanced significantly compared with such trade during the corresponding period of 1977, with imports and exports registering gains of 30 and 64 percent, respectively. Imports from and exports to each of the major NME trading partners increased in this period. U.S. imports showed the largest percentage increases from China, Czechoslovakia, and East Germany, while U.S. exports increased most to China,

1/ See section beginning on p.19.

2/ See section beginning on p.26.

3/ Efforts are underway in the United States to revise the U.S. export control list, and in the Organization of Economic Cooperation and Development (OECD) to revise the so-called COCOM list of commodities under international export control.

Table 3.--U.S. imports from the nonmarket economies, by SITC Nos., Revision 2, July-September 1978.

(In thousands of U.S. dollars)

SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czechoslovakia	German Democratic Republic	Hungary	People's Republic of China	People's Republic of Mongolia	Poland	Romania	U.S.S.R.	Yugoslavia	Total
0	Food and live animals	-	260	-	915	-	7,181	7,228	-	29,768	6,631	764	15,030	67,777
1	Beverages and tobacco	-	4,747	-	121	84	156	99	-	320	433	1,129	7,761	14,850
2	Crude material--inedible, except fuel	462	46	-	130	5	29	12,477	711	490	3,254	15,381	1,528	34,513
3	Mineral fuels, lubricants, etc	-	-	-	-	219	-	1/	-	5,872	30,365	11,891	71	48,418
4	Oils and fats--animal and vegetable	-	-	-	-	-	-	1,007	-	880	-	-	1	1,887
5	Chemicals	6	129	-	280	748	2,238	5,940	-	4,939	1,844	11,134	4,181	31,439
6	Manufactured goods, classified by chief material	1	70	-	4,521	2,211	1,561	20,303	-	27,419	19,714	15,042	35,729	126,571
7	Machinery and transport equipment	-	283	-	2,500	2,075	4,110	197	-	8,304	8,127	471	6,206	32,273
8	Miscellaneous manufactured articles	3	543	9	4,738	3,650	2,548	32,617	-	25,786	33,682	2,787	39,107	145,470
9	Commodities and transactions not elsewhere classified	-	35	20	87	66	112	389	-	99	58	40,849	3,057	44,772
	Total	472	6,114	28	13,292	9,059	17,935	80,259	711	103,879	104,107	99,449	112,670	547,975

1/ Less than \$500.

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

Table 4.--U.S. exports to the nonmarket economies, by SITC Nos., Revision 2, July-September 1978

(In thousands of U.S. dollars)

SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czechoslovakia	German Democratic Republic	Hungary	People's Republic of China	People's Republic of Mongolia	Poland	Romania	U.S.S.R.	Yugoslavia	Total
0	Food and live animals-----	-	7,798	-	364	21,804	698	87,014	-	177,584	3,005	284,695	7,425	590,347
1	Beverages and tobacco-----	-	317	-	456	-	-	-	-	2,325	-	1,098	933	5,129
2	Crude material--inedible, except fuel-----	-	-	-	3,414	1,250	1,561	74,689	-	16,564	47,683	30,121	19,663	194,945
3	Mineral fuels, lubricants, etc---	-	1	-	23	-	5	5	-	19	5,567	3,085	3,026	11,731
4	Oils and fats--animal and vegetable-----	-	-	-	-	-	-	14,006	-	8,056	-	6	-	22,068
5	Chemicals-----	-	63	-	694	780	1,010	24,504	4	2,702	1,761	6,627	16,685	54,830
6	Manufactured goods, classified by chief material-----	-	56	6	459	90	1,010	6,118	-	4,274	367	20,103	5,373	37,856
7	Machinery and transport equipment-----	58	720	2	3,494	1,812	5,825	17,708	1	29,231	24,891	65,571	61,274	210,587
8	Miscellaneous manufactured articles-----	-	343	10	550	1,453	1,442	6,167	-	2,900	2,073	18,417	3,982	37,337
9	Commodities and transactions not elsewhere classified-----	-	10	-	102	19	285	11	6	338	63	359	536	1,729
	Total-----	58	9,306	17	9,556	27,208	11,837	230,221	11	243,994	85,411	430,081	118,897	1,166,597

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

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

Table 5.--U.S. imports for consumption from the individual nonmarket economies, 1976, 1977, January-September 1977, January-September 1978, July-September 1977, and July-September 1978

(In thousands of U.S. dollars)							
Source	1976	1977	January-September		July-September		
			1977	1978	1977	1978	
U.S.S.R.-----	225,840	421,581	276,765	353,780	108,963	99,449	
People's Republic of China-----	194,649	197,400	155,606	242,227	55,212	80,259	
Poland-----	314,436	326,508	251,263	325,616	93,298	103,879	
Yugoslavia-----	395,042	347,899	277,599	317,373	94,279	112,670	
Romania-----	200,118	231,020	189,999	242,682	58,002	104,107	
Czechoslovakia-----	34,802	36,392	28,860	42,932	10,302	13,292	
German Democratic Republic-----	13,421	16,863	12,818	28,182	4,448	9,059	
Hungary-----	47,569	46,800	36,354	48,896	10,669	17,935	
Bulgaria-----	11,231	26,043	19,596	22,077	10,889	6,114	
Albania-----	2,544	3,399	1,343	2,754	1,046	472	
Cuba-----	27	106	106	55	1	28	
People's Republic of Mongolia-----	2,252	2,076	1,725	2,580	925	711	
Total 1/-----	1,441,932	1,656,089	1,252,034	1,629,155	488,065	547,975	
Total U.S. imports from all countries 1/-----	121,451,886	149,749,366	110,400,762	127,738,444	37,129,468	43,639,500	

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.

Table 6.--U.S. exports to the individual nonmarket economies, 1976, 1977, January-September 1977, January-September 1978, July-September 1977, and July-September 1978

(In thousands of U.S. dollars)

Market	1976		1977		January-September		July-September	
					1977	1978	1977	1978
U.S.S.R.	2,305,934	1,623,484	1,278,813	1,952,690	227,908	430,081		
People's Republic of China	135,388	171,318	89,474	440,764	27,344	230,221		
Poland	621,035	436,536	326,546	586,346	113,073	243,994		
Yugoslavia	295,413	355,436	271,293	294,929	71,690	118,897		
Romania	249,033	259,405	177,913	227,258	50,715	85,411		
Czechoslovakia	147,466	73,989	56,671	71,233	11,554	9,556		
German Democratic Republic	64,767	36,099	23,008	98,677	6,131	27,208		
Hungary	62,960	79,717	55,749	69,886	24,292	11,837		
Bulgaria	43,320	23,910	17,346	30,993	2,523	9,306		
Albania	1,076	2,209	2,132	458	1,357	58		
Cuba	89	588	538	264	83	17		
People's Republic of Mongolia	31	11	4	48	-	11		
Total 1/	3,926,512	3,062,701	2,299,488	3,773,548	536,670	1,166,597		
Total U.S. exports to all countries 1/	113,670,672	119,005,375	88,893,518	103,297,315	28,554,115	35,280,837		

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.

East Germany, Bulgaria, and Poland. U.S. imports from five of the nonmarket countries--China, Romania, Czechoslovakia, East Germany, and Hungary--were greater in January-September 1978 than during all of 1977. On the export side, U.S. exports to the U.S.S.R., China, Poland, East Germany, and Bulgaria had exceeded their 1977 levels by the end of September 1978.

Tables 5 and 6 permit a determination of the U.S. trade balance separately with each of the NME countries. During January-September 1978 the United States enjoyed an overall positive trade balance of \$2.1 billion with the NME's, more than double the trade surplus during the corresponding period of 1977. The United States maintained a positive trade balance with each of the major NME trading partners throughout the first three-quarters of the year, except with Yugoslavia and Romania. The largest was the trade surplus of \$1.6 billion with the Soviet Union, accounting for three quarters of the U.S. trade surplus with all NME's. The United States also maintained a positive trade balance of nearly \$200 million with China. This is particularly noteworthy in view of the fact that there has been a negative trade balance with that country for the past 2 years.

These surpluses stem in large part from trade in cereals and cereal preparations. The value of U.S. exports of these items to the NME's during January-September 1978 was \$1.7 billion, more than double the value in the corresponding period of 1977 (table 7). Grains have traditionally been the major U.S. export item to the NME's, and thus far in 1978 have accounted for more than 46 percent of total U.S. exports to these countries. The principal NME markets for grains in January-September 1978 were the U.S.S.R., Poland, China, and East Germany. Soviet grain purchases were over 50 percent larger than during all of 1977 and accounted for almost three-fourths of total U.S. grain exports to the NME's. Grain exports to China, although accounting for only 7 percent of total U.S. grain exports to the NME's during January-September 1978, are especially notable because they represent the first purchase of U.S. grain by that country since the 1974-1975 crop year.

During his visit in November 1978, the U.S. Secretary of Agriculture assured Chinese officials that the United States stands ready to be a regular and dependable supplier of grains. Chinese officials, in turn, indicated a willingness to purchase a significant share of their imported grains from the United States. U.S. and Chinese officials also discussed extension of deferred payment credits for China to buy agricultural commodities from the United States. China became eligible to receive Commodity Credit Corporation (CCC) financing with the passing of the Agricultural Trade Act of 1978. ^{1/} Under this law, the CCC may provide financing to China for commercial sales of agricultural commodities out of private stocks, on terms not to exceed three years.

The relative shares of U.S. imports from and exports to the nonmarket economy countries in 1977 and January-September 1978 are shown in figures 1 and 2. Figure 1 shows that in 1978 the importance of China and Romania as NME sources for U.S. imports has increased, while the share of the U.S.S.R. and Yugoslavia in U.S. imports from NME's has declined. On the U.S. export side, there was a substantial increase this year in the share of sales to China, while exports to Yugoslavia and Romania declined noticeably as a percentage of all U.S. exports to NME's.

^{1/} Public Law 95-501, passed Oct. 21, 1978.

Table 7.--U.S. exports of cereals and cereal preparations to the nonmarket economies and to the world, 1976, 1977, January-September 1977, January-September 1978, July-September 1977, and July-September 1978

(In thousands of U.S. dollars)

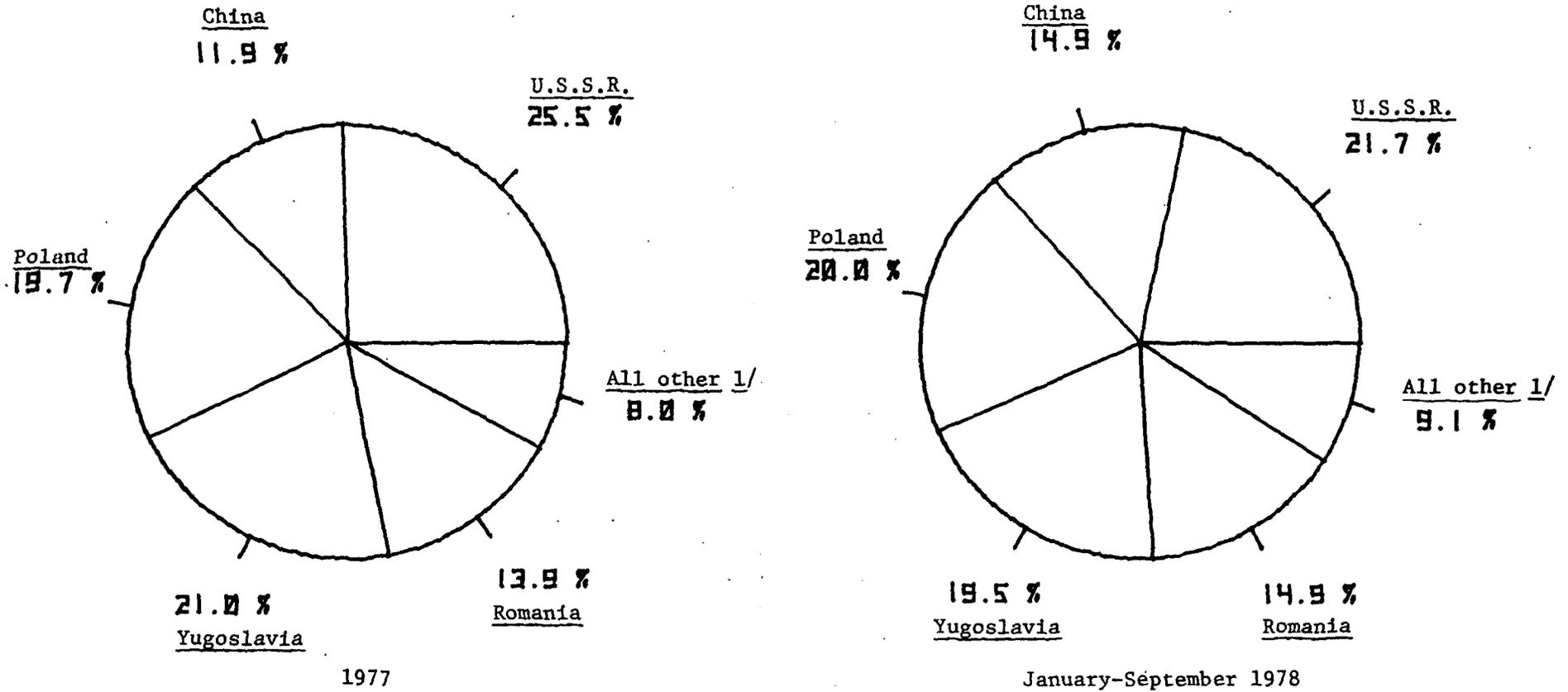
Market			January-September		July-September	
	1976	1977	1977	1978	1977	1978
	Bulgaria-----	28,455	175	85	20,602	-
Czechoslovakia-----	69,630	8,936	8,903	34,222	-	8
German Democratic Republic-----	48,742	20,246	13,800	72,286	2,290	12,215
Hungary-----	411	9,875	5,964	12,342	5,402	62
People's Republic of China-----	-	-	-	117,886	-	87,012
Poland-----	346,737	197,686	139,327	179,467	73,403	63,415
Romania-----	74,039	36,840	14,198	9,892	10,641	2,908
U.S.S.R-----	1,346,938	848,629	618,387	1,290,253	93,804	279,469
Yugoslavia-----	155	129	124	7,492	44	6,915
Total-----	1,915,157	1,122,312	800,788	1,744,442	185,584	456,297
Total U.S. cereal exports to the world--	10,910,926	8,754,798	6,663,839	<u>1/</u>	2,186,838	<u>1/</u>
U.S. exports of cereals to the non-						
market economies as a share of total						
cereal exports-----percent--	17.6	12.8	12.0	-	8.5	-

1/ Not available.

Source: U.S. Department of Commerce publication FT410 and Bureau of East-West Trade.

Note.--Data for 1976-1977 are based on old Schedule B, Division 04. Data for 1978 are based on new Schedule E, Division 04. Data are comparable.

Figure 1.--Relative shares of U.S. imports from the nonmarket economy countries in 1977 and January-September 1978

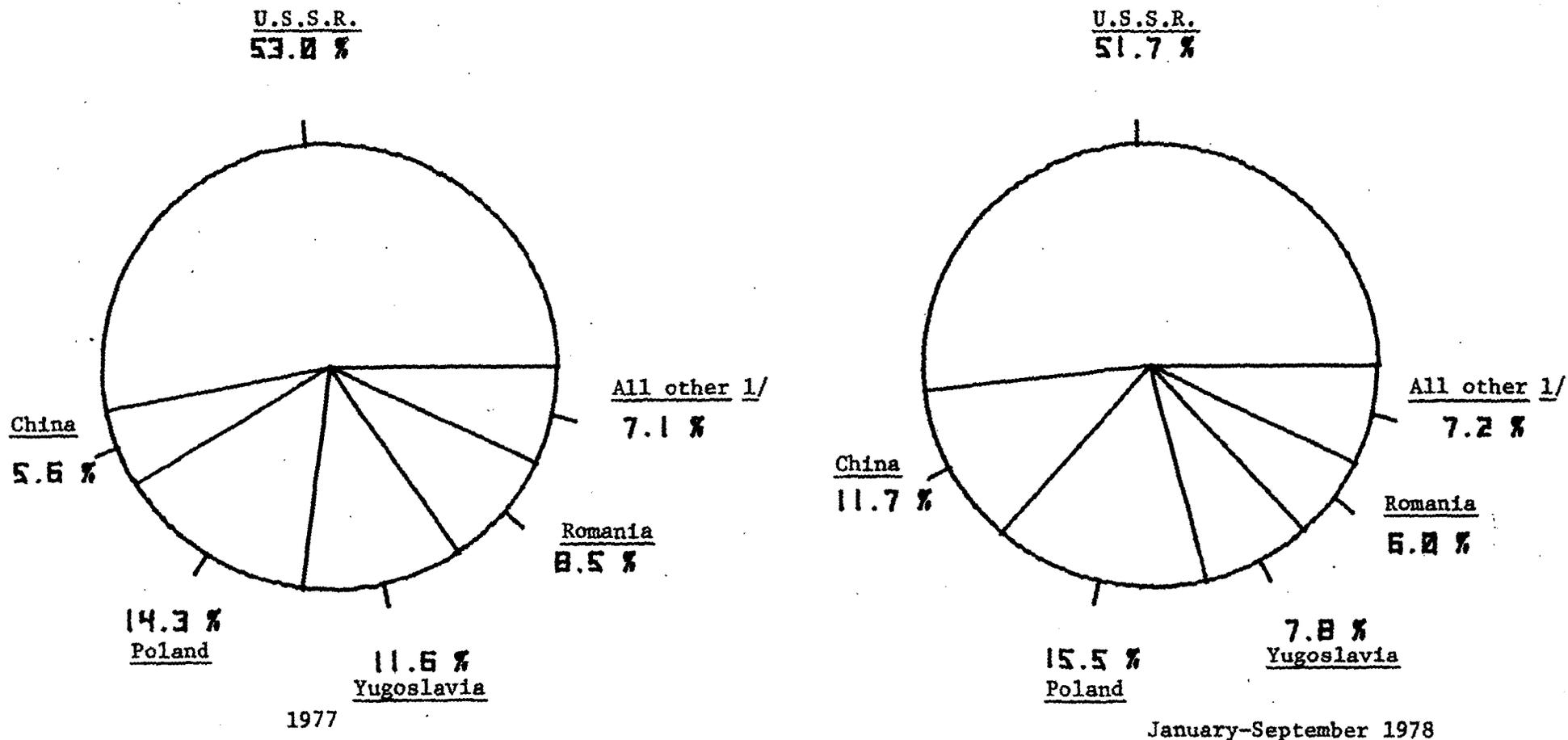


1/ Czechoslovakia, German Democratic Republic, Hungary, Bulgaria, Albania, Cuba, and Mongolia.

Source: Based on data in table 5.

Note.--Because of rounding, percentages may not add to exactly 100.

Figure 2.--Relative shares of U.S. exports to the nonmarket economy countries in 1977 and January-September 1978



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

Source: Based on data in table 6.

Note.--Because of rounding, percentages may not add to exactly 100.

Several developments in the third quarter of 1978 are of interest. Contacts between the United States and China increased as delegations of businessmen and political officials traveled between the two countries. In July a six-member trade group from China began a tour of the United States. The group specialized in metals, minerals, and hardware, and was interested in studying market conditions. In September a 19-member delegation from China began a tour of U.S. coal-producing and transportation facilities. Reportedly, the purpose of the delegation was to study U.S. mining technology and explore possibilities of purchasing some U.S. equipment.

A U.S. congressional delegation visited China in early July to discuss trade. Led by the chairman of the House Subcommittee on Asian and Pacific Affairs, the mission met with the Chinese Vice Premier and Vice Minister of Foreign Trade, among others. The delegation reported that China expected increased trade with the United States and would be interested in acquiring U.S. technology and expertise.

Five U.S. petroleum companies also sent high-level delegations to China during the quarter to discuss offshore oil exploration. In September, U.S. petroleum experts visited Peking to deliver a series of seminars to Chinese technical personnel. Included in the group were representatives of IBM and an aircraft company. China has shown interest in drilling-rig designs and applications, semisubmersible rigs, diamond drill bits, and coring. The use of modern computers in oil exploration and measurements and of helicopters in oil and gas exploration were also discussed. The seminars, designed to increase interaction between U.S. and Chinese petroleum companies, were expected to incline China more favorably toward purchasing the desired items from U.S. firms.

Preliminary negotiations for the sale and launching of a communications satellite that would provide China with a domestic space communications network were initiated during the quarter. In July the President's science adviser and a group of the administration's top-ranking scientists, including the head of the National Aeronautics and Space Administration, visited China to discuss space cooperation, including a civilian satellite network. China is expected to buy, rather than manufacture, the satellites and associated equipment. Related to this was a visit to the United States by Chinese telecommunications experts in October to shop for ground stations and other equipment for the network.

Chinese leaders are reportedly giving serious consideration to permitting some foreign private investment projects in China on a limited basis. Indications are that the first of these projects will be in tourism, a priority target in Chinese economic development because of its immediate potential to earn foreign currency. In September, China authorized a Chinese-American architect and urban planner, living in the United States, to explore the interest U.S. companies may have in this area, including the construction of hotels. Chinese officials have subsequently made contact with several U.S. firms concerning modern hotel technology and methods of planning, designing, and operating hotels. In November it was reported that Pan Am's Inter-Continental Hotel subsidiary received a \$500 million contract for construction of six hotels of 1,000 rooms each. At least four other hotel groups are also making proposals.

Other talks have taken place involving Chinese leaders, the U.S.-based semiofficial National Council for U.S.-China Trade, 1/ and some private U.S. traders concerning the construction in China of plants for labor-intensive industries such as electronic equipment, clothing, and canned foods. The equipment, design, and, in some cases, raw materials, would be supplied by a U.S. company and would be supervised by U.S. personnel living at the factory site in China. China would provide the cheap labor and land, retain full ownership of the factory, and pay the U.S. company for its technology with the resulting products. At the same time, China is exploring offers from other advanced countries that could serve the same development targets.

The signing of the "Sino-Japan Peace and Amity Treaty" by Chinese and Japanese leaders in mid-August is expected to have enormous significance, not only for the two signatories, but also for third countries such as the United States and the U.S.S.R. Many observers agree that the most immediate effect of the pact will be a sharp increase in Japan's economic assistance to China.

On August 3, 1978 the U.S. International Trade Commission determined that the U.S. market for clothespins is being disrupted by imports from China but not from Poland or Romania. The Commission's determination was based on investigations conducted under section 406(a) of the Trade Act of 1974, pursuant to a petition filed by the Clothespin and Veneer Products Association. The Commission recommended an annual quota on clothespins from China as a remedy for the market disruption. On October 2, 1978, the President of the United States rejected this recommendation.

Following its determination concerning market disruption, the U.S. International Trade Commission instituted an investigation of all clothespin imports on its own motion. This second investigation concerning the product, conducted under section 201 of the Trade Act of 1974, was not limited to imports from the NME's, but included U.S. imports from other sources. Imports from some of these sources, principally Taiwan, are significant. In 1976 and 1977 they constituted over 20 percent, and in January-June 1978, 32 percent of all U.S. imports. The new investigation was to determine whether clothespins are being imported into the United States in such increasing quantities as to be a substantial cause of serious injury, or the likelihood thereof, to the U.S. industry. On November 28, 1978, the Commission made an affirmative determination of injury and recommended a quota as a remedy.

Other items of interest during the quarter included President Carter's extension of the U.S. trade embargo against Vietnam. This embargo does permit some exceptions for humanitarian reasons, such as approved shipments of food by relief organizations. By law, 2/ the President is required each year to review restrictions on trade which have been imposed against various countries. He can lift such restrictions when he chooses.

1/ In the absence of diplomatic and formal trade relations between the United States and China, the National Council for U.S.-China Trade acts as an intermediary between the Chinese Liaison office and U.S. firms to promote and facilitate trade. The Council, formed in 1973 at the request of Government of China, is a nonprofit organization but has the full support of the U.S. Government.

2/ P.L. 95-223, amendment to the "Trade with the Enemy Act," passed on Dec. 28, 1977.

On July 7, 1978, the United States and Hungary exchanged Notes in Budapest which bring into force the Agreement on Trade Relations between the two countries. The Agreement reduces the present discriminatory tariffs applied by each country to products of the other to the most-favored-nation level. Subsequently, on August 18, the President of the United States authorized the extension of credits, guarantees, and so forth by the U.S. Export Import Bank to Hungary after determining that such action would be in the national interest of the United States. The President acted in accordance with subsection 2(B)(2) of the Export-Import Bank Act of 1945, as amended. Hungary's eligibility for Eximbank credits was established when Congress approved the U.S.-Hungarian Trade Agreement.

Antidumping proceedings were started, and later discontinued, with respect to lightbulbs from Hungary. On August 7, 1978, the Department of the Treasury announced that it had instituted such proceedings with respect to standard household incandescent light bulbs from Hungary, in accordance with section 201(a)(1) of the Antidumping Act, 1921, as amended. Treasury acted on the complaint of Westinghouse Electric Corp., which charged that the bulbs from Hungary are being sold in the United States at less than fair value. Treasury, doubtful that an industry in the United States is being, or is likely to be injured by the Hungarian imports, referred to the U.S. International Trade Commission the question of whether there was no reasonable indication of injury. An inquiry was conducted by the Commission under section 201(c) of the act. On September 5 the Commission voted 3 to 2 that there was no reasonable indication of injury, or the likelihood of injury. The Commission advised Treasury to terminate antidumping proceedings in this matter.

In July the third economic seminar of researchers from Romania and the United States, including economists, academicians, and foreign trade personnel, took place in Bucharest for the purpose of promoting U.S.-Romanian economic relations. In September the third plenary session of the CSSR-American Economic Council was held in Prague. During the session, leading representatives of trade, industry, and finance in the United States and Czechoslovakia discussed the possibility of further expanding trade and economic relations. At the conclusion of the session the two sides signed a communique, agreeing to a further study of the matter, particularly in the area of cooperation in production.

A large delegation of business economists from Yugoslavia visited the United States in September. The delegation, headed by the President of the Yugoslav Chamber of Economy, included representatives of the leading economic enterprises from all constituent republics and autonomous provinces of Yugoslavia. U.S.-Soviet commercial relations were furthered in late September, when the Chamber of Commerce of the United States and the U.S.S.R. Chamber of Commerce and Industry signed an agreement to strengthen and expand trade and commercial relations. The agreement calls for an exchange of data on economic development, as well as information on changes in national legislation regulating foreign trade. The parties also expressed interest in carrying out exchange programs involving young executives from various regions of the two countries.

ANALYSES OF IMPORTS FROM NONMARKET ECONOMY COUNTRIES THAT HAVE A
GROWING SIGNIFICANCE IN U.S. MARKETS

Feathers and Down from China and East Europe

The United States has been traditionally dependent on several NME countries for its supplies of waterfowl feathers and down. Substantial increases in U.S. imports from NME's have made feathers and down items of current interest in East-West trade. In 1977, feathers were the leading item and down the sixth leading item imported from China. Down was among the leading items imported from Yugoslavia as well. Fifty-seven percent of the total value of imported feathers and down came from NME countries during January-September 1978.

Contour feathers, which form the outline of ducks and geese, and down, which constitutes the bird's undercoating, are used as filling material for products such as pillows, beds, and upholstered furniture. Feathers and especially down are excellent insulators. Soft, light in weight, compressible, and resilient, they are unexcelled as insulating material in comforters, sleeping bags, and certain types of winter clothing. Owing to their special qualities for use in sleeping bags and flying suits, waterfowl feathers and down are on the U.S. List of Strategic and Critical Material for Stockpiling.

For the remainder of this section the term "feathers and down" will refer to those of ducks and geese only. The Tariff Schedules of the United States (TSUS) does not differentiate between feathers of waterfowl and landfowl, but, not counting ostrich feathers, virtually all imports are byproducts of ducks and geese. The feathers of landfowl (chicken, turkey, and others) have similar, although more restricted, uses. They serve, among other uses, as filling material for bedding and furniture of lesser quality. The United States is the world's largest producer of chicken feathers.

Significant changes in tariff treatment may have affected imports of feathers and down. Imported crude (not processed) feathers and down, other than ostrich, enter the United States under TSUS No. 186.15. Under MFN, imports had been levied an ad valorem column 1 duty of 15 percent, while imports from NME's not enjoying MFN status had been levied the column 2 rate of duty of 20 percent. On April 1975, column 1 duties were temporarily removed on imported feathers and down, other than ostrich, from all sources. Column 2 duties were suspended for such imports, provided they did not meet Federal standards of cleanliness. Under this provision, uncleaned feathers enter under TSUS No. 186.1560, and down under TSUS No. 186.1565.^{1/} At the present time all imports from the NME's are uncleaned feathers and down, and are thus duty free. The duty exemption expires on June 30, 1979, when the rates previously discussed are expected to be once more in effect. However, imports from Yugoslavia and probably Romania will continue to be eligible for duty-free entry, as these countries are beneficiaries under the Generalized

^{1/} The purpose of Public Law 93-480, enacted on Oct. 27, 1974, was to correct an anomaly in the tariff schedules in that sleeping bags and outer garments enjoyed only 7 percent protection against imports, whereas a 15-percent duty had to be paid on the principal input--feathers and down.

System of Preferences (GSP), and feathers and down are designated as eligible for duty-free treatment under the GSP provision.

U.S. supply and demand

In the early post-World War II years U.S. consumption of crude waterfowl feathers and down was estimated at 9 million to 11 million pounds. Of this, only one to two million pounds were domestically supplied. Consumption stabilized at a lower level for a period of years, and U.S. dependence on imports declined to the range of three-fifths to four-fifths of consumption. Then, in 1976, the volume of total imports of these items more than doubled. There were several causes for this substantial increase, and the relative importance of each is difficult to determine. The suspension of duties was a factor, but the phenomenal growth in demand in this market in recent years and the slower response of domestic supply to this increase in demand also must be considered. Domestic supply also increased over the years and is expected to approach 4 million pounds in 1978. ^{1/} Yet, greater demand made the United States dependent once more on foreign sources for more than four-fifths of its supplies.

Feathers and down are the most important byproduct of U.S. ducks and geese. In the United States the birds are raised mostly on commercial farms. Two large farms account for the majority of U.S. duck production, the remainder coming from scattered farms, most of which are concentrated on Long Island, N.Y., and in the Midwest. The number of farms has steadily declined over the years as smaller farms discontinued operation. 1978 is considered the third consecutive record year in U.S. duck production, hence also of feathers and down. A trend supported by the promotional efforts of the industry has encouraged an increased interest for the bird in the U.S. diet. The number of employees associated exclusively with feathers and down, a byproduct, is not likely to exceed a few hundred persons.

The U.S. supply of feathers and down depends on the supply of waterfowl, which in turn responds to the U.S. demand for waterfowl meat. The importance of waterfowl in the U.S. diet, while growing, is still quite limited. In the last few years the popularity of cold-weather sport clothing, especially that insulated with feathers and down, increased significantly, stimulating demand for feathers and down. Imports made it possible that this additional demand could be met, but prices doubled and tripled. At the time of its enactment in 1974 the suspension of duties was greatly supported by U.S. importers, who expected substantially increased imports. By contrast, U.S. producers, represented by cooperatives, opposed the measure, expressing concern about its effect on prices. Importers are reported, at the present time, to seek an extension of Public Law 93-480, which is to expire in the mid-1979.

U.S. imports

Virtually all feathers and down are imported in a crude condition, in which they enjoy a favorable differential in shipping costs, compared with

^{1/} 3.75 million pounds of duck feathers and 0.25 million pounds of goose feathers.

processed feathers. Most also arrive in an uncleaned state. This is often preferred, as otherwise part of the cleaning process has to be repeated in order to have feathers and down regain their bulky structure after being shipped in bales. Processing takes place in the United States and consists of cleaning, mechanical separation into pure down and feathers of graduated sizes, and preparing mixtures of different qualities for the intended use.

China and East European countries, where ducks and geese are important in the diet, have traditionally provided the bulk of U.S and world supply. Waterfowl raised in Asia and Europe are slaughtered at a more mature age than in the United States, yielding a plumper feather of generally better quality. 1/ For selections of equivalent quality, users consider the prices of domestic and imported items on the U.S. market roughly comparable. In the early post-World War II years, over three-fifths of all bedding feathers imported by the United States came from China, followed by Hungary, Poland, and Czechoslovakia. Strained relations, or a total absence of diplomatic contact with China and most other Communist suppliers, subsequently reduced the significance of NME's in U.S. purchases. Other sources with a preference for duck and goose in their diets, such as France, West Germany, the Republic of China (Taiwan), and Hong Kong, became relatively important. Annual U.S. imports remained generally below 10 million pounds.

All imports received a significant boost when duties were suspended in April, 1975. The measure was of special interest for NME suppliers not enjoying MFN treatment, such as China, as it provided equal treatment for the items in question if entering the United States before cleaning. Table 8 shows the aggregate value of imports of feathers and down from NME countries and all other sources. It shows the rapid growth of imports in 1976-78, a combined result of increasing volume and prices. While all U.S imports increased, those from the NME's, especially China, increased much more rapidly. In 1974, the last full year before PL 93-480 entered into effect, China's share of all U.S. imports by value was 12.6 percent, in 1977 it was 28.6 percent, and in January-September 1978 it was 37 percent. The share of the East European countries increased from 16.9 percent in 1974 to more than 20 percent in 1977 and in January-September 1978.

Tables 9 and 10 show U.S. imports of feathers and down by quantity and value since 1974 from each NME supplier and from other important suppliers. From 1974 to date, China has been the dominant supplier of feathers, while four other East European countries have provided comparatively smaller quantities. As far as down is concerned, by 1977 China and Yugoslavia joined France as principal U.S. suppliers. Three other East European countries also sold down to the United States. The volume of NME sales of both feathers and down declined in January-September 1978, as compared with sales in the corresponding period of 1977, while their value continued to increase.

Supply and pricing in China

Information on the situation in China is limited. The Government establishes pricing policy and can change this policy quickly. Certain

1/The quality of feathers is determined by established specification standards based on criteria such as pure down content and color (white is preferred over gray). Standard procedures to test pure down also exist.

Table 8.--Feathers and down: 1/ Imports for consumption, U.S. imports, and imports from China and other NME's, 1974-77, January-September 1977, and January-September 1978

Period	: Total U.S. : : imports :	: Imports from-- :		: Share : of total : U.S. imports :	
		: China :	: Other NME's :	: China :	: Other NME's :
	: <u>1,000</u> : : <u>dollars</u> :	: <u>1,000</u> : : <u>dollars</u> :	: <u>1,000</u> : : <u>dollars</u> :	: <u>Percent</u> :	: <u>Percent</u> :
1974-----	: 15,531 :	: 1,929 :	: 2,598 :	: 12.6 :	: 16.9 :
1975-----	: 15,537 :	: 3,255 :	: 3,234 :	: 20.9 :	: 20.8 :
1976-----	: 36,222 :	: 14,265 :	: 5,336 :	: 39.4 :	: 14.7 :
1977-----	: 66,389 :	: 18,978 :	: 13,578 :	: 28.6 :	: 20.4 :
January-September--	: :	: :	: :	: :	: :
1977-----	: 55,776 :	: 16,463 :	: 10,900 :	: 29.5 :	: 19.5 :
1978-----	: 64,321 :	: 24,051 :	: 12,922 :	: 37.4 :	: 20.1 :

1/ Excluding ostrich feathers.

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

Table 9--Feathers 1/: U.S. imports, by principal sources, 1974-77,
January-September 1977, and January-September 1978

Source	1974	1975	1976	1977	January-September--	
					1977	1978
Quantity (pounds)						
Peoples Republic of China---	784,403	2,108,580	8,189,548	5,314,867	4,967,176	2,541,394
Yugoslavia-----	143,308	0	477,853	362,128	239,943	246,975
Poland-----	303,740	377,757	859,104	579,271	426,934	487,842
Romania-----	200,249	323,987	151,435	321,245	246,674	557,425
Hungary-----	0	0	0	17,622	17,622	1,646
Czechoslovakia-----	0	0	0	22,379	22,379	0
Total NME's-----	<u>1,434,700</u>	<u>2,810,324</u>	<u>9,677,940</u>	<u>6,617,512</u>	<u>5,920,728</u>	<u>3,835,282</u>
Federal Republic of						
Germany-----	368,624	349,512	649,232	1,653,189	1,587,618	999,627
France-----	873,154	885,534	1,206,333	637,949	576,989	557,087
Republic of China-----	1,100,244	773,662	1,134,223	629,007	526,588	551,142
United Kingdom-----	124,584	0	337,544	436,950	383,150	207,468
Canada-----	70,574	0	500,608	702,135	414,397	737,626
All other-----	1,053,140	654,644	739,195	523,746	479,404	181,970
Total, all countries-----	<u>5,025,020</u>	<u>5,473,676</u>	<u>14,245,075</u>	<u>11,200,488</u>	<u>9,888,874</u>	<u>7,070,202</u>
Value (1,000 dollars)						
People's Republic of China---	1,203	2,322	11,205	12,498	11,185	14,725
Yugoslavia-----	258	-	1,763	2,074	1,266	1,993
Poland-----	221	256	895	1,006	694	1,013
Romania-----	246	474	183	704	506	1,859
Hungary-----	-	-	-	78	78	10
Czechoslovakia-----	-	-	-	39	39	-
Total NME's-----	<u>1,928</u>	<u>3,052</u>	<u>14,046</u>	<u>16,399</u>	<u>13,768</u>	<u>19,600</u>
Federal Republic of						
Germany-----	393	223	656	3,956	3,718	4,072
France-----	1,102	1,526	2,638	2,334	2,114	2,754
Republic of China-----	1,037	453	1,171	1,977	1,724	1,425
United Kingdom-----	121	-	477	1,054	856	881
Canada-----	98	-	422	1,040	230	556
All other-----	977	970	1,386	2,261	2,064	1,409
Total, all countries-----	<u>5,656</u>	<u>6,224</u>	<u>20,796</u>	<u>29,021</u>	<u>24,474</u>	<u>30,697</u>

1/ Excluding ostrich.

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

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

Table 10.--Down: U.S. imports, by principal sources, 1974-77,
January-September 1977, and January-September 1978

Source	1974	1975	1976	1977	January-September--	
					1977	1978
Quantity (pounds)						
Yugoslavia-----	290,362	357,024	373,310	1,097,470	960,197	579,495
People's Republic of China--	232,803	262,892	746,511	1,353,398	1,057,164	894,962
Czechoslovakia-----	0	0	0	72,600	72,600	9,393
Romania-----	57,320	101,798	117,692	81,381	78,868	68,986
Poland-----	31,580	71,388	70,367	78,017	66,884	52,912
Hungary-----	0	0	29,372	0	0	0
Total NME's-----	612,065	793,102	1,337,252	2,682,866	2,235,713	1,605,748
France-----	1,011,943	611,271	973,258	1,215,006	1,024,532	739,797
Republic of China-----	632,506	720,623	1,145,653	863,930	784,480	291,114
Federal Republic of						
Germany-----	22,133	107,845	493,570	633,103	536,397	342,183
Hong Kong-----	0	23,675	33,518	226,115	175,092	141,793
All other-----	262,482	218,160	324,168	247,472	224,239	184,919
Total, all countries-----	2,541,129	2,474,676	4,307,419	5,868,492	4,980,453	3,305,554
Value (1,000 dollars)						
Yugoslavia-----	1,499	1,894	1,972	8,289	6,999	7,163
People's Republic of China--	746	933	3,060	6,480	5,278	9,326
Czechoslovakia-----	-	-	-	790	790	218
Romania-----	88	331	187	328	308	282
Poland-----	266	279	193	270	220	384
Hungary-----	-	-	143	-	-	-
Total NME's-----	2,599	3,437	5,555	16,157	13,595	17,373
France-----	4,815	2,850	4,564	7,679	6,572	7,251
Republic of China-----	1,272	1,809	2,862	5,566	4,829	2,591
Federal Republic of						
Germany-----	102	288	1,452	3,770	2,989	2,074
Hong Kong-----	-	94	194	2,105	1,582	1,279
All other-----	847	795	799	2,091	1,735	3,056
Total, all countries-----	9,635	9,313	15,426	37,368	31,302	33,624

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

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

unexpected U.S. price changes have been attributed to changes in the prices of Chinese feathers and down. Importers also point out that China gives preferential treatment in setting prices to customers from countries with which formal diplomatic and trade relations exist. The same priority treatment is reportedly being applied by Chinese authorities in filling orders when supply is scarce.

There is no information available on the current or projected supply of feathers and down in China or in the other NME's. Importers expect that, at least in China, the quantity collectible from farms will continue to exceed the needs of the domestic industry. U.S. imports are, therefore, expected to be available from that source in the short run. However, China will very likely strive to incorporate a growing share of its feathers and down into finished products. In the long run, Chinese authorities would prefer to capture the additional value added associated with clothing and bedding manufactures rather than sell crude feathers and down to the United States. Accordingly, it is reasonable to expect more limited supply and/or higher prices for natural fill in the future.

Probable effect of imports from NME's on U.S. interests

Some U.S. duck and goose farmers are concerned that importers may be successful in extending PL 93-480 beyond mid-1979. They argue that prices on the U.S. market are in large measure determined by the price of Chinese imports and attribute the unpredictability of U.S. prices to the Chinese Government. Indeed, available information indicates a volatility of prices on the U.S. market, which affects U.S. producers of feathers and down, as well as users who find their final costs and value of inventories affected. Prices of processed down paid by the manufacturer of the finished products soared in most of the period before declining rather steeply. They increased from \$8.50 per pound in 1972 to a range of \$15 to \$30 in 1977, and then fell below \$20 in the second half of 1978. Trade journals attribute this recent decrease in prices to the impact of sudden price cuts by Chinese suppliers. A temporary oversupply was also mentioned by trade journals as a possible cause. However, data also show that price increases of feathers and down in 1972-78 exceeded price increases of most other items in the U.S. economy.

It is important to consider that U.S. goose and duck production depends primarily on the market for the meat of the birds, and to a much smaller extent on demand for their feathers and down. Therefore, the possible adverse effect of Chinese price leadership on U.S. business and employment relating to feathers and down alone does not appear to be significant.

Unlike the producers of U.S. waterfowl, the users of natural fill in the United States have a stake in continued duty-free imports. As importers like to point out, a reinstatement of the duty of 20 percent ad valorem from China may have the effect of reducing U.S. production of certain jackets and other items which have become recently so popular and may eliminate related U.S. jobs. It is possible, however, that manufacturers would choose to substitute synthetics for the natural fill and to continue production of the items in question.

Ammonia From the U.S.S.R. in Countertrade

In January 1978 the first of a series of large shipments of anhydrous ammonia entered the United States from the Soviet Union, reaching a market which has experienced domestic plant closures and significantly declining prices over the past 3 years. The current imports from the Soviet Union are the first products of a 20-year agreement which Occidental Petroleum Corp. and Soviet officials signed in April 1973. At that time the price of ammonia was rising sharply, and shortages were predicted to continue possibly even to the end of the century. Many U.S. firms began construction of new plants or entered into long-term contracts to assure an adequate supply.

Occidental's agreement with the Soviet Union comes under the general heading of countertrade; it involves U.S. exports and services in compensation for the ammonia imports. This circumstance makes these imports a matter of great interest in the context of U.S. trade with NME's, especially since the United States and other Western countries have gained some general experience with countertrade in the years following Occidental's commitment.

Countertrade

Countertrade has been defined as a transaction "... in which a seller (a Western exporter) provides a buyer (an Eastern importer) with deliveries (e.g., technology, know-how, finished products, machinery, and equipment) and contractually agrees to purchase goods from the buyer equal to an agreed-upon percentage of the original sales contract value." ^{1/} NME countries are increasingly pressing for such arrangements, as countertrade alleviates their shortage of convertible currency for the purchase of Western goods and services, many of which represent advanced technology to boost their own level of economic development. At the same time, countertrade facilitates penetration of Western markets by NME exports.

The value of goods NME's can sell in countertrade does not necessarily cover the value of the Western exports and services they wish to buy. Transactions frequently involve the use of Western credit. One type of countertrade transaction, a compensation arrangement, is generally long range, represents very large values, and is based on significant Western financing. It may involve a considerable time-lag between the supply of Western technology and the counterdelivery of the resulting product. ^{2/} Another type of countertrade transaction is the classic barter transaction, which is defined as the direct exchange of goods having offsetting values without any flow of money taking place. Occidental's agreement with the Soviet Union includes elements of both compensation agreement and barter.

There is increasing concern about the potential impact of countertrade agreements. With the sluggish performance of many Western economies in recent years, exporters have eagerly turned to new markets such as the NME's. This enabled the NME's to obtain countertrade arrangements easily from

^{1/} U.S. Department of Commerce, East-West Countertrade Practices, Aug. 1978, p. 3.

^{2/} Ibidem for additional definitions, and explanation of arrangements.

industrialized countries that were competing with each other to penetrate NME markets. The result has been a substantial increase in imports of NME products in counterdelivery into Western countries. As the long-term contractual nature of countertrade arrangements does not accommodate restricting imports of unwanted goods, no immediate relief from these problems is apparent.

Supply and demand

Ammonia (NH_3) is produced by passing nitrogen and hydrogen over a catalyst at high temperature and pressure. Approximately 75 percent of the ammonia produced or imported into the United States is used in producing fertilizers, with some used in producing explosives such as TNT or nitroglycerin. Three elements necessary for crop cultivation are nitrogen, phosphorus, and potassium. Nitrogen is provided by ammonia or other nitrogenous fertilizers made from ammonia which are both domestically produced and imported. Phosphorus, the U.S. export item involved in the countertrade arrangement, comes from phosphate rock of which the United States is the world's largest producer and second largest exporter. Potassium comes from potash, of which imports from Canada constitute 70 percent of the U.S. supply.

Nitrogen fertilizer consumption began to increase rapidly throughout the world in the 1960's as favorable agricultural returns on increased fertilizer use became evident. Table 11 presents available production data for the Organization for Economic Cooperation and Development (OECD) countries collectively, and separately for the United States, NME's collectively, and for the Soviet Union. Data show that the average annual growth of production in the NME's has been substantially higher than in the developed countries in the West. If these growth rates continue, it is expected that Soviet production will exceed U.S. production sometime in the 1980's. By 1982 it is possible that more than one-half of the world's ammonia capacity will be operated by state-owned or state-controlled enterprises compared with about one-third in 1967.

In the United States the ammonia industry also expanded rapidly in the early 1960's. However, oversupply developed by the mid-sixties and prices were generally below \$100 a ton. Production continued to increase thereafter, but capacity additions were curtailed and utilization rates fell. By the early 1970's, demand for both agricultural and industrial ammonia was once more using nearly all of the available supply, and prices began to increase sharply, peaking in 1974 at about \$400 a ton.

The increases in fuel costs at that time led many observers to predict even higher prices and shorter supplies in the future. Rising prices also led producers to expand their capacities and consumers to seek cheaper ammonia from abroad. The effects of this latter expansion began to be felt in 1976 as capacity utilization and prices started falling. Even though production continued to rise, capacity utilization in the U.S. industry fell from 88 percent in 1975-76 to 78 percent in 1977-78; as many new plants came onstream. Moreover, the price of ammonia has fallen precipitously, reaching \$85 per ton by September 1978 in some areas of the United States. At such low prices some domestic producers have been unable to cover their variable costs.

Table 11.--Ammonia: Production of selected countries and country groups, 1960, 1965, 1970, and 1975

Period	All OECD	United States	All NME's	U.S.S.R.
Thousands of short tons of nitrogen				
1960-----	9,940	4,817	2,428	1,254
1965-----	16,750	8,867	5,768	3,457
1970-----	24,685	13,820	12,083	6,923
1975-----	28,211	16,419	18,629	11,075
1976-----	<u>1/</u>	16,716	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	17,419	<u>1/</u>	<u>1/</u>
Average annual growth rate (percent)				
1960-75-----	7.2	8.2	14.6	15.6
1965-75-----	5.4	5.9	12.4	12.3
1970-75-----	2.7	2.7	9.0	9.9
1975-77-----	<u>1/</u>	3.0	<u>1/</u>	<u>1/</u>

1/ Not available.

Source: Compiled from official statistics of the U.S. Central Intelligence Agency, Handbook of Economic Statistics, 1976.

and have closed their plants. The closure of 17 U.S. plants, of which probably three or four were major plants, was reported by June 1978. The annual productive capacity of these plants is rated at about 2.75 million tons of anhydrous ammonia. The number of jobs lost as a result of closures is not known, but because ammonia production is capital-intensive only a limited number of workers were believed to be affected. 1/

U.S. ammonia production increased slightly from 16.4 million tons in 1975 to 16.7 and 17.4 million tons in 1976 and 1977, respectively. This was an average annual growth rate of 3 percent from 1975 to 1977. The U.S. share of world ammonia production is currently about 20 percent, compared with 26 percent in 1967. Although U.S. ammonia capacity grew by about 70 percent during 1967-78, the U.S. world share shrank as world capacities increased by more than 200 percent. By 1983 it is estimated that the U.S. share of world capacity will fall to only 15 percent. 2/

U.S. imports

Anhydrous ammonia enters the United States free of duty under both column 1 and column 2 of the TSUS (TSUS item 480.6540), as do all items classified as fertilizers and fertilizer materials. Total U.S. imports of anhydrous ammonia increased at an average annual rate of 15.6 percent between 1975-77 (table 12). U.S. production increased by only 3 percent annually during this time, and the ratio of imports to domestic production has been increasing. U.S. imports of ammonia were 4.9 percent of domestic production in 1975, 4.4 percent in 1976, and 6.2 percent in 1977. As imports in January-September 1978 were 25.9 percent higher than imports in the corresponding period of 1977, it is expected that the import/production ratio will continue to increase.

U.S. imports of anhydrous ammonia from principal sources are shown in table 12. Owing to falling prices, the increase in imports is most apparent on a quantity basis. From 1975 to 1977, increases representing meaningful quantities were most significant from Canada; in January-September 1978, imports increased principally from Mexico and Trinidad, and the U.S.S.R. became an important supplier, accounting for 21 percent of all U.S. imports in this period. Increases of imports from these latter three countries are expected to continue.

Costs and prices

The single most important item in the cost of producing ammonia is feedstock. The preferred feedstock is natural gas, which is used by about 68 percent of the world's nitrogen producers. Older U.S. producers, which have long-term contracts with natural gas suppliers at low prices, have a substantial cost advantage over firms which began production in the past few years and had to purchase natural gas at higher prices. For this latter

1/ A group of 30 workers from one affected company applied for adjustment assistance to the Labor Department. Their request was denied in October 1978.

2/ Data involving world production and capacity are taken from "Fertilizer industry faces many challenges," Chemical Engineering News, Aug. 21, 1978.

Table 12.--Anhydrous ammonia: U.S. imports by sources, 1975-77, January-September 1977, and January-September 1978

Source	1975	1976	1977	January-September--	
				1977	1978
Quantity (1,000 short tons)					
U.S.S.R-----	0	18	0	0	225
Canada-----	117	254	632	457	351
Trinidad-----	148	192	171	119	197
Mexico-----	7	21	57	44	210
N. Antilles-----	107	78	34	34	38
Other-----	428	167	184	176	25
Total-----	807	730	1,078	831	1,046
Value (\$1,000)					
U.S.S.R-----	-	945	-	-	19,950
Canada-----	20,444	30,577	67,655	49,701	35,584
Trinidad-----	9,359	13,301	11,917	8,301	16,241
Mexico-----	1,536	787	3,551	2,788	15,209
N. Antilles-----	12,417	9,465	3,339	3,339	4,310
Other-----	80,176	15,761	16,759	16,014	2,194
Total-----	123,932	70,836	103,221	80,143	93,488
Unit value (per ton)					
U.S.S.R-----	-	52.50	-	-	88.67
Canada-----	175.74	120.38	107.05	108.76	101.38
Trinidad-----	63.24	69.28	69.69	69.76	82.44
Mexico-----	219.43	37.48	62.30	63.36	72.42
N. Antilles-----	116.05	121.35	98.21	98.21	113.42
Other-----	187.33	94.38	91.08	90.99	87.76
Total-----	153.57	97.04	95.75	96.44	89.38

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

group the price of a thousand cubic feet is estimated to average about \$2.20. As it takes about 37,500 cubic feet of natural gas to produce a ton of ammonia, feedstock costs alone can average more than \$80 per ton of ammonia for these producers. With current ammonia prices often as low as \$85 per ton, producers with high feedstock costs stand to operate at a substantial loss. It is estimated that ammonia prices would have to increase to \$120 per ton to cover all costs and to trigger the reopening of idle plants.

Plants using naphtha and/or fuel oil instead of natural gas were built mostly in the 1960's when naphtha sold for \$28-\$37 per ton. Since it takes about 0.8 tons of naphtha to produce a ton of ammonia, feedstock costs at that time were about \$30 per ton. For producers using naphtha, the current price of the feedstock alone is \$100 per ton. With labor, other cash costs, and depreciation allowances, their total cost is estimated at \$140 per ton.

Some U.S. capacity of ammonia production is based on coal, coke-oven gas, refinery off-gas, electrolytic hydrogen, and other sources. These plants are generally located in areas where the feedstocks used are more economical than naphtha or natural gas and have been generally sheltered from the cost problems encountered by other U.S. producers.

Average unit values of imported ammonia from specific foreign sources, as shown in table 12, cannot be directly compared in lieu of actual prices, as some foreign producers include services in their price, while others do not. Nevertheless, the unit values clearly indicate that prices have declined since 1975. Calculating them for September 1978 alone reveals a further decline in the price of ammonia imports from Canada, Mexico, and other suppliers. Soviet ammonia entered at an average unit value of \$88.67 per ton in January-September, slightly less than the unit value of all imports. Preliminary data for October and November show a further decline in the average unit value of imported Soviet ammonia to \$80.19. In general, these data indicate that the U.S. market price of imported ammonia is likely to be significantly below the break-even price of some U.S. producers.

U.S. imports from the U.S.S.R. in countertrade

Ammonia shipments from the Soviet Union in 1978 are the first of a series which will enter the United States over the next 20 years as part of a multi-billion dollar countertrade contract signed by Soviet officials and the Occidental Petroleum Corp. in April 1973. The agreement provides that Occidental petroleum will purchase from the Soviet Union 33.3 million metric tons of ammonia and 18.5 million metric tons of urea, ^{1/} most of which will be marketed in the United States. The Soviet Union's natural resources favor ammonia production, as they include abundant reserves of natural gas. In return for ammonia exports, the Soviet Union agreed to make comparable purchases of U.S. goods including 18.5 million tons of superphosphoric acid. This will be used in the Soviet Union in the production of fertilizers in order to increase grain yields and thereby lessen their dependence on Western grain. U.S. shipments of superphosphoric acid are scheduled to begin sometime in 1979. On November 14, 1978, the Soviet news agency TASS reported that

^{1/} Urea is used with acid phosphates in fertilizers. It contains about 45 percent nitrogen.

Occidental Petroleum Corp. and a Soviet Foreign Trade Organization agreed on deliveries in 1979; the United States will deliver 480,000 tons of superphosphoric acid and the Soviet Union will supply 600,000 tons of ammonia.

The 1973 agreement also involved the construction of several ammonia plants in the Togliatti area of the Soviet Union. Occidental agreed to purchase a portion of the Soviet ammonia for hard currency. The Soviet Union expects to use this money to help pay off construction costs of the ammonia plants. Occidental is not involved directly in the actual construction of the plants; contracts for these were awarded to other U.S. and Japanese firms. A contract for four plants was awarded to Chemico, a U.S. firm, in July 1974. It called for the construction of four plants, each with a 450,000 ton capacity, scheduled for completion by the end of 1978. Chemico agreed to act as the main contractor, supply technology, and supervise construction and start-up operations. Soviet establishments are performing the actual construction of the plants. Chemico's ties with the Soviet Union date back to 1929 when the company built the first U.S. synthetic ammonia plant in that country.

Occidental's commitment also calls for the construction of a 1,600 mile ammonia pipeline connecting the ammonia complex at Togliatti with Odessa on the Black Sea. The parties involved in this project are Occidental Petroleum acting as the main contractor, two other U.S. firms in consulting capacity, and France's Societe Entrepose, a subsidiary of Vallourec SA. The U.S. firms agreed to oversee the engineering and construction work, with Entrepose supplying most of the equipment, including 180,000 tons of pipe. The agreement provides that equipment from French sources should be financed with French credit. The 10-inch diameter pipeline, with a projected annual capacity of 2.5 million tons, was originally scheduled to be completed by the end of 1978. However, Occidental officials report that the pipeline construction is well behind schedule. Until the completion of the pipeline, ammonia will be delivered to the port in tank cars.

The financing of the original contract involved an Eximbank credit of \$180 million at a 6-percent annual interest rate in May 1974. It was matched by a \$180 million commercial bank credit provided by a nine-bank consortium headed by the Bank of America. The U.S. credits are repayable in 24 semiannual installments starting on May 20, 1979, with Eximbank's credit to be repaid out of the last 12 installments. The average annual interest rate on the combined credits is expected to be 7.8 percent. These credits represent the largest single loan which Eximbank has made to the Soviet Union in its 40-year history and one of the last Eximbank loans which the Soviet Union received. Section 402 of the Trade Act of 1974 prohibits those countries not enjoying most-favored-nation treatment from participating in any program of the United States Government which extends credits, credit guarantees, or investment guarantees, directly or indirectly.

The Soviet Union also has countertrade agreements with a number of other countries. Earlier this year major Soviet deliveries of ammonia and other chemicals to Italy began in compensation for plants Italy supplies. The Soviet Union will also provide the French fertilizer industry with 150,000 to 200,000 tons per year for 10 years in exchange for the construction of ammonia-producing facilities by Creusot Loire at Gorlovka and the Black Sea port at Odessa. The Soviet Union has agreements involving ammonia exports with other nations including Japan, Finland, and East Germany.

Watch Movements From the U.S.S.R.
to U.S. Insular Possessions 1/

The share of Soviet-made conventional watch movements that enter the U.S. insular possessions for assembly under a specific tariff provision has increased substantially in recent years. The provision underlying their entry was intended to maximize the economic contribution of the U.S. insular possessions and to generate employment. Yet, those parts from the Soviet Union are actually subassemblies requiring a minimum amount of labor to be added in the insular establishments prior to their duty-free entry into the U.S. customs territory. The use of Soviet-made subassemblies and their effect on jobs is, therefore, currently a matter of concern for some, especially in the Virgin Islands. Neither is the matter of purely regional interest; it may concern the U.S. watch industry as a whole. As Soviet-made components are substantially lower priced than those from other sources, the finished watch movements incorporating them and entering the U.S. mainland duty free are highly price-competitive. Their price advantage, in turn, translates into low prices of finished watches, with a potential impact on the entire U.S. watch industry.

Parts of conventional watch movements include plates, gears, screws, pinions, jewels, and many other small items which are included in the movement of a conventional (or mechanical) watch. 2/ A typical conventional watch, depending upon what special features are included, contains 100 to 135 small parts. Their assembly is labor-intensive, since most of the assembly operations are not adaptable to automation. By contrast, nonconventional watches have fewer parts which are relatively capital-intensive.

Background and structure of the insular industry

The watch movement assembly industry in the United States insular possessions developed in the last two decades under a Federal incentive program to attract outside firms and stimulate the growth of light industry. At the present time 16 firms in the U.S. Virgin Islands and 2 in Guam assemble conventional watch movements from foreign parts and ship the movements to the United States mainland free of duty. A watch movement assembly firm existed in American Samoa until the fall of 1977 when it ceased operations. Some of the firms that assemble watch movements in the insular possessions are subsidiaries or affiliates of larger watch producers in the United States, some are owned or affiliated with West European manufacturers, and the remainder are independently owned.

General headnote 3(a) of the TSUS provides for duty-free entry into the customs territory of the United States of watches and watch movements assembled in the insular possessions from foreign-made parts if they contain foreign materials of not more than 70 percent of their total value, the

1/The U.S. insular possessions are: the U.S. Virgin Islands, Guam and American Samoa.

2/Conventional watches or movements can be defined as using a balance wheel and hairspring as a time base. Nonconventional watches that include the solid-state electronic type utilize a quartz-crystal oscillator as a time base.

remainder being the economic contribution of the territories. However, the duty-free treatment for watches and movements assembled in the insular possessions is limited to a quota not to exceed a number equal to one-ninth of the apparent U.S. consumption of watch movements during the preceding calendar year as determined by the U.S. International Trade Commission. 1/

Prior to mid-summer 1975 the requirement was that foreign materials could not constitute more than 50 percent of the entry value. The ratio was changed by Public Law 94-98, effective August 1, 1975, in an effort to help the watch movement assembly industry in the possessions. Insular establishments were being adversely affected by the increasing cost of watch parts from Europe (the principal source of such parts) as a result of inflationary pressures in Europe and the depreciation of the dollar. In order to meet the 50-percent requirement, affected assembly establishments had to sell the finished movements for twice the cost of the parts, thereby pricing them out of their normal competitive price range in the U.S. market. The reduction of the required 50-percent insular value-to-be-added to 30 percent helped to compensate for increasing prices of parts from abroad and permitted the insular assembly industry to retain a measure of health in 1975-77.

The bulk of the movements assembled in the possessions are for conventional watches and compete with inexpensive and medium price-range domestic and foreign conventional watches. They are also vulnerable to the competition of inexpensive nonconventional watches from both domestic and foreign sources, presently widely sold in the United States. Employment associated with insular watch establishments reflects the various stresses these operations had to undergo. In the Virgin Islands related employment declined from about 1200 persons in 1974 to about 850 in 1975. 2/ The liberalization of the insular value-added requirement allowed employment to increase once more to more than 1,000 heads in 1976. However, a renewed decline to slightly more than 900 employees in 1977 indicates the problems the industry is currently facing.

Use of Soviet-made parts in insular assembly operations.

Although the bulk of the parts used in watch movement assembly operations in the insular possessions have been supplied principally by countries in Western Europe, some Soviet-made parts have been used since the early 1960's. Table 13 gives the value of watch movements imported into the Virgin Islands from the U.S.S.R. and other sources for 1962, 1967, 1973-77, and January-September 1978. 3/ Imports increased sharply in 1976 and 1977, when they accounted for 12 percent of the total.

Entering under the special provision for insular possessions eliminates the disadvantage these imports from the Soviet Union would have faced on

1/At no time in the past 5 years have the insular possessions taken full advantage of the quota.

2/The watch assembly industry of Guam employed about 35 persons in 1977.

3/ Data are not readily available on the origin or value of watch parts used in the assembly operations in the other insular possessions. However, the facilities of Guam are known to use some Soviet-made parts.

Table 13.--Watch movements parts: Imports to the Virgin Islands from the U.S.S.R. and other sources, 1962, 1967, 1973-77, January-September 1977, and January-September 1978

Period	Shipments from--		Total	U.S.S.R. share of total
	U.S.S.R.	Other sources		
	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>Percent</u>
1962-----	98	1,833	1,931	5
1967-----	726	9,756	10,482	7
1973-----	318	17,013	17,331	2
1974-----	210	15,418	15,628	1
1975-----	410	12,304	12,714	3
1976-----	1,670	14,735	16,405	10
1977-----	2,401	18,183	20,584	12
January-September--				
1977-----	1,862	14,498	16,360	11
1978-----	1,417	18,105	19,522	7

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

entering the U.S. customs territory directly, where they would have been levied column-2-rate duties. However, as noted, the Soviet-made parts are generally subassemblies. A typical Soviet-made movement, which has 47 discrete components, including screws, would arrive subassembled in only 4 parts and components. It is estimated that only one-ninth of the total assembly work on them is performed in the insular possessions. By contrast, movements from European sources arrive in the insular territories completely or largely disassembled.

According to the U.S. Department of Commerce, as informed by the American Watch Association, the cost of European parts for 17-jewel watch movements exceeded the cost of the Soviet parts by 26 percent in October 1977. More recent data from March 1978 indicate that Soviet-made parts for one representative movement cost \$3.32, compared with a range of \$3.80 to \$6.47 for similar parts from other sources. ^{1/} Such cost differentials may have widened significantly since then as a result of the dollar's depreciation. The lower price of the Soviet-made parts, compared with the European ones, translates subsequently into an even bigger differential in the price of the finished movements entering the United States. This derives from the fact that movements made from European or Soviet-made parts have to sell for at least 30 percent more to fulfill the 30-percent value-added requirement of duty-free entry.

Probable effect of Soviet-made parts on the U.S. insular and mainland industry

The effect of using Soviet instead of other parts on insular employment is not quantifiable, as it cannot be separated from other factors also having an impact on assembly operations. As earlier stated, the growing availability of low-price, mostly nonconventional watches in the U.S. market is believed to hurt the insular establishments. Nonetheless, the loss of about 100 jobs in 1977 in Virgin Island establishments could have been, in part, caused by the Soviet subassemblies in question. As Soviet parts are significantly lower priced than those from other foreign sources, insular establishments might substitute them for the more expensive European parts in the future. This may happen especially if the high cost of the European parts is exacerbated by a further decline of the dollar. Interested parties believe that penetration of Soviet subassemblies then could seriously undermine the industry's potential to generate wages in the possessions, owing to the minimal insular labor input required in the use of Soviet subassemblies.

Moreover, as mentioned before, Soviet-made parts are not an exclusively insular concern. Watches assembled from Soviet-made components retail in the \$13-\$14 price range on the U.S. market, competing with low-priced conventional and nonconventional U.S.-made watches. By comparison, the bulk of watches assembled in the insular possessions from other foreign components retail for about \$25. As about all watch movements assembled in the insular areas amount to only 7 percent of apparent U.S. consumption, the watches incorporating Soviet parts still represent less than 1 percent of the entire U.S. market. Yet, the industry has expressed some concern about the potential impact on the entire U.S. industry.

^{1/} 6-3/4 x 8 ligne movement.

The U.S. Government has recently given consideration to amending the provision concerning the duty-free entry of watch movements assembled in the insular territories. A new provision presently under study could lead to new criteria of eligibility to assure that more assembly operations would be performed in the insular territories.

APPENDIX

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

Table A-1.--Leading items imported from the U.S.S.R., by TSUSA items, January-September 1978, July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
605.2020	Gold bullion, refined-----	188,253,357	40,670,564	51,513,036
475.0535	Fuel oils, under 25 degrees A.P.I. Saybolt Universal viscosity at 100 F of : more than 125 seconds (heavy fuel oils)-----	24,031,549	11,891,123	8,920,241
480.6540	Anhydrous ammonia-----	19,949,602	8,904,792	-
618.1000	Aluminum waste and scrap-----	18,820,433	6,637,051	6,026,294
605.0260	Palladium-----	18,566,742	5,885,048	6,526,554
620.0300	Unwrought nickel-----	12,418,867	1,250,632	493,783
124.1045	Sable furskins, whole, raw-----	7,256,435	3,689,091	3,615,476
520.3200	Diamonds, not over 1/2 carat, cut, not set-----	7,028,757	1,442,111	1,397,675
601.1520	Chrome ore, not over 40-percent chromic oxide-----	4,702,827	3,577,205	473,066
653.2200	Metal coins, n.e.s-----	4,229,747	1,762,199	<u>1/</u> 149,698
605.0270	Rhodium-----	3,957,931	235,883	771,485
245.1000	Hardboard, valued \$48.33-1/3 to \$96.66 2/3 per short ton-----	3,128,026	943,481	549,155
629.1580	Titanium waste and scrap-----	2,915,185	213,020	2/
168.5200	Spirits, n.s.p.f., for beverages-----	2,868,487	1,046,904	521,138
605.0290	Platinum group metals and combinations, n.e.s.-----	2,500,012	989,491	4,040,398
423.0030	Rare-earth oxides-----	2,430,031	942,002	2/
520.3300	Diamonds, over 1/2 carat, cut, not set-----	2,252,573	60,178	1,022,054
493.1500	Casein-----	1,765,821	862,373	268,121
629.1520	Unwrought titanium sponge-----	1,721,719	227,283	2/
629.1560	Unwrought titanium n.s.p.f.-----	1,584,454	395,374	<u>2/</u>
	Total imports itemized above-----	330,382,555	91,625,805	<u>3/</u>
	Total U.S. imports from the U.S.S.R.-----	353,780,078	99,448,659	108,962,844

1/ Prior to Jan. 1, 1978, this item was classified under 3 now-deleted numbers; 653.2220, 653.2240, and 653.2260.

2/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

3/ Because of change in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-2.--Leading items exported to the U.S.S.R., by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.3465	: Yellow corn, not donated for relief-----	959,224,236	199,131,296
130.6540	: Wheat, unmilled, not donated for relief-----	322,548,882	78,365,062
175.4100	: Soybeans, n.s.p.f.-----	199,738,170	10,736,380
711.8006	: Electrical temperature control instruments, industrial process-----	24,264,042	2,735
664.0584	: Parts, n.s.p.f., of oil and gas field drilling machines-----	21,134,117	11,512,401
652.9110	: Prefabricated and portable buildings, of iron and steel-----	20,288,000	12,796,000
790.5510	: Pressure sensitive tape, with plastic backing-----	19,712,866	6,909,304
692.3160	: Tracklaying tractors, new, with net engine horsepower of 345 : and over-----	19,491,437	-
177.5640	: Tallow, inedible-----	18,744,193	-
692.3800	: Parts, n.s.p.f., of tractors-----	18,740,814	7,339,750
601.3300	: Molybdenum ore-----	17,339,620	7,849,000
145.4700	: Shelled peanuts, not blanched-----	14,775,374	767,007
145.4300	: Shelled almonds, not blanched-----	12,701,465	2,882,562
517.5120	: Petroleum coke, calcined-----	9,870,821	2,082,955
250.0284	: Wood pulp, special alpha and dissolving grades-----	7,794,752	4,377,557
120.1400	: Cattle hides, whole-----	7,666,606	4,451,644
676.2820	: Digital and electronic processing units-----	7,590,536	365,095
131.3040	: Head rice, medium grain, not parboiled, not donated for relief-----	5,968,770	1,971,900
661.1269	: Gas compressors, n.s.p.f., over 1,000 horsepower-----	5,937,845	-
660.5460	: Parts of industrial gas turbines-----	5,362,721	326,139
	: Total exports itemized above-----	1,718,895,267	351,866,787
	: Total U.S. exports to U.S.S.R-----	1,952,690,042	430,080,767

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-3.--Leading items imported from the People's Republic of China, by TSUSA items, January-September 1978, July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
320.2032	PC white cotton sheeting, n.e.s. (average yarn number 20)-----	16,866,782	4,586,211	2,170,647
622.0200	Tin, other than alloys, unwrought-----	14,807,356	2,970,046	921,484
186.1560	Feathers not meeting Federal standards-----	14,436,949	3,395,252	3,369,280
186.1565	Downs not meeting Federal standards-----	9,325,616	1,242,457	1,963,224
755.1500	Fireworks-----	8,168,309	1,587,686	1,763,224
766.2560	Antiques, n.s.p.f-----	8,141,309	2,014,929	1,783,936
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	5,573,508	1,335,727	1,634,714
320.1038	ABC white cotton sheeting, carded (average yarn number 10)-----	5,374,981	1,639,965	1,456,200
380.2788	Men's cotton sport shirts, not knit-----	5,247,464	2,627,268	1/ 1,210,771
222.4000	Baskets and bags of bamboo-----	5,062,054	1,916,703	1,100,527
186.3000	Bristles, crude or processed-----	4,556,126	1,808,777	2,751,698
145.4400	Cashew nuts, shelled, etc-----	4,505,469	2,526,386	1,328,784
704.4010	Cotton gloves, without fourchettes-----	4,368,635	1,774,495	648,457
601.5400	Tungsten ore-----	3,481,392	721,287	1,855,530
632.0200	Antimony, unwrought, and waste and scrap-----	3,125,797	753,739	865,140
320.3032	PC white cotton shirting, n.e.s. (average yarn number 30)-----	3,045,963	895,904	296,144
452.1200	Cassia oil-----	3,044,648	445,323	712,826
160.5000	Tea, crude or prepared-----	2,958,908	1,183,839	1,486,063
308.0440	Raw silk, in steins, etc., n.e.s-----	2,954,925	1,686,013	834,112
382.3349	Girls' and infants' denim slacks-----	2,805,933	1,395,500	2/
	Total imports itemized above-----	127,852,124	36,507,507	3/
	Total U.S. imports from the People's Republic of China-----	242,227,094	80,258,927	55,212,149

1/ Prior to Jan. 1, 1978, this item was classified under 3 now-deleted numbers; 380.2785, 380.2787, and 380.2789.

2/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-4.--Leading items exported to the People's Republic of China, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.6540	: Wheat, unmilled, not donated for relief-----	117,883,968	87,012,563
300.1060	: Cotton, not carded, staple length 1 to 1-1/8 inches-----	116,434,831	51,972,053
309.4242	: Polyester fibers, noncontinuous-----	38,466,509	17,411,805
176.5220	: Soybean oil, crude, degummed-----	26,117,742	8,595,558
300.1550	: Cotton, n.e.c., staple length 1-1/8 inches or more-----	16,878,927	1,501,986
480.8005	: Diammonium phosphate fertilizer-----	16,095,182	12,165,997
177.5640	: Tallow, inedible-----	11,657,449	5,409,948
649.5040	: Rock drill bits, core bits and beamers, n.s.p.f-----	7,710,914	3,653,229
480.3000	: Urea-----	7,331,833	3,824,073
660.4137	: Diesel engines, n.s.p.f., 1001-1500 horsepower-----	4,506,455	-
480.7050	: Concentrated superphosphate-----	3,795,750	3,795,750
664.0584	: Parts, n.s.p.f., of oil and gas field drilling machines-----	3,667,691	1,702,446
660.3040	: Parts, n.s.p.f., of steam turbines-----	3,365,319	1,235,661
660.9490	: Parts, n.s.p.f., of pumps for liquids-----	2,569,502	1,875,306
250.0284	: Wood pulp, special alpha and dissolving grades-----	2,493,183	2,493,183
683.9540	: Parts, n.s.p.f., of industrial and laboratory furnaces and : ovens, etc-----	2,342,975	83,530
692.3460	: Tractors, wheel type, n.s.p.f., net engine horsepower over 99-----	2,096,055	-
712.5052	: Electrical quantity measuring instruments, recording-----	1,811,622	1,808,237
250.0225	: Wood pulp, sulphite, bleached, n.s.p.f-----	1,557,914	946,253
661.1271	: Parts, for air and gas compressors-----	1,556,370	1,375,490
	: Total exports itemized above-----	388,340,191	206,863,068
	: Total U.S. exports to the People's Republic of China-----	440,763,594	230,221,196

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-5.--Leading items imported from Poland, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
107.3525	: Canned hams, shoulders, over 3 pounds-----	92,217,979	25,546,901	28,476,097
608.8415	: Steel plates, not alloy, not in coils, not pickled or cold rolled-----	30,958,956	11,444,913	4,007,686
521.3180	: Coal, n.e.s., including lignite, but not including peat-----	10,937,770	4,251,376	1,017,380
700.3550	: Men's leather footwear n.e.s., cement soles-----	9,379,109	2,129,213	1,721,194
692.1090	: Motor vehicles, n.e.s-----	5,954,755	1,827,210	1,033,500
646.2622	: Brads, nails, etc., of iron and steel, smooth shank, 1 inch or more in : length, uncoated-----	5,700,017	1,923,331	1/
727.1500	: Furniture and parts of bentwood-----	5,371,677	1,325,844	1,298,394
107.3560	: Pork, n.e.s., canned, boned, cooked-----	4,278,754	992,581	945,635
335.9500	: Other woven fabrics of vegetable fibers, n.e.s., over 4 ounces per : square yard-----	4,199,525	987,512	1,326,489
646.2626	: Brads, nails, etc., of iron and steel, smooth shank, 1 inch or more in : length, coated-----	3,748,270	1,613,531	1/
380.1206	: Men's and boys' cotton suit-type coats, n.e.s., not knit, valued over \$4 each---	3,217,475	-	1/
110.4710	: Cod blocks, frozen, over 10 pounds each-----	3,124,032	1,077,766	724,773
380.6653	: Men's wool suits, valued over \$4 per pound-----	3,012,122	1,402,235	1/
626.0200	: Unwrought zinc, other than alloyed-----	2,827,868	132,333	322,720
407.8521	: Sulfathiazole-----	2,800,781	1,018,617	2/ 302,082
700.2738	: Men's leather welt footwear, n.e.s., valued \$5-\$6.80 per pair-----	2,777,119	605,309	641,951
382.1206	: Women's raincoats, n.e.s., 3/4 length or longer, valued over \$4 each-----	2,683,221	963,041	719,041
521.3120	: Bituminous coal-----	2,389,716	1,620,658	2,145,988
380.0611	: Men's and boys' cotton coats, knit, not ornamented, n.s.p.f-----	2,360,199	1,207,331	3/ -
146.7530	: Strawberries, frozen, in containers over 40 ounces-----	2,333,272	175,638	920,908
	: Total imports itemized above-----	200,272,617	60,245,340	4/
	: Total U.S. imports from Poland-----	325,615,678	103,878,546	93,298,099

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Prior to Jan. 1, 1978, this item was classified as the now-deleted item no. 407.8540.

3/ Prior to Jan. 1, 1978, this item was classified under 2 now-deleted numbers; 380.0610, and 380.0615.

4/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-6.--Leading items exported to Poland, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.3465	: Yellow corn, not donated for relief-----	133,827,060	48,299,290
184.5260	: Soybean oil cake and meal-----	103,471,371	33,437,304
130.6540	: Wheat, unmilled, not donated for relief-----	63,381,334	56,506,404
175.4100	: Soybeans, n.s.p.f-----	34,131,718	-
130.4040	: Grain sorghum, except seed-----	32,376,498	9,488,169
480.4500	: Phosphate, crude and apatite-----	17,408,056	5,728,439
130.1000	: Barley-----	13,188,235	12,453,866
300.1060	: Cotton, not carded, staple length 1 to 1-1/8 inches-----	12,629,587	5,748,982
184.5000	: Linseed oil cake and meal-----	12,033,866	8,054,565
692.3800	: Parts, n.s.p.f., of tractors-----	9,362,000	3,218,254
176.2520	: Linseed oil, crude-----	7,161,637	5,596,083
147.1900	: Lemons, fresh-----	5,953,678	2,913,353
170.3320	: Flue-cured cigarette filler tobacco, stemmed-----	5,819,806	1,755,973
184.5240	: Cottonseed oil cake and meal-----	5,713,835	3,006,661
674.3520	: Grinding machines, metal-cutting, cylindrical, external-----	5,657,979	5,657,979
120.1400	: Cattle hides, whole-----	5,032,438	1,948,846
661.7060	: Industrial machinery, for treatment of chemicals-----	4,988,643	277,442
182.9754	: Vegetable protein concentrates, etc-----	3,787,055	1,859,344
660.2400	: Gas generators and parts, n.s.p.f-----	3,708,050	2,610,285
683.9525	: Industrial and laboratory furnaces and ovens-----	3,574,707	19,600
	: Total exports itemized above-----	483,207,553	208,580,839
	: Total U.S. exports to Poland-----	586,345,811	243,993,828

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-7.--Leading items imported from Yugoslavia, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
107.3525	Canned hams, shoulders, over 3 pounds-----	47,838,857	13,791,291	12,538,083
700.3515	Men's and boys' leather athletic footwear, n.e.s-----	27,590,673	8,166,218	5,878,341
727.3300	Wood chairs, n.s.p.f-----	21,272,600	8,163,244	1/ 9,067,222
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches-----	20,662,700	7,454,305	4,664,168
607.3100	Ferrochrome, over 3-percent carbon-----	15,993,609	6,692,566	3,441,611
612.0640	Unwrought copper, not alloyed, n.e.s-----	12,625,371	6,404,420	7,234,428
618.2565	Wrought aluminum sheets and strip-----	10,926,215	3,782,855	2/
727.3540	Wood furniture, n.s.p.f-----	9,728,136	3,317,979	2/
688.0465	Insulated electrical conductors, power cable designed for 601 volts or less-----	7,064,628	1,920,826	2/
186.1565	Downs not meeting Federal standards-----	6,896,729	882,424	2,769,895
605.2020	Gold bullion, refined-----	6,055,231	2,465,759	3,071,237
727.3040	Wood chairs, n.s.p.f-----	5,771,768	-	9,067,222
727.4040	Wood furniture parts, n.s.p.f-----	4,864,281	1,399,574	2/
607.3700	Ferromanganese, over 4-percent carbon-----	4,063,880	1,726,880	642,743
607.5700	Ferrosilicon manganese-----	3,936,154	2,099,054	884,180
632.8420	Base metals, unwrought alloys, containing 96-99 percent silicon-----	3,875,130	1,126,304	375,486
605.2040	Silver bullion, refined-----	3,515,880	1,233,473	-
618.1540	Wrought aluminum rods, 0.375 inch or more in diameter-----	2,953,625	1,195,541	654,956
407.7220	Sulfamethazine-----	2,770,288	995,336	368,000
192.2500	Hops-----	2,435,330	-	62,776
	Total imports itemized above-----	220,841,085	72,818,049	3/
	Total U.S. imports from Yugoslavia-----	317,372,925	112,670,418	91,208,163

1/ Prior to Mar. 1, 1978, this item was classified as the now-deleted item No. 727.3040.

2/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-8.--Leading items exported to Yugoslavia, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
175.4100	Soybeans, n.s.p.f.	32,002,542	16,903,353
184.5260	Soybean oil cake and meal	19,533,010	-
692.0560	Off-highway trucks, nonmilitary, over 44,000 pounds	9,472,916	5,099,666
431.0480	Vinyl chloride, monomer	8,909,870	2,746,381
480.8005	Diammonium phosphate fertilizer	7,976,015	7,976,015
694.6506	Parts, n.s.p.f., for aircraft and spacecraft	7,145,264	2,522,619
130.3465	Yellow corn, not donated for relief	6,915,035	6,915,035
521.3110	Low volatile bituminous coal	5,827,027	2,133,072
678.5041	Nuclear reactors and parts	5,803,599	3,314,729
692.2985	Parts, n.s.p.f., of motor vehicles	4,897,364	813,724
661.3046	Metal treating furnaces, nonelectric, n.s.p.f.	4,467,705	4,049,574
664.0584	Parts, n.s.p.f., of oil and gas field drilling machines	3,611,103	1,364,609
250.0284	Wood pulp, special alpha and dissolving grade	3,516,445	789,689
683.9540	Parts n.s.p.f., for industrial furnaces and ovens, etc	3,223,627	901,043
120.1400	Cattle hides, whole	2,905,748	673,515
690.0510	Diesel-electric locomotives and tenders, rail-service type	2,809,860	2,809,860
676.2700	Digital machines	2,709,741	987,433
694.4050	Airplanes, multiple engine, 10,000-33,000 pounds inclusive, empty weight	2,700,000	2,700,000
661.3050	Parts nonelectric for metal processing furnaces	2,684,500	36,952
674.1022	Converters, including foundry machines and parts, n.s.p.f.	2,561,776	371,026
	Total exports itemized above	139,673,147	63,108,295
	Total U.S. exports to Yugoslavia	294,929,140	118,896,755

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-9.--Leading items imported from Romania, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
475.0535	Fuel oils, under 25 degrees A.P.I. Saybolt Universal viscosity at 100 F			
	: of more than 125 seconds (heavy fuel oils)-----	37,996,719	17,446,554	11,328,227
475.3500	Naphthas derived from petroleum, etc., n.e.s-----	12,918,523	12,918,523	-
107.3525	Canned hams, shoulders, over 3 pounds-----	11,816,908	4,191,014	2,925,848
700.4540	Women's leather footwear, cement soles, valued over \$2.50 per pair-----	8,660,060	3,602,022	2,148,291
608.8415	Steel plates, not alloy, not in coils, not pickled or cold rolled-----	8,199,117	1,434,859	674,457
610.4225	Oil well casing, seamless, other than alloy steel, advanced-----	7,153,384	2,428,514	617,244
700.2940	Leather welt work footwear, valued over \$6.80 per pair-----	6,104,346	1,382,768	1,649,352
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	4,871,151	925,511	914,841
380.0645	Men's and boys' cotton knit sport shirts-----	4,740,037	1,690,746	1,474,678
107.3560	Pork, n.e.s., canned, boned, cooked-----	4,490,074	859,393	507,529
618.2565	Wrought aluminum sheets and strip-----	4,241,487	2,921,351	1/
700.3550	Men's leather footwear, n.e.s., cement soles-----	3,936,379	1,430,413	721,515
692.3003	Agricultural tractors, under 40 horsepower, power takeoff type-----	3,877,057	1,914,553	1/
727.1500	Furniture and parts of bentwood-----	3,044,795	1,666,807	424,251
380.8452	Men's and boys' suits, of manmade fibers, not knit-----	2,623,058	1,035,660	1/
380.1206	Men's and boy's cotton suit-type coats, n.e.s., not knit, valued over \$4 each---	2,539,318	-	1/
546.5420	Glass tumblers, etc., valued 30¢-\$1 each-----	2,291,724	823,938	1/
446.1531	Polyisoprene rubber-----	2,230,246	1,992,344	1/
692.3006	Agricultural tractors, 40-79 horsepower, power takeoff type-----	2,194,476	1,382,402	1/
700.2738	Men's leather welt footwear, n.e.s., valued \$5-\$6.80 per pair-----	2,021,672	567,930	136,760
	: Total imports itemized above-----	135,950,531	60,615,302	2/
	: Total U.S. imports from Romania-----	242,681,956	104,107,256	58,002,329

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-10.--Leading items exported to Romania, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
175.4100	: Soybeans, n.s.p.f-----	40,788,410	22,800,652
120.1400	: Cattle hides, whole-----	28,230,233	13,708,883
521.3110	: Low volatile bituminous coal-----	21,121,183	5,533,737
674.2009	: Rolling mill machinery and parts, n.s.p.f-----	16,083,081	1,253,250
674.3520	: Grinding machines, metal-cutting, cylindrical, external-----	13,002,270	3,505,700
130.4040	: Grain sorghum, except seed-----	9,757,799	2,907,859
300.1060	: Cotton, not carded, staple length 1 to 1-1/8 inches-----	9,177,910	-
480.4500	: Phosphates, crude and apatite-----	8,629,574	5,385,823
661.9810	: Oil and gas separation equipment and parts-----	8,001,440	8,000,000
674.5440	: Parts, n.s.p.f., of metal forming machine tools-----	6,876,246	2,174,493
609.1610	: Primary tinplates of iron and steel-----	5,840,405	-
676.5560	: Parts of automatic data processing machines and units-----	5,748,255	2,230,670
250.0284	: Wood pulp, special alpha and dissolving grades-----	5,293,980	2,449,109
300.1530	: American Pima-cotton and Sea Island cotton-----	2,477,579	2,477,579
184.5260	: Soybean oil cake and meal-----	2,204,800	-
433.1035	: Compound catalysts, n.s.p.f-----	2,199,562	1,500,000
678.3560	: Parts of machines for molding or forming rubber or plastic articles-	2,034,443	55,875
660.5410	: Parts, n.s.p.f., of automatic diesel engines-----	1,886,340	333,280
683.9540	: Parts, n.s.p.f., of industrial and laboratory furnaces and : ovens, etc-----	1,705,446	1,437,307
674.3020	: Gear tooth grinding and finishing machines-----	1,514,374	-
	: Total exports itemized above-----	192,573,330	75,754,217
	: Total U.S. exports to Romania-----	227,258,451	85,410,984

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-11.--Leading items imported from Czechoslovakia, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
608.7100	: Steel wire rods, not tempered or treated, valued over 4¢ per pound-----	4,777,893	675,655	264,859
700.2940	: Leather welt work footwear, valued over \$6.80 per pair-----	4,434,138	1,434,374	554,640
107.3525	: Canned hams, shoulders, over 3 pounds-----	2,441,690	821,627	569,274
610.4225	: Oil well casing, seamless, unalloyed, advanced-----	2,308,345	431,229	351,447
546.5420	: Glass tumblers, etc., valued 30¢-\$1 each-----	1,285,344	560,033	1/
670.1436	: Weaving machines, jet type-----	1,138,295	-	580,541
668.2035	: Offset printing presses, sheet-fed-----	1,082,547	390,651	-
674.3525	: Metal-cutting engine lathes, valued over \$2,500 each-----	945,537	380,076	1/
610.3925	: Oil well casing, seamless, unalloyed-----	919,732	589,262	-
727.1500	: Furniture and parts of bentwood-----	848,367	206,424	301,827
741.3500	: Imitation gemstones, except beads-----	833,465	274,708	186,494
700.2960	: Men's leather welt footwear, n.e.s., valued over \$6.80 per pair-----	831,923	153,461	381,120
674.3265	: Boring machines, n.s.p.f., valued over \$2,500 each-----	787,258	210,606	1/
692.5010	: Motorcycles, with piston displacement not over 50 cubic centimeters-----	783,993	117,807	84,012
670.7430	: Parts for power-driven weaving machines-----	757,814	367,131	1/
700.3550	: Men's leather footwear, n.e.s., cement soles-----	741,312	532,450	83,938
700.2718	: Leather welt work footwear, valued \$5-\$6.80 per pair-----	720,385	205,260	260,392
270.2580	: Books, n.s.p.f., by author who is a national or domiciliary of the : United States-----	680,684	297,658	6,511
545.5700	: Glass prisms for chandeliers, etc-----	574,621	167,003	134,358
380.6653	: Men's wool suits, valued over \$4 per pound-----	572,597	301,472	1/
	: Total imports itemized above-----	27,465,940	8,116,887	2/
	: Total U.S. imports from Czechoslovakia-----	42,932,466	13,291,843	10,301,683

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-12.--Leading items exported to Czechoslovakia, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.3465	: Yellow corn, not donated for relief-----	34,190,030	-
120.1400	: Cattle hides, whole-----	9,939,028	3,250,635
184.5260	: Soybean oil cake and meal-----	5,972,836	-
480.7050	: Concentrated superphosphate-----	1,782,625	-
660.4965	: Gas turbines for mechanical drives-----	1,481,953	-
170.3310	: Flue-cured cigarette filler tobacco, unstemmed-----	1,256,196	380,000
676.5560	: Parts for automatic data processing machines and units-----	868,123	165,186
147.1900	: Lemons, fresh-----	859,808	348,990
676.2700	: Digital machines-----	795,573	112,982
540.4200	: Glass rods, tubes, and tubing-----	665,470	179,025
711.8070	: Pressure gauges, industrial process, electrical-----	509,792	15,485
710.2820	: Geophysical instruments and parts, electrical-----	481,756	10,225
664.0586	: Parts, n.s.p.f., of boring and drilling machines-----	473,382	473,382
692.2985	: Parts, n.s.p.f., of motor vehicles-----	377,576	358,974
422.6009	: Vanadium pentoxide-----	353,953	179,135
692.3160	: Tracklaying tractors, new, with net engine horsepower of	:	:
	: 345 and over-----	342,344	178,696
250.0267	: Wood pulp, sulphate, bleached, hardwood, n.s.p.f-----	336,635	123,123
664.0513	: Drilling and boring machines, n.s.p.f-----	335,791	327,500
207.0035	: Wooden pencil slats-----	308,295	115,504
608.2741	: Pneumatic control valves, etc-----	282,855	60,297
	: Total exports itemized above-----	61,614,021	6,279,139
	: Total U.S. exports to Czechoslovakia-----	71,233,348	9,556,057

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 1/4th quarterly report.

Table A-13.--Leading items imported from the German Democratic Republic, by TSUSA items, January-September 1978, July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
480.3000	: Urea, n.e.s-----	6,083,539	-	1,346,625
124.1025	: Mink furskins, except Japanese, undressed-----	2,374,266	-	13,799
668.2035	: Offset printing presses, weighing 3,500 pounds or more, sheet-fed type-----	1,650,415	789,414	44,037
765.0300	: Paintings, etc., by hand-----	1,258,750	1,258,450	-
722.1635	: Still 35mm cameras, n.s.p.f., valued over \$10 each-----	1,204,285	628,803	1/
766.2560	: Antiques, n.s.p.f-----	1,111,620	440,161	1,989
380.0611	: Men's and boys' cotton coats, n.s.p.f-----	811,531	310,562	2/ -
480.5000	: Potassium chloride, crude-----	811,175	595,175	215,000
121.5000	: Pig and hog leather-----	753,754	243,030	86,850
772.5115	: Pneumatic truck and bus tires, new-----	729,261	601,198	-
494.2000	: Montan wax-----	551,137	219,457	161,264
380.0645	: Men's and boys' cotton knit sweatshirts-----	339,773	26,150	-
546.5860	: Glassware, n.s.p.f., cut or engraved, valued over \$3 each-----	320,111	100,064	1/
674.3251	: Vertical boring machines and turret lathes, metal-working-----	317,902	54,170	1/
207.0080	: Articles of wood, n.s.p.f-----	312,819	189,737	1/
668.5060	: Printing press parts-----	310,019	102,918	19,021
668.2040	: Offset printing presses, weighing 3,500 pounds or more, roll-fed type-----	301,043	-	76,238
676.0510	: Portable electric typewriters, nonautomatic-----	298,656	298,656	147,840
772.5105	: Automobile tires, new-----	277,562	176,194	-
670.2000	: Knitting machines, n.e.s-----	275,459	114,805	45,313
	: Total imports itemized above-----	20,093,077	6,148,944	3/
	: Total U.S. imports from the German Democratic Republic-----	28,181,935	9,058,927	4,448,094

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Prior to Jan. 1, 1978, this item was classified under 2 now-deleted numbers; 380.0610, and 380.0615.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-14.--Leading items exported to the German Democratic Republic, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.3465	: Yellow corn, not donated for relief-----	45,788,167	7,650,000
130.6540	: Wheat, unmilled, not donated for relief-----	21,306,310	4,565,343
184.5260	: Soybean oil cake and meal-----	16,589,370	8,788,250
130.1000	: Barley-----	5,191,691	-
147.1900	: Lemons, fresh-----	1,198,323	548,803
312.1560	: Parts, n.s.p.f., for radiation measuring and detecting instruments--	1,173,220	1,173,220
120.1400	: Cattle hides, whole-----	753,894	435,199
678.3560	: Parts of molding or forming machines, for rubber or plastic		
	: articles, n.e.s.-----	708,105	708,105
771.6000	: Shapes, of rubber or plastic, n.s.p.f-----	482,612	220,367
660.2400	: Gas generators and parts-----	461,045	461,045
444.6600	: Silicone resins-----	355,126	-
250.0284	: Wood pulp, special alpha and dissolving grades-----	340,987	340,987
300.3021	: Cotton linters, other-----	295,850	117,769
692.4016	: Power industrial vehicles, n.s.p.f., operator riding-----	271,952	271,952
688.4060	: Electrical articles and electrical parts, n.s.p.f-----	234,760	227,107
446.1556	: Synthetic rubber, not containing fillers, etc-----	211,680	211,680
446.1521	: Neoprene rubber-----	184,658	27,780
711.8750	: Physical analysis equipment and parts, electrical-----	184,652	-
486.0900	: Fungicides, unmixed, n.s.p.f-----	182,224	57,359
771.4300	: Film, etc., of polyvinyl plastics-----	172,938	131,650
	: Total exports itemized above-----	96,087,564	25,936,616
	: Total U.S. exports to the German Democratic Republic-----	98,677,305	27,207,774

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-15.--Leading items imported from Hungary, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
107.3525	Canned hams, shoulders, over 3 pounds-----	18,475,603	6,138,851	3,933,621
686.9030	Other lamps, including household-----	3,774,441	1,797,035	1,077,101
692.3060	Parts of agricultural tractors-----	3,604,956	572,670	208,407
437.1400	Opium alkaloids-----	2,674,419	1,458,297	1,634,698
700.4540	Women's leather athletic footwear, cement soles, valued over \$2.50 per pair-----	1,346,998	1,144,006	234,394
772.5115	Pneumatic truck and bus tires, new-----	2,211,373	729,328	150,745
161.7100	Paprika, ground and unground-----	1,553,558	681,036	23,980
107.3540	Pork bacon, boned, cooked, and canned-----	1,570,690	162,975	412,440
437.2080	Alkaloids and synthetic compounds, n.s.p.f-----	958,172	379,144	1/
130.3000	Corn or maize seed, certified-----	688,000	-	-
678.3220	Machines for assembling electric filament and discharge lamps-----	523,170	523,170	1/
790.3900	Inflatable articles, n.s.p.f-----	496,621	-	12,770
676.0560	Typewriters, nonautomatic, nonelectric-----	468,171	422,969	13,755
107.3040	Pork bacon, not boned or cooked-----	387,554	351,554	-
167.3040	Wine, over 14-percent alcohol, valued over \$4 per gallon, containers : not over 1 gallon-----	378,826	147,078	87,209
542.3120	Ordinary glass, 16-18.5 ounces per square foot, not over 40 united inches-----	374,949	135,652	111,128
676.5230	Parts of automatic data processing machines-----	349,014	121,744	1/
750.2600	Whiskbrooms valued not over 32¢ each-----	325,375	25,401	8,097
117.6025	Swiss or emmenthaler cheese-----	259,426	210,757	-
274.4000	Postage stamps, etc., government stamped envelopes, with no other : printing than official imprint-----	245,513	52,943	18,854
	: Total imports itemized above-----	40,666,829	15,054,610	2/
	: Total U.S. imports from Hungary-----	48,896,204	17,934,624	10,699,485

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-16.--Leading items exported to Hungary, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
184.5260	: Soybean oil cake and meal-----	20,996,094	-
130.3465	: Yellow corn, not donated for relief-----	11,864,980	-
666.0063	: Parts for harrows, roller stalk cutters, etc-----	4,757,247	1,236,300
692.3800	: Parts, n.s.p.f., of tractors-----	3,056,778	453,221
480.7050	: Concentrated superphosphate-----	2,323,655	-
120.1400	: Cattle hides, whole-----	2,304,597	1,014,683
540.4200	: Glass rods, tubes, and tubing-----	1,976,971	559,001
666.0060	: Parts for plows, cultivators, weeders, etc-----	1,376,293	606,017
676.5560	: Parts for automatic data processing machines and units-----	1,303,817	266,820
664.1092	: Parts, n.s.p.f., for conveyers-----	745,268	745,268
123.0000	: Sheep skins, etc., whole, for furs-----	592,691	262,522
692.3130	: Tracklaying tractors, new, with net engine horsepower of 90 to 159--	587,024	-
435.1100	: Erythromycin and derivatives-----	582,545	75,941
435.3300	: Corticosteroids, n.s.p.f., bulk-----	536,000	536,000
664.0584	: Parts, n.s.p.f., of oil and gas field drilling machines-----	534,835	157,175
674.5440	: Parts, n.s.p.f., of metal-forming machine tools-----	522,846	-
666.0065	: Parts of planters, seeders, and fertilizers-----	511,728	386,303
120.1740	: Kip skins, whole-----	489,056	151,522
100.4180	: Dairy cattle, for breeding, female-----	476,900	85,000
711.8710	: Chemical analysis equipment and parts, electrical-----	474,081	263,128
:	: Total exports itemized above-----	56,013,406	6,798,901
:	: Total U.S. exports to Hungary-----	69,886,428	11,836,949
:	:	:	:

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-17.--Leading items imported from Bulgaria, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches-----	18,513,075	4,747,477	9,271,512
117.6700	Pecorino cheese, not for grating-----	737,614	215,600	56,214
676.0530	Portable typewriters, nonautomatic, nonelectric-----	522,662	223,000	60,991
380.6320	Men's and boys' wool coats, valued not over \$4 per pound-----	377,112	105,188	-
382.6014	Women's, girls', and infants' coats, valued not over \$4 per pound-----	303,197	303,197	1/ -
437.2080	Alkaloids and synthetic compounds, n.s.p.f-----	222,940	-	2/ -
165.1500	Apple and pear juice, not over 1 percent alcohol-----	140,533	-	-
700.3550	Men's leather footwear, n.e.s., cement soles-----	132,480	132,480	14,718
452.6000	Rose oil and attar of roses-----	132,244	72,273	-
161.7100	Paprika, ground or unground-----	123,431	-	-
546.5420	Glass tumblers, etc., valued 30¢-\$1 each-----	119,710	56,093	2/ -
421.3600	Sodium silicofluoride-----	103,168	-	-
674.3525	Metal-cutting engine lathes, valued over \$2,500 each-----	90,231	59,561	2/ -
439.1090	Natural crude drugs, n.e.s-----	76,677	14,377	2/ -
124.1025	Mink furskins, except Japanese, undressed-----	72,096	-	-
117.7000	Cheese, n.e.s., from sheep's milk-----	69,940	43,840	-
124.1020	Marten furskins, undressed, whole-----	41,875	-	-
460.0540	Enfleurage greases, etc., of vegetable origin-----	38,000	38,000	2/ -
193.2560	Vegetable substances, crude, n.s.p.f-----	32,548	31,454	2/ -
999.9500	Formal and informal entries under \$251, estimated-----	32,500	32,500	4,000
	Total imports itemized above-----	21,882,033	6,075,040	3/ -
	Total U.S. imports from Bulgaria-----	22,077,230	6,114,063	10,889,146

1/ Prior to Jan. 1, 1978, this item was classified under 2 now-deleted numbers; 382.6015, and 382.6020.

2/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-18.--Leading items exported to Bulgaria, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
130.3465	: Yellow corn, not donated for relief-----	20,531,957	4,242,868
184.5260	: Soybean oil cake and meal-----	3,287,929	3,287,929
685.6025	: Radar apparatus, n.s.p.f-----	993,073	-
120.1400	: Cattle hides, whole-----	782,639	-
250.0284	: Wood pulp, special alpha and dissolving grades-----	354,633	-
771.2600	: Film, etc., of cellulosic plastics, n.s.p.f-----	321,753	-
170.3320	: Flue-cured cigarette filler tobacco, stemmed-----	316,858	316,858
687.6061	: Diodes and rectifiers, microwave-----	297,669	90,669
381.1520	: Men's and boys' cotton denim slacks, not knit-----	252,614	160,959
712.5020	: Voltage, current, and resistance test equipment-----	243,802	-
610.3935	: Oil well tubing, seamless, of iron and steel-----	232,908	-
100.0220	: Chickens, breeder stock, live-----	215,110	215,110
678.3512	: Tire building machines, including vulcanizing presses-----	215,000	215,000
649.5040	: Rock drill bits, core bits, and reamers, n.s.p.f-----	185,174	-
711.8750	: Physical analysis equipment and parts, electrical-----	170,908	148,218
674.3592	: Metal-forming machines, n.s.p.f-----	150,000	-
661.9850	: Water filtering, softening, and purifying equipment, etc-----	145,976	76,000
724.4565	: Computer tape, unrecorded-----	131,875	-
100.4180	: Dairy cattle, for breeding, female-----	129,270	-
735.2520	: Bowling equipment, n.s.p.f-----	123,000	-
:	: Total exports itemized above-----	29,082,148	8,753,611
:	: Total U.S. exports to Bulgaria-----	30,993,264	9,305,869

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-19.--Leading items imported from Albania, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
601.1540	Chrome ore, chromium content 41 to 46 percent chromic oxide-----	1,967,900	-	565,853
161.9400	Unground sage-----	734,690	462,414	447,820
124.1020	Marten furskins, undressed, whole-----	36,818	-	8,481
653.2200	Metal coins, n.e.s-----	7,538	2,810	1/ 13,096
439.1090	Natural crude drugs, n.e.s-----	5,991	5,991	2/
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	1,086	1,086	-
	Total imports itemized above-----	2,754,023	472,301	3/
	Total U.S. imports from Albania-----	2,754,023	472,301	1,045,999

1/ Prior to Jan. 1, 1978, this item was classified under 3 now-deleted numbers; 653.2220, 653.2240, and 653.2260.

2/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-20.--Leading items exported to Albania, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
120.1400	Cattle hides, whole-----	217,297	-
309.3270	Grouped filaments and strips, n.e.s-----	138,212	-
660.9490	Parts, n.s.p.f., of pumps for liquids-----	58,000	58,000
685.4075	Tape recorders and parts, n.s.p.f-----	29,957	-
685.5390	Parts, n.s.p.f., of combination machines-----	11,912	-
712.5035	Wave form measuring equipment and parts, n.s.p.f-----	3,086	-
	Total exports itemized above-----	458,464	58,000
	Total U.S. exports to Albania-----	458,464	58,000

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-21.--Leading items imported from Cuba, by TSUSA items, January-September 1978,
July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
851.1000	Photographic films, etc., for public institutions-----	37,920	19,600	-
765.0300	Paintings, etc., by hand-----	8,220	8,220	-
724.1045	Motion-picture film, exposed, n.e.s-----	1,100	-	-
725.3200	Drums-----	450	450	-
	Total imports itemized above-----	47,690	28,270	-
	Total U.S. imports from Cuba-----	54,690	28,270	1,100

Note.--The difference between the totals for 1978 is the value of U.S. goods returned.

Table A-22.--Leading items exported to Cuba, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
652.9220	: Aluminum doors, frames, sashes, molding and trim-----	84,247	-
474.3710	: Exterior oil-type trade sales paint and enamel-----	32,284	-
474.3720	: Exterior water-type trade sales emulsion paints-----	23,770	-
818.3300	: Medicines, etc., donated for relief-----	16,820	-
383.7900	: Women's, girls', and infants' wearing apparel, n.s.p.f-----	16,700	-
818.3900	: Products, n.s.p.f., donated for relief-----	14,500	-
795.0000	: Nonenumerated products, n.s.p.f-----	12,000	-
442.0900	: Single antibiotics, systematic, n.s.p.f-----	10,000	-
711.8002	: Control instruments and parts, for heating systems, etc-----	7,486	-
711.8760	: Physical analysis equipment and parts, nonelectrical-----	6,081	6,081
722.4120	: Slide projectors-----	5,859	-
652.2000	: Anchor or stud link chain or chains, and parts-----	5,548	5,548
685.4010	: Tape recorders, etc., audio, n.s.p.f-----	5,440	-
709.3000	: Medical, dental surgical, and veterinary instruments, n.s.p.f-----	5,100	-
774.1000	: Pipe fittings, n.s.p.f., of rubber or plastics-----	4,169	-
711.8740	: Chemical analysis equipment, nonelectrical, n.s.p.f-----	2,860	-
711.8750	: Physical analysis equipment and parts, electrical-----	1,800	1,800
474.5000	: Stains-----	1,785	-
735.2580	: Sports equipment, n.s.p.f-----	1,660	1,660
486.5500	: Insecticides, for household and industrial use-----	1,612	-
:	: Total exports itemized above-----	259,721	15,089
:	: Total U.S. exports to Cuba-----	264,065	17,148

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

Table A-23.--Leading items imported from the People's Republic of Mongolia, by TSUSA items, January-September 1978, July-September 1978, and July-September 1977

(In U.S. dollars)

TSUSA item no.	Description	January- September 1978	July- September 1978	July- September 1977
306.6200	Cashmere goat hair, sorted, etc-----	1,348,746	354,199	577,453
306.4293	Camel hair, sorted, etc-----	1,141,146	354,476	321,458
306.6100	Cashmere goat hair, not sorted, etc-----	54,685	-	-
274.7040	Photographs, engravings, etc., produced by relief or stencil printing : process, n.s.p.f-----	4,798	-	1/
124.1045	Sable furskins, whole, raw-----	2,159	-	-
653.2200	Metal coins, n.e.s-----	1,262	-	2/ -
	Total imports itemized above-----	2,580,601	711,329	3/
	Total U.S. imports from People's Republic of Mongolia-----	2,580,601	711,329	924,728

1/ Because this is a new TSUSA item classification, data are not available. Details of the derivation of this classification can be obtained from the Office of Economic Research, U.S. International Trade Commission.

2/ Prior to Jan. 1, 1978, this item was classified under 3 now-deleted numbers; 653.2220, 653.2240, and 653.2260.

3/ Because of changes in the TSUSA item classifications from 1977 to 1978, the total is not available.

Table A-24.--Leading items exported to the People's Republic of Mongolia, by Schedule B Nos.,
January-September 1978, and July-September 1978

(In U.S. dollars)

Schedule B No.	Description	January-September 1978	July-September 1978
818.3900	Products, n.s.p.f., donated for relief-----	38,853	5,784
438.6000	Diagnostic reagents, n.s.p.f-----	3,156	3,156
433.1056	Laboratory reagent preparations, organic and inorganic-----	2,399	-
727.1720	Wood counters, shelves, etc-----	1,296	-
661.9870	Filtering and purifying equipment, n.s.p.f-----	1,264	1,264
433.1079	Prepared culture media-----	1,129	1,129
	Total exports itemized above-----	48,097	11,333
	Total U.S. exports to the People's Republic of Mongolia-----	48,097	11,333

Note.--Comparisons of year-to-date and quarterly totals for 1978 with data for earlier periods are not generally possible because of changes in trade classifications. See discussion in 14th quarterly report.

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Each Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade between the United States and the Nonmarket Economy Countries contains:

- (1) summary of developments in U.S.-NME trade for that calendar quarter, with the summary of the fourth quarter as an annual review;
- (2) seven summary tables and two figures describing the value, direction, composition, and individual country trade shares of U.S.-NME trade in that calendar quarter;
- (3) a series of appendix tables describing the leading items traded by the United States with each of the 12 NME countries covered, disaggregated to the 7-digit level of the respective import and export schedules, through the end of that calendar quarter.

Other subjects covered periodically or on an irregular basis are listed below. All page numbers refer to the official USITC publication, with the exception of Report #4. Page numbers for that report refer to the copy published by the U.S. Government Printing Office.

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