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COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

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

ON

DEVELOPMENTS IN TRADE BETWEEN THE UNITED STATES AND THE NONMARKET ECONOMIES

SUBMITTED TO THE CONGRESS BY THE
CHAIRMAN, U.S. INTERNATIONAL TRADE COMMISSION

ON

SEPTEMBER 30, 1976

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LETTER OF SUBMITTAL

U.S. INTERNATIONAL TRADE COMMISSION,
Washington, D.C., September 30, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The United States International Trade Commission is pleased to submit to the Congress its seventh quarterly report on trade between the United States and the nonmarket economy countries, as required by section 410 of the Trade Act of 1974. The report is being submitted simultaneously to the East-West Foreign Trade Board.

It is believed that this report will be of particular interest to the Committee on Ways and Means.

I hope you have a nice day.

Yours sincerely,

DANIEL MINCHEW,
Vice Chairman.

Enclosure.

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INTRODUCTION

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

The nonmarket economy countries for which trade statistics are included in this series of reports are Albania, Bulgaria, People's Republic of China, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolian People's Republic, Poland, Romania, the USSR, and Yugoslavia. At a later date, North Korea, Vietnam, and Cambodia may be included, pending the development of trade. Most of the countries have not been accorded most-favored-nation (MFN) treatment by the United States over most of the last 25 years. At the present time only Poland, Yugoslavia, and Romania receive MFN treatment from the United States. [1]

In the Tariff Schedules of the United States (TSUS), the unconditional MFN rates are set forth in rate of duty column 1. The rates applicable to products of designated Communist nations or areas are set forth in rate of duty column 2; for the most part these rates are the original statutory rates enacted in 1930. The rate policy involved was made effective by action initially taken by the President in 1951 and 1952 pursuant to section 5 of the Trade Agreements Extension Act of 1951, which directed the President as soon as practicable to take such action as was necessary to deny the benefit of trade-agreement concessions to imports from certain Communist nations or areas. An examination of the individual items or rate provisions of the TSUS reveals that the rate discrimination involved varies considerably from item to item and sometimes is not present at all, as where imports from all sources have been historically free of duty or dutiable at the same rates. It is important, therefore, to look at the particular rate treatment in the TSUS when interest is to be focused on the actual or potential trade in specific imports.

This report examines the volume of U.S. imports and exports with each of the nonmarket economy countries and the commodity composition of that trade, as well as the balance of U.S. trade with these countries. Detailed data are included on the most important U.S. imports and exports in trade with each of the nonmarket economy countries. One objective of the analysis of detailed U.S. import data

[1] The MFN duty rates on goods from Romania became effective on August 3, 1975.

is to identify items produced in the United States with which the imported products compete and to assess the economic impact, if any, of such imports on the relevant U.S. industry and on employment within that industry.

This quarterly report contains an analysis of several products that have been imported in increasing amounts from the nonmarket countries. The analysis is a follow-up of a study presented in the last quarterly report. The earlier study's primary goal was the identification of increasing imports with some analysis of the causes and effects of those increases. The analysis in this report focuses on only a few products, but the analysis of the causes of the import increases and the probable effects of these increases on domestic output is much more extensive.

SECOND QUARTER DEVELOPMENTS IN TRADE BETWEEN THE UNITED STATES AND THE NONMARKET ECONOMIES

Total trade between the United States and the nonmarket economies in the second quarter of 1976 was virtually unchanged from the levels recorded in the previous three months. Exports fell slightly, by $56 million, but this decline was nearly offset by an increase in U.S. imports of $45 million. Furthermore, the dollar volume of imports from the NME's in the second quarter was the highest ever reported. Despite the increase in imports of NME products in the second quarter and their record level, the share of NME merchandise in total U.S. imports was 1.29 percent (see table 1), below the previous peak reached in the second quarter of 1974 when NME products accounted for 1.41 percent of total imports. On the export side of trade relations, U.S. shipments to the NME's exceeded $1 billion for the third straight quarter.

Table 1 shows that in the second quarter, as in previous quarters, United States trade with the NME's produced an important positive component of the trade balance of the United States. Although US–NME trade is small relative to total U.S. trade, the positive trade balance of $716 million is important in relation to the overall balance which was in deficit by nearly $200 million in the quarter. The positive trade balance of $716 million in U.S.–NME trade was well below the levels reached in the two prior quarters but nearly double the balance of the second quarter of 1975.

TABLE 1.—U.S. TRADE WITH THE WORLD AND WITH NONMARKET ECONOMIES, QUARTERLY, 2D QUARTER 1975 THROUGH 2D QUARTER 1976

[In millions of U.S. dollars]

Item	Second quarter 1975	Third quarter 1975	Fourth quarter 1975	First quarter 1976	Second quarter 1976
U.S. world trade:					
Exports	25,586	26,955	27,885	26,859	28,687
Imports	22,325	23,904	24,892	27,723	28,872
Balance	+3,261	+3,051	+2,993	−864	−185
U.S. trade with nonmarket economies:					
Exports	618	738	1,341	1,144	1,088
Imports	251	260	328	327	372
Balance	+367	+478	+1,013	+817	+716
Trade turnover (exports plus imports)	869	998	1,669	1,471	1,460
Percent of U.S. total trade with the nonmarket economies:					
Exports	2.43	2.73	4.79	4.25	3.79
Imports	1.14	1.08	1.30	1.17	1.29

Source: U.S. Department of Commerce publication FT990, tables 1, E–3 and I–4B. Imports and exports valued on an f.a.s. basis. Imports are "general imports" rather than "imports for consumption."

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Tables 2 and 3 show U.S. trade with the individual NME's in the last two quarters and in other recent periods. One fact to be observed in the two tables is that although there was a decrease in the total deficit of NME trade with the United States, nevertheless most of the countries experienced a deterioration in their trade balance in the second quarter in comparison to their trade balance in the first quarter. In the aggregate, however, the trade balance of the NME's improved in the second quarter because there were significant improvements in the trade positions of China, the Soviet Union, and Yugoslavia, three of the four largest NME trade partners of the United States. The PRC moved from a trade deficit of $38.3 million in the first quarter to a $5.5 positive balance in its U.S. trade in the second quarter. In the same period, the Soviet Union reduced its U.S. trade deficit from $697.6 million to $607.9 million. Yugoslavia increased its existing positive trade balance from $19.5 million to $26.7 million.

The PRC was able to improve its trade balance with the United States because Chinese imports of U.S. goods were curtailed sharply in the second quarter. The Appendix tables show that the decrease in PRC imports is attributable mainly to the disappearance of aluminum ingot imports from the trade data in the second quarter, after $25.6 million of this product was recorded in the first quarter.[2] PRC also imported much smaller amounts of gas compressors and turbines, steel scrap, air compressors, and steam boilers. China exported slightly more to the U.S. in the second quarter as well.

TABLE 2.—U.S. IMPORTS FROM THE INDIVIDUAL NONMARKET ECONOMIES IN 1974, 1975, THE 1ST AND 2D QUARTERS OF 1976 AND THE 2D QUARTER OF 1975 [1]

[In thousands of U.S. dollars]

Country	1974	1975	First quarter 1976	Second quarter 1976	Second quarter 1975
People's Republic of China	105,756	156,271	47,065	39,686	34,670
U.S.S.R.	334,020	242,411	42,693	53,956	54,231
Poland	263,173	241,297	76,280	78,746	55,753
Yugoslavia	261,683	248,887	83,493	102,099	50,698
Romania	125,820	135,057	46,494	45,203	17,534
Czechoslovakia	43,852	35,567	7,880	8,357	6,614
Democratic Republic of Germany	13,377	9,996	3,348	2,824	2,149
Hungary	74,063	34,966	12,339	9,734	7,933
Bulgaria	4,374	4,785	1,938	2,907	868
Albania	484	2,824	201	282	181
Cuba	2	3		1	1
People's Republic of Mongolia	1,360	1,646	644	705	511
Total all countries itemized above	1,227,963	1,113,711	322,375	344,501	231,143
Total U.S. imports from all countries	100,125,800	96,515,103	27,188,884	29,062,080	22,947,398

[1] Imports for consumption.

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

The U.S.S.R. deficit was reduced because grain shipments to the Soviet Union in the second quarter were over $80 million less than in the January-March period. In the case of U.S. trade with Yugoslavia, both imports from and exports to that country grew significantly in the second quarter, although U.S. imports increased more, producing an enlarged U.S. deficit. The growth in U.S. imports from Yugoslavia

[2] The Appendix tables show detailed U.S. import and export trade with the individual NME countries for the leading items traded.

was led by higher inbound shipments of basic metal products. Imports of unwrought copper, lead, and zinc, and ferrochrome were all larger in the second quarter than in the first. United States exports to Yugoslavia also grew in the period with shipments of soybean oil-cake, passenger aircraft, rolling mill machinery, and tracklaying tractors leading the expansion.

Poland was the only NME trading partner among the four largest partners to show a trade balance deterioration in the three months from April to June. Exports to Poland were over $18 million greater, with shipments of cotton and wheat showing the most growth. U.S. imports of Polish goods, meanwhile, remained nearly unchanged from the first quarter. Through the first six months of 1976 Poland has accumulated a trade deficit of $157 million with the United States. At this rate Poland's deficit with the United States threatens to be only slightly below the level reached in 1975.

TABLE 3.—U.S. EXPORTS TO THE INDIVIDUAL NONMARKET ECONOMY COUNTRIES IN 1974, 1975, THE FIRST AND SECOND QUARTERS OF 1976 AND THE SECOND QUARTER 1975

[Thousands of U.S. dollars]

Country	1974	1975	First quarter 1976	Second quarter 1976	Second quarter 1975
People's Republic of China	820,480	303,631	85,418	34,163	77,264
U.S.S.R	611,888	1,832,607	740,336	661,877	245,330
Poland	394,588	580,084	146,551	164,879	112,404
Yugoslavia	309,793	323,499	63,957	75,401	78,692
Romania	277,116	189,278	43,042	46,175	47,903
Czechoslovakia	48,582	52,900	20,648	44,411	15,168
Democratic Republic of Germany	20,882	17,179	5,819	23,423	3,031
Hungary	56,172	76,052	19,394	15,221	21,915
Bulgaria	21,965	29,298	17,419	20,377	9,157
Albania	485	663	480	177	55
Cuba	71	35	60	9	19
Pecple's Republic of Mongolia	9	43	6	17	5
Total, countries itemized above [1]	2,562,031	3,405,268	1,143,130	1,086,130	610,942
Total, U.S. exports to all countries [1]	97,143,449	106,156,726	26,992,752	30,061,884	26,334,225

[1] These figures do not correspond exactly to those given in table 1 because export figures in table 1 include U.S. exports of foreign merchandise whereas figures in this table do not. Also, in the case of total U.S. exports, figures in this table include Department of Defense Military Assistance shipments, whereas corresponding figures in table 1 do not include these shipments.

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

Among the remaining NME trading partners of the United States, the balance of trade with Romania moved from a slight negative balance to a slight positive position, although the level of trade, both imports and exports, was very similar to the level of the first quarter. Czechoslovakia and the German Democratic Republic realized larger trade deficits in the second quarter while Hungary's and Bulgaria's positions were at the same level.

The movements in the relative trade balances of United States trade with the individual NME's roughly paralleled the movements in individual NME trade balances with all developed Western trading partners in the second quarter. The trade positions of the NME's have become a growing issue in recent months as continuing negative NME trade balances with the West have resulted in growing levels of indebtedness to the West. Nevertheless, there are some signs of improvement, at least among the larger NME's. Most notably the Soviet Union, which had run up a very large trade deficit of $1.7

billion in its trade with the West during the first quarter, reduced its deficit to $0.5 billion in the second three-month period, according to one published report.[3] Yugoslavia's actions, which were taken last year to curb trade deficits, have been effective and that country will reduce some of the import restrictions that had been used to balance its trade. Finally, the People's Republic of China reduced its deficits to the West very significantly in 1975 after incurring large deficits, by China's standards, in 1974. Early indications are that China's deficit in 1976 also will be moderate.

While these three countries have been reducing their trade deficits to the West, other NME countries have not been as successful in this quest. Generally the East European countries have been plagued by rising imported fuel costs, insufficient agricultural output, and problems in exporting to the West. Latest International Monetary Fund figures show that during the second quarter, the NME's in East Europe, including multinational organizations of these countries, borrowed over $1.1 billion through bond issues and publicized Eurocurrency credits.[4] In addition, Romania, which has access to IMF and World Bank financing through its membership in those organizations, has borrowed heavily from them this year. Also, these countries have borrowed extensively through private channels and through bilateral credit made available by Western governments.

A major problem besetting the East European members of Comecon is that the Soviet Union has told these countries that they will have to be less dependent on the Soviet Union for supplies of petroleum and grain. As a result, the East Europeans have had to buy these commodities in hard-currency markets. Increasingly the East Europeans have been buying U.S. grain. Table 4 shows U.S. grain shipments to these countries in recent periods. Bulgaria, Czechoslovakia, and the German Democratic Republic have already imported much more grain from the United States in the first half of this year than they imported in all of 1975. The figures for grain imports by these countries overstate, however, the real increases in imports from the United States. In the past these countries imported some U.S. grain indirectly, either from the Soviet Union or, as in the case of the GDR, from grain brokers in Western Europe.

One result of the direct grain purchases from the United States is that the East European countries seem to have a growing interest in establishing grain agreements with the United States in order to regularize this trade.

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[3] *Journal of Commerce*, Sept. 13, 1976, p. 11.
[4] IMF Survey (Washington, D.C.; I.M.F.), vol. 5, no. 17 (September 6, 1976), p. 260.

TABLE 4.—U.S. EXPORTS OF CEREALS AND CEREAL PREPARATIONS TO THE NONMARKET ECONOMIES AND TO THE WORLD IN 1975, SECOND QUARTER 1975, FIRST QUARTER 1976, AND SECOND QUARTER 1976 [1]

[In thousands of U.S. dollars]

Country	1975	Second quarter 1975	First quarter 1976	Second quarter 1976
Bulgaria	14,780	7,429	12,555	15,900
Czechoslovakia	62	----------	4,004	13,420
German Democratic Republic	6,816	----------	3,803	19,931
Hungary	92	----------	269	130
People's Republic of China	255,243	27,507	82,841	93,510
Poland	73,716	28,909	6,307	10
Romania	1,105,488	97,120	508,115	421,859
U.S.S.R.	42	----------	139	8
Yugoslavia				
Total U.S. cereal exports to the nonmarket economy countries	1,456,239	160,965	618,003	564,768
Total U.S. cereal exports to the world	11,643,083	2,338,962	2,677,118	2,700,414
U.S. exports of cereals to the nonmarket economies as a percent of total cereal exports	12.5	6.9	23.1	20.9

[1] Based on Schedule B, Division 04.

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

Poland signed one such agreement in November of last year. Recently the German Democrat Republic has expressed an interest in establishing a similar arrangement.

Late developments in crop projections present a mixed picture as to the level of future U.S. grain shipments to East Europe and the Soviet Union. The drought that affected Western Europe this summer also had an impact on agriculture in some East European countries, possibly requiring more grain imports than had been expected. On the other hand, projections for Soviet grain output have been revised upward, and it is now expected that the Soviet Union will not import as much grain over the next year as had been predicted. Under the terms of the U.S.-U.S.S.R. grain agreement, the Soviets are required to purchase 6 million metric tons of wheat and corn from the United States for delivery during the year following October 1. In the second quarter the Soviets purchased 2.2 million tons of this grain, and since the end of June additional purchases have pushed the total to nearly 5 million tons. With the earlier, low predictions on Soviet grain output, it was expected that the Soviets would ask the United States for permission to purchase more than the 8 million metric tons allowed under the terms of the agreement.[5] With the new higher crop projec-

[5] Under the agreement the Soviets may purchase up to 8 million tons of grain contingent only on U.S. supplies. To purchase more than 8 million tons, however, requires a request to the U.S. Government.

tions the expectation is that the Soviets will require less than 8 million tons of U.S. grain.

The importance of grain in U.S. exports to the NME's is indicated clearly in table 5, which shows the broad commodity structure of U.S. exports to the individual NME's and to the NME's as a group. During the second quarter over 60 percent of U.S. exports to the NME's fell into the food and live animals classification (SITC commodity code 0). Exports in the next most important classification, machinery and transport equipment, were not half as great as the grain trade. Table 5 shows that 80 percent of U.S. shipments of the machinery and transport equipment went to only two countries, the Soviet Union and Yugoslavia. These shipments consisted in the main of tracklaying tractors, oil-well pumps, foundry machines, metalcutting machines, and passenger aircraft. The third most important export product classification, crude materials, equaled less than 10 percent of total U.S. exports to the NME's. Products exported in this class included cotton soybeans, and cattle hides.

The import structure of U.S. trade with the NME's in the second quarter appears in table 6. A more diverse range of products is evident. The biggest share of imports, 31 percent, is catalogued in SITC group 6, manufactured goods, classified by chief material. Exports from Yugoslavia and the Soviet Union account for a large share of these products. From Yugoslavia shipments of wrought and unwrought copper and aluminum products, zinc, silver bullion, ferroalloys and lead are in this grouping. From the Soviet Union, platinum group metals, chrome ore and nickel predominate in this class. Other important import groups include food products (principally ham) and miscellaneous manufactured articles (footwear, cotton clothing, and wooden chairs).

TABLE 5.—COMMODITY COMPOSITION OF U.S. EXPORTS TO NONMARKET ECONOMY COUNTRIES IN THE 2D QUARTER OF 1976

[In thousands of U.S. dollars]

SITC commodity code	Description	Albania	Bulgaria	Cuba	Czecho-slovakia	German Democratic Republic	Hungary	People's Republic of China	Republic of Mongolia	Poland	Romania	U.S.S.R.	Yugo-slavia	Total [1] nonmarket economies
0	Food and live animals		15,900		31,595	22,058	3,810			108,134	2,053	424,733	11,746	620,029
1	Beverages and tobacco		45		2,698		2			1,733		450	1,043	5,971
2	Crude materials—inedible, except fuel		1,796		4,546	500	1,719	4,693		21,097	34,534	34,579	3,589	107,053
3	Mineral fuels, lubricants, etc				1		3	43		81	2,239	1,782	2,721	6,870
4	Oils and fats—animal and vegetable						8			4,085		16		4,109
5	Chemicals		275		631	87	4,164	3,087		2,412	353	10,638	3,179	25,546
6	Manufactured goods, classified by chief material	19	115		995	202	517	7,544	2	2,800	2,416	25,866	3,987	44,613
7	Machinery and transport equipment		1,908	5	2,743	269	4,275	16,949	4	21,637	3,516	154,693	47,244	253,243
8	Miscellaneous manufactured articles	98	314	3	1,086	298	698	1,118	9	2,575	1,026	8,687	1,701	17,613
9	Commodities and transactions not elsewhere classified		24	1	116	10	25		2	244	38	434	190	1,084
	Total [1]	177	20,377	9	44,411	23,423	15,221	34,163	17	164,879	46,175	661,887	75,401	1,086,131

[1] Totals may not add exactly because of rounding.

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

TABLE 6.—COMMODITY COMPOSITION OF U.S. IMPORTS FROM NONMARKET ECONOMY COUNTRIES IN THE 2D QUARTER OF 1976

[In thousands of U.S. dollars]

SITC commodity code	Description	Albania	Bulgaria	Cuba	Czecho-slovakia	German Democratic Republic	Hungary	People's Republic of China	People's Republic of Mongolia	Poland	Romania	U.S.S.R.	Yugo-slavia	Total [1] nonmarket economies
0	Food and live animals	281	242	----	603	10	4,471	5,684	----	38,501	3,925	174	11,915	65,806
1	Beverages and tobacco	----	2,452	----	99	----	172	35	----	114	8	161	4,904	7,945
2	Crude materials—inedible, except fuel	----	76	----	406	442	99	5,636	705	1,853	1,185	9,839	1,622	21,863
3	Mineral fuels, lubricants, etc	----	----	----	----	149	----	----	----	3,534	19,940	9,858	1,801	35,282
4	Oils and fats—animal and vegetable	----	----	----	----	----	----	711	----	560	----	----	1	1,272
5	Chemicals	----	32	----	261	357	203	5,012	----	6,651	1,215	1,134	2,475	17,340
6	Manufactured goods, classified by chief material	----	49	----	2,518	550	860	15,080	----	11,857	4,359	26,078	46,769	108,120
7	Machinery and transport equipment	----	6	----	2,037	784	3,296	126	----	3,773	4,591	1,683	6,873	23,169
8	Miscellaneous manufactured articles	1	39	1	2,048	502	615	7,293	----	11,618	9,928	4,800	25,471	62,316
9	Commodities and transactions not elsewhere classified	----	12	----	386	30	18	109	----	285	53	229	268	1,390
	Total [1]	282	2,907	1	8,357	2,824	9,734	39,686	705	78,746	45,203	53,956	102,099	344,501

[1] Totals may not add exactly because of rounding.

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

Table 7 compares the commodity structure of U.S. trade with the NME's to the commodity structure of total U.S. trade. There are important structural differences in both imports and exports. Food, beverages, and tobacco dominate U.S. exports to the NME's while accounting for around 15 percent of total U.S. exports. On the other hand, while half of total U.S. exports to the world falls into the other manufactured goods class, only 25.8 percent of U.S. exports to the NME's were so classified in the second quarter of 1976. On the import side the most striking structural differences are that mineral fuels play a much larger role in total imports compared to imports from the NME's and that food imports are much more important in imports from NME's than in imports from the world.

Aside from the differences in commodity structure, another important difference between U.S. total trade and U.S. trade with NME's is that U.S. total trade is much more stable than U.S. trade with the NME's. The relative shares of the various merchandise categories change very little from period to period in total U.S. trade while there are quite large changes in the shares of categories in NME trade. There are several possible explanations for this dichotomy. First, since the level of United States trade with the NME's is small, only small absolute changes need occur to provide large changes in the structure of the trade. Second, United States trade with the NME's is relatively new and developing.

TABLE 7.—COMMODITY COMPOSITION OF U.S. TRADE WITH THE WORLD AND WITH NONMARKET ECONOMIES IN 1975 AND JANUARY–JUNE 1976

[In percent]

Description	Total U.S. trade			U.S. trade with nonmarket economies		
	1975	January–June 1975	January–June 1976	1975	January–June 1975	January–June 1976
EXPORTS						
Schedule B Nos.:						
0, 1 Food, beverages, and tobacco	15.8	15.4	14.9	46.7	36.8	57.7
2, 4 Crude materials	10.1	10.5	10.1	10.2	18.6	8.9
3 Mineral fuels and lubricants	4.2	4.3	3.6	.8	.5	.4
5 Chemicals	8.1	8.3	8.7	3.1	4.5	2.7
6 Manufactured goods, classified by chief materials	10.4	10.6	10.2	4.9	4.1	4.4
7, 8, 9 Other manufactured goods and miscellaneous	51.4	51.0	52.5	34.3	35.5	25.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
IMPORTS						
Schedule A Nos.:						
0, 1 Food, beverages, and tobacco	10.2	9.9	9.9	19.9	19.9	22.9
2, 4 Crude materials	6.3	6.3	6.0	7.4	8.0	7.5
3 Mineral fuels and lubricants	27.7	27.2	27.6	17.2	13.4	10.0
5 Chemicals	3.8	4.1	4.0	4.3	4.6	4.9
6 Manufactured goods, classified by chief materials	15.3	16.8	14.5	29.0	32.3	28.7
7, 8, 9 Other manufactured goods and miscellaneous	36.7	35.6	38.0	22.1	22.0	25.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Bureau of the Census publication FT–990 and Bureau of East-West Trade.

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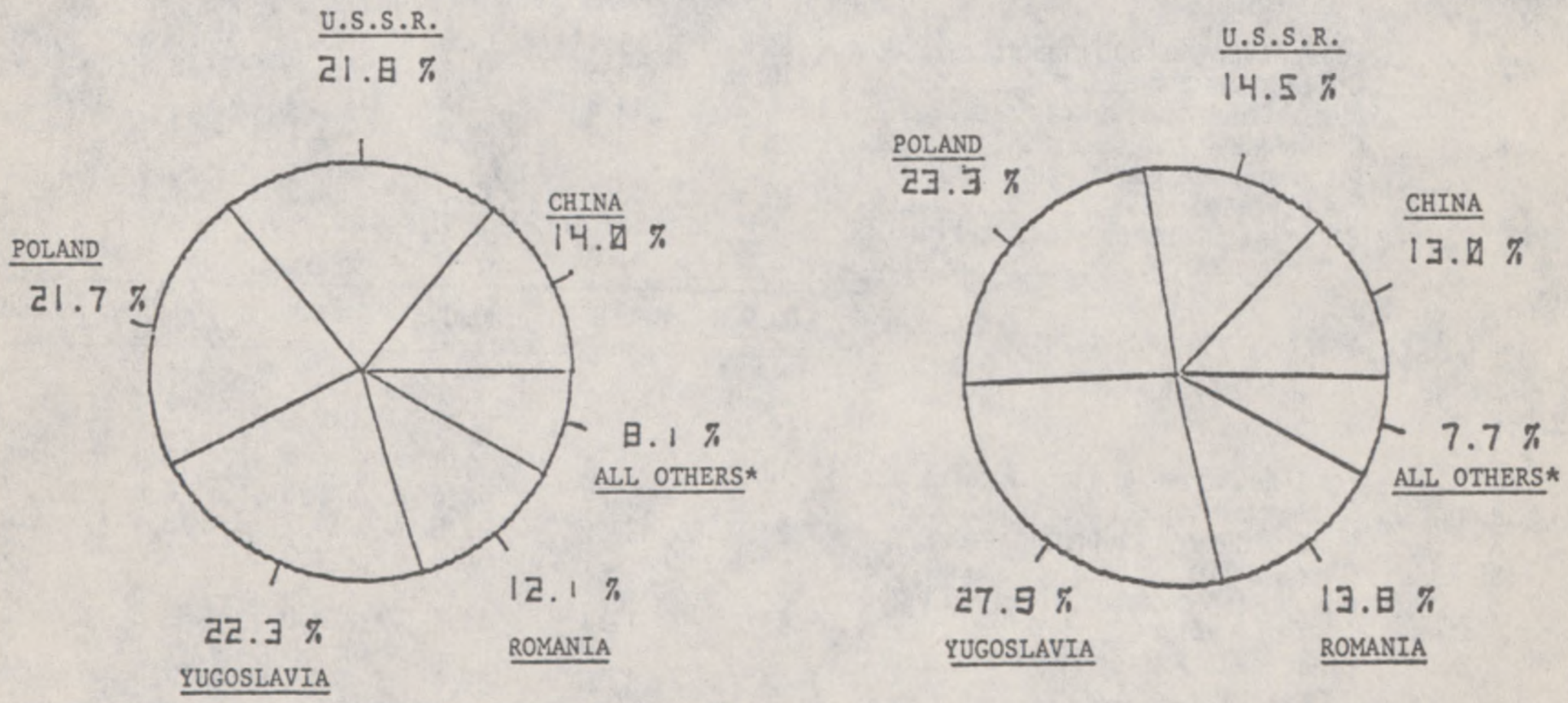
There is no surprise that the trade patterns are not as stable as in trade with some of our more traditional trading partners. Finally, and perhaps most importantly, the institutional structure of East-West trade is different from West-West trade in fundamental ways that may prevent this trade from ever becoming as regular as trade among Western developed, and developing, countries. To give one example, consider that a large, and apparently growing, share of trade among developed countries involves trade between related firms. Trading relationships of this type are much more stable than the arms-length transactions that dominate U.S. trade with the NME's. Of course, cooperative production and trading ventures are becoming more widespread in East-West commercial relations, but these schemes are still relatively unimportant.

Figures 1 and 2 show the distribution of U.S. import and export trade among the NME's. Figure 1 show that there has been little change through the first six months of 1976 compared to 1975 with regard to the distribution of U.S. imports from the NME's. Yugoslavia and Poland have increased their shares of NME exports to the United States, while the Soviet Union's share has declined. In contrast to the position held by the Soviet Union in exports to the United States, observe that the U.S.S.R. dominates the NME imports from the United States with 62.9 percent of the total in the first half of 1976, up from 53.8 percent in 1975 (see figure 2). The shares of other NME countries have fallen, except for the group of countries labeled "All others," which has increased its share marginally compared to 1975.

Analyses of Those Imports From the NME's That Have a Growing Significance in U.S. Markets

The previous report in this series presented the results of a study that identified those imports from the nonmarket economies that

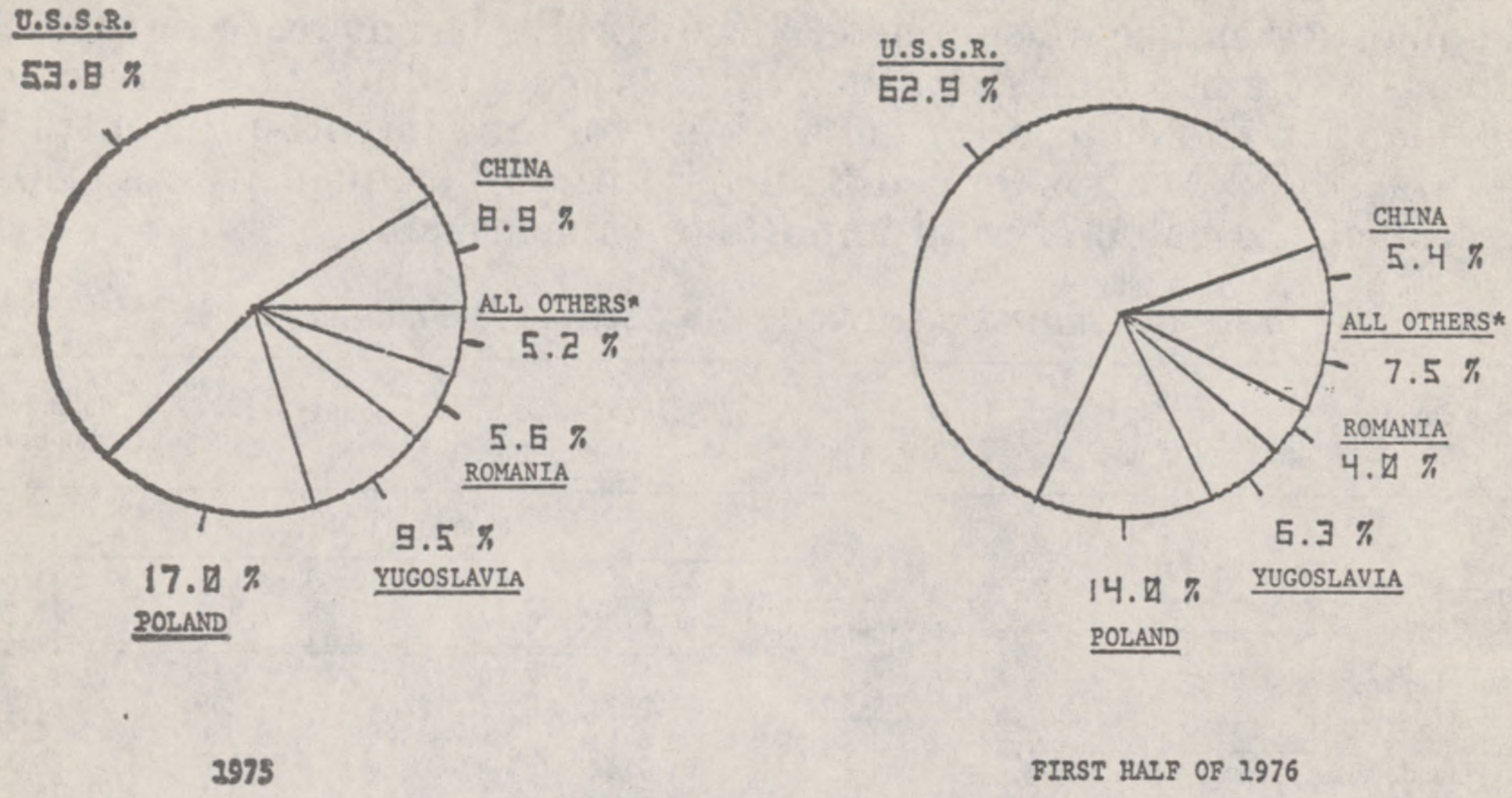
FIGURE 1.—Relative shares of U.S. imports from the nonmarket economies in 1975 and the first half of 1976



* Czechoslovakia, GDR, Hungary, Bulgaria, Albania, Cuba, Mongolia.

Source: Table 2.

FIGURE 2.—Relative shares of U.S. exports to the nonmarket economies in 1975 and the first half of 1976



* Czechoslovakia GDR, Hungary, Bulgaria, Albania, Cuba, Mongolia.

Source: Table 3.

increased significantly in value between 1974 and 1975.[6] In that study, 145 products were identified and analyzed with respect to their penetration into the U.S. market and their impact on U.S. industry. The analyses of these products were not completely comprehensive because of the large number of products involved. The general conclusion of the study was that there were few product areas that were experiencing even minor competitive problems because of imports from the NME's. The most useful aspect of the study was that it served to identify those product areas where further increases in imports from the NME's might be disruptive.

The analyses contained in the current report are extension of those in the first study. Fewer products were analyzed, but the analyses were more critical. Again, the main criterion for the inclusion of a product in the study was increasing imports of the product from the NME's. Import trends through June 1976 were observed. With one exception, hops, the products discussed below were originally identified in the previous analysis.

Again the general conclusion for the products studied is that imports from the NME's are not causing significant problems for the domestic industry. In the majority of cases the domestic industry was found to be in a healthy condition. In one or two cases this statement could not be made, but in these cases the problems of the industry were related more to the current state of the economy, imports from non-NME sources, or other factors.

CANNED HAM

Over the past several years, imported canned hams [7] have supplied about 40 percent of domestic canned ham consumption. The major suppliers are Denmark, the Netherlands, Poland, and Yugoslavia.

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[6] See Quarterly Report to the Congress and the East-West Foreign Trade Board, No. 6. "Trade Between the United States and the Nonmarket Economy Countries," Washington, June 1976 (USITC Pub. 782), pp. 15–52.

[7] Imports of canned ham are divided into two classifications, TSUSA item 107.3515, hams and shoulders, boned, cooked, less than 3 pounds, and TSUSA item 107.3525, hams and shoulders, boned, cooked, over 3 pounds. The two items are considered together because they are produced by the same industry.

Other NME suppliers are Czechoslovakia, Hungary, Romania, and Bulgaria. Although total imports have been decreasing (see table 8), the quantity and share supplied by the NME's has increased. In 1975 imports of canned ham from the NME's accounted for 42.4 percent of the quantity and 39.6 percent of the value of total imports. In contrast, in 1974, the NME's supplied 32.9 percent of the quantity and 30.1 percent of the value of total imports of canned hams.

TABLE 8.—U.S. IMPORTS OF CANNED HAM (TSUSA 107.3515 AND 107.3525)

Country	1973	1974	1975	January to June 1976
	Quantity (1,000 lb)			
Denmark	126, 375	112, 036	88, 502	47, 018
Netherlands	92, 497	77, 708	68, 629	29, 206
Nonmarket economies (NME's):				
Czechoslovakia	259	782	339	773
Hungary	4, 951	7, 803	9, 726	5, 573
Poland	54, 002	58, 020	75, 070	38, 722
Yugoslavia	18, 991	19, 638	26, 444	16, 219
Romania	6, 002	8, 402	5, 928	3, 666
Bulgaria		292	310	
Total, NME's listed above	84, 205	94, 937	117, 817	64, 953
Total, countries listed above	303, 077	284, 061	274, 948	141, 177
Total U.S. canned ham imports	207, 225	288, 483	277, 800	142, 888
Percentage of total supplied by NME's	27. 4	32. 9	42. 4	45. 4
	Value (thousands)			
Denmark	$156, 474	$137, 069	$129, 605	$76, 116
Netherlands	114, 294	92, 344	100, 268	47, 469
Nonmarket economies (NME's):				
Czechoslovakia	291	731	443	1, 109
Hungary	5, 137	7, 325	12, 026	8, 479
Poland	64, 642	63, 667	98, 509	60, 689
Yugoslavia	22, 341	20, 475	35, 183	24, 083
Romania	5, 486	8, 396	6, 916	4, 890
Bulgaria		286	697	
Total, NME's listed above	97, 897	100, 890	153, 774	99, 250
	368, 665	330, 303	383, 647	222, 835
Total U.S. canned ham imports	374, 027	334, 832	387, 096	225, 497
Percentage of total supplied by NME's	26. 2	30. 1	39. 6	44. 0

Source: U.S. Department of Commerce, Bureau of Census publication IM–146.

As the table shows, the decrease in total U.S. canned ham imports in 1974 and 1975 resulted from a sharp drop in the amount of ham imported from Denmark and the Netherlands. The decrease in imports in 1975 from these European Community countries is related to actions taken by the United States that threatened to impose countervailing duties against EC canned ham because of subsidies paid to the producers of these products. Under the EC's Common Agricultural Policy (CAP), subsidies have been in effect on pork products since 1967. Shortly after the imposition of these subsidies, U.S. producers began to complain, but no countervailing duty action was taken until provisions in the Trade Act of 1974 required the Secretary of the Treasury to take action on these complaints. In response to the threat of countervailing duties, the EC reduced the level of the ham subsidies to an average level of 15 cents per pound, In bilateral negotiations between the United States and the EC, the subsidy reduction by the EC was accepted by the United States as an

interim solution, and the countervailing duties were waived until 1979, pending further developments in the canned ham market which might then result in further negotiations.

The action by the EC in reducing its subsidies, and canned ham exports to the United States is partially responsible for the surge in U.S. imports from the NME's. In another EC-related activity, the entrance of Great Britain into the EC, and the concomitant increase in British tariffs on agricultural products also is believed to be partially responsible for Polish ham exports being diverted from Britain to the United States.

The U.S. tariff rate for canned ham is 3 cents per pound for both Column 1 and Column 2 countries. Hence, the ad valorem equivalent is higher than average when the unit value is lower than average. As the NME countries have generally lower unit values on canned ham than their EC counterparts, their ad valorem equivalent (AVE) duty rate is higher.

Given the increasing prices of imported canned ham, the AVE duty has become smaller. In 1975, for example, the average AVE duty on all imported canned ham was just over 2.1 percent, down from 2.6 percent in 1975. However, duties on imported ham would seem to be relatively unimportant even if these duties were higher, for domestically produced canned ham undersells its imported counterpart by 30 to 50 cents per pound. Some of this price differential is attributable to the higher quality of imported ham. Imported canned ham is often leaner, more flavorful, and trimmed and packaged better than the domestic variety. In addition, domestic prices are lower than those of imports because the United States is more efficient in the production of pork than virtually any other country. Feed is the main cost in the production of pork and the United States is more efficient in producing feed than other pork producing countries. The Danish industry, in particular, has become less efficient as soybean meal feed became more expensive.

The domestic pig crop in 1975 was the smallest since 1937. High corn prices made it profitable for farmers to sell their corn in the cash grain market rather than to use it for pig feed. Many farmers not only reduced the size of their operations but exited the hog business entirely. The small pig crop pushed up domestic pork prices. In fact, cash receipts from marketings of hogs in 1975 were the highest on record.

The December 1975–May 1976 pig crop in the United States was 16 percent above the crop for the same period in the previous year. This development has occurred for two reasons. First, as the price and return on hogs increased, it became more profitable to raise hogs than to sell corn on the cash grain market. Secondly, forecasts of a large domestic corn crop have pushed the price of corn down. When prospective corn prices to the individual approach his costs, he will try to improve his return by using the corn for feed.

Although preserved or prepared pork is produced in nearly all parts of the United States, the major producing area is the Midwest. The number of firms declined from 1,374 in 1967 to 1,297 in 1972. Of these, 550 had less than 20 employees. Because of high labor and transportation costs, hog slaughtering operations in recent years have been decentralized from large multipurpose plants to smaller operations located in the areas where hogs are grown.

Table 9 shows the import penetration of canned ham with canned ham imports as a ratio to total ham consumption, both canned and uncanned. With the exception of 1974, imports have been rising slowly as a percentage of total domestic ham consumption.[8] In absolute terms, however, the quantity of imports decreased during the period 1972–June 1976.

TABLE 9.—RATIO OF CANNED HAM IMPORTS TO U.S. PORK AND HAM CONSUMPTION, 1972–75 AND JANUARY–JUNE 1976

Year	Pork consumption[1] (1,000 lb)	Ham consumption[1 2] (1,000 lb)	Total canned ham imports[1] (1,000 lb)	Total canned ham imports as a percentage of— Pork consumption	Total canned ham imports as a percentage of— Ham consumption	Canned ham imports from all NME's[1] (1,000 lb)	NME canned ham imports as a percentage of— Pork consumption	NME canned ham imports as a percentage of— Ham consumption
1972	14,077,354.3	3,209,636.8	403,583.2	2.9	12.6	115,910.9	0.8	3.6
1973	12,962,020.3	2,955,340.6	414,754.3	3.2	14.0	113,714.9	.9	3.8
1974	14,115,302.6	3,218,289.0	389,452.0	2.8	12.1	128,164.2	.9	4.0
1975	11,701,398.8	2,667,918.9	375,029.3	3.2	14.1	159,069.2	1.4	6.0
1976 (January-June)	5,970,315.8	1,361,232.0	192,898.2	3.2	14.2	87,733.9	1.5	6.4

[1] In carcass weight. Carcass weight is obtained by multiplying net weight by 1.35.
[2] Ham consumption is obtained by taking 22.8 percent of pork consumption. 22.8 percent represents the amount of pork production which is ham.

Source: U.S. Department of Agriculture statistics.

As the table indicates, the percentage of ham consumption supplied by imports from nonmarket economy countries rose from 3.6 percent in 1972 to 6.0 percent in 1975 and 6.4 percent in the first 6 months of 1976. Hams from Poland and Yugoslavia have been the principal reason for the increase in the percentage.

Imports of canned ham account for almost 95 percent of total pork imports. Compared to total pork consumption, imports of canned ham accounted for between 2.8 and 3.2 percent of domestic pork consumption during the period 1972–June 1976. Canned ham imports from Poland, the source of most imported ham from the NME's, accounted for 0.6 percent of domestic pork consumption in 1972, 1973, and 1974, 0.9 percent of domestic pork consumption in 1975 and the first 6 months of 1976.

HOPS

Hops, TSUSA item 192.2500, are the cone-like female flowering part of certain varieties of a perennial vine. They are used almost exclusively to provide a distinctive flavor to beer and other fermented malt beverages.

As shown in table 10, the principal suppliers of hops to the United States in 1975 were West Germany, Yugoslavia, France, Czechoslovakia, and Poland. In terms of value West Germany supplied 62.9 percent of total imports, Yugoslavia supplied 26.6 percent, Poland supplied 3.1 percent, Czechoslovakia supplied 2.6 percent and France supplied 3.9 percent. As a group the nonmarket economies supplied 32.3 percent of U.S. imports in 1975; and, during the first six months of 1976, the NME's have supplied 25.1 percent of total imports.

[8] Imports of canned ham might also be compared to the consumption of canned ham. For the period 1965–74, this import/consumption ratio varied between 38 and 48 percent. However, since many imported canned hams are opened, sliced and sold as luncheon meat, they are not directly competitive with domestically produced canned ham. Therefore, since canned ham imports include 99.5 percent of all ham imports, comparing canned ham imports to total ham consumption presents a more realistic picture of the competitive situation.

TABLE 10.—U.S. IMPORTS OF HOPS (TSUSA 192.2500) IN 1974, 1975 AND JANUARY TO JUNE 1976

Country	Quantity (pounds)	Value (dollars)	Unit value (dollars per pound)	Import consumption ratio (by quantity)	Tariff (average ad valorem equivalent)
1974:					
West Germany	10,193,636	13,321,000	1.31	17.8	5.7
Yugoslavia	3,715,360	3,652,000	.98	6.5	7.6
France	1,103,580	1,083,000	.98	1.9	7.6
Poland	79,370	110,000	1.39	.1	5.4
Czechoslovakia	239,052	341,000	1.43	.4	16.8
Other	132,761	146,000	1.10	.2	6.8
Total	15,463,759	18,652,000	1.21	27.0	6.5
1975:					
West Germany	7,493,431	9,838,066	1.31	14.0	5.7
Yugoslavia	3,685,496	4,160,020	1.13	6.9	6.6
France	600,158	604,305	1.01	1.1	7.4
Poland	440,001	479,724	1.09	.8	6.9
Czechoslovakia	240,011	413,004	1.72	.4	13.9
Other	141,593	140,579	.99	.3	7.6
Total	12,600,690	15,635,698	1.24	23.5	6.3
January to June 1976:					
West Germany	7,610,118	10,522,829	1.38	NA	5.4
Yugoslavia	1,950,953	2,323,830	1.19	NA	6.3
France	239,999	247,648	1.03	NA	7.3
Poland	480,031	623,878	1.30	NA	5.8
Czechoslovakia	440,348	698,712	1.59	NA	15.1
Other	88,230	98,961	1.12	NA	6.7
Total	10,809,679	14,515,858	1.34	NA	6.1

Source: U.S. Department of Commerce, Bureau of the Census, IM 146.

Although total imports of hops decreased in 1975 relative to 1974, imports from the three NME countries increased both in quantity and as a share of consumption. There were no imports from Poland prior to 1974. Data for the first six months of 1976 indicate that the monthly average of imports from Poland and Czechoslovakia is substantially exceeding the monthly average for 1975; imports from Yugoslavia are only slightly higher so far this year. However, typically, more imports enter in the first half of the year than in the second half.

The United States is a net exporter of hops. In 1975 the United States exported 14,061,127 pounds of hops valued at $15,951,444, compared to total imports of 12,600,690 pounds valued at $15,635,698. The United States exports hops to many countries, including West Germany, Czechoslovakia, and the Soviet Union. In 1975 the United States exported 592,448 pounds of hops valued at $432,945 to Czechoslovakia, compared to imports of 240,011 pounds valued at $413,004. Data for 1976 indicate that the Soviet Union's purchases thus far have been very small, compared to 1975, reflecting possible production gains in the Soviet hop industry as well as increased imports from East European countries. In 1975, the Soviet Union purchased $973,697 worth of hops from the United States, compared to purchases of $183,600 during the first six months of 1976.

There is a significant difference between the Column 1 duty rate of 7.5 cents per pound and the Column 2 rate of 24 cents per pound. Hops from Czechoslovakia are the only ones to enter under Column 2. In 1975 the ad valorem equivalent amounted to 13.9 percent for Czechoslovakia, compared to 6.3 percent overall, 6.1 percent for all Column 1 countries, and 5.8 percent for all market economy countries. The specific duties on hops tend to discourage the importation of low value,

medium quality hops (of a kind supplied by U.S. producers) in favor of higher quality, higher value hops, not in sufficient domestic supply. The application of GSP duty-free treatment to hops could have some impact on the U.S. industry, since Yugoslavia is a recipient of GSP treatment and supplies the U.S. with large quantities of hops. Also, much of the hops produced by Yugoslavia is of medium quality and is directly competitive with the hops grown in this country.

The U.S. hop industry is the largest, most efficient, and most advanced technologically in the world. Employment has declined somewhat over the past five years, but this development is partly attributable to the industry's becoming more capital intensive. There are about 350 firms producing hops, all located in far western states. The industry is not highly concentrated; most producers are small firms.

The United States produces an average quality hop, although in recent years is has been emphasizing a higher quality product. In addition, the United States recently has begun to experiment with a number of different varieties of hops in an effort to lessen import dependence.

Imports from West Germany and Czechoslovakia have a high unit value, reflecting their premium quality. These hops are used by only two domestic producers of premium beer. Hops imported from Yugoslavia and Poland have a low unit value, reflecting an average to slightly below average quality. As table 10 indicates, the average unit value for all imported hops was $1.24 in 1975. In contrast, the average unit value of hops exported by the United States in 1975 was $1.13.

BIRCH PLYWOOD

Birch plywood is classified for duty purposes under TSUS item 240.14 if it has a plain face ply of birch or a face ply of that species finished with a clear or transparent material. The designation "birch plywood" means that the exposed face ply is made of birch.

TSUS item 240.14 is divided into three subcategories, each with a duty of 7.5 percent ad valorem for Column 1 and 50 percent ad valorem for Column 2. The first, 240.1420, consists of the thin plywood panels used for doorskins. This item currently is not being imported from any nonmarket economy countries. The other two items, 240.1440 and 240.1460, are larger plywood panels, either face-finished with a clear glaze or not. Both of these items are being imported in increasing quantities from the Soviet Union. The other major suppliers are Canada, Japan, and Finland. These two items are considered together, since they are often interchangeable.

TABLE 11.—U.S. IMPORTS OF BIRCH PLYWOOD CLASSIFIED UNDER TSUSA ITEMS 240.1440 AND 240.1460, 1972 TO 1975 AND THE 1ST 6 MO OF 1976

	1972	1973	1974	1975	January to June 1976
	Quantity in thousands of square feet				
Gross imports	202, 193	169, 929	103, 758	83, 599	49, 279
U.S.S.R.	6, 559	12, 571	9, 979	7, 366	11, 362
Canada	15, 495	17, 629	8, 763	6, 932	5, 602
Finland	77, 600	59, 208	27, 832	15, 600	9, 513
Japan	102, 049	79, 790	56, 035	53, 512	22, 801
Import consumption ratio for U.S.S.R. imports [1]	0. 6	1. 3	1. 6	1. 5	NA
	Value in thousands of U.S. dollars				
Gross imports	31, 399	34, 408	23, 411	16, 328	9, 637
U.S.S.R.	641	1, 203	1, 267	898	1, 158
Canada	2, 179	2, 925	1, 718	1, 269	984
Finland	13, 847	16, 424	9, 914	4, 941	2, 564
Japan	14, 626	13, 801	10, 352	9, 212	4, 931
	Unit value—cents per square foot				
Gross imports	15. 5	20. 2	22. 6	19. 5	19. 6
U.S.S.R.	9. 8	9. 6	12. 7	12. 2	10. 2
Canada	14. 1	16. 6	19. 6	18. 3	17. 6
Finland	17. 8	27. 7	35. 6	31. 7	27. 0
Japan	14. 3	17. 3	18. 5	17. 2	21. 6

[1] These figures are computed for domestic consumption of all birch plywood classes, including TSUSA item 240.1420.

Source: Official U.S. Government publications.

The quantity of imports of birch plywood from the Soviet Union has risen dramatically in 1976 from the level in previous years. In the first 6 months of 1976, the quantity of imports surpassed the level of imports for all previous full years except for the peak year 1973 (see table 11). In addition, the Soviet Union's share of total U.S. imports of birch plywood increased from 3.2 percent in 1972 to 9.6 percent in 1974 to 23.1 percent for the January-June 1976 period. In terms of value, the Soviet Union's share of imports rose gradually from 2.0 percent in 1972 to 5.5 percent in 1975, then jumped to 12.0 percent in the first 6 months of 1976. Birch plywood from the Soviet Union has been able to capture a larger share of U.S. imports of this product partly because U.S. total imports have declined in recent years. As the table shows, the first half of 1976 is the first time in three years that the trend in these imports has been up.

The consumption of both imported and domestic hardwood plywood depends to a great extent on the strength of the housing industry, and in recent years this industry has been rather weak. Additionally, cheaper substitute wall paneling—painted or printed hardwood or plywood—has become more widely used, and, to some extent, has displaced the more expensive decorative plywoods such as birch.

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The import/consumption ratio is computed for TSUS 240.14. Since it includes TSUS 240.1420, for which there are no Soviet imports, the comparison of Soviet imports to consumption is lower than it would be if the comparison included only TSUS items 240.1440 and 240.1460. As shown in the table, the import/consumption ratio rose from 0.6 percent in 1972 to 1.6 percent in 1974, decreasing to 1.5 percent in 1975. In 1975, birch plywood imports from the Soviet Union were 1.9 percent of U.S. production, excluding doorskins.

The unit value of birch plywood from the Soviet Union has been lower than that of the other major suppliers. As shown in the table, the unit value of Soviet plywood has averaged less than one-half that of Finnish plywood. By way of comparison, the average unit value of all imported plywood is only about one-third of the unit value of hardwood plywood manufactured in the U.S. One cannot, however, make any valid conclusions about the comparative prices of the various products, imported and domestic, because the price is dependent, to a large extent, on the thickness of the plywood. The TSUSA classifications do not take into account differences in the thickness of the plywood, other than to specify for 240.1440 and 240.1460 that it be thicker than 5/32 inch.

Any hardwood plywood plant can manufacture any other kind of hardwood plywood and could be converted to produce softwood products as well. Hardwood plywood is widely produced throughout the United States. Production data for 1972 indicate that the South produced 45 percent of the U.S. output; the West, 32 percent (Oregon being the chief producing state with 25 percent); the North Central region, 13 percent; and the East, 10 percent. The number of operating plants fluctuates noticeably as slumps and peaks in the housing industry occur. There were 193 plants in 1967, 149 in 1969 and 1970, 189 in 1973, and 180 in 1975. On average, the domestic hardwood plywood industry provides employment for about 15,000 persons.

To date there has been no evidence that imports from the Soviet Union have caused any problems in the domestic industry, where the main concern has been the comparatively low rate of construction. Soviet birch plywood accounts for but a small percentage of total consumption, and those increases in imports of Soviet plywood that have occurred seem to have displaced imports from other countries rather than domestic production.

FERROALLOYS

Ferroalloys are metallic materials combining iron and at least one additional element. They are used during the manufacturing process in the steel industry as a means of adding to iron or steel certain elements that either improve the quality of the final product or impart particular desired properties to the product. There are many types of ferroalloys that differ in composition according to their intended use.

In recent years imports from the nonmarket economies of the two most important ferroalloys, ferromanganese and ferrosilicon, have been increasing. Most of the imports of ferroalloys from the nonmarket economies have come from Yugoslavia, and, while these imports account for a relatively small share of total U.S. consumption, concern has been expressed that the imports from Yugoslavia may be having some impact on the market.

Silicon alloys.[9]—The primary use of ferrosilicon is as a deoxidation and degasification agent in the steel manufacturing process. Some ferrosilicon is also used as an alloying agent to impart hardness to steel, but other ferroalloys are more often used in this application.

Ferrosilicon generally is manufactured in electric furnaces that require large amounts of energy. Therefore, countries with inexpensive electric energy and adequate supplies of silicon ores have a competitive advantage in the manufacture and sale of this product. Also, the manufacturing of ferrosilicon is a highly polluting activity, and firms in countries such as the United States that have adopted pollution regulations, are placed at a competitive disadvantage because of the added capital costs required to control pollution. Despite the adverse impacts of higher energy costs and more stringent pollution rules, the United States ferrosilicon industry was working at full capacity until mid-1974 because of the demands by the steel industry for ferrosilicon and the aluminum casting industry for silicon metal. In fact, domestic capacity was unable to meet domestic demand fully, and imports grew, supplying over 16 percent of domestic consumption in 1974. When the downturn in the economy began in 1974, demand for silicon metal and ferrosilicon alloy fell, so that output in 1975 was nearly 25 percent below the level of 1974.

During this same period imports were falling even faster than output and supplied only 12 percent of domestic consumption in 1975. Through the first six months of 1976, production has been recovering and is running at an annual rate only slightly below that of the peak year of 1974. There is still less than full employment in the industry, however, because new capacity was added during 1975 and 1976.

Table 12 shows the import trend in ferrosilicon for the past five and one-half years. For the period of January–June 1976, total imports entered at an annual rate nearly 30 percent above that of 1975, but well below the rate of 1973 and 1974. Imports from Yugoslavia are also up significantly in 1976 compared to a year ago, but, here again, these imports are coming in at a rate only slightly higher than in 1973, and one-third below the import rate of 1974. In 1976, imports from Yugoslavia have been accounting for nearly 14 percent of total imports, about the same share of total imports as in 1974.

Because of current industry overcapacity the ferrosilicon industry has been expressing increasing concern over imports. As a result, the Ferroalloy Association petitioned the Trade Policy Staff Committee (TPSC) to remove TSUS items 607.51 and 632.42 from the list of items eligible for GSP.[10] The request was subsequently denied by the TPSC.

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[9] For the purpose of this review, silicon metal is considered along with silicon alloys. The reason is that most plants that produce one product produce the other. Silicon metal is used principally in the casting segment of the aluminum industry where its demand is affected greatly by automobile production.
Most silicon imports enter the country as ferrosilicon alloy under TSUS classification 607.51. The other, alloy or silicon metal import classes grouped in this discussion include 607.50, 607.52, 607.53, 632.42, 632.43, and part of 632.84.

[10] Two silicon products from Yugoslavia, ferrosilicon alloy (TSUS 607.51) and silicon metal (TSUS 632.42), received Generalized Special Preferences (GSP) treatment on January 1, 1976, meaning the tariffs were reduced to zero. For item 607.51 this action meant a reduction of 0.5 cents per pound (1.5 percent average ad valorem) and for item 632.42 the reduction was 2.0 cents per pound (3.7 percent average ad valorem).

TABLE 12.—U.S. IMPORTS OF SILICON AND FERROSILICON, 1971 THROUGH JUNE 1976

	1971	1972	1973	1974	1975	January to June 1976
	Value (thousands of U.S. dollars)					
Gross imports	8,242	16,802	40,449	93,500	50,075	22,781
From NME countries	777	18	2,987	11,916	1,621	1,126
1. Yugoslavia	(777)	(18)	(2,927)	(10,893)	(1,428)	(1,126)
2. Other			(60)	(1,023)	(193)	
	Quantity (thousands of pounds)					
Gross imports	26,549	80,301	178,354	203,334	106,023	66,160
From NME countries	3,438	110	17,194	27,696	2,915	9,129
1. Yugoslavia	(3,438)	(110)	(17,021)	(26,045)	(2,659)	(9,129)
2. Other			(173)	(1,651)	(256)	

Note: The TSUS items included in this table are 607.50, 607.51, 607.52, 607.53, 632.42, 632.43, and 90 percent of 632.84.

Source: U.S. Department of Commerce, Bureau of the Census, publications IM 146 and FT 246.

The overcapacity in the industry probably will continue through 1980. As added capacity comes onstream there will be more downward pressure on prices. While Yugoslavia possesses the resources—silicon ore and hydroelectric power—to expand its industry, sources in the industry feel that future foreign competition will continue to come from Norway, Sweden, France, and Canada, the leading sources of U.S. imports in recent years. Also, Mexico may play a role in future U.S. imports because of new capacity being constructed there and because of the recent devaluation of the Mexican currency.

Manganese alloys.—Ferromanganese possesses many of the same production characteristics as ferrosilicon and other ferroalloys. However, ferromanganese differs from ferrosilicon in that manganese ore is much less widely distributed than is silicon ore. In fact, the United States possesses virtually no deposits of this important mineral. The world's largest manganese ore producer is the Soviet Union, with large quantities also being mined in India, South Africa, Ghana and Morocco. Because of the absence of domestic ores, the U.S. ferromanganese industry is at some disadvantage in comparison to industries in countries with manganese ore, such as the industries of South Africa, Australia, India, China, and the Soviet Union.

Currently the United States is importing around 30 percent of the ferromanganese alloy consumed in this country. The leading sources of U.S. imports have been South Africa and France, with large supplies also coming from Norway, India, Japan, and Gabon. One should note that three of these countries—France, Norway, and Japan—have been able to export large quantities of ferromanganese alloy, despite the fact that these countries lack manganese resources.

Yugoslavia is the only nonmarket economy country from which the U.S. now receives imports of manganese alloys. The share of total imports being supplied by Yugoslavia had been very small, around one percent. However, during the first half of 1976, Yugoslavia's share has expanded to nearly three percent. Through June of this year Yugoslavia has shipped over 50 percent more manganese alloy to the United States than in 1975, a peak year (see table 13).

In 1976, all of the manganese metal being shipped to the United States from Yugoslavia is contained in a ferrosilicon manganese alloy consisting of, by weight, at least 30 percent manganese and at

least 10 percent silicon. In this particular import category, TSUS 607.57, Yugoslavia has supplied the United States with nearly 26 percent of its total imports during the first six months of 1976, compared with 8.5 percent of imports in 1975.[11] The surge in imports from Yugoslavia has been a primary reason why the import/consumption ratio for ferrosilicon manganese has increased from 28 percent in 1975 to 32 percent in the first half of 1976, despite the fact that in this same period domestic production has gone up by almost 16 percent. Domestic production of ferrosilicon manganese now is believed to be running at 90 percent of capacity.

TABLE 13.—U.S. IMPORTS OF MANGANESE METAL, MANGANESE FERROALLOYS, AND SPIEGELEISEN, 1971 THROUGH JUNE 1976

	1971	1972	1973	1974	1975	January to June 1976
	Value (thousands of U.S. dollars)					
Gross imports	37,572	56,349	60,774	110,437	155,411	82,325
From NME countries	472	290	742	1,569	2,303	2,321
1. Yugoslavia	(472)	(290)	(742)	(1,569)	(2,303)	(2,321)
2. Other						
	Quantity (thousands of pounds)					
Gross imports	424,567	609,477	672,759	750,202	692,368	403,673
From NME countries	4,143	2,810	7,065	7,496	8,044	12,357
1. Yugoslavia	(4,143)	(2,810)	(7,065)	(7,496)	(8,044)	(12,357)
2. Other						

Note: The TSUS items included in this table are 607.20, 607.21, 607.35, 607.36, 607.36, 607.57, and 632.32.

Source: U.S. Department of Commerce, Bureau of the Census, publications IM 146 and FT 246.

The increase in the import/consumption ratio is due not only to increased imports from Yugoslavia, but also to increased imports from Norway, Mexico, and Brazil. The success enjoyed by Yugoslavia, Mexico, and Brazil in expanding exports of ferrosilicon manganese to the United States may be attributable in part to the fact that these three countries enjoy GSP status. Ferrosilicon manganese is a GSP-eligible item and the tariff reduction resulting from GSP amounts to nearly 8 percent ad valorem equivalent (AVE).[12]

While Yugoslavia's exports of manganese alloys to the United States have expanded rapidly this year, industry analysts believe that, in the long run, the U.S. industry will receive a greater degree of competition from Brazil, Gabon, and Australia. These countries have manganese ore deposits but are only now in the process of developing their ferromanganese industries. Yugoslavia, like the United States, has no significant manganese ore deposits and must import ore. It is believed that most of Yugoslavia's ore is imported from the Soviet Union.

[11] The other import classes grouped under the general heading of ferromanganese include TSUS 607.20 and 607.21, a high-manganese content alloy called spiegeleison (U.S. imports of this product have been zero for the last few years); 607.35, 607.36, 607.37, ferromanganese. Most manganese imports come into the country in class 607.37, a ferromanganese alloy containing over 4 percent carbon. Through June, 1976, 76 percent, by weight, of manganese (excluding ores and chemicals), entered the country in this class. The final two TSUS groups are 607.57, ferrosilicon manganese, and 632.32, unwrought manganese metal, including waste and scrap.

[12] Three additional ferromanganese TSUS items, 607.35, 607.36, 607.37, also receive GSP treatment, but the tariff reduction in these cases amounts to just over 3 percent AVE.

INSULATED COPPER CONDUCTOR

In the first six months of this year imports of insulated copper conductor from Yugoslavia were greater than in any previous full year. The 10.4 million pounds recorded through June surpassed the 9.1 million pounds imported in 1973. The surge in imports has placed Yugoslavia firmly at the top of the list of countries exporting this product to the United States. Table 14 shows the trend in total imports and imports from Yugoslavia in the last five and one-half years. The share of total imports supplied by Yugoslavia has increased rapidly from slightly less than 10 percent (by weight) in 1971, to around 25 percent in the next four years, to 56 percent in the first half of 1976. In the earlier years Yugoslavia usually trailed Canada, Japan, and other developed countries as a source for this product, but now Yugoslavia is established as the primary source.

The two most immediate reasons for the growth in imports of this Yugoslavian product are, first, that the U.S. economy's gradual recovery has increased the demand for the product, and, second, that the product began receiving GSP treatment on January 1, 1976. The latter development meant that the tariff, a column 1 rate of 8.5 percent ad valorem, was reduced to zero. Of the countries eligible for GSP treatment on this product, Yugoslavia has been supplying by far the largest share of this product to the U.S. market. Under the terms of the Trade Act of 1974, a country would lose its GSP eligibility on a product if it supplies more than 50 percent, by value, of total imports of the product in a calendar year.[13] While more than 50 percent, by weight, of U.S. imports of insulated copper conductor have come from Yugoslavia through the first six months, Yugoslavia does not seem to be in any danger of losing GSP on this item because, by value, Yugoslavian imports equal only 42.8 percent of total imports.

TABLE 14.—U.S. IMPORTS OF INSULATED ELECTRICAL CONDUCTORS, WITHOUT FITTINGS, OVER 10 PERCENT COPPER, 1971 THROUGH JUNE 1976

	1971	1972	1973	1974	1975	January to June 1976
	Value (thousands of U.S. dollars)					
Gross imports	34,074	22,941	32,349	36,103	28,061	18,737
From NME countries	2,104	4,648	6,207	7,108	6,438	7,999
1. Yugoslavia	(2,104)	(4,648)	(6,207)	(7,108)	(6,438)	(7,998)
2. Other						1
	Quantity (thousands of pounds)					
Gross imports	40,538	30,674	36,692	30,304	24,494	18,522
From NME countries	4,065	8,174	9,114	7,914	7,638	10,418
1. Yugoslavia	(4,065)	(8,174)	(9,114)	(7,914)	(7,638)	(10,417)
2. Other						1

Note: The product covered in this table is imported under TSUS item 688.04.

Source: U.S. Department of Commerce, Bureau of the Census, publications IM 146 and FT 246.

Although Yugoslavia's share of U.S. imports is quite large, it amounts to very little, in comparison to total domestic consumption of insulated copper conductor. While no precise figures are available for the import/consumption ratio of the type of insulated copper conductor under consideration here, figures are available that show total electrical conductor imports accounting for roughly 3 percent

[13] This provision, and others, of the U.S. Generalized System of Preferences is set out in Title V of the Trade Act of 1974.

of all electrical conductor consumed in the United States. Taken in, the aggregate then, Yugoslav copper conductor poses no immediate threat to the U.S. industry. In certain specific product areas, however imports from Yugoslavia have the potential for causing some market disruption. One such area is fine insulated copper conductor. Imports of this product are classified in TSUSA item 688.0420, a subset of the more general grouping of insulated copper conductor.[14] The copper conductor in this grouping is generally referred to as "magnet wire" because of its use in electromagnet windings and transformer coils. The larger U.S. manufacturers of this product see little threat from the Yugoslavs. There are, however, a few, small independent operators who would be adversely affected were imports of this item to increase significantly. To date, however, there have been no indications of any hardships in the industry because of imports from Yugoslavia. In 1976, through June, 22 percent (by weight) of imports of insulated copper conductor from Yugoslavia have been of the "magnet wire" variety.

Yugoslavia is well-suited to be an effective competitor in world markets for this copper product as well as for other wrought copper products. Yugoslavia ranks seventh among world copper mining countries and is the largest in Europe, except for Soviet Russia. Until recently Yugoslavia had been a net importer of copper, but rapid growth in the production of ores, blister copper, and refined copper during early 1970's has made the country a net exporter. In addition, Yugoslavia's relatively new and modern fabricating industry is capable of producing sophisticated copper products in some areas. Here one would include the wire-drawing industry which produces the fine "magnet wire". Also, quality copper sheet and foils are produced and exported, the foil going principally to the Soviet Union, probably for use in that country's expanding automotive industry.

While Yugoslavia is not the only country in Eastern Europe producing large quantities of copper products (Poland and the Soviet Union have large industries), Yugoslavia seems to be the only country in the area with the ability to compete effectively in the U.S. market. Poland, although producing and exporting more refined copper than Yugoslavia, lags behind Yugoslavia in the production of wrought products. In the case of the Soviet Union, very high column 2 tariff rates present an effective barrier, preventing that country's products from penetrating the U.S. market. The column 2 rate on insulated copper conductor, for example, is 40 percent ad valorem.

AGRICULTURAL TRACTORS

TSUSA item 692.3020 is defined in the tariff schedules as "new wheel type tractors, suitable for agricultural use, except garden tractors, 35-belt horsepower and over." As with all agricultural tractors, this item enters duty-free for both MFN and Column 2 countries. Imports from Romania of these tractors first entered the United States in 1971. By 1975, new wheel agricultural tractors were Romania's fifth largest export item to the United States. In the first six months of 1976, this item ranked third largest among Romanian exports to the United States. The Soviet Union and Poland began exporting

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[14] This is a new TSUSA item, established as of January 1, 1976, and contains all insulated copper conductor, without fittings, 33 AWG and finer. Prior to the establishment of this new TSUSA number, there was no statistical breakout that segregated insulated copper conductor according to gauge.

these tractors to the United States in 1974. Other NME countries which have been one-time import sources of wheeled agricultural tractors are East Germany (1972), Yugoslavia (1973), and Czechoslovakia (1975).

While the share of imports supplied by three of the traditional sources—the United Kingdom, Italy, and Japan—fell during the period 1972–June 1976, Romania's share jumped from 6.5 percent in 1972 to 23.6 percent in the first six months of 1976, ranking it as the second largest supplier in 1976 behind West Germany. In terms of value, Canada was the largest source of tractors for the period 1972–June 1976, supplying 40.7 percent of the total value of imports for the first half of 1976. In comparison, Romania supplied only 7.5 percent of the total value of imports in that period.

Table 15 enables one to gauge the size and cost trends of tractor sales in the United States over the last 30 years. The table also provides a basis for comparing imported Romanian and Soviet tractors to the average tractor being sold today. Column 2 in the table gives one a rough gauge of the degree that price inflation has affected tractor sales in the last 30 years. The price per horsepower in 1975 was nearly four times greater than in 1945. Actually, the per horsepower price probably understates price inflation to some extent, for the average horsepower of tractors has been getting larger (see column 3), and production efficiencies allow the manufacture of more powerful tractors at a lower cost-per-horsepower than would be needed to make a less powerful vehicle. On the other hand, simply focusing on the cost-per-horsepower ignores qualitative improvements that have been made in the last three decades, and in this sense column 2 overstates the impact of inflation.

TABLE 15.—WHEEL TRACTOR WHOSALE PRICES AND HORSEPOWER,[1] SELECTED YEARS

Year	Per unit (1)	Per horsepower (2)	Average unit horsepower (3)
1945	$665	$25	26.6
1950	1,073	37	29.0
1955	1,554	39	39.8
1960	2,338	49	47.7
1965	3,541	56	63.2
1970	5,560	76	73.2
1973	6,953	85	81.8
1974	7,294	86	84.8
1975	8,288	94	88.2

[1] Estimated at wholesale level by dividing value of manufacturers' shipments by units shipped and by maximum belt horsepower; data are published in "Current Industrial Reports" of the Bureau of the Census.

Turning now to a comparison between Romanian tractors and the average tractor, one might first note that in 1975 the average unit value of imported Romanian tractors was $1,981. This figure compares to an average wholesale tractor price of $8,288 and an average unit value of all imports of $6,642. In the same year the unit value of imported Soviet tractors was $2,401 (see table 16).

At present, two firms import tractors from Romania for sale in the United States. The larger of these firms, located in North Carolina, imports three models of tractors. One is 35-horsepower, another 42-

horsepower, and the third, 52-horsepower. The company intends to import two more models of considerably higher horsepower in the next two years. These Romanian tractors are considered to be equally well or better performing than domestically produced tractors. The firm buys spare parts from Romania for its tractors and distributes these parts at service areas throughout the country.

The Soviet Union offered five tractor models when that country began selling tractors in the United Stages during 1974. Two of these tractor models are in the 70-horsepower range, two are in the 50-horsepower range, and one is in the 30-horsepower range. No data are available that show the composition of imports of Soviet and Romanian tractors, and the average domestic wholesale price is, therefore, not meaningful. Reports indicate, however, that both the Romanian and Soviet tractors are priced below comparable domestic tractors.

TABLE 16.—UNITED STATES IMPORTS OF AGRICULTURAL TRACTORS (TSUSA 692.3020) 1972–75, JANUARY TO JUNE 1975, AND JANUARY TO JUNE 1976

Country	1972	1973	1974	1975	January to June 1975	January to June 1976
	Quantity (units)					
Canada	565	932	1,486	1,605	988	839
United Kingdom	3,948	4,279	5,251	5,365	3,118	2,090
Federal Republic of Germany	2,782	1,237	5,406	4,686	2,522	3,253
Czechoslovakia				1	1	
Poland			227	551	370	
U.S.S.R			78	846	412	81
Italy	1,248	1,315	1,789	711	659	169
Romania	792	3,258	4,176	4,102	2,150	2,236
Japan	2,437	4,078	4,636	523	305	803
Other	[1] 418	[2] 441	899	418	188	23
Total	12,190	15,540	23,948	18,808	10,713	9,494
	Value (thousands of dollars)					
Canada	8,663.7	17,966.5	33,535	46,866.9	28,052.9	26,395.3
United Kingdom	12,424.3	14,552.5	19,946	26,274.7	14,585.0	10,040.1
Federal Republic of Germany	11,378.1	5,055.9	27,165	31,943.5	15,451.5	19,306.9
Czechoslovakia				9.5	9.5	
Poland			845	2,046.9	1,465.1	
U.S.S.R			266	2,031.0	1,026.2	115.1
Italy	3,492.4	4,114.9	6,406	2,886.4	2,524.0	1,169.8
Romania	1,297.2	5,160.9	7,044	8,125.5	4,233.0	4,872.1
Japan	3,119.7	5,708.4	8,228	2,607.7	1,278.5	2,590.9
Other	[1] 1,236.0	[2] 1,077.0	2,928	2,139.7	881.1	294.0
Total	41,611.5	53,636.1	106,667	124,931.8	69,506.8	64,784.3
	Unit value (U.S. dollars per unit)					
Canada	$15,334	$19,277	$22,567	$29,201	$28,394	$31,460
United Kingdom	3,147	3,401	3,799	4,897	4,678	4,804
Federal Republic of Germany	4,090	4,087	5,025	6,817	6,127	5,935
Czechoslovakia				9,500	9,500	
Poland			3,722	3,715	3,960	
U.S.S.R			3,410	2,401	2,491	1,421
Italy	2,798	3,129	3,581	4,060	3,830	6,922
Romania	1,638	1,584	1,687	1,981	1,969	2,179
Japan	1,280	1,400	1,775	4,986	4,192	3,227
Other	2,957	2,442	3,257	5,119	4,687	12,783
Total	3,414	3,451	4,454	6,642	6,488	6,824

[1] East Germany, quantity equals 74; value equals 338.4.
[2] Yugoslavia, quantity equals 149; value equals 234.8.

Source: U.S. Department of Commerce, Bureau of the Census publication IM–146.

The ratio of Romanian tractor imports to consumption may be computed in two ways. Data are available only for total tractor consumption (including agricultural and non-agricultural, wheeled, tracklaying, and garden tractors). Except for negligible quantities, tractors imported from Romania have been wheeled agricultral tractors, although in the first six months of 1976, tracklaying agricultural tractors also entered. In 1974, the ratio of Romanian wheeled tractors to total tractor consumption was 0.8 percent, increasing to 0.9 percent in 1975. This compares to an import/consumption ratio of total tractor imports to total tractor consumption of 10.2 percent in 1974 and 9.1 percent in 1975. Alternatively, imports of Romanian tractors may be compared to retail sales of farm wheel tractors, excluding garden tractors, motor tillers and contractor's off-highway types but including sales of imported tractors. Using this method, the new, wheeled agricultural tractors over 35 horsepower imported from Romania made up 1.8 percent of retail sales in 1973 and 2.5 percent in 1974.[15] In comparison, total imports of new, wheeled agricultural tractors over 35 horsepower made up 8.5 percent of retail sales in 1973 and 14.6 percent in 1974.

In 1976, Romania began exporting tracklaying agricultural tractors, TSUSA item 692.3030, to the United States. Eighty-eight units were imported from Romania in the first six months of 1976. Romania's share of total imports was 23.0 percent. The unit value of the Romanian tracklaying tractors was $1,688, compared to an average unit value for all imports of this item of $10,900.

There are about 90 U.S. manufacturers of tractors and related machinery, centered principally in the East North Central States. The 10 largest account for about 80 percent of total domestic production. The major producers manufacture tractors suitable for agricultural and non-agricultural uses as well as small "garden" tractors. Since 1973, domestic production of tractors and parts has reached record levels. The U.S. industry is characterized by competitive prices, advanced designs and an efficient distribution system, whereas the sale of foreign tractors is inhibited by a relative lack of service organizations within the United States, difficulty in acquiring necessary parts, and a relatively long lead time between orders and delivery. From 1968 to 1975, the United States was a net exporter of tractors, exporting from 3 to 5 times as many tractors as it imported in any given year.

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[15] Retail sales were computed using data provided by the Farm and Industrial Equipment Institute in *Implement & Tractor*, November 21, 1974 and November 7, 1975.

COTTON HEADWEAR

Headwear, TSUSA item 702.1020 [16] is defined in the tariff schedules as "other headwear, not knit, of cotton." Imports in this category from the People's Republic of China and other Far East countries consist of inexpensive roll-up type hats, souvenir hats, tennis hats, golf hats, baseball hats, sailor hats, and other novelty hats. Imports from Australia are bush hats, and those from the United Kingdom are Irish setter Kogol hats. Headwear from Australia and the United Kingdom are not comparable or competitive with the other imports that are the subject of this section.

Although domestic consumption of cloth hats as a whole has decreased, consumption of this particular type of cloth hat has increased. Demand for hats falling into TSUSA category 702.1020 has increased because of the trend toward outdoor sports and leisure activities, especially tennis and golf.

In spite of increased cosumption, domestic production of these hats is down. At present, there are about 100 firms producing these hats with the largest concentration in the New York metropolitan area, including New Jersey. Other producers are located around St. Louis and Philadelphia. Most of these firms make only cloth hats, although the machinery can be converted easily to produce other types of headwear and wearing apparel. In peak periods, each firm employs from 50 to 100 employees, but most firms now are operating at only 50 to 60 percent of capacity. Although it is safe to say that employment is down, the industry does not have exact employment figures.

The largest foreign suppliers of these hats to the U.S. market are in Hong Kong, Korea, the People's Republic of China (PRC), and Japan. United States imports from the first three countries rose substantially during the 1971–75 period. Imports from Japan have declined since 1972 because of rising Japanese wage rates, and production has been shifting to Hong Kong and Korea. For the first six months of 1976, Hong Kong supplied 44 percent of total U.S. imports, while Korea and the PRC each supplied about 23 percent. Imports from the PRC increased from 92 dozen in 1971 to 299,090 dozen in 1975 and 216,480 dozen in the first six months of 1976 (see table 17).

The unit value of the domestically produced cotton hat is estimated to be about $11–$13 per dozen at present, depending on the type of hat. Imported hats from the Far East have unit values less than half that amount (see table 17). Hats from the PRC have had the lowest unit value since 1972. During the first six months of 1976, the unit value of hats from the PRC was $3.37 per dozen. The low unit value of imported headwear in comparison to the domestic price means that existing tariff rates are largely ineffective in protecting U.S. producers. The column 2 rate that applies to imported headwear from the PRC is 37.5 percent ad valorem, while the column 1 rate applying to headwear from the other Asian countries is 20 percent ad valorem.

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[16] Beginning Jan. 1, 1976, TSUSA item 702.1220.

TABLE 17.—HEADWEAR, NOT KNIT, OF COTTON (TSUSA ITEM 702.1020):[1] U.S. IMPORTS FOR CONSUMPTION, BY PRINCIPAL SOURCES, 1971–75, JANUARY TO JUNE 1975 AND JANUARY TO JUNE 1976

Source	1971	1972	1973	1974	1975	January to June 1975	January to June 1976
	Quantity (dozens)						
Hong Kong	104,174	160,911	339,845	468,828	618,871	370,871	426,975
Republic of Korea	41,292	83,056	99,509	179,066	278,388	146,148	226,680
People's Republic of China	92	2,592	35,797	152,964	299,090	240,148	216,480
Japan	626,012	738,269	419,464	247,423	156,165	108,870	42,693
United Kingdom	1,292	7,343	2,636	5,883	9,880	4,420	911
Australia		381	680	3,321	5,366	4,820	1,913
All other	47,392	51,850	43,283	52,563	53,895	25,532	59,757
Total	820,254	1,044,402	941,214	1,110,048	1,421,655	900,809	975,409
	Value (dollars)						
Hong Kong	391,959	663,947	1,652,718	2,985,194	3,403,411	2,104,172	2,023,235
Republic of Korea	160,399	298,929	437,826	991,610	1,435,243	819,814	1,145,093
People's Republic of China	649	8,236	102,797	504,951	1,141,630	914,511	728,487
Japan	2,356,288	2,785,519	1,829,357	1,600,225	965,471	693,121	259,586
United Kingdom	52,607	102,622	137,179	120,767	196,861	98,910	43,112
Australia		7,349	16,192	80,581	130,576	116,800	53,267
All other	235,918	229,384	212,072	333,389	395,694	224,359	375,719
Total	3,197,820	4,095,986	4,388,141	6,616,717	7,668,886	4,971,687	4,628,499
	Unit value (dollars per dozen)						
Hong Kong	3.76	4.13	4.86	6.37	5.50	5.67	4.74
Republic of Korea	3.88	3.60	4.40	5.54	5.16	5.61	5.05
People's Republic of China	7.05	3.18	2.87	3.30	3.82	3.81	3.37
Japan	3.76	3.77	4.36	6.47	6.18	6.37	6.08
United Kingdom	40.72	13.98	52.04	20.53	19.93	22.38	47.32
Australia		19.29	23.81	24.26	24.33	24.23	27.84
All other	4.98	4.42	4.90	6.34	7.34	8.79	6.29
Total	3.90	3.92	4.66	5.96	5.39	5.52	4.75

[1] Beginning Jan. 1, 1976, TSUSA item 702.1220.

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

Despite the difference in price between domestic and imported hats, there is little difference in quality. In some instances, the imported hats are of better quality, since domestic producers have cut quality to remain competitive.

There have been reports that the industry is planning to petition the United States International Trade Commission for import relief under sec. 201 of the Trade Act of 1974. There had been early indications that the industry was considering a request for relief from headwear imports from the PRC under sec. 406 of the Trade Act. Section 406 deals exclusively with market disruption caused by imports from Communist countries. Although it is easier to establish the existence of market disruption under sec. 406 than under sec. 201, the industry representatives apparently decided that relief from imports of PRC headwear alone would not be adequate, since Chinese headwear constitutes but 22 percent of total cotton headwear imports. Moreover, the value of imports of this item from the PRC was over 20 percent lower in the first 6 months of 1976 than in the same period in 1975. Additionally, there is evidence to suggest that headwear from Hong Kong is manufactured using materials from the PRC. Sanctions against PRC headwear, then, might only succeed in diverting shipments of headwear to Hong Kong for final processing before shipment to the United States.

APPENDIX

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

Table A1.--Leading items imported from the U.S.S.R. in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
475.0550	Fuel oil, Saybolt Universal viscosity 145 seconds or more, NES, under 25 degrees A.P.I.	$17,861,422	$ 9,857,771	$ 6,284,631
605.0290	Platinum group metals and combinations, NES	15,191,177	8,460,583	9,331,463
601.1560	Chrome ore, 46% or more chromic oxide	7,651,502	2,978,100	8,038,722
605.0260	Palladium	6,433,304	5,905,519	299,984
653.2260	Metal coins NES	6,043,655	3,149,095	31,353
618.1000	Aluminum waste and scrap	5,396,729	5,237,167	-
520.3200	Diamonds, not over 1/2 carat, cut, not set	4,365,594	2,411,084	1,041,199
620.0300	Unwrought nickel	3,829,224	1,706,894	1,602,809
605.0710	Platinum bars, plates, etc.	3,288,824	1,972,504	2,557,635
601.1520	Chrome ore, not over 40% chromic oxide	2,910,167	-	472,106
124.1045	Sable furskins, whole, raw	2,523,789	354,164	15,831
692.3040	New agricultural tractors NES	1,509,772	1,079,475	71,494
423.0060	Inorganic oxides, hydroxides and peroxides	1,488,832	478,832	42,322
605.0270	Rhodium	1,368,671	1,340,454	8,072,013
518.1160	Asbestos NES, crudes, etc., not manufactured	1,292,721	894,489	-
765.0300	Paintings, etc., by hand	1,253,179	1,168,355	26,038
629.1500	Unwrought titanium and waste and scrap	1,227,364	1,183,782	950,158
520.3300	Diamonds, over 1/2 carat, cut, not set	1,100,095	541,527	285,433
240.1460	Plywood, birch face ply, clear finish, NES	990,695	549,204	-
480.6540	Anhydrous ammonia	944,978	-	-
	Total imports itemized above	$86,671,694	$49,268,999	$39,123,191
	Total U.S. imports from U.S.S.R.	$96,648,521	$53,955,804	$54,230,562

Table A2.--Leading items exported to the U.S.S.R. in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
044.0060	Yellow corn, unmilled, NEC	$ 833,266,920	$401,166,158	$ 38,855,597
041.0020	Wheat, unmilled, except for relief	78,120,346	14,241,401	57,931,098
712.5068	Tracklaying tractors, 200 net engine horsepower and over	61,089,151	26,334,499	12,431,416
221.4000	Soybeans	60,308,027	31,524,441	1,284
719.2162	Oil-well/field pumps for liquids	20,434,028	6,487,680	2,118,638
042.2060	Rice, milled, NEC, medium grain	15,195,362	4,229,588	-
714.2140	Foundry machines NEC, and parts NEC	14,240,897	8,890,003	-
715.1068	Multi-station machines, metalcutting, new, valued $1000 and over	13,231,425	9,950,472	10,915,431
711.6000	Gas turbines NEC, and parts for mechanical drives	12,344,627	177,000	210,600
715.2120	Molding machines, and parts NEC	11,525,825	2,777,735	1,096,256
732.8930	Parts and accessories for tracklaying tractors	10,928,899	4,660,164	2,451,978
893.0045	Pressure sensitive tape, plastic	10,871,304	5,883,264	1,218,067
729.9225	Parts and attachments, NEC, for electric industrial furnaces and ovens	7,576,623	4,974,825	2,501,606
718.4244	Dozers for mounting on tractors	6,914,358	2,979,348	1,317,545
717.1260	Knitting machines NEC	6,586,899	6,586,899	-
719.3170	Conveyors NEC	6,084,500	3,688,598	2,520,967
719.1973	Industrial processing vessels, and parts, NEC	5,802,534	4,571,945	-
719.2370	Filtering, etc., machines, and parts, NEC	5,099,341	3,595,365	825,007
719.2170	Parts and attachments, NEC, for pumps for liquid	5,003,229	4,466,929	2,007,300
718.4256	Mining machines NEC	4,797,389	10,626	327,224
	Total exports itemized above	$1,189,421,684	$547,196,940	$136,730,014
	Total U.S. exports to the U.S.S.R.	$1,402,213,321	$611,876,988	$245,330,407

Table A3.--Leading items imported from the People's Republic of China in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
320.2032	PC white cotton shirting NES (average yarn number, 20)	$ 7,129,686	$ 3,411,488	$ 232,372
766.2560	Antiques NSPF	5,742,005	1,133,019	870,494
622.0200	Tin, other than alloys, unwrought	5,379,708	3,106,000	11,949,324
320.1038	ABC white cotton sheeting, carded (average yarn number, 10)	3,615,789	1,554,337	938,215
755.1500	Fireworks	3,494,742	2,337,667	1,161,051
186.1560	Feathers not meeting Federal standards	2,742,748	1,197,092	329,719
186.3000	Bristles, crude or processed	2,396,079	1,361,761	379,013
222.4000	Baskets and bags of bamboo	1,663,512	834,885	297,516
114.4557	Shrimp, raw, peeled	1,657,438	431,209	18,129
320.3032	PC white cotton shirting NES (average yarn number, 30)	1,656,546	827,520	138,139
308.0440	Raw silk, in skeins, etc., NES	1,560,047	750,977	737,072
176.6000	Tung oil	1,536,150	540,682	491,845
161.8300	Pepper, capsicum, etc., unground	1,454,509	1,089,031	655,886
320.1058	White cotton twill NES, carded	1,447,370	748,523	600,555
160.5000	Tea, crude or prepared	1,366,172	652,938	335,686
186.1565	Downs not meeting Federal standards	1,266,050	545,284	-
114.4545	Shrimps and prawns, with shells on	1,231,989	594,537	544,887
222.4400	Baskets and bags of unspun vegetable materials, NES	1,219,393	605,226	676,500
702.3780	Headwear, not sewn, blocked or trimmed, not bleached or colored	1,093,160	518,683	269,222
161.1300	Cassia, cassia buds, and cassia vera, unground	1,060,106	261,949	166,169
	Total imports itemized above	$48,713,199	$22,502,808	$20,791,794
	Total U.S. imports from the People's Republic of China	$86,750,940	$39,686,191	$34,670,051

Table A4.--Leading items exported to the People's Republic of China in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
684.0120	Aluminum and aluminum alloys, unwrought, NEC	$25,641,310	-	-
711.3100	Steam engines and turbines incorporating boilers, and parts, NEC	7,655,637	$4,556,763	$1,422,345
266.2120	Polyester staple, not corded or combed, etc.	6,548,520	4,693,444	-
719.1975	Machines and parts, NEC, for treatment of materials by temperature change, etc.	6,450,963	562,044	4,214,058
719.2230	Gas compressors, centrifugal and axial	5,600,032	1,133,951	163,193
711.6000	Gas turbines, NEC, and parts for mechanical drives	4,809,718	231,197	-
711.1050	Steam power boilers NEC	3,293,546	-	-
282.0010	Number 1 heavy melting steel scrap, except stainless	3,205,659	-	1,600,000
719.2220	Air compressors, stationary, over 100 horsepower	3,041,068	-	90,307
719.3180	Lifting and loading machines NEC, and parts	2,842,200	1,546,232	-
678.5032	Steel tube and pipe flanges, forged	2,731,753	1,215,261	-
678.2010	Carbon steel standard pipe, seamless, black	2,167,376	773,109	-
599.9920	Compound catalysts, except nickel	2,125,858	1,266,926	12,600
732.0320	Trucks, off-highway, nonmilitary	1,926,435	1,926,435	-
719.9242	Nonautomatic valves, etc., and parts, NEC, of iron and steel	1,912,509	922,394	646,165
711.1040	Power boilers, steam generating water tube, stationary, over 400,000 pounds/hour capacity	1,713,649	-	-
691.1015	Fabricated structural iron and steel	1,670,815	854,826	481,176
692.1110	Tanks for storage or manufacturing use, and septic tanks, of iron or steel	1,428,912	723,636	45,363
581.2006	Polyethyl resins, high density	1,401,000	1,401,000	-
678.5060	Iron tube and pipe fittings, NEC	1,320,755	271,768	107,170
	Total exports itemized above	$87,487,715	$22,078,986	$8,782,377
	Total U.S. exports to the People's Republic of China	$119,581,259	$34,163,053	$77,263,962

Table A5.--Leading items imported from Poland in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
107.3525	Canned hams, shoulders, over 3 pounds	$ 59,993,319	$31,308,996	$21,439,744
700.3550	Men's leather footwear NES, cement soles	5,788,949	2,150,772	1,164,268
107.3560	Pork NES, canned, bones, and cooked	4,987,378	2,337,277	1,047,523
521.3180	Coal NES, including lignite, except peat	4,594,550	3,534,180	-
608.8420	Steel plate, neither shaped, cold rolled, nor coated	4,032,709	1,488,913	3,738,926
403.6000	Other cyclic organic chemical products	3,845,379	2,142,868	1,076,330
110.4710	Cod blocks, frozen, over 10 pounds each	3,352,618	764,901	1,079,870
1/ 335.9500	Other woven fabrics of vegetable fibers, NES, over 4 ounces per sq. yard	2,976,228	1,634,773	622,946
727.1500	Furniture and parts of bentwood	2,905,078	1,521,239	1,202,133
646.2620	Brads, nails, etc., smooth shank, round wire, over 1 inch in length, over 0.065 inch in diameter	2,871,760	1,643,208	686,477
382.1206	Women's raincoats NES, valued over $4 each, 3/4 length, not knit or ornamented	2,618,936	880,853	291,604
692.1090	Motor vehicles NES	2,239,920	1,033,470	1,536,884
700.4540	Women's leather footwear, cement soles, valued over $2.50 per pair	1,777,953	1,043,815	54,755
407.7220	Sulfamethazine	1,354,200	700,200	29,388
407.8540	Sulfathiazole	1,333,285	1,018,448	270,812
700.3555	Boys' leather footwear NES, cement soles	1,318,282	445,253	245,875
642.0200	Barbed wire	1,186,859	560,581	262,788
437.3200	Antibiotics NSPF	1,100,741	497,867	210,577
124.1010	Fox furskins, except silver and black, undressed	1,013,742	382,809	306,323
646.2640	Brads, nails, etc., NES, round wire, over 1 inch in length, over 0.065 inch in diameter	941,782	543,553	397,514
	Total imports itemized above	$110,233,668	$55,633,976	$35,664,737
	Total U.S. imports from Poland	$155,026,073	$78,746,426	$55,752,831

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

Table A6.--Leading items exported to Poland in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
044.0060	Yellow corn, unmilled, NEC	$124,137,932	$57,937,306	$23,259,543
041.0020	Wheat, unmilled, except for relief	43,181,326	29,883,465	-
081.3030	Soybean oil-cake and meal	25,825,951	13,178,418	8,825,016
263.1031	Cotton, upland domestic, 1 to 1-1/8 inch	9,698,125	9,698,125	589,186
221.4000	Soybeans	7,204,843	4,032,745	9,434,177
732.8930	Parts and accessories for tracklaying tractors	6,896,099	3,035,798	522,890
271.3010	Florida phosphate hard rock and land pebble	4,231,986	1,600,815	2,172,045
211.1010	Cattle hides, whole	3,748,498	2,158,934	1,793,495
043.0000	Barley, unmilled	3,365,016	3,365,016	-
045.9015	Grain sorghums, unmilled	3,270,299	-	-
411.3220	Tallow, inedible	2,702,117	2,702,117	237,878
715.2259	Parts, NEC, for metalworking rolling mill machinery	2,638,075	480,562	5,882,633
715.1080	Mechanical and manual presses, valued $1,000 and over	2,300,543	2,085,998	183,070
042.2060	Rice, milled, NEC, medium grain	2,245,188	2,245,188	-
715.1078	Hydraulic and pneumatic presses, valued over $1,000	2,184,919	2,184,919	-
729.5292	Industrial process type instruments, electric or electronic, NEC	2,117,837	1,874,025	8,215
712.5068	Tracklaying tractors, 200 and over net engine horsepower	1,887,178	851,997	286,760
722.2041	Special purpose controls and control systems (AC/DC), NEC	1,836,432	808,124	210,000
719.8095	Machines and mechanical appliances, NEC, and parts	1,762,546	209,997	279,280
121.0010	Tobacco, flue-cured leaf, stemmed	1,755,930	168,259	-
	Total exports itemized above	$252,990,840	$131,501,808	$53,684,188
	Total U.S. exports to Poland	$311,430,323	$164,878,935	$112,403,457

Table A7.--Leading items imported from Yugoslavia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
107.3525	Canned hams, shoulders, over 3 pounds	$ 23,843,561	$ 11,273,908	$ 9,151,791
612.0640	Unwrought copper, not alloy, NES	21,311,419	14,058,150	-
700.3515	Males' leather athletic footwear, NES	14,383,972	7,714,696	5,921,319
727.3040	Wood chairs NSPF	11,632,373	6,087,080	3,284,578
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	9,401,023	4,791,851	3,231,372
626.0200	Unwrought zinc, except alloyed	9,346,486	5,637,000	492,274
688.0440	Insulated copper conductors, without fittings, 32 A.W.G. and larger	5,981,514	3,805,357	1,258,579
605.2040	Silver bullion, refined	5,969,334	2,720,785	4,928,533
607.3100	Ferrochrome, over 3% carbon	5,363,996	3,265,807	-
624.0350	Unwrought lead, unalloyed, except bullion	3,956,428	2,241,039	-
618.0200	Unwrought aluminum NES, except aluminum alloy	3,610,219	3,297,546	-
727.3500	Wood furniture, NSPF	3,532,265	1,917,690	958,941
618.2560	Aluminum sheets, strip, and plate, not clad	3,215,380	1,443,079	589,470
612.3140	Copper sheets, unalloyed	3,112,820	1,357,690	486,330
192.2500	Hops	2,323,830	-	86,679
607.5700	Ferrosilicon manganese	2,321,034	1,188,451	459,250
618.1540	Wrought aluminum rods, 0.375 inches in diameter and over	2,198,746	1,031,602	320,402
688.0420	Insulated copper conductors, without fittings, 33 A.W.G. and finer	1,853,040	490,323	434,447
727.4000	Wood furniture parts NSPF	1,809,365	1,188,086	479,625
475.3540	Naphthas from petroleum, etc., NES	1,800,786	1,800,786	-
	Total imports itemized above	$136,967,591	$ 75,310,926	$32,083,590
	Total U.S. imports from Yugoslavia	$185,591,957	$102,098,650	$50,698,206

Table A8.--Leading items exported to Yugoslavia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
081.3030	Soybean oil-cake and meal	$18,744,540	$11,563,050	-
734.1050	Aircraft, passenger transport, 33,000 pounds and over	14,537,623	8,237,623	-
718.4264	Well drilling machine parts and accessories, NEC	6,428,531	2,109,107	$262,652
734.9230	Parts and accessories, NEC, for aircraft, airships and balloons	3,921,297	2,432,221	2,436,549
321.4020	Bituminous coal	3,812,916	1,889,778	-
512.0978	Vinyl chloride monomer	3,361,872	1,423,690	929,568
715.2254	Rolling mill metalworking machinery, NEC	3,193,639	2,354,084	-
734.1020	Aircraft, personal and utility, multiple engine, 3,000 pounds and over	2,723,526	-	2,225,770
729.9225	Parts and attachments, NEC, for electric industrial furnaces and ovens	2,304,790	570,941	12,833
712.5068	Tracklaying tractors, 200 net engine horsepower and over	2,284,422	2,284,422	706,266
211.1010	Cattle hides, whole	2,074,497	1,608,625	452,003
717.1150	Spinning frames, textile	1,930,502	1,499,720	-
251.6000	Woodpulp, chemical dissolving	1,680,354	1,070,734	1,256,662
712.5018	Wheel tractors NEC, 100 maximum horsepower and over	1,321,356	369,882	1,230,360
715.2256	Parts, NEC, for hot rolling mill machinery, except tube mill machinery	1,266,753	1,255,036	2,739,135
332.9410	Petroleum coke, calcined	1,264,644	636,000	1,763,463
719.1442	Metal processing furnaces, etc., nonelectric	1,247,386	86,400	15,356
711.4130	Internal combustion engines, new, non-military, aircraft, 500 horsepower and over	1,238,460	1,238,460	-
719.1450	Parts and attachments, NEC, for nonelectric metal processing furnaces and ovens	1,169,968	1,169,968	2,320
714.9216	Parts and accessories for basic electronic computers	1,130,344	524,618	770,786
	Total exports itemized above	$75,637,420	$42,414,359	$14,803,723
	Total U.S. exports to Yugoslavia	$13,357,634	$75,400,573	$78,692,318

Table A9.--Leading items imported from Romania in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
475.0550	Fuel oil, Saybolt Universal viscosity 145 seconds or more, NES, under 25 degrees A.P.I.	$42,088,371	$19,939,880	$ 3,321,103
107.3525	Canned hams, shoulders, over 3 pounds	4,890,297	2,139,865	927,475
692.3020	New wheel agricultural tractors, 35 belt horsepower and over	4,872,118	3,121,933	2,780,753
700.4540	Women's leather footwear, cement soles, valued over $2.50 per pair	2,313,546	1,238,833	552,571
626.0200	Unwrought zinc, except alloyed	1,956,784	354,175	-
309.4342	Polyester fiber, wholly of filament, not cellulosic	1,733,346	737,927	-
608.8744	Steel sheet, pickled or cold rolled, not shaped or coated	1,252,914	-	-
700.2718	Leather welt work footwear, valued $5 - 6.80 per pair	1,196,430	836,801	16,088
380.6650	Men's and boys' wool suits, not knit, valued over $4	1,174,059	1,047,671	-
107.3560	Pork NES, boned, cooked, and canned	1,156,394	797,802	62,603
380.1260	Men's and boys' cotton suit-type coats, NES, not knit, valued over $4	1,042,110	449,509	-
700.2738	Men's leather welt footwear NES, valued $5 - 6.80 per pair	918,707	264,032	-
382.1224	Women's, girls' and infants' cotton coats, not knit, valued over $4	837,317	282	-
546.5400	Glassware NES, valued 30¢ - $1 each	809,790	614,772	190,087
700.2940	Leather welt work footwear, valued over $6.80 per pair	802,744	538,017	3,041
700.3550	Men's leather footwear NES, cement soles	793,187	414,753	106,594
117.6700	Pecorino cheese, not for grating	741,551	266,828	174,152
360.1500	Floor coverings of pile, etc., valued over 66-2/3 cents per square foot	739,443	466,647	9,147
382.1206	Women's raincoats NES, valued over $4, 3/4 length, not knit	651,831	188,715	-
727.3500	Wood furniture NSPF	631,255	309,736	75,041
	Total imports itemized above	$70,602,194	$33,658,178	$ 8,218,655
	Total U.S. imports from Romania	$91,696,575	$45,202,769	$17,534,281

Table A10.--Leading items exported to Romania in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
221.4000	Soybeans	$31,621,417	$16,440,226	-
211.1010	Cattle hides, whole	10,942,757	6,448,227	$1,911,027
211.4000	Goat and kid skins, undressed	7,699,500	7,699,500	-
251.6000	Woodpulp, chemical dissolving	3,997,708	715,465	1,445,417
081.3030	Soybean oil-cake and meal	3,688,503	2,043,436	-
041.0020	Wheat, unmilled, except for relief	3,360,713	-	-
044.0060	Yellow corn, unmilled, NEC	2,946,726	-	28,908,970
321.4020	Bituminous coal	2,232,138	2,232,138	-
271.3010	Florida phosphate hard rock and land pebble	1,996,655	1,996,655	1,615,016
714.9216	Parts and accessories for basic electronic computers	1,576,215	489,226	642,924
674.7030	Electrolytic tin plate, primary	1,261,130	1,261,130	13,460
719.5454	Parts, NEC, for metalworking type machine tools	1,219,500	-	-
861.9946	Parts and accessories, NEC, for industrial instruments, NEC	1,137,429	511,758	35,438
271.3040	Natural phosphate fertilizer	1,045,950	-	-
719.2170	Parts and attachments, NEC, for pumps for liquids	986,262	25,600	161,650
599.2080	Herbicidal preparations	869,626	-	-
715.1002	Horizontal boring and drilling machines, new	831,895	500,705	-
251.7220	Pulp, sulfate, softwood, bleached	663,878	663,878	-
719.2250	Parts and attachments, NEC, for pumps and compressors, NEC	609,533	5,567	710
711.4160	Internal combustion aircraft engine parts, NEC	554,081	83,567	11,503
	Total exports itemized above	$79,241,616	$41,117,078	$34,746,115
	Total U.S. exports to Romania	$89,216,896	$46,175,131	$47,902,848

Table A11.--Leading items imported from Czechoslovakia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
608.7100	Steel wire rods, not alloy, not tempered, valued over 4¢ per pound	$ 1,771,190	$ 867,727	-
107.3525	Canned hams, shoulders, over 3 pounds	1,108,510	513,061	$ 210,516
674.3280	Boring, drilling, and milling machines, except numerically controlled, NES	896,369	494,236	205,903
192.2500	Hops	698,712	1,270	-
700.3550	Men's leather footwear NES, cement soles	633,389	421,250	259,703
741.3500	Imitation gemstones, except beads	505,418	176,810	238,201
668.2045	Printing presses NES	385,322	210,607	282,763
546.5400	Glassware NES, valued 30¢ - $1 each	362,824	262,335	73,079
546.5600	Glassware NSPF, valued $1 - $3 each	359,261	232,350	87,504
727.1500	Furniture and parts of bentwood	350,382	190,932	87,208
670.0620	Spinning machines	323,645	265,767	-
124.1025	Mink furskins, except Japanese, undressed	323,092	262,806	97,072
700.2960	Men's leather welt footwear NES, valued over $6.80 per pair	317,150	103,305	129,737
674.3504	Engine lathes, metal-cutting	284,635	139,264	141,032
700.2738	Men's leather welt footwear NES, valued $5 - $6.80 per pair	273,871	138,476	338,251
437.3000	Antibiotics, natural, not artificially mixed	266,560	114,240	147,200
270.2580	Books NSPF, including books of foreign authorship	256,304	87,020	68,482
335.9500	Other woven fabrics of vegetable fiber, NES, weighing over 4 ounces per square yard	253,094	90,068	139,237
1/ 545.5700	Glass prisms for chandeliers, wall brackets, etc.	225,403	90,952	88,968
674.3258	Vertical boring machines and turret lathes, except numerically controlled	220,424	169,394	-
	Total imports itemized above	$ 9,815,555	$4,831,870	$2,594,856
	Total U.S. imports from Czechoslovakia	$16,237,087	$8,357,265	$6,613,637

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

Table A12.--Leading items exported to Czechoslovakia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
081.3030	Soybean oil-cake and meal	$23,005,898	$17,742,595	$7,526,284
044.0060	Yellow corn, unmilled, NEC	17,399,222	13,420,015	-
211.1010	Cattle hides, whole	5,387,199	2,537,515	1,973,516
121.0005	Tobacco, flue-cured leaf, unstemmed	3,807,146	2,468,008	1,041,078
513.6932	Inorganic bases, etc., NEC	796,525	-	-
221.5000	Flaxseed	790,150	790,150	-
714.9216	Parts and accessories for basic electronic computers	686,752	313,902	100,488
712.5068	Tracklaying tractors, 200 and over net engine horsepower	577,272	-	140,627
891.1135	Magnetic tape recorders, video	566,317	199,573	151,302
054.8400	Hops, fresh or dried	534,391	-	-
122.3030	Smoking tobacco, in bulk	481,100	198,100	-
221.0530	Sunflower seed	458,279	458,279	-
891.1210	Dictating and recording machine parts	450,749	312,612	158,936
656.9240	Made-up textile articles of textile fibers, NEC	379,592	379,592	-
221.1010	Peanuts, shelled, green	379,400	168,500	-
251.7210	Wood pulp, sulphate, bleached, hardwood	367,996	367,996	-
715.2120	Molding machines, and parts, NEC	323,688	323,688	-
712.5042	Wheel tractors, contractors, new, 300 and over maximum engine horsepower	300,308	300,308	-
714.9206	Input/output devices for electronic computers, and parts	294,012	238,327	98,535
715.1062	Sawing and cut-off machines, valued $1,000 and over	258,103	-	-
	Total exports itemized above	$57,244,099	$40,219,160	$11,190,766
	Total U.S. exports to Czechoslovakia	$65,059,209	$44,410,949	$15,167,638

Table A13.--Leading items imported from the German Democratic Republic in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
480.5000	Potassium chloride, crude	$1,305,793	$ 225,793	-
124.1025	Mink furskins, except Japanese, undressed	581,522	441,164	$ 134,497
494.2000	Montan wax	371,538	149,518	181,311
722.1620	Still 35-millimeter cameras, valued over $10	315,717	165,041	113,460
121.5000	Pig and hog leather	258,355	158,375	72,795
546.5800	Glassware NSPF, valued over $3 each, cut or engraved	203,695	104,698	99,543
546.5600	Glassware NSPF, valued $1 - $3 each	178,318	63,470	119,528
674.3280	Boring, drilling, and milling machines, except numerically controlled, NES	157,827	71,453	-
668.2035	Offset printing presses, 3500 pounds and over, sheet-fed type	157,366	57,754	173,744
676.0530	Portable typewriters, non-automatic, without calculating mechanisms	104,148	104,148	-
670.2000	Knitting machines NES, except circular knitting machines	86,000	86,000	-
534.1100	Ceramic statues, etc., valued over $2.50, by professional sculptors	82,641	54,439	71,710
608.7100	Steel wire rods, not alloy, not tempered, valued over 4¢ per pound	80,828	-	-
712.4900	Testing and measuring instruments and parts, NES	77,066	21,295	16,379
685.3060	Other portable radio-phonographs	72,903	40,299	-
748.2100	Artificial flowers, etc., NES	72,282	37,809	30,882
684.5010	Electric hair curlers	69,561	69,561	-
725.0320	Grand pianos	68,199	35,812	-
674.3565	Metal-forming machine tools, NES	67,815	37,815	-
725.2480	Woodwind instruments NES	60,890	42,026	30,484
	Total imports itemized above	$4,372,464	$1,966,470	$1,044,333
	Total U.S. imports from the German Democratic Republic	$6,172,661	$2,824,164	$2,148,726

Table A14.--Leading items exported to the Germam Democratic Republic in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
041.0020	Wheat, unmilled, except for relief	$7,812,664	$4,009,171	-
044.0060	Yellow corn, unmilled, NEC	6,807,831	6,807,831	-
043.0000	Barley, unmilled	6,403,904	6,403,904	-
045.9015	Grain sorghums, unmilled	2,709,243	2,709,243	-
051.1010	Fresh oranges	1,149,004	1,149,004	$1,210,450
011.6040	Pork livers, fresh or frozen	851,075	492,067	167,645
051.2010	Fresh lemons	471,744	471,744	-
561.2910	Concentrated superphosphate	412,802	-	-
212.0010	Muskrat furskins, undressed	240,850	108,600	-
664.1300	Glass, unworked, in balls, etc.	231,200	184,550	-
861.6940	Still picture equipment, etc., NEC	195,073	195,073	-
251.6000	Wood pulp, chemical dissolving	165,600	165,600	82,800
421.8010	Soft salad oils, crude, NEC	164,921	-	-
891.1135	Magnetic tape recorders, video	146,872	26,185	37,725
263.2011	Linters, chemical grade	134,571	102,518	57,667
719.1538	Reciprocating liquid chilling packages	117,492	-	-
861.9830	Optical measuring instruments	93,847	49,317	5,669
718.2950	Printing machines NEC	89,233	89,233	-
729.5262	Instruments for physical or chemical analysis	82,467	69,275	-
211.1010	Cattle hides, whole	81,944	81,944	-
	Total exports itemized above	$28,362,337	$23,115,259	$1,561,996
	Total U.S. exports to the German Democratic Republic	$29,242,651	$23,423,445	$3,030,537

Table A15.--Leading items imported from Hungary in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
107.3525	Canned hams, shoulders, over 3 pounds	$ 8,478,512	$3,620,290	$2,568,062
1/ 678.5070	Machines NSPF, and parts	3,030,871	1,404,060	-
107.3540	Pork bacon, boned, cooked, and canned	1,512,875	665,007	9,468
686.9030	Other lamps, including household	1,462,623	679,999	2/
692.3060	Parts of agricultural tractors	1,042,896	1,042,896	653,087
130.3000	Corn or maize certified seed	903,163	-	-
437.2000	Alkaloids and compounds NSPF, synthetic	471,638	98,557	-
750.2600	Whiskbrooms, valued not over 32¢ each (under quota)	393,618	64,794	-
161.7100	Paprika	305,449	153,599	1,856
167.3040	Wine, over 14% alcohol, valued over $4 per gallon, containers not over 1 gallon	267,501	120,588	24,841
546.5400	Glassware NES, valued 30¢ - $1 each	264,104	85,586	83,869
772.5115	Pneumatic truck and bus tires, new	250,415	142,434	-
790.3900	Inflatable articles NSPF	219,682	96,383	99,012
686.9010	3-way lamps, 150 watts and under	188,986	105,945	2/
542.3120	Ordinary glass, 16-18.5 ounces per square foot, not over 40 united inches	185,963	144,893	132,220
274.4000	Postage stamps, government envelopes and postal cards	168,529	86,811	97,415
772.5105	Automobile tires, new	147,086	147,086	-
750.2900	Brooms, valued not over 96¢ each (under quota)	143,940	65,838	35,605
521.9100	Cryolite or kryolith	143,586	-	-
107.3560	Pork NES, canned, boned, and cooked	139,455	-	-
	Total imports itemized above	$19,720,892	$8,724,766	$4,677,523
	Total U.S. imports from Hungary	$22,073,448	$9,734,004	$7,932,935

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

2/ Prior to January 1, 1976, items 686.9030 and 686.9010 were combined in a more inclusive category, 686.9000 (now deleted). While it is impossible to present separate figures for the two new items for the second quarter of 1975, their combined value of $972,088 has been added into the quarterly total of U.S. imports from Hungary.

Table A16.--Leading items exported to Hungary in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
561.2910	Concentrated superphosphate	$9,178,152	$3,662,937	-
081.3030	Soybean oil-cake and meal	8,306,025	3,139,675	$13,266,885
732.8920	Parts and accessories, NEC, for wheel tractors	2,945,166	1,955,905	1,101,171
211.1010	Cattle hides, whole	1,537,165	837,222	441,001
714.9206	Input/output devices for electronic computers, and parts	1,106,567	809,277	190,972
712.1005	Planters and transplanters	940,114	-	4,570
512.0672	Insecticides and agricultural chemicals, NEC	880,000	-	-
712.5018	Wheel tractors NEC, 100 maximum horsepower and over	740,840	24,558	2,199,157
292.5010	Alfalfa seed, certified	707,802	-	-
664.1300	Glass, unworked, in balls, etc.	653,601	355,905	180,517
001.1010	Dairy cattle, for breeding	538,500	538,500	926,100
211.6000	Sheep and lamb skins, with wool on, undressed	465,962	202,825	429,442
211.2020	Kip skins	450,306	400,440	289,986
712.9965	Parts and attachments, NEC, for agricultural machines	398,356	156,996	21,832
044.0030	Corn seed, except sweet corn	393,233	124,193	31,139
892.9200	Plans and drawings, not printed	357,975	120,600	-
599.9920	Compound catalysts, except nickel	321,122	321,122	-
292.5005	Alfalfa seed, uncertified	295,068	-	-
718.3970	Food-processing machinery and equipment, NEC	274,626	274,626	-
891.1135	Magnetic tape recorders, video	261,229	261,229	-
	Total exports itemized above	$30,751,809	$13,186,010	$19,082,772
	Total U.S. exports to Hungary	$34,615,272	$15,221,374	$21,914,736

Table A17.--Leading items imported from Bulgaria in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
170.2800	Cigarette leaf, not stemmed, not over 8.5 inches	$3,734,516	$2,439,692	$ 58,617
161.7100	Paprika, ground or unground	349,652	150,046	191,615
117.6700	Pecorino cheese, not for grating	208,910	-	117,338
452.6000	Rose oil or attar of roses	120,307	11,313	-
165.1500	Apple and pear juice, not over 1% alcohol	68,193	68,193	-
439.1040	Natural crude drugs of vegetable origin	47,067	18,957	39,145
546.5400	Glassware NES, valued 30¢ - $1 each	41,870	31,931	8,106
274.4000	Postage stamps, government envelopes and postal cards	39,883	33,050	-
632.4000	Unwrought selenium and waste and scrap	35,941	20,569	25,628
546.5200	Glassware NES, valued not over 30¢ each	31,113	15,417	8,388
161.0300	Crude basil	20,391	13,761	-
149.2600	Dried prunes and plums	19,705	6,446	-
124.1057	Whole furskins NES, raw	18,662	17,157	-
161.1700	Cinnamon and chips, unground	15,922	15,922	-
124.1020	Whole marten furskins, undressed	13,112	13,112	-
170.4000	Filler tobacco, including cigar leaf, not stemmed, NES	11,864	11,864	-
193.2500	Crude vegetable substances, NSPF	10,599	5,185	3,555
274.7000	Photographic film for printing plates	5,500	5,500	-
435.0500	Aconite, aloes, etc., crude	4,800	4,800	-
674.3232	Drilling machines, upright, single spindle, except numerically controlled	4,435	4,435	-
	Total imports itemized above	$4,802,442	$2,887,350	$452,392
	Total U.S. imports from Bulgaria	$4,845,063	$2,907,446	$868,403

Table A18.--Leading items exported to Bulgaria in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
044.0060	Yellow corn, unmilled, NEC	$28,447,575	$15,892,477	$7,428,513
283.8000	Lead and zinc ore concentrates	1,764,000	1,764,000	-
715.2140	Foundry machines, and parts, NEC	1,609,600	201,120	-
712.2020	Harvesting machines, NEC	815,664	815,664	63,650
729.3075	Integrated circuits, semiconductor, monolithic, digital	548,306	202,011	-
231.2065	Synthetic rubber and substitutes	375,221	-	-
211.1010	Cattle hides, whole	358,171	-	-
714.3005	Digital electronic computers	358,165	-	-
891.1135	Magnetic tape recorders, video	297,840	140,140	-
729.5276	Industrial process temperature instruments, direct-deflect electric or electronic	277,424	-	-
714.9206	Input/output devices for electronic computers, and parts	253,410	-	-
719.3220	Industrial trucks and tractors, operator riding, electric powered	240,690	-	-
714.9209	Storing devices (except ready access) for electronic computers and parts	207,276	207,276	-
712.9960	Agricultural machines, NEC	163,404	-	-
714.3020	Machines for preparing tape or punched cards	143,973	-	139,327
719.6226	Parts, NEC, for food production machines, except dairy	142,133	142,133	-
864.1400	Watch cases and parts thereof	138,000	69,000	-
541.7036	Preparations acting primarily on digestive system, etc., dosage or retail sale, NEC	104,040	52,020	1,424
121.0010	Tobacco, flue-cured leaf, stemmed	88,376	44,188	-
718.3960	Fruit - and vegetable-processing equipment	82,028	74,518	96,706
	Total exports itemized above	$35,415,296	$19,604,547	$7,729,620
	Total U.S. exports to Bulgaria	$37,796,349	$20,377,304	$9,156,875

Table A19.--Leading items imported from Albania in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
161.9400	Unground sage	$471,129	$279,331	$175,072
470.5500	Myrobalan and sumac	6,956	-	5,000
360.1500	Floor coverings, pile, etc. over 66-2/3¢ per square foot in value	2,551	-	-
124.1057	Whole furskins, NES, raw	1,872	1,872	-
653.2260	Metal coins NES	689	689	-
	Total imports itemized above	$483,197	$281,892	$180,072
	Total U.S. imports from Albania	$483,197	$281,892	$180,927

Table A20.--Leading items exported to Albania in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
891.1135	Recorders, magnetic tape, video	$346,715	-	-
891.1210	Dictating and recording machine parts	133,073	-	-
891.2040	Magnetic tape, video	96,883	$ 96,883	$5,805
656.9240	Made-up textile articles, NEC, of textile fibers, NEC	78,584	78,584	-
861.9920	Parts for test apparatus, NEC	1,188	1,188	-
	Total exports itemized above	$656,443	$176,655	$ 5,805
	Total U.S. exports to Albania	$656,443	$176,655	$55,007

Table A21.--Leading items imported from Cuba 1/ in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
765.1000	Engravings, etchings, lithographs, etc., unbound	$1,460	$1,460	-
	Total imports itemized above	$1,460	$1,460	-
	Total U.S. imports from Cuba	$1,460	$1,460	$1,200

1/ U.S. trade with Cuba has been under an embargo since February 7, 1962, when President Kennedy, acting under the authority of Section 620(a) of the Foreign Assistance Act of 1961, as amended, issued Presidential Proclamation 3447 that declared the embargo. Under Section 620(a) of the Foreign Assistance Act of 1961 the Secretary of Commerce is directed to carry out the prohibition on exports, while the Secretary of the Treasury enforces the prohibition on imports. In both cases exceptions may be granted when determined to be appropriate by the respective Secretaries. To date, the number of exceptions granted has been minimal so that trade between the two countries is almost nil.

Table A22.--Leading items exported to Cuba 1/ in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
599.2035	Organic phosphate containing pesticidal preparations, except fly sprays and aerosols	$34,000	-	-
541.8000	Medicinal and phamaceutical products, for relief	20,300	-	-
732.0140	Passenger cars, nonmilitary, assembled, over 6 cylinders, new	5,087	$5,087	-
714.1010	Typewriters, standing, electric, new	2,474	-	-
664.4020	Plate glass, rectangular, unworked	2,000	-	-
861.9920	Parts for testing apparatus, NEC	1,682	1,682	-
861.5070	Parts, NEC, for motion picture cameras and projectors	1,557	-	-
931.0020	Commodities donated for relief	1,208	1,208	-
861.9810	Instruments, laboratory or scientific, for physical or chemical analysis	1,033	1,033	-
	Total exports itemized above	$69,341	$9,010	-
	Total U.S. exports to Cuba	$69,341	$9,010	$19,153

1/ See footnote 1/ in Table A21.

Table A23.--Leading items imported from the People's Republic of Mongolia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

TSUSA number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
306.4293	Camel hair, sorted, etc.	$1,032,139	$450,397	$294,178
306.6200	Cashmere goat hair, sorted, etc.	231,803	170,873	103,233
124.1025	Mink furskins, except Japanese, undressed	39,074	39,074	12,987
124.1045	Sable furskins, whole, raw	21,888	21,888	-
306.4394	Camel hair, scoured	17,354	17,354	27,917
124.1057	Whole furskins NES, raw	5,800	5,800	19,154
186.5540	Goat and kid hair, except beards	1,533	1,533	-
	Total imports itemized above	$1,349,591	$705,386	$457,469
	Total U.S. imports from the People's Republic of Mongolia	$1,349,591	$705,386	$510,796

Table A24.--Leading items exported to the People's Republic of Mongolia in the first six months of 1976 with corresponding figures for the second quarters of 1976 and 1975

(In U.S. dollars)

Schedule B number	Description	January-June 1976	Second quarter 1976	Second quarter 1975
861.9710	Laboratory or scientific instruments for measuring, etc., liquid or gas	$8,774	$8,774	-
861.9822	Instruments for chemical analysis	4,920	-	-
931.0020	Commodities donated for relief	2,350	2,350	$4,167
714.9275	Parts and accessories for duplicating machines, except off-set type	2,239	2,239	-
665.8100	Glassware, laboratory, hygienic, or pharmaceutical	1,942	1,942	-
861.7150	Medical, surgical, ophthalmic, and veterinary instruments and apparatus, NEC	1,573	-	-
725.0110	Refrigerators, electric, household	1,336	1,336	-
	Total exports itemized above	$23,134	$16,641	$4,167
	Total U.S. exports to the People's Republic of Mongolia	$23,134	$16,641	$4,741