

UNITED STATES INTERNATIONAL TRADE COMMISSION

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

ON

TRADE BETWEEN THE UNITED STATES
AND THE NONMARKET ECONOMY COUNTRIES



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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NINTH QUARTERLY REPORT TO THE CONGRESS AND
THE EAST-WEST FOREIGN TRADE BOARD

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Introduction

This report by the United States International Trade Commission (hereinafter referred to as the Commission) is made pursuant to section 410 of the Trade Act of 1974 (19 U.S.C. 2440), which requires the Commission to monitor imports from and exports to the nonmarket economy countries (NME's), to provide data on the effect (if any) of such imports on U.S. production and employment, and to publish a summary report of the data not less frequently than once each calendar quarter for Congress and the East-West Foreign Trade Board. This report covers information through the fourth quarter of 1976.

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

In the Tariff Schedules of the United States (TSUS), the unconditional MFN rates are set forth in rate-of-duty column 1. The rates applicable to products of designated Communist nations or areas are set forth in rate-of-duty column 2; for the most part these rates are

the original statutory rates enacted in 1930. The rate policy involved was made effective by action initially taken by the President in 1951 and 1952 pursuant to section 5 of the Trade Agreements Extension Act of 1951, which directed the President as soon as practicable to take such action as was necessary to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. An examination of the individual items or rate provisions of the TSUS reveals that the rate discrimination involved varies considerably from item to item and sometimes is not present at all, as where imports from all sources have been historically free of duty or dutiable at the same rates. It is important, therefore, to look at the particular rate treatment in the TSUS when interest is to be focused on the actual or potential trade in specific imports.

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

This quarterly report contains a country-by-country summary of United States trade with the nonmarket economies during 1976, including a review of important changes in the commercial relations that may impact on future U.S.-NME trade. The analysis for each country contains data on trade in broad product categories during 1976 as well as in 3 previous years.

United States Trade with the Nonmarket Economy Countries
in 1976

Trade with the nonmarket economies (NME's) in 1976 paralleled total U.S. trade for the year in that imports increased more rapidly than exports. However, in contrast to total U.S. trade, where a deficit ensued, trade with the NME's resulted in a larger U.S. surplus in 1976 than in the previous year (see table 1). Imports from the NME's increased at a faster rate (26 percent increase) than exports to the NME's (15 percent increase), although the dollar amount of increase in exports was greater than the increase in imports. The much smaller import base meant that the size of the U.S. trade surplus with the NME's increased from \$2.3 billion to \$2.5 billion.

The same forces that propelled total U.S. imports upward by 26 percent were also responsible for the increase in imports from the NME's. A strong increase in purchases of consumer goods and a growing demand for producer raw and semimanufactured materials were evident in the expansion of imports from the NME's as well as in the expansion of total imports. Products such as footwear, cotton and wool suits, cotton shirts and hats, wooden furniture, antiques, and fireworks--all similar to products produced in the United States--were responsible for the growth in consumer goods imports from the NME's. Among the items that led the increase in imports of industrial supplies were flatglass, antimony oxide, nonferrous metals, steel plate, and ferroalloys.

The levels of imports and exports in 1975 and 1976 of broad commodity groups for U.S. trade with the world and with the NME's, as well as the percentage distribution of such trade, are shown

Table 1.--U.S. trade with the world and with nonmarket economies, 1974, 1975, 4th quarter 1975, 1976, 4th quarter 1976

(In millions of U.S. dollars)					
Item	1974	1975	4th quarter 1975	1976	4th quarter 1976
U.S. world trade:					
Exports-----	97,908	107,130	27,885	114,807	29,867
Imports-----	100,251	96,116	24,892	120,677	32,003
Balance-----	-2,343	+11,014	+2,993	-5,870	-2,136
U.S. trade with non-market economies:					
Exports-----	2,550	3,419	1,341	3,934	852
Imports-----	1,272	1,149	328	1,444	357
Balance-----	+1,278	+2,270	+1,013	+2,490	+495
Trade turnover (exports plus imports)--	+3,822	4,568	1,669	5,378	1,209
Percent of U.S. total trade with the non-market economies:					
Exports-----	2.60	3.19	4.81	3.43	2.85
Imports-----	1.27	1.20	1.32	1.20	1.12

Source: U.S. Department of Commerce publication FT990, tables 1 (part A), E-3, and I-4B. Imports and exports valued on an f.a.s. basis. Imports are general imports.

in table 2. An examination of the percentage distribution figures shows that the commodity composition of U.S. trade with the NME's is quite different from total U.S. trade. Especially notable is that food items are much more important to U.S.-NME trade than to U.S. total trade. This point is quite clear with regard to exports, but also holds true on the import side. Manufactured goods (of the type classified in groups 7,8, and 9), on the other hand, are less important to U.S.-NME trade than to U.S. aggregate trade.

Total U.S. exports expanded by only 7 percent in 1976 while exports to the NME's grew by a more healthy 15 percent. Almost all of the growth in U.S. exports to the NME's was concentrated in the area of food products. In 1976 these shipments were one-third larger than in the previous year despite lower prices for wheat and corn, the principal export items. In contrast, total U.S. exports of food products increased by only 2 percent. In other product areas, U.S. exports to the NME's changed very little in 1976 compared with those in 1975. There was some increase in chemical product shipments to the NME's, based on greater exports of superphosphate, cellulose, vinyl chloride, and ammonia fertilizer. There was also some increase in exports of manufactured goods classified by chief material. This increase, however, was more than offset by a decrease in exports of all other manufactured goods.

The poor Soviet harvest of 1975 and, to a much lesser extent, the drought conditions in some East European countries in 1976 forced

Table 2.--The commodity composition of U.S. trade with the world and with nonmarket economies in 1975 and 1976

Sch. A Nos.	Description	Total U.S. trade <u>1/</u>		U.S. trade with non- market economies <u>2/</u>	
		Exports		Exports	
		1975	1976	1975	1976
(millions of U.S. dollars)					
0,1	Food, beverages, and tobacco----	16,792	17,233	1,590	2,123
2,4	Crude materials-----	10,728	11,869	349	360
3	Mineral fuels and lubricants----	4,470	4,226	27	35
5	Chemicals-----	8,691	9,958	105	124
6	Manufactured goods, classified	:	:	:	:
	by chief material-----	10,919	11,205	166	211
7,8,9	Other manufactured goods and	:	:	:	:
	miscellaneous-----	54,503	58,831	1,168	1,074
	Total-----	106,103	113,322	3,405	3,927
(millions of U.S. dollars)					
Sch. B. Nos.		Imports		Imports	
(millions of U.S. dollars)					
0,1	Food, beverages, and tobacco----	9,752	11,681	222	292
2,4	Crude materials-----	6,017	7,357	82	117
3	Mineral fuels and lubricants----	26,551	34,008	193	148
5	Chemicals-----	3,662	4,738	48	72
6	Manufactured goods, classified	:	:	:	:
	by chief material-----	14,646	17,531	323	402
7,8,9	Other manufactured goods and	:	:	:	:
	miscellaneous-----	35,076	44,700	246	389
	Total-----	95,704	120,014	1,115	1,419
(Percentages)					
Sch. A Nos.		Exports		Exports	
(Percentages)					
0,1	Food, beverages, and tobacco----	15.8	15.2	46.7	54.1
2,4	Crude materials-----	10.1	10.5	10.2	9.2
3	Mineral fuels and lubricants----	4.2	3.7	0.8	0.9
5	Chemicals-----	8.2	8.8	3.1	3.1
6	Manufactured goods, classified	:	:	:	:
	by chief material-----	10.3	9.9	4.9	5.4
7,8,9	Other manufactured goods and	:	:	:	:
	miscellaneous-----	51.4	51.9	34.3	27.3
	Total-----	100.0	100.0	100.0	100.0
(Percentages)					
Sch. B Nos.		Imports		Imports	
(Percentages)					
0,1	Food, beverages, and tobacco----	10.2	9.7	19.9	20.6
2,4	Crude materials-----	6.3	6.1	7.4	8.2
3	Mineral fuels and lubricants----	27.7	28.3	17.3	10.4
5	Chemicals-----	3.8	4.0	4.3	5.1
6	Manufactured goods, classified	:	:	:	:
	by chief material-----	15.3	14.6	29.0	28.3
7,8,9	Other manufactured goods and	:	:	:	:
	miscellaneous-----	36.7	37.3	22.1	27.4
	Total-----	100.0	100.0	100.0	100.0

1/ Source: U.S. Department of Commerce publication, FT 990, f.a.s. values.

2/ Source: Bureau of East-West Trade, U.S. Department of Commerce, f.a.s. values.

most East European NME's to purchase increased amounts of food commodities from the United States in 1976. Nevertheless, four of the five largest NME trading partners of the United States were able to improve their balance-of-trade positions with the United States in 1976 1/. Only the U.S.S.R. saw its trade balance with the United States deteriorate further (see tables 3 and 4).

Yugoslavia and the People's Republic of China in fact recorded trade surpluses in their exchanges with the United States in 1976, the first time since 1972 that any of the five largest NME trade partners has been able to record a surplus in its U.S. trade.

Yugoslavia undertook stringent measures in late 1975 to reverse the country's adverse balance-of-trade position. These measures paid off in 1976. In its U.S. trade Yugoslavia was able to expand its exports by over 50 percent while reducing its imports from the U.S. by 10 percent. The Yugoslav trade position was helped by a strong U.S. demand for Yugoslavia's nonferrous metals products. On the other hand, U.S. exports to Yugoslavia fell as smaller shipments of machinery and crude materials were made in 1976 as compared with one year earlier.

China attained its trade surplus during 1976 through a sharp cut-back in purchases from the United States while expanding its exports to the United States by 24 percent. China's increased exports were

1/ The five largest NME trading partners are the U.S.S.R., Yugoslavia, Poland, People's Republic of China, and Romania.

Table 3.--U.S. exports to the individual nonmarket economies in 1974, 1975, 4th quarter 1975, 1976, and 4th quarter 1976

(In thousands of U.S. dollars)						
Country	1974	1975	4th quarter 1975	1976	4th quarter 1976	
People's Republic of China-----	820,480	303,631	104,421	135,388	10,156	
U.S.S.R-----	611,888	1,832,607	892,451	2,305,934	468,628	
Poland-----	394,588	580,084	207,338	621,035	124,845	
Yugoslavia-----	309,793	323,499	68,691	295,413	91,788	
Romania-----	277,116	189,278	28,999	249,033	70,003	
Czechoslovakia-----	48,582	52,900	16,006	147,466	51,456	
Democratic Republic of Germany-----	20,882	17,179	7,705	64,767	18,627	
Hungary-----	56,172	76,052	13,494	62,960	10,706	
Bulgaria-----	21,965	29,298	2,342	43,320	3,893	
Albania-----	485	663	26	1,076	0	
Cuba-----	71	35	1	89	13	
People's Republic of Mongolia-----	9	43	37	31	6	
Total <u>1/</u> -----	2,562,031	3,405,268	1,341,510	3,926,512	850,120	
Total, U.S. exports to all countries <u>1/</u> -----	97,143,449	106,156,726	28,207,518	113,323,145	30,008,696	

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

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

Table 4.--U.S. imports from the individual nonmarket economies in 1974, 1975, 4th quarter 1975, 1976, and 4th quarter 1976 1/

(In thousands of U.S. dollars)

Country	1974	1975	4th quarter 1975	1976	4th quarter 1976
People's Republic of China-----	105,756	156,271	53,936	194,649	53,552
U.S.S.R-----	334,020	242,411	69,710	214,556	56,961
Poland-----	263,173	241,297	58,482	314,436	82,168
Yugoslavia-----	261,683	248,887	73,986	383,099	90,811
Romania-----	125,820	135,057	61,373	200,118	50,933
Czechoslovakia-----	43,852	35,567	9,951	34,802	8,608
Democratic Republic of Germany-----	13,377	9,996	2,810	13,421	3,354
Hungary-----	74,063	34,966	7,644	47,559	12,868
Bulgaria-----	4,374	4,785	1,126	11,231	3,648
Albania-----	484	2,824	74	2,544	1,484
Cuba-----	2	3	0	27	25
People's Republic of Mongolia-----	1,360	1,646	394	2,252	409
Total <u>2/</u> -----	1,227,963	1,113,711	339,485	1,418,694	364,821
Total, U.S. imports from all countries <u>2/</u> -----	100,125,800	96,515,103	25,426,664	121,120,869	32,637,521

1/ Imports for consumption.

2/ These figures do not agree exactly with the import figures in table 1, because these figures are imports for consumption, whereas the import figures in table 1 are general imports. Imports are valued on an f.a.s. basis.

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

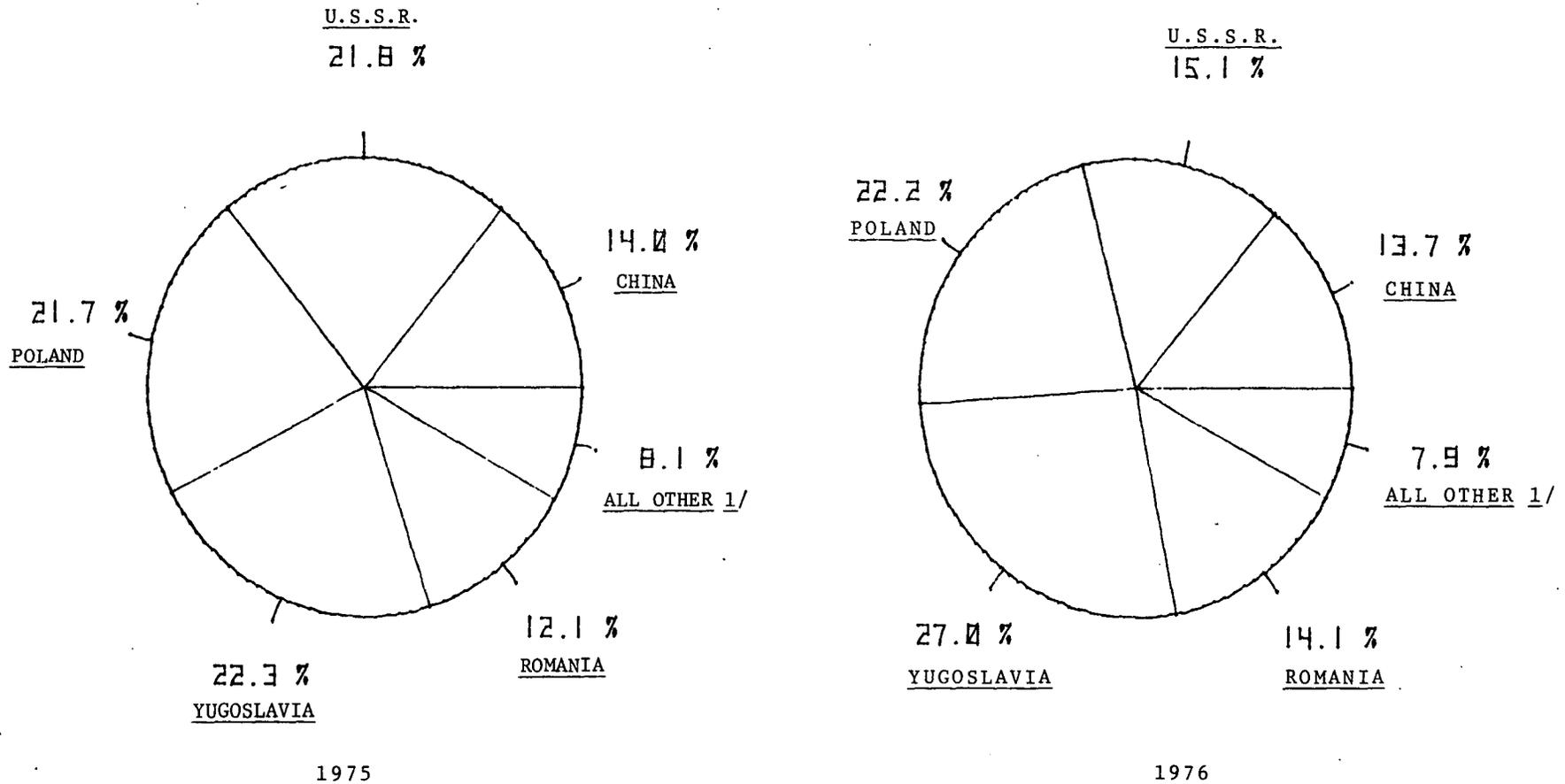
based on larger shipments of antiques, fireworks, cotton clothing, bamboo handicrafts, bristles, feathers, down, and food items. China's imports from the United States fell by over 55 percent in 1976. Reduced Chinese imports of U.S. aluminum, cotton fiber, and machinery accounted for most of the decrease.

Poland, Romania, and Hungary also improved their trade positions with the United States in 1976. For Poland and Romania the improvements were marginal and were based on exports that expanded at a higher rate than imports. Hungary, one of the smaller NME trade partners, was able to cut its U.S. trade deficit nearly two-thirds by reducing its imports 17 percent and increasing its exports 37 percent.

The aggregate trade balance of the NME's as a group with the United States deteriorated again in 1976 as a huge Soviet trade deficit overshadowed the balance-of-trade positions of the other NME's. In 1976 the Soviet trade deficit with the United States was \$2.1 billion, bringing to \$5.4 billion the aggregate Soviet deficit over the last four years. Large grain exports, equalling nearly 60 percent of total U.S. exports to the Soviet Union, were responsible for the size of the deficit. U.S. imports from the Soviet Union declined for the second straight year and were at the same level as in 1973.

Figures 1 and 2 show how the Soviet trade imbalance affects the distribution of U.S. trade with the NME's. On the import side only 15.1 percent of all U.S. imports from the NME's came from the U.S.S.R.

Figure 1.--Relative shares of U.S. imports from the nonmarket economy countries in 1975 and 1976



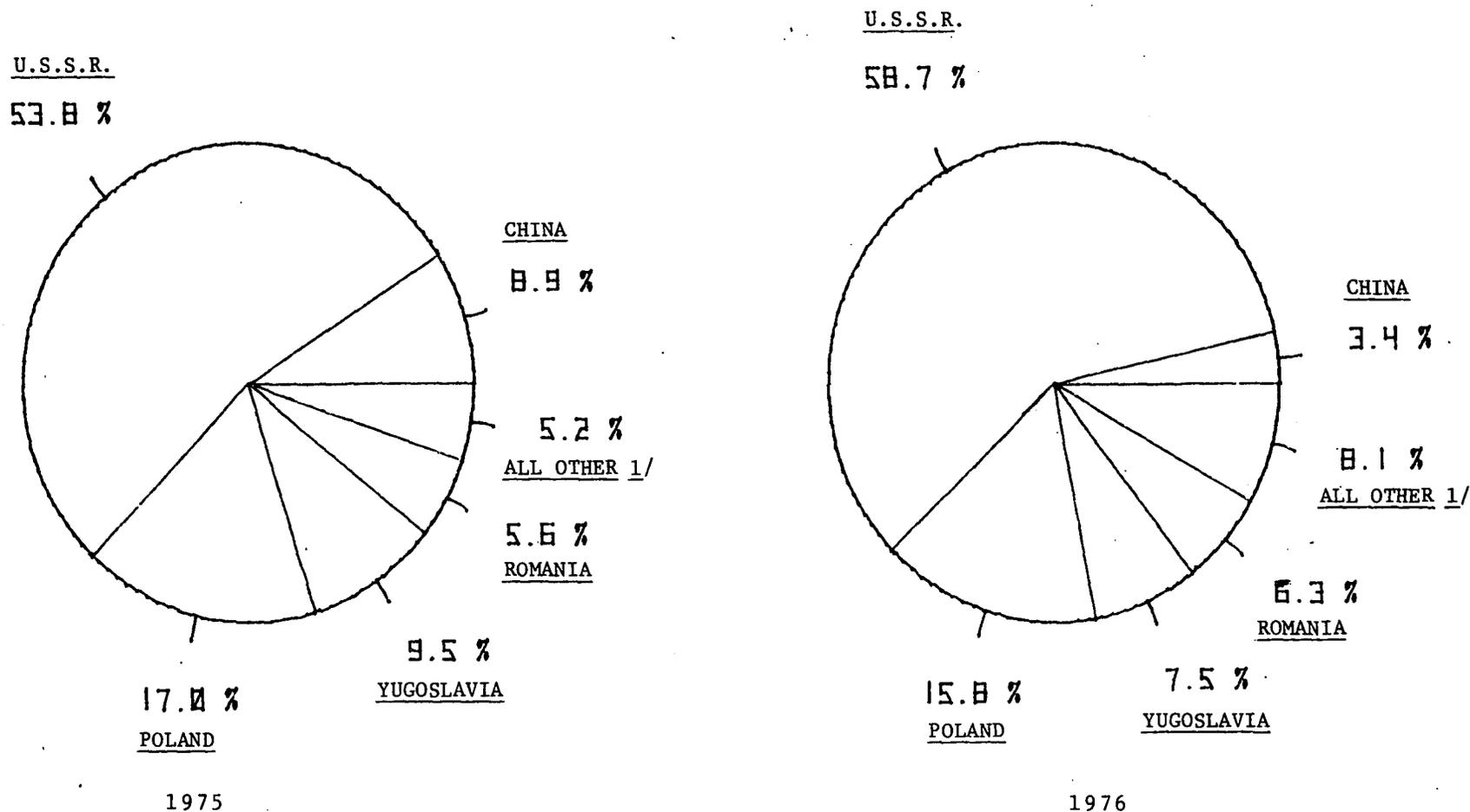
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1/ Czechoslovakia, German Democratic Republic, Hungary, Bulgaria, Albania, Cuba, and Mongolia.

Source: Based on data in table 4 .

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

Figure 2.--Relative shares of U.S. exports to the nonmarket economy countries in 1975 and 1976



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

Source: Based on data in table 3 .

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

in 1976, placing the country third among the NME's as a source of U.S. imports. On the export side, shipments to the Soviet Union dominate U.S. exports to the NME's, accounting for 58.7 percent of all U.S. exports to the NME's in 1976. Comparing the two years shown in figures 1 and 2, Romania surpassed China in both imports and exports, and Yugoslavia significantly increased its share of total U.S. imports from the NME's while the Soviet's share was declining. Otherwise, the changes were minimal.

Table 5 shows U.S. exports of cereal grains to the NME's in 1975 and 1976. The \$1.9 billion in grain shipments to the NME's in 1976 totalled nearly one-half of all exports to these countries. The value of the shipments rose by nearly \$460 million, or 32 percent, as exports to all of the countries listed in table 5 increased. The increase is notable because the export unit value of cereal products declined by about 12 percent in 1976. In 1977 exports of cereal products to the NME's will almost certainly drop below the levels reached in 1976. A record 1976 grain crop in the Soviet Union and fair-to-good crops in most other NME countries will keep demand for grain products at a moderate level. Long-term grain agreements and understandings with the U.S.S.R., Poland, and German Democratic Republic, however, will insure significant U.S. exports of grain to these countries for the next five years. In 1976 nearly 14.5 million metric tons of grain were shipped to these three countries. 1/ Under

1/ This figure does not include an estimated 2 million tons that were transshipped to the G.D.R. through Western Europe.

Table 5.--U.S. exports of cereals and cereal preparations to the nonmarket economies and to the world in 1975, 1976, 4th quarter 1975, 4th quarter 1976 1/

(In thousands of U.S. dollars)

Country	1975	1976	4th quarter 1975	4th quarter 1976
Bulgaria-----	14,780	28,455	0	7
Czechoslovakia-----	62	69,680	29	31,781
German Democratic Republic-----	6,816	48,742	4,060	14,314
Hungary-----	92	411	0	0
Poland-----	255,243	346,737	124,327	58,787
Romania-----	73,716	74,039	0	29,479
U.S.S.R-----	1,105,488	1,346,938	630,054	198,543
Yugoslavia-----	42	155	11	8
Total-----	1,456,239	1,915,157	758,481	332,909
Total U.S. cereal exports to the world-----	11,643,083	10,910,926	4,085,689	2,669,514
U.S. exports of cereals to the nonmarket economies as a percent of total cereal exports-----	12.5	17.6	18.6	12.5

1/ Based on schedule B, division 04.

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

the terms of the agreements and understandings a minimum of 9.5 million metric tons will be exported to them in each of the next five years.

A significant decrease in U.S. grain exports to the NME's in 1977 may well result in a decline in two-way trade between the United States and the NME's. That total exports will decline seems almost certain. In addition to smaller grain exports, U.S. exports of machinery and equipment may also fall. The Soviet Union has been directing its purchases of these products away from the United States because the United States has not granted most-favored-nation (MFN) status to the U.S.S.R. Since it is unlikely that the growth in imports from the NME's will offset the expected fall in exports, total U.S.-NME trade may decline in 1977.

The improved trade balance of the NME's with the United States in 1976 was paralleled by an improvement in their trade balance with the West. Data for the first nine months of 1976 from the International Monetary Fund show that the deficit with the industrial West for the 12 NME countries included in this report was \$7.5 billion compared with a deficit of \$9.7 billion for the corresponding period in 1975. 1/ The U.S.S.R., which suffered a hard currency trade deficit of about \$6 billion in 1975, reduced its negative trade balance in 1976 to an estimated \$5 billion. Among the larger NME countries, only Poland saw its hard currency deficit increase in 1976.

1/ International Monetary Fund, Direction of Trade, I.M.F., Washington, D.C., Jan. 1977.

The imbalance in MNE trade with the West during 1976, although better than the results of 1975, contributed to the growing hard currency debt of the NME's. At the end of 1975 these debts were estimated to range between \$40 billion and \$46 billion, and by the end of 1976 the debts had grown to between \$52 and \$58 billion. The three largest debtors are the Soviet Union, with hard currency debts of \$14-\$16 billion; Poland, with debts of \$9.5-\$10.5 billion; and Yugoslavia, with debts of about \$7.7 billion. Of the three countries, Poland's debt is considered the most worrisome. The Soviet Union has vast natural resources which are excellent hard currency earners. Yugoslavia has significant hard currency earnings from tourism, worker remittances, and services. In addition, Yugoslavia has access to the credit of the International Monetary Fund and the World Bank. Poland has large coal deposits and is not energy dependent as are other East European countries, but problems in the agricultural sector and sluggish demand in the West for Poland's exports have put in doubt Poland's plans to reverse its Western trade deficits by 1980. While no alarm has surfaced over the debts of Poland and other East European NME's, in the past year there has been a greater concern voiced over the increasing level of the debt.

An increasing amount of concern was expressed in 1976 that products from the NME's were disrupting domestic markets. In a few cases, such as footwear, ferrochromium, and cotton headwear, escape clause

proceedings were launched because of the concern about imports of these products from all sources. U.S.-NME trade on some important items will be affected, however, if decisions are forthcoming from these proceedings to restrain imports of these products. Next, the United States took unilateral action under the terms of the Multi-fiber Arrangement to impose quotas on imports of certain Romanian suits of manmade and woolen materials. In another action that may affect imports from Romania, the U.S. Treasury Department found that Romanian sheet glass was being sold in the United States at less-than-fair value. The U.S. International Trade Commission is now conducting an investigation to determine whether imports of sheet glass from Romania have caused or may cause injury to a domestic industry. Finally, domestic producers of fireworks, wrought aluminum, rabbit meat, cotton textiles, and copper conductor expressed concern over imports from the NME's during 1976. 1/

1/ In the Trade Act of 1974 a special provision (Sec. 406) was included that addresses itself specifically to market disruption caused by products from NME's. To date no investigation has been instituted under this law.

Table 6.--Commodity composition of U.S. exports to the nonmarket economies in the 4th quarter of 1976

(In thousands of U.S. dollars)

SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czecho-slovakia	German Democratic Republic	Hungary	People's Republic of China	People's Rep. of Mongolia	Poland	Romania	U.S.S.R.	Yugo-slavia	Total <u>1/</u>
0	Food and live animals--	0	1,888	0	36,479	14,314	2,570	0	0	76,375	32,013	199,782	865	364,286
1	Beverages and tobacco--	0	0	0	509	0	2	0	0	1,206	0	253	348	2,318
2	Crude materials--in- edible, except fuel--	0	149	0	9,327	1,070	1,482	0	0	8,811	11,034	68,211	5,964	106,048
3	Mineral fuels, lubricants, etc-----	0	2	0	12	0	3	51	0	26	6,098	4,749	5,352	16,293
4	Oils and fats--animal and vegetable-----	0	0	0	0	870	0	0	0	1,010	0	0	0	1,880
5	Chemicals-----	0	688	0	282	19	2,571	1,428	0	6,141	520	8,267	13,690	33,606
6	Manufactured goods, classified by chief material-----	0	26	0	301	30	451	76	0	3,332	8,759	48,138	3,009	64,122
7	Machinery and trans- port equipment-----	0	805	0	3,879	2,114	3,073	7,801	6	24,907	10,735	131,257	60,051	244,628
8	Miscellaneous manu- factured articles----	0	327	13	537	202	533	800	0	2,778	811	7,704	2,352	16,057
9	Commodities and trans- actions not elsewhere classified-----	0	8	0	131	8	22	0	0	259	33	267	156	884
	Total <u>1/</u> -----	0	3,893	13	51,456	18,627	10,706	10,156	6	124,845	70,003	468,628	91,788	850,120

1/ Totals may not add exactly because of rounding.

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

Table 7.--Commodity composition of U.S. imports from the nonmarket economies in the 4th quarter of 1976

(In thousands of U.S. dollars)

SITC commodity code No.	Description	Albania	Bulgaria	Cuba	Czecho-slovakia	German Democratic Republic	Hungary	People's Republic of China	People's Republic of Mongolia	Poland	Romania	U.S.S.R.	Yugo-slavia	Total <u>1/</u>
0	Food and live animals--	0	355	0	558	0	5,450	5,846	0	36,179	4,488	372	11,314	64,562
1	Beverages and tobacco--	0	2,879	0	114	12	100	53	0	198	171	349	5,098	8,974
2	Crude materials--in-													
	edible, except fuel--	1,479	60	24	5	42	22	11,365	398	1,349	1,393	10,804	2,250	29,191
3	Mineral fuels, lubricants, etc-----	0	0	0	0	160	0	1	0	2,151	15,607	20,442	0	38,361
4	Oils and fats--animal and vegetable-----	0	0	0	0	0	0	14	0	0	0	1	1	16
5	Chemicals-----	5	176	0	440	451	1,144	5,407	0	5,419	5,044	1,109	2,407	21,602
6	Manufactured goods, classified by chief material-----	0	5	0	2,406	512	1,797	14,853	0	13,178	5,037	16,946	37,010	91,744
7	Machinery and transport equipment-----	0	138	0	1,833	1,295	3,527	242	0	5,971	4,866	1,174	6,621	25,667
8	Miscellaneous manufactured articles----	0	23	1	3,190	830	811	15,119	11	17,267	14,281	4,915	25,836	82,284
9	Commodities and transport actions not elsewhere classified-----	0	12	0	62	51	18	653	0	455	47	848	275	2,421
	Total <u>1/</u> -----	1,484	3,648	25	8,608	3,354	12,868	194,649	409	82,168	50,933	56,961	90,811	364,821

1/ Totals may not add exactly because of rounding.

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

Soviet Union

Two-way trade between the United States and the Soviet Union reached a new high of \$2.5 billion in 1976, 20 percent above the 1975 level. The record came on the basis of expanding U.S. exports, which reached \$2.3 billion. U.S. imports, at \$215 million, continued to decline from the high reached in 1974, registering a 36 percent decrease from the 1974 level and a 12 percent decrease since 1975.

U.S. imports of mineral fuels and lubricants (group 3, table 8) declined substantially. Although mineral fuel oil remained the single most important U.S. import item, imports of all fuel oils except crude petroleum declined from 1975 levels. While the drop in U.S. imports of Soviet mineral fuels and lubricants was quite sharp, from \$95.7 million in 1975 to \$54.1 million in 1976, this change was small in relation to total U.S. imports of these products from all sources and could have been the result of shifts in supply and demand conditions at certain U.S. points of entry. Despite the drop in exports to the United States, Soviet sales of petroleum and gas to the West increased markedly in 1976, earning the Soviets needed hard currency.

The Soviet Union relies upon petroleum and gas exports as the country's biggest foreign exchange earners, especially since OPEC actions increased the prices of these products in 1973. The country also needs growing energy supplies for its own economy. Existing oil and gas fields in Soviet Russia are reaching their peak production capacity while vast oil and gas reserves in Siberia lie largely

Table 8.--U.S. trade with U.S.S.R. in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	15	291,553	1,112,858	1,358,562
1	Beverages and tobacco-----	896	714	559	1,137
2	Crude materials--inedible, except fuel-----	18,015	24,913	29,467	141,399
3	Mineral fuels, lubricants, etc-----	15	1,336	3,195	9,273
4	Oil and fats--animal and vegetable-----	0	0	13,989	16
5	Chemicals-----	20,636	28,017	44,423	37,423
6	Manufactured goods classified by chief material-----	685	27,429	52,402	116,282
7	Machinery and transport equipment-----	14,997	224,546	546,860	604,799
8	Miscellaneous manufactured articles-----	1,916	12,529	26,430	35,581
9	Commodities and transactions not elsewhere classified-----	206	852	2,423	1,465
	Total 1/-----	57,403	611,888	1,832,607	2,305,934

U.S. IMPORTS					
Sched. A number	Commodity	1968 2/	1974 3/	1975 3/	1976 3/
0	Food and live animals-----	327	626	308	881
1	Beverages and tobacco-----	79	375	711	902
2	Crude materials--inedible, except fuel-----	15,506	19,169	41,381	49,347
3	Mineral fuels, lubricants, etc-----	5	105,814	95,700	54,090
4	Oil and fats--animal and vegetable-----	2	2	188	2
5	Chemicals-----	1,017	10,103	5,215	5,926
6	Manufactured goods classified by chief material-----	39,636	192,662	87,712	81,008
7	Machinery and transport equipment-----	188	1,732	5,125	4,158
8	Miscellaneous manufactured articles-----	1,071	2,392	4,873	16,368
9	Commodities and transactions not elsewhere classified-----	195	1,146	1,197	1,875
	Total 1/-----	58,024	334,020	242,411	214,556

1/ Because of rounding the sum of the column may not equal the total.

2/ U.S. general imports

3/ U.S. imports for consumption.

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

untouched because the requisite capital and technology to develop these reserves are not available. Paradoxically, the oil and gas under the Siberian tundra represent the surest way to earn foreign currency with which to buy energy-extracting machinery and technology. Soviet efforts to borrow the needed foreign capital have met with only partial success. One reason for the Soviet's inability to finance all of the energy projects that they desire is that the United States passed legislation in 1974--the Trade Act and amendments to the Export Import Bank Act--that limited the U.S. credit available for such projects.

United States imports of manufactured goods classified by chief material (group 6, table 8) also declined in 1976, by nearly \$7 million. This was partly due to a \$5 million decrease in imports of platinum group metals. Within the group, imports of palladium increased from \$1.5 million in 1975 to \$17.8 million in 1976, while imports of rhodium declined from \$17.6 million in 1975 to \$3.2 million in 1976. The increase in palladium imports can be attributed to the natural business rebound that occurred in 1976. There were reports of large purchases of rhodium in Europe in 1976, presumably from the U.S.S.R., coincident with an announcement by one European automobile manufacturer that it was planning to use rhodium catalytic converters in 1977 to eliminate pollution. If European automobile companies were buying up the limited supply of rhodium, less would be available for purchase by the United States.

The value of Soviet cut diamonds imported by the United States increased from \$9.2 million in 1975 to \$10.6 million in 1976. In recent years the Soviet Union has been stressing the sale of cut diamonds instead of selling mainly the rough, unprocessed stones as they had done in the past. The reason for the switch is that the U.S.S.R. can earn more foreign currency by selling the processed gems with their greater value added content.

It seems clear that total U.S. imports of cut diamonds contain more gems of Soviet origin than is stated in U.S. trade data because most U.S. diamond imports are from the gem trading centers in Western Europe where diamond mining countries, including the U.S.S.R., send their wares for marketing.

Imports of chrome ore dropped from \$24.4 million in 1975 to \$21.0 million in 1976. Chrome ore is purchased on the basis of its Cr_2O_3 (chromic oxide) content. 1/ Over 75 percent (based on value) of the chrome ore supplied by the Soviet Union is of the highest grade. On the basis of the chrome content of the various ore grades, the U.S.S.R. supplied the United States with 53 percent of the contained chrome imports in 1974, 48 percent in 1975, and 33 percent in 1976. There are three reasons for the reduced imports of chrome ore from the Soviet Union in 1976. First, only one U.S. import company has rights

1/ High grade ore, used in metallurgical applications, contains over 46 percent chromic oxide. Middle grade ore, used for chemical manufacturing, contains between 40 and 46 percent chromic oxide, while lower grade ore, used for refractory purposes, contains less than 40 percent chromic oxide.

to Soviet chrome ore. In the past, this company sold its chrome ore to other U.S. firms which then produced ferroalloys, but several years ago this company purchased a plant to produce ferroalloys itself and thus cut off its main customer from Soviet ore imports. The former customer then signed a long-term contract with Finland with deliveries beginning in 1976. Second, the Soviets are using more ore domestically. Third, there is reduced demand in the United States for chrome ore since imports of ferrochrome alloys from Japan, Rhodesia, and South Africa have been increasing. While there is no column 1 or Column 2 duty on chrome ore, the differential between column 1 and column 2 rates for ferrochrome alloys is substantial.

Of the top 20 U.S. imports from the U.S.S.R., 12 entered duty-free and 4 entered at a duty rate less than 5 percentage points higher than the column 1 rate. The only 4 items to enter with substantial column 2 tariff discrimination were diamonds, both under and over 1/2 carat, inorganic oxides, and ordinary glass. These items accounted for 8 percent of the value of the top 20 imports (see table A-1 in the appendix).

U.S. exports to the Soviet Union totalled \$2.3 billion in 1976, exceeding 1975 exports by \$473 million. By far the largest export category was food and live animals, with shipments of \$1.36 billion. Machinery and transport equipment, valued at \$604 million, was the next largest export category.

Of the U.S. food and live animal exports, over \$1.1 billion consisted of corn, weighing 9.4 million metric tons, with another \$250 thousand of wheat, weighing 1.7 million metric tons. The large grain shipments to the U.S.S.R. in 1976 were sales that were made after the very low grain harvest in the Soviet Union in 1975. The total 11.3 million metric tons of grain shipped to the U.S.S.R. in 1976 represented the largest amount of grain exported to that country since 1973 when 14.3 million metric tons were shipped. 1/

The Soviet Union announced a record 223.8-million-ton grain harvest for 1976, approximately 90 million tons greater than the 1975 harvest. Soviet officials noted that the harvest was adequate for the country's needs. Nevertheless, under the terms of an agreement signed in 1975, the United States will continue supplying the Soviet Union with substantial quantities of grain for the five-year period that began in October 1976. The agreement provides that the U.S.S.R. will purchase a minimum of 6 million tons of grain annually. To fulfill this requirement in the first year of the agreement (October 1976-September 1977), the Soviets have purchased 6.4 million tons of grain--2.9 million tons of wheat, and 3.5 million tons of corn--for delivery during the period.

Besides grain, another important agricultural export item in 1976 was soybeans. Exports totalled 579 thousand metric tons valued at

1/ Data are from Foreign Agricultural Trade of the United States (FATUS), Feb. 1977, Economic Research Service, U.S. Department of Agriculture.

\$126 million, up from 15 thousand tons in the previous year. The increase was caused by a poor Soviet sunflower-seed harvest in 1975. The heavy shipments of soybeans will continue into 1977 because the Soviets made large purchases for shipment from the 1976 crop.

U.S. sales of machinery and transport equipment to the U.S.S.R. increased from \$546 million in 1975 to \$604 million in 1976. The types of products exported were diverse, including more than \$108 million of agricultural machinery (of which 98 percent were tractors) and nearly \$40 million of pumps (of which over half were oil-well/field pumps). The value of gas turbine exports declined from \$47.2 million in 1975 to \$14.5 million in 1976. Other major export products included molding and foundry machines, metalworking machinery, computers (\$13.4 million), knitting machinery, and construction equipment.

Although Soviet imports of U.S. capital goods increased somewhat in 1976, the growth rate may reverse in 1977 because of the Soviet reaction to the restrictions in the Trade Act of 1974 and the subsequent shift of the Soviets to other sources for capital goods purchases. The shift away from U.S. sources began soon after the passage of the Trade Act, but the backlog of orders placed before the act's passage insured the growth in capital exports during the last two years. Sources in U.S. business have estimated that the loss in export orders has been \$1 billion. Soviet Party Chairman Brezhnev, on the

other hand, has said that the losses were \$2 billion. Mr. Brezhnev gave his estimate during a speech delivered at the December meeting of the American-Soviet Trade and Economic Council which met in Moscow.

From a level of \$1,591 million in 1975, the Soviet trade deficit with the United States grew to \$2,091 million in 1976. The deficit with the United States represents about 40 percent of the Soviet's estimated \$5 billion hard currency deficit for the year. Much of the trade deficit was covered by sales of items such as gold, diamonds, and military goods as well as by income from services. Nevertheless, Soviet debt to the West increased somewhat in 1976 and estimates now place this debt between \$14.0 and \$16.2 billion. 1/

The Soviet's hard currency trade deficit of \$5 billion in 1976 was a slight improvement compared with that in 1975, when the deficit exceeded \$6 billion. Besides trade, there were many other sectors of the Soviet economy that showed improvements in 1976. The U.S.S.R. Central Statistical Administration reported in January that industrial production increased by 4.8 percent in 1976, exceeding the goal of 4.3 percent. Gross agricultural output, while up by 4 percent, failed to reach the planned goal of an 8-percent increase. Despite the record grain harvest in 1976, agricultural output was hindered by poor results in sunflower seed, potatoes, vegetables, wool, and meat

1/ The low figure was reported in International Economic Report of the President, Jan. 1977, p. 65. The high figure is from East West Markets, Mar. 7, 1977, p. 8.

output. The Soviets reported that sectors of industry overfulfilled the plan, including the gas industry, automobile production, electric power, coal, and agricultural machinery. 1/

1/ Pravda, as reported in FBIS-SOV-77-16.

People's Republic of China

In 1976 total trade between the United States and China fell by nearly 30 percent from the 1975 level. The decline came as a result of a sharp drop in U.S. exports to China (see table 9). Imports, on the other hand, increased by nearly \$40 million. These opposite movements produced a deficit in U.S. trade with China, the first since 1971. Sandwiched between the 1976 deficit of \$60 million and the \$5 million deficit of 1971 were four years of surpluses with an aggregate value of \$1.5 billion.

Since trade with China was resumed in 1971, after a twenty year hiatus, U.S. imports have grown at a steady, if unspectacular, pace. From 1971 through 1976 the average yearly increase in imports has been \$38 million, and in no year during this period have imports declined. Exports, on the other hand, have been quite erratic, increasing more than tenfold between 1972 and 1973 when they reached \$689 million, peaking at \$820 million in 1974, and declining very rapidly in the past two years.

Large exports of agricultural commodities--particularly wheat, corn, and cotton--were responsible for the high export levels of 1973 and 1974. The Chinese purchased these products after a rather poor harvest in 1972. After the return to normal harvest and after replenishing grain reserves, China ceased purchases of U.S. grain. No U.S. grain has been shipped to China in the last two years. China usually buys some wheat every year to offset

Table 9.--U.S. trade with People's Republic of China in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	0	329,699	15	0
1	Beverages and tobacco-----	0	2,718	0	1
2	Crude materials--inedible, except fuel-----	0	341,432	100,133	13,020
3	Mineral fuels, lubricants, etc-----	0	230	200	108
4	Oil and fats--animal and vegetable-----	0	7,539	7	0
5	Chemicals-----	Z	10,475	5,278	10,443
6	Manufactured goods classified by chief material-----	0	18,587	73,751	43,300
7	Machinery and transport equipment-----	0	106,754	118,803	65,118
8	Miscellaneous manufactured articles-----	0	2,706	4,974	3,380
9	Commodities and transactions not elsewhere classified-----	0	319	471	17
	Total <u>1/</u> -----	Z	820,480	303,631	135,388

U.S. IMPORTS

Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	0	13,465	14,233	23,505
1	Beverages and tobacco-----	0	576	1,240	245
2	Crude materials--inedible, except fuel-----	0	16,194	17,709	37,603
3	Mineral fuels, lubricants, etc-----	0	11	0	1
4	Oil and fats--animal and vegetable-----	0	373	1,905	2,429
5	Chemicals-----	0	16,975	15,166	17,701
6	Manufactured goods classified by chief material-----	0	38,993	79,741	63,972
7	Machinery and transport equipment-----	Z	91	297	906
8	Miscellaneous manufactured articles-----	0	17,966	24,416	46,646
9	Commodities and transactions not elsewhere classified-----	0	1,109	1,563	1,641
	Total <u>1/</u> -----	Z	105,756	156,271	194,649

1/ Because of rounding the sum of the column may not equal the total.

2/ U.S. general imports

3/ U.S. imports for consumption.

Z - Amount less than smallest rounded unit.

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

exports of rice. For these normal purchases China has relied on imports from Canada and Australia, but in 1976 even these purchases were below accustomed levels. 1/

China imports cotton annually, principally from developing countries, to supplement its own substantial supplies. In the 1972-74 period China increased its imports of cotton fiber, buying large quantities from the United States and other sources. The combination of a good harvest in 1974 and depressed markets for China's textile exports reduced the level of China's cotton imports after this period. In 1974 the U.S. shipped \$185 million of cotton to China. The value of U.S. cotton shipments fell to \$80 million in 1975, and in 1976 there were no cotton exports to China.

Although the U.S. shipped no cotton to China in 1976, exports of polyester staple fiber increased from \$1.6 million in 1975 to \$7.5 million in 1976. This increase is in line with China's plans to expand the share of manmade fibers in the country's textile production. To this end the most important development has been the construction of new petrochemical plants to produce polyester fibers.

The decline in U.S. exports to China in 1976 was across the whole range of products (table 9 and appendix table A-4). Aluminum ingot exports to China fell from \$39.5 million to \$25.6 million

1/ China declined to renew long-term grain purchase agreements with Australia and Canada when these agreements expired in late 1976. China instead bought about one-half of its normal purchases on a short-term basis. This situation changed abruptly in February and March when the PRC contracted to buy approximately 5 million tons of foreign grain, more than in any year since 1974. Reports of drought conditions in the wheat-growing areas of China together with speculation that China's 1976 crop was not as good as China had reported have been given as reasons for the heavy purchases.

between 1975 and 1976. This drop explains much of the change in exports of group 6 in table 9. Also, the value of machinery and transport equipment shipments (group 7) fell by nearly half.

The United States was not alone in experiencing a decline in exports to China during 1976. Estimates are that China's imports fell by as much as 20 percent in 1976 compared with imports in the previous year. The reasons for the decline are the large trade deficits experienced by China in 1974 and 1975, the destructive earthquakes that hit the country during the summer, the disruptive events surrounding the death of Mao, and the fall of the ideologically autarkical group led by the so-called "gang of four". Developments during the latter months of 1976, however, point toward expanded trade in 1977 and beyond. First, early indications are that China enjoyed a **substantial** trade surplus in 1976, after two years of large deficits. A surplus would help to restore China's foreign exchange reserves which had been depleted in the previous two years. Second, the ouster of the "radicals" from the Chinese government in the fall has been followed by clear signs that the Chinese intend to place more emphasis on trade, including the purchase of foreign technology. The assumption of power by the moderates has included a new affirmation of the goal of the late Premier Chou En-Lai to accomplish a comprehensive modernization of the Chinese economy by the year 2000.

In 1976 U.S. imports from China increased by nearly one-fourth over 1975 levels, compared with estimates of a 3 to 4 percent increase in China's total exports. The increase in U.S. imports from China occurred over a wide range of products, except for tin. The amount of tin imports from China fell from 14.1 million pounds, valued at \$39.8 million, in 1975 to 3.8 million pounds, valued at \$13.2 million, in 1976. Nevertheless, tin remained the leading import item in 1976 (see table A-3). The trend in tin imports from China was contrary to the movement in total U.S. tin consumption, which was up by 16 percent in 1976, and in total U.S. tin imports, which increased by 2 percent over 1975 levels. China sold extraordinarily large amounts of tin in 1975 as the country depleted its reserves, probably to help balance its trade deficits. In 1976 the supply of Chinese tin was not adequate to meet demand, and exports fell. The tin that China had available for export in 1976 came with much higher price tags. The average unit value of U.S. tin imports from China in 1976 was 6 percent greater than the unit value of total U.S. imports of this product. In 1975, the unit value of imports of Chinese tin had been nearly 12 percent below the average unit value of total tin imports.

The importation of Chinese cotton textiles and cotton clothing increased in 1976. In 1975, 140.3 million equivalent square yards of cotton products were imported. For 1976 the imports grew to 148.6

million equivalent square yards. Despite the increase in the aggregate amount of imports of these products, the trend of the imports fell during the year. The surge in U.S. imports of cotton products from China occurred during the last months of 1975 and early 1976. Since mid-1976 the amounts of these imports have fallen somewhat. Most of the cotton product imports from China consist of rather coarse fabrics such as carded print cloth shirting and carded sheeting. Among the leading cotton clothing imports were sport shirts, gloves and mittens, and hats.

U.S. manufacturers expressed some concern about cotton products imported from China in 1976, as well as fireworks and frozen rabbit meat. In the case of fireworks, the quantity of imports increased by 6.2 million pounds, nearly 90 percent more than in 1975. Chinese fireworks accounted for 62 percent by weight of all U.S. imports of this item in 1976 compared with 54 percent in 1975. Some of the increases in imports of fireworks, from China and other sources, can be attributed to the bicentennial celebrations. Imports of frozen rabbit meat from China fell by one-half compared with those in 1975, and amounted to \$367 thousand. Despite the decrease in 1976, future imports of this item may increase. A recent announcement by the Chinese indicates that a new refrigeration plant for the processing of chickens and rabbits for export has been put into operation.

In other import developments, shipments of antimony oxide from China increased by over 1.5 million pounds to 2.6 million pounds with a value of \$3.4 million; concurrently, U.S. imports of antimony metal fell. The reasons for these diverse movements are that less antimony metal is being demanded for automobile batteries as manufacturers switch to the new long-lived battery. On the other hand, antimony oxide, a chemical fire retardant, is in increasing demand as new federal regulations are put into effect. U.S. imports of Chinese pig bristles increased in value by nearly \$5 million in 1976. This item is a traditional import item from China and brush manufacturers prefer it for its high quality. Imports of many handicraft items, often made of rattan, increased markedly in 1976.

Poland

Two-way trade between Poland and the United States reached \$935 million in 1976, falling short of the expected \$1 billion mark. U.S. exports increased 7 percent to \$621 million while U.S. imports increased 30 percent to \$314 million thus maintaining the imbalance which has existed in U.S.-Polish trade since 1972.

Over 46 percent of total U.S. imports consisted of food and live animals (see table 10). The major import item in this group was canned hams weighing over 3 pounds. Imports of this product increased from \$97 million in 1975 to \$116 million in 1976, despite the fact that the Polish pig population declined 2.5 million head in two years to 19 million head in October, and Polish canned ham exports to the world declined. Since canned ham is a primary hard currency earner, the Government of Poland intends to regenerate the swine population back to its former level. Other important food imports were canned pork products, cod blocks, and frozen strawberries.

The next largest group of imports was miscellaneous manufactured articles, with \$58.5 million worth of merchandise entering in 1976. One-third of this consisted of footwear, almost \$20 million in 1976 compared with slightly over \$11 million in 1975. The bulk of the footwear imports fell into TSUSA 700.3550, men's leather footwear, cement soles, n.e.s., and TSUSA 700.4540, women's leather footwear, cement soles, valued over \$2.50 per pair. Other items entering in this group included bicycles, textile products, and furniture made of bentwood.

Table 10.--U.S. trade with Poland in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS

Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	40,867	171,543	297,989	430,073
1	Beverages and tobacco-----	1,243	7,772	4,791	6,492
2	Crude materials--inedible, except fuel-----	26,753	73,424	79,385	47,087
3	Mineral fuels, lubricants, etc-----	4	130	238	273
4	Oil and fats--animal and vegetable-----	4,178	10,036	14,184	8,306
5	Chemicals-----	1,748	11,412	20,013	16,062
6	Manufactured goods classified by chief material-----	1,661	28,567	15,707	13,835
7	Machinery and transport equipment-----	4,131	81,315	136,612	89,308
8	Miscellaneous manufactured articles-----	1,310	9,268	8,116	8,550
9	Commodities and transactions not elsewhere classified-----	279	1,122	3,050	1,049
	Total <u>1/</u> -----	82,174	394,588	580,084	621,035

U.S. IMPORTS

Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	45,982	82,108	118,165	144,955
1	Beverages and tobacco-----	328	454	743	529
2	Crude materials--inedible, except fuel-----	6,080	4,736	4,477	7,201
3	Mineral fuels, lubricants, etc-----	228	7,057	2,581	9,197
4	Oil and fats--animal and vegetable-----	41	1,589	547	908
5	Chemicals-----	5,502	18,510	15,067	22,608
6	Manufactured goods classified by chief material-----	32,147	102,754	42,634	50,748
7	Machinery and transport equipment-----	905	16,292	20,949	18,435
8	Miscellaneous manufactured articles-----	5,344	28,859	34,820	58,506
9	Commodities and transactions not elsewhere classified-----	314	816	1,316	1,349
	Total <u>1/</u> -----	96,871	263,173	241,297	314,436

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

Imports of manufactured goods classified by chief material increased 20 percent in 1976 to \$50 million. The major imports in this category were steel plate, nails, and barbed wire.

Another import product from Poland which registered a substantial increase was coal. Imports of lignite and bituminous coal increased from \$2.6 million in 1975 to \$7.5 million in 1976 (see table A-5 in the appendix).

U.S. exports to Poland were dominated by sales of agricultural products. Among these were corn, wheat, soybean oil-cake and meal, grain sorghums, soybeans cotton, barley and fresh lemons. Although Poland's 1976 crop turned out somewhat better than anticipated, considering the drought conditions that plagued Europe during the year, the Poles are still 40-50 percent short of the "protein optimum" necessary to support their livestock program, and, in addition, are importing to build "buffer stocks" against poor-crop years like the past three seasons. During the 1976-77 agricultural cycle currently underway, Poland is expected to buy from the United States a relatively unchanged 3.5 million metric tons of grain, including about two million in corn and sorghum (both for feed) plus 1.5 million in wheat (for bread and feed). The grain imports are necessary to solve Poland's meat supply problem. Not only is meat a prime hard

currency earner but rising incomes in Poland have generated an increasing demand for meat domestically. The situation is aggravated by high food subsidies that result in artificially low domestic prices for food. Proposals to raise these prices in June 1976 were rescinded when widespread public outcries against the price hikes ensued.

In U.S. fiscal year 1976, including the transitional quarter, Poland received \$158.9 million in Commodity Credit Corporation (CCC) credits including \$48.2 million for soybean meal, \$7.2 million for soybeans, \$38.8 million for feed grains, \$39.7 million for wheat, \$9.8 million for cotton, \$4.5 million for tallow, with the remainder for tobacco, rice, soy-protein, and soybean oil. During fiscal 1976, \$148.5 million worth of CCC financed commodities were shipped with the remaining \$11.4 million carrying over into fiscal 1977.

Poland has requested CCC credit of \$500 million for fiscal 1977. During the period between October 1 and December 31, 1976, credit-line commitments to Poland for fiscal 1977 reached \$188.0 million, including the \$11.4 million carryover from fiscal year 1976. This credit covers purchases of \$95.0 million for wheat, \$12.0 million for soy-protein, \$20 million for lard, and \$60 million for feed grain. All credit is in the form of three-year loans repayable at 9 percent interest in three equal installments.

After grain, the next most important export category was machinery and transport equipment. The value of these exports was

\$89 million in 1976, down from \$136 million registered in 1975. Products in this group included tracklaying tractors and parts, presses, industrial process type machines, and metalworking machinery.

The current Polish five-year plan, in contrast to the original plan draft and results of the past quinquennium, forecasts a switch in production emphasis to consumer goods rather than capital goods, higher labor productivity, and less job expansion with a significant realignment of the labor force. Priority areas are agriculture and the food economy, housing, and consumer goods and services for the home market. The plan calls for exports to double while imports rise 26 percent to bring the balance of trade into equilibrium. In spite of this planned slowdown in imports, the new consumer orientation provides opportunities for the export to Poland of machinery and equipment for agriculture and food processing, housing construction, and the manufacture of synthetic fabrics. Accordingly there may be good sales opportunities in Poland for U.S. seed firms, particularly those producing high-yielding corn. There will be fewer opportunities for U.S. firms interested in medium-to-heavy industry projects. Sales will increasingly depend upon the flexibility of the U.S. exporters with regard to counterpurchase and financing arrangements.

During 1976 the Poles issued several decrees designed to allow Western capital investment within the Polish economy. Poland thus

joins Yugoslavia, Romania, and Hungary among the socialist countries that currently permit Western capital investment. Undoubtedly the move by Poland was intended, in part, to improve the country's poor balance-of-payments situation. In 1976 Poland's trade deficit with the West was nearly \$3 billion, an amount greater than 1975's deficit. Poland has experienced significant trade deficits with the West for the last several years and the country's cumulative indebtedness to the West is believed to be in the neighborhood of \$10 billion.

Yugoslavia

Imports of metal products, especially unwrought nonferrous metals, led the 54-percent increase in U.S. imports from Yugoslavia in 1976. After 1975, when imports from Yugoslavia declined slightly, the \$134 million increase in imports in 1976 was more than enough to reverse the positive balance-of-trade position that the United States has enjoyed in its Yugoslav trade for the last 6 years.

The primary reason for the increase in U.S. imports from Yugoslavia was the recovering U.S. economy and the growth in demand for industrial raw materials. No better example of this development can be found than in U.S. imports of Yugoslav unwrought copper. Imports of this product increased 161 percent, from 36.4 million pounds in 1975 to 94.4 million pounds in 1976. The value of this import in 1976 was \$51.9 million, nearly 14 percent of total U.S. imports from Yugoslavia. 1/ Despite the large increase in imports of unwrought copper from Yugoslavia, this increase was not as great as the increase in total U.S. imports of this product and the share of the Yugoslav metal in total imports actually fell.

Other unwrought metal imports from Yugoslavia that increased significantly in 1976 include: unwrought zinc, up 300 percent in

1/ In 1976 Yugoslavia received preferential duty treatment on unwrought copper (TSUS item 612.06) under the Generalized System of Preferences (GSP). However, this treatment has been revoked for Yugoslavia in 1977 because more than \$29.9 million of the article was imported from Yugoslavia in 1976, thereby invoking the "competitive need" requirement of GSP in the 1974 Trade Act. Since the column 1 average ad valorem duty on this product is less than 1 percent, the revocation does not represent a serious setback.

quantity over 1975 levels; unwrought aluminum, up 2300 percent; and unwrought lead, up 116 percent. The shares of unwrought aluminum and zinc from Yugoslavia in total imports of these products in 1976 were 4.7 percent and 4.3 percent. Yugoslav unwrought copper and lead were more important, accounting for 12.3 percent and 15.4 percent of total imports.

Besides the above unwrought nonferrous metals, other metal imports from Yugoslavia that saw increases in 1976 were insulated copper conductor, ferrochrome and ferrosilicon manganese, aluminum sheets, strip, and rod, copper sheets, and brass rods (see appendix table A-7). All of these metal products are classified in group 6, manufactured goods classified by chief material. Table 11 shows that imports in this category rose \$86 million in 1976 and accounted for most of the \$134 million increase in total U.S. imports from Yugoslavia.

Although the U.S. recovery was the principal reason behind the increase in imports from Yugoslavia, there were other factors that deserve mention. First, as a designated beneficiary developing country under the Generalized System of Preferences (GSP), Yugoslavia received special tariff treatment on many products. Among the leading import items that received such duty-free treatment (column 1 duties in parenthesis) were wood chairs (8.5 percent), insulated copper conductors (8.5 percent), aluminum sheets, strip, and plate (7.9 percent ad valorem equivalent, AVE), and copper

Table 11.--U.S. trade with Yugoslavia in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	11,578	83,514	2,996	28,674
1	Beverages and tobacco-----	2,673	6,722	7,276	2,132
2	Crude materials--inedible, except fuel-----	15,668	14,609	17,594	15,413
3	Mineral fuels, lubricants, etc-----	5,638	2,259	6,140	14,418
4	Oil and fats--animal and vegetable-----	1	26,450	34,573	0
5	Chemicals-----	6,445	12,600	15,667	35,297
6	Manufactured goods classified by chief material-----	6,671	12,963	14,256	15,454
7	Machinery and transport equipment-----	35,761	141,101	214,350	175,694
8	Miscellaneous manufactured articles-----	2,564	7,970	9,093	7,637
9	Commodities and transactions not elsewhere classified-----	144	1,609	1,553	694
	Total <u>1/</u> -----	87,144	309,793	323,499	295,413

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	11,832	26,547	45,261	49,127
1	Beverages and tobacco-----	10,963	15,048	12,995	20,133
2	Crude materials--inedible, except fuel-----	4,998	7,365	5,847	7,165
3	Mineral fuels, lubricants, etc-----	0	468	6,565	1,801
4	Oil and fats--animal and vegetable-----	0	0	1	2
5	Chemicals-----	2,164	11,695	7,725	9,752
6	Manufactured goods classified by chief material-----	40,995	119,109	82,437	167,593
7	Machinery and transport equipment-----	10,880	18,603	11,415	24,384
8	Miscellaneous manufactured articles-----	19,948	68,566	75,362	101,902
9	Commodities and transactions not elsewhere classified-----	668	984	1,279	1,240
	Total <u>1/</u> -----	102,448	268,385	248,887	383,099

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

sheets (5.4 percent AVE). Next, regulations were adopted by Yugoslavia in late 1975 to slow imports and help reverse the Yugoslav balance of trade which had been deteriorating. These regulations contained incentives to spur Yugoslav exports. Since economic recovery in Western Europe, Yugoslavia's natural trading partner in the West, lagged behind recovery in the United States, Yugoslavia became more aggressive in marketing its products in the United States.

On the export side, U.S. shipments to Yugoslavia declined 8.7 percent in 1976, compared with those in the previous year. Although there were large increases in exports of soybean oil-cake and certain chemicals (mainly diammonium phosphate and vinyl chloride monomer), these increases were more than offset by smaller Yugoslav purchases of soybean oil, aircraft, gas turbines, computers, and rolling mill machinery, among other items. The reduced U.S. exports to Yugoslavia were primarily the result of the import restrictions imposed by the Yugoslavs in late 1975. These restrictions began to be lifted late in 1976 as Yugoslavia experienced a much improved balance of trade. Also, investment in Yugoslavia began to fall in late 1975, and there was a low rate of investment throughout 1976. This factor probably contributed to the decline in U.S. shipments of machinery and transport equipment in 1976 (see group 7 in table 11).

Yugoslavia's positive trade balance with the United States in 1976 was only one sign of a generally improved economic situation

in that country. In Yugoslavia's trade with the industrialized West (including the United States), exports increased by 40 percent while imports fell by 14 percent. The Yugoslav trade deficit with the world in 1976 was \$2.5 billion, down sharply from the \$3.6 billion deficit in 1975. Record remittances of nearly \$2 billion from Yugoslav workers abroad and a large tourist income resulted in a small positive balance of payments in 1976, compared with red ink of over \$1 billion in 1975. The net foreign exchange earnings probably mean that the Yugoslavs will be able to reduce their estimated \$7.7 billion in foreign debt during 1977.

In other areas of the economy there were also improvements. The rate of inflation was halved to about 12 percent in 1976. However, the battle against inflation continues with some sign that prices were beginning to speed up in early 1977. In agriculture, production was up by about 5 percent in 1976. Wheat, corn, sunflower seed, and sugar beet crops were all good, but fruit output was down. In the livestock sector, there have been interesting developments in hog meat exports. After a heavy slaughter in 1975 that reduced supplies, the number of hogs began to recover in 1976, aided by good corn crops in the last two years. The shortage of pork for export in 1976 was evident from Yugoslav data that showed pork exports in the first ten months of 1976 at 6,300 metric tons, compared with 16,000 tons for the corresponding period in 1975. Despite the drop in total pork exports in 1976, shipments to the United States increased. United

States data show that in 1976 imports of pork from Yugoslavia totaled 30,421 pounds, up from 26,570 pounds in 1975.

Romania

Trade between the United States and Romania reached \$449 million in 1976, exceeding the previous record of \$403 million registered in 1974. Imports increased 48.2 percent from \$135 million to \$200 million while exports increased 31.6 percent from \$189 million to \$249 million. Almost two-thirds of the exports were shipped in the second half of 1976. Trade in 1977 is expected to exceed \$500 million and may be as high as \$550 million. Both Romania and the U.S. hope that the trade level will reach \$1 billion by 1980.

The third session of the Joint American-Romanian Economic Commission took place on November 22-23, 1976. The U.S. delegation was headed by former Secretary of Commerce Elliot L. Richardson. Secretary Richardson and Romanian Deputy Prime Minister and Minister of Foreign Trade and International Economic Cooperation, Ion Patan, examined the current stage and prospects of Romanian-U.S. commercial relations, as well as the specific issues of bilateral cooperation, business facilitation, contract negotiation and fulfillment, trade promotion, U.S. export controls, financing and credits, information exchange, and U.S. antidumping laws and procedures. In addition, they signed the Long-Term Agreement on Economic, Industrial, and Technical Cooperation. This 10-year agreement provides a framework for cooperation through contractual arrangements between firms, companies, and economic organizations in the two countries. The Romanians are interested in expanding cooperation in various industrial fields (electronics, aviation, calculators and computers, compressors, rolling mills, foundry

equipment, equipment for the chemical and petrochemical industry, and mining and geological exploration equipment), and in agriculture and the banking sector. For Romania, the objective of the agreement is to gain access to Western technology so that they may export more finished industrial products.

Nevertheless, in spite of the agreement and most-favored-nation status, there are underlying obstacles which may prevent the realization of the \$1-billion trade goal by 1980. Romania is finding that the United States is reluctant to provide advanced technology because of the suspicion that strategic secrets would be passed on to the U.S.S.R. despite Romanian efforts to achieve limited political independence. 1/ The United States and Romania are currently involved in only one joint venture. This was set up in 1973 between Control Data Corp., of Minneapolis and Romania's Industrial Group for Electronic and Calculating Techniques. Although the venture was supposed to produce a profit by its second year of operation, it is still operating at a loss. The reason for this, according to the Romanian general manager of the plant, is that the United States will not grant export licenses for more advanced equipment. The Romanians feel that the export licenses which have been granted are for obsolete equipment for which there is no market.

1/ Romania, by virtue of its MFN status, is eligible to import somewhat more U.S. technology than the Soviet Union, although the special "Q Group" to which it was assigned does not allow unlimited access to U.S. technology.

There was rapid growth in Romanian exports to the United States of men's and boys' suits, making Romania in 1976 the largest unrestrained supplier of low cost men's and boys' suits. In August the U.S. Government voiced concern to the Romanian Government over the rising trend of Romanian imports and of potential market disruption in the United States. At consultations held in November, the Romanians alleged that their exports were not disrupting the U.S. market and indicated plans to increase exports of the products. Under the Multifiber Arrangement signed in Geneva on December 20, 1973, the United States is permitted to limit imports from Romania in order to maintain the market shares of other restrained suppliers and to prevent further disruption of the U.S. market. Both Governments agreed to an interim arrangement limiting Romanian imports of men's and boys' wool and man-made suits to 110,000 units for the period from January 1, 1977 to April 30, 1977.

In another development, the decision of the United States International Trade Commission to recommend the limitation of footwear imports to 1974 levels (if enacted by the President) would limit imports of Romanian footwear far below the quantities imported in 1976. Romania exported 2,817 thousand pairs of shoes with a unit value of \$4.02 to the United States in 1974. By 1976 the figure had risen to 3,654 thousand pairs with a unit value of \$4.88. Five of the top 20 imports from Romania in 1976 were footwear items. Footwear imports were 8.9 percent of the total value of imports from Romania in 1976.

The U.S. Treasury has found that Romanian sheet glass is being sold in U.S. markets at less-than-fair value. Although no formal restrictions have yet been imposed, there is a withholding of appraisement in effect until a decision is reached on possible injury to the U.S. industry. In 1976, 85.4 million pounds of unprocessed sheet glass valued at \$4.7 million entered the United States from Romania. The U.S. International Trade Commission decision on injury will go to the Treasury Department on April 12, 1977. An affirmative finding may result in dumping duties being assessed on Romania for up to 10 years. However, the Romanian earthquake in early March will probably slow exports of sheet glass from that country for two to three years in any event, as surplus capacity will be used in rebuilding the country internally.

Other major imports from Romania in 1976 included fuel oil, gasoline, agricultural tractors, canned hams, polyvinyl chloride resins, glassware, and unwrought zinc. It should be noted that 1976 was the first full year that the Romanians have had most-favored-nation status. There is substantial column 2 tariff discrimination on all textile and footwear products which probably helps explain the surge in imports of those products. Total imports of miscellaneous manufactured articles (group 8, table 12) jumped from \$15 million in 1975 to \$51 million in 1976. Other products in the top 20 which have substantial column 2 tariff discrimination are polyvinyl chloride resins, glassware, and unwrought zinc.

The growth in U.S. exports to Romania was accounted for by the large increase in sales of wheat and soybeans. Exports of these two products increased by \$78.4 million in 1976 over the level in 1975. The increased demand for grain imports was the result of flooding in Romania in 1975. Soybean sales increased as Romania sought to expand livestock and poultry production. Under the current 5-year plan, Romania intends to increase soybean production sufficiently to eliminate all meal imports by 1980. The U.S. Department of Agriculture finds this goal somewhat unrealistic because the Romanians cut soybean acreage 49 percent from 1974 to 1975. Agricultural products accounted for 75.8 percent of U.S. sales to Romania. Other important agricultural export products included cattle hides (\$26.5 million), grain sorghums (\$18.1 million), soybean oil-cake and meal (\$17.7 million), goat and kid skins (\$7.7 million), and corn (\$7.5 million).

Exports decreased in all other categories except manufactured goods classified by chief material (group 6, table 12). Exports in this category increased from \$5.9 million in 1975 to \$16.8 million in 1976, of which electrolytic tinplate accounted for \$12.8 million in 1976. Exports of machinery and transport equipment (group 7) valued at \$26 million in 1976, decreased 39 percent from 1975 levels and 69 percent from 1974 levels. Products exported in this category included used nonmilitary aircraft (\$4.3 million), computer equipment (\$2.4 million), metalworking machine tools, rubber-processing machinery, and pumps.

Table 12.--U.S. trade with Romania in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	483	93,351	75,603	91,988
1	Beverages and tobacco-----	11	133	0	0
2	Crude materials--inedible, except fuel-----	2,584	69,160	38,590	96,828
3	Mineral fuels, lubricants, etc-----	966	5,540	17,557	10,787
4	Oil and fats--animal and vegetable-----	0	0	0	0
5	Chemicals-----	1,197	7,939	4,897	2,763
6	Manufactured goods classified by chief material-----	2,610	10,723	5,899	16,846
7	Machinery and transport equipment-----	7,830	83,238	42,371	25,964
8	Miscellaneous manufactured articles-----	2,485	1,650	3,758	3,715
9	Commodities and transactions not elsewhere classified-----	20	383	603	142
	Total <u>1/</u> -----	18,186	277,116	189,278	249,033

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	882	11,146	9,645	15,700
1	Beverages and tobacco-----	5	192	21	179
2	Crude materials--inedible, except fuel-----	582	1,025	3,578	5,440
3	Mineral fuels, lubricants, etc-----	848	76,407	85,652	81,869
4	Oil and fats--animal and vegetable-----	0	0	0	0
5	Chemicals-----	31	3,639	1,996	8,424
6	Manufactured goods classified by chief material-----	679	5,816	7,651	21,197
7	Machinery and transport equipment-----	94	8,553	9,622	15,920
8	Miscellaneous manufactured articles-----	2,633	18,691	15,344	51,063
9	Commodities and transactions not elsewhere classified-----	66	351	1,548	327
	Total <u>1/</u> -----	5,520	125,820	135,057	200,118

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

Romanian indebtedness to the industrialized West due to trade, loans, and credit is estimated at about \$3 billion. The current 5-year plan calls for the elimination of this debt by 1980. To accomplish this, exports are to rise by approximately 90 percent (or almost 14 percent annually), while imports are to rise only 60 percent (or approximately 10 percent annually). If the plan is followed, Romania should produce a surplus of \$1.6 billion by 1980 with exports reaching \$10.15 billion and imports \$8.55 billion. In addition, the plan calls for reducing the industrialized West's share of trade from 41 percent in 1976 to 25 percent in 1980, increasing the developing countries' share from 17 percent last year to 30 percent in 1980, and increasing the Communist countries' share slightly from 42 percent in 1976 to 45 percent in 1980.

Although some effort will be required to reach these goals, Romania has shown greater ability to control its imports and better external debt management than some of its partners in the East European trade bloc and may be given more chance of balancing its trade than some of these other countries. The March earthquake in Bucharest surely will have a detrimental impact on Romanian planning, however, and places a further constraint on Romania's trade goals.

Czechoslovakia

United States exports to Czechoslovakia jumped from \$52.9 million in 1975 to \$147.5 million in 1976, while imports decreased slightly from \$35.6 million in 1975 to \$34.8 million in 1976. The Czechs ended the year with the largest trade deficit they have ever experienced with the United States.

The increase in exports was led by a tremendous surge in agricultural exports. Unfavorable climatic conditions, especially drought, caused the total 1976 Czech agricultural output to fall 2.7 percent below the 1975 level and 8.0 percent below the plan. While animal production exceeded the 1975 level by 0.2 percent (although remaining 2.2 percent below the plan), plant production dropped 6.3 percent from 1975 and was 14.6 percent below the planned target. Consequently, the Czechs were forced to import large quantities of grain from abroad. The United States exported \$55.3 million of corn, \$27.3 million of soybean oil-cake and meal, and \$14.3 million of wheat. 1/ Other leading U.S. agricultural exports to Czechoslovakia included cattle hides, sunflower seed, tobacco, fresh lemons, hops, and flaxseed.

Machinery and transport equipment (see group 7 in table 13) makes up another important segment of U.S. exports.

1/ Not recorded in the export figures are large quantities of corn, soybeans, soybean oil-cake and meal that were transshipped through West Germany. In fiscal year 1976 these transshipments were an estimated \$80 million.

Table 13.--U.S. trade with Czechoslovakia in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	4,666	15,967	19,207	99,240
1	Beverages and tobacco-----	245	2,448	3,601	5,841
2	Crude materials--inedible, except fuel-----	4,124	12,170	13,424	19,973
3	Mineral fuels, lubricants, etc-----	7	362	158	16
4	Oil and fats--animal and vegetable-----	0	0	14	0
5	Chemicals-----	945	1,919	1,536	2,721
6	Manufactured goods classified by chief material-----	854	1,722	1,785	2,340
7	Machinery and transport equipment-----	1,875	11,771	10,405	13,660
8	Miscellaneous manufactured articles-----	1,340	1,946	2,447	3,255
9	Commodities and transactions not elsewhere classified-----	31	278	324	420
	Total <u>1/</u> -----	14,091	48,582	52,900	147,466

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	1,973	1,600	1,229	3,026
1	Beverages and tobacco-----	130	252	361	404
2	Crude materials--inedible, except fuel-----	439	395	585	596
3	Mineral fuels, lubricants, etc-----	0	0	0	0
4	Oil and fats--animal and vegetable-----	27	0	0	0
5	Chemicals-----	829	1,041	1,054	1,249
6	Manufactured goods classified by chief material-----	6,247	19,657	9,221	10,514
7	Machinery and transport equipment-----	6,316	11,380	9,496	7,456
8	Miscellaneous manufactured articles-----	7,397	9,126	13,123	10,927
9	Commodities and transactions not elsewhere classified-----	397	402	499	631
	Total <u>1/</u> -----	23,756	43,852	35,567	34,802

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

Exports in this category rose from \$10.4 million in 1975 to \$13.6 million in 1976 and included computer equipment, lifting and loading machinery, and tractors. Exports of manufactured goods falling into group 8 included magnetic tape recorders and dictating and recording machines.

The slight decrease in total imports from Czechoslovakia resulted from an overall decline in imports of manufactured articles (groups 6, 7, and 8). Manufactured goods accounted for 90 percent of total imports from Czechoslovakia in 1975 and 83 percent in 1976. The principal manufactured items imported from Czechoslovakia in 1976 were steel wire rods, footwear, metalworking machine tools, glassware, printing presses, imitation gemstones, bentwood furniture, fabric, and motorcycles. All of these items faced column 2 duty rates substantially above the column 1 level.

U.S. imports of Czech agricultural products increased in 1976. The major element of this rise was a fourfold increase in canned ham imports with almost \$2 million of this product entering in 1976. Another important agricultural import was hops. Czechoslovakian hops are of a premium quality not grown in the United States. There is substantial column 2 tariff discrimination on hops.

In the past few years Czechoslovakia's terms of trade have suffered a deterioration. Export prices of Czechoslovakia's manufactured goods have been under the downward pressure of sluggish demand in the West while the prices of Czechoslovakia's raw material imports have soared. The resulting squeeze on foreign exchange earnings has hurt Czechoslovakia's balance-of-payments position.

Czechoslovakia accumulated a debt of almost \$1.5 billion during 1970-76. The actual debt with the industrial West is somewhat higher as the Czechs have traditionally run a surplus in their trade with non-Communist developing countries. Compared with the debts of other East European countries the Czechoslovakian debt is not large. Czechoslovakia was borrowed only \$260 million in Eurobank loans, all in 1976. Since imports in the current five-year plan are to rise by about one-fifth, it is likely that the Czechs will continue borrowing. The small size of the debt so far means that the Czechs have a good credit rating and should have no difficulty in obtaining additional loans.

German Democratic Republic

United States exports to the German Democratic Republic (G.D.R.) soared to over three times their level in 1975, while imports increased only moderately, leaving the East Germans with the largest trade deficit they have yet experienced with the United States. The surge in exports resulted from a fivefold increase in food product sales (see group 0, in table 14) from \$9.4 million in 1975 to \$52.4 million in 1976. Extremely unfavorable weather conditions in the G.D.R. resulted in a 1976 agricultural yield 9.8 percent lower than in 1975. Major U.S. agricultural exports to the G.D.R. included corn (\$3 million), barley (\$14.9 million), wheat (\$14.9 million), grain sorghums, fresh oranges and lemons, pork livers, and sunflower seed.

Official U.S. trade statistics do not reflect the actual level of U.S.-G.D.R. trade in agricultural commodities, since the bulk of the grain has been transshipped to the G.D.R. from ports in Western Europe.^{1/} This situation is expected to change, however. In November 1976, the G.D.R. agreed to purchase between 1.5 and 2 million tons of U.S. feedgrains annually through 1980. At the same time, the G.D.R. was granted permission for its merchant vessels to call at U.S. ports, which means that U.S. grain will increasingly be shipped

^{1/} For example, official data for fiscal year 1976 show that \$36 million of agricultural products were shipped to the G.D.R. Data in the U.S. Department of Agriculture publication FATUS (Feb. 1977, p. 151) indicate that after adjustments for transshipments through Western Europe and Canada, the estimated value of total agricultural exports to the G.D.R. in this period is \$406 million.

Table 14.--U.S. trade with the German Democratic Republic in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	22,319	16,091	9,370	52,442
1	Beverages and tobacco-----	1,374	2,007	0	2
2	Crude materials--inedible, except fuel-----	794	0	2,545	2,516
3	Mineral fuels, lubricants, etc-----	1,171	0	0	0
4	Oil and fats--animal and vegetable-----	0	0	0	4,190
5	Chemicals-----	101	135	1,006	1,001
6	Manufactured goods classified by chief material-----	677	176	469	476
7	Machinery and transport equipment-----	2,374	1,856	3,021	2,974
8	Miscellaneous manufactured articles-----	363	597	748	1,133
9	Commodities and transactions not elsewhere classified-----	2	19	19	34
	Total <u>1/</u> -----	29,175	20,882	17,178	64,767

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	55	17	94	119
1	Beverages and tobacco-----	12	24	17	36
2	Crude materials--inedible, except fuel-----	527	905	694	844
3	Mineral fuels, lubricants, etc-----	545	1,352	1,095	562
4	Oil and fats--animal and vegetable-----	8	0	0	0
5	Chemicals-----	343	1,433	428	2,575
6	Manufactured goods classified by chief material-----	817	2,204	2,323	2,311
7	Machinery and transport equipment-----	1,232	5,070	3,483	4,025
8	Miscellaneous manufactured articles-----	2,242	2,204	1,786	2,770
9	Commodities and transactions not elsewhere classified-----	152	167	78	181
	Total <u>1/</u> -----	5,934	13,377	9,996	13,422

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

directly to the G.D.R., and recorded as such in the U.S. trade statistics.

Other important export products included soft salad oils, plastics-working and extrusion machinery, tape recorders, concentrated superphosphate, Florida phosphate hardrock and land pebble, glass, and aluminum oxide. The East Germans, who have a fully employed labor force, are interested also in acquiring U.S. technology and equipment to increase manufacturing efficiency and productivity.

The value of U.S. imports from the G.D.R. rose from \$10.0 million in 1975 to \$13.4 million in 1976. Nearly 87 percent of these imports were manufactured articles and consisted of such products as printing presses, cameras, glassware, knitting machines, metalworking machine tools, skis and snowshoes, candy-wrapping machines, portable typewriters, and grand pianos. All of these items, except portable typewriters, entered with substantial column 2 tariff discrimination.

The single most important import product was crude potassium chloride which accounted for 15 percent of total value of imports. There is no duty on this item. Despite the fact that the G.D.R. was the third largest supplier of this product, behind Canada and Israel, it accounted for only 0.6 percent of total imports while Canada accounted for 97.1 percent. Imports from abroad are not generally very competitive with imports from Canada because of transport costs. Other principal imports included mink furskins and montan wax, both of which enter free of duty.

It is not likely that imports from the G.D.R. will increase substantially during the next few years. The G.D.R. is the leading industrialized country in Eastern Europe, and rising prices of raw materials, combined with slackening demand in the West for G.D.R. goods, have led to a deterioration in the G.D.R.'s terms of trade with the West. The G.D.R., which ran a trade surplus until 1973, is now estimated to be approximately \$5 billion in debt to the West.

Hungary

United States imports from Hungary in 1976 rose while exports fell, as Hungary sought to reduce its hard currency deficit by promoting exports and curtailing nonessential imports. U.S. exports declined from \$76.0 million in 1975 to \$63.0 million in 1976. Most of the decrease is accounted for by a fall in shipments of agricultural products. Imports rose from \$35 million in 1975 to \$47.6 million in 1976. Imports increased substantially in two categories (see table 15): food and live animals (group 0) and machinery and transport equipment (group 7).

Over 45 percent of U.S. imports from Hungary consisted of agricultural products, representing a substantial increase from 1974 and 1975 when agricultural products accounted for 12 percent and 37 percent, respectively, of total imports. The recent surge in agricultural exports from Hungary is most likely the result of economic reform measures undertaken in 1968. At that time, Hungarian leaders recognized the country's traditional role as an agricultural supplier and began attempting to capitalize on that strength. Major U.S. agricultural imports from Hungary included canned hams (\$16.5 million), pork bacon (\$3.1 million), corn seed, paprika, and wine.

Imports of machinery and transport equipment (group 7), increased significantly from \$5.5 million in 1975 to \$14.5 million in 1976. Parts of agricultural tractors remained the leading import in this category, as they were in 1975. The value of electric filament lamps from Hungary increased from \$2.3 million in 1975 to \$3.9 million in 1976. In spite of the substantial tariff

Table 15.—U.S. trade with Hungary in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	7,950	29,145	36,984	15,473
1	Beverages and tobacco-----	2	4	4	7
2	Crude materials--inedible, except fuel-----	655	8,952	3,520	7,371
3	Mineral fuels, lubricants, etc-----	3	7	0	13
4	Oil and fats--animal and vegetable-----	0	2	2	8
5	Chemicals-----	629	3,220	11,180	16,702
6	Manufactured goods classified by chief material-----	515	1,362	1,338	1,997
7	Machinery and transport equipment-----	915	11,700	20,730	19,002
8	Miscellaneous manufactured articles-----	333	1,628	2,098	2,292
9	Commodities and transactions not elsewhere classified-----	12	151	196	95
	Total <u>1/</u> -----	11,016	56,172	76,052	62,960

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	233	8,683	12,838	21,675
1	Beverages and tobacco-----	208	915	321	582
2	Crude materials--inedible, except fuel-----	128	540	437	437
3	Mineral fuels, lubricants, etc-----	0	0	0	0
4	Oil and fats--animal and vegetable-----	0	0	166	0
5	Chemicals-----	100	1,086	1,098	2,702
6	Manufactured goods classified by chief material-----	1,241	5,976	11,503	4,306
7	Machinery and transport equipment-----	410	2,752	5,517	14,510
8	Miscellaneous manufactured articles-----	1,455	54,001	3,022	3,200
9	Commodities and transactions not elsewhere classified-----	74	110	65	146
	Total <u>1/</u> -----	3,848	74,063	34,966	47,559

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

discrimination (4 percent for column 1 vs. 20 percent for column 2), the unit value of the Hungarian lamps was less than half that of other suppliers.

Imports of manufactured goods classified by chief material (group 6) decreased from \$11.5 million in 1975 to \$4.3 million in 1976, primarily because there were no imports of pig iron in 1976 compared with large imports in 1975. In 1976, the bulk of imports in this group consisted of tires. Hungary is currently seeking cooperative ventures with U.S. firms in this industry. The column 2 duty rate on tires is 10 percent compared with a column 1 rate of 4 percent.

Other imports from Hungary included natural drugs, alkaloids, glassware, inflatable articles, brooms and whiskbrooms, and postage stamps. There is substantial column 2 tariff discrimination on the first 4 items.

Soybean oil-cake and meal remained the leading U.S. export to Hungary, although sales of the product dropped from \$34.9 million in 1975 to \$14.5 million in 1976. The decline was probably the result of increased competition from other countries, particularly Brazil. Other agricultural exports to Hungary included cattle hides, kip skins, alfalfa seed, sheep and lamb skins, dairy cattle, bull semen, and corn seed.

U.S. exports of chemicals (group 5) registered the largest absolute increase--from \$11.2 million in 1975 to \$16.7 million in 1976. The bulk of these exports consisted of concentrated superphosphate with sales of \$13.6 million. Another \$1.5 million consisted of insecticides.

Exports of machinery and transport equipment (group 7) made up almost one-third of total exports. Industrial trucks and tractors, agricultural machinery, and computer equipment were the main products exported in this category.

Hungary is one of the more resource-poor countries in East Europe and is forced to import a large share of its raw material needs. Additionally, Hungary has no excess labor and must depend increasingly on improvements in productivity for economic progress. In recent years, Hungary--like other countries in East Europe--has grown more reliant on imports of Western technology to help improve the country's productivity. Unfortunately, the growth in technology imports has been coupled with weak demand in the West for Hungary's exports and higher prices for Hungary's raw material imports, producing large trade deficits. In the five year period ending in December 1975, Hungary's cumulative trade deficit with the West was nearly \$2 billion, with over half of the deficit coming in the last two years of the period. By the end of 1975 Hungary's hard currency debt was slightly over \$3 billion.

Although Hungary's high dependence on foreign trade--equalling about 40 percent of Hungary's gross national product--makes the country's economy highly susceptible to foreign economic fluctuations (compared with most planned economies), Hungary has managed its foreign trade and debt situation reasonably well. Western creditors consider Hungary to be roughly at the midpoint of the spectrum of low to high risk borrowers in East Europe. In 1976, despite a poor agricultural performance because of drought conditions, Hungary was able to cut its trade deficit significantly, especially in its trade with the West. In 1975 the deficit with the West was about \$580 million while the 1976 deficit fell to an estimated \$300-\$330 million.

To further strengthen its economy and to improve its hard currency earnings potential, Hungary has encouraged the formation of various types of cooperation agreements in recent years. There are now over 250 such agreements with Western firms, including commission work, joint manufacturing, joint sales in third markets, and research and development. To date most agreements have been in the engineering sector with another large share in agriculture and the food industry.

Bulgaria

United States exports to Bulgaria jumped 48 percent to \$43.3 million in 1976, giving the United States a record trade surplus of \$32.1 million (see table 16). This increase is attributable to rising exports of agricultural commodities, particularly corn. Exports of agricultural commodities alone in 1976 exceeded total exports in 1975.

United States imports for consumption from Bulgaria amounted to \$11.2 million, more than double their 1975 level. General imports from Bulgaria, however, amounted to approximately \$27 million. The discrepancy arises because, for the second year in a row, over \$15 million of cigarette leaf from Bulgaria was placed into bonded warehouses. Rapidly rising prices of this product in Turkey and Greece, the traditional suppliers, have caused domestic manufacturers to look for new sources. They hope that by the time the cigarette leaf comes out of the warehouses, Bulgaria will have received most-favored-nation tariff treatment. In 1976, the average ad valorem equivalent for the Bulgarian tobacco product was 29.6 percent compared with 12.1 percent for all countries (including column 2 countries).

In addition to the cigarette leaf, the United States imported \$1.67 million of other agricultural commodities. These included pecorino cheese, paprika, cashew nuts, apple and pear juice, and dried prunes and plums. Other items were furskins, crude basil, and crude substances and drugs of vegetable origin (see appendix table A-17).

Table 16.--U.S. trade with Bulgaria in 1968, 1974-1976

(Thousands of U.S. dollars)

U.S. EXPORTS					
Sched. B. number	Commodity	1968	1974	1975	1976
0	Food and live animals-----	2,416	15,028	19,273	30,502
1	Beverages and tobacco-----	49	80	22	275
2	Crude materials--inedible, except fuel-----	90	719	364	3,080
3	Mineral fuels, lubricants, etc-----	0	214	0	2
4	Oil and fats--animal and vegetable-----	0	0	0	0
5	Chemicals-----	538	1,405	975	1,581
6	Manufactured goods classified by chief material-----	28	48	566	203
7	Machinery and transport equipment-----	862	3,875	6,868	6,498
8	Miscellaneous manufactured articles-----	37	528	1,125	1,113
9	Commodities and transactions not elsewhere classified-----	4	69	104	67
	Total <u>1/</u> -----	4,025	21,965	29,298	43,320

U.S. IMPORTS					
Sched. A number	Commodity	1968 <u>2/</u>	1974 <u>3/</u>	1975 <u>3/</u>	1976 <u>3/</u>
0	Food and live animals-----	2,721	1,847	1,718	1,439
1	Beverages and tobacco-----	1	177	1,867	8,473
2	Crude materials--inedible, except fuel-----	138	294	291	220
3	Mineral fuels, lubricants, etc-----	0	0	0	0
4	Oil and fats--animal and vegetable-----	0	0	0	0
5	Chemicals-----	602	1,738	595	601
6	Manufactured goods classified by chief material-----	175	125	95	132
7	Machinery and transport equipment-----	0	168	84	179
8	Miscellaneous manufactured articles-----	78	24	61	125
9	Commodities and transactions not elsewhere classified-----	16	1	76	63
	Total <u>1/</u> -----	3,731	4,374	4,785	11,231

1/ Because of rounding the sum of the column may not equal the total.2/ U.S. general imports3/ U.S. imports for consumption.

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

All of these items enter free of duty or with minimal tariff discrimination, except pecorino cheese which has a duty of 12 percent ad valorem for column 1 vs. 35 percent ad valorem for column 2.

The next largest category of imports was chemicals (group 5) with \$601,000 entering in 1976. Major products in this group were rose oil, lavender oil, and unwrought selenium. All of these items entered free of duty.

Manufactured goods valued at \$436,000 (groups 6, 7, and 8) were imported in 1976. These included metalworking machinery, postage stamps, glassware, and floor coverings. There was significant column 2 tariff discrimination on all of these products except the postage stamps.

United States exports to Bulgaria were dominated by agricultural sales. Shipments of corn, valued at \$28.4 million, accounted for 66 percent of total exports to Bulgaria. Other agricultural exports included soybean oil-cake and meal, cattle hides, tobacco, and frozen orange juice.

The next largest export sector was machinery and transport equipment (group 7) which accounted for 15 percent of total U.S. exports to Bulgaria in 1976. Exports in this category included foundry machines, integrated circuits, harvesting machinery, computers and equipment, industrial process temperature instruments, industrial

trucks and tractors, and motors. The remaining exports were made up of such products as lead and zinc ore concentrates, magnetic tape recorders, synthetic rubber, and cellulose.

Prospects for greatly increased trade with Bulgaria do not appear especially bright. At the end of the sixth five-year plan in 1975, the U.S.S.R. accounted for 52 percent of Bulgarian trade, CEMA countries 1/ (including the U.S.S.R.) for 72 percent, Western industrialized countries for 18 percent, and developing countries for the remaining 10 percent. The current five-year plan calls for increasing the Soviet share slightly.

Because Bulgaria does not have most-favored-nation status and therefore faces various commercial and credit barriers, it is unlikely that the U.S. will have the first opportunity when Bulgaria looks for partners for joint ventures. Nevertheless, some U.S. experts believe that there is a potential market in Bulgaria for U.S. equipment and technology in food processing, irrigation works, and livestock development. Bulgaria recently signed agreements to produce and market Western cigarettes, among them several well-known U.S. brands.

Even if Bulgaria desires to increase imports of advanced Western equipment and technology to modernize its industry and increase productivity, it may be limited in its ability to pay. In 1975, Bulgaria registered a trade deficit of nearly \$800 million with the West.

1/ The Council of Mutual Economic Assistance (CEMA) includes the U.S.S.R., Poland, Hungary, G.D.R., Bulgaria, Romania, Czechoslovakia, Mongolia, and Cuba.

Added to the previous debt, Bulgaria entered its 1976-80 five-year plan \$1.5 billion in debt to the industrialized West.

Bulgaria has increasingly relied upon credit, including Euro-currency credit, and compensation agreements to finance its imports. Bulgaria has also tried to interest Western firms in accepting products as payments for purchases. This practice, according to reports, has grown during the past year in all of East Europe as the NME countries try every tactic to reduce their mounting hard currency deficits.

To help its negative balance-of-payments situation, Bulgaria relies on services to earn additional hard currency. Aside from tourism and more traditional services, Bulgaria operates an international trucking business between the Middle East and Western Europe. The business is reportedly doing well and has attracted Western firms into cooperative agreements in the trucking operations.

Cuba, Albania, and the
People's Republic of Mongolia

In 1976 United States trade turnover with the three smallest NME countries in this survey increased at nearly the same rate as total U.S.-NME trade and accounted for about 0.1 percent of the trade. There were no significant developments in the trade between the United States and the three countries during the year. There were, however, some political developments that may portend changes in trade relations for the future. First, and most importantly, relations with Cuba began to thaw slightly as spokesmen in both the United States and Cuba increasingly expressed a willingness to discuss the political differences that have divided the two countries for nearly the last score years. The United States has embargoed trade with Cuba since 1962 because of these political differences, and trade between Cuba and the United States has been negligible. In 1976 only \$115.7 thousand in two-way trade occurred under special permits issued by the Treasury and Commerce Departments. 1/ Were trade to be resumed, consequential items in this trade would most likely include sugar and nickel ore and metal imports from Cuba and wheat, rice, and machinery exports to Cuba.

1/ Appendix tables A-21 and A-22 list all items traded with Cuba in 1976. For items traded with Mongolia, see tables A-23 and A-24, with Albania, see tables A-19 and A-20.

In the case of Albania, developments in the People's Republic of China may signal future changes in Albania's economic relations with the West. Since Albania broke ideologically with the Soviet Union and other NME's in East Europe, China has been Albania's principal source of ideological and economic support. With the coming to power of more moderate elements in China during the fall of 1976, however, there have been signs that the Chinese may not wish to continue their relationships with Albania on the same grounds as in the past. Albania may then decide to reassess its position vis-a-vis the West. Whether these developments will eventually lead to increased commerce between the United States and Albania is speculative at this point. Commerce between the two countries did increase minimally in 1976. While imports of Albanian products fell slightly, exports to Albania went up by \$400 thousand. Larger shipments of cattle hides and audio and video equipment accounted for the difference.

Trade relations with Mongolia remained static in 1976. There was an increase in imports of about \$400 thousand, but the composition of the trade remained the same.

APPENDIX

Leading U.S. Imports and Exports in
Trade with the Nonmarket Economy Countries

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

Table A-1.--Leading items imported from the U.S.S.R., January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
475.0550	Fuel oil, Saybolt Universal viscosity 145 seconds or more, n.e.s., under : 25 degrees A.P.I.-----	\$42,024,278	\$11,866,651	\$52,928,054
605.0290	Platinum group metals and combinations, n.e.s.-----	23,412,644	3,648,000	27,406,295
605.0260	Palladium-----	17,818,109	3,994,349	1,499,841
618.1000	Aluminum waste and scrap-----	16,392,329	6,248,965	4,043,604
601.1560	Chrome ore, 46 percent or more chromic oxide-----	16,083,942	2,707,260	21,168,268
653.2260	Metal coins n.e.s.-----	13,002,292	4,408,242	2,223,400
475.1010	Crude petroleum, 25 degrees A.P.I. or over-----	11,399,075	7,908,309	0
605.0710	Platinum bars, plates, etc.-----	8,219,516	2,222,693	5,490,867
520.3200	Diamonds, not over 1/2 carat, cut, not set-----	8,073,901	1,295,688	5,705,453
124.1045	Sable furskins, whole, raw-----	5,349,823	25,554	2,219,560
601.1520	Chrome ore, not over 40 percent chromic oxide-----	4,885,183	168,000	3,253,108
620.0300	Unwrought nickel-----	4,083,866	134,022	9,884,263
605.0270	Rhodium-----	3,220,729	382,424	17,602,538
605.0750	Palladium bars, plates, etc.-----	2,777,511	1,872,467	6,139,821
423.0060	Inorganic oxides, hydroxides, and peroxides-----	2,595,551	521,399	471,129
520.3300	Diamonds, over 1/2 carat, cut, not set-----	2,532,653	526,302	3,509,649
518.1160	Asbestos n.e.s., crudes, etc., not manufactured-----	2,323,372	708,815	1,321,982
542.3320	Ordinary glass, 16-18.5 ounces per square foot, 40-60 united inches-----	1,904,990	687,263	726,552
765.0300	Paintings, etc., by hand-----	1,628,090	111,501	360,049
692.3040	New agricultural tractors, n.e.s.-----	1,569,342	56,650	1,679,427
	Total imports itemized above-----	\$189,297,196	\$49,494,554	\$167,633,860
	Total U.S. imports from the U.S.S.R.-----	\$214,556,400	\$56,960,805	\$242,411,071

Table A-2.--Leading items exported to the U.S.S.R., January-December, October-December, 1976, and January-December 1975

		(In U.S. dollars)		
Schedule B	Description	January-December	October-December	January-December
item No.		1976	1976	1975
044.0050	: Yellow corn, unmilled, n.e.c.-----	\$1,078,364,120	\$ 88,714,019	\$424,123,810
041.0020	: Wheat, unmilled, except for relief-----	249,985,352	109,826,811	666,569,780
221.4000	: Soybeans-----	124,689,500	64,381,473	2,668,135
712.5068	: Tracklaying tractors, 200 net engine horsepower and over-----	105,884,569	11,439,088	75,312,561
719.2162	: Oil-well/field pumps for liquids-----	22,220,148	1,786,120	11,657,404
893.0045	: Pressure sensitive tape, plastic-----	21,004,130	4,638,894	6,468,784
715.2120	: Molding machines, and parts n.e.c.-----	20,750,860	4,384,588	9,889,861
715.2140	: Foundry machines n.e.c., and parts n.e.c.-----	19,255,625	997,496	3,396,909
732.8930	: Parts and accessories for tracklaying tractors-----	18,548,042	2,938,968	7,920,283
042.2060	: Rice, milled, n.e.c., medium grain-----	15,195,362	0	0
719.1973	: Industrial processing vessels, and parts, n.e.c.-----	14,912,563	5,653,927	460,340
711.6000	: Gas turbines n.e.c., and parts for mechanical drives-----	14,468,572	316,341	47,161,840
715.1068	: Multi-station machines, metal cutting, new, valued \$1,000 and over-----	13,647,611	0	43,579,150
714.3005	: Digital electronic computers-----	13,434,501	4,880,377	6,527,910
691.1015	: Fabricated structural iron and steel-----	13,197,293	5,284,095	0
663.6100	: Plaster articles-----	12,854,187	12,843,187	1,100
719.3170	: Conveyors n.e.c.-----	12,682,969	2,408,821	8,833,897
718.4244	: Dozers for mounting on tractors-----	11,494,465	1,118,239	8,194,055
717.1260	: Knitting machines n.e.c.-----	11,316,799	1,255,000	0
719.3180	: Lifting and loading machines, n.e.c., and parts-----	11,213,762	6,856,486	5,450,525
	: Total exports itemized above-----	\$1,805,120,430	\$329,723,930	\$1,328,216,344
	: Total U.S. exports to the U.S.S.R.-----	\$2,305,934,311	\$468,627,695	\$1,832,606,649

Table A-3.--Leading items imported from the People's Republic of China, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
622.0200	: Tin, other than alloys, unwrought-----	\$13,195,279	\$2,801,754	\$39,760,732
320.2032	: PC white cotton shirting n.e.s. (average yarn number, 20)-----	12,675,595	2,205,773	13,101,019
186.1560	: Feathers not meeting Federal standards-----	11,040,253	4,246,906	1,653,057
766.2560	: Antiques n.s.p.f.-----	9,438,887	1,897,101	5,317,620
186.3000	: Bristles, crude or processed-----	8,049,100	2,891,919	3,294,301
320.1038	: ABC white cotton sheeting, carded (average yarn number, 10)-----	6,940,284	1,834,348	7,281,063
755.1500	: Fireworks-----	6,565,282	2,065,373	3,533,279
222.4000	: Baskets and bags of bamboo-----	4,229,184	1,467,459	1,555,816
308.0440	: Raw silk, in skeins, etc., n.e.s.-----	3,682,773	962,856	3,039,304
417.5000	: Antimony oxide-----	3,441,390	924,519	1,896,483
145.4400	: Cashew nuts, shelled, etc.-----	3,340,099	1,240,460	705,712
186.1565	: Downs not meeting Federal standards-----	3,060,465	865,050	585,605
360.1500	: Floor coverings of pile, etc., valued over 66-2/3 cents per : square foot-----	3,041,198	1,229,334	493,566
160.5000	: Tea, crude or prepared-----	2,874,177	1,184,146	1,979,370
320.1058	: White cotton twill n.e.s., carded-----	2,755,923	375,816	1,833,747
114.4557	: Shrimp, raw, peeled-----	2,556,302	88,072	1,383,497
320.3032	: PC white cotton shirting n.e.s. (average yarn number, 30)-----	2,301,047	438,251	1,356,303
380.2787	: Men's cotton flannel sport shirts, not knit-----	2,289,790	1,705,736	1,608,195
601.5400	: Tungsten ore-----	2,255,567	517,807	1,751,951
176.6000	: Tung oil-----	2,223,227	0	1,580,470
	: Total imports itemized above-----	\$105,955,822	\$28,942,680	\$93,711,090
	: Total U.S. imports from the People's Republic of China-----	\$194,648,501	\$53,552,493	\$156,270,982

Table A-4.--Leading items exported to the People's Republic of China, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
684.0120	Aluminum and aluminum alloys, unwrought, n.e.c.	\$25,641,310	\$ 0	\$39,515,825
711.3100	Steam engines and turbines incorporating boilers, and parts, n.e.c.	7,850,479	0	12,453,032
266.2120	Polyester staple, not carded or combed, etc.	7,482,673	0	1,559,001
719.1975	Machines and parts, n.e.c., for treatment of materials by temperature change, etc.	6,492,033	41,070	17,530,790
719.2230	Gas compressors, centrifugal and axial	5,600,032	0	13,782,793
711.6000	Gas turbines n.e.c., and parts for mechanical drives	4,815,518	0	1,006,218
711.1050	Steam power boilers n.e.c.	3,293,546	0	1,462,114
282.0010	Number 1 heavy melting steel scrap, except stainless	3,205,659	0	8,459,347
732.0346	Special-purpose nonmilitary vehicles, n.e.c., new	3,066,174	3,066,174	143,925
719.2220	Air compressors, stationary, over 100 horsepower	3,041,068	0	2,342,114
719.3180	Lifting and loading machines, n.e.c., and parts	2,842,200	0	0
678.5032	Steel tube and pipe flanges, forged	2,748,058	764	255,816
599.9920	Compound catalysts, except nickel	2,489,747	363,889	1,645,527
719.9242	Nonautomatic valves, etc., and parts, n.e.c., of iron and steel	2,315,073	323,915	4,554,556
678.2010	Carbon steel standard pipe, seamless, black	2,184,910	17,534	2,852,989
732.0320	Trucks, off-highway, nonmilitary	1,926,435	0	3,649,754
711.1040	Power boilers, steam generating water tube, stationary, over 400,000 pounds/hour capacity	1,713,649	0	1,660,380
691.1015	Fabricated structural iron and steel	1,670,815	0	6,330,395
715.1032	Grinding machines, internal cylindrical, metal cutting, valued \$1,000 and over	1,473,779	1,398,497	0
692.1110	Tanks for storage or manufacturing use, and septic tanks, of iron or steel	1,428,912	0	459,610
	Total exports itemized above	\$91,282,070	\$5,211,843	\$119,664,186
	Total U.S. exports to the People's Republic of China	\$135,388,147	\$10,156,020	\$303,630,913

Table A-5.--Leading items imported from Poland, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
107.3525	: Canned hams, shoulders, over 3 pounds-----	\$116,049,806	\$28,745,519	\$97,438,181
700.3550	: Men's leather footwear n.e.s., cement soles-----	9,712,342	2,085,443	6,631,013
608.8420	: Steel plate, neither shaped, cold rolled, nor coated-----	8,857,310	1,981,438	9,667,464
107.3560	: Pork n.e.s., canned, boned, and cooked-----	8,433,206	2,232,988	5,188,545
646.2620	: Brads, nails, etc., smooth shank, round wire, over 1 inch in : length, over 0.065 inch in diameter-----	6,980,202	1,680,681	4,501,935
403.6000	: Other cyclic organic chemical products-----	6,352,023	917,635	6,465,721
335.9500 ^{1/}	: Other woven fabrics of vegetable fibers, n.e.s., over 4 ounces per : square yard-----	5,810,715	1,511,004	3,928,228
727.1500	: Furniture and parts of bentwood-----	5,683,672	1,349,131	4,954,747
110.4710	: Cod blocks, frozen, over 10 pounds each-----	5,458,054	1,239,080	3,095,231
382.1206	: Women's raincoats n.e.s., valued over \$4 each, 3/4 length, not : knit or ornamented-----	4,685,769	1,086,888	1,420,578
692.1090	: Motor vehicles n.e.s.-----	4,607,998	1,474,680	5,923,400
521.3180	: Coal n.e.s., including lignite, except peat-----	4,594,550	0	0
700.4540	: Women's leather footwear, cement soles, valued over \$2.50 per pair-----	4,055,928	1,022,018	1,241,898
407.8540	: Sulfathiazole-----	3,188,222	987,944	990,976
146.7530	: Strawberries, frozen, containers over 40 ounces-----	3,047,044	1,051,400	1,838,991
521.3120	: Bituminous coal-----	2,934,512	2,151,086	2,581,297
407.7220	: Sulfamethazine-----	2,689,800	680,400	428,357
380.1240	: Men's and boys' corduroy suit-type coats, not knit, valued over \$4-----	2,668,689	1,145,792	915,622
642.0200	: Barbed wire-----	2,530,165	472,351	1,189,536
732.1220	: Bicycles, wheels 19 to 21 inches in diameter, valued over \$13.33-----	2,153,344	769,507	1,568,876
	: Total imports itemized above-----	\$210,493,351	\$52,584,985	\$159,970,596
	: Total U.S. imports from Poland-----	\$314,436,048	\$82,167,791	\$241,297,368

^{1/} Prior to Jan. 1, 1976, this item was classified under the now deleted number 335.9040.

Table A-6.--Leading items exported to Poland, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
044.0060	Yellow corn, unmilled, n.e.c.	\$184,161,487	\$37,319,425	\$142,456,055
041.0020	Wheat, unmilled, except for relief	92,494,884	18,878,493	65,328,391
081.3030	Soybean oil-cake and meal	73,852,677	15,201,038	33,173,402
045.9015	Grain sorghums, unmilled	60,719,556	2,556,101	32,714,707
732.8930	Parts and accessories for tracklaying tractors	11,631,777	3,699,866	7,851,950
221.4000	Soybeans	10,796,308	3,591,465	31,666,307
263.1031	Cotton, upland domestic, 1 to 1-1/8 inch	9,841,875	0	2,981,043
271.3010	Florida phosphate hard rock and land pebble	6,328,480	0	19,661,912
043.0000	Barley, unmilled	6,325,808	0	5,707,079
211.1010	Cattle hides, whole	6,292,164	955,615	7,425,364
051.2010	Fresh lemons	4,020,888	0	2,733,870
599.5860	Vegetable proteins	3,849,694	950,386	257,626
715.1078	Hydraulic and pneumatic presses, valued \$1,000 and over	3,573,091	694,086	1,021,377
411.3220	Tallow, inedible	3,570,343	354,500	3,056,745
729.5292	Industrial process type instruments, electric or electronic, n.e.c.	3,478,145	914,644	1,586,033
715.1080	Mechanical and manual presses, valued \$1,000 and over	3,477,941	0	689,444
715.2259	Parts, n.e.c., for metalworking rolling mill machinery	3,459,436	110,855	15,094,714
513.6510	Aluminum oxide	3,247,598	3,240,632	21,332
719.8095	Machines and mechanical appliances, n.e.c., and parts	2,974,568	696,846	904,267
421.2010	Soybean oil, crude, degummed	2,697,579	0	0
	Total exports itemized above	\$496,794,299	\$89,163,952	\$374,331,618
	Total U.S. exports to Poland	\$621,035,216	\$124,844,807	\$580,083,586

Table A-7.--Leading items imported from Yugoslavia, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
612.0640	: Unwrought copper, not alloy, n.e.s.-----	\$51,946,039	\$12,264,340	\$17,992,755
107.3525	: Canned hams, shoulders, over 3 pounds-----	43,145,055	9,849,050	34,471,355
727.3040	: Wood chairs n.s.p.f.-----	25,838,141	6,653,710	16,498,439
700.3515	: Males' leather athletic footwear, n.e.s.-----	23,983,012	4,492,301	24,773,778
626.0200	: Unwrought zinc, except alloyed-----	19,698,613	4,422,703	4,860,831
170.2800	: Cigarette leaf, not stemmed, not over 8.5 inches-----	19,616,098	4,935,716	12,194,379
688.0440	: Insulated copper conductors, without fittings, 32 A.W.G. and larger-----	11,527,429	3,457,953	2,564,184
605.2040	: Silver bullion, refined-----	10,633,663	3,265,252	14,742,430
607.3100	: Ferrochrome, over 3 percent carbon-----	10,021,140	0	9,219,266
618.0200	: Unwrought aluminum n.e.s., except aluminum alloy-----	9,489,432	1,991,068	358,319
727.3500	: Wood furniture n.s.p.f.-----	8,983,915	2,520,834	5,319,747
624.0350	: Unwrought lead, unalloyed, except bullion-----	6,749,277	1,034,434	2,880,555
618.2560	: Aluminum sheets, strip, and plate, not clad-----	5,835,054	1,480,580	2,894,003
727.4000	: Wood furniture parts n.s.p.f.-----	4,804,797	1,613,711	2,170,511
618.1540	: Wrought aluminum rods, 0.375 inches in diameter and over-----	4,696,491	1,320,511	2,162,541
612.3140	: Copper sheets, unalloyed-----	4,602,877	670,317	2,804,094
607.5700	: Ferrosilicon manganese-----	3,821,919	0	1,992,674
612.6200	: Brass rods, wrought-----	3,510,521	1,080,117	512,676
192.2500	: Hops-----	3,448,353	1,124,523	4,160,020
380.1260	: Men's and boys' cotton suit-type coats, n.e.s., not knit, valued : over \$4-----	3,078,207	774,440	3,683,523
	: Total imports itemized above-----	\$275,430,033	\$62,951,560	\$166,256,080
	: Total U.S. imports from Yugoslavia-----	\$383,098,539	\$90,811,470	\$248,886,782

Table A-8.--Leading items exported to Yugoslavia, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

Schedule B : item No. :	Description :	January-December : 1976 :	October-December : 1976 :	January-December : 1975 :
081.3030	: Soybean oil-cake and meal-----	\$27,056,592	\$ 240,500	\$ 2,016,000
734.1050	: Aircraft, passenger transport, 33,000 pounds and over-----	14,537,623	0	36,324,568
561.9067	: Diammonium phosphate fertilizer-----	12,295,251	4,365,356	0
715.2254	: Rolling mill metalworking machinery, n.e.c.-----	11,226,293	5,294,854	112,583
711.6000	: Gas turbines n.e.c., and parts for mechanical drives-----	10,957,943	10,907,954	5,624,733
718.4264	: Well drilling machine parts and accessories, n.e.c.-----	10,387,739	1,198,018	4,134,584
321.4020	: Bituminous coal-----	9,758,124	4,394,734	957,827
512.0978	: Vinyl chloride monomer-----	8,990,574	3,117,564	4,108,652
734.9230	: Parts and accessories, n.e.c., for aircraft, airships, and balloons-----	6,162,980	1,159,081	6,672,718
715.2240	: Cold rolling mill machinery for ferrous metals, except tube rolling-----	5,812,621	5,812,621	140,000
712.5018	: Wheel tractors n.e.c., 100 maximum horsepower and over-----	5,136,847	3,410,128	5,740,715
211.1010	: Cattle hides, whole-----	5,080,002	1,980,145	1,547,509
718.4203	: Excavators, crawler mounted, cable-operated, new-----	4,646,228	1,090,837	1,603,265
251.6000	: Woodpulp, chemical dissolving-----	4,324,339	924,624	5,259,379
561.2910	: Concentrated superphosphate-----	4,069,369	2,956,293	0
332.9410	: Petroleum coke, calcined-----	3,889,918	931,227	4,564,688
712.5068	: Tracklaying tractors, 200 net engine horsepower and over-----	3,768,134	1,332,620	970,847
732.0320	: Trucks, off-highway, nonmilitary-----	3,216,631	2,358,658	12,700,736
734.1020	: Aircraft, personal and utility, multiple engine, 3,000 pounds and over-----	2,723,526	0	3,264,384
717.1150	: Spinning frames, textile-----	2,639,460	0	0
	: Total exports itemized above-----	\$156,680,194	\$51,475,214	\$95,743,188
	: Total U.S. exports to Yugoslavia-----	\$295,413,395	\$91,787,545	\$323,499,103

Table A-9.--Leading items imported from Romania, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
475.0550	Fuel oil, saybolt, universal viscosity 145 seconds or more, n.e.s., under 25 degrees A.P.I.	\$79,292,257	\$15,607,407	\$50,783,381
692.3020	New wheel agricultural tractors, 35 belt horsepower and over	9,667,481	2,371,095	8,125,532
107.3525	Canned hams, shoulders, over 3 pounds	8,872,634	2,115,083	6,845,584
700.4540	Women's leather footwear, cement soles, valued over \$2.50 per pair	4,709,716	673,737	2,163,173
445.4520	Polyvinyl chloride resins	4,079,237	4,053,366	0
380.6650	Men's and boys' wool suits, not knit, valued over \$4	3,201,129	1,248,953	17,027
380.1260	Men's and boys' cotton suit-type coats, n.e.s., not knit, valued over \$4	2,974,160	566,231	486,129
107.3560	Pork n.e.s., canned, boned, and cooked	2,824,132	961,610	736,220
380.8450	Men's and boys' suits, not knit, man-made fiber	2,590,638	1,428,058	0
475.2520	Gasoline	2,577,075	0	18,886,360
700.2940	Leather welt work footwear, valued over \$6.80 per pair	2,489,206	740,990	129,702
546.5400	Glassware n.e.s., valued 30¢ - \$1 each	2,220,369	670,091	829,486
700.2718	Leather welt work footwear, valued \$5-\$6.80 per pair	2,126,022	102,747	1,187,207
700.2960	Men's leather welt footwear n.e.s., valued over \$6.80 per pair	2,111,539	1,087,448	79,691
626.0200	Unwrought zinc, except alloyed	1,956,784	0	0
309.4342	Polyester fiber, wholly of filament, not cellulosic	1,874,482	0	154,303
700.3550	Men's leather footwear n.e.s., cement soles	1,736,539	211,707	1,065,637
382.7875	Women's girls', and infants' knit sweaters, man-made fiber	1,732,191	0	6,749
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot	1,695,118	350,430	377,935
727.3500	Wood furniture n.s.p.f.	1,602,772	575,329	746,483
	Total imports itemized above	\$140,333,481	\$32,764,282	\$92,620,599
	Total U.S. imports from Romania	\$200,117,855	\$50,933,471	\$135,056,629

Table A-10.--Leading items exported to Romania, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
041.0020	Wheat, unmilled, except for relief-----	\$48,453,294	\$11,205,044	\$11,792,877
221.4000	Soybeans-----	45,282,040	0	3,505,646
211.1010	Cattle hides, whole-----	26,516,617	7,272,219	9,693,496
045.9015	Grain sorghums, unmilled-----	18,075,506	13,720,367	3,310,394
081.3030	Soybean oil-cake and meal-----	17,701,979	2,505,230	1,886,102
674.7030	Electrolytic tin plate, primary-----	12,795,668	7,959,339	1,793,517
321.4020	Bituminous coal-----	10,734,774	6,077,162	17,521,278
211.4000	Goat and kid skins, undressed-----	7,699,500	0	0
044.0060	Yellow corn, unmilled, n.e.c.-----	7,500,726	4,554,000	58,613,222
251.6000	Woodpulp, chemical dissolving-----	7,120,898	1,352,571	5,824,898
271.3010	Florida phosphate hard rock and land pebble-----	4,925,546	949,534	6,216,050
734.1065	Aircraft, used, rebuilt, or converted, nonmilitary-----	4,313,000	4,313,000	5,300,000
714.9216	Parts and accessories for basic electronic computers-----	2,393,174	307,543	3,285,481
251.7220	Pulp, sulfate, softwood, bleached-----	2,254,523	608,436	0
861.9946	Parts, n.e.c., for industrial instruments, n.e.c.-----	2,079,175	416,233	1,571,528
271.3040	Natural phosphate fertilizer-----	1,844,936	798,986	0
719.5454	Parts, n.e.c., for metalworking type machine tools-----	1,324,482	83,500	0
719.8045	Rubber processing and manufacturing machines, n.e.c., and parts-----	1,223,155	290,007	1,974,063
678.2010	Carbon steel standard pipe, seamless, block-----	1,219,876	163,386	0
719.2170	Parts and attachments, n.e.c., for pumps for liquids-----	1,039,252	52,990	163,650
	Total exports itemized above-----	\$224,498,121	\$62,629,547	\$132,452,202
	Total U.S. exports to Romania-----	\$249,032,549	\$70,003,063	\$189,277,590

Table A-11.--Leading items imported from Czechoslovakia, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
608.7100	: Steel wire rods, not alloy, not tempered, valued over 4¢ per pound-----	\$3,154,749	\$470,264	\$ 982,382
700.3550	: Men's leather footwear n.e.s., cement soles-----	2,489,852	929,423	1,335,307
107.3525	: Canned hams, shoulders, over 3 pounds-----	1,960,058	475,070	442,846
674.3280	: Boring, drilling, and milling machines, except numerically : controlled, n.e.s.-----	1,385,479	357,949	581,008
546.5400	: Glassware n.e.s., valued 30¢-\$1 each-----	1,020,769	242,388	351,181
668.2045	: Printing presses n.e.s.-----	982,292	174,690	701,563
674.3504	: Engine lathes, metal-cutting-----	963,401	295,857	637,606
741.3500	: Imitation gemstones, except beads-----	961,334	183,640	1,101,298
700.2960	: Men's leather welt footwear n.e.s., valued over \$6.80 per pair-----	892,554	340,138	454,511
727.1500	: Furnitruue and parts of bentwood-----	792,398	240,957	465,014
546.5600	: Glassware n.s.p.f., valued \$1-3 each-----	779,417	198,718	414,909
192.2500	: Hops-----	702,965	0	413,004
700.2940	: Leather welt work foorwear, valued over \$6.80 per pair-----	667,946	269,839	770,882
700.2738	: Men's leather welt footwear n.e.s., valued \$5-6.80 per pair-----	663,283	115,580	1,238,345
335.9500 <u>1/</u>	: Other woven fabrics of vegetable fibers, n.e.s., weighing over 4 ounces : per square yard-----	660,552	93,007	485,699
546.5800	: Glassware n.s.p.f., cut or engraved, valued over \$3 each-----	571,582	163,721	319,263
437.3000	: Antibiotics, natural, not artificially mixed-----	526,800	125,200	299,360
545.5700	: Glass prisms for chandeliers, wall brackets, etc.-----	489,193	134,347	438,550
692.5010	: Motorcycles, not over 50 cubic centimeters piston displacement-----	462,714	215,734	75,504
270.2580	: Books n.s.p.f., including books of foreign authorship-----	418,400	75,385	281,474
	: Total imports itemized above-----	\$20,545,738	\$5,201,907	\$11,789,706
	: Total U.S. imports from Czechoslovakia-----	\$34,802,239	\$8,608,001	\$35,566,832

1/ Prior to January 1, 1976, this item was classified under the now deleted number 335.9040.

Table A-12.--Leading items exported to Czechoslovakia, January-December, October-December 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
044.0060	Yellow corn, unmilled, n.e.c.	\$55,300,218	\$31,776,461	\$ 0
081.3030	Soybean oil-cake and meal	27,330,866	4,324,968	18,149,126
041.0020	Wheat, unmilled, except for relief	14,349,979	0	0
211.1010	Cattle hides, whole	11,115,586	3,688,052	8,031,326
221.0530	Sunflower seed	5,944,683	5,486,404	1,538,796
121.0005	Tobacco, flue-cured leaf, unstemmed	4,336,533	0	2,575,209
714.9216	Parts and accessories for basic electronic computers	1,563,788	513,803	614,349
719.3180	Lifting and loading machines, n.e.c., and parts	1,435,679	92,391	0
712.5068	Tracklaying tractors, 200 and over net engine horsepower	1,018,459	0	759,825
051.2010	Fresh lemons	966,974	0	0
054.8400	Hops, fresh or dried	837,206	302,815	432,945
513.6932	Inorganic bases, etc., n.e.c.	796,525	0	0
221.5000	Flaxseed	790,150	0	882,799
729.5266	Physical properties testing and inspecting instruments, electric or electronic	772,993	581,710	204,417
714.3005	Digital electronic computers	696,494	268,164	700,429
891.1135	Magnetic tape recorders, video	683,527	117,210	881,611
122.3030	Smoking tobacco, in bulk	650,900	0	885,400
891.1210	Dictating and recording machine parts	526,762	56,440	282,491
714.9206	Input/output devices for electronic computers, and parts	515,875	5,965	1,311,922
121.0090	Unmanufactured tobacco, n.e.c., including stems, etc.	498,080	498,080	0
	Total exports itemized above	\$130,131,277	\$47,712,463	\$37,250,645
	Total U.S. exports to Czechoslovakia	\$147,466,437	\$51,456,056	\$52,899,534

Table A-13.--Leading items imported from the German Democratic Republic, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
480.5000	: Potassium chloride, crude-----	\$2,070,773	\$321,880	\$ 0
668.2035	: Offset printing presses, 3500 pounds and over, sheet-fed type-----	1,093,523	535,145	1,389,493
722.1620	: Still 35-millimeter cameras, valued over \$10-----	1,088,290	247,477	421,163
124.2025	: Mink furskins, except Japanese, undressed-----	677,335	0	414,589
494.2000	: Montan wax-----	561,732	159,997	1,062,015
121.5000	: Pig and hog leather-----	549,205	136,050	172,500
546.5600	: Glassware n.s.p.f., valued \$1-3 each-----	331,802	75,482	374,115
546.5800	: Glassware n.s.p.f., valued over \$3 each, cut or engraved-----	331,514	31,920	473,655
670.2000	: Knitting machines n.e.s., except circular knitting machines-----	306,193	76,000	0
674.3280	: Boring, drilling, and milling machines, except numerically controlled, : n.e.s.-----	253,158	10,017	284,082
674.3000	: Metal-working machine tools for cutting or hobbing gears-----	175,530	127,615	56,489
765.0300	: Paintings, etc., by hand-----	157,635	156,400	0
207.0050	: Articles of wood n.s.p.f.-----	156,261	57,737	138,999
734.9600	: Skis and showshoes-----	151,064	49,730	0
662.1020	: Machines for wrapping candy-----	140,339	10,700	46,269
668.2050	: Printing machinery n.e.s.-----	136,583	29,755	2,044
674.3258	: Vertical boring machines and turret lathes, except numerically controlled----	136,255	24,700	113,992
676.0530	: Portable typewriters, non-automatic, without calculating mechanisms-----	135,748	0	3,799
748.2100	: Artificial flowers, etc., n.e.s.-----	132,397	21,639	173,378
725.0320	: Grand pianos-----	129,479	40,785	11,986
	: Total imports itemized above-----	\$8,714,816	\$2,113,029	\$5,138,568
	: Total U.S. imports from the German Democratic Republic-----	\$13,421,529	\$3,353,804	\$9,996,464

Table A-14.--Leading items exported to the German Democratic Republic, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
044.0060	: Yellow corn, unmilled, n.e.c.-----	\$16,299,296	\$9,491,465	\$4,060,000
043.0000	: Barley, unmilled-----	14,870,109	4,557,281	0
041.0020	: Wheat, unmilled, except for relief-----	14,863,434	265,438	2,755,609
421.8010	: Soft salad oils, crude, n.e.c.-----	4,144,784	869,639	0
045.9015	: Grain sorghums, unmilled-----	2,709,243	0	0
051.1010	: Fresh oranges-----	1,464,575	0	1,855,939
051.2010	: Fresh lemons-----	1,356,264	0	112,946
011.6040	: Pork livers, fresh or frozen-----	851,075	0	544,616
221.0530	: Sunflower seed-----	840,000	840,000	0
719.8029	: Plastics-working machines, n.e.c., and parts, n.e.c.-----	480,000	480,000	1,390
891.1135	: Magnetic tape recorders, video-----	446,842	51,315	125,178
719.8024	: Plastics extrusion molding machines and equipment-----	430,000	430,000	0
561.2910	: Concentrated superphosphate-----	412,802	0	721,771
271.3010	: Florida phosphate hard rock and land pebble-----	400,541	0	0
664.1300	: Glass, unworked, in balls, etc.-----	333,291	0	109,172
513.6510	: Aluminum oxide-----	319,035	0	0
719.8030	: Rubber extruding machines, and parts, n.e.c.-----	313,535	313,535	0
212.0010	: Muskrat furskins, undressed-----	240,850	0	0
263.2011	: Linters, chemical grade-----	239,187	50,000	332,944
729.5262	: Instruments for physical or chemical analysis-----	234,237	151,770	0
:	:	:	:	:
:	: Total exports itemized above-----	\$61,249,100	\$17,502,485	\$10,619,565
:	:	:	:	:
:	: Total U.S. exports to the German Democratic Republic-----	\$64,766,675	\$18,627,045	\$17,178,907
:	:	:	:	:

Table A-15.--Leading items imported from Hungary, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA	Description	January-December	October-December	January-December
Item No.		1976	1976	1975
107.3525	: Canned hams, shoulders, over 3 pounds-----	\$16,510,695	\$4,402,696	\$12,025,755
692.3060	: Parts of agricultural tractors-----	6,698,749	1,873,708	2,525,978
686.9030	1/: Other lamps, including household-----	3,476,294	1,123,173	0
107.3540	: Pork bacon, boned, cooked, and canned-----	3,093,483	764,081	425,199
678.5070	2/: Machines n.s.p.f., and parts-----	3,064,843	8,360	329,442
439.3060	: Natural drugs n.e.s., advanced-----	1,624,224	811,975	-
772.5115	: Pneumatic truck and bus tires, new-----	1,066,248	734,782	0
130.3000	: Corn or maize, certified seed-----	903,163	0	0
772.5105	: Automobile tires, new-----	800,444	350,864	21,890
437.2000	: Alkaloids and compounds, n.s.p.f., synthetic-----	679,142	162,741	613,319
161.7100	: Paprika, ground or unground-----	578,350	122,175	57,824
546.5400	: Glassware n.e.s., valued 30¢-\$1 each-----	505,620	130,568	542,374
790.3900	: Inflatable articles n.s.p.f.-----	451,162	192,457	272,886
750.2600	: Whiskbrooms, valued not over 32¢ each (under quota)-----	393,618	0	222,231
542.3120	: Ordinary glass, 16-18.5 ounces per square foot, not over 40 united inches-----	380,122	50,736	633,533
167.3040	: Wine, over 14 percent alcohol, valued over \$4 per gallon, containers not over 1 gallon-----	375,598	49,794	174,752
750.2900	: Brooms, valued not over 96¢ each (under quota)-----	354,997	80,007	333,682
686.9010	1/: 3-way lamps, 150 watts and under-----	333,457	86,169	-
274.4000	: Postage stamps, government envelopes and postal cards-----	332,715	44,520	441,111
772.5135	: Pneumatic tires n.e.s., new, not over 24 inches rim size-----	306,566	210,973	0
	: Total imports itemized above-----	\$41,929,490	\$11,199,779	\$20,851,603
	: Total U.S. imports from Hungary-----	\$47,559,002	\$12,867,910	\$34,966,080

1/ Prior to Jan. 1, 1976, this item was in a more comprehensive classification under the now deleted number 686.9000. The 1975 imports under the former classification totaled \$2,231,627, and have been added into the total itemized imports.

2/ Prior to Jan. 1, 1976, this item was classified under the now deleted number 678.5060.

Table A-16.--Leading items exported to Hungary, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B : item No. :	Description :	January-December : 1976 :	October-December : 1976 :	January-December : 1975 :
081.3030	Soybean oil-cake and meal-----	\$14,521,231	\$2,569,606	\$34,906,589
561.2910	Concentrated superphosphate-----	13,637,732	1,282,956	6,988,830
732.8920	Parts and accessories, n.e.c., for wheel tractors-----	5,421,880	1,084,438	2,359,008
719.3230	Industrial trucks and tractors, operator riding, gasoline powered-----	4,316,373	0	0
211.1010	Cattle hides, whole-----	3,485,552	906,051	1,432,368
664.1300	Glass, unworked, in balls, etc.-----	1,331,596	303,911	663,135
714.9206	Input/output devices for electronic computers, and parts-----	1,131,494	8,848	1,142,345
712.1005	Planters and transplanters-----	940,114	0	82,339
512.0672	Insecticides and agricultural chemicals, n.e.c.-----	880,000	0	375,008
712.5018	Wheel tractors n.e.c., 100 maximum horsepower and over-----	740,840	0	6,525,357
211.2020	Kip skins-----	738,920	222,200	542,307
292.5010	Alfalfa seed, certified-----	707,802	0	0
211.6000	Sheep and lamb skins, with wool on, undressed-----	661,152	180,980	604,465
712.9965	Parts and attachments, n.e.c., for agricultural machines-----	612,368	124,345	334,101
512.0659	Organic phosphate insecticides, n.e.c.-----	600,109	600,109	0
892.9200	Plans and drawings, not printed-----	582,975	64,000	0
001.1010	Dairy cattle, for breeding-----	538,500	0	1,356,000
291.0085	Bull semen-----	509,480	0	344,267
714.9202	Output devices for electronic computers, and parts-----	470,375	199,333	46,838
044.0030	Corn seed, except sweet corn-----	405,077	0	90,717
:	:	:	:	:
:	Total exports itemized above-----	\$52,233,570	\$7,366,777	\$57,793,674
:	:	:	:	:
:	Total U.S. exports to Hungary-----	\$62,959,656	\$10,706,413	\$76,051,947
:	:	:	:	:

Table A-17.--Leading items imported from Bulgaria, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
170.2800	: Cigarette leaf, not stemmed, not over 8.5 inches-----	\$8,460,185	\$2,877,707	\$1,862,743
117.6700	: Pecorino cheese, not for grating-----	888,831	268,843	381,502
452.6000	: Rose oil or attar of roses-----	505,977	175,000	71,941
161.7100	: Paprika, ground or unground-----	349,652	0	852,613
674.3552	: Metal-cutting machine tools, n.e.s-----	123,133	123,133	69,030
145.4400	: Cashew nuts, shelled, blanched, or otherwise prepared or preserved-----	86,645	86,645	0
439.1040	: Natural crude drugs of vegetable origin-----	78,758	14,102	85,734
165.1500	: Apple and pear juice, not over 1 percent alcohol-----	68,193	0	23,286
274.4000	: Postage stamps, government envelopes and postal cards-----	55,288	15,405	26,655
546.5400	: Glassware n.e.s., valued 30¢-\$1 each-----	55,283	1,694	33,038
452.3200	: Lavender and spike lavender oil-----	53,919	0	149,183
124.1015	: Hare furskins, whole, raw-----	38,544	38,544	0
546.5200	: Glassware n.e.s., valued not over 30¢ each-----	37,616	1,258	28,413
632.4000	: Unwrought selenium and waste and scrap-----	35,941	0	219,400
674.3254	: Milling machines, bed-type, except numerically controlled-----	33,279	0	0
360.1500	: Floor coverings of pile, etc., valued over 66-2/3 cents per square foot-----	30,284	2,325	3,887
193.2500	: Crude vegetable substances n.s.p.f-----	20,939	898	18,140
161.0300	: Crude basil-----	20,391	0	5,180
149.2600	: Dried prunes and plums-----	19,705	0	19,677
124.1057	: Whole furskins n.e.s., raw-----	18,662	0	2,948
	: Total imports itemized above-----	\$10,981,225	\$3,605,554	\$3,853,370
	: Total U.S. imports from Bulgaria-----	\$11,231,147	\$3,647,786	\$4,785,087

Table A-18.--Leading items exported to Bulgaria, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B item No.	Description	January-December 1976	October-December 1976	January-December 1975
044.0060	: Yellow corn, unmilled, n.e.c.-----	\$28,447,575	\$ 0	\$14,779,595
715.2140	: Foundry machines, and parts, n.e.c.-----	1,803,284	160,028	0
283.8000	: Lead and zinc ore concentrates-----	1,764,000	0	0
081.3030	: Soybean oil-cake and meal-----	1,590,405	1,590,405	3,543,660
729.3075	: Integrated circuits, semiconductor, monolithic, digital-----	841,642	206,559	43,372
712.2020	: Harvesting machines n.e.c.-----	815,664	0	145,084
211.1010	: Cattle hides, whole-----	746,471	0	274,567
891.1135	: Magnetic tape recorders, video-----	455,540	157,700	355,682
231.2065	: Synthetic rubber and substitutes-----	375,221	0	0
714.3005	: Digital electronic computers-----	358,165	0	82,967
581.3210	: Cellulose, regenerated, except rayon-----	311,009	186,974	0
729.5276	: Industrial process temperature instruments, direct-deflect electric : or electronic-----	277,424	0	0
121.0010	: Tobacco, flue-cured leaf, stemmed-----	274,168	0	0
053.5057	: Frozen orange juice concentrate, containers over 1 gallon-----	267,139	267,139	0
714.9206	: Input/output devices for electronic computers, and parts-----	253,410	0	224,086
714.9209	: Storing devices (except ready access) for electronic computers, and : parts-----	245,018	36,976	381,885
719.3220	: Industrial trucks and tractors, operator riding, electric powered-----	240,690	0	0
541.7036	: Preparations acting primarily on digestive system, etc., dosage or : retail sale, n.e.c.-----	208,080	52,020	210,188
722.1023	: Fractional horsepower motors, 1/3 horsepower and under, except : hermetic-----	204,715	142,249	116,660
512.0632	: Herbicides n.e.c.-----	197,979	129,119	28,446
	: Total exports itemized above-----	\$39,677,599	\$2,929,169	\$20,186,192
	: Total U.S. exports to Bulgaria-----	\$43,320,113	\$3,892,658	\$29,297,949

Table A-19.--Leading items imported from Albania, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
601.1540	Chrome ore, 41-46 percent chromic oxide-----	\$1,857,728	\$1,282,728	\$2,107,789
161.9400	Unground sage-----	666,994	195,865	480,949
470.5500	Myrobalan and sumac-----	12,002	5,046	26,000
360.1500	Floor coverings of pile, etc., valued over 66-2/3¢ per square foot-----	2,551	0	0
124.1057	Whole furskins n.e.s., raw-----	2,142	0	0
124.1020	Whole marten furskins, undressed-----	1,655	0	0
653.2260	Metal coins n.e.s.-----	689	0	3,096
	Total imports itemized above-----	\$2,543,761	\$1,483,639	\$2,617,834
	Total U.S. imports from Albania-----	\$2,543,761	\$1,483,639	\$2,824,019

Table A-20.--Leading items exported to Albania, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B. :	Description :	January-December :	October-December :	January-December :
item No. :	:	1976 :	1976 :	1975 :
211.1010	: Cattle hides, whole-----	\$419,374	\$ 0	\$141,092
891.1135	: Magnetic tape recorders, video-----	346,715	0	0
891.1210	: Dictating and recording machine parts-----	133,073	0	1,236
891.2040	: Magnetic tape, video-----	96,883	0	66,736
656.9240	: Made-up textile articles, n.e.c., of textile fibers, n.e.c-----	78,584	0	0
861.9920	: Parts for testing apparatus, n.e.c-----	1,188	0	0
	: Total exports itemized above-----	\$1,075,817	\$ 0	\$209,064
	: Total U.S. exports to Albania-----	\$1,075,817	\$ 0	\$663,200

A-21.--Leading items imported from Cuba ^{1/}, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
415.4500	Sulfur-----	\$24,200	\$24,200	\$ 0
765.1000	Engravings, etchings, lithographs, etc., unbound-----	1,460	0	0
724.1045 ^{2/}	Movie film, exposed, n.e.s.-----	800	800	0
270.2580	Books n.s.p.f., including books of foreign authorship-----	673	0	0
	Total imports itemized above-----	\$27,133	\$25,000	\$ 0
	Total U.S. imports from Cuba-----	\$27,133	\$25,000	\$2,911

^{1/} U.S. trade with Cuba has been under an embargo since Feb. 7, 1962, when President Kennedy, acting under the authority of section 620(a) of the Foreign Assistance Act of 1961, as amended, issued Presidential Proclamation No. 3447 that declares the embargo. Under Section 620(a) of the Foreign Assistance Act of 1961 the Secretary of Commerce is directed to carry out the prohibition on exports, while the Secretary of the Treasury enforces the prohibition on imports. In both cases exceptions may be granted when determined to be appropriate by the respective Secretaries. To date, the number of exceptions granted has been minimal so that trade between the 2 countries is almost nil.

^{2/} Prior to Jan. 1, 1976, this item was classified under the now deleted number 724.1040.

Table A-22.--Leading items exported to Cuba, January-December, October-December, 1976, and January-December 1975 ^{1/}

(In U.S. dollars)

Schedule B : item No. :	Description :	January-December 1976 :	October-December 1976 :	January-December 1975 :
599.2035	: Organic phosphate containing pesticidal preparations, except fly sprays : and aerosols-----	: \$34,000 :	: \$ 0 :	: \$ 0
541.8000	: Medicinal and pharmaceutical products, for relief-----	: 20,300 :	: 0 :	: 11,200
892.1170	: Books, n.e.c., and pamphlets-----	: 12,800 :	: 12,800 :	: 0
732.0160	: Passenger cars, nonmilitary, used-----	: 6,500 :	: 0 :	: 0
732.0140	: Passenger cars, nonmilitary, assembled, over 6 cylinders, new-----	: 5,087 :	: 0 :	: 0
714.1010	: Typewriters, standing, electric, new-----	: 2,474 :	: 0 :	: 1,296
664.4020	: Plate glass, rectangular, unworked-----	: 2,000 :	: 0 :	: 0
861.9920	: Parts for testing apparatus, n.e.c.-----	: 1,682 :	: 0 :	: 0
861.5070	: Parts, n.e.c., for motion picture cameras and projectors-----	: 1,557 :	: 0 :	: 0
931.0020	: Commodities donated for relief-----	: 1,208 :	: 0 :	: 0
861.9810	: Instruments, laboratory or scientific, for physical or chemical : analysis-----	: 1,033 :	: 0 :	: 0
:	: Total exports itemized above-----	: \$88,641 :	: \$12,800 :	: \$12,496
:	: Total U.S. exports to Cuba-----	: \$88,641 :	: \$12,800 :	: \$35,255

^{1/} See footnote ^{1/} Table A-21.

Table A-23.--Leading items imported from the People's Republic of Mongolia, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)

TSUSA item No.	Description	January-December 1976	October-December 1976	January-December 1975
306.4293	Camel hair, sorted, etc.	\$1,453,527	\$243,069	\$1,020,016
306.6200	Cashmere goat hair, sorted, etc.	664,445	153,926	447,402
124.1057	Whole furskins n.e.s., raw	42,330	0	26,517
124.1025	Mink furskins, except Japanese, undressed	39,074	0	12,987
124.1045	Whole sable furskins, raw	21,888	0	0
306.4394	Camel hair, scoured	17,354	0	27,917
274.4000	Postage stamps, government envelopes and postal cards	5,000	5,000	0
382.3322	Women's cotton dresses n.e.s., not knit	3,059	3,059	0
382.0635	Women's cotton knit dresses n.e.s.	2,146	2,146	0
186.5540	Goat and kid hair, except beards	1,533	0	0
124.1018	Whole lynx furskins, raw	1,201	1,201	17,797
791.1900	Articles of fur, n.e.s., except fox fur	497	497	0
	Total imports itemized above	\$2,252,054	\$408,898	\$1,552,636
	Total U.S. imports from the People's Republic of Mongolia	\$2,252,054	\$408,898	\$1,646,463

Table A-24.--Leading items exported to the People's Republic of Mongolia, January-December, October-December, 1976, and January-December 1975

(In U.S. dollars)				
Schedule B : item No. :	Description :	January-December 1976 :	October-December 1976 :	January-December 1975 :
861.9710	: Laboratory or scientific instruments for measuring, etc., liquid	:	:	:
	: or gas-----	\$8,774	\$ 0	\$ 0
729.5248	: Nuclear monitoring instruments, n.e.c.-----	5,689	5,689	20,537
861.9822	: Instruments for chemical analysis-----	4,920	0	0
931.0020	: Commodities donated for relief-----	3,358	0	14,474
714.9275	: Parts and accessories for duplicating machines, except off-set type-----	2,239	0	0
665.8100	: Glassware, laboratory, hygienic, or pharmaceutical-----	1,942	0	0
861.7150	: Medical, surgical, ophthalmic, and veterinary instruments and apparatus,	:	:	:
	: n.e.c.-----	1,573	0	0
512.0380	: Synthetic organic medicinal chemicals n.e.c., in bulk-----	1,476	0	0
725.0110	: Refrigerators, electric, household-----	1,336	0	0
	: : Total exports itemized above-----	\$31,307	\$5,689	\$35,011
	: : Total U.S. exports to the People's Republic of Mongolia-----	\$31,307	\$5,689	\$43,017

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