36TH QUARTERLY REPORT TO THE CONGRESS AND THE TRADE POLICY COMMITTEE ON TRADE BETWEEN THE UNITED STATES AND THE NONMARKET ECONOMY COUNTRIES DURING JULY-SEPTEMBER 1983

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C O N T E N T S

CONTENTS

Figures

Tables

CONTENTS

CONTENTS

CONTENTS

CONTENTS

INTRODUCTION

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

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

At the present time, Romania, Hungary, and China receive most-favored-nation (MFN) tariff treatment from the United States. Poland's MFN status was indefinitely suspended by the President in October 1982. Most other NME's have never been accorded this treatment because of the policy legislated as section 5 of the Trade Agreements Extension Act of 1951, i.e.,

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

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

3/ Earlier reports in this series included Yugoslavia among the NME's whose trade with the United States is monitored. At the suggestion of the United States Trade Representative and after consultation with the appropriate congressional committees, the Commission decided that Yugoslavia would no longer be included in the countries covered by this report. This decision was effective with the 27th report. (27th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During April-June 1981, USITC Publication 1188, September 1981, p. 1, hereinafter 27th Quarterly Report . . .). In the opinion of many analysts, Yugoslavia is not appropriately classified as an NME. Also, it is not a member of the Warsaw Pact or the Council for Mutual Economic Assistance. Yugoslavia has special status with the Organization for Economic Cooperation and Development and is a leader among nonaligned countries.

that the President should take appropriate action to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. 1/

In the TSUS, the unconditional MFN rates of duty are set forth in column 1. The rates applicable to products of designated Communist nations 2/ are set forth in column 2; for the most part, these are the higher rates that were established in 1930. The rates of duty resulting from this policy vary considerably from item to item, and discrimination is not present at all for products that historically have been duty free or dutiable at the same rates in columns 1 and 2. Therefore, actual or potential U.S. imports from countries that do not enjoy MFN privileges depend in some measure on the rates of duty on the specific items involved.

Except as otherwise noted, trade data presented in this report are compiled from official statistics of the U.S. Census Bureau. Imports are imports for consumption (the sum of directly entered imports plus withdrawals from customs warehouses) at customs value (generally equivalent to f.o.b. value at the foreign port of export). Exports are domestic exports (U.S.-produced goods) at f.a.s. value. Detailed analysis in the report is generally done on a seven-digit TSUS (imports) or Schedule B (exports) basis, which is the basis on which the data are collected. Analysis of aggregate trade levels and trends is generally presented in terms of Standard International Trade Classification, Revision 2 (SITC) 3/ categories. The TSUSA and Schedule B data are reclassified into SITC categories using concordances maintained by the Census Bureau.

This particular report contains a summary of U.S. trade with the NME's during July-September 1983, and examines U.S. exports, imports, and the balance of trade with these countries, as well as the commodity composition of this trade. Important developments in U.S. commercial relations with the NME's during the third quarter of 1983 are also discussed.

This report also examines six U.S. industries identified in the previous (35th) report in this series on the basis of their total import penetration levels and the rate of growth of imports from an NME source. The six product groups represented are various types of apparel, including leather and textile accessories, and other textile manufactures. Each discussion covers data on production, employment, imports, the U.S. market, and other relevant economic factors. Such information as could be obtained on the competing Chinese industries is also presented.

1/ Presidential Proclamations Nos. 4991, Oct. 27, 1982, and 5048, Apr. 14, 1983.

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

3/ The SITC was developed by the United Nations Secretariat in 1950 as a common basis for the reporting of international trade data. In 1975, the U.N. Economic and Social Council recommended that member States begin reporting their trade statistics on the basis of Revision 2 of the SITC.

SUMMARY

U.S. merchandise trade with the NME's totaled $1.8 billion in July-September 1983, 12 percent lower than its level in the corresponding quarter of 1982. Imports increased for the third consecutive quarter, and exports continued to fall after declining steeply in the previous quarter. The result was a U.S. deficit of $240 million, the first negative balance to be registered in trade with the NME's since this series of quarterly reports began in January-March 1975.

The U.S. trade balance worsened with all three major NME markets--China, the U.S.S.R., and Eastern Europe. 1/ The deficit with China was $209.6 million, and followed a $175.7 million deficit in April-June 1983. A negative U.S. balance of $82.2 million was the largest of three consecutive deficits recorded in trade with the Eastern European NME's. Although the United States continued to maintain a positive merchandise trade balance of $48.9 million with the Soviet Union, this surplus amounted to only about one-third its level in July-September 1982.

Of the $305 million deterioration in the U.S.-NME trade balance from July-September 1982 to July-September 1983, declining exports accounted for approximately 90 percent, and rising imports for 10 percent. A fall in agricultural exports was primarily due to the absence of any grain shipments to either China or the U.S.S.R., and was the principal reason for the overall decline in U.S. shipments to the NME's. At $779 million, exports to the NME's were at their lowest level since 1977. By contrast, imports reached an unprecedented quarterly high of $1.1 billion. Deviating from their generally increasing trend since 1980, U.S. purchases of Chinese goods declined in July-September 1983 compared with the corresponding period of 1982. This decline, however, was more than offset by increased imports from Eastern Europe and the Soviet Union. China's share of U.S.-NME trade was 55 percent in the latest quarter, compared with two-thirds of the total in 1982; Eastern Europe, led by Romania, accounted for 27 percent; and the U.S.S.R. accounted for 17 percent.

In July 1983 the United States and China reached a new long-term agreement on trade in textiles. This replaced the U.S. unilateral restrictions on imports of textile products from China that were imposed in January 1983 after the old agreement expired. In early September, following the signing of the new accord, China lifted its embargo on imports of U.S. cotton, soybeans, and manmade fibers, and resumed its purchases of U.S. wheat after having ordered none since early February.

A new 5-year U.S.-U.S.S.R. grain agreement was also reached in July, replacing the previous long-term bilateral pact in its second 1-year extension. After buying no U.S. grain since late 1982, the Soviets began to place orders for both wheat and corn immediately following the conclusion of the agreement.

1/ For the purpose of this series of reports, "Eastern Europe" includes the six Eastern European members of the Council for Mutual Economic Assistance (CMEA): Poland, Romania, East Germany, Hungary, Czechoslovakia, and Bulgaria. Albania is not a member of the CMEA.

During the quarter the United States made substantial progress toward meeting its commitment to ease the transfer of technology to China. The revision of export guidelines to permit the sale of more technically advanced dual-use goods to China was virtually completed as the quarter ended. Negotiations on an agreement that would permit U.S. companies to sell equipment and technology for use in building nuclear power plants in China were also reportedly in their final stage after bilateral meetings were held in both July and September. Finally, when Secretary of Defense Weinberger visited China in September, he discussed possible U.S. weapons sales with its Government leaders.

In the period from July through September, both the Commission and the Department of Commerce made affirmative final determinations in two separate antidumping investigations involving imports of textile products from China. They also reached affirmative preliminary findings in two cases involving chemical products imported from China. In September a petition was filed with Commerce alleging that China subsidizes all its textile exports and requesting the imposition of countervailing duties. This was the first such petition to be filed by a U.S. industry against a NME country.

This report also examines imports from China and U.S. production of six products identified by the Commission's East-West Trade Statistics Monitoring System on the basis of import penetration levels and the rate of growth of imports from NME sources. The product groups analyzed are lace goods; miscellaneous outerwear (primarily men's and women's sweaters and women's trousers); men's shirts, nightwear, and underwear, and women's knit shirts; women's coats, suits, and skirts; leather gloves; and handbags. Each discussion of the domestic industry producing like or competitive products includes relevant economic data such as production, employment, wages, imports from China and other sources, and the U.S. market.

The overall conclusion of this examination is that despite the restrictions applying to imports of Chinese textile products under the bilateral agreement and the relatively low quality and limited styles of the products analyzed, such imports from China will continue to be a factor in the U.S. market. In these highly labor-intensive industries, low wages (equivalent to approximately 25 cents per hour) are principally responsible for China's strong competitive position.

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

Total two-way merchandise trade between the United States and NME's in July-September 1983 edged up slightly from its April-June 1983 level, but was still 12 percent lower than trade in the corresponding quarter of 1982 (table 1). The trend of declining shipments to and increasing purchases from NME's continued during the third quarter (figs. 1 and 2). At $779 million, U.S. exports to NME's were at their lowest level since the last quarter of 1977; they were 26 percent lower than during July-September 1982. The value of U.S. imports from NME's, $1.1 billion, marked an unprecedented quarterly high in U.S.-NME trade. Imports from NME's during the period under review increased by 3.3 percent compared with those in the corresponding period of 1982. 1/ In total U.S. trade, declining exports and increasing imports paralleled the tendencies of U.S.-NME trade: total U.S. exports declined by 3 percent in July-September 1983, and imports increased by 6 percent compared with those in the corresponding period of 1982.

For the first time since quarterly reporting began in January-March 1975, the United States registered a deficit in its aggregate merchandise trade with NME's. The deficit of $240 million in July-September 1983 represents a more than threefold deterioration of the U.S.-NME trade balance from the surplus of $115 million recorded in April-June 1983, with declining exports and increasing imports playing approximately equal roles. The second worst balance registered during the almost 9-year history of quarterly reporting was a $65 million surplus in July-September 1982. The largest surplus during this period was $2.0 billion, in January-March 1981. Since then, the U.S. merchandise trade balance with NME's has shown a secular tendency to deteriorate. About 98 percent of the more than $2.2 billion decline in the trade balance since the peak surplus in the first quarter of 1981 was attributable to the decrease in exports to NME's, and the remainder, to the increase in imports from NME's. Of the $305 million deterioration in the U.S.-NME trade balance from July-September 1982 to the period under review, declining exports were responsible for approximately 90 percent, and increasing imports, for 10 percent. In total U.S. trade, the deficit has deteriorated by $5.3 billion, or 39 percent, in July-September 1983, compared with that in the corresponding period of 1982. About 28 percent of that increase can be attributed to declining exports, and about 72 percent, to increasing imports. 2/

1/ Since the figures in table 1, and comparable figures from previous periods, represent current prices, the decline in U.S. exports to NME's is understated and the increase in U.S. imports from NME's is overstated owing to inflation.

2/ An aggregate NME surplus in trade with the West is not unique to the United States. Pressure on Eastern European NME's from both Western commercial banks and government lending organizations has led to policies in these countries which aim at the reestablishment of hard-currency trade equilibrium. Only a consistent surplus in trade with non-NME's can enable Eastern European debtor countries to pay their debts to Western lenders. Wharton Econometric Forecasting Associates estimates that the combined Eastern European hard-currency trade surplus will be $6 billion to $8 billion in 1983, compared with $5.5 billion in 1982. See Wharton Econometric Forecasting Associates, Centrally Planned Economies Outlook, September 1983.

Table 1.--U.S. merchandise trade with the world and with the nonmarket economy countries (NME's), by quarters, July 1982-September 1983

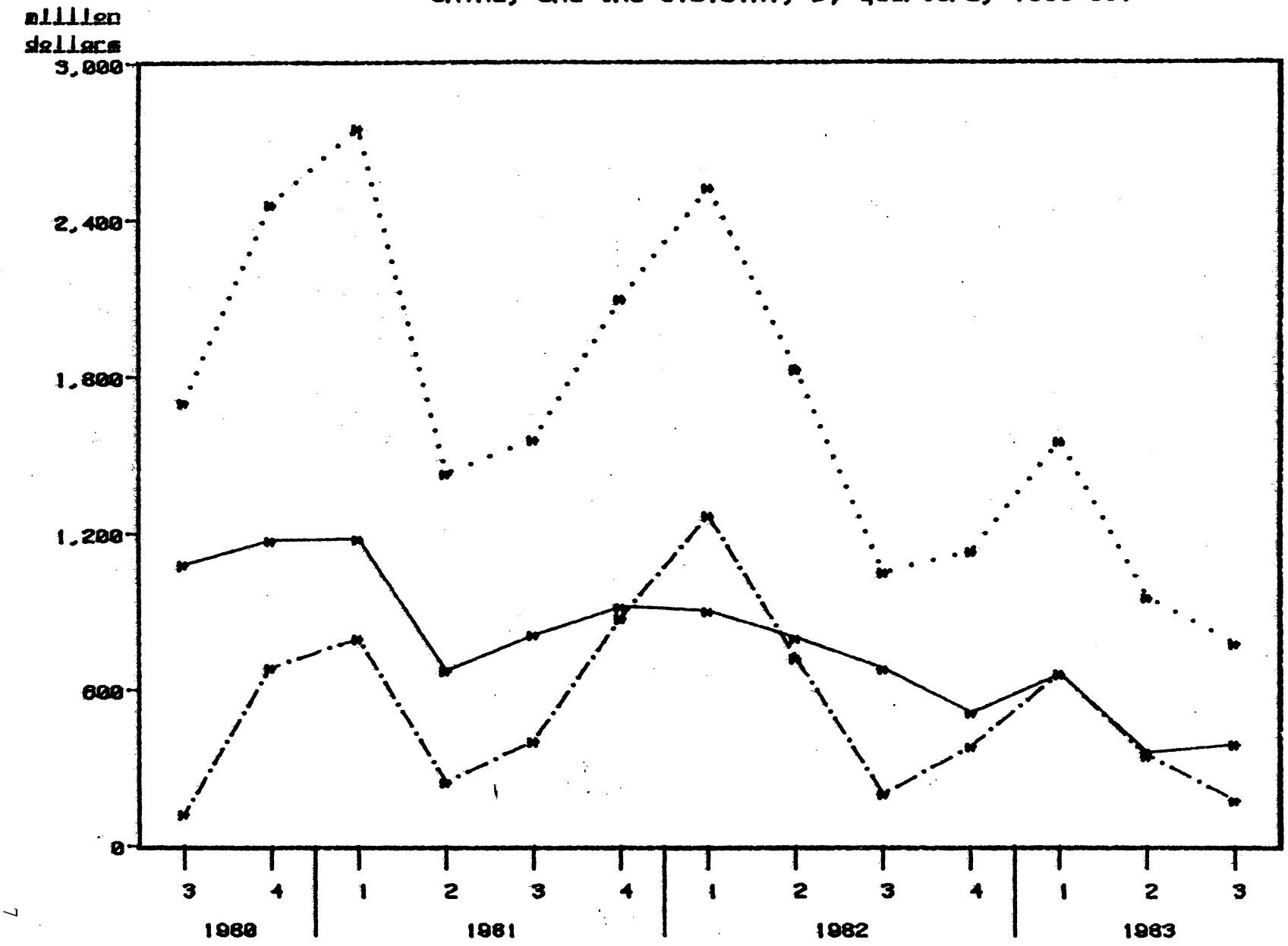
Item	1982		1983		
	July-September	October-December	January-March	April-June	July-September
U.S. world trade:					
Exports----------million dollars--	48,795	48,496	48,931	49,416	47,299
Imports----------do----	62,396	58,708	57,674	63,059	66,206
Balance----------do----	-13,601	-10,212	-8,743	-13,643	-18,907
Trade turnover (exports plus imports) million dollars--	111,190	107,203	106,604	112,475	113,505
U.S. trade with NME's:					
Exports----------million dollars--	1,052	1,133	1,554	954	779
Imports----------do----	987	745	811	839	1,019
Balance----------do----	65	388	742	115	-240
Trade turnover (exports plus imports) million dollars--	2,038	1,877	2,365	1,793	1,798
Share of total U.S. trade accounted for by trade with NME's:					
Exports----------percent--	2.16	2.34	3.18	1.93	1.65
Imports----------do----	1.58	1.27	1.41	1.33	1.54

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

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

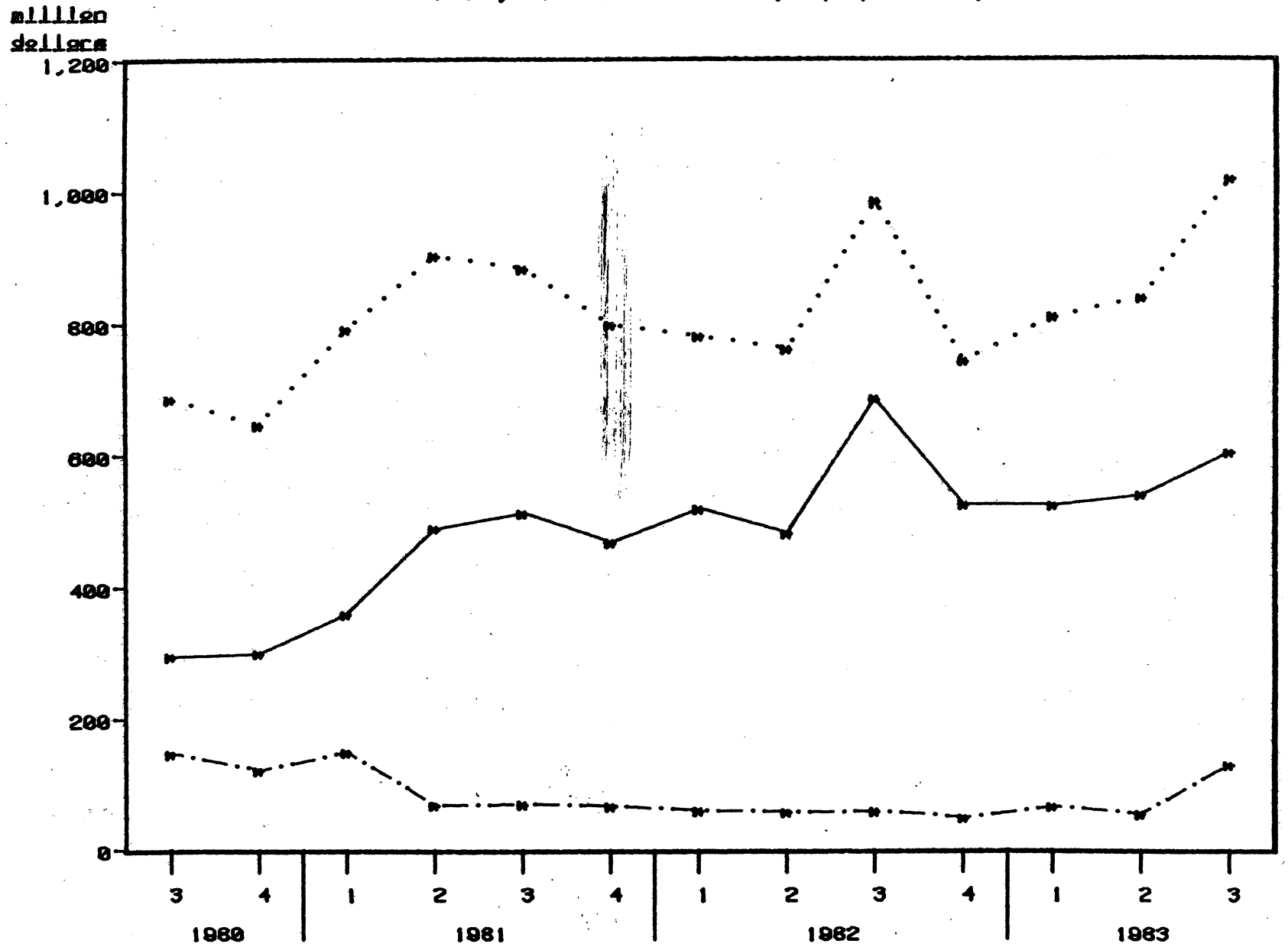
6

Figure 1.--U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1980-83.



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

Figure 2.--U.S. Imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1980-83.



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

The share of NME markets in total U.S. export trade declined to 1.65 percent in July-September 1983. During the first three quarters of this year it declined to 2.25 percent from an average of 3.11 percent in 1982. On the other hand, the share of NME sales in total U.S. imports increased to 1.54 percent in July-September 1983 from 1.33 percent in April-June 1983, and during the first three quarters of this year it increased to 1.43 percent from 1.35 percent in 1982.

A substantial shift in U.S. exports to NME's from agricultural to capital goods is evident from table 2. In January-September 1982, the commodities in the food and live animals category (SITC Section 0) represented 53.3 percent of U.S. exports to NME's, and commodities in the combined categories of machinery and transportation equipment (SITC Section 7) and miscellaneous manufactured articles (SITC Section 8), which includes a variety of scientific and controlling instruments, accounted for 10.0 percent of exports. In January-September 1983, the share of SITC Section 0 sales decreased to 36.8 percent and that of SITC Sections 7 and 8 increased to 22.0 percent. The average share of SITC Section 0 sales in total U.S. exports was approximately 12.0 percent in both periods, and that of Sections 7 and 8, roughly 48.8 percent.

In trade with China, the United States showed a second consecutive quarterly deficit during the period under review. The July-September 1983 deficit was $209.6 million, compared with $175.7 million during April-June 1983. 1/

U.S. merchandise trade with Eastern European NME's registered its third consecutive--and largest--quarterly deficit in July-September 1983. The $82.2 million deficit increased the cumulative negative trade balance of the United States vis-a-vis Eastern Europe to $96.1 million during the first three quarters of 1983. U.S. trade with Eastern Europe showed a cumulative positive balance of $126.2 million during the first three quarters of 1982.

In trade with the Soviet Union, the United States had a small surplus of $48.9 million in July-September 1983, compared with a surplus of $144.2 million in July-September 1982. During the first 6 months of 1983, the quarterly average U.S. surplus with the U.S.S.R. was $446.9 million, less than half the $938.7 million quarterly average surplus in the first 6 months of 1982.

U.S. Exports to NME's

Total U.S. sales to all NME's declined to $3.3 billion in January-September 1983 from their $5.4 billion level in January-September 1982, or by 39.2 percent (table 3). Although the decline in export performance slowed considerably over the January-September 1983 period, 2/ July-September 1983 sales to NME's were 37.9 percent below the average quarterly sales calculated for the first 6 months of 1983, and were 26.0 percent below the July-September 1982 level. Table 4 shows U.S. exports to individual NME's in July-September 1983.

1/ For a review of recent trends in U.S. merchandise trade with China, see 35th Quarterly Report . . ., pp. 5, 8, and 11.

2/ The rate of decline in U.S. sales to NME's from the first quarter to the second quarter was 38.6 percent and from the second quarter to the third quarter, 18.4 percent.

Table 2.--U.S. exports to the world and to the nonmarket economy countries (NME's), 1/ by SITC Sections, January-September 1982 and January-September 1983

SITC Section	Total exports		Exports to the NME's	
	Jan.-Sept. 1982	Jan.-Sept. 1983	Jan.-Sept. 1982	Jan.-Sept. 1983
	Value (million dollars)			
0. Food and live animals	18,486	17,511	2,880	1,209
1. Beverages and tobacco	2,039	1,883	8	20
2. Crude materials--inedible, except fuel	14,478	13,588	892	577
3. Mineral fuels, lubricants, etc	9,807	7,302	91	33
4. Oils and fats--animal and vegetable	1,224	1,140	56	27
5. Chemicals	16,821	16,491	628	467
6. Manufactured goods classified by chief material	13,285	11,393	273	180
7. Machinery and transportation equipment	65,660	59,860	413	516
8. Miscellaneous manufactured articles	11,889	11,108	128	206
9. Commodities and transactions not elsewhere classified	4,973	5,370	37	50
Total	158,662	145,646	5,407	3,286
	Percent of total			
0. Food and live animals	11.7	12.0	53.3	36.8
1. Beverages and tobacco	1.3	1.3	.1	.6
2. Crude materials--inedible, except fuel	9.1	9.3	16.5	17.6
3. Mineral fuels, lubricants, etc	6.2	5.0	1.7	1.0
4. Oils and fats--animal and vegetable	.8	.8	1.0	.8
5. Chemicals	10.6	11.3	11.6	14.2
6. Manufactured goods classified by chief material	8.4	7.8	5.1	5.5
7. Machinery and transportation equipment	41.4	41.1	7.6	15.7
8. Miscellaneous manufactured articles	7.5	7.6	2.4	6.3
9. Commodities and transactions not elsewhere classified	3.1	3.7	.7	1.5
Total	100.0	100.0	100.0	100.0

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

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

10

Table 3.--U.S. exports to the individual nonmarket economy countries and to the world, 1981, 1982, January-September 1982, January-September 1983, July-September 1982, and July-September 1983

(In thousands of dollars)

Market	1981	1982	January-September--		July-September--	
			1982	1983	1982	1983
Albania	6,137	16,400	10,257	4,205	4,978	62
Bulgaria	258,104	106,453	97,684	55,146	23,045	34,077
China	3,598,601	2,904,535	2,388,304	1,422,950	682,845	394,621
Cuba	558	951	829	556	342	229
Czechoslovakia	82,420	83,598	73,620	34,076	10,791	11,718
East Germany	295,557	222,657	181,594	90,176	8,156	12,140
Hungary	77,511	67,842	50,469	88,489	13,022	33,395
Mongolia	75	344	340	123	6	82
North Korea	-	100	100	1	7	-
Poland	680,547	292,606	187,793	236,967	77,780	75,836
Romania	503,890	223,231	193,111	143,077	19,011	33,439
U.S.S.R	2,338,818	2,588,975	2,200,714	1,194,882	203,966	178,860
Vietnam	10,135	31,995	22,169	15,713	7,764	4,180
Total	7,852,353	6,539,686	5,406,983	3,286,361	1,051,711	778,640
Total, U.S. exports to the world	228,869,586	207,157,641	158,661,755	145,645,762	48,794,827	47,299,012

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

11

Table 4.--U.S. exports to the nonmarket economy countries, by SITC Sections, July-September 1983

(In thousands of dollars)

SITC Section	Albania	Bulgaria	China	Cuba	Czecho-slovakia	East Germany	Hungary
0. Food and live animals	-	13,804	386	-	17	6,987	18,078
1. Beverages and tobacco	62	6,898	289	-	1	259	322
2. Crude materials--inedible, except fuel	-	-	186,722	-	4,262	326	936
3. Mineral fuels, lubricants, etc	-	2	157	-	-	9	13
4. Oils and fats--animal and vegetable	-	-	-	-	-	-	3
5. Chemicals	-	11,811	69,892	99	3,373	189	4,538
6. Manufactured goods classified by chief material	-	132	77,166	1	1,102	114	2,043
7. Machinery and transportation equipment	-	1,128	98,757	38	2,351	3,342	6,024
8. Miscellaneous manufactured articles	-	1,693	40,026	58	481	963	1,249
9. Commodities and transactions not elsewhere classified	-	17	1,386	41	131	38	189
Total	62	34,877	394,621	229	11,718	12,148	33,395

SITC Section	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
0. Food and live animals	-	-	34,379	3	348	68	74,055
1. Beverages and tobacco	-	-	743	1,259	572	-	10,316
2. Crude materials--inedible, except fuel	-	-	17,231	23,418	16,244	-	169,140
3. Mineral fuels, lubricants, etc	-	-	4	5,463	5,924	-	11,572
4. Oils and fats--animal and vegetable	-	-	2,350	-	8,409	-	10,762
5. Chemicals	-	-	3,108	743	71,636	9	164,518
6. Manufactured goods classified by chief material	-	-	1,328	298	7,829	-	90,014
7. Machinery and transportation equipment	71	-	3,451	1,557	39,450	-	156,170
8. Miscellaneous manufactured articles	8	-	2,185	655	28,023	12	74,746
9. Commodities and transactions not elsewhere classified	3	-	11,037	43	438	4,099	17,355
Total	82	-	75,836	33,439	178,860	4,188	778,648

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

12

Of the total $2.1 billion decline in U.S. export sales to NME's from January-September 1982 to January-September 1983, the U.S.S.R. accounted for 47.4 percent, China, for 45.5 percent, and the remainder of the NME's, for 7.1 percent. As a result, the share of "all other" NME's in total U.S. exports to NME's increased (fig. 3).

U.S. exports to China decreased to $1.4 billion in January-September 1983 from $2.4 billion in the corresponding period of 1982. July-September 1983 exports to China remained 23.3 percent below the quarterly average calculated for the first 6 months of 1983, and were 42.2 percent below their July-September 1982 level. The continued decrease in, or complete cessation of, U.S. sales of major agricultural commodities to China and increased sales of various manufactured goods and equipment resulted in a shift in U.S. exports to China from agricultural to capital goods.

This shift was reinforced by the success of China's agricultural reforms and its retaliation against the U.S. imposition of unilateral import quotas on Chinese textile products which spelled sharply reduced purchases of U.S. wheat, cotton, and manmade fibers in the first three quarters of 1983, compared with those in the corresponding period of 1982. 1/

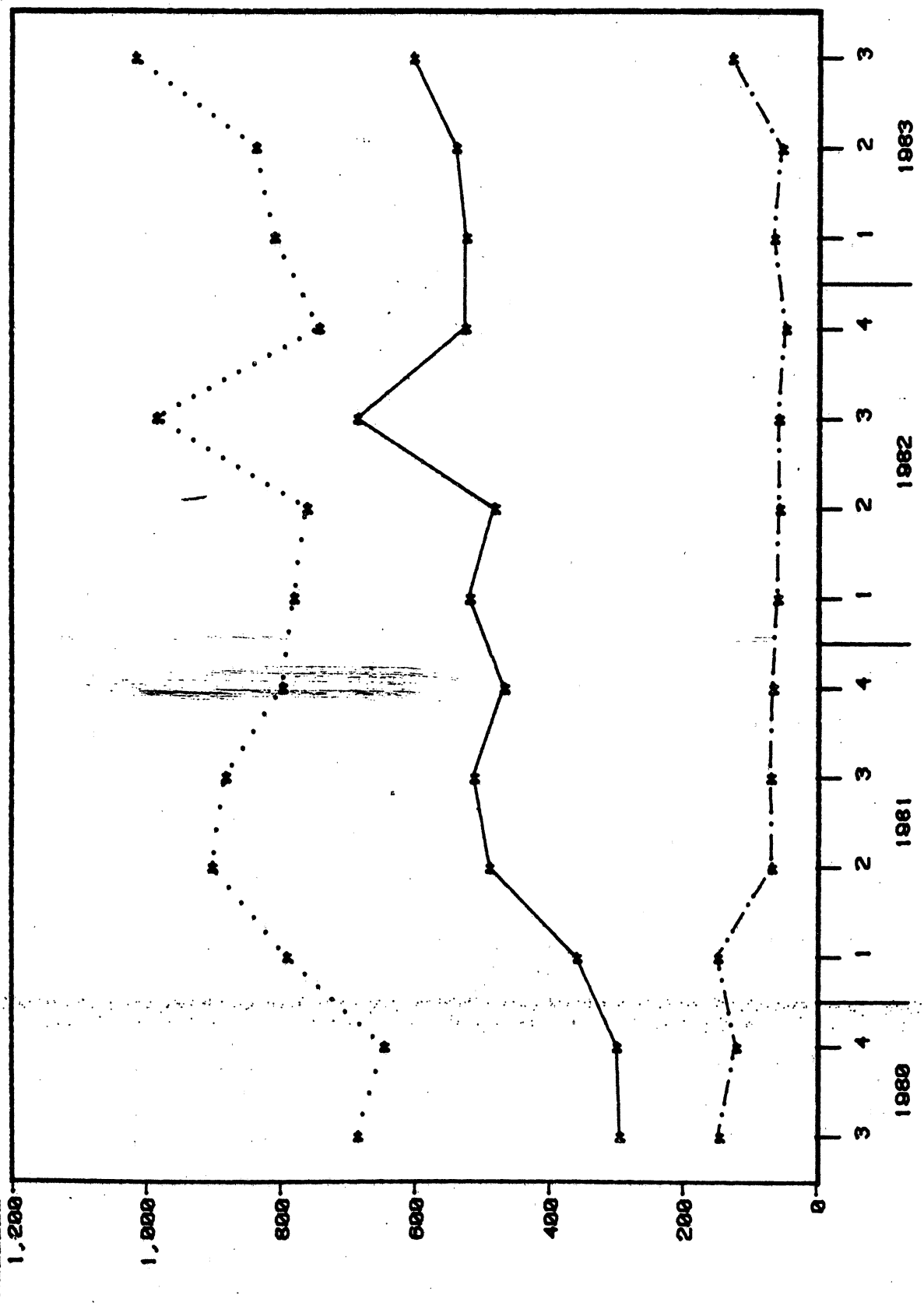
Because no wheat (Schedule B No. 1306540) or corn (Schedule B No. 130.3465) was shipped to China during July-September 1983 (table B-3), total sales of U.S. cereals and cereal preparations (SITC Section 04) to China were 67.2 percent lower in January-September 1983 than during the corresponding period of 1982. (Table A-2 shows U.S. exports to China by one-digit SITC categories.)

By the third quarter of 1983, China had also stopped importing U.S. cotton. After reaching their peak in 1980, U.S. cotton exports to China declined sharply, amounting to only $1.1 million in January-September 1983, compared with $175.6 million in January-September 1982. This decline and the reductions in U.S. sales of manmade textile fibers to China lowered overall U.S. textile fiber (SITC Section 26) sales to China to $24.3 million during the first three quarters of 1983 from $252.1 million in January-September 1982. A formerly important U.S. export item to China, shipments of polyester fibers (Schedule B No. 309.4242) were practically eliminated during the third quarter of 1983; China's purchases amounted to $9.4 million in July-September 1982, but less than $60,000 in July-September 1983. U.S. exports of polyester fibers to China totaled $9.9 million in January-September 1983, compared with $58.9 million in January-September 1982. 2/

1/ For a more detailed background description of declining Chinese purchases of U.S. agricultural commodities and crude materials, see 35th Quarterly Report . . ., pp. 8, 11, 15, 16, and 17.

2/ For a more detailed explanation of this trend, see 33rd Quarterly Report . . ., pp. 13, and 14, and 34th Quarterly Report . . ., p. 20.

Figure 3.—U.S. Imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1980-83.



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

For the fifth consecutive quarter, there were no soybean deliveries to China during July-September 1983. The last shipments of U.S. soybeans to China, which occurred during the first 6 months of 1982, amounted to $63.2 million.

Offsetting to some extent the sharp decline in U.S. exports of grain, cotton, manmade fibers, and soybeans, Chinese purchases of U.S. machinery and transportation equipment (SITC Section 7) increased 118.4 percent from January-September 1982 to January-September 1983. U.S. exports of miscellaneous manufactured articles (SITC Section 8) to China increased by 116.9 percent. Increases in sales to China were also recorded in aluminum (SITC Section 6) and fertilizers (SITC Section 5).

The changing pattern of U.S. exports to China from January-September 1982 to the corresponding period of 1983 accounted for the bulk of the structural shift from agricultural to capital goods in U.S. exports to NME's. In January-September 1982, commodities classified in SITC Section 0 represented 43.7 percent of the value of U.S. shipments to China, and commodities in SITC Sections 7 and 8 accounted for only 8.9 percent. In January-September 1983, however, the relative significance of these categories changed: the share of SITC Section 0 items shrank to 24.4 percent and that of Section 7 and 8 items increased to 32.5 percent.

U.S. exports to the Soviet Union decreased to $1.2 billion in January-September 1983 from $2.2 billion in the corresponding period of 1982. Exports to the U.S.S.R. in July-September 1983 were 64.8 percent below the quarterly average calculated for the first 6 months of 1983 and 12.3 percent below the July-September 1982 level.

About 81.4 percent of the $1.0 billion total decline in U.S. exports to the U.S.S.R. from January-September 1982 to January-September 1983 was caused by the decrease in U.S. sales of agricultural commodities classified as food and live animals (table A-3). Since the United States shipped no wheat or corn to the U.S.S.R. during July-September 1983 (table B-5), total sales of U.S. cereals and cereal preparations to the U.S.S.R. in January-September 1983 remained 55.8 percent below their January-September 1982 level.

Except for manufactured goods classified by chief material (SITC Section 6), miscellaneous manufactured articles (SITC Section 8), and the residual category of commodities and transactions not classified elsewhere (SITC Section 9), U.S. exports to the Soviet Union decreased in all one-digit SITC sections. There were sizable reductions in sales to the Soviets from January-September 1982 to January-September 1983 in the following two-digit SITC categories: oilseed and oleaginous fruit (SITC Section 22), 72.1 percent; petroleum and petroleum products (SITC Section 33), 69.4 percent; inorganic chemicals (SITC Section 52), 10.4 percent; machinery specialized for particular industries (SITC Section 72), 60.3 percent; and road vehicles (SITC Section 78), 36.9 percent. Soviet purchases of cotton, however, continued to increase during the period under review.

U.S. exports to Eastern Europe decreased to $647.9 million in January-September 1983 from $784.3 million in the corresponding period of 1982. July-September 1983 exports to Eastern Europe remained 10.3 percent below the quarterly average calculated for the first 6 months of 1983, but were 32.1 percent above their July-September 1982 level.

The decline in U.S. sales of agricultural commodities classified as food and live animals from January-September 1982 to January-September 1983 amounted to $155.2 million (table A-4). Reduced sales of U.S. corn and wheat in Eastern Europe decreased U.S. export revenues from the sale of cereals and cereal preparations in Eastern European markets by 55.6 percent from January-September 1982 to the corresponding period of 1983. Good 1982 grain harvests in Eastern Europe, feedstock economizing measures, and hard-currency shortages were the underlying causes.

In addition to the drop in SITC Section 0 sales, declines were registered in most of the other one-digit SITC categories. From January-September 1982 to January-September 1983, U.S. exports of chemicals (SITC Section 5) declined 48.4 percent, and those of miscellaneous manufactured articles (SITC Section 8) decreased 25.4 percent. Although total U.S. sales of machinery and transportation equipment (SITC Section 7) also declined, sales of machinery for particular industries (SITC Section 72) within that cateogry increased $13.8 million, or 59.9 percent, from the first three quarters of 1982 to the corresponding period of 1983. Small growth was noted in the sale of U.S. agricultural equipment within this subcategory of exports.

In January-September 1983, Eastern European purchases of U.S. crude materials (SITC Section 2) increased $56.3 million, compared with those in January-September 1982. Soybeans (SITC Section 2222) accounted for a $39.6 million or 57.5-percent increase, and phosphatic fertilizers (SITC Section 2713), for a $13.6 million or 90.6-percent increase.

Donations to Poland for relief or charity by individuals or private organizations (Schedule B No. 818.3900) increased to $26.9 million in January-September 1983, compared with $11.2 million in the corresponding period of 1982. These donations amounted to $10.5 million in July-September 1983 (table B-25).

Food and live animals

U.S. exports of food and live animals, while still remaining the dominant item in total U.S. exports to NME's, significantly decreased in both value and share in January-September 1983 compared with January-September 1982. Such exports declined to $1.2 billion, representing 36.8 percent of total sales to NME's, in January-September 1983 from their $2.9 billion level and 53.3 percent share during the corresponding period of 1982. The value of these exports in July-September 1983 was 80.8 percent lower than in the corresponding period of 1982.

Loss of revenue in food and live animal sales to NME's is attributed to the precipitous decline in NME grain purchases. U.S. wheat sales to NME's declined from $1.8 billion in January-September 1982 to $686.2 million in the corresponding period of 1983, and from $326.0 million in July-September 1982 to $2.5 million during the period under review (table B-1). Sales of U.S. corn to NME's decreased from $966.9 million in January-September 1982 to $388.2 million in January-September 1983, and from $40.3 million in July-September 1982 to $25.0 million during the period under review.

U.S.S.R.--As a result of no U.S. shipments of wheat or corn to the Soviets during the period under review (table B-5), total U.S. sales of grain to the Soviet Union in January-September 1983 remained at their January-June level of 6.2 million metric tons. U.S. grain shipments to the Soviet Union were $11 million during the third quarter of 1982 and $212 million during the corresponding period of 1981. Generally, increasing Soviet grain production and nongrain animal feed production, which decreased overall Soviet demand for agricultural imports, have been cited as the explanation for the low level of U.S. grain sales in the Soviet market in January-September 1983. 1/ In view of the new U.S.-Soviet long-term grain agreement, however, U.S. grain sales to the Soviet Union are slated to increase. 2/ According to the U.S. Department of Agriculture, the Soviets contracted in September 1983 for the purchase of 2.05 million metric tons of U.S. wheat, 2.48 million metric tons of corn and 0.4 million metric tons of soybeans, for delivery after the third quarter.

China.--During the period under review there were no U.S. wheat or corn shipments to China (table B-3). This left total U.S. wheat exports to China in January-September 1983 at the January-June level of $183.6 million. Similarly, U.S. corn shipments to China remained at the January-June levelof $158.1 million. The decline in Chinese purchases of U.S. grain was caused by a combination of strained commercial relations between the United States and China at the end of 1982 and in early 1983, 3/ and the strong buyers' market permitting the Chinese to diversify their sources of supply.

1/ The U.S. Department of Agriculture estimates that Soviet grain production will reach 200 million metric tons during the 1983/84 crop year. This represents a significant increase from the level of 180 million metric tons estimated for 1982/83 and the level of 160 million tons for 1981/82. According to the November 1983 issue of the monthly review East Europe Agriculture, as a result of increased Soviet agricultural production, the value of 1982 worldwide Soviet grain purchases declined by 13 percent, with quantities dropping by 15 percent. Imports of wheat reportedly fell by 2 million to 3 million tons, and those of corn, by an estimated 5 million tons. There were also important reductions in the importation of dairy products by the Soviets. To the present, these trends have not been accompanied by increased Soviet purchases of U.S. agricultural machinery. Combined U.S. sales of agricultural machinery (SITC Section 721) and tractors (SITC Section 722) to the Soviet Union in January-September 1983 were $6.5 million, down from $39.0 million during the corresponding period of 1982. Since 1980, the highest level of sales in these two categories has been $60.9 million, in 1981. However, the U.S. agro-exhibit, held by U.S. producers of agricultural machinery in the Soviet Union in October 1983, does hold the promise of increasing U.S. participation in the implementation of the Soviet Food Program.

2/ For a description of the new agreement, signed in August 1983, see 35th Quarterly Report . . ., pp. 37,38.

3/ Ibid., pp. 11, 16, 17.

Given the standing long-term grain agreement between the two countries, Chinese purchases of U.S. grain are expected to recover in the near future. 1/

Eastern Europe.--U.S. grain sales, particularly those of corn, also suffered serious setbacks in Eastern Europe. U.S. corn sales to Eastern Europe in January-September 1983 stood at $91.9 million, compared with $235.0 million in January-September 1982 (table B-7). U.S. wheat sales declined to $6.1 million during the first three quarters of 1983 from $8.3 million during the corresponding period of 1982. As an exception to this trend, Poland, suffering from reduced deliveries of fertilizers and feedstuff shortages, increased its importation of U.S. grain in January-September 1983. Polish purchases of corn increased by $11.3 million, and those of wheat increased by $6.1 million from January-September 1982 to the corresponding period of 1983. Czechoslovakia, East Germany, Romania, and Hungary (a minor buyer) received no shipments of U.S. corn during the period under review. From the first three quarters of 1982 to the corresponding period of 1983, the reduction in U.S. corn exports amounted to $76.1 million for East Germany, $30.8 million for Czechoslovakia, $29.3 million for Romania. Wheat shipments to East Germany dropped to zero in January-September 1983 from $8.3 million in the corresponding period of 1982.

One of the major factors causing the drastic reduction in U.S. corn sales to Eastern Europe was the exceptionally good grain harvest throughout the area in 1982, allowing for high initial stocks in 1983. 2/ Other factors behind the decline of Eastern European purchases of U.S. grain were the region's perennial shortage of hard currency and a stabilization or improvement in the use of grain for feedstock. The particularly strong corn harvest in Romania allowed for exportation to East Germany, where the substitution of Canadian barley for corn as a feedstock reduced demand. In Czechoslovakia, as a result of a planned reduction in livestock holdings, demand for corn feedstack was reduced as well.

1/ According to the U.S. Department of Agriculture, Chinese officials contracted for 1.17 million metric tons of U.S. wheat for delivery during the fourth quarter of 1983, and for an additional 450,000 metric tons to be shipped during the first quarter of 1984. The long-term grain agreement calls for a 6 million metric ton minimum purchase of U.S. grain per agreement year by the Chinese. The total quantity of grain shipped to China or contracted for delivery this year amounts to 3.8 million metric tons.

2/ The U.S. Department of Agriculture estimates that Eastern European grain production was 88.3 million metric tons in 1982, compared with 79.0 million tons in 1981. Corn production reached 24.7 million metric tons in 1982, compared with 21.9 million tons in 1981. According to Wharton Econometric Forecasting Associates, in Poland, where gross output of crops fell by 3.3 percent in 1982 compared with that in the previous year, the 21.2 million metric ton grain harvest represented a 7.3 percent growth over that in 1981. See Wharton Econometric Forecasting Associates, Centrally Planned Economies Outlook, September 1983.

Crude materials

Exports to the NME's of crude materials (SITC Section 2) decreased by 35.3 percent from January-September 1982 to January-September 1983 (table 2). China, traditionally paying the largest bill to U.S. crude material exporters, yielded first place to Eastern Europe in January-September 1983. Chinese purchases of U.S. crude materials declined by 58.9 percent from the first three quarters of 1982 to the corresponding period of 1983, and Eastern European purchases increased by 35.7 percent. Soviet purchases, after reaching $214.2 million in January-September 1982, began to slacken in the last quarter of 1982. In January-September 1983 their value sank to $149.2 million.

Oilseed products.--U.S. sales of soybeans (Schedule B No. 175.4100) declined to $156.3 million in January-September 1983, or by 48.5 percent, from $303.4 million in the corresponding period of 1982 (table B-1). For the fifth consecutive quarter, there were no soybean deliveries to China during July-September 1983. The last shipments of U.S. soybeans to China, during the first 6 months of 1982, were valued at $63.2 million. 1/ Exports to the U.S.S.R., which amounted to $171.3 million in January-September 1982 declined to $47.8 million in the corresponding period of 1983. Eastern Europe increased its purchases from $68.9 million to $108.5 million; U.S. soybean sales to Poland alone increased from $11.7 million to $42.2 million. Soybeans became the leading U.S. commodity sold to Eastern Europe in January-September 1983, replacing corn, which was the leading item in January-September 1982.

Total NME purchases of soybean oil cake (Schedule B No. 184.5260) declined from $82.4 million in the first three quarters of 1982 to $64.0 million during the corresponding period of 1983. By buying $18.1 million in U.S. soybean oil cake during the period under review, Hungary increased its purchases of this product to $42.3 million in January-September 1983. 2/

Softwood logs.--Sales of Douglas-fir logs and timber (Schedule B No. 200.3510) to China in January-September 1983 decreased to $112.8 million from $128.5 million in January-September 1982 (table B-3). These sales accounted for about 30 percent of total U.S. exports in this commodity and for more than half the value of U.S. crude material shipments to China during the first 9 months 1983. China's demand for U.S. softwood products seemed to be threatened by Soviet competition as a result of the Chinese-Soviet logs and lumber agreement signed earlier this year. The agreement calls for $100 million per year in Chinese purchases of Soviet logs and lumber over a 5-year period. However, China's increasing demand for these products in construction, reduced shipments from East Asia in the wake of efforts by the countries of that region to utilize wood internally, and the high quality of U.S. products explain continued strong Chinese demand for U.S. softwood logs. Sales of Douglas-fir logs and timber in July-September 1983 increased by 67.6 percent over sales in the corresponding period of 1982. From the first three quarters of 1982 to the corresponding period of 1983, the sale of spruce logs (Schedule B No. 200.3508) to China increased by 14.3 percent, and the sale of Western hemlock logs (Schedule B No. 200.3514) by 5.7 percent.

1/ For an explanation of this trend, see 35th Quarterly Report . . ., pp. 11, 15.

2/ Increased Hungarian imports of U.S. oilseed products are explained by Hungary's efforts to boost its livestock and thereby its hard-currency-earning meat production.

Cotton.--The U.S.S.R., after importing 181,175 running bales of U.S. cotton (Schedule B Nos. 300.1060 and 300.1550) during the second quarter of 1983 received 19,521 additional running bales of those commodities in the period under review. Total U.S. shipments of cotton to the Soviet Union amounted to $71.8 million in January-September 1983. 1/ China did not purchase any cotton from the United States in July-September 1983. Successive record crops since 1980, allowing for the accumulation of large stockpiles despite the rapid expansion of the domestic textile industry, reduced Chinese purchases of U.S. cotton from their $701 million peak in 1980 to their token January-September 1983 level.

Manmade fibers.--Polyester fibers and acrylic and modacrylic fibers have made up the bulk of U.S. fiber exports to China since Chinese purchases of these commodities began on a massive scale in 1979. These purchases were sharply reduced in May 1982. 2/ Chinese purchases of U.S. polyester fibers (Schedule B No. 309.4242) were practically eliminated in July-September 1983. The decline from the 1981 peak of $281.8 million to less than $10 million in January-September 1983 was caused by a temporary oversupply of fiber in China, availability of lower-priced fiber from other Asian sources, and increased Chinese fiber production capacity. Sales of U.S.-made acrylic fibers (Schedule B No. 309.4245) to China dropped as well, from $12.7 million in January-September to $9.8 million in January-September 1983, and from $5.1 million in the third quarter of 1982 to $1.1 million during the period under review.

Eastern European purchases of cattle hides (Schedule B No. 120.1400) from the United States increased to $50.4 million in January-September 1983 from $43.2 million in January-September 1982. Sales to Eastern Europe in July-September 1983 amounted to $23.1 million, compared with $9.5 million in July-September 1982 (table B-7). Although there were no shipments of cattle hides to Romania in July-September 1982, shipments during the period under review reached $18.5 million. Increasing shoe manufacturing and exportation for hard currency provide the explanation for the aggregate increase in East European cattle hide imports from the United States.

Synthetic rubber (Schedule B No. 446.1561) purchases by China ($5.3 million) and by the Soviet Union ($7.0 million) in January-September 1983 were further noteworthy developments in U.S. crude material exports to NME's.

Machinery and transportation equipment

U.S. sales of machinery and transportation equipment (SITC Section 7) increased to $516 million in January-September 1983 from $413 million in January-September 1982. (Section 7 sales stood at $481 million in January-September 1981.) As a result of this increase and the decline in total NME purchases from the United States, the share of Section 7 sales in total U.S. exports to NME's grew to 15.7 percent in January-September 1983 from 7.6 percent in January-September 1982 (table 2). Section 7 sales ranked third among SITC categories of U.S. exports to NME's in January-September 1983. The $102 million net increase in the first 9 months of 1983 compared

1/ For an explanation of the unusually high Soviet cotton purchases in 1983, see 35th Quarterly Report . . ., p. 15.

2/ For a review of U.S. manmade-fiber exports to China, see 33d Quarterly Report . . ., pp. 47 and 48.

with the corresponding period of 1982 was the result of expanded sales to China and reduced sales to the Soviet Union and Eastern Europe.

Chinese purchases of U.S. machinery and transportation equipment increased by $184.5 million, or 118.4 percent, from January-September 1982 to the corresponding period of 1983; Soviet purchases declined by $68.4 million, or 38.8 percent, and those of Eastern Europe, by $13.6 million, or 16.9 percent.

The value of Chinese purchases of Section 7 items during January-September 1983, $340.4 million, was higher than their annual value in 1981 and 1982. In July-September 1983, Section 7 shipments to China amounted to $98.8 million, representing 63.2 percent of total NME purchases in this product category (table 4). These exceeded the quarterly average value calculatedfor 1980-82 and the first half of 1983. Gradually improving commercial relations between the United States and China after the first quarter of 1983 and a healthy growth in China's industry this year explain the strong Chinese demand for U.S. machinery and equipment. 1/ Although there were no spectacularly large single shipments, such as the sale of airplanes in the second quarter of 1983, considerable advances in sales of a broad spectrum of commodities added up to the significant increase in Section 7 sales reported in table A-2. Increases in Section 7 sales from January-September 1982 to January-September 1983 were evident in all two-digit SITC categories. Automatic data processing equipment (SITC Section 752) sales grew by 25.1 percent from January-September 1982 to January-September 1983. Exporters of computers and related equipment appeared to be particularly successful in their sales to China during the third quarter of 1983: about $4.4 million in digital central processing units (Schedule B No. 676.2820) and $4.1 million worth in digital automatic data processing machines (Schedule B No. 676.2700) were sold. Moreover, shipments of drilling and boring machines (Schedule B No. 664.0508) amounted to $6.8 million, and those of mobile cranes (Schedule B No. 692.1650), to $5.2 million during the same period.

In contrast, Soviet purchases of Section 7 items declined over a wide range of commodity categories. For example, sales of automatic data processing equipment to the Soviet Union were practically eliminated in January-September 1983. Some Section 7 exports to NME's for which the U.S.S.R. was the major customer declined substantially from January-September 1982 to January-September 1983 (table 5). Exports of tracklaying tractors (Schedule B No. 692.3160) declined by 89.3 percent to $3.6 million. Sales of excavating-machinery-related equipment (Schedule B No. 664.0577) and dozer attachments (Schedule B No. 664.0572) to NME's, with the Soviets as major customers, declined by 90.7 and 88.1 percent, respectively, from the first three quarters of 1982 to the corresponding period of 1983. The only Section 7 item among the top 20 U.S. export items for which NME's collectively accounted for the largest market share in 1983, with the U.S.S.R. as the major customer, was metal-finishing machine tools (Schedule B No. 674.3528) (table 6). NME's accounted for 11.7 percent of such exports in January-September 1982, compared with 40.9 percent in January-September 1983.

1/ According to Wharton Econometric Forecasting Associates, industrial growth in the first 6 months of 1983 was 8.8 percent over the same period of 1982. Heavy industry reportedly grew by 12.2 percent, and light industry by 5.4 percent. See Wharton Econometric Forecasting Associates, Centrally Planned Economies Outlook, September 1983.

The general decline in purchases of U.S.-made Section 7 products by Eastern Europe, evident since 1980, continued during the first three quarters of 1983. Some notable exceptions to this trend were the purchase by East Germany of parts of assembly machines for electric filaments and discharge lamps (Schedule B No. 678.3240) valued at $11.3 million, and the purchase by Hungary of oil and gas field wire line (Schedule B No. 678.5002) valued at $5.4 million.

Chemicals

Total sales of chemicals (SITC Section 5) to NME's declined from $628 million in January-September 1982 to $467 million in January-September 1983. Among all export categories, the relative share of SITC Section 5 sales to NME's increased from 11.6 percent in January-September 1982 to 14.2 percent in January-September 1983 (table 2). SITC Section 5 shipments were the fourth largest category among U.S. exports to NME's during the first three quarters of 1983. Of total exports from the United States in January-September 1983, exports of chemicals to China represented 17.9 percent; those to the Soviet Union, 14.7 percent; and those to Eastern Europe, 5.7 percent. SITC Section 5 exports to China declined 30.2 percent from January-September 1982 to January-September 1983, those to the Soviet Union declined by 8.2 percent, and those to Eastern Europe declined by 48.4 percent. The overall 25.7-percent decline in SITC Section 5 sales to NME's from January-September 1982 to January-September 1983 was caused primarily by a massive decline in China's purchases of U.S.-made plastics resins (Schedule B Nos. 444.1610, 444.1620, and 444.1700), and by a lower but still significant decline in its purchases of U.S. catalyst preparations (Schedule B No. 433.1035) and urea (Schedule B No. 480.3000). A decline in the same period in exports of superphosphoric acid (Schedule B No.480.7025) to the U.S.S.R. and concentrated superphosphate (Schedule B No.480.7050) to Eastern Europe also contributed to the decline. Increases in China's purchases of U.S.-made fertilizers and insecticides, however, mitigated the loss of U.S. export revenues (table 5).

U.S. exports of low- and medium-density polyethylene resins (Schedule B No. 444.1610) to China dropped to $9.2 million in January-September 1983 from $59.0 million in January-September 1982. China's purchases of U.S. high-density polyethylene resins (Schedule B No. 444.1620) declined to $27.2 million from $35.9 million, and those of polypropylene resins (Schedule B No. 444.1700), from $63.4 million to $19.1 million. Sales of all these goods were lower in July-September 1983 than in the corresponding period of 1982. Chinese purchases of urea declined from $36.9 million in the first three quarters of 1982 to $18.9 million in the corresponding period of 1983. U.S. sales of urea to China during July-September 1983 were 23.9 percent below those in July-September 1982.

Table 5.--20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B numbers, January-September 1982 and January-September 1983 1/

Schedule B number	Commodity	Major NME customer	Percentage change, Jan.-Sep. 1983 from Jan.-Sep. 1982		Value of exports to all NME's in January-September 1983
			All NME's	World	
			Percent		1,000 dollars
486.6600	Organophosphorus-containing insecticide preparations, n.s.p.f	China	1,345.1	91.8	14,234
660.1040	Parts, n.s.p.f., of steam and other vapor generating boilers	do	754.6	-5.8	5,012
649.5040	Rock drilling bits, core bits, and reamers, other than percussion rock drill bits	do	537.3	-25.7	15,143
417.1900	Aluminum compounds n.s.p.f	U.S.S.R	489.4	34.7	2,690
182.9754	Vegetable protein concentrates, hydrolysates, and textured or spun products, derived from oil seeds	Poland	355.7	25.4	3,992
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed	Bulgaria	352.4	-9.5	6,796
115.5020	Nonfat dry milk, donated for relief or charity	Poland	352.2	181.2	8,708
692.1400	Fire engines	China	347.2	-8.4	3,119
660.3040	Parts, n.s.p.f., of steam turbines	do	315.8	-4.3	7,859
676.2820	Digital central processing units consisting of arithmetical, logical and control elements	do	293.6	9.7	8,308
121.0530	Bovine leather, rough, russet, and crust, wet blue, split, other than grains	do	-96.7	-47.0	851
664.0577	Rippers and rooters (attachments for excavating machinery)	U.S.S.R	-90.7	-63.4	523
310.0010	Textured yarns, of polyester	China	-90.0	-67.4	10,970
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over	U.S.S.R	-89.3	-67.7	4,329
664.0572	Dozer attachments	do	-88.1	-58.4	707
310.0026	Yarns of cellulosic fibers, other than textured yarns	do	-87.1	-35.6	969
517.5120	Petroleum coke, calcined	do	-85.5	-23.0	3,125
444.1610	Polyethylene resins, low and medium density	China	-84.4	-28.0	9,223
300.1550	Cotton, not carded, not combed, staple length 1-1/8 inches or more, n.e.s	U.S.S.R	-83.4	-33.0	10,885
433.1035	Compound catalyst preparations, other than of nickel	China	-81.4	-5.0	6,171

1/ Only items which accounted for at least 500,000 dollars' worth of exports in both January-September 1982 and January-September 1983 are included in this table.

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

23

U.S. exports of fertilizers (Schedule B No. 480) to China increased from $101.0 million in January-September 1982 to $121.5 million in January-September 1983. The largest sales occurred in diammonium phosphate fertilizers (Schedule B No. 480.8005). Shipments of this product to China totaled $70.6 million in January-September 1983, compared with $60.9 million in January-September 1982. Sales of this product in July-September 1983 were 10.1 percent higher than in the corresponding period of 1982. (table B-3). Concentrated superphosphate sales to China increased from $3.2 million in January-September 1982 to $32.0 million in January-September 1983. Shipments in July-September 1983 were $9.1 million, compared with $3.2 million in July-September 1982. The share of total U.S. superphosphate exports accounted for by NME's, with China as the main customer, increased to 38.9 percent in January-September 1983 from 25.6 percent in January-September 1982 (table 6).

Mainly as a result of increased purchases by China, the sale of synthetic organic pesticides (Schedule B No. 486) to NME's increased by 163.1 percent from January-September 1982 to the corresponding period of 1983. Exports to China increased from $5.7 million to $24.6 million. The increase in Chinese purchases of organophosphorus-containing insecticide preparations (Schedule B No. 486.6600) was particularly impressive (table 5).

Superphosphoric acid valued at $65.2 million was the largest single U.S. export item sold to the U.S.S.R. in July-September 1983 and the second largest after wheat in January-September 1983 (table B-5). Soviet purchases in July-September 1983 exceeded those in July-September 1982 by 8.3 percent. The Soviet Union, accounting for 89.1 percent of worldwide U.S. sales in January-September 1983, is the major buyer of this product (table 6).

Superphosphoric acid is sold to the Soviet Union under the largest existing countertrade (counterpurchase) agreement in East-West trade. The 20-year agreement was concluded between Occidental Petroleum Corp. of California and the Soviet Government in 1973. 1/ Although trade under the agreement recovered after the 15-month embargo imposed on this product was lifted in April 1981, the Soviets have sought complementary sources of supply.

Exports of the most significant Section 5 item, concentrated superphosphate--shipped to Eastern Europe--declined to $16.4 million in January-September 1983 from $27.1 million in January-September 1982. In the general category of fertilizers, sales to Poland, Hungary, Bulgaria, and East Germany declined and those to Romania and Czechoslovakia increased from January-September 1982 to January-September 1983.

Other export developments

At $206 million, U.S. exports of miscellaneous manufactured articles (SITC Section 8) to NME's in January-September 1983 exceeded the value of annual sales in this category for calendar years 1980, 1981, and 1982. Section 8 sales were $128 million in January-September 1982. From the first three quarters of 1982 to the corresponding period of 1983, Chinese purchases of these articles from the United States increased by 116.9 percent, Soviet purchases rose by 45.3 percent, and Eastern European purchases declined by 25.4 percent.

1/ See 33d Quarterly Report . . ., pp. 66, 67 and 73.

Table 6.--20 U.S. export items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1983, by Schedule B numbers, January-September 1982 and January-September 1983 1/

Schedule B number	Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's in January-September 1983
			Jan.-Sep. 1982	Jan.-Sep. 1983	
			Percent		1,000 dollars
130.6000	Rye	East Germany	.0	89.7	2,224
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	U.S.S.R	92.0	89.1	154,632
674.3249	Combination boring, drilling, and milling machines, new, valued at least $2,500 each, n.s.p.f	China	11.9	73.8	2,909
678.3240	Parts for machines for assembling electric filament and discharge lamps and electric tubes	East Germany	.0	73.7	11,285
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split	China	81.3	71.4	18,978
117.8200	American-type cheeses, except Cheddar	Poland	44.4	66.2	3,396
531.2100	Chrome bricks	U.S.S.R	.0	57.4	1,376
674.3245	Horizontal spindle table type combination boring, drilling, and milling machines, new, valued at least $2,500 each	China	.0	57.2	1,070
475.4555	Insulating or transformer oils	U.S.S.R	56.3	55.9	11,939
818.3900	Products, n.e.s., donated for relief or charity	Poland	42.1	53.4	39,516
126.0120	Alfalfa seeds, uncertified	do	.0	49.4	1,556
790.5510	Pressure-sensitive tape having a plastic backing	U.S.S.R	36.7	49.3	50,181
252.8230	Corrugating medium wrapping and packaging paper, weighing over 18 pounds but not over 92 pounds per ream	China	.0	47.6	2,245
678.3055	Glass-working machines	do	.1	47.4	7,643
116.0100	Butter	Poland	9.8	46.6	13,979
610.4640	Alloy iron or steel pipe and tubes and blanks therefor, stainless and heat resisting, n.s.p.f	China	.0	44.6	1,492
674.3528	Machine tools for deburring or otherwise finishing metal, new, at least $2,500 each, with numerical controls or facings	U.S.S.R	11.7	40.9	4,454
433.1025	Chlorinated paraffin mixtures, acyclic, C10 - C30	do	19.1	40.8	2,131
131.2600	Oats, except breakfast foods	Poland	5.4	39.1	1,079
480.7050	Concentrated superphosphates	China	25.6	38.9	51,343

1/ Only items which accounted for at least 1 million dollars' worth of exports in January-September 1983 are included in this table.

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

25

Much of the increase in exports of these products to the NME's is attributed to stepped-up Chinese purchases of U.S.-made measuring, checking, and analyzing equipment (SITC Section 874). U.S. sales to China in this category amounted to $102.4 million in January-September 1983, compared with only $45.0 million in January-September 1982. The leading commodities shipped to China in July-September 1983 were geophysical instruments and apparatus (Schedule B No. 710.2820) valued at $8.5 million. Chinese purchases of this commodity reached $22.4 million in January-September 1983, compared with $11.3 million in January-September 1982. Exports of chemical analysis equipment (Schedule B No. 711.8710) amounted to $5.7 million in July-September 1983. Sales of this product to China in January-September 1983 totaled $19.1 million compared with $7.4 million in January-September 1982. The top Section 8 item purchased from the United States by the U.S.S.R. during the period under review was pressure sensitive tape (Schedule B No. 790.5510), purchases of which amounted to $23.2 million. Total Soviet imports of this product from the United States stood at $49.3 million in January-September 1983, compared with $25.9 million in January-September 1982. The largest Section 8 item shipped to Eastern Europe in January-September 1983 was privately donated apparel (Schedule B No. 818.3400), which went primarily to Poland. These shipments were valued at $3.6 million during the period; shipments in July-September 1983 were $1.0 million.

U.S. sales of manufactured goods classified by chief material (SITC Section 6) to the NME's declined by 33.9 percent from January-September 1982 to January-September 1983. China's purchases of these commodities declined by 40.2 percent, and the much smaller value of Soviet purchases increased by 16.3 percent.

The commodity subgroups which accounted for the bulk of the decline in Section 6 sales to China were textile yarns (SITC Section 651) and leather (SITC Section 611). U.S. textile yarn exports to China fell from $116.6 million in January-September 1982 to $11.2 million in January-September 1983. Leather exports declined from $55.7 million to $20.7 million. A compensating factor was Chinese purchases of U.S. nonalloyed, unwrought aluminum (Schedule B No. 618.0300). U.S. sales of this product to China leaped from zero sales in January-September 1982 to $40.7 million in January-September 1983. July-September 1983 sales were $35.7 million. Previous Chinese purchases of U.S. aluminum (SITC Section 684) totaled $15.2 million in 1980, $8.3 million in 1981, and less than $250,000 in 1982. Soviet purchases of U.S. silver bullion (Schedule B No. 605.2040) increased to $3.5 million in January-September 1983. There were no such Soviet purchases in 1981 or 1982.

U.S. Imports From the NME's.

The value of quarterly U.S. imports from the NME's exceeded $1 billion for the first time in July-September 1983 (table 7). At $1,019.1 million, U.S. imports from the NME's during that quarter were 3.3 percent higher than those in July-September 1982, previously the highest quarterly figure recorded. Such imports in the third quarter of 1983 exceeded by 23.5 percent their average level in the first two quarters of 1983. They totaled $2.7 billion in January-September 1983, representing an increase of 5.4 percent over imports in January-September 1982. The increasing trend is illustrated by figure 3. China, despite a decrease in the value of its

Table 7.--U.S. imports from the nonmarket economy countries, by SITC Sections, July-September 1983

(In thousands of dollars)

SITC Section	Albania	Bulgaria	China	Cuba	Czecho-slovakia	East Germany	Hungary
0. Food and live animals	-	619	28,660	-	97	261	6,490
1. Beverages and tobacco	-	6,690	1,061	-	270	59	316
2. Crude materials--inedible, except fuel	426	2	23,979	-	343	24	756
3. Mineral fuels, lubricants, etc	2	-	105,666	-	-	380	-
4. Oils and fats--animal and vegetable	-	-	632	-	-	-	-
5. Chemicals	-	192	29,667	-	333	172	2,291
6. Manufactured goods classified by chief material	1,430	3	92,676	-	6,102	6,124	3,926
7. Machinery and transportation equipment	-	24	11,747	-	1,582	5,024	10,182
8. Miscellaneous manufactured articles	-	405	307,355	-	5,368	1,362	14,335
9. Commodities and transactions not elsewhere classified	-	97	2,745	-	251	43	434
Total	1,858	8,032	604,188	-	14,345	13,450	38,730

SITC Section	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
0. Food and live animals	-	-	19,650	3,133	7,881	-	66,791
1. Beverages and tobacco	-	-	115	321	3,337	-	12,169
2. Crude materials--inedible, except fuel	168	-	89	675	3,250	-	29,712
3. Mineral fuels, lubricants, etc	-	-	-	92,070	49,763	-	247,880
4. Oils and fats--animal and vegetable	-	-	-	-	1	-	632
5. Chemicals	-	-	2,366	3,755	32,044	-	70,821
6. Manufactured goods classified by chief material	-	-	6,954	16,082	32,046	-	165,342
7. Machinery and transportation equipment	-	-	4,279	10,440	681	-	43,958
8. Miscellaneous manufactured articles	1	-	10,048	37,577	557	-	377,010
9. Commodities and transactions not elsewhere classified	9	-	616	110	438	-	4,744
Total	178	-	44,115	164,164	129,997	-	1,019,058

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

27

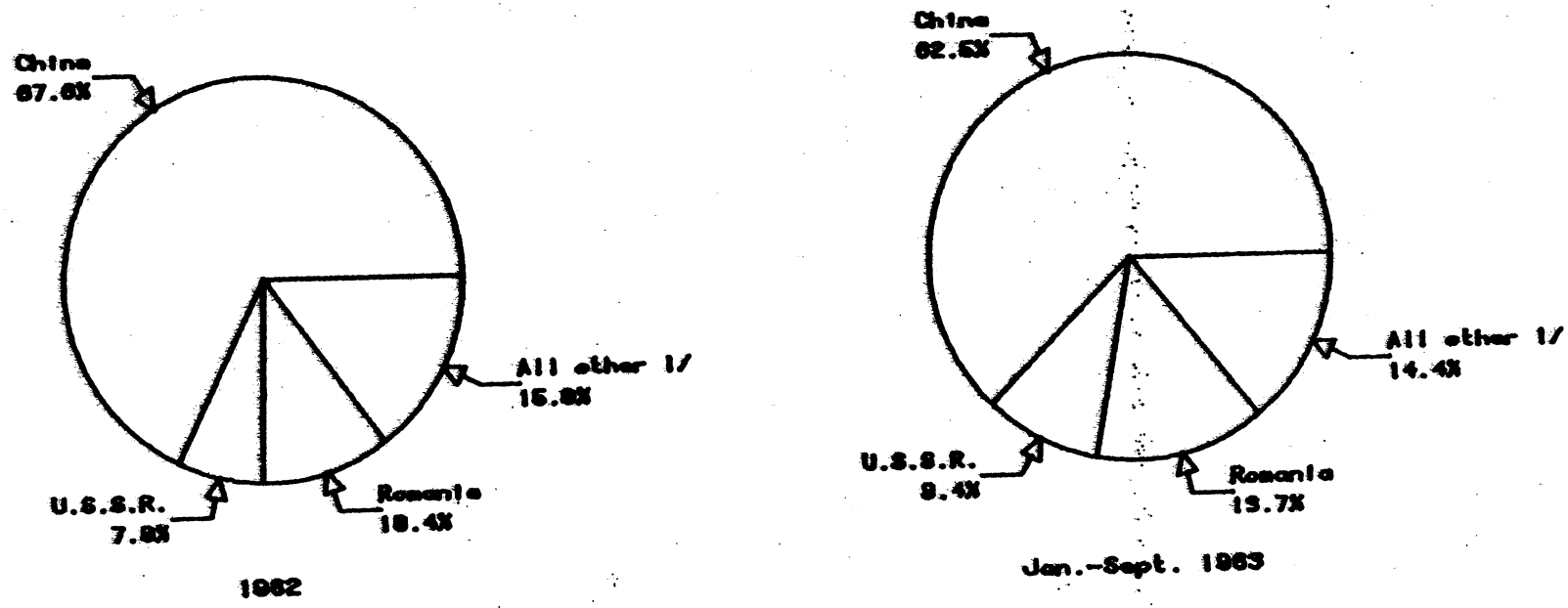
shipments to the United States during the first three quarters of 1983 compared with the value in the corresponding period of 1982, retained its dominant place among the NME suppliers in January-September 1983 (fig. 4).

The $137.8 million increase in NME sales to the United States from January-September 1982 to January-September 1983 was the net result of a $66.1 million decrease in the combined sales of crude materials (SITC Section 2), oils and fats (SITC Section 4), machinery and transportation equipment (SITC Section 7), and commodities and transactions not elsewhere classified (SITC Section 9), and a $204.0 million increase in the combined sales of the rest of the SITC one-digit categories (table A-1). Of the total $204.0 million increase in NME sales to the United States in SITC Sections 0, 1, 3, 5, 6, and 8 from January-September 1982 to January-September 1983, the increase in imports of miscellaneous manufactured articles (SITC Section 8) accounted for 66.1 percent, the increase in imports of food and live animals (SITC Section 0), for 14.0 percent, and the increase in exports of chemicals (SITC Section 5), for 9.5 percent. The decrease in imports of machinery and transportation equipment (SITC Section 7) accounted for 57.4 percent and that in imports of crude materials (SITC Section 2) accounted for 36.0 percent of the total $66.1 million decrease in NME sales to the United States in the indicated categories.

U.S. imports from China declined $20.1 million from January-September 1982 to January-September 1983 (table 8). U.S. purchases of mineral fuels and lubricants (SITC Section 3) from China declined by $123.7 million, and those of crude materials (SITC Section 2), by $22.9 million. A further decline of $13.7 million in U.S. purchases from China occurred in manufactured goods classified by chief material (SITC Section 6); U.S. purchases of Chinese chemicals (SITC Section 5) declined by $6.1 million, and those of food and live animals (SITC Section 0) decreased by $5.8 million. However, a $151.2 million increase in sales of miscellaneous manufactured articles (SITC Section 8) by China to the United States was registered from January-September 1982 to the corresponding period of 1983. There were increases from the first 9 months of 1982 to the corresponding period of 1983 in several major categories of Chinese textile sales to the United States. U.S. purchases of Chinese crude petroleum (TSUSA items 475.0510 and 475.1010) showed a strong decline from January-September 1982 to January-September 1983. Chinese sales of cotton towels (TSUSA item 366.2460) to the United States also decreased. U.S. purchases of Chinese mushrooms (TSUSA items 144.2053 and 922.5653) increased from $12.7 million to $15.9 million.

U.S. imports from Eastern Europe increased by $85.9 million from January-September 1982 to the corresponding period of 1983 (table A-4). Eastern European sales of mineral fuels (SITC Section 3) increased by $87.9 million. Much of the increase is accounted for by the 107.8 percent increase in U.S. purchases of Romanian gasoline (TSUSA item 475.2520) from January-September 1982 to the corresponding period of 1983. U.S. imports of

Figure 4.--Relative shares of U.S. imports from the nonmarket economy countries, 1982 and January-September 1983.



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

29

Table 8.--U.S. imports from the individual nonmarket economy countries and from the world, 1981-1982 January-September 1982, January-September 1983, July-September 1982, and July-September 1983

(In thousands of dollars)

Source	1981	1982	January-September--		July-September--	
			1982	1983	1982	1983
Albania	3,985	2,760	1,944	3,162	696	1,858
Bulgaria	25,604	25,124	18,424	26,660	6,680	8,032
China	1,830,027	2,215,856	1,689,409	1,669,281	687,392	604,188
Cuba	36	1,621	3	-	3	-
Czechoslovakia	67,232	61,548	46,142	47,051	14,129	14,345
East Germany	44,702	51,773	43,348	40,504	18,164	13,450
Hungary	127,939	133,238	97,994	118,106	32,007	38,730
Mongolia	3,635	3,628	3,279	984	84	178
North Korea	47	8	8	-	-	-
Poland	359,939	212,888	157,734	144,685	56,714	44,115
Romania	559,449	339,121	294,448	367,026	110,887	164,164
U.S.S.R	357,424	228,792	179,117	252,232	59,771	129,997
Vietnam	96	-	-	-	-	-
Total	3,380,116	3,276,356	2,531,850	2,669,692	986,525	1,019,058
Total, U.S. imports from the world	259,011,977	242,339,988	183,632,395	186,939,578	62,395,576	66,206,478

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

30

Eastern European food and live animal products (SITC Section 0) increased by $28.8 million, and those of chemicals (SITC Section 5) by $14.8 million. NME sales of machinery and transportation equipment (SITC Section 7) to the United States decreased by $36.8 million, and those of miscellaneous manufactured articles (SITC Section 8), primarily furniture, footwear, and textile commodities, decreased by $10.6 million from January-September 1982 to the corresponding period of 1983.

U.S. purchases of Soviet goods increased by $73.1 million from January-September 1982 to the corresponding period of 1983 (table A-3). The largest increase occurred in mineral fuels and lubricants. In January-September 1983, Soviet sales of Section 3 products exceeded those in January-September 1982 by $39.5 million. Sharply increased sales of Soviet refined petroleum products (SITC Section 334), largely light fuel oils (TSUSA item 475.1015), during the first three quarters of 1983 accounted for this increase.

Miscellaneous manufactured articles

U.S. imports of miscellaneous manufactured articles (SITC Section 8) from NME's increased both in value and in share in the first 9 months of 1983. From January-September 1982 to January-September 1983, total U.S. Section 8 purchases from NME's grew by 16.5 percent, and the share of these imports increased from 32.2 percent to 35.6 percent. Imports from China accounted for 82.5 percent of these imports in January-September 1983.

Imports from China in the combined subcategories of women's, girls', and infants' and men's and boys' outer textile garments (SITC Sections 843 and 842) represented 40.8 percent of total SITC Section 8 sales by NME's in January-September 1983. Despite the quotas imposed on Chinese textile sales in the United States in January 1983, these sales increased in both of the above subcategories during the first three quarters of 1983. 1/ U.S. imports of Chinese womens', girls', and infants' outer textile garments rose 48.9 percent from 1981 to 1982 and 30.1 percent from January-September 1982 to January-September 1983. Imports of men's and boys' outer textile garments from China grew 77.5 percent from 1981 to 1982 and 67.3 percent from January-September 1982 to January-September 1983.

Chinese shipments of undergarments (SITC Section 844) and in knitted and crocheted garments (SITC Section 845). Chinese shipments in the former category increased 34.6 percent from 1981 to 1982, but only 5.8 percent from the first three quarters of 1982 to the corresponding period of 1983. Chinese sales in the latter category grew 63.3 percent from 1981 to 1982, but only 6.5 percent from January-September 1982 to January-September 1983.

1/ See the section on quota limits and growth rates of Chinese textile sales in the United States later in this report.

For some specific textile commodities the growth of U.S. imports from NME's, with China as the major NME supplier, was substantial (table 9). However, a considerable decline was registered in what had been the largest U.S. apparel import item from China, women's corduroy cotton coats (TSUSA item 383.3448). Chinese sales in this commodity amounted to $18.4 million in January-September 1982, but decreased to $14.2 million in January-September 1983. Sales during July-September 1983 amounted to $5.0 million, compared with $11.5 million during the third quarter of 1982. Except in footwear (SITC Section 85), U.S. imports from China increased in every two-digit SITC Section 8 category from January-September 1982 to January-September 1983.

U.S. imports of textiles from the NME's of which China was the major supplier, are shown in greater detail in table 10.

Eastern European SITC Section 8 sales to the United States declined from $175.3 million in January-September 1982 to $164.7 million in January-September 1983. Goods from Romania accounted for about 55 percent of these sales in both periods. Hungary, the second largest NME supplier of SITC Section 8 items to the United States in January-September 1983, accounted for 19.0 percent, and Poland occupied third place with 14.2 percent. Hungarian SITC Section 8 sales to the United States increased by 30.7 percent from January-September 1982 to the corresponding period of 1983, Polish sales in this category declined by 39.0 percent, and Romanian sales, by 5.9 percent.

The largest item in Romanian SITC Section 8 sales to the United States was wood furniture (TSUSA item 727.3540), with a value of $11.0 million. The second largest was women's footwear, of leather, cement soles (TSUSA item 700.4540), at $7.5 million. All eight SITC section 8 items among the top 20 items imported into the United States from Romania were furniture, footwear, and textile products (table B-28). Imports from Hungary and Poland in SITC Section 8 were also dominated by these products (tables B-20, B-26). Among such imports from Hungary, women's footwear, of leather, cement soles was the largest item, with U.S. purchases totaling $7.9 million in January-September 1983. Men's wool suits (TSUSA item 379.8355) were Poland's best selling SITC Section 8 item in the United States, with sales totaling $4.0 million during the same period.

SITC Section 8 imports from the Soviet Union were worth less than $2.2 million in January-September 1983. During the corresponding period of 1982, metal coins (TSUSA item 653.2200) worth $6.1 million were the leading SITC Section 8 commodity imported from the Soviet Union. 1/

Mineral fuels and lubricants

Increasing less than 1 percentage point from January-September 1982 to January-September 1983, imports of mineral fuels and lubricants (SITC Section 3) ranked second among U.S. imports from the NME's in both periods. Their share of U.S. imports from the NME's was 20.3 percent in January-September 1983, approximating the 22.6-percent share of U.S. SITC Section 3 purchases from all sources.

1/ For a brief discussion on U.S. metal coin imports from the Soviet Union, see 33d Quarterly Report . . ., p. 74.

Table 9.--20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA numbers, January-September 1982 and January-September 1983 1/

TSUSA item number	Commodity	Major NME supplier	Percentage change, Jan.-Sep. 1983 from Jan.-Sep. 1982		Value of imports from all NME's in January-September 1983
			All NME's	World	
			Percent		1,000 dollars
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	U.S.S.R	822.0	143.6	71,003
646.2626	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, coated	Poland	396.2	34.6	3,818
383.4749	Girls' and infants' trousers and slacks of cotton, not knit, denim	China	365.3	121.7	2,362
383.4761	Women's trousers and slacks of cotton, other than denim, corduroy and velveteen	do	347.3	40.5	20,813
480.3000	Urea, n.e.s	U.S.S.R	344.9	39.5	35,799
676.0510	Typewriters, electric, nonautomatic, portable	East Germany	321.1	-3.7	2,515
383.4763	Girls' and infants' trousers and slacks other than, denim, corduroy and velveteen	China	318.2	21.4	3,327
383.2305	Women's dresses, not knit of man-made fibers	do	288.0	152.0	2,057
383.2315	Infants' dresses, not knit of man-made fibers	do	240.9	13.4	1,955
379.3120	Men's and boys' coats of man-made fibers, not knit, except suit-type coats and jackets	do	222.1	21.5	5,148
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more	do	-92.2	-29.4	10,070
383.3460	Women's girls or infants' coats, cotton not knit, valued over $4 each, velveteen	do	-81.0	-72.4	1,015
144.2037	Mushrooms, otherwise prepared or preserved, other than frozen in containers not more than 9 oz except whole or sliced	do	-80.3	-85.0	514
692.3460	Parts for agricultural tractors	Hungary	-78.6	-5.5	1,526
144.2053	Straw mushrooms in containers each holding more than 9 ounces	China	-77.2	-86.1	1,856
417.5000	Antimony oxide	do	-76.1	-37.9	1,132
674.3512	Machine tools, metal-cutting, engine or toolroom	do	-71.9	-64.9	1,348
383.2750	Women's sweaters, of cotton, knit	do	-71.2	51.3	910
680.3950	Spherical roller bearings and parts	Romania	-70.8	-51.7	504
522.2400	Fluorspar, containing not over 97% by weight of calcium fluoride	China	-69.5	-66.4	1,387

1/ Only items which accounted for at least 500,000 dollars' worth of imports in both January-September 1982 and January-September 1983 are included in this table.

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

33

Table 10.--20 U.S. import items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1983, by TSUSA items, January-September 1982 and January-September 1983 1/

TSUSA item number	Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's in January-September 1983
			Jan.-Sep. 1982	Jan.-Sep. 1983	
			Percent		1,000 dollars
306.4293	Camel hair, sorted, etc	China	97.2	100.0	1,339
306.6200	Cashmere goat hair, sorted, etc	do	74.0	96.4	1,836
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches	Romania	96.6	96.3	1,831
186.3000	Bristles, crude or processed	China	95.8	96.2	4,585
605.0760	Rhodium	U.S.S.R	72.2	96.0	1,478
365.0000	Handmade-lace furnishings, of cotton, valued not over $50 per pound	China	98.4	95.9	1,693
366.6000	Pile or tuft construction of cotton	do	99.5	94.6	1,084
702.3785	Headwear, n.e.s., not sewed, etc., not bleached or colored	do	68.8	90.7	1,283
124.1045	Sable furskins, whole, undressed	U.S.S.R	80.4	88.4	6,808
379.3905	Men's jogging, warm-up and similar athletic jacket of cotton knit	Romania	90.6	85.3	2,706
222.5700	Floor coverings of unspun vegetable materials, n.e.s	China	91.9	85.2	3,873
533.6200	Articles made of nonbone chinaware or of subporcelain in specified sets	do	81.7	85.1	7,822
365.8670	Tablecloths and napkins, of manmade fibers, made on a lace, net, or knitting machine	do	84.2	82.5	6,665
383.5368	Women's coats of vegetable fibers, except cotton, subject to man-made fiber restraints	Romania	32.0	81.5	1,555
326.3026	Woven fabrics, but not wholly of cotton, not fancy, not colored	China	45.7	76.4	4,992
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)	do	69.8	76.1	19,050
190.5500	Hoofs and horns, crude	do	39.9	75.7	1,933
379.6964	Men's and boys' suit-type coats and jackets, not knit, subject to man-made fiber restraints	do	40.9	73.6	1,599
379.6215	Men's suit-type coats and jackets imported as parts of suits, cotton, not knit	Poland	79.3	72.2	2,740
417.2800	Ammonium molybdate	China	99.7	71.7	2,220

1/ Only items which accounted for at least 1 million dollars' worth of imports in January-September 1983 are included in this table.

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

34

At $251.9 million, gasoline (TSUSA item 475.2520) remained by far the largest single item imported from China in January-September 1983. Such purchases amounted to $80.9 million in July-September 1983 (table B-4). Although this represents a 20.4 percent decline from July-September 1982 purchases, gasoline imports from China increased by 1.3 percent in January-September 1983 compared with those in January-September 1982.

The decline in world oil prices significantly reduced China's export earnings from petroleum products in 1983. For example, the average price of Chinese gasoline sold to the United States was $29 per barrel in January-September 1983; the average price on the world market was $34 per barrel during the same period. Despite a decline in unit value, however, naphthas (TSUSA item 475.3500) were China's second top earner of U.S. dollars in January-September 1983. U.S. purchases of these products amounted to $42.0 million in January-September 1983, the same as in January-September 1982. The importation of crude petroleum, shale oil (TSUSA item 475.1010) dropped precipitously to $10.1 million in January-September 1983 from $128.6 million in January-September 1982.

Sales of Romanian gasoline (TSUSA item 475.2520) to the United States increased sharply from $69.8 million in January-September 1982 to $145.2 million in January-September 1983. U.S. purchases amounted to $51.3 million in July-September 1983, compared with $19.2 million in the third quarter of 1982. In January-September 1983 the value of imports of refined petroleum product (SITC Section 334) from Romania was higher than the annual value of these imports from Romania in any of the 3 years 1980-82. The price that the United States paid for Romanian gasoline was roughly equivalent to the world price level in January-August 1983. Although there were no sales of Romanian light fuel oils (TSUSA item 475.1015) to the United States in January-September 1982 and during the first half of 1983, U.S. purchases in July-September 1983 amounted to $28.2 million (table B-28). Similarly, there were no sales of Romanian crude petroleum (TSUSA item 475.0535) in January-September 1982 and during the first half of 1983, but imports of this product from Romania reached $10.1 million in July-September 1983.

Imports of refined petroleum products (SITC Section 334) from the Soviet Union increased from $10.4 million in January-September 1982 to $49.8 million in January-September 1983. U.S. purchases of Soviet refined products amounted to $11.2 million in 1980 and to $106.8 million in 1981. Light fuel oil made up the bulk of U.S. imports of Soviet refined products in January-September 1983. After no U.S. purchases of the product from the Soviets in January-September 1982 and during the first half of 1983, U.S. purchases amounted to $42.7 million in July-September 1983 (table B-6). There was no gasoline (TSUSA item 475.2520) imported from the Soviet Union in January-September 1983.

Manufactured goods classified by chief material

U.S. purchases of products classified in SITC Section 6 from NME's showed a minor increase from $457 million in January-September 1982 to $459 million in January-September 1983 (table 11). About 61.4 percent of such imports came from China in January-September 1983, 23.6 percent came from Eastern Europe, and 15.0 percent, from the Soviet Union.

Among Chinese sales to the United States in this category, wool floor coverings (TSUSA item 360.1515) were the most significant item in January-September 1983. U.S. purchases of what are essentially wool oriental rugs from China increased to $35.4 million during this period from $30.1 million in January-September 1982. Imports in July-September 1983 increased to $11.0 million from $8.7 million in July-September 1982. Although U.S. imports of Chinese tin (TSUSA item 622.0200) valued at $31.4 million represented the largest Section 6 item purchased by the United States from the NME's in January-September 1982, such declined to $20.6 million in January-September 1983. Purchases in the third quarter of 1983 dropped to $3.7 million from $5.7 million in the third quarter of 1982. Chinese sales of cotton towels (TSUSA item 366.2460) declined to $7.4 million in January-September 1983 from $11.5 million in January-September 1982. Sales in July-September 1983 were only $1.3 million, compared with $1.8 million in the corresponding period of 1982. 1/

There was also a major decline in U.S. woven fabric (TSUSA item 326.3092) imports from China. Although imports of this product in January-September 1982 amounted to $13.3 million, sales in January-September 1983, with no U.S. purchases during the period under review, barely reached $0.5 million.

Rubber products were Eastern Europe's best selling commodities in the United States during the first three quarters of 1983. Eastern European sales increased from $10.3 million in January-September 1982 to $22.6 million in January-September 1983. Sales in July-September 1983 amounted to $7.5 million, compared with $3.5 million in January-September 1982. East Germany, Czechoslovakia and Hungary were the most significant exporters of these products among the six countries. Sales of rubber products to the United States by East Germany increased from $5.8 million in January-September 1982 to $11.6 million in January-September 1983; those of Czechoslovakia, from $1.3 million to $6.4 million; and those by Hungary, from $2.7 million to $3.7 million. Pneumatic tires (TSUSA items 772.5136 and 772.5109) were the best selling items among Eastern Europe's total exports of rubber products to the United States during the first three quarters of 1983.

In January-September 1983, Eastern European sales of woven fabric (TSUSA item 335.9500), the region's top selling Section 6 item to the United States during the first three quarters of 1982, declined to $4.2 million. Many of Eastern European sales of this commodity to the United States originate from Poland. Polish woven fabric exports declined to $2.2 million in January-September 1983 from $6.6 million in January-September 1982. Such exports dropped to $0.6 million in July-September 1983 from $2.6 million in July-September 1982. However, steel imports from Poland increased in various product lines from January-September 1982 to the corresponding period of 1983. For example, although there were no Polish steel wire rod (TSUSA item 607.1700) sales to the United States in January-September 1982, sales of this commodity amounted to $3.7 million in January-September 1983. Imports of wire

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1/ For more on Chinese cotton towel exports to the United States, see the section on textiles from China later in this report.

Table 11.--U.S. imports from the world and from the nonmarket economy countries (NME's), 1/ by SITC Sections, January-September 1982 and January-September 1983

SITC Section	Total imports		Imports from the NME's	
	Jan.-Sept. 1982	Jan.-Sept. 1983	Jan.-Sept. 1982	Jan.-Sept. 1983
	Value (million dollars)			
0. Food and live animals	10,541	11,476	191	220
1. Beverages and tobacco	2,122	2,448	26	41
2. Crude materials--inedible, except fuel	6,626	7,034	119	95
3. Mineral fuels, lubricants, etc	48,682	42,242	537	541
4. Oils and fats--animal and vegetable	309	310	1	1
5. Chemicals	7,078	7,899	216	235
6. Manufactured goods classified by chief material	25,750	25,673	457	459
7. Machinery and transportation equipment	56,116	60,877	152	114
8. Miscellaneous manufactured articles	20,945	23,031	816	951
9. Commodities and transactions not elsewhere classified	5,462	5,949	17	12
Total	183,632	186,940	2,532	2,670
	Percent of total			
0. Food and live animals	5.7	6.1	7.5	8.2
1. Beverages and tobacco	1.2	1.3	1.0	1.5
2. Crude materials--inedible, except fuel	3.6	3.8	4.7	3.6
3. Mineral fuels, lubricants, etc	26.5	22.6	21.2	20.3
4. Oils and fats--animal and vegetable	.2	.2	2/	2/
5. Chemicals	3.9	4.2	8.5	8.8
6. Manufactured goods classified by chief material	14.0	13.7	18.1	17.2
7. Machinery and transportation equipment	30.6	32.6	6.0	4.3
8. Miscellaneous manufactured articles	11.4	12.3	32.2	35.6
9. Commodities and transactions not elsewhere classified	3.0	3.2	.7	.5
Total	100.0	100.0	100.0	100.0

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.
2/ Less than 0.05 percent.

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

37

rod from Poland were among the U.S. import items from NME's which changed substantially from January-September 1982 to January-September 1983. 1/ After importing $5.0 million in Czech oil well casing pipes (TSUSA item 610.3920) in January-September 1982, the United States did not buy any of this commodity from Czechoslovakia in January-September 1983.

At $32.6 million, sales of palladium (TSUSA item 605.0260) represented the largest Soviet Section 6 export to the United States in January-September 1983. U.S. imports of Soviet palladium amounted to $18.3 million in January-September 1982. Sales in July-September 1983 climbed to $15.5 million from $4.7 million in July-September 1982. Soviet sales of unwrought nickel (TSUSA item 620.0300) to the United States increased to $12.9 million in January-September 1983 from $10.1 million in January-September 1982. Imports of unwrought nickel from the Soviet Union in July-September 1983 amounted to $8.2 million, compared with $1.3 million in July-September 1982. 2/

Chemicals

U.S. imports of chemical products (SITC Section 5) from the NME's amounted to $235 million in January-September 1983, representing an increase of 9.0 percent over those in January-September 1982. SITC Section 5 imports from the Soviet Union totaled $99.3 million during January-September 1983, increasing 12.2 percent over imports in January-September 1982. Soviet SITC Section 5 sales to the United States represented 42.2 percent of all such imports from NME's. Imports from China, although still accounting for 41.7 percent of U.S. Section 5 imports from all NME's in January-September 1983, registered a 5.9-percent decline during this period compared with the corresponding period of 1982. U.S. purchases from China in this commodity group stood at $98.1 million in January-September 1983. Eastern European sales of Section 5 commodities to the United States amounted to $37.9 million in January-September 1983, 64.0 percent more than in January-September 1982. Section 5 imports from Eastern Europe constituted 16.1 percent of total imports by the United States from NME's in this category.

Among NME sales to the United States in this product category, anhydrous ammonia (TSUSA item 480.6540) from the Soviet Union was the largest single item. Sales of Soviet anhydrous ammonia to the United States declined to $52.1 million in January-September 1983 from $66.4 million in the corresponding period of 1982. The quantity of imports declined to 354,316 short tons in January-September 1983 from 465,835 short tons in January-September 1982. Thus, without an increase of about 3 percent in the average price of this item between the two periods, the decline in value would have been larger. Since the 1980 peak in Soviet sales of 1.1 million short tons of this product to the United States, sales have shown a consistent tendency to decline.

1/ Further increases in U.S. imports of Polish steel products may be anticipated in view of the administration's Oct. 20, 1983 decision to allocate specialty steel product quotas to Poland. 48 F.R. 48888, Oct. 21, 1983.

2/ The administration, pending a demonstration by the Soviet Union that its nickel products sold in the United States contain no Cuban nickel, imposed a conditional embargo on Soviet nickel imports effective Dec. 23, 1983. 48 F.R. 53006, 53007, Nov. 23, 1983.

The net increase in Soviet Section 5 sales to the United States is explained by compensating increases in the sale of urea (TSUSA item 480.3000). U.S. purchases of this product from the Soviet Union increased to $28.7 million in January-September 1983 from $6.3 million in the corresponding period of 1982. U.S. purchases in July-September 1983 alone amounted to $8.0 million. Another significant item among Soviet Section 5 sales to the United States was uranium fluorides (TSUSA item 4225220). Sales of this product amounted to $9.7 million in January-September 1983, representing a slight increase from their January-September 1982 level (table B-6).

Among Chinese sales to the United States in SITC Section 5, fireworks (TSUSA item 755.1500) were the largest single item. Chinese sales of this product amounted to $23.5 million in January-September 1983 compared with $23.7 million in January-September 1982. The bulk of Chinese exports of chemical products to the United States consisted of a large variety of relatively low-value items.

Among Eastern Europe's sales to the United States in this category, urea (TSUSA item 480.3000) was the most significant single item. Such sales increased to $7.1 million in January-September 1983 from $1.8 million during the corresponding period of 1982. All the sales in January-September 1983 came from Romania; those in the corresponding period of 1982 originated in East Germany. As a result of increased Soviet and Eastern European sales to the United States, urea is shown in table 7 as one of the 20 U.S. import items from NME's which changed substantially from January-September 1982 to the corresponding period of 1983.

Food and live animals

Imports of food and live animals (SITC Section 0) from the NME's increased to $220 million in January-September 1983 from $191 million in January-September 1982. Their share of total U.S. imports from the NME's increased to 8.2 percent during the first three quarters of 1983 from 7.5 percent during the corresponding period of 1982. In January-September 1983, 56.9 percent of total U.S. Section 0 purchases from the NME's originated in Eastern Europe; 38.4 percent, in China; and 4.7 percent, in the Soviet Union.

Eastern European sales of Section 0 commodities increased to $124.9 million in January-September 1983 from $96.2 million in January-September 1982. Pork hams (TSUSA item 107.3525) were the largest Section 0 commodity sold to the United States by Eastern Europe in January-September 1983. U.S. purchases of this commodity from Eastern Europe totaled $91.6 million during this period, compared with $58.9 million, in January-September 1982, and sales in July-September 1983 reached $23.7 million, compared with $20.3 million in the corresponding period of 1982. Poland and Hungary were the major suppliers. Polish sales of this commodity to the United States jumped to $64.2 million in January-September 1983 from $36.7 million in January-September 1982, and Hungarian sales rose from $13.0 million to $20.6 million. Polish sales in July-September 1983 reached $17.2 million, compared with $13.3 million in July-September 1982.

Among Chinese sales to the United States in Section 0, imports of cocoa butter (TSUSA item 156.3500) declined to $7.3 million in January-September 1983, compared with $13.4 million in January-September 1982. The value of Chinese tea (TSUSA item 160.5000) reached only $7.0 million during the first 9 months of 1983, compared with $7.2 million during the corresponding period of 1982. Imports of water chestnuts (TSUSA item 141.7000) from China dropped to $4.9 million in January-September 1983 from $8.4 million in January-September 1982. U.S. imports of mushrooms (TSUSA items 922.5653 and 1442053) from China increased from $12.7 million in January-September 1982 to $15.9 million in January-September 1983. However, U.S. purchases in July-September 1983 were $4.4 million, compared with $4.8 million during the correponding period of 1982. (U.S. mushroom purchases from China had been consolidated under TSUSA item 144.2053 in table B-4, as indicated by footnote 1 thereto.)

Among Soviet SITC Section 0 sales to the United States, imports of crabs (TSUSA item 114.3000) were the leading item in January-September 1983 with a value of $6.9 million. U.S. imports of this commodity from the Soviet Union amounted to $5.4 million in July-September 1983, compared with $2.1 million in the corresponding period of 1982.

Machinery and transportation equipment

The value of imports of U.S. machinery and transportation equipment (SITC Section 7) from the NME's declined to $114 million in January-September 1983 from $152 million in the corresponding period of 1982. Eastern European sales, which represented 71.7 percent of total SITC Section 7 sales to the United States in January-September 1983, declined by 31.1 percent from January-September 1982 to January-September 1983. This accounted for 96.9 percent of the $38 million loss in Section 7 NME sales to the United States from January-September 1982 to the corresponding period of 1983.

The decline in U.S. purchases of Eastern European Section 7 exports was spread over a broad spectrum of commodities. Decreases in U.S. purchases of Eastern European machinery specialized for particular industries (SITC Section 72), metalworking machinery (SITC Section 73), general industrial machinery (SITC Section 74), road vehicles (SITC Section 78), and other transport equipment (SITC Section 79) accounted for the bulk of the decline in such imports from Eastern Europe and consequently from the NME's. The largest four-digit Section 7 category among U.S. imports from the NME's in January-September 1983, accessories for motor vehicles (SITC Section 7849), has consistently declined since 1981. Eastern European sales of this item to the United States decreased from $31.9 million in 1981 to $20.9 million in 1982, and from $17.0 million in January-September 1982 to $15.2 million in January-September 1983.

The largest SITC Section 7 item imported from the NME's in January-September 1983 was motor vehicle parts (TSUSA item 692.3288). The bulk of these imports originated in Hungary. Sales to the United States by Hungary increased to $13.4 million in January-September 1983 from $9.7 million during the corresponding period of 1982. Sales of portable typewriters (TSUSA item 676.0510) by East Germany to the United States increased to $2.1 million in January-September 1983 from $0.3 million in January-September 1982.

SITC Section 7 sales to the United States by China decreased from $32.0 million in January-September 1982 to $29.9 million during the corresponding period of 1983. However, imports of one SITC Section 7 item from China, hydraulic jacks (TSUSA item 664.1056), included among the top 80 Chinese sales to the United States during the first three quarters of 1983, showed a 3.7 percent increase compared with those in the corresponding period of 1982.

Only 2.0 percent of total U.S. Section 7 purchases from the NME's originated in the Soviet Union in January-September 1983. These imports increased from $1.3 million to $2.2 million from January-September 1982 to January-September 1983. 1/

1/ Two-way trade in machinery between the United States and the U.S.S.R. is small. World Bank data indicate that Soviet purchases of U.S. machinery represent only a fraction of total Soviet machinery purchases from the West. For instance, among Soviet imports from all Organization of Economic Cooperation and Development countries in 1981, only 3.3 percent of electrical machinery, 6.3 percent of nonelectrical machinery, and 9.5 percent of transportation equipment originated in the United States. World Bank Data System, November 1983.

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

New United States-China Textile Agreement

After almost a year of inconclusive and often deadlocked talks, the United States and China reached a new long-term agreement on trade in textiles during the seventh round of negotiations in July. The 5-year agreement was officially established through an exchange of notes by the two countries dated August 19, 1/ but was made retroactive to January 1, 1983. The first U.S. textile agreement with China, which was for 3 years, expired on December 31, 1982, but unilateral quotas were put into effect to cover the interim period until a new agreement could be concluded.

The new agreement designates specific annual import limits on 31 categories of apparel and 2 categories of fabrics. 2/ This group of products accounted for approximately 70 percent (in terms of quantity) of China's exports of apparel and fabrics to the United States during the 12 months ended September 30, 1983. Provision is also made for subsequently restricting any textile category not presently controlled if imports from China are believed to be disrupting, or threatening to disrupt, the U.S. market. The United States may request consultations with China, and, if mutual agreement on the import level of the product at issue cannot be reached within 90 days of the request, a limit based on a formula specified in the agreement will be applied for the ensuing 12-month period. Under the previous agreement, which initially restricted imports in only 8 apparel categories, the United States invoked the consultation mechanism to limit imports from China in an additional 19 apparel categories and 1 fabric category. 3/

1/ See 48 F.R. 37685.

2/ The agreement authorizes 31 specific limits for the 33 controlled categories of textile products from China. In recognition of the pattern of imports from China, three apparel categories are merged and treated as a single category in the agreement. For example, one limit applies to both men's and boys' manmade-fiber sweaters and women's, girls' and infants' manmade-fiber sweaters. On the other hand, two specific limits apply to a fourth category. In addition to an aggregate limit on men's and boys' cotton knit shirts, there is also a limit on part of this product group.

3/ Both the original and the new U.S.-Chinese textile agreements are similar with respect to their basic provisions since they are modeled on the bilateral agreements that the United States has negotiated with other textile supplying countries under the Arrangement Regarding International Trade in Textiles, or Multifiber Arrangement (MFA). China was not a member of the MFA, which is under the auspices of the General Agreement on Tariffs and Trade (GATT), when these two agreements with the United States were negotiated. However, it was recently accepted as a non-GATT member of the MFA. In September, a Chinese delegation met in Geneva with U.S. representatives to the GATT to discuss the matter of MFA membership. The delegation also held discussions with other MFA members--among them, the European Community, Japan, Hong Kong, the Republic of Korea, India, Egypt, and Brazil. Since no objections were reportedly raised to its becoming a member, China made a formal application to join the MFA on Nov. 14, 1983. Its application was considered and accepted at a meeting of the GATT's Textile Committee in mid-December.

The specific import levels that are designated for each agreement year (1983-87) permit an overall annual rate of import growth of 3.8 percent in the controlled textile categories. The United States had stated that it wanted to limit the annual growth of Chinese textile imports to not more than 1.5 percent to 2 percent, whereas China was seeking an average increase of 6 percent each year.

Following conclusion of the new agreement, bilateral trade relations disrupted by the negotiations began to be restored. In late August, China resumed its purchases of U.S. wheat, after ordering none since early February, and lifted its ban on imports of U.S. cotton, soybeans, and manmade fibers, which had been in effect since January 19. In early January 1983, after the original agreement had expired and no progress was made in a fourth round of negotiations, the United States imposed unilateral quotas on imports of Chinese textile products that were previously limited under agreement, plus four additional categories. 1/ China responded by banning imports of U.S. cotton, soybeans, and manmade fibers—all commodities for which it probably had little or no import demand. 2/ In announcing the ban, however, the Chinese also stated that they might further limit their imports of U.S. agricultural products. China subsequently continued to place orders for wheat with other major supplying countries, but stopped buying wheat from the United States after purchasing only 1.2 million metric tons, which were delivered in the first and second quarters. On the other hand, its orders for U.S. wheat since the textile agreement was signed, which were purchased for delivery in the fourth quarter of 1983, have totaled 1.6 million metric tons. 3/

Further Steps to Increase U.S. Technology Transfer to China

Since May, when Secretary of Commerce Baldrige pledged, during a trip to Beijing, that the United States would "significantly and quickly" improve the process of technology transfer to China, a series of steps have been taken to meet this commitment. An announcement was made in June that China would be transferred into the export-control category that included not only other friendly nonallied countries but also the U.S. allies in the North Atlantic Treaty Organization. 4/ The Reagan administration had already officially declared, in June 1981, that the United States regarded China as a friendly nation, but the transfer of China from Country Group P, consisting of only China, to Country Group V, the least restrictive category used in granting

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1/ For a discussion of this development, see the 35th Quarterly Report . . ., pp. 34-35.

2/ China's cotton and soybean harvests have increased every year since 1977, and its 1982 output of both crops was substantially above previous levels. In addition, China is reported to have accumulated an excessively large inventory of manmade fibers. See 33d Quarterly Report . . ., pp. 46-48, and 35th Quarterly Report . . ., pp. 11 and 15.

3/ This figure does not include China's orders for delivery in 1984.

4/ See 35th Quarterly Report . . ., pp. 33-34.

export licenses, was made to demonstrate to the Chinese that a major change in technology transfer policy was forthcoming. The revision of the export-control guidelines for China, to redefine the conditions and process for approving the sale of dual-use goods 1/ to that country, was required before the new policy could be implemented. This task was virtually completed by the end of the third quarter, but publication of the guidelines was withheld pending their review by U.S. allies in the Coordinating Committee for Multilateral Export Controls (COCOM) and discussions with the Chinese. 2/

New Export Guidelines

On September 27, with all except the final details of the guidelines completed, Secretary Baldrige described the new policy on exports to China to a congressional committee. 3/ In his presentation, he noted that the revised guidelines were designed to "substantially increase the flow of technology and equipment while retaining national security controls on truly sensitive equipment and technology." He explained the position underlying this "major change in our policy" as follows:

> It is the view of the United States Government that the People's Republic of China is unlikely to pose a threat to the U.S. security interests unless there is a major infusion into that country of the most advanced military system. Moreover, this technology transfer will not alter the U.S.-PRC strategic balance, though the transfer of technology will prevent a widening of the military gap between the PRC and the USSR. 4/

To expedite the granting of licenses to export technologically advanced goods to China while maintaining adequate safeguards, the new guidelines establish three conditional classifications or "zones" for use in processing the license applications. The green zone will be for minimum risk items that will receive, for the most part, routine approval by the Department of Commerce without review by the Department of Defense. An intermediate zone will cover very high-technology items that will require case-by-case review by the Department of Defense and other appropriate agencies. A third classification or red zone will apply to technologies having direct application to advanced military systems. Secretary Baldrige noted that applications to export such items to China would have "a strong presumption for denial."

The green zone represents the most significant change in U.S. policy on exports to China. The technical level of products and technologies defined asminimum risk items has been raised substantially, and approximately 75 percent of all applications for technology transfer to China are expected

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1/ Dual use goods are civilian products and related services or technical data that have potentially significant military applications.

2/ The new guidelines for China were issued on Nov. 23, 1983. See 48 F.R. 53064. The placement of China in Country Group V became effective on this date.

3/ Testimony of the Honorable Malcolm Baldrige before the House Special Subcommittee on U.S.-China Trade, the Committee on Energy and Commerce, Sept. 27, 1983.

4/ Ibid.

to fall within this category. Since a time-consuming interagency review of such applications normally will no longer be required, speedier processing will be possible. The new guidelines also provide a detailed description of the types and technical limits of products likely to be approved, 1/ making the outcome of the licensing review process more predictable for both the U.S. business community and the Chinese Government.

The more advanced commodities and technologies that are in the intermediate and red zones are not defined in the guidelines. 2/ In the intermediate zone, however, licenses will be approved unless the item "poses a clear threat to U.S. security interests." 3/ The applications most likely to require extended review or denial include exports that would make "a direct and significant contribution to nuclear weapons and their delivery systems, electronics and antisubmarine warfare, intelligence gathering, power projection, and air superiority." 4/

More time has been required to implement the new guidelines than had been anticipated when the change in policy for China was initially announced. Nevertheless, a few long-delayed applications for licenses to export technically advanced goods to China were recently granted, 5/ and a number of others applications were approved by the United States and forwarded to its allies in COCOM for final review. The administration did not specify, however, which of the approvals, if any, were based upon the decision to further reduce restrictions on exports to China. The old guidelines still in effect at the end of the third quarter provided for the approval of technologies for China that were two times the technical level permitted for export to the U.S.S.R. prior to its invasion of Afghanistan. The ambiguity of this directive, which resulted in long delays in the review process and a more restrictive policy than was intended, has been eliminated in the new guidelines.

Negotiations on bilateral nuclear cooperation

In July, as the new policy on the sale of dual-use goods was being developed by the administration, a Chinese delegation arrived in Washington to hold negotiations on a bilateral agreement that would permit U.S. companies to

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1/ The guidelines define the products likely to receive routine approval within seven general product areas: computers, computerized instruments, microcircuits, electronic instruments, recording equipment, semiconductor production equipment, and oscilloscopes.

2/ Information on technologies in the red zone is classified and will not be divulged.

3 In his testimony before Congress, Secretary Baldrige stated that he expects "a large number of cases" in the intermediate zone to be approved.

4/ 48 F.R. 53067.

5/ Among the licenses granted was one for the export of 14 Honeywell Corp. computers and related services to Chinese universities, which was a contract financed by the first World Bank loan approved for China in July 1981. Another major sale approved was an International Telephone and Telegraph Corp. contract to supply the city of Shanghai a digital telephone exchange and to manufacture ITT switching systems in China.

sell equipment and technology for use in building nuclear power plants in China. Although the U.S. export guidelines for China cover commercial technologies that could have military applications, they do not presently apply to exports for the development of nuclear energy for peaceful purposes.

Before such exports can be considered, U.S. policy requires that safeguards be provided to insure that nuclear materials from Chinese reactors built with U.S. cooperation would not be diverted to weapons development. 1/ China has been a nuclear power since 1964, but it has refused to sign the International Atomic Energy Agency's (IAEA) nuclear nonproliferation treaty, charging that it legitimizes the nuclear superiority of the superpowers. Efforts of the United States to negotiate a bilateral agreement that would provide for safeguards comparable to those accepted by signatories to the treaty reached an impasse in 1982. However, it was China's leaders who took the initiative in resuming negotiations with the United States in July.

Another round of negotiations was held in Beijing in September. In addition, China's leaders partially reversed their previous, long-held position and applied for admittance to the IAEA, 2/ although they still refused to sign its nuclear nonproliferation treaty. Nevertheless, in accepting the IAEA's principles and statutes, the Chinese have demonstrated their commitment to its system of safeguards and to the principle ofnonproliferation. Since China announced that it planned to join the IAEA prior to the negotiations in Beijing, substantial progress was reportedly made during this session toward reaching a bilateral agreement. 3/ Among the provisions that the United States has insisted be included in the agreement are China's permission to periodically open its U.S.-supplied nuclear power plants to outside inspection and its official assurance that neither U.S. nuclear technology nor nuclear materials produced in U.S.-built facilities will be exported to third countries.

An agreement on nuclear cooperation would open another potentially significant market for U.S. companies. China has announced an extensive nuclear power program to supplement its energy supplied by coal, oil, and hydroelectric power. In early 1983, the Chinese Government made nonbinding commitments to France and the United Kingdom to purchase the reactors and power-generating turbines for its first nuclear power station to be constructed with foreign technology, but it has continued to express interest in buying U.S.-built equipment.

Secretary Weinberger's trip to China

In late September, Secretary of Defense Casper Weinberger made a 5-day trip to China to discuss the new technology transfer guidelines with Chinese leaders. Another purpose of his visit was to discuss China's needs for

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1/ See U.S. Department of State, Bureau of Public Affairs, GIST: U.S. Nuclear Export and Nonproliferation Policy, March 1983, and Department of State Bulletin, August 1983, pp. 60-62.

2/ China was admitted to the IAEA at a meeting held in Vienna on Oct. 10-14, 1983. The decision must be ratified by the United Nations since the IAEA functions under its auspices.

3/ Another round of negotiations was concluded on Dec. 5, 1983, leaving only a few issues to be settled. The agreement must be deposited with Congress and, if not disapproved in 60 days, will then become effective.

military modernization and possible U.S. weapons sales. The trip was the first military-related exchange to be held between high-level U.S. and Chinese officials since President Carter's Secretary of Defense Harold Brown visited China in January 1980.

Among the four areas that China has targeted for modernization--agriculture, industry, science, and defense--the military sector has received by far the smallest amount of funding. However, despite China's apparent lack of interest in using its limited supplies of foreign exchange to purchase military-related equipment, changes were made in the regulations governing such U.S. sales to China almost 2 years ago. In December 1981, the Reagan administration, having declared that China was a friendly nation, removed it from the list of countries that are denied U.S. Munitions List licenses. 1/ This action meant that requests to export armaments to China would be considered on a case-by-case basis, i.e., subject to close national security review and assurances by China's leaders that they would not reexport the equipment or technology to third countries.

China has one of the largest and most poorly equipped armies in the world. Nonetheless, the prospects for U.S. exports of technically advanced dual-use items--those subject to approval under the new guidelines--appear to be far better than the prospects for U.S. weapons sales to China. When U.S. correspondents accompanying Secretary Weinberger asked Chinese Premier Zhao Zhang if China was willing to buy weapons from the United States, he reportedly replied: "If the United States is willing to sell weapons to us, and if we need them and can afford them, I wouldn't rule out the possibility of buying some weapons." 2/

New U.S.-U.S.S.R. Grain Agreement

On July 28, the United States announced that it had reached a new long-term grain-sales agreement with the Soviet Union. The 5-year pact, which was signed in late August, specifies the minimum quantity of U.S. grain that the U.S.S.R. is committed to purchase annually during the period beginning October 1, 1983, through September 30, 1988.

The terms for each agreement year call for the Soviets to import a minimum of 9 million metric tons of U.S. grain, approximately equally divided between wheat and corn. As an alternative, they may import 8 million metric tons of grain and 500,000 metric tons of soybeans or soybean meal. Purchases of an additional 3 million metric tons of wheat or corn may be made without U.S. Government authorization. Under the previous U.S.-U.S.S.R. agreement, the Soviets were obligated to buy only 6 million metric tons of grain annually

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1/ See 46 F.R. 60820. The U.S. Munitions List is administered by the Department of State's Office of Munitions Control, whereas the U.S. Commodity Control List, consisting of dual-use equipment and technology, is administered by the Department of Commerce's Office of Export Administration.

2/ Foreign Broadcast Information Service, Daily Report: China, Sept. 28, 1983, p. B 3.

from U.S. suppliers, and were limited to 8 million metric tons of grain without U.S. Government authorization. The old pact also allowed the United States to reduce or suspend its grain deliveries to the U.S.S.R. because of short supply. This "escape-clause" provision has not been applied in trade with the Soviets, and it is not present in the new agreement.

The provisions for a higher level of trade under the new agreement are aimed at restoring at least part of the Soviet market that the United States lost to other grain exporters--notably Canada, Australia, and Argentina. Despite the U.S. offer to sell the Soviets up to 23 million metric tons of wheat and corn in the October 1982-September 1983 agreement year, their imports of U.S. grain during the period amounted to only 6.2 million metric tons, the smallest amount in any annual period since the 1976-77 agreement year. 1/ However, after buying no grain from the United States since late in 1982, the U.S.S.R. began placing orders for the 1983-84 agreement year immediately following the conclusion of the new agreement. 2/

Rescheduling of Poland's Debts

On August 18, representatives of Western commercial banks and the Polish Government reached agreement to reschedule over 10 years the $2.6 billion in Polish commercial debts that were due in 1983. Of this $2.6 billion, $1.1 billion represented interest and $1.5 billion, principal. The terms of the agreement obligated Poland to pay $385 million, or 35 percent, of the $1.1 billion owed to Western banks as interest payments. The remaining $715 million was made available to Poland to be used as a revolving credit facility for the purchase of Western commodities. Permitting Poland to recycle 65 percent of its 1983 interest obligations as trade credits represented an easement in comparison with the terms of the 1982 agreement, which permitted only 50 percent of the interest payments due to be used for short-term trade financing. Of the $1.5 billion obligation on the principal, the rescheduling agreement called for Poland to pay only $75 million, or 5 percent, before the end of 1983. The remaining 95 percent, about $1.43 billion, was rescheduled for 10 years with a 5-year grace period. After 5 years Poland is required to resume payments of the principal at an annual interest rate of 1.875 percent spread over the London interbank offered rate (LIBOR), in addition to paying a 1 percent rescheduling fee. 3/

Instead of rescheduling debts with only Western bankers, Polish leaders would reportedly prefer to negotiate jointly with Western bankers and Western governments. Of the approximately $25 billion in gross hard-currency debts owed by Poland, $17.5 billion, or 70 percent, is held by Western

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1/ For more information on annual U.S. grain sales to the U.S.S.R. during the period of the previous agreement (1976-81) and its two 1-year extensions, see the 35th Quarterly Report . . ., pp. 37-39.

2/ For a recent analysis of the trend in U.S. grain sales to the U.S.S.R., see U.S. Embargoes on Agricultural Exports: Implications for the U.S. Agricultural Industry and U.S. Exports: Report on Investigation No. 332-157. . .; USITC Publication 1461, December 1983.

3/ See Wharton Econometric Forecasting Associates (WEFA), Centrally Planned Economies Outlook, September 1983, p. 65; World Trade News, October 1983, vol. 5, No. 10, p. 8; and The New York Times, Aug. 19, 1983, pp. D1-D2.

governments. 1/ Since reaching a peak of $15.6 billion at the end of September 1980, the amount of the Polish gross indebtedness held by Western commercial banks has declined, almost entirely because of the transfer of government-insured exposure from the category of bank debt to official debt status. 2/ Whenever Poland was unable to meet its obligations, Western banks collected payment from their respective national credit agencies. For example, since December 1981, when martial law was imposed in Poland, the U.S. Department of Agriculture's Commodity Credit Corporation has assumed the principal (and when included in the financing arrangement, 6 percent of the interest charged) on all payments due to U.S. commercial banks under a program that guaranteed U.S. bank loans made to Poland for the purchase of grain and other U.S. agricultural commodities. 3/ Such operations have resulted in a continuing transfer of Poland's debt obligations to the West from the private to the public sector. 4/

U.S. Administrative Actions Affecting Imports from NME's

During the third quarter, the U.S. International Trade Commission and the Department of Commerce made final determinations in two antidumping investigations involving textile products from China. Another petition was then filed, on September 12, 1983, with the Department of Commerce. This petition alleged that China subsidizes all its textiles, apparel, and related products, including textile fibers, and should be subject to a countervailing duty on such products under the Tariff Act of 1930, as amended. 5/

Two chemical products imported from China were also the subject of ongoing antidumping investigations during the quarter under review. A preliminary finding of sales at less than fair value was made by the Department of Commerce in both cases, and the International Trade Commission instituted final investigations on the question of injury to a U.S. industry.

1/ This was the official portion of the debt as of Nov. 15, 1983.

2/ WEFA, Centrally Planned Economies Current Analysis, vol. III, Nos. 83-84, Nov. 4, 1983, p. 5.

3/ The United States participated with other Western countries in the rescheduling of Poland's official debts in 1981, prior to the imposition of martial law in Poland in December of that year. As a result, the Government has also assumed some of Poland's 1981 debt formerly held by the commercial banks as the rescheduled payments became due. Other U.S. Government holdings of Polish debt are the result of direct loans made by the Commodity Credit Corporation under an agricultural export-support program that was replaced by the credit-guarantee program in 1980.

4/ On Nov. 2, 1983, the United States agreed to again join other Western governments to discuss rescheduling the official portion of Poland's debt. The agreement was one of "two limited steps" that President Reagan took to ease the U.S. sanctions applied to Poland in December 1981. The second step taken was to permit Poland to reopen discussions with private U.S. companies about potential fishing arrangements. However, the President did not lift the ban on fishing by Polish nationals in U.S. waters, but made such action contingent upon definitive action by the Polish Government to restore its citizens' human rights. The other U.S. sanctions against Poland also remain in place (Weekly Compilation of Presidential Documents, vol. 19, No. 44, p. 1514).

5/ U.S. countervailing duty legislation was amended in the Trade Act of 1974 and again in the Trade Agreements Act of 1979.

Textiles from China

Affirmative final determinations were made both by the Commission and by Commerce in two separate investigations involving textile products imported from China. Both cases were based on petitions filed in August 1982 by the U.S. textile industry under section 733(a) of the Tariff Act of 1930. 1/ On July 28, 1983, the Department of Commerce published a final determination that greige/polyester printcloth from China was being sold in the United States at less than fair value. The Commission subsequently found, on August 22, 1983, that the domestic industry was being materially injured by imports of this product. 2/ A dumping order was issued by Commerce on September 13, and antidumping duties equal to an estimated dumping margin of 22.4 percent must be deposited until final antidumping duties are calculated. The Commission also found, by a unanimous vote on September 6, 1983, that imports of cotton shop towels from China were materially injuring the U.S. industry. 3/ On September 16, the Department of Commerce, in an amendment to an earlier determination of sales at less than fair value, changed the estimated dumping margin for the deposit of duties to 36.2 percent.

Concerned by the continuing rise in imports of textile products from China and the increases in the annual rate of import growth permitted under the new United States-China textile agreement, the American Textile Manufacturers Institute and two unions representing textile and apparel workers filed a petition for further import relief. 4/ In the petition filed with the Department of Commerce, they alleged that China subsidizes its textile exports and should be subject to a U.S. countervailing duty of 40.4 percent ad valorem in addition to the normal rates of duty.

The basis of the subsidization charge--the first to be brought by a U.S. industry against an NME--is China's dual exchange-rate system. In January 1981, China introduced an internal settlement rate of 2.8 yuan to the dollar for all external transactions, both export and import. This settlement price for Chinese enterprises has been maintained since that time. The official rate of exchange was 1.6 yuan to the dollar when the internal rate was established, but has fluctuated because it is pegged to a basket of currencies. The difference between the two rates as of May 31, 1983, when the official exchange rate was 1.9939 yuan to the dollar, was used to determine the amount of the subsidy requested in the countervailing duty petition.

1/ See 32d Quarterly Report . . ., pp. 36-38, and 33d Quarterly Report . . ., pp. 43-44

2/ Commission Chairman Alfred E. Eckes and Commissioners Paula Stern and Veronica A. Haggart voted affirmatively; Commissioner Seeley G. Lodwick abstained. See Greige Polyester/Cotton Printcloth from the People's Republic of China . . ., USITC Publication 1289, September 1983.

3/ See Cotton Shop Towels from the People's Republic of China . . ., USITC Publication 1431, September 1983.

4/ The petition was later amended to include the American Apparel Manufacturers Association as a petitioner.

The petition raises two issues for which there are virtually no precedents and which must be resolved before proceeding with the investigation. The leading issue is whether U.S. countervailing duty law covers nonmarket economy countries. In addition, there is the question of whether dual exchange rates in either a market or nonmarket economy can confer a countervailable subsidy on a specified export sector when the same rate of exchange applies to all exported and imported products and the currency is not freely convertible. 1/

The International Trade Commission does not participate in such countervailing duty investigations since there is no requirement under U.S. trade law to make a determination on the question of injury. An injury determination would be required only if China had acceded to the Subsidies Code under the General Agreement on Tariffs and Trade and had been designated a country under the Agreement by U.S. authorities, or if China had accepted an equivalent obligation to limit subsidies under a bilateral agreement with the United States.

Chemicals from China

Earlier in 1983, the Commission made preliminary affirmative findings on the question of injury to a U.S. industry in two separate antidumping investigations involving imports of potassium permanganate and chloropicrin from China. 2/ During the quarter under review, the Department of Commerce also announced affirmative determinations in its preliminary investigations. On August 9, 1983, Commerce found that potassium permanganate from China is being, or is likely to be, sold in the United States at less than fair value. On September 19, it returned the same finding with respect to chloropicrin from China. In accordance with the procedures for antidumping cases, the Commission then initiated its final investigations. 3/

In September, Commerce announced that it had granted a request from the China National Chemicals Import & Export Corp. to postpone its final determination on the question of sales at less than fair value. As a result, the Commission's deadlines were also extended. A final determination on the question of whether imports of potassium permanganate from China are causing, or threatening to cause, material injury to a domestic industry will be made on or before January 20, 1984. The Commission's finding on chloropicrin imported from China will be made on or before March 19, 1984.

1/ The Department of Commerce initiated the investigation on Oct. 4, 1983, but, in view of the difficulties inherent in the case, began its investigation by calling a conference of all interested parties to discuss the two "novel issues" involved. This conference was held on Nov. 3-4, 1983. Subsequently, on Dec. 6, 1983, the petition was withdrawn.

2/ The vote of the Commission was unanimous in both investigations. See Potassium Permanganate from the People's Republic of China and Spain . . ., USITC Publication 1369, April 1983, and Chloropicrin from the People's Republic of China . . ., USITC Publication 1395, May 1983.

3/ The Commission initiated its final investigation on potassium permanganate from China on Aug. 9, 1983, and its investigation on Chloropicrin from China on Sept. 19, 1983.

CERTAIN TEXTILE AND LEATHER PRODUCTS: IMPORTS FROM CHINA AND THE U.S. MARKET

In the 35th Quarterly Report . . ., the Commission reported the results of a trade monitoring system developed for this report in order to identify imports from the NME's that might have an adverse effect on competitive U.S. industries. 1/ The results of the monitoring system indicated that imports of six import product groups based on the Standard Industrial Classification (MSIC groups) 2/ warranted further examination. The six products groups are lace goods; miscellaneous outerwear (primarily men's and women's sweaters and women's trousers); men's shirts, nightwear, and underwear, and women's knit shirts; women's coats, suits, and skirts; leather gloves; and handbags. All the products were imported from China.

Two tests were applied in making the selections. First, in view of the small share of total U.S. imports accounted for by the NME's, it was assumed that there could not be many groups of products from an NME which alone would account for a large share of the U.S. market. Yet even a small degree of market penetration by the NME might be significant if the degree of penetration from all sources suggested that the U.S. industry might be import sensitive. The selections were therefore limited to those U.S. product groups having over 1 percent import penetration by a single NME source, and, at the same time, over 10 percent total import penetration. The import penetration data were for 1981, the most recent year for which comprehensive data on domestic producers' shipments were available.

The second test was the rate of growth in the value of the imports in each product class from an NME during the most recent periods for which data were available. This was considered to be a particularly important factor with respect to NME's, since state-controlled economies can in theory make rapid changes in the levels of their exports. Product classes that recorded a growth rate in imports from an NME of 15 percent or more from 1981 to 1982 and also from January-June 1982 to January-June 1983 qualified for selection.

The following section presents such information as could be obtained on the Chinese textile and apparel industry. The remainder of this report provides detailed information on the six product groups. The U.S. industries that manufacture these products and the U.S. market are examined, as well as imports from China and from other sources. The sections on leather gloves and handbags also include a brief description of these industries in China.

1/ Reporting of information on such products is required by sec. 410 of the Trade Act of 1974. The monitoring system was first presented in its present form in the 31st Quarterly Report . . ., pp. 43-63.

2/ The MSIC classification and the concordance to import and export classifications are maintained by the U.S. Bureau of the Census. For a discussion of the methodology used to relate the trade data to the SIC-based data on U.S. producers' shipments, see the 35th Quarterly Report . . ., pp. 43-46.

The Chinese Textile and Apparel Industry

Since 1978 and 1979, when China undertook an economic readjustment program emphasizing the development of light industry, the textile and apparel industry has become increasingly important in that country's economy. Exports of textiles and apparel, which have accounted for 20 to 25 percent of its total exports in recent years, were encouraged in order to generate foreign exchange quickly with a relatively low investment cost. Exports of apparel have grown rapidly despite a lack of modern manufacturing facilities. By international standards, relatively little investment has been made in modern labor-saving machinery in garment plants in China, partly because of the very low wage rates paid its textile workers--equivalent to approximately 25 cents per hour. The low wage rates more than offset the lower level of productivity (about one-third of that found in the United States), so that labor costs per unit are six to eight times lower than in the U.S. apparel industry. 1/ Approximately 2 million people in China are employed in apparel production; the industry comprises a large number of small producers and includes tailor-made apparel. There are about 17,000 ready-to-wear enterprises in China, with an output valued at about $7 billion. 2/

Expansion of apparel production, especially production intended for export, has been encouraged by several Government programs designed to (1) assure adequate supplies of cotton and manmade fibers, (2) encourage joint ventures and foreign investment, and (3) develop special economic zones (SEZ's) with benefits such as low taxes and duty exemptions. Output of manmade fibers, which totaled approximately 500,000 tons in 1981 (including rayon), could almost double when all new plants and those under construction are producing at full capacity. Various types of joint ventures have been entered into with foreign companies from Hong Kong, Japan, the United States, and other countries. For example, a trade fair sponsored jointly by Chinatex and a Japanese trading house, Togo Menka Kaisha, Ltd, was recently held in Guangzhou (Canton), China, to promote sales of apparel, mostly to buyers located in Hong Kong. Some of the apparel is to be made from fabrics supplied by the Japanese company, which will overcome limitations of style and finish in Chinese-made fabrics. Five SEZ's were set up 4 years ago to assist in attracting foreign investors. There has been considerable growth in the use of these zones; Shenyhau, a 327-square-kilometer area bordering Hong Kong, is the largest and most successful. However, businessmen trying to locate in

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1/ U.S. International Trade Commission, Emerging Textile Exporting Countries: Report on Investigation No. 132-126 . . ., USITC Publication 1273, August 1982, pp. A-63 and A-64.

2/ Apparel shipments by the U.S. industry in 1982 were valued at about $52 billion.

those zones complain of numerous problems, including difficulties in negotiating and spelling out terms of contracts, Government bureaucracy, a lack of transportation, and the shortage of skilled labor and technical expertise. A director of one of Hong Kong's largest shirt manufacturers, (Los Mee Kwong Group), which has a wholly owned $30 million dyeing factory in Shenzhau, indicated that it was necessary to train workers and relocate senior technicians from Hong Kong and that prefabricated buildings made in the United States were used. The company also installed its own generators and deep-water wells for "backup." However, despite those difficulties, foreign investment and the use of SEZ's will probably increase because of the large cost advantage of manufacturing in China, Chinese interest in earning foreign exchange, and gradual improvements in the infrastructure and business environment.

Lace Goods (MSIC 2292)

Description and uses

Lace goods classified in MSIC 2292 consist of lace, lace furnishings (e.g., tablecloths, curtains, and doilies), and, to a lesser extent, netting, veiling, and miscellaneous lace, net, or ornamented textile products. Excluded are lace or net apparel, net furnishings, and embroidery. 1/ Generally, lace is a decorative, intricately designed openwork material used primarily to make and adorn apparel and household furnishings. Netting is a mesh lace fabric used in insect screening, sports equipment, apparel, furnishings, and industrial products (e.g., cargo and safety nettings). Veiling is a lightweight sheer fabric often used for bridal veils and as ornamentation for women's hats.

Lace goods may be made by hand or machine, with many machine-made-lace goods offering as much esthetic appeal as handmade-lace goods. Those manufactured commercially in the United States are made by machine, especially knitting machines. Handmade-lace goods are supplied by imports, such as those from China, whose shipments consist primarily of inexpensive homefurnishings, especially tablecloths, and Christmas ornaments.

The U.S. industry

Establishments making machine-made-lace products and those dyeing and finishing lace goods are classified in the lace goods industry (SIC 2292). 2/ The industry is essentially divided into establishments making lace, such as curtain panels, and those making lace furnishings, such as curtains and tablecloths. However, most of the lace is made on knitting machines by establishments--primarily commission knitters making lace on contract--

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1/ Embroidery is formed by working threads on a preexisting ground fabric to produced a decorative effect, whereas the lace design is not worked on a preexisting fabric.

2/ Does not include Schiffli machine embroideries, classified in SIC 2397, and lace apparel, classified in the SIC according to the type of garment.

classified in the warp knit fabrics industry (SIC 2258). Because knit lace and netting, along with veiling, a product of the apparel trimmings industry (SIC 2396), are believed to represent a relatively small part of these industries' shipments, the industry discussion that follows will be confined to SIC 2292.

The lace goods industry has been shrinking in size for some time. According to unpublished data of the U.S. Bureau of Labor Statistics, the number of establishments declined from 80 in 1979 to 62 in 1982. As a corollary, average employment decreased from 3,539 to 3,022 persons. However, this trend may be reversing, as the number of establishments increased to 64 during the first quarter of 1983.

Most of the plants closed since 1979 were small establishments, some of which were reportedly hard hit by record-high interest rates and the resultant high inventory-carrying costs. The industry typically maintains relatively high inventory levels (19 percent of sales versus 13 percent for the textile industry as a whole (SIC 22) during 1979-81) to minimize cost and down time of equipment associated with production startups and to respond quickly to customer needs. Consequently, concentration in the industry has increased somewhat, with the four largest producers reportedly enlarging their 57-percent share of the industry's shipments in 1977 to at least 60 percent in 1983.

Nevertheless, most of the establishments in the lace goods industry operate on a small scale, with two-thirds of them employing fewer than 20 persons and accounting for only about 13 percent of the industry's work force. Three-fourths of the industry's establishments in 1981 were located in New York, New Jersey, and Rhode Island. Although only three plants were in Pennsylvania, two ranked among the largest in the industry.

Because the manufacture of lace goods usually requires more skill than that of most other textile products, wages tend to be higher. Hourly compensation for production workers in the lace goods industry during 1982 averaged $6.49, compared with $5.83 for the textile industry. Consequently, and as a result of the significant labor input, payroll represents a greater share (55 percent) of the value added in the lace goods industry than that (49 percent) in the textile industry.

Investment in plant and equipment by the lace goods industry has been small, partly as a result of undercapitalization and the labor intensiveness of the production process. Capital expenditures during 1979-81 totaled just under $2 million, 1/ or less than 1 percent of the industry's sales. By contrast, the textile industry spent more than $4 billion, or slightly more than 3 percent of its sales, on new plant snd equipment during that period.

1/ Does not include expenditures made by establishments making lace and netting on knitting machines (SIC 2258--warp knit fabric mills), which--though not available--are reportedly significant.

U.S. producers' shipments of lace goods (SIC 2292) increased from $40 million in 1977 to slightly more than $52 million in 1979 and 1980 and to almost $69 million in 1981 and 1982 (table 12). However, it should be noted that these figures are understated to the extent that they exclude knitted lace and netting. Inventories during 1979-81 averaged close to $13 million annually, representing almost 19 percent of the industry's shipments.

U.S. imports

Lace goods covered by MSIC 2292 are classified under about 40 different tariff provisions, depending on (1) the type of product (e.g., lace, netting, or furnishings), (2) whether the lace was made by hand or machine, (3) the value per pound for handmade lace, (4) the type of machine used to make machine-made lace and netting, (5) the presence or absence of ornamentation for certain items, and (6) the fiber of chief value. The average rate of duty on lace goods from China during 1982 was 28.5 percent ad valorem, although it varied by product grouping, as shown below:

Item	Imports	Average Duty
	1,000 dollars	Percent ad val.
Lace	95	26.0
Lace furnishings	2,783	30.0
Miscellaneous lace articles	1,206	23.2
Total or average	4,084	28.5

Lace goods of cotton, wool, and manmade fibers are subject to import controls, and are primarily classified in "basket" quota categories providing for a number of miscellaneous textile products. Although imports of Chinese lace goods are currently unlimited, the bilateral textile and apparel agreement with China allows the United States to request consultations, leading to the establishment of quotas, when it believes imports threaten market disruption.

U.S. imports of lace goods from all sources increased steadily during 1979-82, rising from $26 million to $46 million, or by 76 percent (table 12). The growth continued into 1983, with imports in January-June 1983 up 27 percent over those in the corresponding period of 1982.

The largest single foreign supplier of lace goods during 1979-82 was Taiwan, with 27 percent of the imports, followed by France, which supplied an additional 17 percent. Shipments from Taiwan climbed rapidly from slightly less than $4 million in 1979 to almost $13 million in 1981 and then fell to $10 million in 1982. Imports from France, on the other hand, remained fairly stable, averaging $5 million annually. The remainder of the imports came from a large number of small suppliers, led by the Philippines, with 8 percent of the shipments, and the United Kingdom and China, each with about 6 percent. Aside from Taiwan, the only countries to record appreciable growth

Table 12.--Lace goods, n.e.s. (MSIC 2292): U.S. imports, total and from China, producers' shipments 1/, and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June--	
					1982	1983
Total U.S. imports--------million dollars--	26.15	35.45	42.46	46.02	22.01	27.92
Imports from China----------do----	0.87	1.80	3.25	4.08	1.76	2.17
Producers shipments----------do----	52.20	54.70	68.60	-	-	-
Apparent consumption----------do----	63.06	72.84	88.57	-	-	-
Ratio of--						
Imports from China to total imports----------percent--	3.33	5.08	7.65	8.87	7.98	7.77
Total imports to apparent consumption do----	41.47	48.66	47.94	-	-	-
Imports from China to apparent consumption----do----	1.38	2.47	3.67	-	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

58

in their shipments were China and the Republic of Korea (Korea); imports from the latter, after totaling less than $1 million annually during 1979-81, escalated to $5 million in 1982.

Imports of lace goods from China rose rapidly during the early 1980's, as did shipments of many other Chinese textile products. Imports of Chinese lace goods increased from less than $1 million in 1979 to just over $4 million in 1982; nevertheless, these products represented only a negligible share of the nearly $850 million in textile products imported from China that year. Contributing to the import growth were China's efforts to stimulate exports of these products as a source of foreign exchange and, at the same time, employ the masses; its eligiblity for most-favored-nation tariff treatment in early 1980, which considerably reduced U.S. duties on such shipments; and its extemely low labor costs.

Lace goods imported from China can be classified into three broad categories: lace, lace furnishings, and miscellaneous lace or ornamented articles. Most of the Chinese goods were handmade and consisted of furnishings, as shown in the following tabulation (in thousands of dollars):

Item	1979	1980	1981	1982
Lace	16	-	19	95
Lace furnishings	411	854	2,212	2,783
Miscellaneous lace and ornamented articles	444	947	1,019	1,206
Total	871	1,801	3,250	4,084

Most of the Chinese lace furnishings, according to trade sources and the U.S. Customs Service, consisted of tablecloths, table runners, placemats, and doilies, made primarily with "all-over" lace; some of the tablecloths and placemats were made of woven cotton fabric that is joined together with handmade lace. In the miscellaneous articles category, a large part of the Chinese goods consisted of Christmas ornaments, virtually all of which were chiefly of silk or manmade fibers.

The U.S. market

The lace goods covered here consist primarily of furnishings, such as curtains and tablecloths, which are retailed primarily by the national chain stores, discount stores, and department stores. In addition, specialty shops offering custom- and ready-made household furnishings are important outlets. Many of the lace fabrics are retailed by fabric shops.

The expansion of the lace goods market slowed considerably in 1982, after showing annual growth in excess of 15 percent in 1980 and 1981. U.S. consumption of lace goods rose from $63 million in 1979 to almost $89 million in 1981 (table 12). However, as the recession gained momentum, it rose by slightly less than 4 percent to an estimated $92 million in 1982. The share of the market supplied by imports increased steadily during 1979-82, from 41 to 50 percent. China's share of the market rose at a more rapid rate, albeit from a much smaller base, from about 1 percent in 1979 to slightly more than 4 percent in 1982.

Consumer demand for many lace goods is influenced by their artistic value or design and by current decorating trends. In addition, price plays an important role, particularly in the low end of the market, where the lace goods from China sell. Although handmade and relatively inexpensive, the Chinese lace goods reportedly have posed little direct competition for the U.S. industry's machine-made lace goods. Import levels have been relatively low partly because U.S. machine-made lace has a high degree of acceptance in the domestic market and the Chinese product does not have the quality or prestige of imports from European countries. Nevertheless, with its policy of encouraging textile export growth, aided in large part by favorable prices, China could very well continue to register significant growth in its shipments of lace goods to the U.S. market.

Miscellaneous Outerwear of Textile Materials (MSIC 2369)

Description and uses

Miscellaneous outerwear includes a diverse list of apparel items, such as scarves, overalls, pants, shorts, warmup suits, swimwear, skiwear, and sweaters. Despite this diversity, however, two products predominate in terms of U.S. production and imports, especially from China. Men's (including boys') and women's (including girls' and infants') sweaters and women's trousers account, in terms of value, for more than half of U.S. production and imports of these products. In addition, they account for more than three-fourths of the imports from China.

Sweaters are made mostly in knit outerwear mills (SIC 2253); the remainder are made in cut-and-sew shops. In knitting mills, the components of sweaters are usually knit separately to body size and then joined together. In cut-and-sew shops, sweaters are made from purchased knit fabrics which are cut to a pattern and sewn together. More than three-fourths of the sweaters produced domestically are made of manmade fibers (especially acrylic), with wool and cotton accounting for almost all the remainder. About two-thirds of the sweaters produced are intended to be worn by women, and the remainder, by men.

Women's trousers are manufactured almost entirely in cut-and-sew establishments classified in SIC 2339 and 2369. Most of the trousers sold in the United States are made from woven fabric, primarily because of the popularity of jeans and jean-cut casual slacks. With the increase in preference for easy-care garments, manmade fibers have increased in importance and now account for more than half the trousers produced domestically.

The U.S. industry

The characteristics of the industries producing the outerwear covered here differ little from those of the apparel industry as a whole. 1/ In general, industries manufacturing the outerwear consist of a large number of relatively small companies. Their production processes involve numerous manual operations and frequent fashion and seasonal changes, dictating small production runs. As a result, investment in capital-intensive equipment and gains in productivity have been limited. At the same time, labor and material costs have been rising and imports from low-wage countries have been increasing, with imports' total share of the U.S. market for outerwear climbing from 19 percent in 1977 to approximately 27 percent in 1982.

About half the value of total miscellaneous outerwear production was contributed by the women's outerwear industry (SIC 2339). In this industry, which had over 3,000 establishments in 1982, employment declined from 124,600 workers in 1978 to about 120,000 in 1982. Hourly wages increased 30 percent in this period to about $4.95, which was considerably higher than the hourly rates of $1.50 or less paid in the principal foreign supplying countries (i.e., Hong Kong, Taiwan, and Korea). This disparity is significant since labor, on the average, accounts for about a third of the wholesale value of U.S.-produced apparel.

The ratio of production worker wages to value added in the women's outerwear industry, an indication of labor intensity, was 30 percent in 1981, compared with 25 percent for all manufacturing. The value added per production worker in the outerwear industry (approximately $24,000 in 1981) increased 21 percent during 1978-81. Capital expenditures averaged about $485 per worker annually during the same period, about 10 percent of the annual average for all manufacturing. The value of shipments increased 28 percent during 1978-81 to about $4.6 billion, with products included in the miscellaneous outerwear category accounting for approximately 70 percent of these shipments.

The knit outerwear industry (SIC 2253), with about 800 establishments in 1982, contributed about 25 percent of the value of miscellaneous outerwear production during 1978-82. Knitting is somewhat less labor intensive than cut-and-sew production; as a result, capital expenditures and value added per worker are higher. In 1981, capital expenditures for knit outerwear firms averaged $905 per production worker, and value added, $26,100.

Knit outerwear industry shipments, over half of which were included in the miscellaneous outerwear category, increased 20 percent during 1978-81, to $2.8 billion. Although hourly wages, about $5.25 in 1982, increased 33 percent during this period, employment declined 20 percent, to approximately 54,000 workers.

1/ For a more detailed discussion of the U.S. apparel industry as a whole, see U.S. International Trade Commission, op. cit., pp. A-9-A-12.

U.S. imports

Imports of sweaters and trousers are classified for tariff purposes in subpart F, part 6, schedule 3, of the Tariff Schedules of the United States (TSUS). The column 1, or most-favored-nation (MFN), rates of duty on sweaters range from 6.5 percent to 40 percent ad valorem, and the column 2, or discriminatory, rates range from 45 percent to 90 percent. The average rate, based on 1982 imports, is 29 percent ad valorem. The column 1 duties on women's trousers range from 6 percent to 33.3 percent ad valorem, and the column 2 rates range from 35 percent to 90 percent; the average rate is 25 percent ad valorem.

Imports of sweaters, trousers, and other textile products of cotton, wool, and manmade fibers are subject to control under the Multifiber Arrangement (MFA). The MFA provides the legal framework for a series of bilateral agreements among 50 participating countries, with the objective of providing for the orderly development of international trade in textiles and apparel. China is not a signatory to the MFA; 1/ however, the United States has a 5-year textile trade agreement with China that was negotiated under section 204 of the Agricultural Act of 1956. This agreement, which is similar to agreements negotiated under the MFA, will expire on December 31, 1987.

Total U.S. imports of miscellaneous outerwear increased 53 percent from $1.8 billion in 1979 to $2.8 billion in 1982 (table 13), and then increased almost 25 percent in January-June 1983, compared with those in the corresponding period of 1982. Hong Kong, Taiwan, and Korea were the leading suppliers of these imports in 1982, together accounting for 65 percent of the total value. China was the fourth largest supplier in 1982, accounting for an additional 8 percent of the total value. Annual imports of miscellaneous outerwear from China increased from almost $60 million in 1979 to almost $221 million in 1982.

Women's trousers and men's and women's sweaters together accounted for almost two-thirds of the value of China's exports of miscellaneous outerwear to the United States in 1982. Imports of women's trousers from China almost doubled from 1980 to 1981, increasing from $29.1 million to $57.7 million. This was followed by a 37-percent increase in 1982 to $78.9 million. Conversely, U.S. imports of sweaters from China declined by 29 percent in 1981, from $55.8 million in 1980. A quantitative limit was applied to imports of woolen sweaters from China under the bilateral textile agreement, and when this quota was filled in February 1981--only a few weeks following its application--further shipments were embargoed until September. Imports of sweaters from China climbed again in 1982, increasing to $63.0 million from $39.8 million in 1981. Cotton sweaters, the only category of Chinese sweaters not previously restricted, were placed under a speciifc limit in August 1982.

1/ In November 1983, China applied for membership in the MFA. See the section on the new United States-China textile agreement earlier in this report.

Despite the restrictions applied to one item after another, China's share of the U.S. import market for miscellaneous outerwear, measured by value, continued to increase, rising from 3.3 percent in 1979 to 7.9 percent in 1982 (table 13). In terms of value, China has ranked fourth, following Hong Kong, Taiwan, and Korea, since 1980.

The first United States-China pact on trade in textiles expired at the end of 1982. As negotiations for a new agreement in the first 8 months of 1983 proved unsuccessful, the United States unilaterally imposed restraints on 34 textile and apparel categories (sweaters and women's cotton and manmade-fiber trousers included) in January 1983. In spite of these restrictions, the value of imports of miscellaneous outerwear increased 29 percent in January-June 1983 from its level in the corresponding period of 1982.

The U.S. market

Domestic consumption.--U.S. consumption of miscellaneous outerwear increased 47 percent during 1978-82, to a total of $10.4 billion (table 13). Some of the growth in consumption was generated by imports, which increased 53 percent during the period and increased their market share from 26 percent in 1978 to 27 percent in 1982. Domestic shipments increased by 44 percent, from $5.4 billion in 1978 to $7.7 billion in 1982. The three products increasing the most were women's trousers, sweaters, and active sportswear. As miscellaneous outerwear imports from China increased steadily during the period, China's share of U.S. outerwear consumption increased from less than 1 percent in 1979 to just over 2 percent in 1982.

U.S. consumption of women's trousers, which includes athletic shorts and warmup pants, rose 70 percent during 1978-82, to almost $4.0 billion, and contributed almost 50 percent of the increase in the value of U.S. outerwear consumption (table 14). The quantity of trousers consumed, however, rose less, by 24 percent. The popularity of jeans--which involve more detailed, decorative stitching and therefore higher unit values--accounted for much of the growth in consumption. In addition, increased consumption in 1981 and 1982 reflected the rapid growth in demand for active sportswear--in this case, athletic shorts and warmup pants initially designed for sports but now promoted and worn as leisurewear. The share of the market supplied by imports fluctuated from a high of 35.3 percent in 1978 to a low of 31.1 percent in 1979, and averaged 33.5 percent for the 5-year period. U.S. production and imports increased at similar rates; domestic production rose 23 percent from 27.4 million dozen in 1978 to 33.8 million dozen in 1982, and imports rose 21 percent from 14.4 million dozen to 17.4 million dozen in the same period.

Sweaters accounted for almost a fifth of the total value of U.S. outerwear consumption in 1982. Domestic consumption of sweaters, in terms of quantity, declined in 1979 and 1980 from 22.5 million dozen in 1978, and then increased to almost 24.0 million dozen in 1982 (table 14). After declining 11 percent in 1979 from the level of 1978, the value of U.S. consumption increased 48 percent to almost $1.8 billion in 1982.

Table 13.--Outerwear of textile material, n.e.s. (MSIC 2369): U.S. imports, total and from China, producers' shipments 1/, and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June--	
					1982	1983
Total U.S. imports----------million dollars--	1,841.30	2,295.92	2,698.67	2,815.05	1,217.54	1,521.06
Imports from China----------do----	59.97	117.42	145.89	220.97	91.14	117.77
Producers shipments----------do----	5,364.60	6,180.90	7,285.20	7,722.31	-	-
Apparent consumption----------do----	7,074.29	8,309.19	9,790.86	10,376.60	-	-
Ratio of--						
Imports from China to total imports--------percent--	3.26	5.11	5.41	7.85	7.49	7.74
Total imports to apparent consumption----------do----	26.03	27.63	27.56	27.13	-	-
Imports from China to apparent consumption----do----	0.85	1.41	1.49	2.13	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

64

Table 14.--Women's trousers and men's and women's sweaters: Producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82

(Quantity in thousands of dozens; value in millions of dollars)

Type and year	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
	Quantity				
Women's trousers:					
1978	27,366	971	14,380	40,775	35.3
1979	29,539	1,059	12,822	41,302	31.1
1980	29,816	2,081	14,003	41,738	33.6
1981	33,122	1,405	15,378	47,095	32.7
1982	33,750	738	17,446	50,458	34.6
Sweaters:					
1978	10,762	57	11,754	22,459	52.3
1979	9,274	62	10,062	19,274	52.2
1980	8,658	132	12,490	21,016	59.4
1981	10,464	122	12,420	22,762	54.6
1982	10,536	83	13,463	23,916	56.3
	Value				
Women's trousers:					
1978	1,895	29	479	2,345	20.3
1979	2,154	33	470	2,595	18.1
1980	2,450	35	576	2,991	19.3
1981	3,114	30	723	3,802	19.0
1982	3,239	22	769	3,986	19.3
Sweaters:					
1978	774	3	572	1,343	42.6
1979	697	3	507	1,202	42.2
1980	718	6	702	1,414	49.7
1981	898	6	788	1,680	46.9
1982	938	4	843	1,777	47.4

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

Because import quotas are based on quantity and not value, those countries whose shipments are restricted, especially the leading sweater suppliers--Taiwan, Hong Kong, and Korea--shifted to higher priced sweaters to increase their dollar volume of exports. In terms of quantity, imports of sweaters captured their greatest market share in 1980 with 59 percent of the total, up from 52 percent in 1978. The market share of imports then declined to 56 percent in 1982. From 1978 to 1980, imports of sweaters increased and U.S. producers' shipments declined. From 1980 to 1982, imports increased more slowly than domestic shipments; in terms of quantity, the increases were 8 percent and 22 percent, respectively.

The decline in consumption of sweaters in 1979 and 1980 resulted largely from the increased popularity of mix-and-match fashion coordinates, which include a jacket, and multiseason active sportswear such as warmup suits, which replaced sweaters. The increases in 1981 and 1982 resulted from the increasing popularity of sweaters, presaging 1983, "the year of the sweater."

Conditions of competition.--The general consensus among Western observers in the textile trade is that, at the present time, China's clothing exports consist primarily of standard-quality, low-priced products, whose major selling point is cheapness. An official of the Federation of Hong Kong Garment Manufacturers placed Chinese garments at 6 to 10 percent lower in price than items of comparable quality from other apparel-exporting countries. 1/ Some of the Chinese exports sell in the medium-price range, in particular some of the woolen sweaters, which are generally of higher quality than most of the cotton and manmade-fiber products.

Faced with increasing quota restrictions on its apparel in both the U.S. and European markets, China's opportunity for increasing export revenues lies partly in product diversification, but mainly in the production of higher quality products. However, several factors are keeping the Chinese apparel industry from penetrating the medium- to high-price market. Among the problems are China's emphasis on mass-production targets, so that priority is given to large orders and the delivery of smaller orders is delayed; the lack of supporting factories for producing accessory items such as buttons and zippers; and the lack of information on market conditions and trends. Most export orders are now produced using design specifications and accessories supplied by the buyers. Thus, the Chinese industry has not yet acquired the experience and fashion sophistication to become a leading world apparel supplier.

Men's and Boys' Shirts, Nightwear, and Underwear; Women's, Girls', and Infants' Knit Shirts (MSIC 2321)

Description and uses

This product group includes men's and boys' knit and woven shirts, (excluding work shirts), nightwear, and underwear. In addition, it includes women's, girls', and infants' knit shirts, but not woven shirts or blouses. Men's and boys' shirts are the predominant product, accounting for more than half the value of domestic production and imports. In terms of domestic

1/ China Trade Report, September 1982, p. 10.

production, these shirts account for nearly 60 percent of the total; men's and boys' underwear and nightwear, for about 20 percent; and women's, girls', and infants' knit shirts, for about 20 percent. Imports of men's and boys' shirts account for about 80 percent of total imports; men's and boys' underwear and nightwear account for 5 to 10 percent of total imports; and women's, girls', and infants' knit shirts, for 10 to 15 percent.

Most men's and boys' shirts are made in cut-and-sew shops (SIC 2321), which produce shirts from both woven and knit fabrics. Shirts are also produced in knit outerwear mills (SIC 2253), and, overall, the quantity of knit shirts produced far exceeds the quantity of woven shirts produced. The predominance of knit shirts is greatest in boys' shirts, where knits account for over 80 percent of the quantity produced. However, in dress shirts for both men and boys, woven fabrics are the preferred material. A majority of men's and boys' nightwear is made of woven fabrics, but most of the underwear is knit. Nightwear is made primarily in cut-and-sew shops (SIC 2321); most underwear is made in knit underwear plants (SIC 2254), though some is made in cut-and-sew shops (SIC 2322).

Shirts chiefly of manmade fibers account for 72 percent of total production of men's dress shirts, 65 percent of men's woven sport shirts, and 59 percent of knit sport shirts. Most of the remainder are cotton, plus small quantities of wool, silk, or other fibers. Women's knit shirts are estimated to be 50 to 60 percent of manmade fibers and 20 to 30 percent of cotton. Men's nightwear is made primarily from woven cotton fabrics, but most boys' nightwear is made from knit fabrics of manmade fibers. In underwear, men's boxer shorts are predominantly woven fabrics of polyester/cotton blends, but men's and boys' knit underwear (including T-shirts, athletic shirts, and briefs) is mostly all cotton, with polyester/cotton blends accounting for much of the remainder.

The U.S. industry

The value of U.S. shipments of the apparel articles described above was $5.5 billion in 1981 (table 15). Preliminary data indicate that the value of shipments in 1982 was only slightly lower. Men's and boys' shirts are estimated to have accounted for more than $3 billion in 1982; women's, girls', and infants' knit shirts, for about $1 billion; and men's and boys' underwear and nightwear, for about $1 billion.

Establishments producing men's and boys' dress and sport shirts are classified in SIC 2321, men's and boys' shirts and nightwear, if they are engaged in manufacturing shirts from purchased woven and knit fabrics, or in SIC 2253, knit outerwear mills, if they are engaged in knitting shirts from yarn or making shirts from knit fabric produced in the same establishment. Men's and boys' shirts account for about 95 percent of the value of shipments in SIC 2321 and about 15 percent of the value of shipments in SIC 2253. Men's and boys' nightwear is also classified in SIC 2321, but accounts for only about 5 percent of total shipments.

The number of production workers engaged in making men's and boys' dress and sport shirts is estimated to have declined from approximately 96,000 in 1980 to 87,000 in 1982, or by 9.4 percent. Production of cut-and-sewn shirts is concentrated in Alabama, North Carolina, Tennessee, and Pennsylvania;

Table 15.--Men's and boys' shirts, nightwear and underwear; Women's, girls' and infant's knit shirts (MSIC 2321): U.S. imports, total and from China, producers' shipments 1/, and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June--	
					1982	1983
Total imports----------million dollars--	1,722.59	1,877.23	2,025.45	2,309.23	1,139.15	1,236.28
Imports from China----------do----	41.38	57.11	95.99	140.01	61.23	72.86
Producers shipments----------do----	4,797.70	5,452.30	5,531.20	-	-	-
Apparent consumption----------do----	6,383.49	7,093.87	7,329.26	-	-	-
Ratio of--						
Imports from China to total imports---------percent--	2.40	3.04	4.74	6.06	5.37	5.89
Total imports to apparent consumption----------do----	26.99	26.46	27.64	-	-	-
Imports from China to apparent consumption-----do----	0.65	0.81	1.31	-	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

68

output of knit outerwear shirts is concentrated in New York, Pennsylvania, North Carolina, and Virginia. Some 600 firms are estimated to be engaged in producing men's and boys' shirts, with two-thirds of the production accounted for by 40 to 50 of the largest firms. Women's, girls', and infants' knit shirts are made in both cut-and-sew shops (industries 2331 and 2361) and in knit outerwear mills (industry 2253).

The average hourly earnings of production workers in plants classified in SIC 2321 increased from about $4.12 in 1980 to $4.64 in 1982 and, in late 1983, to about $4.75. Average earnings of workers in knit outerwear mills were higher than in cut-and-sew shops, increasing from $4.69 in 1980 to about $5.30 in 1983.

The ratio of payroll to value added in SIC 2321 ranged between 47 and 54 percent during 1977-81. From a high of 54 percent in 1979, the ratio declined to 47 percent in 1981. New capital expenditures in the industry averaged only about $400 per worker during the period, but increased to $500 in 1981. This compares with about $4,000 per worker for all manufacturing.

Knit outerwear mills (SIC 2253) employed 55,000 workers in 1981, down from a recent high of 63,000 in 1978. Of these, only about 12,000 to 15,000 are estimated to be engaged in producing men's and boys' knit shirts, and an estimated 5,000 to 6,000 produce women's and girls' knit shirts. The remainder are engaged in producing sweaters, dresses, and other knit outerwear. New capital expenditures in SIC 2253 averaged about $715 per employee annually during 1977-81. Knit underwear mills employed 22,000 workers in 1981, down from about 25,000 in 1978 and 1979. An estimated 60 percent of these workers are engaged in producing men's and boys' knit underwear and nightwear.

U.S. imports

U.S. textile imports from China are controlled under the new 5-year bilateral agreement, which provides for specific annual increases in the controlled import categories. The categories covering products of MSIC 2321 are shown in the following table, along with agreed limits for 1983 and 1987.

China is the fourth largest supplier to the United States of products in MSIC 2321, i.e., men's shirts, nightwear, and underwear, and women's, girls', and infants' knit shirts. The three leading suppliers are Korea, Taiwan, and Hong Kong. Total imports of these products from China increased 38 percent in 1980, 68 percent in 1981, and 46 percent in 1982. The rate of increase slowed to 20 percent in the first half of 1983, when five of the categories in this group were placed under unilateral quotas. Whereas the total value of imports from all countries increased by about 25 percent from 1980 to 1982, imports from China increased by 150 percent, so that China's share of the total doubled, increasing from 3 percent to 6 percent. In 1982, imports from all countries totaled $2.31 billion, compared with $1.88 billion in 1980, and imports from China totaled $140 million, compared with $57 million in 1980.

Table 16.--Agreed limits under the United States-China bilateral textile agreement, 1983 and 1987

Category No.	Description	Agreed limit	
		1983	1987
		Dozens	
338	Knit shirts, men's and boys'	767,970	881,263
339	Knit shirts and blouses, women's, girls', and infants'	895,565	1,027,681
340	Shirts, not knit, men's and boys'	601,586	677,090
351	Nightwear	290,000	352,497
352	Skirts	1/	1/
359	Other apparel	1/	1/
438	Knit shirts and blouses	1/	1/
440	Shirts and blouses, not knit	1/	1/
459	Other apparel	1/	1/
638	Knit shirts men's and boys'	1/	1/
639	Knit shirts and blouses, women's, girls', and infants	1/	1/
640	Shirts, not knit, men's and boys'	1,070,000	1,204,294
651	Nightwear	1/	1/
652	Underwear	1/	1/

1/ No specific limits; subject to consultations in case of market disruption.

Within this product group, more than half the value of imports from China in 1982 was accounted for by men's and boys' woven sport shirts (table 17). The category next in importance was men's and boys' knit shirts, followed by women's, girls', and infants' knit shirts and men's and boys' nightwear. Imports of men's and boys' underwear from China were negligible.

Much of the imported merchandise in this product group is brought in by large national retail chains or by major U.S. apparel manufacturers. A majority of the imports are sold as nonbranded or private-label merchandise

Table 17.--Men's and boys' shirts, nightwear and underwear, and women's, girls', and infants' knit shirts: U.S. imports from China, by type, 1980-82

Item	1980		1981		1982	
	Value	Percent of total	Value	Percent of total	Value	Percent of total
	Million dollars		Million dollars		Million dollars	
Men's and boys' knit shirts	9.3	16	23.6	25	28.6	21
Men's and boys' woven shirts	34.9	62	57.8	61	78.4	56
Men's and boys' nightwear	4.0	7	5.1	5	10.2	7
Men's and boys' underwear	.1	-	.1	-	.1	-
Women's, girls', and infants' knit shirts	8.8	15	9.4	9	23.0	16
Total	57.1	100	96.0	100	140.3	100

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

71

(including items sold under retailers' names), a segment of the market which has gained in importance relative to the traditional branded merchandise. Concurrent with the loss of market share by branded merchandise has been the gain in market share by outlets such as chain, discount, and variety stores at the expense of traditional department and specialty stores. Because of the lower costs abroad, especially for labor, and the ability to incorporate construction features requiring high labor content, even manufacturers of branded merchandise often import part of their lines.

All imports from China in this product group are dutiable at applicable column 1 rates, which range from 8 percent ad valorem to 40 percent ad valorem. Articles of manmade fibers and wool are generally dutiable at higher rates than those of cotton, and ornamented articles, at higher rates than those not ornamented. More than half of 1982 imports from China were articles of cotton, not ornamented, classified in TSUS items which carry a duty rate of 21 percent ad valorem.

The U.S. market

The value of apparent U.S. consumption of apparel in MSIC 2321 increased about 30 percent from 1979 to 1982, reaching a value of more than $7.7 billion in the latter year. However, the quantity of these articles increased only 8 percent during the period, and the quantity of men's and boys' underwear and nightwear actually declined. There were substantial increases in the consumption of men's and boys' knit and woven shirts and women's, girls', and infants' knit shirts. The bulk of the increase in consumption of both men's and women's shirts during the period was supplied by imports, which reached more than one-third of total consumption in 1982.

More than 1 billion men's and boys' shirts were consumed in 1982, or nearly 10 shirts per male in the U.S. population; about three-fourths of these were sport shirts. Studies have shown that women purchase more than half of the men's and boys' shirts sold, often making such purchases for gifts at Christmas and Father's Day. Major shirt manufacturers usually sell directly to retailers, utilizing either their own sales force, which calls on retail stores, or dealing with the central buying offices of retailers. A part of a manufacturer's line may be produced abroad. Major national chain stores or department stores may also import directly. Branded merchandise continues to be very important in merchandising shirts, but there has been a shift from traditional manufacturers' brands to individual store brands and designer-label shirts.

Knit shirts (excluding blouses) are estimated to account for about 45 percent of the total U.S. market for women's, girls', and infants' shirts and blouses and for about half of such U.S. imports. In the shirt and blouse market, woven fabrics have gained against knits, partly because of the growing number of women in the work force and a trend toward the "tailored look" that woven shirts and blouses provide. However, the growth in demand for active wear (sports-type apparel often worn for leisure) has helped sustain sales of knit shirts. Brands and designer labels have become more important in this market in recent years, but nonbranded merchandise still accounts for most of the market. Imports are estimated to account for slightly more than 40 percent of U.S. consumption of women's, girls', and infants' knit shirts.

The market for men's and boys' underwear and nightwear is, for the most part, a stable, slow-growth market and has been dominated by a few large producers which account for the bulk of U.S. production and sales. Imports have not been a significant factor in this market, accounting for less than 3 percent of consumption. Production processes for making underwear involve long runs of standard items and are highly automated. Low wages abroad are a less important consideration in this market than in markets for other apparel items.

In the U.S. market for all of the apparel items considered above, imports have historically supplied primarily the low end of the market, partly because of their lower quality and partly because of long delays between order and delivery dates, which limit response to style changes. However, quality and style offered by foreign producers have improved in recent years, partly as a result of efforts by foreign producers to increase the value of exports within the MFA limitations and also as a result of the influence of U.S. retailers and manufacturers involved in importing. At the same time, chain stores and discount retailers, the major outlets for imported goods, are upgrading their lines in terms of both fashion and price. U.S. manufacturers are also making greater efforts to sell goods, including branded merchandise, to national chains and "off-price" retailers and are likely to turn to imports to supply some of these price lines. All these developments indicate continued growth of imports, especially in terms of value. Because of China's cost advantage over other major exporting countries such as Hong Kong, Korea, and Taiwan, plus the larger growth rate possible under the United States-China bilateral agreement, it seems likely that China will capture a larger share of the U.S. market.

Women's, Girls', and Infants' Coats, Suits, and Skirts (MSIC 2337)

Description and uses

This product group includes women's, girls', and infants' coats, jackets, suits, and skirts of textile materials, with coats and jackets alone accounting for almost 60 percent of the total market in 1982. All the garments covered here are made primarily from woven fabrics of manmade fibers, and, to a much lesser extent, cotton and wool. About two-thirds of these products sold domestically in 1982 were made from manmade-fiber fabrics.

The U.S. industry

Establishments primarily producing women's coats, jackets, suits, and skirts are classified in SIC 2337 (women's and misses' suits and coats) and those making the girls' and infants' garments are classified in SIC 2363 (children's coats and suits). Establishments in both industries cut and sew the garments from purchased fabric by means of a highly labor-intensive production process.

These industries are characterized by three types of establishments--manufacturers, jobbers, and contractors. Manufacturers purchase materials, process them into garments within their establishments, and sell the finished products. Jobbers either sell manfacturers' finished products or buy materials, contract for the production of the garments, and market the finished products. Contractors make apparel in their establishments according

to specifications using materials provided by manufacturers or jobbers; they do not become involved in the actual sale of the finished garment. Manufacturers contribute about 40 percent of the value added in the women's and children's coat and suit industries; contractors, 35 percent; and jobbers, 25 percent.

The number of establishments manufacturing women's coats and suits declined from 1,446 in 1979 to an estimated 1,300 in 1982. The number of establishments in the children's coat and suit industry also declined steadily during the period, from 99 to 85. Establishments in both industries usually operate on a relatively small scale: 87 percent each employed fewer than 100 persons in 1981. Nearly two-thirds of the establishments are located in New York, New Jersey, and California, with New York alone accounting for 37 percent of the total. However, establishments in these States operate on a much smaller scale than those in other areas, especially the South. In 1981, the average number of persons employed in the plants located in New York, New Jersey, and California was 36, compared with 71 in all other establishments, including those in the South.

Consistent with the decline in the number of establishments, average employment declined during 1979-82, from 71,300 to 59,000 persons, with virtually all the decline occurring in the significantly larger women's suit and coat industry. Employment in that industry declined slightly more than that for the apparel industry as a whole (SIC 23). Average hourly earnings of production workers in the women's suit and coat industry increased 25 percent during 1979-82 to $5.67, remaining slightly higher than earnings in the apparel industry as a whole ($5.18), but less than earnings in all manufacturing ($8.50).

The value added per production worker hour in the women's and children's suit and coat industry rose from $17.13 in 1979 to $17.43 in 1981, or by 2 percent, compared with an 18-percent increase (to $12.95) for the apparel industry as a whole. New capital expenditures declined 21 percent during 1979-81, from $29.6 million to $23.5 million. New capital expenditures in the apparel industry as a whole increased 26 percent from $514 million to $646 million. Investment per production worker in the women's and children's suit and coat industry declined to $346 in 1981. That for the apparel industry as a whole was $600, and that for all manufacturing was $5,806. Improvements in the women's and children's suit and coat industries have been made mainly through process engineering, that is, improving the work flow through the plant. In addition, certain firms are making use of computerized equipment for the time-consuming task of marking fabric before cutting, and are using semiautomatic sewing machines for pockets, zippers, and labels.

U.S. producers' shipments of women's, girls', and infants' coats, jackets, suits, and skirts increased from $2.4 billion in 1979 to a $3.1 billion in 1981 (table 18) and a record $3.7 billion in 1982. In terms of quantity, shipments of these products declined slightly from 1979 to 1980 before increasing 17 percent to 16.4 million dozen in 1982.

Table 18.--Women's, girls', and infants' coats, suits, and skirts (MSIC 2337): U.S. imports, total and from China, producers' shipments 1/, and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June--	
					1982	1983
Total imports----------million dollars--	513.22	641.25	864.70	1,017.77	441.14	510.11
Imports from China----------do----	9.44	24.13	66.21	103.70	41.28	61.44
Product shipments----------do----	2,422.90	2,580.00	3,067.50	-	-	-
Apparent consumption----------do----	2,908.23	3,188.85	3,892.07	-	-	-
Ratio of--						
Imports from China to total imports---------percent--	1.84	3.76	7.66	10.19	9.36	12.04
Total imports to apparent consumption----------do----	17.65	20.11	22.22	-	-	-
Imports from China to apparent consumption-----do----	0.32	0.76	1.70	-	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

75

Coats and jackets accounted for 53 percent of shipments in 1982, totaling $1.9 billion, or 30 percent more than in 1979. In terms of quantity, production of coats and jackets increased from 5.5 million dozen in 1979 to 5.9 million dozen in 1981 and then declined to 5.8 million dozen in 1982. Domestic shipments of skirts, accounting for 35 percent of total U.S. output of the products covered by this report, increased nearly 90 percent during the period to $1.3 billion in 1982. The quantity of U.S.-made skirts rose 49 percent during the period to 9.3 million dozen in 1982.

U.S. imports

The MFN rates of duty on U.S. imports of coats, jackets, suits, and skirts in 1983 range from 6 percent to 38.3 percent ad valorem, with the average rate, based on 1982 imports, amounting to 21 percent ad valorem. During 1979-82, 90 percent of the imports came from countries with which the United States has bilateral trade agreements providing for controls on their textile and apparel shipments.

U.S. imports of women's, girls', and infants' coats, jackets, suits, and skirts nearly doubled during 1979-82, reaching a record $1 billion in 1982. About half the imports during the period came from Hong Kong, Taiwan, and Korea. Coats and jackets constituted about three-fourths of the imports during 1979-82, increasing from $369.5 million in 1979 to $783.6 million in 1982. Imports of skirts increased 57 percent to $152.7 million, and imports of suits, 76 percent to $81.4 million.

China emerged as the third largest supplier of these garments in terms of quantity and the fourth largest in terms of value during 1979-82, as its shipments rose from 144,000 dozen, valued at $9.4 million, in 1979 to 944,000 dozen, valued at $103.7 million, in 1982. Coats and jackets made up about 94 percent of China's shipments in 1982. Such imports rose from 127,000 dozen, valued at $8.5 million, in 1979 to 872,000 dozen, valued at $97.5 million, in 1982. Imports during January-June 1983 were 20 percent higher in quantity and nearly 50 percent higher in value than those during the corresponding period of 1982. Manmade-fiber coats and jackets accounted for about 60 percent of the quantity and 49 percent of the value of total coat and jacket imports from China in 1982. The remaining coats and jackets were mainly of cotton fabric.

The unit value of imported coats, jackets, suits, and skirts averaged $137 per dozen in 1982, 1/ compared with $223 per dozen for those made in the United States. The unit value of these garments from China averaged $104 per dozen in 1982, nearly a third less than that of total imports and 46 percent less than that of imports from Hong Kong, Korea, and Taiwan, which averaged $152 in 1982. The significantly lower unit value of apparel from China partly reflects its low labor costs and the basic design and styling of its apparel.

1/ The import value represents c.i.f. value plus duty paid, but does not reflect the importers' (wholesale) markup.

The U.S. market

The wholesale value of coats, jackets, suits, and skirts for women, girls, and infants was a record $4.6 billion in 1982. Demand for these garments, much like that for most apparel, is influenced primarily by price, quality, and fashion.

U.S. producers of coats, jackets, suits, and skirts generally sell their apparel directly to retailers, such as department stores, specialty shops, national chain stores, and discount stores. The national chain stores, which buy in volume, usually contract out orders to manufacturers, which produce garments to the stores' specifications. Other relatively large retailers usually maintain their own buyers or buying offices, and some smaller retailers join buying groups, which combine orders of several retailers and purchase in volume. The small retailers, especially specialty stores, often purchase garments from jobbers, which can supply these outlets with a variety of goods that would otherwise be unavailable to them. Coats, jackets, suits, and skirts are also sold through catalog operations and factory outlets.

U.S.-made products usually have their highest market penetration in department and specialty stores in the middle- to high-price ranges, whereas imports are sold in all types of outlets, especially discount and chain stores, in the lower price ranges. However, more and more of the imports are being retailed in department and specialty stores in the higher price ranges, as the major foreign suppliers, such as Hong Kong and Korea, produce higher-value-added goods.

U.S. producers compete with imports in the marketplace by offering services to retailers, such as national and cooperative advertising, promotional activities, prompt delivery, and the availability of a complete line of apparel accessories. Moreover, U.S. manufacturers usually require payment from retailers within 60 days after shipment, whereas foreign producers require prepayment in the form of a letter of credit, which could mean tying up funds for 2 months or longer. Also, unlike foreign suppliers, U.S. producers usually fill reorders and accept returns and cancellations. These factors often translate into lower markdowns and greater potential profit, and offset some of the price advantage of the imports.

Domestic consumption of women's, girls', and infants' coats, jackets, suits, and skirts rose each year during 1979-82, from 17.9 million dozen, valued at $3.0 billion, in 1979 to 23.3 million dozen, valued at $4.6 billion, in 1982. The share of the domestic market supplied by imports also rose, reaching 32 percent in quantity and 22 percent in value in 1982. China's share of the U.S. market rose in quantity from 0.8 percent in 1979 to 4.3 percent in 1982, and in value from 0.3 percent to 2.2 percent.

U.S. consumption of coats and jackets totaled $2.7 billion in 1982, increasing 47 percent from $1.8 billion in 1979. In terms of quantity, consumption rose from 8.1 million dozen in 1979 to 10.7 million in 1982. Imports from China accounted for 8 percent of the quantity and 4 percent of the value of the U.S. market for coats and jackets in 1982.

China will continue to be a significant factor in the marketplace because of its favorable prices, stemming primarily from low labor costs, and its emphasis on expanding textile and apparel exports as a source of much-needed foreign exchange. Moreover, China is likely to maintain or increase its market share vis-a-vis Hong Kong, Taiwan, and Korea, since the United States-China textile trade agreement permits a higher annual rate of growth in U.S. imports from China than is permitted under U.S. agreements with these other three suppliers. China is permitted an average annual rate of growth at 4 percent in its shipments of cotton and manmade-fiber coats and jackets, compared with an average of just under 1 percent for cotton, wool, and manmade-fiber coats and jackets from Hong Kong, Taiwan, and Korea combined. Coats and jackets represented 94 percent of China's shipments and 78 percent of the three competing countries' shipments combined in 1982. The only other product covered here that is imported from China under specific quota is cotton skirts, shipments of which are allowed to grow 6 percent annually. Of the other three suppliers, only Hong Kong currently has a specific quota for cotton skirts, and the annual rate of growth permitted is 1.5 percent annually. Imports of the remaining cotton, wool, and manmade-fiber products from China covered here are currently unlimited, but the United States--as under its agreements with the other three suppliers--may request consultations leading to the establishment of specific quotas whenever it believes imports threaten market disruption.

Leather Gloves (MSIC 3151)

Description and uses

The leather gloves covered here consist of dress and work gloves made primarily of cowhide, sheepskin, and pigskin. Dress and work gloves are distinguished not only by their end use but also by their construction. Dress gloves are constructed with fourchettes and/or sidewalls; 1/ work gloves are seldom made with fourchettes, though they may be constructed with sidewalls. The production of both types is labor intensive, although the production of dress gloves is more so because of additional sewing steps and attention to quality and fine detail.

The leather gloves from China consist of dress and work gloves made primarily of cowhide and pigskin; work gloves accounted for over two-thirds of the total value of imports in 1982. China, with its large pig population, has been increasing its production of pigskin work gloves, which, according to industry sources, are relatively new to the market and are gaining in user acceptance as a substitute for cowhide work gloves.

The U.S. industry

Establishments producing leather gloves in the United States are classified in SIC 3151 (leather gloves and mittens). The number of establishments in this industry amounted to 92 in 1982, compared with 100 in

1/ A fourchette is a strip of material that is sewn in between the fingers from the palm side to the back side of a glove; a sidewall is a strip sewn in on the side from the end of the little finger to the wrist. Fourchettes and sidewalls allow for a closer and more comfortable fit.

1979. These establishments were located primarily in New York, Wisconsin, and Illinois. Employment in the industry also decreased 15 percent, to 4,033 persons in 1982 from 4,751 in 1979. Although a certain degree of concentration is present in the industry (the 50 largest firms in 1977 accounted for 97 percent of industry shipments), glove manufacturing is characterized by its ease of entry and its minimal capital requirements. Most companies specialize in the production of either dress or work gloves, with most of the larger firms manufacturing only work gloves. Some leather work glove firms also produce fabric work gloves and/or combination leather/ fabric work gloves.

Because leather glove production is labor intensive, with sewing as the basic operation, a number of U.S. firms have plants in foreign countries to manufacture gloves for subsequent sale in the U.S. market. In addition, a number of producers import gloves to fill out their lines; some firms also buy gloves from other U.S. producers to complement their lines.

The high level of labor content in leather glove production is reflected in the industry's ratio of production workers' wages to value added, which was about 39 percent in 1981, compared with 25 percent for all manufacturing. The value added per production worker increased 19 percent during 1979-81, from $12,727 to $15,163, reflecting slight gains in productivity. However, this ratio was much higher for all manufacturing--$61,841 in 1981. Capital expenditures per production worker in the leather glove industry were small compared with those in all manufacturing, $265 versus $5,806 in 1981.

U.S. producers' shipments of leather gloves fluctuated during 1979-82, decreasing 12 percent overall, from $151.7 million in 1979 to $133.4 million in 1982, with most of the decline occurring in 1982 (table 19). The quantity of these gloves declined steadily during the period, decreasing 23 percent from 2.9 million dozen pairs in 1979 to 2.2 million dozen pairs in 1982. Almost three-quarters of these shipments consisted of leather work gloves; the remainder were dress gloves. Because the demand for work gloves closely follows trends in industrial activity, the weakness of major users such as the automobile, building, and steel fabrication industries caused sales to decline during 1980-82. The value of shipments increased slightly in 1981, reflecting increased sales of leather dress gloves, and then declined again in 1982, reflecting the slow market for both types of gloves combined with increased price competition from imports. According to industry sources, leather work glove firms are currently operating at a capacity of 60 to 70 percent. Inventories in the industry remained stable at about $41 million during 1979-81.

The Chinese industry

As part of China's plan to develop a modern economy and to expand its foreign trade to earn foreign exchange, the Chinese Government has emphasized the rapid development of the light industries, most of which are labor intensive and do not require large amounts of capital investment. In addition, a strong agricultural policy has brought increased sources of raw materials used in the light industries, such as increased populations of pigs,

Table 19.--Gloves, leather (MSIC 3151): U.S. imports, total and from China, producers' shipments 1/ and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June--	
					1982	1983
Total U.S. imports---million dollars--	82.45	68.23	59.29	62.58	23.00	24.94
Imports from China---do---	0.65	1.70	2.61	5.50	2.35	3.53
Producers shipments---do---	151.70	146.70	157.80	133.40	-	-
Apparent consumption---do---	221.89	203.58	208.94	186.58	-	-
Ratio of--						
Imports from China to total imports ---percent--	0.78	2.48	4.40	8.79	10.21	14.16
Total imports to apparent consumption---do---	37.16	33.51	28.38	33.54	-	-
Imports from China to apparent consumption---do---	0.29	0.83	1.25	2.95	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.

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

Note.--Imports are valued c.i.f. with calculated duties added to their value.

80

sheep, and cattle, thus encouraging the growth of the leather and the leather products industry. 1/ China has a large supply of pig and goat skins, but its supply of cowhides is limited. Consequently, China has been increasing its purchases of cowhides, which are used to a large extent in the production of footwear. 2/

The Chinese leather glove industry can be divided into two segments: the factories owned by the Government and the cut, make, and trim (CMT) factories owned or partially owned by Hong Kong companies. Unlike the Government-owned factories, which are scattered throughout the country, the CMT shops are concentrated around the city of Guangzhou (Canton). The Hong Kong companies supply the raw materials and equipment, and the Chinese supply the factory site and building and the labor, charging a fixed price for each glove produced. Some U.S. work glove firms have established joint ventures with the Hong Kong companies, providing technical advice and raw materials in exchange for the product. Lower labor costs and good-quality workmanship in China enticed Hong Kong companies to move their production there. According to trade sources, the Chinese Government recently began discouraging any new CMT shops from opening and is emphasizing production in its own factories.

The majority of the leather gloves produced in the Government-owned factories are made of pigskin, although the use of cowhide in gloves for export has been increasing. Most of the gloves made in the CMT shops are made of cowhide, much of which is imported from the United States, Argentina, and Australia.

U.S. imports

Imports of leather gloves are classified for tariff purposes in subpart C, part 1, schedule 7, of the TSUS. The column 1, or MFN, rates of duty on leather gloves ranged from 7 percent to 115.6 percent ad valorem 3/ in 1982. The average rate, based on 1982 imports, was 16.7 percent ad valorem.

U.S. importers of leather gloves include primarily industrial distributors (importers which specialize in the sale of work gloves to the industrial users), glove manufacturers, industrial users of work gloves, and retailers, primarily the major chain stores. In addition, several of the importers previously were producers of leather dress gloves in the United States, but have since ceased production here and become importers, many having plants in the Philippines. Some U.S. producers make use of TSUS item 807.00, 4/

1/ China's Foreign Trade, No. 3, May-June 1981, p. 4.

2/ Dennis Phillips and Valerie Seckler, "China Now U.S.'s Largest Leather Export Market," Footwear News, Sept. 21, 1981.

3/ This high rate of duty represents an ad valorem equivalent of the duty of $4.92 per dozen pairs assessed on the glove imports entering under TSUS item 705.60.

4/ This item provides that the duty on articles assembled abroad be assessed on the value added abroad (primarily the cost of sewing the parts together).

shipping glove parts to factories in low-wage countries, which assemble the gloves and ship them back to the United States. Approximately 20 percent of the total value of glove imports during 1979-82 consisted of gloves imported under item 807.00. The major suppliers of these gloves are Mexico and the Philippines. A large part of the gloves from China are imported by industrial distributors and, to a lesser extent, U.S. work glove producers; both types of purchasers buy primarily through Hong Kong agents.

Total U.S. imports of leather gloves declined 28 percent from $82.4 million in 1979 to $59.3 million in 1981 and then increased 6 percent to $62.6 million in 1982 (table 19). Imports increased 9 percent further in January-June 1983, to $24.9 million, compared with those in the corresponding period of 1982. The Philippines, a large producer of high-quality dress gloves, was the leading supplier during 1979-82, accounting for just under 30 percent of the total value. Other important suppliers of leather glove imports were Mexico, Hong Kong, Korea, Taiwan, and China. China's share of total imports grew from less than 1 percent in 1979 to almost 9 percent in 1982 and to 14 percent in January-June 1983.

In contrast to the trend in total imports, imports from China increased rapidly during 1979-82, rising from $65,000 to $5.5 million (table 19). This growth continued in January-June 1983, when shipments were up 50 percent over those in the corresponding period of 1982. The ongoing buildup in imports from China was in part a consequence of the granting of MFN tariff treatment to China in February 1980, which resulted in significantly lower rates of duty being assessed on Chinese products. China's lower labor costs and policy to promote the rapid development of the agricultural and light industries also contributed to the growth.

The U.S. market

The channels of distribution differ somewhat by types of gloves. Most leather glove manufacturers and importers sell directly to retailers, including department stores, national chain stores, and specialty stores. In the work glove market, there are two classes of consumers: (1) those who purchase gloves at retail for use on the job or around the home and (2) industrial establishments which purchase gloves for use by their employees. Most of the work gloves intended for the retail trade are sold through distributors to regional and national chain stores. Distributors are known in the trade as cost-plus houses, which purchase the gloves for resale, adding an 8- to 12-percent markup. The majority of work gloves intended for the industrial trade are also sold through distributors, which buy the gloves from domestic or foreign manufacturers or both for resale. In addition, some domestic producers act as distributors for other manufacturers, both domestic and foreign.

Apparent U.S. consumption of leather gloves trended downward during 1979-82, decreasing 16 percent from $221.9 million to $186.6 million. The share of the market supplied by imports declined from 37 percent in 1979 to 28 percent in 1981, as imports declined more than U.S. producers' shipments, and then increased to almost 34 percent as U.S. shipments decreased significantly and imports rose modestly. Since glove shipments from China increased steadily during the period, China's share of the market increased from less than 1 percent to almost 3 percent.

At least two-thirds of U.S. leather glove consumption during 1979-82 consisted of work gloves. The U.S. work glove market was slow during 1980-82 because of the inactivity of its major industrial users. When the market began to pick up slightly in the latter part of 1982, imports supplied most of the increase. According to industry sources, some U.S. work glove producers have begun importing (some from China) to fill in the low end of their lines, and concentrate on U.S. production of high-quality work gloves in a wide range of prices and the production of specialized gloves for customer requirements. Because of the higher labor content involved in producing leather dress gloves, imports from low-wage countries have captured most of the leather dress glove market.

The major competitive factors for imported and domestically produced gloves are price and, to a lesser extent, quality. The labor cost for manufacturers in the major Asian supplying countries are considerably lower than those for U.S. producers; Chinese producers have the lowest costs. Workers sewing leather work gloves in China earn an estimated $0.15 an hour, compared with an estimated $1.00 to $1.50 in Hong Kong and Korea. Although the average unit value of Chinese work gloves in 1982 was comparable to unit values of work gloves produced by the other principal foreign suppliers 1/ --$17.39 per dozen pairs for Chinese gloves compared with $19.82 for gloves from Hong Kong and $17.20 for gloves from Korea--industry sources reported that the quality of the workmanship in the Chinese gloves is generally higher than that from the other Far Eastern suppliers. However, the quality of the Chinese gloves is reportedly not as high as that of the U.S.-made gloves.

Certain drawbacks exist in the purchase of Chinese gloves compared with that of gloves from other Asian suppliers. Delivery times are generally longer than those for gloves from Hong Kong and Korea, about 2 months compared with 1 month, and are often erratic, although industry sources reported that delivery problems are declining. In addition, the Chinese have had little experience in marketing and styling, and consequently offer a limited number of styles and colors.

Handbags (MSIC 3171)

Description and uses

The term "handbags" includes pocketbooks, purses, shoulder bags, clutch bags, and all similar articles, by whatever name known, carried mainly by women or girls as fashion or utility accessories. However, it does not include luggage, shopping bags, and flat goods, i.e., those articles designed to be carried on the person, such as billfolds and coin purses.

As fashion accessories, handbags are subject to significant variation in styling and material from year to year. Responding to changing trends in ready-to-wear apparel, producers make handbags in numerous styles.

1/ The average unit values of the gloves from the principal suppliers of dress gloves--the Philippines and Taiwan--were much higher.

Although handbags of one material may be readily substitutable for those of another, depending on current fashions, leather and fabric are the two most important types of materials used in handbag manufacture. Plastic (principally vinyl and urethane) has decreased in importance in recent years; other materials used include rattan, willow, bamboo and other fibrous materials, beads, wood, fur, and metal.

Within the handbag market, styling and price are the major factors that determine the relative importance of the various materials used in handbag production. Leather handbags are made from a variety of leathers, of which cowhide and calfskin are the most commonly used. Tanneries sell processed hides or skins to handbag manufacturers, which employ cutters to cut the leather and other materials from which handbags are made. The materials are first shaped and styled, and trimmings such as pockets, handles, and zippers are then added. Linings of textile material are often sewn into the bag before it is finished and made ready for shipment to retail outlets. The entire process, from cutting the processed raw materials to fashioning and sewing the handbag, is accomplished by individual operators working with simple machines, and is thus an extremely labor-intensive process. The equipment used is of relatively low technology and is readily available throughout the world. These factors, together with more frequent changes in fashion in recent years, make it difficult for manufacturers to achieve economies of scale from longer, more automated production runs.

The U.S. industry

The number of establishments producing handbags decreased from an estimated 400 facilities in 1979 to 375 in 1982; producers are located principally in the Northeast (particularly in the New York City area) and California. Total employment decreased from 22,000 to an estimated 18,000 persons during the same period. The 50 leading producers accounted for about two-thirds of the value of industry shipments.

Most manufacturers tend to specialize in producing handbags of only one or two materials in order to reduce manufacturing costs. Only a small number of the large firms are currently able to profitably produce handbags from a variety of materials. Domestic producers manufacture few low-priced handbags and are increasingly emphasizing the production of moderately priced bags and deemphasizing that of high-priced bags. Thus, many producers import handbags in order to offer a broader price and fashion line of merchandise.

This trend toward importing by manufacturers results mainly from the high labor content of handbag production, which is reflected in the industry's high ratio of production workers' wages to value added. This ratio was 45 percent in 1981, compared with 25 percent for all U.S. manufacturing. Only slight gains in productivity occurred between 1979 and 1981, when the value added per production worker increased 10 percent, from $15,526 to $17,069. The equivalent figure for all manufacturing was $61,841 in 1981. Similarly, capital expenditures per production worker in 1981 were small compared with those for all manufacturing--$319 compared with $5,806--suggesting little investment to improve productivity.

U.S. producers' shipments of handbags increased without interruption during 1979-82, from $491.3 million to an estimated $547.0 million, representing an average annual rate of increase of 3.6 percent (table 20). However, in terms of quantity, domestic handbag shipments decreased. It is believed that firms in the handbag industry are operating at about 75 percent of capacity. Inventories as a percentage of U.S. producers' shipments increased slightly during 1979-81, from 14.9 percent to 18.0 percent.

The Chinese industry

China has rapidly expanded its production of handbags in recent years as part of its emphasis on the development of labor-intensive light industries to increase export revenues. On the basis of the chief material used in manufacture, its output for export to the United States in 1982 consisted of textiles, 37 percent; leather and plastic, 23 percent; and unspun fibrous materials (such as straw and rattan), 16 percent. Of the handbags of textile materials, those of manmade fibers accounted for about 50 percent of such U.S. imports from China in 1982, and those of cotton, for about 45 percent.

Although evidence exists that handbags are being offered and sold for export to the United States by a number of branches of the China National Light Industrial Products Import & Export Corp. and the China National Arts and Crafts Import & Export Corp., industry sources indicate that most U.S. imports of handbags from China come from factories within a 100-mile radius of Hong Kong through handbag manufacturers in Hong Kong (the factories in Hong Kong are often owned by Chinese originally from China). As in the production of leather gloves, the manufacturers in Hong Kong supply the machinery and raw materials, and the Chinese supply the factory building and labor. The low-cost labor is the essential element supplied by China. The labor rates are believed by industry sources to be much less than in Taiwan, the principal supplier of U.S. imports of handbags. The fashion styling is supplied by either the U.S. importer or the Hong Kong manufacturer. Quality control is generally carried out by the Hong Kong source. Some delivery problems were noted.

U.S. imports

Imports of handbags are classified for tariff purposes in subpart D, part 1, schedule 7, of the TSUS under items 706.06-706.62, depending upon the component material of chief value. The column 1, or MFN, rates of duty ranged from 7.3 percent to 22.4 percent ad valorem in 1982.

In general, many major retailers import directly from overseas, maintaining offices there and supplying styles and patterns, as do importers and manufacturers that import. U.S. importers have worked closely with producers in Hong Kong, which in turn work with manufacturers in China to improve the quality of materials and especially styling, since fashion had been an unknown concept to a people concerned with function and utility.

Table 20.--Women's handbags and purses (MSIC 3171): U.S. imports, total and from China producers' shipments 1/, and apparent consumption, 1979-82, January-June 1982, and January-June 1983

Item	1979	1980	1981	1982	January-June	
					1982	1983
Total U.S. imports----million dollars--	382.87	439.85	513.26	515.38	235.78	254.38
Imports from China----------do----------	1.69	3.94	23.05	31.41	14.35	18.82
Producers shipments----------do----------	491.30	501.00	542.00	2/ 547.00	-	-
Apparent consumption----------do----------	863.22	925.37	1,035.24	2/ 1,047.35	-	-
Ratio of--						
Imports from China to total imports percent--	0.44	0.90	4.49	8.79	6.09	7.40
Total imports to apparent consumption-do----	44.35	47.53	49.58	49.21	-	-
Imports from China to apparent consumption---do----	0.20	0.43	2.23	3.00	-	-

1/ Producers' shipments less net changes in producers' inventories equals production.
2/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Imports are valued c.i.f. with calculated duties added to their value.

98

Total U.S. imports of handbags increased from $382.9 million in 1979 to $515.4 million in 1982, or by 35 percent. However, most of this growth occurred between 1979 and 1981, with only a small increase in value and a decrease in quantity in 1982. Such imports increased from $235.6 million in January-June 1982 to $254.4 million in January-June 1983, or by 7 percent. Taiwan has been by far the largest exporter of handbags to the U.S. market in recent years, supplying 41 percent of the total value of imports in 1982. Korea, the next largest, supplied 18 percent. Other large suppliers included Hong Kong, Italy, and China, which ranked fifth with 6 percent of such imports in 1982. China's share of total U.S. imports increased from less than 1 percent in 1979 to 7 percent in January-June 1983. Industry sources indicate that most handbags from China are in the low-price portion of the market, where fashion is not critical.

U.S. imports from China increased more rapidly than total imports, jumping from $1.7 million in 1979 to $31.4 million in 1982 and continuing to increase from $14.4 million in January-June 1982 to $18.8 million in the corresponding period of 1983. The most significant increase occurred in 1981, the year following the extension of MFN treatment to China, which substantially lowered the tariffs applicable to imports of handbags from China. Other important reasons for the increase were China's much lower labor costs compared with those of other major suppliers and its emphasis in recent years on promoting the export of labor-intensive light industrial products.

The U.S. market

Handbags are sold principally through general merchandising chains, shoe chains, and department stores. They are purchased primarily by females of all ages, including children, but the so-called junior miss (about 14 to 18 years old) and junior contemporary (about 19 to 35 years old) age groups account for the great bulk of sales.

Because handbags are both fashion and utility accessories, several factors influence the level of demand for the product. Changing fashion trends in ready-to-wear apparel, leading to important changes in handbag styles as manufacturers attempt to respond to these trends, have been of primary importance. A second important determinant involves the marketing strategies of retail outlets. More fundamentally, changes in real disposable personal income also affect the number of handbags sold per person in any given year, and levels of handbags sold tend to correlate with changes in the business cycle.

Apparent U.S. consumption of handbags increased between 1979 and 1982, from $863.2 million to an estimated $1,047.4 million. However, it declined in quantity in 1982 because of the recession. The share of the handbag market supplied by imports on a value basis increased from 44 percent in 1979 to 50 percent in 1981 and decreased slightly to an estimated 49 percent in 1982. However, on a quantity basis, imports are believed to have accounted for over

75 percent of the market. 1/ The share of the market supplied by China increased from less than 1 percent by value in 1979 to an estimated 3 percent in 1982.

The two principal factors involved in competition between domestic and imported bags are styling and price. Generally, the less expensive the bag, the more important its price, and the more expensive the bag, the more important its style. Although the large firms produce handbags of all materials, most manufacturers generally specialize in supplying bags of one or several materials, and further specialize in certain price segments or "price points." Nearly all U.S. manufacturers produce bags which sell in the medium- to high-price ranges (from $15 to $150). It is in the low- and medium-price ranges where competition from imports is most intense, since price is a more important factor than style. Imports from China enjoy a substantial labor-cost advantage in the production of this highly labor-intensive product and supply primarily the low-priced end of the market. Since the technology involved in the machinery is simple and relatively inexpensive, a handbag factory is easily established. Styling of and quality of materials in bags from China have improved in recent years with the aid of U.S. importers.

Domestic manufacturers do enjoy some advantage because of proximity to the market and the ability to respond quickly to a "hot" fashion item. Even though the initial article may be an import, sufficient quantities may not be available quickly enough from foreign source,s and domestic manufacturers can more easily fill these orders. In addition, domestic manufacturers will usually take returns. Domestic manufacturers still maintain a solid niche in the medium-price market, where style is relatively more important than price.

1/ An industry source stated that imports may have accounted for 90 percent of the market on a quantity basis.

APPENDIX A

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

Table A-1.--U.S. trade with all nonmarket economy countries, 1/ by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	3,355,099	2,879,991	1,208,615
1. Beverages and tobacco	14,503	7,926	20,116
2. Crude materials--inedible, except fuel	1,009,198	891,895	577,374
3. Mineral fuels, lubricants, etc	125,544	91,156	33,348
4. Oils and fats--animal and vegetable	63,555	55,884	26,830
5. Chemicals	865,899	628,318	467,147
6. Manufactured goods classified by chief material	323,957	273,144	180,428
7. Machinery and transportation equipment	549,989	413,331	515,738
8. Miscellaneous manufactured articles	173,472	127,881	206,340
9. Commodities and transactions not elsewhere classified	58,469	37,456	50,425
Total	6,539,686	5,406,983	3,286,361
U.S. imports:			
0. Food and live animals	258,627	191,107	219,611
1. Beverages and tobacco	36,316	25,862	41,375
2. Crude materials--inedible, except fuel	143,917	119,208	95,378
3. Mineral fuels, lubricants, etc	689,959	537,049	540,741
4. Oils and fats--animal and vegetable	1,086	942	884
5. Chemicals	283,947	215,881	235,331
6. Manufactured goods classified by chief material	585,548	457,075	459,069
7. Machinery and transportation equipment	189,526	151,737	113,769
8. Miscellaneous manufactured articles	1,067,590	816,486	951,367
9. Commodities and transactions not elsewhere classified	19,842	16,503	12,167
Total	3,276,356	2,531,850	2,669,692

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

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

90

Table A-2.--U.S. trade with China, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	1,238,263	1,044,133	346,544
1. Beverages and tobacco	279	267	418
2. Crude materials--inedible, except fuel	586,862	519,187	213,645
3. Mineral fuels, lubricants, etc	3,108	3,047	422
4. Oils and fats--animal and vegetable	6,525	6,524	-
5. Chemicals	497,031	364,129	254,301
6. Manufactured goods classified by chief material	274,857	237,245	141,836
7. Machinery and transportation equipment	216,696	155,840	340,366
8. Miscellaneous manufactured articles	78,121	56,035	121,556
9. Commodities and transactions not elsewhere classified	2,793	1,898	3,862
Total	2,904,535	2,388,304	1,422,950
U.S. imports:			
0. Food and live animals	118,964	90,111	84,328
1. Beverages and tobacco	2,506	1,942	2,473
2. Crude materials--inedible, except fuel	119,018	98,356	75,410
3. Mineral fuels, lubricants, etc	580,172	427,683	303,995
4. Oils and fats--animal and vegetable	650	510	883
5. Chemicals	131,678	104,194	98,069
6. Manufactured goods classified by chief material	376,667	295,729	282,002
7. Machinery and transportation equipment	42,994	32,010	29,913
8. Miscellaneous manufactured articles	835,883	633,216	784,444
9. Commodities and transactions not elsewhere classified	7,324	5,659	7,762
Total	2,215,856	1,689,409	1,669,281

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

91

Table A-3.--U.S. trade with the U.S.S.R., 1/ by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	1,642,161	1,456,908	638,180
1. Beverages and tobacco	2,979	1,717	724
2. Crude materials--inedible, except fuel	214,249	214,167	149,166
3. Mineral fuels, lubricants, etc	90,013	61,333	18,782
4. Oils and fats--animal and vegetable	40,565	35,401	17,207
5. Chemicals	287,846	191,491	175,868
6. Manufactured goods classified by chief material	25,961	18,799	21,862
7. Machinery and transportation equipment	225,458	176,296	107,921
8. Miscellaneous manufactured articles	59,129	44,062	64,039
9. Commodities and transactions not elsewhere classified	614	539	1,134
Total	2,588,975	2,200,714	1,194,882
U.S. imports:			
0. Food and live animals	5,236	4,801	10,335
1. Beverages and tobacco	9,961	6,248	9,715
2. Crude materials--inedible, except fuel	9,511	7,467	9,737
3. Mineral fuels, lubricants, etc	10,356	10,356	49,817
4. Oils and fats--animal and vegetable	5	3	1
5. Chemicals	117,307	88,495	99,303
6. Manufactured goods classified by chief material	60,555	48,033	67,257
7. Machinery and transportation equipment	1,579	1,324	2,237
8. Miscellaneous manufactured articles	9,053	7,979	2,226
9. Commodities and transactions not elsewhere classified	5,230	4,412	1,605
Total	228,792	179,117	252,232

1/ Includes Estonia, Latvia, and Lithuania.

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

92

Table A-4.--U.S. trade with Eastern Europe, 1/ by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	474,670	378,945	223,737
1. Beverages and tobacco	11,245	5,942	18,912
2. Crude materials--inedible, except fuel	206,588	157,555	213,837
3. Mineral fuels, lubricants, etc	17,399	17,384	10,681
4. Oils and fats--animal and vegetable	16,465	13,959	9,623
5. Chemicals	79,194	70,962	36,635
6. Manufactured goods classified by chief material	23,060	17,024	16,727
7. Machinery and transportation equipment	107,529	80,893	67,245
8. Miscellaneous manufactured articles	35,935	27,514	20,527
9. Commodities and transactions not elsewhere classified	24,301	14,093	30,009
Total	996,387	784,270	647,932
U.S. imports:			
0. Food and live animals	134,417	96,186	124,948
1. Beverages and tobacco	23,849	17,672	29,187
2. Crude materials--inedible, except fuel	9,329	8,325	7,561
3. Mineral fuels, lubricants, etc	99,431	99,011	186,927
4. Oils and fats--animal and vegetable	430	430	-
5. Chemicals	33,327	23,174	37,938
6. Manufactured goods classified by chief material	148,040	113,187	108,372
7. Machinery and transportation equipment	144,951	118,400	81,619
8. Miscellaneous manufactured articles	222,641	175,286	164,691
9. Commodities and transactions not elsewhere classified	7,275	6,420	2,790
Total	823,691	658,090	744,033

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

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

93

Table A-5.--U.S. trade with Albania, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	62
2. Crude materials--inedible, except fuel	1,251	738	588
3. Mineral fuels, lubricants, etc	15,023	9,392	3,463
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	13	13	1
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	96	96	85
8. Miscellaneous manufactured articles	17	17	5
9. Commodities and transactions not elsewhere classified	1	1	-
Total	16,400	10,257	4,205
U.S. imports:			
0. Food and live animals	2	2	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	2,464	1,792	1,697
3. Mineral fuels, lubricants, etc	-	-	2
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	21	18	21
6. Manufactured goods classified by chief material	263	126	1,439
7. Machinery and transportation equipment	2	2	-
8. Miscellaneous manufactured articles	8	5	4
9. Commodities and transactions not elsewhere classified	-	-	-
Total	2,760	1,944	3,162

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

94

Table A-6.--U.S. trade with Bulgaria, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	56,992	56,969	18,290
1. Beverages and tobacco	6,987	3,236	12,411
2. Crude materials--inedible, except fuel	6,984	6,385	3,922
3. Mineral fuels, lubricants, etc	-	-	2
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	13,861	13,343	13,051
6. Manufactured goods classified by chief material	794	466	319
7. Machinery and transportation equipment	16,017	13,996	3,337
8. Miscellaneous manufactured articles	4,725	3,212	3,762
9. Commodities and transactions not elsewhere classified	93	77	52
Total	106,453	97,684	55,146
U.S. imports:			
0. Food and live animals	1,907	1,173	1,595
1. Beverages and tobacco	18,682	13,783	22,945
2. Crude materials--inedible, except fuel	99	90	33
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	1,464	1,207	803
6. Manufactured goods classified by chief material	25	17	29
7. Machinery and transportation equipment	2,612	1,969	365
8. Miscellaneous manufactured articles	277	147	760
9. Commodities and transactions not elsewhere classified	58	38	129
Total	25,124	18,424	26,660

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

95

Table A-7.--U.S. trade with Cuba, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	2
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	744	651	332
6. Manufactured goods classified by chief material	-	-	1
7. Machinery and transportation equipment	130	130	38
8. Miscellaneous manufactured articles	31	25	111
9. Commodities and transactions not elsewhere classified	46	23	72
Total	951	829	556
U.S. imports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	1,614	-	-
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	5	1	-
9. Commodities and transactions not elsewhere classified	2	2	-
Total	1,621	3	-

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

96

Table A-8.--U.S. trade with Czechoslovakia, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	48,148	48,148	7,092
1. Beverages and tobacco	34	25	28
2. Crude materials--inedible, except fuel	14,370	8,509	11,015
3. Mineral fuels, lubricants, etc	1	1	3
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	2,108	1,803	4,836
6. Manufactured goods classified by chief material	2,912	1,996	2,438
7. Machinery and transportation equipment	11,651	9,962	5,954
8. Miscellaneous manufactured articles	3,826	2,717	2,202
9. Commodities and transactions not elsewhere classified	548	461	508
Total	83,598	73,620	34,076
U.S. imports:			
0. Food and live animals	11,237	8,376	5,168
1. Beverages and tobacco	840	639	771
2. Crude materials--inedible, except fuel	1,558	1,374	865
3. Mineral fuels, lubricants, etc	359	359	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	4,083	823	2,883
6. Manufactured goods classified by chief material	19,532	15,744	17,546
7. Machinery and transportation equipment	7,532	5,999	4,545
8. Miscellaneous manufactured articles	16,049	12,617	14,803
9. Commodities and transactions not elsewhere classified	358	213	470
Total	61,548	46,142	47,051

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

97

Table A-9.--U.S. trade with East Germany, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	203,011	168,832	64,474
1. Beverages and tobacco	369	369	606
2. Crude materials--inedible, except fuel	4,788	3,619	4,959
3. Mineral fuels, lubricants, etc	-	-	9
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	1,080	847	961
6. Manufactured goods classified by chief material	1,434	885	882
7. Machinery and transportation equipment	8,420	3,695	16,006
8. Miscellaneous manufactured articles	2,991	2,844	2,070
9. Commodities and transactions not elsewhere classified	565	502	208
Total	222,657	181,594	90,176
U.S. imports:			
0. Food and live animals	530	455	591
1. Beverages and tobacco	366	151	207
2. Crude materials--inedible, except fuel	1,830	1,765	897
3. Mineral fuels, lubricants, etc	9,439	9,019	1,020
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	6,141	5,931	6,347
6. Manufactured goods classified by chief material	15,331	12,000	16,062
7. Machinery and transportation equipment	12,693	9,972	11,899
8. Miscellaneous manufactured articles	4,673	3,399	3,333
9. Commodities and transactions not elsewhere classified	768	655	147
Total	51,773	43,348	40,504

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

98

Table A-10.--U.S. trade with Hungary, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	1,596	1,336	42,929
1. Beverages and tobacco	653	185	779
2. Crude materials--inedible, except fuel	5,567	4,043	3,155
3. Mineral fuels, lubricants, etc	23	14	27
4. Oils and fats--animal and vegetable	6	6	3
5. Chemicals	15,030	13,193	8,110
6. Manufactured goods classified by chief material	10,447	8,645	6,337
7. Machinery and transportation equipment	27,361	17,761	22,617
8. Miscellaneous manufactured articles	6,034	4,441	3,585
9. Commodities and transactions not elsewhere classified	1,125	846	947
Total	67,842	50,469	88,489
U.S. imports:			
0. Food and live animals	29,642	20,085	28,478
1. Beverages and tobacco	1,592	1,358	1,697
2. Crude materials--inedible, except fuel	2,002	1,481	2,753
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	6,058	4,084	9,021
6. Manufactured goods classified by chief material	15,265	9,715	14,553
7. Machinery and transportation equipment	44,357	36,828	29,742
8. Miscellaneous manufactured articles	33,376	23,929	31,276
9. Commodities and transactions not elsewhere classified	944	514	586
Total	133,238	97,994	118,106

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

Table A-11.--U.S. trade with North Korea, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	69	69	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	-
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	30	30	1
8. Miscellaneous manufactured articles	-	-	-
9. Commodities and transactions not elsewhere classified	-	-	-
Total	100	100	1
U.S. imports:			
0. Food and live animals	8	8	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	-
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	-	-	-
9. Commodities and transactions not elsewhere classified	-	-	-
Total	8	8	-

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

100

Table A-12.--U.S. trade with Mongolia, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	175	175	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	1
6. Manufactured goods classified by chief material	12	12	2
7. Machinery and transportation equipment	37	37	82
8. Miscellaneous manufactured articles	103	102	28
9. Commodities and transactions not elsewhere classified	17	14	9
Total	344	340	123
U.S. imports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	3,595	3,269	974
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	-
6. Manufactured goods classified by chief material	23	-	1/
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	-	-	1
9. Commodities and transactions not elsewhere classified	10	10	9
Total	3,628	3,279	984

1/ Value less than $500.

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

101

Table A-13.--U.S. trade with Poland, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	120,328	59,324	90,231
1. Beverages and tobacco	2,098	1,201	2,591
2. Crude materials--inedible, except fuel	66,551	49,477	74,551
3. Mineral fuels, lubricants, etc	7	2	8
4. Oils and fats--animal and vegetable	16,459	13,953	9,620
5. Chemicals	32,180	26,982	6,076
6. Manufactured goods classified by chief material	3,653	2,501	4,848
7. Machinery and transportation equipment	21,144	14,792	14,251
8. Miscellaneous manufactured articles	8,408	7,527	6,655
9. Commodities and transactions not elsewhere classified	21,779	12,033	28,137
Total	292,606	187,793	236,967
U.S. imports:			
0. Food and live animals	75,634	53,940	77,297
1. Beverages and tobacco	633	359	1,376
2. Crude materials--inedible, except fuel	899	792	1,110
3. Mineral fuels, lubricants, etc	1/	-	-
4. Oils and fats--animal and vegetable	430	430	-
5. Chemicals	9,337	6,494	5,145
6. Manufactured goods classified by chief material	42,364	28,074	24,625
7. Machinery and transportation equipment	30,123	24,865	10,521
8. Miscellaneous manufactured articles	49,045	38,449	23,436
9. Commodities and transactions not elsewhere classified	4,421	4,331	1,176
Total	212,888	157,734	144,685

1/ Value less than $500.

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

102

Table A-14.--U.S. trade with Romania, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	44,595	44,337	721
1. Beverages and tobacco	1,105	927	2,496
2. Crude materials--inedible, except fuel	108,330	85,523	116,234
3. Mineral fuels, lubricants, etc	17,368	17,367	10,633
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	14,934	14,794	3,601
6. Manufactured goods classified by chief material	3,818	2,531	1,903
7. Machinery and transportation equipment	22,937	20,687	5,079
8. Miscellaneous manufactured articles	9,952	6,773	2,254
9. Commodities and transactions not elsewhere classified	191	173	156
Total	223,231	193,111	143,077
U.S. imports:			
0. Food and live animals	15,466	12,158	11,819
1. Beverages and tobacco	1,736	1,382	2,190
2. Crude materials--inedible, except fuel	2,941	2,822	1,902
3. Mineral fuels, lubricants, etc	89,633	89,633	185,908
4. Oils and fats--animal and vegetable	1/	-	-
5. Chemicals	6,243	4,635	13,739
6. Manufactured goods classified by chief material	55,522	47,638	35,556
7. Machinery and transportation equipment	47,634	38,769	24,548
8. Miscellaneous manufactured articles	119,221	96,744	91,082
9. Commodities and transactions not elsewhere classified	726	669	282
Total	339,121	294,448	367,026

1/ Value less than $500.

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

103

Table A-15.--U.S. trade with Vietnam, by SITC Sections, 1982, January-September 1982, and January-September 1983

(In thousands of dollars)

SITC Section	1982	January-September 1982	January-September 1983
U.S. exports:			
0. Food and live animals	5	5	155
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	4	4	137
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	1,072	1,072	9
6. Manufactured goods classified by chief material	67	63	-
7. Machinery and transportation equipment	12	9	-
8. Miscellaneous manufactured articles	137	127	74
9. Commodities and transactions not elsewhere classified	30,698	20,890	15,339
Total	31,995	22,169	15,713
U.S. imports:			
0. Food and live animals	-	-	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	-	-	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	-	-	-
6. Manufactured goods classified by chief material	-	-	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	-	-	-
9. Commodities and transactions not elsewhere classified	-	-	-
Total	-	-	-

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

104

APPENDIX B

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

Table B-1.--Leading items exported to nonmarket economy countries (NME's) 1/, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
130.6540	Wheat, unmilled, not donated for relief or charity	$686,240,115	$2,507,380	$325,999,128
130.3465	Yellow corn, not donated for relief or charity	388,233,800	24,997,650	40,271,220
175.4100	Soybeans, other than seed for planting	156,348,807	8,793,458	9,850,135
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	154,632,264	65,232,961	60,225,339
200.3510	Douglas-fir logs and timber, rough	112,802,189	61,937,774	36,953,644
694.4062	Airplanes, nonmilitary, multiple engine, passenger transport, over 33,000 pounds empty weight, new	80,181,800	-	-
480.8005	Diammonium phosphate fertilizer	70,575,126	17,704,028	16,075,819
184.5260	Soybean oil cake and oil-cake meal	63,967,674	28,835,469	-
120.1400	Cattle hides, whole	62,981,831	26,511,464	11,800,148
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches	61,116,624	4,629,811	4,171,729
480.7050	Concentrated superphosphates	51,343,116	25,523,886	19,953,781
790.5510	Pressure-sensitive tape having a plastic backing	50,181,264	23,310,415	11,494,219
618.0300	Nonalloyed unwrought aluminum	40,689,879	35,689,874	-
818.3900	Products, n.e.s., donated for relief or charity	39,516,094	14,081,277	10,007,749
200.3514	Western hemlock logs and timber, rough	37,034,915	25,339,869	12,455,773
480.4500	Phosphates, crude, and apatite	28,696,313	10,458,383	9,293,954
444.1620	Polyethylene resins, high density	27,229,840	4,579,977	19,795,566
664.0584	Parts, n.e.s., of oil and gas field drilling machines	25,210,100	8,544,621	12,119,172
252.7810	Unbleached kraft linerboard	24,830,096	9,987,024	17,144,247
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	23,911,570	8,826,932	6,605,371
	Total	2,185,723,417	407,492,253	624,216,994
	Total, U.S. exports to NME's	3,286,361,195	778,639,511	1,051,711,037

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

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

106

Table B-2.--Leading items imported from nonmarket economy countries (NME's) 1/, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
475.2520	Gasoline	$397,016,965	$132,178,533	$120,743,694
107.3525	Canned hams and shoulders, 3 pounds and over	91,672,996	23,723,041	20,309,132
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	71,003,121	70,949,029	7,701,342
480.6540	Anhydrous ammonia	52,135,563	12,072,926	16,326,253
475.3500	Naphthas, derived from petroleum, etc., n.e.s	42,030,579	24,780,565	42,674,258
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	38,759,612	12,161,107	9,850,910
480.3000	Urea, n.e.s	35,799,066	8,986,630	2,355,050
605.0260	Palladium	32,823,418	15,729,176	4,703,170
755.1500	Fireworks	23,483,038	2,129,139	3,422,758
170.2800	Cigarette leaf, not stemmed, oriental or turkish type not over 8.5 inches	21,861,523	6,344,572	5,261,685
472.1000	Barytes ore, crude	21,657,386	3,996,670	8,379,826
383.4761	Women's trousers and slacks of cotton, other than denim, corduroy and velveteen	20,812,728	3,122,101	1,984,104
622.0200	Tin, other than alloyed, unwrought	20,579,136	3,704,211	5,722,877
379.9530	Men's coats of man-made fibers, not knit, n.s.p.f	19,568,594	9,352,750	6,317,993
383.9050	Women's coats, n.e.s., 3/4 length or longer	19,528,880	2,985,190	9,858,487
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)	19,050,437	4,901,794	1,755,079
383.9015	Women's blouses and shirts, n.e.s., man-made fibers, not knit	18,006,635	9,906,351	5,141,158
727.3540	Furniture, of wood, n.s.p.f	17,471,263	6,198,997	5,396,863
700.4540	Women's footwear, of leather, cement soles, valued over $2.50 per pair	16,595,318	8,893,402	9,899,173
379.4050	Men's shirts, n.e.s., knit, cotton	15,987,809	4,323,840	2,104,714
	Total	995,844,067	366,440,024	289,908,526
	Total, U.S. imports from NME's	2,669,692,427	1,019,058,212	986,525,446

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

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

107

Table B-3.--Leading items exported to China, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
130.6540	Wheat, unmilled, not donated for relief or charity	$183,579,187	-	$320,351,972
130.3465	Yellow corn, not donated for relief or charity	158,138,442	-	15,251,169
200.3510	Douglas-fir logs and timber, rough	112,802,189	61,937,774	36,953,644
694.4062	Airplanes, nonmilitary, multiple engine, passenger transport, over 33,000 pounds empty weight, new	80,181,800	-	-
480.8005	Diammonium phosphate fertilizer	70,575,126	17,704,028	16,075,819
618.0300	Nonalloyed unwrought aluminum	40,689,879	35,689,874	-
200.3514	Western hemlock logs and timber, rough	37,034,915	25,339,869	12,455,773
480.7050	Concentrated superphosphates	31,985,338	9,091,278	3,175,149
444.1620	Polyethylene resins, high density	27,169,316	4,579,153	19,795,566
252.7810	Unbleached kraft linerboard	24,830,096	9,987,024	17,144,247
664.0584	Parts, n.e.s., of oil and gas field drilling machines	22,869,900	6,883,885	10,990,688
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	22,350,041	8,512,590	5,261,110
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers	19,064,376	3,923,610	25,222,061
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof	19,060,965	5,668,849	2,813,182
480.3000	Urea	18,929,353	5,458,000	7,175,841
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split	18,578,046	8,569,489	11,141,759
649.5040	Rock drilling bits, core bits, and reamers, other than percussion rock drill bits	15,094,610	4,917,331	326,250
486.6600	Organophosphorus-containing insecticide preparations, n.s.p.f	14,234,462	-	-
694.6507	Parts designed for use in civil aircraft, n.e.s	13,821,121	5,375,164	1,820,641
660.4930	Aircraft jet and gas turbines, non-piston-type engines, nonmilitary, new	11,266,769	-	-
	Total	942,255,931	213,637,918	505,954,871
	Total, U.S. exports to China	1,422,949,949	394,620,696	682,844,532

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

108

Table B-4.--Leading items imported from China, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
475.2520	Gasoline	$251,857,023	$80,856,529	$101,528,943
475.3500	Naphthas, derived from petroleum, etc., n.e.s	42,030,579	24,780,565	22,888,104
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	35,405,788	10,992,028	8,688,719
755.1500	Fireworks	23,483,038	2,129,139	3,422,758
472.1000	Barytes ore, crude	21,657,386	3,996,670	8,379,826
383.4761	Women's trousers and slacks of cotton, other than denim, corduroy and velveteen	20,708,997	3,122,101	1,937,981
622.0200	Tin, other than alloyed, unwrought	20,579,136	3,704,211	5,722,877
379.9530	Men's coats of man-made fibers, not knit, n.s.p.f	19,170,849	9,099,866	6,199,467
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)	19,050,437	4,901,794	1,755,079
383.9015	Women's blouses and shirts, n.e.s., man-made fibers, not knit	18,006,635	9,906,351	5,141,158
383.9050	Women's coats, n.e.s., 3/4 length or longer	16,431,537	2,028,068	7,994,941
144.2053	Mushrooms otherwise prepared or preserved in containers each holding more than 9 ounces, other than whole or sliced	1/ 15,876,157	1/ 4,429,297	1/ 4,804,460
379.9575	Men's trousers and slacks of man-made fibers, not knit	15,354,001	2,174,993	3,758,884
383.4753	Women's corduroy trousers and slacks, cotton	15,330,363	6,935,258	8,099,587
383.3448	Women's 3/4 length raincoats, n.e.s., cotton, not knit	14,186,596	5,024,446	11,465,579
379.4050	Men's shirts, n.e.s., knit, cotton	13,644,729	4,031,423	1,878,329
383.4709	Women's wearing apparel other than, blouses of cotton, not knit	13,189,854	4,659,274	1,982,927
222.4000	Baskets and bags of bamboo	11,321,454	3,937,818	4,056,621
383.8073	Women's and girls' sweaters knit, of man-made fibers	10,842,291	4,267,352	4,323,499
383.3465	Women's coats, cotton, not knit, valued over $4 each, other than velveteen	10,293,897	2,617,123	3,780,188
	Total	608,420,747	193,594,306	217,809,839
	Total, U.S. imports from China	1,669,281,079	604,188,004	687,391,829

1/ Includes imports entered under TSUSA item 922.5653 as well as those entered under TSUSA item 144.2053. Item 922.5653 was created April 9, 1982, as a temporary tariff provision modification for selected items which formerly entered under item 144.2053. For comparability throughout the time periods presented, the numbers in the table represent aggregated data for imports entering under the two numbers. During January-September 1983, $1,856,241 entered under item 144.2053 and $14,019,916 entered under item 922.5653. For July-September 1983, $14,000 entered under item 144.2053 and $4,415,297 entered under item 922.5653, while for July-September 1982, $2,408,225 entered under item 144.2053 and $2,396,235 entered under item 922.5653.

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

109

Table B-5.--Leading items exported to the U.S.S.R. 1/, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
130.6540	Wheat, unmilled, not donated for relief or charity	$496,522,090	-	$5,647,156
480.7025	Phosphoric acid, 65 percent or more available phosphorus pentoxide equivalents	154,632,264	65,232,961	60,225,339
130.3465	Yellow corn, not donated for relief or charity	138,160,548	-	5,251,516
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches	60,892,471	4,629,811	-
790.5510	Pressure-sensitive tape having a plastic backing	49,332,052	23,229,777	11,437,045
175.4100	Soybeans, other than seed for planting	47,806,362	-	-
177.5640	Tallow, inedible	17,206,319	8,408,631	-
692.3840	Parts of tractors, other than tracklaying tractors	13,604,410	2,091,152	5,631,798
692.3820	Parts of tracklaying tractors	13,543,117	7,595,832	4,957,718
660.5460	Parts of industrial gas turbines	13,157,063	6,851,835	6,448
664.0586	Parts, n.e.s., of boring and drilling machines	12,169,822	202,241	8,871,846
475.4555	Insulating or transformer oils	11,938,258	3,114,885	4,257,276
300.1550	Cotton, not carded, not combed, staple length 1-1/8 inches or more, n.e.s	10,884,853	2,030,730	-
120.1400	Cattle hides, whole	8,987,428	3,058,312	-
446.1561	Synthetic rubber, not containing fillers, pigments, or rubber-processing chemicals, n.s.p.f	7,031,111	3,403,746	-
309.4222	Fibers of rayon (in noncontinuous form)	6,175,896	-	-
660.5440	Parts of tractor engines	5,050,294	4,064,117	2,377,576
338.2600	Woven fabrics of glass	4,543,367	989,478	2,601,077
446.1521	Polychloroprene (neoprene) synthetic rubber	4,027,297	1,865,512	-
475.6781	Mixtures of hydrocarbons n.s.p.f., derived from petroleum, shale oil, natural gas, or combinations thereof, n.e.s	3,702,440	2,802,390	572,936
	Total	1,079,367,462	139,571,410	113,837,731
	Total, U.S. exports to the U.S.S.R	1,194,882,423	178,859,764	203,965,554

1/ Includes Estonia, Latvia, and Lithuania.

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

110

Table B-6.--Leading items imported from the U.S.S.R. 1/, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
480.6540	Anhydrous ammonia	$52,135,563	$12,072,926	$16,326,253
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	42,761,599	42,707,507	-
605.0260	Palladium	32,642,108	15,547,866	4,659,002
480.3000	Urea, n.e.s	28,693,617	8,026,276	2,355,050
620.0300	Nickel, unwrought	12,913,372	8,172,945	1,290,550
422.5220	Uranium compounds, fluorides	9,731,655	9,731,655	9,647,061
169.3800	Vodka, in containers holding not over 1 gallon, valued over $7.75 per gallon	8,324,666	2,828,911	1,594,384
475.1025	Light fuel oils, testing 25 degrees A.P.I. or more, saybolt universal viscosity at 100 degrees F. of 45-125 second	7,055,005	7,055,005	-
114.3000	Crabs, nes	6,912,531	5,415,831	2,106,815
124.1045	Sable furskins, whole, undressed	6,614,972	3,126,137	1,886,592
605.0750	Palladium bars, plates, etc	4,342,861	973,527	436,046
480.5000	Potassium chloride, crude	3,304,825	1,017,289	1,331,755
605.0710	Platinum bars, plates, etc	2,355,555	673,523	193,723
480.0500	Limestone, crude, broken or crushed when imported to be used in the manufacture of fertilizer	2,209,855	-	-
240.1440	Plywood, with face ply of birch, not face finished	2,123,006	1,085,020	444,427
605.0290	Platinum group metals and combinations, n.e.s	2,042,896	571,696	-
605.0270	Rhodium	1,946,594	266,928	1,992,124
605.0220	Platinum sponge	1,855,122	791,885	955,952
605.0760	Rhodium	1,478,000	1,478,000	189,667
401.2600	Coal tar, crude, cumene	1,469,327	401,805	-
	Total	230,913,129	121,944,732	45,409,401
	Total, U.S. imports from the U.S.S.R	252,231,551	129,996,741	59,771,349

1/ Includes Estonia, Latvia, and Lithuania.

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

111

Table B-7.--Leading items exported to Eastern Europe 1/, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
175.4100	Soybeans, other than seed for planting	$108,542,445	$8,793,458	$9,850,135
130.3465	Yellow corn, not donated for relief or charity	91,934,810	24,997,650	19,768,535
184.5260	Soybean oil cake and oil-cake meal	63,967,674	28,835,469	-
120.1400	Cattle hides, whole	50,438,741	23,054,297	9,508,373
480.4500	Phosphates, crude, and apatite	28,696,313	10,458,383	9,293,954
818.3900	Products, n.e.s., donated for relief or charity	26,953,335	10,510,936	3,898,842
480.7050	Concentrated superphosphates	16,432,608	16,432,608	16,778,632
116.0100	Butter	13,979,269	406,113	3,645,331
678.3240	Parts for machines for assembling electric filament and discharge lamps and electric tubes	11,278,897	767	-
521.3110	Low volatile bituminous coal	10,631,383	5,462,762	-
115.5020	Nonfat dry milk, donated for relief or charity	8,708,224	2,300,479	1,041,704
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed	6,796,203	5,048,678	503,905
130.6540	Wheat, unmilled, not donated for relief or charity	6,138,838	2,507,380	-
131.4030	Wheat flour, n.e.s., donated for relief or charity	5,802,278	1,963,595	3,507,507
678.5002	Oil and gas field wire line and downhole equipment and parts thereof	5,396,349	9,567	-
170.3340	Burley cigarette leaf filler tobacco, stemmed	5,320,533	1,770,233	-
170.6500	Cigarettes	5,074,875	2,002,787	1,886,968
130.1040	Barley, other than for malting purposes	4,762,698	4,762,698	-
176.5260	Soybean oil, n.e.s., donated for relief or charity	4,668,310	1,096,005	3,652,944
175.5100	Sunflower seed	4,017,257	-	4,253
	Total	479,541,040	150,413,865	83,341,083
	Total, U.S. exports to Eastern Europe	647,931,934	200,605,819	151,803,803

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

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

112

Table B-8.--Leading items imported from Eastern Europe 1/, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
475.2520	Gasoline	$145,159,942	$51,322,004	$19,214,751
107.3525	Canned hams and shoulders, 3 pounds and over	91,614,261	23,664,306	20,309,132
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	28,241,522	28,241,522	7,701,342
170.2800	Cigarette leaf, not stemmed, oriental or turkish type not over 8.5 inches	21,858,516	6,344,572	5,252,822
700.4540	Women's footwear, of leather, cement soles, valued over $2.50 per pair	16,066,690	8,701,626	9,783,104
692.3288	Parts for motor vehicles, n.e.s	13,617,449	5,271,503	2,509,993
727.3540	Furniture, of wood, n.s.p.f	12,017,806	3,963,552	4,132,876
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)	10,051,944	10,051,944	-
700.3550	Men's footwear, of leather, n.e.s., cement soles	8,373,607	4,156,647	3,532,819
379.8355	Men's wool suits, not knit, not ornamented	8,173,422	2,288,485	5,875,845
686.9030	Other lamps, including standard household	7,715,034	2,063,828	3,170,146
480.3000	Urea, n.e.s	7,105,449	960,354	-
772.5109	Passenger car tires, radial	6,469,181	2,128,367	822,600
607.1700	Wire rods, of iron or steel, not tempered or treated, valued over 4 cents per pound	6,404,928	1,959,675	176,155
546.6020	Glass tumblers, etc., valued over $0.30 but not over $3 each	6,390,915	2,879,107	1,850,688
192.2520	Hops, not in pellets	5,587,979	-	305,653
480.5000	Potassium chloride, crude	5,510,593	-	-
727.1500	Furniture and parts, of bentwood	5,465,714	1,662,198	2,239,434
700.2960	Men's welt footwear, of leather, n.e.s., valued over $6.80 per pair	5,412,918	1,981,306	3,521,783
772.5136	Truck and bus tires, radial	5,106,125	1,507,031	1,324,158
	Total	416,343,995	159,148,027	91,723,301
	Total, U.S. imports from Eastern Europe	744,032,859	282,837,797	238,579,991

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

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

113

Table B-9.--Leading items exported to Albania, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September--	
			1983	1982
521.3120	Bituminous coal, n.e.s	$2,124,030	-	-
521.3110	Low volatile bituminous coal	1,339,132	-	4,432,019
309.3270	Grouped filaments and strips, continuous, n.e.s	328,633	-	466,466
120.1400	Cattle hides, whole	259,000	-	-
688.1900	Insulated wire and cable, n.s.p.f	84,064	-	63,018
170.5100	Unmanufactured tobacco, n.s.p.f., including stems, trimmings, scraps, cuttings and siftings	62,000	62,000	-
712.1560	Parts of instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations	5,401	-	-
692.5000	Motorcycles	1,200	-	-
438.1090	Blood and blood derivatives, except for passive immunization, n.e.s	1,150	-	-
	Total	4,204,610	62,000	4,961,503
	Total, U.S. exports to Albania	4,204,610	62,000	4,978,446

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

114

Table B-10.--Leading items imported from Albania, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
606.2400	Ferrochrome, over 3 percent carbon	$1,423,656	$1,423,656	-
161.9400	Sage, unground	1,241,068	405,173	659,877
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide	421,917	-	4,917
161.9000	Rosemary, crude or not manufactured	21,255	21,255	-
439.1090	Natural drugs, n.e.s., crude	21,074	-	1,258
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	14,650	5,699	-
161.0300	Basil, crude	12,983	-	6,789
653.2200	Metal coins, n.e.s	4,043	-	373
475.6000	Greases, other than, containing not over 10 percent by weight of salts of fatty acids of animal or vegetable origin	1,505	1,505	-
367.3428	Other furnishings, not ornamented, of wool, other than nonwoven fabric	299	299	-
	Total	3,162,450	1,857,587	673,214
	Total, U.S. imports from Albania	3,162,450	1,857,587	695,770

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

115

Table B-11.--Leading items exported to Bulgaria, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
130.3465	Yellow corn, not donated for relief or charity	$13,784,142	$13,784,142	$5,023,380
480.7050	Concentrated superphosphates	10,611,902	10,611,902	11,263,548
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed	6,017,072	4,726,453	243,951
170.3340	Burley cigarette leaf filler tobacco, stemmed	5,320,533	1,770,233	-
184.5260	Soybean oil cake and oil-cake meal	4,045,440	-	-
601.6100	Zinc ore	3,900,000	-	-
712.5025	Frequency-testing apparatus for electrical, radio, and communications circuits, and parts thereof	1,351,580	355,000	-
433.1035	Compound catalyst preparations, other than of nickel	1,306,101	-	1,246,701
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof	633,151	211,782	84,059
170.4300	Leaf tobacco, n.e.s	614,680	363,220	-
170.5100	Unmanufactured tobacco, n.s.p.f., including stems, trimmings, scraps, cuttings and siftings	458,639	29,825	-
709.2540	Dental instruments, n.s.p.f., and parts and attachments thereof	411,747	36,154	2,700
130.3440	Corn seed, except sweet, not donated for relief or charity	363,092	7,150	-
674.1022	Converters, including foundry machines and parts, n.e.s	297,136	280,000	-
694.4046	Nonmilitary airplanes, new, multiple engine, less than 4,400 pounds empty weight, n.s.p.f	294,674	-	-
666.0044	Harvesting machines, n.s.p.f	294,480	-	64,535
666.0072	Parts for harvesting machines other than haying machines	278,466	58,108	68,916
765.1500	Original sculptures and statuary	270,000	50,000	-
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations	223,787	197,886	28,716
486.2900	Insecticides, unmixed, n.e.s	211,480	205,000	-
	Total	50,688,102	32,686,855	18,026,506
	Total, U.S. exports to Bulgaria	55,146,014	34,077,460	23,045,117

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

116

Table B-12.--Leading items imported from Bulgaria, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	1982
170.2800	Cigarette leaf, not stemmed, oriental or turkish type not over 8.5 inches	$21,858,516	$6,344,572	$5,252,822
117.6700	Pecorino cheese, not for grating	1,459,494	577,660	354,478
167.3005	Red wine not over 14 percent alcohol, valued not over $4 per gallon, in containers not over 1 gallon	504,810	182,205	-
452.6000	Rose oil or attar of roses	500,487	84,162	208,449
167.3015	White wine not over 14 percent alcohol, valued not over $4 per gallon, in containers not over 1 gallon	368,171	154,646	-
439.1090	Natural drugs, n.e.s., crude	231,889	74,080	24,497
379.8315	Men's and boys' overcoats topcoats and car coats of wool not knit valued over $4 per pound	158,283	57,412	-
700.3550	Men's footwear, of leather, n.e.s., cement soles	147,252	147,252	-
167.3030	Red wine over 14 percent alcohol valued over $4 per gallon, in containers not over 1 gallon	143,055	6,446	-
674.3215	Metal working machine tools combination boring, drilling and milling machines used or rebuilt	125,529	-	-
379.8311	Men's suit-type coats and jackets made of wool, not knit valued over $4 per pound	118,293	118,293	-
379.1740	Men's and boys' suits of wool, not knit	94,972	-	-
676.0560	Typewriters, nonelectric, nonautomatic	81,479	-	-
379.8355	Men's wool suits, not knit, not ornamented	66,986	-	-
676.0510	Typewriters, electric, nonautomatic, portable	65,499	-	220,269
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating	60,463	25,598	30,310
161.7100	Paprika, ground or unground	59,000	-	-
379.6934	Men's and boys' suit-type coats and jackets, not knit, subject of wool restraints	58,439	58,439	-
676.3030	Office machines not specially provided for, data processing machines	48,470	-	-
167.3045	Still wine produced from grapes, not over 14% alcohol, in one gallon containers valued over $4 per gallon, white	39,554	1,910	1/ -
	Total	26,190,561	7,832,675	6,090,825
	Total, U.S. imports from Bulgaria	26,659,825	8,032,089	6,679,788

1/ Prior to Jan. 1, 1983, this item was grouped with present TSUSA item numbers 167.3030 and 167.3060 under the now-deleted item 167.3040.

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

117

Table B-13.--Leading items exported to Cuba, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	1982
818.3300	Medicinal and pharmaceutical products donated for relief or charity	$332,350	$99,000	$271,500
818.3400	Wearing apparel donated for relief or charity	106,300	45,600	7,700
818.3900	Products, n.e.s., donated for relief or charity	71,975	41,480	10,450
685.1050	Television cameras	31,550	31,550	-
662.6035	Power sprayers and dusters for agricultural, including horticultural, use	6,582	6,582	-
653.3180	Illuminating electric articles n.s.p.f., of base metal	4,590	4,590	-
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	2,400	-	-
256.4900	Boxes, pouches, wallets, or writing compendiums of paper or paperboard containing only an assortment of stationery	627	627	-
	Total	556,374	229,429	289,650
	Total, U.S. exports to Cuba	556,374	229,429	341,750

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

118

Table B-14.--Leading items imported from Cuba, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
		-	-	2,210
851.1000	Photographic film, microfilm	-	-	2,210
	Total	-	-	2,700
	Total, U.S. imports from Cuba			

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

119

Table B-15.--Leading items exported to Czechoslovakia, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
120.1400	Cattle hides, whole	$10,229,698	$4,057,057	$2,896,519
184.5260	Soybean oil cake and oil-cake meal	6,872,552	-	-
480.7050	Concentrated superphosphates	3,116,574	3,116,574	-
207.0035	Wooden pencil slats	1,015,977	387,647	188,239
790.5510	Pressure-sensitive tape having a plastic backing	725,336	-	3,130
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over	700,986	-	3,517,791
486.2900	Insecticides, unmixed, n.e.s	645,346	-	-
674.3578	Bending, folding, straightening, and flattening machines, new, valued at least $2,500 each, with numerical controls or facing	623,365	623,365	-
678.5055	Metal-treating machines and parts thereof, n.s.p.f	607,485	24,130	-
124.1527	Muskrat furskins, whole, undressed	465,774	180,522	331,000
309.0170	Monofilaments (in continuous form), n.e.s	423,484	239,277	-
678.5065	Machines n.s.p.f. for production and assembly of semiconductor devices, diodes, transistors, and circuits, and parts	389,366	114,656	27,930
540.4200	Glass rods, tubes, and tubing	383,133	181,363	221,492
685.6052	Radio navigational aid apparatus (except radar), not for civil aircraft, other than parts and reception only apparatus	271,296	58,761	32,064
674.5440	Parts, n.e.s., of metal-forming machine tools	264,073	11,470	-
649.4220	Wire drawing dies and extrusion dies for metal (interchangeable tools for hand tools or for machine tools)	258,200	170,800	-
682.9520	Primary cells and primary batteries	249,600	81,900	-
795.0000	Nonenumerated products	246,685	-	823
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f	243,434	86,782	56,302
433.1035	Compound catalyst preparations, other than of nickel	239,354	10,181	-
	Total	27,971,718	9,344,485	7,275,290
	Total, U.S. exports to Czechoslovakia	34,876,476	11,718,046	10,791,251

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

120

Table B-16.--Leading items imported from Czechoslovakia, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
700.2940	Welt work footwear, of leather, valued over $6.80 per pair	$4,147,370	$1,455,198	$705,123
192.2520	Hops, not in pellets	2,785,163	-	305,653
607.1700	Wire rods, of iron or steel, not tempered or treated, valued over 4 cents per pound	2,606,798	813,109	176,155
772.5138	Truck and bus tires, other than radial	1,974,149	911,840	21,456
107.3525	Canned hams and shoulders, 3 pounds and over	1,963,503	-	1,276,898
401.1000	Benzene	1,914,526	-	-
546.6020	Glass tumblers, etc., valued over $0.30 but not over $3 each	1,704,799	669,650	587,973
772.5109	Passenger car tires, radial	1,432,918	336,780	377,790
772.5136	Truck and bus tires, radial	1,131,981	320,750	311,907
741.3500	Imitation gemstones, except imitation gemstone beads	920,380	354,766	252,436
437.3000	Antibiotics, natural and not artificially mixed	859,000	320,800	216,800
741.3000	Beads, bugles, and spangles, n.e.s	827,748	332,203	250,420
730.9035	Cartridges and empty cartridge shells containing a projectile for rifles or pistols other than .22 caliber	786,872	-	-
700.3515	Men's and boys' athletic footwear, of leather, n.e.s	766,333	160,995	83,276
700.3550	Men's footwear, of leather, n.e.s., cement soles	740,185	194,221	92,813
167.0515	Ale, porter, stout, and beer, glass containers, not over 1 gallon	734,528	262,793	167,782
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	697,077	205,387	276,459
772.5129	Tires for light trucks, other than radials	686,348	310,336	26,784
727.1500	Furniture and parts, of bentwood	679,620	174,746	247,260
186.1565	Downs, not meeting Federal standards	570,289	200,022	452,053
	Total	27,929,587	7,023,596	5,829,038
	Total, U.S. imports from Czechoslovakia	47,051,321	14,345,487	14,129,182

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

121

Table B-17.--Leading items exported to East Germany, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
130.3465	Yellow corn, not donated for relief or charity	$56,568,323	-	$4,480,583
678.3240	Parts for machines for assembling electric filament and discharge lamps and electric tubes	11,260,284	-	-
130.1040	Barley, other than for malting purposes	4,762,698	4,762,698	-
175.5100	Sunflower seed	4,017,257	-	-
684.6210	Telephone switching and switchboard equipment and parts and components thereof	3,063,693	3,054,769	-
130.6000	Rye	2,224,485	2,224,485	-
106.9200	Swine livers	918,697	-	334,712
722.9540	Equipment specially designed for photofinishing (still pictures), other than microfilm and microfiche equipment	894,644	894,644	-
712.5040	Instruments n.e.s. for measuring or testing electrical characteristics, and parts thereof	834,777	5,820	-
709.1690	Parts of electro-medical apparatus	782,764	-	1,026,407
300.3021	Cotton linters, n.e.s	432,988	210,018	130,320
170.4300	Leaf tobacco, n.e.s	431,739	258,720	-
433.1016	Tetraethyl lead (TEL) antiknock preparations	348,278	-	-
355.0740	Textile webs, batting, and non-woven fabrics, of manmade fibers, n.e.s	253,199	41,539	78,223
120.1400	Cattle hides, whole	248,495	80,709	-
433.1044	Fuel oil additive preparations, n.s.p.f	231,369	40,374	58,673
818.9000	General merchandise, valued not over $500	208,092	30,060	65,680
310.0029	Nylon yarns, other than high tenacity	177,632	52,049	-
170.8140	Smoking tobacco, in bulk	174,636	-	161,411
651.7500	Sets n.s.p.f. which include two or more hand tools	152,566	-	-
	Total	87,986,616	11,655,885	6,336,009
	Total, U.S. exports to East Germany	90,176,025	12,139,923	8,155,534

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

122

Table B-18.--Leading items imported from East Germany, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
480.5000	Potassium chloride, crude	$5,510,593	-	-
772.5109	Passenger car tires, radial	4,702,007	1,666,030	369,598
772.5112	Passenger car tires other than radial	2,211,731	555,478	310,573
676.0510	Typewriters, electric, nonautomatic, portable	2,052,250	277,600	308,448
772.5136	Truck and bus tires, radial	1,910,171	559,498	502,023
668.2100	Offset printing presses, weighing 3,500 pounds or more, sheet-fed type	1,774,779	1,091,989	882,616
668.2345	Printing presses, not letter or offset	1,465,266	665,430	1,085,713
772.5138	Truck and bus tires, other than radial	1,264,206	287,354	195,663
494.2000	Montan wax	1,019,521	380,351	290,225
668.5060	Parts of printing presses	917,454	436,326	363,078
772.5129	Tires for light trucks, other than radials	835,827	410,397	42,644
124.1025	Mink furskins, except "Japanese mink," undressed	696,863	-	63,019
674.2000	Metal rolling mills and parts thereof	695,706	695,706	-
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-rolled, n.e.s	670,232	504,905	-
668.2340	Offset presses, of the roll-fed type, weighing 3,500 pounds or more	646,478	-	-
772.5127	Radial tires for light trucks	583,506	452,991	-
664.1031	Conveyor other than belt	546,510	546,510	-
727.5560	Furniture, other than convertible sofas, sofa beds, bedsprings	410,172	158,110	-
668.0270	Machines other than those used for making cellulosic pulp, paper or paperboard, n.s.p.f	389,387	135,085	10,771
121.5000	Pig and hog leather	330,120	2,139	382,008
	Total	28,632,779	8,825,899	4,806,379
	Total, U.S. imports from East Germany	40,504,417	13,450,484	18,163,781

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

123

Table B-19.--Leading items exported to Hungary, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
184.5260	Soybean oil cake and oil-cake meal	$42,287,757	$18,073,544	-
678.5002	Oil and gas field wire line and downhole equipment and parts thereof	5,388,637	1,855	-
480.7050	Concentrated superphosphates	2,704,132	2,704,132	-
692.3840	Parts of tractors, other than tracklaying tractors	2,393,495	216,397	1,555,590
692.3345	Tractors, wheel type, new, n.s.p.f., suitable for agricultural use, at least 140 but less than 160 horsepower	2,309,175	2,309,175	58,382
692.3330	Tractors, wheel type, new, n.s.p.f., suitable for agricultural use, at least 80 but less than 100 horsepower	2,100,000	-	-
540.4200	Glass rods, tubes, and tubing	1,886,319	560,259	307,399
120.1400	Cattle hides, whole	1,800,209	400,737	151,972
666.0079	Parts for farm dairy machinery	1,285,202	1,085,271	28,544
666.0024	Planting machines	947,465	-	-
121.5737	Bovine leather, not rough, russet, and crust, n.e.s	803,885	160,114	337,715
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed	779,131	322,225	178,873
772.5000	Pneumatic tires designed for tractors or for agricultural or horticultural machinery or implements	754,386	264,550	34,654
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	685,847	46,342	35,461
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f	664,231	377,475	28,915
273.4000	Plans and drawings for industrial, architectural, engineering, commercial or similar purposes; manuscripts and copies of data	652,500	652,500	7,194
404.3000	Amines and their derivatives	651,750	260,700	-
486.2800	Organophosphorus insecticides, other than methyl parathion	634,830	633,150	727,894
182.9752	Vegetable protein isolates derived from oil seeds	622,795	231,945	-
346.0600	Cotton pile fabrics, corduroys	620,649	620,649	-
	Total	69,972,395	28,921,020	3,452,593
	Total, U.S. exports to Hungary	88,489,204	33,394,705	13,021,594

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

124

Table B-20.--Leading items imported from Hungary, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
107.3525	Canned hams and shoulders, 3 pounds and over	$20,589,429	$4,741,890	$4,379,880
692.3288	Parts for motor vehicles, n.e.s	13,382,960	5,212,859	2,417,951
700.4540	Women's footwear, of leather, cement soles, valued over $2.50 per pair	7,931,743	3,530,272	3,033,063
686.9030	Other lamps, including standard household	6,724,840	1,724,598	2,900,856
618.2565	Aluminum sheets and strip, not clad, wrought	2,873,960	819,726	249,741
692.0440	Motor buses, other (including diesel)	2,721,884	1,188,642	-
107.3040	Bacon, not boned and cooked	2,311,334	522,788	315,704
772.5136	Truck and bus tires, radial	2,013,823	626,783	510,228
165.1500	Apple and pear juice, not containing over 1 percent alcohol	1,821,637	160,777	-
379.8311	Men's suit-type coats and jackets made of wool, not knit valued over $4 per pound	1,813,802	1,376,993	1,201,337
379.8735	Men's wearing apparel, n.e.s., silk, not knit	1,487,973	2,446	2,348
383.7210	Women's wearing apparel, of wool, not knit valued over $4 per pound, n.e.s. coats other than 3/4 length or longer	1,444,851	1,361,587	47,212
750.6500	Paint brushes, except artists, brushes	1,362,437	16,760	-
379.8355	Men's wool suits, not knit, not ornamented	1,346,374	480,007	852,421
612.3982	Brass strips under 1/16 inch in thickness copper content	1,314,760	317,227	1/ -
411.2400	Sulfamethazine	1,314,747	37,249	283,947
661.9500	Centrifuges, filtering and purifying machinery, except cast iron parts	1,225,879	354,464	221,086
425.3620	Pesticides	1,150,544	-	-
644.1200	Aluminum foil, not backed or cut to shape, over .00035 inch in thickness valued over 55 cents per pound	1,130,827	598,033	400
383.7550	Women's suits, n.e.s., not knit, wool	1,115,890	1,115,605	1,388,487
	Total	75,079,694	24,188,706	17,804,661
	Total, U.S. imports from Hungary	118,106,200	38,730,108	32,006,559

1/ Prior to Jan. 1, 1983, this item was grouped with present TSUSA item number 612.3986 under the now-deleted item 612.3980.

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

125

Table B-21.--Leading items exported to Mongolia, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September--	
			1983	1982
692.2985	Parts, n.s.p.f., of motor vehicles	$71,130	$71,130	-
709.0200	Optical instruments and appliances (except electro-medical), and parts thereof	18,479	-	-
818.3900	Products, n.e.s., donated for relief or charity	9,455	3,480	1,340
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations	7,640	7,640	-
688.4060	Electrical articles and electrical parts of articles, n.s.p.f	5,226	-	-
688.4013	Ultrasonic cleaning equipment and parts thereof	2,900	-	-
680.9240	Machinery parts not containing electrical features, n.s.p.f	2,897	-	-
774.5020	Articles n.s.p.f., of rubber or plastics	1,732	-	-
433.1095	Chemical mixtures and preparations, n.s.p.f	1,095	-	-
711.8747	Nonelectrical chemical analysis equipment, n.s.p.f	999	-	-
727.2740	Office furniture, of metal, other than filing cabinets	990	-	-
	Total	122,543	82,250	1,340
	Total, U.S. exports to Mongolia	122,543	82,250	5,857

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

126

Table B-22.--Leading items imported from Mongolia, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	1982
306.4293	Camel hair, sorted, etc	$633,253	$157,537	$58,869
306.4192	Camel hair, not sorted, etc	330,246	-	-
124.1045	Sable furskins, whole, undressed	9,690	9,690	-
274.4000	Postage stamps, etc., and government stamped envelopes, with no printing other than official imprint	1,070	1,070	-
190.5500	Hoofs and horns, crude	700	700	-
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	443	-	-
383.1320	Women's, girls' or infants knit sweaters of wool	310	310	-
	Total	975,712	169,307	58,869
	Total, U.S. imports from Mongolia	984,488	178,083	83,807

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

127

Table B-23.--Leading items exported to North Korea, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	1982
687.6068	Mounted piezoelectric crystals	$596	-	-
	Total	596	-	-
	Total, U.S. exports to North Korea	596	-	7,300

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

128

Table B-25.--Leading items exported to Poland, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
175.4100	Soybeans, other than seed for planting	$42,225,760	$8,793,458	$6,072,173
818.3900	Products, n.e.s., donated for relief or charity	26,945,384	10,510,936	3,898,842
130.3465	Yellow corn, not donated for relief or charity	21,582,345	11,213,508	10,264,572
480.4500	Phosphates, crude, and apatite	18,097,737	6,100,651	8,087,598
116.0100	Butter	13,979,269	406,113	3,645,331
184.5260	Soybean oil cake and oil-cake meal	10,761,925	10,761,925	-
115.5020	Nonfat dry milk, donated for relief or charity	8,708,224	2,300,479	1,041,704
120.1400	Cattle hides, whole	6,409,321	-	6,459,882
130.6540	Wheat, unmilled, not donated for relief or charity	6,138,838	2,507,380	-
131.4030	Wheat flour, n.e.s., donated for relief or charity	5,802,278	1,963,595	3,507,507
176.5260	Soybean oil, n.e.s., donated for relief or charity	4,668,310	1,096,005	3,652,944
182.9754	Vegetable protein concentrates, hydrolysates, and textured or spun products, derived from oil seeds	3,992,266	-	-
115.5040	Nonfat dry milk, not donated for relief or charity	3,682,712	-	-
818.3400	Wearing apparel donated for relief or charity	3,584,576	1,049,363	117,974
177.5640	Tallow, inedible	3,491,285	-	718,797
818.3100	Food products, n.s.p.f., donated for relief or charity	3,423,710	1,789,808	728,374
117.8200	American-type cheeses, except Cheddar	3,395,977	200,423	2,082,637
131.3010	Rice, donated for relief or charity	3,219,117	1,108,769	773,963
664.0588	Parts, n.e.s., of excavating machinery, n.e.s	2,996,338	160,925	51,259
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	2,902,155	956,196	2,014,833
	Total	196,007,527	60,919,534	53,118,390
	Total, U.S. exports to Poland	236,967,389	75,836,206	77,779,781

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

129

Table B-24.--Leading items imported from North Korea, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September--	
			1983	1982
	Total, U.S. imports from North Korea	-	-	-

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

130

Table B-26.--Leading items imported from Poland, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
107.3525	Canned hams and shoulders, 3 pounds and over	$64,190,445	$17,239,272	$13,343,490
379.8355	Men's wool suits, not knit, not ornamented	4,009,112	1,522,324	2,914,107
607.1700	Wire rods, of iron or steel, not tempered or treated, valued over 4 cents per pound	3,715,615	1,064,051	-
493.1200	Casein	3,008,031	1,458,812	761,092
646.2622	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, uncoated	2,806,689	845,961	580,321
192.2520	Hops, not in pellets	2,802,816	-	-
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	2,237,027	605,636	2,573,297
146.7630	Strawberries in containers holding more than 40 ounces	2,225,210	739,392	373,698
379.4620	Men's and boys' suit-type sport coats and jackets made of corduroy	2,179,445	1,174,989	1,612,594
646.2626	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, coated	2,073,774	433,831	152,876
727.1500	Furniture and parts, of bentwood	1,897,464	480,730	927,755
383.3415	Women's cotton raincoats, n.e.s., 3/4 length or longer	1,695,494	938,837	1,476,601
107.3560	Pork, n.e.s., boned, cooked, canned	1,671,629	541,530	213,959
700.3550	Men's footwear, of leather, n.e.s., cement soles	1,629,238	310,973	684,922
692.1090	Automobile trucks, valued under $1,000	1,475,126	636,692	712,704
700.2960	Men's welt footwear, of leather, n.e.s., valued over $6.80 per pair	1,419,931	558,810	1,052,579
642.0200	Barbed wire	1,193,550	528,692	180,479
379.8311	Men's suit-type coats and jackets made of wool, not knit valued over $4 per pound	1,162,348	741,497	852,791
100.7500	Horses, valued over $150 per head	1,153,000	-	-
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-rolled, n.e.s	1,147,817	5,305	385,708
	Total	103,693,761	29,827,334	28,798,973
	Total, U.S. imports from Poland	144,685,123	44,115,424	56,714,061

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

131

Table B-27.--Leading items exported to Romania, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
175.4100	Soybeans, other than seed for planting	$66,316,685	-	$3,777,962
120.1400	Cattle hides, whole	31,751,018	18,515,794	-
521.3110	Low volatile bituminous coal	10,631,383	5,462,762	-
480.4500	Phosphates, crude, and apatite	10,598,576	4,357,732	1,206,356
415.4500	Sulfur, native elemental or recovered	3,818,680	-	-
446.1521	Polychloroprene (neoprene) synthetic rubber	3,037,719	418,949	1,429,479
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f	2,525,940	678,587	986,804
170.6500	Cigarettes	2,493,944	1,259,158	923,966
486.2900	Insecticides, unmixed, n.e.s	782,687	-	-
433.1035	Compound catalyst preparations, other than of nickel	719,953	-	-
130.3440	Corn seed, except sweet, not donated for relief or charity	713,990	-	-
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof	660,901	215,658	1,201,800
404.0580	Hydrocarbons, except derivatives, n.e.s	656,673	-	-
416.5500	Inorganic acids, n.s.p.f	422,142	422,142	446,465
630.8500	Other base metals, unwrought and wrought, and waste and scrap of such metals, n.s.p.f	418,132	-	-
712.5005	Equipment n.e.s. for testing the electrical characteristics of internal combustion engines, and parts thereof	397,117	-	-
653.1700	Wire, rods, tubes, plates, electrodes, and similar articles, of base metal or of metal carbides, n.s.p.f	336,364	-	-
520.2410	Powder or dust of industrial diamonds, natural or synthetic, not set or suitable for use in the manufacture of jewelry	335,121	124,999	-
459.4500	Perfume oil mixtures and blends, consisting of products ready for use as finished perfume bases	320,200	-	-
692.2940	Transmissions for motor vehicles n.s.p.f	297,190	129,859	139,584
	Total	137,234,415	31,585,640	10,112,416
	Total, U.S. exports to Romania	143,076,826	33,439,479	19,010,526

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

132

Table B-28.--Leading items imported from Romania, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September-- 1983	July-September-- 1982
475.2520	Gasoline	$145,159,942	$51,322,004	$19,214,751
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	28,241,522	28,241,522	-
727.3540	Furniture, of wood, n.s.p.f	11,028,650	3,549,065	3,892,585
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)	10,051,944	10,051,944	-
700.4540	Women's footwear, of leather, cement soles, valued over $2.50 per pair	7,501,256	4,902,687	6,602,010
480.3000	Urea, n.e.s	7,105,449	960,354	-
700.3550	Men's footwear, of leather, n.e.s., cement soles	5,849,006	3,496,752	2,755,084
107.3525	Canned hams and shoulders, 3 pounds and over	4,870,884	1,683,144	1,308,864
727.2900	Chairs of wood, not folding, not teak, n.e.s	4,301,384	1,285,774	1,477,997
546.6020	Glass tumblers, etc., valued over $0.30 but not over $3 each	4,231,429	2,126,067	1,003,354
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80	4,115,358	2,607,672	1,474,256
310.5049	Yarns wholly of noncontinous man-made fibers plied, acrylic	3,913,446	1,616,861	1,019,516
700.2960	Men's welt footwear, of leather, n.e.s., valued over $6.80 per pair	3,670,539	1,358,192	2,137,982
680.3712	Ball bearings, radial ball bearings, outside diameter over 30-mm but not over 52-mm	3,397,978	1,055,011	781,000
117.6700	Pecorino cheese, not for grating	3,329,029	371,350	1,038,895
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	3,294,518	1,151,578	1,160,661
383.9050	Women's coats, n.e.s., 3/4 length or longer	3,046,178	931,081	1,863,546
383.9060	Women's suits, man-made fibers, not knit, n.e.s	3,010,029	45,938	235,587
727.1500	Furniture and parts, of bentwood	2,840,538	988,434	1,029,727
680.3938	Tapered roller bearings and parts cone assemblies imported separately	2,838,913	1,661,372	1,883,334
	Total	261,797,992	119,406,802	48,879,149
	Total, U.S. imports from Romania	367,025,973	164,164,205	110,886,620

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

133

Table B-29.--Leading items exported to Vietnam, by Schedule B Nos., January-September 1983, July-September 1983, and July-September 1982

Schedule B No.	Description	January-September 1983	July-September-- 1983	1982
818.3900	Products, n.e.s., donated for relief or charity	$12,291,427	$3,467,360	$6,073,066
818.9000	General merchandise, valued not over $500	3,040,522	631,206	1,537,962
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk	136,800	-	4,000
131.4030	Wheat flour, n.e.s., donated for relief or charity	120,000	60,000	-
772.0400	Household articles n.s.p.f., of rubber or plastics	60,600	12,450	29,730
818.3100	Food products, n.s.p.f., donated for relief or charity	35,000	-	5,134
709.3000	Medical, dental, surgical, and veterinary instruments and apparatus, n.s.p.f., and parts thereof	13,150	-	-
818.3300	Medicinal and pharmaceutical products donated for relief or charity	8,537	8,537	31,083
795.0000	Nonenumerated products	6,730	-	-
	Total	15,712,766	4,179,553	7,680,975
	Total, U.S. exports to Vietnam	15,712,766	4,179,553	7,763,795

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

134

Table B-30.--Leading items imported from Vietnam, by TSUSA items, January-September 1983, July-September 1983, and July-September 1982

TSUSA item No.	Description	January-September 1983	July-September--	
			1983	1982
	Total, U.S. imports from Vietnam	-	-	-

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

135

GLOSSARY

Abbreviation	Full wording
CIA	Central Intelligence Agency
CCC	Commodity Credit Corporation (U.S. Department of Agriculture)
CCL	Commodity Control List
CMEA	Council for Mutual Economic Assistance
COCOM	Coordinating Committee for Multilateral Export Controls
CPE	Centrally planned economy
EAA	Export Administration Act of 1979 (United States)
EC	European Community
EXIMBANK	Export-Import Bank of the United States
FAO	Food and Agricultural Organization (United Nations)
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalized System of Preferences
IMF	International Monetary Fund
LTFV	Less than fair value
MFA	Multifiber Arrangement
MFN	Most-favored-nation
NME's	Nonmarket economy countries
OEA	Office of Export Administration (U.S. Department of Commerce)
OECD	Organization for Economic Cooperation and Development
QGL	Qualified General License
SCE	State-controlled economy
SDR	Special Drawing Rights
SIC	Standard Industrial Classification MSIC: SIC-based import product groupings OSIC: SIC-based domestic manufactured output categories
SITC	Standard International Trade Classification SITC categories are defined as follows: 1-digit SITC: Section 2-digit SITC: Division 3-digit SITC: Group 4-digit SITC: Subgroup 5-digit SITC: Item
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USITC	U.S. International Trade Commission

INDEX

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

(1) summary of developments in U.S.-NME trade for that calendar quarter, with the summary of the fourth quarter as an annual review;

(2) summary tables and figures describing the value, direction, composition, and individual country trade shares of U.S.-NME trade in that calendar quarter;

(3) a series of appendix tables describing the leading items traded by the United States with each of the NME countries covered, disaggregated to the 7-digit level of the respective export and import schedules, through the end of that calendar quarter.

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

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

Alcoholic beverages: see Vodka

Aluminum:
U.S. exports and imports; No. 8, pp. 34-37 (incl. table)
U.S. imports; No. 14, pp. 26-30 (incl. table)

Ammonia:
U.S. imports from the U.S.S.R.; No. 16, pp. 26-32 (incl. tables); No. 20, p. 20; No. 21, pp. 27-28; No. 33, p. 72
U.S imports from China; No. 34, p. 34

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

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

Apparel: see Textile and textile products

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

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

Bulgaria: U.S. exports and imports, annual; No. 1, pp. 39-41 (incl. table); No. 5, pp. 53-55 (incl. table); No. 9, pp. 66-70, (incl. table); No. 13, pp. 49-52 (incl. table); No. 17, pp. 66-69 (incl. table); No. 21, pp. 75-79 (incl. table); No. 25, pp. 99-103 (incl. table); No. 29, pp. 104-108