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*Quarterly Report*

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to the  
Congress and  
the Trade  
Policy  
Committee

# **Trade Between the United States and the Nonmarket Economy Countries During 1989**

**USITC Publication 2286  
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United States International Trade Commission  
Washington, DC 20436

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## **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 NMEs 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.



# CONTENTS

	<i>Page</i>
<b>Introduction</b> .....	1
<b>Summary</b> .....	3
<b>Developments in trade between the United States and the nonmarket economy countries during 1989</b> .....	4
Overview .....	4
China .....	10
Soviet Union .....	12
Eastern Europe .....	12
<b>Developments affecting U.S. commercial relations with the nonmarket economy countries during 1989</b> .....	14
U.S. responses to the military suppression of the prodemocracy movement in China: measures affecting economic relations .....	14
U.S. negotiations with China on intellectual property rights .....	16
Most-favored-nation status of Hungary and China .....	17
U.S. responses in support of political and economic reforms in Poland and Hungary .....	17
The SEED Act of 1989 .....	18
Additional U.S. responses .....	19
U.S. steps to increase trade with the Soviet Union .....	20
United States-Soviet grain trade .....	21
U.S. administrative actions affecting imports from the NMEs .....	22
<b>Economic overview of the nonmarket economy countries during 1989</b> .....	23
China .....	23
Agriculture .....	24
Rural nonfarm economy .....	25
Industry .....	25
Investment expenditures, consumer demand, and inflation .....	27
International trade and finance .....	27
Soviet Union .....	29
Industry .....	30
Agriculture .....	31
Consumption .....	31
International trade and finance .....	32
Economic policy .....	33
Eastern Europe .....	34
Poland .....	34
Romania .....	35
Hungary .....	36
Bulgaria .....	37
East Germany .....	38
Czechoslovakia .....	39
<b>Appendixes</b>	
A. Trends in trade between the United States and the nonmarket economy countries .....	41
B. U.S. trade with the nonmarket economy countries, by Schedule B and HTS sections, 1987-89 .....	53
C. Leading items traded with the nonmarket economy countries, by Schedule B and HTS subheadings, 1988, 1989, and October-December 1989 ...	73

# CONTENTS—Continued

Page

## Appendixes—Continued

D. Official Schedule B and HTS section titles and related chapters .....	111
Glossary .....	113
Index .....	117

## Figures

1. U.S. trade with the nonmarket economy countries, 1980–1989 .....	6
2. U.S. exports to all nonmarket economy countries, China, and the U.S.S.R., by quarters, January 1987–December 1989 .....	6
3. Relative shares of U.S. exports to the nonmarket economy countries, 1988 and 1989 .....	7
4. U.S. imports from all nonmarket economy countries, China, and the U.S.S.R., by quarters, January 1987–December 1989 .....	9
5. Relative shares of U.S. imports from the nonmarket economy countries, 1988 and 1989 .....	9
6. U.S. trade turnover (exports plus imports) and trade balance (exports minus imports) with Eastern Europe, by country, 1989 .....	13

## Tables

1. U.S. trade with the world and with the nonmarket economy countries, 1987–89, October–December 1988, and October–December 1989 .....	5
2. U.S. exports to the individual nonmarket economy countries and to the world, 1987–89, October–December 1988, and October–December 1989 .....	7
3. U.S. imports from the individual nonmarket economy countries and from the world, 1987–1989, October–December 1988, and October–December 1989 .....	10
4. Antidumping investigations involving imports from the NMEs in progress during 1989 .....	23
A-1. U.S. exports to the world and to the nonmarket economy countries, by Schedule B sections, 1988 and 1989 .....	42
A-2. U.S. exports to the nonmarket economy countries, by Schedule B sections, October–December 1989 .....	43
A-3. Twenty U.S. export items to the nonmarket economy countries that changed substantially, by Schedule B subheadings, 1988 and 1989 .....	45
A-4. Twenty U.S. export items for which the nonmarket economy countries collectively accounted for the largest market share in 1989, by Schedule B subheadings, 1988 and 1989 .....	46
A-5. U.S. imports from the world and from the nonmarket economy countries, by HTS sections, 1988 and 1989 .....	47
A-6. U.S. imports from the nonmarket economy countries, by HTS sections, October–December 1989 .....	48
A-7. Twenty U.S. import items from the nonmarket economy countries that changed substantially, by HTS subheadings, 1988 and 1989 .....	50
A-8. Twenty U.S. import items for which the nonmarket economy countries collectively accounted for the largest market share in 1989, by HTS subheadings, 1988 and 1989 .....	51
B-1. U.S. trade with all nonmarket economy countries, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	54
B-2. U.S. trade with China, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	55
B-3. U.S. trade with the U.S.S.R., by Schedule B and HTS sections, 1987, 1988, and 1989 .....	56

# CONTENTS—Continued

Page

## Tables—Continued

B-4. U.S. trade with Eastern Europe, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	57
B-5. U.S. trade with Afghanistan, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	58
B-6. U.S. trade with Albania, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	59
B-7. U.S. trade with Bulgaria, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	60
B-8. U.S. trade with Cambodia, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	61
B-9. U.S. trade with Cuba, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	62
B-10. U.S. trade with Czechoslovakia, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	63
B-11. U.S. trade with East Germany, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	64
B-12. U.S. trade with Hungary, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	65
B-13. U.S. trade with Laos, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	66
B-14. U.S. trade with Mongolia, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	67
B-15. U.S. trade with North Korea, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	68
B-16. U.S. trade with Poland, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	69
B-17. U.S. trade with Romania, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	70
B-18. U.S. trade with Vietnam, by Schedule B and HTS sections, 1987, 1988, and 1989 .....	71
C-1. Leading items exported to nonmarket economy countries, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	74
C-2. Leading items imported from nonmarket economy countries, by HTS subheadings, 1988, 1989, and October–December 1989 .....	75
C-3. Leading items exported to China, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	76
C-4. Leading items imported from China, by HTS subheadings, 1988, 1989, and October–December 1989 .....	77
C-5. Leading items exported to the U.S.S.R., by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	78
C-6. Leading items imported from the U.S.S.R., by HTS subheadings, 1988, 1989, and October–December 1989 .....	79
C-7. Leading items exported to Eastern Europe, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	80
C-8. Leading items imported from Eastern Europe, by HTS subheadings, 1988, 1989, and October–December 1989 .....	81
C-9. Leading items exported to Afghanistan, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	82
C-10. Leading items imported from Afghanistan, by HTS subheadings, 1988, 1989, and October–December 1989 .....	83
C-11. Leading items exported to Albania, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	84
C-12. Leading items imported from Albania, by HTS subheadings, 1988, 1989, and October–December 1989 .....	85
C-13. Leading items exported to Bulgaria, by Schedule B subheadings, 1988, 1989, and October–December 1989 .....	86

## CONTENTS—Continued

Page

### Tables—Continued

C-14. Leading items imported from Bulgaria, by HTS subheadings, 1988, 1989, and October-December 1989 .....	87
C-15. Leading items exported to Cambodia, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	88
C-16. Leading items imported from Cambodia, by HTS subheadings, 1988, 1989, and October-December 1989 .....	89
C-17. Leading items exported to Cuba, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	90
C-18. Leading items imported from Cuba, by HTS subheadings, 1988, 1989, and October-December 1989 .....	91
C-19. Leading items exported to Czechoslovakia, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	92
C-20. Leading items imported from Czechoslovakia, by HTS subheadings, 1988, 1989, and October-December 1989 .....	93
C-21. Leading items exported to East Germany, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	94
C-22. Leading items imported from East Germany, by HTS subheadings, 1988, 1989, and October-December 1989 .....	95
C-23. Leading items exported to Hungary, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	96
C-24. Leading items imported from Hungary, by HTS subheadings, 1988, 1989, and October-December 1989 .....	97
C-25. Leading items exported to Laos, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	98
C-26. Leading items imported from Laos, by HTS subheadings, 1988, 1989, and October-December 1989 .....	99
C-27. Leading items exported to Mongolia, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	100
C-28. Leading items imported from Mongolia, by HTS subheadings, 1988, 1989, and October-December 1989 .....	101
C-29. Leading items exported to North Korea, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	102
C-30. Leading items imported from North Korea, by HTS subheadings, 1988, 1989, and October-December 1989 .....	103
C-31. Leading items exported to Poland, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	104
C-32. Leading items imported from Poland, by HTS subheadings, 1988, 1989, and October-December 1989 .....	105
C-33. Leading items exported to Romania, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	106
C-34. Leading items imported from Romania, by HTS subheadings, 1988, 1989, and October-December 1989 .....	107
C-35. Leading items exported to Vietnam, by Schedule B subheadings, 1988, 1989, and October-December 1989 .....	108
C-36. Leading items imported from Vietnam, by HTS subheadings, 1988, 1989, and October-December 1989 .....	109



## 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 (NMEs).<sup>1</sup> These countries include those subject to the generally higher statutory rates of duty in column 2 of the Harmonized Tariff Schedule of the United States (HTS) (i.e., those listed in general note 3[b] of the HTS),<sup>2</sup> and those afforded most-favored-nation (MFN) tariff status in the general subcolumn of column 1 (and thus not listed in general note 3[b], viz, Hungary, the People's Republic of China [China], and Poland).

Under section 410, the Commission publishes a summary of trade data no 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.

The statute requires that the reports in this series present data on the effect, if any, of imports from NMEs on the production of like or directly competitive articles in the United States and on employment within industries producing those articles. To fulfill this requirement, the Commission developed an automated trade-statistics-monitoring system to identify imports

<sup>1</sup> Earlier reports in this series included Yugoslavia among the NMEs 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.

<sup>2</sup> The following countries or areas are enumerated in general note 3(b) of the HTS: Afghanistan, Albania, Bulgaria, Cambodia (Kampuchea), Cuba, Czechoslovakia, Estonia, the German Democratic Republic (East Germany), Laos, Latvia, Lithuania, Mongolia, North Korea, Romania, the U.S.S.R., and Vietnam. In this report, imports from and exports to Estonia, Latvia, and Lithuania are included in the data on U.S.-U.S.S.R. trade. General note 3(b) does not reflect the designation of these countries as NMEs, but instead reflects actions taken by the President and the Congress with respect to Communist countries or those under Communist control.

These countries were previously listed in headnote 3(d) of the Tariff Schedules of the United States (TSUS). The HTS replaced the TSUS effective Jan. 1, 1989.

from the NMEs that have grown rapidly and to measure the degree of penetration of such imports. Because comprehensive data on the production of the U.S. manufacturing sector are compiled and published annually rather than quarterly, the monitoring system is run only once each year. However, every quarterly report monitors imports from NMEs and discusses trends that may be significant for U.S. commerce.

Since U.S. trade with several of the NMEs is negligible, the reports focus on those NMEs whose current trade with the United States is at a level that might potentially affect a domestic industry: Bulgaria, China, Czechoslovakia, East Germany, Hungary, Poland, Romania, and the U.S.S.R. Data on U.S. trade with Afghanistan, Albania, Cambodia, Cuba, Laos, Mongolia, North Korea, and Vietnam are also provided in each report and are included in the totals for "All NMEs" throughout the report.

At present, China, Hungary, and Poland are the only NMEs covered by this report that receive MFN tariff treatment from the United States. In the early 1950s, the MFN status of all NMEs 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.<sup>3</sup> Section 401 of the Trade Act of 1974 reaffirmed the policy of denying MFN tariff treatment to imports from NMEs with the exception of Poland, whose MFN status had been restored in 1960.<sup>4</sup> However, section 402 of the Trade Act of 1974 authorizes the President to extend MFN status to those countries that meet its freedom-of-emigration requirement or to waive the application of this requirement when he has received certain assurances. Waivers resulting in MFN status were extended to Romania in 1975, to Hungary in 1978, and to China in 1980.

During the 1980s, the following developments affected the MFN status of individual NMEs. In October 1982, the President suspended the MFN status of Poland, but restored it in February 1987.<sup>5</sup> In February 1988, the Government of

<sup>3</sup> More specifically, the provision applied to imports from the Soviet Union and "to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement" (19 U.S.C. § 1351).

<sup>4</sup> This provision was not applicable to countries that had MFN status when the Trade Act of 1974 was enacted.

<sup>5</sup> The reason cited for the suspension was the failure of Poland since 1978 to meet certain import commitments under its Protocol of Accession to the General Agreement on Tariffs and Trade (GATT), but a more immediate reason was the Polish Government's banning of the Solidarity trade union in October 1982. The restoration of Poland's MFN status in 1987 completed the gradual removal, over more than a 3-year period, of a number of economic sanctions that the United States had enacted against the Polish Government in response to its imposition of martial law in 1981 and its subsequent repression of the Polish people.

Romania informed the U.S. Government that it had decided to renounce MFN status under the terms of section 402 of the Trade Act of 1974, and, inasmuch as all waivers in effect are subject to annual renewal by the President, the waiver extended to Romania was suspended on July 2, 1988, the scheduled expiration date. Finally, on October 26, 1989, as a result of a new emigration law passed by the Hungarian Parliament, the President reported to the Congress that Hungary was in full compliance with the freedom-of-emigration requirement of section 402. This determination released Hungary from the waiver procedure, thereby extending MFN tariff treatment to Hungarian products indefinitely, rather than on a year-to-year basis.

Imports from Communist countries can be subject to market-disruption investigations by the Commission under section 406 of the Trade Act of 1974 (19 U.S.C. § 2436). Section 406 was included in the Trade Act of 1974 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]."<sup>6</sup>

In the HTS, as noted above, the MFN rates of duty are set forth in the general subcolumn of column 1, and the rates applicable to products of designated Communist countries are set forth in column 2. The latter are, in general, the rates that were established by the Tariff Act of 1930, and they are equal to or higher than the MFN rates. Since many column 2 rates are substantially higher than the corresponding column 1-general rates, actual or potential U.S. imports from countries subject to column 2 rates are affected in some measure by the rates of duty on the specific items involved.

Except as otherwise noted, the trade data in this series of reports are compiled from official statistics of the U.S. Bureau of the Census. Imports are imports for consumption (the sum of directly entered imports plus withdrawals from customs warehouses) at customs value (generally equivalent to f.o.b. value at the foreign port of export). Exports are domestic exports (U.S.-produced goods) at f.a.s. value.

Beginning with the *58th Quarterly Report*,<sup>7</sup> the trade data in this series have been presented in terms of the Harmonized System (HS). The

<sup>6</sup>—Continued

Since Poland's MFN status was initially restored prior to the enactment of the Trade Act of 1974, its reinstated MFN status is not subject to either the review or renewal provisions of section 402.

<sup>6</sup> U.S. Congress, Senate, *Trade Reform Act of 1974: Report of the Committee on Finance...*, 93d Cong., 2d sess., 1974, Rep. No. 1298, p. 210.

<sup>7</sup> Throughout the report, citations in this abbreviated form refer to earlier reports in this series.

detailed analysis of imports is now based on the six-digit subheadings of the HTS, and that of exports is based on the six-digit subheadings of the HS-based Schedule B (1988 Edition). The analysis of aggregate trade levels and trends is presented in terms of HTS and HS-based Schedule B sections, and the discussion of this trade also includes references to chapters (two-digit numbers) and headings (four-digit numbers).<sup>8</sup> These new classifications for reporting trade between the United States and the NMEs have replaced the seven-digit items of the Tariff Schedules of the United States Annotated (TSUSA), seven-digit Schedule B Nos., and Standard International Trade Classification (SITC) Revision 2 categories used in all earlier reports in this series. Consequently, since the trade data for 1988 and earlier periods were compiled using the old classifications and then converted to the HS-based system, the values and quantities shown for all commodities exported and imported prior to 1989 must be treated as estimates.

The U.S. International Trade Commission is an independent, factfinding agency. Thus, any statements made in the quarterly reports on U.S. trade with the NMEs do not necessarily reflect the views of executive branch agencies and should not be taken as an official statement of U.S. trade policy. These reports are also done independently of other work conducted by the Commission, and nothing in the reports should be construed to indicate how the Commission would find in an investigation conducted under other statutory authority.

This quarterly report contains a summary of U.S. trade with the NMEs during 1989 and, in addition to annual data, includes data on this trade during the fourth quarter of the year. The report also contains a summary of developments affecting U.S. commercial relations with the NMEs and an overview of economic developments in China, the Soviet Union, and each of the East European countries during 1989.

Additional copies of this report (USITC Publication 2286) can be obtained by calling (202) 252-1809 or by writing to the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., 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.

<sup>8</sup> The Harmonized System is a hierarchical coding system, with the first two digits of a six-digit subheading representing one of the chapters into which the sections are divided, the second two digits representing a heading in a chapter, and the third two digits representing the subdivision of a heading.

## Summary

U.S. merchandise trade with the nonmarket economy countries (NMEs) reached a new record level of \$24.9 billion during 1989, exceeding the previous record set during 1988 by \$5.7 billion. U.S. exports to the NMEs increased by 27.7 percent to \$11.1 billion, and U.S. imports from these countries expanded by 31.3 percent to \$13.9 billion. The resulting U.S. deficit of \$2.8 billion was also a new record in trade with the NMEs. Whereas the U.S. surplus in trade with the Soviet Union increased from \$2.2 billion during 1988 to \$3.6 billion during 1989 and the U.S. deficit in trade with Eastern Europe declined from \$0.7 billion to \$0.3 billion, the deficit in trade with China widened from \$3.4 billion to \$6.1 billion.

At \$4.3 billion, shipments of vegetable products, consisting mostly of corn and wheat, represented 39.2 percent of all U.S. exports to the NMEs during 1989. The Soviet Union accounted for 69.3 percent of the value of vegetable-product shipments to the NMEs during 1989; China, for 26.1 percent; and Eastern Europe, for 4.7 percent. U.S. corn exports to the NMEs more than doubled in both value and volume, from \$1.0 billion (8.9 million metric tons [mt]) during 1988 to \$2.2 billion (19.2 million mt) during 1989, with shipments to the Soviet Union representing 91.0 percent of the total value of these exports during the year under review. The volume of U.S. wheat exports to the NMEs declined from 15.7 million mt during 1988 to 12.5 million mt during 1989, whereas, reflecting a rise in the world market price of wheat over the period, the value of shipments increased from \$1.5 billion to \$1.9 billion. In terms of value, shipments to China represented 57.4 percent of U.S. wheat exports to the NMEs during 1989, and those to the Soviet Union accounted for 42.3 percent.

Exports of advanced capital goods to the NMEs, the second largest commodity group among U.S. shipments to these countries, amounted to \$2.8 billion during 1989. China remained by far the largest NME market for these U.S. exports, but shipments to Eastern Europe and the Soviet Union increased substantially from 1988 to 1989. Chemical products ranked third among U.S. exports to the NMEs during the year under review, and base metals and articles of base metal ranked fourth. Increased shipments of fertilizers to China led a rise in U.S. chemical exports to the NMEs from 1988 to 1989. A significant expansion in exports of base metals and articles of base metal was largely the result of increased shipments of iron and steel and articles of iron or steel to China but also reflected a rise in these exports to the Soviet Union.

At \$11.9 billion, imports from China represented 85.5 percent of all U.S. imports from

the NMEs during the year under review. The \$3.4 billion expansion in China's exports to the U.S. market from 1988 to 1989 was mainly the result of increased shipments of manufactured goods. Textiles and textile articles represented about one-fourth of total U.S. imports from NME sources during 1989, and China accounted for 94.8 percent of the \$3.4 billion in NME shipments in this commodity group. U.S. imports of machinery, mechanical appliances, electrical equipment, and their parts and accessories increased by 65.0 percent to \$2.0 billion during 1989. The increase was due entirely to a rise in shipments from China, which accounted for 95.3 percent of these U.S. imports from the NMEs during the year under review. The 59.5-percent expansion from 1988 to 1989 in U.S. imports of miscellaneous manufactured articles—the third largest category among NME shipments to the U.S. market during both years—was also exclusively the result of increased shipments from China. Toys, games, and sports equipment accounted for most of the rise in imports from China in this commodity group.

U.S. imports from the Soviet Union increased from \$563.9 million during 1988 to \$690.9 million during 1989, and U.S. imports from Eastern Europe declined from \$1.6 billion to \$1.3 billion. This decline was mainly the result of sharply reduced shipments from Romania.

Commercial relations improved markedly between the United States and both Eastern Europe and the Soviet Union. President Bush's visit to Poland and Hungary in July 1989 opened a new epoch in United States-East European relations. On October 26, 1989, the President determined that Hungary was no longer in violation of the freedom-of-emigration requirement under section 402 of the Trade Act of 1974. This decision released Hungary from the waiver procedure that previously subjected its most-favored-nation (MFN) tariff status to annual renewal. In addition, on November 1, 1989, President Bush designated Hungary as a beneficiary developing country eligible to receive duty-free treatment of specified articles under the Generalized System of Preferences (GSP).

The Support for East European Democracy (SEED) Act of 1989 was signed into law by the President on November 28, 1989. This legislation authorized a total of \$938 million to assist Poland and Hungary in their development of democratic institutions, political pluralism, and free market economies. The law also contains provisions making Poland and Hungary eligible for the services of both the Overseas Private Investment Corporation (OPIC) and the United States Export-Import Bank (Eximbank) and includes an amendment removing Poland from the list of countries ineligible to be designated by the President for GSP treatment (the amendment required for the President's designation of

Hungary for GSP treatment was included in the Trade and Tariff Act of 1984).

Continued improvement in bilateral relations between the United States and the Soviet Union, culminating in the Malta summit in December 1989, pointed to greater opportunities for an expansion of trade between the two countries. Among many other things, preparatory work was started on a comprehensive bilateral trade agreement incorporating the mutual extension of MFN tariff treatment. Negotiations on a new long-term United States-Soviet grain agreement, to replace the current agreement expiring at the end of 1990, also began in December 1989.

New tensions developed in relations between the United States and China at the beginning of 1989 and were heightened by China's military suppression of its student-led prodemocracy movement in early June. In January 1989, the United States refused to renew the bilateral Science and Technology (S & T) agreement for a third 5-year term until China agreed to provide copyright protection for computer programs and other U.S. intellectual property rights (IPR) made accessible to Chinese participants in cooperative exchanges under the agreement. Subsequently, acting under the "Special 301" provisions of the Omnibus Trade and Competitiveness Act of 1988, the United States increased pressure on China to strengthen its legal protection in this area. The two countries signed a Memorandum of Understanding in May 1989 that committed the Chinese Government, subject to U.S. monitoring of its progress, to develop adequate and effective copyright protection and to extend its patent protection to include products not covered in China's 1984 patent law. U.S. negotiations with China relating to IPR protection under the S & T agreement and to its commitment to provide more extensive protection under both a copyright law and improved patent legislation were still underway at yearend.

In the interest of maintaining bilateral commercial relations, President Bush imposed limited sanctions on China in protest against the massacre of prodemocracy demonstrators in Beijing's Tiananmen Square and subsequent repressive actions by the Chinese Government. On the other hand, the Congress continued to press for stronger action and passed two bills late in the year. One bill contained a provision to prohibit the launching of U.S.-built communications satellites in China, and the other one included a provision to prohibit the extension of credits and other services of the Eximbank to China. In signing the legislation, however, President Bush used his authority, as provided for in the bills, to waive both prohibitions in the national interest.

Two antidumping investigations—one involving a product imported from Romania and

the other one, a product imported from China—were concluded during 1989, and one antidumping case on a product imported from China was instituted. During the year, the U.S. Court of International Trade (CIT) remanded to the Commission an investigation on a product imported from Hungary that was initially concluded during 1987. The Commission reached a new determination, reversing the original finding, but is seeking to appeal the CIT's remand order.

An austerity program in effect throughout 1989 succeeded in slowing China's record rate of inflation. However, a steep drop in consumer spending significantly reduced industrial growth. China registered a small decline in its annual merchandise trade deficit as exports increased sharply during the last half of the year and the tightening of Government controls curtailed imports. A serious misalignment between ruble purchasing power and commodities available on the domestic market necessitated large-scale stabilization measures in the Soviet Union. The Soviet economy may have entered into a recession during 1989, but the authorities remained committed to radical economic reforms. In contrast to the social and political progress that took place in Eastern Europe during the year under review, economic growth stagnated throughout the region. Poland and Hungary continued the difficult process of economic decentralization and restructuring amidst rising foreign debt. Romania liquidated its foreign debt, but at a heavy cost to living standards and future economic development. In the wake of the revolution at yearend 1989, the new Romanian authorities signaled their intentions to carry out market-oriented economic reforms. Economic stagnation in East Germany and Czechoslovakia contributed to the mounting pressures that led to a rapid democratization of these countries toward the end of 1989. Both Governments pledged commitment to develop market economies.

## **Developments in Trade Between the United States and the Nonmarket Economy Countries During 1989**

### **Overview**

Two-way merchandise trade between the United States and the nonmarket economy countries (NMEs) amounted to \$24.9 billion during 1989, an increase of 29.7 percent from \$19.2 billion during 1988 (table 1). U.S. exports to the NMEs increased by 27.7 percent, and U.S. imports from these countries grew by

Table 1  
U.S. trade with the world and with the nonmarket economy countries,<sup>1</sup> 1987, 1988, 1989,  
October–December 1988, and October–December 1989

	<i>October–December</i>				
<i>Item</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>
	<i>Value (million dollars)</i>				
U.S. world trade:					
Exports .....	243,859	310,346	349,433	81,885	89,277
Imports .....	402,066	437,140	468,012	114,710	120,520
Balance .....	-158,207	-126,794	-118,579	-32,825	-31,243
Trade turnover (exports plus imports) ..	645,925	747,487	817,445	196,595	209,797
U.S. trade with NMEs:					
Exports .....	5,687	8,668	11,072	2,339	2,580
Imports .....	8,153	10,562	13,871	2,929	3,837
Balance .....	-2,466	-1,894	-2,799	-590	-1,257
Trade turnover (exports plus imports) ..	13,840	19,230	24,944	5,268	6,417
	<i>Percent of total</i>				
Share of total U.S. trade accounted for by trade with NMEs:					
Exports .....	2.33	2.79	3.17	2.86	2.89
Imports .....	2.03	2.42	2.96	2.55	3.18

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

Note.—Import figures in this and all other tables in this report are Census-based 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. Values presented for periods before 1989 in this and other tables in this report may not agree exactly with values previously published. Because data for periods before January 1, 1989, were compiled under the old systems of classification and then converted to the new HS-based system, the values shown represent estimates derived from the old data allocated as if the new classification system had been in effect during those periods.

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

31.3 percent. The United States registered a record annual deficit of \$2.8 billion in merchandise trade with the NMEs during 1989, when imports from these countries exceeded exports to them for the fourth consecutive year (fig. 1).

U.S. exports to the NMEs increased from \$8.7 billion during 1988 to a record \$11.1 billion during 1989. Largely reflecting fluctuations in grain shipments (wheat and corn), particularly to the Soviet Union, the value of these exports rose to a quarterly record during January–March 1989, declined during April–June from the preceding quarter, continued to decline during July–September, and increased again during October–December (fig. 2). The expansion of U.S. exports to the NMEs from the fourth quarter of 1988 to the first quarter of 1989 was led by increased wheat (sec. 2, heading 1001) shipments to both the Soviet Union and China, and increased corn (sec. 2, heading 1005) shipments to the Soviet Union. Whereas the decline in exports to the NMEs from the first quarter of 1989 to the second quarter is largely explained by a drop in wheat shipments to both the Soviet Union and China, the decline from the second to the third quarter resulted from a

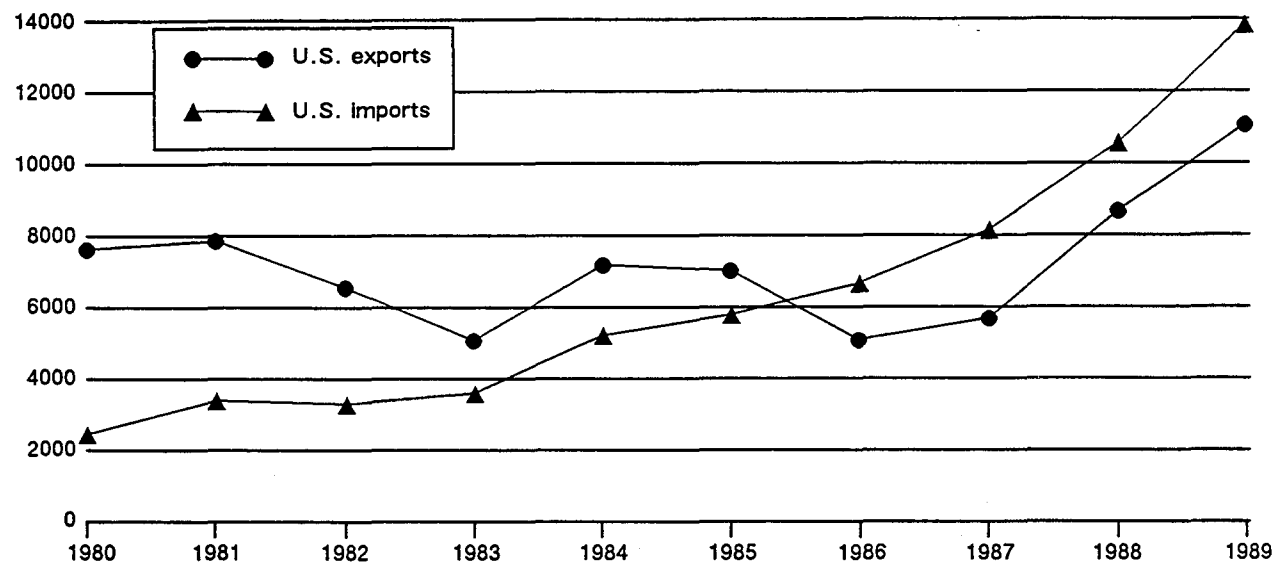
decrease in total grain shipments to the Soviet Union that was greater than the increase in wheat shipments to China. Record level U.S. corn shipments to the Soviet Union during the fourth quarter of 1989 explain most of the rise in U.S. exports to the NMEs from the third to the fourth quarter of the year under review.

China's share of U.S. exports to the NMEs declined from 57.7 percent during 1988 to 52.2 percent during 1989, and the Soviet Union's share increased from 31.9 percent to 38.5 percent (fig. 3). Although U.S. exports to China grew by 15.4 percent, from \$5.0 billion during 1988 to \$5.8 billion during 1989, the value of U.S. shipments to the Soviet Union increased by 54.3 percent, from \$2.8 billion to \$4.3 billion (table 2). U.S. exports to Eastern Europe<sup>9</sup> increased by 16.4 percent, from \$868.2 million during 1988 to \$1,010.8 million during 1989. Poland, with a share of 3.7 percent among U.S. exports to the NMEs, was the third largest NME importer of U.S. products during the year under review, and Bulgaria, with a share of 1.6 percent, was fourth.

<sup>9</sup> Eastern Europe refers to Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

**Figure 1**  
U.S. trade with the nonmarket economy countries, 1980-89

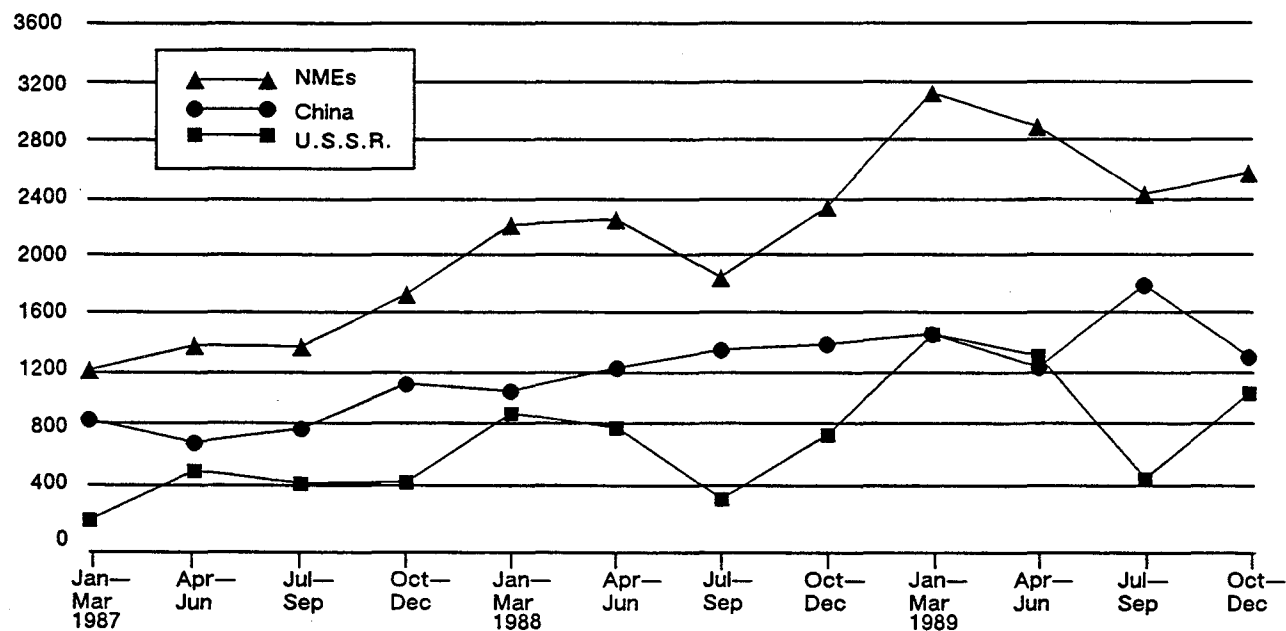
Million dollars



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

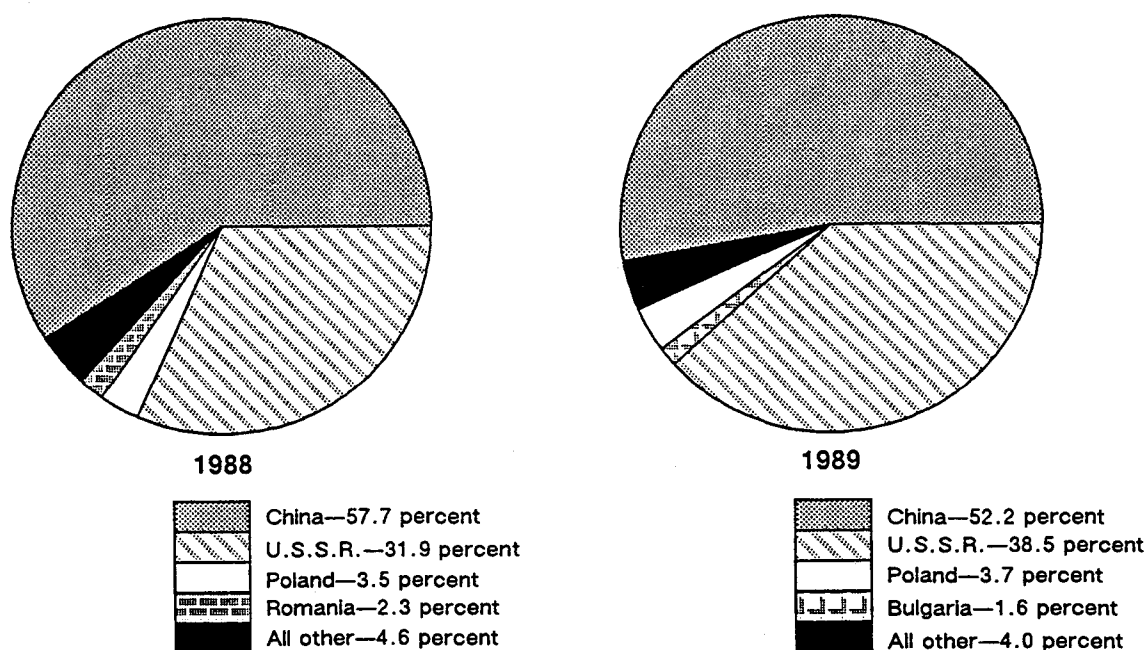
**Figure 2**  
U.S. exports to all nonmarket economy countries, China, and the U.S.S.R., by quarters, January 1987-December 1989

Million dollars



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

**Figure 3**  
Relative shares of U.S. exports to the nonmarket economy countries, 1988 and 1989



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

**Table 2**  
U.S. exports to the individual nonmarket economy countries and to the world, 1987, 1988, 1989,  
October–December 1988, and October–December 1989  
(In thousands of dollars)

Market	1987	1988	1989	October–December—	
				1988	1989
Afghanistan .....	7,984	5,579	4,776	1,807	1,317
Albania .....	3,344	7,204	5,287	2,058	1,114
Bulgaria .....	88,344	126,446	180,733	26,330	19,161
Cambodia .....	138	71	34	5	0
China .....	3,459,596	5,004,318	5,775,478	1,383,088	1,295,706
Cuba .....	1,379	3,397	2,629	1,728	361
Czechoslovakia .....	46,942	54,423	51,287	16,213	12,200
East Germany .....	53,695	108,193	92,893	18,579	21,883
Hungary .....	94,107	76,128	119,305	23,624	37,627
Laos .....	253	847	341	36	19
Mongolia .....	869	29	30	17	0
North Korea .....	0	65	16	0	0
Poland .....	237,399	300,785	411,228	59,874	86,661
Romania .....	192,107	202,245	155,312	47,886	53,880
U.S.S.R. ....	1,477,399	2,762,754	4,262,336	753,668	1,047,255
Vietnam .....	23,422	15,499	10,493	3,610	2,591
<b>Total .....</b>	<b>5,686,977</b>	<b>8,667,983</b>	<b>11,072,178</b>	<b>2,338,523</b>	<b>2,579,773</b>
<b>Total, U.S. exports to the world .....</b>	<b>243,858,925</b>	<b>310,346,325</b>	<b>349,432,947</b>	<b>81,885,430</b>	<b>89,276,909</b>

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

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

U.S. exports of vegetable products (sec. 2) to the NMEs increased by 50.5 percent from \$2.9 billion during 1988 to \$4.3 billion during 1989 (tables A-1 and B-1, apps. A and B). Representing 39.2 percent of all U.S. shipments to the NMEs during 1989, vegetable products remained by far the largest export category. Among these shipments, cereals (sec. 2, ch. 10) amounted to \$4.2 billion and soybeans (sec. 2, heading 1201) amounted to \$77.2 million. The Soviet Union accounted for 69.3 percent of the value of vegetable-product shipments to the NMEs during 1989; China, for 26.1 percent; and Eastern Europe, for 4.7 percent. During 1989, NMEs accounted for nearly one-fifth of the value of worldwide U.S. vegetable-product exports. Whereas the volume of U.S. exports of wheat (sec. 2, heading 1001) to the NMEs declined from 15.7 million metric tons (mt) during 1988 to 12.5 million mt during 1989, the value of these shipments increased from \$1.5 billion to \$1.9 billion, reflecting a rise in the world market price of wheat over the period. U.S. corn exports (sec. 2, heading 1005) to the NMEs increased from 8.9 million mt (\$1.0 billion) during 1988 to 19.2 million mt (\$2.2 billion) during 1989. The volume of U.S. wheat exports to the NMEs as a share of worldwide U.S. wheat exports declined from 39.1 percent during 1988 to 34.3 percent during 1989, and the volume of U.S. corn exports to the NMEs relative to worldwide U.S. corn exports jumped from 19.1 percent during 1988 to 33.9 percent during the year under review.

U.S. exports of advanced capital goods to the NMEs (secs. 16, 17, and 18)<sup>10</sup>—the second leading category among exports to the NMEs during both 1988 and 1989—increased by 38.1 percent, from \$2.0 billion during 1988 to \$2.8 billion during 1989. U.S. shipments in this commodity group increased significantly to both Eastern Europe—particularly Poland and Hungary—and the Soviet Union from 1988 to 1989. The largest absolute increase, however, occurred in shipments to China, which accounted for over four-fifths of these exports to the NMEs during 1988 and over three-fourths of them during 1989. U.S. exports of chemical products (sec. 6) to the NMEs—the third largest category among U.S. exports to these countries during both 1988 and 1989—increased by 25.2 percent over the period. Shipments to China showed the largest gain among U.S. chemical exports to the NMEs from 1988 to 1989. Registering a 179.8-percent increase from 1988 to 1989, base metals and articles of base metals (sec. 15) became the fourth largest category among U.S.

<sup>10</sup> On average, products classified in this category are relatively differentiated and carry a higher "value added" than products classified in the rest of the nomenclature. Their production generally requires complex technologies, and quality and product features play a relatively important part in their marketing.

exports to the NMEs during 1989. This increase was largely the result of significantly higher shipments of iron and steel (sec. 15, ch. 72) and articles of iron or steel (sec. 15, ch. 73) to China but also reflected a substantial rise in these exports to the Soviet Union.

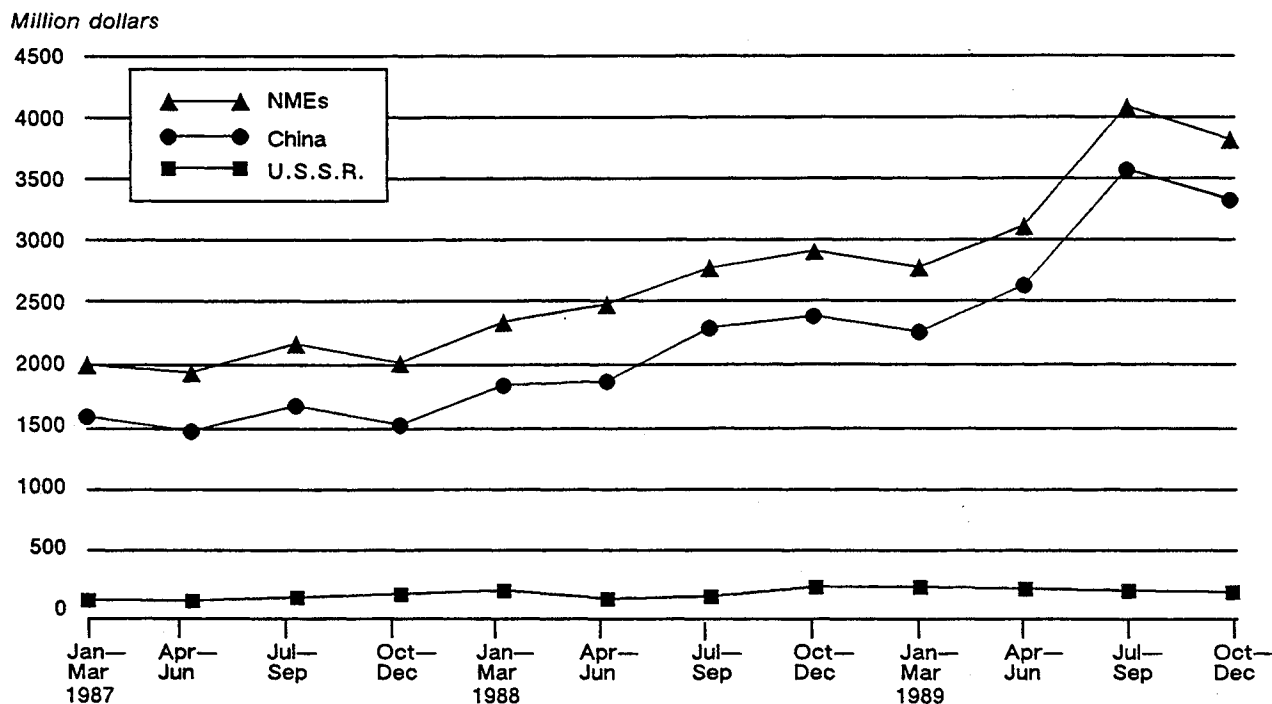
U.S. imports from the NMEs increased from \$10.6 billion during 1988 to a record \$13.9 billion during 1989. Closely approximating the quarter-to-quarter fluctuations in the level of imports from China, the value of these imports decreased during January–March 1989 when compared with the preceding quarter, increased during April–June, accelerated to a record quarterly level during July–September, and declined again during October–December (fig. 4). Higher shipments of mineral products (sec. 5), leather goods (sec. 8), advanced capital goods, and miscellaneous manufactured articles (sec. 20) explain most of the increase in imports from China, from the first quarter of 1989 to the second quarter. Imports from China in all of these product categories increased from the second quarter to the third, but the surge in shipments of textiles and textile articles from China to a record quarterly level was the main factor behind the record value of imports from both China and the NMEs as a group during the third quarter. Led by a 29.6-percent decrease in shipments of textiles and textile articles from China, U.S. imports from both China and all NMEs declined from the third quarter to the fourth, but still remained at their second highest quarterly level.

As a result of the 41.0-percent increase in U.S. imports from China, from \$8.4 billion during 1988 to \$11.9 billion during 1989, China's share among U.S. imports from the NMEs increased from 79.6 percent during 1988 to 85.5 percent during 1989 (fig. 5). Although imports from the Soviet Union increased by 22.5 percent, from \$563.9 million during 1988 to \$690.9 million during 1989 (table 3), the Soviet share among U.S. imports edged down from 5.3 percent to 5.0 percent over the period. Mainly as a result of sharply reduced shipments from Romania, U.S. imports from Eastern Europe declined by 16.6 percent, from \$1.6 billion during 1988 to \$1.3 billion during 1989. Poland was the third largest NME supplier of U.S. imports during 1989, and Romania, which ranked second during 1988, dropped to fourth place.

U.S. imports of textiles and textile articles from the NMEs increased by 31.3 percent, from \$2.6 billion during 1988 to \$3.4 billion during 1989. Textile and textile articles represented about one-fourth of all U.S. imports from the NMEs during 1989, and China accounted for 94.8 percent of the total NME shipments in this product category. Eastern Europe accounted for 4.8 percent, with Hungary, Poland, and Romania

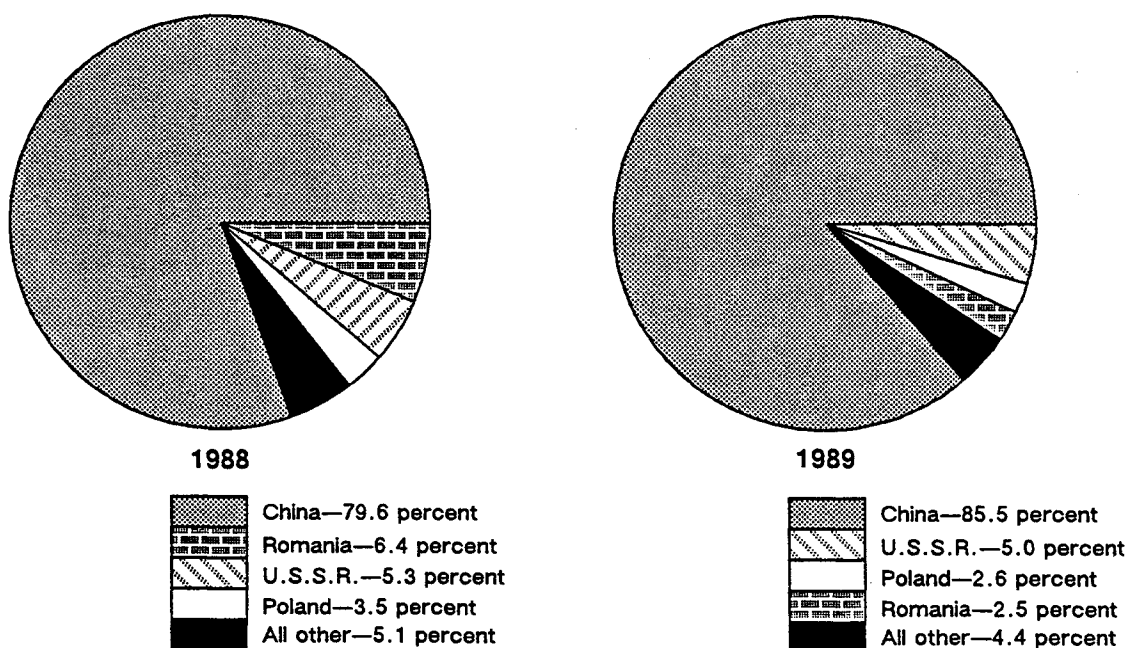


**Figure 4**  
U.S. imports from all nonmarket economy countries, China, and the U.S.S.R., by quarters, January 1987–December 1989



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

**Figure 5**  
Relative shares of U.S. imports from the nonmarket economy countries, 1988 and 1989



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

**Table 3**  
**U.S. imports from the individual nonmarket economy countries and from the world, 1987, 1988, 1989,**  
**October-December 1988, and October-December 1989**  
*(In thousands of dollars)*

Source	1987	1988	1989	October-December—	
				1988	1989
Afghanistan .....	5,630	4,745	3,821	268	673
Albania .....	2,149	2,391	2,815	322	610
Bulgaria .....	40,306	36,554	57,331	12,036	16,871
Cambodia .....	370	446	314	132	92
China .....	6,243,879	8,412,932	11,859,172	2,402,647	3,348,398
Cuba .....	0	0	0	0	0
Czechoslovakia .....	77,793	84,891	82,117	20,807	25,868
East Germany .....	84,455	111,382	134,825	26,965	24,981
Hungary .....	277,647	293,054	326,694	74,498	75,968
Laos .....	980	3,068	821	632	0
Mongolia .....	1,431	1,244	1,088	370	163
North Korea .....	0	5	533	5	0
Poland .....	295,485	369,821	362,862	97,249	93,227
Romania .....	714,368	677,973	348,201	100,144	97,319
U.S.S.R. ....	408,205	563,877	690,891	192,576	152,935
Vietnam .....	0	0	0	0	0
<b>Total .....</b>	<b>8,152,697</b>	<b>10,562,382</b>	<b>13,871,482</b>	<b>2,928,652</b>	<b>3,837,105</b>
<b>Total, U.S. imports from the world .....</b>	<b>402,066,067</b>	<b>437,140,247</b>	<b>468,012,021</b>	<b>114,710,019</b>	<b>120,520,306</b>

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

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

the region's main suppliers. During 1989, NMEs accounted for 12.1 percent of worldwide U.S. textile and textile product imports. U.S. imports of advanced capital goods from the NMEs—the second leading category among U.S. imports from the NMEs during both 1988 and 1989—increased by 59.6 percent, from \$1.5 billion during 1988 to \$2.4 billion during 1989. The increase was almost exclusively attributable to a rise in shipments from China, which accounted for over nine-tenths of these U.S. imports from the NMEs during the year under review. The bulk of the remaining advanced capital goods imports from the NMEs originated in Eastern Europe, primarily in Hungary, Poland, and East Germany.

The 59.5-percent increase from 1988 to 1989 in imports of miscellaneous manufactured articles—the third largest category among U.S. imports from the NMEs during both years—was entirely attributable to increased shipments from China. Registering a 63.0-percent increase, footwear, headgear, and artificial flowers (sec. 12) ranked fourth among U.S. imports from the NMEs during the year under review. The increase in these imports was led by a 111.0-percent rise in shipments of footwear (sec. 12, ch. 64) from China.

## China

Two-way merchandise trade between the United States and China grew by 31.4 percent, from \$13.4 billion during 1988 to \$17.6 billion during 1989. U.S. exports to China rose by only \$771.2 million, whereas U.S. imports from China expanded by \$3.4 billion. As a result, the U.S.

deficit in trade with China increased by 78.5 percent to \$6.1 billion.<sup>11</sup>

The small increase in U.S. exports to China reflected the Chinese Government's drive to curtail overall import growth during 1989. Sales to China were also adversely affected by a sharp cutback in the country's capital construction and by other austerity measures initiated in late 1988 to reduce a record rate of inflation and stabilize the economy.<sup>12</sup> Nevertheless, in line with the priorities set by its leaders, China's imports of U.S. agricultural commodities and of a few U.S. manufactured products increased substantially.

Wheat was the leading individual item among U.S. exports to China during 1989 (table C-3, app. C). These shipments increased from \$690.9 million (6.5 million metric tons [mt]) during 1988, when wheat was also the single largest export, to \$1.1 billion (7.3 million mt).<sup>13</sup> Although China's grain output reached a record high in 1989 and was 13.44 million mt larger than the 1988 harvest,<sup>14</sup> its demand for wheat

<sup>11</sup> Although the 1989 deficit was by far the largest, the U.S. trade deficit with China has grown rapidly in recent years, from \$67.2 million in 1985 to \$1.6 billion in 1986, \$2.8 billion in 1987, and \$3.4 billion in 1988.

<sup>12</sup> See the section on China in the "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, p. 27.

<sup>13</sup> These figures are for "wheat and meslin" (sec. 2, heading 1001), which includes durum wheat. The export data shown in table C-3 exclude durum wheat, which amounted to \$69.8 million (659,324 mt) during 1988 and to \$8.6 million (58,220 mt) during 1989.

<sup>14</sup> For more information, see the section on agriculture in China under "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, p. 24.

continued to exceed domestic supply. The major long-term reasons for the increased demand are population growth and, since economic modernization began in China, the rising incomes that have made wheat the preferred food grain.<sup>15</sup> The Government's military suppression of the prodemocracy movement and the imposition of martial law in June 1989 also probably contributed to the rise in China's wheat imports. To prevent further social unrest, the leadership ensured that adequate supplies of food grains were maintained in urban areas and made available for sale at subsidized prices.<sup>16</sup>

Among other U.S. agricultural exports to China, shipments of raw cotton (sec. 11, heading 5201) expanded sharply, from \$25.2 million during 1988 to \$258.8 million during 1989. After several years of poor cotton harvests, the increasing demand of China's textile industry for cotton is rapidly outstripping domestic supplies.<sup>17</sup> Another development was the resumption of U.S. corn exports (sec. 2, heading 1005) to China during the third and fourth quarters of 1989. These exports amounted to only \$33.5 million (302,289 mt), but were the first such shipments since the fourth quarter of 1987.<sup>18</sup>

Among manufactured commodities, shipments of chemical fertilizers (sec. 6, ch. 31) expanded to \$487.4 million, becoming the second largest U.S. export item to China during 1989. The increase in these shipments reflected the emphasis of the Chinese Government on expanding the output of grain and other major crops.

Shipments of machinery, mechanical appliances, electrical equipment, and their parts and accessories (sec. 16) rose from \$1.1 billion during 1988 to \$1.3 billion during 1989. Deliveries of U.S. aircraft and aircraft parts (sec. 17, ch. 88) also increased, from \$333.9 million to \$535.7 million, as China continued to modernize and expand its commercial airline fleet. In addition, a large increase was registered in exports of iron and steel (sec. 15, ch. 72) and articles of iron or steel (sec. 15, ch. 73). The combined value of U.S. shipments to China in these two products groups grew from \$74.6

million during 1988 to \$267.3 million during 1989.

Some major U.S. exports to China declined sharply. Shipments of wood in the rough or roughly squared (sec. 9, heading 4403), consisting primarily of softwood logs, decreased from \$437.8 million during 1988 to \$174.9 million during 1989, and the combined value of the two leading U.S. exports to China of plastics in primary forms, polymers of propylene or other olefins (sec. 7, heading 3902) and polymers of ethylene (sec. 7, heading 3901), declined from \$446.0 million to \$127.4 million.

The \$3.4 billion expansion in U.S. imports from China during 1989 was not only the largest annual increase in such shipments, but also resulted in the United States becoming China's leading and most rapidly growing export market.<sup>19</sup> Among U.S. trading partners, China became the ninth largest import source in 1989, rising from twelfth place in 1988.

Although the rise in imports was broadly based (table C-4), five product groups, consisting mainly of manufactured consumer goods, accounted for 74.2 percent of the increase. The two product groups that led the expansion were electrical machinery and equipment, sound recorders and reproducers, and television image and sound recorders and reproducers (sec. 16, ch. 85), which increased from \$915.7 million during 1988 to \$1.6 billion during 1989; and toys, games, and sports equipment (sec. 20, ch. 95), which increased from \$1.1 billion to \$1.7 billion. Imports of knitted or crocheted articles of apparel and clothing accessories (sec. 11, ch. 61) expanded from \$619.4 million during 1988 to \$1.1 billion during 1989, owing mainly to the increase in shipments from China of sweaters, sweatshirts, and similar articles (heading 6110), from \$410.0 million to \$802.2 million. Imports of articles of apparel and clothing accessories not knitted or crocheted (sec. 11, ch. 62) grew from \$1.2 billion to \$1.6 billion, and those of footwear (sec. 12, ch. 64) more than doubled in value, from \$341.0 million to \$719.6 million. U.S. imports from China in these five product groups combined increased by \$2.6 billion from 1988 to 1989. (See table C-4 for the leading items imported in each of these groups.)

Another major product group among U.S. imports from China during 1989 was leather articles of apparel and clothing accessories and travel goods, handbags and similar containers (sec. 8, ch. 42), which expanded from \$521.6 million during 1988 to \$673.2 million. Imports of mineral fuels, mineral oils, and their products (sec. 5, ch. 27), consisting mostly of

<sup>15</sup> See U.S. Department of Agriculture (USDA), Economic Research Service, *China: Agriculture and Trade Report*, November 1989, esp. pp. 3, 19, 24, and 25.

<sup>16</sup> *Ibid.*, pp. 3 and 7.

<sup>17</sup> For more information, see the section on agriculture in China under "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, p. 25.

<sup>18</sup> According to the USDA, the resumption of corn imports by China indicates its need to reduce pressure on domestic feeding operations. The corn also may have been imported for delivery against export commitments to Japan, with which China has a corn-supply agreement, thus enabling needs within China to be met from domestic production. (USDA, Foreign Agricultural Service, *World Grain Situation and Outlook*, November 1989, p. 7.)

<sup>19</sup> For more information, see the section on China's international trade and finance in "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, pp. 28-29.

crude petroleum (table C-4), increased from \$404.8 million during 1988 to \$467.6 million during the year under review, and shipments from China of machinery and mechanical appliances and their parts (sec. 16, ch. 84) increased from \$214.7 million to \$329.6 million. During 1989, the leading item in this product group was electric fans not exceeding 125 watts (HTS subheading 8414.51).

With the exception of mineral fuels, mineral oils, and their products, the major product groups among U.S. imports from China have been targeted for export growth, making the domestic industries producing such goods eligible for tax preferences and other Government support programs. Although textiles and textile products still account for approximately one-quarter of China's total foreign-exchange earnings,<sup>20</sup> the large increases in its exports to the United States in other product groups are indicative of the extent to which China has succeeded in broadening its export base. Petroleum exports have remained an important source of foreign exchange for China despite the small increases in its annual output of crude petroleum and a shortage of domestic energy supplies.<sup>21</sup>

### Soviet Union

Two-way merchandise trade between the United States and the Soviet Union grew by 48.9 percent, from \$3.3 billion during 1988 to \$5.0 billion during 1989. Although U.S. imports from the Soviet Union increased by only \$127.0 million, exports to the Soviet Union expanded by \$1.5 billion. As a result, the U.S. surplus in trade with the Soviet Union grew from \$2.2 billion during 1988 to \$3.6 billion during 1989, an increase of 62.4 percent.

Accounting for 66.4 percent of all shipments, corn and wheat ranked first and second among U.S. exports to the Soviet Union during the year under review. U.S. shipments of corn (sec. 2, heading 1005) to the Soviet Union more than doubled in both value and volume, from \$887.8 million (7.9 million metric tons [mt]) during 1988 to \$2.0 billion (17.5 million mt) during 1989. On the other hand, an 8.6-percent increase in the value of U.S. exports of wheat (sec. 2, heading 1001) to the Soviet Union, from \$742.8 million during 1988 to \$806.7 million during 1989, was entirely the result of an increase in the world

price of wheat. From 1988 to 1989, the volume of U.S. wheat shipments to the Soviet Union declined by 34.1 percent, from 7.9 million mt to 5.2 million mt. U.S. exports of grain sorghum (sec. 2, heading 1007) to the Soviet Union also increased, from \$13.6 million during 1988 to \$93.4 million during 1989. As a result, the combined value of U.S. shipments of grains, or cereals (sec. 2, ch. 10), to the Soviet Union amounted to \$2.9 billion during the year under review.

Soybean oilcake (sec. 4, heading 2304) ranked third among U.S. exports to the Soviet Union during 1989, and fertilizers (sec. 6, ch. 31) ranked fourth (see table C-5). U.S. shipments to the Soviet Union of soybean oilcake amounted to \$388.6 million, up from \$246.3 million during 1988, whereas those of soybeans (sec. 2, heading 1201) declined from \$157.9 million during 1988 to \$67.1 million during 1989.

A noteworthy increase was registered in U.S. exports to the Soviet Union of machinery and mechanical appliances and their parts (sec. 16, ch. 84), from \$69.4 million during 1988 to \$189.7 million during 1989. Exports of iron and steel (sec. 15, ch. 72) and articles of iron or steel (sec. 15, ch. 73) also increased substantially. The combined value of U.S. shipments to the Soviet Union in these two product categories expanded from \$25.2 million during 1988 to \$107.1 million during 1989. (See table C-5 for the leading export items in these commodity groups.)

The rise in U.S. imports from the Soviet Union from 1988 to 1989 was largely attributable to a 46.4-percent increase in shipments of mineral fuels, mineral oils, and their products (sec. 5, ch. 27). Imports of refined petroleum oils (heading 2710) expanded from \$181.8 million during 1988 to \$227.5 million during 1989, and those of crude petroleum oils (heading 2709) rose from \$10.2 million to \$54.2 million (table C-6).

### Eastern Europe

Two-way merchandise trade between the United States and Eastern Europe declined by 4.9 percent, from \$2.4 billion during 1988 to \$2.3 billion during 1989. U.S. exports to Eastern Europe increased by \$142.5 million, and U.S. imports from these countries decreased by \$261.6 million. As a result, the U.S. deficit in trade with Eastern Europe declined by 57.3 percent, from \$705.5 million during 1988 to \$301.3 million during 1989.

U.S. exports to Bulgaria, Hungary, and Poland increased from 1988 to 1989, whereas those to Czechoslovakia, East Germany, and Romania declined. In a similar comparison, U.S. imports from three countries in the region increased—those from Bulgaria, East Germany, and Hungary—and imports from Czechoslovakia, Poland, and Romania decreased. The United States registered surpluses in trade with Bulgaria

<sup>20</sup> According to Chinese customs statistics, exports of garments and other textile products amounted to an estimated \$13 billion during 1989 (Foreign Broadcast Information Service [FBIS], *Daily Report: China*, Jan. 26, 1990, p. 75). The official customs figure reported for China's total exports during 1989 was \$52.5 billion.

<sup>21</sup> See the section on industry in China under "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, p. 26.

In late 1989, the Chinese Government set limits on exports of both crude petroleum and refined petroleum products (*China Economic News*, vol. 10, No. 46 [Nov. 27, 1989], p. 2).

and Poland during 1989, but the factor most responsible for the decline in the U.S. trade deficit with Eastern Europe from 1988 to 1989 was a \$282.8 million decrease in the U.S. deficit in trade with Romania. Merchandise trade between the United States and each of the East European countries during 1989 is summarized in figure 6.

Corn was the leading U.S. export to Eastern Europe during the year under review (table C-7). U.S. shipments of corn (sec. 2, heading 1005) to the region increased from \$112.0 million (1.1 million metric tons [mt]) during 1988, when corn was also the largest item among U.S. exports to Eastern Europe, to \$167.6 million (1.4 million mt) during 1989.<sup>22</sup> The increase was mainly attributable to a rise in shipments to Bulgaria, from \$49.7 million (529,796 mt) during 1988 to \$119.1 million (1.0 million mt) during 1989.

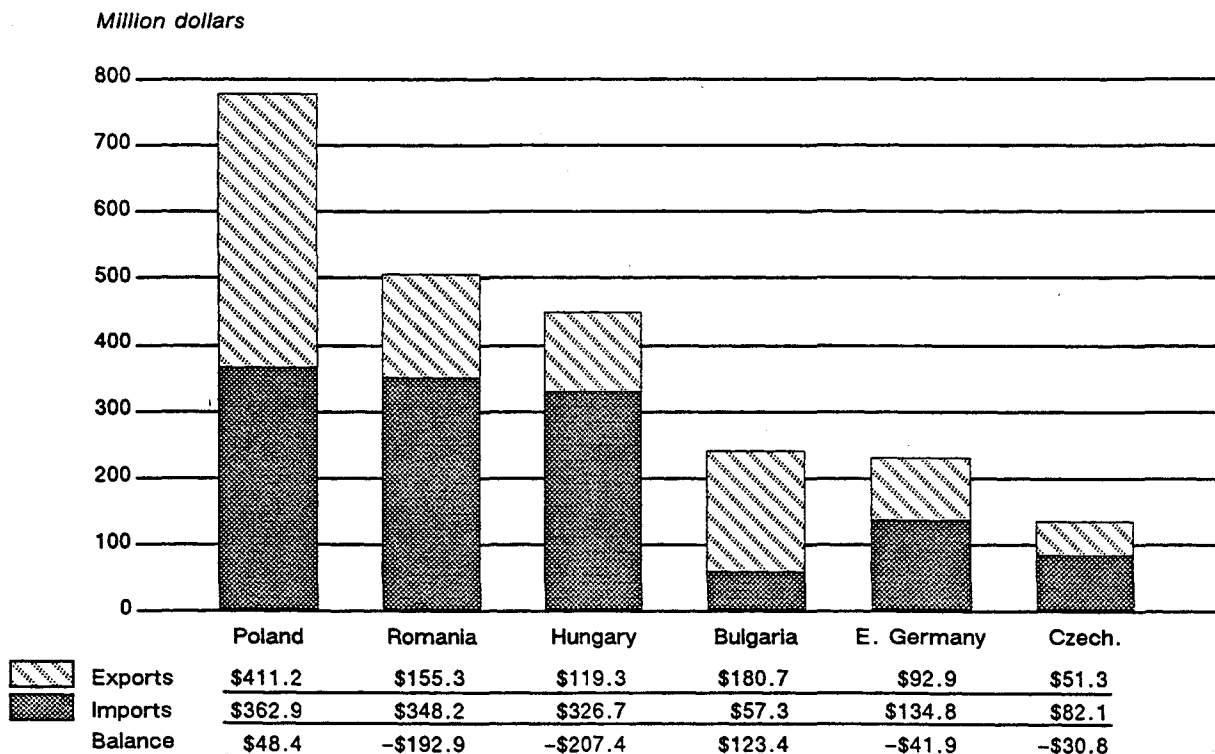
Among other U.S. agricultural exports to Eastern Europe, shipments of both wheat and soybeans declined steeply from 1988 to 1989. U.S. exports of wheat (sec. 2, heading 1001) to

the region, consisting mainly of shipments to Poland, dropped from \$107.3 million during 1988 to \$5.2 million during 1989, and exports of soybeans (sec. 2, heading 1201) fell from \$72.6 million to \$10.1 million. Romania, the leading East European customer for U.S. soybeans during 1988, bought none during 1989.

Aircraft and aircraft parts (sec. 17, ch. 88) ranked second among U.S. exports to Eastern Europe during the year under review. Owing almost entirely to the delivery of two airplanes to Poland, valued at \$126.3 million (table C-31), shipments of aircraft and aircraft parts to the region increased from \$3.6 million during 1988 to \$133.6 million during 1989. U.S. exports to Eastern Europe of machinery and mechanical appliances and their parts (sec. 16, ch. 84) amounted to \$124.9 million during 1989, up from \$94.0 million during 1988. The rise in these exports was largely the result of increased shipments to Hungary.

<sup>22</sup> The values for corn reported here are slightly higher than those shown in table C-7 because they include exports of corn seed.

**Figure 6**  
U.S. trade turnover (exports plus imports) and trade balance (exports minus imports) with Eastern Europe, by country, 1989



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

Other major U.S. exports to Eastern Europe during 1989 were coal and solid fuels manufactured from coal (sec. 5, heading 2701), consisting mainly of shipments of bituminous coal to Romania, and raw cattle hides and skins (sec. 8, heading 4101). Romania was also the largest market for this product category, followed by Czechoslovakia and Poland.

The decrease in U.S. imports from Eastern Europe from 1988 to 1989 was led by a sharp decline in shipments of mineral products (sec. 5), consisting primarily of refined petroleum oils (sec. 5, heading 2710). Although refined petroleum products remained the leading category among U.S. imports from the region, shipments in this product group decreased from \$376.7 million during 1988 to \$235.6 million during 1989. The decline resulted entirely from a sharp drop in these U.S. imports from Romania, which fell from \$368.6 million during 1988 to \$186.2 million during 1989. Partly offsetting this decline, U.S. imports of refined petroleum oils from East Germany increased from \$8.1 million during 1988 to \$33.5 million during 1989, and those from Bulgaria increased from zero to \$15.9 million.

Lower shipments from Romania explain the bulk of the \$70.1 million drop in U.S. imports of textiles and textile articles (sec. 11) from Eastern Europe from 1988 to 1989. Shipments decreased in most of the categories in this product section, but the largest decline occurred in articles of apparel and clothing accessories (sec. 11, chs. 61 and 62), from \$164.8 million during 1988 to \$118.3 million during 1989. Lower shipments from Romania were also mainly responsible for a decline in U.S. imports of footwear (sec. 12, ch. 64) from Eastern Europe. A decrease in shipments of preserved meat, other than sausages (sec. 4, heading 1602), from \$156.2 million during 1988 to \$128.5 million during 1989, was another factor contributing to the overall decline in U.S. imports from the region over the period. The decline in this product category was largely attributable to diminished shipments of prepared or preserved hams from Poland and Hungary.

Led by a decrease in shipments from Romania, U.S. imports of base metals and articles of base metal (sec. 15) from Eastern Europe declined from \$175.4 million during 1988 to \$125.5 million during 1989. A fall in shipments in the combined categories of iron and steel and articles of iron or steel (sec. 15, chs. 72 and 73), from \$128.5 million during 1988 to \$85.5 million during 1989, accounted for most of this decline.

## Developments Affecting U.S. Commercial Relations with the Nonmarket Economy Countries During 1989

### U.S. Responses to the Military Suppression of the Prodemocracy Movement in China: Measures Affecting Economic Relations

In protest against the Chinese Government's brutal military crackdown on the prodemocracy demonstrators in Tiananmen Square on June 3-4, 1989, the United States imposed selected economic sanctions on China in the days immediately following. On June 5, 1989, President Bush, taking the position that the sanctions should be aimed "not at the Chinese people but at the military arrangements," ordered the suspension of all Government-to-Government sales and commercial exports of weapons to China and suspended visits between U.S. and Chinese military officials.<sup>23</sup> As the Chinese authorities continued and expanded their repressive policies and practices, he further ordered, on June 20, 1989, the suspension of all high-level U.S. Government exchanges with the Government of China.<sup>24</sup> The administration also announced that it would seek to postpone consideration of new loans to China by international financial institutions.<sup>25</sup> On June 26, 1989, the World Bank, China's largest source of multilateral development assistance, deferred consideration of seven projects valued at \$780.2 million. The suspension was still in effect at yearend.<sup>26</sup>

Legislation was also introduced in the Congress, most of it calling for stronger sanctions than those imposed by the President. On June 6,

<sup>23</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 23 (June 12, 1989), p. 839.

<sup>24</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 25 (June 26, 1989), p. 941.

<sup>25</sup> Ibid.

<sup>26</sup> On Feb. 10, 1990, the World Bank approved its first project in China since June 1989. The \$30 million loan for the project will be used rebuild homes and public facilities damaged or destroyed by an earthquake that rocked two northern provinces of China in October 1989. A second project to accelerate and diversify agricultural development in China's Jiangxi Province was approved on Feb. 27, 1990. The \$60 million credit for this 20-year program was the first to be approved from among the seven projects postponed in June. This project was approved, however, like the first one, mainly for humanitarian reasons. The funding for both projects will be provided through the International Development Association (IDA), a World Bank affiliate that lends on concessional terms. (Telephone interview with World Bank, Office of Public Affairs, Mar. 7, 1990.)

1989, both the House and the Senate unanimously passed resolutions (H.Con.Res. 136 and S.Res. 142) supporting the President's suspension of arms sales and urging the administration to review other U.S. economic relations with China in light of the prevailing situation. Subsequently, a number of amendments were attached to bills pending in the Congress, or separate bills dealing only with China were introduced, to suspend or revoke, among other things, the political risk insurance and investment financing services provided to U.S. companies operating in China by the Overseas Private Investment Corporation (OPIC); the project financing services for China provided by the U.S. Export-Import Bank (Eximbank); the most-favored-nation (MFN) tariff treatment extended to imports from China;<sup>27</sup> and the licensing of technically advanced exports to China.

Two such bills were passed by both the House and Senate and sent to the President for signing. In both bills, however, the provisions relating to China gave the President the authority to lift the sanctions if he determined that it was in the national interest to do so.

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990, which President Bush signed into law on November 21, 1989, included a directive that prohibited any funds appropriated by the act to be used to reinstate or approve export license applications for the launching of U.S.-built satellites in China.<sup>28</sup> On December 19, 1989, the President used his authority to terminate the sanction, as provided for in the bill,<sup>29</sup> and cleared the way for Chinese-built launch vehicles to be used for the launching of three communications satellites manufactured by the Hughes Aircraft Co., a unit of General Motors Corp. Two of the satellites were ordered from Hughes by an Australian company, AUSSAT, and the third one will be launched for the Asia Satellite Telecommunications Co. (AsiaSat), a Hong Kong-based consortium with Chinese and British ownership.<sup>30</sup>

<sup>27</sup> For a list of the bills to suspend or terminate China's MFN status, see "Most-Favored-Nation Tariff Status of Hungary and China" in this report.

<sup>28</sup> H.R. 2991, assigned Public Law 101-162, sec. 610 (a). The provision also prohibits the use of funds to launch U.S.-built satellites on Soviet-built launch vehicles.

<sup>29</sup> Sec. 610 (b) and (c). The President was authorized to lift the sanction on the basis of either evidence that China has made progress on a program of political reforms (sec. 610 [b]) or the national interest of the United States (sec. 610 [c]).

<sup>30</sup> The Reagan administration initially decided to approve the launches in September 1988, provided the United States and China concluded three agreements covering the following areas: (1) safeguards to protect the U.S. technology from possible misuse or diversion by China to an unfriendly third country; (2) the liability for damages in the event of a satellite or launch accident; and (3) the trade practices China would employ in

According to a White House statement,<sup>31</sup> the decision to authorize the licenses was made in response to an urgent request by the Prime Minister of Australia, who emphasized the importance of the AUSSAT program for the development of telecommunications and broadcasting services in Australia on a national basis. AsiaSat will be used to transmit domestic communications in China, Japan, South Korea, Thailand, Burma, and Pakistan.<sup>32</sup> This satellite is scheduled to be launched from China in April 1990,<sup>33</sup> and AUSSAT plans to launch the other two satellites in 1991 or 1992.<sup>34</sup>

The White House statement further noted that the decision to authorize the export licenses was "consistent with the President's expressed determination, in imposing sanctions last June, to maintain commercial relations with China."<sup>35</sup> According to the statement, the sale of the three satellites represents approximately \$300 million worth of business for U.S. firms.

In signing the International Development and Finance Act of 1989 into law on December 19, 1989, President Bush exercised the authority provided for in the bill to waive its prohibitions on Eximbank's financing of U.S. business activities in China.<sup>36</sup> The bill would have prohibited Eximbank from financing trade with China and from extending loans, credits, credit guarantees, insurance, and reinsurance for investment projects.

The President's decision to waive the prohibitions did not return Eximbank activity to "business as usual" with China, according to a White House statement,<sup>37</sup> which noted that the bank has limited itself since June to providing preliminary financing commitments where project decisions are imminent. The statement explained that "this reduced level of activity closely

<sup>30</sup>—Continued  
making its entry into the international satellite market. The last of these three agreements was signed on Jan. 26, 1989. For more information, see the 57th Quarterly Report, pp. 14-15.

<sup>31</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 51 (Dec. 25, 1989), p. 1972.

<sup>32</sup> *China Economic News*, vol. 11, No. 1 (Jan. 1, 1990), p. 2.

<sup>33</sup> The so-called "AsiaSat One" was successfully launched on Apr. 7, 1990. This was the first foreign-built satellite to be launched on a Chinese-built launch vehicle, but China previously launched 26 of its own satellites. (Foreign Broadcast Information Service (FBIS), *Daily Report: China*, Apr. 10, 1990, pp. 33 and 35.)

<sup>34</sup> *China Economic News*, vol. 11, No. 1 (Jan. 1, 1990), p. 2.

<sup>35</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 51 (Dec. 25, 1989), p. 1972.

<sup>36</sup> H.R. 2494, assigned Public Law 101 240, sec. 103 (a).

<sup>37</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 51 (Dec. 25, 1989), p. 1973.

approximates that of our competitors. The waiver, by maintaining the status quo, preserves a level playing field for U.S. business."<sup>38</sup>

### U.S. Negotiations with China on Intellectual Property Rights

During 1989, two separate but closely related U.S. Government actions increased pressure on the Chinese Government to strengthen legal protection of the intellectual property rights (IPR) of U.S. companies in China. In January 1989, the United States refused to renew the 1979 bilateral Science and Technology (S & T) agreement with China for a third 5-year term because China would not commit itself to provide copyright protection for computer programs and other IPR made accessible to Chinese participants in cooperative exchanges under the agreement. This action was followed by the initiation of bilateral negotiations between the United States Trade Representative (USTR) and China's Ministry of Foreign Economic Relations and Trade on the issue of IPR protection. In May 1989, the two countries agreed on a Memorandum of Understanding containing specific commitments by the Chinese Government, subject to U.S. monitoring of its progress, to develop a copyright law that would include protection of computer software and improved patent protection that would include important areas not covered under the patent law passed by China in 1984.

Both the United States and China have derived considerable benefit from cooperative exchanges under the 29 Science and Technology protocols, or working agreements, activated under the S & T framework agreement. However, the relationship has been of particular importance to China in carrying out its economic modernization program.<sup>39</sup> Rather than allow the agreement to lapse as scheduled on January 31, 1989, Chinese officials agreed to work with the Department of State to develop an IPR annex to the agreement that would meet U.S. requirements, and the United States agreed to a 9-month extension, until October 31, 1989. Since some progress was made in negotiations during that time, the agreement was then extended until

<sup>38</sup> Ibid. The waiver enabled the Eximbank to make final a commitment to finance \$23.1 million in U.S. exports of equipment and services for the Shanghai Metro project in China. These contracts would have been jeopardized, according to the Eximbank, had the authorization been delayed. (Eximbank news release, Feb. 8, 1990.)

The financing includes a guarantee of a \$12.7 million loan from the Private Export Funding Corporation (PEFCO) to the Bank of China and a grant of \$10.4 million that Eximbank offered to counter the tied aid financing offered for the entire project by both West Germany and France. West German suppliers were awarded the major contracts, the French won a contract for tunneling equipment, and U.S. companies were selected to supply signaling and other equipment. (Ibid.)

<sup>39</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 00783.

April 30, 1990, while a 5-year renewal remained under discussion.<sup>40</sup>

The discussions leading to the Memorandum of Understanding signed by the United States and China in May 1989 were a direct result of the "Special 301" provisions of the Omnibus Trade and Competitiveness Act of 1988. These provisions require the USTR to identify annually countries that deny adequate and effective IPR protection or that deny fair and equitable market access to U.S. firms relying on such protection. Although the USTR decided not to designate any so-called "priority" countries under the "Special 301" provisions in 1989—an action that, as a rule, would require an investigation possibly leading to trade sanctions—a total of 17 countries were placed on a "watch list," and 8 countries, including China, were placed on a "priority watch list."<sup>41</sup>

The Memorandum of Understanding that was concluded as part of the "Special 301" process not only committed China to make specific improvements in its IPR protection, but also stipulated that certain steps must be taken by no later than November 1, 1989.<sup>42</sup> Because of its lack of progress, China was not removed from the priority watch list at that time, and another review of its IPR protection was scheduled to take place within 6 months.<sup>43</sup>

As of yearend 1989, China's current draft of its copyright law had been submitted for review and final approval to its legislative body, the National People's Congress, where it was still

<sup>40</sup> U.S. Department of State Telegram, 1989, Beijing, Message Reference No. 21646, and U.S. Department of State Telegram, 1989, Washington, Message Reference No. 410915.

In late April 1990, the S & T agreement was extended until Apr. 30, 1991, since China was making progress in developing copyright legislation. However, even if the Chinese Government passes a copyright law, the United States will not renew the agreement for 5 years until it also includes adequate and effective IPR protection (telephone interview with U.S. Department of State analyst, May 5, 1990).

<sup>41</sup> IPR protection under the "Special 301" provisions (19 U.S.C. § 2242) was only one of several U.S. trade liberalization priorities identified by the USTR in 1989. Five priority practices, or significant nontariff barriers to U.S. exports, were identified by the USTR under the "Super 301" provisions (19 U.S.C. § 2420), and three countries—Japan, Brazil, and India—were designated priority countries under these provisions.

<sup>42</sup> For more detailed information on the Memorandum of Understanding and the application of the "Special 301" provisions to China, see Pitman B. Potter, "Prospects for Improved Protection of Intellectual Property Rights," *The China Business Review*, vol. 16, No. 4 (July–August 1989), pp. 27–29.

<sup>43</sup> *International Trade Reporter*, Nov. 8, 1989, p. 1436.

On Apr. 27, 1990, Ambassador Carla A. Hills, the USTR, determined that China had not taken sufficient action to warrant removal from the priority watch list. In making this decision, she noted that "although the PRC has taken some steps to improve its protection of intellectual property rights, a copyright law has not yet been enacted and proposed patent legislation does not cover important sectors." (USTR, *Fact Sheet: "Special 301" on Intellectual Property*, Apr. 27, 1990, pp. 1–2.)



undergoing revision. The first draft was prepared in 1980, but the current draft—the eighteenth—has nonetheless undergone a major change in that it has been altered to include copyright protection for computer software.<sup>44</sup> China passed a patent law in 1984, but it excludes from protection products such as pharmaceuticals and agricultural chemicals.

### Most-Favored-Nation Status of Hungary and China

The United States has extended non-discriminatory or most-favored-nation (MFN) tariff treatment to imports from Hungary since 1978 and to imports from China since 1980 under the President's authority to waive full compliance with the freedom-of-emigration requirement (Jackson-Vanik amendment) of section 402 of the Trade Act of 1974. A waiver granted by the President remains in force for 12 months, through July 2 of each year, and is automatically renewable upon his recommendation, which must be made at least 30 days prior to the scheduled expiration date. On May 31, 1989, President Bush notified the Congress of his decision to continue the waivers in effect for Hungary and China.<sup>45</sup> However, as a result of subsequent developments, the MFN status of Hungary is no longer subject to the restrictions of the waiver procedure, and legislation has been introduced in the Congress that would, if enacted, either suspend or terminate the MFN status of China.

When the new waiver extending the MFN status of Hungary for another year became effective on July 3, 1989, the Hungarian Council of Ministers had proposed new legislation providing for free emigration. At Hungary's request, this legislation was reviewed by U.S. officials, and on July 12, during a speech made in Budapest, President Bush promised that if the proposed law were passed by the Hungarian Parliament, he would inform the U.S. Congress that Hungary was in full compliance with the Jackson-Vanik amendment.<sup>46</sup> The law was passed on September 26, 1989, and the President reported to the Congress on October 26 that Hungary was no longer in violation of the freedom-of-emigration requirement.<sup>47</sup> This determination released Hungary from the waiver procedure and gave it nonwaiver MFN status.

Although nondiscriminatory tariff treatment will now be extended to Hungarian products indefinitely, rather than on a year-to-year basis,

<sup>44</sup> For more information on changes in the current draft, see *China Trade Report*, October 1989, p. 7.

<sup>45</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 23 (June 12, 1989), p. 832.

<sup>46</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 29 (July 24, 1989), p. 1086.

nonwaiver MFN status is not quite the same as the so-called unconditional MFN status that applies to Poland (whose MFN status was restored in 1960, prior to the passage of the Jackson-Vanik amendment) and to non-NME countries. The nonwaiver procedure of section 402 requires that the President report semiannually to the Congress that Hungary's emigration policies and practices have remained in full compliance with the act.

Withdrawal of China's MFN status was one of the economic sanctions considered by the United States in the wake of the military crackdown on the student-led protestors encamped in Beijing's Tiananmen Square on June 3–4, 1989, and the implementation of other repressive practices by the Chinese Government during the weeks that followed. Although one mechanism for taking this action would have been for the President to omit China from his annual recommendation to extend the waiver authority, President Bush had already, on May 31, recommended that the waiver in effect for China be continued for another year. However, an alternative mechanism would be the enactment of legislation. In June 1989, a total of six bills were introduced in the Congress—two in the House and four in the Senate—to terminate or suspend (with provisions for reinstatement under certain conditions) China's MFN status.<sup>48</sup> At yearend 1989, no further action had been taken on any of the bills.

### U.S. Responses in Support of Political and Economic Reforms in Hungary and Poland

On November 28, 1989, President Bush signed into law the Support for East European Democracy (SEED) Act of 1989,<sup>49</sup> the centerpiece of U.S. assistance to Poland and Hungary during the year under review. This legislation was developed in response to the political and economic reforms undertaken by Poland and Hungary, and was intended to contribute to the development of democratic institutions, political pluralism, and free market

<sup>47</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 43 (Oct. 30, 1989), pp. 1612–1613. The scheduled effective date of Hungary's new emigration law was Jan. 1, 1990.

<sup>48</sup> The numbers and sponsors of these bills are as follows: H.R. 2611 (Gilman et al.); H.R. 2613 (Lantos et al.); S. 1151 (Helms); S. 1241 (Moynihan); S. 1278 (DeConcini), and S. 1242 (Cranston). For a digest of each of the six bills, some of which also provide for other sanctions, see Vladimir N. Pregelj, *Most Favored Nation Status of the People's Republic of China*, Congressional Research Service Issue Brief IB89119, Nov. 29, 1989, pp. 6–7.

<sup>49</sup> Public Law 101 179 (22 U.S.C. § 5401). See also "Statement on Signing the SEED Act of 1989" in *Weekly Compilation of Presidential Documents*, vol. 25, No. 48 (Dec. 4, 1989), pp. 1839–1840, 1859.

economies in these countries.<sup>50</sup> The SEED Act authorizes \$938 million in aid and assistance and covers the areas of structural adjustment; private sector development; trade and business investment; educational, cultural, and scientific activities; agricultural, environmental, and health programs; and support for democratic institutions.

### *The SEED Act of 1989*

Summarized below are the main items contained in the SEED Act with their respective appropriations:

- *Stabilization assistance for Poland.*—In response to Poland's request for a \$1 billion fund, the act provides \$200 million for Poland's Economic Stabilization Fund to be administered in coordination with the European Community and other industrialized democracies.<sup>51</sup>
- *Agricultural assistance.*—The act provides \$128 million for food and other agricultural commodities and products to alleviate crucial shortages created by the transition from a government controlled economy to a free market economy.<sup>52</sup>
- *Enterprise funds.*—The act provides \$240 million for a Polish-American Enterprise Fund and \$60 million for a Hungarian-American Enterprise Fund. These funds are being established to promote the development of small businesses, the agricultural sector, and joint ventures with United States and host-country participants, and to promote policies and practices conducive to private sector development.<sup>53</sup>

<sup>50</sup> The proposed Support for East European Democracy Act of 1990 (SEED II) would amend the SEED Act of 1989 by inserting "Bulgaria, Czechoslovakia, the German Democratic Republic, Romania, and such other Eastern European country as the President may designate," where Poland and Hungary are referred to jointly. SEED II would appropriate an additional \$1.3 billion to cover the expansion of countries included in the new act. (Source: Draft of SEED II legislation presented by the Senate Foreign Relations Committee at a hearing on U.S. business initiatives in Eastern Europe, Mar. 21, 1990.)

<sup>51</sup> 22 U.S.C. § 5412. This appropriation is to be used by Poland for immediate cash flow and balance of payments needs during fiscal year 1990.

<sup>52</sup> 22 U.S.C. § 5413. This program is to be administered by the U.S. Department of Agriculture.

<sup>53</sup> 22 U.S.C. § 5421. This program is to be administered by the Agency for International Development and include disbursement through loans, grants, equity investments, feasibility studies, technical assistance, training, insurance, guarantees, and other measures.

- *Generalized System of Preferences (GSP).*<sup>54</sup>—The act amends the Trade Act of 1974 by removing Poland from the list of countries that are not eligible for designation as beneficiary developing countries under the GSP.<sup>55</sup> No action was required for Hungary since the necessary steps had been taken prior to the passage of this legislation. An amendment removing Hungary from the list of countries ineligible to receive GSP treatment was included in the Trade and Tariff Act of 1984, and the President designated Hungary as a beneficiary developing country for purposes of the GSP on November 1, 1989.<sup>56</sup>

- *Overseas Private Investment Corporation (OPIC) programs.*—The act grants Poland and Hungary eligibility under OPIC program authority. U.S. exporters and investors may now receive credits, political risk insurance underwriting, and other guarantees for commercial activities in Poland and Hungary.<sup>57</sup> OPIC coverage was previously denied to U.S. companies participating in commercial activities with East European countries.

- *U.S. Export-Import Bank (Eximbank) programs.*—The act permits the Eximbank to guarantee, insure, finance, extend credit, and participate in the extension of credit in connection with the purchase or lease of any product by the Republic of Hungary and the Republic of Poland, or any agency or national thereof.<sup>58</sup>

<sup>54</sup> Title V of the Trade Act of 1974, as amended, established the U.S. Generalized System of Preferences (GSP) program and authorized the President to provide duty-free entry to eligible articles imported from designated beneficiary developing countries (BDC). Title V contains certain general and specific limitations on GSP eligibility. For example, certain countries and certain import-sensitive articles are ineligible for preferential GSP treatment. The President may designate a BDC as eligible for GSP benefits if all of the requirements of Title V are satisfied.

<sup>55</sup> The President designated Poland as a beneficiary developing country for purposes of the GSP on Jan. 5, 1990 (White House, *Weekly Compilation of Presidential Documents*, vol. 26, No. 1 [Jan. 8, 1990], pp. 20-21).

<sup>56</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 44 (Nov. 6, 1989), pp. 1661-1662.

<sup>57</sup> 22 U.S.C. § 2199. In December 1989, OPIC guaranteed \$100 million of General Electric's proposed \$150 million takeover of the Hungarian light bulb manufacturer Tungsram—the first OPIC coverage approved following the extension of such coverage under the SEED Act. OPIC had 35 applications pending for deals with Poland and 15 for deals with Hungary as of January 1990. (Interview with OPIC, Office of Public Affairs, May 8, 1990.)

<sup>58</sup> 12 U.S.C. § 635 and 22 U.S.C. § 2185. Insurance and guarantees extended by the Eximbank must be repaid within 1 year from the date of arrival at

- *Environmental initiatives.*—The act provides \$10 million for educational programs, policy training, research, monitoring activities, and technical and financial assistance for pollution control and natural resource restoration.<sup>59</sup> An additional \$30 million has been appropriated for clean-coal technology and equipment to retrofit coal-fired commercial powerplants in Poland.<sup>60</sup>
- *Trade and Development Program (TDP).*—The act provides \$6 million to extend the TDP into Poland and Hungary.<sup>61</sup> The TDP will promote U.S. exports to Poland and Hungary by providing grants to study the feasibility of potential industrial and technological cooperation projects and by funding other development planning services. The act also establishes a SEED Information Center System to serve as a central clearinghouse mechanism for information relating to business opportunities in Eastern Europe and for coordinating voluntary assistance to countries in Eastern Europe.<sup>62</sup>
- *Labor market transition assistance.*—The act provides \$4 million to Poland and \$1 million to Hungary for the implementation of labor market reforms, and to facilitate adjustment during the period of economic transition and reform.<sup>63</sup>
- *Technical training for private sector development.*—The act provides \$10 million for management training and agricultural extension activities.<sup>64</sup>

<sup>59</sup>—*Continued*

the port of importation. The aggregate amount of outstanding commitments of the bank may not exceed \$200 million of contingent liability for loan principal during any fiscal year (22 U.S.C. § 2185(b)).

<sup>60</sup> 22 U.S.C. § 5452. This program is to be administered by the Environmental Protection Agency for the 3-year period beginning Oct. 1, 1989.

<sup>61</sup> 22 U.S.C. § 5452(f). This program is to be administered by the U.S. Department of Energy. Emphasis is also to be placed on conservation activities.

<sup>62</sup> The money is being appropriated to carry out sec. 661 of the Foreign Assistance Act of 1961 (22 U.S.C. § 2241).

<sup>63</sup> The SEED II proposes to replace the SEED Information Center System with an Eastern European Business Information Center (22 U.S.C. § 5462).

<sup>64</sup> 22 U.S.C. § 5422. This program is to be administered by the Bureau of International Labor Affairs of the Department of Labor, and is to be appropriated for the 3-year period beginning Oct. 1, 1989.

<sup>65</sup> 22 U.S.C. § 5423. This program is to be administered by the Agency for International Development, with funding appropriated for the 3-year period beginning Oct. 1, 1989.

- *English language training.*—The act provides \$6 million for the Associate Volunteer Program of the Peace Corps to provide English language training.<sup>65</sup>
- *Educational and cultural exchanges.*—The act provides \$12 million to expand U.S. participation in educational and cultural exchange activities with Poland and Hungary, with emphasis on developing business and economic skills necessary for the development of a free market economy.<sup>66</sup>

### *Additional U.S. responses*

Summarized below are additional U.S. responses to developments in Eastern Europe during 1989:

- *Export licensing restrictions under review.*—The United States is expected to propose that the Coordinating Committee for Multilateral Export Controls (COCOM) modify its restrictions on Western high-technology exports to Hungary and Poland along the lines of preferential treatment given to China.<sup>67</sup>
- *International Monetary Fund (IMF) and International Finance Corporation (IFC) loans.*—In December 1989, the United States was instrumental in the negotiations to conclude a \$723 million stand-by arrangement between the International Monetary Fund and Poland.<sup>68</sup> This initial IMF action was viewed as crucial to the release of other aid to Poland from sources such as the World Bank, the United States Government, the European Community, and the governments of other Western countries.<sup>69</sup>

<sup>65</sup> 22 U.S.C. § 5424. Funds are for the 3-year period beginning Oct. 1, 1989. Sixty Peace Corps volunteers are to be in Poland and Hungary by the autumn of 1990.

<sup>66</sup> 22 U.S.C. § 5441. The U.S. Information Agency is to administer these programs, with funds authorized for the 3-year period beginning Oct. 1, 1989. An additional \$10 million has been allocated to provide scholarships to enable students from Poland and Hungary to study in the United States (22 U.S.C. § 5442).

<sup>67</sup> *Business Eastern Europe*, Jan. 1, 1990, p. 3. There is concern in Congress and the executive branch over the potential relaxation of technology export licensing controls for exports to Eastern Europe in the absence of adequate safeguards and assurances from East European recipients about the reexporting of such technologies to the Soviet Union. Current U.S. export licensing procedures are also under review.

<sup>68</sup> Interview with the IMF Office of Public Information, Feb. 9, 1990. The stand-by arrangement went into effect on Feb. 5, 1990.

<sup>69</sup> *Ibid.*

- *Steel agreements.*—On December 12, 1989, the United States Trade Representative announced that negotiations had been completed with the European Community and the 16 other countries that previously had voluntary restraint agreements (VRAs), including Czechoslovakia, East Germany, Hungary, Poland, and Romania. The new VRAs replace previous quota allocations with market share agreements. Under the new agreements, which cover the period through March 31, 1992, Hungary and Poland received increases in their export allocations (Hungary by two-thirds and Poland by 44 percent). Czechoslovakia and Romania received no increase in their allocations, and East Germany was required to reduce its allocation by 9 percent.<sup>70</sup>

### U.S. Steps to Increase Trade with the Soviet Union

Improvement in overall U.S.-Soviet bilateral relations throughout the year under review pointed to greater opportunities for expanded trade between the United States and the Soviet Union. On May 29, 1989, President Bush announced that he would ease controls on technology exports to the Soviet Union by changing the U.S. "no-exceptions" policy. Under this policy, which was instituted in response to the Soviet invasion of Afghanistan, the United States refused to approve exports to the Soviet Union of any goods or technologies on the "exceptions-level" list, i.e., those goods or technologies requiring the approval of the Coordinating Committee for Multilateral Export Controls (COCOM). Although the United States had acted alone in instituting the ban, it had become the policy of COCOM because member countries operate on a consensus basis. Thus, as a result of the President's decision to terminate this policy, the United States and other COCOM-member countries could resume consideration of applications for licenses to export "exceptions-level" goods or technologies to the Soviet Union.<sup>71</sup>

In December 1989, the United States announced plans to support the liberalization of

controls on exports of advanced computers, telecommunications equipment, and machine tools to East European countries that have shed their Communist governments and undertaken market-oriented market reforms. However, the proposal did not include a lifting of restrictions on such sales to the Soviet Union.

In October 1989, the third United States-U.S.S.R. joint legal seminar was convened, with sessions in both Moscow and Leningrad. The goal of the seminar was to develop practical knowledge of the U.S. and Soviet commercial legal systems among lawyers on both sides in order to provide a basis for the expansion of bilateral business dealings. The Soviet Union is drafting business-related legislation dealing with antitrust regulations, joint ventures, ownership of property, land utilization, and regional economic autonomy. Although the timetable for implementation of any such legislation is unclear, Soviet planners appear to recognize the necessity of such reforms as a prelude to expanded commercial relations.<sup>72</sup>

When President Bush met with General Secretary Gorbachev for the December summit in Malta, bilateral economic and commercial relations were of major importance. Among the initiatives that resulted from the Malta summit were the following:<sup>73</sup>

- 1) targeting the 1990 summit for completion of a trade agreement granting MFN status to the Soviet Union under a waiver of the Jackson-Vanik amendment,<sup>74</sup>
- 2) supporting observer status for the Soviet Union in the General Agreement on Tariffs and Trade (GATT) after the Uruguay round is completed,
- 3) expanding U.S.-Soviet technical economic cooperation,
- 4) exploring with Congress the lifting of statutory restrictions on export credits and guarantees after a Jackson-Vanik waiver,
- 5) beginning discussions of a bilateral investment treaty that would provide protection for American businesspersons wishing to invest in the Soviet Union, and

<sup>70</sup> The initial period export ceiling for Hungary is 50,000 metric tons; for East Germany, 112,500 metric tons; and for Poland, 143,750 metric tons. See *Monthly Report on the Status of the Steel Industry*, USITC Publication 2262, March 1990, pp. x-xi.

<sup>71</sup> All license applications for U.S. technology exports destined for the Soviet Union are reviewed on a case-by-case basis. Each application must be approved by the United States and, unless it involves a low level-technology that is not on the "exceptions list," by COCOM prior to export.

<sup>72</sup> U.S. Department of State telegram 02836, Oct. 1, 1989.

<sup>73</sup> White House, *Weekly Compilation of Presidential Documents*, vol. 25, No. 49 (Dec. 11, 1989), pp. 1886.

<sup>74</sup> Sec. 402 of the Trade Act of 1974 authorizes the President to extend MFN status to the Soviet Union and other NMEs that meet its freedom-of-emigration requirement (Jackson-Vanik amendment) or to waive this requirement when he has received certain assurances.

- 6) improving ties between the Soviet Union and the Organization for Economic Cooperation and Development (OECD), and East-West economic cooperation through the economic basket of the Conference on Security and Cooperation in Europe (CSCE) process.

President Bush also indicated his strong support for Gorbachev's economic and political reforms.

### United States-Soviet Grain Trade

United States-Soviet grain trade during 1989 was conducted under a bilateral agreement that extended the United States-Soviet 5-year Long-Term Grain Agreement (LTA) from October 1, 1988, through December 31, 1990.<sup>75</sup> The first round of negotiations to conclude a new long-term bilateral grain agreement beyond the year 1990 took place in Moscow during the first week of December 1989. The goal of the first round was largely organizational, laying the groundwork for further talks.<sup>76</sup>

The terms of the LTA—which continued under the extended agreement—require that the Soviet Union purchase at least 9 million metric tons (mt) of U.S. grains during each agreement year (Oct. 1 through Sept. 30 of the following year). At least 4 million mt of the total must be wheat and 4 million mt, corn, but the Soviets may substitute 0.5 million mt of soybeans or soybean meal for the additional 1 million mt of wheat or corn. The LTA allows the Soviet Union to buy—in addition to the 9 million mt—up to 3 million mt of wheat or corn annually without consultation with the U.S. Government. Beyond the 12 million mt limit, purchases may be made only after consultation with the U.S. Government. Since the extension of LTA includes 3 months in addition to two agreement years, the terms of the extension call for prorating Soviet purchase requirements for that period.<sup>77</sup>

<sup>75</sup> Foreign Broadcast and Information Service (FBIS), *Daily Report: Soviet Union*, Nov. 29, 1988, p. 11.

<sup>76</sup> FBIS, *Daily Report: Soviet Union*, Dec. 7, 1989, p. 19. After further negotiations, on March 22, 1990, U.S. and Soviet officials announced that they had reached a tentative agreement for a new 5-year Long-Term Grain Agreement (NLTA). NLTA calls for a minimum of 10 million mt of annual Soviet purchases, without defining the purchasing year. The maximum level, beyond which further Soviet purchases are conditioned on Government-to-Government consultation, was set at 14 million mt. Of the 10 million mt minimum, at least 4 million mt must be wheat, 4 million mt coarse grains (corn, barley, and sorghum), whereas the remaining 2 million mt could be any mix of grains. Unlike the previous agreement, the NLTA specifies a 50 million mt 5-year minimum of Soviet purchases. (Interview with USDA, Economic Research Service, Centrally Planned Economies Branch, Apr. 18, 1990.)

<sup>77</sup> *57th Quarterly Report*, p. 12.

Between October 1, 1988, and September 30, 1989, the United States unilaterally raised the "consultation level" three times, bringing the maximum purchase level to 24.0 million mt. During that period, the Soviets purchased a record 16.3 million mt of U.S. corn, 5.4 million mt of wheat, 0.3 million mt of soybeans, and 1.3 million mt of soybean oilcake.<sup>78</sup> At 21.7 million mt, grain sales (corn plus wheat) far exceeded the 12.5 million mt average annual sales to the Soviets during the previous 5-year period of the LTA.<sup>79</sup> Of the 5.4 million mt of wheat sold during fiscal year 1989, 4.7 million mt was contracted under the Export Enhancement Program (EEP).<sup>80</sup> EEP bonuses paid on U.S. wheat sales to the Soviet Union averaged \$21 per ton during fiscal year 1989 and totalled nearly \$100 million.<sup>81</sup>

Despite an increase in overall Soviet grain production during 1989, the country's import demand remained strong.<sup>82</sup> Soviet grain imports rose from 27.5 million mt during July 1986-June 1987 to 32.0 million mt during July 1987-June 1988, and to 39.0 million mt during July 1988-June 1989. According to USDA estimates, Soviet grain imports will amount to 38.0 million mt during July 1989-June 1990, the average level of Soviet import demand during the 1980s.<sup>83</sup>

<sup>78</sup> See article by Christian J. Foster in U.S. Department of Agriculture (USDA), Economic Research Service, *CPE Agriculture Report*, September/October 1989, p. 14.

<sup>79</sup> For U.S. sales of wheat, corn, soybeans, and soybean meal to the Soviet Union under the LTA (Oct. 1, 1983-Sept. 30, 1988) see *57th Quarterly Report*, p. 14.

<sup>80</sup> EEP reduces the unit price of a U.S. agricultural commodity to a stipulated level by augmenting the U.S. exporter's shipments with those of the Commodity Credit Corporation. For details, see USDA, Agricultural Information Bulletin No. 515, *Increased Role for U.S. Farm Export Programs*, April 1987. During 1989, the Soviet Union contracted for 5.0 million mt of EEP wheat, China for 3.4 million mt, and Poland for 22,000 metric tons. Since the implementation of the EEP in 1987, the Soviet Union contracted for 18.3 million mt of EEP wheat, China contracted for 13.6 million mt, and Poland for 2.0 million mt. (Interview with USDA, Foreign Agricultural Service, Commodity and Market Programs Division, Jan. 24, 1990.)

<sup>81</sup> EEP bonuses on U.S. wheat sales to the Soviet Union averaged \$42 per ton in fiscal year 1987 and about \$32 per ton in fiscal year 1988. EEP bonuses paid on wheat sales to the Soviets during fiscal years 1987-1989 totalled \$545 million. See article by Christian J. Foster in USDA, Economic Research Service, *CPE Agriculture Report*, September/October 1989, p. 14.

<sup>82</sup> Soviet grain production increased by 16 million mt from 195 million mt in 1988 to 211 million mt in 1989. The estimated output of wheat increased as did the average yield. See article by Christian J. Foster in USDA, Economic Research Service, *CPE Agriculture Report*, November/December 1989, p. 13; and under "Economic Overview of the Nonmarket Economy Countries During 1989," in this report.

<sup>83</sup> For details, see article by Christian J. Foster in USDA, Economic Research Service, *CPE Agriculture Report*, November/December 1989, pp. 26-30.

The persistently high Soviet import demand is explained by a decline in the Government's procurement of domestic grain as a percentage of domestic output in conjunction with the population's growing demand for quality food. State procurement of domestic grain was about 59 million mt in 1989, compared with procurement levels of 79 million mt in 1986, 73 million mt in 1987, and 61 million mt in 1988. The 1989 procurement figure, representing only 30 percent of the country's annual grain output, was the lowest since at least 1955.<sup>84</sup> Coinciding with the low level of procurement is an increasing public pressure on the Soviet authorities to augment the supply of high-quality food.<sup>85</sup> The consensus among Western agricultural experts is that despite Soviet efforts to increase agricultural output and reduce dependence on imported grains, Soviet domestic demand for grains will continue to outstrip domestic supplies in the coming years.<sup>86</sup> Shortfalls are expected to be more acute in coarse grains used in animal husbandry than in milling quality wheat. Annual Soviet demand for imported grains during 1990-94 is expected to remain in the 25 to 35 million mt range.<sup>87</sup>

Competition for market shares in the Soviet grain market remained intense during 1989. According to estimates by the U.S. Department of Agriculture, the U.S. share of total Soviet wheat imports declined from 50 percent during October 1987-September 1988 to 33 percent during October 1988-September 1989, but the U.S. share in the Soviet coarse grain market—which includes corn—increased from 50 percent to about 70 percent over the period. In the wheat market, the European Community (EC) is the major U.S. competitor, followed by Canada, Australia, and Argentina. Most of the loss in the U.S. market share during the period was EC's gain. In the coarse grain market, the non-U.S. share is distributed among a considerably larger number of suppliers, including—in addition to the above—China, Hungary, Yugoslavia, and Romania.<sup>88</sup> The Soviets have long-term grain-supply agreements with Canada, Argentina, France, China, and Hungary.<sup>89</sup> Nevertheless, given the strong

competitive position of U.S. grain exporters, the USDA expects overall U.S. agricultural exports to the U.S.S.R. during fiscal year 1990 to approximate the \$3.3 billion level registered during fiscal year 1989.<sup>90</sup>

## U.S. Administrative Actions Affecting Imports From NMEs

Two antidumping investigations involving products imported from NMEs were concluded during the second quarter of 1989: antifriction bearings (other than tapered roller bearings) from Romania and sewn cloth headwear from China (table 4). In both cases, the International Trade Administration of the U.S. Department of Commerce made a final determination that imports of the product are being sold in the United States at less than fair value (LTFV). The Commission, however, made negative final determinations with respect to imports of spherical roller bearings from Romania and sewn headwear from China, but found that an industry in the United States is being materially injured, or threatened with material injury, by reason of imports of ball bearings from Romania.

On September 19, 1989, an antidumping investigation was instituted involving industrial nitrocellulose from China. The Commission preliminarily determined there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury, or the establishment of an industry was materially retarded, by virtue of imports of industrial nitrocellulose allegedly sold at less than fair value.

On July 26, 1989, the U.S. Court of International Trade (CIT) reversed the six-country cumulative injury analysis supporting the Commission's affirmative final injury determination in investigation No. 731-TA-341 (Final), *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers from Hungary*.<sup>91</sup> The CIT found that the Commission's decision to cumulate Hungarian imports with imports from other countries under investigation was not supported by substantial evidence and was based on an erroneous interpretation of the product competition requirement for cumulation under 19 U.S.C. § 1677(7)(C)(iv) (1982 and Supp. V 1987). The CIT remanded, instructing the Commission to make a new final injury determination based on the volume and price effects of Hungarian imports alone.<sup>92</sup>

<sup>90</sup> See article by Christian J. Foster in USDA, Economic Research Service, *CPE Agricultural Report*, January/February 1990, pp. 25-26.

<sup>91</sup> USITC Publication 1983 (June 1987).

<sup>92</sup> *Marsuda Rodgers International v. United States*, 13 CIT \_\_\_\_, 719 F. Supp. 1092 (1989).

<sup>84</sup> Ibid. Since the state bears the responsibility of supplying milling and feed mixing facilities with grain, it often covers its procurement shortfalls by imports.

<sup>85</sup> Interview with USDA Economic Research Service, Centrally Planned Economies Branch, Agriculture and Trade Analysis Division, Feb. 14, 1990.

<sup>86</sup> For details on Soviet agricultural reforms in 1989, see "Economic Overview of the Nonmarket Economy Countries During 1989" in this report, p. 33.

<sup>87</sup> Interview with USDA Economic Research Service, Centrally Planned Economies Branch, Agriculture and Trade Analysis Division, Feb. 14, 1990.

<sup>88</sup> Interview with USDA, Economic Research Service, Centrally Planned Economies Branch, Agriculture and Trade Analysis Division, Oct. 10, 1989.

<sup>89</sup> For details, see article by Christian J. Foster in USDA, Economic Research Service, *U.S.S.R. Agriculture and Trade Report*, May 1988, pp. 41, 42.

Table 4

Antidumping investigations involving imports from the NMEs in progress during 1989

Country	Product	Investigation No. and date of petition	Preliminary determinations			Final determinations		
			Commis- sion deter- mination and date of vote	ITA		Commis- sion deter- mination and date of vote	ITA	
				Deter- mina- tion and date of publi- cation	Weight- ed aver- age dump- ing mar- gin		Deter- mina- tion and date of publi- cation	Weight- ed aver- age dump- ing mar- gin
Romania	Antifriction bearings <sup>1</sup>	731-TA-395, 3-31-88	Affirmative, 5-10-88	Affirmative, 11-9-88	Percent 28.10 and 46.91 <sup>2</sup>	Affirmative, 5-3-89 <sup>3</sup>	Percent 39.61 and 64.81 <sup>4</sup>	Divided, 5-2-89 <sup>5</sup>
China	Sewn cloth headwear	731-TA-405, 5-26-88	Affirmative, 7-6-88	Affirmative, 8-11-88	8.61- 58.85 <sup>6</sup>	Affirmative, 3-23-89	5.30- 32.06 <sup>7</sup>	Negative, 4-26-89
China	Industrial nitrocel- lulose	731-TA-441, 9-19-89	Affirmative, 11-3-89	—	—	—	—	—

<sup>1</sup> Other than tapered roller bearings.<sup>2</sup> The 28.10-percent margin applies to spherical roller bearings and the 46.91-percent margin applies to ball bearings.<sup>3</sup> The determination was made on 3-27-89.<sup>4</sup> The 39.61-percent margin applies to ball bearings and the 64.81-percent margin applies to spherical roller bearings.<sup>5</sup> The Commission made an affirmative determination on ball bearings and a negative determination on spherical roller bearings.<sup>6</sup> Range covers 9 weighted-average dumping margins applicable to 8 designated suppliers and "all others" (53 F.R. 45138).<sup>7</sup> Ibid. (54 F.R. 11983.)

Source: Compiled from investigations database, U.S. International Trade Commission, Office of Economics, and Federal Register (various issues).

On December 21, 1989, the Commission reached a negative injury determination on remand, which the CIT subsequently affirmed.<sup>93</sup> The Commission and the antidumping duty petitioner, Timken Co., have initiated appeals in the U.S. Court of Appeals for the Federal Circuit to contest the CIT's reversal of the six-country cumulative injury analysis utilized in the original investigation.<sup>94</sup>

On November 22, 1989, the Commission received a request to review its affirmative determination in investigation No. 731-TA-345 (Final), *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers from Romania*, pursuant to section 751(b)(1) of the act (19 U.S.C. § 1675(b)). On December 28, 1989, the Commission published a request for comments concerning institution of a section 751(b) review investigation of TRBs from Romania.<sup>95</sup>

<sup>93</sup> *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers from Hungary*, USITC Publication 2245, December 1989; *Marsuda Rodgers International v. United States*, 14 CIT \_\_\_, Slip Op. 90-\_\_\_ (April \_\_\_, 1990).

<sup>94</sup> *Marsuda Rodgers International v. United States*, Appeals Nos. 90-1298-1316 (consolidated).

<sup>95</sup> On Mar. 7, 1990, the Commission published a notice in the Federal Register dismissing the request to institute a sec. 751(b) review investigation on the affirmative determination in Inv. No. 731-TA-45 (Final). For a full text of the notice, see 55 F.R. 8202.

No import relief cases (sec. 201 of the Trade Act of 1974) involving NMEs or market disruption cases (sec. 406 of the Trade Act of 1974), which apply only to NMEs, were instituted or in progress during 1989.

## Economic Overview of the Nonmarket Economy Countries During 1989

### China

In an official statement on the performance of the Chinese economy in 1989, the State Statistical Bureau of China (SSB) described the year as "both gratifying and disturbing." By late summer, the year-old economic austerity program, launched in September 1988, had succeeded in curbing aggregate demand and slowing the country's record rate of inflation. Consumer spending was declining and savings deposits in banks increased. The growth of industrial production was moderated and investment spending was reduced, easing China's chronic shortfall in supplies of energy and raw materials. By October, however, new problems had begun to appear. A sluggish consumer-goods market, rather than the tight-money policy and other Government measures to combat inflation,

became the major factor slowing the growth of industrial output. As retail sales fell, the number of enterprises operating below capacity or forced to shut down increased substantially, adding to an already large idle work force.

According to the SSB,<sup>96</sup> China's gross national product (GNP) increased by 3.9 percent after correcting for inflation, and national income expanded by 3.7 percent.<sup>97</sup> These figures represent a significant slowdown compared with the growth rates in 1988, when China's GNP increased by 11.2 percent in real terms and its national income grew by 11.4 percent.<sup>98</sup> However, owing to the slowdown in industrial production and a record grain harvest that boosted agricultural output, the growth of the economy was much more balanced. In foreign merchandise trade, a small decline in China's overall annual deficit masked wide fluctuations in both exports and imports during the course of the year. Government measures to expand exports and curtail imports partly reflected an increased dependence on trade as foreign exchange from other sources—tourism, new foreign-funded investment, and official and commercial loans—declined sharply in the wake of the violent suppression of the prodemocracy movement by Chinese leaders in early June.

As a result of the social unrest stemming from the student-led demonstrations for a more democratic political system, Zhao Ziyang, one of China's foremost proponents of market-oriented reform, was toppled from the Communist party's top post, and Premier Li Peng and other conservative party members gained control of economic policymaking. During the last half of 1989, central planning increased and measures were taken to reassert Government control over production and both domestic markets and foreign trade. Despite these moves toward recentralization of the economy, the leadership pledged to continue economic reform and open-door investment policies.

## Agriculture

The total value of agricultural output increased by 3.3 percent in 1989. Although this growth rate was only slightly higher than in 1988 (3.2 percent), crop production, the major output component, increased by 2.1 percent in 1989 after registering a 0.5-percent decline the

previous year. Among the other components of agricultural output, the value of forest products increased by 0.9 percent in 1989; livestock production increased by 5.5 percent; sideline production,<sup>99</sup> by 5.8 percent; and fishery products, by 8.0 percent.

Total grain output increased by 3.4 percent in 1989, reaching a record high of 407.4 million metric tons. After the introduction of the agricultural responsibility system in 1978, which linked Government grain procurement payments to household output, annual grain yields soared from 332.1 million metric tons in 1979 to 407.3 million metric tons in 1984.<sup>100</sup> Yields for the next 4 years were well below this level, however, with the output in 1988 dropping to only 394.0 million metric tons.<sup>101</sup>

Favorable weather conditions, especially for rice and wheat, were responsible for some of the increase in the 1989 grain harvest, but policy changes in response to the poor 1988 harvest also appear to have been contributing factors. To encourage grain planting, the Government raised the grain procurement prices for 1989 by an average 18 percent above the 1988 level and, in turn, significantly increased the taxes levied on land used for nongrain production. Another incentive was provided by the recentralization of control over the distribution of chemical fertilizer, pesticides, and plastic sheeting, thereby eliminating a multi-channel distribution and marketing system held responsible for excessive increases in farm input costs.<sup>102</sup> According to China's Ministry of Agriculture, the "direct cause" of the increase in 1989 grain production was an expansion of the grain-growing area.<sup>103</sup>

Increases were also registered in the production of most nonstaple foods. At 23.3 million metric tons, the output of pork, beef, and mutton was 6.1 percent higher than in 1988. The production of pork, which accounts for most of the average meat diet in China, amounted to 21.2 million metric tons, up 5.3 percent. The output of aquatic products reached 11.5 million metric tons, an increase of 8.2 percent; and the production of vegetables, fruits, eggs, and milk increased by varying percentages.

<sup>99</sup> According to the official SSB definition, sideline production consists of the industrial output of rural households, i.e., industrial production below the township or village level, and the output of activities not included in crop or livestock production such as collecting wild plants and catching wild animals or birds (SSB, *State Statistical Yearbook of China*, 1988 [in Chinese], p. 296.)

<sup>100</sup> FBIS, *Daily Report: China*, Feb. 9, 1990, p. 36.

<sup>101</sup> See *57th Quarterly Report*, p. 17.

<sup>102</sup> For more information, see "China's 1989 Total Grain Output: A Preliminary Examination," in U.S. Department of Agriculture (USDA), Economic Research Service, *CPE Agriculture Report*, November/December 1989, p. 32.

<sup>103</sup> FBIS, *Daily Report: China*, Feb. 9, 1990, p. 37.

<sup>96</sup> Unless otherwise noted, data are from "The Communiqué on the Statistics for 1989 Socio-Economic Development Issued by the State Statistical Bureau of the People's Republic of China," Feb. 20, 1990, as reported in *Xinhua* in Chinese and translated in Foreign Broadcast Information Service (FBIS), *Daily Report: China*, Mar. 7, 1990, pp. 37-43.

<sup>97</sup> The measure of national income used by China is net material product, the traditional Soviet measure of value added, which is roughly equivalent to the Western concept of national income.

<sup>98</sup> See *57th Quarterly Report*, pp. 16 and 17.



On the other hand, the production of some major crops declined. Cotton output amounted to 3.8 million metric tons in 1989, 360,000 metric tons less than in 1988; the production of oil-bearing crops was 12.9 million metric tons, 290,000 metric tons less than in the previous year; and that of sugar-bearing crops (sugarcane and beetroot) amounted to 57.9 million metric tons, down 3.9 million metric tons from 1988 levels.<sup>104</sup> The lower yields were attributed to decreases in the sown acreage and natural disasters.

The fall in cotton output leaves China with an extremely small supply to meet the needs of its textile industry, the country's largest source of foreign exchange.<sup>105</sup> Since reaching a record 6.2 million metric tons in 1984, China's annual production of cotton has stagnated at around 4 million metric tons,<sup>106</sup> whereas its demand for cotton has increased every year. The stockpile of cotton that China accumulated during the early 1980s has declined to well below 2 million metric tons,<sup>107</sup> and a Textile Ministry official estimates that 4.5 million metric tons of cotton should be produced annually to meet industrial requirements.<sup>108</sup> China's imports of cotton rose sharply in 1988 and again in 1989 and may reach significantly higher levels.<sup>109</sup>

### *Rural nonfarm economy*

The output of rural nonfarm enterprises—consisting of township and village industry, the rural building trade, transportation, and commerce—expanded by 7.9 percent in 1989. This resulted in a 5.8-percent increase in the combined value of agricultural and nonfarm production, or the so-called total social product of the rural areas of China. Nonagricultural production accounted for 54.5 percent of the total rural output in 1989, marking the third

consecutive year that it exceeded the value of agricultural production. Nonetheless, the growth rate of the rural nonfarm economy was far lower than in 1988, when the SSB reported a 22.5-percent increase in the output value of these enterprises.<sup>110</sup>

The slowdown in the growth of the nonfarm sector was mainly attributable to the tight-money policy adopted by the Chinese Government in late 1988 in an effort to reduce the country's record rate of inflation. This policy, which decreed that regional and local banks were to recall loans and issue no new loans to township and village enterprises, had a particularly adverse effect on rural industry, since it consists primarily of jointly owned (collective) and some individually owned (private) enterprises that depend heavily on bank credit. According to China's Minister of Agriculture, the gross output value of township and village industry, the largest and most rapidly growing component of the rural nonfarm economy, increased by 14.4 percent in 1989.<sup>111</sup> This represented a steep decline from the 30-percent annual growth rates in past years.<sup>112</sup> The Minister also disclosed that 3 million rural enterprises considered to be inefficient or wasteful were shut down, merged, or switched to other lines of production in 1989, resulting in the layoff of 8 million workers by these factories.<sup>113</sup> In 1988, township and village enterprises accounted for one-fourth of China's gross industrial output value and one-half of the income of the country's peasant population.<sup>114</sup>

In a statement issued in early January 1990, the Minister of Agriculture noted that township and village enterprises will face new restraining factors in the terms of credit restraints, raw material shortages, and weak and volatile markets over the next 2 years. The support of the State, he said, would be limited to certain types of rural enterprises: processing industries for farm and sideline products, energy and raw-material industries, foreign-exchange-earning enterprises, and enterprises ancillary to large-scale industries.<sup>115</sup>

### *Industry*

China's success in cooling down its overheated economy in 1989 was to a large extent achieved by decelerating industrial growth. The total value of industrial production increased by 8.3 percent if the output of township and village industry is included and by 6.8 percent if it is not. The corresponding growth rates in 1988 were 20.7 percent and 17.7 percent. The output value

<sup>104</sup> FBIS, *Daily Report: China*, Jan. 26, 1990, p. 35.

<sup>105</sup> According to an estimate report released by Chinese customs, the country's exports of garments and other textile products reached \$13 billion in 1989, which amounted to one-fourth of the total value of China's commodity exports (FBIS, *Daily Report: China*, Jan. 26, 1990, p. 75).

<sup>106</sup> *Far Eastern Economic Review*, Feb. 22, 1990, p. 66.

<sup>107</sup> *Ibid.*

<sup>108</sup> *China Daily*, Jan. 16, 1990, as reported in FBIS, *Daily Report: China*, Jan. 26, 1990, p. 75. The U.S. Department of Agriculture estimates China's annual demand for cotton, based on the continued development of its textile industry and cotton exports, at "5 million tons and increasing." China became a major cotton exporter in the mid-1980s but reduced shipments significantly in 1988 and 1989. For more information on the cotton situation in China, see USDA, Economic Research Service, *China: Agriculture and Trade Report*, November 1989, pp. 14 and 15.

<sup>109</sup> The increased imports were mainly low quality, inexpensive cotton, which comes largely from the United States. Cotton became the fourth largest U.S. export to China in 1989 as these shipments increased to \$258.8 million from \$25.2 million in 1988 (see app. table C 3).

<sup>110</sup> See *57th Quarterly Report*, p. 18.

<sup>111</sup> He Kang, Minister of Agriculture, as quoted in FBIS, *Daily Report: China*, Jan. 19, 1990, p. 38.

<sup>112</sup> U.S. Department of State Telegram, 1990, Hong Kong, Message Reference No. 00293.

<sup>113</sup> *Ibid.*

<sup>114</sup> Statement by He Kang, Minister of Agriculture, quoted in FBIS, *Daily Report: China*, Jan. 19, 1990, p. 38.

<sup>115</sup> *Ibid.*, pp. 37 and 38.

of light industry increased by 8.4 percent in 1989, down from a 22.6-percent growth rate in 1988, and that of heavy industry increased by 8.2 percent, down from 18.8 percent the previous year.

State-owned industrial production increased in value by 3.7 percent in 1989, compared with 12.7 percent in 1988, and the output value of collectively owned industries increased by 10.7 percent. This was significantly less than the increase registered in 1988, when a 35.0-percent rise in the output of collectively owned rural township industries boosted the growth rate of the collective sector to 28.8 percent. The State-owned sector accounted for 62.2 percent of China's total industrial output in 1989, and collectively owned enterprises accounted for 33.2 percent.<sup>116</sup>

The output of most major consumer goods declined after several years of high growth. The quantity of household washing machines produced declined by 21.1 percent to 8.26 million; household refrigerators, by 12.6 percent to 6.62 million; color television sets, by 9.6 percent to 9.38 million; and tape recorders, by 11.6 percent to 22.46 million. The production of motor vehicles fell by 11.0 percent to 573,700, but the output of bicycles expanded by 11.3 percent to 36.72 million. Declines were registered in the output of machinery and other kinds of equipment for use in investment projects, and gains were made in the production of some raw and semifinished materials, including rolled steel (up 3.7 percent), soda ash (up 14.2 percent), and sulfuric acid (up 2.7 percent). Output increases were also reported in agricultural inputs such as chemical fertilizers (up 6.6 percent) and insecticides (up 24.9 percent).

Total energy production expanded by 4.4 percent in 1989. At 137 million metric tons, crude petroleum production increased by only 0.5 percent, even less than the low growth rates reported for 1987 (2.6 percent) and 1988 (2.2 percent). However, the volume of electricity generated increased by 6.7 percent to 582 billion kilowatt hours, and raw coal output increased by 6.1 percent to a record 1.04 billion metric tons. The overall result was an easing of energy shortages in 1989,<sup>117</sup> especially during the last 6 months of the year when the growth of total industrial output decelerated and the growth of the energy industry increased.<sup>118</sup>

<sup>116</sup> *China Economic News*, vol. 11, No. 5 (Feb. 5, 1990), p. 5. The private sector and foreign-funded enterprises accounted for the remainder. According to the SSB, the output value of private industry increased by 24.1 percent in 1989, and that of foreign-funded industry (joint equity ventures, cooperative ventures, and wholly foreign-owned enterprises) increased by 44.7 percent.

<sup>117</sup> For a discussion of the serious shortages of electric power and inadequate supplies of coal in 1988, see the *57th Quarterly Report*, p. 19.

<sup>118</sup> The growth rate of primary energy production increased from 5.9 percent during January-June 1989 to 7.3 percent during July-December 1989 (*China Economic News*, vol. 11, No. 5 [Feb. 5, 1990], p. 5).

Industrial production was still expanding rapidly during the first half of 1989. It slowed significantly from July through October, but picked up slightly during the last 2 months of the year. In July, the value of China's gross industrial output increased by 9.6 percent on a year-to-year basis; in August, by 6.1 percent; and in September, by 0.9 percent. In October, for the first time in a decade, the value of industrial production declined, falling 2.1 percent from its level in October 1988. The growth rates in November and December were 0.9 percent and 3.4 percent, respectively. The major economic factors responsible for curtailing industrial output were the austerity measures implemented in late 1988 to bring investment and consumption spending under control, thereby reducing the demand for industrial goods.<sup>119</sup> The tight restrictions imposed on the extension of credit to rural enterprises were another important factor.<sup>120</sup>

Although the production slowdown resulted in an "appropriate" growth rate for the year as a whole, according to the SSB,<sup>121</sup> the costs of this achievement were high. With the decline in market demand, the buildup of inventories became an increasingly serious problem. The resulting decrease in the turnover of working capital added to the debt burdens of enterprises. Numerous factories were operating at less than capacity, and some were forced to close down.<sup>122</sup> Production costs rose, profits plummeted, and unemployment worsened.<sup>123</sup>

The decision to forego short-term solutions to these problems and instead continue the process of readjusting imbalances in the economy and improving the industrial structure and product mix was announced in November 1989. The plan approved by the Central Committee of the Communist Party of China called for maintaining the "rectification" and austerity measures begun in late 1988 for 3 or more years. It allowed, however, that more recognition should be given to new problems arising in the course of carrying out these measures. The plan also allowed for the development of a diversified economy, but called for the public ownership system to play the dominant role.<sup>124</sup> As if to confirm this policy, the Industrial and Commercial Bank of China (ICBC) announced that credit restrictions would be eased during the last 2 months of 1989 to

<sup>119</sup> *Ibid.*

<sup>120</sup> FBIS, *Daily Report: China*, Nov. 29, 1989, p. 27.

<sup>121</sup> See statements in the SSB "Communique" as reported in FBIS, *Daily Report: China*, Mar. 7, 1990, p. 38.

<sup>122</sup> An estimated 20 percent of industrial enterprises suspended production (FBIS, *Daily Report: China*, Jan. 12, 1990, p. 24).

<sup>123</sup> For data and a more detailed analysis, see SSB, "Statistical Report No. 1," as reported in *Renmin Ribao* in Chinese and translated in FBIS, *Daily Report: China*, Feb. 8, 1990, pp. 19 and 20.

<sup>124</sup> For more detailed information, see U.S. Department of State Telegram, 1989, Hong Kong, Message Reference No. 17473.

resolve the "temporary financial difficulty" of large- and medium-sized industrial enterprises owned by the State.<sup>125</sup> The short-term loans were to provide the funds needed for production and materials in preparation for the coming year. According to U.S. embassy officials in China, this action was "a concrete manifestation of the State's determination to bolster these units."<sup>126</sup>

### *Investment expenditures, consumer demand, and inflation*

The emergence of a record rate of inflation in the Chinese economy during the summer of 1988 was mainly attributable to excessive spending on investment projects and to a high level of consumer demand that led to panic buying after the initial rise in retail prices. The austerity measures launched in September of that year were therefore directed primarily toward curtailing investment and consumption.

Although the reduction in spending for capital construction and other investment projects in 1989 was short of the targeted cutback, China's total expenditures for fixed-asset investment<sup>127</sup> declined by 11.0 percent. If an adjustment is made for inflation, the decrease was actually more than 20 percent. Investment spending by State-owned enterprises amounted to 9.2 percent less than in 1988, and collectively owned enterprises spent 28.1 percent less. Private investment expenditures declined by 4.3 percent. The State-owned enterprises accounted for 62.8 percent of total investment spending in 1989; collectively owned enterprises, for 12.8 percent; and the private sector, for 24.4 percent.<sup>128</sup>

The number of construction projects was cut. A total of 37,000 projects were started in 1989, 41,000 fewer than in 1988. After a nationwide evaluation of projects under construction, about 18,000 were postponed or suspended. Among those especially targeted for cancellation were hotels, restaurants, city halls, and other nonproductive facilities.

<sup>125</sup> U.S. Department of State Telegram, 1989, Beijing, Reference No. 31807. The reference to "temporary financial difficulty" cites the wording used in the ICBC announcement.

<sup>126</sup> Ibid. According to an official report released in *Xinhua* and translated in FBIS, *Daily Report: China*, Feb. 9, 1990, p. 23, the increase in loans during the last 2 months of 1989 represented 53.5 percent of the total credit growth for the year.

<sup>127</sup> In addition to capital construction, fixed-asset investment includes the technical transformation of existing plants and equipment; i.e., renovation projects to increase productive capacity, reduce energy consumption, expand the variety of goods produced, and improve product quality.

<sup>128</sup> The SSB reported that total investment spending amounted to 400 billion renminbi (RMB) in 1989. This would be the equivalent of \$108.1 billion based on an exchange rate of approximately RMB 3.7 to US \$1.00, the official rate in effect until China devalued on Dec. 16, 1989, or \$85.1 billion based on the new official exchange rate of roughly RMB 4.7 to \$1.00.

Increases in interest rates were the primary means used to bring consumer demand under control. The interest rates on savings deposits and bonds were tied to the general retail price index, making them inflation proof. Bank deposits of urban and rural residents combined increased by 60.7 billion renminbi (RMB) in 1989, to RMB 133.4 billion.<sup>129</sup> The slower growth of consumption funds also helped curb demand. The total wages paid to the workers and staff of industrial and other commercial enterprises increased by 14.0 percent in 1989, and the total net income of peasants increased by 10.5 percent;<sup>130</sup> however, the incomes of both groups declined if adjustments are made for inflation. Tight controls were maintained on purchases of consumer goods by Government departments and social institutions, which grew by only 4.2 percent and declined in real terms.<sup>131</sup>

The general retail price index, the measure used by China in reporting the official rate of inflation, increased by 17.8 percent in 1989. This represented only a slight improvement over the 18.5-percent inflation rate reported for 1988. After February 1989, however, when the retail price index rose to 27.9 percent, inflation slowed month by month, dropping to a 6.4-percent rate in December. The annual rate of inflation was 16.0 percent in urban areas and 18.8 percent in rural areas.

### *International trade and finance*

China's total foreign merchandise trade increased by 8.6 percent to \$111.6 billion during 1989. According to Chinese customs statistics, exports (f.o.b.) expanded by 10.5 percent to \$52.5 billion, and imports (c.i.f.) grew by 7.0 percent to \$59.1 billion. The resulting \$6.6 billion deficit was \$1.2 billion less than the deficit reported for 1988.<sup>132</sup>

Wide fluctuations occurred in both imports and exports during the course of the year. During the first 6 months of 1989, imports increased by 27.0 percent over their value during January-June 1988, and exports increased by only 6.0 percent, resulting in a soaring deficit.<sup>133</sup>

<sup>129</sup> Statement by Li Guixian, governor of the People's Bank of China, as reported in *China Economic News*, vol. 11, No. 8 (Feb. 26, 1990), p. 2. The dollar equivalent of RMB 133.4 billion is \$36.1 billion based on the official exchange rate prior to China's devaluation on Dec. 16, 1989, and \$28.4 billion based on the new official exchange rate.

<sup>130</sup> SSB, "Statistical Report No. 1," as reported in *Renmin Ribao* in Chinese and translated in FBIS, *Daily Report: China*, Feb. 8, 1990, p. 18.

<sup>131</sup> Ibid.

<sup>132</sup> According to the SSB "Communique," as reported in FBIS, *Daily Report: China*, Mar. 7, 1990, p. 41, the net trade deficit was \$2.85 billion. China's customs officials arrive at this figure by deducting imports arising from foreign aid, donations, export processing, and foreign investment in the form of equipment.

<sup>133</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 03693.

By late summer, the situation reversed as consumer demand plummeted and industrial growth slowed,<sup>134</sup> sharply reducing imports and increasing the supply of goods available for export. This shift in trade was accelerated by new Government measures that reduced the foreign trade authority of provincial and local leaders and ensured greater central control. To further curtail imports, the central authorities tightened restrictions on the use of foreign exchange, implemented additional import licensing requirements, and increased tariffs. To boost exports, credit to cover production costs and raw materials in short supply were funneled to export-oriented industries. During the last half of 1989, imports registered negative growth compared with their level during the corresponding period of 1988, and exports increased by 16.0 percent.<sup>135</sup> All of the \$6.6 billion deficit China reported for 1989 was incurred during the first half of the year.

Converting imports during 1989 from the c.i.f. basis<sup>136</sup> to a f.o.b. equivalent of \$54.4 billion,<sup>137</sup> China registered a total merchandise trade turnover of \$106.9 billion and a deficit of \$1.9 billion on a balance-of-payments-adjusted basis. Based on data reported by Chinese customs, nontrade foreign-exchange income exceeded nontrade foreign-exchange expenditures by \$3 billion.<sup>138</sup> This figure, when combined with the merchandise trade deficit of \$1.9 billion, implies that China registered a small current account surplus for the year. Foreign-exchange earnings from tourism amounted to \$1.81 billion,<sup>139</sup> down 19.6 percent from the \$2.2 billion reported for 1988. The target that China had originally set for tourism earnings during 1989 was \$3 billion.<sup>140</sup>

Noteworthy changes occurred in the composition of China's trade during 1989, reflecting both long-term policy goals and the imposition of additional import and export controls under the economic austerity program in effect since late 1988.

On the import side, China's official policy is to reduce imports of manufactured products and increase the percentage of primary imports. The long-term objective is to limit imports to the

technology required to produce the manufactured goods China wants and to the raw materials China itself cannot produce. Primary commodities accounted for 19.9 percent of total import value during 1989, up from 18.3 percent during 1988.<sup>141</sup> During the second half of 1989, import restrictions were further tightened on a wide range of consumer goods, including cigarettes, soft drinks, cosmetics, color TV sets, refrigerators, and air conditioners.<sup>142</sup> Strict new controls were also imposed on imports of electronic machinery and aerospace products that China can produce.<sup>143</sup>

On the export side, the official policy of the Chinese Government is to rapidly boost exports of manufactured goods and reduce exports of primary products, thereby conserving domestically produced raw materials for use in China. Ideally, raw materials would be exported only in the form of high value-added manufactures. The share of manufactured commodities increased from 69.8 percent of the total value of China's exports during 1988 to 71.7 percent during 1989, and the share of primary-product exports declined from 30.2 percent to 28.3 percent.<sup>144</sup> The fastest growing manufactured exports during 1989 included consumer electronics products, which had growth rates exceeding 50 percent; apparel; toys; sports equipment; footwear; and travel goods.<sup>145</sup> Increasingly restrictive controls were imposed on exports of primary products during 1989. These controls included limits on exports of grain, cotton, crude oil, refined petroleum products, and coal; heavy customs duties on the export of rolled steel, aluminum products, ferrosilicon, sheep wool, and insecticides; and bans on the export of musk, aluminum, nickel, and yellow phosphorus.<sup>146</sup>

The United States became China's largest export market during 1989, surpassing Japan for the first time, and was also its most rapidly growing market. At \$11.9 billion (based on U.S. Department of Commerce statistics), U.S. imports from China accounted for 22.7 percent of the total value of China's exports during 1989. Japan was the second largest market, with imports from China of approximately \$11 billion (based on Japanese customs statistics).<sup>147</sup> The growth in both U.S. and Japanese exports to China slowed

<sup>134</sup> See the section on industry in China, above, p. 26.

<sup>135</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 03693.

<sup>136</sup> China uses only the c.i.f. method in reporting its imports, adding insurance, freight, and other carrying costs to the valuation of the merchandise imported.

<sup>137</sup> Imports and exports f.o.b. provide a better gauge (than the use of imports c.i.f.) for comparing the value of goods traded. Source for imports f.o.b. was U.S. Department of State Telegram, 1990, Hong Kong, Message Reference No. 03382.

<sup>138</sup> SSB "Communique," as reported in FBIS, *Daily Report: China*, Mar. 7, 1990, p. 41. "Nontrade" income and expenditures refer primarily to China's receipts and payments for services (tourism, interest, shipping, etc.).

<sup>139</sup> Ibid.

<sup>140</sup> U.S. Department of State Telegram, 1990, Hong Kong, Message Reference No. 00204.

<sup>141</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 03693. The percent of primary imports during 1989 is based on January-November rather than full year data.

<sup>142</sup> *China Economic News*, vol. 10, No. 46 (Nov. 27, 1989), p. 2.

<sup>143</sup> Ibid.

<sup>144</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 03693. The percentages for 1989 are based on the total value of China's exports during January-November rather than on full year data.

<sup>145</sup> Ibid. These product groups were also among China's fastest growing exports to the U.S. market. See the section on China under "Developments in Trade Between the United States and the Nonmarket Economy Countries During 1989" in this report, pp. 11-12.

<sup>146</sup> *China Economic News*, vol. 10, No. 46 (Nov. 27, 1989), p. 2.

during 1989, but Japan's sales were especially hard hit by the tighter restrictions that the Chinese Government imposed on imports of consumer goods.<sup>148</sup> The European Community ranked third among China's expanding markets, taking about 19 percent of its total exports if reexports from Hong Kong are taken into account.

A wide discrepancy exists between the bilateral trade statistics compiled by Chinese customs and those compiled by the United States and China's other major trading partners. Most of this difference can be traced, however, to transshipments of Chinese products through Hong Kong to other destinations and, conversely, to goods destined for China that initially enter Hong Kong and are then reexported. The United States and other countries count these transshipments in compiling data on trade with China, but China treats them as exports to or imports from Hong Kong. Thus, Chinese customs statistics show exports to the United States of only \$4.4 billion and imports from the United States of \$7.9 billion during 1989, resulting in a bilateral deficit for China of \$3.5 billion.<sup>149</sup> On the other hand, U. S. statistics show imports from China of \$11.9 billion and exports to China of \$5.8 billion during 1989, resulting in a U.S. bilateral deficit of \$6.1 billion. The discrepancy has increased rapidly in recent years and is larger for Chinese exports (U.S. imports) because of the numerous export-oriented enterprises in China that have located their operations in the area bordering on Hong Kong. By the same token, Chinese statistics also show that Hong Kong, rather than the United States, was China's largest export market during 1989.

As a result of the economic sanctions imposed in protest against the Chinese Government's actions in early June 1989, China became more dependent on export earnings for the foreign exchange required to continue modernizing the economy. International financial institutions deferred consideration of loans for key development projects in China, the industrialized nations suspended government-sponsored financing of new projects, and commercial lending in the form of major syndicated bank loans was halted. Most U.S. and other foreign companies with direct investment in China continued their operations despite the political uncertainties, but new foreign investment declined sharply during the last 7 months of the year. The first major commercial loans to China since the beginning of June were concluded in

late 1989,<sup>150</sup> but the suspensions of official multilateral and bilateral financing remained in effect at yearend.<sup>151</sup>

The loss of foreign capital also made China more dependent on export revenues for the foreign exchange needed to service its foreign debts. China's outstanding external debt amounted to \$40 billion at yearend 1988,<sup>152</sup> and was estimated to have increased to \$44 billion or slightly more by the end of 1989.<sup>153</sup> This estimate, even if somewhat low, means that China's total external debt was comparable to its annual export earnings, a debt-to-export ratio that is well below the danger zone. The main problems are the recent growth of the debt, from only \$15.8 billion at yearend 1985,<sup>154</sup> and its structure. China has tended to emphasize short-term debt,<sup>155</sup> and its principal and interest payments will peak during the next 3 years.<sup>156</sup>

On December 16, 1989, Chinese authorities devalued the renminbi<sup>157</sup> against major foreign currencies. The devaluation, which represented a 21.2-percent increase in the value of the U.S. dollar, was mainly an effort to further boost exports. However, since many of China's export industries rely on imported raw materials, equipment, and parts for their production, the benefit to exports was expected to be partly offset by the increase in import prices.<sup>158</sup> In addition to facilitating exports, the devaluation was also aimed at hastening the recovery of tourism in China.

## Soviet Union

Soviet economic performance deteriorated during 1989, but the Government engaged in major efforts to ensure recovery and its official

<sup>150</sup> For information on these loans, see U.S. Department of State Telegram, 1990, Hong Kong, Message Reference No. 17438.

<sup>151</sup> The World Bank, China's largest source of multilateral development assistance, announced its first post Tiananmen loan to China on Feb. 10, 1990, and the second loan on Feb. 27, 1990. (For a brief description of the loans, see p. 14 in this report.) Some bilateral loans to cover projects for which agreements had been signed prior to June 1989 were also concluded in early 1990.

<sup>152</sup> This is the official Chinese figure, published by the State Administration of Exchange Control (SAEC), as reported in FBIS, *Daily Report: China*, Oct. 16, 1989, p. 33.

<sup>153</sup> This estimate was made by the U.S. embassy in Beijing. See *Foreign Economic Trends and Their Implications for the United States: People's Republic of China*, December 1989, p. 7.

<sup>154</sup> SAEC, as reported in FBIS, *Daily Report: China*, Oct. 16, 1989, p. 33.

<sup>155</sup> See David L. Denny, "The Balance of Payments After Tiananmen," in *The China Business Review*, November/December 1989, p. 50.

<sup>156</sup> *China Economic News*, vol. 10, No. 50 (Dec. 25, 1989), p. 1, and *China Trade Report*, January 1990, p. 8.

<sup>157</sup> The term yuan, instead of renminbi, is sometimes used in referring to China's currency on international exchanges.

<sup>158</sup> *China Trade Report*, January 1990, p. 8.

<sup>147</sup> U.S. Department of State Telegram, 1990, Beijing, Message Reference No. 03693.

<sup>148</sup> Ibid.

<sup>149</sup> Ibid.

commitment to economic reform remained strong. According to official statistics,<sup>159</sup> national income increased by 2.4 percent during 1989, gross national product (GNP) by 3.0 percent, and labor productivity by 2.3 percent.<sup>160</sup> However, many Western analysts claim that the Soviet economy went into a recession (decline in production adjusted for inflation) during the year under review.<sup>161</sup>

Inflationary pressures increased as the amount of currency in circulation exceeded the 1988 level by 56 percent. Actual increases in prices for consumer goods and services amounted to 2.0 percent, but the Government calculated that when the increase in unsatisfied demand ("hidden inflation") was taken into account, inflation in the consumer sector for 1989 was more on the order of 7.5 percent.<sup>162</sup> The Government budget deficit reached the equivalent of 10 percent of Soviet GDP during 1989,<sup>163</sup> and extreme shortages of many consumer goods created political tensions.<sup>164</sup> During the second half of the year, the Government implemented a program to stabilize the country's economic and financial situation. As a result, the budget deficit was reduced from 120.8 billion rubles during 1988 to 92.0 billion rubles during the year under review.<sup>165</sup>

<sup>159</sup> For the Soviet Union's official economic performance report, see Foreign Broadcast and Information Service (FBIS), *Daily Report: Soviet Union*, Jan. 29, 1990, pp. 101-119.

<sup>160</sup> The output of products and services in the Soviet Union is measured by the so-called Produced National Income. Indices derived from this aggregate to measure changes in the level of output over time are in principle comparable to the indices derived from National Income—its Western equivalent in national economic accounts. Since 1987, the Soviets have also reported estimates of their country's annual GNP—an international standard for measuring economic performance. Both these measures, along with their component parts, contain an unknown degree of inflation; therefore, they overstate growth in real terms. Soviet authorities, themselves dissatisfied with the quality of official statistics, introduced measures to improve the country's statistical reporting system in mid-1988. (For a description of changes in the Soviet system of reporting economic performance, see article by John Tedstrom, "Soviet Statistics Under Fire—Again," *Radio Liberty Research*, Radio Free Europe/Radio Liberty, Inc. (RFE/RL), Feb. 3, 1989, p. 15.) Charges of inadequacy and alleged manipulation of national economic statistics were published in the official Soviet media. (For example, see FBIS, *Daily Report: Soviet Union*, Oct. 18, 1988, pp. 1-7.)

<sup>161</sup> *PlanEcon Report*, PlanEcon, Inc. (PlanEcon), Sept. 1, 1989, p. 1, and Feb. 21, 1990, pp. 1 and 3.

<sup>162</sup> FBIS, *Daily Report: Soviet Union*, Jan. 29, 1989, pp. 101-102.

<sup>163</sup> By comparison, the U.S. budget deficit was approximately 3 percent of the GDP during calendar year 1989.

<sup>164</sup> *PlanEcon Report*, PlanEcon, Feb. 21, 1990, p. 1.

<sup>165</sup> FBIS, *Daily Report: Soviet Union*, Jan. 29, 1990, p. 102.

## Industry

According to official statistics, gross industrial output increased by 1.7 percent in 1989, less than half of the 3.9 percent growth seen in 1988. The low rate of increase in production stems largely from unsatisfactory performance during the second half of 1989. After increasing by 2.7 percent during the first two quarters of 1989, the rate of industrial growth dropped to 1.0 percent during the third quarter and 0.9 percent during the fourth quarter. The number of workers employed in industry declined slightly, and output per worker reportedly increased by 3.1 percent during the year under review.<sup>166</sup>

Production of consumer goods (excluding alcohol) increased by 5.9 percent, compared with the 5.1-percent increase reported for 1988. Nonfood products showed an increase of 7.7 percent, and food products increased by 3.2 percent. Strong gains were reported for video recorders (71 percent), sewn goods for children (25 percent), color televisions (11 percent), and washing machines (10 percent). Both synthetic detergents and household soap were reported as showing 10 percent increases in production over 1988.<sup>167</sup>

Growth of output in the capital sector was 3.2 percent during 1989, compared with 3.5 percent during 1988. As during 1988, production of computer equipment was strong, posting an increase of 20.0 percent. Production of medical equipment surpassed the 1988 level of output by 7.0 percent. However, production of many types of equipment for light industry, the processing sectors of the agro-industrial complex, and the retail trade and services fell below targeted levels. Critical sectors such as oil production equipment and agricultural machines declined from 1988 levels (15 percent and 7 percent, respectively). Steel production also declined, from 163 million metric tons (mt) during 1988 to 160 million mt during 1989.<sup>168</sup>

Average daily extraction of petroleum, including gas condensate, declined by 2.6 percent from 1988 to 1989. As a result of the summer coal strikes, extraction of coal declined by 4.0 percent, from 772 million mt to 740 million mt over the period. However, the decline in coal production necessitated additional production of natural gas, which increased by 3.3 percent from 770 billion cubic meters during 1988 to 796 billion cubic meters during 1989. Electricity output grew by a modest 1.0 percent to 1,722 billion kilowatt-hours during 1989.<sup>169</sup>

<sup>166</sup> *Ibid.*, p. 111.

<sup>167</sup> *Ibid.*, pp. 104-105.

<sup>168</sup> *Ibid.*, p. 112.

<sup>169</sup> *Ibid.*, p. 111.

## Agriculture

Gross agricultural production increased by only 1.0 percent from 1988 to 1989. The number of people employed in agricultural cooperatives (kolхозes) and State farms (sovхозes) declined by 0.7 million and productivity increased by 5.0 percent.<sup>170</sup>

Total grain output increased by 8.3 percent, from 195.0 million mt in 1988 to 211.1 million mt in 1989. Average Soviet grain crop yield increased by 9.6 percent. Nevertheless, Soviet grain imports increased by 2.8 percent from 1988 to 1989. The rise in imports probably reflected the population's growing demand for quality food supplies in conjunction with a sharp decline in the share of domestically produced grain purchased by the State. Since 1985, when mandatory State grain procurement quotas were abolished, the Soviet agricultural cooperatives have sold an increasing proportion of their grain on the open market or have retained it mainly for use as animal feed. The declining share of domestically produced grain procured by the State may have contributed to an increase in import demand because the Soviet Government is responsible for supplying mills and feed mixer plants throughout the country at a level adequate to ensure the population's food supplies.<sup>171</sup>

As a result of the poor vegetable harvest, State purchases of vegetables fell 4 percent below the 1988 level. The production of eggs declined by 0.7 percent. By contrast, the production of sugar beets increased by 12.9 percent during 1989; meat production, by 1.5 percent; and milk output, by 1.2 percent.<sup>172</sup>

During 1989, the Soviet agricultural sector received fewer tractors; tractor cultivators; machines for applying fertilizer; silage-, fodder-, and grain-harvesting combines; and milking installations than during 1988. Supplies of mineral fertilizers also fell. Capital investment in the development of the agricultural sector increased from 65 billion rubles in 1988 to 67 billion rubles in 1989. Approximately four-fifths of the investment in agriculture during both years was channeled into the construction of production facilities and into roads, schools, hospitals, and other projects to improve the quality of rural life. The targets for the commissioning of many agricultural projects were not fulfilled.<sup>173</sup>

## Consumption

Despite increases in the sales of many commodities, the situation on the consumer

market remained severely strained, with demand outstripping supply even for many basic goods. By the end of 1989, the population's outstanding demand for goods and services at Government-determined prices—sometimes referred to as the "monetary overhang" or "ruble overhang"—amounted to 165 billion rubles.<sup>174</sup>

Even with a 20-percent increase in imports of food products, shortages were the norm in 1989. Sales of meat, sausage products, and animal fats were rationed in approximately 20 percent of 445 cities surveyed. Sugar was rationed in virtually the entire country, with shortages of tea and confectionery products reported. The overall volume of bread products was sufficient to meet demand, but the supply of high-quality flour, buckwheat, hulled barley, and oatmeal was inadequate. The availability of potatoes, fruit, and vegetables was limited in a number of areas, and the supply of fish and canned fish products fell. Per capita consumption of meat amounted to 67 kilograms (61 kilograms if lard and second-category byproducts are discounted), or roughly 6.5 ounces per day.<sup>175</sup>

Demand for nonfood products exceeded supply as well. Domestic electrical appliances, televisions, radios, photographic equipment, furniture, bicycles, motorcycles, watches and clocks, perfume and cosmetic products, tobacco products, and other consumer commodities were difficult to come by. The availability of many articles of clothing—sewn and knitted goods, footwear, cotton underwear, women's and children's tights, and men's socks—was erratic.

In addition to limited supplies, poor quality continued to be a problem. During 1989, approximately 9 percent of milk, dairy products, and meat was found to be defective or of poor quality. The percentage of unacceptable items ranged from 12 to 17 percent for confectionery products, cheeses, sausage and fish products, canned fruit, vegetables, and fish. Approximately 1 in 5 tape recorders, 1 in 6 televisions, 1 in 14 radio receivers, and 1 in 18 refrigerators and

<sup>174</sup> FBIS, *Daily Report: Soviet Union*, Dec. 14, p. 125, and Dec. 20, p. 123. The "monetary overhang" or "ruble overhang" is measured by the difference between the population's savings and the total value of commodities available for purchase on the domestic market. (United States International Trade Commission, Office of Economics, *Summary of the Soviet Economy, Economic Reforms, and U.S.-Soviet Economic Relations*, USITC Publication 2271, p. 2-5.)

<sup>175</sup> According to some analysts, annual meat consumption in the Soviet Union, if assessed according to Western statistical terms, was barely 40 kilograms per capita during 1989, and would have been only 37 kilograms if imports of meat were omitted. See Karl-Eugen Waedekin, "Soviet Agriculture in 1989: A Third Year of Near Stagnation," *Report on the USSR*, RFE/RL, Feb. 16, 1990, p. 6.

By comparison, U.S. yearly per capita consumption of meat was 220 lbs (100 kg), or approximately 9.6 ounces per day during 1989. USDA, Economic Research Service, *Livestock and Poultry Situation and Outlook Report*, February 1990, p. 34.

<sup>170</sup> Ibid., p. 113.

<sup>171</sup> See "United States-Soviet Grain Trade" earlier in this report, p. 22.

<sup>172</sup> Ibid., pp. 113-4.

<sup>173</sup> Ibid., p. 115.



washing machines needed repair within the guarantee period.<sup>176</sup>

### *International trade and finance*

Preliminary Soviet data showed an annual increase in the country's overall exports of 1.7 percent, to 68.2 billion rubles during 1989, and an increase in Soviet imports of 7.9 percent, to 70.2 billion rubles.<sup>177</sup> Thus, the Soviets registered a trade deficit of 2.0 billion rubles during 1989, or \$3.2 billion in terms of hard currency.<sup>178</sup>

In trade with non-NMEs,<sup>179</sup> the value of Soviet exports amounted to \$29.3 billion during the first three quarters of 1989, an increase of 1.1 percent compared with their level during the corresponding period of 1988, and Soviet imports from these countries amounted to \$30.6 billion, up 16.4 percent.<sup>180</sup> The result was a deficit of \$1.2 billion,<sup>181</sup> a major reversal from the \$2.8 billion surplus registered in trade with these countries during the corresponding period of 1988. The \$1.2 billion deficit was made up of a \$4.6 billion deficit in trade with the developed West, and a \$3.4 billion surplus in trade with the developing countries.

During January–September 1989, energy products totaled 40.8 percent of Soviet non-NME exports; capital goods, 21.3 percent; non-food raw materials, 21.5 percent; arms, 11.1 percent; and other goods, 5.3 percent. Soviet crude oil deliveries to these countries amounted to 33.1 million mt during January–September 1989. During this period, non-food raw materials made up 36.9 percent of Soviet non-NME imports; capital goods, 27.3 percent; food raw materials, 16.5 percent; industrial consumer goods, 9.2 percent; processed food, 5.5 percent; and energy products, 4.6 percent. The value of Soviet imports of raw materials for food (mainly grains) and of industrial consumer goods from the non-NMEs during January–September 1989 exceeded the value of these imports for the full year of 1988.

The volume of exports to the developed West declined by 3.0 percent during the first three quarters of 1989, whereas the value of these

exports increased by 4.2 percent. This was mainly the result of an estimated 11.0-percent rise in world market fuel prices. Dollar revenues from the sale of oil, natural gas, and refined petroleum products increased by 5.2-percent, notwithstanding a 5.3-percent decline in the volume of shipments. West Germany remained the Soviets' leading market in the developed West, followed by the United Kingdom, Italy, and Finland. From January–September 1988 to January–September 1989, the fastest growth occurred in exports to Canada (110 percent—from a relatively very low base), followed by the United States (60 percent); the Netherlands (30 percent); and Australia (29 percent—from a relatively very low base).

The value of imports from the developed West increased by 16.2 percent during the first 9 months of 1989 as compared with the corresponding period of 1988, and the quantity of imports increased by 13.7 percent. In terms of value, imports of industrial consumer goods increased by 60 percent; raw materials for food, by 50 percent; and capital goods, by 11 percent. The fastest growth occurred in imports from Australia (86 percent), followed by the United States (65 percent); the United Kingdom (57 percent); and Sweden (41 percent.)

Soviet exports to the developing countries declined by 3.9 percent in value and by a similar rate in terms of quantity from the first three quarters of 1988 to the corresponding period of 1989. The value of Soviet imports from the developing countries increased by 17.2 percent over the same period, with the quantity of shipments increasing by 8.5 percent. Whereas a decline in the value of capital goods and arms shipments was the primary factor behind the decline of exports to developing countries, the sharp increase in both processed food and raw materials for food accounted for the largest increase in imports from this group.

In trade with the NMEs, the value of Soviet exports declined by 2.8 percent to 30.6 billion rubles from the first three quarters of 1988 to the corresponding period of 1989, and imports from these countries increased by the same rate to 33.0 billion rubles over the period. The result was a deficit of 2.4 billion rubles.<sup>182</sup> In terms of quantity, Soviet exports to the NMEs remained at the same level in a similar 9-month comparison, while the quantity of imports from the NMEs increased by 1.4 percent. Arms shipments to this group of countries declined in terms of both value and quantity over the period. Despite a small increase in the quantity of fuel exports, a sharp drop in the price of fuels exported to the

<sup>176</sup> FBIS, *Daily Report: Soviet Union*, Jan. 29, 1990, p. 106.

<sup>177</sup> FBIS, *Daily Report: Soviet Union*, Jan. 30, 1990, pp. 93–94.

<sup>178</sup> The conversion was made with the exchange rate of \$1 = R 0.63 that prevailed during 1989.

<sup>179</sup> This category of countries comprises the developed West (apparently members of the Organization for Economic Cooperation and Development) and the developing countries.

<sup>180</sup> At the deadline for this report, detailed data on Soviet international trade and finance were available only for the first 3 quarters of 1989. These data were provided by PlanEcon Inc., *PlanEcon Report*, Mar. 21, pp. 1–30.

<sup>181</sup> Due to rounding, the deficit quoted is not the exact difference between exports (\$29.3 billion) and imports (\$30.6 billion).

<sup>182</sup> Preliminary fourth quarter data indicate that the Soviets registered a surplus in trade with Eastern Europe during October–December 1989, reducing the above reported 9-month deficit probably by one half for the full year of 1989.



NMEs<sup>183</sup> resulted in a parallel contraction in the revenues obtained from these sales. The increase in imports from the NMEs was led by non-food raw materials. Noteworthy is the sharp rise in trade with China during January–September 1989. Soviet exports to China increased by 43.1 percent and imports from China increased by 15.1 percent over the corresponding period of 1988.

Preliminary estimates show that Soviet gross hard-currency debt increased by 17.2 percent from \$49.5 billion at yearend 1988 to \$58.0 billion at yearend 1989.<sup>184</sup> Unlike in the past years when increases in indebtedness could be attributed to fluctuations in the dollar exchange rate, exchange rate movements have played a minor role in increasing Soviet debt from 1988 to 1989.<sup>185</sup> For the first time, the Soviets published data on their foreign lending.<sup>186</sup> At yearend 1989, outstanding loans to the developing countries stood at nearly \$68 billion. With a debt of \$14 billion, India was by the largest debtor, followed by Syria, Iraq, Afghanistan, Ethiopia, Algeria, Angola, South Yemen, Egypt, and Libya.<sup>187</sup>

### *Economic policy*

Efforts to implement economic reforms continued during the year under review. The number of industrial firms operating under a more market-oriented version of *khozraschet* basis increased.<sup>188</sup> The role of branch ministries in managing the operations of industrial enterprises was weakened, and new legislation allowed the formation of a variety of regulated business combinations.<sup>189</sup> By yearend 1989, industrial enterprises formed 69 amalgamations, 27 joint-stock companies, 80 consortia, and 59 concerns.<sup>190</sup> These combinations, operating on

<sup>183</sup> The price of Soviet oil in sale to the NMEs is based on a 5-year moving average called the Bucharest formula.

<sup>184</sup> *PlanEcon Report*, *PlanEcon*, Feb. 21, 1990, p. 31.

<sup>185</sup> *Ibid.*

<sup>186</sup> Data on Soviet foreign lending were published in a Leningrad newspaper in February 1990. (*PlanEcon Report*, *PlanEcon*, Mar. 21, 1990, p. 24.)

<sup>187</sup> *Ibid.*

<sup>188</sup> *Khobraschet* basis refers to the system introduced on a large scale during 1988, requiring enterprises to show profits or losses on their books and to be self-financing. Firms that switched to the *khobraschet* basis had to choose between two variants of the new system. Under the first variant, growth in the enterprise's wage fund is tied to the level of overall production, whereas under the second variant, it is tied to the level of profit. Variant 2 is considered more risky and more market-oriented than variant 1. See *57th Quarterly Report*, p. 23, footnotes 1 and 2.

<sup>189</sup> *Business Eastern Europe*, Feb. 12, 1990, p. 50.

<sup>190</sup> *Ibid.* Amalgamation usually means the joining together of two or more companies into a newly formed company. Joint stock company indicates the co-ownership of assets on a legal basis that combines elements of partnership and corporation. Consortium is a temporary partnership of organizations established to finance a joint project. Concern denotes a business combination for commercial rather than for manufacturing purposes.

the *khobraschet* (self-financing) basis, are allowed to engage in foreign trade and establish joint ventures.

The country's agricultural apparatus was once again reorganized.<sup>191</sup> Gosagroprom—which had been responsible for agricultural policy and performance since 1985—was abolished, and its functions were assumed by a commission on the national level and by various government agencies on the local level.<sup>192</sup> The Government encouraged the internal reorganization of collective and State farms to enhance the individual farmer's role in production and marketing decisions.<sup>193</sup> In some areas, farmers were offered hard currency payments for above-quota sales of grains to the State.<sup>194</sup> The number of non-agricultural cooperatives reached 130,000, employing about 3 million people.<sup>195</sup> Goods-producing cooperatives were allowed to engage in foreign economic activities. An auction was held for hard currency and for capital goods on the wholesale level.<sup>196</sup>

In response to the deterioration in the economic situation, a new cabinet-level commission in conjunction with the Supreme Soviet began to prepare an economic stabilization program during the second half of 1989.<sup>197</sup> One of the program's main goals was to reduce the growth of the monetary overhang—the existence of excessive savings that arise because, given the prices established by the Soviet Government, consumers have more income than there are goods available for purchase. The program also sought to ensure a reasonably equitable distribution of basic necessities as well as to improve the social infrastructure to mitigate hardship and defuse social unrest.<sup>198</sup>

To reduce the monetary overhang, the Government sought to increase the supply of consumer goods and reduce the budget deficit. Investment resources were shifted from the defense sector and capital goods production into the consumer sector, and the State assumed greater control over industrial enterprises to ensure increased production of consumer goods in short supply.<sup>199</sup> The Government also instituted additional controls over exports—mainly

<sup>191</sup> USITC, *International Economic Review* (IER), October 1989, p. 6.

<sup>192</sup> *Ibid.*

<sup>193</sup> *Ibid.*

<sup>194</sup> For details see article by Christian J. Foster, "Convertible Currency Payments for Above-Average Sales of Farm Produce," *RFE/RL, Report on the USSR*, Nov. 10, 1989, pp. 13–15.

<sup>195</sup> See interview with Ed A. Hewett, *IMF Survey*, Nov. 27, 1989, p. 364.

<sup>196</sup> FBIS, *Daily Report: Soviet Union*, Jan. 23, 1990, p. 97.

<sup>197</sup> *Ibid.*

<sup>198</sup> For an analysis of the stabilization plan, see article by Philip Hanson, "Economic Stabilization Plans," *RFE/RL, Report on the USSR*, Oct. 7, 1989, pp. 9–12.

<sup>199</sup> *Ibid.*

through licensing—aimed at keeping certain items in short supply in the country and avoiding the exportation of goods that are the same or similar to those imported.<sup>200</sup> To reduce the budget deficit, cuts were implemented in defense and investment spending, and on the revenue side, taxes on enterprise wage funds were increased. In addition, the Government began preparations to issue bonds.<sup>201</sup>

To achieve the second goal—an equitable distribution of the basic necessities—the Government instituted controls on the prices of bread, meat, fish, butter, milk, and other foodstuffs, and of clothing and footwear for children.<sup>202</sup> Ceiling prices were set on fruits and vegetables, as well as on contract prices negotiated among enterprises.<sup>203</sup> Some of the resources liberated from the defense and investment sector were allocated to build and renovate residential units, schools, and hospitals. The introduction of a general scheme of rationing was recommended.<sup>204</sup>

Towards the end of the year, the economic reform program for the 1990s—known as the “Abalkin Program”—was presented to the public and passed into law by the Congress of the Peoples’ Deputies.<sup>205</sup>

## Eastern Europe<sup>206</sup>

### Poland

Efforts to stabilize the country’s economy and transform its nonmarket economic institutions into a free-market system intensified during the year under review.<sup>207</sup> According to Poland’s economic performance report for 1989, domestic output adjusted for inflation remained unchanged

from 1988 to 1989, despite the 2.0-percent decline in industrial production.<sup>208</sup> Output in the food-processing industry dropped by 8.4 percent and in metallurgy by 5.5 percent. Much of the decline in industrial production can be blamed on energy shortfalls.<sup>209</sup> Supplies of liquid fuels fell by 7.2 percent and of coal by 8.0 percent during 1989. But the production in the still-small, but fast-growing, private sector rose by 26.0 percent, offsetting the fall in production in the State sector.<sup>210</sup> Grain output increased by 2.3 million metric tons (mt) to 26.8 million mt during 1989, helping to realize a 2.0-percent overall increase in agricultural output over the 1988 level.<sup>211</sup> Living expenses increased by 254 percent during the year under review.<sup>212</sup>

Poland’s hard currency exports increased by 3.2 percent to \$8.1 billion during 1989, and its hard currency imports increased by 10.8 percent to \$7.4 billion.<sup>213</sup> This resulted in a \$0.7 billion merchandise trade surplus for the year, down from \$1.2 billion during 1988. Exports of metallurgy products increased by an estimated 13.0 percent from 1988 to 1989, agricultural product exports by 10.5 percent, energy product exports by 4.7 percent, and those of machine building products by 3.5 percent. However, exports of light industrial products to hard currency markets declined by 15.0 percent, wood and paper product exports declined by 6.0 percent, and chemical industry product exports declined by 2.1 percent.<sup>214</sup> Analysts attribute the decline in several categories of manufactured exports to Western markets to the lack of experience and confidence on the part of industrial enterprises, most of which had acquired the right to conduct their own foreign trade during 1989.<sup>215</sup>

In imports, chemicals were the only major product group where a decline—amounting to 2.7 percent—was registered from 1988 to 1989.<sup>216</sup> Imports increased for the remaining major product groups. Agricultural product imports

<sup>200</sup> The decree adopted by the Supreme Soviet on November 20, 1989, strengthened an earlier resolution by the Council of Ministers to limit the exportation of consumer goods. See FBIS, *Daily Report: Soviet Union*, Jan. 11, 1990, pp. 101, 102. For details of the export licensing system introduced during 1989, see FBIS, *Daily Report: Soviet Union*, Dec. 5, 1989, pp. 94, 96.

<sup>201</sup> Ibid.

<sup>202</sup> See Hanson, “Economic Stabilization Plans,” pp. 9–12.

<sup>203</sup> Contract prices for new, non-food items cannot, as a rule, be confirmed with a surcharge of more than 30 percent of the state retail price—i.e., the mark-up compared to the state price is being regulated. FBIS, *Daily Report: Soviet Union*, Dec. 8, 1989, p. 116, 117.

<sup>204</sup> Hanson, “Economic Stabilization Plans,” pp. 9–12, and FBIS, *Daily Report: Soviet Union*, Feb. 22, 1990, pp. 99, 100.

<sup>205</sup> The stabilization program was also further elaborated. The economic stabilization program and the Abalkin Program are scheduled for parallel implementation during the first half of the 1990s. See Hewett, “Perestroika ‘Plus’: The Abalkin Reforms,” *PlanEcon*, *PlanEcon Report*, Dec. 1, 1989, p. 2, and Tedstrom, “The Soviet Economy: Planning for the 1990s,” *RFE/RL, Report on the USSR*, Dec. 22, 1989, pp. 1–7.

<sup>206</sup> In this section, the list of countries follows a descending order of trade turnover with the United States during 1989.

<sup>207</sup> For a review of political events in Poland during 1989, see *Radio Free Europe Research*, *RFE/RL*, Mar. 3 1989, pp. 3–40, Nov. 14, 1989, pp. 3–32, and the

<sup>207</sup>—Continued

*Country Report: Poland*, The Economist Intelligence Unit (EIU), No. 3, 1989, pp. 6–9.

<sup>208</sup> FBIS, *Daily Report: Eastern Europe*, Feb. 1, 1990, pp. 51, 52.

<sup>209</sup> See article by Roman Stefanowski, “Economic Results for 1989,” *Report on Eastern Europe*, Radio Free Europe, Radio Liberty, Inc. (RFE/RL), Mar. 9, 1990, pp. 36, 37.

<sup>210</sup> Ibid.

<sup>211</sup> U.S. Department of State Telegram, 1989, Warsaw, Message Reference No. 15409.

<sup>212</sup> FBIS, *Daily Report: Eastern Europe*, Feb. 1, 1990, p. 51.

<sup>213</sup> Estimated by USITC staff, based on official Polish Government data published for January–November 1989. (FBIS, *Daily Report: Eastern Europe*, Mar. 9, 1990, pp. 38, 39.)

<sup>214</sup> Ibid.

<sup>215</sup> See article by Roman Stefanowski, “Economic Results for 1989,” *Report on Eastern Europe*, *RFE/RL*, Mar. 9, 1990, p. 37.

<sup>216</sup> Ibid.

grew by 33.6 percent, light industry product imports by 16.7 percent, energy product imports by 15.9 percent, machine building products by 12.8 percent, and metallurgy product imports grew by 10.7 percent.<sup>217</sup>

In trade with other NMEs, Poland's ruble exports increased by 1.8 percent to 11.5 billion rubles and its imports declined by 3.7 percent to 9.9 billion rubles during 1989.<sup>218</sup> Poland's surplus increased sharply from 1.0 billion rubles during 1988 to 1.6 billion rubles during 1989.<sup>219</sup> Gross debt increased from \$39.2 billion at yearend 1988 to \$40.0 billion at yearend 1989.<sup>220</sup> Gross debt to the Soviet Union was 5.0 billion rubles at yearend 1989.<sup>221</sup>

During the year under review, steps were taken to reorganize or eliminate unprofitable State enterprises.<sup>222</sup> Tight fiscal and monetary policies helped restore balance between the outstanding purchasing power in domestic currency and the commodities available for purchase.<sup>223</sup> Economic liberalization measures included the decontrol of most wages and prices, the creation of a capital market, the reduction of subsidies, the introduction of a uniform tax system, and the abolition of rationing.<sup>224</sup> The authorities encouraged private economic activities and the inflow of Western capital.<sup>225</sup> Towards the end of the year, legislation established partial convertibility of the Polish currency.<sup>226</sup>

<sup>201</sup> Ibid.

<sup>217</sup> Ibid.

<sup>218</sup> Estimated by USITC staff, based on official Polish Government data published for January–November 1989. (FBIS, *Daily Report: Eastern Europe*, Mar. 9, 1990, pp. 38, 39.)

<sup>219</sup> Ibid.

<sup>220</sup> FBIS, *Daily Report: Eastern Europe*, Feb. 1, 1990, p. 52.

<sup>221</sup> FBIS, *Daily Report: Soviet Union*, Mar. 5, 1990, p. 84.

<sup>222</sup> U.S. Department of State Telegram, 1989, Warsaw, Message Reference No. 10016; and article by Roman Stefanowski, "Economic Results for 1989," *Report on Eastern Europe*, RFE/RL, Mar. 9, 1990, p. 37.

<sup>223</sup> Ibid.

<sup>224</sup> U.S. Department of State Telegram, 1989, Warsaw, Message Reference No. 10368, and FBIS, *Daily Report: Eastern Europe*, Dec. 7, 1989, pp. 41, 42.

<sup>225</sup> U.S. Department of State Telegram, 1989, Warsaw, Message Reference No. 10016.

<sup>226</sup> The partial convertibility of the zloty, which is also referred to as "internal convertibility," took effect on Jan. 1, 1990. The new currency legislation devalued the zloty by about 50 percent, to 9,500 zlotys to the dollar, and established a unified exchange rate for the Polish currency, approximating the realistic free-market exchange rate on the domestic currency market. Beginning Jan. 1, 1990, private entities, including foreign investors, were given authority to purchase unlimited amounts of foreign currency to carry out commercial transactions at the new rate. Controls on the transfer of capital remain in effect, and the law mandates that all hard currency earnings be converted into zlotys. (U.S. Department of State Telegram, 1989, Warsaw, Reference No. 00893.) Based on information provided to USITC Commissioner Alfred Eckes during his visit to Poland in October 1989, Polish authorities do not expect the zloty to become fully convertible before the end of the 1990s.

## Romania

Deposed president Nicolae Ceaucescu left a lasting economic legacy to the country. On April 12, 1989, he was able to announce that Romania had repaid all the debt it owed to Western creditors.<sup>227</sup> But the policy of forced-pace debt liquidation disrupted the country's economic development and lowered the population's standard of living drastically. To produce the trade surpluses that made debt repayment possible, the economy was deprived of needed foreign and domestic goods, the former through import austerity, the second through a merciless drive to increase exports. The revolution in December—culminating in the execution of Ceaucescu and his wife Elena on December 25—signaled an end to the harsh nonmarket economic policies.<sup>228</sup>

According to official statistics for 1989, Romania's GNP declined by 2.2 percent from 1988 to 1989, industrial output by 2.1 percent, and capital investment by 1.8 percent.<sup>229</sup> In the agricultural sector, the pre-revolutionary regime called for a record grain harvest.<sup>230</sup> Instead, gross agricultural output declined by 4.3 percent during 1989.<sup>231</sup> Grain output fell from 21.6 million mt during 1988 to 18.4 million mt during 1989.<sup>232</sup> Productivity in the State industry and construction sectors also declined by 4.7 percent and 6.3 percent, respectively.<sup>233</sup> Inflation was reported to be 1.1 percent during 1989.<sup>234</sup>

According to official statistics, Romania's hard currency exports decreased by 8.4 percent to \$5.9 billion during 1989, and its hard currency imports increased by 16.1 percent to \$3.5 billion.<sup>235</sup> Specifically, Romania increased its imports of natural gas, which amounted to an estimated 7.2 billion cubic meters during 1989, compared with 1.9 billion cubic meters during

<sup>227</sup> *Romanian Situation Report*, RFE/RL, May 4, 1989, p. 9. Romania's gross debt amounted to \$4.0 billion and its net debt to \$2.1 billion at yearend 1988. The Vienna Institute for Comparative Economic Studies, *Forschungsberichte*, September 1989, table 43. (Material obtained by the staff of USITC Commissioner Don E. Newquist, during the Commissioner's March visit to Vienna.)

Soon after the announcement that Romania's foreign debt had been repaid, Romania's Grand National Assembly passed a law making it illegal to borrow from abroad. (*Romanian Situation Report*, RFE/RL, May 4, 1989, p. 9–11.) This law has not been rescinded to date.

<sup>228</sup> Linden, "Reaction to the Revolution, Part II: The Ceaucescus' Overthrow and Execution", *Report on Eastern Europe*, RFE/RL, Feb. 2, 1990, pp. 36–39; and Ionescu, "The National Salvation Front Starts to Implement its Program," *Report on Eastern Europe*, RFE/RL, Feb. 2, 1990, p. 26.

<sup>229</sup> *Buletin de Informare Publica*, Comisiei Nationale Pentru Statistica, No. 3, 1990 (in Romanian).

<sup>230</sup> *East Europe Agriculture*, April 1989, p. 16.

<sup>231</sup> *Buletin de Informare Publica*.

<sup>232</sup> Interview with USDA, Economic Research Service, Agriculture and Trade Analysis Division, Apr. 17, 1990.

<sup>233</sup> *Buletin de Informare Publica*.

<sup>234</sup> Ibid.

<sup>235</sup> Ibid.

1985.<sup>236</sup> Until the end of 1989, the Ceaucescu regime rejected the market-oriented economic reforms that took place in the rest of Eastern Europe.<sup>237</sup> But among the new Government's economic policy directions—presented as early as December 22, 1989—an economic reform program figures prominently. The program sets out to reorganize and modernize agricultural<sup>238</sup> and industrial management in accordance with the market economy principles of decentralized decisionmaking and profitability.<sup>239</sup>

## Hungary

Declining real incomes, growing unemployment, and budgetary and current account overruns characterized the country's economic life in 1989.<sup>240</sup> Real GDP declined by 1.5 percent, mainly as a result of lower demand on the domestic market and a fall in the volume of exports in ruble trade. Industrial production declined by an estimated 2.4 percent.<sup>241</sup>

From 1988 to 1989, employment in the State industry decreased by 3.8 percent and labor productivity rose by 1.7 percent.<sup>242</sup> Among the main branches of industry, growth was registered only in electricity output (1.7 percent) and in the food industry (0.1 percent), while declines occurred in the rest. Production in light industry declined by 5.7 percent; in mining, by 5.1 percent; in construction materials production, by 4.0 percent; in chemical industry, by 2.7 percent; and in iron and steel production, by 1.3 percent.<sup>243</sup> Total grain output edged up from 14.6 million mt during 1988 to 14.7 million mt during the year under review.<sup>244</sup> Inflation amounted to at least 16.0 percent and unemployment increased.<sup>245</sup>

<sup>236</sup> Jackson, "Rehabilitation of the Romanian Economy," *PlanEcon Report*, PlanEcon, Jan. 31, 1990, p. 3.

<sup>237</sup> At the 14th Party Congress in December, Ceaucescu declared that the notion that socialist and capitalist means of production could exist side by side was an absurdity. (*Romanian Situation Report*, RFE/RL, Dec. 15, 1989, p. 9.)

<sup>238</sup> In February 1990, Romania's National Salvation Front ("NSF") published a land-reform decree pursuant to which members of state cooperative farms will be allowed to acquire land. See Jackson, pp. 5, 7.

<sup>239</sup> Ionescu, p. 26.

<sup>240</sup> Data and estimates on Hungary's 1989 economic performance were published in *PlanEcon Report*, PlanEcon, Mar. 28, 1990, pp. 1-27. For a review of political events in Hungary during 1989, see *Radio Free Europe Research*, RFE/RL, Oct. 6, 1989, pp. 3-53; Dec. 1, 1989, pp. 3-21; and *Country Report: Hungary*, The Economist Intelligence Unit (EIU), No. 3, 1989, pp. 7-12.

<sup>241</sup> Ibid.

<sup>242</sup> January-November 1989 compared with the corresponding period during 1988. Data taken from "Statisztikai Havi Kozlemenyei," December 1989, and "Heti Világgyazdaság," Feb. 10, 1990, p. 8 (in Hungarian).

<sup>243</sup> Ibid.

<sup>244</sup> Interview with USDA, Economic Research Service, Agriculture and Trade Analysis Division, Apr. 17, 1990.

<sup>245</sup> U.S. Department of State Telegram, 1989, Budapest, Message Reference No. A-11.

Hungary's hard currency exports increased by 8.5 percent to \$6.2 billion during 1989, and its hard currency imports expanded by 11.5 percent to \$5.7 billion.<sup>246</sup> The surplus in merchandise trade declined from \$670 million during 1988 to \$500 million during 1989.<sup>247</sup> The current account deficit increased from \$0.8 billion during 1988 to an estimated \$1.4 billion during 1989.<sup>248</sup> The major reasons for the increase in the current account deficit were reportedly the heavy interest payments that fell due during the year and an unexpectedly large deficit in hard currency tourism.<sup>249</sup> The gross debt increased from \$17.3 billion at yearend 1988 to \$20.7 billion at yearend 1989, and the net debt from \$11.1 billion to \$15.0 billion.<sup>250</sup>

Hungary's surplus in trade with members of the CMEA was an estimated 1.0 billion rubles during 1989.<sup>251</sup> The reasons for the surplus, according to Hungarian sources, were failure by some CMEA partners to deliver products, a switch of domestic demand from CMEA to Western suppliers, and lack of funds by some Hungarian enterprises to pay for their scheduled imports.<sup>252</sup> The 1989 surplus in CMEA trade may have diverted 47 billion forint (\$746 million) worth of goods from domestic consumption.<sup>253</sup> The authorities expressed their wish during 1989 to place Hungary's CMEA trade on a hard currency basis and to make the country less dependent on the CMEA energy system.<sup>254</sup>

Under new legislation, State-owned companies began to be transformed into limited liability and joint-stock companies, with the possibility of Western majority ownership in the transformed companies.<sup>255</sup> The implementation

<sup>246</sup> FBIS, *Daily Report: Eastern Europe*, Jan. 19, 1990, pp. 17, 18.

<sup>247</sup> Ibid.

<sup>248</sup> For a time series on official Hungarian statistics on the country's hard currency transactions and debt from 1970 through 1988, see FBIS, *Daily Report: Eastern Europe*, Dec. 18, 1989, pp. 65, 66. For an estimate of the 1989 current account deficit and its causes, see article by K. Okolicsanyi, "Growing Shortage of Convertible Currency," in *RAD Background Report (Hungary)*, RFE/RL, Dec. 29, 1989, pp. 1, 2.

<sup>249</sup> Ibid.

<sup>250</sup> FBIS, *Daily Report: Eastern Europe*, Dec. 18, 1989, p. 66, and Mar. 2, 1990, p. 25.

<sup>251</sup> FBIS, *Daily Report: Eastern Europe*, Jan. 4, 1990, pp. 39, 40.

<sup>252</sup> Ibid.

<sup>253</sup> FBIS, *Daily Report: Eastern Europe*, Mar. 2, 1990, pp. 24, 25.

<sup>254</sup> Ibid. Currently, imports from the Soviet Union account for 60-70 percent of Hungary's energy needs. FBIS, *Daily Report: Eastern Europe*, Dec. 1, 1989, p. 86.

<sup>255</sup> For example, General Electric Corporation (GE) has acquired the Hungarian light bulb manufacturer Tungsram. For the technicalities involved in the transaction, see *Business Eastern Europe*, Dec. 4, 1989, pp. 385, 386; FBIS, *Daily Report: Eastern Europe*, Jan. 9, 1990, pp. 27, 30; and Jan. 24, pp. 33, 34. Other transactions involving the acquisition of Hungarian assets are described in FBIS, *Daily Report: Eastern Europe*, Aug. 3, 1989, pp. 26-28; and Aug. 23, 1989, p. 35.

of the new legislation ran into difficulties because it was not clear who had the right to sell State property and at what price.<sup>256</sup>

With the development of a commercial banking and credit system, the State's role in allocating investment resources was curtailed.<sup>257</sup> A new law gave workers the legal right to strike.<sup>258</sup> More prices and wages were deregulated, and although consumer subsidization was further reduced, stubbornly high producer subsidies signaled hesitation on the part of the authorities to liquidate bankrupt industrial enterprises.<sup>259</sup> New measures of trade liberalization released 40 percent of the country's hard currency imports from state licensing requirements.<sup>260</sup> Hungary retained its lead over other East European countries in attracting Western capital investment.<sup>261</sup>

The higher-than-anticipated budget and current account deficits made negotiations for a new, extended standby agreement with the International Monetary Fund (IMF) difficult throughout the year under review.<sup>262</sup> But at the end of 1989, the Government adopted a new program to reduce both the domestic and external imbalances during 1990.<sup>263</sup>

<sup>256</sup> For descriptions of the problems and controversy surrounding the transfer of State into private property in Hungary, see the British journal *Economist*, Aug. 26, 1989, pp. 36, 37, and FBIS, *Daily Report: Eastern Europe*, Nov. 20, 1989, pp. 29-32.

<sup>257</sup> FBIS, *Daily Report: Eastern Europe*, Mar. 13, 1989, p. 15.

<sup>258</sup> FBIS, *Daily Report: Eastern Europe*, Mar. 31, 1989, pp. 34, 35.

<sup>259</sup> See U.S. Department of State, *Hungarian Economic Reform: Status and Prospects*, September 1989, pp. 8, 9.

<sup>260</sup> U.S. Department of State Telegram, 1989. Budapest, Message Reference No. A-11.

<sup>261</sup> For details see article by Karoly Okolicsanyi, "Western Capital Discovers Hungary," *Report on Eastern Europe*, Mar. 23, 1990, pp. 18-21.

<sup>262</sup> A standby agreement with the IMF is essentially a contract between a debtor country and the IMF, obligating the debtor country to reduce its budget and current account deficits and the IMF to provide loans in the event of a balance of payments crisis. For details on negotiations between IMF and Hungarian officials during 1989, see article by K. Okolicsanyi, "IMF Forces Economic Changes on Hungary," in *Hungarian Situation Report*, RFE/RL, Jun. 1, 1989, pp. 15-17; FBIS, *Daily Report: Eastern Europe*, Jun. 8, 1989, pp. 52, 53; Jun. 8, 1989, pp. 61, 62; and Aug. 16, 1989, pp. 23, 24.

<sup>263</sup> The new program intends to contain inflation, strengthen economic activity, reduce Government expenditures, attract further foreign investment, and continue the process of privatization and economic liberalization. The new program apparently satisfied IMF officials, since the IMF concluded a new standby agreement with Hungary on Mar. 14, 1990. (Interview with IMF Public Information Office, Apr. 9, 1990.)

<sup>264</sup> *Bulgarian Situation Report*, RFE/RL, Dec. 15, pp. 15-17, 21-24, and 42.

<sup>265</sup> *Ibid.*, pp. 5, 30.

## Bulgaria

Decelerating economic growth, large budget and current account deficits, and widespread shortages added to Bulgaria's economic woes, leading to the downfall of the country's long-time ruler Todor Zhivkov in November 1989.<sup>264</sup> The successor Government expressed a strong commitment to accelerating the transformation of the country's economic system.<sup>265</sup>

According to official Bulgarian statistics, real national income declined by 0.4 percent from 1988 to 1989.<sup>266</sup> Although industrial output grew by 1.1 percent, capital investment dropped by 7.7 percent and agricultural output declined by 0.4 percent.<sup>267</sup> Partial year 1989 data showed growth rates varying widely across industry—with overproduction in some sectors and underproduction in others.<sup>268</sup> For example, an increase of 39.4 percent was reported in electronics production and a decline of 7.2 percent in rolled ferrous metal production. Shortages were reported in steel, plastics, cement, a host of other industrial materials, tractors and fertilizers. Electric power output declined by nearly 1 percent from January-July 1988 to January-July 1989.<sup>269</sup> Although grain production increased from 7.8 million mt during 1988 to 8.0 million mt during 1989,<sup>270</sup> there were production shortfalls in a number of staple foodstuffs, necessitating hard currency imports.<sup>271</sup>

Towards the end of 1989, the economic crisis gradually worsened.<sup>272</sup>

Bulgaria's exports to the developed West increased by 6.0 percent to \$1.2 billion during 1989. The country's imports from these countries declined by 0.6 percent to \$2.6 billion.<sup>273</sup> The deficit in merchandise trade with

<sup>266</sup> Data on Bulgaria's 1989 economic performance were published in JPRS, *JPRS Report: Eastern Europe*, Feb. 21, 1990, p. 22.

<sup>267</sup> The indicated decline in investment compared with the 10.5-percent expansion planned for 1989 illustrates the extent of economic disintegration during the year. For a description of Bulgaria's economic crisis during 1989, see *Bulgarian Situation Report*, RFE/RL, Dec. 15, 1989, pp. 42, 43.

<sup>268</sup> Detailed statistics on industrial production for the first 7 months of 1989 were published in JPRS, *JPRS Report: Eastern Europe*, Dec. 7, 1989, pp. 24-26.

<sup>269</sup> *Ibid.*

<sup>270</sup> Interview with USDA, Economic Research Service, Agriculture and Trade Analysis Division, Apr. 17, 1990.

<sup>271</sup> *Bulgarian Situation Report*, RFE/RL, Dec. 15, p. 42.

<sup>272</sup> According to a Bulgarian assessment, the aggregate economic output during January-March 1990 was an estimated 9 percent below its level during the corresponding period of 1989. (FBIS, *Daily Report: Eastern Europe*, Apr. 17, 1990, p. 8.)

<sup>273</sup> In converting Bulgaria's export and import figures expressed in the country's national currency (leva), the 0.8 Leva/\$ exchange rate that prevailed during 1989 was used. (Interview with the U.S. Department of Commerce, International Trade Administration, May 3, 1990.)

the developed West declined slightly from \$1.5 billion during 1988 to \$1.4 billion during 1989.

In trade with other NMEs, Bulgarian exports to these countries declined by 3.8 percent and imports from them by 10.7 percent during 1989.<sup>274</sup> Trade with the NMEs still accounted for nearly four-fifth of Bulgaria's total trade. The gross debt increased from \$7.3 billion at yearend 1988 to \$10.0 billion at yearend 1989, implying a current account deficit of \$2.7 billion for 1989.<sup>275</sup>

Economic reforms begun in 1986<sup>276</sup> were ostensibly designed to introduce market forces into the country's economy.<sup>277</sup> However, there were few signs of real change in the country's economic management until Zhivkov's downfall.<sup>278</sup> The critical economic situation during the second half of the year, coupled with no progress in economic reforms, led to Zhivkov's demise in November 1989.<sup>279</sup> After that, the new Government, led by Petar Mladenov, strongly criticized Zhivkov's economic policies<sup>280</sup> and pledged to implement radical economic reforms.<sup>281</sup>

### East Germany

In the wake of dramatic political, social, and economic upheavals during the year under review, the Communist-controlled Government of the German Democratic Republic relinquished control. On November 9, 1989, following waves of emigration to West Germany, the East German authorities opened the country's borders and the Berlin Wall, allowing East German citizens and other nationals to travel freely in and out of the country (including the Western sector of Berlin).<sup>282</sup> The new coalition Government

pledged free democratic elections and market-oriented economic reforms, and it began negotiations on eventual unification with West Germany.<sup>283</sup>

Due in large part to the exodus of young and skilled people from East Germany, the country's economy grew at its slowest rate since 1949.<sup>284</sup> According to official statistics, the growth of national income decelerated from 2.8 percent during 1988 to 2.0 percent during 1989, and the growth of net industrial production slowed from 6.5 percent to 2.8 percent.<sup>285</sup> The 2.5-percent increase in industrial labor productivity during 1989—partly a result of reduction in the labor force—compared with a 6.5-percent increase during 1988.<sup>286</sup> During 1989, construction dropped to 13.0 percent below the 1988 level, and rail transportation declined by 2.9 percent.<sup>287</sup> Net agricultural production increased by 2.0 percent. Total grain output increased from 9.8 million mt during 1988 to 10.9 million mt during 1989.<sup>288</sup>

The industry and service sectors appeared to be in disarray during 1989, with problems intensifying toward the end of the year.<sup>289</sup> During the fourth quarter of 1989, industrial production actually declined by 2.0 percent and the East

<sup>282</sup>—Continued

Emigration for all of 1989 exceeded 340,000 people, with two-thirds emigrating following the opening of the Berlin Wall on Nov. 9, 1989. (*The Economist*, Apr. 21-27, 1990, p. 54.) For a chronology and analysis of political developments in East Germany during 1989, see Barbara Donovan, "The Berlin Wall Comes Tumbling Down," *RAD Background Report, German Democratic Republic*, RFE/RL, Nov. 20, 1989; and "East Germany in 1989," *Report on Eastern Europe*, RFE/RL, Jan. 5, 1990, pp. 15-18.

<sup>283</sup> Ibid.

<sup>284</sup> U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01073. According to data supplied to the U.S. embassy, the Modrow Government estimated that two-thirds of the reduction in economic performance during 1989 was due to the exodus of young and skilled workers.

<sup>285</sup> For East Germany's 1989 economic performance, see U.S. Department of Commerce, International Trade Administration, *German Democratic Republic, Economic Developments*, p. 14.

National income is reported as "Produced National Income" (PNI). This measure is the sum of final outputs plus services rendered in the production of such outputs minus depreciation charges. Western analysts think that, by containing an unknown inflationary component, PNI growth rates—and rates calculated from PNI components—overstate real growth for domestic output and PNI components. (U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01073.)

<sup>286</sup> U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01073.

<sup>287</sup> U.S. Department of Commerce, International Trade Administration, *German Democratic Republic, Economic Developments*, p. 14.

<sup>288</sup> Interview with USDA Economic Research Service, Agriculture and Trade Analysis Division, Apr. 17, 1990.

<sup>289</sup> Enterprises failed to fulfill production plans in almost one-half of the 383 major plan categories during 1989. (U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01073.)

<sup>274</sup> Ibid.

<sup>275</sup> During 1989, Bulgaria registered its fifth annual current account deficit in a row. For background information on Bulgaria's foreign trade, see Department of State Telegram, 1989, Sofia, Message Reference No. 01035.

<sup>276</sup> U.S. Department of State Telegram, 1989, Sofia, Message Reference No. A-1.

<sup>277</sup> U.S. Department of State Telegram, 1989, Sofia, Message Reference No. 01035; JPRS, *JPRS Report: Eastern Europe*, Oct. 12, 1988, pp. 2-3, and Mar. 22, 1989, pp. 7-10; *57th Quarterly Report*, p. 29.

<sup>278</sup> For an assessment of the reform at mid-year 1989, see *Business Eastern Europe*, Jun. 12, 1989, pp. 185, 186.

<sup>279</sup> *Bulgarian Situation Report*, RFE/RL, Dec. 15, 1989, p. 3.

<sup>280</sup> Ibid.

<sup>281</sup> *Bulgarian Situation Report*, RFE/RL, Dec. 15, 1989, pp. 5, 30. Among many other criticisms leveled at the defunct Zhivkov regime, the country's new Government noted that economic data had been suppressed and distorted. (Ibid., p. 42.)

<sup>282</sup> Upheaval began when East Germans took advantage of Hungary's decision to allow them to flee in large numbers through Hungary's Austrian frontier. The January-June average rate of East German defection to the West through Hungary was 10,000 per month. By October, the rate had swelled to approximately 60,000.

German economy may have slipped into a recession.<sup>290</sup>

East Germany's exports to the developed West increased by 9.5 percent to \$8.4 billion during 1989.<sup>291</sup> The country's imports from the developed West increased by 6.7 percent to \$9.4 billion. The deficit in merchandise trade with the developed West declined from \$1.2 billion during 1988 to \$1.0 billion during 1989. The gross debt increased from \$19.1 billion at yearend 1988 to \$20.6 billion at yearend 1989, and the net debt was \$9.6 billion at yearend 1988 and \$11.6 billion at yearend 1989.<sup>292</sup> During 1989, West Germany (including West Berlin) accounted for 44.2 percent of East Germany's exports to the developed West and for 37.2 percent of its imports from these countries.<sup>293</sup> In trade with other NMEs, East German exports to members of the CMEA declined by 0.2 percent during 1989, and its imports from these countries declined by 3.2 percent.<sup>294</sup>

Before the regime's collapse in late 1989, East German authorities remained staunchly opposed to market-oriented economic reforms.<sup>295</sup> During the last 45 days of the year, the new Government, having its hands full with the country's political crisis, postponed radical economic reforms until 1990.<sup>296</sup> But preparations for a major overhaul of the country's economic structure and management had already begun during the closing weeks of 1989, and the sacrosanctity of central planning came under forceful public attack.<sup>297</sup>

## Czechoslovakia

Political and social tensions grew in Czechoslovakia during the first 10 months of 1989, culminating in a peaceful democratic revolution in November and December. The Communist-controlled governments of the Federal Republic, the Czech Republic, and Slovak Republic were replaced with opposition governments.<sup>298</sup> The new authorities revealed the

country's economic plight and have committed themselves to radical market-oriented economic reforms.<sup>299</sup> But the elaboration and implementation of the economic restructuring programs have been put off until after the elections scheduled for June 1990.<sup>300</sup>

Real economic growth—as measured by the growth of GNP adjusted for inflation—amounted to a mere 0.5 percent during 1989, the slowest rate since the 1981 recession.<sup>301</sup> The growth of industrial production declined from 2.1 percent during 1988 to 0.9 percent during the year under review. Despite a planned drop in the construction of new plants to allow renovation and modernization of existing plants, capital spending on new construction projects increased by 3.4 percent.<sup>302</sup> The growth in gross agricultural output declined from 2.9 percent during 1988 to 1.9 percent during 1989. Total grain output edged downward from 11.8 million mt during 1988 to 11.7 million mt during 1989.<sup>303</sup> Officially, the 1989 rate of inflation was only 1.5 percent, but Western estimates put it at 4.0 percent. With nominal wages increasing by only 1.5 percent, real wages fell by an estimated 2.4 percent—the sharpest decline since 1982, when real wages dropped by 4.0 percent.<sup>304</sup> The savings rate declined from 4.8 percent during 1988 to 2.2 percent during 1989.<sup>305</sup>

Czechoslovakia's exports to the developed West increased by 9.7 percent, from \$2.8 billion

<sup>298</sup> Czechoslovakia's new Government became highly critical of the country's nonmarket system of economic management. For example, the country's official 1989 economic performance report included a statement that "the centralized command economy of the old regime had led to serious failures across the board." (U.S. Department of State Telegram, 1990, Prague, Message Reference No. 01650.) The main problems identified by the new leadership as having plagued the country's economy over the past years were persistently high energy and raw material consumption; the lack of resources to replace aged industrial assets; heavy defense spending; wasteful nonmarket economic institutions manifest in monopolistic industrial organization and an unwieldy government bureaucracy; excess supplies in some goods and shortages in other goods. (U.S. Department of State Telegram, 1990, Prague, Message Reference No. 01831.)

<sup>299</sup> U.S. Department of State Telegram, 1990, Prague, Message Reference No. 01831.

<sup>300</sup> *PlanEcon Report*, PlanEcon, Jan. 12, 1990, pp. 1, 4.

<sup>301</sup> U.S. Department of Commerce, 1990 *Economic Trends Report: Czechoslovakia*, Jan. 1990, p. 4.

<sup>302</sup> Interview with USDA, Economic Research Service, Agriculture and Trade Analysis Division, Apr. 17, 1990. The production of meat increased by 2.0 percent and that of milk by 3.5 percent. No major food shortages are evident in Czechoslovakia. (*PlanEcon Report*, pp. 21-22.)

<sup>303</sup> *Ibid.*, p. 1.

<sup>304</sup> During 1989, the prices of some goods increased significantly. For example, the price of milk increased by 10.3 percent; the average price of vegetables increased by 9.9 percent; and that of clothing, by 7.0 percent. This could explain, in part, the drop in the population's savings during the year under review. (Department of State Telegram, 1990, Prague, Message Reference No. 1650.)

<sup>290</sup> U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01073. A decline during the first quarter of 1990 is corroborated by further losses in manpower. During January-March 1990, approximately 160,000 East Germans emigrated to West Germany. (*The Economist*, Apr. 21, 1990, p. 54.)

<sup>291</sup> U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01679.

<sup>292</sup> U.S. Department of Commerce, International Trade Administration, *German Democratic Republic, Economic Developments*, p. 1.

<sup>293</sup> U.S. Department of State Telegram, 1990, East Berlin, Message Reference No. 01679.

<sup>294</sup> *Ibid.*

<sup>295</sup> The Economist Intelligence Unit (EIU), *East Germany, Country Report*, No. 3, pp. 1, 10, 11.

<sup>296</sup> Barbara Donovan, "East Germany in 1989," *Report on Eastern Europe*, RFE/RL, pp. 17, 18.

<sup>297</sup> *Ibid.*

<sup>298</sup> For a chronology and an analysis of political developments, see article by Jiri Pehe, "Czechoslovakia: An Abrupt Transition," in *Report on Eastern Europe*, RFE/RL, Jan. 5, 1990, pp. 11-15.



during January–September 1988 to \$3.1 billion during January–September 1989.<sup>306</sup> The country's imports from the developed West increased by 1.0 percent, from \$2.8 billion to \$2.9 billion over the period.<sup>307</sup> Estimates, based on projected fourth quarter data, indicate that Czechoslovakia's \$440 million deficit in merchandise trade with the developed West declined to \$100–200 million during 1989.<sup>308</sup> The gross debt increased from \$6.7 billion at yearend 1988 to \$6.9 billion at yearend 1989, and the net debt of \$5.0 billion at yearend 1988 remained unchanged at yearend 1989.<sup>309</sup>

Overall Czechoslovak trade turnover with the other NMEs declined by 0.5 percent during 1989, leaving the proportion of trade with the NMEs at 62.9 percent of the country's total trade.<sup>310</sup> In trade with the Soviet Union, which accounted for roughly one-half of its trade with the NMEs during 1989, the value of Czechoslovak exports declined by 0.8 percent from 1988 to 1989, and the value of imports declined by 3.8 percent.<sup>311</sup> The decline in the value of imports is partially explained by a reduction in the price of Soviet crude oil and natural gas to the NMEs during the year under review.<sup>312</sup>

Prior to the political change in December, the authorities continued to pursue economic reform experiments begun in 1988.<sup>313</sup> By calling for enhanced enterprise autonomy and financial responsibility, the pre-revolutionary Government's reform program closely resembled Gorbachev's perestroika.<sup>314</sup> The measures introduced during 1989 included, among other things, decrees on the abolition of the banking

monopoly, the creation of more flexible foreign trade rules, the establishment of currency auctions, and a new joint venture law allowing majority foreign ownership in joint equity firms.<sup>315</sup> Preparations were made to transform a multiple exchange rate system into a two-tier system.<sup>316</sup> Although the Government of Prime Minister Ladislav Adamec was preparing to implement broader and more comprehensive economic restructuring measures during 1990, analysts think the pre-revolutionary Government was not ready to make a clear break with the country's nonmarket-based system of economic management.<sup>317</sup>

In a speech to the Federal Assembly on December 19, 1989, Prime Minister Marian Calfa outlined plans for further economic reforms. He asserted that the objective of his Government was to move the country toward a market economy and that "the key prerequisite for economic reform is the opening of the Czechoslovak economy to the world."<sup>318</sup>

<sup>315</sup> The law does not guarantee that profits made in domestic currency (Crowns) will be converted into hard currency. It guarantees repatriation of profits and salaries only to the extent that the joint enterprise generates hard currency. For further details, see *1990 Economic Trends Report: Czechoslovakia*, U.S. Department of Commerce, January 1990, pp. 8–10; and FBIS, *Daily Report: Eastern Europe*, Dec. 1, 1989, pp. 43–48.

<sup>316</sup> The new legislation determined a tourist rate of 9 Crowns per dollar and a commercial rate of roughly 14 Crowns per dollar. On Jan. 4, 1990, the commercial rate of the Crown was devalued by 18.6 percent to 17 Crowns per dollar and the new tourist rate for Czechoslovak citizens travelling abroad was set at approximately 38 Crowns per dollar. (U.S. Department of Commerce, *1990 Economic Trends Report: Czechoslovakia*, January 1990, p. 7.)

<sup>317</sup> U.S. Department of State Telegram, 1989, Prague, Message Reference No. 07874; RFE/RL, *Czechoslovak Situation Report*, Aug. 2, 1989, pp. 3–11.

<sup>318</sup> U.S. Department of Commerce, *1990 Economic Trends Report: Czechoslovakia*, January 1990, pp. 8–10.

On Apr. 5, 1990, the United States and Czechoslovakia reached provisional agreement on the text of a trade agreement between the two countries. Side letters on trade and financial matters, intellectual property, and tourism, completing the agreement, were also signed. The agreement must still be formally ratified by both countries before it takes effect. (The Bureau of National Affairs, *International Trade Reporter*, Apr. 11, 1990, pp. 498, 499.)

The agreement proposes the mutual extension of most-favored-nation tariff status and the application of GATT rules to bilateral trade. Certain specific protections for U.S. businesses are provided for, including the right of non-discrimination in renting office space, in paying for local goods, in establishing bank accounts, and in permitting hard currency earnings to be repatriated immediately. (White House Press Release, "U.S.-Czechoslovak Trade Agreement," Apr. 9, 1990.)

<sup>306</sup> *PlanEcon Report*, PlanEcon, Dec. 15, pp. 2.

<sup>307</sup> Ibid.

<sup>308</sup> Estimates by PlanEcon. (*PlanEcon Report*, p. 5.)

<sup>309</sup> Ibid.

<sup>310</sup> U.S. Department of State Telegram, 1990, Prague, Message Reference No. 1650.

<sup>311</sup> Annual data approximated from first 3 quarter data during 1988 and 1989. *PlanEcon Report*, p. 2.

<sup>312</sup> Ibid., p. 9.

<sup>313</sup> U.S. Department of State Telegram, 1989, Prague, Message Reference No. 07874. On June 20, 1989, the government released an assessment of the economic reform experiments. The report concluded that affected enterprises, comprising 20 percent of production, performed "a little better" than other enterprises, and accounted for 25 percent of profits, 25 percent of exports to non socialist countries, and 28 percent of industrial employment. However, given the fact that the enterprises chosen were those which had been performing at above average or average levels, "...it is difficult to estimate the actual impact of the experiment." (U.S. Department of State Telegram, 1989, Prague, Message Reference No. 03903.)

<sup>314</sup> U.S. Department of State Telegram, 1989, Prague, Message Reference No. 07874.



**APPENDIX A**  
**TRENDS IN TRADE BETWEEN THE UNITED STATES**  
**AND THE NONMARKET ECONOMY COUNTRIES**

Table A-1

U.S. exports to the world and to the nonmarket economy countries,<sup>1</sup> by Schedule B sections, 1988 and 1989

Schedule B section	Total exports		Exports to the NMEs	
	1988	1989	1988	1989
Value (million dollars)				
1. Live animals; animal products .....	5,445	5,920	30	34
2. Vegetable products .....	20,717	23,445	2,887	4,345
3. Animal or vegetable fats, oils, and waxes .....	1,591	1,454	28	28
4. Prepared foodstuffs, beverages, and tobacco .....	10,486	11,150	306	466
5. Mineral products .....	10,871	12,433	243	162
6. Products of the chemical or allied industries .....	26,557	30,678	1,025	1,283
7. Plastics and rubber, and articles thereof .....	11,142	11,828	679	294
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	2,919	2,729	87	96
9. Articles of wood, cork, or plaiting materials .....	5,296	6,008	449	190
10. Wood pulp; paper, paperboard, and articles thereof .....	9,436	11,197	217	244
11. Textiles and textile articles .....	7,668	8,712	286	477
12. Footwear, headgear, and artificial flowers .....	421	438	1	1
13. Articles of stone or ceramics; glass and glassware .....	1,859	2,263	22	25
14. Pearls; precious stones and metals; jewelry; coin ..	6,890	5,104	88	24
15. Base metals and articles of base metal .....	12,474	15,492	172	483
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	86,766	97,487	1,277	1,645
17. Vehicles, aircraft, and other transport equipment ..	48,000	52,459	429	794
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments ..	13,574	15,273	314	351
19. Arms and ammunition; parts and accessories thereof ..	1,718	1,859	( <sup>2</sup> )	2
20. Miscellaneous manufactured articles .....	3,238	3,500	18	13
21. Works of art, collectors' pieces and antiques .....	911	1,620	5	4
22. Special classification provisions .....	22,364	28,383	104	111
Total .....	310,346	349,433	8,668	11,072
Percent of total				
1. Live animals; animal products .....	1.8	1.7	0.3	0.3
2. Vegetable products .....	6.7	6.7	33.3	39.2
3. Animal or vegetable fats, oils, and waxes .....	0.5	0.4	0.3	0.3
4. Prepared foodstuffs, beverages, and tobacco .....	3.4	3.2	3.5	4.2
5. Mineral products .....	3.5	3.6	2.8	1.5
6. Products of the chemical or allied industries .....	8.6	8.8	11.8	11.6
7. Plastics and rubber, and articles thereof .....	3.6	3.4	7.8	2.7
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0.9	0.8	1.0	0.9
9. Articles of wood, cork, or plaiting materials .....	1.7	1.7	5.2	1.7
10. Wood pulp; paper, paperboard, and articles thereof ..	3.0	3.2	2.5	2.2
11. Textiles and textile articles .....	2.5	2.5	3.3	4.3
12. Footwear, headgear, and artificial flowers .....	0.1	0.1	( <sup>3</sup> )	( <sup>3</sup> )
13. Articles of stone or ceramics; glass and glassware .....	0.6	0.6	0.3	0.2
14. Pearls; precious stones and metals; jewelry; coin ..	2.2	1.5	1.0	0.2
15. Base metals and articles of base metal .....	4.0	4.4	2.0	4.4
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	28.0	27.9	14.7	14.9
17. Vehicles, aircraft, and other transport equipment ..	15.5	15.0	5.0	7.2
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments .....	4.4	4.4	3.6	3.2
19. Arms and ammunition; parts and accessories thereof .....	0.6	0.5	0.0	( <sup>3</sup> )
20. Miscellaneous manufactured articles .....	1.0	1.0	0.2	0.1
21. Works of art, collectors' pieces and antiques .....	0.3	0.5	0.1	( <sup>3</sup> )
22. Special classification provisions .....	7.2	8.1	1.2	1.0
Total .....	100.0	100.0	100.0	100.0

<sup>1</sup> Afghanistan, Albania, Bulgaria, Cambodia, China, Cuba, Czechoslovakia, East Germany, Hungary, Laos, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.<sup>2</sup> Less than \$500,000.<sup>3</sup> Less than 0.05 percent.

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

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

Table A-2

## U.S. exports to the nonmarket economy countries, by Schedule B sections, October-December 1989

(In thousands of dollars)

Schedule B section	Afghani- stan	Albania	Bul- garia	Cam- bodia	China	Cuba	Czecho- slovakia	East Ger- many	Hun- gary
1. Live animals; animal products .....	0	0	64	0	3,544	0	23	1,202	934
2. Vegetable products .....	23	0	66	0	167,814	0	6	11,913	140
3. Animal or vegetable fats, oils, and waxes .....	35	0	0	0	35	0	0	0	6
4. Prepared foodstuffs, beverages, and tobacco .....	736	0	1,022	0	12,920	0	27	0	0
5. Mineral products .....	60	1,114	4,768	0	4,296	0	0	14	10
6. Products of the chemical or allied industries .....	362	0	538	0	205,499	0	302	274	6,172
7. Plastics and rubber, and articles thereof .....	6	0	59	0	40,369	0	37	410	439
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers ....	0	0	429	0	4,975	0	3,610	0	199
9. Articles of wood, cork, or plaiting materials .....	0	0	190	0	46,380	0	104	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	1,742	0	50,011	0	0	415	118
11. Textiles and textile articles .....	7	0	0	0	97,465	13	1,642	111	1,381
12. Footwear, headgear, and artificial flowers .....	0	0	0	0	51	0	0	0	2
13. Articles of stone or ceramics; glass and glassware .....	0	0	96	0	3,908	0	111	0	918
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	970	0	2,801	0	0	0	162
15. Base metals and articles of base metal .....	0	0	301	0	56,845	0	50	298	776
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	5	0	8,101	0	344,230	0	3,133	3,836	19,894
17. Vehicles, aircraft, and other transport equipment .....	57	0	3	0	181,756	0	195	1,717	3,459
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments .....	6	0	758	0	61,886	0	2,588	1,513	2,345
19. Arms and ammunition; parts and accessories thereof .....	0	0	0	0	414	0	0	0	0
20. Miscellaneous manufactured articles .....	11	0	0	0	1,317	0	7	18	42
21. Works of art, collectors' pieces and antiques .....	0	0	0	0	393	0	9	0	0
22. Special classification provisions .....	11	0	52	0	8,796	348	356	162	608
Total .....	1,317	1,114	19,161	0	1,295,706	361	12,200	21,883	37,627

See notes at end of table.

Table A-2 —Continued

U.S. exports to the nonmarket economy countries, by Schedule B sections, October–December 1989

Schedule B section	Laos	Mongolia	North Korea	Poland	Romania	U.S.S.R	Vietnam	Total
1. Live animals; animal products .....	0	0	0	4,884	32	10,184	0	20,867
2. Vegetable products .....	0	0	0	9,231	0	763,271	0	952,464
3. Animal or vegetable fats, oils, and waxes ....	0	0	0	0	997	8,869	0	9,943
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0	3,912	338	42,379	0	61,335
5. Mineral products .....	14	0	0	2,220	32,207	11,148	0	55,852
6. Products of the chemical or allied industries .....	0	0	0	5,366	2,054	70,331	0	290,898
7. Plastics and rubber, and articles thereof .....	0	0	0	1,998	125	12,351	0	55,794
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers ....	0	0	0	709	11,020	681	0	21,623
9. Articles of wood, cork, or plaiting materials .....	0	0	0	53	3,774	0	0	50,501
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0	3,452	19	3,222	0	58,978
11. Textiles and textile articles .....	0	0	0	14,495	730	2,203	0	118,047
12. Footwear, headgear, and artificial flowers ....	0	0	0	114	0	19	0	210
13. Articles of stone or ceramics; glass and glassware .....	0	0	0	562	64	456	0	6,114
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0	1,176	12	0	0	5,122
15. Base metals and articles of base metal .....	0	0	0	927	337	35,154	0	94,689
16. Machinery and mech- anical appliances; electrical equipment; parts and accessories thereof .....	4	0	0	13,241	1,223	62,295	6	455,967
17. Vehicles, aircraft, and other transport equip- ment .....	0	0	0	3,180	265	5,528	0	196,160
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical in- struments .....	0	0	0	5,362	293	16,700	4	91,456
19. Arms and ammunition; parts and accessories thereof .....	0	0	0	0	0	0	0	414
20. Miscellaneous manu- factured articles .....	0	0	0	371	159	397	0	2,320
21. Works of art, collectors' pieces and antiques ....	0	0	0	0	0	0	0	402
22. Special classification provisions .....	0	0	0	15,408	229	2,066	2,580	30,616
Total .....	19	0	0	86,661	53,880	1,047,255	2,591	2,579,773

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

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

Table A-3

Twenty U.S. export items to the nonmarket economy countries that changed substantially, by Schedule B subheadings, 1988 and 1989<sup>1</sup>

Schedule B subheading	Description	Major NME customer	Percentage change, 1989 from 1988		Value of exports to all NMEs, 1989
			All NMEs	World	
Percent					1,000 dollars
	Substantially increased:				
5502.00	Artificial filament tow .....	China	2,329.8	1,944.3	71,785
8445.19	Machines for preparing textile fibers, nesi. ....	U.S.S.R	1,795.5	86.9	15,448
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, nesi .....	U.S.S.R	1,714.7	9.2	10,952
7210.49	Flat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc (other than electrolytically), other than corrugated. ....	U.S.S.R	1,391.8	704.3	98,751
7403.11	Cathodes and sections of cathodes of refined copper .....	China	1,250.9	686.4	30,725
2817.00	Zinc oxide; zinc peroxide .....	U.S.S.R	1,225.1	444.0	9,905
8542.11	Digital monolithic electronic integrated circuits .....	China	1,222.7	146.4	14,197
2917.36	Terephthalic acid and its salts .....	China	1,124.1	762.3	154,794
4403.91	Oak wood in the rough, whether or not stripped of bark or sapwood, or roughly squared, not treated with preservatives .....	Romania	1,054.6	45.3	6,336
8548.00	Electrical parts of machinery or appa- ratus not specified or included elsewhere in chapter 85 .....	China	973.5	663.5	8,969
	Substantially decreased:				
7108.12	Nonmonetary gold (including gold plated with platinum) in unwrought forms (excluding powder) .....	Poland	-98.4	-56.7	1,176
2930.90	Organo-sulfur compounds, nesi .....	China	-95.8	-41.9	961
2917.39	Aromatic polycarboxylic acids, their anhydrides, halides, peroxides and their derivatives, nesi .....	China	-94.4	-51.6	3,375
8479.82	Machines for mixing, kneading, crushing, grinding, screening, sifting, homogenizing, emulsifying or stirring .....	China	-90.9	-68.7	702
1001.10	Durum wheat .....	China	-90.7	-65.7	14,414
2903.30	Fluorinated, brominated or iodinated derivatives of acyclic hydrocarbons ..	China	-90.2	-5.0	510
3903.30	Acrylonitrile-butadiene-styrene (ABS) copolymers .....	China	-89.7	-50.0	5,790
3903.90	Polymers of styrene, in primary forms, nesi .....	China	-89.1	-15.4	794
8424.30	Steam or sand blasting machines and similar jet projecting mechanical machines .....	China	-88.6	-40.2	580
5902.20	Tire cord fabric of high tenacity yarn of polyesters .....	China	-87.4	15.0	763

<sup>1</sup> Only items that accounted for at least 500,000 dollars' worth of exports in both 1988 and 1989 are included in this table.

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

Table A-4

Twenty U.S. export items for which the nonmarket economy countries collectively accounted for the largest market share in 1989, by Schedule B subheadings, 1988 and 1989<sup>1</sup>

Schedule B subheading	Description	Major NME customer	Share of total exports accounted for by NMEs		Value of exports to all NMEs, 1989  1,000 dollars
			1988	1989	
			Percent		
2620.50	Ash and residues (other than from the manufacture of iron or steel), containing mainly vanadium .....	China	.0	100.0	1,862
7212.21	Flat-rolled high-strength nonalloy steel products, under 600 mm wide, electrolytically plated or coated with zinc .....	China	30.0	85.5	5,529
5403.20	Textured yarn, (except sewing thread), not put up for retail sale .....	China	.0	81.5	1,792
7209.23	Flat-rolled iron or nonalloy steel products, 600 mm or more wide, in coils, cold-rolled, not clad, plated or coated, nesl, 0.5 mm or more but n/o 1 mm thick .....	China	.1	78.6	65,146
4406.10	Railway or tramway sleepers (cross-ties) of wood, not impregnated .....	China	92.1	69.7	3,600
2841.20	Chromates of zinc or of lead .....	China	2.9	64.4	1,142
8445.12	Combing machines for preparing textile fibers .....	China	.0	63.2	1,880
7212.30	Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, otherwise plated or coated with zinc .....	China	30.0	62.9	5,182
5402.51	Single nylon or other polyamide yarns, with a twist exceeding 50 turns/m (except sewing thread), not put up for retail sale .....	U.S.S.R	1.7	62.7	1,668
7210.49	Flat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc (other than electrolytically), other than corrugated .....	U.S.S.R	30.0	55.6	98,751
2817.00	Zinc oxide; zinc peroxide .....	U.S.S.R	22.8	55.4	9,905
4002.41	Chloroprene (chlorobutadiene) rubber (CR), latex, in primary forms, plates, sheet or strip .....	U.S.S.R	.8	50.6	4,962
7304.20	Seamless casing, tubing and drill pipe, of a kind used in the drilling for oil or gas, of iron (other than cast iron) or steel .....	China	.3	49.4	120,645
5511.20	Yarn (other than sewing thread) of synthetic staple fibers, containing less than 85% by weight of such fibers, put up for retail sale .....	China	.0	48.7	1,069
8460.31	Sharpening (tool or cutter grinding) machines for finishing metal, numerically controlled .....	U.S.S.R	2.1	46.6	2,657
5506.30	Synthetic staple fibers, carded, combed or otherwise processed for spinning, of acrylic or modacrylic .....	China	.7	42.1	6,107
0206.41	Livers of swine, frozen .....	East Germany	45.0	41.4	1,140
2610.00	Chromium ores and concentrates .....	China	27.4	39.7	1,993
8461.40	Gear cutting, gear grinding or gear finishing machines working by removing metal, sintered metal carbides or cermets, nesl .....	U.S.S.R	14.2	39.5	22,663
8402.19	Vapor-generating boilers, including hybrid boilers .....	China	.3	37.1	9,801

<sup>1</sup> Only items that accounted for at least 1 million dollars' worth of exports in 1989 are included in this table.

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

Table A-5

U.S. imports from the world and from the nonmarket economy countries,<sup>1</sup> by HTS sections, 1988 and 1989

HTS section	Total imports		Imports from the NMEs	
	1988	1989	1988	1989
	Value (million dollars)			
1. Live animals; animal products .....	7,933	8,207	387	406
2. Vegetable products .....	7,005	7,482	89	122
3. Animal or vegetable fats, oils, and waxes .....	826	764	5	3
4. Prepared foodstuffs, beverages, and tobacco .....	10,460	10,435	377	350
5. Mineral products .....	43,049	54,815	1,066	1,109
6. Products of the chemical or allied industries .....	19,259	20,059	434	471
7. Plastics and rubber, and articles thereof .....	11,218	11,720	277	295
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	4,768	5,225	570	722
9. Articles of wood, cork, or plaiting materials .....	5,712	5,851	126	148
10. Wood pulp; paper, paperboard, and articles thereof ..	12,509	13,239	44	65
11. Textiles and textile articles .....	25,177	28,361	2,606	3,421
12. Footwear, headgear, and artificial flowers .....	9,275	9,372	691	1,127
13. Articles of stone or ceramics; glass and glassware ...	4,669	4,776	180	204
14. Pearls; precious stones and metals; jewelry; coin ....	11,173	12,270	173	273
15. Base metals and articles of base metal .....	29,274	29,188	608	640
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	109,658	119,130	1,237	2,042
17. Vehicles, aircraft, and other transport equipment ....	83,852	82,506	102	146
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instru- ments .....	14,814	14,101	148	187
19. Arms and ammunition; parts and accessories thereof .....	435	486	21	23
20. Miscellaneous manufactured articles .....	13,322	15,297	1,241	1,979
21. Works of art, collectors' pieces and antiques .....	1,929	2,153	91	35
22. Special classification provisions .....	10,824	12,574	88	103
<b>Total .....</b>	<b>437,140</b>	<b>468,012</b>	<b>10,562</b>	<b>13,871</b>
	Percent of total			
1. Live animals; animal products .....	1.8	1.8	3.7	2.9
2. Vegetable products .....	1.6	1.6	0.8	0.9
3. Animal or vegetable fats, oils, and waxes .....	0.2	0.2	(2)	(2)
4. Prepared foodstuffs, beverages, and tobacco .....	2.4	2.2	3.6	2.5
5. Mineral products .....	9.8	11.7	10.1	8.0
6. Products of the chemical or allied industries .....	4.4	4.3	4.1	3.4
7. Plastics and rubber, and articles thereof .....	2.6	2.5	2.6	2.1
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	1.1	1.1	5.4	5.2
9. Articles of wood, cork, or plaiting materials .....	1.3	1.3	1.2	1.1
10. Wood pulp; paper, paperboard, and articles thereof ..	2.9	2.8	0.4	0.5
11. Textiles and textile articles .....	5.8	6.1	24.7	24.7
12. Footwear, headgear, and artificial flowers .....	2.1	2.0	6.5	8.1
13. Articles of stone or ceramics; glass and glassware ...	1.1	1.0	1.7	1.5
14. Pearls; precious stones and metals; jewelry; coin ....	2.6	2.6	1.6	2.0
15. Base metals and articles of base metal .....	6.7	6.2	5.8	4.6
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	25.1	25.5	11.7	14.7
17. Vehicles, aircraft, and other transport equipment ....	19.2	17.6	1.0	1.1
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments ..	3.4	3.0	1.4	1.3
19. Arms and ammunition; parts and accessories thereof .....	0.1	0.1	0.2	0.2
20. Miscellaneous manufactured articles .....	3.0	3.3	11.8	14.3
21. Works of art, collectors' pieces and antiques .....	0.4	0.5	0.9	0.3
22. Special classification provisions .....	2.5	2.7	0.8	0.7
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

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

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

Table A-6

U.S. Imports from the nonmarket economy countries, by HTS sections, October-December 1989  
(In thousands of dollars)

HTS section	Afghani- stan	Albania	Bul- garia	Cam- bodia	China	Cuba	Czecho- slovakia	East Ger- many	Hun- gary
1. Live animals; animal products	5	0	723	0	136,435	0	100	125	3,273
2. Vegetable products	0	610	28	0	25,237	0	659	13	1,700
3. Animal or vegetable fats, oils, and waxes	0	0	0	0	334	0	0	372	0
5. Mineral products	0	0	6,359	0	142,228	0	0	658	445
6. Products of the chemical or allied industries	0	0	2,328	0	69,000	0	49	7,310	5,477
7. Plastics and rubber, and articles thereof	0	0	76	0	85,025	0	1,814	2,693	4,087
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers	0	0	61	1	188,096	0	53	497	1,752
9. Articles of wood, cork, or plaiting materials	0	0	0	0	40,240	0	59	106	65
10. Wood pulp; paper, paper- board, and articles thereof	0	0	0	0	18,631	0	485	200	247
11. Textiles and textile articles	582	0	174	30	751,130	0	1,972	268	13,001
12. Footwear, headgear, and artificial flowers	2	0	0	0	307,935	0	3,170	25	4,969
13. Articles of stone or ceramics; glass and glassware	14	0	45	0	46,189	0	3,081	1,646	2,245
14. Pearls; precious stones and metals; jewelry; coin	37	0	0	7	23,295	0	111	0	318
15. Base metals and articles of base metal	0	0	55	0	123,185	0	6,332	3,545	5,503
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof	0	0	456	0	633,061	0	2,040	4,845	6,727
17. Vehicles, aircraft, and other transport equipment	5	0	0	0	15,306	0	1,947	200	11,984
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments	0	0	7	0	58,648	0	493	1,084	246
19. Arms and ammunition; parts and accessories thereof	0	0	0	0	5,077	0	1	0	28
20. Miscellaneous manu- factured articles	0	0	91	43	629,961	0	1,185	1,216	2,274
21. Works of art, collectors' pieces and antiques	28	0	6	12	2,397	0	308	3	218
22. Special classification provisions	0	0	98	0	25,921	0	559	143	231
Total	673	610	16,871	92	3,348,398	0	25,868	24,981	75,968

See notes at end of table.



Table A-6—Continued

U.S. Imports from the nonmarket economy countries, by HTS sections, October–December 1989

HTS section	Laos	Mongolia	North Korea	Poland	Romania	U.S.S.R	Viet-nam	Total
1. Live animals; animal products .....	0	113	0	7,834	61	339	0	149,007
2. Vegetable products .....	0	0	0	938	105	7	0	29,297
3. Animal or vegetable fats, oils, and waxes .....	0	0	0	0	0	0	0	705
4. Prepared foodstuffs, beverages, and tobacco ..	0	0	0	24,747	2,218	8,062	0	75,121
5. Mineral products .....	0	0	0	1,563	62,850	52,051	0	266,154
6. Products of the chemical or allied industries .....	0	0	0	4,502	278	22,804	0	111,749
7. Plastics and rubber, and articles thereof .....	0	0	0	93	818	219	0	94,825
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers ....	0	14	0	586	2,533	2,029	0	195,621
9. Articles of wood, cork, or plaiting materials .....	0	35	0	596	137	720	0	41,956
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0	9	6	646	0	20,223
11. Textiles and textile articles .....	0	0	0	13,333	8,727	2,043	0	791,259
12. Footwear, headgear, and artificial flowers .....	0	0	0	2,030	5,643	181	0	323,955
13. Articles of stone or ceramics; glass and glassware .....	0	2	0	3,643	2,311	656	0	59,833
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0	101	283	46,704	0	70,856
15. Base metals and articles of base metal .....	0	0	0	14,561	5,733	8,481	0	167,395
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0	9,429	1,513	623	0	658,695
17. Vehicles, aircraft, and other transport equipment .....	0	0	0	4,561	829	2,008	0	36,839
18. Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments .....	0	0	0	382	460	338	0	61,658
19. Arms and ammunition; parts and accessories thereof .....	0	0	0	0	0	0	0	5,106
20. Miscellaneous manufactured articles .....	0	0	0	2,838	2,462	286	0	640,356
21. Works of art, collectors' pieces and antiques .....	0	0	0	343	10	2,258	0	5,583
22. Special classification provisions .....	0	0	0	1,138	342	2,480	0	30,912
Total .....	0	163	0	93,227	97,319	152,935	0	3,837,105

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

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

Table A-7

Twenty U.S. Import Items from the nonmarket economy countries that changed substantially, by HTS subheadings, 1988 and 1989<sup>1</sup>

HTS subheading	Description	Major NME supplier	Percentage change, 1989 from 1988		Value of imports from all NMEs, 1989
			All NMEs	World	
			Percent		1,000 dollars
7110.39	Substantially increased:				
2704.00	Rhodium in semimanufactured form . . . . .	U.S.S.R	2,517.4	4,009.2	36,405
8708.50	Coke and semicoke of coal, of lignite or of peat, whether or not agglomerated; retort carbon . . . . .	Poland	2,139.0	137.3	16,824
6211.11	Drive axles with differential, whether or not provided with other transmission components of the motor-vehicles of headings 8701 to 8705 . . . . .	Hungary	2,087.6	-19.5	26,035
4202.99	Men's or boys' swimwear, not knitted or crocheted . . . . .	China	1,517.8	545.5	41,002
2844.20	Cases, bags, containers, etc., of or covered with, leathers, plastic sheeting, or other materials, nesl . . . . .	China	1,323.8	388.4	10,514
8516.72	Uranium enriched in U235 and plutonium and their compounds; alloys, dispersions, ceramic products and mixtures containing these products . . . . .	U.S.S.R	1,083.9	14.8	21,679
8509.10	Electrothermic toasters . . . . .	China	849.3	41.7	11,420
2902.43	Electromechanical vacuum cleaners, with self-contained electric motor . . . . .	China	810.4	31.2	6,083
9405.50	p-Xylene . . . . .	U.S.S.R	770.3	81.0	11,610
	Non-electrical lamps and lighting fittings . . . . .	China	709.0	143.4	5,051
9705.00	Substantially decreased:				
6204.41	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological etc. interest . . . . .	China	-98.5	-91.4	1,047
8543.90	Women's or girls' dresses, not knitted or crocheted, of wool or fine animal hair . . . . .	Hungary	-94.5	-32.5	765
6204.29	Parts of electrical machines and apparatus having individual functions, nesl . . . . .	China	-93.0	-72.6	984
7606.12	Women's or girls' ensembles, not knitted or crocheted, of textile materials, nesl . . . . .	China	-92.0	-63.7	1,899
8529.90	Rectangular plates, sheets and strip, of a thickness exceeding 0.2 mm, of aluminum alloys . . . . .	Hungary	-90.8	-12.1	1,167
7115.90	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, excluding antennas and antenna reflectors of all kinds . . . . .	China	-89.9	1.3	1,206
0306.23	Articles of precious metals or of metal clad with precious metal, nesl . . . . .	China	-89.8	-3.3	849
7901.11	Shrimps and prawns, live, cooked in shell, or uncooked, dried, salted or in brine, not froze . . . . .	China	-89.2	-67.2	1,524
9403.40	Unwrought zinc, not alloyed, containing by weight 99.99 percent or more of zin . . . . .	China	-88.9	9.5	524
	Wooden furniture of a kind used in the kitchen . . . . .	China	-88.3	-57.4	1,272

<sup>1</sup> Only items that accounted for at least 500,000 dollars' worth of imports in both 1988 and 1989 are included in this table.

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

Table A-8

Twenty U.S. Import Items for which the nonmarket economy countries collectively accounted for the largest market share in 1989, by HTS subheadings, 1988 and 1989<sup>1</sup>

HTS subheading	Description	Major NME supplier	Share of total imports accounted for by NMEs		Value of imports from all NMEs, 1989
			1988	1989	
			Percent		1,000 dollars
7202.80	Ferrotungsten and ferrosilicon tungsten .....	China	77.8	99.8	1,982
6107.99	Men's or boys' bathrobes, dressing gowns and similar articles, knitted or crocheted, of textile materials, nes .....	China	6.6	96.0	1,873
0502.10	Pigs', hogs' or boars' bristles and hair and waste thereof .....	China	94.8	92.0	9,727
8110.00	Antimony and articles thereof, includ- ing waste and scrap .....	China	80.8	88.6	18,602
6108.99	Women's or girls' negligees, bath- robes, dressing gowns and similar articles, knitted or crocheted, of textile materials, nesl .....	China	.2	88.3	6,290
5002.00	Raw silk (not thrown) .....	China	73.1	87.0	11,097
2917.13	Azelaic acid, sebacic acid, their salts and esters .....	China	.0	86.7	5,130
5201.00	Cotton, not carded or combed. ....	U.S.S.R	29.1	86.4	2,830
8516.31	Electrothermic hair dryers .....	China	69.5	85.8	111,855
6107.19	Men's or boys' underpants and briefs, knitted or crocheted, of textile materials, nesl. ....	China	.4	85.7	3,123
9502.91	Garments and accessories thereof and footwear and headgear for dolls representing only human beings .....	China	44.8	85.4	37,367
5514.12	3- or 4-thread twill, less than 85% polyester staple fibers mixed mainly or solely with cotton, weight over 170 g/m2, unbleached or bleached .....	China	54.9	82.0	2,448
6502.00	Hat shapes, plaited or made by assembling strips of any material, neither blocked to shape, nor with made brims, not lined, nor trimmed .....	China	73.6	81.4	13,258
6302.40	Table linen, knitted or crocheted .....	China	46.5	80.7	12,567
0501.00	Human hair, unworked, whether or not washed or scoured; waste of human hair .....	China	15.2	80.6	1,897
5513.12	3- or 4-thread twill, cont. less than 85% polyester staple fibers mixed mainly or solely with cotton, wt. n/o 170 g/m2, unbleached or bleached ....	China	11.1	77.0	1,606
5513.13	Woven fabrics, cont. less than 85% polyester staple fibers mixed mainly or solely with cotton, n/o 170 g/m2, unbleached or bleached, nesl. ....	China	1.6	75.1	1,051
3604.10	Fireworks .....	China	65.3	74.7	51,457
1604.30	Caviar and caviar substitutes prepared from fish eggs .....	U.S.S.R	47.9	72.9	5,452
5004.00	Silk yarns (other than yarn spun from silk waste) not put up for retail sale ...	China	57.4	71.0	3,624

<sup>1</sup> Only items that accounted for at least 1 million dollars' worth of imports in 1989 are included in this table.

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



**APPENDIX B**  
**U.S. TRADE WITH THE NONMARKET ECONOMY COUNTRIES,**  
**BY SCHEDULE B AND HTS SECTIONS, 1987, 1988, AND 1989**

Table B-1

U.S. trade with all nonmarket economy countries,<sup>1</sup> by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	19,069	29,567	33,944
2. Vegetable products .....	1,390,909	2,887,408	4,344,552
3. Animal or vegetable fats, oils, and waxes .....	20,392	28,272	28,009
4. Prepared foodstuffs, beverages, and tobacco .....	150,946	305,588	466,161
5. Mineral products .....	189,746	242,923	162,433
6. Products of the chemical or allied industries .....	808,358	1,024,836	1,283,403
7. Plastics and rubber, and articles thereof .....	340,724	679,419	294,010
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	66,446	86,707	95,924
9. Articles of wood, cork, or plaiting materials .....	169,447	449,344	190,087
10. Wood pulp; paper, paperboard, and articles thereof .....	204,771	217,487	244,115
11. Textiles and textile articles .....	143,183	286,367	477,304
12. Footwear, headgear, and artificial flowers .....	460	779	1,136
13. Articles of stone or ceramics; glass and glassware .....	15,714	21,978	25,039
14. Pearls; precious stones and metals; jewelry; coin .....	6,049	88,088	24,273
15. Base metals and articles of base metal .....	71,297	172,460	482,569
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	1,124,924	1,277,168	1,644,806
17. Vehicles, aircraft, and other transport equipment .....	568,045	429,159	793,639
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	280,561	313,784	350,506
19. Arms and ammunition; parts and accessories thereof .....	48	5	1,959
20. Miscellaneous manufactured articles .....	16,602	18,061	13,403
21. Works of art, collectors' pieces and antiques .....	1,673	4,828	3,832
22. Special classification provisions .....	97,612	103,757	111,074
<b>Total .....</b>	<b>5,686,977</b>	<b>8,667,983</b>	<b>11,072,178</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	222,042	387,484	406,332
2. Vegetable products .....	84,610	89,391	121,953
3. Animal or vegetable fats, oils, and waxes .....	3,865	5,089	3,453
4. Prepared foodstuffs, beverages, and tobacco .....	357,546	377,171	350,323
5. Mineral products .....	1,018,463	1,066,056	1,108,754
6. Products of the chemical or allied industries .....	351,537	433,701	471,359
7. Plastics and rubber, and articles thereof .....	97,940	276,674	295,396
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	397,503	570,227	722,187
9. Articles of wood, cork, or plaiting materials .....	116,379	126,291	147,841
10. Wood pulp; paper, paperboard, and articles thereof .....	26,370	43,703	65,340
11. Textiles and textile articles .....	2,605,180	2,605,679	3,420,812
12. Footwear, headgear, and artificial flowers .....	401,897	691,307	1,126,504
13. Articles of stone or ceramics; glass and glassware .....	134,756	180,129	204,231
14. Pearls; precious stones and metals; jewelry; coin .....	149,094	172,803	273,310
15. Base metals and articles of base metal .....	451,264	608,108	639,684
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	548,107	1,237,410	2,041,827
17. Vehicles, aircraft, and other transport equipment .....	70,041	101,917	145,810
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	71,513	148,129	186,682
19. Arms and ammunition; parts and accessories thereof .....	14,467	21,488	22,619
20. Miscellaneous manufactured articles .....	841,742	1,241,182	1,979,408
21. Works of art, collectors' pieces and antiques .....	108,369	90,864	35,151
22. Special classification provisions .....	80,014	87,579	102,505
<b>Total .....</b>	<b>8,152,697</b>	<b>10,562,382</b>	<b>13,871,482</b>

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

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

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

Table B-2

U.S. trade with China, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	11,534	21,573	10,152
2. Vegetable products .....	325,874	702,504	1,132,775
3. Animal or vegetable fats, oils, and waxes .....	855	1,856	271
4. Prepared foodstuffs, beverages, and tobacco .....	25,821	18,980	52,746
5. Mineral products .....	43,420	78,810	31,219
6. Products of the chemical or allied industries .....	514,516	735,324	926,433
7. Plastics and rubber, and articles thereof .....	261,259	606,128	227,354
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	30,260	24,833	14,552
9. Articles of wood, cork, or plaiting materials .....	168,103	448,127	181,451
10. Wood pulp; paper, paperboard, and articles thereof .....	184,044	186,438	206,000
11. Textiles and textile articles .....	113,521	215,033	417,868
12. Footwear, headgear, and artificial flowers .....	217	215	689
13. Articles of stone or ceramics; glass and glassware .....	6,183	13,897	16,593
14. Pearls; precious stones and metals; jewelry; coin .....	5,097	86,782	12,030
15. Base metals and articles of base metal .....	66,089	121,426	366,453
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	929,965	1,071,982	1,271,502
17. Vehicles, aircraft, and other transport equipment .....	528,547	381,685	601,353
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	203,371	240,031	266,032
19. Arms and ammunition; parts and accessories thereof .....	48	5	1,727
20. Miscellaneous manufactured articles .....	13,888	13,524	8,887
21. Works of art, collectors' pieces and antiques .....	874	3,542	664
22. Special classification provisions .....	26,108	31,624	28,727
<b>Total .....</b>	<b>3,459,596</b>	<b>5,004,318</b>	<b>5,775,478</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	185,178	357,746	374,676
2. Vegetable products .....	60,775	71,934	97,567
3. Animal or vegetable fats, oils, and waxes .....	3,731	5,053	2,072
4. Prepared foodstuffs, beverages, and tobacco .....	107,412	141,158	126,592
5. Mineral products .....	537,823	489,724	573,839
6. Products of the chemical or allied industries .....	192,634	222,014	270,012
7. Plastics and rubber, and articles thereof .....	69,170	237,981	257,992
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	366,593	538,230	690,193
9. Articles of wood, cork, or plaiting materials .....	102,793	116,275	138,323
10. Wood pulp; paper, paperboard, and articles thereof .....	21,430	37,858	58,241
11. Textiles and textile articles .....	2,363,243	2,364,659	3,241,399
12. Footwear, headgear, and artificial flowers .....	349,553	615,362	1,061,219
13. Articles of stone or ceramics; glass and glassware .....	84,585	124,010	148,987
14. Pearls; precious stones and metals; jewelry; coin .....	39,751	51,755	104,464
15. Base metals and articles of base metal .....	252,480	383,384	483,133
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	460,283	1,130,404	1,944,906
17. Vehicles, aircraft, and other transport equipment .....	11,908	22,383	47,458
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	61,564	138,432	175,841
19. Arms and ammunition; parts and accessories thereof .....	12,705	20,523	21,196
20. Miscellaneous manufactured articles .....	791,609	1,191,957	1,938,339
21. Works of art, collectors' pieces and antiques .....	101,202	79,370	15,274
22. Special classification provisions .....	67,458	72,719	87,450
<b>Total .....</b>	<b>6,243,879</b>	<b>8,412,932</b>	<b>11,859,172</b>

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

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

Table B-3

U.S. trade with the U.S.S.R.,<sup>1</sup> by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	2,925	3,316	14,069
2. Vegetable products .....	840,696	1,856,595	3,009,412
3. Animal or vegetable fats, oils, and waxes .....	18,788	26,395	26,694
4. Prepared foodstuffs, beverages, and tobacco .....	68,818	253,727	389,532
5. Mineral products .....	78,641	76,984	29,331
6. Products of the chemical or allied industries .....	227,851	233,538	286,234
7. Plastics and rubber, and articles thereof .....	71,882	64,230	55,249
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	1,203	1,910	2,712
9. Articles of wood, cork, or plaiting materials .....	0	76	90
10. Wood pulp; paper, paperboard, and articles thereof .....	13,482	22,261	22,786
11. Textiles and textile articles .....	4,614	35,543	10,049
12. Footwear, headgear, and artificial flowers .....	3	24	61
13. Articles of stone or ceramics; glass and glassware .....	3,850	2,038	2,651
14. Pearls; precious stones and metals; jewelry; coin .....	516	693	9,337
15. Base metals and articles of base metal .....	943	28,215	108,982
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	71,380	94,976	217,133
17. Vehicles, aircraft, and other transport equipment .....	15,229	20,570	26,632
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	54,625	37,478	44,465
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	750	509	1,425
21. Works of art, collectors' pieces and antiques .....	165	269	657
22. Special classification provisions .....	1,039	3,409	4,834
<b>Total .....</b>	<b>1,477,399</b>	<b>2,762,754</b>	<b>4,262,336</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	1,571	5,397	3,434
2. Vegetable products .....	344	1,026	118
3. Animal or vegetable fats, oils, and waxes .....	0	8	0
4. Prepared foodstuffs, beverages, and tobacco .....	19,012	26,167	25,408
5. Mineral products .....	97,875	193,530	282,714
6. Products of the chemical or allied industries .....	91,439	113,145	106,804
7. Plastics and rubber, and articles thereof .....	266	514	626
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	20,476	17,073	14,046
9. Articles of wood, cork, or plaiting materials .....	7,808	5,506	3,863
10. Wood pulp; paper, paperboard, and articles thereof .....	1,790	2,612	2,191
11. Textiles and textile articles .....	7,709	3,687	12,736
12. Footwear, headgear, and artificial flowers .....	1	(2)	196
13. Articles of stone or ceramics; glass and glassware .....	2,887	3,517	4,885
14. Pearls; precious stones and metals; jewelry; coin .....	104,326	117,114	165,077
15. Base metals and articles of base metal .....	36,750	47,938	30,976
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	2,348	5,692	2,828
17. Vehicles, aircraft, and other transport equipment .....	5,472	9,450	11,648
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	191	193	1,400
19. Arms and ammunition; parts and accessories thereof .....	35	35	47
20. Miscellaneous manufactured articles .....	342	665	832
21. Works of art, collectors' pieces and antiques .....	5,291	7,148	16,335
22. Special classification provisions .....	2,274	3,459	4,726
<b>Total .....</b>	<b>408,205</b>	<b>563,877</b>	<b>690,891</b>

<sup>1</sup> Includes Estonia, Latvia, and Lithuania.<sup>2</sup> Less than \$500.

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

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



Table B-4

U.S. trade with Eastern Europe,<sup>1</sup> by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	4,610	4,677	9,723
2. Vegetable products .....	224,339	328,308	202,343
3. Animal or vegetable fats, oils, and waxes .....	749	21	1,008
4. Prepared foodstuffs, beverages, and tobacco .....	52,563	30,159	21,455
5. Mineral products .....	64,086	79,418	96,411
6. Products of the chemical or allied industries .....	64,558	55,489	70,140
7. Plastics and rubber, and articles thereof .....	7,475	8,097	11,176
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	34,970	59,958	78,660
9. Articles of wood, cork, or plaiting materials .....	1,344	1,141	8,527
10. Wood pulp; paper, paperboard, and articles thereof .....	7,231	8,779	15,329
11. Textiles and textile articles .....	24,102	35,416	49,340
12. Footwear, headgear, and artificial flowers .....	240	538	386
13. Articles of stone or ceramics; glass and glassware .....	5,666	6,025	5,795
14. Pearls; precious stones and metals; jewelry; coin .....	435	613	2,907
15. Base metals and articles of base metal .....	4,252	22,751	7,127
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	122,061	109,760	154,561
17. Vehicles, aircraft, and other transport equipment .....	23,990	26,533	165,383
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	22,497	34,989	39,838
19. Arms and ammunition; parts and accessories thereof .....	0	0	231
20. Miscellaneous manufactured articles .....	1,715	3,572	3,039
21. Works of art, collectors' pieces and antiques .....	634	1,017	2,512
22. Special classification provisions .....	45,077	50,957	64,867
<b>Total .....</b>	<b>712,593</b>	<b>868,219</b>	<b>1,010,758</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	35,087	24,340	28,038
2. Vegetable products .....	18,802	13,622	19,813
3. Animal or vegetable fats, oils, and waxes .....	134	27	1,128
4. Prepared foodstuffs, beverages, and tobacco .....	230,941	209,719	198,323
5. Mineral products .....	382,619	381,055	251,789
6. Products of the chemical or allied industries .....	67,464	98,167	94,531
7. Plastics and rubber, and articles thereof .....	28,496	38,129	36,777
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	10,014	14,923	17,922
9. Articles of wood, cork, or plaiting materials .....	5,693	4,501	5,592
10. Wood pulp; paper, paperboard, and articles thereof .....	3,140	3,100	4,891
11. Textiles and textile articles .....	231,231	233,746	163,610
12. Footwear, headgear, and artificial flowers .....	52,324	75,924	65,087
13. Articles of stone or ceramics; glass and glassware .....	47,169	52,598	50,326
14. Pearls; precious stones and metals; jewelry; coin .....	4,996	3,724	3,646
15. Base metals and articles of base metal .....	161,495	175,392	125,453
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	85,211	100,855	93,942
17. Vehicles, aircraft, and other transport equipment .....	52,659	70,022	86,561
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	9,619	9,480	9,366
19. Arms and ammunition; parts and accessories thereof .....	1,727	930	1,377
20. Miscellaneous manufactured articles .....	49,767	48,510	40,169
21. Works of art, collectors' pieces and antiques .....	1,762	4,117	3,427
22. Special classification provisions .....	9,707	10,793	10,262
<b>Total .....</b>	<b>1,490,054</b>	<b>1,573,675</b>	<b>1,312,029</b>

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

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

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

Table B-5

U.S. trade with Afghanistan, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	23
3. Animal or vegetable fats, oils, and waxes .....	0	0	35
4. Prepared foodstuffs, beverages, and tobacco .....	3,744	2,722	2,427
5. Mineral products .....	279	523	193
6. Products of the chemical or allied industries .....	1,429	458	508
7. Plastics and rubber, and articles thereof .....	102	98	16
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	8	1	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	3	9	0
11. Textiles and textile articles .....	936	330	29
12. Footwear, headgear, and artificial flowers .....	( <sup>1</sup> )	0	0
13. Articles of stone or ceramics; glass and glassware .....	8	19	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	11	12	6
16. Machinery and mechanical appliances; electrical			
17. Vehicles, aircraft, and other transport equipment .....	272	366	267
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	15	68	142
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	238	443	43
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	235	266	88
<b>Total .....</b>	<b>7,984</b>	<b>5,579</b>	<b>4,776</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	4	0	5
2. Vegetable products .....	2,315	1,341	1,091
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	26	0
7. Plastics and rubber, and articles thereof .....	0	2	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	421	1	2
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	1,814	2,301	2,412
12. Footwear, headgear, and artificial flowers .....	5	1	2
13. Articles of stone or ceramics; glass and glassware .....	114	4	14
14. Pearls; precious stones and metals; jewelry; coin .....	8	146	95
15. Base metals and articles of base metal .....	504	5	24
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	70	208	85
17. Vehicles, aircraft, and other transport equipment .....	2	61	5
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	133	9	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	15	1	1
21. Works of art, collectors' pieces and antiques .....	111	153	74
22. Special classification provisions .....	115	485	10
<b>Total .....</b>	<b>5,630</b>	<b>4,745</b>	<b>3,821</b>

<sup>1</sup> Less than \$500.

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

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

Table B-6

U.S. trade with Albania, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	3,320	7,188	5,264
6. Products of the chemical or allied industries .....	0	0	0
7. Plastics and rubber, and articles thereof .....	0	0	2
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plating materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	24	9	16
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	8	5
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	0	0	0
<b>Total .....</b>	<b>3,344</b>	<b>7,204</b>	<b>5,287</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	2,127	953	2,776
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	11	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	( <sup>1</sup> )	0	0
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plating materials .....	0	4	0
10. Wood pulp; paper, paperboard, and articles thereof .....	4	4	13
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	10	20
15. Base metals and articles of base metal .....	0	1,376	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	0	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	39	0
22. Special classification provisions .....	6	6	5
<b>Total .....</b>	<b>2,149</b>	<b>2,391</b>	<b>2,815</b>

<sup>1</sup> Less than \$500.

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

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

Table B-7

U.S. trade with Bulgaria, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	68	0	82
2. Vegetable products .....	42,637	86,437	129,347
3. Animal or vegetable fats, oils, and waxes .....	0	( <sup>1</sup> )	0
4. Prepared foodstuffs, beverages, and tobacco .....	5,188	9,829	4,266
5. Mineral products .....	372	410	14,193
6. Products of the chemical or allied industries .....	8,607	5,241	2,709
7. Plastics and rubber, and articles thereof .....	187	715	3,376
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	8	1,299	695
9. Articles of wood, cork, or plaiting materials .....	63	75	190
10. Wood pulp; paper, paperboard, and articles thereof .....	246	553	4,071
11. Textiles and textile articles .....	25	186	537
12. Footwear, headgear, and artificial flowers .....	61	61	0
13. Articles of stone or ceramics; glass and glassware .....	229	403	264
14. Pearls; precious stones and metals; jewelry; coin .....	( <sup>1</sup> )	141	1,003
15. Base metals and articles of base metal .....	1,293	1,317	1,245
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	26,106	13,407	15,279
17. Vehicles, aircraft, and other transport equipment .....	76	1,475	227
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	2,835	4,364	2,622
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	30	119	67
21. Works of art, collectors' pieces and antiques .....	5	66	24
22. Special classification provisions .....	307	349	536
<b>Total .....</b>	<b>88,344</b>	<b>126,446</b>	<b>180,733</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	1,615	2,588	1,283
2. Vegetable products .....	399	215	187
3. Animal or vegetable fats, oils, and waxes .....	1	1	0
4. Prepared foodstuffs, beverages, and tobacco .....	21,825	20,339	21,071
5. Mineral products .....	3,737	0	15,869
6. Products of the chemical or allied industries .....	5,658	9,764	14,961
7. Plastics and rubber, and articles thereof .....	22	60	101
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	85	1	117
9. Articles of wood, cork, or plaiting materials .....	18	20	0
10. Wood pulp; paper, paperboard, and articles thereof .....	61	43	1
11. Textiles and textile articles .....	4,704	1,124	565
12. Footwear, headgear, and artificial flowers .....	11	5	2
13. Articles of stone or ceramics; glass and glassware .....	104	140	228
14. Pearls; precious stones and metals; jewelry; coin .....	( <sup>1</sup> )	1	387
15. Base metals and articles of base metal .....	319	725	77
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	1,236	880	1,590
17. Vehicles, aircraft, and other transport equipment .....	25	122	16
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	8	126	64
19. Arms and ammunition; parts and accessories thereof .....	7	10	5
20. Miscellaneous manufactured articles .....	169	163	303
21. Works of art, collectors' pieces and antiques .....	99	38	25
22. Special classification provisions .....	203	190	478
<b>Total .....</b>	<b>40,306</b>	<b>36,554</b>	<b>57,331</b>

<sup>1</sup> Less than \$500.

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

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

Table B-8

U.S. trade with Cambodia, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
U.S. exports:			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	0	21
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plating materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0
17. Vehicles, aircraft, and other transport equipment .....	0	5	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	0	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	138	66	13
Total .....	138	71	34
U.S. imports:			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	41	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	2	2
7. Plastics and rubber, and articles thereof .....	7	48	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	1
9. Articles of wood, cork, or plating materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	5	99	4
11. Textiles and textile articles .....	145	71	67
12. Footwear, headgear, and artificial flowers .....	14	15	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	4
14. Pearls; precious stones and metals; jewelry; coin .....	13	1	8
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	169	116	35
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	6	2	75
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	7	46	66
21. Works of art, collectors' pieces and antiques .....	0	4	41
22. Special classification provisions .....	3	0	12
Total .....	370	446	314

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

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

Table B-9

U.S. trade with Cuba, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	0	7
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	( <sup>1</sup> )	( <sup>1</sup> )	0
9. Articles of wood, cork, or plaiting materials .....	0	0	19
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	8	21	18
12. Footwear, headgear, and artificial flowers .....	( <sup>1</sup> )	1	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	36	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	10	291
17. Vehicles, aircraft, and other transport equipment .....	0	0	5
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	1,173	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	( <sup>1</sup> )	1	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	1,371	2,155	2,290
<b>Total .....</b>	<b>1,379</b>	<b>3,397</b>	<b>2,629</b>
<b>U.S. Imports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	0	0
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	0	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	0	0	0
<b>Total .....</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Less than \$500.

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

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

Table B-10

U.S. trade with Czechoslovakia, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
U.S. exports:			
1. Live animals; animal products .....	91	20	32
2. Vegetable products .....	105	216	145
3. Animal or vegetable fats, oils, and waxes .....	1	1	0
4. Prepared foodstuffs, beverages, and tobacco .....	3,266	2,385	1,048
5. Mineral products .....	1,490	248	0
6. Products of the chemical or allied industries .....	8,247	3,697	9,431
7. Plastics and rubber, and articles thereof .....	161	386	300
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	14,980	15,654	14,131
9. Articles of wood, cork, or plating materials .....	685	251	419
10. Wood pulp; paper, paperboard, and articles thereof .....	232	582	390
11. Textiles and textile articles .....	1,045	2,745	6,586
12. Footwear, headgear, and artificial flowers .....	6	78	46
13. Articles of stone or ceramics; glass and glassware .....	964	851	570
14. Pearls; precious stones and metals; jewelry; coin .....	345	118	180
15. Base metals and articles of base metal .....	241	291	221
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	9,277	14,897	8,653
17. Vehicles, aircraft, and other transport equipment .....	848	1,219	1,669
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	3,739	8,962	5,217
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	141	228	28
21. Works of art, collectors' pieces and antiques .....	403	248	762
22. Special classification provisions .....	676	1,346	1,457
Total .....	46,942	54,423	51,287
U.S. imports:			
1. Live animals; animal products .....	458	321	304
2. Vegetable products .....	8,612	2,434	2,515
3. Animal or vegetable fats, oils, and waxes .....	0	( <sup>1</sup> )	0
4. Prepared foodstuffs, beverages, and tobacco .....	4,075	4,619	4,862
5. Mineral products .....	673	580	960
6. Products of the chemical or allied industries .....	2,302	2,989	532
7. Plastics and rubber, and articles thereof .....	5,980	6,169	4,827
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	125	318	602
9. Articles of wood, cork, or plating materials .....	68	134	358
10. Wood pulp; paper, paperboard, and articles thereof .....	729	991	3,495
11. Textiles and textile articles .....	10,564	13,249	9,450
12. Footwear, headgear, and artificial flowers .....	9,977	11,345	11,670
13. Articles of stone or ceramics; glass and glassware .....	8,667	9,123	10,646
14. Pearls; precious stones and metals; jewelry; coin .....	1,996	1,010	541
15. Base metals and articles of base metal .....	8,185	13,336	9,120
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	4,253	4,958	6,215
17. Vehicles, aircraft, and other transport equipment .....	4,237	6,995	6,930
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	709	571	1,151
19. Arms and ammunition; parts and accessories thereof .....	547	18	641
20. Miscellaneous manufactured articles .....	3,335	3,502	4,579
21. Works of art, collectors' pieces and antiques .....	447	496	923
22. Special classification provisions .....	1,854	1,731	1,794
Total .....	77,793	84,891	82,117

<sup>1</sup> Less than \$500.

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

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

Table B-11

U.S. trade with East Germany, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	2,702	2,445	1,652
2. Vegetable products .....	21,128	65,715	49,751
3. Animal or vegetable fats, oils, and waxes .....	37	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	6,107	300	56
5. Mineral products .....	131	0	112
6. Products of the chemical or allied industries .....	2,434	2,300	5,442
7. Plastics and rubber, and articles thereof .....	1,163	368	766
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	444	405	37
9. Articles of wood, cork, or plaiting materials .....	34	56	101
10. Wood pulp; paper, paperboard, and articles thereof .....	19	159	1,266
11. Textiles and textile articles .....	1,557	686	503
12. Footwear, headgear, and artificial flowers .....	0	12	0
13. Articles of stone or ceramics; glass and glassware .....	12	0	143
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	95
15. Base metals and articles of base metal .....	177	17,808	1,011
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	8,559	7,608	16,555
17. Vehicles, aircraft, and other transport equipment .....	4,440	4,396	6,503
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	4,122	5,377	7,918
19. Arms and ammunition; parts and accessories thereof .....	0	0	231
20. Miscellaneous manufactured articles .....	63	66	188
21. Works of art, collectors' pieces and antiques .....	0	0	15
22. Special classification provisions .....	566	493	550
<b>Total .....</b>	<b>53,695</b>	<b>108,193</b>	<b>92,893</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	33	148	134
2. Vegetable products .....	160	176	46
3. Animal or vegetable fats, oils, and waxes .....	6	( <sup>1</sup> )	1,123
4. Prepared foodstuffs, beverages, and tobacco .....	277	325	138
5. Mineral products .....	1,163	9,125	34,557
6. Products of the chemical or allied industries .....	17,895	27,214	28,731
7. Plastics and rubber, and articles thereof .....	11,074	11,449	12,499
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	1,392	1,872	1,879
9. Articles of wood, cork, or plaiting materials .....	949	743	490
10. Wood pulp; paper, paperboard, and articles thereof .....	227	499	559
11. Textiles and textile articles .....	3,404	2,226	1,253
12. Footwear, headgear, and artificial flowers .....	209	247	173
13. Articles of stone or ceramics; glass and glassware .....	5,665	6,297	6,830
14. Pearls; precious stones and metals; jewelry; coin .....	41	6	19
15. Base metals and articles of base metal .....	26,454	32,592	20,312
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	7,248	9,594	17,050
17. Vehicles, aircraft, and other transport equipment .....	241	170	214
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	3,701	3,721	3,386
19. Arms and ammunition; parts and accessories thereof .....	47	65	14
20. Miscellaneous manufactured articles .....	3,386	3,597	4,585
21. Works of art, collectors' pieces and antiques .....	31	285	16
22. Special classification provisions .....	854	1,031	814
<b>Total .....</b>	<b>84,455</b>	<b>111,382</b>	<b>134,825</b>

<sup>1</sup> Less than \$500.

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

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



Table B-12

U.S. trade with Hungary, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	1,406	1,640	1,345
2. Vegetable products .....	591	2,020	3,297
3. Animal or vegetable fats, oils, and waxes .....	5	6	11
4. Prepared foodstuffs, beverages, and tobacco .....	19,586	2,019	3,660
5. Mineral products .....	1,090	463	504
6. Products of the chemical or allied industries .....	16,123	14,283	17,694
7. Plastics and rubber, and articles thereof .....	4,024	4,638	3,238
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	1,965	1,432	1,308
9. Articles of wood, cork, or plaiting materials .....	219	434	8
10. Wood pulp; paper, paperboard, and articles thereof .....	264	468	1,013
11. Textiles and textile articles .....	769	2,948	3,901
12. Footwear, headgear, and artificial flowers .....	109	99	177
13. Articles of stone or ceramics; glass and glassware .....	3,832	3,554	3,611
14. Pearls; precious stones and metals; jewelry; coin .....	61	114	425
15. Base metals and articles of base metal .....	674	631	1,335
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	21,818	19,882	53,069
17. Vehicles, aircraft, and other transport equipment .....	15,209	12,813	12,637
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	4,117	6,676	9,302
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	508	870	453
21. Works of art, collectors' pieces and antiques .....	187	97	828
22. Special classification provisions .....	1,551	1,040	1,490
<b>Total .....</b>	<b>94,107</b>	<b>76,128</b>	<b>119,305</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	3,407	5,379	9,605
2. Vegetable products .....	3,243	4,223	10,933
3. Animal or vegetable fats, oils, and waxes .....	126	18	4
4. Prepared foodstuffs, beverages, and tobacco .....	62,387	53,940	56,635
5. Mineral products .....	824	961	1,391
6. Products of the chemical or allied industries .....	24,131	19,955	19,171
7. Plastics and rubber, and articles thereof .....	8,707	12,817	15,542
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	2,174	2,708	4,333
9. Articles of wood, cork, or plaiting materials .....	326	147	309
10. Wood pulp; paper, paperboard, and articles thereof .....	243	627	548
11. Textiles and textile articles .....	57,075	63,346	66,502
12. Footwear, headgear, and artificial flowers .....	13,343	17,381	11,243
13. Articles of stone or ceramics; glass and glassware .....	5,688	6,745	8,086
14. Pearls; precious stones and metals; jewelry; coin .....	1,476	1,045	993
15. Base metals and articles of base metal .....	18,613	25,633	29,800
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	31,060	31,743	29,312
17. Vehicles, aircraft, and other transport equipment .....	33,554	34,067	49,904
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	2,138	1,461	1,596
19. Arms and ammunition; parts and accessories thereof .....	1,110	798	717
20. Miscellaneous manufactured articles .....	6,428	7,665	8,242
21. Works of art, collectors' pieces and antiques .....	328	790	436
22. Special classification provisions .....	1,266	1,609	1,390
<b>Total .....</b>	<b>277,647</b>	<b>293,054</b>	<b>326,694</b>

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

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

Table B-13

U.S. trade with Laos, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	( <sup>1</sup> )	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	( <sup>1</sup> )	0
5. Mineral products .....	1	1	14
6. Products of the chemical or allied industries .....	0	2	0
7. Plastics and rubber, and articles thereof .....	0	652	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	6	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	( <sup>1</sup> )	( <sup>1</sup> )	0
13. Articles of stone or ceramics; glass and glassware .....	1	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	18	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	57	63	283
17. Vehicles, aircraft, and other transport equipment .....	( <sup>1</sup> )	( <sup>1</sup> )	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	3	( <sup>1</sup> )	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	( <sup>1</sup> )	1	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	185	110	44
<b>Total .....</b>	<b>253</b>	<b>847</b>	<b>341</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	196	( <sup>1</sup> )	37
2. Vegetable products .....	5	463	584
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	13	24	0
5. Mineral products .....	147	1,747	0
6. Products of the chemical or allied industries .....	0	347	10
7. Plastics and rubber, and articles thereof .....	1	0	1
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plaiting materials .....	54	0	6
10. Wood pulp; paper, paperboard, and articles thereof .....	0	30	0
11. Textiles and textile articles .....	55	169	( <sup>1</sup> )
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	1	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	34	14	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	26	133	32
17. Vehicles, aircraft, and other transport equipment .....	0	( <sup>1</sup> )	137
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	13	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	2	3	1
21. Works of art, collectors' pieces and antiques .....	3	16	0
22. Special classification provisions .....	442	108	11
<b>Total .....</b>	<b>980</b>	<b>3,068</b>	<b>821</b>

<sup>1</sup> Less than \$500.

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

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

Table B-14

U.S. trade with Mongolia, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
U.S. exports:			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	2	22
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	6	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	724	7	0
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	32	18	4
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	107	2	4
Total .....	869	29	30
U.S. imports:			
1. Live animals; animal products .....	7	0	142
2. Vegetable products .....	243	52	4
3. Animal or vegetable fats, oils, and waxes .....	0	0	254
4. Prepared foodstuffs, beverages, and tobacco .....	157	61	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	0	0
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	25
9. Articles of wood, cork, or plaiting materials .....	31	6	56
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	983	1,046	587
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	2
14. Pearls; precious stones and metals; jewelry; coin .....	0	54	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	0	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	( <sup>1</sup> )	16	0
22. Special classification provisions .....	9	8	19
Total .....	1,431	1,244	1,088

<sup>1</sup> Less than \$500.

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

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

Table B-15

U.S. trade with North Korea, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
U.S. exports:			
1. Live animals; animal products	0	0	0
2. Vegetable products	0	0	0
3. Animal or vegetable fats, oils, and waxes	0	0	0
4. Prepared foodstuffs, beverages, and tobacco	0	0	0
5. Mineral products	0	0	0
6. Products of the chemical or allied industries	0	0	4
7. Plastics and rubber, and articles thereof	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers	0	0	0
9. Articles of wood, cork, or plaiting materials	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof	0	0	0
11. Textiles and textile articles	0	0	0
12. Footwear, headgear, and artificial flowers	0	0	0
13. Articles of stone or ceramics; glass and glassware	0	0	0
14. Pearls; precious stones and metals; jewelry; coin	0	0	0
15. Base metals and articles of base metal	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof	0	65	0
17. Vehicles, aircraft, and other transport equipment	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments	0	0	12
19. Arms and ammunition; parts and accessories thereof	0	0	0
20. Miscellaneous manufactured articles	0	0	0
21. Works of art, collectors' pieces and antiques	0	0	0
22. Special classification provisions	0	0	0
Total	0	65	16
U.S. Imports:			
1. Live animals; animal products	0	0	0
2. Vegetable products	0	0	0
3. Animal or vegetable fats, oils, and waxes	0	0	0
4. Prepared foodstuffs, beverages, and tobacco	0	0	0
5. Mineral products	0	0	411
6. Products of the chemical or allied industries	0	0	0
7. Plastics and rubber, and articles thereof	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers	0	0	0
9. Articles of wood, cork, or plaiting materials	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof	0	0	0
11. Textiles and textile articles	0	0	0
12. Footwear, headgear, and artificial flowers	0	5	0
13. Articles of stone or ceramics; glass and glassware	0	0	13
14. Pearls; precious stones and metals; jewelry; coin	0	0	0
15. Base metals and articles of base metal	0	0	98
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof	0	0	0
17. Vehicles, aircraft, and other transport equipment	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments	0	0	0
19. Arms and ammunition; parts and accessories thereof	0	0	0
20. Miscellaneous manufactured articles	0	0	0
21. Works of art, collectors' pieces and antiques	0	0	0
22. Special classification provisions	0	0	11
Total	0	5	533

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

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

Table B-16

U.S. trade with Poland, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	289	506	6,541
2. Vegetable products .....	77,988	111,984	18,053
3. Animal or vegetable fats, oils, and waxes .....	706	13	0
4. Prepared foodstuffs, beverages, and tobacco .....	15,130	9,916	12,088
5. Mineral products .....	11,528	10,877	9,620
6. Products of the chemical or allied industries .....	18,694	24,681	28,677
7. Plastics and rubber, and articles thereof .....	1,271	1,688	3,328
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	4,592	3,569	10,512
9. Articles of wood, cork, or plaiting materials .....	17	10	83
10. Wood pulp; paper, paperboard, and articles thereof .....	3,255	6,690	8,540
11. Textiles and textile articles .....	18,709	28,415	31,797
12. Footwear, headgear, and artificial flowers .....	4	245	163
13. Articles of stone or ceramics; glass and glassware .....	628	1,172	1,105
14. Pearls; precious stones and metals; jewelry; coin .....	6	189	1,191
15. Base metals and articles of base metal .....	1,360	2,045	2,323
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	32,964	33,823	56,341
17. Vehicles, aircraft, and other transport equipment .....	3,295	6,291	143,935
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	6,381	8,888	14,129
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	473	1,936	1,576
21. Works of art, collectors' pieces and antiques .....	22	582	837
22. Special classification provisions .....	40,088	47,263	60,390
<b>Total .....</b>	<b>237,399</b>	<b>300,785</b>	<b>411,228</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	28,671	15,170	16,465
2. Vegetable products .....	5,914	6,073	5,569
3. Animal or vegetable fats, oils, and waxes .....	1	7	0
4. Prepared foodstuffs, beverages, and tobacco .....	124,617	118,800	107,064
5. Mineral products .....	2	49	12,776
6. Products of the chemical or allied industries .....	11,045	29,354	19,048
7. Plastics and rubber, and articles thereof .....	190	112	252
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	783	842	1,173
9. Articles of wood, cork, or plaiting materials .....	1,665	1,747	3,157
10. Wood pulp; paper, paperboard, and articles thereof .....	226	173	255
11. Textiles and textile articles .....	33,560	60,265	51,334
12. Footwear, headgear, and artificial flowers .....	5,379	6,214	8,854
13. Articles of stone or ceramics; glass and glassware .....	9,419	10,914	15,080
14. Pearls; precious stones and metals; jewelry; coin .....	1,033	690	634
15. Base metals and articles of base metal .....	37,641	53,366	46,445
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	13,951	24,679	32,071
17. Vehicles, aircraft, and other transport equipment .....	9,199	22,088	24,018
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	1,505	1,873	1,650
19. Arms and ammunition; parts and accessories thereof .....	16	40	0
20. Miscellaneous manufactured articles .....	6,108	10,462	10,725
21. Works of art, collectors' pieces and antiques .....	778	2,414	1,539
22. Special classification provisions .....	3,778	4,490	4,754
<b>Total .....</b>	<b>295,485</b>	<b>369,821</b>	<b>362,862</b>

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

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

Table B-17

U.S. trade with Romania, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	54	68	72
2. Vegetable products .....	81,891	61,937	1,750
3. Animal or vegetable fats, oils, and waxes .....	( <sup>1</sup> )	( <sup>1</sup> )	997
4. Prepared foodstuffs, beverages, and tobacco .....	3,287	5,710	338
5. Mineral products .....	49,475	67,420	71,984
6. Products of the chemical or allied industries .....	10,453	5,287	6,187
7. Plastics and rubber, and articles thereof .....	669	301	169
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	12,980	37,599	51,977
9. Articles of wood, cork, or plaiting materials .....	327	314	7,726
10. Wood pulp; paper, paperboard, and articles thereof .....	3,215	328	49
11. Textiles and textile articles .....	1,997	435	6,016
12. Footwear, headgear, and artificial flowers .....	59	43	0
13. Articles of stone or ceramics; glass and glassware .....	1	45	100
14. Pearls; precious stones and metals; jewelry; coin .....	23	51	12
15. Base metals and articles of base metal .....	507	659	992
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	23,337	20,142	4,663
17. Vehicles, aircraft, and other transport equipment .....	122	341	412
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	1,302	720	650
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	500	353	727
21. Works of art, collectors' pieces and antiques .....	17	24	46
22. Special classification provisions .....	1,890	467	444
<b>Total .....</b>	<b>192,107</b>	<b>202,245</b>	<b>155,312</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	903	736	247
2. Vegetable products .....	473	503	564
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	17,759	11,697	8,551
5. Mineral products .....	376,220	370,340	186,236
6. Products of the chemical or allied industries .....	6,432	8,890	12,088
7. Plastics and rubber, and articles thereof .....	2,524	7,523	3,555
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	5,455	9,182	9,816
9. Articles of wood, cork, or plaiting materials .....	2,666	1,710	1,279
10. Wood pulp; paper, paperboard, and articles thereof .....	1,653	767	32
11. Textiles and textile articles .....	121,925	93,535	34,507
12. Footwear, headgear, and artificial flowers .....	23,405	40,731	33,144
13. Articles of stone or ceramics; glass and glassware .....	17,627	19,379	9,456
14. Pearls; precious stones and metals; jewelry; coin .....	450	972	1,071
15. Base metals and articles of base metal .....	70,282	49,739	19,700
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	27,462	29,001	7,702
17. Vehicles, aircraft, and other transport equipment .....	5,402	6,580	5,479
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	1,558	1,728	1,518
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	30,340	23,121	11,735
21. Works of art, collectors' pieces and antiques .....	79	94	488
22. Special classification provisions .....	1,751	1,742	1,033
<b>Total .....</b>	<b>714,368</b>	<b>677,973</b>	<b>348,201</b>

<sup>1</sup> Less than \$500.

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

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

Table B-18

U.S. trade with Vietnam, by Schedule B and HTS sections, 1987, 1988, and 1989

(In thousands of dollars)

Section	1987	1988	1989
<b>U.S. exports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	4	22	34
7. Plastics and rubber, and articles thereof .....	7	214	214
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	5	5	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	6	0	0
11. Textiles and textile articles .....	3	24	0
12. Footwear, headgear, and artificial flowers .....	( <sup>1</sup> )	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	2	2	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	9	33	21
17. Vehicles, aircraft, and other transport equipment .....	7	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	18	19	8
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	11	11	9
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	23,351	15,168	10,208
<b>Total .....</b>	<b>23,422</b>	<b>15,499</b>	<b>10,493</b>
<b>U.S. imports:</b>			
1. Live animals; animal products .....	0	0	0
2. Vegetable products .....	0	0	0
3. Animal or vegetable fats, oils, and waxes .....	0	0	0
4. Prepared foodstuffs, beverages, and tobacco .....	0	0	0
5. Mineral products .....	0	0	0
6. Products of the chemical or allied industries .....	0	0	0
7. Plastics and rubber, and articles thereof .....	0	0	0
8. Hides and skins; leather and articles thereof; travel goods, handbags and similar containers .....	0	0	0
9. Articles of wood, cork, or plaiting materials .....	0	0	0
10. Wood pulp; paper, paperboard, and articles thereof .....	0	0	0
11. Textiles and textile articles .....	0	0	0
12. Footwear, headgear, and artificial flowers .....	0	0	0
13. Articles of stone or ceramics; glass and glassware .....	0	0	0
14. Pearls; precious stones and metals; jewelry; coin .....	0	0	0
15. Base metals and articles of base metal .....	0	0	0
16. Machinery and mechanical appliances; electrical equipment; parts and accessories thereof .....	0	0	0
17. Vehicles, aircraft, and other transport equipment .....	0	0	0
18. Optical, photographic, measuring, and medical ap- paratus; clocks and watches; musical instruments .....	0	0	0
19. Arms and ammunition; parts and accessories thereof .....	0	0	0
20. Miscellaneous manufactured articles .....	0	0	0
21. Works of art, collectors' pieces and antiques .....	0	0	0
22. Special classification provisions .....	0	0	0
<b>Total .....</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Less than \$500.

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

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





**APPENDIX C**  
**LEADING ITEMS TRADED WITH THE NONMARKET ECONOMY COUNTRIES,**  
**BY SCHEDULE B AND HTS SUBHEADINGS,**  
**1988, 1989, AND OCTOBER-DECEMBER 1989**

Table C-1

Leading items exported to nonmarket economy countries,<sup>1</sup> by Schedule B subheadings, 1988, 1989, and October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
1005.90	Corn (maize) excluding seed .....	\$996,016	\$2,219,973	\$789,533
1001.90	Wheat and meslin, excluding durum wheat .....	1,385,282	1,890,540	138,968
3100.00	Fertilizers .....	329,408	755,232	171,271
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15000 kg .....	218,248	492,486	125,000
2304.00	Oilcake and other solid residues, resulting from the extraction of soybean oil .....	258,894	395,079	42,099
5201.00	Cotton, not carded or combed .....	68,170	282,229	60,645
4403.20	Coniferous wood in the rough, whether or not stripped of bark or sapwood or roughly squared, not treated with preservatives .....	437,338	174,233	45,767
8803.30	Parts of airplanes or helicopters, nesl .....	57,710	171,321	43,119
2917.36	Terephthalic acid and its salts .....	12,645	154,794	38,533
7304.20	Seamless casing, tubing and drill pipe, of a kind used in the drilling for oil or gas, of iron (other than cast iron) or steel .....	223	120,645	6,788
7210.49	Fiat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc (other than electrolytically), other than corrugated .....	6,620	98,751	39,845
1007.00	Grain sorghum .....	29,365	94,854	1,212
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	69,049	82,062	22,812
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated .....	73,062	80,799	37,992
4101.21	Whole raw hides and skins of bovine animals nesl, fresh or wet-salted .....	58,515	78,829	16,516
1201.00	Soybeans, whether or not broken .....	230,505	77,198	14,783
8411.12	Turbojets of a thrust exceeding 25 kN .....	10,229	76,547	22,763
5502.00	Artificial filament tow .....	2,954	71,785	23,686
3902.10	Polypropylene .....	300,857	71,207	9,120
4804.11	Uncoated, unbleached kraftliner paper or paperboard, in rolls or sheets, nesl .....	57,342	68,301	22,967
	Total .....	4,602,432	7,456,865	1,673,419
	Total, U.S. exports to NMEs .....	8,667,985	11,072,178	2,579,773

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

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

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

Table C-2

Leading Items Imported from nonmarket economy countries,<sup>1</sup> by HTS subheadings, 1988, 1989, and October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
6110.90	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of textile materials, nesi .....	\$238,531	\$514,692	\$134,376
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	603,594	492,720	110,295
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude .....	362,460	477,867	126,241
9503.90	Other toys and models, nesi .....	168,052	410,117	112,867
9502.10	Dolls representing only human beings and parts and accessories thereof, whether or not dressed .....	205,350	302,919	105,284
0306.13	Shrimps and prawns, frozen .....	267,716	272,321	105,659
6402.99	Footwear with outer soles and uppers of rubber or plastics, nesi .....	88,755	248,542	87,478
8527.11	Reception apparatus for radiotelephony, radiotelegraphy or radio broadcasting combined with sound recording or reproducing apparatus .....	84,872	224,240	79,419
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	103,152	217,215	56,991
9503.41	Stuffed toys representing animals or non-human creatures and parts and accessories thereof .....	158,761	191,219	69,172
6702.90	Artificial flowers, foliage & fruit & parts thereof, & articles made up of artificial flowers, foliage or fruit, of materials .....	155,216	189,821	57,087
8517.10	Telephone sets .....	71,001	186,190	73,412
4202.22	Handbags, with outer surface of plastic sheeting or of textile materials .....	136,335	171,268	44,213
9504.90	Bowling alley equipment and other game machines, nesi, and parts and accessories thereof .....	56,502	140,758	47,540
9503.80	Toys and models, nesi, incorporating a motor, and parts and accessories thereof .....	81,615	132,553	58,141
9505.10	Articles for Christmas festivities and parts and accessories thereof .....	39,914	129,076	30,881
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials .....	81,243	118,892	32,107
9503.49	Toys representing animals or non-human creatures, other than stuffed toys, and parts and accessories thereof .....	113,996	117,761	35,059
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of man-made fibers .....	86,474	117,739	32,534
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts, not knitted or crocheted, of cotton .....	65,281	112,158	16,608
	Total .....	3,168,820	4,768,069	1,415,362
	Total, U.S. imports from NMEs .....	10,562,382	13,871,482	3,837,105

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

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

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

Table C-3

Leading Items exported to China, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
1001.90	Wheat and meslin, excluding durum wheat .....	\$621,076	\$1,084,322	\$131,526
3100.00	Fertilizers .....	200,717	487,422	110,478
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15000 kg .....	218,245	366,234	125,000
5201.00	Cotton, not carded or combed .....	25,181	258,761	49,016
4403.20	Coniferous wood in the rough, whether or not stripped of bark or sapwood or roughly squared, not treated with preservatives .....	437,335	174,219	45,767
8803.30	Parts of airplanes or helicopters, nesl .....	56,956	164,358	42,853
2917.36	Terephthalic acid and its salts .....	12,645	154,794	38,533
7304.20	Seamless casing, tubing and drill pipe, of a kind used in the drilling for oil gas, of iron (other than cast iron) or steel .....	212	71,943	6,788
5502.00	Artificial filament tow .....	2,954	71,785	23,686
8411.12	Turbojets of a thrust exceeding 25 kN .....	9,880	71,542	22,763
3902.10	Polypropylene .....	300,857	71,170	9,099
4804.11	Uncoated, unbleached kraftliner paper or paperboard, in rolls or sheets, nesl .....	57,342	68,055	22,967
7209.23	Flat-rolled iron or nonalloy steel products, 600 mm or more wide, in coils, cold-rolled, not clad, plated or coated, nesl, 0.5 mm or more but n/o 1 mm thick .....	2	64,889	1,647
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	54,997	59,741	18,984
8479.89	Machines and mechanical appliances having individual functions, nesl .....	39,955	55,545	12,412
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units .....	38,047	50,296	16,941
7210.49	Flat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc (other than electrolytically), other than corrugated .....	5,181	46,563	10,241
2402.20	Cigarettes containing tobacco .....	23	42,491	11,954
2836.20	Disodium carbonate .....	32,865	41,469	13,961
8479.90	Parts of machines and mechanical appliances having individual functions, nesl .....	30,417	39,318	3,841
	<b>Total .....</b>	<b>2,144,889</b>	<b>3,444,917</b>	<b>718,456</b>
	<b>Total, U.S. exports to China .....</b>	<b>5,004,319</b>	<b>5,775,478</b>	<b>1,295,706</b>

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

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

Table C-4

Leading Items Imported from China, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
6110.90	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of textile materials, nesi .....	\$238,516	\$514,665	\$134,376
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude .....	350,528	423,680	113,620
9503.90	Other toys and models, nesi .....	167,562	409,801	112,783
9502.10	Dolls representing only human beings and parts and accessories thereof, whether or not dressed .....	203,727	301,380	104,939
0306.13	Shrimps and prawns, frozen .....	267,595	272,199	105,536
6402.99	Footwear with outer soles and uppers of rubber or plastics, nesi .....	88,755	248,468	87,404
8527.11	Reception apparatus for radiotelephony, radiotelegraphy or radio broadcasting combined with sound recording or reproducing apparatus .....	84,872	224,240	79,419
9503.41	Stuffed toys representing animals or non-human creatures and parts and accessories thereof .....	158,599	191,140	69,170
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	63,202	190,203	49,384
6702.90	Artificial flowers, foliage & fruit & parts thereof, & articles made up of artificial flowers, foliage or fruit, of materials .....	154,912	189,601	57,040
8517.10	Telephone sets .....	71,001	186,190	73,412
4202.22	Handbags, with outer surface of plastic sheeting or of textile materials .....	136,321	171,267	44,213
9504.90	Bowling alley equipment and other game machines, nesi, and parts and accessories thereof .....	56,431	140,734	47,533
9503.80	Toys and models, nesi, incorporating a motor, and parts and accessories thereof .....	81,603	132,534	58,131
9505.10	Articles for Christmas festivities and parts and accessories thereof .....	38,532	127,061	30,561
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials .....	81,231	118,778	32,075
9503.49	Toys representing animals or non-human creatures, other than stuffed toys, and parts and accessories thereof .....	113,918	117,679	35,022
8516.31	Electrothermic hair dryers .....	69,367	111,855	34,911
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of man-made fibers .....	75,705	111,633	31,901
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts, not knitted or crocheted, of cotton .....	63,779	110,720	15,903
	Total .....	2,566,156	4,293,827	1,317,333
	Total, U.S. Imports from China .....	8,412,932	11,859,172	3,348,398

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

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

Table C-5

Leading items exported to the U.S.S.R.,<sup>1</sup> by Schedule B subheadings, 1988, 1989, and October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
1005.90	Corn (maize) excluding seed .....	\$887,812	\$2,021,881	\$739,285
1001.90	Wheat and meslin, excluding durum wheat .....	667,787	806,202	7,442
2304.00	Oilcake and other solid residues, resulting from the extraction of soybean oil .....	246,260	388,552	42,099
3100.00	Fertilizers .....	118,090	237,073	54,101
1007.00	Grain sorghum .....	13,566	93,447	0
1201.00	Soybeans, whether or not broken .....	157,879	67,092	14,783
7210.49	Flat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc other than electrolytically, other than corrugated .....	1,438	52,188	29,604
7304.20	Seamless casing, tubing and drill pipe, of a kind used in the drilling for oil or gas, of iron (other than cast iron) or steel .....	0	48,701	0
1502.00	Fats of bovine animals, sheep or goats, raw or rendered, whether or not pressed or solvent-extracted .....	26,382	26,005	8,869
8430.49	Boring or sinking machinery, nesl, not self-propelled .....	237	25,568	0
3920.10	Nonadhesive plates, sheets, film, foil and strip, of polymers of ethylene, noncellular, not reinforced or combined with other materials .....	224	22,380	4,082
0802.12	Almonds, shelled, fresh or dried .....	46,848	19,507	1,760
4702.00	Chemical woodpulp, dissolving grades .....	12,965	18,988	2,533
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	13,036	18,681	2,466
8461.40	Gear cutting, gear grinding or gear finishing machines working by removing metal, sintered metal carbides or cermets, nesl .....	888	17,153	13,989
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	42,472	14,378	7,107
2817.00	Zinc oxide; zinc peroxide .....	718	9,905	2,343
8438.60	Machinery for the preparation of fruits, nuts or vegetables .....	71	9,647	0
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, nesl .....	120	9,482	4,505
0207.41	Cuts and offal, of chickens, other than livers, frozen .....	0	8,961	8,961
	Total .....	2,236,791	3,915,791	943,930
	Total, U.S. exports to the U.S.S.R. ....	2,762,754	4,262,336	1,047,255

<sup>1</sup> Includes Estonia, Latvia, and Lithuania.

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

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

Table C-6

Leading Items Imported from the U.S.S.R.,<sup>1</sup> by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988 1,000 dollars	1989 1,000 dollars	Oct.-Dec. 1989 1,000 dollars
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	\$181,796	\$227,503	\$39,430
7110.29	Palladium in semimanufactured forms .....	14,230	55,581	12,138
2814.10	Anhydrous ammonia .....	63,263	54,970	8,961
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude .....	10,237	54,188	12,621
7110.31	Rhodium, unwrought or in powdered form .....	45,770	49,071	18,753
7110.39	Rhodium in semimanufactured form .....	1,259	35,977	8,443
2844.20	Uranium enriched in U235 and plutonium and their compounds; alloys, dispersions, ceramic products and mixtures containing these products .....	1,831	21,679	10,879
2208.90	Spirits, liqueurs and other spirituous beverages, nesl .....	20,058	18,941	5,696
4301.80	Raw furskins, whole, with or without head, tail or paws, nesl, but not of heading 4101, 4102 or 4103 .....	16,350	13,445	1,940
7202.29	Ferrosilicon not containing by weight more than 55% of silicon .....	10,943	13,124	2,705
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed .....	4,047	12,021	252
2902.43	p-Xylene .....	1,334	11,610	0
8701.90	Tractors (other than tractors of heading 8709), nesl .....	8,733	10,777	1,891
7110.11	Platinum, unwrought or in powder form .....	16,220	10,695	2,929
3104.20	Potassium chloride .....	24,183	7,981	0
5208.12	Plain weave fabrics of unbleached cotton, containing 85% or more by weight of cotton and weighing more than 100 g/m2 .....	2,532	6,966	1,439
7602.00	Aluminum waste and scrap .....	29,118	6,478	0
7110.21	Palladium, unwrought or in powder form .....	31,541	6,088	582
1604.30	Caviar and caviar substitutes prepared from fish eggs .....	2,105	4,921	2,237
8108.10	Unwrought titanium; waste and scrap; powders .....	0	4,007	3,088
	Total .....	485,550	626,020	133,984
	Total, U.S. Imports from the U.S.S.R. ....	563,877	690,891	152,935

<sup>1</sup> Includes Estonia, Latvia, and Lithuania.

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

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

Table C-7

Leading items exported to Eastern Europe,<sup>1</sup> by Schedule B subheadings, 1988, 1989, and October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
1005.90	Corn (maize) excluding seed .....	\$108,205	\$164,555	\$16,721
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15000 kg .....	0	126,253	0
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated .....	65,875	75,535	36,878
4101.21	Whole raw hides and skins of bovine animals nesi, fresh or wet-salted .....	52,426	73,315	14,960
3100.00	Fertilizers .....	10,601	30,737	6,693
5201.00	Cotton, not carded or combed .....	11,955	23,468	11,629
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	543	11,419	3,651
1003.00	Barley .....	17,179	11,147	0
1201.00	Soybeans, whether or not broken .....	72,626	10,106	0
8424.90	Parts for mechanical appliances that spray, steam, blast and jet project .....	765	9,848	4
2603.00	Copper ores and concentrates .....	0	9,350	0
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	8,568	8,909	2,130
2403.99	Tobacco extracts and essences .....	0	8,099	711
8479.89	Machines and mechanical appliances having individual functions, nesi .....	4,961	7,989	2,767
8408.90	Compression-Ignition internal combustion piston engines, nesi .....	140	6,794	6,581
8803.30	Parts of airplanes or helicopters, nesi .....	539	6,756	224
8424.81	Agricultural or horticultural mechanical appliances .....	1,098	6,731	2,166
8701.90	Tractors (other than tractors of heading 8709), nesi .....	406	6,610	1,310
2402.20	Cigarettes containing tobacco .....	6,185	6,554	2,351
4702.00	Chemical woodpulp, dissolving grades .....	6,344	6,232	1,671
	Total .....	368,415	610,405	110,448
	Total, U.S. exports to Eastern Europe .....	868,220	1,010,758	231,411

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

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

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



Table C-8

Leading Items Imported from Eastern Europe,<sup>1</sup> by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988  1,000 dollars	1989  1,000 dollars	Oct.-Dec. 1989  1,000 dollars
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	\$376,652	\$235,621	\$69,209
1602.41	Prepared or preserved hams and cuts thereof, of swine .....	132,749	105,226	24,810
6403.91	Footwear, covering the ankles, with outer soles of rubber, plastics or composition leather and uppers of leather .....	14,467	32,049	6,822
3102.80	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution .....	15,542	30,058	3,906
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	39,949	27,012	7,606
8708.50	Drive axles with differential, whether or not provided with other transmission components of the motor-vehicles of headings 8701 to 8705 .....	1,035	25,994	2,535
7208.42	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, over 10 mm thick .....	21,960	21,084	10,753
2009.70	Apple juice, unfermented and not containing added spirit .....	12,524	20,002	2,109
8708.99	Parts and accessories, nesl, of the motor-vehicles of headings 8701 to 8705 .....	33,354	18,690	5,303
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks .....	17,619	18,645	6,055
2401.10	Tobacco, not stemmed/stripped .....	20,504	18,619	5,301
1602.42	Prepared or preserved shoulders and cuts thereof, of swine .....	14,750	16,723	3,851
8539.22	Electrical filament lamps, excluding tungsten halogen lamps, nesl, of a power not exceeding 200 W and for a voltage exceeding 100 V .....	18,938	16,349	4,173
8701.90	Tractors (other than tractors of heading 8709), nesl .....	10,969	13,984	4,301
9403.60	Wooden furniture, other than of a kind used in the bedroom .....	6,621	12,830	3,099
2704.00	Coke and semicoke of coal, of lignite or of peat, whether or not agglomerated; retort carbon .....	0	12,755	1,556
3501.10	Casein .....	17,680	10,819	3,007
8443.19	Offset printing machinery other than reel-fed or sheet-fed, office type .....	3,159	10,652	4,040
0406.90	Cheese, nesl .....	8,381	10,645	4,947
7208.43	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, 4.75 mm but n/o 10 mm thick .....	14,892	10,073	2,102
	Total .....	781,744	667,829	175,486
	Total, U.S. imports from Eastern Europe .....	1,573,675	1,312,029	334,234

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

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

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

Table C-9

Leading items exported to Afghanistan, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
2402.20	Cigarettes containing tobacco .....	\$2,718	\$2,395	\$736
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	0	859	0
3401.11	Soap; organic surface-active products used as soap, in bars, cakes, pieces; soap impregnated paper, etc., for toilet use .....	182	298	181
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	523	193	60
8803.30	Parts of airplanes or helicopters, nesi .....	168	183	42
9028.90	Parts and accessories for gas, liquid or electricity supply or production meters .....	0	124	0
8523.13	Prepared unrecorded magnetic tapes for sound recording or similar recording of other phenomena, of a width exceeding 6.5 mm .....	( <sup>1</sup> )	105	0
3819.00	Hydraulic brake fluids and other prepared liquid for hydraulic transmission cont. less than 70% by weight of petroleum oils, etc .....	114	97	97
3401.19	Soap & organic surface-active products used as soap, in bars, cakes, pieces; soap impregnated paper, etc., not for toilet use .....	0	84	84
8708.29	Parts and accessories nesi of bodies (including cabs) of the motor vehicles of headings 8701 to 8705 .....	0	67	10
9504.40	Playing cards .....	421	43	11
1515.29	Corn (maize) oil, other than crude, and its fractions, whether or not refined, not chemically modified .....	0	35	35
2103.30	Mustard flour and meal and prepared mustard .....	0	33	0
6309.00	Worn clothing and other worn textile articles .....	321	29	7
1212.99	Vegetable products nesi, (including unroasted chicory roots) of a kind used primarily for human consumption .....	0	23	23
8803.20	Under-carriages and parts thereof, of goods of heading 8801 or 8802 .....	0	17	5
8442.30	Machinery, apparatus and equipment of heading 8442, nesi .....	0	11	0
3702.39	Film in rolls without sprocket holes, width not exceeding 105 mm, other than color photography or silver halide emulsion film .....	0	9	0
3209.90	Paints and varnishes based on synthetic polymers or chemically modified natural polymers nesi, in an aqueous medium .....	0	7	0
7805.00	Lead tubes, pipes and tube or pipe fittings (for example, couplings, elbows, sleeves) .....	0	6	0
	Total .....	4,447	4,618	1,290
	Total, U.S. exports to Afghanistan .....	5,579	4,776	1,317

<sup>1</sup> Trade less than \$500.

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

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

Table C-10

Leading Items Imported from Afghanistan, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988  1,000 dollars	1989  1,000 dollars	Oct.-Dec. 1989  1,000 dollars
5102.10	Fine animal hair, not carded or combed .....	\$1,634	\$1,906	\$448
1211.10	Licorice roots, fresh or dried, of a kind used in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes .....	1,168	807	0
5702.10	"Kelem," "Schumacks," "Karamanie" and similar hand-woven rugs .....	32	317	66
0802.50	Pistachios, shelled or in shell, fresh or dried .....	151	284	0
5701.10	Carpets and other textile floor coverings, of wool or fine animal hair, knotted .....	164	166	57
7103.10	Precious or semiprecious stones, unworked or simply sawn or roughly shaped .....	133	85	37
9706.00	Antiques of an age exceeding one hundred years .....	86	70	28
8542.11	Digital monolithic electronic integrated circuits .....	0	40	0
8536.69	Plugs and sockets for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V .....	0	29	0
8303.00	Armored or reinforced safes, strong-boxes and doors and safe deposit lockers for strong-rooms, cash or deed boxes, etc., and base metal parts thereof .....	0	24	0
8517.90	Parts of telephonic or telegraphic apparatus .....	0	16	0
7016.90	Articles of pressed or molded glass, for building or construction purposes; leaded glass windows & the like; multicellular or foam glass in forms, nesi .....	0	14	14
7103.99	Precious or semiprecious stones, excluding rubies, sapphires, and emeralds, worked, but not strung, mounted or set .....	11	9	0
8803.90	Parts of goods of heading 8801 to 8802, nesi .....	0	5	5
0301.10	Live ornamental fish .....	0	5	5
5702.99	Carpets and other textile floor coverings, not of pile construction, woven, made up, not tufted or flocked, of textile materials, nesi .....	257	5	5
9705.00	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological etc. interest .....	0	4	0
5701.90	Carpets and other textile floor coverings, of textile materials (excl. wool or fine animal hair), knotted .....	1	3	0
6115.91	Hosiery nesi, knitted or crocheted, of wool or fine animal hair .....	4	3	3
6116.91	Gloves, mittens and mitts, knitted or crocheted, of wool or fine animal hair, excl. gloves impregnated, coated or covered with plastics or rubber .....	( <sup>1</sup> )	3	2
Total .....		3,642	3,797	671
Total, U.S. imports from Afghanistan .....		4,745	3,821	673

<sup>1</sup> Trade less than \$500.

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

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

Table C-11

Leading items exported to Albania, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated .....	\$7,188	\$5,264	\$1,114
8419.90	Parts of machinery, plant or laboratory equipment not used for domestic purposes .....	0	13	0
8414.60	Ventilating or recycling hoods incorporating a fan, having a maximum horizontal side not exceeding 120 cm .....	0	3	0
9016.00	Balances of a sensitivity of a 5 cg or better, with or without weights; parts and accessories thereof .....	0	3	0
9012.10	Microscopes other than optical microscopes; diffraction apparatus .....	0	2	0
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, nesl .....	0	2	0
	<b>Total .....</b>	<b>7,188</b>	<b>5,287</b>	<b>1,114</b>
	<b>Total, U.S. exports to Albania .....</b>	<b>7,204</b>	<b>5,287</b>	<b>1,114</b>

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

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

Table C-12

Leading Items Imported from Albania, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
1211.90	Plants & parts of plants (incl. seeds & fruits) used in perfumery, pharmacy, insecticidal, fungicidal or like purposes, fresh or dried, nesi .....	\$947	\$2,679	\$581
0908.10	Nutmeg .....	0	56	29
0604.99	Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, suitable for bouquets or for ornamental purposes, other than fresh .....	0	40	0
7118.90	Coin, nesi .....	8	20	0
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets .....	0	13	0
	Total .....	955	2,809	610
	Total, U.S. Imports from Albania .....	2,391	2,815	610

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

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

Table C-13

Leading Items exported to Bulgaria, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
1005.90	Corn (maize) excluding seed .....	\$49,713	\$119,150	0
1201.00	Soybeans, whether or not broken .....	13,258	10,106	0
2603.00	Copper ores and concentrates .....	0	9,350	0
8419.89	Machinery, plant or laboratory equipment, nesi, not used for domestic purposes .....	42	4,963	4,963
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated .....	0	4,768	4,768
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, of semibleached or bleached coniferous wood .....	0	3,591	1,706
2403.99	Tobacco extracts and essences .....	0	3,304	711
3904.10	Polyvinyl chloride, not mixed with any other substances .....	0	3,246	0
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units .....	62	2,003	563
2921.49	Aromatic monoamines and their derivatives; salts thereof, nesi .....	3	1,611	0
8405.90	Parts for gas generators .....	0	1,531	0
8429.51	Front-end self-propelled, mechanical shovel loaders .....	0	1,145	1,145
7115.10	Catalysts in the form of wire cloth or grill, of platinum .....	0	966	966
2208.30	Whiskies .....	102	705	311
4107.10	Leather of swine, w/o hair on, nt incl. chamois, patent, patent laminated or metallized leather .....	437	695	429
8479.89	Machines and mechanical appliances having individual functions, nesi .....	179	435	45
7326.90	Articles of iron or steel, nesi .....	0	425	0
5402.49	Single synthetic filament yarn, nesi, untwisted or with a twist n/o 50 turns/m, (except sewing thread), not put up for retail sale .....	14	405	0
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	141	398	144
9022.19	Apparatus based on the use of X-rays other than for medical, surgical, dental or veterinary use .....	0	348	0
	Total .....	63,949	169,144	15,752
	Total, U.S. exports to Bulgaria .....	126,446	180,733	19,161

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

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

Table C-14

Leading Items Imported from Bulgaria, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
2401.10	Tobacco, not stemmed/stripped .....	\$18,757	\$18,422	\$5,301
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	0	15,869	6,359
3102.80	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution .....	5,039	5,358	1,403
3102.10	Urea, whether or not in aqueous solution .....	1,273	3,551	0
3102.30	Ammonium nitrate, whether or not in aqueous solution .....	0	2,818	0
2204.21	Wine (excluding sparkling wine); grape must with fermentation prevented or arrested by the addition of alcohol, in containers of 2 liters or less .....	1,390	1,868	317
8469.31	Nonelectric typewriters, weighing not more than 12 kg, excluding case .....	548	1,344	320
2941.90	Antibiotics, nesi .....	735	1,277	464
0406.90	Cheese, nesi .....	2,501	1,235	674
2401.20	Tobacco, partly or wholly stemmed/ stripped .....	0	653	653
3003.20	Medicaments containing antibiotics, nesi, not in dosage form or packed for retail sale .....	0	651	433
3102.90	Mineral or chemical fertilizers, nitrogenous, nesi, including mixtures not specified elsewhere in heading 3102 .....	0	493	0
3301.29	Essential oils other than those of citrus fruit, nesi .....	298	414	11
7110.31	Rhodium, unwrought or in powdered form .....	0	387	0
6202.11	Women's or girls' overcoats, carcoats, capas, cloaks and similar coats, not knitted or crocheted, of wool or fine animal hair .....	256	277	54
2942.00	Organic compounds, nesi .....	0	242	0
1211.90	Plants & parts of plants (incl. seeds & fruits) used in perfumery, pharmacy, insecticidal, fungicidal or like purposes, fresh or dried, nesi .....	143	179	28
9401.69	Seats with wooden frames, not upholstered .....	35	147	49
8469.21	Electric typewriters, weighing not more than 12 kg, excluding case .....	0	111	111
9403.40	Wooden furniture of a kind used in the kitchen .....	18	83	16
	Total .....	30,993	55,380	16,192
	Total, U.S. imports from Bulgaria .....	36,554	57,331	16,871

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

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

Table C-15

Leading items exported to Cambodia, by Schedule B subheadings, 1988, 1989, and  
October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
2828.10	Commercial calcium hypochlorite and other calcium hypochlorites .....	0	\$21	0
	Total .....	0	21	0
	Total, U.S. exports to Cambodia .....	71	34	0

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

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



Table C-16

Leading Items Imported from Cambodia, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
9503.90	Other toys and models, nesi .....	\$2	\$62	\$39
9102.11	Wrist watches other than those of heading 9101, battery powered, with mechanical display only .....	0	46	0
6206.10	Women's or girls' blouses, shirts and shirt-blouses, not knitted or crocheted, of silk or silk waste .....	0	37	1
8542.11	Digital monolithic electronic integrated circuits .....	0	32	0
9706.00	Antiques of an age exceeding one hundred years .....	2	24	0
9102.12	Wrist watches, except those of heading 9101, battery powered, with opto- electronic display only .....	0	16	0
6110.10	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of wool or fine animal hair .....	0	11	11
9703.00	Original sculptures and statuary, in any material .....	0	11	11
9103.10	Clocks with watch movements, excluding clocks of heading 9104, battery powered .....	0	8	0
7116.20	Articles of precious or semiprecious stones (natural, synthetic or reconstructed) ....	0	7	7
6203.11	Men's or boys' suits, of wool or fine animal hair, knitted or crocheted .....	0	6	5
9705.00	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological etc. interest .....	3	6	0
4820.10	Registers, account books, notebooks, order books, receipt books, letter & memo pads, diaries and like articles of paper or paperboard .....	0	4	0
7018.10	Glass beads, imitation pearls, imitation precious or semiprecious stones and similar glass smallwares .....	0	4	0
8534.00	Printed circuits .....	12	2	0
9615.11	Combs, hair-slides and the like, of hard rubber or plastics .....	0	2	2
6203.31	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of wool or fine animal hair .....	0	2	2
6205.20	Men's or boys' shirts, not knitted or crocheted, of cotton .....	0	2	2
6204.11	Women's or girls' suits, not knitted or crocheted, of wool or fine animal hair .....	0	2	2
3213.10	Artists', students' or signboard painters' colors, in tablets, tubes, jars, bottles, pans or in similar packings, in sets .....	0	2	0
	Total .....	19	286	81
	Total, U.S. imports from Cambodia .....	446	314	92

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

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

Table C-17

Leading Items exported to Cuba, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
8529.10	Antennas & antenna reflectors of all kinds for use solely or principally with apparatus of headings 8525-8528; parts suitable for use therewith .....	0	\$274	0
4504.90	Agglomerated cork and articles of agglomerated cork, nesi .....	0	19	0
8415.10	Window or wall type air conditioning machines, self-contained .....	0	11	0
6107.11	Men's or boys' underpants and briefs, knitted or crocheted, of cotton .....	0	9	9
3004.40	Medicaments cont. alkaloids or derivatives, but not products of heading 2937 or antibiotics, in dosage form or packed for retail sale .....	0	7	0
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	0	5	0
6309.00	Worn clothing and other worn textile articles .....	8	3	3
8516.79	Electrothermic appliances of a kind used for domestic purposes, nesi .....	0	3	0
6307.90	Made-up articles, nesi .....	1	3	0
8517.90	Parts of telephonic or telegraphic apparatus .....	1	2	0
6107.99	Men's or boys' bathrobes, dressing gowns and similar articles, knitted or crocheted, of textile materials, nesi .....	4	2	0
	<b>Total .....</b>	<b>14</b>	<b>339</b>	<b>13</b>
	<b>Total, U.S. exports to Cuba .....</b>	<b>3,397</b>	<b>2,629</b>	<b>361</b>

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

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

Table C-18

Leading Items Imported from Cuba, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
	Total, U.S. imports from Cuba .....	0	0	0

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

Table C-19

Leading items exported to Czechoslovakia, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
4101.21	Whole raw hides and skins of bovine animals nesi, fresh or wet-salted .....	\$13,094	\$12,899	\$3,304
3100.00	Fertilizers .....	0	3,256	0
5201.00	Cotton, not carded or combed .....	0	2,715	744
5503.10	Synthetic staple fibers, not carded, combed or otherwise processed for spinning, of nylon or other polyamides .....	500	1,567	424
5402.49	Single synthetic filament yarn, nesi, untwisted or with a twist n/o 50 turns/m, (except sewing thread), not put up for retail sale .....	42	1,425	334
8701.30	Track-laying tractors (other than tractors of heading 8709) .....	746	1,055	185
3815.12	Supported catalysts with precious metal or precious metal compounds as the active substance .....	200	961	0
8479.89	Machines and mechanical appliances having individual functions, nesi .....	1,672	893	87
2403.99	Tobacco extracts and essences .....	0	882	0
9018.19	Electro-diagnostic apparatus, parts and accessories thereof, excluding electrocardiographs, parts and accessories thereof .....	21	808	239
9027.80	Instruments and apparatus for physical or chemical analysis, for measuring viscosity, porosity, expansion, or surface tension, or for measuring quantities of heat, sound or light .....	324	797	622
2921.49	Aromatic monoamines and their derivatives; salts thereof, nesi .....	( <sup>1</sup> )	727	0
3815.19	Supported catalysts other than with nickel or precious metal or their compounds as the active substance .....	172	706	0
9014.80	Navigational instruments and appliances, nesi .....	15	673	630
8471.20	Digital automatic data processing machines, containing in the same housing at least a central processing unit and an input and output unit .....	542	651	89
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed .....	86	643	0
8438.50	Machinery for the preparation of meat or poultry .....	90	631	376
2942.00	Organic compounds, nesi .....	0	578	0
8421.21	Machinery and apparatus for filtering or purifying water .....	3	506	11
2804.69	Silicon containing by weight less than 99.99 percent of silicon but not less than 99 percent of silicon .....	0	501	0
	<b>Total .....</b>	<b>17,508</b>	<b>32,873</b>	<b>7,044</b>
	<b>Total, U.S. exports to Czechoslovakia .....</b>	<b>54,423</b>	<b>51,287</b>	<b>12,200</b>

<sup>1</sup>Trade less than \$500.

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

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

Table C-20

Leading Items Imported from Czechoslovakia, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988  1,000 dollars	1989  1,000 dollars	Oct.-Dec. 1989  1,000 dollars
8701.90	Tractors (other than tractors of heading 8709), nesl .....	\$6,228	\$6,060	\$1,764
7018.10	Glass beads, imitation pearls, imitation precious or semiprecious stones and similar glass smallwares .....	2,592	5,280	1,706
7208.42	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, over 10 mm thick .....	2,640	4,386	3,565
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	2,037	4,313	1,143
6403.91	Footwear, covering the ankles, with outer soles of rubber, plastics or composition leather and uppers of leather .....	2,673	3,650	1,100
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks .....	3,213	2,565	903
1210.10	Hop cones, fresh or dried, neither ground, powdered nor in the form of pellets .....	2,402	2,508	657
7013.29	Drinking glasses other than of glass-ceramics or of lead crystal .....	3,667	2,153	476
1602.41	Prepared or preserved hams and cuts thereof, of swine .....	2,288	2,093	708
4801.00	Newsprint, in rolls or sheets .....	45	1,946	0
6201.11	Men's or boys' overcoats, carcoats, capes, cloaks and similar articles, of wool or fine animal hair, not knitted or crocheted .....	2,194	1,653	545
8443.19	Offset printing machinery other than reel-fed or sheet-fed, office type .....	0	1,441	483
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets .....	703	1,304	406
2203.00	Beer made from malt .....	1,287	1,221	510
7304.20	Seamless casing, tubing and drill pipe, of a kind used in the drilling for oil or gas, of iron (other than cast iron) or steel .....	1,510	1,214	1,214
7013.39	Glassware of a kind used for table or kitchen purposes, nesl .....	204	1,061	314
6505.90	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece, excluding hair-nets .....	575	1,017	333
6403.59	Footwear with outer soles and uppers of leather, not covering the ankle .....	137	1,016	343
2309.90	Preparations of a kind used in animal feeding (excluding dog or cat food, put up for retail sale) .....	0	1,008	203
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars) .....	957	983	332
	Total .....	35,353	46,871	16,707
	Total, U.S. imports from Czechoslovakia .....	84,891	82,117	25,868

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

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

Table C-21

Leading items exported to East Germany, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
1005.90	Corn (maize) excluding seed .....	\$58,038	\$39,893	\$11,209
1003.00	Barley .....	2,802	7,556	0
8479.89	Machines and mechanical appliances having individual functions, nesi .....	1,536	5,709	2,584
8903.92	Motorboats, other than outboard motorboats .....	2,605	4,377	1,717
9010.20	Apparatus and equipment for photographic (including cinematographic) laboratories; nesi, in this chapter; negatoscopes .....	716	3,706	786
8477.51	Machinery for molding or retreading pneumatic tires or for molding or otherwise forming inner tubes .....	0	3,298	0
2825.30	Vanadium oxides and hydroxides .....	0	2,870	0
9030.89	Instruments and apparatus of heading 9030, nesi, without a recording device .....	192	1,484	16
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units .....	31	1,166	84
0206.41	Livers of swine, frozen .....	2,307	1,140	860
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but n/o 3,000 cc .....	762	1,114	0
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	136	1,056	19
9027.80	Instruments and apparatus for physical or chemical analysis, for measuring viscosity, porosity, expansion, or surface tension, or for measuring quantities of heat, sound or light .....	366	889	195
1404.20	Cotton linters .....	705	795	0
3707.90	Chemical preparations for photographic uses; unmixed products for photographic uses, except sensitized emulsions .....	0	738	187
0813.20	Prunes, dried .....	24	701	0
2916.32	Benzoyl peroxide and benzoyl chloride .....	0	672	0
1008.20	Millet .....	0	658	658
4704.29	Chemical woodpulp, sulfite, other than dissolving grades, of semibleached or bleached nonconiferous wood .....	0	612	401
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, of semibleached or bleached coniferous wood .....	0	481	0
	Total .....	70,220	78,916	18,717
	Total, U.S. exports to East Germany .....	108,193	92,893	21,883

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

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

Table C-22

Leading Items Imported from East Germany, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	\$8,101	\$33,508	0
3102.80	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution .....	10,503	13,287	2,503
8443.19	Offset printing machinery other than reel-fed or sheet-fed, office type .....	3,159	9,211	3,558
3104.90	Mineral or chemical fertilizers, potassic, nesl .....	0	9,109	0
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars) .....	5,505	7,258	1,491
3104.20	Potassium chloride .....	12,103	4,963	3,948
7209.22	Flat-rolled iron or nonalloy steel products, 600 mm or more wide, in coils, cold-rolled, not clad, plated or coated, nesl, over 1 mm but under 3 mm thick .....	3,252	4,586	288
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks .....	5,414	4,362	1,011
7210.49	Flat-rolled products of iron or nonalloy steel 600 mm or more wide, plated or coated with zinc (other than electrolytically), other than corrugated .....	5,418	3,647	735
7304.39	Seamless tubes, pipes and hollow profiles, of iron or nonalloy steel, nesl, of circular cross section, other than cold-drawn or cold-rolled .....	3,007	2,763	827
7208.42	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, over 10 mm thick .....	2,783	2,514	783
7013.91	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes, of lead crystal, nesl .....	1,289	2,017	573
7213.31	Bars & rods, hot-rolled, irregularly wound coils of iron or nonalloy steel, cont. by wgt under 0.25% carbon, of circular cross section under 14 mm diam .....	2,171	1,813	525
4107.10	Leather of swine, w/o hair on, nt incl. chamois, patent, patent laminated or metallized leather .....	1,547	1,750	497
9403.60	Wooden furniture, other than of a kind used in the bedroom .....	216	1,572	554
7209.23	Flat-rolled iron or nonalloy steel products, 600 mm or more wide, in coils, cold-rolled, not clad, plated or coated, nesl, 0.5 mm or more but n/o 1 mm thick .....	3,717	1,537	220
8443.90	Parts of printing machinery; parts of machinery for uses ancillary to printing .....	1,410	1,435	416
7601.20	Unwrought aluminum alloys .....	0	1,290	0
7013.31	Glassware of a kind used for table (other than drinking glasses), or kitchen purposes of lead crystal .....	315	1,245	351
8441.10	Cutting machines of all kinds used for making up paper pulp, paper or paperboard .....	259	1,205	0
	Total .....	70,170	109,071	18,283
	Total, U.S. Imports from East Germany .....	111,382	134,825	24,981

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

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

Table C-23

Leading items exported to Hungary, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
8424.90	Parts for mechanical appliances that spray, steam, blast and jet project .....	\$370	\$9,833	0
8424.81	Agricultural or horticultural mechanical appliances .....	1,093	6,710	2,166
8408.90	Compression-ignition internal combustion piston engines, nesi .....	84	6,673	6,549
8701.90	Tractors (other than tractors of heading 8709), nesi .....	0	6,273	1,310
3100.00	Fertilizers .....	1,137	5,257	2,588
2403.99	Tobacco extracts and essences .....	0	3,597	0
8461.40	Gear cutting, gear grinding or gear finishing machines working by removing metal, sintered metal carbides or cermets, nesi .....	3,112	3,483	3,483
8708.60	Non-driving axles and parts thereof of the motor-vehicles of headings 8701 to 8705 .....	5,352	2,848	640
7002.39	Glass tubes, unworked, nesi .....	595	2,843	740
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	285	2,364	1,055
2921.59	Aromatic polyamines and their derivatives; salts thereof, nesi .....	128	2,017	194
8422.30	Machinery for filling, closing, sealing, capsuling or labeling bottles, cans, boxes, other containers; machinery for aerating beverages .....	22	1,650	0
2931.00	Other organo-inorganic compounds .....	26	1,446	1,265
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units .....	49	1,195	844
1005.10	Seed corn (maize) .....	1,179	1,154	0
2921.49	Aromatic monoamines and their derivatives; salts thereof, nesi .....	383	1,123	745
8432.90	Parts of agricultural, horticultural or forestry machinery for soil preparation or cultivation .....	1,059	1,070	116
8431.43	Parts for boring or sinking machinery of subheading 8430.41 or 8430.49 .....	285	1,029	979
9018.11	Electrocardiographs, and parts and accessories thereof .....	276	962	25
9027.30	Spectrometers, spectrophotometers and spectrographs using optical radiations (ultraviolet, visible, infrared) .....	126	928	230
	<b>Total .....</b>	<b>15,559</b>	<b>62,455</b>	<b>22,928</b>
	<b>Total, U.S. exports to Hungary .....</b>	<b>76,128</b>	<b>119,305</b>	<b>37,627</b>

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

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



Table C-24

Leading items imported from Hungary, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
8708.50	Drive axles with differential, whether or not provided with other transmission components of the motor-vehicles of headings 8701 to 8705 .....	\$718	\$25,994	\$2,535
2009.70	Apple juice, unfermented and not containing added spirit .....	12,418	18,175	2,015
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	31,012	13,646	4,283
1602.41	Prepared or preserved hams and cuts thereof, of swine .....	22,771	12,603	3,490
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	10,227	10,916	4,790
8539.22	Electrical filament lamps, excluding tungsten halogen lamps, nesi, of a power not exceeding 200 W and for a voltage exceeding 100 V .....	11,255	10,428	2,649
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks .....	7,536	9,999	3,514
7606.92	Plates, sheets and strips, of a thickness exceeding 0.2 mm (excluding rectangular), of aluminum alloys .....	1,237	9,652	1,712
7409.21	Strip of copper-zinc base alloys (brass), in coils .....	2,271	6,173	1,338
2005.40	Peas, prepared or preserved otherwise than by vinegar or acetic acid, not frozen .....	857	5,278	1,141
1005.10	Seed corn (maize) .....	1,788	4,875	0
0406.90	Cheese, nesi .....	3,047	4,845	1,971
1602.42	Prepared or preserved shoulders and cuts thereof, of swine .....	2,530	3,908	768
6201.11	Men's or boys' overcoats, carcoats, capes, cloaks and similar articles, of wool or fine animal hair, not knitted or crocheted .....	2,965	3,744	670
8482.20	Tapered roller bearings, including cone and tapered roller assemblies .....	3,027	3,619	868
5515.13	Woven fabrics of polyester staple fibers, mixed mainly or solely with wool or fine animal hair .....	3,566	3,542	499
2922.50	Amino-alcohol-phenols, amino-acid-phenols and other amino-compounds with oxygen function .....	280	3,399	1,695
1602.49	Prepared or preserved cuts of swine, including mixtures, nesi; swine meat offal .....	6,747	3,378	776
2941.90	Antibiotics, nesi .....	1,461	3,344	1,029
0505.10	Feathers of a kind used for stuffing, and down .....	768	3,282	727
	Total .....	126,481	160,798	36,471
	Total, U.S. imports from Hungary .....	293,054	326,694	75,968

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

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

Table C-25

Leading items exported to Laos, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
8427.90	Work trucks, fitted with lifting or handling equipment, nesl .....	0	\$232	0
8467.89	Tools for working in the hand, with self-contained nonelectric motor, nesl .....	0	16	0
8535.10	Fuses, for a voltage exceeding 1,000 V .....	0	16	0
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	0	14	14
8529.10	Antennas & antenna reflectors of all kinds for use solely or principally with apparatus of headings 8525-8528; parts suitable for use therewith .....	0	12	0
8525.20	Transmission apparatus incorporating reception apparatus .....	0	4	4
8471.92	Automatic data processing machines with or without input or output units or containing storage units in the same housing .....	0	3	0
	Total .....	0	298	19
	Total, U.S. exports to Laos .....	847	341	19

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

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

Table C-26

Leading Items Imported from Laos, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
0901.11	Coffee, not roasted, not decaffeinated .....	\$459	\$559	0
8701.90	Tractors (other than tractors of heading 8709), nesi .....	0	137	0
8454.20	Ingot molds and ladles .....	0	30	0
1209.23	Fescue seed of a kind used for sowing .....	0	25	0
0103.91	Live swine, other than purebred breeding swine, weighing less than 50 kg each .....	0	11	0
0302.69	Fish, nesi, fresh or chilled, excluding fish fillets and other fish meat portions and livers and roes, of heading 0304 .....	0	9	0
0302.50	Cod, fresh or chilled, excluding fillets, other fish meat portions and livers and roes, of heading 0304 .....	0	7	0
3803.00	Tall oil, whether or not refined .....	0	6	0
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm .....	0	6	0
0302.29	Flat fish, nesi, fresh or chilled, excluding fillets, other fish meat portions and livers and roes, of heading 0304 .....	0	4	0
3104.90	Mineral or chemical fertilizers, potassic, nesi .....	0	4	0
0302.63	Atlantic pollock, fresh or chilled, excluding fillets, other fish meat portions and livers and roes, of heading 0304 .....	0	3	0
8421.29	Filtering or purifying machinery and apparatus for liquids, nesi .....	0	2	0
0302.21	Halibut and Greenland turbot, fresh or chilled, excluding fillets, other fish meat portions and livers and roes, of heading 0304 .....	0	2	0
3917.39	Plastic tubes, pipes and hoses, nesi .....	0	1	0
9506.99	Articles and equipment for gymnastics, athletics, other sports or outdoor games, nesi, and parts or accessories thereof .....	0	( <sup>1</sup> )	0
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton .....	( <sup>1</sup> )	( <sup>1</sup> )	0
9506.62	Inflatable balls .....	0	( <sup>1</sup> )	0
Total .....		459	810	0
Total, U.S. Imports from Laos .....		3,068	821	0

<sup>1</sup> Trade less than \$500.

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

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

Table C-27

Leading items exported to Mongolia, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
2805.30	Rare-earth metals, scandium and yttrium, whether or not intermixed or interalloyed .....	0	\$22	0
9027.80	Instruments and apparatus for physical or chemical analysis, for measuring viscosity, porosity, expansion, or surface tension, or for measuring quantities of heat, sound or light .....	0	4	0
	Total .....	0	26	0
	Total, U.S. exports to Mongolia .....	29	30	0

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

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

Table C-28

Leading Items Imported from Mongolia, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
5102.10	Fine animal hair, not carded or combed .....	\$992	\$587	0
1513.11	Coconut (copra) oil, crude, and its fractions, not chemically modified .....	0	254	0
0201.30	Boneless meat of bovine animals, fresh or chilled .....	0	113	113
4404.20	Nonconiferous wood, roughly shaped into poles, pickets, stakes, sticks and other forms, to be finished into specific articles or products .....	0	30	30
0302.29	Flat fish, nesi, fresh or chilled, excluding fillets, other fish meat portions and livers and roes, of heading 0304 .....	0	25	0
4103.90	Raw hides & skins of other animals nesi, fresh or preserved, not further prepared, & other than those excl. by note 1(b) or (c) to chap. 41 .....	0	25	14
4417.00	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood .....	0	13	0
4602.10	Basketwork, wickerwork and other articles made directly to shape of vegetable plaiting materials, nesi .....	0	9	0
4421.90	Articles of wood, nesi .....	0	4	4
0807.10	Fresh melons (including watermelons) .....	0	4	0
0507.90	Tortoise shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared; waste and powder .....	0	3	0
6802.29	Monumental or building stone and articles thereof, of stone, nesi, simply cut or sawn, with a flat or even surface .....	0	2	2
	Total .....	992	1,069	163
	Total, U.S. imports from Mongolia .....	1,244	1,088	163

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

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

Table C-29

Leading Items exported to North Korea, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
9027.90	Microtomes; parts and accessories .....	0	\$12	0
3302.10	Mixtures of odoriferous substances, of a kind used in the food or drink industries .....	0	4	0
	Total .....	0	16	0
	Total, U.S. exports to North Korea .....	65	16	0

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

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

Table C-30

Leading Items Imported from North Korea, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
2708.10	Pitch, obtained from coal tar or from other mineral tars .....	0	\$411	0
7306.30	Tubes, pipes and hollow profiles, nesl, welded, of circular cross section, of iron or nonalloy steel .....	0	49	0
8302.49	Mountings, fittings and similar articles of base metal, nesl, and base metal parts thereof .....	0	30	0
8205.59	Hand tools not elsewhere specified or included, and base metal parts thereof .....	0	13	0
7009.91	Glass mirrors, unframed, excluding rear-view mirrors for vehicles .....	0	12	0
7318.16	Nuts of iron or steel, threaded .....	0	4	0
7019.39	Webs, mattresses, boards and similar nonwoven articles of glass fibers (including glass wool) .....	0	1	0
7318.15	Threaded screws and bolts, of iron or steel, nesl, whether or not with their nuts or washers .....	0	1	0
	Total .....	0	522	0
	Total, U.S. Imports from North Korea .....	5	533	0

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

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

Table C-31

Leading items exported to Poland, by Schedule B subheadings, 1988, 1989, and October-December 1989

Schedule B subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15000 kg .....	0	\$126,253	0
3100.00	Fertilizers .....	8,707	19,182	4,105
5201.00	Cotton, not carded or combed .....	11,318	15,184	10,331
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	8,446	8,819	2,130
4101.21	Whole raw hides and skins of bovine animals nesi, fresh or wet-salted .....	2,914	8,744	636
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	233	8,656	2,579
2402.20	Cigarettes containing tobacco .....	6,166	6,530	2,351
4702.00	Chemical woodpulp, dissolving grades .....	5,957	6,232	1,671
8803.30	Parts of airplanes or helicopters, nesi .....	168	6,183	175
0405.00	Butter and other fats and oils derived from milk .....	0	5,840	4,759
1005.90	Corn (maize) excluding seed .....	453	5,511	5,511
1001.10	Durum wheat .....	9,014	5,230	2,381
8411.12	Turbojets of a thrust exceeding 25 kN .....	40	5,005	0
5503.20	Synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters .....	6,088	4,746	228
8545.11	Carbon electrodes of a kind used for furnaces .....	558	4,520	1,300
8471.92	Automatic data processing machines with or without input or output units or containing storage units in the same housing .....	253	4,340	393
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts and accessories thereof, nesi .....	1,103	3,696	946
1003.00	Barley .....	5,185	3,591	0
6309.00	Worn clothing and other worn textile articles .....	2,258	2,788	770
8462.29	Bending, folding, straightening or flattening machines (including presses), for working metal, not numerically controlled .....	0	2,597	60
	Total .....	68,862	253,648	40,326
	Total, U.S. exports to Poland .....	300,785	411,228	86,661

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

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



Table C-32

Leading Items Imported from Poland, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
1602.41	Prepared or preserved hams and cuts thereof, of swine .....	\$99,935	\$85,817	\$19,747
2704.00	Coke and semicoke of coal, of lignite or of peat, whether or not agglomerated; retort carbon .....	0	12,755	1,556
1602.42	Prepared or preserved shoulders and cuts thereof, of swine .....	11,104	12,063	2,794
3501.10	Casein .....	17,015	10,605	2,854
8701.30	Track-laying tractors (other than tractors of heading 8709) .....	11,058	10,036	376
0304.20	Frozen fish fillets (whether or not minced) .....	10,149	7,727	4,091
7208.42	Flat-rolled iron or nonalloy steel products nesi, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, over 10 mm thick .....	4,912	7,409	3,768
6202.12	Women's and girls' overcoats, carcoats, capes, cloaks and similar coats, of cotton, not knitted or crocheted .....	4,560	6,997	2,579
7407.21	Bars, rods and profiles of copper-zinc base alloys (brass) .....	3,585	6,811	1,416
8539.22	Electrical filament lamps, excluding tungsten halogen lamps, nesi, of a power not exceeding 200 W and for a voltage exceeding 100 V .....	7,603	5,905	1,524
6203.11	Men's or boys' suits, of wool or fine animal hair, knitted or crocheted .....	3,425	5,482	1,105
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	3,381	5,057	858
7317.00	Nails, tacks, drawing pins, corrugated nails, staples, nesi, and similar articles, of iron or steel, excl. such articles with heads of copper .....	4,903	4,804	1,381
6201.12	Men's or boys' overcoats, carcoats, capes, cloaks and similar articles, of cotton, not knitted or crocheted .....	3,073	4,195	1,049
0406.90	Cheese, nesi .....	2,087	4,195	2,141
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705 .....	1,342	3,967	736
7408.21	Wire of copper-zinc base alloys (brass) .....	2,695	3,934	546
9403.60	Wooden furniture, other than of a kind used in the bedroom .....	1,447	3,450	951
8458.19	Horizontal lathes for removing metal, other than numerically controlled .....	2,735	3,259	1,371
8701.90	Tractors (other than tractors of heading 8709), nesi .....	1,839	3,251	1,969
	Total .....	196,849	207,719	52,812
	Total, U.S. Imports from Poland .....	369,821	362,862	93,227

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

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

Table C-33

Leading items exported to Romania, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated .....	\$65,875	\$70,766	\$32,109
4101.21	Whole raw hides and skins of bovine animals nesi, fresh or wet-salted .....	35,491	51,565	11,020
4403.91	Oak wood in the rough, whether or not stripped of bark or sapwood, or roughly squared, not treated with preservatives .....	252	6,215	3,680
5201.00	Cotton, not carded or combed .....	0	5,535	554
3100.00	Fertilizers .....	757	3,029	0
1005.10	Seed corn (maize) .....	2,439	1,731	0
2902.90	Cyclic hydrocarbons, nesi .....	0	1,022	1,022
1502.00	Fats of bovine animals, sheep or goats, raw or rendered, whether or not pressed or solvent-extracted .....	0	997	997
8406.90	Parts for steam turbines and other vapor turbines .....	14,703	868	50
4408.90	Nonconiferous wood veneer sheets and sheets for plywood, and other wood sawn lengthwise, sliced or peeled, not over 6 mm thick .....	39	863	0
8473.30	Parts and accessories of the machines of heading 8471 .....	2,806	755	68
2806.20	Chlorosulfuric acid .....	12	681	124
2530.90	Mineral substances, nesi .....	0	542	0
4407.91	Oak wood, sawn or chipped lengthwise, sliced or peeled, over 6 mm thick .....	19	507	40
2823.00	Titanium oxides .....	0	465	465
4101.10	Whole hides and skins of bovine animals, n/o 8 kg when dried, 10 kg when dry salted or 14 kg when fresh or otherwise preserved .....	0	403	0
9607.11	Slide fasteners fitted with chain scoops of base metal .....	89	367	91
2106.90	Food preparations not elsewhere specified or included .....	0	338	338
7409.90	Plates, sheets and strip of other copper alloys, nesi, of a thickness exceeding 0.15 mm .....	14	338	175
2713.20	Petroleum bitumen .....	0	325	0
	Total .....	122,497	147,313	50,734
	Total, U.S. exports to Romania .....	202,245	155,312	53,880

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

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

Table C-34

Leading Items Imported from Romania, by HTS subheadings, 1988, 1989, and October-December 1989

HTS subheading	Description	1988	1989	Oct.-Dec. 1989
		1,000 dollars	1,000 dollars	1,000 dollars
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included .....	\$368,551	\$186,236	\$62,850
6403.91	Footwear, covering the ankles, with outer soles of rubber, plastics or composition leather and uppers of leather .....	7,485	25,714	4,825
3102.80	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution .....	0	11,413	0
4202.11	Trunks, suitcases, vanity cases, attache cases, etc. and similar containers, with outer surface of leather, composition or patent leather .....	7,760	8,923	2,373
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather .....	24,305	6,724	816
7208.42	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, over 10 mm thick .....	10,461	6,529	2,637
9403.60	Wooden furniture, other than of a kind used in the bedroom .....	3,994	6,135	1,179
6101.20	Men's or boys' overcoats, carcoats, capes, cloaks, anoraks, windbreakers and similar articles, knitted or crocheted, of cotton .....	6,637	5,542	1,756
7208.43	Flat-rolled iron or nonalloy steel products nesl, not in coils, 600 mm or more wide, hot-rolled, not clad, plated or coated, 4.75 mm but n/o 10 mm thick .....	7,114	4,884	941
1602.41	Prepared or preserved hams and cuts thereof, of swine .....	7,754	4,713	865
8701.90	Tractors (other than tractors of heading 8709), nesl .....	2,901	4,673	568
7306.30	Tubes, pipes and hollow profiles, nesl, welded, of circular cross section, of iron or nonalloy steel .....	7,562	4,162	1,641
8481.80	Taps, cocks, valves, and similar appliances, nesl, for pipes, boiler shells, tanks, vats or the like .....	2,132	3,908	829
9401.69	Seats with wooden frames, not upholstered .....	3,828	3,855	705
7013.39	Glassware of a kind used for table or kitchen purposes, nesl .....	5,581	3,440	947
5701.10	Carpets and other textile floor coverings, of wool or fine animal hair, knotted .....	8,463	3,302	1,004
7013.29	Drinking glasses other than of glass-ceramics or of lead crystal .....	3,974	3,040	819
6105.10	Men's or boys' shirts, knitted or crocheted, of cotton .....	1,406	2,602	920
6204.13	Women's or girls' suits, not knitted or crocheted, of synthetic fibers .....	422	2,504	78
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of man-made fibers .....	6,376	2,075	158
	Total .....	486,706	300,373	85,910
	Total, U.S. imports from Romania .....	677,973	348,201	97,319

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

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

Table C-35

Leading items exported to Vietnam, by Schedule B subheadings, 1988, 1989, and October-December 1989

<i>Schedule B subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
3923.50	Stoppers, lids, caps and other closures, of plastics .....	\$19	\$203	0
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, nesi .....	0	34	0
8411.99	Parts of gas turbines except parts for turbojets or turbopropellers .....	0	12	0
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, nesi .....	10	11	0
9603.21	Toothbrushes .....	0	9	0
9027.90	Microtomes; parts and accessories .....	0	4	4
9018.49	Instruments and appliances used in dental sciences, nesi, and parts and accessories thereof .....	0	4	0
8422.30	Machinery for filling, closing, sealing, capsuling or labeling bottles, cans, boxes, other containers; machinery for aerating beverages .....	0	3	3
8515.90	Parts of brazing or soldering, resistance or arc welding machines and apparatus, including like machines and apparatus, nesi .....	0	3	0
8419.32	Dryers for wood, paper pulp, paper or paperboard .....	0	3	3
	Total .....	29	286	10
	Total, U.S. exports to Vietnam .....	15,499	10,493	2,591

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

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

Table C-36

Leading Items Imported from Vietnam, by HTS subheadings, 1988, 1989, and October-December 1989

<i>HTS subheading</i>	<i>Description</i>	<i>1988</i>	<i>1989</i>	<i>Oct.-Dec. 1989</i>
		<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
	Total, U.S. imports from Vietnam .....	0	0	0

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



**APPENDIX D**  
**OFFICIAL SCHEDULE B AND HTS SECTION TITLES**  
**AND RELATED CHAPTERS**

<i>Section no.</i>	<i>Section title</i>	<i>Chapters</i>
1 .....	Live animals; animal products .....	01-05
2 .....	Vegetable products .....	06-14
3 .....	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes .....	15
4 .....	Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes .....	16-24
5 .....	Mineral products .....	25-27
6 .....	Products of the chemical or allied industries .....	28-38
7 .....	Plastics and articles thereof; rubber and articles thereof .....	39-40
8 .....	Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut) .....	41-43
9 .....	Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork .....	44-46
10 .....	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard; paper and paperboard and articles thereof .....	47-49
11 .....	Textiles and textile articles .....	50-63
12 .....	Footwear, headgear, umbrellas, sun umbrellas, walking sticks, seatsticks, whips, riding crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair .....	64-67
13 .....	Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware .....	68-70
14 .....	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin .....	71
15 .....	Base metals and articles of base metal .....	72-83 <sup>1</sup>
16 .....	Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles .....	84-85
17 .....	Vehicles, aircraft, vessels and associated transport equipment .....	86-89
18 .....	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof .....	90-92
19 .....	Arms and ammunition; parts and accessories thereof .....	93
20 .....	Miscellaneous manufactured articles .....	94-96
21 .....	Works of art, collectors' pieces and antiques .....	97
22 .....	Special classification provisions .....	98-99 <sup>2</sup>

<sup>1</sup> Chapter 77 was reserved for possible future use.

<sup>2</sup> Chapter 99, which covers provisions of a temporary nature, such as articles temporarily subject to additional tariff duties or other import restrictions, appears only in the Harmonized Tariff Schedule.



## **GLOSSARY**

<i>Abbreviation</i>	<i>Full wording</i>
BXA	Bureau of Export Administration (U.S. Department of Commerce)
CCC	Commodity Credit Corporation (U.S. Department of Agriculture)
CCL	Commodity Control List
CIA	Central Intelligence Agency
CMEA	Council for Mutual Economic Assistance
COCOM	Coordinating Committee for Multilateral Export Controls
CPE	Centrally planned economy
EC	European Community
EEP	Export Enhancement Program (U.S. Department of Agriculture)
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
HS	Harmonized Commodity Description and Coding System, or Harmonized System
	The HS is arranged as follows:
	Sections, which are divided into
	Chapters (2-digit numbers), which are divided into
	Headings (4-digit numbers), which are divided into
	Subheadings (6-digit numbers)
HTS	Harmonized Tariff Schedule of the United States
IAEA	International Atomic Energy Agency
IMF	International Monetary Fund
LTFV	Less than fair value
MFA	Multifiber Arrangement
MFN	Most-favored-nation
NMEs	Nonmarket economy countries
OECD	Organization for Economic Cooperation and Development
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
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission

*See following page for abbreviations frequently used in the tables.*

<i>Abbreviation</i>	<i>Full wording</i>
cc	Cubic centimeters
cm	Centimeters
fbr m	Fiber meter
GVM	Gross vehicle weight
kg	Kilograms
kN	Kilonewtons
kW	Kilowatts
kWH	Kilowatt-hours
kVA	kilovolt-amperes
m	Meters
m <sup>2</sup>	Square meters
mm	Millimeters
nesi (or)	
nesoi	Not elsewhere specified or included
nm	Number of 1000 meterlengths of (textile) yarn in one kilogram
pcs.	Pieces
t	Metric tons
V	Volts
vol	Volume
W	Watts
wt	Weight



## **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 during that calendar quarter and cumulatively during that year, with the summary of the fourth quarter as an annual review;
- (2) summary tables and figures depicting changes in the value of U.S.-NME trade, total and by individual country, and individual country shares of this trade during or through that calendar quarter;
- (3) a series of tables describing the major commodity groups and leading items in trade between the United States and each of the NME countries during or through that calendar quarter, by SITC sections and by Schedule B Nos. (exports) and TSUSA items (imports) through the *57th Quarterly Report* and by Harmonized System-based (HS-based) sections and by HS-based Schedule B and Harmonized Tariff Schedule (HTS) subheadings beginning with the *58th Quarterly Report*.

Other subjects covered periodically or on an irregular basis are listed below. All page numbers refer to the official USITC publication.

Beginning with the *54th Quarterly Report*, the coverage of this index was reduced. The subjects now listed are from reports covering only the previous 5 calendar years plus those covering the current calendar year. Information on subjects covered in earlier reports may be obtained from the USITC, Office of Economics, Trade Reports Division: (202) 252-1255.

*Ammonium paratungstate* (market disruption investigation):

U.S. imports from China; No. 51, pp. 37-38; No. 53, pp. 45, 47

U.S.-China agreement on trade in tungsten products, No. 53, p. 47

*Antidumping investigations:*

No. 38, pp. 48-50, 51; No. 40, pp. 58-61; No. 41, pp. 48-49; 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); No. 53, pp. 45-46 (incl. table); No. 55, p. 16 (incl. table); No. 57, pp. 15-16 (incl. table); No. 59, pp. 11-12 (incl. table); No. 61, pp. 22-23 (incl. table)

*Apparel:* See Textiles and textile products

*Artificial flowers* (import monitoring report):

U.S. imports from China and the U.S. market; No. 44, pp. 62-69 (incl. tables)

*Asian Development Bank (ADB):*

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

*Barium chloride and barium carbonate* (antidumping investigations):

U.S. imports from China; No. 40, pp. 60-61; No. 41, p. 49

*Bulgaria:* See also Eastern Europe

Economic developments, annual overview; No. 41, pp. 88-89; No. 45, pp. 80-81; No. 49, p. 69; No. 53, pp. 72-73; No. 57, pp. 28-29; No. 61, pp. 37-38

*Carbon steel wire rod (antidumping and countervailing duty investigations):*

U.S. imports from Czechoslovakia; No. 38, pp. 52-53; No. 40, pp. 58-59

U.S. imports from Poland; 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 (import monitoring report):*

U.S. imports from China and the U.S. market; No. 40, pp. 74-80 (incl. tables)

*China:*

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

Economic developments, annual overview; No. 41, pp. 35-39; No. 45, pp. 59-63;  
No. 49, pp. 53-57; No. 53, pp. 49-59; No. 57, pp. 16-22; No. 61, pp. 23-29

Economic relations with Japan; No. 46, pp. 37-48 (incl. tables)

Economic relations with the Soviet Union; No. 42, pp. 47-51 (incl. tables)

Eximbank financing; No. 47, p. 34; No. 49, pp. 38-39; No. 61, pp. 15-16

General Agreement on Tariffs and Trade, China formally announces intention to rejoin; No. 47, pp. 35-36; China formally applies; No. 49, pp. 42-43

Intellectual property rights protection, U.S.-China negotiations; No. 61, pp. 16-17

Joint ventures in China; No. 54, pp. 35-46

Most-Favored-Nation status; 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;  
No. 53, pp. 43-44; No. 55, pp. 14-15; No. 59, pp. 9-10; No. 61, p. 17

Multifiber Arrangement, China's response to revised MFA; No. 49, pp. 40-41

Overseas Private Investment Corporation (OPIC); No. 38, pp. 43, 44; No. 41, p. 44; No. 43, p. 32

U.S.-China apparel and textile agreement; No. 49, pp. 40-41; No. 53, pp. 44-45

U.S.-China income tax treaty; No. 38, p. 45; No. 40, p. 51; No. 41, pp. 41-42;  
No. 47, p. 33; No. 49, pp. 39-40

U.S.-China industrial and technological cooperation accord; No. 38, pp. 43-44;  
No. 41, pp. 40-41; No. 47, pp. 34-35

U.S.-China Joint Commission on Commerce and Trade; No. 38, pp. 43-44;  
No. 43, p. 32; No. 47, p. 34-35; No. 49, p. 37

U.S.-China Joint Economic Committee; No. 38, pp. 43-44; No. 43, p. 35;  
No. 47, p. 33; No. 49, pp. 37-38

U.S.-China maritime transport agreement; No. 57, pp. 13-14

U.S.-China nuclear cooperation agreement; No. 41, pp. 42-43; No. 44, pp. 37-38,  
No. 45, pp. 37-40

U.S.-China satellite agreements, conditions for China to launch U.S. satellites;  
No. 57, pp. 14-15; authorization of export licenses, No. 61, p. 15

U.S.-China tungsten agreement; No. 53, pp. 47

U.S. exports and imports, annual; No. 41, pp. 33-60; No. 45, pp. 9, 18;  
No. 49, pp. 9, 20; No. 53, pp. 9, 16-17; No. 57, pp. 7-10; No. 61, pp. 10-12

U.S. responses to the military suppression of the prodemocracy movement in China;  
No. 59, pp. 7-9; No. 61, pp. 14-16

U.S. sugar sale to; No. 48, pp. 37-38

*Chloropicrin* (antidumping investigation):

U.S. imports from China; No. 38, pp. 49-50; No. 41, p. 48

*Clothing*: See Textiles and textile products

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

*Coordinating Committee for Multilateral Export Controls (COCOM)*:

No. 40, pp. 55-57; No. 59, pp. 10-11

*Countervailing duty law, application to NME's*:

No. 38, pp. 52-53; No. 40, pp. 58-60; No. 41, p. 93; No. 44, pp. 33-34;  
No. 45, pp. 51-52; No. 48, p. 35; No. 49, pp. 47-48

*Corn*: See Grain agreements

*Cuba*:

U.S. embargo on; No. 48, p. 39

*Czechoslovakia*: See also Eastern Europe

Economic developments, annual overview; No. 41, pp. 87-88; No. 45, pp. 79-80;  
No. 49, pp. 68-69; No. 53, pp. 71-72; No. 57, p. 28; No. 61, pp. 39-40

*Democratic Republic of Germany*: See East Germany

*Dolls and stuffed toy animals* (import monitoring report):

U.S. imports from China and the U.S. market; No. 40, pp. 87-95 (incl. tables)

*Down and feathers* (import monitoring report):

U.S. imports from China and the U.S. market, No. 44, pp. 62-69 (incl. tables)

*Earthenware table and kitchen articles* (import monitoring report):

U.S. imports from China and the U.S. market; No. 52, pp. 42-48 (incl. tables)

*Eastern Europe*:

U.S. exports and imports, annual; No. 41, pp. 95-102; No. 45, pp. 19-21;  
No. 49, pp. 21-22; No. 53, pp. 17-19; No. 57, pp. 10-11; No. 61, pp. 12-14

Regional economic developments, annual overview; No. 41, pp. 81-89;  
No. 45, pp. 72-81; No. 49, pp. 63-69; No. 53, pp. 65-73; No. 57, pp. 25-29;  
No. 61, pp. 34-40

*East Germany*: See also Eastern Europe

Economic developments, annual overview; No. 41, pp. 86-87; No. 45, pp. 78-79;  
No. 49, p. 68; No. 53, pp. 70-71; No. 57, pp. 27-28; No. 61, pp. 38-39

*East-West Trade Statistics Monitoring System*:

Annual analysis of U.S. manufactured imports from the NMEs in relation to the U.S. market; No. 39, pp. 37-57 (incl. tables); No. 43, pp. 43-60 (incl. tables); No. 47, pp. 41-60 (incl. tables); No. 51, pp. 39-67 (incl. tables); No. 55, pp. 19-53 (incl. tables); No. 59, pp. 12-68 (incl. tables)



*Export controls, U.S.:*

No. 38, pp. 46-48, and pp. 55-80 (incl. tables); 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; No. 56, pp. 16-17; No. 59, pp. 10-11; No. 61, p. 19, p. 20

*Export Enhancement Program:*

No. 50, pp. 37-38; No. 51, pp. 33-34; No. 53, pp. 39-41

U.S. wheat sales to Bulgaria; No. 53, p. 41

U.S. wheat sales to China; No. 50, pp. 37-38; No. 51, p. 34; No. 53, pp. 40-41

U.S. wheat sales to Poland; No. 50, pp. 37-38; No. 51, p. 34; No. 53, p. 41

U.S. wheat offer to Romania; No. 50, pp. 37-38; No. 51, p. 34; No. 53, p. 41

U.S. wheat sales to the U.S.S.R.; No. 50, p. 37-38; No. 51, p. 33-34; No. 53, pp. 39-40; No. 61, p. 21

*Export-Import Bank (Eximbank) financing:*

For China; No. 47, p. 34; No. 49, pp. 38-39; No. 61, pp. 15-16

For Hungary; No. 61, p. 18

For Poland; No. 61, p. 18

*Feathers: See Down and feathers*

*Ferrosilicon (market disruption investigation):*

U.S. imports from U.S.S.R.; No. 38, pp. 50-51

*Fishing agreements:*

Ban on Soviet fishing in U.S. waters lifted; No. 40, pp. 48-49;

No. 41, p. 72; reduction in Soviet fishing quota; No. 43, pp. 35-36; No. 45, p. 46

Ban on Polish fishing in U.S. waters lifted; No. 40, p. 49

*Floor coverings (import monitoring report):*

U.S. imports from China and Romania and the U.S. market; No. 40, pp. 80-86 (incl. tables)

*Footwear (import monitoring report):*

U.S. imports from China and the U.S. market; No. 56, pp. 20-29 (incl. tables)

*Foreign Trade Statistics, changes:*

Changes in 1986; No. 50, pp. 41-50 (incl. tables)

New trade classification system (based on Harmonized System); No. 58, pp. 2-4

*Furskins:*

Proposal to lift embargo on imports from U.S.S.R.; No. 43, p. 33;

Embargo lifted on imports from U.S.S.R.; No. 57, p. 12

*Games (import monitoring report):*

U.S. imports from China and the U.S. market; No. 56, pp. 29-39 (incl. tables)

*General Agreement on Tariffs and Trade (GATT):*

- China formally announces intention to rejoin; No. 47, pp. 35-36
- China formally applies; No. 49, pp. 42-43
- NME participation in; No. 48, pp. 38-39
- Soviet Union requests to participate in New Round; No. 49, p. 47

*Generalized System of Preferences (GSP):*

- Decision to extend benefits to Hungary; No. 59, p. 10; benefits extended, No. 61, p. 18
- Legislation to make Poland eligible; No. 59, p. 10; No. 61, p. 18
- Romania's benefits terminated, No. 50, p. 35; No. 53, pp. 42-43

*Gold coins:*

- Ban on U.S. imports from Soviet Union; No. 49, p. 44

*Grain:* See Export Enhancement Program and Grain agreements

*Grain agreements:*

- United States and China; No. 41, pp. 45-46
- United States and U.S.S.R.; No. 40, pp. 45-46; No. 41, pp. 69-70; 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; No. 53, pp. 39-40; No. 55, pp. 15-16; No. 56, p. 18; No. 57, pp. 12-13; No. 61, pp. 21-22

*Handbags (import monitoring reports):*

- U.S. imports from China and the U.S. market; No. 44, pp. 54-62 (incl. tables); No. 52, pp. 48-57 (incl. tables)

*Headwear (import monitoring report):*

- U.S. imports from China and the U.S. market; No. 44, pp. 47-54 (incl. tables)

*High-technology items:* See also Export controls, U.S.

- U.S. exports to NME's and other countries; No. 38, pp. 55-80 (incl. tables)

*Hungary:* See also Eastern Europe

- Commodity Credit Corporation credit guarantee; No. 40, p. 51
- Economic developments, annual overview; No. 41, pp. 85-86; No. 45, pp. 76-77; No. 49, p. 67; No. 53, pp. 69-70; No. 57, p. 27; No. 61, pp. 36-37
- Export-import bank financing for; No. 61, p. 18
- Generalized System of Preferences; decision to extend benefits to; No. 59, p. 10; benefits extended, No. 61, p. 18
- Most Favored Nation status; 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; No. 53, pp. 43-44; No. 55, p. 14; No. 59, p. 9; No. 61, p. 17
- Overseas Private Investment Corporation, legislation for eligibility; No. 59, p. 10; No. 61, p. 18
- Support for East European Democracy Act of 1989; No. 61, pp. 18-19

Trade and Development Program (TDP) for; No. 61, p. 19

U.S. responses in support of political and economic reforms in; No. 59, p. 10; No. 61, pp. 17-20

*Intellectual property rights protection, U.S.-China negotiations*, No. 61; pp. 16-17

*Iron and steel*: See Steel

*Joint ventures in China*:

No. 54, pp. 35-46

*Knives (industry investigation)*:

U.S. imports from China; No. 57, p. 16

*Market disruption investigations*: See Ferrosilicon; Ammonium paratungstate; Tungstic acid

*Metal castings (industry investigation)*:

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

*Most Favored Nation (MFN) status*:

For China; 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; No. 53, pp. 43-44; No. 55, pp. 14-15; No. 59, pp. 9-10; No. 61, p. 17

For Hungary; 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; No. 53, pp. 43-44; No. 55, p. 14; No. 59, p. 9; No. 61, p. 17

For Poland; No. 50, pp. 35-36; No. 53, pp. 41-42

For Romania; 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; No. 53, pp. 43-44; Romania renounces renewal of, No. 55, pp. 13-14; No. 57, pp. 11-12

For Soviet Union, proposal to grant; No. 59, p. 11

*Multifiber Arrangement (MFA)*:

Negotiations; No. 49, pp. 40-41

*Muriate of potash*: See Potassium chloride

*Nickel*:

Ban on U.S. imports from the U.S.S.R.; No. 49, p. 43

*Nitrogenous fertilizers (import monitoring report)*:

U.S. imports from the U.S.S.R. and the U.S. market; No. 40, pp. 65-73 (incl. tables)

*Oil and gas well machinery*:

U.S. exports to the U.S.S.R., controls lifted; No. 50, pp. 38-39

U.S.-U.S.S.R. Working Group on Oil and Gas Equipment, inaugural meeting; No. 56, pp. 15-16

*Overseas Private Investment Corporation (OPIC)*:

Services for China; No. 38, pp. 43, 44; No. 41, p. 44; No. 43, p. 32

Legislation to make Hungary eligible; No. 59, p. 10; No. 61, p. 18

Legislation to make Poland eligible; No. 59, p. 10; No. 61, p. 18

*People's Republic of China:* See China

*Poland:* See also Eastern Europe

Economic developments, annual overview; No. 41, pp. 84-85; No. 45, pp. 74-76; No. 49, pp. 65-67; No. 53, pp. 67-69, No. 57, pp. 26-27; No. 61, pp. 34-35

Generalized System of Preferences, legislation for eligibility; No. 59, p. 10; No. 61, p. 18

Export-Import Bank financing for; No. 61, p. 18

International Monetary Fund, Poland joins; No. 47, pp. 37-38

Overseas Private Investment Corporation, legislation for eligibility; No. 59, p. 10; No. 61, p. 18

Rescheduling of debts; No. 41, p. 92; No. 42, pp. 34-35; No. 44, pp. 34-35; No. 45, pp. 47-49

Trade and Development Program (TDP) for; No. 61, p. 19

Support for East European Democracy Act (SEED) of 1989; No. 61, pp. 18-19

U.S. responses in support of political and economic reforms in; No. 59, p. 10; No. 61, pp. 17-20

U.S. steps toward normalization of commercial relations; No. 40, pp. 49-50; No. 41, p. 89; No. 50, pp. 35-36; No. 53, pp. 41-42

*Potassium chloride* (antidumping and countervailing duty investigations):

U.S. imports from East Germany; No. 38, pp. 51-53; No. 40, pp. 59-60; No. 41, p. 94

U.S. imports from U.S.S.R.; No. 38, pp. 51-53; No. 40, pp. 59-60; No. 41, p. 94

*Potassium permanganate* (antidumping investigation):

U.S. imports from China; No. 38, pp. 48-49; No. 41, p. 48; No. 43, p. 39; No. 45, p. 58

*Radio and Television receiving equipment* (import monitoring report):

U.S. imports from China and the U.S. market; No. 60, pp. 8-12 (incl. tables)

*Rainwear* (import monitoring report):

U.S. imports from China and the U.S. market; No. 52, pp. 36-42 (incl. tables)

*Romania:* See also Eastern Europe

Economic developments, annual overview; No. 41, pp. 81, 83-84; No. 45, pp. 72-74; No. 49, pp. 63-65; No. 53, pp. 65-67; No. 57, pp. 25-26; No. 61, pp. 35-36

Most Favored Nation status; 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; Romania renounces renewal of, No. 55, pp. 13-14; No. 57, pp. 11-12

Rescheduling of debts; No. 41, p. 92

Termination of eligibility for GSP; No. 50, p. 35; No. 53, pp. 42-43

*Sanctions, trade:* See Export controls, U.S.

*Silicon alloys:* See Ferroalloys

*Soviet Union:* See Union of Soviet Socialist Republics

*Support for East European Democracy (SEED) Act of 1989;* No. 61, pp. 18-19

*Steel (antidumping investigations):*

U.S. imports from Czechoslovakia; No. 41, p. 95

U.S. imports from Poland; No. 41, p. 95

U.S. imports from Romania; No. 41, p. 95

U.S. imports from East Germany; No. 41, pp. 94-95

*Textiles and textile products:* See also Floor coverings; Handbags; Headwear; Rainwear

U.S. imports from China; No. 41, p. 57; No. 49, pp. 40-41; No. 53, pp. 44-45

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

*Toys and models (import monitoring report):*

U.S. imports from China and the U.S. market; No. 56, pp. 40-48 (incl. tables)

*Tungsten:* See Ammonium paratungstate and Tungstic acid

*Tungstic acid (market disruption investigation):*

U.S. imports from China; No. 51, pp. 37-38; No. 53, pp. 45, 47

U.S.-China agreement on tungsten products; No. 53, p. 47

*Union of Soviet Socialist Republics:* See also Export Controls, U.S.; Export Enhancement Program; and Grain Agreements

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

Ban on U.S. imports of nickel; No. 49, p. 43

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

Economic developments, annual overview; No. 41, pp. 61-68; No. 45, pp. 64-72; No. 49, pp. 57-63; No. 53, pp. 60-65; No. 57, pp. 22-25; No. 61, pp. 29-34

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

Trade policy developments; No. 48, pp. 43-50; No. 49, pp. 61-63

U.S. exports and imports, annual; No. 41, pp. 73-80; No. 45, pp. 18-19; No. 49, pp. 20-21; No. 53, p. 17; No. 57, p. 10; No. 61, p. 12

U.S. participation in Soviet trade fairs; No. 49, p. 46

U.S. steps to ease restrictions on trade with; No. 59, pp. 10-11; No. 61, pp. 20-21

U.S.-U.S.S.R. agreement to facilitate economic, industrial, and technical cooperation; No. 40, pp. 46-47; No. 41, pp. 71-72

U.S.-U.S.S.R. air accord; No. 45, p. 44; No. 46, p. 34

U.S.-U.S.S.R. fishing agreement; No. 40, pp. 48-49; No. 41, p. 72;  
No. 43, pp. 35-36; No. 45, p. 46

U.S.-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

U.S.-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

U.S.-U.S.S.R. Working Group on Construction Equipment, inaugural meeting;  
No. 56, pp. 15-16

U.S.-U.S.S.R. Working Group on Oil and Gas Equipment, inaugural meeting;  
No. 56, pp. 15-16

*Wheat:* See Export Enhancement Program and Grain agreements