

**26TH QUARTERLY REPORT TO THE CONGRESS
AND THE TRADE POLICY COMMITTEE ON TRADE
BETWEEN THE UNITED STATES AND THE
NONMARKET ECONOMY COUNTRIES
DURING JANUARY - MARCH
1981**



USITC PUBLICATION 1161

JUNE 1981

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Bill Alberger, Chairman

Michael J. Calhoun, Vice Chairman

Catherine Bedell

Paula Stern

Kenneth R. Mason, Secretary to the Commission

Report principally prepared by:

Office of Economics

Thomas F. Jennings

Magdolna B. Kornis

Janet Whisler

Bruce Guthrie

Office of Industries

Mary Sweet

**Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436**

C O N T E N T S

	<u>Page</u>
Introduction-----	1
Summary of first-quarter developments-----	3
First-quarter developments in trade between the United States and nonmarket economy countries-----	5
Trade patterns with NME's-----	5
U.S. exports to the NME's-----	7
U.S. imports from the NME's-----	17
First-quarter developments affecting U.S. commercial relations with nonmarket economy countries:	
United States-China grain agreement-----	31
Extension of the controls on exports to the Soviet Union-----	35
Financing for China-----	37
Eximbank financing-----	37
IMF financing-----	38
Consultations and restraint on woolen sweaters from China-----	40
Extension of textile agreements for Poland and Romania-----	41
U.S. International Trade Commission actions affecting NME's-----	42
Truck trailer axle-and-brake assemblies from Hungary-----	42
Statutory investigations in progress-----	43
Menthol from China-----	43
Montan wax from East Germany-----	44
Textile fibers and textile products to China-----	45
China's textile policies and its reliance on imports-----	48
Cotton-----	51
U.S. exports-----	51
Chinese supply and demand-----	52
Prospects-----	57
Manmade fibers and products-----	58
U.S. exports-----	58
Chinese supply and demand-----	60
Prospects-----	63
Impact on the U.S. fiber industry-----	65
Appendix. Leading U.S. exports and imports in trade with the nonmarket economy countries-----	67
Glossary-----	99
Index-----	101

Figures

1. Relative shares of U.S. exports to the nonmarket economy countries, 1980, and January-March 1981-----	12
2. U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1978-1981-----	14
3. Relative shares of U.S. imports for consumption from the nonmarket economy countries, 1980 and January-March 1981-----	24
4. U.S. imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1978-1981-----	25
5. U.S. exports to China, total, and of cotton fibers and manmade fibers and products, 1978-80-----	47
6. Cotton and manmade fibers and yarns: U.S. exports to China, 1978-80--	56

CONTENTS

	<u>Page</u>
Tables	
1. U.S. trade with the world and with the nonmarket economy countries, by quarters, January 1980-March 1981-----	6
2. U.S. exports to the world and to the nonmarket economy countries, by SITC Nos. (Revision 2), January-March 1980 and January-March 1981---	8
3. U.S. exports to the nonmarket economy countries, by SITC Nos. (Revision 2), January-March 1981-----	10
4. U.S. exports to the individual nonmarket economy countries and to the world, 1978-1980, January-March 1980, and January-March 1981-----	11
5. Agricultural items: U.S. exports to the individual nonmarket economy countries and to the world, 1978-80, January-March 1980, and January-March 1981-----	16
6. U.S. exports of selected major commodities to the nonmarket economy countries, January-March 1980 and January-March 1981-----	18
7. U.S. imports from the world and from the nonmarket economy countries, by SITC Nos. (Revision 2), January-March 1980, and January-March 1981-----	19
8. U.S. imports from the nonmarket economy countries, by SITC Nos. (Revision 2), January-March 1981-----	20
9. U.S. imports from the individual nonmarket economy countries and from the world, 1978-80, January-March 1980, and January-March 1981-----	23
10. Agricultural items: U.S. imports from the individual nonmarket economy countries and from the world, 1978-1980, January-March 1980 and January-March 1981-----	28
11. U.S. imports of selected major commodities from the nonmarket economy countries, January-March 1980 and January-March 1981-----	29
12. China's imports of wheat and coarse grains by source, 1972-80-----	33
13. U.S. exports to China, total and of principal textile fibers and products, 1978-80, January-February 1980 and January-February 1981--	46
14. China: Textile fibers and textile products: Production in China, by types, 1977-81-----	50
15. Cotton: U.S. exports, by markets, average 1970-74, annual 1975-79----	53
16. Cotton: World exports to China, by exporters, crop years 1972/73 to 1979/80-----	55
17. Textile fibers and textile products; U.S. exports, total and of selected items to all countries and to China, 1978-80, January-February 1980 and January-February 1981-----	59
18. Textile fibers and textile products: U.S. exports of selected items to China, 1978-80, January-February 1980 and January-February 1981--	61
19. Textile fibers and textile products: U.S. exports of selected items to principal markets, 1978-80, January-February 1980 and January-February 1981-----	62
20. Synthetic textile fibers: Imports into China, total and by principal sources, 1977-79-----	64

CONTENTS

	<u>Page</u>
A-1. Leading items exported to the nonmarket economy countries, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	68
A-2. Leading items imported from the nonmarket economy countries, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	69
A-3. Leading items exported to China, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	70
A-4. Leading items imported from China by TSUSA items, January-March 1981, January-March 1980, and 1980-----	71
A-5. Leading items exported to the U.S.S.R., by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	72
A-6. Leading items imported from the U.S.S.R., by TSUSA items, January-March 1981, January-March 1980, and 1980-----	73
A-7. Leading items exported to Poland, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	74
A-8. Leading items imported from Poland, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	75
A-9. Leading items exported to Romania, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	76
A-10. Leading items imported from Romania, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	77
A-11. Leading items exported to Yugoslavia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	78
A-12. Leading items imported from Yugoslavia, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	79
A-13. Leading items exported to East Germany, by Schedule B Nos. January-March 1981, January-March 1980, and 1980-----	80
A-14. Leading items imported from East Germany, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	81
A-15. Leading items exported to Bulgaria, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	82
A-16. Leading items imported from Bulgaria, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	83
A-17. Leading items exported to Czechoslovakia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	84
A-18. Leading items imported from Czechoslovakia, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	85
A-19. Leading items exported to Hungary, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	86
A-20. Leading items imported from Hungary, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	87
A-21. Leading items exported to Mongolia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	88

CONTENTS

	<u>Page</u>
A-22. Leading items imported from Mongolia, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	89
A-23. Leading items exported to Albania, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	90
A-24. Leading items imported from Albania, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	91
A-25. Leading items exported to Vietnam, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	92
A-26. Leading items imported from Vietnam, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	93
A-27. Leading items exported to Cuba, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	94
A-28. Leading items imported from Cuba, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	95
A-29. Leading items exported to North Korea, by Schedule B Nos., January-March 1981, January-March 1980, and 1980-----	96
A-30. Leading items imported from North Korea, by TSUSA items, January-March 1981, January-March 1980, and 1980-----	97

INTRODUCTION

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

As specified by the statute, one objective of the report is to provide data concerning the effect of those imported items on the production of like or directly competitive articles in the United States and on employment within industries producing those articles. Therefore, the report includes trade statistics for Albania, Bulgaria, China, Cuba, Czechoslovakia, the German Democratic Republic (East Germany), Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R., Vietnam, and Yugoslavia because these are the NME's whose current trade with the United States is at least at a level that could present problems for domestic industry.

At the present time, Poland, Yugoslavia, Romania, Hungary, and China receive most-favored-nation (MFN) tariff treatment from the United States. Most of the NME's have not been accorded this treatment because of the policy legislated as section 5 of the Trade Agreements Extension Act, i. e., that the President should take appropriate action to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. In the TSUS, the unconditional MFN rates are set forth in column 1.

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

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

3/ Some analysts consider Yugoslavia to be a market economy country. It is not a member of the Warsaw Pact or the Council for Mutual Economic Assistance, but is a member of the General Agreement on Tariffs and Trade, the International Monetary Fund, and the World Bank, has special status with the Organization for Economic Cooperation and Development, and is a leader of the movement of nonaligned countries.

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

This particular report contains a summary of U.S. trade with the NME's during January-March 1981 and examines U.S. exports, imports, and the balance of trade with each country as well as the commodity composition of such trade. Important changes in U.S. commercial relations with the NME's and pertinent economic and trade developments are discussed. The report also includes an analysis of textile exports to China, augmenting the discussion of textile imports from China contained in the 24th report of the series. China is a major market for certain U.S. textile items; cotton and manmade fibers are leading export items.

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

SUMMARY OF FIRST-QUARTER DEVELOPMENTS

Total trade between the United States and the nonmarket economy countries increased 10.8 percent from \$3.5 billion in October-December 1980 to \$3.8 billion in January-March 1981. U.S. exports to the NME's increased 8.1 percent between the two periods, and imports from the NME's rose 20.1 percent.

Record levels of trade were registered for both imports and exports during the first quarter of 1981, and the traditional surplus in the U.S. balance of trade with the NME's neared \$2 billion. The share of total U.S. trade accounted for by trade with the NME's in the quarter was higher than in any quarter since the imposition of the sanctions on trade with the Soviet Union in January 1980.

Sales of agricultural products and crude materials continued to dominate U.S. exports to the NME's, accounting for 77 percent of total shipments. The difference in composition between U.S. exports to the NME's and those to the world is striking: agricultural products and crude materials accounted for only 26 percent of overall U.S. exports in the latest quarter. The contrast is less marked on the import side, where manufactured goods constituted 52 percent of imports from the NME's and 47 percent of imports from the world.

China continued to be the leading NME trading partner of the United States. In January-March 1981, U.S. exports to China constituted 40.8 percent of all exports to NME's, while U.S. imports from China accounted for 39.9 percent of all imports from NME's.

Several developments which may have an impact on U.S.-NME commercial relations occurred during the quarter. A 4-year grain supply agreement between the United States and China came into effect on January 1. According to the terms of the accord, between 6 million and 9 million metric tons (mmt) of grain will be sold to the Chinese annually. Purchases by China above the 9 mmt level require the approval of the U.S. Department of Agriculture. The agreement is expected to promote sales of U.S. grain as well as strengthen U.S.-Chinese relations. In 1980 the United States became the leading supplier of wheat to China, supplying 6.4 mmt of the 11.7 mmt total imported. Although China has other bilateral grain agreements in force with such major suppliers as Canada, Australia, and Argentina, the committed volume of shipments under these agreements does not approach the level agreed to in the new United States-China accord.

During the quarter China received approval for loans from both the Export-Import Bank of the United States and the International Monetary Fund. These developments enable China to have access to the relatively low-cost credit facilities of these institutions, and thus enhance the sales potential of U.S. firms.

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

In January-March 1981, despite continuing financial pressures in many nonmarket economy countries to cut back on imports, ^{1/} U.S. trade with the NME's continued to grow, in relation to both the preceding quarter and the corresponding quarter of 1980. While some categories of U.S.-NME trade grew less than others, and trade with a few NME's actually declined, these variations in the trade picture were not atypical for the January-March quarter.

Total exports to the NME's in January-March 1981 increased by over a third from those in January-March 1980 and 8.1 percent over those in October-December 1980. The increase in imports from the NME's amounted to almost 45 percent between January-March 1980 and January-March 1981 and 20 percent from October-December 1980 to January-March 1981.

Records were set in the value of both imports and exports during January-March 1981. Current trends indicate that the quarterly level of U.S. imports from the NME's will soon top the \$1 billion mark for the first time and exports will soon exceed \$3 billion. Total trade turnover with the NME's increased by over 37 percent from January-March 1980 to January-March 1981 and amounted to \$3.8 billion.

Trade Patterns With NME's

U.S. exports to the NME's increased from \$2.7 billion in October-December 1980 to \$2.9 billion in January-March 1981, or by 8 percent (table 1). During the same period, U.S. exports to the world increased by less than 3 percent. U.S. imports from the NME's in the period increased by 20 percent, from \$785 million to \$943 million, while U.S. imports from the world increased by just 7 percent.

As U.S. trade with the NME's has been increasing faster than U.S. trade with the world, the share of total U.S. trade accounted for by the NME's has also been increasing; NME trade currently accounts for 4.9 percent of U.S. exports and 1.4 percent of U.S. imports. These shares varied considerably from quarter to quarter during the last year. However, figures for the first quarter of 1981 are the highest recorded since October-December 1979.

Some extraordinary restrictions on trade remained in effect throughout January-March 1981 due to the sanctions on trade with the U.S.S.R imposed on January 4, 1980, by the United States. These restrictions were largely lifted

^{1/} For a discussion of the hard-currency problems facing individual NME's, consult the 25th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During 1980, USITC Publication 1136, March 1981, hereafter 25th Quarterly Report

Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's),
by quarters, January 1980-March 1981

Item	1980				January-
	January- March	April- June	July- September	October- December	March 1981
U.S. world trade:					
Exports-----million dollars--	53,017	56,591	52,989	58,108	59,737
Imports-----do-----	61,838	60,794	57,262	60,940	65,063
Balance-----do-----	-8,821	-4,202	-4,273	-2,832	-5,326
U.S. trade with NME's:					
Exports-----million dollars--	2,148	1,634	1,902	2,687	2,904
Imports-----do-----	652	685	808	785	943
Balance-----do-----	1,497	949	1,095	1,902	1,961
Trade turnover (exports plus imports):					
million dollars--	2,800	2,319	2,710	3,472	3,847
Share of total U.S. trade accounted for by trade with NME's:					
Exports-----percent--	4.05	2.89	3.59	4.63	4.86
Imports-----do-----	1.05	1.13	1.41	1.29	1.45

Source: U.S. Department of Commerce publication FT990. Export data are from table E-3 and include domestic and foreign merchandise and Defense Department military assistance shipments. Import data are from table I-6 and are general imports. Both exports and imports are valued on an f.a.s. basis.

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

by President Reagan on April 24. ^{1/} Even while they were still in effect during the first quarter, trade with the Soviet Union was higher than in any period since October-December 1979, the period immediately preceding the sanctions. Much of the higher export level was accounted for by large grain purchases by the U.S.S.R. The increase in imports was due largely to a higher level of gold shipments from the Soviet Union. Total trade turnover with the U.S.S.R. increased by 62 percent between January-March 1980 and January-March 1981, the biggest percentage growth among the leading NME's.

The trade surplus with the nonmarket economy countries rose to over \$2 billion during January-March 1981. While the United States has maintained a fairly consistent merchandise trade deficit with the world since 1975, the situation with the NME's has been the reverse. The trade balances with each of the major NME's except Hungary remained heavily in favor of the United States during January-March 1981. Overall, the U.S. trade surplus increased by more than a third between January-March 1980 and January-March 1981, but much of the increase was due to the initial effects of the sanctions in reducing exports to the U.S.S.R. during the former period. The U.S. trade surplus with several major NME's--Romania, Yugoslavia, East Germany, and Czechoslovakia--diminished between the two periods.

U.S. Exports to the NME's

The distribution of U.S. exports to the NME's and to the world by SITC numbers is shown in table 2 for January-March 1980 and January-March 1981. The largest absolute increase in an SITC Section for the NME's occurred in Section 0 (food and live animals), exports of which increased by almost \$600 million. Roughly half of this section's increase, \$307 million, is accounted for by higher-than-usual Soviet purchases of grain during the first quarter of 1981 under the 1975 U.S.-U.S.S.R. grain supply agreement. The sanctions restricted the amount of grain that the Soviet Union could buy to the minimum allowed each "agreement year," October 1 through September 30. Following a poor harvest, the Soviets had contracted to receive their entire quota of grain by May 1981. ^{2/}

The composition of U.S. exports to the NME's remains significantly different than that of U.S. exports to the world. Over half of U.S. exports to the NME's were in SITC Section 0 (food and live animals), while only

^{1/} The trade sanctions imposed by President Carter on Jan. 4, 1980, had five components. Grain shipments to the U.S.S.R. were restricted, phosphate and Olympics-related exports were prohibited, and exports of high-technology and oil- and gas-drilling equipment were to be reviewed on a case-by-case basis. Only the sanctions on high-technology and oil- and gas-drilling equipment continue.

^{2/} It has been suggested that since the Reagan administration was known to question the effectiveness of the agricultural embargo, the Soviets may have presumed that the embargo would be lifted and that they would be able to get all the grain they desired from the United States this agreement year. Consequently, they may have felt no need to limit their imports. On June 8 and 9, Soviet representatives met with a U.S. Government interagency group to discuss further grain shipments for the rest of the 1980-81 agreement year.⁷ At these meetings, the United States agreed to supply an additional 9 million metric tons of grain to the U.S.S.R. during the current agreement year.

Table 2.--U.S. exports to the world and to the nonmarket economy countries (NME's), by SITC 1/ Nos. (Revision 2), January-March 1980 and January-March 1981

SITC Section No.	Description	Total exports		Exports to the NME's	
		Jan.-Mar. 1980	Jan.-Mar. 1981	Jan.-Mar. 1980	Jan.-Mar. 1981
		Value (million dollars)			
0	Food and live animals	6,277	8,465	1,018	1,614
1	Beverages and tobacco	692	682	7	6
2	Crude material--inedible, except fuel	6,655	6,213	565	603
3	Mineral fuels, lubricants, etc.	1,484	2,151	46	55
4	Oils and fats--animal and vegetable	510	455	38	59
5	Chemicals	5,035	5,411	143	152
6	Manufactured goods classified by chief material	5,265	5,395	68	161
7	Machinery and transport equipment	19,614	23,395	217	211
8	Miscellaneous manufactured articles	4,528	4,196	39	38
9	Commodities and transactions not elsewhere classified	1,974	2,250	3	4
	Total	52,035	58,614	2,144	2,902
		Percent of total			
0	Food and live animals	12.1	14.4	47.5	55.7
1	Beverages and tobacco	1.3	1.2	.3	.2
2	Crude material--inedible, except fuel	12.8	10.6	26.4	20.8
3	Mineral fuels, lubricants, etc.	2.9	3.7	2.1	1.9
4	Oils and fats--animal and vegetable	1.0	.8	1.7	2.0
5	Chemicals	9.7	9.2	6.7	5.2
6	Manufactured goods classified by chief material	10.1	9.2	3.2	5.5
7	Machinery and transport equipment	37.7	39.9	10.1	7.3
8	Miscellaneous manufactured articles	8.7	7.2	1.8	1.3
9	Commodities and transactions not elsewhere classified	3.8	3.8	.1	.1
	Total	100.0	100.0	100.0	100.0

1/ Standard International Trade Classification.

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

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

one-seventh of U.S. exports to the world were in this section. The NME's are a significant market for U.S. exports of food. While accounting for less than 5 percent of total U.S. exports, exports of food and live animals account for over 19 percent of all such exports to the NME's. By contrast, almost 40 percent of U.S. exports to the world are in SITC Section 7 (machinery and transportation equipment), primarily airplanes and automobile parts. Less than 1 percent of U.S. exports of these products go to the NME's; machinery and transportation equipment account for just over 7 percent of U.S. exports to the NME's.

In table 3, trade in each SITC section for January-March 1981 is broken down by individual NME's. China was the major NME customer in 4 of the 10 SITC sections, accounting for two-thirds or more of U.S. shipments to the NME's in 3 of them (2, 5, and 6). Major items exported to China in the crude materials category include cotton, soybeans, polyester fibers, wood pulp, and logs (table A-3 in the appendix); those in the chemicals section include, phosphatic fertilizers and polyester resins; and those in the category of manufactured goods classified by chief material include textured yarns, kraft linerboard, and leather.

The Soviet Union accounts for almost half of U.S. exports of oils and fats (SITC Section 4). The only commodity in this section exported to the U.S.S.R. during January-March 1981 was inedible tallow (table A-5). Tallow is commonly used for making soap and as an additive in animal feed, and there is no easy way to distinguish that destined for one use from that destined for the other. The trade sanctions, which prohibited the shipment of agricultural commodities intended for the Soviet feed-livestock sector, disallowed all tallow exports intended for feed use. A case-by-case determination of end use had to be made by the Department of Commerce for every export license. Tallow exports for feedstock use were prohibited throughout January-March 1981; nevertheless, exports of tallow to the Soviet Union during January-March 1981 exceeded the level reached for all of calendar year 1980.

U.S. exports to the individual NME's are shown in table 4 and are illustrated in figure 1. U.S. exports to the NME's as a whole jumped by over 30 percent from January-March 1980 to January-March 1981. Among the major NME's, Bulgaria, the U.S.S.R., and China lead this growth.

U.S. exports to China, which accounted for over 40 percent of all exports to the NME's in January-March 1981, increased by 53 percent between January-March 1980 and January-March 1981. This was the lowest corresponding-quarter growth for at least the last 3 years. Much of the increase in exports occurred in grain products; almost 30 percent of total U.S. exports to China are wheat (table A-3). This wheat is being purchased by China under the recently concluded 1981-84 U.S.-China grain agreement. Even without the agreement, however, China was the largest U.S. market for wheat in 1980. ^{1/}

^{1/} Under the terms of the agreement, China is committed to purchase and the United States agrees to supply a minimum of 6 million tons of grain each year. This is the same minimum negotiated with the Soviet Union under the 1975 grain agreement. If the Chinese want more than 9 million tons, they must first gain U.S. Department of Agriculture approval. See the discussion below, on first-quarter developments affecting U.S. commercial relations with nonmarket economy countries. ⁹

Table 3.--U.S. exports to the nonmarket economy countries, by SITC 1/ Nos. (Revision 2), January-March 1981

		(In thousands of dollars)													
SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czechoslovakia	East Germany	Hungary	Mongolia						
0	Food and live animals	-	55,778	367,948	-	32,871	129,823	482	-						
1	Beverages and tobacco	-	2,298	432	-	41	-	-	-						
2	Crude material--inedible, except fuel	-	8,618	477,543	-	3,938	866	1,345	-						
3	Mineral fuels, lubricants, etc.	-	-	330	-	-	-	1	-						
4	Oils and fats--animal and vegetable	-	-	17,091	-	-	-	11	-						
5	Chemicals	-	5,083	100,046	-	708	439	8,052	-						
6	Manufactured goods classified by chief material	-	73	143,110	-	-	-	-	-						
7	Machinery and transport equipment	49	1,494	58,835	-	733	695	2,398	2						
8	Miscellaneous manufactured articles	-	201	16,983	9	3,116	745	10,664	1						
9	Commodities and transactions not elsewhere classified	-	40	834	6	637	589	886	10						
	Total	49	73,585	1,183,152	15	42,359	133,494	24,028	2						
		North Korea		Poland		Romania		U.S.S.R.		Vietnam		Yugoslavia		Total	
0	Food and live animals	-	232,405	130,321	660,451	-	4,080	-	1,614,158						
1	Beverages and tobacco	-	1,107	-	332	-	1,698	-	5,908						
2	Crude material--inedible, except fuel	-	40,605	24,937	7,897	-	37,744	-	603,494						
3	Mineral fuels, lubricants, etc.	-	3	15,891	24,459	-	14,384	-	55,068						
4	Oils and fats--animal and vegetable	-	9,201	-	28,566	-	3,789	-	58,658						
5	Chemicals	-	4,382	3,406	3,438	-	26,124	-	151,678						
6	Manufactured goods classified by chief material	-	1,261	2,410	6,409	-	4,117	-	161,208						
7	Machinery and transport equipment	-	13,551	12,965	60,742	-	48,528	-	210,699						
8	Miscellaneous manufactured articles	-	1,503	1,491	8,502	-	6,822	-	37,629						
9	Commodities and transactions not elsewhere classified	-	722	105	353	3	1,093	-	3,993						
	Total	-	304,740	191,526	801,149	3	148,379	-	2,902,493						

1/ Standard International Trade Classification.

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

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

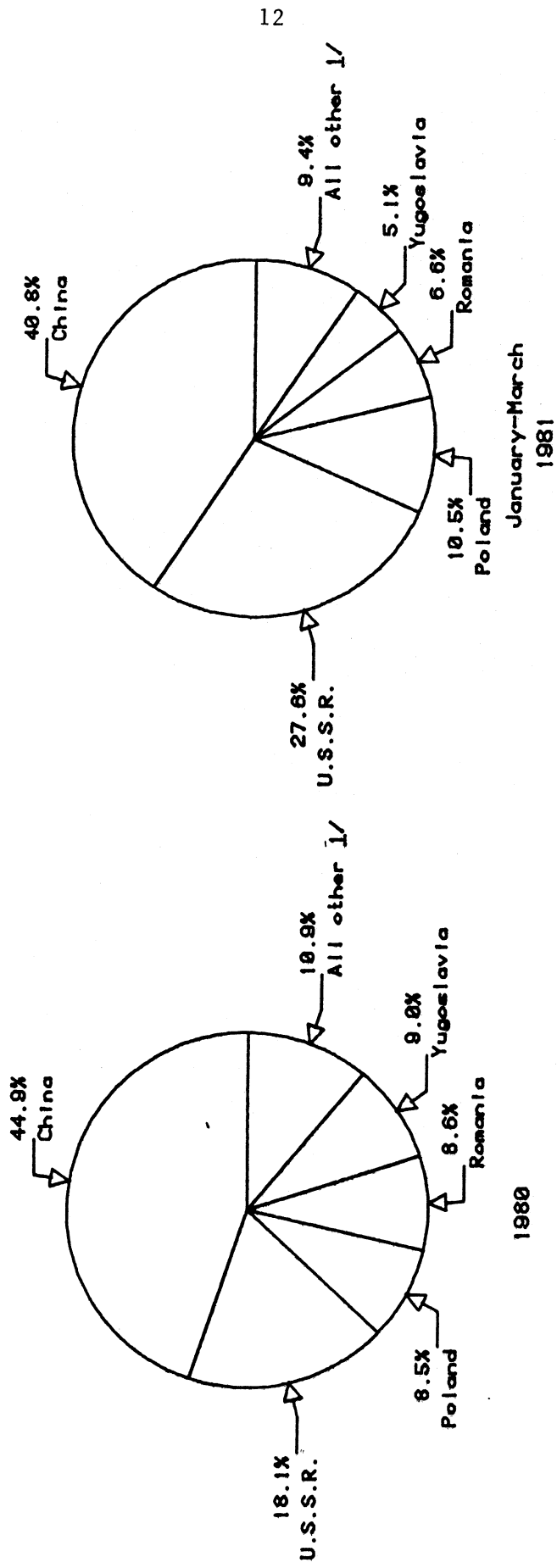
Table 4.--U.S. exports to the individual nonmarket economy countries and to the world, 1978-80, January-March 1980, January-March 1981

Market	(In thousands of dollars)			
	1978	1979	1980	January-March-- 1980 : 1981
China-----	818,241	1,716,500	3,748,993	773,908 : 1,183,152
U.S.S.R-----	2,249,020	3,603,632	1,509,728	487,031 : 801,149
Poland-----	677,022	786,258	710,446	226,132 : 304,740
Romania-----	317,423	500,464	720,231	183,400 : 191,526
Yugoslavia-----	471,298	731,784	751,954	160,571 : 148,379
East Germany-----	170,121	354,522	477,389	176,145 : 133,494
Bulgaria-----	48,120	56,225	160,701	31,690 : 73,585
Czechoslovakia-----	105,349	281,129	185,145	82,534 : 42,358
Hungary-----	97,682	77,583	79,020	21,475 : 24,028
Mongolia-----	62	80	64	6 : 15
Albania-----	4,469	10,054	6,891	960 : 49
Vietnam-----	1,879	541	1,148	200 : 3
Cuba-----	340	299	119	22 : 15
North Korea-----	1	13	-	- : -
Total-----	4,961,027	8,119,089	8,351,830	2,144,082 : 2,902,493
Total U.S. exports to the world-----	141,154,185	178,413,200	216,592,219	52,034,654 : 58,614,047

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

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

Figure 1.--Relative shares of U.S. exports to the nonmarket economy countries, 1980 and January-March 1981.



1/ East Germany, Bulgaria, Czechoslovakia, Hungary, Mongolia, Albania, Vietnam, Cuba, and North Korea.
 Source: ¹² Based on data in table 4.

U.S. exports to the NME's in general and to China and the Soviet Union in particular are shown in figure 2. Exports to China rose fairly steadily over the last 13 quarters, with a slight seasonal decline in the April-June quarter. Exports to the U.S.S.R., however, are more volatile. The value of exports in January-March 1981 was less than the level reached in April-June 1978. On a consecutive-quarter basis, exports to the U.S.S.R. since 1978 fell by as much as 61 percent (between October-December 1979 and January-March 1980) and rose by as much as 438 percent (between July-September 1980 and October-December 1980). 1/

The value of exports to Poland increased by 35 percent between January-March 1980 and January-March 1981 despite Poland's financial problems. 2/ Almost all this increase was in agricultural items, which rose as a result of shortages in Poland stemming from flood damage 3/ as well as the greater availability of Commodity Credit Corporation (CCC) credit guarantees. The CCC, which had guaranteed \$550 million for fiscal 1980 (October 1979 through September 1980), increased the guarantee to \$670 million for fiscal 1981, partially in response to the flooding and particularly in response to labor unrest in Poland. Of this \$670 million, roughly a third remained to be used for exports between April and September 1981. 4/

Exports to Bulgaria increased by 132 percent from the first quarter of 1980 to the first quarter of 1981. The value of exports in January-March 1981 exceeded the levels of exports in 1978 and 1979. Corn accounted for about 60 percent of exports in both January-March 1980 and January-March 1981 (table A-15). The increase in U.S. exports to Bulgaria was due to bad harvests in that country in 1980. 5/

1/ Ignoring the changes during 1980, which may have been caused by the sanctions, exports to the U.S.S.R. have fallen by as much as 53 percent between April-June 1978 and July-September 1978 and risen by as much as 101 percent between October-December 1978 and January-March 1979. For China, the maximum consecutive quarter decline was 21 percent between January-March 1979 and April-June 1979. The largest single quarterly increase for China was 103 percent between April-June 1978 and July-August 1978.

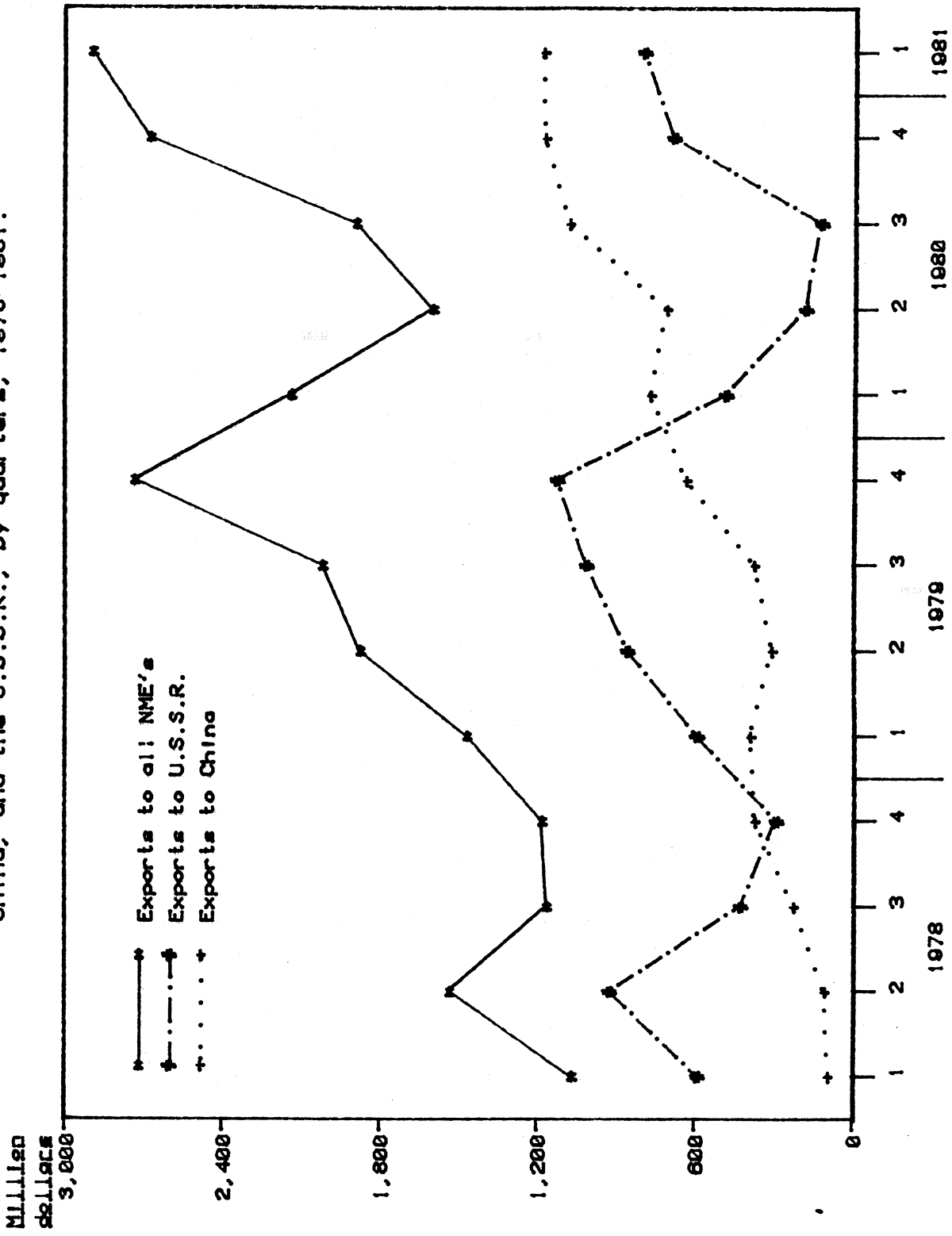
2/ See 25th Quarterly Report . . ., pp. 69-70.

3/ Poland suffered tremendous flooding in July and August 1980. The floods, which covered 4 million acres of land, destroyed crops and reduced yields in much of the country.

4/ During October-December 1980, CCC-guaranteed exports to Poland were valued at \$175 million, accounting for 95 percent of U.S. agricultural shipments and 78 percent of all exports to Poland that quarter. In January-March 1981, the guaranteed exports were valued at \$271 million, accounting for 99 percent of agricultural and 89 percent of total exports to Poland. A portion of the \$224 million remaining for the rest of fiscal 1981 apparently will not be used. Despite CCC guarantees, commercial bankers have been reluctant to extend Poland more credit. As the CCC guarantees only the principal of the loan plus six percent in interest, banks stand to lose the difference between the guaranteed interest and the market level of interest if Poland should default.

5/ Bulgaria had a cold, wet spring followed by a hot, dry summer. These climatic conditions are said to have reduced Bulgarian grain production by 10 percent. U.S. Department of State, Foreign Economic Trends for Bulgaria, June 1981, p. 4.

Figure 2.--U.S. exports to the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1978-1981.



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

Exports to several NME's decreased significantly between January-March 1980 and January-March 1981. Trade with Yugoslavia declined by 8 percent, partially due to increasingly tight import restrictions in that country. However, U.S. exports to Yugoslavia, usually decline during the first quarter of the year: they have fallen by at least 25 percent in each of the last three January-March periods. Exports to East Germany declined by 24 percent and those to Czechoslovakia, by 49 percent.

There were no exports at all to North Korea. Such exports, like those to Vietnam, are controlled by the U.S. Department of Commerce under the Export Administration Act of 1979. ^{1/} The last U.S. exports to North Korea were shipped during July-September 1979.

The vast bulk of exports to the NME's are in agricultural items. These exports, shown in table 5, constituted almost three-quarters of U.S. exports to the NME's in January-March 1981, compared with about one-fifth of U.S. exports to the world. While the NME's account for less than 5 percent of total U.S. exports, they account for over 17 percent of U.S. agricultural exports despite the trade embargo with the Soviet Union.

The determinants of the level of U.S. agricultural exports to the NME's include the relative success or failure of harvests in each of the NME's; the ability of the countries to buy needed grains from other, cheaper sources; the priority individual governments place on meat consumption in their countries; and the ability of these governments to finance the grain imports necessary to produce the meat. Although the 1980 grain harvest in Yugoslavia was just slightly better than the one in 1979, the amount of U.S. agricultural shipments to Yugoslavia was dramatically reduced in January-March 1981 compared with January-March 1980 because the Government has been vigorously trying to reduce imports.

Other factors which influence the relative importance of agricultural items in U.S. exports to individual NME's include the size of the agricultural sector in each country and the ability of the country to buy nonagricultural

^{1/} See the discussion of these controls in the 25th Quarterly Report . . ., pp. 113-115.

Table 5.--Agricultural items: U.S. exports to the individual nonmarket economy countries and to the world, 1978-80, January-March 1980, and January-March 1981

Market	Value (1,000 dollars)		
	1978	1979	1980
China	573,297	990,159	2,209,524
U.S.S.R.	1,686,548	2,854,896	1,047,118
Poland	503,470	651,371	571,461
Romania	148,543	336,515	462,595
Yugoslavia	110,953	284,396	277,539
East Germany	153,955	321,818	453,248
Bulgaria	39,893	41,019	127,339
Czechoslovakia	77,111	247,999	154,574
Hungary	52,676	24,466	24,419
Mongolia	-	-	-
Albania	217	151	224
Vietnam	1,500	-	-
Cuba	2	-	-
North Korea	-	-	-
Total	3,348,165	5,752,790	5,328,042
Total, agricultural exports to the world	29,406,945	34,745,385	41,255,934
	Percent of total exports		
China	70.1	57.7	58.9
U.S.S.R.	75.0	79.2	69.4
Poland	74.4	82.8	80.4
Romania	46.8	67.2	64.2
Yugoslavia	23.5	38.9	36.9
East Germany	90.5	90.8	94.9
Bulgaria	82.9	73.0	79.2
Czechoslovakia	73.2	88.2	83.5
Hungary	53.9	31.5	30.9
Mongolia	-	-	-
Albania	4.9	1.5	3.3
Vietnam	79.8	-	-
Cuba	.5	-	-
North Korea	-	-	-
Total	67.5	70.9	63.7
Total, exports to the world	20.8	19.5	19.0

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

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

goods from other sources. Agricultural shipments to Hungary remain low relative to those to the other NME's because Hungary has a successful and developed agricultural base of its own. The vast bulk of U.S. exports to East Germany consistently comprises agricultural products as East Germany relies on neighboring West Germany and its partners in the Council for Mutual Economic Assistance to provide it with much of its nonagricultural needs.

Table 6 shows U.S. exports to the NME's in selected major commodity groups. The NME's as a group account for more than a third of U.S. cotton exports, most of which go to China. ^{1/} The NME's also account for a significant share of U.S. exports of cereals, soybean oilcake and meal, and manmade fibers.

U.S. Imports From the NME's

The United States imported over 900 million dollars' worth of commodities from the NME's during January-March 1981. This was the highest level of imports ever and was almost 40 percent higher than the level in January-March 1980.

U.S. imports from the NME's are shown in table 7 by SITC section numbers for January-March 1980 and January-March 1981. As is the case for exports, the composition of imports from the NME's is significantly different than that from the world as a whole. Whereas about 60 percent of all U.S. imports from the world are in SITC Sections 3 (mineral fuels) and 7 (machinery and transportation equipment), less than a quarter of all imports from the NME's fall in these sections. Instead, the leading categories of U.S. imports from the NME's are manufactured goods classified by chief material (SITC Section 6) and miscellaneous manufactured articles (SITC Section 8). The most significant items imported from the NME's in the former category were steel plates from Romania, wool floor coverings from China, and precious metals from the Soviet Union. ^{2/} Items of importance in the miscellaneous manufactured articles category include wooden chairs and athletic footwear, both of which are imported from Yugoslavia.

The category showing the greatest increase in imports from the NME's from January-March 1980 to January-March 1981 is Section 3 (mineral fuels and lubricants). Commodities in this category include fuel oils from the Soviet Union, naphthas from Romania, and gasoline from China. While imports from the Soviet Union in this section were disproportionately large during this quarter, this trade is believed to consist of spot-market purchases and does not necessarily reflect any trend toward long-term dependence on the Soviet Union for fuels. The Soviet Union accounted for over half of U.S. imports of mineral fuels and lubricants from the NME's in January-March 1981.

In table 8, U.S. imports from the NME's by SITC section number are broken down by individual countries for January-March 1981. China is the major NME supplier of products in 4 of the 10 SITC sections, and accounts for 83 percent of total U.S. imports from the NME's in SITC Section 2 (crude materials).

^{1/} For a discussion of this trade, see the section below on textile fibers and textile products to China.

^{2/} Gold bullion is classified under SITC Section 9--commodities and transactions elsewhere classified--instead of under Section 6.

Table 6.--U.S. exports of selected major commodities to the nonmarket economy countries (NME's),
January-March 1980 and January-March 1981

Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's	
		Jan.-Mar. 1980	Jan.-Mar. 1981	Jan.-Mar. 1980	Jan.-Mar. 1981
		Percent		1,000 dollars	
Cattle hides	Romania	16.9	13.0	34,119	22,703
Cereals	U.S.S.R.	23.1	26.5	850,084	1,395,681
Corn, unmilled	do	31.3	29.2	591,669	750,715
Wheat	China	19.7	31.7	258,104	644,800
Coal	Romania	4.5	2.3	36,292	27,746
Fertilizers	China	8.1	9.6	52,425	66,035
Magnesium	Romania	26.4	1.3	9,066	431
Soybean oilcake and meal	Poland and Romania	27.3	30.3	147,697	171,031
Soybeans	China	10.0	5.7	159,688	110,263
Textiles	do	13.8	16.9	364,903	472,071
Cotton	do	30.6	34.6	311,832	323,518
Manmade fibers	do	13.1	27.3	43,685	115,744

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

Table 7.--U.S. imports from the world and from the nonmarket economy countries (NME's), by SITC 1/ Nos. (Revision 2), January-March 1980 and January-March 1981

SITC Section No.	Description	Total imports			Imports from the NME's		
		Jan.-Mar. 1980	Jan.-Mar. 1981	Jan.-Mar. 1980	Jan.-Mar. 1981	Jan.-Mar. 1980	Jan.-Mar. 1981
		Value (million dollars)					
0	Food and live animals	4,010	4,145	84	94		
1	Beverages and tobacco	546	667	12	15		
2	Crude material--inedible, except fuel						
3	Mineral fuels, lubricants, etc.	2,632	2,840	39	90		
4	Oils and fats--animal and vegetable	21,643	22,225	40	131		
5	Chemicals	138	155	1	1		
6	Manufactured goods classified by chief material	2,184	2,264	71	71		
7	Machinery and transport equipment	8,679	8,436	184	200		
8	Miscellaneous manufactured articles	14,888	16,211	53	70		
9	Commodities and transactions not elsewhere classified	5,328	5,807	151	199		
	Total	1,603	1,671	8	29		
		61,650	64,422	644	901		
		Percent of total					
0	Food and live animals	6.5	6.4	13.1	10.4		
1	Beverages and tobacco	.9	1.0	1.9	1.7		
2	Crude material--inedible, except fuel						
3	Mineral fuels, lubricants, etc.	4.3	4.4	6.1	10.0		
4	Oils and fats--animal and vegetable	35.1	34.6	6.2	14.6		
5	Chemicals	.2	.2	.2	.1		
6	Manufactured goods classified by chief material	3.5	3.5	11.0	7.9		
7	Machinery and transport equipment	14.1	13.1	28.6	22.2		
8	Miscellaneous manufactured articles	24.1	25.2	8.2	7.8		
9	Commodities and transactions not elsewhere classified	8.6	9.0	23.4	22.1		
	Total	2.6	2.6	1.2	3.2		
		100.0	100.0	100.0	100.0		

1/ Standard International Trade Classification.

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

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

Table 8.--U.S. imports from the nonmarket economy countries, by SITC 1/ Nos. (Revision 2), January-March 1981

		(In thousands of dollars)										
SITC Section No.	Description	Albania	Bulgaria	China	Cuba	Czechoslovakia	East Germany	Hungary	Mongolia			
0	Food and live animals	13	537	17,019	-	4,190	97	10,978	-			
1	Beverages and tobacco	-	4,551	334	-	82	-	592	-			
2	Crude material--inedible, except fuel	1,026	-	75,317	-	223	182	458	1,207			
3	Mineral fuels, lubricants, etc	-	-	24,272	-	-	201	-	-			
4	Oils and fats--animal and vegetable	-	-	137	-	-	-	-	-			
5	Chemicals	61	156	30,657	-	511	970	2,102	-			
6	Manufactured goods classified by chief material	-	-	-	-	-	-	-	-			
7	Machinery and transport equipment	8	72	85,804	-	5,138	3,322	1,908	-			
8	Miscellaneous manufactured articles	-	981	3,738	-	4,457	5,225	15,642	-			
9	Commodities and transactions not elsewhere classified	-	323	121,172	2	2,833	1,207	3,724	-			
	Total	1,108	6,620	359,786	2	17,551	11,252	35,527	1,207			
<hr/>												
		North Korea	Poland	Romania	U.S.S.R.	Vietnam	Yugoslavia	Total				
0	Food and live animals	-	38,790	9,696	1,203	-	11,653	94,176				
1	Beverages and tobacco	-	385	774	1,893	-	6,546	15,156				
2	Crude material--inedible, except fuel	10	973	1,877	6,903	-	2,054	90,229				
3	Mineral fuels, lubricants, etc	-	1,439	27,996	66,060	-	10,969	130,937				
4	Oils and fats--animal and vegetable	-	958	-	5	-	-	1,101				
5	Chemicals	-	3,821	778	28,989	-	3,252	71,295				
6	Manufactured goods classified by chief material	-	-	-	-	-	-	-				
7	Machinery and transport equipment	-	30,106	27,463	24,417	-	22,134	200,373				
8	Miscellaneous manufactured articles	-	11,698	18,613	786	-	9,111	70,252				
9	Commodities and transactions not elsewhere classified	-	14,675	19,776	863	3	34,180	198,759				
	Total	10	407	134	18,547	83	8,047	28,843				
	Total	10	103,252	107,107	149,666	86	107,946	901,121				

1/ Standard International Trade Classification.

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

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

Almost half of U.S. imports from China in the crude material category consist of peanuts, quotas for which were expanded as a result of a poor peanut harvest in the United States. 1/ Peanuts from China represented 9.6 percent of total U.S. imports from China in the first quarter of 1981. These imports could increase dramatically in April-June 1981, accounting for as much as a quarter of total U.S. imports from China during the second quarter. 2/ China is also supplying bauxite, feathers, barium sulfate, tungsten ore, and licorice root within the crude materials section (table A-4).

China also provides a large share of U.S. imports of manufactured goods classified by chief material (SITC Section 6) and miscellaneous manufactured articles (SITC Section 8). Imports in these categories are primarily textile items such as wool floor coverings, cotton shirts, trousers, and handbags. 3/

The Soviet Union provides over half of U.S. imports from the NME's in two sections: mineral fuels (Section 3) and commodities and transactions not elsewhere classified (Section 9). U.S. imports from the NME's in the former category are primarily accounted for by fuel oil, and those in the latter, almost entirely by gold bullion. Gold shipments from the U.S.S.R. have always been volatile, their level being generally determined by three factors: the price of gold, the Soviet Union's current hard-currency situation, and the

1/ During the 1980 growing season, droughts in the United States reduced the peanut harvest by 42 percent. On Dec. 4, 1980, the U.S. Trade Representative, through authority delegated by the President, increased the peanut import quota, allowing an additional 200 million pounds of peanuts to enter through June 30, 1981, over the 1,709,000 pounds allowed under the previous quota. On Jan. 15, 1981, the U.S. International Trade Commission unanimously reported to the President that the quota could be modified to permit the entry of an additional 200 million pounds or more of peanuts during the period Aug. 1, 1980-July 31, 1981, inclusive, without rendering or tending to render ineffective or materially interfering with any program or operation undertaken by the Department of Agriculture with respect to peanuts, or reducing substantially the amount of any product processed in the United States from peanuts (see report on investigation No. 22-42, Peanuts, Report to the President on Investigation No. 22-42 Under Section 22 of the Agricultural Adjustment Act, as Amended, USITC Publication 1124, January 1981). Chairman Bill Alberger, Vice Chairman Michael Calhoun, and Commissioner Paula Stern further recommended that the quota be increased up to 400 million pounds without having the requisite adverse consequences. On Apr. 14, 1981, the President raised the quota by 300 million pounds for the quota year ending Aug. 1, 1981.

2/ China exported 34.4 million pounds of peanuts during the January-March 1981 period to the United States. As of May 22, 1981, importers of Chinese peanuts had requested of the U.S. Department of Agriculture preparations to inspect a total of 136 million pounds of peanuts for sale in the United States. Inspections are performed in order to verify that the peanuts are disease-free and of a suitable quality to be imported. While this 136 million pound figure includes all requests between December 4 and May 22, at least 100 million pounds of this amount (with a value of at least \$75 million) has been actually imported since March 31.

3/ See "Textiles From China," 24th Quarterly Report . . ., pp. 47-85.

size of the Soviet grain harvest (which determines how much grain will be purchased in the near future). In the food category (SITC Section 0), Polish canned hams continued to be a significant item, accounting for over a third of all food imports from NME's during January-March 1981.

Total U.S. imports from each of the NME's are summarized in table 9 and figure 3. While total U.S. imports from the NME's increased by 40 percent between January-March 1980 and January-March 1981, imports from three of the major NME's increased by roughly half or more during this period. U.S. imports from China increased by 80 percent, largely because of the influx of peanuts and various textile items. 1/ Imports from Romania increased by 69 percent, primarily as a result of naphtha imports from that country. Imports from the U.S.S.R. increased by almost 50 percent; about 80 percent of the increase was due to the resumption of gold imports.

U.S. imports from the NME's as a group, from China, and from the Soviet Union are shown in figure 4. Imports from China rose fairly steadily over the last 13 quarters, though a slight decline was recorded during the last half of 1978. U.S. imports from China increased at an average rate of 14 percent per quarter over the period.

On the other hand, imports from the Soviet Union were spasmodic, declining on a consecutive-quarter basis by as much as 74 percent (between October-December 1979 and January-March 1980) and increasing by as much as 169 percent (between January-March 1979 and April-June 1979). On average, imports from the U.S.S.R. increased by less than 1 percent each quarter, and were just 13 percent higher in January-March 1981 than they were in the corresponding quarter of 1978.

Imports from Poland increased by less than 3 percent between January-March 1980 and January-March 1981, just slightly below the 4-percent increase in the value of U.S. imports from the world. As in 1980, this minute increase was due more to price increases than to increases in the volume of imports. 2/ This relatively poor performance is not atypical for Poland in January-March periods. 3/ Polish Government sources report an actual decline of more than one-fourth in the value of Polish exports to capitalist countries as a group between January-March 1980 and January-March 1981. 4/

1/ U.S. imports from China increased by 80 percent and exports to China increased by 53 percent. On a corresponding-quarter basis, this is the first time that exports grew more slowly than imports since January-March 1980. On a consecutive-quarter basis, however, as recently as April-June 1980, imports increased by 21 percent, while exports declined by almost 8 percent.

2/ For each of the eight leading U.S. imports from Poland during January-March 1981 (table A-8), accounting for 55 percent of trade during that period, the value of imports increased by more than the quantity or declined by less than the quantity. The quantity of both leather footwear and other woven fabrics of vegetable fibers actually declined, while the value increased.

3/ Since 1978, imports from Poland during January-March fell an average of 9 percent from the fourth quarter of the previous year.

4/ Report from U.S. Embassy, Warsaw, April 1981.

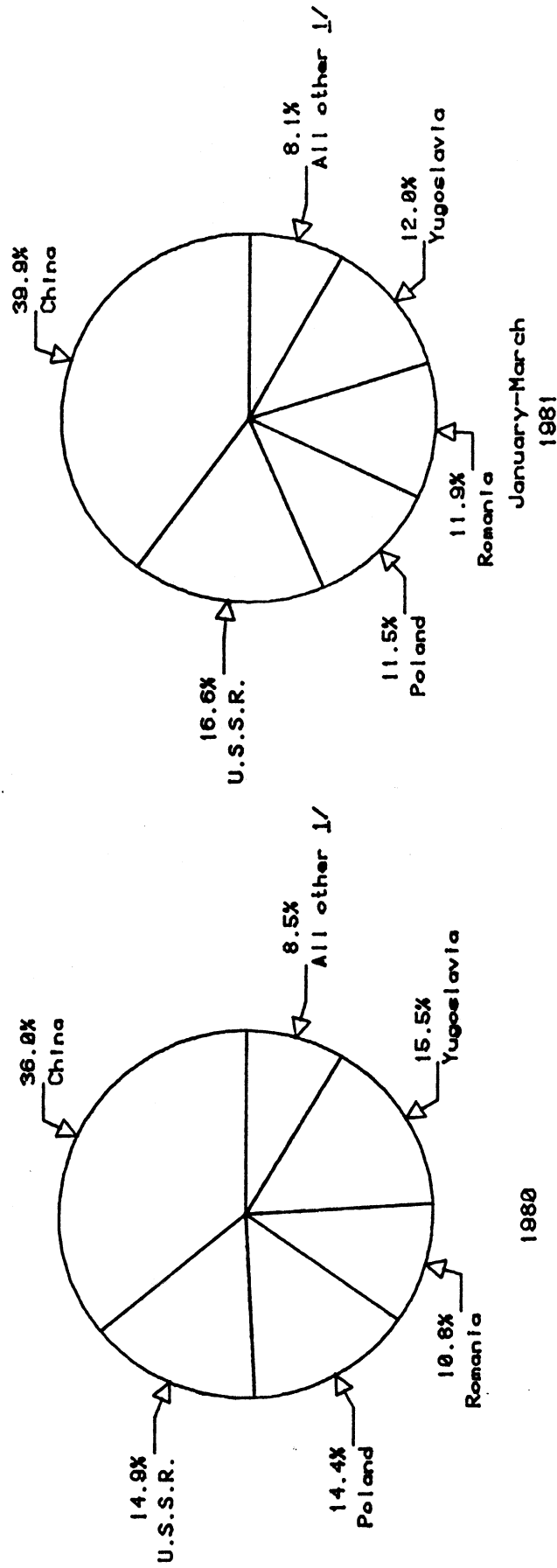
Table 9.--U.S. imports from the individual nonmarket economy countries and from the world, 1978-1980, January-March 1980, and January-March 1981

Source	(In thousands of dollars)			
	1978	1979	1980	January-March-- 1980 : 1981
China-----	316,743	548,543	1,039,177	200,188
U.S.S.R-----	529,579	872,595	430,387	99,827
Poland-----	435,947	426,090	414,919	100,346
Romania-----	344,561	329,051	310,561	63,489
Yugoslavia-----	406,553	391,003	448,919	114,440
East Germany-----	35,220	35,666	42,959	13,375
Bulgaria-----	27,909	30,145	22,845	5,662
Czechoslovakia-----	57,359	49,899	61,102	15,374
Hungary-----	69,153	112,129	104,269	28,306
Mongolia-----	3,679	3,753	2,223	429
Albania-----	3,497	9,002	10,718	2,302
Vietnam-----	203	711	34	2
Cuba-----	66	152	19	8
North Korea-----	21	127	52	26
Total-----	2,230,490	2,808,865	2,888,181	643,775
Total, U.S. imports from the world-----	172,911,700	205,922,700	239,994,468	61,649,529
				64,421,863

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

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

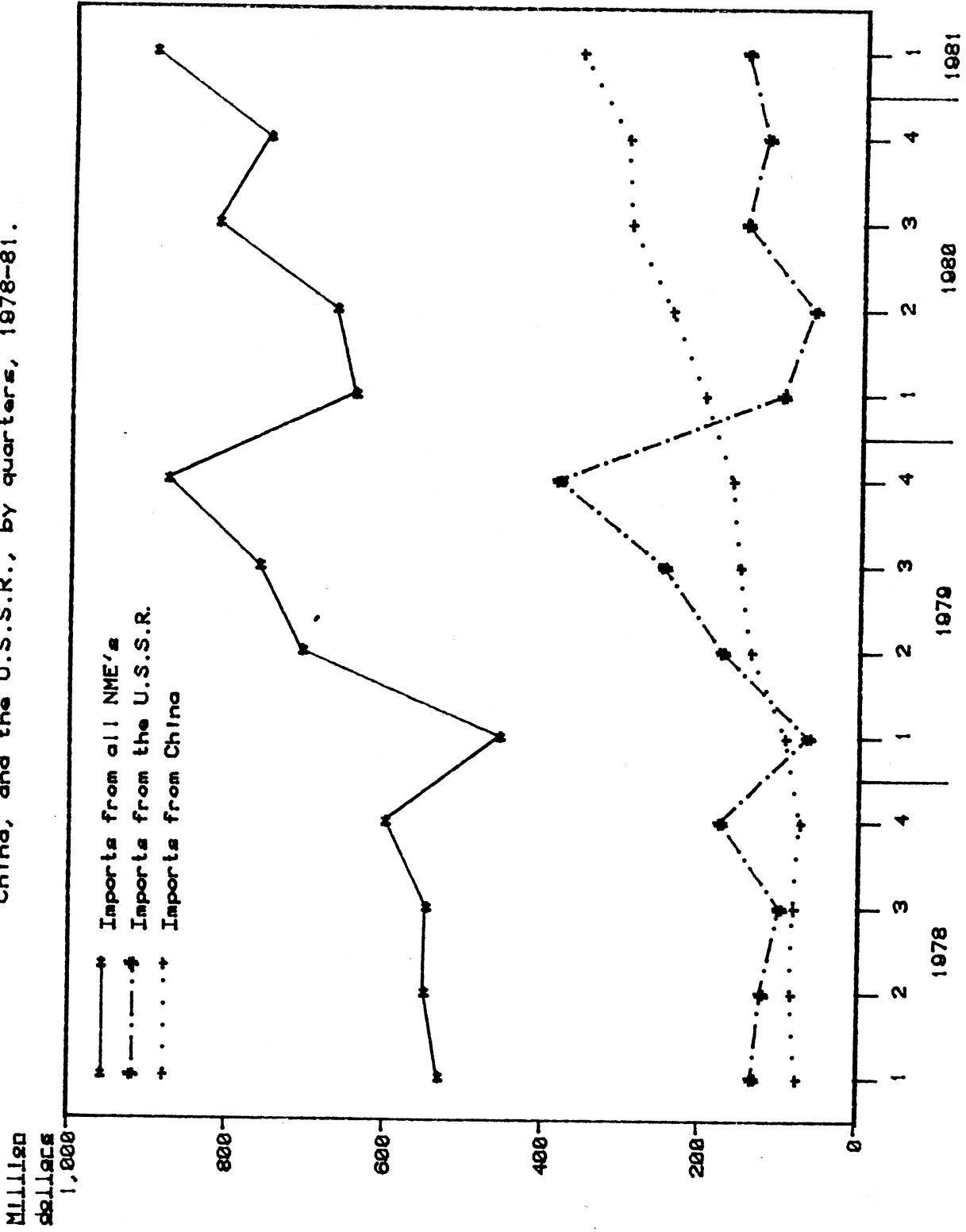
Figure 3.--Relative shares of U.S. Imports for consumption from the nonmarket economy countries, 1980 and January-March 1981.



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

Source: Based on data in table 9.

Figure 4.--U.S. Imports from the nonmarket economy countries (NME's), China, and the U.S.S.R., by quarters, 1978-81.



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

Imports from Yugoslavia fell by about 6 percent despite efforts by that country to increase its exports. In January-March 1980, Yugoslavia exported almost 20 million dollars' worth of silver bullion (612,000 Troy ounces) to the United States. There were no silver bullion imports from Yugoslavia during January-March 1981. This change alone more than accounts for the first-quarter decline in imports from that country. 1/

U.S. imports from East Germany also declined in January-March 1981 compared with those in January-March 1980. The decline of 16 percent represents a drop in imports of about \$2 million. The major U.S. import from East Germany in January-March 1980 was potassium chloride (table A-14); U.S. imports of this commodity, traditionally volatile, declined by \$1.4 million in January-March 1981.

Montan wax imports from East Germany, the only foreign source of supply, were down by over half in January-March 1981. This was due in part to overstocking of montan wax by the sole U.S. importer in 1980. Some of the overstocking was in anticipation of a dock strike that never occurred. Supplies could also have been built up in anticipation of the results of an investigation by the U.S. International Trade Commission. The Commission made a preliminary determination on October 23, 1980, that there was a reasonable indication that the sole U.S. producer of the wax was being materially injured or threatened with material injury as a result of the imports from East Germany. 2/ The U.S. Department of Commerce determined on March 12, 1981, that East Germany was selling its wax for 29.5 percent less than its fair value. 3/ As a result of this determination, montan wax importers have had to post a cash bond of 29.5 percent of the value of the shipments pending a final determination in the case. 4/

1/ Imports from Yugoslavia of wooden chairs--the leading import item in 1980--increased slightly in January-March 1981 compared with those in January-March 1980. Such imports (under TSUS item 727.29) became ineligible for duty-free treatment under the U.S. Generalized System of Preferences (GSP) on Mar. 31, 1981 (see 25th Quarterly Report . . ., p. 68). This occurred because the value of these imports in 1980 was thought to exceed the maximum value allowed to qualify for GSP treatment. Following concerns expressed by the Yugoslav Government, the U.S. Department of Commerce checked the import records for this item and found that at least 207,000 dollars' worth of trade had been misclassified as wooden chairs instead of chairs of bent-wood (TSUS item 727.15). Subtracting the amount in error, it was found that Yugoslavia should not have lost GSP status for the imports of wooden chairs. A Presidential proclamation is required to restore GSP treatment and, as of June 11, such a proclamation was awaiting Presidential signature. The proclamation would be retroactive to Mar. 31 and is expected to be signed by July 1.

2/ See Montan Wax From East Germany: Determination of a Reasonable Indication of Material Injury, or Threat of Material Injury, in Investigation No. 731-TA-30 (Preliminary) . . ., USITC Publication 1103, October 1980. See also 25th Quarterly Report . . ., pp. 93-94.

3/ On Apr. 29, 1981, the Department revised this figure upward to 51.4 percent.

4/ Commerce must decide on the case by July 17. If an affirmative decision is made, the Commission will have to make a final decision by late August. See additional discussion in section below, on U.S. International Trade Commission actions affecting NME's. 26

Agricultural imports, shown in table 10, make up almost one-fifth of all U.S. imports from the NME's. As is the case with U.S. exports to the NME's, U.S. imports from the NME's are weighted toward agricultural items. The share of U.S. imports accounted for by agricultural items is several times greater than the average of U.S. imports from the world. China accounted for about 40 percent of U.S. agricultural imports from the NME's during January-March 1981; half the imports from China consisted of peanuts.

From 1978 to 1980, Poland was the major NME supplier of agricultural imports into the United States. More than one-third of imports from Poland in each of these years consisted of agricultural items. Canned hams account for almost all this trade (table A-8). In the face of production difficulties caused by strikes and poor weather, and with food shortages in that country, the Polish Government has made every effort to maintain canned ham exports as a source of hard-currency earnings. Nonetheless, U.S. imports of canned hams from Poland in January-March 1981 were slightly lower than imports in January-March 1980. Canned ham imports declined by 2.3 percent in value, and 10.3 percent in volume. ^{1/} Canned ham imports accounted for 31.8 percent of all U.S. imports from Poland during January-March 1981, compared with 33.5 percent in January-March 1980. ^{2/}

Among the leading NME's, the Soviet Union consistently furnishes the smallest proportion of agricultural items in its shipments to the United States. Most agricultural imports from the U.S.S.R. consist of sable furskins (see table A-6). East Germany's agricultural exports to the United States dropped dramatically in January-March 1981. The main item in this trade is mink furskins, imports of which declined by \$1.2 million (93 percent) from January-March 1980 to the corresponding period of 1981.

Hungary's exports of agricultural items to the United States increased significantly in January-March 1980 over those in January-March 1981. Part of this increase was in canned hams (table A-20), a result of diminished supplies from Poland. Another portion of the increase in January-March 1981 was accounted for by U.S. imports of Hungarian corn valued at over \$1 million. This item was not imported from Hungary during January-March 1980. These imports are thought to be the result of a countertrade arrangement.

Table 11 summarizes imports from the NME's by major commodity groupings. It shows that the NME's provided 71 percent of U.S. imports of unmilled corn in the first quarter of 1981. This was up sharply from the NME's 21.5-percent share in the first quarter of 1980. Most of these imports came from Romania, which also imposes strong countertrade requirements on importers. Thus the NME's are in the unusual position of being both a major market for U.S. corn exports (table 6) and a major supplier of corn to the United States. On balance, of course, they are net importers from the United States. The NME's as a group also provide a substantial share of total U.S. imports of feathers and downs (from China), wooden furniture (the leading GSP item imported from Yugoslavia), and prepared pork (canned hams from Poland).

^{1/} The unit value of canned ham imports from Poland increased by about 9 percent during this period, from \$1.51 per pound in January-March 1980 to \$1.65 per pound in January-March 1981.

^{2/} For an analysis of canned ham imports from the NME's, see 2³d Quarterly Report . . ., pp. 47-63.

Table 10.--Agricultural items: U.S. imports from the individual nonmarket economy countries and from the world, 1978-80, January-March 1980, and January-March 1981

Market	1978	1979	1980	January-March--	
				1980	1981
	Value (1,000 dollars)				
China	83,964	85,684	133,125	29,946	68,397
U.S.S.R.	12,379	14,698	9,636	3,803	4,717
Poland	154,570	163,969	155,743	40,213	39,957
Romania	31,597	33,588	30,470	6,991	10,775
Yugoslavia	113,410	86,442	63,633	17,349	19,728
East Germany	2,850	2,248	2,825	1,549	185
Bulgaria	24,798	23,239	17,440	4,405	5,170
Czechoslovakia	6,144	7,726	10,441	3,374	4,512
Hungary	32,276	35,764	30,586	7,938	12,008
Mongolia	3,673	3,752	2,197	429	1,207
Albania	885	2,524	3,833	616	842
Vietnam	-	1	-	-	-
Cuba	-	-	-	-	-
North Korea	-	-	-	-	-
Total	466,544	459,633	459,931	116,613	167,508
Total, agricultural imports from the world	14,804,097	16,725,061	17,336,155	4,542,657	4,694,856
	Percent of total imports				
China	26.5	15.6	12.8	15.0	19.0
U.S.S.R.	2.3	1.7	2.2	3.8	3.2
Poland	35.5	38.5	37.5	40.1	38.7
Romania	9.2	10.2	9.8	11.0	10.1
Yugoslavia	27.9	22.1	14.2	15.2	18.3
East Germany	8.1	6.3	6.6	11.6	1.6
Bulgaria	88.9	77.1	76.3	77.8	78.1
Czechoslovakia	10.7	15.5	17.1	21.9	25.7
Hungary	46.7	31.9	29.3	28.0	33.8
Mongolia	99.8	1/ 99.9	98.9	100.0	100.0
Albania	25.3	28.0	35.8	26.7	76.0
Vietnam	-	.1	-	-	-
Cuba	-	-	-	-	-
North Korea	-	-	-	-	-
Total	20.9	16.4	15.9	18.1	100.0
Total, imports from the world	8.6	8.1	7.2	7.4	7.3
1/ Actually 99.97 percent.					

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

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

Table 11.--U.S. imports of selected major commodities from the nonmarket economy countries (NME's),
January-March 1980 and January-March 1981

Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's	
		Jan.-Mar. 1980	Jan.-Mar. 1981	Jan.-Mar. 1980	Jan.-Mar. 1981
		Percent		---1,000 dollars---	
Chromium scrap	China	-	2.8	-	203
Coal	Poland	8.8	7.2	3,651	1,439
Copper	Yugoslavia	1.7	.5	6,501	1,535
Corn, unmilled	Romania	21.5	71.1	466	5,187
Feathers and downs	China	44.9	42.4	6,797	8,285
Fertilizers	U.S.S.R.	5.8	7.9	17,706	28,777
Furniture, wooden	Yugoslavia	16.2	19.2	21,621	25,662
Glass and glass products	Romania	6.7	4.6	12,954	10,226
Metal coins	China	4.5	1.1	17,749	3,730
Metal ores	do	1.2	.7	9,005	5,927
Nickel	U.S.S.R.	5.5	2.5	13,679	7,145
Petroleum and natural gas	do	.2	.6	36,355	129,297
Precious metals	do	3.3	3.5	54,477	39,372
Gold bullion	do	.7	6.2	4,511	24,637
Silver bullion	China	3.8	.1	19,793	252
Platinum	U.S.S.R.	7.9	6.9	19,153	12,531
Prepared pork	Poland	61.3	58.0	53,965	56,802
Textiles	China	4.5	7.1	97,007	176,345
Footwear	Yugoslavia	4.2	4.0	31,343	33,069
Nonrubber footwear	Romania	6.5	6.0	28,185	26,430
Tin	China	1.6	2.2	3,602	4,228
Titanium	do	41.9	10.5	8,776	3,983
Tobacco	Yugoslavia	7.4	7.9	9,548	11,804
Typewriters	Bulgaria	1.9	1.6	1,766	1,401

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

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

United States-China Grain Agreement

A 4-year United States-China grain agreement became effective on January 1. Under the bilateral pact, which was signed on October 22, 1980, ^{1/} the Chinese have a commitment to purchase a minimum of 6 million metric tons of U.S. grain annually, and they may purchase up to 9 million metric tons without prior notice. If purchases under the agreement are expected to exceed 9 million metric tons, the U.S. Department of Agriculture (USDA) must be consulted first; whether China is then permitted to buy more will depend upon the status of the U.S. market. All transactions under the agreement will be between private U.S. firms and the Chinese Government, without U.S. Government participation. Chinese purchases of U.S. grain are expected to consist of 80 to 85 percent wheat and 15 to 20 percent corn.

The Chinese initiated the negotiations leading to the agreement, presumably to be assured the access to U.S. grain supplies that will enable them to pursue economic expansion with less uncertainty. China's demand for grain has been increasing. This trend is likely to continue as the standard of living in China improves and as more people move to urban areas and thus out of the agricultural sector. From the U.S. point of view, the accord will not only promote sales of U.S. grain to a large and growing market, but should also serve to strengthen U.S.-Chinese relations.

Although China has recently signed or extended bilateral agreements with other grain-exporting countries, the terms of the U.S.-Chinese pact will probably make the United States China's primary source of imported grain over the next few years. The United States was the last of the major grain suppliers to negotiate a bilateral agreement with China. In the past, therefore, particularly until the recent rise in China's grain import requirements, U.S. sales to China in any given year have been significantly affected by the availability and relative price of grain from those countries with which China had agreements. After selling a substantial amount of both wheat and corn to the Chinese in 1973 and 1974 (approximately 75 percent of China's import needs for marketing year July 1973-June 1974), the United States exported little or no grain to China for 3 years. The quantity of China's imports of U.S. grain (wheat and corn combined) did not surpass the 1973 level (4.3 million metric tons) until 1980, when its purchases of wheat

^{1/} The accord was signed in Beijing by Ambassador Leonard Woodcock for the United States and by Foreign Trade Minister Li Qiang for China.

increased sharply. U.S. wheat and corn exports to China for calendar years 1972-80 (including transshipments through Canada) were as follows:

Year	Wheat		Corn	
	Quantity	Value	Quantity	Value
	1,000 metric tons	1,000 dollars	1,000 metric tons	1,000 dollars
1972----	565	35,293	376	23,792
1973----	2,815	307,508	1,500	141,175
1974----	1,905	234,015	854	95,671
1975----	<u>1/</u>	-	<u>1/</u>	-
1976----	<u>1/</u>	-	<u>1/</u>	-
1977----	<u>1/</u>	-	<u>1/</u>	-
1978----	2,275	291,184	1,073	111,726
1979----	1,604	221,406	2,390	268,547
1980----	6,369	1,087,309	1,667	224,540

1/ Negligible or nil.

Canada and Australia were the leading suppliers of wheat to China from 1975 through 1979. Their combined exports of wheat to China in 1980, when the Chinese imported 6.4 million metric tons of U.S. wheat, were 4.6 million metric tons, accounting for 40 percent of China's wheat imports and 34 percent of its total grain imports. Since 1972 the United States has supplied most of China's imports of coarse grains (corn and a small amount of grain sorghum), which accounted for 23 percent of all grain imports in 1979 but only 13 percent in 1980 (table 12).

The USDA has reported record or near-record sales and shipments of foreign grain to China since the beginning of the current marketing year (July 1980-June 1981) and expects China's imports for 1980/81 to reach 15.5 million metric tons, with the United States accounting for two-thirds of this total. 1/ During calendar year 1980 the United States sold China 8.8 million metric tons of wheat and 501,000 metric tons of corn for delivery after July 1, of which close to 6 million tons were exported by the end of December. The remaining 3.5 million tons scheduled for delivery during the current marketing year will satisfy slightly more than half of China's minimum annual purchase requirements for calendar year 1981 under the new agreement. 2/ On the basis of USDA assessments of China's grain import needs and of the availability of grain from other suppliers, U.S. exports to China during the first year of the agreement are now expected to approach and, if U.S. supplies permit, may exceed the agreement's maximum level of sales permitted without consultation (9 million metric tons).

1/ U.S. Department of Agriculture, PRC Grain Trade to Reach New High, Foreign Agriculture Circular No. FG-5-81, Jan. 28, 1981, pp. 1-3.

2/ These contracts were for approximately 2.8 million metric tons of wheat and 66,000 metric tons of corn. Since Jan. 1, the Chinese have bought approximately 150,000 additional metric tons of corn. The United States exported 1.9 million tons of wheat and 99,024 tons of corn to China during January-March (see table A-3 for value data).

Table 12.--Wheat and coarse grains: Imports into China, by types and by sources, 1972-80
(In thousands of metric tons)

Type and source	1972	1973	1974	1975	1976	1977	1978	1979	1980 1/
Wheat	4,252	5,982	5,345	3,339	1,921	6,838	7,985	8,287	11,662
Argentina	2/	2/	145	65	2/	850	2/	885	665
Australia	2/	768	1,318	1,352	934	2,985	2,435	2,968	1,978
Canada	3,687	2,398	1,772	1,922	987	3,003	3,275	2,751	2,650
United States 3/	565	2,815	1,905	2/	2/	2/	2,275	1,604	6,369
All other	2/	2/	206	2/	2/	2/	2/	79	2/
Coarse grains	390	1,658	1,444	95	2/	2/	1,324	2,521	1,767
Argentina	14	158	590	95	2/	2/	191	27	2/
Australia	2/	2/	2/	2/	2/	2/	2/	65	2/
Thailand	2/	2/	2/	2/	2/	2/	60	37	100
United States 3/	376	1,500	854	2/	2/	2/	1,073	2,391	1,667
Total	4,642	7,639	6,790	3,434	1,921	6,838	9,309	10,807	13,429
Argentina	14	158	735	160	2/	850	191	912	665
Australia	2/	768	1,318	1,352	934	2,985	2,435	3,033	1,978
Canada	3,687	2,398	1,772	1,922	987	3,003	3,275	2,751	2,650
United States 3/	941	4,315	2,759	2/	2/	2/	3,348	3,995	8,036
All other	2/	2/	206	2/	2/	2/	60	116	100

1/ Preliminary or estimated.

2/ Less than 500 metric tons.

3/ Direct exports plus transshipments through Canada.

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

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

China's other bilateral grain agreements and the annual commitment currently in effect under each agreement are as follows: Canada, 2.8 million to 3.5 million tons of wheat; Australia, 2.0 million to 2.5 million tons of wheat; Argentina, 1.0 million to 1.5 million tons of wheat, corn, and soybeans; France, 500,000 to 700,000 tons of soft wheat; and Thailand, 200,000 tons of corn. The USDA has estimated that during 1981 Canada, Australia, and Argentina are not likely to exceed the minimum levels stipulated in their respective agreements. The primary reason for the anticipated low level of Canadian and Argentine exports to China is the exceptionally large sales that both countries are expected to make to the Soviet Union. A decline in grain production in 1980 is expected to limit Australia's exports, and high transportation costs may continue to limit sales by France to China, although the EC Commission has recently instituted a differential subsidy for exports to the Chinese market which will make French wheat more competitive.

A reduction in grain output in China in 1980 probably contributed to its record imports, but was not the principal factor. The 1980 crop was the second largest in China's history, following a record level of production in 1979. While weather conditions were less favorable in 1980, the changes in agricultural policy that were introduced in 1979 and an increase in the use of chemical fertilizers had a substantial positive effect on farm output. The new policy provides for price incentives (higher Government procurement prices for major agricultural commodities and premiums for above-quota sales) and for a reduction in direct state control, allowing production teams to make more of the basic farming decisions. One result has been higher levels of grain output despite a cutback in the acreage devoted to grain in recent years.

In contrast to Mao Zedong's mandate that all available land be used for grain production, the new agricultural policies emphasize the growing of crops best suited to local conditions, particularly industrial and cash crops, including crops for export. ^{1/} This emphasis on overall agricultural development rather than on the production of grains exclusively has contributed, in conjunction with price incentives and the use of better farming methods, to a rise in the per capita income in the rural sector.

An increase in demand appears to be the primary reason for the sharp rise in grain exports to China. In addition to raising farm incomes, the Government has increased the wages of the urban industrial workers, leading to an increase in the demand for grain that has exceeded the rise in output. Record quantities of grain are being imported to meet the excess demand. Although Government procurements of grain from rural areas are the major source of supplies for the urban areas, the procurement data made available by

^{1/} The pace of diversification was stepped up in 1979, resulting in an increase in the output of crops such as oilseeds, sugar beets, cotton, silk cocoons, and tea. Programs have also been undertaken to develop a livestock industry, forestry production, and fisheries.

the Chinese in 1979 for the first time in a number of years indicate that a larger share of the crop is now remaining in the rural sector. 1/ The imports are consumed primarily in and around the urban areas, where they supply about 40 percent of grain requirements.

Access to an increasing supply of imported grain will probably be crucial to the success of China's modernization program, which, the Government has stressed, will be measured by its ability to raise the standard of living. Larger supplies will be required for a growing urban population and for those farming areas that are gradually becoming more specialized in other crops. Another factor that is likely to increase the demand for foreign grain--corn in particular--is the development of China's livestock industry: Chinese demand for meat is expected to grow as per capita income continues to increase. 2/ The limited increase in grain production that can be realized without the large-scale introduction of farm machinery may also contribute to continued large sales to China by the United States and other grain-exporting countries. In 1980, as part of its general retrenchment program, 3/ the Government discarded plans to rapidly modernize the farming sector. While mechanization will continue in three northeastern provinces where there is more extensive cultivation than in central China, the development of agriculture will depend mainly upon the effective utilization of China's huge labor force.

Extension of the Controls on Exports to the Soviet Union

All export controls that were imposed in early 1980 on products destined for the Soviet Union were extended effective January 1. These controls included an embargo on the shipment of U.S. agricultural commodities related to the Soviet feed-livestock complex, with the exception of that quantity of wheat and corn exports permitted under the U.S.-U.S.S.R. grain supply agreement. They also included an embargo on the shipment of phosphates (phosphate rock, phosphoric acid, and phosphatic fertilizers) that support the agricultural complex. The embargo on the export of oil and gas equipment to the Soviet Union was continued, as was the application of more restrictive criteria to the export of goods such as computers and software, manufacturing

1/ In estimating the share of China's 1979 grain crop purchased by the Government, the USDA noted: "Unless there have been changes in definitions and reporting procedures that reduce the comparability of current and historical data, the Government is now procuring a much smaller share of the crop than it did 20 years ago." (U.S. Department of Agriculture, Agricultural Situation, Review of 1979 and Outlook for 1980: People's Republic of China, Supplement 6 to WAS-21, 1980, p. 10.)

2/ Because the Chinese Government has recently been promoting the development of a livestock industry, it is assumed that some of the 1979 and 1980 imports of U.S. corn were intended for feed. However, China's large imports of corn in 1973 and 1974 were mainly for human consumption. Considerable uncertainty remains about the uses China currently makes of its imported coarse grains.

3/ See 25th Quarterly Report . . ., pp. 41-42.

technology, and materials that could be critical to the manufacture of high-technology defense goods. The requirement that a validated license be required for the export of truck engine assembly line equipment for the Kama River truck complex was also extended. 1/

The tightening of controls on exports to the Soviet Union was implemented by a series of policy announcements from early January to May 1980. In setting a common effective date of January 1, 1981, for their renewal, the Secretary of Commerce noted that "a uniform date for all foreign policy controls will increase consistency and assure maximum public interest and participation in the review process." 2/

Throughout 1980, the curtailment of grain exports was the policy most extensively debated, on the basis of both economic and political considerations. The controversy was compounded in recent months by the approaching termination of the 5-year U.S.-U.S.S.R. grain supply agreement, which has been in effect since October 1, 1976, and will expire on September 30, 1981. The question of whether the bilateral grain agreement should be extended or renegotiated was added to the issue of whether the restriction on grain shipments should be lifted.

The current agreement provides that the Soviets purchase a minimum of 6 million metric tons of grain each agreement year, divided approximately evenly between wheat and corn, with an option to purchase an additional 2 million metric tons of either wheat or corn without U.S. Government approval. Purchases above 8 million metric tons require special authorization by the U.S. Government. Since January 4, 1980, when the partial embargo was imposed, U.S. exports of grain to the U.S.S.R. have not exceeded the 8-million metric ton level.

Grain shipments to the Soviet Union during October-December 1980 and January-March 1981, i.e., during the first half of the final year of the current agreement, were nearly 6.9 million tons, valued at \$1,170.7 million. The exports consisted of approximately 4.2 million tons of corn (\$647.2 million) and 2.7 million tons of wheat (\$523.5 million). All 8 million tons of grain allowed for the agreement year had been shipped by mid-April. 3/

1/ For a detailed account of the controls and their effect on U.S.-U.S.S.R. trade, see 22d Quarterly Report . . ., pp. 19-59; 23d Quarterly Report . . ., pp. 35-45; 24th Quarterly Report . . ., pp. 25-32; and 25th Quarterly Report . . ., pp.53-60.

2/ 46 F.R. 1665.

3/ On Apr. 24, the President lifted the embargo on agricultural exports to the Soviet Union, paving the way for additional sales of U.S. grain to the U.S.S.R. during the current agreement year. In addition, the President lifted the export embargo on phosphates destined for the Soviet Union. Second-quarter developments will be covered in the 27th quarterly report, due to be published in September 1981.

Financing for China

Since undertaking their economic modernization policy in 1978, the Chinese have avoided borrowing foreign funds in the commercial capital markets. This position has been recently reinforced by the continuing deficits in China's national budget and the inflation that the country is now experiencing. Instead, the Government has been limiting itself to the lower cost and longer term loans offered by official export credit agencies of other countries and by international financial institutions. During the first quarter of 1981, the Export-Import Bank of the United States (Eximbank) completed the first step toward making a loan to finance the sale of goods and services to China by two U.S. firms, and the International Monetary Fund (IMF) approved its first loan to China since that country assumed the seat formerly occupied by Taiwan. ^{1/}

Eximbank financing

In February the Eximbank made a preliminary loan commitment to China, involving two contracts for the purchase of heavy electrical goods and services worth about \$75 million from the Westinghouse Electric Co. and Combustion Engineering, Inc. ^{2/} Under the terms of the agreement concluded between Eximbank and the Bank of China, ^{3/} the Eximbank will extend 75 percent of the financing at its current interest rate of 8.75 percent. Another 10 percent will be financed by the suppliers, and China will make a cash payment for the remaining 15 percent of the transaction.

Eximbank will normally support only up to 65 percent of the export value of a transaction, but will increase its participation to the extent that the U.S. exporter is willing to provide financing at a fixed rate of interest no higher than the Eximbank rate. Because the Bank's credit terms on medium- and long-term loans are not now competitive with those of the official export

^{1/} On Apr. 17, 1980, China was recognized as the official representative of "China" in the IMF, and Taiwan's credentials were revoked. See 23d Quarterly Report . . ., pp. 21-23.

^{2/} Eximbank has made one previous loan commitment, in April 1980, to support the sale of U.S. exports to China. This involved a contract for about \$80 million in steelmaking equipment and technical services to build a cold-rolling mill, which was to be supplied by Wein United and other U.S. companies. None of the committed funds was borrowed because China postponed the project and finally, in February 1981, halted all work on the Baoshan General Iron and Steel Works that included this mill.

^{3/} The Bank of China is that country's foreign trade bank. Although previously charged with keeping imports and exports in approximate balance, its role has expanded significantly since 1978, when China began to actively seek foreign credits for economic modernization. As China's international financial transactions increased, the Bank of China came under tighter control by central planners. In 1979, it was placed directly under the control of the State Council, instead of the People's Bank of China, its former parent body. While a program has been implemented to make the domestic banking system more responsible for local development projects requiring foreign equipment or involving joint ventures with foreign firms, the Bank of China is in charge of all international banking matters and supervises the use of all foreign exchange reserve funds.

credit agencies of other major industrialized countries, 1/ the Chinese have not been willing to use Eximbank financing unless this shared approach could be arranged with the U.S. exporter.

Although China has recently cancelled or indefinitely postponed a number of heavy industrial projects involving large contracts with foreign suppliers, the development of its heavy electrical goods industry is being continued. Apparently, one of the factors contributing to the decision to suspend projects such as the Baoshan steel complex and some large-scale mining developments and petrochemical plants was the lack of an economic infrastructure that could support these industries. The building of the infrastructure is now a leading economic priority in China. The generator components and technology that will be supplied by Westinghouse Electric and Combustion Engineering will expand and upgrade China's capacity to produce electrical generating equipment.

The final approval of a preliminary loan commitment 2/ is not acted upon by the Eximbank until requested by the recipient country. In this case, the arrangements to make the funds available must be completed between the Eximbank and the Bank of China. 3/

IMF financing

On March 2, 1981, the IMF approved a standby arrangement that would permit China to borrow the equivalent of SDR 450 million, or approximately \$547 million, 4/ in foreign currencies over the following 12 months. This

1/ See 25th Quarterly Report . . . , p. 38.

2/ A preliminary loan commitment is Eximbank's promise to extend financing if the U.S. sale goes forward. The credit will be provided under the agreed terms at any time during the period of the commitment, which is normally 6 months. If the recipient country requires more time, an extension is usually granted under the initial credit terms.

3/ Although the Eximbank does not normally make loan commitments before concluding a general operating agreement with the recipient country's foreign trade bank, to wait until these negotiations were completed would have risked the loss of U.S. sales to China. For example, in discussing the first Eximbank loan commitment to China, which was approved in April 1980, Eximbank vice president Raymond J. Albright noted: "Without Eximbank support, the U.S. firms would have been dropped from the final contract." (Eximbank Record, June 1980, p. 2.) However, a general operating agreement between Eximbank and the Bank of China has now been reached and was signed in Beijing on May 8.

4/ The SDR's, or Special Drawing Rights, are international reserve assets created and used by the IMF to denominate quotas and loan transactions. The dollar value of SDR 450 million is based on the exchange rate on Mar. 2, 1981.

credit was authorized to support the Chinese Government's 1981 economic program. The IMF also announced that China would receive a loan from its trust fund.

A country's IMF quota determines its drawing, or borrowing, rights on the Fund under both the regular and special financing facilities. When China was admitted to the IMF on April 17, 1980, it assumed the quota that had been maintained by Taiwan, which was SDR 550 million. However, on the basis of its large population, gross national product, and share of world trade, China's quota in the Fund was increased to SDR 1.2 billion in September 1980. At the same time, the IMF also authorized an additional 50-percent increase, to SDR 1.8 billion, under a general quota increase that became effective in December.

China made its first drawing of SDR 218.1 million in foreign exchange in November 1980 and a second drawing of SDR 150.0 million in January 1981; these transactions were within its "reserve tranche," which is equivalent to 25 percent of a member country's quota. 1/ The IMF approves reserve tranche drawings almost automatically, with no conditions attached except that the country explain its balance-of-payments need, and no charges are made for the use of reserve tranche funds. However, the total of those two loans, SDR 368.1 million, nearly emptied its reserve tranche. To receive IMF approval for the standby arrangement of March 2 to draw on the first "credit tranche," 2/ China was required to inform the Fund of the economic program that it was adopting to overcome its balance-of-payments difficulties. 3/ The conditions of the loan include repayment over a period of 3 to 5 years at an annual rate of interest ranging from 4-3/8 percent to 6-7/8 percent.

1/ Under an amendment of the IMF's Articles of Agreement entered into effect in April 1978, the part of a member country's quota that must be contributed in reserve assets (hard currency) may be less than 25 percent. The remainder of the quota may be contributed in the member's own currency. The actual amount of reserve assets contributed to the Fund by China was SDR 320.4 million, rather than the SDR 450 million that constituted 25 percent of China's quota of SDR 1.8 billion after the general quota increase became effective in December 1980.

2/ In addition to the reserve tranche drawing, a country may make four credit tranche drawings, each equal to 25 percent of its quota.

3/ To receive approval for drawings above the first credit tranche, a member must give the IMF substantial justification of the measures it will apply to overcome its balance-of-payments problems. A country drawing in the higher credit tranches is also subject to ongoing review of its economic performance by IMF officials.

The principal objectives of China's 1981 economic plan, which the current standby arrangement supports, are to eliminate inflationary pressures, reduce the deficit in the national budget, 1/ and maintain the balance-of-trade deficit at a sustainable level. The sharp cutback in capital construction, while promoting the labor-intensive light industries and agriculture, is one of the policies the Chinese Government has adopted to achieve these objectives. Although China was able to reduce its foreign merchandise trade deficit substantially in 1980, to \$570 million from \$2.1 billion in 1979, 2/ its deficit in trade with the United States amounted to \$2.7 billion in 1980 and \$823 million in the first quarter of 1981. 3/

The second loan to China was part of the final loan disbursements from the trust fund, a temporary financial facility of the IMF. The trust fund was established in 1976 to provide balance-of-payments assistance to developing member countries on concessionary terms 4/ from resources that were largely derived from the sale of 25 million ounces of the IMF's gold at public auction. The final loan disbursements were scheduled for completion by April 30, 1981. China received SDR 309.53 million. 5/

Consultations and Restraint on Woolen Sweaters From China

Following a sharp increase in imports of woolen sweaters from China, the United States placed a quantitative restriction on this item on January 19. The action was taken under provisions in the U.S.-Chinese textile agreement that enable the United States to request consultations with China if imports in any textile category not controlled under the agreement are causing or

1/ The Chinese Government has reported that it printed extra money to cover the budget deficit in 1980, adding to the inflationary pressures. Although the reported budget deficit was 12.1 billion renminbi (approximately \$8 billion), some Western observers of China's economy believe that the actual 1980 deficit may have been higher, possibly between Rmb 15 billion to 18 billion. The estimates of China's rate of inflation in 1980 also vary considerably; the overall inflation rate may have been 10 to 15 percent and possibly as high as 20 percent. (Business Week, Apr. 6, 1981, p. 44, and Far Eastern Economic Review, Apr. 10, 1981, pp. 78 and 80.)

2/ China's overall trade deficit in 1980 was recently revised upward from the \$533 million figure reported earlier.

3/ See tables 4 and 9.

4/ Repayments are to be made in 10 equal semiannual installments following a 5-1/2-year grace period, although the IMF may reschedule a payment by up to 2 years if it finds that the originally scheduled repayment would result in serious hardship to the borrower. The annual interest rate is 0.5 percent on the outstanding balance of the loan.

5/ IMF Survey, Apr. 6, 1981, p. 106.

threatening to cause disruption in the U.S. market. 1/ When the negotiators were unable to reach agreement on the level of imports during the 90-day consultation period, which began last October, China was obligated, under the terms of the agreement, to limit its exports of woolen sweaters to the United States to 113,000 dozen for the 12-month period ending January 16, 1982. This export limit was based on a formula using the quantity of U.S. imports during the first 12 months of the 14-month period prior to the request for consultations on this item.

U.S. imports of Chinese woolen sweaters increased rapidly in 1980, with the quantity exceeding 500,000 dozen during the year. The monthly volume of imports in August, September, and October approached 100,000 dozen, leading to the U.S. request for consultations. The limit of 113,000 dozen for the period January 16, 1981, to January 16, 1982, was reached in February. When a restraint level has been filled, additional imports are embargoed and placed in U.S. customs warehouses. If a level of imports acceptable to both countries is not negotiated in the interim, the bonded items will be released at the beginning of the next 12-month period. 2/

Extension of Textile Agreements for Poland and Romania

Acting under the Arrangement Regarding International Trade in Textiles, or the Multifiber Arrangement (MFA), the United States has concluded a new agreement with Poland and renewed one of the two bilateral textile agreements that it has with Romania. Both replace previous agreements that were scheduled to expire on December 31, 1980.

The new accord with Poland was concluded in January and is effective for the 4-year period ending December 31, 1984. It places an aggregate limitation on U.S. imports of all categories of cotton, wool, and manmade-fiber textiles and textile products and, within these general textile categories, establishes a number of specific limitations and designated consultation limits. The new agreement with Romania covers only wool and manmade-fiber textiles and products and is effective for 4 years from April 1, 1981, through March 31, 1985; in June 1980, the previous agreement was extended through March 1981.

1/ Under the agreement, which became effective Sept. 17, 1980, eight items of apparel are subject to agreed levels of trade: cotton gloves, women's cotton knit shirts, men's woven cotton shirts, men's and women's cotton trousers, men's and women's manmade-fiber sweaters, and women's woven cotton blouses.

2/ Imports of three additional items of apparel from China not controlled under the textile agreement--men's cotton coats, women's cotton coats, and men's cotton knit shirts--have also increased rapidly, and the United States requested consultations with the Chinese on Feb. 23. Initially, restraint levels were to be imposed on these items by May 23 if acceptable levels of trade could not be negotiated, but the consultations continued until June 13. When no agreement was reached, the following restraint levels were established under the provisions of the textile agreement for the period May 24, 1981, to May 24, 1982: men's cotton coats, 148,694 dozen; women's cotton coats, 202,000 dozen; and men's cotton knit shirts, 482,000 dozen. Informal efforts to reach an agreed level of trade for these items and for woolen sweaters are continuing.

The current 5-year accord with Romania covering cotton textiles and apparel will remain in effect through December 31, 1982. Neither agreement with Romania places an aggregate limitation on its textile exports to the United States, but under both agreements apparel is subject to specific export limits.

In 1980, U.S. imports of textiles and textile products from Poland amounted to 18.6 million equivalent square yards (SYE), or only 36.8 percent of the 50.5 million SYE aggregate limitation that applied in that year under the previous agreement. 1/ Cotton manufactures accounted for 53 percent of the import total, with men's suit-type coats and terry and other pile towels the leading items. Textile imports from Romania last year were 19.7 million SYE, of which manmade-fiber products accounted for 54 percent. Noncontinuous noncellulosic yarn continued to be the leading U.S. textile import from Romania in 1980. Women's manmade-fiber coats were the one category of textile imports from Romania that increased substantially last year.

U.S. International Trade Commission Actions Affecting NME's

During the first quarter of 1981, the Commission made a preliminary injury determination in an antidumping investigation involving imports from Hungary. In addition, two final antidumping investigations were undertaken by the Commission, one involving a product imported from China and the other, a product from East Germany. The investigations were conducted pursuant to sections 733 (preliminary) and 735 (final) of the Tariff Act of 1930.

Truck trailer axle-and-brake assemblies from Hungary

On March 30, the Commission determined, by a 4-to-0 vote, that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of truck trailer axle-and-brake assemblies and parts from Hungary allegedly sold at less than fair value. The Commissioners voting were Chairman Bill Alberger, 2/ Vice Chairman Michael J. Calhoun, and Commissioners Catherine Bedell and Paula Stern.

One of the six U.S. producers of trailer axles, Eaton Corp., has a distribution agreement for the trailer axles produced by the Hungarian Railway Carriage and Machine Works, the producer of the subject merchandise. The trailer axles are made in accordance with Eaton designs and specifications. During 1980, the first year in which complete trailer axles were imported from Hungary, Eaton Corp. purchased a sizable amount of the Hungarian axles, 3/ and its imports from Hungary during the first 2 months of 1981 were almost

1/ The new U.S.-Polish textiles agreement provides for an aggregate limitation of 53.8 million SYE in 1981. The applicable annual aggregate limitation will be increased each year, to 64.9 million SYE in 1984.

2/ Chairman Alberger determined only that there is a reasonable indication of material injury to the domestic industry. It is his view that a finding of reasonable indication of material injury negates the need for a consideration of reasonable indication of the threat of material injury.

3/ Because the import data supplied to the Commission by Eaton Corp. are business confidential, these data were omitted in the published report and only percentage comparisons were shown. 42

one-third of the total amount of the imported products that Eaton bought during the previous year. Although the Commission may, for the purpose of making its determinations, exclude a domestic producer from the industry under a related-parties provision, this issue was not decided and submissions were requested on the issue in the event the case returns for a final determination.

When the Commission's preliminary determination is affirmative in a dumping case, the investigation is continued by the Department of Commerce, which is responsible for determining whether the imported product is being, or likely to be, sold at less than fair value. If the preliminary finding made by Commerce is affirmative, the investigation will be returned to the Commission for a final determination on the question of injury.

Statutory investigations in progress

Menthol from China.--Following a preliminary finding by the Commission that there is a reasonable indication that the U.S. synthetic menthol industry is threatened with material injury by imports of natural menthol from China allegedly sold at less than fair value, 1/ Commerce continued the investigation to determine whether these imports are being sold in the United States at less than fair value, as alleged by the domestic industry. When Commerce returned an affirmative preliminary finding, the Commission instituted its final investigation on January 12. A final determination by Commerce, affirming that natural menthol from China is being sold at less than fair value in the United States, was made on April 28. The Commission will make its final determination on the question of injury by June 11. 2/

The investigation was extended considerably beyond the period of time usually required for a case of this type because of the difficulties encountered by Commerce in determining the question of sales at less than fair value. Because the state controls in nonmarket economies affect the pricing of an item to the extent that neither the home-market nor export prices can be used as evidence of fair value, the home-market price of a commodity imported from a nonmarket economy country is normally determined with reference to the prices and costs of the same or similar products in a market economy country. In this investigation, the primary problem was the choice of a surrogate country. Paraguay was selected by Commerce because it is the only major free-market producer of natural menthol that also produces all its own raw material (peppermint), as does China.

1/ The determination was made on July 22, 1980. See 23d Quarterly Report . . ., p. 34.

2/ On June 1, the Commission unanimously determined that an industry in the United States is neither materially injured nor threatened with material injury and that the establishment of such industry in the United States is not materially retarded by reason of imports of natural menthol from China, which are being sold at less than fair value. Voting in the negative were Chairman Bill Alberger, Vice Chairman Michael J. Calhoun, Commissioner Catherine Bedell, and Commissioner Paula Stern.

Montan wax from East Germany.--On March 4, Commerce made an affirmative preliminary determination that there is a reasonable basis to believe that imports of unrefined montan wax from East Germany are being, or are likely to be, sold in the United States at less than fair value. As a result, the Commission instituted a final investigation to determine whether the U.S. industry is materially injured by these imports. 1/

Commerce's investigation of the question of sales at less than fair value has been complicated by the absence of any information on sellers or producers of unrefined montan wax in a market economy country other than the United States. Fair-value comparisons were made using purchase prices of the imported product and constructed values based on the production costs of the sole U.S. producer, American Lignite Products Co. (the petitioner), with adjustments for certain differences in the costs of production in East Germany. 2/

1/ On Oct. 23, 1980, the Commission determined by a 5-to-0 vote that there is a reasonable indication of injury to the U.S. industry. In making the preliminary determination, Chairman Bill Alberger found that there is a reasonable indication that the domestic industry is materially injured, while Vice Chairman Michael J. Calhoun and Commissioners Catherine Bedell, Paula Stern, and George M. Moore found that there is a reasonable indication that the domestic industry is materially injured or is threatened with material injury. For a more detailed discussion of this case, see 24th Quarterly Report . . ., pp. 45-46.

2/ On Apr. 9 Chemie-Export-Import, the East German exporter of montan wax, requested that Commerce extend the period for a final determination on the question of sales at less than fair value for up to 60 days. Consequently, a Commission hearing on the question of injury, originally scheduled for that date, has been postponed until July 31. The final determination by Commerce is now scheduled to be made by July 17.

TEXTILE FIBERS AND TEXTILE PRODUCTS TO CHINA

In the last few years, U.S.-Chinese trade has expanded at a rapid rate, spurred by the establishment of diplomatic relations on January 1, 1979, and by the United States-China trade agreement in force since February 1, 1980. In 1980 China became the leading trading partner of the United States among nonmarket economy countries, accounting for 43 percent of all U.S. trade with these countries.

Textile fibers and textile products constituted an important part of U.S.-Chinese trade in both directions. They accounted for 25.3 percent of all U.S. exports to China in 1978, 26.4 percent in 1979, and 27.4 percent in 1980 (table 13 and fig. 5). Their importance in U.S. imports from China is even more pronounced; they were responsible for 31.4 percent of all U.S. imports from China in 1979 and 34.4 percent in 1980. 1/

However, there is a fundamental difference between the composition of textiles sold by the United States to China and that of textiles sold by China to the United States. U.S. exports consist predominantly of textile fibers--mainly raw cotton and manmade fibers--with a relatively small amount of finished or semifinished textile products. In contrast, Chinese exports are mostly finished products, such as fabrics, wearing apparel and textile furnishings. U.S. sales to China reflect China's dependence on those textile materials it cannot presently produce in sufficient quantities. On the other hand, Chinese sales to the United States consist primarily of textile and apparel products that compete with similar items produced in the United States.

In response to increased textile imports from China, negotiations were initiated between the Governments of the United States and China. These led to a bilateral agreement, concluded in September 1980, which provides the means to control a notable part of U.S. textile imports from China. During the negotiations, Chinese authorities emphasized that they are dependent on textile exports to the United States (and other countries) as a means to offset their large trade deficit in other products. According to the Office of Textiles and Apparel of the U.S. Department of Commerce, in 1980 the United States incurred a deficit of \$278 million in trade of textile products with China. This figure is based on bilateral textile trade excluding textile fibers and yarns. However, if textiles are more broadly defined, i.e., if fabrics and yarns are included, the United States shows a surplus vis-a-vis China.

The following discussion will concentrate on U.S. exports of textile fibers and textile products to China from 1978 through early 1981, and on the factors that have influenced this trade. An analysis of U.S. textile imports from China was published in the 24th quarterly report in this series. 2/

Chinese purchases of cotton and manmade fibers from the United States soared in the period under review, and, as a result, China is currently the leading U.S. market for both products. It is believed that a large part of

1/ These data do not include clothing accessories such as gloves and headwear classified in schedule 7 of the TSUS.

2/ "Textiles from China," 24th Quarterly Report . . ., pp. 47-85.

Table 13.--U.S. exports to China, total and of principal textile fibers and products, 1978-80, January-February 1980, and January-February 1981

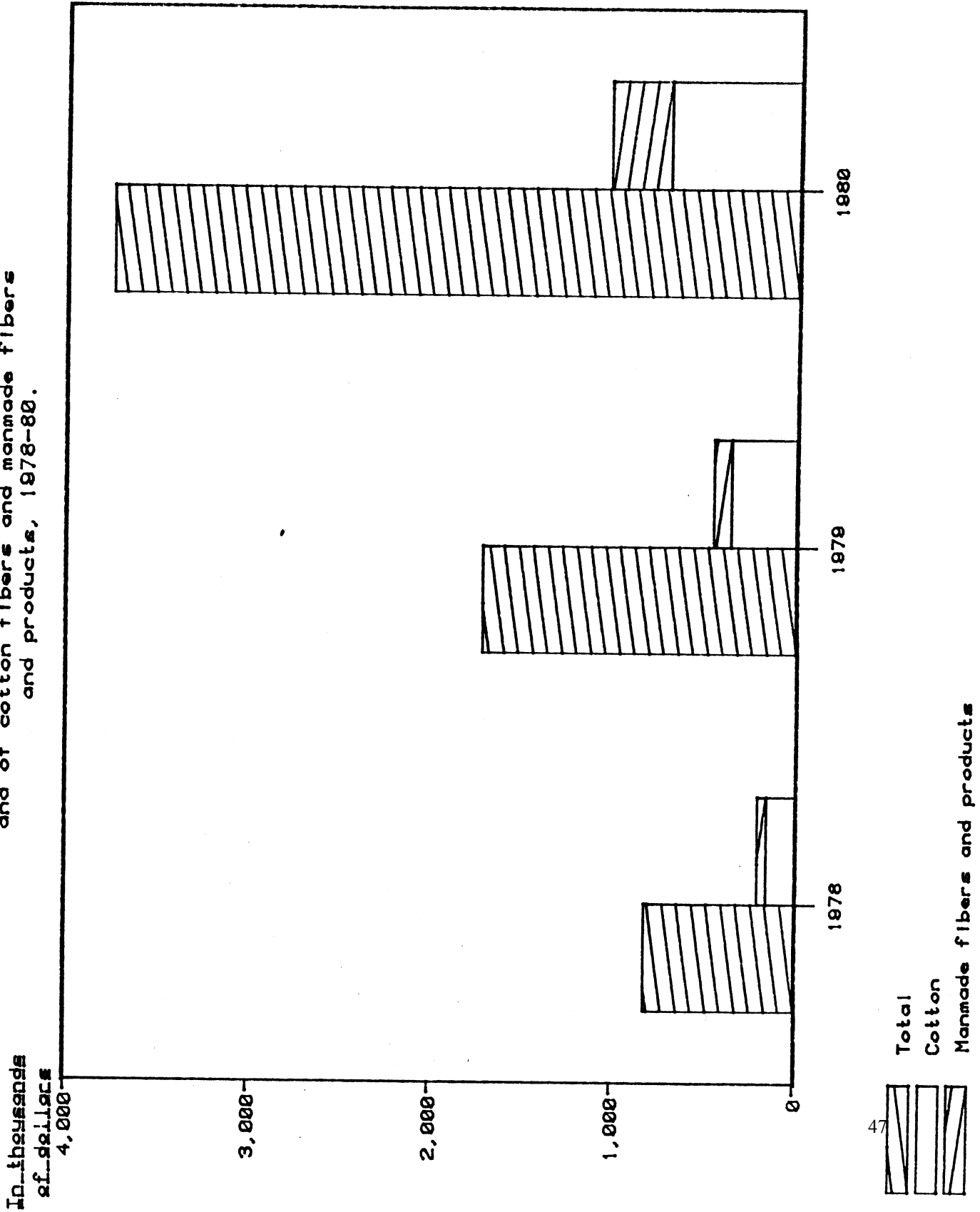
Item	1978	1979	1980	January-February--
				1980 : 1981
Value (1,000 dollars)				
Total U.S. exports to China-----	818,241	1,716,500	3,748,993	490,894 : 757,721
Cotton-----	157,305	357,042	701,517	153,488 : 205,651
Manmade fibers and yarns-----	47,754	89,997	260,307	33,488 : 65,962
Woven fabrics of manmade fibers-----	-	37	14,747	41 : 9,082
Textiles for pneumatic tires-----	1,815	5,841	49,791	3,149 : 4,942
Percent of total				
Total U.S. exports to China-----	100.00	100.00	100.00	100.00 : 100.00
Cotton-----	19.22	20.80	18.71	31.27 : 27.14
Manmade fibers and yarns-----	5.84	5.24	6.94	6.82 : 8.71
Woven fabrics of manmade fibers-----	-	1/	.39	.01 : 1.20
Textiles for pneumatic tires-----	.22	.34	1.33	.64 : 0.65

1/ Less than 0.005 percent.

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

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

Figure 5.--U.S. exports to China, total and of cotton fibers and manmade fibers and products, 1978-80.



Source: Based on data in Table 13.

Chinese fiber imports are processed in Chinese mills and reexported as yarn, cloth, apparel, furnishings or accessories, frequently to the country that is the source of the fiber. Therefore, the beneficial effect of booming U.S. fiber exports to China on certain U.S. fiber producers and on the U.S. trade balance may be partially offset by adverse effects of the returning products on a different group of U.S. producers.

In 1980, cotton accounted for 19 percent, manmade fibers and yarns, for 7 percent, and woven fabrics of manmade fibers, for 0.4 percent of all U.S. exports to China (table 13). These three items--collectively some 26 percent of the total--may be used for the textile products, furnishings, and accessories exported from that country. Textiles for pneumatic tires, the only product among U.S. textile exports to China unlikely to be incorporated in U.S. imports from China, constituted only 1.3 percent of total U.S. exports to that country.

China's Textile Policies and Its Reliance on Imports

China has the biggest textile industry in the world, serving the needs of almost 1 billion Chinese consumers as well as a growing export trade. Having expanded rapidly in the seventies, the industry currently comprises more than 5,000 textile mills and related plants, employing some 3.4 million workers. ^{1/} In recent years, textile products have accounted for 20 to 25 percent of China's total exports. As a result of the vigorous development of the textile industry, China is not self-sufficient in fiber production, and so textile fibers and yarns have come to constitute an important portion of China's overall imports.

The Chinese textile industry is based mainly on cotton. However, it also includes the historically famous silk industry, which utilizes domestic raw silk, as well as some production using wool and other natural and manmade fibers. With the United States, the Soviet Union, and India, China ranks as one of the largest producers of cotton textiles in the world. Cotton cloth, the principal product of the Chinese cotton textile mill industry, is the primary material for clothing in China, and also the country's leading textile export.

In 1976-79, woven cotton cloth accounted for more than one-third of all textile mill products China sold to major foreign markets, ^{2/} and its exports of this item almost doubled in value during that 4-year period. Yet domestic per capita consumption of cotton and cotton-blend cloth has remained low; such cloth is subject to rationing so that sufficient stocks are available for export. In the north of China, the annual ration is 7 meters per person; in Beijing, it is 6 meters per person; and in the extreme south it is somewhat less. These rations provide each citizen with about one new suit of clothing per year. ^{3/}

^{1/} Foreign Broadcast Information Service (FBIS), April 1981, p. K-12.

^{2/} 24th Quarterly Report . . . , "Textiles from China," table 18, p. 57.

^{3/} Consumers can supplement these rations with fabrics made of fibers other than cotton, which are not rationed. Moreover, most work clothes, provided by work units, are outside the rationing system.

The reassessments of the overambitious 10-year plan (1976-85) in 1979 and again in 1980 further increased the significance of textiles in Chinese industrial and export policy. Planners decided that textiles, along with some other areas of light industry, should be more heavily favored in the allocation of resources than the previously emphasized heavy industry sector. Textile and apparel production came to be recognized as having unique advantages for China, such as generating plentiful employment opportunities and requiring relatively low investment costs that produce fast returns. As a result, the Chinese Government designated certain branches of the textile and apparel industry for specialization in exports 1/ and approved stepped-up efforts for modernizing the technology and upgrading the management and marketing ability of these segments. At the same time, the Government also gave increasing consideration to the domestic role of textile and apparel production, and became committed to improving existing clothing standards.

The new emphasis given to textile production in the past 2 years is reflected in the expansion of the Chinese spinning and weaving capacity, in the rapid growth of textile and apparel output, and in the growth of certain textile exports. According to the latest available data, the Chinese cotton-spinning system numbers some 16 million spindles. 2/

Chinese textile production increased 23 percent from 1979 to 1980, which is 6 to 9 percentage points more than the gains registered in the previous 3 years (table 14). Output of cotton cloth amounted to 13 billion square meters in 1980; it had increased by over 1 billion square meters in each of the previous 2 years. Some other areas of the Chinese fiber-textile-apparel complex have been developing even faster than the cotton textile industry. Manmade-fiber output was especially emphasized in order to help reduce import dependency on imported fibers; it increased by 14 percent in 1979 and by 35 percent in 1980, reaching 440,000 tons.

Production of apparel and textile furnishings was also slated for rapid expansion, to increase both foreign currency earnings and domestic consumption. Chinese penetration of these products into advanced industrial countries, including the United States, was discussed in the 24th quarterly report of this series. 3/

In 1980, Chinese garment exports to all countries increased by 40 percent, compared with a 12-percent increase in the exports of Chinese textile fibers and textile mill products. 4/ This high rate reflects the commitment of the Chinese Government to change the traditional composition of China's textile exports. Current Chinese export strategy aims at increasing that portion of items with higher "value added" (i.e., which use more domestic labor), which are generally also the items with higher unit values. These are garments and other consumer items made of textiles, which undergo more processing than cloth.

1/ See 24th Quarterly Report . . . , p. 50, and Far Eastern Economic Review, Mar. 28, 1980, p. 59.

2/ U.S. Department of Agriculture, Foreign Agricultural Service, report from Beijing, Aug. 11, 1980, p. 6.

3/ 24th Quarterly Report . . . , p. 78.

4/ Daily News Record, Feb. 27, 1981, p. 2.

Table 14.---Textile fibers and textile products: Production in China,
by types, 1977-81

Year	Manmade fibers	Cotton yarn 1/ -----	Cotton cloth -----	Blended and manmade cloth 2/ -----	Increase in value of production over previous year -----
1977	190	2,203	9,467	3/	16
1978	285	2,380	10,286	1,800	17
1979	326	2,630	11,430	3,000	14
1980	440	2,890	12,550	4/ 5,000	23
1981 4/	500	3,120	13,700	6,000	12

1/ Includes blends. Manmade fibers are about 10 percent by weight.

2/ Probably cotton, wool, and other blends in addition to 100 percent manmade fibers.

3/ Not available.

4/ Agriculture Office, Beijing forecasts.

Source: This table was reproduced from a Report from Beijing by the Foreign Agricultural Service, U.S. Department of Agriculture, Feb. 24, 1981, p. 1. Data are based on Chinese Government statistics of the State Bureau of Statistics and the Ministry of Textiles unless otherwise indicated.

Analysts of Chinese economic conditions believe that most of last year's increase in China's textile output was channeled into domestic consumption. The Chinese Government is reportedly committed to matching the citizens' rising purchasing power with adequate supplies of consumer goods in order to ease inflationary pressures. The newly appointed minister of the Chinese textile industry stated in March that "Our present production of textile products still cannot satisfy the people's needs . . . this is why the state still calls for the development of the light and textile industries during the period of readjusting the national economy." 1/

Channeling the growth of textile production to the domestic market slowed down the expansion of overall Chinese textile exports in 1980. Such exports reportedly exceeded \$3 billion, up 12 percent over the 1979 level. Yet this increase was only half the 23-percent growth in textile production and far less than the 27-percent growth in overall Chinese exports in 1980. 2/

Chinese policies on production, consumption, and exports of textiles have important implications for China's imports of textile fibers. The expansion of the textile industry has aggravated China's shortfall in domestic fiber supplies, despite the Government's efforts to simultaneously increase domestic fiber production. Most experts agree that fiber consumption in China will continue to grow. Chinese authorities must therefore contend with a dependence on foreign fibers and yarns, as well as import some fabrics, mostly those of manmade fibers, for some time to come.

Cotton

China buys raw cotton from the United States, predominantly short-staple cotton (staple length 13/16 inch but less than 1-1/8 inches), but also some ordinary long-staple cotton (staple length 1-1/8 inches or over but less than 1-3/8 inches). Generally, U.S. raw cotton to be shipped to China is ginned and compressed into bales, but goes through no further processing in the United States.

U.S. exports

The United States is one of the world's largest producers of cotton. In the marketing year August 1979 through July 1980, with an output of 14.6 million bales, 3/ the United States was the leading world producer, followed by the U.S.S.R. and China. In 1980/81, the U.S.S.R. ranked first with 14.3 million bales, followed by China and the United States. 4/

Cotton is one of the principal agricultural exports of the United States. In 1979/80, it ranked as the fourth leading agricultural export item by value--after feed grains, wheat, and soybeans--with exports amounting to a

1/ FBIS, Apr. 1, 1981, p. K-13.

2/ Daily News Record, Feb. 27, 1981, p. 2.

3/ In bales of 480 pounds net.

4/ Data are preliminary and estimated.

record \$3 billion. The quantity of U.S. cotton exports in 1979/80 was 9.2 million bales, some 50 percent more than in 1978/79 (table 15), 1/ and the highest level in 53 years. 2/ In 1979/80, a year of record world cotton trade, the United States increased its share of world exports to 40 percent from 31 percent in 1978/79. Other major cotton exporters included Pakistan, India, Argentina, Colombia, and Egypt. Exports by the U.S.S.R., the second leading world cotton exporter, declined slightly, as Soviet cotton prices were not competitive during most of 1979/80. 3/

The principal markets for U.S. cotton are in the Far East. Japan was the leading market in recent years, followed by South Korea, Taiwan, China, and Hong Kong. In 1979/80, Japan purchased 1.6 million bales of cotton from the United States, the largest volume since 1960/61. Nonetheless, in that year Japan lost its position as the leading U.S. cotton market to China. U.S. exports to all major markets increased in 1979/80; China, Japan, and South Korea collectively absorbed 58 percent of the total, and exports to other major markets in the Far East and Europe also increased.

China, however, was most responsible for soaring U.S. exports in 1979/80, accounting for more than half the total increment from the previous year. China purchased 2.3 million bales from the United States, 3.5 times the 1978/79 level 4/ and nearly 25 percent of all U.S. cotton exports.

Chinese supply and demand

In 1979/80, China became the world's largest importer of cotton, buying 3.8 billion bales on the world market--59 percent from the United States (table 16). Compared with the 2.3 million bales originating in the United States, Chinese imports from other suppliers were small: 438,000 bales from Pakistan (the second ranking source of Chinese imports), and 200 million to 300 million bales each from Mexico, Guatemala, and the Sudan. The United States has been China's principal cotton supplier in most years since trade between the two countries resumed in the early seventies, but the U.S. share of the Chinese market in 1979/80 was unprecedented.

The gains made by exports of U.S. cotton to China are attributable to its high quality, ready availability, and competitive price. It is also believed that Chinese Government officials put much trust in the flexibility of the U.S. production and marketing systems in responding to their fluctuating needs. 5/

1/ In bales of 480 pounds net.

2/ U.S. Department of Agriculture, Foreign Agricultural Circular, FC 1-81, Record World Cotton Trade in 1979/80, p. 1.

3/ Ibid.

4/ Exports on a calendar-year basis are shown in fig. 6 (280 million, 552 million, and 1.0 billion pounds in 1978, 1979, and 1980, respectively).

5/ Report from Beijing, p. 5.

Table 15.--Cotton: U.S. exports, by markets, average 1970-74,
annual 1975-79

(In thousands of bales of 480 pounds net)

Market	Year beginning Aug. 1--					
	Average: 1970-74:	1975	1976	1977	1978	1979
Asia and Oceania:						
Australia-----	7	1	1	4	1/	1
Bangladesh-----	54	142	122	46	116	71
China-----	358	9	0	443	648	2,268
Hong Kong-----	185	132	379	503	427	636
India-----	64	0	287	1/	1/	0
Indonesia-----	193	244	200	234	236	297
Japan-----	1,023	672	1,020	1,077	1,342	1,588
Republic of Khmer-----	8	0	0	0	0	0
South Korea-----	614	939	959	1,231	1,278	1,484
Malaysia-----	21	19	43	54	58	51
Pakistan-----	2	2	2	1/	1	1
Philippines-----	144	110	92	104	124	145
Singapore-----	20	16	33	23	13	33
Taiwan-----	411	522	451	512	454	728
Thailand-----	161	74	174	170	243	260
South Vietnam-----	92	1/	0	0	0	0
All other-----	3	0	5	16	19	7
Total-----	3,360	2,882	3,768	4,417	4,959	7,570
Europe:						
Belgium-----	48	12	16	9	15	26
France-----	81	23	47	84	63	92
West Germany-----	99	11	37	68	96	204
Italy-----	121	54	88	81	145	185
Netherlands-----	31	3	12	21	18	71
United Kingdom-----	72	11	69	62	72	72
Other EC-----	5	1	4	2	18	50
Subtotal-----	457	115	273	327	427	640
Finland-----	9	4	14	9	8	14
Greece-----	21	7	42	40	11	124
Norway-----	7	6	3	2	4	7
Poland-----	32	34	9	36	74	27
Portugal-----	27	5	67	71	27	66
Romania-----	65	0	18	33	53	126
Spain-----	54	18	90	67	65	131
Sweden-----	31	21	17	22	23	21
Switzerland-----	61	30	80	110	91	117
All other-----	2	2	2	5	2	10
Total-----	766	242	615	722	785	1,283

See footnotes at end of table

Table 15.—Cotton: U.S. exports, by markets, average 1970-74, annual 1975-79--Continued

(In thousands of bales of 480 pounds net)

Market	Year beginning Aug. 1--					
	Average: 1970-74:	1975	1976	1977	1978	1979
Western Hemisphere:						
Canada-----	274	135	194	222	222	272
Chile-----	3	1/	11	2	0	1/
Colombia-----	3	1/	0	1/	27	23
All other-----	14	8	5	22	19	9
Total-----	294	143	210	246	268	304
Africa and Middle East:						
Algeria-----	12	0	5	2	0	1/
Egypt-----	4	0	115	62	102	0
Ethiopia-----	1	0	0	0	0	0
Ghana-----	33	28	37	13	12	12
Morocco-----	24	4	10	17	39	28
Nigeria-----	12	5	0	1	0	0
Republic of South Africa-----	16	6	8	1	0	0
All other-----	7	1	16	3	15	32
Total-----	109	44	191	99	168	72
Grand total-----	4,529	3,311	4,784	5,484	6,180	9,229

1/ Less than 500 bales.

Source: U.S. Department of Agriculture, Record World Cotton Trade in 1979-80, FC1-81, January 1981, p. 4, based on official statistics of the U.S. Department of Commerce.

Table 16.--Cotton: World exports to China, by exporters, crop years 1972/73 to 1979/80

Exporter	(In bales of 480 pounds net)									
	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80		
Argentina	1/	1/		7,960	8,221	50,894	46,806			
Brazil	133,507	35,338	0	35,365	7,124	21,417	40,634			55,941
British East										0
Africa 2/	187,639	227,744	17,388	39,640	10,750	12,499	3/			0
Egypt	64,051	33,899	39,505	114,613	46,896	83,263	69,410			131,357
Greece	0	4,593	4,593	8,189	0	0	0			0
Iran	201,960	11,611	25,583	90,061	27,480	44,574	33,028			3/
Pakistan	119,047	8,576	94,719	42,632	0	93,645	0			437,556
Sudan	191,821	153,296	67,517	159,333	61,345	91,387	188,541			229,312
Syria	74,865	129,602	37,019	215,310	128,739	117,244	68,889			45,663
Turkey	234,367	58,518	0	13,779	9,186	43,758	32,294			12,943
United States	585,020	897,871	307,343	8,569	0	442,567	647,903			2,267,525
Colombia	3,500	0	0	0	0	0	3/			3/
El Salvador	0	1,146	0	37,756	19,842	31,289	65,771			97,773
Guatemala	0	0	0	2,866	84,153	162,666	252,643			258,062
India	0	3,495	0	0	0	0	3/			3/
Israel	0	0	3/	0	0	0	0			0
Mexico 4/	112,368	73,120	27,031	24,800	77,011	121,854	439,024			297,268
Morocco	24,630	4,519	0	0	0	0	0			0
Nicaragua	0	83,733	30,947	84,137	83,011	229,953	4/ 226,193			3/
Nigeria	20,618	5,580	0	0	6,650	0	0			3/
Peru	0	0	0	0	919	928	3/			3/
All other	1/	1/	1/	1/	1/	928	1/			3/
Total	1,953,393	1,732,641	651,645	885,010	571,327	1,557,124	2,111,236			3,833,400

1/ Less than 500 bales.

2/ Kenya, Tanzania, and Uganda.

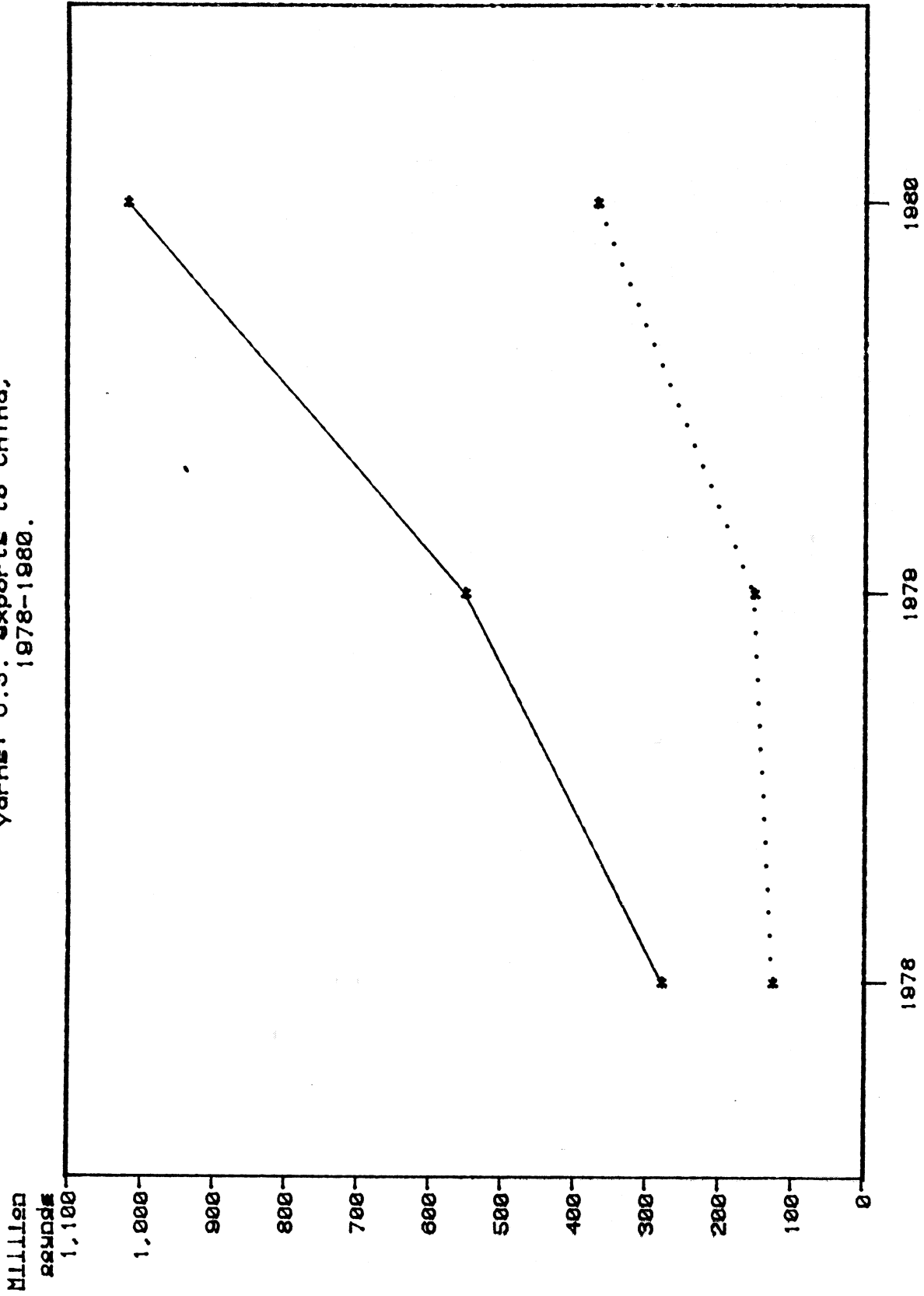
3/ Not available.

4/ July-June crop year.

5/ August-May crop year.

Source: Foreign Agricultural Service, Tobacco, Cotton, and Seeds Commodity Programs Division, Feb. 10, 1981.

Figure 6.--Cotton and manmade fibers and yarns: U.S. exports to China, 1978-1980.



* Cotton
* . . . * Manmade fiber and yarns

Source: Based on data in Table 18.

Chinese cotton imports from the world became notable for the first time in 1972/73, when they reached almost 2 million bales. Imports declined thereafter to 652 million bales in 1974/75, but subsequently increased at a rapid rate (table 16); imports exceeded 2 million bales in 1978/79 and almost doubled in 1979/80 to 3.8 million bales.

China is one of the largest cotton producers in the world. In 1980, it had a record crop of 12.1 million bales, which, as noted, was larger than the crop of its major foreign supplier, the United States. Nonetheless, China's cotton production continued to fall short of the demand generated by its vast textile industry. It is also noteworthy that the large Chinese crop of 1979/80 followed years of steadily declining raw-cotton production, which caused a widening gap between domestic supply and fast-growing demand. China's cotton production fell steadily from 1973 through 1979, suffering both from a decline in land area planted with cotton and from very low yields. That trend resulted from the relatively high price set by the Government for its purchases of grains, causing cotton to lose out to grains for cultivable land.

The record 1979/80 cotton crop reflected the efforts of the Chinese Government to correct this situation. By increasing the price of cotton relative to the price of grains, the authorities encouraged farmers to plant more and better suited land with cotton. Moreover, they made fertilizers and better varieties of cottonseed available to farmers in order to improve yields. The Chinese Government also counted on a gradual substitution of manmade fibers for cotton to reduce the cotton shortfall. 1/ It expected that part of the demand for cotton would be met by fast-growing domestic supplies of manmade fibers (see next section) and by imported manmade fibers, which are less expensive than cotton. The growth of textile production in 1979/80 was so rapid, though, that massive imports of raw cotton could not be avoided.

Prospects

Since the gap between Chinese supply and demand regarding cotton cannot be closed easily, China is likely to remain a large cotton importer in the foreseeable future. However, due to this year's large domestic cotton crop, 1980/81 imports are predicted to be smaller than 1979/80 imports. 2/ Moreover, it is expected that the U.S. share of China's cotton purchases will decline with the reduced availability of U.S. cotton. Adverse growing conditions throughout much of the U.S. Cotton Belt in 1980/81 reduced production and raised prices. Total U.S. exports in the current marketing year are forecast to be some 35 percent below 1979/80 exports. 3/

1/ Fiber Producer, June 1980, p. 6.

2/ U.S. Department of Agriculture, Cotton and Wool Outlook Situation, VSW-26, Feb. 1981, p. 7.

3/ U.S. Department of Agriculture, World Cotton Situation, FC-9 1981, April 1981, p. 3.

Relative price will be an important factor in determining the distribution of Chinese purchases among major suppliers and the balance between cotton and manmade-fiber imports. According to some experts, the price advantage held for many years by noncellulosic fibers over cotton is about to end as a result of higher petroleum prices. ^{1/} A diminishing price difference between the two fibers could lead to relatively larger exports of U.S. cotton to China than was originally expected, at the expense of manmade-fiber sales.

Manmade Fibers and Products

China's purchases of manmade fibers and related products from the United States involve mostly noncellulosic fibers and yarns, although the United States also ships some cellulosic fibers (acetate and rayon) to China. Noncellulosic fibers, being petrochemical derivatives, are sometimes referred to as chemical or synthetic fibers. Manmade fibers are produced in the form of long, fine, continuous filaments. They may be shipped to China in filament form or as noncontinuous fibers (staple). Much of the manmade fibers are texturized for bulk and to resemble natural fibers. Yarns, both filament and staple, can be further processed or twisted to obtain greater strength and other desirable characteristics.

Polyester predominates among the noncellulosic fibers and yarns the United States ships to China. Polyester fibers have wide applications in the production of apparel, home furnishings, and industrial products. U.S. exports to China of other noncellulosic fibers and yarns--acrylic, modacrylic, and nylon--are smaller. These fibers are not used as much as polyester fibers but are important in the production of sweaters, blankets, socks, and high-pile fabrics.

U.S. exports to China of textile products processed from manmade fibers are predominantly fabrics, including those used for pneumatic tires.

U.S. exports

The United States is the world's largest producer of manmade fibers. An output of 8 billion pounds accounted for 26 percent of the world total of 31 billion pounds in 1980, with Western Europe collectively contributing 22 percent and Japan, 13 percent. ^{2/}

The United States has generally been an important world supplier of manmade fibers and products processed from such fibers. Exports to the world rose dramatically to record levels in the past 2 years, exceeding \$2 billion in 1980; this was twice the value of 1978 exports (table 17). ^{3/} U.S. imports of manmade-fiber textiles declined over this period. In 1980, the United States had a surplus in trade of manmade fibers, yarns, and fabrics amounting to \$1.6 billion.

^{1/} Journal of Commerce, May 18, 1981, p. 9.

^{2/} Preliminary estimate of the Textile Economics Bureau, Inc., a private organization, which collects data on and for the U.S. manmade fiber industry.

^{3/} Includes only those products processed from manmade fibers which are shown in table 17.

Table 17.--Textile fibers and textile products: U.S. exports, total and of selected items to all countries and to China, 1978-80, January-February 1980, and January-February 1981

Item	1978	1979	1980	January-February--
				1980
Exports to all countries				
Cotton-----1,000 dollars--	1,784,824	2,263,576	2,950,649	619,336
Manmade fibers and selected products: 1/				608,837
Manmade fibers and yarns-----1,000 dollars--	695,886	1,165,027	1,473,076	212,843
Woven fabrics of manmade fibers-----do-----	346,719	536,225	662,989	85,251
Textiles for pneumatic tires-----do-----	61,439	82,529	159,992	15,314
Subtotal-----do-----	1,104,044	1,783,781	2,296,057	313,408
All other-----do-----	2,052,877	2,805,922	3,139,717	481,479
Total-----do-----	4,941,745	6,853,279	8,386,423	1,414,244
Exports to China				
Cotton-----1,000 dollars--	157,305	357,042	701,517	153,488
Manmade fibers and selected products: 1/				205,651
Manmade fibers and yarns-----1,000 dollars--	47,754	89,997	260,307	33,488
Woven fabrics of manmade fibers-----do-----	0	37	14,747	41
Textiles for pneumatic tires-----do-----	1,815	5,841	49,791	3,149
Subtotal-----do-----	49,569	95,875	324,845	36,677
All other-----do-----	86	380	2,470	20
Total-----do-----	206,960	453,297	1,028,832	190,185
China's share in exports to all countries				
Cotton-----percent--	8.81	15.77	23.78	24.78
Manmade fibers and selected products: 1/				33.78
Manmade fibers and yarns-----percent--	6.82	7.72	17.67	15.73
Woven fabrics of manmade fibers-----do-----	0	.01	2.22	.05
Textiles for pneumatic tires-----do-----	2.95	7.08	31.12	20.56
Subtotal-----do-----	4.49	5.37	14.15	11.70
All other-----do-----	0	.01	.08	0
Total-----do-----	4.19	6.61	12.27	13.45

1/ Excludes products made of manmade fibers which are not notable in U.S. exports to China, such as textile furnishings and wearing apparel.
2/ Not available.

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

Polyester fibers and yarns accounted in large measure for the surge in exports; China's purchases were largely responsible. Sharp increases in polyester staple exports in the last several months of 1980 reportedly caused a tightening of U.S. supplies of this fiber, even though producers operated at a high level of capacity.

While U.S. exports of manmade fibers and selected products (those shown in table 17) to all countries doubled between 1978 and 1980, such exports to China increased over six times in this 2-year period, amounting to \$325 million in 1980. In 1978 China accounted for 5 percent and in 1980 for 14 percent of U.S. exports to all countries.

U.S. exports of manmade fibers and yarns were 127 million pounds in 1978, 154 million pounds in 1979, and 370 million pounds in 1980 (table 18, fig. 6). China's share in all U.S. exports of manmade fibers and yarns increased from 6.8 percent in 1978 to 7.7 percent in 1979 and more than doubled, to 17.7 percent, in 1980 (table 17). The growth trend continued in 1981, when, in the first 2 months of the year, China accounted for 25 percent of all U.S. exports of manmade fibers and yarns. In 1980, China became the leading market for manmade fibers and yarns exported by the United States, moving Canada to second place and Belgium-Luxembourg to third place (table 19).

China also became the leading market for U.S. tire cord and tire fabric in 1980, with purchases amounting to \$50 million--over eight times their 1979 value. In the same year, China bought more than twice the amount bought by either Venezuela or Canada, which were the second and third ranking U.S. markets. China's share in all U.S. exports of these items rose from 3 percent in 1979 to 31 percent in 1980, but declined to 25 percent in the first 2 months of 1981. China was primarily responsible for the gains the United States made in 1980 in exporting textiles for pneumatic tires (table 17).

In 1980, China also began to purchase notable amounts of woven manmade fabrics from the United States. China's share in all U.S. exports of these items was more than 2 percent in 1980, compared with virtually none in prior years; it climbed to over 8 percent in January-February 1981, which may indicate a further sharp increase this year. Nevertheless, China remains a more important U.S. market for manmade fibers than for fabrics.

The value of U.S. exports to all countries of fabrics of manmade fibers increased rapidly in 1979 and 1980, with particularly strong sales to certain European and African countries (table 19). Canada, the United Kingdom, Italy, and Nigeria were the principal markets. China's contribution to the expansion of these exports was negligible in 1979 but became notable in 1980.

Chinese supply and demand

Manmade fibers are believed to account for about 10 percent of all fibers used in China compared with 73 percent in the United States and 62 percent in the European Community. Manmade fibers are frequently blended with natural fibers and then further processed into fabrics, garments, and other consumer items.

Table 18.--Textile fibers and textile products: U.S. exports of selected items to China, 1978-80, January-February 1980, and January-February 1981

Item	1978	1979	1980	January-February--	
				1980	1981
Quantity (1,000 pounds)					
Cotton, staple length under 1-1/8 inches	250,540	465,062	821,531	140,941	134,084
Cotton, staple length 1-1/8 inches or more	29,069	87,082	198,978	79,494	99,083
Noncontinuous fabrics (staple)	125,466	131,742	312,799	41,006	57,016
Continuous yarns	1,432	22,205	56,976	8,507	22,063
Broadwoven fabrics	0	0	3,400	0	2,849
Value (1,000 dollars)					
Cotton, staple length under 1-1/8 inches	140,426	294,399	540,598	95,932	112,719
Cotton, staple length 1-1/8 inches or more	16,879	62,644	160,701	57,555	92,931
Noncontinuous fabrics (staple)	46,448	62,175	193,655	22,767	35,694
Continuous yarns	1,306	27,590	61,195	10,397	22,994
Broadwoven fabrics	-	-	7,317	-	6,619
Unit value (per pound)					
Cotton, staple length under 1-1/8 inches	\$0.56	\$0.63	\$0.72	\$0.64	\$0.84
Cotton, staple length 1-1/8 inches or more	.58	.72	.81	.72	.94
Noncontinuous fabrics (staple)	.37	.47	.62	.56	.63
Continuous yarns	.91	1.24	1.07	1.22	1.04
Broadwoven fabrics	-	-	2.15	-	2.32

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

Table 19.--Textile fibers and textile products: U.S. exports of selected items, by principal markets, 1978-80, January-February 1980, and January-February 1981

Item and market	(In thousands of dollars)			
	1978	1979	1980	January-February-- 1980 1981
Raw cotton:				
China	157,305	357,042	701,517	153,488 : 205,651
Japan	355,425	457,269	531,658	113,853 : 130,105
South Korea	378,106	398,720	466,707	66,970 : 83,999
Taiwan	141,454	135,737	203,473	30,336 : 17,421
Hong Kong	152,560	132,302	153,434	38,914 : 19,700
Canada	79,134	99,478	115,877	21,108 : 27,486
All other	520,840	683,028	777,983	194,667 : 124,475
Total	1,784,824	2,263,576	2,950,649	619,336 : 608,837
Manmade fibers and yarns:				
China	47,754	89,997	260,307	33,488 : 65,962
Canada	116,228	172,356	162,846	26,816 : 30,659
Belgium and Luxembourg	81,157	118,337	134,475	18,422 : 20,872
United Kingdom	37,807	84,960	83,432	15,124 : 7,503
All other	412,940	699,377	832,016	118,993 : 142,104
Total	695,886	1,165,027	1,473,076	212,843 : 267,100
Woven fabrics of manmade fibers:				
Canada	101,080	120,108	122,525	18,110 : 19,883
United Kingdom	37,248	60,667	72,182	10,194 : 12,251
Italy	4,277	31,723	50,818	8,855 : 4,535
Nigeria	1,108	1,033	35,276	924 : 340
China	-	37	14,747	41 : 9,082
All other	203,006	322,657	367,441	47,127 : 64,307
Total	346,719	536,225	662,989	85,251 : 110,398
Textiles for pneumatic tires:				
China	1,815	5,841	49,791	3,149 : 4,942
Venezuela	6,552	13,024	22,231	1,269 : 3,349
Canada	18,547	19,047	21,279	3,279 : 3,621
Mexico	1,795	5,224	11,561	1,150 : 478
All other	32,730	39,393	55,130	6,467 : 7,590
Total	61,439	82,529	159,992	15,314 : 19,980

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

A significant, although declining, portion of Chinese manmade-fiber consumption is imported. Imports are used predominantly for conversion into items to be reexported; these are mostly products with substantial value added, such as apparel and other finished products. Chinese imports of manmade fibers increased through 1978, when they amounted to \$175 million, but leveled off in 1979 to \$155 million (table 20). In 1979 the United States replaced Japan as China's principal supplier for the first time, accounting for some 40 percent of all Chinese imports. Imports from the United States were rising sharply while total imports of manmade fibers were falling.

As stated earlier, the current textile policy of the Chinese Government strongly emphasizes domestic production of manmade fibers. China has the crude oil and natural gas resources needed for producing noncellulosic fibers. Therefore, in the long run, domestic conditions to develop this industry are considered favorable.

China's manmade-fiber production--the fastest growing segment of its textile industry--increased rapidly from 190,000 tons in 1977 to 440,000 tons in 1980 (table 14). Production of fabrics of manmade fibers and their blends with natural fibers also increased, rising faster than the output of pure cotton fabric. In the area of fibers, China concentrates on polyester staple, producing relatively smaller amounts of acrylics and vinols and very little nylon. The emphasis will remain on polyester in China's future programs.

A petrochemical fiber plant in Shanghai came on stream in June 1979, apparently greatly contributing to Chinese chemical fiber production. Several other mills were also put into operation recently; many more fiber plants are still under construction. Japan and Europe are the principal sources of technology introduced into the Chinese chemical fiber industry.

However, China's earlier stated goal of having chemical fibers account for 40 percent of all textile fibers used by 1985 is apparently not considered feasible at this time. ^{1/} The development of China's chemical-fiber-producing capacity and of the required petroleum and gas resources involves significant investment, with no quick returns. As part of its economic retrenchment policy, the Chinese Government recently decided to phase out several planned investments and cancel the construction of a number of petrochemical plants ordered from Japanese and European contractors. These developments appear to have resulted in a renewed emphasis by Chinese authorities on cotton versus manmade fibers.

Prospects

U.S. exports of manmade fibers and products to China are expected to remain important through the 1980's. ^{2/} However, their level will depend on several factors, the net impact of which is not predictable. U.S. exports apparently will be boosted by the slowdown in the development of China's own manmade fiber industry caused by lack of investment funds. However, China's shortage of foreign currency may depress the level of its manmade (and other) fiber imports at the same time.

^{1/} Report from Beijing, p. 14.

^{2/} Ibid.

Table 20.—Synthetic textile fibers: Imports into China,
total and by principal sources, 1977-79

(In millions of dollars)

Source	1977	1978	1979
Total-----	160.0	175.0	155.0
Japan-----	69.0	64.6	50.5
United States-----	-	46.4	62.2
Canada-----	4.0	1.9	2.2
Australia-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
West Germany-----	-	17.9	.5
United Kingdom-----	-	14.9	14.3
France-----	4.0	<u>1/</u>	<u>1/</u>
Italy-----	4.0	6.7	.2
Netherlands-----	<u>1/</u>	2.6	<u>1/</u>
Hong Kong <u>2/</u> -----	<u>1/</u>	<u>1/</u>	.2
Singapore-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
Egypt-----	<u>1/</u>	<u>1/</u>	<u>1/</u>
Brazil-----	<u>1/</u>	<u>1/</u>	.9
Yugoslavia-----	2.0	4.2	1.8

1/ Less than \$50,000.

2/ Includes exports of third-country goods through Hong Kong to China.

Source: National Foreign Assessment Center, China: International Trade Quarterly Review, Second Quarter 1979, pp. 16 and 22, and Second Quarter 1980, pp. 31 and 36-39.

The level of imports will also greatly depend on the prices of manmade fibers compared with the prices of cotton. In 1980, the monthly price of polyester staple 1/ averaged about 18 cents per pound, or 20 percent, below monthly cotton 2/ prices. However, as noted, it is believed that high petroleum prices could narrow this price gap. If the savings which result from the use of manmade fibers instead of cotton were to diminish, part of potential Chinese demand for manmade fibers could shift back to cotton.

Impact on the U.S. fiber industry

In recent years, textile fiber and yarn production in the United States has been depressed by relatively low domestic mill consumption. In the United States, as elsewhere, demand for cotton has been weaker than demand for manmade fibers, as the use of the latter has spread. Manmade fibers and yarns have replaced cotton for many uses, on the basis of their lower price and more desirable physical characteristics, such as greater ease of care, durability, stretch, and special surface effects.

U.S. production, mill consumption, and exports of raw cotton for crop years 1978/79 to 1980/81 were as follows:

Year beginning Aug. 1--	Production	Consumption	Exports	Ratio of exports to production Percent
	1,000 bales <u>1/</u>			
1978-----	10,856	6,352	6,180	56.9
1979-----	14,629	6,506	9,229	63.1
1980 <u>2/</u> -----	11,124	5,865	5,725	51.5

1/ Bales of 480 pounds net.

2/ Preliminary and estimated.

In recent years, growing Chinese purchases of U.S. cotton have rapidly increased China's importance to the U.S. cotton industry. In 1979/80, China purchased 2.3 million bales of U.S. cotton, which amounted to 25 percent of U.S. exports to the world and 16 percent of all U.S. cotton production. Exports in general, and exports to China in particular, represented the principal growth opportunity available to the U.S. cotton industry in that year.

In calendar year 1980, raw cotton exports by the United States reached \$3 billion, which constituted 1.4 percent of U.S. exports to the world. Cotton exports to China alone, amounting to \$702 million, were responsible for 0.3 percent of total U.S. exports.

1/ Reported average market price for 1.5 denier polyester staple for cotton blending.

2/ SLM-1-1/6 at Group B mill points, net weight.

U.S. production and exports of manmade fibers and yarns in 1977-80 are shown in the following tabulation:

Year	Production	Exports	Ratio of exports to production
	Million pounds		Percent
1977	7,762	621	8.0
1978	7,998	836	10.5
1979	8,610	1,281	14.9
1980	7,954	1,363	17.1

Data on U.S. mill consumption of manmade fibers and yarns are not available. However, the figures shown above imply that domestic consumption declined in recent years, and that the level of output of the U.S. industry had been sustained by expanding exports. Exports accounted for 17 percent of U.S. production in 1980.

In the same year, China purchased 370 million pounds of manmade fibers and yarns from the United States, which constituted 4.7 percent of total U.S. production in volume, although probably much less in value. Chinese purchases of manmade fibers and yarns accounted for 27 percent of the U.S. export volume of such products but only 18 percent of the value.

APPENDIX

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

Table A-1.--Leading items exported to the nonmarket economy countries (NME's), by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
130.3465	Yellow corn, not donated for relief	\$749,677,404	\$591,139,872
130.6540	Wheat, unmilled, not donated for relief	644,799,916	258,104,237
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	210,356,931	247,897,348
184.5260	Soybean oilcake and meal	171,031,335	147,696,708
175.4100	Soybeans, n.e.s.	110,252,748	159,684,576
300.1550	Other cotton, staple length 1-1/8 inches or more	110,085,563	59,334,556
309.4242	Polyester fibers, noncontinuous	48,211,226	23,947,799
480.8005	Diammonium phosphate fertilizer	31,706,408	14,872,945
310.0010	Textured yarns, of polyester	30,796,911	10,425,460
177.5640	Tallow, inedible	30,425,306	12,428,867
692.3820	Parts of tracklaying tractors, n.s.p.f.	24,982,983	3,709,922
176.5220	Soybean oil, crude, including degummed	24,861,331	25,101,134
120.1400	Cattle hides, whole	22,585,373	33,758,809
480.7050	Concentrated superphosphates	20,302,302	7,555,000
521.5110	Low volatile bituminous coal	18,875,085	29,292,873
252.7810	Kraft linerboard	17,206,179	-
664.0584	Parts, n.e.s., of oil and gas field drilling machines	17,156,250	14,269,862
250.0281	Wood pulp, sulphate and soda, bleached, softwood	16,969,738	-
517.5120	Petroleum coke, calcined	14,573,421	9,513,664
145.4300	Shelled almonds, not blanched	13,425,565	11,797,769
	Total	2,328,281,975	1,660,531,401
	Total, U.S. exports to the NME's	2,902,493,169	2,144,073,157
			\$1,767,695,443
			1,717,938,236
			575,890,625
			356,802,831
			379,346,439
			160,960,548
			185,335,108
			93,509,540
			46,225,264
			46,899,508
			46,002,947
			75,797,697
			86,418,132
			39,487,568
			101,054,056
			79,966,494
			35,097,383
			11,979,767
			24,684,733
			17,564,785
			5,848,656,104
			8,351,829,744

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

Table A-2.—Leading items imported from the nonmarket economy countries (NME's), by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
107.3525	Canned hams and shoulders, 3 pounds and over--	\$53,488,905	\$51,663,815
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds--	50,899,407	-
475.3500	Naphthas, derived from petroleum, etc., n.e.s--	46,626,225	6,146,953
145.4880	Peanuts, shelled--	34,691,527	9,318
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold- rolled, n.e.s--	28,392,593	2,778,282
480.6540	Anhydrous ammonia--	27,953,992	11,162,831
605.2020	Gold bullion, refined--	24,637,009	4,511,414
475.2520	Gasoline--	22,304,576	11,398,994
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot--	14,674,043	11,326,474
727.2900	Chairs of wood, not folding, not teak, n.e.s--	12,785,336	10,611,606
700.3515	Men's and boys' athletic footwear, of leather, n.e.s--	11,173,372	10,371,263
605.0260	Palladium--	10,492,041	10,907,293
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches--	10,391,663	8,953,306
320.2032	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)--	9,904,068	4,482,622
475.1035	Heavy fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of more than 125 seconds--	9,466,806	-
692.3288	Parts for motor vehicles, n.e.s--	8,109,797	4,477,121
192.2500	Hops--	7,256,940	4,792,223
620.0300	Nickel, unwrought--	7,144,848	13,679,475
417.2800	Ammonium molybdate--	6,881,520	8,989,474
186.1560	Feathers, not meeting Federal standards--	6,812,662	5,272,608
	Total--	404,087,330	181,535,072
	Total, U.S. imports from the NME's--	901,120,938	643,775,242
	Total, U.S. imports from the NME's--		976,720,203
	Total, U.S. imports from the NME's--		2,888,181,332

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

Table A-3.--Leading items exported to China, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--		
		1981	1980	1980
130.6540	Wheat, unmilled, not donated for relief	\$352,517,387	\$55,024,214	\$1,039,308,818
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	204,995,360	215,959,939	538,955,612
300.1550	Other cotton, staple length 1-1/8 inches or more	108,234,971	56,391,845	158,017,837
175.4100	Soybeans, n.e.s.	49,628,925	61,104,615	155,190,644
309.4242	Polyester fibers, noncontinuous	47,935,117	23,649,991	182,915,820
310.0010	Textured yarns, of polyester	30,625,389	9,937,973	45,168,346
480.8005	Diammonium phosphate fertilizer	24,830,402	14,872,945	85,168,077
252.7810	Kraft linerboard	17,206,179	-	79,966,494
176.5220	Soybean oil, crude, including degummed	17,090,745	23,899,034	56,313,932
250.0281	Wood pulp, sulphate and soda, bleached, softwood	16,894,543	-	11,778,945
664.0584	Parts, n.e.s., of oil and gas field drilling machines	15,461,020	11,550,654	22,703,206
130.3465	Yellow corn, not donated for relief	15,284,093	73,373,740	224,540,392
444.6000	Polyester resins, unsaturated, etc.	12,630,498	4,095,631	50,836,636
480.7050	Concentrated superphosphates	11,725,346	7,555,000	29,544,698
338.2930	Woven fabrics of polyester, continuous	11,706,296	-	7,317,407
121.7060	Leather, n.e.s.	11,281,247	-	9,218,739
200.3510	Douglas-fir logs and timber, in the rough	10,403,991	-	34,285,868
252.8010	Kraft linerboard	8,579,584	-	13,360,630
357.8040	Noncellulosic fibers for use in pneumatic tires	7,801,489	3,143,537	39,958,168
309.4245	Acrylic and modacrylic fibers (in noncontinuous form)	7,257,591	1,117,151	10,333,858
	Total	982,090,173	561,676,269	2,794,884,127
	Total, U.S. exports to China	1,183,152,166	773,908,455	3,748,993,443

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

Table A-4.---Leading items imported from China, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No. :	Description :	January-March---	
		1981 :	1980 :
145.4880 :	Peanuts, shelled-----		
475.2520 :	Gasoline-----	\$34,691,527 :	\$9,318 :
360.1515 :	Floor coverings of wool, valued over 66-2/3 cents per square foot-----	22,304,576 :	11,398,994 :
320.2032 :	Printcloth shirting, wholly of cotton, n.e.s. (average yarn number 20)-----	12,061,052 :	7,582,158 :
417.2800 :	Ammonium molybdate-----	9,904,068 :	4,482,622 :
382.5871 :	Women's sweaters, n.e.s., of wool, valued over \$5 per pound-----	6,881,520 :	8,989,474 :
521.1720 :	Bauxite, calcined, other-----	6,429,501 :	58,248 :
186.1560 :	Feathers, not meeting Federal standards-----	6,121,795 :	1/ :
755.1500 :	Fireworks-----	5,881,049 :	5,207,417 :
472.1000 :	Barytes ore, crude-----	5,739,900 :	3,902,642 :
326.3092 :	Woven fabrics, not wholly of cotton, not fancy or figured, not colored-----	5,147,829 :	1,480,231 :
521.1710 :	Bauxite, calcined, refractory grade-----	4,919,987 :	- :
222.4000 :	Baskets and bags of bamboo-----	4,574,042 :	1/ :
622.0200 :	Tin, other than alloyed, unwrought-----	4,335,754 :	2,432,521 :
382.3349 :	Girls' and infants' slacks, denim-----	4,228,404 :	3,602,273 :
706.1830 :	Handbags of unspun fibrous vegetable materials-----	3,790,753 :	1,025,226 :
653.2200 :	Metal coins, n.e.s.-----	3,737,970 :	55,389 :
601.5400 :	Tungsten ore-----	3,407,515 :	175,953 :
380.0652 :	Men's and boys' shirts, of cotton, knit, n.s.p.f.-----	3,298,863 :	2,790,653 :
192.4000 :	Licorice root-----	3,210,533 :	567,506 :
	Total 2/-----	3,154,516 :	2,760,000 :
	Total, U.S. imports from China-----	153,821,154 :	57,675,837 :
		359,786,330 :	200,188,228 :
			1,039,176,550

1/ Prior to Jan. 1, 1981, items 521.1710 and 521.1720 were classified under the now-deleted item 521.1700.

2/ Totals for 1980 have been adjusted to include the now deleted item 521.1700 (see previous note).

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

Table A-5.--Leading items exported to the U.S.S.R., by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
130.3465	: Yellow corn, not donated for relief	\$360,567,267	\$247,904,513
130.6540	: Wheat, unmilled, not donated for relief	276,346,434	88,981,012
177.5640	: Tallow, inedible	28,565,614	8,480,659
692.3820	: Parts of tracklaying tractors, n.s.p.f.	21,585,482	2,985,436
145.4300	: Shelled almonds, not blanched	13,425,565	11,797,769
517.5120	: Petroleum coke, calcined	12,275,049	8,790,109
475.4580	: Lubricating oils, n.s.p.f., except white mineral oils	11,987,398	1/
192.2500	: Hops	10,008,603	4,050,019
692.3160	: Tracklaying tractors, new, with net engine horsepower : of 345 and over	4,939,032	-
692.3840	: Parts, n.e.s., of other tractors, n.s.p.f.	4,837,105	977,265
417.1240	: Aluminum oxide (alumina)	3,936,317	-
601.3300	: Molybdenum ore	3,406,161	537,444
790.5510	: Pressure-sensitive tape, with plastic backing	3,296,168	3,783,765
674.3529	: Metalworking machines for gear-tooth grinding and finishing, : valued at least \$2,500 each	3,267,048	-
338.2600	: Woven fabrics of glass	3,051,516	1,585,172
678.3557	: Parts of tire-building machines	2,825,000	-
660.5440	: Parts of tractor engines	2,403,107	17,160
674.3045	: Metalworking machine tools, for cutting or hobbing gears, : n.s.p.f.	2,173,938	-
666.2510	: Meat and poultry processing machinery and equipment and : parts thereof	1,800,800	-
692.2985	: Parts, n.s.p.f., of motor-vehicle chassis, bodies, etc	1,441,476	2,055,290
	: Total 2/	772,139,080	381,945,613
	: Total, U.S. exports to the U.S.S.R.	801,149,162	487,030,686
			1,188,199,344
			1,509,727,606

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 475.4565.

2/ Because of changes in the Schedule B trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-6.--Leading items imported from the U.S.S.R., by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt		
	Universal viscosity at 100 degrees F of less than 45 seconds--		
480.6540	Anhydrous ammonia	\$41,991,460	
605.2020	Gold bullion, refined	27,953,992	\$11,162,831
475.3500	Naphthas, derived from petroleum, etc., n.e.s.	18,348,000	
605.0260	Palladium	14,601,996	
475.1035	Heavy fuel oils, testing 25 degrees A.P.I. or more, Saybolt	10,492,041	10,507,117
	Universal viscosity at 100 degrees F of more than 125 seconds--		
620.0300	Nickel, unwrought	9,466,806	
124.1045	Sable furskins, whole, undressed	7,144,848	
618.1000	Aluminum waste and scrap	3,240,280	13,679,475
605.0750	Palladium bars, plates, etc	2,213,260	2,282,432
169.3800	Vodka, in containers holding not over 1 gallon, valued over \$7.75 per gallon	1,782,097	5,639,841
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide--	1,186,596	
605.0270	Rhodium	1,124,032	
629.1420	Titanium sponge, unwrought	937,797	553,500
605.0220	Platinum sponge	870,625	1,240,899
240.1440	Plywood, with face ply of birch, not face finished	601,204	2,740,871
605.0290	Platinum group metals and combinations, n.e.s.	552,357	2,038,288
629.1200	Titanium waste and scrap, unwrought	499,677	256,582
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	465,426	1,251,766
113.3000	Sturgeon roe	425,724	752,230
	Total	407,234	345,362
	Total, U.S. imports from the U.S.S.R.	144,305,452	187,171
		149,665,826	52,638,365
			99,827,474
			430,386,955

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

Table A-7.—Leading items exported to Poland, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--		1980
		1981	1980	
130.3465	: Yellow corn, not donated for relief-----	\$152,277,174	\$76,045,241	\$293,207,062
184.5260	: Soybean oilcake and meal-----	61,842,236	43,409,094	72,023,323
175.4100	: Soybeans, n.e.s-----	18,569,028	27,824,492	66,808,502
177.5000	: Lard-----	8,554,325	-	1,821,029
480.4500	: Phosphates, crude, and apatite-----	6,691,056	7,630,294	31,672,350
300.1060	: Cotton, not carded, staple length 1 to 1-1/8 inches-----	5,259,030	3,056,056	6,215,265
176.5220	: Soybean oil, crude, including degummed-----	3,981,063	1,202,100	7,226,612
131.3030	: Head rice, long grain, not parboiled, not donated for relief-----	3,930,083	-	-
176.2520	: Linseed oil, crude-----	3,360,140	-	-
131.3040	: Head rice, medium grain, not parboiled, not donated for relief-----	3,148,595	-	7,089,980
692.3820	: Parts of tracklaying tractors, n.s.p.f-----	2,469,161	603,654	5,508,993
177.5640	: Tallow, inedible-----	1,859,692	957,321	3,213,380
300.1550	: Other cotton, staple length 1-1/8 inches or more-----	1,850,592	-	-
300.1530	: American Pima cotton and Sea Island cotton-----	1,754,982	1,135,000	3,805,415
126.0140	: Alfalfa seeds, certified-----	1,748,940	281,806	281,806
120.1400	: Cattle hides, whole-----	1,519,690	12,167,574	19,451,073
182.9742	: Flours and grits, defatted, derived from oilseeds-----	1,442,709	1,137,244	4,406,134
120.2022	: Sheep and lamb skins without wool on the skin-----	1,200,350	1,350,514	4,369,716
170.6500	: Cigarettes-----	1,087,775	799,226	2,480,984
126.0120	: Alfalfa seeds, uncertified-----	1,020,912	288,192	288,192
	: Total-----	283,567,533	177,887,808	529,869,816
	: Total, U.S. exports to Poland-----	304,739,786	226,132,470	710,445,935

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

Table A-8.--Leading items imported from Poland, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--		1980
		1981	1980	
107.3525	Canned hams and shoulders, 3 pounds and over	\$32,877,954	\$33,652,444	\$133,815,220
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-rolled, n.e.s.	12,797,348	1,932,882	18,136,335
700.3550	Men's footwear, of leather, n.e.s., cement soles	2,465,167	2,230,359	9,500,061
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	1,939,176	1,919,447	7,482,232
192.2500	Hops	1,784,924	765,478	765,478
674.3512	Machine tools, metal-cutting, engine or toolroom	1,756,615	149,576	5,040,038
672.1620	Sewing machines, other	1,660,390	1/	1/
521.3180	Coal, n.e.s., including lignite, but not including peat	1,438,991	2,716,914	7,640,822
110.4740	Pollock blocks, frozen, over 10 pounds	1,245,703	4,116,338	6,528,801
366.2460	Terry towels of cotton, of pile or tufted construction, valued over \$1.45 per pound	1,235,211	992,020	3,847,356
692.1090	Automobile trucks, valued under \$1,000	1,217,040	75,680	2,501,247
646.2622	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, uncoated	1,136,314	1,058,212	5,028,058
700.2960	Men's welt footwear, of leather, n.e.s., valued over \$6.80 per pair	1,085,405	516,619	3,987,205
646.2626	Brads, nails, etc., of iron or steel, smooth shank, 1 inch or more in length, coated	1,044,296	926,455	3,076,602
380.6653	Men's suits, of wool, valued over \$4 per pound	1,039,162	1,259,582	5,101,088
336.6049	Woven fabrics, of wool, worsteds, valued over \$2 per pound	1,030,823	1,315,196	2,391,028
609.8041	Channels, other than alloy iron or steel, maximum cross-sectional dimension of 3 inches or more	1,014,691	-	3,866,189
727.1500	Furniture and parts, of bentwood	980,488	1,292,284	4,082,950
176.4400	Rapeseed oil, unfit for use as food	957,669	533,484	1,531,590
382.1206	Women's raincoats, n.e.s., 3/4-length or longer, valued over \$4 each	845,574	373,818	1,808,213
	Total 2/	69,552,941	55,826,788	226,130,513
	Total, U.S. imports from Poland	103,251,633	100,346,445	414,918,818

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 672.1600.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-9.--Leading items exported to Romania, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--		1980
		1981	1980	
130.3465	: Yellow corn, not donated for relief-----	\$74,873,383	\$41,340,248	\$157,902,511
184.5260	: Soybean oilcake and meal-----	51,130,217	18,024,694	69,233,593
120.1400	: Cattle hides, whole-----	11,040,253	9,600,987	28,813,826
175.4100	: Soybeans, n.e.s-----	9,579,734	13,353,427	61,667,711
521.3120	: Bituminous coal, n.e.s-----	8,871,003	3,873,535	15,659,411
521.3110	: Low volatile bituminous coal-----	6,997,739	18,321,702	45,525,804
486.2900	: Insecticides, unmixed, n.e.s-----	2,716,225	-	2,160
664.1096	: Parts, for oil and gas field lifting equipment, other-----	2,610,000	-	-
415.4500	: Sulfur, native elemental or recovered-----	2,587,501	1,860,520	7,155,852
674.9002	: Parts, for appliances, other-----	2,099,929	-	1,301,814
140.3100	: Beans, seed-----	1,412,292	43,555	43,555
250.0284	: Wood pulp, special alpha and dissolving grades-----	1,324,140	2,025,021	4,988,467
664.1068	: Derricks, n.s.p.f-----	1,033,125	-	-
119.5300	: Eggs in the shell, other-----	1,027,821	-	-
676.2700	: Digital data processing machines, n.s.p.f-----	976,660	-	670,726
678.3512	: Tire-building machines, including vulcanizing presses-----	804,650	738,740	763,687
130.3440	: Corn seed, except sweet, not donated for relief-----	798,157	332,982	342,297
674.3045	: Metalworking machine tools, for cutting or hobbing gears, : n.s.p.f-----	-	-	-
676.5560	: Parts for automatic data processing machines and units, : n.s.p.f-----	769,213	-	-
121.7035	: Sheep and lamb leather, other-----	658,289	525,469	5,163,028
	: Total-----	438,314	-	47,691
	: Total, U.S. exports to Romania-----	181,748,645	110,040,880	399,282,133
	: Total-----	191,525,720	183,399,853	720,231,101

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

Table A-10.--Leading items imported from Romania, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA Item No.	Description	January-March--	
		1981	1980
475.3500	Naphthas, derived from petroleum, etc., n.e.s.	\$19,087,872	-
607.6615	Sheets, of iron or steel, not shaped, not pickled or cold-rolled, n.e.s.	15,595,245	\$827,973
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt	8,907,947	-
107.3525	Universal viscosity at 100 degrees F of less than 45 seconds--	4,179,333	3,191,713
690.3560	Canned hams and shoulders, 3 pounds and over--	3,328,514	1/
130.3000	Parts of cars, other--	3,218,354	465,619
360.1515	Seed corn or maize, certified--		
	Floor coverings of wool, valued over 66-2/3 cents per square foot--	2,564,794	3,695,050
727.3540	Furniture, of wood, n.s.p.f.--	2,080,917	1,452,944
690.1500	Passenger, baggage, etc., railroad cars, not self-propelled--	2,061,504	5,258,904
700.3550	Men's footwear, of leather, n.e.s., cement soles--	1,712,422	2,762,363
660.9756	Reciprocating pumps, other, except parts--	1,571,510	45,719
446.1531	Polyisoprene rubber--	1,483,146	1,791,070
610.4220	Oil well casing, other than alloy steel, threaded or otherwise--	1,442,969	257,717
692.3406	Agricultural tractors, power takeoff horsepower of 40 or more but less than 80--	1,361,282	2,345,816
674.3522	Machine tools, metal-cutting, n.e.s.--	1,295,530	51,017
382.1206	Women's raincoats, n.e.s., 3/4-length or longer, valued over \$4 each--	1,053,121	1,836,381
680.3712	Ball bearings, radial ball bearings, outside diameter over 30-mm; but not over 52-mm--	1,013,545	-
382.1223	Women's coats, n.e.s., 3/4-length or longer, valued over \$4 each--	1,005,559	-
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each--	985,484	998,402
382.8163	Women's wearing apparel of manmade fibers, n.e.s.--	900,833	764,748
	Total 2/	74,849,881	25,745,436
	Total, U.S. imports from Romania--	107,107,371	63,488,555
			\$34,919,013
			11,297,155
			17,568,065
			1/
			465,619
			8,568,494
			7,922,242
			11,619,751
			8,062,503
			123,127
			7,314,555
			4,803,770
			6,582,255
			1,099,874
			2,354,078
			651,082
			610,217
			3,895,122
			3,134,259
			130,991,181
			310,561,118

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 690.3500.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-11.--Leading items exported to Yugoslavia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--		1980
		1981	1980	
175.4100	Soybeans, n.e.s.	\$26,294,653	\$12,080,268	\$49,519,257
521.3110	Low volatile bituminous coal	11,877,346	10,072,083	49,220,840
694.4020	Used nonmilitary airplanes	7,600,000	-	7,000,000
480.8005	Diammonium phosphate fertilizer	6,876,006	-	8,340,463
431.0480	Vinyl chloride, monomer	5,998,546	2,966,209	13,456,793
694.6507	Parts for aircraft and spacecraft, other	4,506,765	1/	1/
120.1400	Cattle hides, whole	4,374,867	5,863,952	14,897,224
176.5220	Soybean oil, crude, including degummed	3,789,523	-	12,257,153
184.5260	Soybean oilcake and meal	3,314,799	12,755,484	45,437,488
661.1255	Air compressors, stationary, over 100 horsepower	3,168,166	-	934,142
309.3270	Grouped filaments and strips, n.e.s.	2,800,942	780,400	9,395,638
404.0560	Styrene (monomer)	2,519,899	8,640,426	16,261,663
431.3280	Vinyl acetate, monomer	2,499,929	3,030,705	5,123,312
517.5120	Petroleum coke, calcined	2,298,372	723,555	4,966,251
676.5560	Parts for automatic data processing machines and units, n.s.p.f.	2,246,386	2,919,520	11,790,544
435.2300	Antibiotics, n.e.s. (bulk)	2,129,966	419,000	4,201,262
250.0284	Wood pulp, special alpha and dissolving grades	2,097,865	613,365	5,236,081
678.5055	Metal-treating machines and parts thereof, n.s.p.f.	2,027,764	261,943	4,854,862
170.3320	Flue-cured cigarette filler tobacco, stemmed	1,675,704	1,240,679	4,653,491
674.3590	Mechanical presses, metalforming, other	1,665,289	-	-
	Total 2/	99,762,787	62,367,589	267,546,464
	Total, U.S. exports to Yugoslavia	148,379,426	160,570,795	751,954,238

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 694.6506.

2/ Because of changes in the Schedule B trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-12.—Leading items imported from Yugoslavia, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
727.2900	Chairs of wood, not folding, not teak, n.e.s.	\$11,698,491	\$9,907,467
475.3500	Naphthas, derived from petroleum, etc., n.e.s.	10,969,112	-
700.3515	Men's and boys' athletic footwear, of leather, n.e.s.	10,278,928	9,897,763
107.3525	Canned hams and shoulders, 3 pounds and over	7,331,653	7,697,500
605.2020	Gold bullion, refined	6,289,009	4,511,414
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	5,539,875	4,753,966
606.2400	Ferrocrome, over 3 percent carbon	4,898,161	3,945,144
727.4040	Parts of wood furniture, n.s.p.f.	4,007,129	1,581,018
688.0465	Insulated electrical conductors, power cable designed for 601 volts or less	3,398,780	2,399,386
727.3540	Furniture, of wood, n.s.p.f.	2,589,413	3,407,701
192.2500	Hops	2,029,137	2,268,879
772.5105	Passenger car tires, new	1,599,701	414,669
606.4400	Ferrosilicon manganese	1,499,008	1,641,451
186.1565	Downs, not meeting Federal standards	1,040,729	-
772.5115	Pneumatic truck and bus tires, new	1,021,030	295,019
692.5010	Motorcycles, with piston displacement not over 50 cubic centimeters	1,016,616	9,461
618.1540	Aluminum rods, wrought, 0.375 inch or more in diameter	801,757	1,064,547
649.4330	Threading taps, dies, and chasers	718,376	768,704
606.3700	Ferrosilicon, other	715,819	-
674.3512	Machine tools, metal-cutting, engine or toolroom	705,964	132,520
	Total	78,148,688	54,696,609
	Total, U.S. imports from Yugoslavia	107,946,410	114,439,575

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

Table A-13.--Leading items exported to East Germany, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
130.3465	Yellow corn, not donated for relief	\$76,387,405	\$106,334,743
184.5260	Soybean oilcake and meal	37,499,500	35,273,091
130.6540	Wheat, unmilled, not donated for relief	15,936,095	27,255,856
355.0740	Paddings, waddings, and upholstery fillings, of manmade fibers, other	618,323	166,042
711.8070	Pressure gages, industrial process, electrical	424,736	8,762
309.7630	Manmade fibers of polyester, waste and advanced waste	355,377	9,068
818.9000	General merchandise, valued not over \$500	336,082	351,012
444.2520	Polymerization- and copolymerization-type resins	202,656	88,800
444.5410	Epoxy molding compounds	150,082	1/
690.3310	Airbrake equipment, designed for locomotives, other	135,427	147,898
300.3021	Cotton linters, n.e.s.	120,020	326,133
661.1288	Parts, refrigeration and airconditioning compressors, other	115,709	78,254
664.0591	Parts, n.e.s., of excavating machinery, other	110,391	23,218
300.1060	Cotton, not carded, staple length 1 to 1-1/8 inches	102,541	36,278
664.0584	Parts, n.e.s., of oil and gas field drilling machines	79,423	-
487.3050	Antioxidants, antizonants, and stabilizers	77,748	10,313
680.1330	Molds for rubber and plastics, n.s.p.f.	70,586	-
124.1527	Muskat furskins, whole, undressed	65,000	851,731
446.1526	Ethylene-propylene	62,370	-
126.0140	Alfalfa seeds, certified	61,486	93,063
	Total 2/	132,910,957	169,511,525
	Total, U.S. exports to East Germany	133,493,758	176,144,711
			450,557,517
			477,389,076

1/ Prior to Jan. 1, 1981, this item was classified under the now-deleted and more comprehensive item 444.5400.

2/ Because of changes in the Schedule B trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-14.--Leading items imported from East Germany, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--		1980
		1981	1980	
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type			
772.5105	Passenger car tires, new	\$2,336,563	\$1,059,437	\$3,612,585
480.5000	Potassium chloride, crude	1,101,812	1,036,206	2,778,547
668.2340	Offset presses, of the roll-fed type, weighing 3,500 pounds or more	823,200	2,203,343	3,705,542
121.5000	Pig and hog leather	587,435	-	-
674.3025	Gear hobbors	511,200	270,000	1,685,780
676.0510	Typewriters, electric, nonautomatic, portable	382,753	112,987	159,724
772.5115	Pneumatic truck and bus tires, new	262,110	-	678,200
546.6840	Tableware, kitchen ware, and cooking ware, valued over \$5 each	261,235	308,598	1,559,339
534.1100	Ceramic statues, etc., valued over \$2.50 each	210,672	50,547	292,664
494.2000	Montan wax	208,391	106,131	379,773
674.3283	Boring machines, including vertical turret lathes, n.e.s	200,574	433,172	1,596,545
668.5060	Parts of printing presses	200,509	188,631	615,922
546.6040	Tableware, etc., valued over \$0.30 but not over \$3	192,353	183,118	746,878
618.1540	Aluminum rods, wrought, 0.375 inch or more in diameter	180,051	64,528	358,435
722.1635	Still 35-mm cameras, n.e.s., valued over \$10 each	176,305	-	-
674.3272	Boring machines, used or rebuilt	175,661	95,760	519,645
674.3527	Gear-tooth grinding and finishing machines	156,977	60,728	134,140
207.0080	Articles of wood, n.s.p.f.	129,669	26,208	143,745
660.9752	Centrifugal pumps, multistage, single- or double-suction	127,355	103,808	575,437
	Total	122,519	-	-
	Total, U.S. imports from East Germany	8,347,344	6,303,202	19,542,901
		11,252,227	13,375,392	42,958,764

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

Table A-15.--Leading items exported to Bulgaria, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
130.3465	Yellow corn, not donated for relief	\$43,123,171	\$20,180,905
184.5260	Soybean oilcake and meal	12,395,053	7,936,900
175.4100	Soybeans, n.e.s.	6,180,408	-
480.7050	Concentrated superphosphates	4,434,803	-
415.4500	Sulfur, native elemental or recovered	1,774,511	-
170.3340	Burley cigarette filler tobacco, stemmed	1,107,514	-
170.3320	Flue-cured cigarette filler tobacco, stemmed	1,053,484	296,980
250.0284	Wood pulp, special alpha and dissolving grades	575,719	-
435.8500	Anticonvulsants, hypnotics, and sedatives	243,000	-
688.0240	Telephone and telegraph wire and cable, other	235,886	-
131.4050	Bulgur, donated for relief	235,794	-
670.1700	Circular knitting machines, other	181,697	-
692.3120	Tracklaying tractors, new, with net engine horsepower of at least 60 but less than 90	178,050	-
170.5100	Unmanufactured tobacco, n.s.p.f.	135,383	-
711.8010	Temperature-control instruments, electrical, other than industrial tubes, other	113,979	462,151
687.6070	Electronic tubes, other	103,632	53,005
664.1098	Parts, n.s.p.f., for elevators, etc., n.s.p.f.	102,000	1,500
433.1035	Compound catalysts, n.e.s.	101,700	46,200
486.2900	Insecticides, unmixed, n.e.s.	97,500	-
472.0160	Pigments, other	78,505	-
	Total	72,451,789	28,462,485
	Total, U.S. exports to Bulgaria	73,585,189	31,689,698

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

Table A-16.--Leading items imported from Bulgaria, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	\$4,411,914	\$3,853,978
676.0530	Typewriters, nonelectric, nonautomatic, portable	565,965	424,083
674.3512	Machine tools, metal-cutting, engine or toolroom	389,201	77,945
117.6700	Pecorino cheese, not for grating	363,698	305,723
700.3550	Men's footwear, of leather, n.e.s., cement soles	144,141	330,133
167.3020	Wine, not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon	138,789	40,829
653.2200	Metal coins, n.e.s.	125,613	60,046
107.3525	Canned hams and shoulders, 3 pounds and over	100,408	-
439.1090	Natural drugs, n.e.s., crude	72,987	23,204
161.7100	Paprika, ground or unground	69,291	-
452.6000	Rose oil or attar of roses	61,511	54,630
382.6315	Women's, girls', or infants' coats, n.e.s., of wool, valued over \$4 per pound	41,572	-
546.6060	Glassware, not tumblers or tableware, valued over \$0.30 but not over \$3, n.e.s.	27,226	15,978
452.3200	Lavender and spike lavender oil	20,648	85,636
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	19,221	93,763
360.1515	Floor coverings of wool, valued over 66-2/3 cents per square foot	17,138	9,205
674.3502	Lathes, used or rebuilt	15,065	-
692.3288	Parts for motor vehicles, n.e.s.	5,775	-
546.1140	Tumblers, goblets, and other stemware, valued not over \$1 each, other	4,977	-
791.1900	Articles, n.s.p.f., of fur on the skin, other	4,902	-
	Total	6,600,042	5,375,153
	Total, U.S. imports from Bulgaria	6,620,358	5,662,238

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

Table A-17.--Leading Items exported to Czechoslovakia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
130.3465	Yellow corn, not donated for relief	\$27,164,911	\$25,960,482
184.5260	Soybean oilcake and meal	4,849,530	22,523,999
120.1400	Cattle hides, whole	3,008,789	3,537,220
192.2500	Hops	679,641	-
670.1220	Textile machines, reeling or winding	585,259	-
674.3588	Mechanical presses, metalforming	501,032	-
674.3575	Shearing machines, valued at \$2,500 and more, other	432,485	-
207.0035	Wooden pencil slats	406,567	540,565
662.1265	Packaging and wrapping machinery, other	332,799	-
818.9000	General merchandise, valued not over \$500	303,286	501,769
124.1528	Nutria furskins, whole, undressed	219,800	-
250.0292	Cotton linter pulp	218,591	-
124.1527	Muskat furskins, whole, undressed	215,000	72,452
310.0026	Yarns of cellulosic fibers, other	209,982	-
486.2900	Insecticides, unmixed, n.e.s.	186,990	139,400
674.3258	Metalworking machine tools, upright, other	180,000	-
676.5560	Parts for automatic data processing machines and units, n.s.p.f.	169,781	228,441
724.4565	Computer tape, unrecorded	158,181	-
250.0267	Wood pulp, sulphate, bleached, hardwood	154,000	-
433.1035	Compound catalysts, n.e.s.	144,848	46,988
	Total	40,121,472	53,581,316
	Total, U.S. exports to Czechoslovakia	42,358,480	82,533,573

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

Table A-18.--Leading items imported from Czechoslovakia, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
192.2500	Hops	\$2,919,871	\$1,757,866
610.3920	Oil well casing, other than alloy steel, not advanced	1,564,503	232,242
107.3525	Canned hams and shoulders, 3 pounds and over	1,157,200	1,243,344
700.2940	Wet work footwear, of leather, valued over \$6.80 per pair	1,019,648	1,471,796
670.1436	Weaving machines, jet type	914,609	842,653
336.6041	Woven fabrics of wool, not over 10 ounces per square yard	803,819	-
692.5010	Motorcycles, with piston displacement not over 50 cubic centimeters	663,571	34,014
668.2100	Offset printing presses, weighing 3,500 pounds or more, roll-fed type	503,251	326,617
700.3550	Men's footwear, of leather, n.e.s., cement soles	467,508	754,120
336.6043	Woven fabrics of wool, over 10 ounces per square yard	411,364	-
437.3000	Antibiotics, natural and not artificially mixed	407,372	373,870
674.3512	Machine tools, metal-cutting, engine or toolroom	336,899	241,463
546.6020	Glass tumblers, etc., valued over \$0.30 but not over \$3 each	290,927	517,884
335.9500	Woven fabrics, other, of vegetable fibers, n.e.s., weighing over 4 ounces per square yard	257,273	212,770
741.3500	Imitation gemstones, except imitation gemstone beads	249,142	240,022
727.1500	Furniture and parts, of bentwood	239,966	224,189
674.5340	Parts for other metalworking machine tools	226,079	176,804
186.1560	Feathers, not meeting Federal standards	222,532	-
674.3277	Vertical boring machines, including vertical turret lathes, n.e.s.	193,292	231,125
772.5115	Pneumatic truck and bus tires, new	192,949	61,385
	Total	13,041,775	8,942,164
	Total, U.S. imports from Czechoslovakia	17,551,507	15,373,984

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

Table A-19.--Leading items exported to Hungary, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
480.7050	Concentrated superphosphates	\$4,142,153	-
678.5002	Oil and gas field wire line and downhold equipment and parts thereof	2,299,057	-
692.3340	Tractors, wheel-type, agricultural, with horsepower of at least 120 but less than 140	1,132,308	698,671
435.7700	Cardiovascular drugs	1,121,534	1,690,948
692.3840	Parts, n.e.s., of other tractors, n.s.p.f.	1,015,991	5,278,762
120.1400	Cattle hides, whole	858,219	2,138,552
540.4200	Glass rods, tubes, and tubing	773,172	2,868,937
692.2985	Parts, n.s.p.f., of motor-vehicle chassis, bodies, etc	733,177	2,169,292
435.3300	Corticosteroids, n.s.p.f. (bulk)	571,915	2,459,194
666.0063	Parts for harrows, roller stalk cutters, and soil pulverizers, n.s.p.f.	523,398	1,213,693
664.0584	Parts, n.e.s., of oil and gas field drilling machines	504,647	671,851
435.1530	Penicillin, other	460,579	-
687.6087	Parts of transistors, chips, dice, and wafers	450,087	468,788
666.0007	Plows and listers, other	432,044	-
666.0060	Parts for plows, listers, cultivators, and weeders, n.s.p.f.	353,614	945,163
321.2908	Cotton denims	344,551	2,859,929
660.4110	Compression-ignition engines, for use in automobiles, automobile trucks, and buses	317,425	-
666.0011	Cultivators, tractor drawn or for tractor mounting	287,100	248,820
240.0150	Wood veneers, other hardwood	264,000	284,000
660.4872	Gasoline engines, not automobile or marine, under 6 brake horsepower	258,869	650,036
	Total	16,843,840	24,648,424
	Total, U.S. exports to Hungary	24,027,502	79,020,297

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

Table A-20.--Leading items imported from Hungary, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
692.3288	: Parts for motor vehicles, n.e.s.	\$7,935,876	\$4,266,894
107.3525	: Canned hams and shoulders, 3 pounds and over	7,842,357	5,821,532
692.3460	: Parts for agricultural tractors	2,810,325	3,563,158
686.9030	: Other lamps, including standard household	1,965,001	1,355,266
692.0440	: Motor buses, other (including diesel)	1,344,215	-
700.4540	: Women's footwear, of leather, cement soles, valued over \$2.50 per pair	1,313,060	1,632,715
130.3000	: Seed corn or maize, certified	1,263,264	-
161.7100	: Paprika, ground or unground	585,701	898,921
107.3040	: Bacon, not boned and cooked	511,282	517,273
437.3250	: Antibiotics, other	488,764	60,538
676.0560	: Typewriters, nonelectric, nonautomatic	359,135	726,241
124.1040	: Rabbit furskins, whole, undressed	354,964	-
167.3040	: Wine, not over 14 percent alcohol, valued over \$4 per gallon, in containers not over 1 gallon	353,373	236,209
708.4520	: Sunglasses and sunglasses, valued over \$2.50 per dozen	352,830	314,760
542.3120	: Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches	306,308	419,189
412.6800	: Products provided for in the chemical appendix to the tariff schedules	288,659	-
411.2400	: Sulfamethazine	262,491	-
772.5115	: Pneumatic truck and bus tires, new	243,442	686,008
686.9040	: Tungsten halogen and other lamps using halogen regenerative cycle	238,869	74,360
546.1820	: Tumblers, goblets, and other stemware, valued over \$3 but not over \$5 each	228,786	51,946
	: Total	29,048,702	20,625,010
	: Total, U.S. imports from Hungary	35,527,497	28,305,775
	: Total, U.S. imports from Hungary		73,052,136
	: Total, U.S. imports from Hungary		104,268,812

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

Table A-21.--Leading items exported to Mongolia, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
711.8740	Chemical-analysis equipment and parts, nonelectrical, n.s.p.f.		
711.8720	Nonelectric spectrometric instruments and parts thereof	\$4,597	-
727.1380	Furniture designed for household use, other	2,995	-
252.8640	Corrugated paper and paperboard, other	2,708	-
818.3900	Products, n.e.s., donated for relief	1,995	-
680.3586	Ball bearings, other	1,388	\$2,809
	Total	1,200	-
	Total, U.S. exports to Mongolia	14,883	2,809
		14,883	5,597
			63,507

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

Table A-22.--Leading items imported from Mongolia, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No. :	Description :	January-March--		1980
		1981	1980	
306.4293 :	Camel hair, sorted, etc-----	\$997,561 :	\$403,201 :	\$2,171,328
306.6200 :	Cashmere goat hair, sorted, etc-----	209,077 :	---	
:	Total-----	1,206,638 :	403,201 :	2,171,328
:	Total, U.S. imports from Mongolia-----	1,206,638 :	429,129 :	2,222,756

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

Table A-23.--Leading items exported to Albania, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
688.1900	Insulated wire and cable, n.s.p.f.	\$46,262	-
661.2280	Air-conditioners, 60,000 Btu per hour and over	3,076	-
	Total	49,338	-
	Total, U.S. exports to Albania	49,338	\$960,131

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

Table A-24.--Leading items imported from Albania, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--		1980
		1981	1980	
161.9400	Sage, unground-----			
601.1520	Chrome ore, chromium content not over 40 percent chromic oxide--	\$798,210	\$593,431	\$3,666,893
439.1090	Natural drugs, n.e.s., crude-----	167,330	-	1,454,284
601.1540	Chrome ore, chromium content over 40 but under 46 percent chromic oxide-----	60,588	6,907	49,826
161.9000	Rosemary, crude or not manufactured-----	28,967	1,672,000	2,944,080
162.0100	Savory, crude or not manufactured-----	26,286	6,113	23,278
606.8809	Bars of steel, cold formed, finished, not alloy, not over 0.25 percent carbon-----	12,685	16,019	50,423
193.2560	Vegetable substances, crude, n.s.p.f-----	8,537	1/	1/
	Total 2/-----	5,014	-	-
	Total, U.S. imports from Albania-----	1,107,617	2,294,470	8,188,784
		1,107,617	2,302,288	10,717,582

1/ On Nov. 1, 1980, this item was designated to indicate that portion of the trade in items 606.8805 and 606.8815 accepted under temporarily reduced tariff rates.

2/ Because of changes in the TSUSA trade classifications from 1980 to 1981, comparisons are not possible.

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

Table A-25.--Leading items exported to Vietnam, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--	
		1981	1980
818.9000	General merchandise, valued not over \$500-----	\$1,622	\$10,026
818.3900	Products, n.e.s., donated for relief-----	1,320	61,760
	Total-----	2,942	71,786
	Total, U.S. exports to Vietnam-----	2,942	200,143
			1,147,991

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

Table A-26.--Leading items imported from Vietnam, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
653.2200	Metal coins, n.e.s.		
	Total	\$2,665	\$1,995
	Total, U.S. imports from Vietnam	2,665	1,995
		85,428	1,995
Source: Compiled from official statistics of the U.S. Department of Commerce.			

Table A-27.--Leading items exported to Cuba, by Schedule B Nos., January-March 1981, January-March 1980, and 1980

Schedule B No.	Description	January-March--		1980
		1981	1980	
661.1030	Fans and blowers, other-----	\$5,292	-	-
676.3050	Automatic typewriters and word processing units, other-----	3,655	-	-
722.9600	Equipment for processing or printing motion-picture film-----	3,074	-	-
709.3000	Medical, dental, surgical, and veterinary instruments, n.s.p.f.---	2,796	\$5,852	\$5,852
	Total-----	14,817	5,852	5,852
	Total, U.S. exports to Cuba-----	14,817	21,708	118,858

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

Table A-28.--Leading items imported from Cuba, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
724.1045	Motion-picture film, n.e.s., positive release prints		
724.2000	Sound recordings produced on photographic or magnetic film, tape, or wire, and suitable for use in motion picture exhibits:	\$1,050	-
606.0900	Iron or steel waste and scrap, other	1,000	-
	Total	322	-
	Total, U.S. imports from Cuba	2,372	-
		2,372	\$8,273
			\$18,868

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

Table A-29.--Leading items exported to North Korea, by Schedule B Nos., January-March 1981, January-March 1980, and 1980 1/

Schedule B No.	Description	January-March--	
		1981	1980
	Total, U.S. exports to North Korea-----	-	-
1/	There were no exports to North Korea in 1980 or January-March 1981.		

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

Table A-30.--Leading items imported from North Korea, by TSUSA items, January-March 1981, January-March 1980, and 1980

TSUSA item No.	Description	January-March--	
		1981	1980
304.3220	Jute butts, waste, and advanced waste		
	Total	\$9,724	-
	Total, U.S. imports from North Korea	9,724	-
		\$25,891	\$51,666

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

GLOSSARY

Abbreviation	Full wording
CAP	Common Agricultural Policy (EC)
CCC	Commodity Credit Corporation (U.S. Department of Agriculture)
CCL	Commodity Control List
CEMA	Council for Mutual Economic Assistance
COCOM	Coordinating Committee for Multilateral Export Controls
EAA	Export Administration Act of 1979 (United States)
EC	European Community
EXIMBANK	Export-Import Bank of the United States
FAO	Food and Agricultural Organization (United Nations)
FYP	Five-year Plan
GATT	General Agreement on Tariffs and Trade
GSP	Generalized System of Preferences
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
LTFV	Less than Fair Value
MFA	Multifiber Arrangement
MFN	Most-favored Nation
NME's	Nonmarket Economy Countries
OEA	Office of Export Administration (U.S. Department of Commerce)
OECD	Organization for Economic Cooperation and Development
OEWPP	Office of East-West Policy and Planning (U.S. Department of Commerce)
OPIC	Overseas Private Investment Corporation (United States)
QGL	Qualified General License
SDR	Special Drawing Rights
SITC	Standard International Trade Classification SITC categories are defined as follows: 1-digit SITC: Section 2-digit SITC: Division 3-digit SITC: Group 4-digit SITC: Subgroup 5-digit SITC: Item
SYE	Square Yard Equivalent
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission

INDEX

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

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

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

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

Alcoholic beverages: see Vodka

Aluminum:

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

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

Animal and vegetable products:

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

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

Apparel: see Textile and textile products

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

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

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

Canned hams: see Hams, canned

Chemical products:

- U.S. imports; No. 2, pp. 36-46 (incl. tables); No. 6, pp. 31-36 (incl. table)
- U.S. imports from East Germany; No. 17, p. 59

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

China:

- Eximbank financing; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26, p. 37
- Joins International Monetary Fund; No. 22, p. 65; No. 23, pp. 21-23
- Most Favored Nation status; No. 19, p. 19; No. 20, p. 19; No. 22, p. 61; No. 23, pp. 31-32
- Overseas Private Investment Corporation financing; No. 23, pp. 25-26
- Textiles; No. 24, pp. 47-85; No. 26, pp. 45-66
- U.S.-China Bilateral Agreements; No. 24, pp. 36-38
- U.S.-China Joint Economic Commission; see Joint Economic Commission
- U.S.-China textile negotiations; No. 19, p. 20; No. 23, pp. 26-27; No. 24, pp. 78-85; No. 26, p. 40
- U.S. exports and imports, annual; No. 1, pp. 10-12 (incl. table); No. 5, pp. 24-29 (incl. table); No. 9, pp. 27-33 (incl. table); No. 13, pp. 19-23 (incl. table); No. 17, pp. 23-30 (incl. table); No. 21, pp. 28-38 (incl. table); No. 25, pp. 33-48 (incl. table)

Chrome ore:

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

Clothespins:

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

Clothing: see also Textile and textile products

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

Coal:

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

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

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

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

Coordinating Committee for Multilateral Export Controls (COCOM): No. 22, p. 42, No. 23, pp. 28-29

Copper and copper articles:

U.S. imports from Poland; No. 21, p. 45

U.S. imports from Yugoslavia; No. 6, p. 44; No. 7, pp. 45-49 (incl. table)
No. 9, p. 40; No. 13, p. 31

Cotton: see also Textile and textile products

U.S. exports to China; No. 21, p. 34; No. 26, pp. 45-66

U.S. exports to Hungary; No. 21, p. 73

U.S. exports to Romania; No. 21, p. 56

U.S. imports; No. 8, pp. 18-24 (incl. tables)

U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 8,
pp. 18-24 (incl. table); No. 9, pp. 31-32; No. 24, pp. 63-77

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

Czechoslovakia:

U.S.-Czechoslovakian financial claims; No. 23, pp. 32-33

U.S. exports and imports, annual; No. 1, pp. 28-31 (incl. table); No. 5,
pp. 43-45 (incl. table); No. 9, pp. 53-56 (incl. table); No. 13, pp. 37-41
(incl. table); No. 17, pp. 49-54 (incl. table); No. 21, pp. 61-65; No. 25,
pp. 94-99

Democratic Republic of Germany: see Germany, East

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

Down and feathers:

U.S. imports; No. 16, pp. 19-25 (incl. tables)

U.S. imports from China; No. 13, p. 22; No. 16, pp. 19-25 (incl. tables);
No. 17, p. 30; No. 21, p. 37

U.S. imports from Yugoslavia; No. 13, pp. 31-32

East Germany: see Germany, East

Export Administration, Office of: Changes in control status country group
designations; No. 23, pp. 29-30

Export controls, U.S.: No. 18, p. 19; No. 20, pp. 43-44; No. 21, pp. 9-18;
No. 22, pp. 19-59 (incl. tables and figure); No. 23, pp. 27-31, 35-45 (incl.
tables); No. 24, p. 35

Export-Import Bank (Eximbank) financing:

for China; No. 22, p. 62; No. 23, pp. 23-25; No. 24, pp. 34-35; No. 26,
p. 37

for Hungary; No. 20, p. 21

for Romania; No. 20, p. 21

Feathers: see Down and feathers

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

Fibers, flax and hemp: U.S. imports; No. 6, p. 24

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

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

Flax: see Fibers, flax and hemp

Footwear:

U.S. imports; No. 2, pp. 18-25 (incl. tables); No. 6, pp. 51-52; No. 8, pp. 38-42 (incl. table)

U.S. imports from Czechoslovakia; No. 21, p. 64

U.S. imports from Poland; No. 9, p. 34

U.S. imports from Romania; No. 9, p. 48 No. 11, pp. 17-25 (incl. tables); No. 13, p. 36; No. 21, pp. 58-59

U.S. imports from Yugoslavia; No. 19, pp. 25-37 (incl. tables)

Foreign Trade Statistics, changes in 1978: No. 14, pp. 16-19

Furniture, wooden: see Wood furniture

Gas, natural: U.S. imports from the U.S.S.R.; No. 9, p. 18

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

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

Glass and glassware:

U.S. imports; No. 6, pp. 37-39; No. 8, pp. 28-33 (incl. tables); No. 19, pp. 38-54 (incl. tables)

U.S. imports from Romania; No. 5, p. 40; No. 9, pp. 15, 49

Gloves: see also Textile and textile products

U.S. imports from China; No. 13, p. 23; No. 14, p. 14; No. 17, p. 29

Gold, nonmonetary:

U.S. imports; No. 14, pp. 20-21 (incl. table)

U.S. imports from the U.S.S.R.; No. 21, p. 25; No. 25, p. 60

Gold coins: U.S. imports from Hungary; No. 1, pp. 36-37; No. 5, p. 46

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

Grain:

- U.S. exports; No. 1, p. 13; No. 3, pp. 3-5 (incl. table); No. 4, pp. 2-4 (incl. table); No. 5, pp. 1-4 (incl. table); No. 6, pp. 1-5 (incl. table); No. 7, pp. 8-11 (incl. table); No. 8, pp. 6-8 (incl. table); No. 9, pp. 11-13 (incl. tables); No. 12, pp. 11-28 (incl. tables); No. 13, p. 9 (incl. table); No. 14, p. 10 (incl. table); No. 16, pp. 12-13 (incl. table); No. 17, pp. 12-13 (incl. table); No. 18, pp. 11-12 (incl. table); No. 19, pp. 14-15 (incl. table); No. 20, pp. 15-16 (incl. table); No. 21, p. 9 (incl. table); No. 22, p. 29 (incl. table); No. 23, pp. 5-9, 43-45 (incl. table)
- U.S. exports to Bulgaria; No. 12, p. 28; No. 17, p. 68; No. 21, p. 78
- U.S. exports to China; No. 9, pp. 27-29; No. 12, pp. 23-24; No. 15, p. 12; No. 17, pp. 26-27; No. 21, p. 33; No. 26, pp. 31-35
- U.S. exports to Czechoslovakia; No. 9, p. 53; No. 12, p. 26; No. 17, p. 52; No. 21, p. 63
- U.S. exports to East Germany; No. 9, pp. 57-59; No. 12, pp. 23-24; No. 13, p. 41; No. 17, pp. 56-58; No. 21, pp. 66-68
- U.S. exports to Hungary; No. 12, p. 27; No. 21, pp. 71-73
- U.S. exports to Poland; No. 5, p. 31; No. 9, p. 36; No. 12, pp. 24-25; No. 13, p. 25; No. 17, pp. 33-34 (incl. table); No. 21, p. 41 (incl. table)
- U.S. exports to Romania; No. 8, pp. 12-13; No. 9, p. 50; No. 12, p. 28; No. 17, pp. 45-46 (incl. table); No. 21, pp. 54-56
- U.S. exports to the U.S.S.R.; No. 5, pp. 17-18; No. 9, pp. 11-13 (incl. table); No. 12, pp. 19-23 (incl. table); No. 13, p. 17; No. 17, pp. 19-20 (incl. table); No. 21, pp. 21-23; No. 22, pp. 27-29 (incl. tables); No. 23, p. 36; No. 24, pp. 30-32; No. 25, pp. 53-57
- U.S. exports to Yugoslavia; No. 12, p. 27; No. 17, p. 41; No. 21, p. 50

Hams, canned:

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

Headwear: see also Textile and textile products

- U.S. imports; No. 7, pp. 56-59 (incl. table)
- U.S. imports from China; No. 6, p. 51

Hemp: see Fibers, flax and hempHides and skins:

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

High-technology items: U.S. exports to the U.S.S.R.; No. 22, pp. 40-52 (incl. tables); No. 24, pp. 38-40; No. 25, p. 59Hops: U.S. imports; No. 7, pp. 29-32 (incl. table)

Hungary:

Eximbank financing; No. 20, p. 21

Most Favored Nation status; No. 17, p. 60; No. 19, pp. 20-21; No. 23, pp. 31-32

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

Iridium: see Platinum group metals

Iron and steel: see also Steel

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

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

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

Joint Economic Commission: No. 24, p. 33

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

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

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

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

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

Manganese alloys: see Ferroalloys

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

Metals and metal products:

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

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

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

Montan wax: U.S. imports from East Germany; No. 24, pp. 45-46; No. 25, p. 93-94; No. 26, p. 44

Most Favored Nation (MFN) status:

for China; No. 22, p. 61; No. 23, pp. 31-32

for Hungary; No. 17, p. 60; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32

for NME's; No. 18, p. 17

for Romania; No. 17, p. 43; No. 19, p. 20; No. 20, p. 21; No. 23, pp. 31-32

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

Multifiber Arrangement (MFA): see Textiles

Mushrooms: U.S. Imports, No. 24, pp. 43-45 (incl. table)

Natural gas: see Gas, natural

Nickel, unwrought: U.S. imports, No. 14, pp. 22-26 (incl. table)

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

North Korea: see Korea, North

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

Oil and gas well machinery:

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

U.S. exports to the U.S.S.R.; No. 15, p. 17; No. 22, pp. 46-47

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

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

Osmium: see Platinum group metals

Overseas Private Investment Corporation (OPIC) financing: for China; No. 23, pp. 25-26

Oxides, inorganic; No. 6, p. 35

Palladium: see Platinum group metals

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

People's Republic of China: see China

Petroleum and petroleum products:

U.S. imports from China; No. 17, p. 30; No. 21, p. 36

U.S. imports from Romania; No. 2, p. 7

U.S. imports from the U.S.S.R.; No. 2, p. 7; No. 4, p. 10; No. 9, pp. 18-20; No. 13, p. 18

Phosphates: see also Ammonia

U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 22, pp. 52-58; No. 25, p. 58

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

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

Poland: U.S. exports and imports, annual; No. 1, pp. 18-20 (incl. table); No. 5, pp. 30-33 (incl. table); No. 9, pp. 34-39 (incl. table); No. 13, pp. 23-28 (incl. table); No. 17, pp. 30-37 (incl. table); No. 21, pp. 38-46,¹⁰⁸ No. 25, pp. 69-78 (incl. table)

- Potassium chloride: U.S. imports from East Germany; No. 9, p. 59
- Qualified General License: see Export controls, U.S.
- Rabbit meat: U.S. imports from China; No. 6, p. 17; No. 9, p. 32
- Rhodium: see Platinum group metals
- Romania:
- Eximbank financing; No. 20, p. 21
 - Most Favored Nation status; No. 17, p. 43; No. 19, p. 20; No. 23, pp. 31-32
 - U.S. exports and imports, annual; No. 1, pp. 25-27 (incl. table); No. 5, pp. 38-42 (incl. table); No. 9, pp. 46-52 (incl. table); No. 13, pp. 32-37 (incl. table); No. 17, pp. 43-49 (incl. table); No. 21, pp. 52-61 (incl. table); No. 25, pp. 79-85 (incl. table)
- Ruthenium: see Platinum group metals
- Sanctions, trade: see Export controls, U.S.
- Silicon alloys: see Ferroalloys
- Skins, animal: see Hides and skins
- Soviet Union: see Union of Soviet Socialist Republics
- Soybeans and soybean products:
- U.S. exports; No. 20, pp. 46-79 (incl. tables)
 - U.S. exports to Bulgaria; No. 17, p. 68; No. 21, p. 78
 - U.S. exports to China; No. 21, p. 34
 - U.S. exports to Czechoslovakia; No. 17, p. 52; No. 21, p. 63
 - U.S. exports to Hungary; No. 17, pp. 63-64; No. 21, p. 73
 - U.S. exports to Poland; No. 21, p. 42 (incl. table)
 - U.S. exports to Romania; No. 9, p. 50; No. 17, pp. 45-46 (incl. table); No. 21, pp. 54-56
 - U.S. exports to the U.S.S.R.; No. 21, p. 24; No. 25, p. 58
 - U.S. exports to Yugoslavia; No. 13, p. 31; No. 17, pp. 40-41; No. 21, p. 50
- Specified products; miscellaneous and nonenumerated products: U.S. imports; No. 6, pp. 47-52 (incl. table)
- Steel: see also Iron and Steel
- U.S. imports from Czechoslovakia; No. 17, pp. 53-54
 - U.S. imports from Poland; No. 17, p. 35; No. 18, p. 18; No. 19, p. 21; No. 21, pp. 44-45
- Suits: see also Textile and textile products
- U.S. imports from Romania; No. 9, p. 48
- Sulfonamides: U.S. imports; No. 6, p. 31
- Superphosphoric acid: see Phosphates

Textile and textile products:

see also Clothing, Cotton, Gloves, Headwear, and Suits

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

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

U.S. imports from China; No. 6, pp. 26-29 (incl. table); No. 17, p. 29; No. 18, pp. 16-17; No. 19, p. 20; No. 20, p. 19; No. 21, pp. 31, 35-36; No. 22, pp. 62-64; No. 24, p. 33, pp. 47-85 (incl. tables)

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

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

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

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

Tobacco, oriental cigarette leaf:

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

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

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

Tractors, agricultural:

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

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

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

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

Union of Soviet Socialist Republics: see also Export controls, U.S.

U.S. exports and imports, annual; No. 1, pp. 13-17 (incl. table); No. 5, pp. 17-23 (incl. table); No. 9, pp. 18-26 (incl. table); No. 13, pp. 9-19 (incl. tables); No. 17, pp. 16-23 (incl. table); No. 21, pp. 19-28 (incl. table); No. 25, pp. 49-62 (incl. table)

United States-China Joint Economic Commission: see Joint Economic Commission

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

Vodka: U.S. imports from the U.S.S.R.; No. 17, p. 23

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

Wax, montan: see Montan wax

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

Wheat: see Grain

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

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

Woodpulp: U.S. exports; No. 12, pp. 35-44 (incl. tables)

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

