

**52d QUARTERLY REPORT TO
THE CONGRESS AND THE
TRADE POLICY COMMITTEE
ON TRADE BETWEEN THE
UNITED STATES AND THE
NONMARKET ECONOMY
COUNTRIES DURING
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C O N T E N T S

	<u>Page</u>
Introduction-----	1
Summary-----	5
Third-quarter developments in trade between the United States and the nonmarket economy countries-----	7
U.S. exports-----	12
Machines and equipment-----	16
Grains-----	21
Chemicals-----	22
Crude materials-----	23
U.S. imports-----	24
Textiles and apparel-----	27
Petroleum and petroleum products-----	32
Other miscellaneous manufactured articles-----	33
Machines and equipment-----	34
Imports from China and the U.S. market: Further examination of three product groups identified by the East-West Trade Monitoring System-----	35
Rainwear (MSIC 2385):	
Description and uses-----	36
The U.S. industry-----	36
U.S. imports from China and other sources-----	37
The U.S. market:	
Channels of distribution-----	38
Conditions of competition-----	41
Earthenware table and kitchen articles (MSIC 3263):	
Description and uses-----	42
Production process-----	43
The U.S. industry-----	44
U.S. imports from China and other sources-----	44
The U.S. market:	
Trends in consumption and import penetration-----	45
Channels of distribution-----	47
Conditions of competition-----	48
Handbags (MSIC 3171):	
Description and uses-----	48
The U.S. industry-----	49
The Chinese industry-----	49
U.S. imports from China and other sources-----	51
The U.S. market-----	57
Appendix A. U.S. trade with the nonmarket economy countries by SITC Sections, 1986, January-September 1986, and January- September 1987-----	59
Appendix B. Leading items traded with the nonmarket economy countries, January-September 1987, July-September 1986, and July-September 1987-----	75
Glossary-----	107
Index-----	109

CONTENTS

Figures

	<u>Page</u>
1. U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 4th quarter of 1984 through the 3d quarter of 1987-----	9
2. Relative shares of U.S. exports to the nonmarket economy countries, January-September 1986 and January-September 1987---	10
3. U.S. imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 4th quarter of 1984 through the 3d quarter of 1987-----	11
4. Relative shares of U.S. imports from the nonmarket economy countries, January-September 1986 and January-September 1987---	13

Tables

1. U.S. trade with the world and with the nonmarket economy countries (NME's), by quarters, July 1986-September 1987-----	8
2. U.S. exports to the individual nonmarket economy countries and to the world, 1985, 1986, January-September 1986, January-September 1987, July-September 1986, and July-September 1987-----	14
3. U.S. exports to the world and to the nonmarket economy countries (NME's), by SITC Sections, January-September 1986 and January-September 1987-----	15
4. U.S. exports to the nonmarket economy countries, by SITC Sections, July-September 1987-----	17
5. 20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B nos., January-September 1986 and January-September 1987-----	18
6. 20 U.S. export items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1986, by Schedule B nos., January-September 1986 and January-September 1987-----	19
7. U.S. imports from the individual nonmarket economy countries and from the world, 1985, 1986, January-September 1986, January-September 1987, July-September 1986, and July-September 1987-----	25
8. U.S. imports from the world and from the nonmarket economy countries (NME's), by SITC Sections, January-September 1986 and January-September 1987-----	26
9. U.S. imports from the nonmarket economy countries, by SITC Sections, July-September 1987-----	28

CONTENTS

	<u>Page</u>
10. 20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA items, January-September 1986 and January-September 1987-----	29
11. 20 U.S. import items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1987, by TSUSA items, January-September 1986, and January-September 1987-----	30
12. Rainwear: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987----	39
13. Rainwear: U.S. imports for consumption, by types and by major sources, 1982-86, January-September 1986, and January-September 1987-----	40
14. Earthenware table and kitchen articles: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987-----	46
15. Earthenware table and kitchen articles: U.S. producers' shipments, exports, imports for consumption, and apparent consumption 1982-86-----	47
16. Women's handbags and purses (MSIC 3171): U.S. imports, total and from China, U.S. producers' shipments and apparent consumption, 1984-86, January-June 1986, and January-June 1987-----	50
17. Handbags: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987----	53
18. Handbags: Percent of total value of U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987-----	55
19. Handbags: Percent of total quantity of U.S. imports for consumption, by principal sources, 1982-1986, January-September 1986, and January-September 1987-----	56
A-1. U.S. trade with all nonmarket economy countries, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	80
A-2. U.S. trade with China, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	81
A-3. U.S. trade with the U.S.S.R., by SITC Sections, 1986, January-September 1986, and January-September 1987-----	82
A-4. U.S. trade with Eastern Europe, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	83
A-5. U.S. trade with Albania, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	84
A-6. U.S. trade with Bulgaria, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	85
A-7. U.S. trade with Cuba, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	86
A-8. U.S. trade with Czechoslovakia, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	87

CONTENTS

	<u>Page</u>
A-9. U.S. trade with East Germany, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	88
A-10. U.S. trade with Hungary, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	89
A-11. U.S. trade with North Korea, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	90
A-12. U.S. trade with Mongolia, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	91
A-13. U.S. trade with Poland, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	92
A-14. U.S. trade with Romania, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	93
A-15. U.S. trade with Vietnam, by SITC Sections, 1986, January-September 1986, and January-September 1987-----	94
B-1. Leading items exported to nonmarket economy countries (NME's), by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	96
B-2. Leading items imported from nonmarket economy countries (NME's), by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	97
B-3. Leading items exported to China, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	98
B-4. Leading items imported from China, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	99
B-5. Leading items exported to the U.S.S.R., by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	100
B-6. Leading items imported from the U.S.S.R., by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	101
B-7. Leading items exported to Eastern Europe, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	102
B-8. Leading items imported from Eastern Europe, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	103
B-9. Leading items exported to Albania, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	104
B-10. Leading items imported from Albania, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	105
B-11. Leading items exported to Bulgaria, by Schedule B. Nos., January-September 1987, July-September 1986, and July-September 1987-----	106

CONTENTS

	<u>Page</u>
B-12. Leading items imported from Bulgaria, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	107
B-13. Leading items exported to Cuba, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	108
B-14. Leading items imported from Cuba, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	109
B-15. Leading items exported to Czechoslovakia, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	110
B-16. Leading items imported from Czechoslovakia, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	111
B-17. Leading items exported to East Germany, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	112
B-18. Leading items imported from East Germany, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	113
B-19. Leading items exported to Hungary, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	114
B-20. Leading items imported from Hungary, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	115
B-21. Leading items exported to Mongolia, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	116
B-22. Leading items imported from Mongolia, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	117
B-23. Leading items exported to North Korea, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	118
B-24. Leading items imported from North Korea, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	119
B-25. Leading items exported to Poland, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	120
B-26. Leading items imported from Poland, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987-----	121
B-27. Leading items exported to Romania, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987-----	122

CONTENTS

	<u>Page</u>
B-28. Leading items imported from Romania, by TSUSA items, January-September 1987, July-September 1986, and July- September 1987-----	123
B-29. Leading items exported to Vietnam, by Schedule B Nos., January-September 1987, July-September 1986, and July- September 1987-----	124
B-30. Leading items imported from Vietnam, by TSUSA items, January- September 1987, July-September 1986, and July-September 1987-----	125

NOTE TO UNITED STATES GOVERNMENT RECIPIENTS OF THIS REPORT

U.S. Government officials are invited to inquire about the availability of statistics on U.S.-NME trade other than those presented herein. The Commission's East-West Trade Statistics Monitoring System contains the full detail of U.S. trade with all NME's as issued by the Census Bureau. These data are maintained by the Commission on an annual, quarterly, and monthly basis, and are generally available within 8 weeks after the close of the monthly reporting period. More information on this service may be obtained from the Chief, Trade Reports Division, USITC, telephone: (202) 252-1255.

INTRODUCTION

This series of reports by the United States International Trade Commission is made pursuant to section 410 of the Trade Act of 1974 (19 U.S.C. 2440), which requires the Commission to monitor imports from and exports to certain nonmarket economy countries (NME's). These countries include those listed in headnote 3(d) 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/

Under section 410, 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 stated in the statute, the reports in this series are to provide data on the effect, if any, 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. Since U.S. trade with several of the NME's is negligible, the reports focus on Bulgaria, China, Czechoslovakia, East Germany, Hungary, Poland, Romania, and the U.S.S.R., whose current trade with the United States is at a level that might potentially affect a domestic industry. However, data on U.S. trade with Albania, Cuba, Mongolia, North Korea, and Vietnam are provided in the

1/ The following countries or areas are listed under headnote 3(d) of the TSUS: Afghanistan, 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. In 1987, Afghanistan was added to the list of countries in headnote 3(d), but it is currently not included in this report.

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

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 determined 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.

appendices to each report, and trade with these countries is included in totals for "All NME's" throughout the reports.

At present, China, Hungary, Romania, and Poland are the only NME's that receive most-favored-nation (MFN) tariff treatment from the United States. In the early 1950's, the MFN status of the NME's was suspended in accordance with section 5 of the Trade Agreements Extension Act of 1951, which provided that the benefits of trade-agreement concessions were not to be accorded to such countries. 1/ Section 401 of the Trade Act of 1974 reaffirmed the policy of denying nondiscriminatory treatment to imports from NME's with the exception of Poland, whose MFN status had been restored in 1960. 2/ However, section 402 of the Trade Act of 1974 authorized the President to waive this policy and extend or restore MFN status to those countries that meet certain emigration-policy criteria. As provided for under the act, MFN status was granted to Romania in 1975, to Hungary in 1978, and to China in 1980. Poland's MFN status was suspended by the President in October 1982, but was again restored in February 1987.

Imports from Communist countries can be the subject of market disruption investigations by the Commission under section 406 of the Trade Act of 1974. Section 406 was included in the Trade Act because of concern, in the view of the Senate Committee on Finance, that a Communist country "through control of the distribution process and the price at which articles are sold," could direct exports "so as to flood domestic markets within a shorter time period than could occur under free market condition[s]." 3/

In the TSUS, the MFN rates of duty are set forth in column 1. The rates applicable to products of designated Communist countries 4/ are set forth in column 2; these are the rates that were established by the Tariff Act of 1930. They are equal to or higher than the MFN rates in column 1. Since many column 2 rates are substantially higher than the corresponding column 1 rates, actual or potential U.S. imports from countries subject to column 2 rates 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

1/ More specifically, the provision applied to imports from the Soviet Union and "any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

2/ This provision was not applicable to countries that had MFN status when the Trade Act was enacted.

3/ Trade Reform Act of 1974: Report of the Committee on Finance. . . . S. Rep. No. 1298, 93d Cong., 2d Sess., 210 (1974).

4/ Those countries referred to in headnote 3(d) of the TSUS.

exports (U.S.-produced goods) at f.a.s. value. Detailed analysis in the report is generally done on a seven-digit TSUSA (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 (SITC) Revision 2 categories. 1/

In this report, references to specific products (e.g., wheat) that are not identified by a numerical classification (e.g., SITC Group 041) are either seven-digit TSUSA items (U.S. imports) or seven-digit Schedule B items (U.S. exports). The TSUSA or Schedule B classification numbers of these items may be found in the tables in appendix B of this report, which lists leading items in trade with the NME's as a group and with individual NME's.

The U.S. International Trade Commission is an independent, factfinding agency. Thus, any statements made in the quarterly reports on East-West trade do not necessarily reflect the views of executive branch agencies and should not be taken as an official statement of U.S. trade policy. The information and analyses in this report are for the purpose of this report only. Nothing in this report should be construed to indicate how the Commission would find in an investigation conducted under other statutory authority.

This report contains a summary of U.S. trade with the NME's during July-September 1987, and, where appropriate, during the first 9 months of the year. It examines U.S. exports, imports, and the balance of trade with these countries as well as the commodity composition of this trade. The report also examines three product groups that were identified by the Commission's East-West Trade Statistics Monitoring System on the basis of two criteria: the level of import penetration by an individual NME supplier and by all sources and the rate of growth of imports from an NME source. 2/ The three product groups covered in the report are rainwear, earthenware table and kitchen articles, and women's handbags from China. The discussion of each includes a description of the U.S. industry, U.S. imports from China and other sources, and the U.S. market. Such information as could be obtained on these industries in China is also included.

Additional copies of this report (USITC Publication 2052) can be obtained by calling (202) 252-1000, or by writing to the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW,

1/ 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.
2/ A description of the methodology and the complete results of the sixth annual run of this automated import monitoring system were presented in the 51st Quarterly Report . . ., pp. 39-67.

Washington, DC 20436. Requests to receive the report on a quarterly basis should be directed to (202) 252-1255, or to the Trade Reports Division, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

SUMMARY

U.S. merchandise trade with the NME's totaled \$3.5 billion during July-September 1987, almost one-third higher than during July-September 1986. At \$1.4 billion, U.S. exports to the NME's increased by 47.5-percent over their \$0.9 billion level of the third quarter of 1986. The resumption of U.S. wheat exports to the Soviet Union was the single most important factor behind this recovery. U.S. imports from the NME's increased by 24.5 percent, from \$1.7 billion to an all-time quarterly high of \$2.2 billion. Increased imports of apparel and other textile products from China accounted for the largest part of the increase. The \$806 million deficit for the period under review was the second highest quarterly deficit on record. The negative balances with China and Eastern Europe as a whole more than offset the surplus in trade with the Soviet Union during the quarter under review.

In terms of total trade turnover, China remained the most important NME trading partner for the United States during January-September 1987, followed by the Soviet Union, Romania, Poland, Hungary, East Germany, Czechoslovakia, and Bulgaria. Trade turnover with the six countries of Eastern Europe exceeded that with the Soviet Union during the period.

Increased Chinese exports related to China's efforts to improve its hard currency trade balance and increased U.S. grain exports to all NME markets were the major factors affecting trade levels during January-September 1987. U.S. exports to the NME's amounted to \$3.9 billion, 2.2 percent lower than the value of this trade during the corresponding period of 1986. U.S. exports of machinery and transportation equipment to China and soybeans to the Soviet Union declined significantly, but these losses were offset to a considerable extent by the resumption of U.S. wheat shipments to the Soviet Union and--on a much smaller scale--higher exports of wheat to China and Poland. As a result of low prices, the increase in the quantity of U.S. corn shipments to the NME's exceeded by far the increase in the value of these exports. However, fertilizer exports to China increased substantially during January-September 1987.

In a similar 9-month comparison, U.S. imports from the NME's increased by 22.7 percent to \$6.1 billion. Chinese shipments of apparel, other textile products, toys, and handbags accounted for much of this increase. U.S. crude petroleum imports from the NME's, with China as the principal supplier, slumped off considerably. Although unleaded gasoline imports from the NME's, with Romania as the primary supplier, increased considerably over the period, the total volume of refined petroleum products that the United States imported from these countries declined. U.S. imports from Romania declined mainly as a result of smaller U.S. purchases of Romanian chemical products, and reduced U.S. purchases of Soviet gold bullion was the leading cause of a decrease in imports from the Soviet Union. However, U.S. imports from Poland and Hungary increased over the period.

The U.S. deficit in trade with the NME's more than doubled from \$1.0 billion during the first 9 months of 1986 to \$2.2 billion during the corresponding period of 1987.

The report also analyzes imports from China in the following three product groups: rainwear, earthenware table and kitchen articles, and women's handbags. The latest run of the East-West Trade Statistics Monitoring System, presented in detail in the 51st Quarterly Report, identified these imports as being worthy of closer attention. The criteria for selecting these products included the penetration of the U.S. market by imports from an NME and from all sources and the recent rapid growth in imports from an NME source. Each analysis includes information on production, employment, and market conditions in the U.S. industry; data on imports from China and other sources; and available information on the industry in China. The studies show declines in U.S. production and growing foreign competition in all of the selected product groups.

During the quarter under review, the Commission neither began nor concluded any investigations specifically related to imports from an NME under the antidumping law, market disruption law, or other statutory provisions under which it is authorized to act.

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

Two-way merchandise trade between the United States and the NME's increased by 32.5 percent, from \$2.7 billion during July-September 1986 to \$3.5 billion during July-September 1987. U.S. exports to the NME's increased by 47.5 percent, and U.S. imports from these countries increased by 24.5 percent. Despite the significant improvement in exports, however, the United States registered a deficit of \$806 million in trade with the NME's during the quarter under review (table 1). This was the second largest U.S. deficit recorded since these quarterly reports were begun in 1975, exceeded only by an \$819 million deficit during the corresponding quarter of 1986.

After declining to \$928.4 million during July-September 1986, their lowest quarterly level in 3 years, U.S. exports to the NME's climbed steadily through the second quarter of 1987. They fell only slightly (by \$9.1 million) from April-June to the quarter under review (figure 1), when they amounted to \$1.4 billion. Nevertheless, at \$3.9 billion during January-September 1987, U.S. exports to NME markets failed to recover completely from the steep downturn of the previous year; they were \$90.8 million, or 2.2 percent, lower than the value of this trade during the corresponding period of 1986. U.S. shipments to China were down by \$54.0 million, or 2.2 percent, to \$2.3 billion during January-September 1987, and those to the Soviet Union were down by \$34.6 million, or 3.2 percent, although they remained essentially unchanged at \$1.1 billion. These losses were slightly offset by a \$4.0 million increase, to \$517.5 million, in the value of U.S. shipments to Eastern Europe. ^{1/}

China accounted for 59.5 percent of all U.S. exports to the NME's during both January-September 1986 and January-September 1987 (figure 2). The Soviet Union's share was approximately 27 percent during both periods. With a 4.3-percent share, Romania was the third-ranking NME market for U.S. goods during the first three quarters of 1987, and Poland ranked fourth with a 3.8-percent share.

U.S. imports from the NME's increased to \$2.2 billion during July-September 1987, exceeding their previous alltime quarterly high of \$2.0 billion during January-March 1987 (figure 3). At \$6.1 billion, imports from NME sources during January-September 1987 were 22.7 percent higher than their level during the corresponding period of 1986. This gain was almost entirely attributable to a rise in the value of shipments from China. U.S. imports from China increased by 36.9 percent, from \$3.5 billion during January-September 1986 to \$4.7 billion during January-September 1987. In a corresponding three-quarter comparison, the value of imports from Eastern Europe increased by 4.0 percent but remained essentially unchanged at \$1.1 billion, and U.S. purchases from the Soviet Union declined by 39.8 percent to only \$277.1 million.

^{1/} Eastern Europe refers to Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's), 1/
by quarters, July 1986-September 1987

Item	1986		1987		
	July- September	October- December	January- March	April- June	July- September
U.S. world trade:					
Exports-----million dollars--	49,603	54,266	54,177	59,346	60,032
Imports-----do-----	92,365	93,680	91,945	99,627	102,773
Balance-----do-----	-42,763	-39,414	-37,768	-40,281	-42,741
Trade turnover (exports plus imports) million dollars--	141,968	147,947	146,122	158,973	162,805
U.S. trade with NME's:					
Exports-----million dollars--	928	1,034	1,200	1,378	1,369
Imports-----do-----	1,747	1,666	2,005	1,943	2,175
Balance-----do-----	-819	-631	-805	-565	-806
Trade turnover (exports plus imports) million dollars--	2,676	2,700	3,205	3,321	3,544
Share of total U.S. trade accounted for by trade with NME's:					
Exports-----percent--	1.87	1.91	2.22	2.32	2.28
Imports-----do-----	1.89	1.78	2.18	1.95	2.12

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.

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

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

Figure 1.--U.S. exports to the nonmarket economy countries (NME's), China and the U.S.S.R., by quarters, 4th quarter of 1984 through the 3d quarter of 1987

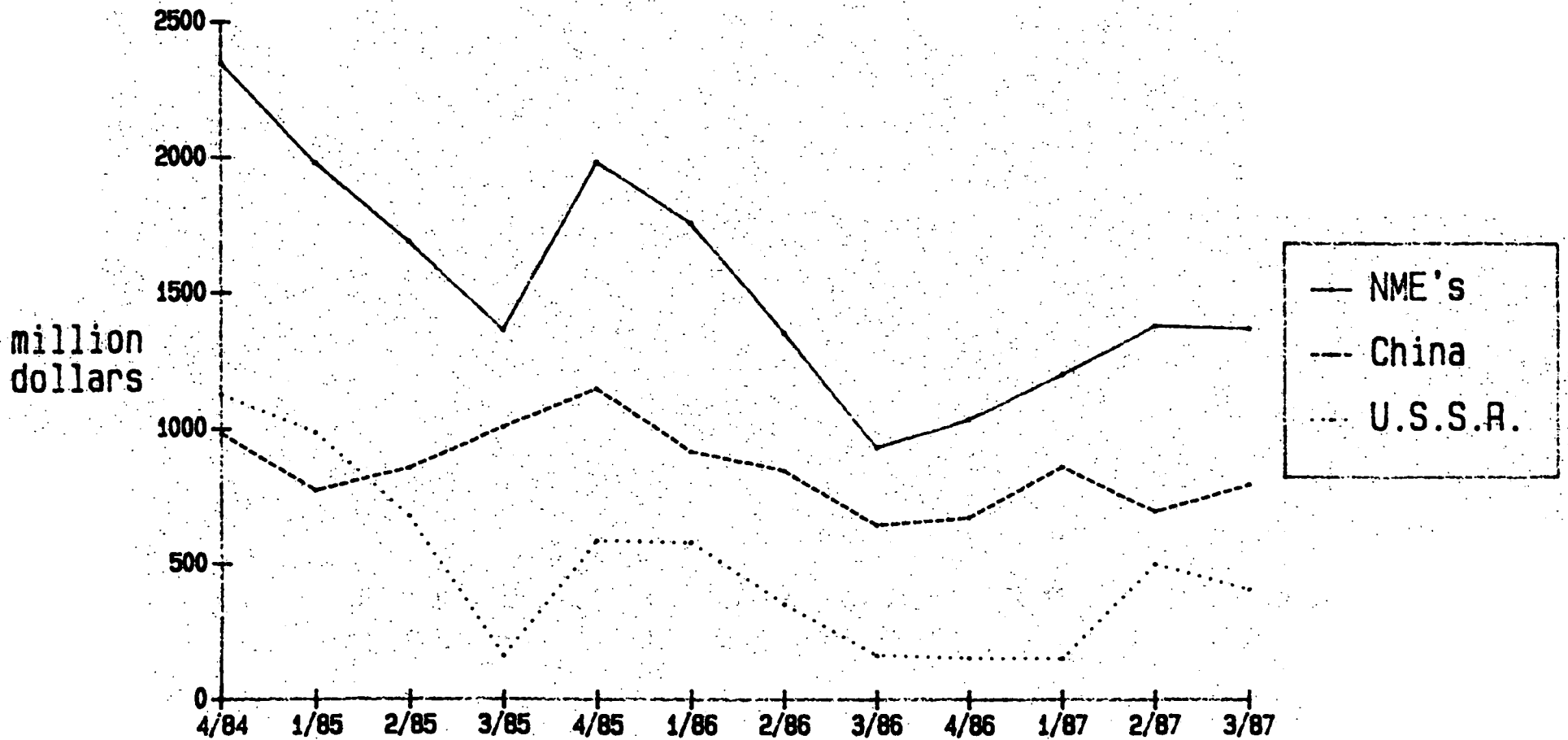
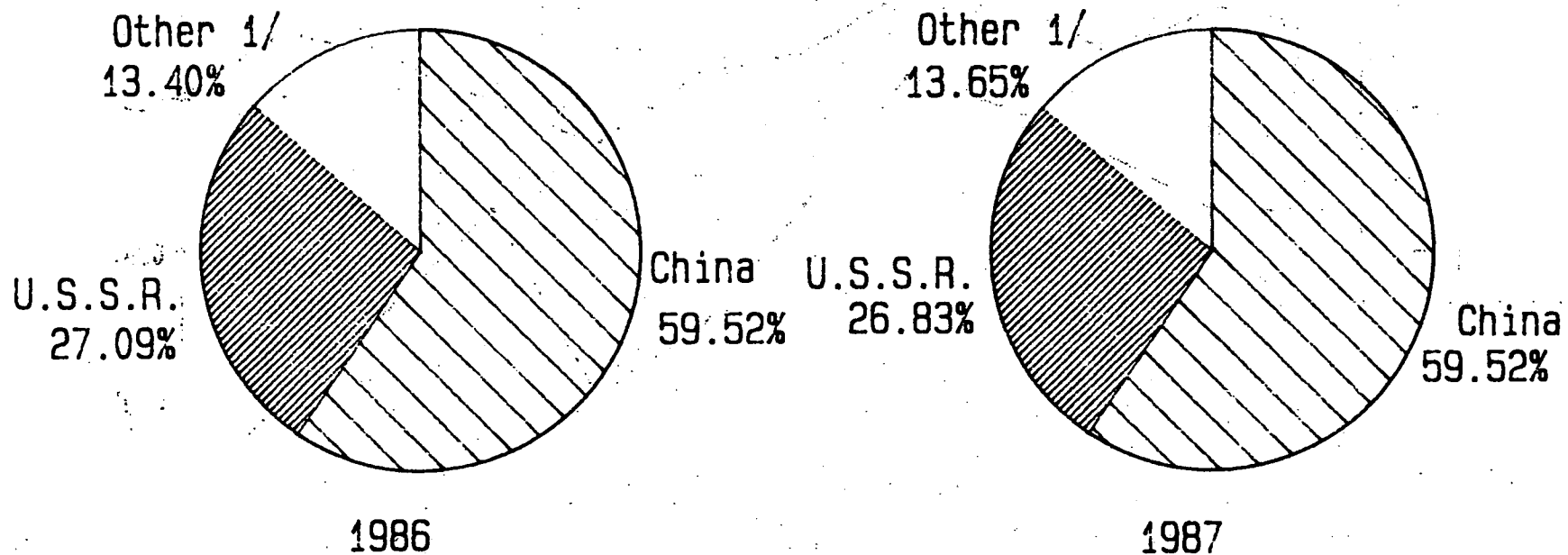
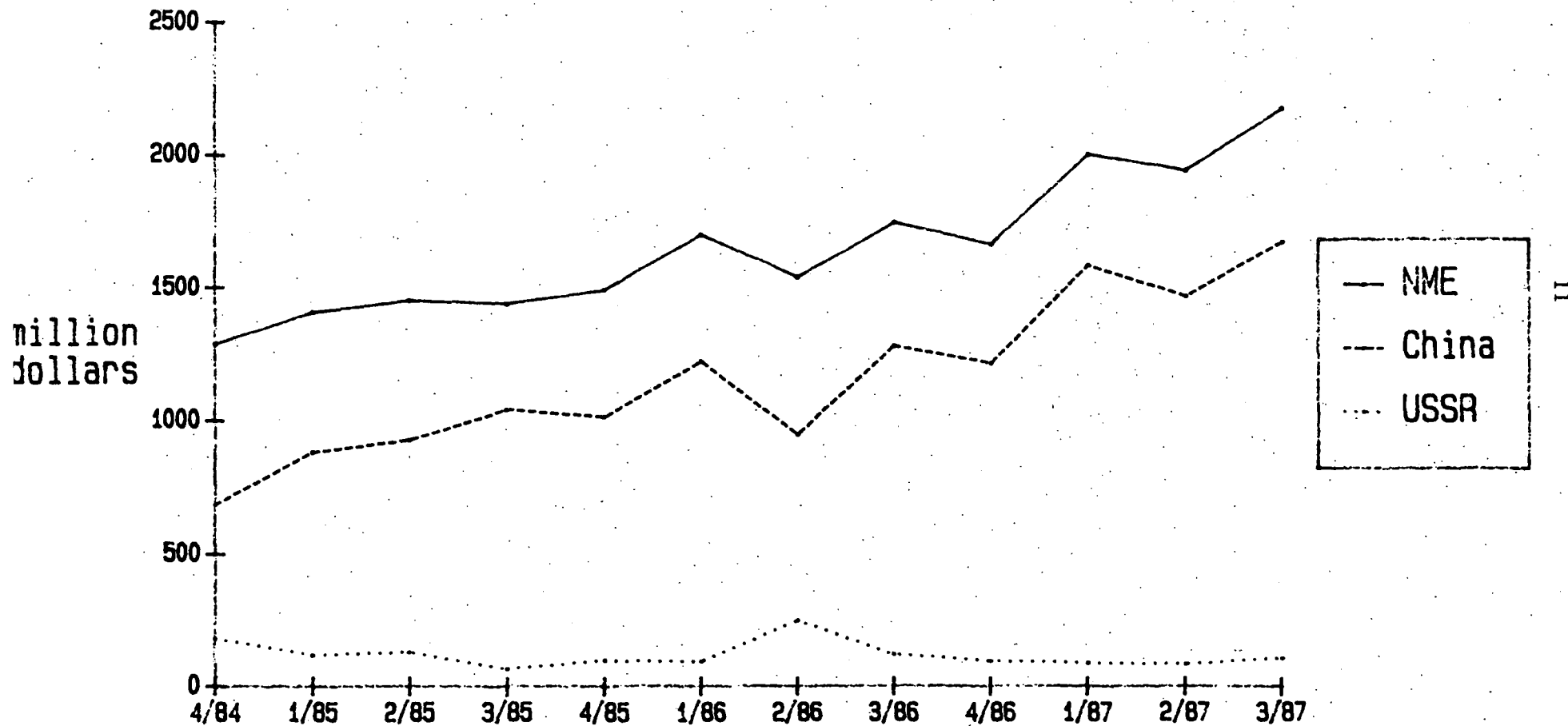


Figure 2.--Relative shares of U.S. exports to the nonmarket economy countries, January-September



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

Figure 3.--U.S. imports from the nonmarket economy countries (NME's), China and the U.S.S.R., by quarters, 4th quarter of 1984 through the 3d quarter of 1987



China's share of U.S. imports from the NME's increased from 69.2 percent during January-September 1986 to 77.2 percent during January-September 1987 (figure 4). Romania remained the second-ranking NME supplier to the U.S. market, but its share declined from 11.6 percent to 8.8 percent. The Soviet Union accounted for only 4.5 percent of U.S. imports from the NME's during the first three quarters of 1987, less than one-half its share during the corresponding period of 1986.

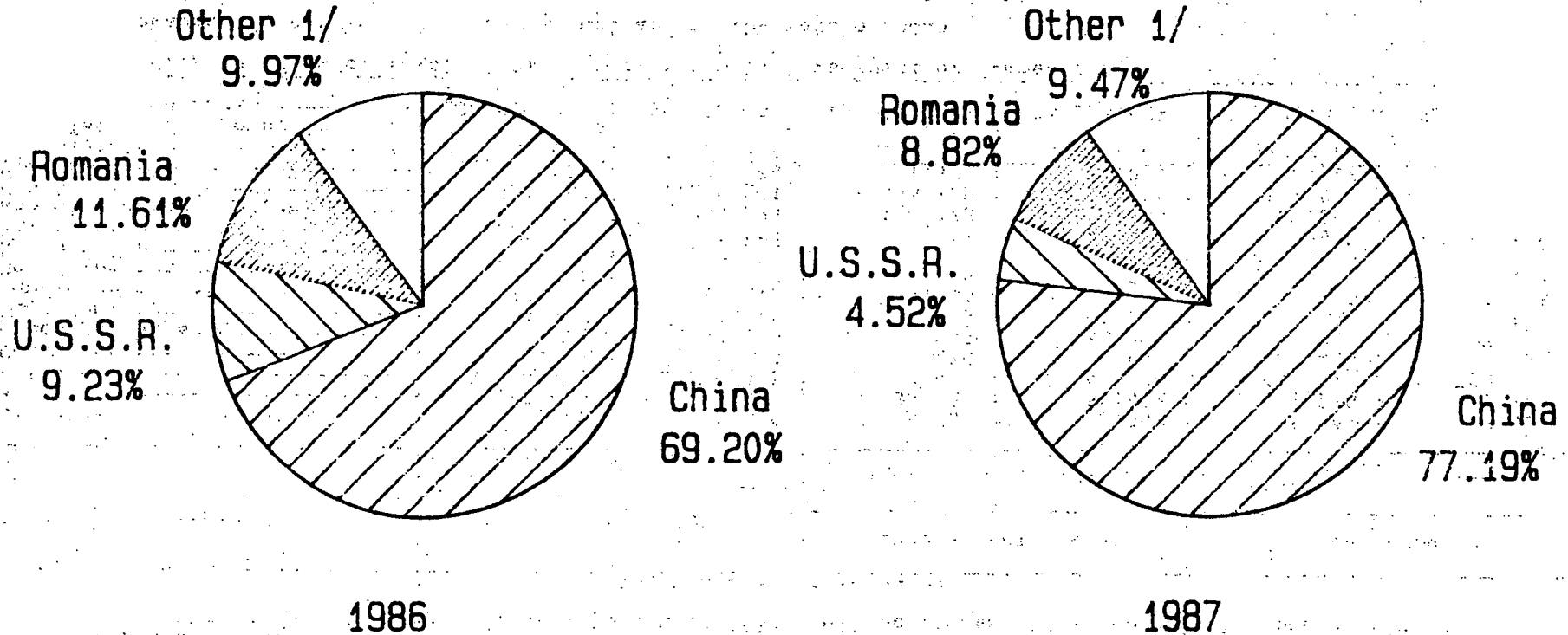
The United States registered an \$878.9 million deficit in trade with China and a \$236.1 million deficit in trade with the East European countries during July-September 1987. These negative balances were partly offset by a surplus of \$300.8 million in trade with the Soviet Union. Although the resulting U.S. deficit of \$806.4 million in total trade with the NME's was smaller than that of the corresponding quarter of 1986, it was preceded by another near-record deficit of \$804.7 million in trade with these countries during January-March 1987 and a deficit of \$564.5 million during April-June 1987. At \$2.2 billion, this three-quarter deficit was more than double that of January-September 1986. The U.S. surplus in trade with the Soviet Union amounted to \$782.1 million during January-September 1987, but the United States had a deficit of \$2.4 billion in trade with China and a deficit of \$599.7 million in trade with Eastern Europe. The higher deficit in U.S. trade with the NME's during this period was mainly the result of a \$1.3 billion increase in the deficit with China.

U.S. Exports

The resumption of Soviet purchases of U.S. wheat in 1987, after buying none in 1986, was the development most responsible for the 47.5-percent increase in exports to NME markets during July-September 1987. Owing mainly to the large volume of wheat shipped during the quarter, U.S. exports to the Soviet Union increased by 152.0 percent to \$408.1 million, from only \$161.9 million during July-September 1986 (table 2). Exports to China also increased, rising by 23.5 percent from \$643.7 million during July-September 1986 to \$795.3 million during the quarter under review, and those to Eastern Europe increased by 39.5 percent from \$112.8 million to \$157.4 million. Chemical fertilizers, wheat, and a nonmilitary airplane were the leading U.S. exports to China during July-September 1987, and soybeans were the leading item shipped to Eastern Europe. Within this region, Romania was the only market for U.S. soybeans during the quarter under review.

During both January-September 1986 and January-September 1987, machinery and transportation equipment (SITC Section 7) was the leading commodity group among exports to the NME's (table 3). However, a decrease in this category of shipments was also the most important reason for the overall decline in the value of U.S. exports to these countries from January-September 1986 to the corresponding period of 1987. Another contributing factor was a decline in shipments of crude materials (SITC Section 2), which dropped from second to fourth place among exports to the NME's. Owing primarily to the increase in wheat shipments, food and

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



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

Table 2.--U.S. exports to the individual nonmarket economy countries and to the world, 1985, 1986, January-September 1986, January-September 1987, July-September 1986, and July-September 1987

(In thousands of dollars)

Market	1985	1986	January-September--		July-September--	
			1986	1987	1986	1987
Albania	11,908	4,506	4,502	2,341	1,149	2,321
Bulgaria	103,489	95,865	86,326	58,072	11,260	22,120
China	3,796,200	3,076,023	2,403,437	2,349,476	643,712	795,278
Cuba	1,113	1,553	1,276	992	464	183
Czechoslovakia	62,623	67,535	44,049	33,427	15,143	7,060
East Germany	72,253	67,624	29,825	41,735	7,719	9,167
Hungary	92,094	88,216	46,736	65,486	11,815	21,965
Mongolia	32	77	74	869	23	133
North Korea	-	-	-	-	-	-
Poland	233,702	145,155	110,115	149,313	37,027	45,359
Romania	206,451	249,226	196,373	169,433	29,847	51,734
U.S.S.R.	2,421,948	1,246,831	1,093,772	1,059,170	161,940	408,137
Vietnam	19,875	29,986	21,696	17,067	8,327	5,569
Total	7,021,687	5,072,596	4,038,182	3,947,381	928,426	1,369,026
Total, U.S. exports to the world	206,925,312	206,376,202	152,109,757	173,555,039	49,602,550	60,032,024

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

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

Table 3.--U.S. exports to the world and to the nonmarket economy countries (NME's), 1/
by SITC Sections, January-September 1986 and January-September 1987

SITC Section	Total exports		Exports to the NME's	
	Jan.-Sept. 1986	Jan.-Sept. 1987	Jan.-Sept. 1986	Jan.-Sept. 1987
	Value (million dollars)			
0. Food and live animals-----	12,561	13,825	442	890
1. Beverages and tobacco-----	1,964	2,547	12	14
2. Crude materials--inedible, except fuel-----	12,370	14,349	720	455
3. Mineral fuels, lubricants, etc-----	6,216	5,628	104	95
4. Oils and fats--animal and vegetable-----	848	731	14	17
5. Chemicals-----	17,059	19,622	610	764
6. Manufactured goods classified by chief material-----	10,671	13,008	175	210
7. Machinery and transportation equipment-----	70,525	78,483	1,595	1,171
8. Miscellaneous manufactured articles-----	11,890	13,729	311	269
9. Commodities and transactions not elsewhere classified-----	8,007	11,632	56	62
Total-----	152,110	173,555	4,038	3,947
	Percent of total			
0. Food and live animals-----	8.3	8.0	10.9	22.5
1. Beverages and tobacco-----	1.3	1.5	.3	.4
2. Crude materials--inedible, except fuel-----	8.1	8.3	17.8	11.5
3. Mineral fuels, lubricants, etc-----	4.1	3.2	2.6	2.4
4. Oils and fats--animal and vegetable-----	.6	.4	.4	.4
5. Chemicals-----	11.2	11.3	15.1	19.4
6. Manufactured goods classified by chief material-----	7.0	7.5	4.3	5.3
7. Machinery and transportation equipment-----	46.4	45.2	39.5	29.7
8. Miscellaneous manufactured articles-----	7.8	7.9	7.7	6.8
9. Commodities and transactions not elsewhere classified-----	5.3	6.7	1.4	1.6
Total-----	100.0	100.0	100.0	100.0

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

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

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

live animals (SITC Section 0) became the second largest group of exports to NME markets during January-September 1987, and, led by higher shipments of fertilizers, chemicals (SITC Section 5) ranked third. China was the leading NME customer for U.S. exports of machinery and transportation equipment, chemicals, and crude materials during January-September 1987, and the Soviet Union was the largest NME market for U.S. exports of food and live animals, which consist almost entirely of grain shipments in this trade with the NME's. Both countries also held the same positions during the quarter under review (table 4).

Table 5 shows the 10 items exported to NME markets that increased and the 10 that declined most substantially from January-September 1986 to January-September 1987, and table 6 shows the 20 export items for which the NME's collectively accounted for the largest market share during January-September 1987.

Machines and equipment

U.S. exports of machines and equipment to the NME's declined by 25.9 percent, from \$1.8 billion during January-September 1986 to \$1.4 billion during January-September 1987. ^{1/} This was mainly the result of a 27.8-percent decrease in these shipments to China, from \$1.6 billion to \$1.1 billion.

Despite the surge in China's imports that followed the launching of its urban economic reform program and the concurrent decentralization of its foreign trade sector in late 1984, the Chinese Government did not take steps to significantly reduce machinery imports until the last half of 1986. Instead, its efforts to deal with a rapid increase in China's overall trade deficit and a subsequent steep decline in foreign-exchange reserves were initially directed primarily toward restricting imports of consumer goods, which were mainly from Japan. However, when the foreign-trade problems persisted, ^{2/} machinery imports were also reduced. The effect of this reduction on U.S. exports of machines and equipment to China became clearly evident during January-September 1987: these shipments fell

^{1/} Machines and equipment are defined here as exports classified in SITC Section 7 (machinery and transportation equipment), SITC Division 87 (professional, scientific, and controlling instruments and apparatus), and SITC Division 88 (photographic apparatus, equipment, and supplies, and optical goods, watches, and clocks). These categories account for most of the technological transfer that takes place through exports of commodities.

^{2/} According to the customs data reported by China's State Statistics Bureau, its overall merchandise-trade deficit was \$12.6 billion in 1985 and \$8.7 billion in 1986. As a result, China's foreign-exchange reserves declined from an estimated high of \$16.7 billion in September 1984 to \$10.5 billion at yearend 1986. China was able to maintain even this low level of reserves--an amount sufficient to cover approximately 3 months of its imports during 1986--only by sharply increasing its external borrowing.

Table 4.--U.S. exports to the nonmarket economy countries, by SITC Sections, July-September 1987

(In thousands of dollars)

SITC Section	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
Food and live animals-----	-	7,016	52,746	-	56	4,227	2
Beverages and tobacco-----	-	1,464	-	-	-	-	830
Crude materials--inedible, except fuel-----	-	-	109,445	-	2,592	1,199	546
Mineral fuels, lubricants, etc-----	2,317	-	1,907	-	-	13	-
Oils and fats--animal and vegetable-----	-	-	126	-	-	-	-
Chemicals-----	-	3,515	199,562	106	602	153	3,590
Manufactured goods classified by chief material-----	-	605	53,190	-	302	21	1,295
Machinery and transportation equipment-----	4	9,207	317,655	-	2,114	2,947	14,024
Miscellaneous manufactured articles-----	-	273	54,452	11	1,255	546	1,196
Commodities and transactions not elsewhere classified-----	-	41	6,195	65	139	61	483
Total-----	2,321	22,120	795,278	183	7,060	9,167	21,965
	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
Food and live animals-----	-	-	6,074	286	271,635	-	342,042
Beverages and tobacco-----	-	-	1,337	299	67	-	3,996
Crude materials--inedible, except fuel-----	-	-	5,757	26,493	15,450	-	161,482
Mineral fuels, lubricants, etc-----	-	-	5,360	5,522	11,494	-	26,613
Oils and fats--animal and vegetable-----	-	-	-	-	-	-	126
Chemicals-----	-	-	5,301	2,946	55,058	-	270,833
Manufactured goods classified by chief material-----	-	-	867	382	4,674	-	61,336
Machinery and transportation equipment-----	2	-	10,553	14,556	15,127	30	386,218
Miscellaneous manufactured articles-----	24	-	714	946	34,158	7	93,582
Commodities and transactions not elsewhere classified-----	107	-	9,397	303	473	5,532	22,797
Total-----	133	-	45,359	51,734	408,137	5,569	1,369,026

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

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

Table 5.--20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B nos., January-September 1986 and January-September 1987 1/

Schedule B no.	Commodity	Major NME customer	Percentage change, Jan.-Sep. 1987 from Jan.-Sep. 1986		Value of exports to all NME's in January-September 1987
			All NME's	World	
			-----Percent-----		1,000 dollars
	Substantially increased:				
130.6540	Wheat, unmilled, not donated for relief or charity	U.S.S.R.	3,468.1	-4.9	428,537
441.9000	Artificial mixtures for therapeutic or prophylactic uses, with neither antibiotics nor vitamins, not packaged for retail	China	1,405.2	1.7	13,115
660.1040	Parts, n.s.p.f., of steam and other vapor generating boilers	do	635.9	3.4	7,954
661.1267	Gas compressors n.s.p.f., including reciprocating and rotary, over 250 but not over 1,000 horsepower	do	591.4	52.4	6,475
404.3940	Nitrogen function compounds n.s.p.f., and their derivatives	do	533.2	47.2	3,311
678.4515	Cigarette and cigar-making machines and parts thereof	do	482.9	115.6	5,129
684.6240	Telephone apparatus and parts, n.s.p.f.	do	477.8	-2.4	3,566
605.5620	Platinum metal (except alloys), not rolled	do	476.6	-18.6	3,347
404.1870	Alcohols, phenols, and their derivatives, n.s.p.f.	do	443.6	20.1	4,770
607.0810	Carbon steel and iron waste and scrap, No. 1 heavy melting	do	401.0	-20.3	8,487
	Substantially decreased:				
690.0510	Locomotives and tenders, diesel-electric, rail-service type	China	-98.6	-89.9	2,250
310.0010	Textured yarns, of polyester	do	-97.3	-64.1	908
692.1660	Trucks mounted with derrick assemblies, and similar drilling equipment	Hungary	-96.6	-72.3	564
692.1680	Special-purpose motor vehicles, nonmilitary, n.s.p.f.	China	-96.2	-38.7	1,441
446.1561	Synthetic rubber, not containing fillers, pigments, or rubber-processing chemicals, n.s.p.f.	do	-93.1	-5.0	1,000
444.2120	Vinyl resins n.s.p.f. derived from vinyl acetate	do	-92.0	-16.2	902
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over	U.S.S.R.	-91.0	-49.1	3,945
818.3100	Food products, n.s.p.f., donated for relief or charity	Romania	-89.9	84.4	1,013
664.0591	Parts, n.e.s., of levelling, boring, and extracting machinery, n.s.p.f.	China	-88.9	-11.7	1,340
674.2009	Rolling-mill machinery and parts, n.e.s.	do	-85.5	-17.4	1,964

1/ Only items which accounted for at least 500,000 dollars' worth of exports in both January-September 1986 and January-September 1987 are included in this table.

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

Table 6.--20 U.S. export items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1987, by Schedule B nos., January-September 1986 and January-September 1987 1/

Schedule B no.	Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's in January-September 1987
			Jan.-Sep. 1986	Jan.-Sep. 1987	
			-----Percent-----		1,000 dollars
155.2045	Crystalline or dry amorphous sugars, sirups, and molasses from cane or beets, n.s.p.f.	China	.0	97.3	15,636
674.3248	Combination boring, drilling, and milling machines n.s.p.f., new, valued at least \$2,500 each, horizontal spindle	do	.0	88.6	1,337
680.2020	Check taps, cocks, valves, and similar devices n.s.p.f., of copper or copper alloys, 125 pounds working pressure and over	do	2.5	69.8	3,383
660.1018	Water tube stationary steam generating boilers, with a steam capacity of over 400,000 pounds of steam per hour	do	50.4	66.2	1,724
106.9200	Swine (pork) livers, fresh, chilled or frozen	East Germany	35.6	62.5	1,101
475.4510	Aviation engine lubricating oil, except jet engine lubricating oil	U.S.S.R.	17.6	61.8	5,746
790.5570	Pressure sensitive tape having a rubberized textile backing, except surgical or medicated tape and tape of unwoven fiber	do	30.3	55.2	7,025
664.1074	Pipehandlers, n.s.p.f.	Bulgaria	56.5	55.2	3,654
475.4555	Insulating or transformer oils	U.S.S.R.	53.5	53.6	10,965
818.3900	Products, n.e.s., donated for relief or charity	Poland	50.3	52.0	38,970
674.2004	Hot rolling mills for ferrous metal, except tube rolling, and parts thereof	China	85.7	51.6	4,642
338.2936	Woven fabrics, of polyester, n.s.p.f.	do	.8	51.3	9,530
670.4365	Parts of bleaching, dyeing, washing, and cleaning machines, n.s.p.f.	do	.0	50.5	1,320
338.2932	Woven fabrics, wholly of polyester, containing textured yarns, over 5 ounces per square yard	do	15.0	47.4	7,666
674.3507	Horizontal lathes n.s.p.f., new, valued at least \$2,500 each, with numerical controls and a horsepower rating of 25 to 50 hp	do	28.2	45.9	1,128
661.1267	Gas compressors n.s.p.f., including reciprocating and rotary, over 250 but not over 1,000 horsepower	do	9.6	43.4	6,475
674.3578	Bending, folding, straightening and flattening machines, valued at least \$2,500 each, new, with numerical controls or facings	Bulgaria	1.0	43.2	1,849
252.8230	Corrugating medium wrapping and packaging paper, weighing over 18 pounds but not over 92 pounds per ream	China	40.8	40.9	4,772
790.5510	Pressure-sensitive tape having a plastic backing	U.S.S.R.	39.1	40.7	49,166
674.3531	Sharpening machines	Poland	5.1	36.6	2,089

1/ Only items which accounted for at least 1 million dollars' worth of exports in January-September 1987 are included in this table.

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

by \$438.6 million compared with their level during January-September 1986, whereas total U.S. exports to China declined by only \$54.0 million.

The value of U.S. shipments of machinery and related equipment (excluding transportation equipment) to China declined in all but two of the two-digit SITC divisions that make up this export category. Shipments of machinery specialized for particular industries (SITC Division 72) decreased from \$276.4 million during January-September 1986 to \$150.1 million during January-September 1987; metalworking machinery (SITC Division 73), from \$101.3 million to \$62.6 million; office machines and automatic data processing equipment (SITC Division 75), from \$156.1 million to \$136.3 million; and electrical machinery, apparatus, and appliances (SITC Division 77), from \$86.7 million to \$48.5 million. However, exports of power-generating machinery and equipment (SITC Division 71) declined by only \$2.1 million, to \$70.0 million during January-September 1987. The two groups of U.S. machinery exports to China that were higher than their levels during January-September 1986 were general industrial machinery and equipment (SITC Division 74), which increased slightly from \$119.0 million to \$125.5 million, and telecommunications and sound recording and reproducing equipment (SITC Division 76), which climbed from \$42.0 million to \$61.4 million.

Transportation equipment remained the largest group of U.S. machines and equipment exported to China, but an increase in the value of aircraft exports was more than offset by a decline in shipments of road and railway vehicles. U.S. exports of aircraft and associated equipment (SITC Group 792) to China increased from \$267.3 million during January-September 1986 to \$323.0 million during January-September 1987. The major item was new passenger planes to modernize and expand China's commercial airline service, which amounted to \$148.6 million (six planes) during January-September 1986 and \$244.4 million (four planes) during the first three quarters of 1987. 1/

U.S. exports of road vehicles (SITC Division 78) to China declined from \$79.8 million during January-September 1986 to \$17.6 million during the corresponding period of 1987, and those of railway vehicles and associated equipment (SITC Group 791) decreased from \$169.4 million to \$6.4 million. After a series of exports that spanned a period of nearly 3 years, the General Electric Co. essentially completed its deliveries of two large

1/ Because of their high value per unit, these planes have been an important factor in sustaining the level of U.S. exports of machines and equipment to China. During January-March 1987, when the Boeing Corp. delivered three planes with a combined value of \$202.8 million to the CAAC, China's national airline, the value of U.S. shipments of machines and equipment to China amounted to \$484.8 million. However, during April-June 1987, when no U.S. planes were delivered, these exports declined to \$291.1 million. They then increased during July-September, rising to \$361.3 million, when Boeing delivered a plane valued at \$41.6 million.

orders for diesel-electric railroad locomotives during the first half of 1986. ^{1/}

The value of U.S. shipments of professional, scientific, and controlling instruments and apparatus (SITC Division 87) to China also declined, from \$193.5 million during January-September 1986 to \$122.7 million during January-September 1987. Sales of electric (including electronic) measuring, checking, analyzing, or automatically controlling instruments (SITC Subgroup 8748), the largest component of this group of exports to China, dropped from \$131.0 million to \$85.7 million.

U.S. exports of machines and equipment to the Soviet Union decreased by 35.3 percent, from \$135.9 million during January-September 1986 to \$88.0 million during the corresponding period of 1987. Shipments of tracklaying tractors declined from \$38.1 million to \$4.8 million, and exports of construction and mining machinery and parts for this machinery and equipment fell from \$30.8 million to \$4.6 million. The overall decline in exports of machines and equipment to NME markets was slightly offset by a 13.1-percent increase in shipments to Eastern Europe, from \$109.7 million during January-September 1986 to \$124.1 million during January-September 1987.

Grains

U.S. exports of corn and wheat to the NME's increased from 3.2 million metric tons (mt), valued at \$350.4 million, during January-September 1986 to 10.9 million mt, valued at \$819.6 million, during the corresponding period of 1987. During July-September 1987, these shipments to NME markets amounted to 4.2 million mt, valued at \$332.5 million, compared with only 242,258 mt, valued at \$25.0 million, during July-September 1986. Third-quarter exports of wheat alone climbed from 20,245 mt (\$3.4 million) to 4.0 million mt (\$313.6 million). This was mainly the result of the resumption of Soviet orders for U.S. wheat in 1987, most of which was shipped during the quarter under review.

After amounting to only \$12.0 million (70,152 mt) during January-September 1986, when the Soviet Union bought none, U.S. exports of wheat to the NME's increased to \$428.5 million (5.5 million mt) during the corresponding period of 1987, when these shipments to the Soviet Union amounted to \$325.1 million (4.1 million mt). In addition, U.S. wheat exports to China increased from \$6.4 million (33,600 mt) to \$64.7 million (897,629 mt) in a corresponding three-quarter comparison, and those to Poland, the only East European market for U.S. wheat during either period,

^{1/} The United States exported a total of 170 diesel-electric railroad locomotives to China during January-June 1986, but none were delivered during the last half of 1986, and only three were exported during January-September 1987. The last shipment was made during the first quarter. See 50th Quarterly Report, . . . , p. 20.

increased from \$5.6 million (36,552 mt) to \$38.7 million (521,396 mt). All of the U.S. wheat shipped to these three NME markets during January-September 1987 was sold at subsidized rates under the U.S. Department of Agriculture's Export Enhancement Program (EEP). 1/

The value of U.S. corn exports to the NME's increased by only 15.6 percent, from \$338.4 million during January-September 1986 to \$391.1 million during January-September 1987. Reflecting a decline in export prices for corn, however, the quantity shipped increased by 73.2 percent, from 3.1 million mt to 5.4 million mt. 2/ Even though the quantity exported to the Soviet Union, the largest NME market for U.S. corn during both periods, increased from 2.6 million mt during January-September 1986 to 3.9 million mt during the corresponding period of 1987, the value of shipments declined slightly, from \$280.6 million to \$278.7 million. In a corresponding three-quarter comparison, the value of corn exports to Eastern Europe decreased from \$57.8 million to \$35.0 million, and the quantity of these shipments fell from 542,878 mt to 473,430 mt. 3/ The increase in the value of U.S. corn exports to the NME's was entirely attributable to 77.3 million dollars' worth of shipments to China, its first significant purchases of U.S. corn since 1984. 4/

Chemicals

U.S. exports of chemicals to the NME's increased by 25.3 percent, from \$609.8 million during January-September 1986 to \$764.0 million during the corresponding period of 1987. The gain was entirely the result of higher shipments to China, which climbed from \$319.4 million to \$520.1 million. Exports of chemicals to the Soviet Union declined from \$207.4 million to

1/ For a discussion of the EEP and the subsidized wheat sales to the Soviet Union and other NME's under this program, see 51st Quarterly Report, pp. 33-34.

2/ The average unit value of U.S. corn exports to the NME's dropped from \$108.72 per mt during January-September 1986 to \$72.53 per mt during January-September 1987.

3/ The decline in U.S. corn exports to Eastern Europe primarily reflected a decrease in shipments to Romania, from \$20.8 million (211,335 mt) during January-September 1986 to zero during January-September 1987. U.S. corn exports to Bulgaria amounted to \$22.3 million (193,963 mt) during January-September 1986 and \$19.5 million (264,109 mt) during the corresponding period of 1987, and those to East Germany amounted to \$14.7 million (137,581 mt) and \$15.3 million (206,063 mt) in a corresponding three-quarter comparison. A small amount, valued at \$256,442, was also shipped to Poland during January-September 1987.

4/ China started importing U.S. corn again in the fourth quarter of 1986, when its purchases amounted to \$4.2 million. For more information on the resumption of U.S. corn exports to China, see 50th Quarterly Report, pp. 24-25.

\$188.1 million, and those to Eastern Europe fell from \$82.0 million to \$55.2 million.

The primary reason for this 62.8-percent increase in U.S. chemical exports to China was a rise in shipments of manufactured fertilizers (SITC Division 56). After declining from \$152.2 million during January-September 1985 to only \$46.2 million during January-September 1986, U.S. exports of fertilizers to China amounted to \$173.0 million during the first three quarters of 1987. The steep drop in fertilizer exports during 1986 reflected both the tightening of import controls by the Chinese Government to conserve foreign exchange and a significant reduction in the amount of land in China that was used for growing grain, ^{1/} which lowered the demand for fertilizer. However, after a sharp decline in grain output in 1985 was followed by only a modest recovery in 1986, increasing the level of grain production again became one of China's highest priorities. ^{2/}

Led by higher shipments of carboxylic acids and their derivatives, U.S. exports of organic chemicals (SITC Division 51) to China also increased substantially, from \$58.1 million during January-September 1986 to \$107.0 million during January-September 1987. On the other hand, shipments of artificial resins and plastic materials (SITC Division 58), another leading U.S. chemical export to China, declined from \$155.8 million to \$131.3 million.

Crude materials

U.S. exports of crude materials to the NME's declined by 36.8 percent, from \$719.9 million during January-September 1986 to \$454.9 million during January-September 1987. This was mainly the result of a steep drop in exports of soybeans to the Soviet Union, from 1.5 million mt, valued at \$313.0 million, to only 70,959 mt, valued at \$12.0 million. After April-June 1986, the United States shipped no soybeans to the Soviet Union until the quarter under review. ^{3/}

The decline in U.S. soybean exports to the Soviet Union was partly offset by higher shipments to Eastern Europe and China. Soybean exports to the East European countries, consisting primarily of shipments to Romania,

^{1/} In 1985, the Chinese Government introduced a voluntary contract system to replace its system of compulsory grain quotas. This resulted in farmers reducing the amount of land they used for growing grain in favor of using it for raising more profitable crops. For more detailed information, see 49th Quarterly Report, pp. 53-54.

^{2/} The Government adopted measures such as selling fertilizer at a reduced price to farmers that contract to grow grain. For more detailed information, see 49th Quarterly Report, p. 54, and 50th Quarterly Report, p. 23.

^{3/} For information on an overall decline in Soviet imports of soybeans during January-September 1987, see 51st Quarterly Report, p. 22.

increased from \$59.2 million (286,157 mt) during January-September 1986 to \$86.1 million (430,373 mt) during January-September 1987, and those to China increased from \$19.4 million (92,997 mt) to \$50.0 million (250,353 mt).

U.S. shipments of cork and wood (SITC Division 24) to the NME's, consisting almost entirely of softwood logs exported to China, decreased by 15.7 percent, from \$149.9 million during January-September 1986 to \$126.4 million during the corresponding period of 1987. The decline in exports to China in this SITC division, after amounting to \$328.4 million in 1985, was probably a result of China's measures to conserve foreign exchange. Import restrictions were tightened in late 1985 and again in early 1986, and additional controls on foreign-exchange expenditures were imposed in early 1987.

U.S. Imports

The 24.5-percent increase in U.S. imports from the NME's during July-September 1987 was almost entirely the result of higher shipments from China, which amounted to \$1.7 billion, up by 30.6 percent from \$1.3 billion during the corresponding period of 1986. Imports from Eastern Europe were also higher, rising by 14.0 percent from \$345.1 million during July-September 1986 to \$393.5 million during the quarter under review, but those from the Soviet Union declined by 10.3 percent from \$119.7 million to \$107.4 million. The increase in imports from Eastern Europe was almost equally attributable to a rise in shipments from Hungary, Poland, and Romania. However, with a 46.8-percent share of the value of all commodities imported from the region during July-September 1987, Romania remained by far the largest East European supplier to the U.S. market (table 7).

During January-September 1987, miscellaneous manufactured articles (SITC Section 8) accounted for 50.5 percent of all imports from NME sources, larger by 8.7 percentage points than the share of this commodity group during the corresponding period of 1986 (table 8). Higher shipments of apparel from China were the most important reason for a \$1.0 billion increase in imports of miscellaneous manufactured articles from the NME's from January-September 1986 to the corresponding period of 1987, but other products from China--in particular, toys and handbags--also contributed substantially to the rise in this import category. With a 16.5-percent share, manufactured goods classified by chief material (SITC Section 6) was the second leading group of imports from the NME's during January-September 1987. Textiles from China such as yarns, fabrics, and home furnishings accounted for 40.1 percent of the imports from NME's in this commodity group, and apparel from China accounted for 53.3 percent of the miscellaneous manufactured articles imported from these countries during the first three quarters of 1987.

Dropping to third place, mineral fuels (SITC Section 3) accounted for only 11.5 percent of U.S. imports from the NME's during January-September

Table 7.--U.S. imports from the individual nonmarket economy countries and from the world, 1985, 1986, January-September 1986, January-September 1987, July-September 1986, and July-September 1987

(In thousands of dollars)

Source	1985	1986	January-September--		July-September--	
			1986	1987	1986	1987
Albania	3,009	3,194	1,380	1,542	533	350
Bulgaria	34,038	49,684	35,204	31,168	20,044	8,829
China	3,863,385	4,671,469	3,453,445	4,726,312	1,281,632	1,674,139
Cuba	-	31	28	-	-	-
Czechoslovakia	74,909	85,284	66,690	60,092	26,947	18,567
East Germany	90,290	85,265	65,079	62,448	22,523	23,691
Hungary	216,618	223,938	160,534	204,483	56,526	77,365
Mongolia	3,111	1,081	888	924	236	111
North Korea	30	2	2	-	2	-
Poland	217,037	230,953	167,373	219,215	57,468	80,815
Romania	881,301	750,018	579,210	539,777	161,558	184,238
U.S.S.R.	406,919	554,923	460,370	277,064	119,711	107,361
Vietnam	25	201	175	-	103	-
Total	5,790,671	6,656,044	4,990,377	6,123,025	1,747,282	2,175,465
Total, U.S. imports from the world	343,553,150	368,656,594	274,976,386	294,344,077	92,365,297	102,772,691

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

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

Table 8.--U.S. imports from the world and from the nonmarket economy countries (NME's), ^{1/} by SITC Sections, January-September 1986 and January-September 1987

SITC Section	Total imports		Imports from the NME's	
	Jan.-Sept. 1986	Jan.-Sept. 1987	Jan.-Sept. 1986	Jan.-Sept. 1987
	Value (million dollars)			
0. Food and live animals-----	15,624	15,179	294	408
1. Beverages and tobacco-----	2,648	2,800	35	37
2. Crude materials--inedible, except fuel-----	8,185	8,456	117	145
3. Mineral fuels, lubricants, etc-----	28,719	31,919	888	705
4. Oils and fats--animal and vegetable-----	399	382	2	3
5. Chemicals-----	11,042	11,515	404	268
6. Manufactured goods classified by chief material-----	36,759	39,432	746	1,008
7. Machinery and transportation equipment-----	119,657	128,525	183	396
8. Miscellaneous manufactured articles-----	40,927	47,559	2,086	3,091
9. Commodities and transactions not elsewhere classified-----	11,015	8,577	235	61
Total-----	274,976	294,344	4,990	6,123
	Percent of total			
0. Food and live animals-----	5.7	5.2	5.9	6.7
1. Beverages and tobacco-----	1.0	1.0	.7	.6
2. Crude materials--inedible, except fuel-----	3.0	2.9	2.4	2.4
3. Mineral fuels, lubricants, etc-----	10.4	10.8	17.8	11.5
4. Oils and fats--animal and vegetable-----	.1	.1	2/	2/
5. Chemicals-----	4.0	3.9	8.1	4.4
6. Manufactured goods classified by chief material-----	13.4	13.4	14.9	16.5
7. Machinery and transportation equipment-----	43.5	43.7	3.7	6.5
8. Miscellaneous manufactured articles-----	14.9	16.2	41.8	50.5
9. Commodities and transactions not elsewhere classified-----	4.0	2.9	4.7	1.0
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.

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

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

1987. Lower imports of both crude petroleum and refined petroleum products from China were the major reason for the decline in this commodity group from January-September 1986 to the corresponding period of 1987, but the value of petroleum imports from Eastern Europe and the Soviet Union also decreased. Chemicals (SITC Section 5) was another major group of imports from the NME's that declined from January-September 1986 to January-September 1987, but imports of both food and live animals (SITC Section 0) and machinery and transportation equipment (SITC Section 7) increased, more than offsetting the combined drop in the value of petroleum and chemical shipments.

During July-September 1987, the combined value of miscellaneous manufactured articles and manufactured goods classified by chief material imported from China accounted for 83.9 percent of the total value of U.S. imports from the NME's in these two commodity groups and for 56.7 percent of all U.S. imports from NME sources. China was also the leading NME supplier of mineral fuels and of machinery and transportation equipment, which became the fourth largest commodity group among imports from the NME's during the quarter under review (table 9).

Table 10 shows the 10 items imported from NME suppliers that increased and the 10 that decreased most substantially from January-September 1986 to the corresponding period of 1987, and table 11 shows the 20 import items for which the NME countries collectively accounted for the largest market share during January-September 1987.

Textiles and apparel

U.S. imports from the NME's in the combined categories of apparel (SITC Division 84) and textile products such as yarns, fabrics, and home furnishings (SITC Division 65) increased by 30.1 percent, from \$1.7 billion during January-September 1986 to \$2.2 billion during the corresponding period of 1987. ^{1/} These imports came almost entirely from China, whose shipments of textiles and apparel to the U.S. market increased by 29.4 percent to \$2.1 billion.

U.S. imports of Chinese apparel, which accounted for 88.4 percent of this rise in textile and apparel shipments from China, increased from \$1.2 billion during January-September 1986 to \$1.6 billion during January-

^{1/} SITC Division 84 also includes clothing accessories such as handkerchiefs, scarves, neckties, headwear, and gloves. However, it does not include handbags (classified as travel goods) and footwear. Imports from China in the latter two product groups are discussed below in this section under "other miscellaneous manufactured articles." The report also includes a special section on handbags from China.

SITC Division 65 includes, in addition to yarns and fabrics, items such as carpets, table and bed linens, curtains, towels, and other made-up articles for household use.

Table 9.--U.S. imports from the nonmarket economy countries, by SITC Sections, July-September 1987

(In thousands of dollars)

SITC Section	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
0. Food and live animals-----	118	645	62,724	-	1,073	56	13,320
1. Beverages and tobacco-----	11	5,091	2,494	-	343	103	176
2. Crude materials--inedible, except fuel-----	217	-	37,847	-	179	63	182
3. Mineral fuels, lubricants, etc-----	-	-	146,840	-	-	322	159
4. Oils and fats--animal and vegetable-----	-	-	1,613	-	-	-	-
5. Chemicals-----	-	610	42,759	-	316	2,665	6,184
6. Manufactured goods classified by chief material-----	-	646	255,225	-	6,609	14,537	13,458
7. Machinery and transportation equipment-----	-	345	126,561	-	2,631	1,722	19,845
8. Miscellaneous manufactured articles-----	-	1,426	978,744	-	7,053	4,080	23,694
9. Commodities and transactions not elsewhere classified-----	3	67	19,332	-	362	146	346
Total-----	350	8,829	1,674,139	-	18,567	23,691	77,365
	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
0. Food and live animals-----	1	-	42,705	4,001	1,314	-	125,956
1. Beverages and tobacco-----	-	-	454	453	4,333	-	13,458
2. Crude materials--inedible, except fuel-----	107	-	134	1,070	16,002	-	55,802
3. Mineral fuels, lubricants, etc-----	-	-	-	74,075	9,241	-	230,637
4. Oils and fats--animal and vegetable-----	-	-	-	-	-	-	1,613
5. Chemicals-----	-	-	3,465	1,891	30,559	-	88,450
6. Manufactured goods classified by chief material-----	2	-	15,331	47,508	41,126	-	394,443
7. Machinery and transportation equipment-----	-	-	5,929	7,207	2,698	-	166,939
8. Miscellaneous manufactured articles-----	-	-	12,106	47,478	1,137	-	1,075,717
9. Commodities and transactions not elsewhere classified-----	-	-	690	555	951	-	22,452
Total-----	111	-	80,815	184,238	107,361	-	2,175,465

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

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

Table 10.--20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA items, January-September 1986 and January-September 1987 1/

TSUSA item no.	Commodity	Major NME supplier	Percentage change, Jan.-Sep. 1987 from Jan.-Sep. 1986		Value of imports from all NME's in January- September 1987
			All NME's	World	
			-----Percent-----		1,000 dollars
	Substantially increased:				
684.5815	Telephone sets, single line, with special features such as memory, redial, autodial, speakers, and the like	China	1,705.9	50.6	28,749
620.0300	Nickel, unwrought	do	1,231.5	-4.6	6,912
678.5075	Combination machines containing tape players, n.s.p.f.	do	901.8	56.6	8,997
678.5061	Radio-tape player combinations, n.s.p.f.	do	828.7	-16.6	7,417
114.4562	Shrimp, peeled, n.s.p.f.	do	577.3	29.9	6,011
688.3610	Solid-state electronic watches, n.s.p.f.	do	550.0	57.2	6,315
475.2528	Unleaded gasoline	Romania	538.9	35.8	259,547
376.5609	Men's and boys' coats and jackets n.s.p.f., coated with rubber or plastics, for rainwear, fishing, hunting, or similar uses	China	519.2	63.4	8,673
384.9435	Women's, girls', or infants' dressing gowns, bathrobes, and similar apparel n.s.p.f., of man-made fibers, not knit	do	514.1	46.6	3,521
735.2020	Puzzles and parts thereof	do	502.7	69.3	4,855
	Substantially decreased:				
475.6530	Mixtures of hydrocarbons n.s.p.f., in liquid form, other than condensate derived wholly from natural gas	Romania	-98.4	-72.1	3,237
480.3000	Urea, n.e.s.	U.S.S.R.	-97.6	-40.6	2,027
384.4735	Women's corduroy trousers and slacks, not ornamented	China	-89.2	-43.6	1,621
475.0510	Crude petroleum and crude shale oil, testing under 25 degrees A.P.I.	U.S.S.R.	-85.5	31.0	1,509
381.6230	Men's corduroy trousers and slacks	China	-81.7	-43.2	1,254
480.6510	Ammonium nitrate	Bulgaria	-80.7	-50.3	1,409
475.3500	Naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (except motor fuel)	U.S.S.R.	-80.3	-31.2	11,139
384.7522	Women's, girls', or infants' wool skirts, not knit, valued over \$4 per pound	Hungary	-76.0	-21.2	1,258
730.1900	Pistols and revolvers n.s.p.f., valued over \$8 each	do	-74.8	3.2	508
384.8660	Women's skirts and culottes, of man-made fibers, knit	China	-73.3	65.7	951

1/ Only items which accounted for at least 500,000 dollars' worth of imports in both January-September 1986 and January-September 1987 are included in this table.

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

Table 11.--20 U.S. import items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1987, by TSUSA items, January-September 1986 and January-September 1987 1/

TSUSA item no.	Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's in January- September 1987
			Jan.-Sep. 1986	Jan.-Sep. 1987	
			-----Percent-----		<u>1,000</u> dollars
306.4293	Camel hair, in the grease or washed, sorted	China	100.0	100.0	1,449
416.4000	Tungstic acid	do	82.9	100.0	1,301
365.0000	Handmade-lace furnishings, of cotton, valued not over \$50 per pound	do	93.5	98.8	6,923
384.5214	Infants' diapers, of cotton, not knit	do	76.7	97.3	1,945
365.5610	Lace or net furnishings formed by applique, machine-made or handmade, subject to textile agreements, of cotton	do	85.0	97.2	4,955
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches	Romania	90.4	94.8	2,116
363.0525	Lace, net, or ornamented bedding, of cotton, n.s.p.f.	China	78.7	94.2	1,270
338.5949	Woven printcloth fabrics, of man-made fibers, over 85 percent noncellulosic, less than 5 ounces per square yard, spun	do	84.0	94.0	3,014
327.3927	Printcloth, cotton in chief value, containing silk or man-made fibers, not fancy or figured, bleached, of number 39	do	100.0	93.0	1,467
186.3000	Bristles, crude or processed	do	92.5	92.3	8,654
748.5520	Feather sleeping bags	do	86.4	91.4	1,715
320.1923	Poplin or broadcloth, having 40 or more warp ends than filling picks per inch, not fancy or figured of number 19	do	93.5	91.2	1,592
702.3785	Headwear of vegetable materials n.s.p.f., not sewed, not blocked, and not trimmed, not bleached and not colored	do	82.0	90.4	1,477
140.3000	Dried, desiccated or dehydrated garlic	do	86.8	89.1	1,330
417.4000	Ammonium tungstate	do	78.4	86.7	8,161
702.4020	Headwear n.s.p.f. of paper, not sewed, not blocked, and not trimmed, bleached or colored	do	74.4	86.6	1,578
370.6020	Colored cotton handkerchiefs, hemmed or hemstitched, not over 50s average yarn number, not ornamented	do	64.0	85.8	1,844
366.7925	Wall hangings, of cotton	do	4.5	85.0	5,753
381.3905	Men's or boys' jogging, warm-up, and similar athletic jackets, of cotton, knit, not ornamented	Romania	86.9	85.0	6,135
622.0420	Alloys of tin containing, by weight, over 25 percent of lead	China	.0	84.3	1,598

1/ Only items which accounted for at least 1 million dollars' worth of imports in January-September 1987 are included in this table.

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

September 1987. The increase occurred throughout the entire range of product groups (SITC Groups 842-848) within this commodity division. Among them, imports of knitted or crocheted outer garments and other articles (SITC Group 845) increased by \$154.6 million, to \$410.4 million during the first three quarters of 1987; men's and boys' outer garments (SITC Group 842), by \$84.3 million, to \$263.4 million; and women's, girls', and infants' outer garments (SITC Group 843), by \$73.0 million, to \$566.5 million.

U.S. imports of textile products such as yarns, fabrics, and home furnishings from China increased from \$350.8 million during January-September 1986 to \$404.8 million during the corresponding period of 1987. This was mainly attributable to higher U.S. purchases of made-up articles of cotton and other fibers (SITC Group 658), such as bed and table linens, which increased from \$104.1 million to \$158.3 million.

This nearly \$500 million increase in U.S. imports of Chinese textiles and apparel during the first three quarters of 1987 reflected a major drive by China's leaders to boost export sales. After only limited success in reducing its large overall merchandise trade deficit through curtailing imports in 1986, the Chinese Government substantially expanded its export incentives in January 1987. Most of these incentives--such as bonuses based on the actual value of exports, payments for losses incurred in fulfilling export quotas assigned by the State, and tax rebates--were offered to all export enterprises, but some were specifically designed to increase the production of textile exports, on which China has traditionally depended (together with oil exports) for a substantial amount of its foreign-exchange earnings. ^{1/} The result was a significant rise in China's total exports during January-September 1987, with the largest increase occurring in sales of textiles and apparel. ^{2/}

The degree of import growth permitted under the U.S.-Chinese textile and apparel agreement was also a factor affecting the level of this trade during January-September 1987. Although the agreement, covering calendar years 1983-87, initially provided for 33 restricted categories and additional quantitative limits, or quotas, were continually established under its provisions, it still remained considerably less restrictive than the bilateral agreements controlling imports of textiles and apparel from other major suppliers such as Taiwan, Hong Kong, and South Korea. Owing to the exceptionally rapid increase in these imports from China during the first and second quarters of 1987, however, the annual import quotas for a number of product categories were quickly filled, and any additional

^{1/} For a discussion of China's system of incentives for export enterprises, see China Trade Report, July 1987, pp. 1 and 3.

^{2/} According to China's State Statistics Bureau, total exports increased by 24.0 percent during January-September 1987, and imports declined by 3.8 percent. This resulted in a deficit in China's merchandise trade of \$2.7 billion, a marked improvement over a \$9.0 billion deficit during the first three quarters of 1986.

shipments from China in these categories were embargoed upon arrival at U.S. ports; i.e., placed in bond in U.S. Customs warehouses. From January-June 1986 to January-June 1987, the imports of textiles and apparel from China entering the U.S. market continued to grow, but they actually declined during July-September 1987 compared with their value during the corresponding quarter of 1986. 1/

Petroleum and petroleum products

U.S. imports from the NME's of petroleum and petroleum products (SITC Division 33) declined by 20.6 percent, from \$888.3 million during January-September 1986 to \$705.0 million during January-September 1987. Imports from China declined by 29.0 percent, from \$526.5 million to \$373.7 million, but such shipments from Eastern Europe, principally Romania, decreased by only 7.2 percent, from \$299.7 million to \$278.1 million. Petroleum imports from the Soviet Union also fell, dropping by 14.4 percent to \$53.1 million. Since the average price per barrel of these imports, particularly that of refined petroleum products, was higher during January-September 1987 than during the corresponding period of 1986, the decline was entirely the result of the lower quantity that the United States purchased from these countries. 2/

Imports of crude petroleum (SITC Group 333) from NME sources decreased by 27.4 percent, from \$395.3 million during January-September 1986 to \$287.1 million during the first three quarters of 1987. The decline was mainly in shipments from China, the principal NME supplier, which fell from \$384.9 million to \$285.6 million. The United States also bought crude petroleum from both Romania and the Soviet Union during January-September 1986, but the Soviet Union was the only other NME source during January-September 1987.

1/ On a quarterly basis, U.S. imports of textiles and apparel from China increased from \$507.1 million during January-March 1986 to \$841.7 million during January-March 1987 and from \$418.6 million during April-June 1986 to \$610.5 million during the corresponding period of 1987. They declined from \$661.0 million during July-September 1986 to \$600.6 million during the quarter under review. As of Dec. 31, 1987, 40 categories of these imports from China were embargoed.

A new, more restrictive textile and apparel agreement was tentatively reached between the United States and China in December 1987. For more detailed information on this agreement, covering a 4-year period beginning on Jan. 1, 1988, see the special section on rainwear in this report, p. 42.

2/ During both January-March and April-June 1987, the values per unit of the crude petroleum and refined petroleum products imported from NME sources were generally lower than the values per unit during the corresponding periods of 1986. The higher average price per barrel of these imports during January-September 1987 was almost entirely the result of an increase in world oil prices during the third quarter.

Imports of refined petroleum products (SITC Group 334) from the NME's declined by only 15.5 percent to \$413.1 million during January-September 1987. These shipments from Eastern Europe, consisting mainly of imports from Romania, decreased by just 5.6 percent, from \$293.6 million to \$277.0 million, and those from the Soviet Union declined by 8.6 percent, from \$56.4 million to \$51.6 million. However, imports of refined petroleum products from China fell by 39.3 percent, from \$139.1 million to \$84.5 million. China's exports of petroleum, both crude and refined, have fluctuated substantially on the basis of its foreign-exchange requirements. During 1987, the export drive of the Chinese Government focused on textile products and other manufactures, rather than on petroleum, which China also needs to meet the requirements of its own industries.

Lower shipments of liquid derivatives of petroleum were the most important reason for the decline in imports of refined petroleum products from the NME's. These imports, mainly from Romania, fell from \$200.3 million during January-September 1986 to only \$3.2 million during the corresponding period of 1987. In addition, imports of several other major items from NME suppliers decreased: naphthas, from \$56.5 million to \$11.1 million; heavy fuel oils, from \$68.5 million to \$35.1 million; and leaded gasoline, from \$86.3 million to \$59.6 million. The import item most responsible for partly offsetting this overall decline was unleaded gasoline, which increased from \$40.6 million to \$259.5 million. Romania was the major NME source, with shipments to the U.S. market valued at \$243.1 million during January-September 1987.

Other miscellaneous manufactured articles

In addition to apparel, children's toys and games (SITC Subgroup 8942) and travel goods and handbags (SITC Group 831) also contributed substantially to the \$955.3 million increase in U.S. imports of miscellaneous manufactured articles (SITC Section 8) from China. Shipments of toys and games from China increased from \$227.1 million during January-September 1986 to \$460.5 million during January-September 1987, and imports of travel goods and handbags increased from \$121.5 million to \$219.9 million. During the first three quarters of 1987, China's shipments to the U.S. market in both of these product groups far exceeded their level during all of 1986: imports of toys and games from China were higher by \$95.2 million, and, despite the quotas imposed on imports of certain handbags from China that were causing of threatening market disruption, those of travel goods and handbags were \$38.3 million higher. ^{1/}

U.S. imports of footwear (SITC Division 85) from China expanded by a lesser but considerable amount. The value of these shipments increased

^{1/} For a detailed analysis of the rapid increase in imports of handbags from China and its effect on the U.S. industry and market, see the special section on handbags later in this report.

from \$54.9 million during January-September 1986 to \$98.4 million during the first three quarters of 1987.

Machines and equipment

U.S. imports of machines and equipment from China more than tripled, climbing from \$98.4 million during January-September 1986 to \$321.9 million during the corresponding period of 1987. ^{1/} The leading product groups among these imports from China during January-September 1987 were telecommunications and sound recording and reproducing equipment (SITC Division 76), which increased from \$29.8 million during January-September 1986 to \$148.1 million, and electrical machinery, apparatus, and appliances (SITC Division 77), which increased from \$28.0 million to \$83.8 million. Imports of general industrial machinery and equipment (SITC Division 74), from China also grew substantially, from \$9.4 million during January-September 1986 to \$26.4 million during the first three quarters of 1987, and those of photographic apparatus and equipment and watches and clocks (SITC Division 88) increased from \$7.4 million to \$24.7 million.

U.S. imports of machines and equipment from Eastern Europe amounted to \$104.7 million during January-September 1987, up 9.8 percent from their level during the corresponding period of 1986, and those from the Soviet Union amounted to \$5.1 million.

^{1/} For the definition of this commodity group, see footnote in section on U.S. exports of machines and equipment, p. 16.

IMPORTS FROM CHINA AND THE U.S. MARKET: FURTHER EXAMINATION
OF PRODUCT GROUPS IDENTIFIED BY THE EAST-WEST TRADE MONITORING SYSTEM

In the 51st Quarterly Report, . . . , the Commission presented updated findings of its East-West Trade Monitoring System. This system, which has been run annually since 1982, was designed to address a congressional requirement that the Commission's reports on U.S. trade with the NME's provide data on "the effects of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like or directly competitive, articles in the United States." 1/

Since data on U.S. trade and production are not collected on the basis of a common nomenclature (numbering system) nor at the same level of detail, the East-West Trade Monitoring System aggregates the data into product groups based on the Standard Industrial Classification (SIC) and then correlates the resulting product groups with a version of the SIC classification system referred to as MSIC. 2/ The system identifies product groups for further examination on the basis of two tests: import penetration of the U.S. market by an NME and by all sources and the recent rate of growth in imports from an NME source. 3/

Three product groups identified by the 1987 run were selected for closer examination: rainwear, earthenware table and kitchen articles, and women's handbags and purses. 4/ Lace goods, the fourth product group

1/ 19 U.S.C. 2440. For further information on the statutory authority for the reports in this series, see the Introduction.

2/ The monitoring system covers imports of manufactures only since the source of the production data--the Census Bureau's Annual Survey of Manufactures--does not cover agriculture and mining. The MSIC classification system used by the Commission for this analysis differs slightly from the SIC-based import groupings used by the Bureau of the Census.

3/ The system uses the following equation to calculate import penetration: $M/(M + S - X)$ where M = U.S. imports, S = U.S. product shipments (a proxy for domestic output), and X = U.S. exports. (For more detailed description of the methodology, see 51st Quarterly Report, . . . , pp. 40/41). An MSIC product group meets the import penetration test if imports from a single NME source accounted for at least 1 percent of U.S. apparent consumption in 1986 (the most recent year for which comprehensive data on U.S. producers' shipments were available) and if imports from all sources accounted for more than 10 percent of apparent consumption. Product groups that meet the import penetration test are selected if imports from all sources accounted for more than 10 percent of apparent consumption. Product groups that meet the import penetration test are selected if imports from an NME source increased by 15 percent or more (in terms of value) from 1985 to 1986 and from January-June 1986 to January-June 1987.

4/ The effect of imports of handbags from China on the U.S. industry and market was examined after identification of this product group by the

(continued...)

identified in 1987, was examined in detail in 1983. ^{1/} The primary NME source of U.S. imports in all four of these groups is China.

This section presents information on each of the product groups selected for further examination, including a review of production and employment, updates on imports from the principal NME supplier and from other sources, and the analysis of the appropriate U.S. market. To the extent that information was available, the report also includes a discussion of the competing NME industries.

Rainwear (MŞIC 2385)

Description and uses

The term "rainwear" denotes waterproof or water-repellant outer garments produced from plastics, rubberized or coated fabrics, and uncoated fabrics. The most important item of rainwear, in terms of the value of U.S. production, is raincoats of water-repellant fabrics, chiefly of manmade fibers. Water-repellant raincoats had also constituted the principal item in imports; however, during 1986 and the first half of 1987, rainwear of manmade-fiber fabrics that were coated, filled, or laminated with rubber or plastics emerged as the most important item, accounting for roughly 60 percent of the total value of imports. In terms of gender, about 62 percent of the rainwear produced domestically are intended for women, girls, and infants, and the remaining 38 percent are for men and boys.

The U.S. industry

The U.S. industry manufacturing rainwear has contracted in size in recent years, with the number of producing establishments declining from 112 in 1982 to 99 in 1985. Employment also declined during the period from 9,300 to 8,582 workers. Most of the establishments in the industry operate on a relatively small scale. In 1985, two-thirds of the establishments employed less than 50 workers, and only 19 percent employed 100 workers or more. The industry also is highly concentrated. The 20 largest companies are believed to account for more than four-fifths of the industry's total annual shipments. Moreover, the industry showed signs of increasing concentration during the last decade, with the four largest companies accounting for 49 percent of industry shipments in 1982, compared with 41 percent in 1977.

4/(...continued)

monitoring system in 1985. Because of the exceptionally rapid increase in these imports from China since that time, which led to the imposition of quotas on some of the items, handbags were selected for further examination in this report.

^{1/} See 36th Quarterly Report . . ., pp. 55-59.

Regionally, the production of rainwear is concentrated in the Northeast and the Middle Atlantic regions, with New York, New Jersey, and Massachusetts accounting for 40 percent of the establishments and 26 percent of industry shipments in 1982, the latest available data. The rainwear manufacturing establishments in these regions are relatively smaller in size than those in other regions.

Expenditures on new plant and equipment in the industry averaged \$4.3 million per year during 1982-85, ranging from a low of \$3.7 million in 1983 to a high of \$5.0 million in 1985. They averaged about 1.0 percent of industry sales, which was lower than the 1.2-percent investment-to-sales ratio in all apparel manufacturing and the 3.4-percent ratio in textile mill products during the period. The rainwear industry's after-tax return on assets, after decreasing from 6.2 percent in 1981 to 4.3 percent in 1983, rebounded to 4.9 percent in 1985 and to 6.8 percent in 1986. ^{1/}

Production of rainwear, like most other types of apparel, is labor intensive. In 1985, wages in the rainwear industry averaged 41 percent of the value added compared with 32 percent for all apparel manufacturing and 24 percent for all manufacturing. Labor productivity in the rainwear industry, measured in terms of value added per hour in constant dollars, rose from an average of \$14.25 in 1981 to \$17.13 in 1983 but then declined to \$15.51 in 1984 and to \$13.21 in 1985.

U.S. rainwear production has trended downward in recent years, declined from a high of 767,000 dozen, valued at \$324 million, in 1981 to a low of 501,000 dozen, valued at \$201 million, in 1986. The decline occurred mostly in women's and girls' rainwear, in which production dropped by 48 percent in quantity and by 54 percent in value during the period. The production of men's rainwear declined by a smaller 10 percent in quantity, whereas the value of shipments increased by 2 percent. Inventory levels, which remained below 15 percent of the industry's annual shipments during 1981-83, increased to 17 percent in 1984 and to 20 percent in 1985.

U.S. imports from China and other sources

U.S. imports of rainwear are classified under 11 tariff provisions with column 1 or most-favored-nation (MFN) rates of duty that ranged from 6.6 percent to 30.0 percent ad valorem in 1987. None of the provisions provide for duty-free treatment under the Generalized System of Preferences (GSP) or for special rates for least developed developing countries (LDDC's). However, U.S. imports from Israel under these provisions are eligible for special rates under the U.S.-Israel Free Trade Area Implementation Act of 1985, which ranged from 2.6 percent to 18.0 percent ad valorem in 1987. In addition, imports of certain miscellaneous garments designed for rainwear and similar uses are free of duties when imported

^{1/} Dun & Bradstreet, Industry Norms and Key Business Ratios, various issues.

from beneficiary countries under the Caribbean Basin Economic Recovery Act (CBERA). ^{1/}

U.S. imports of most textiles and apparel, including rainwear, are subject to regulation under the Multifiber Arrangement (MFA). The MFA has been in effect since 1974, and covers textiles and apparel of cotton, wool, manmade fibers, and, since August 1, 1986, other vegetable fibers, such as linen and ramie, and silk blends. It was extended at that time for 5 more years through July 1991. Products covered by the MFA, which account for the great bulk of the textile and apparel imports, are not eligible for duty-free treatment under the GSP or the CBERA. ^{2/} Under the proposed Harmonized System (HS), rainwear is classified in chapters 61 (knit apparel) and 62 (not knit apparel).

Table 12 shows the evolution of U.S. rainwear imports by primary sources, in value and quantity, and changes in the average unit value of imports. U.S. imports of rainwear nearly doubled during 1982-86, from \$113 million to \$215 million. The growth continued during January-September 1987, when imports rose by 46 percent over those during the corresponding period of 1986 to \$222 million, or 23 percent greater than imports for the full year of 1986. About 80 percent of the imports in 1986 were of materials other than cotton, primarily manmade fibers, an increase from 59 percent in 1982 (table 13). The major suppliers during the period were South Korea, Taiwan, and Hong Kong, which together accounted for 71 percent of the total value of imports in 1986 compared with 61 percent in 1982.

U.S. imports of rainwear from China slightly more than doubled from 1982 to 1986, when they amounted to \$8.4 million, or just under 4 percent of total rainwear imports. The growth in these imports from China continued during January-September 1987, when they increased by 361 percent over those during the corresponding period of 1986 and rose by 188 percent over the value of rainwear imports from China for all of 1986. The great bulk of the rainwear imports from China consisted of garments of manmade-fiber materials.

The U.S. market

Channels of distribution.--The channels of distribution for rainwear are numerous, including department stores, national chain stores, discount stores, specialty stores, sporting goods stores, catalog operations, and factory outlets. Department stores and specialty stores market

^{1/} The rainwear and similar garments designated for duty-free treatment under the CBERA are under TSUS item 376.56.

^{2/} For a more definitive discussion of the MFA, officially known as the Arrangement Regarding International Trade in Textiles, and its predecessor arrangements on cotton products, see The Multifiber Arrangement: 1980-84, USITC Publication 1693, May 1985.

Table 12

Rainwear: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987

Source	1982	1983	1984	1985	1986	January-September	
						1986	1987
Quantity (1,000 dozen)							
South Korea.....	111	152	269	301	402	322	325
Taiwan.....	117	136	227	195	258	190	177
Hong Kong.....	123	121	172	161	174	117	138
China.....	35	55	43	31	63	45	215
Japan.....	14	21	56	52	36	26	22
United Kingdom..	3	4	5	7	78	75	7
Thailand.....	13	39	53	38	43	29	29
Philippines.....	31	26	16	13	28	15	24
All other.....	109	108	175	127	126	83	121
Total.....	556	662	1,016	925	1,208	902	1,058
Value (1,000 dollars) 1/							
South Korea.....	23,391	27,877	68,839	62,191	69,380	53,379	68,300
Taiwan.....	19,359	25,338	54,217	39,379	46,788	33,075	42,710
Hong Kong.....	26,633	31,123	45,074	40,962	36,978	23,707	38,244
China.....	3,966	4,466	6,535	5,884	8,401	5,245	24,166
Japan.....	2,397	4,297	10,593	10,406	8,295	6,228	7,142
United Kingdom..	3,144	5,557	6,398	5,654	8,137	5,986	4,837
Thailand.....	2,406	8,677	13,484	8,982	7,359	4,674	6,705
Philippines.....	4,863	3,669	2,339	2,155	3,777	2,244	3,913
All other.....	26,772	26,538	34,930	32,103	26,190	17,684	26,136
Total.....	112,931	137,542	242,409	207,716	215,305	152,222	222,153
Average unit value (per dozen)							
South Korea.....	\$210.50	\$183.73	\$256.04	\$206.92	\$172.38	\$165.94	\$209.91
Taiwan.....	164.85	186.06	238.50	201.94	181.07	174.50	241.87
Hong Kong.....	217.08	257.92	261.87	254.35	212.79	202.50	277.20
China.....	113.09	81.73	152.50	191.41	132.92	115.84	112.39
Japan.....	174.28	208.86	188.69	200.60	228.33	238.57	321.35
United Kingdom..	1,006.10	1,473.34	1,167.48	830.63	104.39	79.30	693.98
Thailand.....	182.98	221.13	253.69	238.64	171.73	160.84	232.32
Philippines.....	158.81	142.81	147.99	172.21	136.00	151.63	161.93
All other.....	245.61	245.72	199.60	252.78	207.86	213.06	216.00
Average.....	203.29	207.80	238.70	224.49	178.22	168.75	210.06

1/ Represents the landed duty-paid value, which includes the cost of the goods plus freight, insurance, and duties paid.

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

Table 13

Rainwear: U.S. imports for consumption, by types and by major sources, 1982-86, January-September 1986, and January-September 1987

(In thousands of dollars) 1/

Item and source	1982	1983	1984	1985	1986	January-September—	
						1986	1987
Cotton:							
Taiwan.....	6,297	9,703	18,846	10,129	9,620	6,148	9,278
South Korea.....	2,726	3,727	10,278	6,106	5,319	3,948	5,142
United Kingdom..	2,430	5,064	5,608	4,722	4,500	2,733	2,897
Thailand.....	1,658	3,837	8,572	3,760	4,340	3,175	4,992
Hong Kong.....	10,022	10,654	17,196	7,079	4,134	3,320	3,248
All other.....	23,534	23,824	31,031	24,117	14,127	10,324	13,198
Total.....	46,667	56,810	91,531	55,914	42,040	29,648	38,755
Other:							
South Korea.....	20,664	24,150	58,560	56,085	64,061	49,431	63,159
Taiwan.....	13,062	15,635	35,370	29,250	37,168	26,927	33,432
Hong Kong.....	16,611	20,469	27,878	33,883	32,843	20,387	34,996
China.....	3,600	4,351	5,049	4,350	7,563	4,478	22,684
Japan.....	1,103	1,982	5,712	7,039	7,501	5,483	6,607
All other.....	11,222	14,144	18,308	21,195	24,128	15,868	22,520
Total.....	66,263	80,731	150,878	151,802	173,265	122,574	183,398

1/ Represents the landed duty-paid value, which includes the cost of the goods plus freight, insurance, and duties paid.

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

primarily nationally branded and store-labeled rainwear in the middle-to-high price ranges. Chain stores and discount stores sell primarily their store-branded and unbranded rainwear in the low- to middle-price ranges.

Apparent U.S. consumption of rainwear increased annually from \$422 million in 1982 to \$565 million in 1984 before declining to \$417 million in 1986. Imports' share of apparent consumption nearly doubled from 27 percent in 1982 to 52 percent in 1986. The growth in import penetration during 1986 was more the result of a decline in U.S. production than a significant increase in imports, which rose by only 4 percent in terms of value that year.

Conditions of competition.--Demand for rainwear, like most other apparel products, is influenced by price, quality, and fashion. Because the production of rainwear is labor intensive, low-labor-cost countries such as China have a significant cost advantage over the United States. However, the labor-cost advantage of developing countries in general is offset partially by their lower productivity. Labor productivity, as measured by value added per worker hour, averaged an estimated \$0.66 per hour in China's apparel industry in 1985, about 4 percent of the average \$17.54 per hour in the U.S. apparel industry. Also, duties and other costs associated with importing apparel into the United States further reduce the competitive advantage of developing countries. Transportation costs may account for as much as 30 percent of the total cost of China's rainwear. Nevertheless, China and other low-labor-cost countries can offer quality and fashionable products at competitive prices.

U.S. producers compete with imports in the marketplace by offering services to retailers, such as national and cooperative advertising, promotional activities, quicker delivery, and more favorable credit terms. Moreover, U.S. producers--unlike foreign suppliers--usually fill reorders and accept returns and cancellations.

China is the only NME that is a significant supplier of rainwear to the United States. China's major competitive advantages in world markets result from low manufacturing costs based on low-cost labor, textile materials, and energy; and from a pricing system that is not based on true costs. ^{1/}

China's rainwear production is concentrated in Shanghai. Guangdong is also an important producer and, because of its proximity, accounts for a large share of Hong Kong's processing orders for exports. Although Chinese-made materials are increasingly used in producing rainwear, imported materials--mostly from Taiwan, Korea, and Japan--still dominate. Buyers usually supply accessories such as zippers and buttons, especially for products destined for export. With Hong Kong providing training and supervision, Chinese rainwear producers have reportedly made great strides

^{1/} For more details, see U.S. Global Competitiveness: The U.S. Textile Mill Industry, USITC Publication 2098, December 1987, ch. 6.

in terms of quality and management. They have also upgraded their manufacturing technology, but they still rely on foreign customers for design ideas.

China has designated its textile and apparel industry as an "important industry" under the seventh 5-year (1986-90) plan to provide employment opportunities and generate foreign exchange for developmental products. Priority has been given to expanding textile and apparel production, particularly in response to growing demand in the home market. Although it is unknown how much of the increase in output will be exported and how much retained for home consumption, China is dependent on the industry for much-needed foreign exchange, suggesting that export growth in textiles and apparel will continue in the future.

Growth in China's exports of textiles and apparel to the United States, its second largest market after Hong Kong, will be significantly limited under a new bilateral textile and apparel agreement tentatively reached in December 1987. This agreement, covering the 4-year period beginning on January 1, 1988, is more comprehensive than the 5-year pact that expired at the end of 1987. The old pact established quantitative limits, or quotas, on 33 product categories and provided for the establishment of additional quotas when imports in a particular category were causing or threatening to cause market disruption. The new agreement limits imports from China in more than 100 categories to average annual quota growth of 3.3 percent and, unlike the old agreement, limits total textile and apparel imports from China. ^{1/} In addition, the product coverage of the new pact was broadened to cover not only cotton, wool, and manmade-fiber goods but also products of silk blends and vegetable fibers such as silk and ramie, in which substantial growth in imports from China had occurred in recent years. Since the quotas are based on quantity, the new agreement will most likely encourage China to step up its efforts to shift to higher value-added goods to maximize export revenues.

Earthenware Table and Kitchen Articles (MSIC 3263)

Description and uses

Coarse-grained and fine-grained earthenware and stoneware table and kitchen articles are intended for use in the home for preparing, serving, or storing food, beverages, or their ingredients. Coarse-grained wares have a body made of materials that have not been washed, ground, or otherwise beneficiated. ^{2/} Fine-grained wares have a body made of

^{1/} The bilateral agreements currently in effect with other major suppliers of textiles and apparel--Taiwan, Hong Kong, South Korea, and Japan--provide for average annual quota growth of roughly 1 percent.

^{2/} See headnote 2(h) to schedule 5, pt. 2, of the TSUS.

materials that have been washed, ground, or otherwise beneficiated. 1/ This refining of materials produces a higher quality, smoother body.

Earthenware generally refers to nonvitreous, opaque, ceramic whiteware, but is defined to embrace ceramic articles that may or may not be glazed or decorated and that have a fired body containing clay as an essential ingredient. According to this definition, earthenware will absorb more than 3.0 percent of its weight of water. 2/ Earthenware contains about 25.0 percent kaolin (china clay).

Stoneware generally refers to a vitreous, opaque type of ceramic ware that may or may not be glazed or decorated and that has a fired body containing clay as an essential ingredient. The stoneware body is not commonly white, but is naturally opaque, even when fully vitrified, and it will absorb not more than 3.0 percent of its weight of water. 3/

Production process

The primary materials for earthenware and stoneware production are ball clay, kaolin, flint (a type of quartz), and feldspar, all of which are used to form the clay body. Other materials are also added to the body as fillers and to provide certain desired characteristics. These materials are mixed together with water to form a liquid clay called slip. The slip is screened to remove impurities and can be used in this form for casting. In casting, the slip is poured into a plaster mold where the ware firms and hardens, after which it is removed from the mold to dry. This process is generally used for hollow ware or for unusual or complicated shapes.

If the clay is to be used in solid form, the slip is pumped through filter presses that remove excess water and then placed in a pug mill where it is compressed by removing air from the slip and prepared for use. Clay in this state is usually formed into ware by a process known as jiggering, which is most often done by machine but can also be done manually. A slab of clay is thrown onto a mold and formed by applying pressure on the clay with a profile tool as the mold rotates. Some ware is also formed by a pressing process, where the clay slab is placed between top and bottom molds and pressed.

The unfired ware is known as greenware. After smoothing rough edges and applying handles or feet for cups, the ware is fired in kilns, which generally use natural gas. Earthenware is usually fired at temperatures ranging from 950°C to 1300°C. The relatively low firing temperatures of the body and the glaze allow a wide variety of colors and glazes to be used in the decorating process. The body of earthen greenware is strong enough to allow decoration, unlike a chinaware body. Some manufacturers use a

1/ See headnote 2(i) to schedule 5, pt. 2, of the TSUS.

2/ See headnote 2(b) to schedule 5, pt. 2, of the TSUS.

3/ See headnote 2(c) to schedule 5, pt. 2, of the TSUS.

one-fire process, where the greenware is decorated, glazed, and fired only once. More often, however, the ware is decorated after the first firing, called the bisque firing, glazed with a glass-like substance, and fired again to set the glaze (the glaze firing). Decorations can be either underglaze, overglaze, or inglaze. The latter term implies that the glaze and decoration are fired together with the decoration melting into the glaze.

There are numerous methods of decoration available to the industry, the most common of which are the use of colored slip (to produce a colored body), colored glazes, silk screening, stamping, decals, embossing, banding, and hand painting. Nearly all types of decoration must be set by firing and the ware may be fired as many as seven times during the decorating process because different colors or decorations may require various firing temperatures.

The U.S. industry

The U.S. industry producing earthenware consists of approximately 38 firms, according to the latest available Government statistics. ^{1/} A total of 20 of these establishments employ less than 20 workers. Of those firms reporting location, twelve are located in California, eight in Ohio, and two in Illinois. Census of Manufactures data indicate that industry shipments totaled \$91.3 million in 1982, the latest year for available data. The end-of-year 1982 inventory level amounted to \$20.8 million. Figures for capacity utilization are not available.

Employment in the U.S. earthenware industry in 1982 totaled 3,000 workers, of which 2,500 were production workers, most of them located in California and Ohio. Total payroll was \$37.1 million in 1982; that for production workers was \$29.4 million. Productivity data are not available.

Financial information on this industry is also not available because a large number of companies in the industry are privately held. Capital expenditures in the industry totaled \$1.7 million in 1982.

U.S. imports from China and other sources

U.S. imports of earthenware table and kitchen articles are classified under 10 tariff provisions with column 1, or MFN, rates of duty ranging from duty-free (coarse-grained earthenware or stoneware) to 35 percent ad valorem (hotel or restaurant ware). The remaining eight items are subject to rates that range from 2.5 to 13.5 percent ad valorem. The duty-free treatment of imports from eligible countries under the GSP is provided for only two products: Rockingham ware (TSUS item 533.15) and mugs and steins

^{1/} 1982 Census of Manufactures.

(TSUS item 533.30). However, duty-free entry is extended to all of these products from Israel under the United States-Israel Free Trade Area Implementation Act and to all imported from beneficiary countries under the Caribbean Basin Economic Recovery Act.

U.S. imports of earthenware increased by 68 percent during 1982-86 to \$325.1 million (50.3 million dozen pieces), with Japan being the principal supplier during the period (table 14). U.S. imports of earthenware from Japan rose by 44 percent to \$174.9 million (25.6 million dozen pieces) during 1982-86, representing 54 percent of total imports in 1986. Korea, the United Kingdom, and Taiwan were secondary suppliers.

U.S. imports of earthenware from China more than quadrupled during 1982-86, ^{1/} from \$2.2 million (1.0 million dozen pieces) to \$11.4 million (4.3 million dozen pieces). They represented 3.5 percent of total earthenware imports in 1986. Many Chinese manufacturers produce to U.S. customer specifications for design and quality, or produce Western-style designs strictly for export to Western markets. Another characteristic of Chinese earthenware is its relatively low cost. The average cost of U.S. imports from China never exceeded \$3.00 per dozen pieces during 1982-86, whereas the average unit cost for imports from all countries ranged from \$6.16 to \$6.86 during the period.

The U.S. Market

Trends in consumption and import penetration.--Apparent U.S. consumption of earthenware table and kitchen articles totaled nearly \$281.0 million in 1982, with imports representing 69 percent (\$193.9 million) of this amount (table 15). U.S. imports have presumably captured a greater share of the U.S. market since that time.

^{1/} In May 1982, following receipt of a petition filed by the American Dinnerware Emergency Committee, the Commission instituted investigation No. TA-406-8, Certain Ceramic Kitchenware and Tableware from the People's Republic of China, under section 406 of the Trade Act of 1974. In August 1982, the Commission determined that imports from the People's Republic of China of certain earthenware and chinaware household articles chiefly used for preparing, storing, or serving food or beverages or their ingredients did not result in market disruption with respect to an article produced by a domestic industry. (Certain Kitchenware and Tableware From the People's Republic of China: Report to the President on Investigation No. TA-406-8 Under Section 406 of the Trade Act of 1974; USITC Publication 1279, August 1982.)

Table 14

Earthenware table and kitchen articles: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987

Source	1982-1986						January-September--	
	1982	1983	1984	1985	1986	1986	1987	
Quantity (1,00 dozen pieces)								
Japan.....	18,063	21,295	22,398	27,683	25,566	20,429	21,330	
Korea.....	2,808	4,371	4,989	6,560	6,460	4,863	5,802	
United Kingdom.	2,010	4,540	2,944	3,323	2,268	1,765	1,886	
Taiwan.....	2,277	3,606	4,028	4,100	5,304	3,788	4,632	
Italy.....	679	807	1,199	1,485	2,016	1,735	778	
China.....	1,029	1,377	1,977	2,353	4,273	2,908	3,357	
Brazil.....	242	779	2,042	2,724	1,511	1,104	1,172	
West Germany...	227	277	205	233	271	184	161	
All other.....	1,144	1,154	1,380	2,079	2,566	1,638	2,258	
Total.....	28,273	38,206	41,162	50,808	50,695	38,415	41,375	
Value (1,000 dollars)								
Japan.....	121,444	143,168	156,425	177,197	174,947	129,511	124,668	
Korea.....	14,798	19,127	27,437	35,184	35,121	26,100	35,256	
United Kingdom.	23,191	30,495	26,822	27,938	28,812	23,285	22,286	
Taiwan.....	11,634	15,252	21,365	20,672	27,736	17,561	37,766	
Italy.....	5,107	7,908	11,243	13,005	17,127	13,454	10,891	
China.....	2,165	3,837	5,851	7,025	11,422	7,671	10,740	
Brazil.....	2,854	5,832	9,762	10,890	7,479	6,147	5,560	
West Germany...	4,254	4,497	4,778	4,749	6,268	4,285	4,289	
All other.....	8,501	11,952	13,764	14,636	16,212	11,545	15,363	
Total.....	193,948	242,068	277,447	311,296	325,124	239,558	266,818	
Unit value (per dozen pieces)								
Japan.....	\$ 6.72	\$ 6.72	\$ 6.98	\$ 6.40	\$ 6.84	\$ 6.34	\$ 5.84	
Korea.....	5.27	4.38	5.50	5.36	5.44	5.37	6.08	
United Kingdom.	11.54	6.72	9.11	8.41	12.70	13.19	11.82	
Taiwan.....	5.12	4.23	5.30	5.04	4.79	4.64	8.15	
Italy.....	7.52	9.80	9.38	8.76	8.50	7.75	14.00	
China.....	2.10	2.79	2.96	2.99	2.67	2.64	3.20	
Brazil.....	11.79	7.49	4.78	4.00	4.95	5.57	4.74	
West Germany...	18.74	16.23	23.31	20.38	23.13	23.29	26.64	
All other.....	7.43	10.36	9.97	7.04	6.34	7.05	6.80	
Total.....	6.81	6.34	6.74	6.13	6.41	6.24	9.45	

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

Table 15

Earthenware table and kitchen articles: U.S. producers' shipments, exports, imports for consumption, and apparent consumption, 1982-86

Period	U.S. producers'	Exports	Imports	Apparent consumption	Ratio of imports to consumption
	shipments				
-----1,000 dollars-----		-----Percent-----			
1982.....	91,300	4,263	193,948	280,985	69
1983.....	1/	3,232	242,068	1/	--
1984.....	1/	3,428	277,447	1/	--
1985.....	1/	2,189	311,296	1/	--
1986.....	1/	4,444	325,124	1/	--

1/ Unavailable.

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

Channels of distribution.--U.S. market demand for domestic and imported earthenware is primarily influenced by disposable income, the size of the bridal market, and replacement purchases. Price, quality, design style of living, and intended use of the articles are considered important factors in purchasing earthenware. Price probably affects the purchase of an earthenware set more than that of a formal dinnerware set, such as chinaware.

The channels of distribution in the domestic market assure supplies across a wide spectrum of goods from an inexpensive earthenware set sold at a discount store to name-brand porcelain products sold at exclusive department stores or at shops specializing in luxuries. Certain segments of the market, such as the promotional market, premium houses, and to a certain extent, discount houses, cater to those consumers principally concerned with price. The housewares sections of department stores tend to offer more affordable and functional types of dinnerware than are offered in the china departments. The china department generally offers a variety of better quality chinaware, earthenware, glassware, and silverware. Gift shops and mail-order catalogues tend to be fairly selective about the merchandise they offer and cater to specific groups of consumers.

The channels of distribution employed by U.S. producers of earthenware differ from those used by U.S. importers of such ware from China. Information gathered during the previously cited Commission investigation indicated that U.S. producers concentrate their sales on discount stores (34.5 percent), with secondary shipments to department stores (19.2 percent), specialty houses (12.8 percent), and wholesale distributors (10.7 percent), while imports from China tend to go mainly to department stores (43.6 percent) and mail-order houses (33.6 percent).

Conditions of competition.-- U.S. producers of earthenware compete not only among themselves, but to a lesser extent with domestic chinaware manufacturers, although the chinaware producers generally market their

Conditions of competition.-- U.S. producers of earthenware compete not only among themselves, but to a lesser extent with domestic chinaware manufacturers, although the chinaware producers generally market their products through outlets that carry high-priced commodities. Domestic earthenware producers also face competition from domestic producers of competitive products, such as melamine, glass tableware, and disposables. Substantial competition also exists between U.S. firms and importers of these products.

The quality and price of imports vary from country to country. European products, strong on design and handwork, are of high quality and are relatively high priced. Imports from the Far East, except Japan, are usually lower priced than European imports because of lower wage rates, and they are often perceived by consumers as being of lower quality.

Despite the modernization of manufacturing methods in China, most Chinese earthenware facilities rely extensively on hand labor in the manufacturing process. But modernization continues in order to enhance the Chinese industry's international competitiveness. Over time, the current relatively low capital/labor ratio at China's ceramic ware facilities will increase. Given the strong emphasis ceramic industries receive in China and in certain other countries, U.S. earthenware imports from China and other low cost sources will likely capture a greater share of the U.S. market in the future.

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.

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 proportion 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 bags before they are 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 frequent changes in fashion, 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 383 facilities in 1982 to 340 in 1986. Total employment decreased from 15,400 to an estimated 10,500 persons over the same period. The 50 leading producers accounted for about two-thirds of the value of industry shipments. Producers are located principally in the Northeast (particularly in the New York City area) and California.

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. They are increasingly emphasizing the production of moderate-to-high priced bags and deemphasizing that of very high-priced bags. Thus, many producers import handbags in order to offer a broader price and fashion line of merchandise.

U.S. producers' shipments of handbags decreased from \$483.4 million in 1984 to \$444.5 million in 1985 and then increased slightly to an estimated \$464.0 million in 1986 (table 16). Domestic handbag shipments also decreased in terms of quantity. It is believed that firms in the handbag industry are operating at about 80 percent of capacity or less. Inventories as a percentage of U.S. producers' shipments decreased slightly during 1983-85, from 13.6 percent to 10.7 percent.

The Chinese industry

China has expanded its production of handbags in recent years as part of its emphasis on the development of labor-intensive light industries to increase export earnings.

Table 16

Women's handbags and purses (MSIC 3171): U.S. imports, total and from China, U.S. producers' shipments ^{1/} and apparent consumption, 1984-86, January-June 1986, and January-June 1987

Item	1984	1985	1986	January-June	
				1986	1987
million dollars					
Total U.S. imports ^{2/}	736.0	760.1	787.2	375.9	438.1
U.S. imports from China ^{2/}	85.9	106.8	141.0	60.3	92.0
U.S. producers' shipments ^{2/}	483.4	444.5	^{3/} 464.0	-	-
U.S. apparent consumption ^{2/}	1208.8	1197.5	^{3/} 1242.4	-	-
Percent					
Ratio of—					
Imports from China to total imports	11.68	14.06	17.92	16.05	21.00
Total imports to app. consumption	60.89	63.48	63.37	-	-
Imports from China to app. consumption	7.11	8.92	11.35	-	-

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

^{2/} Estimated.

^{3/} Revised.

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 in terms of quantity. It is believed that firms in the handbag industry are operating at about 80 percent of capacity or less.

The material of chief value used in the manufacture of China's exports of handbags to the United States in 1984 and in 1986 is shown in the following tabulation (in percent):

<u>Material</u>	<u>1984</u>	<u>1986</u>
Textiles-----	36	37
Leather-----	29	27
Plastics-----	23	23
Unspun fibrous-----	7	6
Other-----	5	6

Of the handbags made of textile materials, those of cotton accounted for about 51 percent of U.S. imports of handbags from China in 1986, and those of certain manmade fibers accounted for about 40 percent.

Although Chinese handbags continued to be offered and sold for export to the United States by a number of branches of the China National Light Industrial Products Import & Export Corp., the China National Arts and Crafts Import & Export Corp., and official Government trading organizations, industry sources indicate that most U.S. imports of handbags from China came from factories within a 100-mile radius of Hong Kong through handbag manufactureres in Hong Kong. (Many factory owners in Hong Kong are emigrants from mainland China). The manufacturers in Hong Kong supply the machinery and raw materials, and the Chinese supply the factory buildings and labor. The low-cost labor is the essential element supplied by China. The labor rates are believed by industry sources to be much lower than in Taiwan, the principal supplier of U.S. handbag imports. 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.

U.S. imports from China and other sources

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. Thus, a leather handbag would normally be considered in chief value of leather. However, a handbag made of leather, textiles, and plastics might be in chief value of any one of these materials. With changes in popularity of materials because of fashion or because of price, shifts in import levels will occur between the tariff classifications. The column 1, or MFN, rates of duty ranged from 5.3 percent to 20.0 percent ad valorem in 1987.

In general, many major retailers import directly from overseas, maintaining offices there and supplying styles and patterns, as do importers and manufacturers that import. Industry representatives stated that retailers have greatly increased their own direct import programs

during the past year to the detriment of both U.S. producers and other importers.

On a customs-value basis, total U.S. imports of handbags increased irregularly from 167.0 million bags, valued at \$422.8 million, in 1982 to 196.4 million bags, valued at \$652.1 million, in 1986 (table 17). Overall, the quantity increased by 18 percent and the value by 54 percent during that period. During January-September 1987, imports again increased in terms of value and in quantity compared with their levels during the corresponding period of 1986. The quantity increased from 143.5 million bags to 153.8 million bags and the value increased from \$478.3 million to \$575.6 million, a 7-percent increase in quantity and a 20-percent increase in value.

Although its share of the total value of imports decreased from 33 percent in 1984 to 25 percent in 1986, Taiwan remained the largest exporter of handbags to the U.S. market until January-September 1987, when it was surpassed by Korea. Korea's share increased to 24 percent and Taiwan's share slipped to 31 percent during January-September 1987. Much of this decrease appears to be attributable to a quota placed on imports of certain manmade-fiber handbags from Taiwan beginning in 1984, which was widened to cover all manmade-fiber handbags from Taiwan in 1985. ^{1/} In addition, price competition by suppliers in Korea, Hong Kong, and China has eroded Taiwan's share of the U.S. market.

U.S. imports from China increased much more rapidly than total imports, jumping from 11.4 million bags, valued at \$25 million (customs value), in 1982 to 48.1 million bags, valued at \$116.8 million, in 1986. They continued to increase, rising from 31.5 million bags, valued at \$78.9 million, in January-September 1986, to 49.7 million bags, valued at \$121.1 million, in the corresponding period of 1987. A significant increase occurred in 1984, coinciding with the implementation of quotas on bags from Taiwan. Other important reasons for increased imports from China were much lower labor costs relative to those of other major suppliers, and China's emphasis in recent years on promoting the export of labor-intensive light industrial products. This occurred despite the imposition of quotas on imports of certain cotton handbags from China.

Table 18 shows the U.S. import share of each of the principal suppliers of handbags on the basis of customs value during 1982-86 and during January-September 1986 and January-September 1987, and table 19 shows the

^{1/} This quota was imposed under the Multifiber Arrangement. According to the publication Summary of Arrangements . . ., U.S. Department of Commerce, Taiwan had a quota level of 39,989,790 pounds for handbags of manmade fibers for Jan. 1, 1987 through Dec. 31, 1987. In addition, a quota on U.S. imports of certain cotton handbags from China was imposed in late 1986. This quota amounted to 5,283,545 pounds for the period Nov. 27, 1986 through Nov. 26, 1987.

Table 17

Handbags: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987

Source	1982	1983	1984	1985	1986	January-September	
						1986	1987
Quantity (1,000 bags)							
Taiwan.....	99,035	112,125	109,864	103,288	86,182	65,400	58,421
South Korea.....	17,755	20,260	21,289	21,065	22,860	17,053	20,273
China.....	11,444	16,711	28,634	34,280	48,073	31,513	49,736
Italy.....	2,306	2,965	4,720	5,146	5,059	4,204	3,104
Hong Kong.....	25,512	24,972	30,508	25,674	20,590	14,739	11,384
France.....	126	208	266	324	317	219	284
India.....	854	1,223	1,743	2,590	1,941	1,527	1,656
Brazil.....	951	1,228	1,302	1,269	955	836	457
Philippines.....	2,064	1,580	1,577	1,657	2,334	1,692	1,594
Spain.....	184	258	370	431	361	290	135
All other.....	6,778	7,096	6,959	7,154	7,716	5,985	6,733
Total.....	167,010	188,626	207,231	202,878	196,389	143,458	153,777
Value (1,000 dollars) 1/							
Taiwan.....	165,636	187,016	194,748	181,808	163,023	122,900	123,234
South Korea.....	79,728	95,696	114,096	120,751	135,507	99,533	137,478
China.....	25,117	34,983	68,738	86,862	116,761	78,867	121,097
Italy.....	40,201	49,183	76,093	86,054	102,835	78,307	92,201
Hong Kong.....	60,260	64,701	81,093	76,814	56,351	41,743	37,897
France.....	3,828	4,763	8,025	7,966	15,954	9,887	15,873
India.....	2,399	3,089	6,109	9,363	8,948	6,776	7,594
Brazil.....	8,608	9,477	8,961	8,549	6,950	5,948	3,655
Philippines.....	4,599	3,841	4,906	5,764	6,560	4,850	4,662
Spain.....	2,342	3,440	4,164	5,062	6,300	4,713	3,286
All other.....	30,115	29,594	32,875	33,154	32,951	24,740	28,590
Total.....	422,834	485,782	599,807	622,146	652,140	478,261	575,566

Table 1/

Handbags: U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987 (continued)

Source	1982	1983	1984	1985	1986	January-September	
						1986	1987
Unit value (per unit) 1/							
Taiwan.....	\$1.67	\$1.67	\$1.77	\$1.76	\$1.89	\$1.88	\$2.11
South Korea.....	4.49	4.72	5.36	5.73	5.93	5.84	6.78
China.....	2.19	2.09	2.40	2.53	2.43	2.50	2.43
Italy.....	17.43	16.59	16.12	16.72	20.33	18.63	29.70
Hong Kong.....	2.36	2.59	2.66	2.99	2.74	2.83	3.33
France.....	30.36	22.90	30.21	24.57	50.27	45.20	55.98
India.....	2.81	2.53	3.51	3.62	4.61	4.44	4.59
Brazil.....	9.05	7.72	6.88	6.74	7.28	7.11	8.00
Philippines.....	2.23	2.43	3.11	3.48	2.81	2.87	2.93
Spain.....	12.75	13.32	11.27	11.75	17.47	16.27	24.26
All other.....	4.44	4.17	4.72	4.63	4.27	4.13	4.25
Average.....	2.53	2.58	2.89	3.07	3.32	3.33	3.74

1/ Value is customs value; i.e. does not include cost, insurance, freight and duties paid.

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

Table 18

Handbags: Percent of total value of U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987

Source	January-September						
	1982	1983	1984	1985	1986	1986	1987
Taiwan.....	39.2	38.5	32.5	29.2	25.0	25.7	21.4
South Korea.....	18.9	19.7	19.0	19.4	20.8	20.8	23.9
China.....	5.9	7.2	11.5	14.0	17.9	16.5	21.0
Italy.....	9.5	10.1	12.7	13.8	15.8	16.4	16.0
Hong Kong.....	14.3	13.3	13.5	12.3	8.6	8.7	6.6
France.....	0.9	1.0	1.3	1.3	2.4	2.1	2.8
India.....	0.6	0.6	1.0	1.5	1.4	1.4	1.3
Brazil.....	2.0	2.0	1.5	1.4	1.1	1.2	0.6
Philippines.....	1.1	0.8	0.8	0.9	1.0	1.0	0.8
Spain.....	0.6	0.7	0.7	0.8	1.0	1.0	0.6
All other.....	7.1	6.1	5.5	5.3	5.1	5.2	5.0
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.—Value is customs value.

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

Table 19

Handbags: Percent of total quantity of U.S. imports for consumption, by principal sources, 1982-86, January-September 1986, and January-September 1987

Source	1982	1983	1984	1985	1986	January-September	
						1986	1987
Taiwan.....	59.3	59.4	53.0	50.9	43.9	45.6	38.0
South Korea.....	10.6	10.7	10.3	10.4	11.6	11.9	13.2
China.....	6.9	8.9	13.8	16.9	24.5	22.0	32.3
Italy.....	1.4	1.6	2.3	2.5	2.6	2.9	2.0
Hong Kong.....	15.3	13.2	14.7	12.7	10.5	10.3	7.4
France.....	0.1	0.1	0.1	0.2	0.2	0.2	0.2
India.....	0.5	0.6	0.8	1.3	1.0	1.1	1.1
Brazil.....	0.6	0.7	0.6	0.6	0.5	0.6	0.3
Philippines.....	1.2	0.8	0.8	0.8	1.2	1.2	1.0
Spain.....	0.1	0.1	0.2	0.2	0.2	0.2	0.1
All other.....	4.1	3.8	3.4	3.5	3.9	4.2	4.4
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.—Value is customs value.

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

import share of each of these countries on the basis of quantity supplied during the same periods.

The U.S. market

Apparent U.S. consumption of handbags (based on a c.i.f. valuation with calculated duties added) increased from \$1,208.8 million in 1984 to an estimated \$1,242.4 million in 1986. On a value basis, the share of the handbag market supplied by imports increased from 61 percent in 1984 to an estimated 63 percent in 1986. The share of the market supplied by China increased from approximately 7 percent by value in 1984 to an estimated 11 percent in 1986.

The two principal factors involved in the competition between domestic and imported bags are styling (including both fashion and quality of materials and workmanship) 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 producing bags of one or several materials, and further specialize in certain price segments or "price points." Nearly all U.S. manufacturers produce bags that sell in the medium-to-high-price ranges (from \$15 to \$200). It is in the low- and medium-price ranges that competition from imports is most intense, since price is a more important factor than style in these price ranges. China enjoys a substantial labor-cost advantage in the production of this highly labor-intensive product, and imports from China 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 and the quality of materials in bags from China have improved in recent years with the aid of U.S. importers and Hong Kong firms.

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 sources, and domestic manufacturers can more easily fill these orders. In addition, domestic manufacturers will usually take returns, whereas importers and/or foreign producers generally will not. Domestic manufacturers still maintain a solid niche in the medium-price market, in which style is relatively more important than price.

APPENDIX A

U.S. TRADE WITH THE NONMARKET ECONOMY COUNTRIES BY SITC SECTIONS,
1985, JANUARY-SEPTEMBER 1985, AND JANUARY-SEPTEMBER 1986

Table A-1.--U.S. trade with all nonmarket economy countries, 1/ by SITC Sections, 1986, January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	511,330	441,910	889,927
1. Beverages and tobacco-----	16,947	11,727	14,469
2. Crude materials--inedible, except fuel-----	814,638	719,943	454,890
3. Mineral fuels, lubricants, etc-----	134,496	103,682	94,757
4. Oils and fats--animal and vegetable-----	21,566	14,461	17,491
5. Chemicals-----	827,835	609,825	763,993
6. Manufactured goods classified by chief material-----	242,301	174,650	210,450
7. Machinery and transportation equipment-----	2,003,512	1,595,474	1,170,805
8. Miscellaneous manufactured articles-----	422,025	310,651	268,757
9. Commodities and transactions not elsewhere classified-----	77,947	55,858	61,841
Total-----	5,072,596	4,038,182	3,947,381
U.S. imports:			
0. Food and live animals-----	409,313	294,326	408,056
1. Beverages and tobacco-----	47,817	35,152	37,102
2. Crude materials--inedible, except fuel-----	155,693	117,385	145,301
3. Mineral fuels, lubricants, etc-----	1,096,874	888,291	704,983
4. Oils and fats--animal and vegetable-----	2,873	2,364	2,808
5. Chemicals-----	499,022	403,529	267,820
6. Manufactured goods classified by chief material-----	1,026,867	745,836	1,008,416
7. Machinery and transportation equipment-----	266,392	183,054	395,819
8. Miscellaneous manufactured articles-----	2,896,143	2,085,562	3,091,233
9. Commodities and transactions not elsewhere classified-----	255,049	234,878	61,488
Total-----	6,656,044	4,990,377	6,123,025

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.

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

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

Table A-2.--U.S. trade with China, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	20,632	15,552	163,466
1. Beverages and tobacco-----	2,437	1,969	-
2. Crude materials--inedible, except fuel-----	357,173	285,811	299,999
3. Mineral fuels, lubricants, etc-----	7,255	6,653	6,647
4. Oils and fats--animal and vegetable-----	2,758	619	521
5. Chemicals-----	441,299	319,447	520,079
6. Manufactured goods classified by chief material-----	204,562	147,154	176,259
7. Machinery and transportation equipment-----	1,705,320	1,370,240	1,001,443
8. Miscellaneous manufactured articles-----	318,558	243,867	164,542
9. Commodities and transactions not elsewhere classified-----	16,030	12,124	16,520
Total-----	3,076,023	2,403,437	2,349,476
U.S. imports:			
0. Food and live animals-----	191,809	140,288	211,097
1. Beverages and tobacco-----	8,048	5,500	5,644
2. Crude materials--inedible, except fuel-----	108,151	85,707	99,186
3. Mineral fuels, lubricants, etc-----	631,755	526,551	373,742
4. Oils and fats--animal and vegetable-----	2,490	1,988	2,789
5. Chemicals-----	173,367	129,100	146,887
6. Manufactured goods classified by chief material-----	680,357	501,992	682,507
7. Machinery and transportation equipment-----	144,486	87,104	290,816
8. Miscellaneous manufactured articles-----	2,645,539	1,905,376	2,860,698
9. Commodities and transactions not elsewhere classified-----	85,468	69,840	52,945
Total-----	4,671,469	3,453,445	4,726,312

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

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

Table A-3.--U.S. trade with the U.S.S.R., 1/ by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	318,242	318,237	623,894
1. Beverages and tobacco-----	497	232	133
2. Crude materials--inedible, except fuel-----	328,102	326,420	25,102
3. Mineral fuels, lubricants, etc-----	56,312	45,013	46,781
4. Oils and fats--animal and vegetable-----	15,470	11,210	16,269
5. Chemicals-----	287,996	207,372	188,074
6. Manufactured goods classified by chief material-----	14,159	9,786	19,404
7. Machinery and transportation equipment-----	156,258	126,549	54,701
8. Miscellaneous manufactured articles-----	68,185	47,718	83,781
9. Commodities and transactions not elsewhere classified-----	1,610	1,235	1,030
Total-----	1,246,831	1,093,772	1,059,170
U.S. imports:			
0. Food and live animals-----	2,863	1,993	1,924
1. Beverages and tobacco-----	13,712	10,196	11,246
2. Crude materials--inedible, except fuel-----	35,167	23,045	37,654
3. Mineral fuels, lubricants, etc-----	71,722	62,072	53,124
4. Oils and fats--animal and vegetable-----	4	4	-
5. Chemicals-----	164,088	139,311	71,092
6. Manufactured goods classified by chief material-----	100,998	60,810	92,148
7. Machinery and transportation equipment-----	4,793	3,616	4,808
8. Miscellaneous manufactured articles-----	4,077	2,545	3,191
9. Commodities and transactions not elsewhere classified-----	157,498	156,777	1,877
Total-----	554,923	460,370	277,064

1/ Includes Estonia, Latvia, and Lithuania.

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

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

Table A-4.--U.S. trade with Eastern Europe, ^{1/} by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	172,280	107,945	102,567
1. Beverages and tobacco-----	14,014	9,525	14,336
2. Crude materials--inedible, except fuel-----	129,128	107,476	129,787
3. Mineral fuels, lubricants, etc-----	66,504	47,592	39,011
4. Oils and fats--animal and vegetable-----	3,338	2,632	701
5. Chemicals-----	97,347	81,972	55,201
6. Manufactured goods classified by chief material-----	23,311	17,441	14,775
7. Machinery and transportation equipment-----	141,812	98,563	113,884
8. Miscellaneous manufactured articles-----	34,727	18,641	20,356
9. Commodities and transactions not elsewhere classified-----	31,161	21,638	26,848
Total-----	713,621	513,425	517,466
U.S. imports:			
0. Food and live animals-----	214,451	152,036	194,676
1. Beverages and tobacco-----	26,048	19,454	20,044
2. Crude materials--inedible, except fuel-----	8,341	6,410	6,557
3. Mineral fuels, lubricants, etc-----	393,397	299,668	278,117
4. Oils and fats--animal and vegetable-----	378	372	20
5. Chemicals-----	161,567	135,119	49,841
6. Manufactured goods classified by chief material-----	245,461	182,986	233,745
7. Machinery and transportation equipment-----	117,113	92,334	100,195
8. Miscellaneous manufactured articles-----	246,302	177,450	227,335
9. Commodities and transactions not elsewhere classified-----	12,083	8,261	6,654
Total-----	1,425,142	1,074,089	1,117,183

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

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

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

Table A-7.--U.S. trade with Cuba, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	3
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	1,013	919	616
6. Manufactured goods classified by chief material-----	-	-	2
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	124	59	37
9. Commodities and transactions not elsewhere classified-----	416	299	335
Total-----	1,553	1,276	992
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-----	2	-	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	28	28	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	31	28	-

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

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

Table A-5.--U.S. trade with Albania, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	4,424	4,424	2,317
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	75	75	24
8. Miscellaneous manufactured articles-----	6	2	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	4,506	4,502	2,341
U.S. imports:			
0. Food and live animals-----	154	-	118
1. Beverages and tobacco-----	-	-	11
2. Crude materials--inedible, except fuel-----	3,030	1,370	1,403
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-----	10	10	5
9. Commodities and transactions not elsewhere classified-----	-	-	5
Total-----	3,194	1,380	1,542

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

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

Table A-6.--U.S. trade with Bulgaria, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	36,836	36,811	19,588
1. Beverages and tobacco-----	4,646	2,163	3,539
2. Crude materials--inedible, except fuel-----	11,292	11,268	4,752
3. Mineral fuels, lubricants, etc-----	17,623	15,703	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	10,593	10,044	6,925
6. Manufactured goods classified by chief material-----	2,951	1,882	1,151
7. Machinery and transportation equipment-----	7,428	5,391	18,450
8. Miscellaneous manufactured articles-----	4,291	2,924	3,430
9. Commodities and transactions not elsewhere classified-----	205	141	238
Total-----	95,865	86,326	58,072
U.S. imports:			
0. Food and live animals-----	2,564	1,753	1,428
1. Beverages and tobacco-----	19,447	14,168	16,727
2. Crude materials--inedible, except fuel-----	129	126	5
3. Mineral fuels, lubricants, etc-----	16,223	12,407	3,737
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	3,309	1,410	4,437
6. Manufactured goods classified by chief material-----	993	900	910
7. Machinery and transportation equipment-----	2,789	1,509	1,069
8. Miscellaneous manufactured articles-----	3,499	2,455	2,680
9. Commodities and transactions not elsewhere classified-----	730	476	176
Total-----	49,684	35,204	31,168

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

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

Table A-8.--U.S. trade with Czechoslovakia, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	429	362	274
1. Beverages and tobacco-----	1,178	1,142	2,198
2. Crude materials--inedible, except fuel-----	19,540	13,383	11,772
3. Mineral fuels, lubricants, etc-----	2	2	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	19,368	15,153	8,421
6. Manufactured goods classified by chief material-----	2,005	1,448	1,739
7. Machinery and transportation equipment-----	18,641	8,621	5,748
8. Miscellaneous manufactured articles-----	5,508	3,304	2,645
9. Commodities and transactions not elsewhere classified-----	864	633	630
Total-----	67,535	44,049	33,427
U.S. imports:			
0. Food and live animals-----	12,255	10,632	11,061
1. Beverages and tobacco-----	1,628	1,264	765
2. Crude materials--inedible, except fuel-----	1,251	997	531
3. Mineral fuels, lubricants, etc-----	2	2	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	1,948	1,560	1,779
6. Manufactured goods classified by chief material-----	33,981	25,151	21,690
7. Machinery and transportation equipment-----	10,647	8,666	6,252
8. Miscellaneous manufactured articles-----	21,306	16,693	16,546
9. Commodities and transactions not elsewhere classified-----	2,267	1,724	1,469
Total-----	85,284	66,690	60,092

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

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

Table A-9.--U.S. trade with East Germany, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	52,323	21,741	22,600
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	5,634	1,498	3,158
3. Mineral fuels, lubricants, etc-----	-	-	13
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	2,102	1,569	2,733
6. Manufactured goods classified by chief material-----	289	165	319
7. Machinery and transportation equipment-----	4,517	3,290	10,934
8. Miscellaneous manufactured articles-----	2,280	1,241	1,503
9. Commodities and transactions not elsewhere classified-----	479	321	476
Total-----	67,624	29,825	41,735
U.S. imports:			
0. Food and live animals-----	174	136	82
1. Beverages and tobacco-----	65	43	202
2. Crude materials--inedible, except fuel-----	713	679	472
3. Mineral fuels, lubricants, etc-----	1,139	1,139	627
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	27,274	20,931	11,891
6. Manufactured goods classified by chief material-----	32,935	23,976	35,271
7. Machinery and transportation equipment-----	13,486	11,392	5,017
8. Miscellaneous manufactured articles-----	8,368	6,010	8,468
9. Commodities and transactions not elsewhere classified-----	1,111	773	417
Total-----	85,265	65,079	62,448

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

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

Table A-10.--U.S. trade with Hungary, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	21,623	2,234	7,754
1. Beverages and tobacco-----	2,387	1,825	2,901
2. Crude materials--inedible, except fuel-----	4,372	2,617	1,479
3. Mineral fuels, lubricants, etc-----	6	6	5
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	13,115	8,871	11,253
6. Manufactured goods classified by chief material-----	8,160	6,818	5,026
7. Machinery and transportation equipment-----	25,309	19,677	29,997
8. Miscellaneous manufactured articles-----	12,391	4,042	5,539
9. Commodities and transactions not elsewhere classified-----	853	645	1,532
Total-----	88,216	46,736	65,486
U.S. imports:			
0. Food and live animals-----	56,298	39,811	48,446
1. Beverages and tobacco-----	1,121	807	547
2. Crude materials--inedible, except fuel-----	2,721	1,973	1,771
3. Mineral fuels, lubricants, etc-----	415	282	469
4. Oils and fats--animal and vegetable-----	7	-	20
5. Chemicals-----	26,926	18,900	19,265
6. Manufactured goods classified by chief material-----	31,080	22,002	34,567
7. Machinery and transportation equipment-----	47,080	37,365	46,673
8. Miscellaneous manufactured articles-----	54,162	36,723	51,555
9. Commodities and transactions not elsewhere classified-----	4,127	2,671	1,171
Total-----	223,938	160,534	204,483

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

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

Table A-11.--U.S. trade with North Korea, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	-	-	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	-	-	-
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-----	2	2	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	2	2	-

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

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

Table A-12.--U.S. trade with Mongolia, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	4	4	-
6. Manufactured goods classified by chief material-----	-	-	6
7. Machinery and transportation equipment-----	36	36	724
8. Miscellaneous manufactured articles-----	28	28	32
9. Commodities and transactions not elsewhere classified-----	9	6	107
Total-----	77	74	869
U.S. imports:			
0. Food and live animals-----	35	9	239
1. Beverages and tobacco-----	8	2	157
2. Crude materials--inedible, except fuel-----	1,006	852	500
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	17	17	16
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	15	8	5
9. Commodities and transactions not elsewhere classified-----	-	-	6
Total-----	1,081	888	924

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

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

Table A-13.--U.S. trade with Poland, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	20,278	17,212	48,684
1. Beverages and tobacco-----	5,429	4,022	5,398
2. Crude materials--inedible, except fuel-----	12,686	10,959	11,592
3. Mineral fuels, lubricants, etc-----	1,493	87	5,376
4. Oils and fats--animal and vegetable-----	2,610	1,903	701
5. Chemicals-----	29,483	25,120	17,827
6. Manufactured goods classified by chief material-----	7,525	5,568	5,600
7. Machinery and transportation equipment-----	30,235	21,004	26,241
8. Miscellaneous manufactured articles-----	7,115	4,670	4,593
9. Commodities and transactions not elsewhere classified-----	28,302	19,571	23,300
Total-----	145,155	110,115	149,313
U.S. imports:			
0. Food and live animals-----	134,224	93,903	123,975
1. Beverages and tobacco-----	2,343	2,047	580
2. Crude materials--inedible, except fuel-----	508	245	749
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	372	372	-
5. Chemicals-----	6,966	5,200	6,991
6. Manufactured goods classified by chief material-----	34,731	24,875	39,996
7. Machinery and transportation equipment-----	20,480	16,658	16,758
8. Miscellaneous manufactured articles-----	29,138	22,770	28,079
9. Commodities and transactions not elsewhere classified-----	2,192	1,302	2,086
Total-----	230,953	167,373	219,215

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

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

Table A-14.--U.S. trade with Romania, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals-----	40,790	29,584	3,667
1. Beverages and tobacco-----	373	373	299
2. Crude materials--inedible, except fuel-----	75,605	67,750	97,034
3. Mineral fuels, lubricants, etc-----	47,379	31,793	33,618
4. Oils and fats--animal and vegetable-----	729	729	-
5. Chemicals-----	22,686	21,215	8,043
6. Manufactured goods classified by chief material-----	2,381	1,560	939
7. Machinery and transportation equipment-----	55,683	40,580	22,513
8. Miscellaneous manufactured articles-----	3,141	2,460	2,647
9. Commodities and transactions not elsewhere classified-----	458	328	673
Total-----	249,226	196,373	169,433
U.S. imports:			
0. Food and live animals-----	8,935	5,800	9,685
1. Beverages and tobacco-----	1,445	1,125	1,222
2. Crude materials--inedible, except fuel-----	3,018	2,389	3,028
3. Mineral fuels, lubricants, etc-----	375,618	285,838	273,283
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	95,145	87,118	5,479
6. Manufactured goods classified by chief material-----	111,741	86,082	101,310
7. Machinery and transportation equipment-----	22,632	16,744	24,426
8. Miscellaneous manufactured articles-----	129,830	92,799	120,007
9. Commodities and transactions not elsewhere classified-----	1,656	1,315	1,336
Total-----	750,018	579,210	539,777

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

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

Table A-15.--U.S. trade with Vietnam, by SITC Sections, 1986,
January-September 1986, and January-September 1987

(In thousands of dollars)

SITC Section	1986	January-September 1986	January-September 1987
U.S. exports:			
0. Food and live animals	176	176	-
1. Beverages and tobacco	-	-	-
2. Crude materials--inedible, except fuel	236	236	-
3. Mineral fuels, lubricants, etc	-	-	-
4. Oils and fats--animal and vegetable	-	-	-
5. Chemicals	176	112	23
6. Manufactured goods classified by chief material	269	269	4
7. Machinery and transportation equipment	11	11	30
8. Miscellaneous manufactured articles	396	336	9
9. Commodities and transactions not elsewhere classified	28,722	20,557	17,000
Total	29,986	21,696	17,067
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	31	31	-
7. Machinery and transportation equipment	-	-	-
8. Miscellaneous manufactured articles	170	144	-
9. Commodities and transactions not elsewhere classified	-	-	-
Total	201	175	-

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

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

APPENDIX B

LEADING ITEMS TRADED WITH THE NONMARKET ECONOMY COUNTRIES,
JANUARY-SEPTEMBER 1986, JULY-SEPTEMBER 1985, AND
JULY-SEPTEMBER 1986

Table B-1.--Leading items exported to nonmarket economy countries (NME's), 1/ by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	\$428,537	\$3,397	\$313,633
130.3465	Yellow corn, not donated for relief or charity-----	391,051	21,561	18,819
480.1000	Fertilizers and fertilizer materials-----	367,007	113,092	137,035
694.4062	Nonmilitary airplanes, new, multiple engine, over 33,000 pounds : empty weight, passenger transports, n.s.p.f-----	244,435	-	41,617
175.4100	Soybeans, other than seed for planting-----	148,129	-	56,617
200.3510	Douglas-fir logs and timber, rough-----	82,977	11,712	29,190
252.7810	Unbleached kraft linerboard-----	77,969	16,606	20,405
694.6507	Parts designed for use in civil aircraft, n.e.s-----	77,572	19,721	33,646
444.1700	Polypropylene resins, excluding amorphous or atactic polymers : and copolymers-----	64,866	21,407	29,863
404.2280	Polycarboxylic acids, anhydrides, and their derivatives, n.s.p.f:	59,534	9,323	19,600
676.2700	Digital data processing machines comprising in one housing the : central processing unit and input and output capability-----	52,997	27,312	20,888
790.5510	Pressure-sensitive tape having a plastic backing-----	49,166	18,672	17,490
818.3900	Products, n.e.s., donated for relief or charity-----	38,970	13,171	14,536
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	36,034	24,794	8,744
521.3110	Low volatile bituminous coal-----	35,910	10,044	7,835
200.3514	Western hemlock logs and timber, rough-----	34,548	13,337	12,225
711.8750	Electrical (including electronic) physical analysis equipment, : n.s.p.f., and parts thereof-----	32,817	4,558	17,532
309.3270	Grouped filaments and strips (in continuous form), n.e.s-----	30,487	11,353	11,881
678.5090	Other machines n.s.p.f., and parts thereof-----	29,581	12,894	7,731
120.1400	Cattle hides, whole-----	28,251	11,284	5,647
	Total-----	2,310,837	364,239	824,932
	Total, U.S. exports to NME's-----	3,947,381	928,426	1,369,026

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.

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

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

Table B-2.--Leading items imported from nonmarket economy countries (NME's), 1/ by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	\$285,607	\$82,803	\$108,643
475.2528	Unleaded gasoline-----	259,547	28,270	69,265
107.3525	Canned hams and shoulders, 3 pounds and over-----	122,503	37,147	42,304
384.5316	Women's, girls', or infants' knit sweaters, of vegetable fibers : except cotton, assembled in Hong Kong from components-----	111,587	2/ 819	53,234
389.6100	Artificial flowers, of silk, not ornamented-----	92,284	19,197	32,662
653.2210	Gold coins-----	82,415	30,104	21,783
737.3000	Toys, not having a spring mechanism, stuffed, valued over 10 cents per inch of height-----	76,386	20,620	46,573
384.5317	Women's, girls', or infants' knit sweaters, of vegetable fibers : except cotton, not assembled in Hong Kong from components-----	72,066	2/ 16,846	41,977
737.2425	Dolls, with or without clothing, not stuffed, 13 inches and under in height-----	63,624	22,154	29,614
475.2524	Leaded gasoline-----	59,590	15,482	26,029
114.4545	Shrimp, shell on-----	58,142	10,130	12,719
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	55,617	17,089	14,230
320.2927	Printcloth, wholly of cotton, not fancy or figured, not napped and not of yarns of different colors, of number 29-----	49,181	18,885	12,216
706.4135	Luggage n.s.p.f. of man-made textile fibers-----	45,327	4,179	15,428
737.3500	Toy figures of animate objects (except dolls), without a spring mechanism, not stuffed, wholly or almost wholly of metal-----	45,276	5,610	19,526
384.5697	Women's, girls', or infants' trousers, slacks, and shorts n.s.p.f., of vegetable fibers except cotton, not knit-----	41,448	1,566	11,354
381.6240	Men's cotton trousers and slacks n.s.p.f., not ornamented, not knit-----	40,638	14,128	59
622.0200	Tin, other than alloyed, unwrought-----	39,202	1,487	17,817
737.4000	Toys not having a spring mechanism, not stuffed, not wholly or almost wholly of metal-----	37,316	7,657	17,058
706.0700	Handbags of leather valued not over \$20 each-----	36,858	9,631	17,667
	Total-----	1,674,613	363,804	610,158
	Total, U.S. imports from NME's-----	6,123,025	1,747,282	2,175,465

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/ TSUSA items 384.5316 and 384.5317 were created on Aug. 1, 1986, from former TSUSA item 384.5315. The figures reported for July-Sept. 1986 represent imports during Aug.-Sept. only.

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

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

Table B-3.--Leading items exported to China, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
694.4062	Nonmilitary airplanes, new, multiple engine, over 33,000 pounds empty weight, passenger transports, n.s.p.f.	\$244,435	-	\$41,617
480.1000	Fertilizers and fertilizer materials	173,012	28,266	80,762
200.3510	Douglas-fir logs and timber, rough	82,977	11,712	29,190
252.7810	Unbleached kraft linerboard	77,969	16,606	20,405
130.3465	Yellow corn, not donated for relief or charity	77,324	-	4,943
694.6507	Parts designed for use in civil aircraft, n.e.s.	76,930	19,399	33,174
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers	64,865	21,407	29,863
130.6540	Wheat, unmilled, not donated for relief or charity	64,743	379	46,202
404.2280	Polycarboxylic acids, anhydrides, and their derivatives, n.s.p.f.	59,534	9,323	19,600
676.2700	Digital data processing machines comprising in one housing the central processing unit and input and output capability	52,003	27,294	20,475
175.4100	Soybeans, other than seed for planting	50,036	-	19,444
200.3514	Western hemlock logs and timber, rough	34,548	13,337	12,225
664.0584	Parts, n.e.s., of oil and gas field drilling machines	33,154	19,940	7,259
309.3270	Grouped filaments and strips (in continuous form), n.e.s.	30,487	11,353	11,881
420.8400	Sodium carbonate, calcined (soda ash)	28,080	10,534	7,341
678.5090	Other machines n.s.p.f., and parts thereof	27,126	12,378	6,817
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f.	23,102	10,370	11,087
676.2820	Digital central processing units consisting of arithmetical, logical and control elements	22,895	8,046	10,410
684.6210	Telephone switching and switchboard equipment and parts and components thereof	22,312	3,003	6,036
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof	15,777	7,038	5,992
	Total	1,261,306	230,385	424,722
	Total, U.S. exports to China	2,349,476	643,712	795,278

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

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

Table B-4.--Leading items imported from China, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	\$285,607	\$82,803	\$108,643
384.5316	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, assembled in Hong Kong from components-----	111,587	1/ 819	53,234
389.6100	Artificial flowers, of silk, not ornamented-----	92,284	19,197	32,662
653.2210	Gold coins-----	82,327	30,064	21,765
737.3000	Toys, not having a spring mechanism, stuffed, valued over 10 cents per inch of height-----	76,266	20,556	46,461
384.5317	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, not assembled in Hong Kong from components-----	72,059	1/ 16,846	41,977
737.2425	Dolls, with or without clothing, not stuffed, 13 inches and under in height-----	62,702	22,070	29,149
114.4545	Shrimp, shell on-----	58,142	10,123	12,719
475.2524	Leaded gasoline-----	54,420	15,482	26,029
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	49,926	13,852	12,353
320.2927	Printcloth, wholly of cotton, not fancy or figured, not napped and not of yarns of different colors, of number 29-----	48,352	18,885	12,053
706.4135	Luggage n.s.p.f. of man-made textile fibers-----	45,303	4,179	15,428
737.3500	Toy figures of animate objects (except dolls), without a spring mechanism, not stuffed, wholly or almost wholly of metal-----	45,257	5,610	19,523
381.6240	Men's cotton trousers and slacks n.s.p.f., not ornamented, not knit-----	40,586	14,103	19
384.5697	Women's, girls', or infants' trousers, slacks, and shorts n.s.p.f., of vegetable fibers except cotton, not knit-----	40,494	1,506	11,353
622.0200	Tin, other than alloyed, unwrought-----	39,202	1,487	17,817
737.4000	Toys not having a spring mechanism, not stuffed, not wholly or almost wholly of metal-----	37,288	7,612	17,046
706.0700	Handbags of leather valued not over \$20 each-----	36,830	9,611	17,665
384.9115	Women's blouses and shirts n.s.p.f., of man-made fibers, not ornamented, not knit-----	35,320	19,984	4,269
755.1500	Fireworks-----	33,949	2,429	3,606
Total-----		1,347,901	317,218	503,769
Total, U.S. imports from China-----		4,726,312	1,281,632	1,674,139

1/ TSUSA items 384.5316 and 384.5317 were created on Aug. 1, 1986, from former TSUSA item 384.5315. The figures reported for July-Sept. 1986 represent imports during Aug.-Sept. only.

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

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

Table B-5.--Leading items exported to the U.S.S.R., 1/ by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	\$325,111	-	\$263,266
130.3465	Yellow corn, not donated for relief or charity-----	278,700	12,002	3,075
480.1000	Fertilizers and fertilizer materials-----	165,069	65,681	45,867
790.5510	Pressure-sensitive tape having a plastic backing-----	48,781	18,416	17,472
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	22,670	377	14,277
145.4300	Shelled almonds, not blanched-----	20,080	-	5,291
177.5640	Tallow, inedible-----	16,269	-	-
517.5120	Petroleum coke, calcined-----	12,167	5,411	1,578
175.4100	Soybeans, other than seed for planting-----	11,998	-	11,998
475.4555	Insulating or transformer oils-----	10,965	7,748	5,394
517.6100	Electrodes, in part of carbon or graphite, for electric furnace or electrolytic purposes-----	7,319	418	2,563
790.5570	Pressure sensitive tape having a rubberized textile backing, except surgical or medicated tape and tape of unwoven fiber---	7,025	1,985	1,492
774.5025	Articles n.s.p.f., of rubber or plastics-----	6,889	1,707	1,433
422.3009	Titanium compounds, except pigment-grade-----	6,472	-	990
250.0225	Wood pulp, sulphite, bleached, n.e.s-----	6,462	-	2,205
475.4520	Automotive, diesel, and marine engine lubricating oil-----	6,290	1,922	1,916
475.4510	Aviation engine lubricating oil, except jet engine lubricating oil-----	5,743	2,043	1,191
475.4580	Lubricating oils, n.s.p.f., except white mineral oils-----	5,331	1,539	417
250.0284	Wood pulp, special alpha and dissolving grades-----	4,015	-	-
678.5002	Oil and gas field wire line and downhole equipment and parts thereof-----	3,734	-	-
	Total-----	971,091	119,250	380,428
	Total, U.S. exports to the U.S.S.R-----	1,059,170	161,940	408,137

1/ Includes Estonia, Latvia, and Lithuania.

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

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

Table B-6.--Leading items imported from the U.S.S.R., 1/ by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
480.6540	Anhydrous ammonia-----	\$35,262	\$17,591	\$8,902
605.0270	Rhodium-----	29,520	5,518	14,937
605.0260	Palladium-----	21,547	6,406	7,359
618.1000	Aluminum waste and scrap-----	19,631	4,466	6,408
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)-----	18,925	35,576	7,731
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--	18,739	-	-
124.1045	Sable furskins, whole, undressed-----	15,260	5,322	8,821
422.5220	Uranium compounds, fluorides-----	11,057	-	11,057
475.3500	Naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (except motor fuel)-----	8,062	-	-
605.0750	Semimanufactured palladium, not gold-plated or silver-plated----	8,051	1,664	3,062
401.7420	Para-xylene-----	7,671	1,494	6,179
169.3700	Vodka, not over 1 gallon, valued not over \$7.75 per gallon-----	6,206	2,389	2,500
606.3546	Ferrosilicon, containing 30 to 60 percent by weight of silicon, not containing over 2 percent by weight of magnesium-----	5,175	-	1,090
475.2524	Leaded gasoline-----	5,171	-	-
401.7415	Ortho-xylene-----	4,956	2,094	1,432
320.1934	Woven fabrics, of number 19, not fancy or figured, not napped, of yarns of different colors, made of singles yarn-----	4,932	45	2,126
169.3800	Vodka, in containers holding not over 1 gallon, valued over \$7.75 per gallon-----	4,526	1,451	1,704
605.0710	Semimanufactured platinum, not gold-plated or silver-plated----	4,327	572	4,327
480.5000	Potassium chloride, crude-----	3,791	1,457	2,199
605.0220	Platinum sponge, unwrought-----	3,714	2,096	2,396
	Total-----	236,522	88,139	92,228
	Total, U.S. imports from the U.S.S.R-----	277,064	119,711	107,361

1/ Includes Estonia, Latvia, and Lithuania.

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

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

Table B-7.--Leading items exported to Eastern Europe, 1/ by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
175.4100	Soybeans, other than seed for planting-----	\$86,095	-	\$25,174
130.6540	Wheat, unmilled, not donated for relief or charity-----	38,683	3,018	4,165
130.3465	Yellow corn, not donated for relief or charity-----	35,028	9,559	10,801
521.3110	Low volatile bituminous coal-----	33,592	8,896	5,518
480.1000	Fertilizers and fertilizer materials-----	28,926	19,145	10,406
120.1400	Cattle hides, whole-----	22,137	7,921	2,592
818.3900	Products, n.e.s., donated for relief or charity-----	21,248	4,982	8,692
184.5260	Soybean oil cake and oil-cake meal-----	15,907	-	-
660.3040	Parts, n.s.p.f., of steam turbines-----	15,445	95	11,688
664.0588	Parts, n.e.s., of excavating machinery, n.e.s-----	5,522	2,921	2,101
170.8140	Smoking tobacco, in bulk-----	5,429	225	1,466
475.0760	Heavy fuel oils, having a Saybolt Universal viscosity at 100 degrees Fahrenheit of more than 125 seconds-----	5,360	-	5,360
678.5065	Machines n.s.p.f. for production and assembly of semiconductor devices, diodes, transistors, and circuits, and parts-----	4,911	1,578	1,432
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower-----	4,827	-	1,887
130.4040	Grain sorghum, other than seed for planting purposes-----	4,491	-	-
692.3840	Parts of tractors, other than tracklaying tractors-----	4,271	964	589
170.6500	Cigarettes-----	4,238	742	1,626
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f-----	4,163	1,036	1,071
130.1040	Barley, other than for malting purposes-----	4,078	-	1,460
664.1074	Pipehandlers, n.s.p.f-----	3,654	-	3,654
	Total-----	348,004	61,080	99,681
	Total, U.S. exports to Eastern Europe-----	517,466	112,810	157,406

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

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

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

Table B-8.--Leading items imported from Eastern Europe, 1/ by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
475.2528	Unleaded gasoline-----	\$243,122	\$16,844	\$63,587
107.3525	Canned hams and shoulders, 3 pounds and over-----	122,503	37,147	42,304
110.4740	Pollock blocks, frozen, over 10 pounds-----	24,845	890	9,482
692.3295	Parts of motor vehicles, n.s.p.f-----	24,713	3,227	11,981
618.0200	Aluminum, other than alloys of aluminum-----	24,375	-	17,324
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	20,954	5,266	7,124
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--	18,027	6,426	-
170.2800	Cigarette leaf tobacco, not stemmed, leaf, oriental or Turkish type, not over 8.5 inches in length-----	15,403	4,847	4,780
618.2563	Aluminum sheets and strip, not clad, n.s.p.f-----	14,326	5,563	7,056
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)-----	13,427	6,099	9,310
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	12,188	4,701	4,868
412.0200	Autonomic drugs n.s.p.f., provided for in the Chemical Appendix to the Tariff Schedules-----	11,859	3,656	3,521
192.2920	Hops, not in pellets-----	2/ 10,853	2/ 1,354	2/ 133
686.9030	Lamps n.e.s., including standard household-----	10,230	3,936	3,365
165.1500	Apple and pear juice, not containing over 1 percent alcohol-----	10,137	35	840
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers-----	9,726	2,982	1,785
727.3555	Wall systems, bookcases, shelf units, credenzas, buffets servers china closet-----	9,083	2,403	3,442
607.8390	Sheets n.s.p.f. of iron or steel, pickled or cold rolled-----	8,511	3/	3,272
384.9140	Women's coats n.s.p.f., 3/4-length or longer, of man-made fibers, not knit, not ornamented-----	7,059	1,801	1,963
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	6,745	1,548	2,452
	Total-----	618,086	108,722	198,589
	Total, U.S. imports from Eastern Europe-----	1,117,183	345,065	393,505

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

2/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for July-Sept. 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

3/ TSUSA item 607.8390, along with six other TSUSA items, was created on Jan. 1, 1987, from former TSUSA item 607.8360.

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

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

Table B-9.--Leading items exported to Albania, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
		<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
521.3110	Low volatile bituminous coal-----	\$2,317	\$1,149	\$2,317
685.2765	Radio equipment and parts, n.s.p.f-----	17	-	4
661.7620	Centrifuges-----	7	-	-
	Total-----	2,341	1,149	2,321
	Total, U.S. exports to Albania-----	2,341	1,149	2,321

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

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

Table B-10.--Leading items imported from Albania, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
161.9400	Sage, unground-----	\$1,391	\$531	\$214
161.4900	Mace, other than bombay or wild, ground-----	118	-	118
167.0515	Ale, porter, stout, and beer, glass containers, not over 1 gallon-----	11	-	11
192.2400	Fresh cut flowers n.s.p.f., and bouquets, wreaths, sprays, or similar articles made from such flowers or other plant parts--	1/ 9	1/ 2	1/ 4
999.9500	Formal and informal entries, \$250 and under, estimated-----	5	-	3
274.7040	Photographs, engravings, etc., n.s.p.f., printed not over 20 years at time of importation, other than lithographs on paper--	5	-	-
162.0100	Savory, crude or not manufactured-----	3	-	-
Total-----		1,542	533	350
Total, U.S. imports from Albania-----		1,542	533	350

1/ TSUSA item 192.2400 was created on July 1, 1987, from former TSUSA item 192.2192. The figure reported for July-Sept. 1986 represents imports under item 192.2192, while 1987 figures reflect combined imports under the two items.

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

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

Table B-11.--Leading items exported to Bulgaria, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.3465	Yellow corn, not donated for relief or charity-----	\$19,471	-	\$6,933
175.4100	Soybeans, other than seed for planting-----	4,266	-	-
664.1074	Pipehandlers, n.s.p.f-----	3,654	-	3,654
480.1000	Fertilizers and fertilizer materials-----	3,312	4,681	3,312
678.5065	Machines n.s.p.f. for production and assembly of semiconductor : devices, diodes, transistors, and circuits, and parts-----	2,497	837	900
724.4575	Magnetic recording discs suitable for use with computers, : prepared but not recorded-----	2,330	-	-
674.9002	Parts, for appliances, other-----	2,196	-	-
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed-----	2,147	-	785
661.1255	Air compressors, stationary, over 100 horsepower-----	1,548	-	227
486.1900	Herbicides, unmixed, n.s.p.f-----	1,547	-	-
486.6900	Agricultural insecticide preparations, n.s.p.f-----	1,462	-	-
674.3578	Bending, folding, straightening and flattening machines, valued : at least \$2,500 each, new, with numerical controls or facings--	1,177	-	1,177
170.8140	Smoking tobacco, in bulk-----	1,099	-	663
678.5055	Metal-treating machines and parts thereof, n.s.p.f-----	927	-	586
676.5560	Parts of automatic data processing machines and units thereof, : n.s.p.f-----	617	-	227
674.5430	Parts, n.e.s., of metal-cutting machine tools n.s.p.f-----	570	-	-
517.6100	Electrodes, in part of carbon or graphite, for electric furnace : or electrolytic purposes-----	465	-	465
711.8750	Electrical (including electronic) physical analysis equipment, : n.s.p.f., and parts thereof-----	407	38	166
662.1265	Packaging and wrapping machinery, n.s.p.f-----	406	-	406
676.2700	Digital data processing machines comprising in one housing the : central processing unit and input and output capability-----	388	-	145
	Total-----	50,486	5,555	19,647
	Total, U.S. exports to Bulgaria-----	58,072	11,260	22,120

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

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

Table B-12.--Leading items imported from Bulgaria, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
170.2800	Cigarette leaf tobacco, not stemmed, leaf, oriental or Turkish type, not over 8.5 inches in length	\$15,403	\$4,847	\$4,780
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	3,737	-	-
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers	1,817	-	-
480.6510	Ammonium nitrate	1,409	-	-
117.6700	Pecorino cheeses, in original loaves, not suitable for grating	1,218	573	577
676.0560	Typewriters, nonelectric, nonautomatic, other than portable	689	233	225
384.6530	Women's, girls', or infants' wool coats n.s.p.f., valued not over \$4 per pound, not ornamented, not knit	556	514	452
437.3000	Antibiotics, natural and not artificially mixed	530	175	290
384.8073	Women's or girls' knit sweaters, of man-made fibers, not ornamented	497	164	294
167.3045	Still wine produced from grapes, not over 14 percent alcohol, in one gallon containers, valued over \$4 per gallon, white	416	172	97
167.3030	Red wine over 14 percent alcohol valued over \$4 per gallon, in containers not over 1 gallon	399	110	104
384.2806	Women's cotton knit tank tops	273	41	82
167.3005	Red wine not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	252	183	57
461.3500	Perfumes, colognes and toilet waters containing alcohol	212	16	-
384.3500	Women's, girls', or infants' cotton coats, valued not over \$4 each, not ornamented, not knit	205	-	-
320.1934	Woven fabrics, of number 19, not fancy or figured, not napped, of yarns of different colors, made of singles yarn	201	-	201
167.3015	White wine not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	195	194	44
632.2000	Cobalt	194	-	194
676.0530	Typewriters, nonelectric, nonautomatic, portable	182	-	79
452.6000	Rose oil or attar of roses	174	-	151
	Total	28,558	7,222	7,627
	Total, U.S. imports from Bulgaria	31,168	20,044	8,829

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

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

Table B-13.--Leading items exported to Cuba, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	\$616	\$346	\$106
818.3900	Products, n.e.s., donated for relief or charity-----	244	55	39
818.9000	General merchandise, valued not over \$1,000, estimated-----	91	45	26
818.3400	Wearing apparel donated for relief or charity-----	33	19	11
378.0300	Men's and boys' underwear, knit, n.s.p.f-----	4	-	-
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk-----	3	-	-
386.1190	Textile articles, n.s.p.f-----	2	-	-
	Total-----	992	464	183
	Total, U.S. exports to Cuba-----	992	464	183

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

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

Table B-14.--Leading items imported from Cuba, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
	Total, U.S. imports from Cuba-----	-	-	-

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

Table B-15.--Leading items exported to Czechoslovakia, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
120.1400	Cattle hides, whole	\$10,129	\$4,927	\$2,230
480.1000	Fertilizers and fertilizer materials	5,830	5,099	-
676.2820	Digital central processing units consisting of arithmetical, logical and control elements	1,378	-	523
170.8140	Smoking tobacco, in bulk	1,189	-	-
170.4300	Leaf tobacco, n.e.s.	988	198	-
416.5500	Inorganic acids, n.s.p.f.	793	-	-
711.8062	Display instruments, etc., which operate on electronic signals	788	-	788
124.1527	Muskrat furskins, whole, not dressed	772	-	83
670.5000	Fabric folding, reeling, or cutting machines	650	-	-
207.0035	Wooden pencil slats	636	244	98
540.4200	Glass rods, tubes, and tubing	450	53	70
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower	411	-	411
765.0300	Paintings, pastels, drawings, and sketches, whether or not originals, executed wholly by hand	400	-	-
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof	348	-	-
682.9520	Primary cells and primary batteries	338	77	9
818.9000	General merchandise, valued not over \$1,000, estimated	332	112	108
520.2410	Powder or dust of industrial diamonds, natural or synthetic, not set or suitable for use in the manufacture of jewelry	307	-	119
670.0735	Machines n.s.p.f. used in preparation of natural or man-made fibers, and textile machines n.s.p.f. for producing yarns	285	-	-
664.0584	Parts, n.e.s., of oil and gas field drilling machines	239	45	97
531.4110	Construction materials n.s.p.f., of clay	238	-	-
	Total	26,500	10,863	4,609
	Total, U.S. exports to Czechoslovakia	33,427	15,143	7,060

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

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

Table B-16.--Leading items imported from Czechoslovakia, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
192.2920	Hops, not in pellets-----	1/ \$8,466	1/ \$1,354	1/ 133
692.3415	Riding tractors suitable for agricultural use, wheel type-----	2,834	1,492	1,437
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	2,140	938	345
700.2946	Leather work footwear n.s.p.f., welt, valued over \$6.80 per pair-----	1,938	1,126	699
107.3525	Canned hams and shoulders, 3 pounds and over-----	1,906	509	553
740.3800	Jewelry, valued over 20 cents per dozen pieces or parts, other than watch bracelets-----	2/ 1,826	2/ 485	2/ 443
546.6020	Glass tumblers, goblets, and other stemware n.s.p.f., valued over \$0.30 but not over \$3 each-----	1,622	338	439
607.1710	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per pound, with a carbon content not more than 0.25 percent-----	1,576	3/	57
437.3000	Antibiotics, natural and not artificially mixed-----	1,562	386	219
381.8359	Men's or boys' wool suits n.s.p.f., valued over \$4 per pound, not ornamented, not knit-----	1,454	610	740
741.3500	Imitation gemstones, except imitation gemstone beads-----	1,349	375	432
741.3000	Beads, bugles, and spangles, n.e.s.-----	1,343	480	517
772.5138	Truck and bus tires, other than radial-----	1,306	294	361
700.2966	Men's welt footwear n.s.p.f., of leather, valued over \$6.80 per pair-----	1,264	149	344
700.3522	Leather athletic footwear n.s.p.f., for men, youths, and boys---	1,239	692	621
546.5220	Glass tumblers, goblets, and other stemware n.s.p.f., valued not over \$0.30 each-----	1,123	270	418
999.9500	Formal and informal entries, \$250 and under, estimated-----	1,094	347	348
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	1,091	278	356
335.7500	Woven fabrics n.s.p.f., of vegetable fibers, weighing not over 4 ounces per square yard-----	1,075	24	157
381.8315	Men's or boys' overcoats, topcoats and car coats, of wool, not knit, valued over \$4 per pound-----	907	415	782
	Total-----	37,116	10,564	9,399
	Total, U.S. imports from Czechoslovakia-----	60,092	26,947	18,567

1/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for July-Sept. 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

2/ TSUSA item 740.3800 was divided into new TSUSA items 740.3900 and 740.4100 effective July 1, 1987. The figure reported for July-Sept. 1986 represents imports under item 740.3800, while 1987 figures reflect combined imports under the three items.

3/ TSUSA item 607.1710, along with TSUSA items 607.1720 and 607.1730, was created on Jan. 1, 1987, from former TSUSA item 607.1700.

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

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

Table B-17.--Leading items exported to East Germany, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.3465	Yellow corn, not donated for relief or charity-----	\$15,300	\$4,334	\$3,612
184.5260	Soybean oil cake and oil-cake meal-----	6,076	-	-
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower-----	4,416	-	1,476
678.5065	Machines n.s.p.f. for production and assembly of semiconductor devices, diodes, transistors, and circuits, and parts-----	2,028	113	479
300.3021	Cotton linters, n.e.s-----	1,537	241	445
106.9200	Swine (pork) livers, fresh, chilled or frozen-----	1,101	296	533
660.2400	Gas generators and parts-----	1,003	-	-
480.1000	Fertilizers and fertilizer materials-----	1,000	-	-
670.8600	Parts n.s.p.f. of textile machinery-----	967	-	-
678.5090	Other machines n.s.p.f., and parts thereof-----	579	-	476
670.1700	Circular knitting machines, other than hosiery-----	512	200	-
438.1090	Blood and blood derivatives, except for passive immunization, n.e.s-----	499	4	-
722.9540	Equipment specially designed for photofinishing (still pictures), other than microfilm and microfiche equipment-----	468	-	-
184.6620	Fresh, chilled, or frozen meat, including meat offal, not fit for human consumption (animal feed)-----	436	-	-
818.9000	General merchandise, valued not over \$1,000, estimated-----	430	22	53
446.1521	Polychloroprene (neoprene) synthetic rubber-----	422	-	375
124.1527	Muskrat furskins, whole, not dressed-----	331	75	104
474.2828	Printing inks, n.s.p.f-----	270	-	-
771.6000	Shapes, of rubber or plastics, n.e.s-----	239	-	6
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches-----	228	-	228
	Total-----	37,846	5,284	7,787
	Total, U.S. exports to East Germany-----	41,735	7,719	9,167

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

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

Table B-18.--Leading items imported from East Germany, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
607.8390	Sheets n.s.p.f. of iron or steel, pickled or cold rolled-----	\$8,058	1/	\$3,272
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers-----	7,427	1,710	1,785
772.5109	Passenger car tires, radial-----	3,367	1,035	1,034
608.1335	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound-----	3,096	2/	1,244
480.5000	Potassium chloride, crude-----	2,782	248	629
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	2,693	349	1,212
608.1315	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound, painted or varnished-----	1,821	3/	796
668.5060	Parts of printing presses-----	1,655	459	582
772.5112	Passenger car tires, other than radial-----	1,456	524	231
607.1710	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per pound, with a carbon content not more than 0.25 percent-----	1,436	4/	1,427
610.4955	Pipes and tubes and blanks therefor, n.s.p.f., of iron or steel, diameter not over 4.5 inches, valued under \$0.225 per pound---	1,329	170	460
607.1730	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per pound, with a carbon content of 0.6 percent or higher-----	1,149	4/	514
708.7600	Compound optical microscopes, other-----	988	196	415
772.5136	Truck and bus tires, radial-----	928	300	287
381.3905	Men's or boys' jogging, warm-up, and similar athletic jackets, of cotton, knit, not ornamented-----	906	497	795
772.5127	Radial tires for light trucks-----	880	49	318
737.2425	Dolls, with or without clothing, not stuffed, 13 inches and under in height-----	854	56	407
121.5000	Pig and hog leather-----	788	191	384
401.1000	Benzene-----	786	-	-
772.5129	Tires for light trucks, other than radials-----	785	117	339
Total-----		43,186	5,901	16,130
Total, U.S. imports from East Germany-----		62,448	22,523	23,691

- 1/ TSUSA item 607.8390, along with six other TSUSA items, was created on Jan. 1, 1987, from former TSUSA item 607.8360.
2/ TSUSA item 608.1335, along with TSUSA item 608.1331, was created on Jan. 1, 1987, from former TSUSA item 608.1330.
3/ TSUSA item 608.1315, along with TSUSA item 608.1305, was created on Jan. 1, 1987, from former TSUSA item 608.1310.
4/ TSUSA items 607.1710 and 607.1730, along with TSUSA item 607.1720, were created on Jan. 1, 1987, from former TSUSA item 607.1700.

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

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

Table B-19.--Leading items exported to Hungary, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
184.5260	Soybean oil cake and oil-cake meal-----	\$7,076	-	-
692.3840	Parts of tractors, other than tracklaying tractors-----	3,790	681	383
678.5002	Oil and gas field wire line and downhole equipment and parts thereof-----	3,454	-	3,413
480.1000	Fertilizers and fertilizer materials-----	3,312	-	1,838
170.8140	Smoking tobacco, in bulk-----	2,826	225	802
692.2903	Axles for motor vehicles other than truck trailers-----	2,809	-	1,207
540.4200	Glass rods, tubes, and tubing-----	2,352	388	599
662.6031	Self-propelled, center pivot irrigation equipment, sprinkler or trickle type, for agricultural use, and parts thereof-----	1,947	-	1,927
435.3300	Corticosteroids, n.s.p.f. (bulk)-----	1,862	1,160	-
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof-----	1,699	200	218
694.4032	Nonmilitary airplanes, rotary wing, new, less than 2,200 pounds empty weight-----	1,640	-	-
670.7810	Parts of yarn-producing machines, n.e.s.-----	1,474	-	-
772.6217	Hose, pipe, and tubing, n.s.p.f., of rubber, suitable for conducting gases or liquids, with or without attached fittings-----	1,276	-	-
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	1,130	41	988
444.1210	Polyamide resins, nylon type-----	1,108	259	358
692.2901	Axles, for truck trailers-----	989	-	239
818.9000	General merchandise, valued not over \$1,000, estimated-----	838	34	212
404.3000	Amines and their derivatives-----	766	-	-
680.2020	Check taps, cocks, valves, and similar devices n.s.p.f., of copper or copper alloys, 125 pounds working pressure and over-----	753	-	753
692.1680	Special-purpose motor vehicles, nonmilitary, n.s.p.f.-----	691	-	691
	Total-----	41,790	2,987	13,629
	Total, U.S. exports to Hungary-----	65,486	11,815	21,965

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

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

Table B-20.--Leading items imported from Hungary, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$25,743	\$8,321	\$8,431
692.3295	Parts of motor vehicles, n.s.p.f-----	24,587	3,128	11,925
412.0200	Autonomic drugs n.s.p.f., provided for in the Chemical Appendix to the Tariff Schedules-----			
165.1500	Apple and pear juice, not containing over 1 percent alcohol-----	11,859	3,656	3,521
686.9030	Lamps n.e.s., including standard household-----	9,547	35	524
618.2563	Aluminum sheets and strip, not clad, n.s.p.f-----	7,590	2,684	2,436
381.8315	Men's or boys' overcoats, topcoats and car coats, of wool, not knit, valued over \$4 per pound-----	4,307	1,463	1,587
666.0075	Parts n.s.p.f. for agricultural and horticultural machinery and implements-----	3,872	2,535	2,452
107.3040	Bacon, not boned and cooked-----	3,770	-	1,992
700.3575	Men's footwear, of leather, n.s.p.f-----	3,326	1,056	1,253
612.3982	Brass strips under 1/16 inch in thickness-----	3,109	617	1,560
384.9140	Women's coats n.s.p.f., 3/4-length or longer, of man-made fibers, not knit, not ornamented-----	2,279	376	724
384.7556	Women's, girls', or infants' wool trousers, slacks, and shorts n.s.p.f., valued over \$4 per pound, not knit, not ornamented--	2,243	1,184	1,011
107.3560	Pork, n.e.s., boned, cooked, canned-----	2,102	873	1,234
772.5136	Truck and bus tires, radial-----	2,076	514	753
687.1030	Mercury vapor electric discharge lamps-----	1,997	717	793
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	1,960	213	689
381.8311	Men's suit-type coats and jackets, of wool, valued over \$4 per pound, not ornamented, not knit-----	1,831	1,080	457
607.6610	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, in coils-----	1,748	533	1,126
381.8357	Men's or boys' wool suits n.s.p.f., having jacket with single back panel, not knit, valued over \$4 per pound-----	1,746	437	667
	Total-----	1,634	-	1,004
	Total, U.S. imports from Hungary-----	117,326	29,422	44,138
		204,483	56,526	77,365

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

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

Table B-21.--Leading items exported to Mongolia, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
685.6035	Parts of radar apparatus-----	\$709	-	-
818.9000	General merchandise, valued not over \$1,000, estimated-----	107	-	107
709.3000	Medical, dental, surgical, and veterinary instruments and apparatus, n.s.p.f., and parts thereof-----	26	-	24
678.2018	Mineral-crushing, mineral-pulverizing, and mineral-grinding machines, stationary-----	8	-	-
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations-----	6	-	-
547.6020	Laboratory glassware, whether or not graduated or calibrated----	6	-	-
661.7015	Sterilizers and autoclaves and parts, for the treatment of materials by a process involving a change of temperature-----	5	-	-
661.1500	Air pumps, vacuum pumps, and parts thereof-----	2	-	-
	Total-----	869	-	133
	Total, U.S. exports to Mongolia-----	869	23	133

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

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

Table B-22.--Leading items imported from Mongolia, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
306.4192	Camel hair, in the grease or washed, not sorted-----	\$274	\$13	\$52
160.1020	Coffee, crude-----	223	-	-
306.4293	Camel hair, in the grease or washed, sorted-----	221	195	51
168.9600	Cordials, liqueurs, kirschwasser, and ratafia, in containers each holding not over 1 gallon-----	133	-	-
167.3045	Still wine produced from grapes, not over 14 percent alcohol, in one gallon containers, valued over \$4 per gallon, white----	19	2	-
132.2000	Barley and other malts-----	15	-	-
203.2000	Tool handles including knife, fork, and spoon handles, and backs: and handles for brooms, mops, and brushes, of densified wood--	14	-	-
999.9500	Formal and informal entries, \$250 and under, estimated-----	6	-	-
192.2360	Orchids, fresh, other than dendrobium-----	5	1/	5
170.3520	Cigarette leaf tobacco, stemmed, other than flue-cured-----	5	-	-
381.4010	Men's or boys' cotton knit T-shirts, except all white-----	4	-	-
207.0920	Wood carvings, n.s.p.f-----	2	2/	2
222.6000	Articles, n.s.p.f., of unspun fibrous vegetable materials of one or more of the materials bamboo, rattan, willow, or chip--	1	-	-
190.4500	Fish, live, not for human consumption-----	1	-	1
	Total-----	924	209	111
	Total, U.S. imports from Mongolia-----	924	236	111

1/ TSUSA item 192.2360 was created on July 1, 1987, from former TSUSA item 192.2160. There were no imports from Mongolia under item 192.2160 during July 1986-Sept. 1987.

2/ TSUSA item 207.0920 was created on July 1, 1987, from former TSUSA item 207.0020. There were no imports from Mongolia under item 207.0020 during July 1986-Sept. 1987.

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

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

Table B-23.--Leading items exported to North Korea, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars
	Total, U.S. exports to North Korea-----	-	-	-

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

Table B-24.--Leading items imported from North Korea, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars
790.2500	Hand fans-----	-	2	-
	Total-----	-	2	-
	Total, U.S. imports from North Korea-----	-	2	-

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

Table B-25.--Leading items exported to Poland, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	\$38,683	\$3,018	\$4,165
818.3900	Products, n.e.s., donated for relief or charity-----	21,248	4,981	8,692
480.1000	Fertilizers and fertilizer materials-----	12,432	4,437	3,836
664.0588	Parts, n.e.s., of excavating machinery, n.e.s-----	5,513	2,896	2,095
475.0760	Heavy fuel oils, having a Saybolt Universal viscosity at 100 degrees Fahrenheit of more than 125 seconds-----	5,360	-	5,360
130.4040	Grain sorghum, other than seed for planting purposes-----	4,482	-	-
130.1040	Barley, other than for malting purposes-----	4,078	-	1,460
170.6500	Cigarettes-----	3,927	611	1,337
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	2,720	1,114	109
309.4242	Polyester fibers (in noncontinuous form)-----	2,575	1,125	1,081
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches--	2,211	-	2,211
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split---	1,929	-	-
674.3531	Sharpening machines-----	1,889	-	1,889
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk-----	1,709	420	517
120.1400	Cattle hides, whole-----	1,545	2,897	-
250.0284	Wood pulp, special alpha and dissolving grades-----	1,492	-	1,097
692.3820	Parts of tracklaying tractors-----	1,224	79	559
170.3340	Burley cigarette leaf filler tobacco, stemmed-----	1,126	-	-
709.6320	X-ray apparatus n.s.p.f., and parts thereof, for medical or dental use-----	1,042	18	-
660.5440	Parts of tractor engines-----	941	148	483
Total-----		116,125	21,744	34,891
Total, U.S. exports to Poland-----		149,313	37,027	45,359

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

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

Table B-26.--Leading items imported from Poland, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		1,000 dollars	1,000 dollars	1,000 dollars
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$87,863	\$25,982	\$30,502
110.4740	Pollock blocks, frozen, over 10 pounds-----	24,845	890	9,482
493.1200	Casein-----	4,830	1,470	2,584
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	4,734	605	1,736
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	3,552	514	1,487
646.2620	Brads, nails, spikes, staples, and tacks, of iron or steel, one inch or longer, smooth shank, not coated, plated, or painted--	2,912	1/	1,125
727.1500	Furniture and parts, of bentwood-----	2,459	925	836
336.6260	Woven fabrics n.s.p.f., worsted wool, valued over \$2 per pound but not over \$9 per pound, 6 ounces and over per square yard--	2,442	189	824
686.9030	Lamps n.e.s., including standard household-----	2,420	1,013	857
192.2920	Hops, not in pellets-----	2/ 2,387	2/ -	2/ -
381.8359	Men's or boys' wool suits n.s.p.f., valued over \$4 per pound, not ornamented, not knit-----	2,134	346	1,029
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	1,921	612	655
381.4715	Men's or boys' raincoats, 3/4-length or longer, of cotton, not knit-----	1,864	486	781
692.1090	Motor vehicles n.s.p.f., for the transport of persons or articles-----	1,795	459	550
146.7630	Strawberries in containers holding more than 40 ounces-----	1,649	471	179
609.8041	Channels of iron or steel other than alloy, having a maximum cross-sectional dimension of 3 inches or more, not advanced---	1,627	72	67
608.1335	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound-----	1,584	3/	460
692.3510	Track-laying tractors (including half-track), not used for agricultural use-----	1,581	2,288	185
646.2640	Brads, nails, spikes, staples, and tacks, of iron or steel, one inch or longer, smooth shank, vinyl, resin, or cement coated--	1,478	1/	405
117.8855	Cheeses and substitutes for cheese n.s.p.f., valued over 25 cents per pound, subject to quotas-----	1,374	298	798
	Total-----	155,450	36,621	54,543
	Total, U.S. imports from Poland-----	219,215	57,468	80,815

1/ TSUSA items 646.2620 and 646.2640, along with seven other TSUSA items, were created on Jan. 1, 1987, from eight former TSUSA items.

2/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for July-Sept. 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

3/ TSUSA item 608.1335, along with TSUSA item 608.1331, was created on Jan. 1, 1987, from former TSUSA item 608.1330.

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

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

Table B-27.--Leading items exported to Romania, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
175.4100	Soybeans, other than seed for planting-----	\$81,829	-	\$25,174
521.3110	Low volatile bituminous coal-----	33,592	8,896	5,518
660.3040	Parts, n.s.p.f., of steam turbines-----	15,445	95	11,688
120.1400	Cattle hides, whole-----	10,101	-	-
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f.-----	3,124	723	699
480.1000	Fertilizers and fertilizer materials-----	3,040	4,928	1,420
184.5260	Soybean oil cake and oil-cake meal-----	2,755	-	-
486.2900	Insecticides, unmixed, n.e.s.-----	2,325	-	-
250.0281	Wood pulp, sulphate and soda, bleached, softwood, n.e.s.-----	2,293	694	618
415.4500	Sulfur, native elemental or recovered, in any physical form-----	2,110	-	-
711.2420	Machines and appliances for determining the strength of articles under compression, tension, etc., electrical-----	938	-	-
433.1035	Compound catalyst preparations, other than of nickel-----	823	-	540
661.9875	Filtering and purifying machinery and apparatus n.s.p.f., for liquids or gases-----	810	-	810
818.3100	Food products, n.s.p.f., donated for relief or charity-----	801	184	284
381.4321	Men's knit trousers and slacks, of man-made fibers-----	715	-	673
521.8500	Clays, n.s.p.f.-----	575	-	575
683.9030	Arc welding machines, rotating type, electric-----	498	-	90
680.2748	Taps, cocks, valves, and similar devices n.s.p.f., used to control the flow of liquids, gases, or solids-----	496	-	496
416.5500	Inorganic acids, n.s.p.f.-----	491	-	39
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	473	-	20
	Total-----	163,235	15,519	48,644
	Total, U.S. exports to Romania-----	169,433	29,847	51,734

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

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

Table B-28.--Leading items imported from Romania, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.2528	Unleaded gasoline-----	\$243,122	\$16,844	\$63,587
618.0200	Aluminum, other than alloys of aluminum-----	24,375	-	17,324
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--	14,290	6,426	-
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)-----	13,427	6,099	9,310
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	10,553	3,245	3,471
618.2563	Aluminum sheets and strip, not clad, n.s.p.f-----	9,940	4,100	5,390
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	8,326	2,869	3,705
727.3555	Wall systems, bookcases, shelf units, credenzas, buffets servers china closet-----	7,503	1,830	2,825
107.3525	Canned hams and shoulders, 3 pounds and over-----	6,992	2,335	2,818
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	5,645	3,192	1,872
381.3905	Men's or boys' jogging, warm-up, and similar athletic jackets, of cotton, knit, not ornamented-----	5,066	2,438	1,988
384.9140	Women's coats n.s.p.f., 3/4-length or longer, of man-made fibers, not knit, not ornamented-----	4,816	616	953
310.5049	Yarns wholly of noncontinuous man-made fibers, plied, of acrylic	4,599	1,657	1,735
680.3712	Ball bearings, radial ball bearings, outside diameter over 30- millimeters but not over 52-millimeters-----	4,271	1,296	1,374
381.9035	Men's knit sweaters, of man-made fibers, not ornamented-----	4,045	1,477	1,417
381.8930	Men's or boys' shirts, other than sweatshirts, T-shirts or tank tops, of man-made fibers, knit-----	3,696	2,141	2,469
727.2900	Chairs n.s.p.f., of wood-----	3,358	1,510	1,157
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80-----	3,128	190	50
384.9445	Women's skirts, of man-made fibers, not knit, not ornamented----	2,982	799	2,079
610.3242	Pipes and tubes and blanks therefor, n.s.p.f., of iron or steel, not galvanized, valued less than 16 cents per pound-----	2,812	1,007	836
	Total-----	382,947	60,070	124,359
	Total, U.S. imports from Romania-----	539,777	161,558	184,238

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

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

Table B-29.--Leading items exported to Vietnam, by Schedule B Nos., January-September 1987, July-September 1986, and July-September 1987

Schedule B No.	Description	Jan.-Sept.	July-September--	
		1987	1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
818.3900	Products, n.e.s., donated for relief or charity-----	\$16,815	\$8,089	\$5,472
818.9000	General merchandise, valued not over \$1,000, estimated-----	154	38	41
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	23	43	-
795.0000	Nonenumerated products-----	19	16	19
709.1690	Parts of electro-medical apparatus-----	14	-	14
818.8000	Shipments valued \$10,000 and under, not identified by kind-----	12	49	-
660.9480	Pumps n.s.p.f., for liquids-----	9	-	9
772.0400	Household articles n.s.p.f., of rubber or plastics-----	7	73	7
694.6517	Parts n.s.p.f. for aircraft and spacecraft-----	7	-	7
256.7190	Paper and paperboard, cut to size or shape; and other articles of pulp, papier-mache, paper, or paperboard, n.s.p.f-----	4	-	-
270.3080	Technical, scientific, and professional books-----	2	-	-
	Total-----	17,067	8,308	5,569
	Total, U.S. exports to Vietnam-----	17,067	8,327	5,569

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

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

Table B-30.--Leading items imported from Vietnam, by TSUSA items, January-September 1987, July-September 1986, and July-September 1987

TSUSA item No.	Description	Jan.-Sept. 1987	July-September--	
			1986	1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
381.9400	Men's or boys' sport shirts not having two or more colors in the warp or the filling, of man-made fibers, not knit-----	-	45	-
384.2935	Women's and girls' cotton knit sweatshirts, not ornamented-----	-	31	-
384.2934	Infants' cotton knit sweatshirts, not ornamented-----	-	27	-
	Total-----	-	103	-
	Total, U.S. imports from Vietnam-----	-	103	-

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

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

11 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
IAEA	International Atomic Energy Agency
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
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission

INDEX

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.

Aircraft and aircraft components: U.S. exports to China; No. 37, pp. 56-57; No. 41, pp. 52-53

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)
 U.S. exports to China; No. 37, p. 56

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; No. 37, p. 75; No. 40, pp. 70-72
 U.S. imports from China; No. 34, p. 34; No. 41, p. 78

Ammonium paratungstate (APT): U.S. imports from China, No. 51, pp. 37-38

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)

Antidumping investigations: No. 42, pp. 41-45 (incl. table); No. 43, pp. 39-41 (incl. table); No. 44, pp. 39-43 (incl. table); No. 45, pp. 54-57 (incl. table); No. 46, pp. 34-36 (incl. table); No. 47, pp. 38-40 (incl. table); No. 48, pp. 39-41 (incl. table); No. 49, pp. 49-51 (incl. table); No. 50, pp. 39-40 (incl. table); No. 51, pp. 35-37 (incl. table)

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

Apparel: see Textile and textile products

Artificial flowers: U.S. imports from China and the U.S. market; No. 44, pp. 62-69

Asian Development Bank (ADB): China joins; No. 46, pp. 33-34; No. 49, pp. 41-42

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

Barium chloride and barium carbonate: U.S. imports from China; No. 37, pp. 46-47; No. 40, pp. 60-61; No. 41, p., 48

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; No. 41, p. 88

Canned hams: see Hams, canned

Carbon steel wire rod: U.S. imports from Czechoslovakia; No. 38, pp. 52-53; No. 40, pp. 58-59

U.S. imports from Poland; No. 37, pp. 96-97; No. 38, pp. 52--53; No. 40, pp. 58-59

U.S. imports from East Germany; No. 40; p. 59; No. 41, p. 94

Ceramic kitchenware and tableware: U.S. imports from China; No. 31, pp. 40-41; No. 32, pp. 33-34; No. 33, p. 42

imports from China and the U.S. market; No. 32, pp. 52-60; No. 40, pp. 74-80

Chemical products:

U.S. imports; No. 2, pp. 36-46 (incl. tables); No. 6, pp. 31-36 (incl. table)

U.S. imports from East Germany; No. 17, p. 59

Chicory roots, crude: U.S imports; No. 6, p. 21

China:

Asian Development Bank, China joins; No. 46, pp. 33-34; No. 49, pp. 41-42

- Economic developments; No. 29, pp. 25-29; No. 33, pp. 33-34; No. 37, pp. 33-34; No. 41, pp. 35-39; No. 45, pp. 59-63; No. 49, pp. 53-57
- Economic relations with Japan; No. 46, pp. 37-48
- Economic relations with Soviet Union; No. 42, pp. 47-51
- Eximbank financing; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26, p. 37; No. 32, pp. 32-33, No. 33, pp. 36-37; No. 47, p. 34; No. 49, pp. 38-39
- General Agreement on Tariffs and Trade, China formally announces intention to rejoin; No. 47, pp. 35-36, formally applies; No. 49, pp. 42-43
- International Monetary Fund, China joins; No. 22, p. 65; No. 23, pp. 21-23
- Most Favored Nation status; No. 19, p. 19; No. 20, p. 19; No. 22, p. 61; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 19, p. 30; No. 31, pp. 39-40; No. 33, pp. 35-36; No. 35, pp. 36-37; No. 37, pp. 39-40; No. 40, pp. 51-53; No. 41, p. 46; No. 43, pp. 36-37; No. 45, pp. 53-54; No. 47, p. 37; No. 49, p. 48; pp. 34-35; No. 51, pp. 34-35
- Overseas Private Investment Corporation; No. 23, pp. 25-26; No. 38, pp. 43, 44; No. 41, p. 44; No. 43, p. 32
- Textiles; No. 24, pp. 47-85; No. 26, pp. 45-66; No. 37, pp. 43-45; No. 49, pp. 40-41
- Textile agreement with the EC; No. 33, p. 44-45; No. 37, p. 50
- U.S.-China textile agreement; No. 24, pp. 78-85; No. 36, pp. 43-44; No. 37, pp. 38-39
- U.S.-China income tax treaty; No. 38, p. 45; No. 40, p. 51; No. 41, p. 41; No. 47, p. 33; No. 49, pp. 39-40
- U.S.-China Joint Commission on Commerce and Trade; No. 38, pp. 43-44; No. 43, p. 32; No. 47, p. 34; No. 49, p. 37
- U.S.-China Bilateral Agreements; No. 24, pp. 36-38; No. 37, 38-43; No. 41, pp. 40-44; No. 47, pp. 34-35
- U.S.-China Joint Economic Committee; No. 24, p. 33; No. 33, pp. 41-42; No. 38, pp. 43, 44; No. 43, p. 35; No. 47, p. 33; No. 49, pp. 37-38
- U.S.-China textile negotiations; No. 19, p. 20; No. 23, pp. 26-27; No. 24, pp. 78-85; No. 26, p. 40; No. 33, p. 39-40; No. 33, pp. 39-40; No. 34, pp. 26-29; No. 35, pp. 34-35
- U.S. exports and imports, annual; No. 1, pp. 10-12 (incl. table); No. 5, pp. 24-29 (incl. table); No. 9, pp. 27-33 (incl. table); No. 13, pp. 19-23 (incl. table); No. 17, pp. 23-30 (incl. table); No. 21, pp. 28-38 (incl. table); No. 25, pp. 33-48 (incl. table); No. 29, pp. 36-43 (incl. table); No. 33, pp. 45-52 (incl. table); No. 37, pp. 31-33 (incl. table) and pp. 50-60; No. 41, pp. 33-60, No. 45, pp. 9, 18; No. 49, pp. 9, 20
- U.S. export controls; No. 27, pp. 54-56; No. 29, pp. 32-34; No. 33, pp. 38-39; No. 35, pp. 33-36; No. 36, pp. 44-48; No. 37, pp. 35-36
- World Bank loan, first to China; No. 27, pp. 52-54
- U.S.-China nuclear agreement; No. 44, pp. 37-38, No. 45, pp. 37-40
- U.S. sugar sale to; No. 48, pp. 37-38

Chloropicrin: U.S. imports from China; No. 35, p. 40; No. 36, p. 52; No. 37, pp. 45-46; No. 38, pp. 49-50; No. 41, p. 48

Chrome ore:

- U.S. imports from Albania; No. 21, p. 80
- U.S. imports from the U.S.S.R.; No. 9, p. 21

Clothespins:

U.S. imports; No. 6, pp. 47-49 (incl. table); No. 28, p. 43
 U.S. imports from China; No. 15, p. 16; No. 16, p. 17; No. 17, p. 29
 U.S. imports from Poland; No. 15, p. 16; No. 16, p. 17; No. 17, pp. 35-36
 U.S. imports from Romania; No. 15, p. 16; No. 16, p. 17

Clothing: see also Textile and textile products

U.S. imports; No. 6, p. 30; No. 8, pp. 25-27 (incl. table)
 U.S. imports from China; No. 9, pp. 31-32; No. 33, p. 51; No. 37, pp. 57-59

Coal:

U.S. exports to East Germany; No. 21, p. 68
 U.S. exports to Romania; No. 13, p. 35
 U.S. exports to Yugoslavia; No. 21, p. 51
 U.S. imports from Poland; No. 13, p. 28; No. 17, p. 37; No. 21, p. 46

Cocoa butter: U.S. imports from China; No. 33, p. 52

Commodity Control List (CCL): see Export controls, U.S.

Commodity Credit Corporation (CCC): No. 9, p. 37; No. 5, p. 32; No. 12, p. 24;
 No. 13, pp. 17-18, p. 26, p. 34; No. 16, p. 12; No. 17, p. 27, p. 34, p. 46,
 p. 60; No. 21, p. 33, p. 42, p. 53, p. 56; No. 24, pp. 41-42;
 No. 29, p. 68; No. 36, p. 50; No. 40, p. 51

Computers and computer parts: U.S. exports to the U.S.S.R., No. 23, p. 46.

Coordinating Committee for Multilateral Export Controls (COCOM): No. 22, p. 42;
 No. 23, pp. 28-29; No. 37, p. 36; No. 37, pp. 36 and 67-68; No. 40, pp. 55-57

Copper and copper articles:

U.S. imports from Poland; No. 21, p. 45
 U.S. imports from Yugoslavia; No. 6, p. 44; No. 7, pp. 45-49 (incl. table);
 No. 9, p. 40; No. 13, p. 31
 U.S. imports from the U.S.S.R.; No. 37, p. 75
 U.S. exports to the U.S.S.R.; No. 33, p. 69

Cotton: see also Textile and textile products

U.S. exports to China; No. 21, p. 34; No. 26, pp. 45-66; No. 33, p. 46-47;
 No. 37, pp. 52-53
 U.S. exports to Hungary; No. 21, p. 73
 U.S. exports to Romania; No. 21, p. 56
 U.S. imports; No. 8, pp. 18-24 (incl. tables)
 U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 8,
 pp. 18-24 (incl. table); No. 9, pp. 31-32; No. 24, pp. 63-77

Cotton shop towels:

U.S. imports from China; No. 32, pp. 36-37; No. 33, 42-44; No. 35, p. 4;
 No. 36, p. 51; No. 37, pp. 43-44

Countervailing duty law, application to NME's: No. 36, pp. 51-52; No. 37, pp. 43-45; No. 38, pp. 52-53; No. 40, pp. 58-59; No. 41, p. 93; No. 44, pp. 33-34; No. 45, pp. 51-52; No. 48, p. 35; No. 49, pp. 47-48

Cuba:

U.S. exports and imports, annual; No. 1, pp. 44-45 (incl. table); No. 5, p. 56; No. 9, p. 71; No. 13, p. 53; No. 17, pp. 70-71; No. 21, p. 81; No. 25, p. 114; No. 29, p. 119
U.S. embargo on; No. 48, p. 39

Czechoslovakia:

Membership in the General Agreement on Tariffs and Trade; No. 37, p. 96
U.S.-Czechoslovakian financial claims; No. 23, pp. 32-33; No. 29, p. 73
U.S. exports and imports, annual; No. 1, pp. 28-31 (incl. table); No. 5, pp. 43-45 (incl. table); No. 9, pp. 53-56 (incl. table); No. 13, pp. 37-41 (incl. table); No. 17, pp. 49-54 (incl. table); No. 21, pp. 61-65; No. 25, pp. 94-99; No. 29, pp. 114-118; No. 41, p. 87

Democratic Republic of Germany: see Germany, East

Diamonds: U.S. imports from the U.S.S.R.; No. 9, p. 21; No. 13, p. 19

Dolls and stuffed toy animals: imports from China and the U.S. market; No. 40, pp. 87-95

Down and feathers:

U.S. imports; No. 16, pp. 19-25 (incl. tables)
U.S. imports from China; No. 13, p. 22; No. 16, pp. 19-25 (incl. tables); No. 17, p. 30; No. 21, p. 37; No. 33, p. 52
U.S. imports from Yugoslavia; No. 13, pp. 31-32
U.S. imports from China and the U.S. market, No. 44, pp. 62-69

Earthenware table and kitchen articles: U.S. imports from China and the U.S. market; No. 52, pp. 42-48

Eastern Europe: No. 29, pp. 64-82; No. 33, pp. 45-89; No. 37, pp. 79-107; No. 41, pp. 81-101; No. 45, pp. 19-21; No. 49, pp. 21-22
Economic developments; No. 45, pp. 72-81; No. 49, pp. 63-69

East Germany: see Germany, East

East-West Trade Statistics Monitoring System: imports from NME's in relation to the U.S. market; No. 31, pp. 43-63 (incl. tables); No. 35, pp. 43-59 (incl. tables); No. 39, pp. 37-51 (incl. tables); No. 43, pp. 43-60; No. 47, pp. 41-60 (incl. tables); No. 51, pp. 39-67 (incl. tables)

Energy development: No. 30, pp. 31-35

Export Administration, Office of: See also Export controls.

U.S. changes in control status country group designations; No. 23, pp. 29-30; No. 36, p. 44-45

Export controls, Austria: proposed law to support U.S. controls; No. 40, p. 57

Export controls, U.S.: No. 18, p. 19; No. 20, pp. 43-44; No. 21, pp. 9-18; No. 22, pp. 19-59 (incl. tables and figure); No. 23, pp. 27-31, pp. 35-45 (incl. tables); No. 24, p. 35; No. 27, pp. 39-47 and pp. 54-56; No. 30, pp. 25-27; No. 31, pp. 30-33; No. 32, pp. 29-30; No. 29, pp. 32-34; No. 33, pp. 38-39 and pp. 58-59; No. 35, pp. 33-34; No. 36, pp. 44-48; No. 37, pp. 35-36 and 65; No. 38, pp. 46-48, and pp. 55-65; No. 40, pp. 53-55; No. 42, pp. 36-40; No. 43, pp. 37-38; No. 44, pp. 38-39; No. 45, pp. 49-51; No. 46, p. 34; No. 50, pp. 38-39

Export credit restraints, OECD: No. 31, pp. 33-35; No. 33, p. 60; No. 37, pp. 66-67

Export-Import Bank (Eximbank) financing:

for China; No. 22, p. 62; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26, p. 37; No. 32, pp. 32-33; No. 33, pp. 36-37; No. 49, pp. 38-39
for Hungary; No. 20, p. 21
for Romania; No. 20, p. 21; No. 27, pp. 48-50; No. 29, pp. 70-71

Feathers: see Down and feathers

Ferroalloys and nonferrous metals: U.S. imports; No. 6, pp. 44-45; No. 7, pp. 37-44 (incl. tables)

U.S. imports from U.S.S.R.; No. 37, pp. 68 and 75; No. 38, pp. 50-51

Fibers, flax and hemp:

U.S. imports; No. 6, p. 24

U.S. manmade fiber exports to China; No. 33, pp. 47-48

Fibers, manmade: U.S. exports to China; No. 26, pp. 58-66; No. 33, p. 47-48; No. 37, p. 54; No. 41, p. 55

Fibrous vegetable materials: U.S. imports from China; No. 6, pp. 23-24

Fireworks: U.S. imports from China; No. 6, pp. 50-51; No. 8, pp. 43-46 (incl. table)

Fishing agreements:

U.S.-U.S.S.R.; No. 40, pp. 48-49

U.S.-Poland; No. 40, p. 49; No. 41, p. 72

Flax: see Fibers, flax and hemp

Floor coverings: imports from China and Romania and the U.S. market; No. 40, pp. 80-87; No. 41, p. 59

Footwear:

- U.S. imports; No. 2, pp. 18-25 (incl. tables); No. 6, pp. 51-52; No. 8, pp. 38-42 (incl. table)
- U.S. imports from Czechoslovakia; No. 21, p. 64
- U.S. imports from Poland; No. 9, p. 34
- U.S. imports from Romania; No. 9, p. 48 No. 11, pp. 17-25 (incl. tables); No. 13, p. 36; No. 21, pp. 58-59
- U.S. imports from Yugoslavia; No. 19, pp. 25-37 (incl. tables)

Foreign Trade Statistics, changes:

- Changes in 1978; No. 14, pp. 16-19
- Changes in 1987; No. 50, pp. 41-50 (incl. tables)

Furniture, wooden: see Wood furnitureFurskins:

- Lifting of embargo on U.S. imports from China; No. 33, p. 37
- U.S. imports from U.S.S.R.; No. 37, p. 77
- Proposal to lift embargo on imports from U.S.S.R.; No. 43, p. 33

Gas, natural:

- U.S. imports from the U.S.S.R.; No. 9, p. 18
- U.S.S.R.-European gas pipeline; No. 28, p. 37-39; No. 32, pp. 29-30; No. 33, pp. 58-59

General Agreement on Tariffs and Trade (GATT):

- China formally announces intention to rejoin, No. 47, pp. 35-36
- Membership for Hungary; protocols of accession; No. 27, p. 79
- Membership for Poland; protocols of accession; No. 27, pp. 77-79
- Membership for Romania; protocols of accession; No. 27, p. 79
- NME participation in; No. 27, pp. 57-93; No. 29, p. 77; No. 37, pp. 95-96; No. 48, pp. 38-39
- Soviet Union requests to participate in New Round; No. 49, p. 47

Generalized System of Preferences (GSP): No. 9, p. 41; No. 13, pp. 36-37; No. 17, p. 42, p. 49; No. 19, p. 19; No. 21, p. 30, p. 48, pp. 60-61; No. 22, p. 65; No. 50, p. 35

Germany, East: U.S. exports and imports, annual; No. 1, pp. 32-35 (incl. table); No. 5, pp. 49-52 (incl. table); No. 9, pp. 57-60 (incl. table); No. 13, pp. 41-46 (incl. table); No. 17, pp. 54-60 (incl. table); No. 21, pp. 65-69; No. 25, pp. 85-94 (incl. table); No. 29, pp. 98-103; No. 41, p. 86

Glass and glassware:

- U.S. imports; No. 6, pp. 37-39; No. 8, pp. 28-33 (incl. tables); No. 19, pp. 38-54 (incl. tables)
- U.S. imports from Romania; No. 5, p. 40; No. 9, pp. 15, 49

Gloves: see also Textile and textile products

U.S. imports from China; No. 13, p. 23; No. 14, p. 14; No. 17, p. 29;
No. 36, pp. 78-83

Gold, nonmonetary:

U.S. imports; No. 14, pp. 20-21 (incl. table)
U.S. imports from the U.S.S.R.; No. 21, p. 25; No. 25, p. 60

Gold coins:

U.S. imports from Hungary; No. 1, pp. 36-37; No. 5, p. 46
U.S. imports from Soviet Union; No. 33, p. 74; No. 49, p. 44

Golf cars: U.S. imports from Poland; No. 3, p. 16; No. 5, p. 32; No. 21,
pp. 45-46; No. 23, pp. 33-34

Grain:

U.S. exports; No. 1, p. 13; No. 3, pp. 3-5 (incl. table); No. 4, pp. 2-4
(incl. table); No. 5, pp. 1-4 (incl. table); No. 6, pp. 1-5 (incl. table);
No. 7, pp. 8-11 (incl. table); No. 8, pp. 6-8 (incl. table); No. 9,
pp. 11-13 (incl. tables); No. 12, pp. 11-28 (incl. tables); No. 13, p. 9
(incl. table); No. 14, p. 10 (incl. table); No. 16, pp. 12-13 (incl. table);
No. 17, pp. 12-13 (incl. table); No. 18, pp. 11-12 (incl. table); No. 19,
pp. 14-15 (incl. table); No. 20, pp. 15-16 (incl. table); No. 21, p. 9
(incl. table); No. 22, p. 29 (incl. table); No. 23, pp. 5-9, 43-45 (incl.
table); No. 31, pp. 11-15; No. 32, p. 12, pp. 30-32

U.S. exports to Bulgaria; No. 12, p. 28; No. 17, p. 68; No. 21, p. 78

U.S. exports to China; No. 9, pp. 27-29; No. 12, pp. 23-24; No. 15, p. 12;
No. 17, pp. 26-27; No. 21, p. 33; No. 26, pp. 31-35; No. 32, p. 12; No. 33,
p. 44 and pp. 45-46; No. 37, pp. 50-52; No. 41, p. 56; No. 50, pp. 37-38;
No. 51, p. 34

U.S. exports to Czechoslovakia; No. 9, p. 53; No. 12, p. 26; No. 17, p. 52;
No. 21, p. 63

U.S. exports to Eastern Europe; No. 32, p. 12; No. 33, p. 87; No. 41, p. 97

U.S. exports to East Germany; No. 9, pp. 57-59; No. 12, pp. 23-24; No. 13,
p. 41; No. 17, pp. 56-58; No. 21, pp. 66-68

U.S. exports to Hungary; No. 12, p. 27; No. 21, pp. 71-73

U.S. exports to Poland; No. 5, p. 31; No. 9, p. 36; No. 12, pp. 24-25;
No. 13, p. 25; No. 17, pp. 33-34 (incl. table); No. 21, p. 41 (incl. table);
No. 50, pp. 37-38; No. 51, p. 34

U.S. exports to Romania; No. 8, pp. 12-13; No. 9, p. 50; No. 12, p. 28;
No. 17, pp. 45-46 (incl. table); No. 21, pp. 54-56; No. 50, pp. 37-38;
No. 51, p. 34

U.S. exports to the U.S.S.R.; No. 5, pp. 17-18; No. 9, pp. 11-13 (incl.
table); No. 12, pp. 19-23 (incl. table); No. 13, p. 17; No. 17, pp. 19-20
(incl. table); No. 21, pp. 21-23; No. 22, pp. 27-29 (incl. tables); No. 23,
p. 36; No. 24, pp. 30-32; No. 25, pp. 53-57; No. 27, p. 41; No. 28, p.
35-37; No. 32 pp. 30-32; No. 33, p. 60, and pp. 64-66; No. 40, pp. 45-46;
No. 41, p. 69 and p. 74; No. 50, p. 37; No. 51, pp. 33-34

U.S. exports to Yugoslavia; No. 12, p. 27; No. 17, p. 41; No. 21, p. 50

Grain agreements:

United States and China; No. 26, pp. 31-35; No. 37, pp. 51-52; No. 41, p. 45
 China and third countries; No. 33, p. 45; No. 37, p. 52
 United States and U.S.S.R.; No. 35, pp. 37-39; No. 36, pp. 48-49; No. 40,
 pp. 45-46; No. 41, p. 71; No. 44, pp. 35-37; No. 45, pp. 44-46; No. 47,
 pp. 36-37; No. 48, pp. 36-37; No. 49, pp. 44-46; No. 50, p. 37; No. 51, pp.
 33-34

Hams, canned:

U.S. imports; No. 6, p. 18; No. 7, pp. 22-28 (incl. tables); No. 23,
 pp. 51-55 (incl. tables); No. 33, p. 88
 U.S. imports from Hungary; No. 21, p. 74
 U.S. imports from Poland; No. 9, p. 34; No. 13, p. 27; No. 17, p. 35;
 No. 21, p. 43; No. 34, p. 33

Handbags: U.S. imports from China and the U.S. market; No. 36, pp. 83-88;
 No. 44, pp. 54-62; No. 52, pp.

Headwear: see also Textile and textile products

U.S. imports; No. 7, pp. 56-59 (incl. table)
 U.S. imports from China; No. 6, p. 51
 U.S. imports from China and the U.S. market; No. 44, pp. 47-54

Hemp: see Fibers, flax and hemp

Hides and skins: see also Furskins

U.S. exports; No. 12, pp. 28-35 (incl. tables)
 U.S. exports to Czechoslovakia; No. 21, p. 63
 U.S. exports to the U.S.S.R.; No. 37, p. 72

High-technology items:

U.S. exports to China; No. 36, pp. 44-48; No. 37, pp. 35-38; No. 41, p. 53
 U.S. exports to the U.S.S.R.; No. 22, pp. 40-52 (incl. tables); No. 24,
 pp. 38-40; No. 25, p. 59; No. 33, pp. 58-59; No. 37, pp. 65-68 and 73
 U.S. exports to NME's and other countries; No. 38, pp. 55-81

Hops: U.S. imports; No. 7, pp. 29-32 (incl. table); No. 33, p. 88

Hungary:

Commodity Credit Corporation credit guarantee; No. 40, p. 51
 Economic reforms; No. 30, pp. 43-65
 Eximbank financing; No. 20, p. 21
 Membership in the General Agreement on Tariffs and Trade; No. 27, p. 79;
 No. 37, p. 96
 Most Favored Nation status; No. 17, p. 60; No. 19, pp. 20-21; No. 23,
 pp. 31-32; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40; No. 35,
 pp. 36-37; No. 37, pp. 94-95; No. 40, pp. 51-53; No. 41, p. 90;
 No. 43, pp. 36-37; No. 45, pp. 53-54; No. 47, p. 37; No. 49, p. 48; No. 51,
 pp. 34-35

U.S. exports and imports, annual; No. 1, pp. 36-38 (incl. table); No. 5, pp. 46-48 (incl. table); No. 9, pp. 61-65 (incl. table); No. 13, pp. 46-49 (incl. table); No. 17, pp. 60-66 (incl. table); No. 21, pp. 70-75 (incl. table); No. 25, pp. 103-110 (incl. table); No. 29, pp. 108-113

International Atomic Energy Agency (IAEA): China joins; No. 37, pp. 48-49

International Monetary Fund (IMF): China joins; No. 22, p. 65; No. 23, pp. 21-23

Iridium: see Platinum group metals

Iron and steel: see also Steel

U.S. imports; No. 2, pp. 26-35 (incl. tables); No. 41, p. 99

U.S. imports from Poland; No. 13, p. 27

Korea, North: U.S. exports and imports, annual; No. 21, p. 81; No. 25, p. 114; No. 29, p. 119

Labor content of U.S. exports to the nonmarket economy countries: No. 4, pp. 11-16 (incl. tables)

Labor content of U.S. imports from the nonmarket economy countries: No. 3, pp. 18-26 (incl. tables)

Lace goods: U.S. imports from China and U.S. market, No. 36, pp. 55-60

Lightbulbs: U.S. imports from Hungary; No. 16, p. 18; No. 17, p. 65

Logs, softwood: U.S. exports to China; No. 33, p. 48; No. 34, p. 21; No. 37, p. 54; No. 41, p. 55

Machine tools: U.S. exports and imports; No. 1, p. 13; No. 10, pp. 18-54 (incl. tables)

Manganese alloys: see Ferroalloys

Market disruption investigations: See product

Men's shirts, nightwear, and underwear: U.S. imports from China and U.S. market; No. 36, pp. 66-73

Menthol: U.S. imports from China, No. 23, p. 34; No. 26, p. 43

Metals and metal products:

U.S. imports; No. 6, pp. 41-46 (incl. table)

U.S. imports from Yugoslavia; No. 13, p. 31

Metal castings: U.S. imports from China; No. 47, p. 40

Miscellaneous outerwear: U.S. imports from China and U.S. market; No. 36, pp. 60-66

Mongolia: U.S. exports and imports, annual; No. 1, pp. 46-47 (incl. table); No. 5, p. 57; No. 9, p. 72; No. 13, p. 53; No. 17, pp. 70-71; No. 21, p. 81; No. 25, p. 113; No. 29, p. 119

Montan wax: U.S. imports from East Germany; No. 24, pp. 45-46; No. 25, p. 93-94; No. 26, p. 44; No. 28, pp. 40-41; No. 29, pp. 74-77; No. 30, pp. 36-39; No. 33, pp. 85-86

Most Favored Nation (MFN) status:

for China; No. 22, p. 61; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, p. 30; No. 31, pp. 39-40; No. 35, p. 36-37; No. 37, pp. 39-40; No. 40, pp. 51-53; No. 41, p. 46; No. 43, pp. 36-37; No. 45, pp. 53-54; No. 47, p. 37; No. 49, p. 48; No. 51, pp. 34-35
 for Hungary; No. 17, p. 60; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32; No. 35, pp. 36-37; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40; No. 33, p. 81; No. 35, pp. 36-37; No. 40, pp. 51-53; No. 43, pp. 36-37; No. 45, pp. 53-54; No. 47, p. 37; No. 49, p. 48; No. 51, pp. 34-35
 for NME's; No. 18, p. 17; No. 41, p. 90
 for Romania; No. 17, p. 43; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32; No. 27, pp. 50-52; No. 29, pp. 72-73; No. 31, pp. 39-40; No. 33, pp. 81, 83; No. 35, pp. 36-37; No. 40, pp. 51-53; No. 41, p. 90; No. 43, pp. 36-37; No. 45, pp. 53-54; No. 47, p. 37; No. 49, pp. 48-49; No. 51, pp. 34-35
 for Poland; No. 33, pp. 77-78; No. 50, pp. 35-36

Motor vehicle equipment: U.S. imports from Hungary; No. 15, pp. 22-25 (incl. table)

Multifiber Arrangement (MFA):

China joins; No. 37, pp. 49-50
 Negotiations; No. 49, pp. 40-41

Muriate of potash: see potassium chloride

Mushrooms:

U.S. imports; No. 24, pp. 43-45 (incl. table)
 U.S. imports from China, No. 30, pp. 41-43; No. 32, pp. 34-36; No. 33, p. 43; No. 35, pp. 40-41; No. 37, pp. 47-48

Natural gas: see Gas, natural

Nickel, unwrought: U.S. imports, No. 14, pp. 22-26 (incl. table)
 U.S. imports from the U.S.S.R.; No. 37, pp. 68 and 75, No. 49, p. 43

Nitrogenous fertilizers: imports from the U.S.S.R. and the U.S. market; No. 40, pp. 65-73

Nonmetallic minerals and metals: U.S. imports, No. 6, pp. 37-40 (incl. table)

North Korea: see Korea, North

Nuclear reactor parts: U.S. exports to Yugoslavia; No. 12, p. 5; No. 13, p. 30

Oil and gas well machinery:

U.S. exports, No. 20, pp. 22-45 (incl. tables)

U.S. exports to the U.S.S.R.; No. 15, p. 17; No. 22, pp. 46-47; No. 33, pp. 58-59; No. 50, pp. 38-39

Oilseed meals: U.S. exports to Poland; No. 21, p. 42 (incl. table)

Olympics-related items: U.S. exports to the U.S.S.R.; No. 22, pp. 58-59

Operation Exodus: No. 31, pp. 35-39

Osmium: see Platinum group metals

Overseas Private Investment Corporation (OPIC) insurance: for China; No. 23, pp. 25-26; No. 38, pp. 43, 44; No. 41, p. 44; No. 43, p. 32

Oxides, inorganic; No. 6, p. 35

Palladium: see Platinum group metals

Pantothenic acid: U.S. imports; No. 6, pp. 33-34

Peanuts: U.S. imports from China; No. 27, pp. 32-38; No. 33, p. 52

People's Republic of China: see China

Petroleum and petroleum products:

U.S. imports from China; No. 17, p. 30; No. 21, p. 36; No. 32, p. 23; No. 33, p. 50; No. 37, p. 59; No. 41, p. 58

U.S. imports from Romania; No. 2, p. 7; No. 32, p. 23; No. 41, p. 99

U.S. imports from the U.S.S.R.; No. 2, p. 7; No. 4, p. 10; No. 9, pp. 18-20; No. 13, p. 18; No. 32, p. 23; No. 33, p. 74; No. 37, p. 76; No. 41, p. 77

Phosphates: see also Ammonia

U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 22, pp. 52-58; No. 25, p. 58; No. 33, p. 66; No. 37, pp. 72-73; No. 41, p. 75

Plastics resins: U.S. exports to China; No. 33, p. 49; No. 37, p. 55; No. 41, p. 54

Platinum group metals: U.S. imports from the U.S.S.R.; No. 9, p. 20; No. 11, pp. 33-45 (incl. tables); No. 13, p. 18; No. 33, p. 73; No. 37, p. 75; No. 41, p. 79

Plywood, birch: U.S. imports from the U.S.S.R.; No. 6, pp. 22-23; No. 7, pp. 33-36 (incl. table)

Poland:

International Monetary Fund, Poland joins; No. 47, pp. 37-38
 Long-term trends in U.S.-Polish trade; No. 28, pp. 45-63 (incl. tables)
 Membership in the General Agreement on Tariffs and Trade; No. 27, p. 77;
 No. 37, p. 95
 Rescheduling of debts: No. 36, pp. 49-50; No. 37, pp. 92-93; No. 41, p. 92;
 No. 42, pp. 34-35; No. 44, pp. 34-35; No. 45, pp. 47-49
 U.S. assistance to; No. 28, pp. 39-40; No. 29, pp. 68-69; No. 32, p. 14
 U.S. exports and imports, annual; No. 1, pp. 18-20 (incl. table); No. 5,
 pp. 30-33 (incl. table); No. 9, pp. 34-39 (incl. table); No. 13, pp. 23-28
 (incl. table); No. 17, pp. 30-37 (incl. table); No. 21, pp. 38-46; No. 25,
 pp. 69-78 (incl. table); No. 29, pp. 88-97
 U.S. sanctions against: No. 37, pp. 90-92
 U.S. steps toward normalization of commercial relations; No. 40, pp. 49-50;
 No. 41, p. 89; No. 50, pp. 35-36

Potassium chloride:

U.S. imports from East Germany; No. 9, p. 59; No. 38, p. 51; No. 40,
 pp. 59-60; No. 41, p. 94
 U.S. imports from U.S.S.R.; No. 38, p. 51; No. 40, pp. 59-60, and pp. 70-72;
 No. 41, p. 94

Potassium permanganate: U.S. imports from China; No. 35, p. 39; No. 36, p. 52;
 No. 37, pp. 45-46; No. 38, pp. 48-49; No. 41, p. 48; No. 43, p. 39; No. 45,
 p. 58

Pressure sensitive tape: U.S. exports to the U.S.S.R.; No. 37, p. 74

Printcloth: U.S. imports from China; No. 32, pp. 37-38; No. 33, pp. 42-44;
 No. 35, p. 41; No. 36, p. 51; No. 37, p. 43

Qualified General License: see Export controls, U.S.

Rabbit meat: U.S. imports from China; No. 6, p. 17; No. 9, p. 32

Rainwear: U.S. imports from China and the U.S. market; No. 52, pp. 36-42

Rhodium: see Platinum group metals

Romania:

Agreements with European Community; No. 29, pp. 77-78
 Eximbank financing; No. 20, p. 21; No. 27, pp. 48-50; No. 29, pp. 70-71
 Membership in the General Agreement on Tariffs and Trade; No. 27, p. 79
 Most Favored Nation status; No. 17, p. 43; No. 19, p. 20; No. 23, pp. 31-32;
 No. 29, pp. 72-73; No. 31, pp. 39-40; No. 37, pp. 94-95; No. 40, pp. 51-53;
 No. 41, p. 90; No. 43, pp. 36-37; No. 47, p. 37; No. 49, pp. 48-49; No. 51,
 pp. 34-35

U.S. exports and imports, annual; No. 1, pp. 25-27 (incl. table); No. 5, pp. 38-42 (incl. table); No. 9, pp. 46-52 (incl. table); No. 13, pp. 32-37 (incl. table); No. 17, pp. 43-49 (incl. table); No. 21, pp. 52-61 (incl. table); No. 25, pp. 79-85 (incl. table); No. 29, pp. 83-87
 Rescheduling of debts; No. 33, pp. 82-83; No. 37, pp. 93-94; No. 41, p. 92
 Suspension of U.S. credits; No. 30, pp. 27-41
 Termination of eligibility for GSP: No. 50, p. 35

Ruthenium: see Platinum group metals

Sanctions, trade: see Export controls, U.S.

Silicon alloys: see Ferroalloys

Skins, animal: see Hides and skins

Soviet Union: see Union of Soviet Socialist Republics

Soybeans and soybean products:

U.S. exports; No. 20, pp. 46-79 (incl. tables)
 U.S. exports to Bulgaria; No. 17, p. 68; No. 21, p. 78
 U.S. exports to China; No. 21, p. 34; No. 33, pp. 46-47; No. 37, pp. 52-53
 U.S. exports to Czechoslovakia; No. 17, p. 52; No. 21, p. 63
 U.S. exports to Eastern Europe; No. 32, p. 14; No. 41, p. 96
 U.S. exports to Hungary; No. 17, pp. 63-64; No. 21, p. 73
 U.S. exports to Poland; No. 21, p. 42 (incl. table)
 U.S. exports to Romania; No. 9, p. 50; No. 17, pp. 45-46 (incl. table); No. 21, pp. 54-56
 U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 25, p. 58; No. 33, p. 69; No. 37, p. 72
 U.S. exports to Yugoslavia; No. 13, p. 31; No. 17, pp. 40-41; No. 21, p. 50

Specified products; miscellaneous and nonenumerated products: U.S. imports; No. 6, pp. 47-52 (incl. table)

Steel: see also Iron and Steel

U.S. imports from Czechoslovakia; No. 17, pp. 53-54; No. 41, p. 95
 U.S. imports from Poland; No. 17, p. 35; No. 18, p. 18; No. 19, p. 21; No. 21, pp. 44-45; No. 32, p. 25; No. 41, p. 95
 U.S. imports from Romania; No. 29, pp. 74-77; No. 30, pp. 39-41; No. 32, p. 25; No. 41, p. 95
 U.S. imports from East Germany; No. 41, pp. 94-95

Suits: see also Textile and textile products

U.S. imports from Romania; No. 9, p. 48

Sulfonamides: U.S. imports; No. 6, p. 31

Superphosphoric acid: see Phosphates

Textiles and textile products:

see also Clothing, Cotton, Cotton shop towels, Gloves, Headwear, Suits, and Printcloth

U.S. exports to China; No. 26, pp. 45-66; No. 32, p. 14

U.S. imports; No. 2, pp. 53-60 (incl. tables); U.S. imports; No. 6, pp. 26-30 (incl. table)

U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 17, p. 29; No. 18, pp. 16-17; No. 19, p. 20; No. 20, p. 19; No. 21, pp. 31, 35-36; No. 22, pp. 62-64; No. 24, p. 33, pp. 47-85 (incl. tables); No. 32, pp. 39-51; No. 33, p. 51; No. 35, p. 41; No. 36, pp. 53-88; No. 37, pp. 43-45 and pp. 57-59; No. 41, p. 57; No. 49, pp. 40-41

U.S. imports from Poland; No. 13, p. 27 (incl. table); No. 17, p. 36 (incl. table); No. 21, pp. 43-44; No. 29, pp. 71-72

U.S. imports from Romania; No. 17, p. 47 (incl. table); No. 21, pp. 59-60; No. 29, pp. 71-72

U.S. imports from Hungary; No. 32, p. 23

U.S. regulations, country-of-origin rule; No. 42, pp. 40-41

Tin: U.S. imports from China; No. 2, p. 47-52 (incl. table); No. 4, p. 10 (incl. table); No. 5, p. 25-26; No. 9, p. 31; No. 21, p. 37; No. 37, p. 60

Titanium and titanium sponge: U.S. imports from the U.S.S.R.; No. 21, p. 27; No. 37, p. 69

Tobacco, oriental cigarette leaf:

U.S. imports; No. 11, pp. 46-54 (incl. tables)

U.S. imports from Bulgaria; No. 9, p. 66; No. 13, pp. 49-51; No. 17, p. 69; No. 21, p. 79

Tools: U.S. imports; No. 6, pp. 41-44 (incl. tables)

Tractors, agricultural:

U.S. imports; No. 7, pp. 50-55 (incl. tables)

U.S. imports from the U.S.S.R.; No. 13, p. 19; No. 37, p. 77

Truck trailer axle and brake assemblies: U.S. imports from Hungary; No. 26, pp. 42-43; No. 28, pp. 41-42; No. 29, pp. 44-63

Tungsten: U.S. imports from China; No. 5, p. 26; No. 15, pp. 18-22 (incl. table); No. 33, p. 52; No. 37, p. 60

Tungstic acid: U.S. imports from China; No. 51, pp. United States-U.S.S.R. Agreement to Facilitate Economic, Industrial, and Technical Cooperation; No. 40, pp. 46-47; No. 41, pp. 71-72

Union of Soviet Socialist Republics: see also Export Controls and Grain Agreements

Ban on U.S. imports of gold coins; No. 49, p. 44

Commercial bank loan for purchases of U.S. and Canadian grain; No. 45, p. 43

Economic developments; No. 45, pp. 64-72; No. 49, pp. 57-63

Economic relations with China; No. 42, pp. 47-51
 Economic relations with Japan; No. 46, pp. 49-57 (incl. tables)
 General Agreement on Tariffs and Trade; No. 48, pp. 38-39; No. 49, p. 47
 Joint ventures with U.S. firms; No. 49, pp. 46-47
 Reduction in fishing quota; No. 43, p. 35; No. 45, p. 46
 Trade policy developments; No. 48, pp. 43-50; No. 49, pp. 61-63
 U.S. exports and imports, annual; No. 1, pp. 13-17 (incl. table); No. 5, pp. 17-23 (incl. table); No. 9, pp. 18-26 (incl. table); No. 13, pp. 9-19 (incl. tables); No. 17, pp. 16-23 (incl. table); No. 21, pp. 19-28 (incl. table); No. 25, pp. 49-62 (incl. table); No. 29, pp. 44-63; No. 33, pp. 53-74; No. 37, pp. 61-77; No. 41, pp. 61-79; No. 45, pp. 18-19; No. 9, pp. 20-21
 U.S. participation in Soviet trade fairs; No. 49, p. 46

United States-U.S.S.R. Agreement to Facilitate Economic, Industrial, and Technical Cooperation; No. 40, pp. 46-47; No. 41, pp. 71-72

United States-U.S.S.R. Air Accord; No. 45, p. 44; No. 46, p. 34

United States-U.S.S.R. Joint Commercial Commission; Meeting, No. 43, p. 33

U.S.-U.S.S.R. Joint Committee on Cooperation in Agriculture; Meeting and agreement, No. 43, pp. 34-35; No. 45, pp. 43-44

United States-U.S.S.R. Trade and Economic Council: No. 40, pp. 47-48; No. 41, p. 72; No. 45, pp. 42-43; No. 49, p. 47

Versailles conference: No. 31, pp. 29-30

Vietnam: U.S. exports and imports, annual; No. 21, p. 81; No. 25, p. 113; No. 29, p. 119

Vodka: U.S. imports from the U.S.S.R.; No. 17, p. 23; No. 33, p. 74; No. 37, p. 76

Watch movements: U.S. imports from the U.S.S.R.; No. 16, pp. 33-37 (incl. table)

Wax, montan: see Montan wax

Weaving machines: U.S. imports from Czechoslovakia; No. 21, p. 65

Wheat: see Grain

Women's coats, suits, and shirts: U.S. imports and U.S. market; No. 36, pp. 73-78

Wood and paper; printed matter: U.S. imports; No. 6, pp. 22-25 (incl. table)

Wood furniture: U.S. imports; No. 11, pp. 26-32 (incl. tables);
No. 25, p. 68; No. 26, p. 26

Woodpulp:

U.S. exports; No. 12, pp. 35-44 (incl. tables); No. 33, pp. 46-49
U.S. exports to China; No. 33, p. 48

World Bank: first loan to China; No. 27, pp. 52-54

Yarns and fabrics: U.S. exports to China; No. 33, p. 49; No. 37,
p. 55; No. 41, p. 55

Yugoslavia: U.S. exports and imports, annual; No. 1, pp. 21-24 (incl.
table); No. 5, pp. 34-37 (incl. table); No. 9, pp. 40-45 (incl.
table); No. 13, pp. 28-32 (incl. table); No. 17, pp. 37-42 (incl.
table); No. 21, pp. 46-52 (incl. table); No. 25, pp. 62-69 (incl.
table)