THE FEASIBILITY OF MUTUALLY BENEFICIAL TRADE NEGOTIATIONS BETWEEN THE UNITED STATES AND ITS MAJOR TRADING PARTNERS AMONG LESS DEVELOPED COUNTRIES

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PREFACE

This study attempts to determine the feasility of mutually beneficial tariff reductions on a traditional most-favored-nation basis between the United States and four more-advanced less developed countries--Mexico, Brazil, Taiwan, and Korea. Using the principal supplier rule, dutiable trade flows that could form a basis for trade negotiation are identified and the potential trade expansion following tariff reductions is estimated. Three complicating factors are explicitly taken into account. They are the Generalized System of Preferences, spillovers, and Offshore Assembly Provision of the Tariff Schedule of the United States.

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CHAPTER I

INTRODUCTION

The key proposal of the United Nations Conference on Trade and Development (UNCTAD) held in 1964, was for developed market economies (DMEs) to grant preferential tariff treatment in favor of manufactured and semimanufactured exports originating in less developed countries (LDCs).[1] On January 1, 1976, the United States (U.S.) implemented its "Generalized System of Preferences" (GSP).[2] The system is designed to achieve three objectives, namely, an increase in export earnings for the LDCs, the promotion of industrialization in these countries, and an acceleration of economic growth. While it, no doubt, will help alleviate trade problems of some LDCs, the U.S. GSP does have its limitations. For example, not all LDCs nor all manufactured products are covered by the scheme.[3] Regarding product coverage, it not only excludes from duty-free treatment many products of considerable export interest to individual LDCs on grounds they are "import-sensitive" articles, but also places

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[1] For a dispassionate exploration of GSP and skeptical conclusions, see Gardner Patterson, "Would Tariff Preferences Help Economic Development?," Lloyds Bank Review, No. 76, April 1965, pp. 18-30. Harry Johnson presented a rebuttal to Patterson's article in the same review a year later.

[2] Title V of the Trade Act of 1974, Public Law 93-618, Dec. 23, 1974, authorized the President to extend duty-free treatment to certain eligible products imported into the U.S. from beneficiary developing countries for a ten year period.

[3] Twenty-six countries are specifically excluded from GSP treatment.

"competitive need" restrictions on the value of imports that can enter the country at preferential rates for those items that are covered by the scheme.[4] Specifically, almost all footwear, textiles, and wearing apparel are excluded as are watches, glass articles, and certain steel products.[5] Preferential treatment does not apply to imports of an article from a particular developing country if the country supplies 50 percent of the total value of U.S. imports, or $25 million of the article.[6] The GSP is essentially an unilateral concession of a temporary nature. Nothing, in effect, is being sought by the U.S. in return from developing countries and the system will expire after ten years.[7] Under the GSP arrangements, the U.S. is free to restrict imports from LDCs whenever a domestic industry affected by the scheme is in economic difficulty.[8] It is unlikely that the system will be significantly improved in the future.

For the purpose of trade expansion, a more promising policy approach may be for LDCs to negotiate with the U.S. for reciprocal tariff

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[4]"Competitive need" restrictions apply to exports of LDCs that are competitive in the world market without preferences.

[5]Import-sensitive articles not eligible for duty-free treatment are explicitly listed in part (c) of Section 503 of PL. 93-618.

[6]Section 504 of PL. 93-618 contains limitations on preferential treatment.

[7]PL. 93-618, Section 505, Time Limit on Title; Comprehensive Review.

[8]Section 2007, Federal Register: "An interested party may submit a request that the duty-free treatment accorded to eligible articles under the GSP be withdrawn, suspended or limited."

reductions on a traditional most-favored-nation (MFN) basis.[9] There is a real possibility that mutually beneficial tariff concessions can be identified. This alternative approach offers several advantages to LDCs: First, in all likelihood, MFN tariff cuts would cover a range of products presently excluded from the GSP list. Second, with no limits on the volume of trade, MFN cuts would provide more favorable access to the U.S. market. Third, unlike the GSP which has a fixed duration, any MFN cuts would be permanent. Potential benefits to the U.S. in such negotiations include concessions by LDCs in reducing their own excessive protection of domestic import-substitution industries and/or provisions for adequate access to the supply of raw materials from these countries. This reciprocal approach to tariff negotiations between the U.S. and its LDC trading partners seems to offer a better chance of long term success than the demand for unilateral concessions under the GSP.

The purpose of this study is to examine the structure of bilateral trade between the U.S. and a sample group of more-advanced LDCs. Its objective is to determine, in quantitative terms, the feasibility of mutually beneficial tariff reductions that will stimulate LDC export expansion beyond that obtainable through the GSP arrangements while providing reciprocal benefits to the U.S. The idea is to see whether or not there remain significant tariff barriers, in both the U.S. and the LDCs, affecting bilateral trade flows. In making such a determination, items among U.S. imports that are of negotiable interest to individual

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[9] It is within the authority of the President provided by PL. 93-618, Section 105, "...to enter into trade agreements with developing countries which promote the economic growth of both developing countries and the U.S. and the mutual expansion of market opportunities.

LDC and import items of each LDC that are of negotiable interest to the U.S. are identified; appropriate tariff rates are then attached and the magnitude of the potential trade expansion that would follow total elimination of such trade barriers are estimated. To the extent possible, this coverage will be adjusted for special provisions of national commercial policies. In addition, three special features will be considered. First, any MFN tariff reductions made by the U.S. on commodities of export interest to individual countries within the selected group will generate additional imports from other sources as well. Such "spillover benefits" may be considerable since many LDCs have similar trade patterns. Second, MFN tariff cuts on products presently covered by the GSP will cause erosion in the margin of preference enjoyed by beneficiary LDCs over non-beneficiary countries. Such "spillover costs" need to be compared with potential trade gains. Third, some U.S. imports contain a significant intermediate input component shipped from the U.S. for reimportation under articles 806.30 and 807.00 of the U.S. tariff schedule. Duties on such Offshore Assembly Provision (OAP) imports are levied on the foreign assembly value-added only. Tariff reductions on those imports tend to reduce the demand for domestic components and increase the demand for domestic assembly.

To facilitate calculations, as well as to allow a more in-depth study of the systems of protection in individual countries, attention is limited to four LDCs. Considerations of trading position and regional balance have led to the selection of two countries from Latin America - Mexico, Brazil, and two from Asia - Taiwan, Korea. Mexico is the fourth largest trading partner of the U.S. whose proximity to the U.S. puts her in a favorable position for expanded trade relations with this country.

Brazil is the largest and perhaps the most advanced country in South America with abundant natural resources and a strong trade position in world markets for commodities such as coffee and cocoa. That country is also the seventh major trading partner of the U.S. In the cases of Taiwan and Korea, largely through export expansion, both countries have achieved exceptionally high rates of economic growth in recent years. They have maintained special political and economic ties with the U.S. for over a quarter of a century. These four countries account for over a quarter of total U.S. imports from all LDCs excluding petroleum exporting countries.[10] They are generally considered fairly competitive in world markets for certain product categories and are most likely to benefit from any trade policy of DMEs designed to promote LDC export expansion

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[10] Figures are computed from data found in International Monetary Fund, Direction of Trade, 1975.

CHAPTER II

U.S. IMPORTS OF NEGOTIABLE INTEREST TO SAMPLE LDCS AND U.S. TARIFF PROTECTION

U.S. Imports Principally Supplied by the Selected Group of LDCs

The first step in the investigation is to identify lists of traded articles most likely to be of interest to the U.S. and individual LDCs in tariff negotiations. The criterion to be used is the principal supplier rule. That is, to select items for which the U.S. or any individual LDC is the largest single supplier in bilateral trade. To determine items of interest to LDCs, data from the U.S. Imports For Consumption and General Imports for 1974 (FT246/Annual 1974) were scanned to identify those 7-digit TSUS commodities where at least one of the four countries in the sample group was the principal supplier based on f.a.s. valuation. No minimum value or market share restrictions were imposed. This subset should include virtually all items for which any one of the selected LDCs was the largest supplier at TSUS 5-digit level of disaggregation. By further processing of data, such 5-digit items were identified.[1]

Table I summarizes information on U.S. imports principally supplied

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[1] It is necessary to identify principal supplier items at 7-digit TSUS level and then aggregate them into 5-digit subgroups because only 7-digit commodity trade figures are reported in FT 246 but available tariff information are for 5-digit subgroups only.

by the selected group of four countries. Total U.S. imports from all sources in principal supplier (P.S.) items of countries in the sample group amounted to $8.8 billion. Over one third of this sum, or $3.3 billion came from the principal supplier and the remaining $5.5 billion was supplied by all other countries. The distribution between principal suppliers and other sources could indicate the extent of potential spillover effects of MFN tariff reductions on P.S. items. The principal supplier trade represented 38% of $8.7 billion total U.S. imports from the sample group of LDCs. Among individual countries, P.S. trade was of greater importance to Mexico and Taiwan than to Brazil and Korea. For these four countries, the percentage shares of such trade in total U.S. imports were, respectively, 45, 47, 22, and 28.

Tables II, III, IV, and V provide further details on the commodity composition of P.S. trade with individual countries. Since there were a large number of 5-digit TSUS subgroups among U.S. imports for which one of the sample LDCs was the principal supplier, for each country total imports were classified by chapters of the TSUS.[2] For each product group, as well as total imports, the trade flow was divided into "dutiable" and "non-dutiable" components. "Non-dutiable" component included trade in duty-free articles and those eligible for GSP treatment, which indicates the portion of total P.S. trade that is no longer of immediate interest for further tariff reductions. Total "dutiable" trade appears to be the best measure of the amount of trade coverage available for bilateral negotiations. The share of dutiable trade in each product group

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[2]There were 300 such subgroups including 143 for Mexico, 49 for Brazil, 75 for Taiwan, and 33 for Korea.

TABLE I

SUMMARY INFORMATION ON U.S. IMPORTS PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS

Country		Mexico	Brazil	Taiwan	Korea	Total
Total U.S. Imports From Each Country	($mil)	3,386	1,705	2,108	1,460	8,659
Total U.S. Imports in P.S. Items From All Sources	($mil)	4,304	861	2,708	930	8,804
U.S. Imports in P.S. Items From Principal Supplier	($mil)	1,520	372	989	405	3,286
Import Share of Principal Supplier in P.S. Trade	(%)	35	43	37	44	37
Share of P.S. Trade in Total Imports From Each Country	(%)	45	22	47	28	38

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
International Monetary Fund, Direction of Trade, Annual 1970 - 74.

TABLE II

SUMMARY INFORMATION ON U.S. IMPORTS
PRINCIPALLY SUPPLIED BY MEXICO

Commodity Group Description	Total U.S. Imports ($mil)	Dutiable ($mil)	Non-Dutiable* ($mil)	Share Dutiable %	Share of Imports From Mexico ** %
(1) Animal & Vegetable Products	505	293	213	58	33
(2) Wood & Paper; Printed Matter	45	39	6	87	3
(3) Textile Fibers & Products	81	38	43	47	5
(4) Chemical & Related Products	54	7	46	14	4
(5) Nonmetallic Minerals & Products	73	66	7	90	5
(6) Metals & Metal Products	732	220	512	30	48
(7) Footwear; Headwear; Scientific & Musical Instruments	29	19	9	67	2
Total	1,520	683	837	45	100

* Including net GSP trade.
** Total may not sum to 100 due to rounding.

Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE III

SUMMARY INFORMATION ON U.S. IMPORTS PRINCIPALLY SUPPLIED BY BRAZIL

Commodity Group Description	Total U.S. Imports ($mil)	Dutiable ($mil)	Non-Dutiable* (%)	Share Dutiable (%)	Share of Imports From Brazil** (%)
(1) Animal and Vegetable Products	259	50	209	19	70
(2) Wood and Paper; Printed Matter	34	0	34	0	9
(3) Textile Fibers and Products	8	6	2	75	2
(4) Chemical and Related Products	40	23	17	58	11
(5) Nonmetallic Minerals & Products	1	0	1	0	0
(6) Metals and Metal Products	9	7	2	71	3
(7&9) Mang Ore; Guns; Footwear	19	18	2	91	5
Total	372	103	269	28	100

Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

* Including net GSP trade.
** Total may not sum to 100 due to rounding.

TABLE IV

SUMMARY INFORMATION ON U.S. IMPORTS
PRINCIPALLY SUPPLIED BY TAIWAN

Commodity Group Description	Total U.S. Imports ($mil)	Dutiable ($mil)	Non-Dutiable* ($mil)	Share Dutiable %	Share of Imports From Taiwan** %
(1) Animal & Vegetable Products	28	28	0	99	3
(2) Wood & Paper; Printed Matter	30	20	10	65	3
(3) Textile Fibers & Products	296	296	0	100	30
(4) Chemical & Related Products	6	6	0	95	1
(5) Nonmetallic Minerals & Products	2	2	0	100	0
(6) Metals & Metal Products	359	350	9	97	36
(7) Footwear; Luggage; Sporting Goods; etc.	267	238	29	89	27
Total	989	938	49	95	100

* Including net GSP trade.
** Total may not sum to 100 due to rounding.

Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE V

SUMMARY INFORMATION ON U.S. IMPORTS
PRINCIPALLY SUPPLIED BY KOREA

Commodity Group Description	Total U.S. Imports ($mil)	Dutiable ($mil)	Non-Dutiable* ($mil)	Share Dutiable %	Share of Imports From Korea** %
(1) Animal & Vegetable Products	2	2	0	100	1
(2) Wood & Paper; Printed Matter	122	122	0	100	30
(3) Textile Fibers & Products	92	92	0	100	23
(4) Chemical & Related Products	7	7	0	100	2
(5) Metals & Metal Products	1	1	1	51	0
(7&9) Footwear; Sporting Goods; Wearing Apparel of Rubber, Plastics; Wigs	181	172	9	95	45
Total	405	396	9	98	101

* Including net GSP trade.
** Total may not sum to 100 due to rounding.

Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

and the relative importance of each group in total P.S. trade were determined for each LDC.

Table II illustrates the distribution of P.S. trade of Mexico among individual commodity groups. There appeared to be heavy concentration in animal and vegetable products, as well as metals and metal products. These two groups combined accounted for over four-fifths of total U.S. imports. Among animal and vegetable products, abalone, lobsters, and shrimp were responsible for close to one third of the total value; live cattle, sugar, and tomatoes accounted for another one third of imports in this group. Among metals and metal products, raw materials and finished products were both visible. Silver bullion, metal coins, and electronic components provided the bulk of the import value.

Out of $1.5 billion worth of total imports from Mexico, 45 percent were dutiable. For the commodity groups of heavy concentration, the shares were 58 and 30 percent.

Among imports from Brazil, as indicated in Table III, 70 percent were animal and vegetable products. Coffee and cocoa beans were by far the most important commodities. They accounted for 40 percent of total U.S. imports from that country. Castor oil was the only other individual commodity of considerable importance. Most imports from Brazil enjoyed duty-free treatment; less than a third of the total were dutiable.

Table IV provides the breakdown of the P.S. trade of Taiwan. That country's concentration in manufactures was quite pronounced. Over 90 percent of U.S. imports were in three groups of manufactured products - textile products; metal products; and miscellaneous manufactures. Among textile products, women's clothing took the lead, followed by men's and boys' clothing. For metal products group about 95 percent

in television receivers.[3] Footwear accounted for half of the total imports in the last group. Sporting equipment, luggage, house furnishings and gloves were responsible for most of the remaining trade value. Imports from Taiwan appeared to be more heavily taxed than those from Mexico or Brazil. Only 5 percent of the total were duty free. All of the textile products were dutiable and the dutiable shares for metal products and miscellaneous manufactures were 97 and 89 percent respectively.

In Table V, U.S. imports principally supplied by Korea are summarized. Almost all imports from that country fall in three groups - wood and paper, printed matter; Textile fibers and products; miscellaneous manufactures. The first two groups accounted for over half of the total. Plywood was the biggest item in the first group and men's or boys' suits were of equal importance in the second. Among miscellaneous manufactures, footwear of rubber and plastics, and wigs represented two thirds of the entire trade value. Wearing apparel of rubber was the only item with substantial value. Virtually all of the P.S. trade flows from Korea were dutiable. For the three major product groups, tariffs apply to 100 percent of the first two, and 95 percent of the third.

Summary

Based on detailed country considerations for 1974, it appears that much U.S. trade with this sample group of LDCs is highly specialized.

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[3] Taiwan's market share in television receivers was 34.3% as compared to 34.48% for Japan in 1974. Since Taiwan was so close to becoming the principal supplier and these items had such tremendous trade value, they were included in the analysis.

Principal supplier imports from the two Latin American countries are concentrated in raw materials and semi-manufactures and those from the two Asian countries in manufactured products. Also evident is the relatively small share of Latin American P.S. trade that is dutiable and the much larger share of Asian trade which is subject to tariffs. Appendix Tables XXXIX and XLII contain information on individual principal supplier items and the market shares of the sample group of developing countries.

U.S. Tariff Protection

The second step in the study consisted of assigning tariff rates to all 5-digit TSUS items principally supplied by the sample group of LDCs. Ad valorem tariff equivalents were available for most items from a printout supplied by the Office of the Special Trade Representatives for specific duties based on volume, tariff, and value data for 1974 trade flows. A few additional tariff rates were obtained from the 1976 TSUS schedule.

Tariff data affecting U.S. imports principally supplied by the four sample countries are summarized in Tables VI and VII. Table VI provides information on unweighted average ad valorem equivalent (Ave) rates for all P.S. items in individual commodity groups for each country. Table VII provides similar information for dutiable items only. The overall average "Ave" rates were respectively 10.5, 4.6, 11.6, and 15.2 percent for Mexico, Brazil, Taiwan, and Korea. However, rates applicable to product groups of major concentration are widely scattered around these national averages. For Mexico, the rate was 12.9 percent on animal and vegetable products; but the rate on metals and metal products was only 4.1 percent. The average rate on Brazil's single most

TABLE VI

SUMMARY INFORMATION ON TARIFF DATA AFFECTING U.S. IMPORTS
PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS
(For All Items)

Commodity Group Description	Mexico		Brazil		Taiwan		Korea	
	% Ave.*	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items
Animal & Vegetable Products	12.9	58	6.2	19	15.2	6	14.8	2
Wood & Paper; Printed Matter	2.6	6	0.0	7	8.1	8	15.5	3
Textile Fibers & Products	13.8	19	9.7	4	24.3	9	21.3	6
Chemical & Related Products	3.1	13	0.3	6	3.0	4	15.7	2
Nonmetallic Minerals & Products	10.6	15	0.0	3	21.0	2	-	0
Metals & Metal Products	4.1	14	2.4	5	6.9	12	8.0	2
All Other Products	12.5	18	11.0	5	10.6	34	13.9	18
Total	10.5	143	4.6	49	11.6	75	15.2	33

*Unweighted average ad valorem tariff rate.

Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE VII

SUMMARY INFORMATION ON TARIFF DATA AFFECTING U.S. IMPORTS
PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS
(For Dutiable Items Only)

SITC Section	Mexico		Brazil		Taiwan		Korea	
	% Ave.*	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	Ave.	No. of SITC Items
Animal & Vegetable Products	16.3	46	19.6	6	18.2	5	14.8	2
Wood & Paper; Printed Matter	3.9	4	0.0	0	16.2	4	15.5	3
Textile Fibers & Products	16.4	16	12.9	3	27.3	8	21.3	6
Chemical & Related Products	10.1	4	1.8	1	4.0	3	15.7	2
Nonmetallic Minerals & Products	13.3	12	0.0	0	21.0	2	-	0
Metals & Metal Products	8.2	7	6.0	2	10.4	8	16.0	1
All Other Products	17.3	13	13.8	4	14.4	25	16.7	15
Total	14.7	102	15.0	16	15.8	55	17.3	29

*Unweighted average ad valorem tariff rate.
Sources: U.S. Department of Commerce, FT 246/Annual 1974. Tariff data supplied by Trade Agreements Division, U.S. Department of State.

important product group - animal and vegetable products, was 6.2 percent which was slightly higher than the national average rate. On P.S. imports from Taiwan, the average "Ave" rates on major product groups were respectively 24.3, 6.9, and 10.6 percent for textile products, metal products, and miscellaneous manufactures. U.S. imports principally supplied by Korea were under the highest tariff rates among the sample group of LDCs. Relatively high rates of 15.5, 21.3, and 13.9 percent were applicable to major product groups - wood, textile products, and miscellaneous manufactures, respectively.

Average "Ave" rates for dutiable items only were uniformly higher than rates for all P.S. items. The differences reflect the importance of duty free trade including net GSP coverage.[4] For the purpose of this investigation, "Ave" rates on dutiable items only are a better indication of the trade expansion potential. Those rates were 14.7, 15, 15.8, and 17.3 percent overall for all imports principally supplied by Mexico, Brazil, Taiwan, and Korea, respectively. Average "Ave" rates applicable to product groups of major concentration were 16.3 and 8.2 percent for Mexico and 19.6 percent for Brazil. Rates on major import groups from Taiwan were 27.3, 10.4, and 14.4 percent. Korea's major product groups were subject to 15.5, 21.3, and 16.7 percent "Ave" rates.

It is evident that both simple average tariff rates associated with all P.S. items and average rates on dutiable items only were significantly higher for the sample group of LDCs than the 5-6 percent average U.S. tariff often quoted by U.S. International Trade Commission and other

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[4] It represents the sum of import values of all items eligible for GSP treatment minus the value of excluded imports related to country specific exclusions.

official agencies.[5] The combination of high tariff rates and substantial trade coverage would indicate that there might be a considerable trade expansion potential following tariff reductions. Further details on "Ave" tariff rates associated with 5-digit TSUS P.S. items of individual countries in the sample group are available in Appendix Tables XXXIX to XLII.

For purpose of this investigation, it was decided to concentrate on tariff barriers. It is realized that frequently obstacles other than tariffs may be more restrictive. A detailed examination of non-tariff-barriers (NTBs) could not be considered because of the difficulties of estimating quantitative impacts on the highly disaggregated trade items. However, to the extent possible, in later sections adjustments will be made on the list of P.S. items available for trade negotiations. Specifically, modifications made in U.S. tariff schedule on the basis of escape-clause-actions and trade-agreements legislation will be taken into account.

U.S. Imports Principally Supplied by the Selected Group of LDCs at 7 but not at 5-Digit Level of Disaggregation

In this study, it is the principal supplier trade at 5-digit level of disaggregation that is taken as a crude measure of trade of potential interest for tariff negotiations. It is worth noting, however, that there is a nontrivial amount of U.S. imports for which the sample group

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[5] See, for example, USITC publication 792, Nov. 1976 on Information For Use in Determining Whether to Remove Leather Wearing Apparel From the List of Articles Eligible For the GSP.

of LDCs are principal suppliers at 7-digit, but not at 5-digit level of disaggregation. These trade flows are not considered because tariff rates are assigned to 5-digit TSUS items only. For trade negotiation purposes 7-digit level of disaggregation is not relevant. Table VIII summarizes information on such trade flows for 1974. There was an additional $562 million worth of principal supplier trade from the sample countries, which represented 41 percent of total U.S. imports on those items from all sources. Exclusion of those 7-digit level P.S. trade affected Mexico the most, which provided 80 percent of the total U.S. imports in this category. Another $443 million could be added to that country's $1.5 billion worth of P.S. trade in 5-digit level subgroups. The amount of additional P.S. trade that might be included appeared to be modest for other members of the sample group. The extra P.S. trade values that could be available to Brazil, Taiwan, and Korea were $28 million, $59 million, and $33 million respectively. Detailed observations on individual 7-digit P.S. items excluded in this study are contained in Appendix Tables XLII to XLVI.

U.S. Generalized System of Preferences

To identify items among U.S. imports that would be of negotiable interest to sample LDCs, the first major adjustment required in the tariff data was to account for coverage of the U.S. Generalized System of Preferences. Based on GSP provision of the Trade Act of 1974, the U.S. extends duty-free treatment to certain eligible products imported from beneficiary developing countries for a ten-year period. Since the U.S. tariff on those products covered by the scheme is effectively zero, they are no longer of immediate interest for further negotiations.

TABLE VIII

SUMMARY OF U.S. IMPORTS PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS AT SEVEN BUT NOT AT FIVE DIGIT LEVEL OF DISAGGREGATION

Country	Total U.S. Imports ($mil)	Imports From P.S. ($mil)	Import Share of P.S. (%)	No. Items of P.S.
Mexico	1,098	443	40	41
Brazil	47	28	59	8
Taiwan	136	59	43	28
Korea	91	33	36	21
Total	1,372	562	41	98

Source: U.S. Department of Commerce, FT 246/Annual 1974.

All four countries in the sample group are eligible to participate in the program, however, there are restrictions on items accorded duty-free treatment. The law provides for country-specific exclusions on the basis of "competitive need" criterion. That is, when imports from a single country exceeds $25 million in value or 50 percent in market share for a single TSUS item, that item would no longer be eligible for preferential tariff treatment for that particular country. Items that are subject to such restriction for individual countries are designated as A* items in the tariff schedule of the U.S. In this study those 5-digit TSUS items were defined as specifically excluded from GSP treatment for each country if the trade value exceeded $25 million or the country's market share exceeded 50 percent in 1974.[6]

Table IX illustrates the GSP coverage and its relative importance in U.S. imports principally supplied by the sample group of LDCs. The first two columns indicate the number of P.S. items of each country which were eligible for preferential treatment and the number of such items excluded due to "competitive need" restrictions. Mexico has the largest numbers in both columns followed by Taiwan with the second largest incidence. Both Brazil and Korea have small numbers of items that were qualified for GSP treatment and half of them were "A*" items. Gross value of GSP trade is the sum of import values of all items elgible for GSP treatment. Such values for each sample country as well as the group are recorded in column 3. Mexico and Taiwan appeared to have larger gross values, around $250 million each, while Brazil and Korea

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[6]Had GSP been in effect in 1974, these rules would have been applicable.

TABLE IX

SUMMARY OF (POTENTIAL) U.S. GSP IMPORTS PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS

Country	No. TSUS GSP Items	No. Items Excluded	Gross Value of GSP Trade ($mil)	Net Value of GSP Trade ($mil)	Share of GSP Trade Excluded (%)	Share of Net GSP Trade in U.S. Imports Row Country (%)
Mexico	58	39	257	151	41	10
Brazil	14	6	103	37	64	10
Taiwan	41	22	245	50	80	5
Korea	11	7	88	9	90	2
Total	124	74	612	247	64	8

Sources: U.S. Department of Commerce, FT 246/Annual 1974.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

each had about 40 percent of that amount. Column 4 shows the net value of GSP trade (TSUS "A" items), which is the difference between gross value of GSP trade and the value of country-specific exclusions.

Among countries in the sample group, Mexico would have benefited the most had GSP been in effect in 1974. Potential benefits accruing to the other three countries combined would be less significant. Shares of GSP trade subject to the "competitive need" exclusions are recorded in column 5. This term indicates the relative importance of country-specific exclusions. For the group as a whole about two thirds of the potential GSP trade would have been excluded and therefore be subject to full MFN duties. The share of potential GSP trade subject to exclusions was much larger for Asian countries than for Latin American countries. The share of net GSP trade in P.S. imports of the U.S. measures the relative importance of the GSP treatment for these sample developing countries. It appears that net GSP trade would have been of greater significance to the two Latin American countries than to the two Asian Countries. For the group as a whole, about 7.5 percent of P.S. imports would have been accorded duty-free treatment under the GSP. These items were excluded from previous dutiable data.

The relatively small number of P.S. items of sample LDCs that would be eligible for GSP treatment and the rather large share of those GSP trade which would be subject to country-specific exclusions seem to indicate that GSP would be of limited effectiveness in promoting export expansion of these countries. Information on GSP status of individual principal supplier items of sample LDCs are available in Appendix Tables XXXIX to XLII.

CHAPTER III

LDC IMPORTS OF NEGOTIABLE INTEREST TO THE U.S. AND LDC TARIFF PROTECTION

To determine items of negotiable interest to the U.S. in its bilateral trade with most of the sample LDCs - Mexico, Brazil, and Korea, 4-digit SITC import figures in Trade By Commodity publications were scanned (U.N. 1973). The objective was to identify articles among imports of individual LDCs for which the U.S. was the principal supplier. Due to the nature of data presented, the U.S. was defined as the principal supplier if imports from the U.S. exceeded each other country's trade value as well as values recorded for certain economic groups - those with common external tariffs such as the European Economic Community. The figures on P.S. trade of the U.S. could be subject to some downward bias as there might be items among imports of sample LDCs, for which imports from the U.S. was greater than that of any individual country within every economic grouping, but not for some group as a whole. Three digit codes were used in some cases where insufficient 4-digit detail was available.

In the case of bilateral trade with Taiwan, information are not available in the U.N. publications for recent years. Trade values used in this study were taken from a publication by that country's customs

authority, The Trade of China (Taiwan District) 1975.[1] Data in 4-digit BTN codes, presented in that volume, were then converted to SITC classification using a BTN - SITC concordance found in an U.N. Series M publication.[2] The primary data were expressed in New Taiwan dollars (N.T.), the basic monetary unit of Taiwan, which is worth approximately 2.63 cents. To compute trade values in dollars the dollar/N.T. trade conversion factor of $1.00 = N.T. 38.00 was utilized.

Systematic information on the protective systems of the LDCs is difficult to obtain. The primary source of LDC tariff information used in this study was a tariff study project prepared for the U.S. Department of State by Professor Robert M. Stern of the University of Michigan using 1971 data. Although some variations in technique were required for individual LDCs because of various national tariff directory differences and the existence of preferential duties.[3] To determine ad valorem equivalent (Ave) tariff rates, the basic procedure used was to assign national tariff item codes to detailed BTN classifications, which were then converted to 5-digit SITC codes using a State Department concordance. Further aggregation to 4, 3, 2, and 1-digit SITC levels typically involved own-import weighting, i.e., dividing the sum of duties paid by the sum of associated import values. Among sample LDCs, "Ave" calculations were believed to be most successful for Korea and Taiwan but quite satisfactory for Mexico and Brazil. In assigning tariffs to

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[1] Inspectorate General of the Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.

[2] U.N. Series M, No. 34/Rev. 2, 1975.

[3] For example, Mexico applies preferential duties to imports from LAFTA countries.

4-digit SITC codes, some tariff information for higher levels of aggregation had to be used where insufficient data were available at this level of disaggregation.

LDC Imports Principally Supplied By the U.S.

Imports of sample LDCs principally supplied by the U.S. are summarized in Table X. Total imports of the sample group of LDCs from the U.S. in this country's P.S. items amounted to $4.2 billion. They represented about two thirds of total imports of these LDCs in such items from all sources, which is greater than the market share of these countries' trade in their P.S. items among U.S. imports. This predominant market position of the U.S. in its P.S. trade suggests that there would be less of a spillover effect due to MFN tariff cuts by LDCs. The principal supplier trade represented over half of $8.3 billion worth of total imports of sample LDCs from the U.S. In bilateral trade with sample developing countries, the great importance of P.S. imports from the U.S. was apparent in all cases. The percentage shares of such trade in total imports from the U.S. were, respectively, 45, 51, 68, and 44 for Mexico, Brazil, Taiwan, and Korea.

Tables XI, XII, XIII, and XIV provide additional information pertaining to the commodity composition of U.S.P.S. trade with individual countries. In each case, total imports from the U.S. were classified according to SITC section codes. For each section and total imports, trade flows were divided into "dutiable" and "non-dutiable" components. The share of dutiable trade in each section and the relative importance of each section in total U.S.P.S. trade were determined.

Table XI illustrates the distribution of P.S. trade of the U.S.

TABLE X

SUMMARY INFORMATION ON IMPORTS OF SAMPLE LDCS
PRINCIPALLY SUPPLIED BY THE U.S.

Country		Mexico	Brazil	Taiwan	Korea	Total
Total Imports From the U.S.	($mil)	3,302	2,178	1,654	1,124	8,257
Total Imports in P.S. Items From All Sources	($mil)	2,054	1,894	2,011	576	6,534
Imports in P.S. Items From the U.S.	($mil)	1,497	1,110	1,119	498	4,224
Import Share of the U.S. in P.S. Trade	(%)	73	59	56	86	65
Share of P.S. Trade in Total Imports From the U.S.	(%)	45	51	68	44	51

Sources: International Monetary Fund, Direction of Trade, Annual 1970-74.
United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Inspectorate General of Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.

TABLE XI

SUMMARY INFORMATION ON MEXICO'S IMPORTS
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Mexico Imports ($mil)	Dutiable ($mil)	Non-Dutiable ($mil)	Share Dutiable %	Share of Imports From U.S. %
(0) Food & Live Animals	130	230	0	100	8.7
(2) Crude Materials, Inedible, Except Fuels	108	108	0	100	7.2
(3) Mineral Fuels, Lubricants & Related Materials	67	67	0	100	4.4
(4) Animal & Vegetable Fats & Oils	3	3	0	100	0.2
(5) Chemicals	186	186	0	100	12.4
(6) Manufactured Goods Classified Chiefly by Materials	128	128	0	100	8.6
(7) Machinery & Transport Equipment	734	730	4	99	48.9
(8) Miscellaneous Manufactured Articles	142	142	0	100	9.5
Total	1,497	1,494	4	99.7	100.0

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XII

SUMMARY INFORMATION ON BRAZIL'S IMPORTS
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Brazil Imports ($mil)	Dutiable ($mil)	Non-Dutiable ($mil)	Share Dutiable %	Share of Imports From U.S. %
(0) Food & Live Animals	254	254	0	100	22.8
(1) Beverages & Tobacco	1	1	0	100	0.0
(2) Crude Materials, Inedible, Except Fuels	61	61	0	100	5.5
(3) Mineral Fuels, Lubricants & Related Materials	64	64	0	100	5.8
(5) Chemicals	196	196	0	100	17.6
(6) Manufactured Goods Classified Chiefly by Materials	73	73	0	100	6.6
(7) Machinery & Transport Equipment	408	408	0	100	36.7
(8) Miscellaneous Manufactured Articles	54	54	0	100	4.8
Total	1,110	1,110	0	100	100.0

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XIII

SUMMARY INFORMATION ON TAIWAN'S IMPORTS
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Taiwan Imports ($mil)	Dutiable ($mil)	Non-Dutiable ($mil)	Share Dutiable %	Share of Imports From U.S. %
(0) Food & Live Animals	181	0	181	0	16.2
(1) Beverages & Tobacco	23	23	0	100	2.1
(2) Crude Materials, Inedible, Except Fuels	341	119	222	35	30.5
(3) Mineral Fuels, Lubricants & Related Materials	1	1	0	100	0.1
(4) Animal & Vegetable Fats & Oils	29	29	0	100	2.6
(5) Chemicals	78	78	0	100	7.0
(6) Manufactured Goods Classified Chiefly by Materials	47	46	1	97	4.2
(7) Machinery & Transport Equipment	351	251	100	72	31.4
(8) Miscellaneous Manufactured Articles	63	63	0	100	5.7
(9) Commodities & Transactions not Classified According to Kind	3	3	0	100	0.2
Total	1,119	615	504	55	100.0

Sources: Inspectorate General of Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.
Tariff data supplied by U.S. Department of State.

TABLE XIV

SUMMARY INFORMATION ON KOREA'S IMPORTS
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Korea Imports ($mil)	Dutiable ($mil)	Non-Dutiable ($mil)	Share Dutiable %	Share of Imports From U.S. %
(0) Food & Live Animals	245	245	0	100	49.2
(2) Crude Materials, Inedible, Except Fuels	149	141	8	95	30.0
(4) Animals & Vegetable Fats & Oils	16	16	0	100	3.3
(7) Machinery & Transport Equipment	87	65	22	75	17.6
Total	498	468	30	94	100.0

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

with Mexico among individual SITC sections. The competitive strength of the U.S. in Machinery and Transport Equipment, Section 7, was quite apparent. Nearly half of the total Mexican imports were in this section. The rest were evenly divided among a number of sections: Food and Live Animals (Section 0), Crude Materials, Inedible, Except Fuels (Section 2), Chemicals (Section 5), Manufactured Goods Classified Chiefly by Materials (Section 6), and Miscellaneous Manufactured Articles (Section 8). In Section 7, road motor vehicles were the most important items. They accounted for close to a third of the import value. The remaining trade value in this section was largely provided by the following items: electrical machinery and apparatus, machinery and non-electrical power generating machinery, and electrical power machinery and switchgear. These items together furnished half of the trade in this section. In other SITC sections of some trade importance, such items as unmilled wheat, organic chemicals, pharmaceutical products, plastic materials, manufactured natural gas, and scientific and medical instruments were of significant values.

Virtually all U.S.P.S. trade with Mexico was dutiable; the only duty-free item was a certain type of aircraft. Out of $1.5 billion worth of total imports from the U.S., only $4 million was not subject to tariffs. Thus, dutiable trade represented 99.7 percent of total U.S.P.S. trade with Mexico. This is more than twice the share of dutiable U.S. imports principally supplied by Mexico.

Distribution of U.S.P.S. trade with Brazil is indicated in Table XII. Among imports of Brazil, 38 percent were in Machinery and Transport Equipment, followed by Food and Live Animals, and Chemicals. These three sections were responsible for three quarters of the total

imports from the U.S. The rest was spread evenly among other SITC sections except Section 4 and Section 9. There was no U.S.P.S. trade in Animal and Vegetable Fats and Oils or Commodities and Transactions not Classified according to kind. Among Section 7 imports, aircraft accounted for one fifth of the total. Agricultural machinery and implements took up another 17 percent. Other items of considerable trade interest were non-electrical machinery and appliance, machines for special industries, office machines, and ships and boats. Imports in Food and Live Animals by Brazil were dominated by one item - unmilled wheat, which accounted for over nine tenths of total trade value. Among chemicals, manufactured fertilizers and organic chemicals were by far the most important. These two items combined represented 70 percent of the import value in Section 5.

Total Brazilian imports in U.S.P.S. items amounted to over $1.1 billion. All was subject to tariffs. This represents quite a contrast with the treatment received by U.S. imports from Brazil; less than a third of that was dutiable.[4]

In U.S.P.S. trade with Taiwan, Sections 2 and 7 were the most important. Their values covered over 60 percent of that country's imports from the U.S. The Food and Live Animals Section provided another 16 percent of total trade value. Remaining trade flows were in Sections 5, 8, and 6. Among Machinery and Transport Equipment, non-electrical power generating machinery, electrical machinery and apparatus, and machines for special industries were the largest single items; each accounted for $50 million or more in import value. Equipment for

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[4]Duty-free treatment accorded coffee and cocoa, the major exports of Brazil, may explain the low dutiable share.

distributing electricity, aircraft, non-electrical machinery and appliance were also of considerable importance. These items combined were responsible for three quarters of the trade values in Section 7. A large number of other items accounted for the remaining trade. Among Inedible Crude Materials, Except Fuels, two thirds were in oil seeds. Cotton and scrap iron and steel were the other large items each had $40 million in trade value. These three items explained nine tenths of trade in Section 2. In Food and Live Animal Section, unmilled wheat and corn were predominant. They covered the great majority of imports. For all other sections the following items provided most of the trade values: manufactured articles n.e.s., chemical and phamaceutical products, copper, scientific instrument, and leather. Table XIII provides the breakdown on U.S.P.S. trade with Taiwan.

Taiwan's imports principally supplied by the U.S. appeared to be less heavily taxed. Out of $1.1 billion worth of trade only 55 percent was dutiable as opposed to 95 percent of U.S. imports from Taiwan that were subject to tariff.[5] For Sections 2 and 7, the commodity groups of heavy concentration, the respective dutiable shares were 35 and 72 percent. It is worth noting that all imports in Food and Live Animal Section received duty free treatment.

In Table XIV, imports of Korea principally supplied by the U.S. are illustrated. U.S.P.S. trade with Korea were worth half a billion dollars and virtually all of it fell in three SITC Sections - 0, 2, and 7. Food and Live Animal Section appeared to be the most important, which

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[5]Low dutiable share of imports from the U.S. may reflect the importance of offshore assembly activities in Taiwan. That country grants duty-free treatment to foreign-made parts imported for final assembly and re-export.

was responsible for half of total U.S. exports to that country. The other two major sections provided nearly all of the remaining trade value. Unmilled wheat and rice dominated Section 0. They provided 86 percent of the import value. The only other item with significant trade value was unmilled corn accounting for another 9 percent of the trade flows in this section. Section 2 was heavily influenced by two items - cotton and iron and steel scrap. They provided seven tenths of gross import value. Rough wood, nonferrous metal scrap, and crude fertilizers were the more important items for the trade in this section. Electrical machinery and apparatus and aircraft appeared to be principal articles in Section 7.

U.S.P.S. trade with Korea was heavily taxed. The dutiable portion represented 94 percent of total trade flows as compared to an equally large 98 percent of U.S. imports from Korea that was dutiable. For Sections 0, 2, and 7, the sections with heavy trade concentration, dutiable shares were, respectively, 100, 95, and 75 percent.

Summary

Based on our country considerations, Section 7, Machinery and Transport Equipment, seemed to be the area of greatest competitive strength for the U.S. Widespread importance was also apparent in Section 0, Food and Live Animals, and Section 2, Crude Materials, Inedible, Except Fuels. The trade value in Section 5, Chemicals, was large in total but more concentrated in Mexico and Brazil. It was also evident that substantial portions of U.S. exports to sample LDCs were restricted by tariffs. In fact, import duties applied to more than 90 percent of U.S. trade with Mexico, Brazil, and Korea. Over half of principal supplier

exports to Taiwan was also dutiable. Primary data on imports of the sample group of LDCs principally supplied by the U.S. are contained in Appendix Tables LX to LXIII.

LDC Tariff Protection

To estimate potential trade expansion available to the U.S. in her bilateral trade with the sample group of LDCs, detailed ad valorem equivalent tariff rates applicable to individual import items of these countries principally supplied by the U.S. were determined. Such tariff information is summarized in Table XV and Table XVI. Table XV indicates unweighted average "Ave" tariff rates for all items in individual SITC commodity sections for each country; where Table XVI provides similar information for dutiable items only. The overall average rates for U.S.P.S. trade with Mexico, Brazil, Taiwan, and Korea were, respectively, 38.7, 34.5, 31.7, and 27 percent. The uniformly high tariff rates combined with the broad coverage of principal supplier trade of the U.S. seem to indicate there should be substantial trade expansion potential for the U.S. following tariff reductions by this group of LDCs.

For imports of Mexico, the average rate applicable to the product section of major concentration - Machinery and Transport Equipment - was 32.7 percent. For other sections of some importance, tariff rates ranged between 25.5 percent on Chemicals to 46 percent on Food and Live Animals.

Among imports of Brazil, the three major commodity groups - Machinery and Transport Equipment, Food and Live Animals, and Chemicals - were, respectively, taxed at 43.8, 37, and 22.7 percent average rates.

TABLE XV

SUMMARY INFORMATION ON TARIFF DATA AFFECTING IMPORTS OF SAMPLE LDCS PRINCIPALLY SUPPLIED BY THE U.S.*
(For All Items)

SITC Section	Mexico		Brazil		Taiwan		Korea	
	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items
Food & Live Animals	46.1	17	37.0	7	0.0	16	52.0	9
Beverages & Tobacco	-	0	142.7	1	94.3	2	-	0
Crude Materials, Inedible, Except Fuels	34.2	18	20.9	13	15.0	12	11.5	9
Mineral Fuels, Lubricants & Related Materials	87.1	6	27.5	2	32.7	2	-	0
Animal & Vegetable Fats & Oils	11.6	1	-	0	29.8	4	35.0	1
Chemicals	25.5	30	22.7	11	28.8	34	-	0
Manufactured Goods Classified Chiefly by Materials	48.3	35	32.6	13	40.1	39	-	0
Machinery & Transport Equipment	32.7	48	43.8	17	17.3	33	13.8	7
Miscellaneous Manufactured Articles	40.1	25	38.0	8	51.8	25	-	0
Commodities & Transactions not Classified According to Kind	-	0	-	0	112.5	4	-	0
Total	38.7	180	34.5	71	31.7	171	27.0	26

*Unweighted average ad valorem tariff rate.

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XVI

SUMMARY INFORMATION ON TARIFF DATA AFFECTING IMPORTS OF
SAMPLE LDCS PRINCIPALLY SUPPLIED BY THE U.S.*
(For Dutiable Items Only)

SITC Section	Mexico		Brazil		Taiwan		Korea	
	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items	% Ave.	No. of SITC Items
Food and Live Animals	46.1	17	37.0	7	-	0	52.0	9
Beverages and Tobacco	-	0	142.7	1	94.3	2	-	0
Crude Minerals, Inedible, except Fuels	34.2	18	20.9	13	18.0	10	12.9	8
Mineral Fuels, Lubricants & Related Materials	87.1	6	27.5	2	32.7	2	-	0
Animal & Vegetable Fats & Oils	11.6	1	-	0	29.8	4	35.0	1
Chemicals	25.5	30	22.7	11	28.8	34	-	0
Manufactured Goods Classified Chiefly by Materials	48.3	35	32.6	13	46.0	34	-	0
Machinery & Transport Equipment	33.4	47	43.8	17	26.0	22	19.3	5
Miscellaneous Manufactured Articles	40.1	25	38.0	8	51.8	25	-	0
Commodities & Transactions not Classified According to Kind	-	0	-	0	112.5	4	-	0
Total	38.9	179	34.5	71	39.6	137	30.5	23

*Unweighted average ad valorem tariff rates.

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Data supplied by Trade Agreements Division, U.S. Department of State.

In the case of trade with Taiwan, Machinery and Transport Equipment was subject to a 17.3 percent tariff, whereas Inedible Crude Materials, Except Fuels was taxed at 15 percent rate. Food and Live Animals, however, were not taxed at all.

Among U.S.P.S. exports to Korea, the highest rates applied to the commodity section with the most trade concentration. Food and Live Animals were subject to 52 percent tariff. On the less important sections of Inedible Crude Materials, Except Fuels, and Machinery and Transport Equipment, "Ave" rates of 11.5 and 13.8 percent, respectively, were in effect.

Average tariff rates for dutiable items only were virtually the same as rates for all items in the cases of Mexico and Brazil. This similarity reflects the complete or near complete tariff coverage of all U.S.P.S. exports to these two countries. For the two Asian countries, higher average rates of 39.6 and 30.5 percent "Ave" were applied to dutiable imports principally supplied by the U.S. For comodity sections of major concentration, dutiable trade in Machinery and Transport Equipment were subject to 26 percent tariff in Taiwan and 19.3 percent in Korea. Rates on Inedible Crude Materials, Except Fuels were, respectively, 18 and 12.9 percent for these two countries. Since no imports in Food and Live Animals Section entered duty free in Korea, average "Ave" rates remain unchanged for this section with the largest import value. Ad valorem equivalent tariff rates applicable to individual U.S.P.S. items are presented in Appendix Tables XXXIX to XLII.

Commercial Policies of Sample LDCs and Their Use of Non-Tariff Barriers

In addition to high tariff rates, it is realized that LDCs typically also resort to the use of non-tariff barriers (NTBs) for protection. NTBs, that are more frequently used, include import surcharges, advanced deposits for imports, multiple exchange rates, import licensing, and exchange controls. These protective devices are quite complex and a detailed quantitative analysis could not be considered because of the difficulties of estimating quantitative impacts on the highly disaggregated trade items. For the purpose of this report, the trade policies and some of the more important instruments of protection used by countries of the sample group are briefly examined.

Mexico[6]

The major objectives of Mexico's trade policy are import substitution by domestic production and geographic diversification of its foreign trade.[7] Major instruments, other than tariff, used by Mexico to implement these trade policies include import licensing, official valuation, and indirect taxes. Goods representing 65 percent by value of Mexico's total import trade are subject to import licenses.[8] These

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[6]For further information on the protective system of Mexico, see, for example, U.S. Department of Commerce, Overseas Business Report, October, 1975. U.S. Department of Commerce, Overseas Business Report, December, 1972. T. King, Mexico: Industrialization and Trade Policies Since 1940 (London: Oxford University Press, 1970).

[7]Import substitution reflects a desire to obtain maximum self sufficiency; geographic diversification reflects a desire to lessen Mexico's dependence upon the U.S.

[8]Walter Haidar, "Foreign Trade Regulation of Mexico," Overseas Business Report, December, 1972, p. 1.

licenses are usually not granted for the importation of products which are produced in the country, or for which locally produced goods can be substituted.[9] Through the use of licensing requirements, Mexican imports of consumer goods have declined drastically in recent years and imports of producer's goods, raw materials and components have become more important.

The current Mexican import tariff was adopted in 1965. The rate structure is composed of a specific duty, based on weight or quantity, plus an ad valorem duty. The latter is assessed on either the invoice value or "official valuation", whichever is higher. Official valuation is usually determined by the domestic price of imports. To the extent domestic price exceeds the foreign price, such practices increase the implicit protection afforded domestic industries.

Mexico levies indirect taxes on a large number of products. The imposition of indirect taxes on the product itself does not affect its protection as long as such taxes are applied at the same rates to domestically produced goods and imports. However, higher rates of indirect taxes often charged on imports, raise the level of protection.

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[9] Licensing of imports is inevitable when currency is over-valued. Peso was substantially devalued in fall 1976.

Brazil[10]

The basic trade policy of Brazil is to facilitate import substitution. As in most developing countries, the importation of consumer goods and other "nonessentials" is discouraged. However, in Brazil, virtually any product is importable provided corresponding duty and taxes are paid. Three protective instruments for import controls are worth noting. They are multiple exchange rates, the "law of similars," and advance deposit requirement. Since 1957, all import products are classified into two categories. They are "general" and "special" and a comprehensive set of ad valorem tariffs was introduced. Most raw materials, intermediate products, and machinery for which domestic suppliers were insufficient were placed in the general category. The exchange rate in this category is determined by the "free market."[11] Most other goods, considered "nonessential" were placed in the special category. These were mostly consumer goods and some producer goods that were domestically available. The exchange rate in this special category is set at auction, and it generally varies between two and three times the general category rate.

To determine whether individual import items are eligible for duty

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[10]Information presented in this section are obtained from the following sources: B. Balassa and associated, The System of Protection in Developing Countries (Baltimore: Johns Hopkins Press, 1971); I. Little, T. Scitovsky, and M. Scott, Industry and Trade in Some Developing Countries (London: Oxford University Press, 1970); U.S. Department of Commerce, Overseas Business Report, February, 1975; U.S. Department of Commerce, Brazil: Survey of U.S. Export Opportunities (Washington: August, 1974).

[11]Brazil uses exchange rate protection adjusted biweekly to take into account extreme inflation. "Free market" is not exactly free.

reductions or exemption, the "law of similars" is used.[12] "Similars" are those imports for which locally produced goods can be substituted. Brazilian manufacturers may at any time request that the Customs Policy Council declare their product "similar" to imported versions. The main criteria used to determine whether a foreign commodity has a national "similar" are that the price of the domestic product not exceed the price of import in national currency (computed on the basis of normal price plus all taxes assessed on imports), that it can be furnished within a normal delivery time for the same type of merchandise, and that its quality is comparable to the import.

Brazilian importers may be required to make advance deposits for part or all of the import value. The tariff equivalent of advance deposits on imports can be calculated on the basis of information on the length of the period for which advanced deposits had to be made, the size of the deposits, and the interest rate on loan designed to make such deposits. For example, if the importers had to make a deposit in U.S. dollars six months in advance for 50 percent of the import value and the going rate for dollar loan was 18 percent a year, 4.5 percent would have been added to the rate of tariff.

Taiwan[13]

The trade policy of Taiwan aims to diversify the country's markets

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[12]The basic idea is that some or all importers are prohibited from importing a product which is recognized by the government as being available domestically.

[13]For further information, see Margaret A. Kellener, "Marketing in Taiwan," Overseas Business Report, U.S. Department of Commerce, March 1975.

and sources of supply, broaden its export base, and protect local industry. Although endorsing freer trade as an ultimate objective, Taiwan's trade policy has long been characterized by protectionism and strict licensing controls on imports.

Import licensing covers all goods brought into Taiwan. Under a comprehensive licensing system, all merchandise is divided into three categories - permissible, controlled, and prohibited imports. Items in demand such as capital equipment, raw materials, and essential consumer goods are classified as permissible and import licenses are freely granted, subject to the availability of foreign exchange. Goods on the permissible list now include about 97 percent of all product classification categories.[14] Products which tend to compete with locally produced goods are controlled. They can only be imported by end-users or government agencies. Prohibited items are largely luxury goods or those regarded as nonessential to the economy.

In addition to import duty and custom surcharge, an importer may also be required to pay a commodity tax. The commodity tax, which ranges from 5% to 120% ad valorem is levied on 26 different types of commodities sold for consumption in Taiwan.[15] The tax rates are the same for both imported and locally produced goods, but the basis or taxable values differ. For imported goods, the taxable value is the value assessed by the customs authority for duty purposes, which is usually higher.

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[14] Ibid.

[15] Ibid.

Korea[16]

While adhering to a general goal of trade liberalization, Korea continues to maintain controls over foreign trade and exchange transactions. Recently, however, the Korean government took some steps toward freer trade including lower tariffs.[17] The trade policy of Korea is basically implemented by the Semi-Annual Trade Plan which becomes effective on January 1 and July 1 of each year. The plan generally gives priority to the importation of capital goods for development, raw materials not available domestically, and other essential commodities.

For import controls, Korea maintains a "negative list" import licensing system first implemented in 1967. Under this system, all import items not listed as restricted or prohibited in the Semi-Annual Trade Plan are automatically importable into Korea. This system is used in conjunction with a unique export-import linking system to affect import control.[18] According to the latter restriction, the right to import is linked with the amount of exports achieved by a trading firm. In effect, preferences are given to exporters in the granting of import licenses.

Korea levies a commodity tax on a wide variety of items sold for consumption. It varies between 2% to 100%, depending on the

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[16]For more information on the commercial policy of Korea, see U.S. Department of Commerce, Overseas Business Report, December 1973.

[17]Korea abolished the special customs duty and reduced tariffs from an average of 38.8% to 31.3% in line with her commitment to GATT.

[18]The main objective of this system, however, is export expansion rather than import restriction.

essentiality of the commodity, and is based on wholesale prices in most cases and is applicable to both imported and locally produced goods.[19] In the case of imports, however, the tax is generally levied on the c.i.f. value plus customs levies and normal profit allowance.

While recognizing that frequently non-tariff barriers may be more restrictive, in the computation of possible trade benefits of tariff removal, it is implicitly assumed that binding NTBs will be simultaneously relaxed enough to allow the estimated effects to become effective.

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[19] U.S. Department of Commerce, Overseas Business Report, December 1973.

CHAPTER IV

THEORETICAL CONSIDERATIONS OF THE IMPACT OF GENERAL TARIFF REDUCTIONS

Having identified traded articles of negotiable interest to both the U.S. and the sample group of LDCs, the next step is to estimate the potential trade expansion of mutual tariff reductions. Before explaining the actual computations involved it is necessary to first present the analytical model concerning the trade impact and welfare effects of MFN tariff reductions.

Partial equilibrium models of international trade designed to measure trade creation and trade diversion are usually of two types: one assumes homogeneous products, that is imports and domestic products are perfect substitutes; the other recognizes product differentiation therefore denies the homogeneous assumption. The former is associated with names such as Meade,[1] Viner,[2] Scitovsky,[3] and Johnson.[4] Verdoorn,[5]

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[1] J. Meade, The Theory of Customs Unions (Amsterdam: North - Holland, 1956).

[2] J. Viner, The Customs Union Issue (New York: Carnegie Endowment for International Peace, 1950).

[3] T. Scitovsky, Economic Theory and Western European Integration (Stanford: Stanford University Press, 1958).

[4] H.G. Johnson, Money, Trade, and Economic Growth (London: Allen and Unwin, 1962), pp. 46-74.

[5] P.J. Verdoorn, "The Intra-Bloc Trade of Benelux," in E.A.G. Robinson, ed., Economic Consequences of the Size of Nations (New York: St. Martins Press, 1960).

Janssen,[6] Clague,[7] and Johnson have been credited for the development and modification of the latter.[8] Harry Johnson, a leading figure in recent discussions of the issue of trade preferences, and has been an important influence on both models, however, has not found it necessary or of overriding importance to stress the distinction.[9]

To analyze the impact of MFN tariff cuts on trade expansion, the analytical model to be used in this study is essentially a partial equilibrium model assuming homogeneous products, developed by Harry Johnson,[10] applied by Richard Blackhurst to estimate the impact of GSP on Latin America.[11]

The model, assuming perfect competition, utilizes excess demand curves with regard to the importing country and excess supply curves with respect to the exporting country. Excess demand for imports is seen as the difference between domestic demand and supply

$$Q_m = D_d - Q_d$$

where Q_m represents imports, D_d is domestic demand, and Q_d is domestic

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[6] L.H. Janssen, Free Trade, Protection, and Customs Union (Leiden: H.E. Stenfert Kroese N.V., 1961).

[7] C.K. Clague, "The Trade-Diverting and Trade-Creating Effects of Tariff Discrimination," mimeographed, College Park, Md.: University of Maryland, 1969.

[8] H.G. Johnson, "The International Competitive Position of the United States and the Balance of Payments Prospects for 1968," Review of Economics and Statistics, 46, 1969, p. 24.

[9] H.G. Johnson, "The Theory of Effective Protection and Preferences," Economica 36, 1969, pp. 119-138.

[10] H.G. Johnson, 1962.

[11] Richard Blackhurst, "General Versus Preferential Tariff Reduction for LDC Exports: An Analysis of the Welfare Effects," Southern Economic Journal, January 1972.

supply. Converting to elasticity form

$$n_m = D_d/Q_m \cdot n_d - Q_d/Q_m \cdot e_d$$

where n_m is the price elasticity of demand for imports, n_d is the price elasticity of domestic demand, and e_d is the price elasticity of domestic supply.[12] The elasticity of the excess supply of exports is derived in a similar manner. Exports are seen as the difference between domestic supply and domestic demand in the exporting country

$$Q_e = Q_d - D_d$$

where Q_e is the quantity of exports, Q_d is the domestic supply in the exporting country, and D_d is domestic demand in the exporting country. Converting to elasticity form

$$k_e = Q_d/Q_e \cdot k_d - D_d/Q_e \cdot n_d$$

where k_e is the elasticity of supply of exports, k_d is the elasticity of domestic supply, and n_d the domestic demand elasticity.[13] Using

12

$$Q_m = D_d - Q_d$$

$$\Delta Q_m/\Delta P = \Delta D_d/\Delta P - \Delta Q_d/\Delta P$$

multiplying through by P/Q_m,

$$P/Q_m \cdot \Delta Q_m/\Delta P = \Delta D_d/\Delta P \cdot P/Q_m \cdot D_d/D_d - \Delta Q_d/\Delta P \cdot P/Q_m \cdot Q_d/Q_d$$

$$P/Q_m \cdot \Delta Q_m/\Delta P = (\Delta D_d/\Delta P \cdot P/D_d) \cdot D_d/Q_m - (\Delta Q_d/\Delta P \cdot P/Q_d) \cdot Q_d/Q_m$$

$$n_m = n_d \cdot D_d/Q_m - e_d \cdot Q_d/Q_m$$

13

$$Q_e = Q_d - D_d$$

$$\Delta Q_e/\Delta P = \Delta Q_d/\Delta P - \Delta D_d/\Delta P$$

multiplying through by P/Q_e,

$$P/Q_e \cdot \Delta Q_e/\Delta P = \Delta Q_d/\Delta P \cdot P/Q_e - \Delta D_d/\Delta P \cdot P/Q_e$$

$$P/Q_e \cdot \Delta Q_e/\Delta P = (\Delta Q_d/\Delta P \cdot P/Q_d) \cdot Q_d/Q_e - (\Delta D_d/\Delta P \cdot P/D_d) \cdot D_d/Q_e$$

$$k_e = Q_d/Q_e \cdot k_d - D_d/Q_e \cdot n_d$$

estimates of the elasticity of demand for imports and the elasticity of supply of exports from the exporting country, and import and export share coefficients, the following equation can be derived for estimating the percentage increase in foreign exchange earnings accruing to a foreign source which is granted a tariff reduction by the importing country

$$d \log V = n_m(k_e + 1)/(k_e - n_m)\ d \log (1 + t)$$

where V, which is equal to P times Q, represents foreign exchange earnings, and t is the tariff rate.[14] The algebraic statement of the impact of a tariff reduction by an importing country on trade expansion accruing to an exporting country can be expanded to three countries and explained by a geometric analysis.

The world is assumed to consist of three countries: A, representing a single importing country, B, representing a single exporting country, C, representing all other exporting countries. In addition, both B and C are assumed to export to A prior to tariff elimination, and e_b, e_c, and the export supply elasticities of B and C are imperfectly elastic. The effect of MFN tariff cut by A is illustrated by Figure 1.

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[14] Assume the following constant elasticity excess Demand and supply equations:

(1) $\log Q = a + n_m \cdot \log(Pr) \qquad r = 1 + t$

(2) $\log Q = b + k_e \cdot \log (P)$

from (1), $d \log(Q) = n_m \cdot d \log (P) + n_m \cdot d \log (r)$

from (2), $d \log(Q) = k_e \cdot d \log (P)$

$$d \log(P) = n_m \cdot d \log(r)/(k_e - n_m)$$

$$d \log(P) + d \log(Q) = n_m \cdot d\log(r)/(k_e - n_m) + k_e \cdot n_m \cdot d\log(r)/(k_e - n_m)$$

$$d \log(P) + d \log(Q) = n_m \cdot (1+k_e) \cdot d\log(r)/(k_e - n_m)$$

$$d \log(PQ) = n_m(1+k_e)/(k_e - n_m) \cdot d \log(1+t)$$

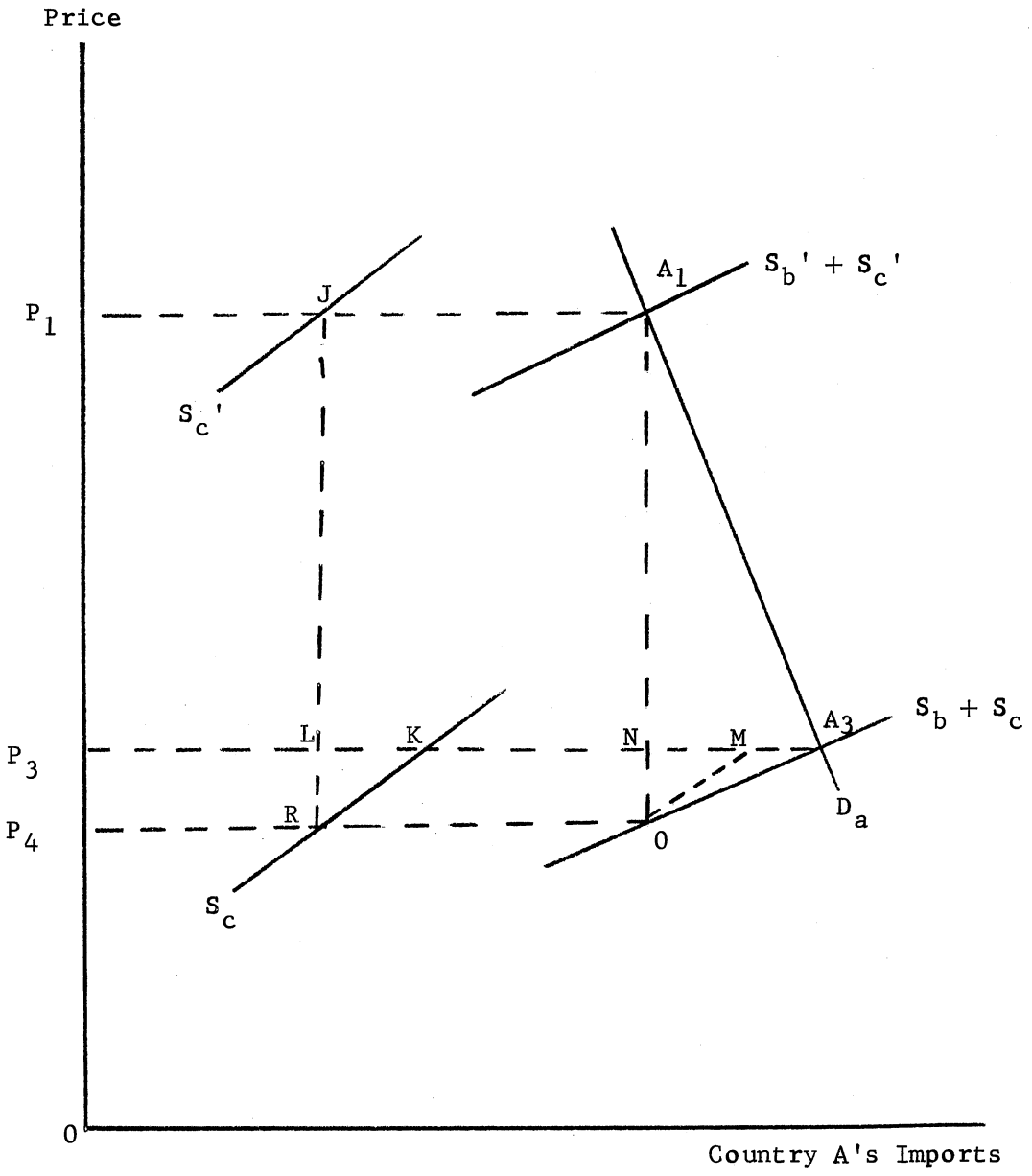

Figure 1. The Effects of MFN Tariff Reductions

Country A's excess demand curve is D_a. Lines S_b and S_c are B's and C's excess supply curves exclusive of the tariff, and S_b' and S_c' are their excess supply curves inclusive of the tariff. S_b and S_b' are not drawn separately. Individual supply curves of B and C have been summed to obtain the joint import supply curves in A.

Prior to tariff elimination, A is importing P_1J from C and JA_1 from B. The whole market price is P_4 and the price in A's domestic market is P_1, P_1P_4 represents the amount of tariff per unit of the commodity imported. Elimination of tariff would shift the equilibrium point from A_1 to A_3. At the new price level P_3 domestic consumption is larger and domestic production is smaller. The sum of the consumption and production effects is equal to the increase in imports (NA_3), which is the result of trade creation. Imports from C would increase to P_3K, and KA_3 represents the new level of imports from B, which increases by MA_3 amount. C's total foreign exchange gain of P_3KRP_4 is composed of (1) an increase in the value of the original volume of exports equal to P_3LRP_4, and (2) an increase of LKR in producer's surplus resulting from additional production for export. Similarly, B's gain can be broken down into (1) an increase equal to LNOR in the value of the original volume of exports, and (2) an increase of MA_3O in producer's surplus due to expanded production for export.[15]

Once the size of the increase in foreign exchange earnings has been calculated, there remains the determination of its composition. The increase will consist of the following items: (1) an income transfer from

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[15]Since triangles LKR and NMO are equal, B's gain may be measured by either the sum of areas LNOR and MA_3O, or by area KA_3OR.

A's tariff revenue into B's producers' surplus; (2) an increase in producers' surplus due to expanded production for export, and (3) the transformation of additional domestic resources into foreign exchange. The first two represent a gain for B, the third one is a gain only if B faces imperfectly elastic demand for its exports, or if there exist certain distortions in B's domestic market. Using Figure 2, we can analyze the composition of the increase in foreign exchange earnings.

Let B's export supply curve be imperfectly elastic. Elimination of the tariff by A produces a rightward shift of A's demand curve from D_a' to D_a. Exports from B increase from OQ_o to OQ_n, while the price received by B increases from P_o to P_n. The increase in B's foreign exchange is equal to the sum of areas a, b, and c, which respectively, represent a transfer from A's tariff revenue, increase in producers' surplus, and an exchange of domestic resources for foreign exchange.

For the purpose of this study, it is the merit of MFN tariff cuts on trade expansion, rather than the welfare gains from trade - producers' surplus for developing countries, which is the focus of attention. This choice is justified since foreign exchange shortage, which can be alleviated through trade expansion, is one of the most pressing constraints facing LDCs in their effort to achieve Economic development.[16]

Negative Spillovers on Beneficiary Countries of GSP

Non-discriminatory MFN tariff reductions, normally, have trade creation effects only. However, with the existence of GSP trade diversion

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[16]For an analysis of the foreign exchange constraint and its implications to development policy of LDCs, see H. Myint, "Economic Theory and Development Policy," Economica, May 1967.

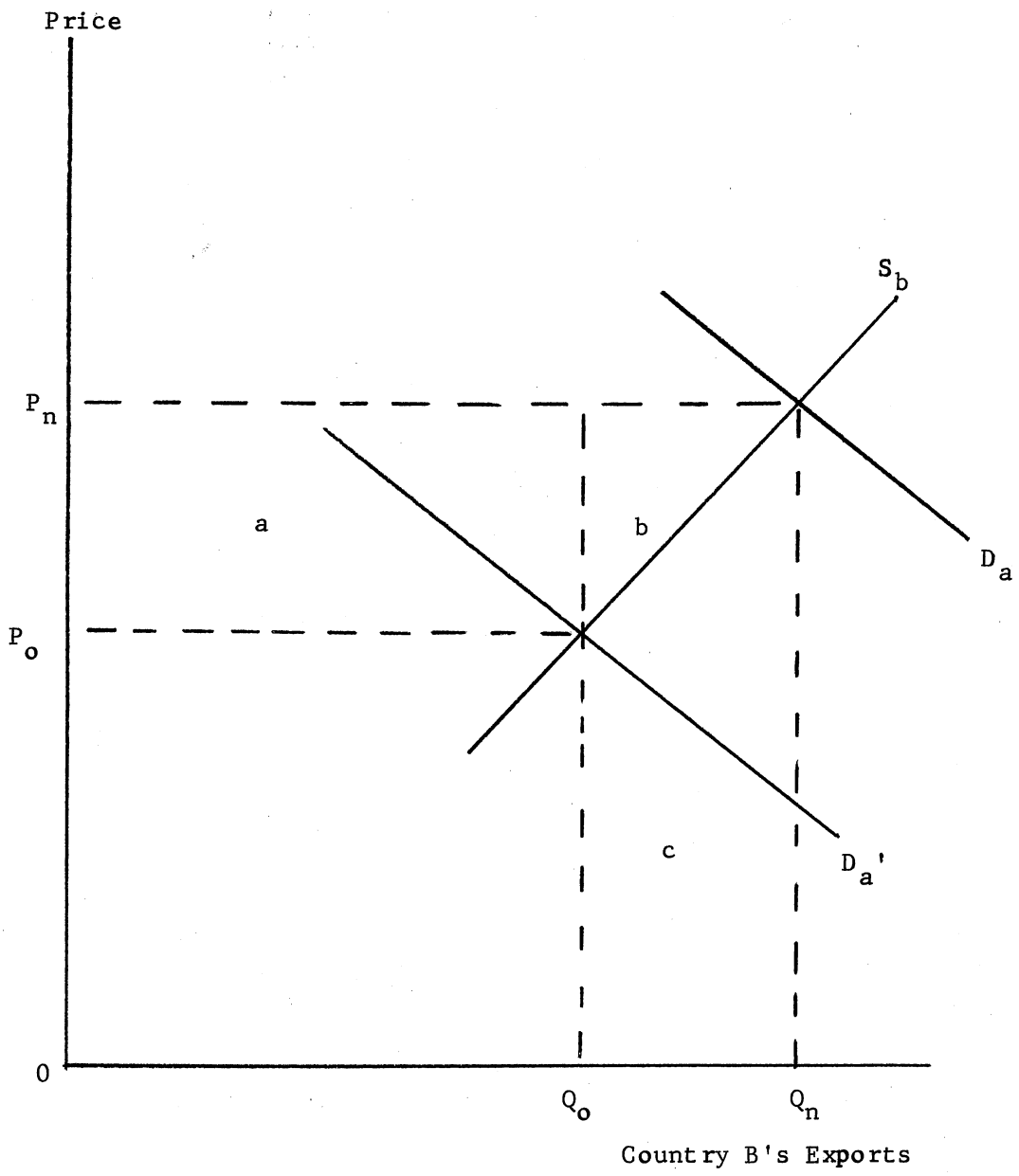

Figure 2. The Composition of Country B's Foreign Exchange Earnings

arises as well. The GSP provision of the TSUS affects potential tariff negotiations with the selected group of LDCs in two ways. First, on commodities designated in the TSUS as "A" items duties are effectively zero for LDC principal suppliers for a period of ten years. In some cases, duties could be reinstated if the value of an import item or the market share of a particular LDC in that item becomes too large. However, in this study is is assumed that LDC principal suppliers have no immediate interest in negotiating tariff reductions on such items.

Second, a substantial part of LDC principal supplier imports are designated as "A*" items. This means the principal supplier imports into the U.S. are subject to full MFN duty, but imports from other beneficiary LDCs enter duty free. A reduction in the tariff on these items will increase the total quantity of imports purchased by the U.S., but the preference margin enjoyed by the beneficiary LDCs will be reduced. The essential features of the analysis on the negative spillovers of MFN tariff elimination are illustrated by Figure 3. U.S.'s excess demand curve for "A*" items is D_a. Lines S_c and S_b are the excess supply curves of beneficiary LDCs and all other exporters exclusive of the tariff, and S_b' is the excess supply curve of all other tariff paying exporters inclusive of the tariff. Individual excess supply curves S_b', S_c and S_b, S_c have been summed to obtain the joint excess supply curves in the U.S. before and after MFN tariff cut. Elimination of the tariff on imports from B shifts the equilibrium from E_1 to E_2. At price P_2 U.S. consumption is larger and domestic production smaller. The sum of the production and consumption effects is equal to the net increase in imports, Q_4E_2, which measures the trade creation effect. Trade diversion effect is measured by the decline of Q_1Q_2 in C's production for

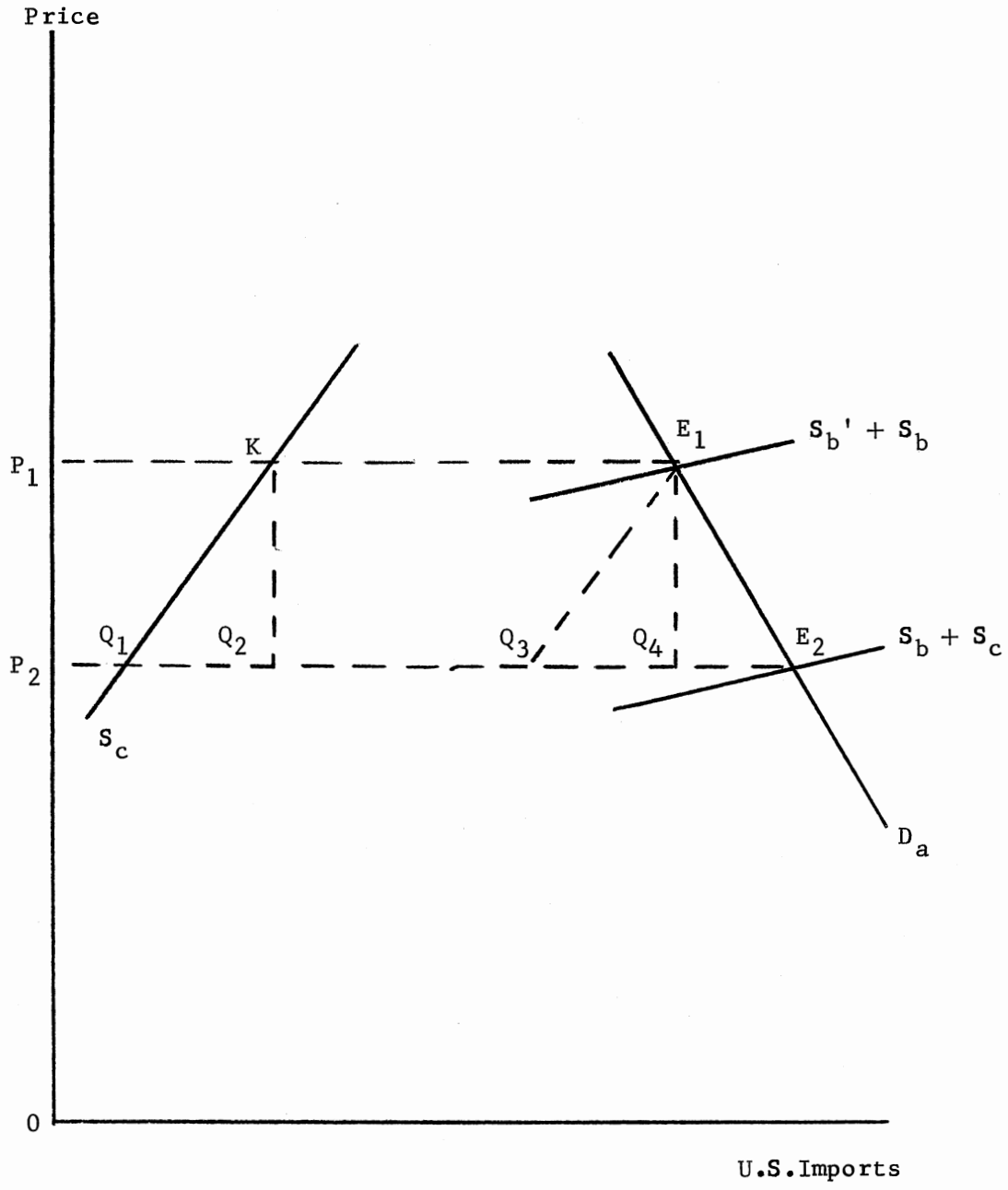

Figure 3. The Negative Spillover Effect of MFN Tariff Reductions

export (down to P_2Q_1 from P_1K). B's exports have increased from KE_1 to Q_1E_2, an amount equal to Q_3E_2 (line E_1Q_3 is parallel to S_c; therefore $KE_1 = Q_1Q_3$). Since Q_3Q_4 is equal to Q_1Q_2, it is clear that the increase in B's exports is equal to the sum of trade creation and trade diversion effects. Further, the increase in B's exports is the result of (1) an increase in U.S. consumption, (2) a decline in C's exports of the commodity to the U.S. Assuming equal supply elasticities, the increase in B's exports can be split between the principal supplier and all other sources according to their prevailing relative market shares.

The exact mix of import redistribution depends on the three underlying elasticities of import supply. In general, it is believed that trade diversion effect is considerably smaller than that of trade creation. In a study on the trade benefit of GSP prepared by Robert Baldwin and Tracy Murry, it is suggested that trade diversion is less than one-fifth of the net increase in world trade and most of the trade diverted is at the expense of developed countries.[17] Trade diversion in the form of export reductions of non-beneficiary LDCs is likely to be no more than 25% of the total.[18]

In this study the impact of duty reductions have been approximated by assuming that the new imports are split between the principal supplier country and all other countries according to their prevailing market shares. The trade diversion effect on the initial imports would affect only the estimates of spillover benefits.

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[17] Robert Baldwin and Tracy Murry, "MFN Tariff reductions and Developing Country Trade Benefits Under the GSP," (mime), New York University, Graduate School of Business Administration Working Paper #76-25, April 1976, p. 11.

[18] Ibid.

Special Consideration of Offshore Assembly Provision

Another special provision of U.S. tariff law that affects this analysis on trade with LDCs is the Offshore Assembly Provision (OAP) included under TSUS items 806.30 and 807.00. This provision allows tariff on certain imported goods to be levied only on the foreign value-added or assembly cost. Tariff on an assembled product is applied on the final value of a good less the value of the domestic components. Take some imported shoes for example. Suppose shoes entered the U.S. under OAP are made from parts which are cut in the U.S. from U.S. leather. The parts are shipped outside of the U.S. where they are sewn with foreign thread into shoes. Upon entry into the U.S. tariff is charged on the "final" value of the shoes, less the value of U.S. made parts. Such provision allows a tariff break on articles assembled abroad if they are made from domestic components. Its impact is to shift demand from domestic to foreign assemblers and from foreign to domestic production of components.

The assembly of imported components for re-exports, is already a major source of earnings for developing countries accounting for as much as one fifth of manufacturing employment in several countries.[19] For the U.S. almost one fourth of all manufactured imports from LDCs are under OAP which increased by 60% per year between 1966 and 1972 as compared with 12% increase for other manufactured imports from LDCs over the same period.[20] The largest single source country was Mexico, which was the origin of 43% of U.S. OAP imports. About 49% of U.S. OAP imports came

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[19] Finger, "Tariff Provision of Offshore Assembly and the Experts of Developing Countries," Economic Journal, June 1975.

[20] Ibid.

from Taiwan, Hong Kong, Singapore, and South Korea, and 6% from Caribbean countries.[21]

What is of more interest in this study is the impact of MFN tariff reductions on products that are already under OAP Treatment. J.M. Finger has developed a five equation model to estimate the impact of OAP on domestic economic activity and on the balance of trade.[22] For the purpose of this study, it is more suitable to follow a simpler graphic analysis of Finger[23] and G. Lage.[24]

The model is essentially a partial equilibrium, fixed coefficient, effective protection model, assuming infinite foreign supply elasticity. The domestic economy exports components and imports finished goods, some of which may be assembled from components made in the foreign country. Units are defined so that one unit of components is required per unit of the finished good and that for both assembly, "foreign" and "domestic" are perfect substitutes. The essential elements of the model are foreign and domestic supply curves for components and assembly and a domestic demand curve for the finished product.

A tariff on an imported final good J without OAP will cause the domestic price to exceed the foreign price by the amount of the tariff.

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[21] Ibid.

[22] J. Finger, "Trade and Domestic Effects of the Offshore Assembly Provision in the U.S. Tariff," American Economic Review, September 1976.

[23] J. Finger, "Tariffs, Provision for Offshore Assembly, and Free Trade; A Comparison," Staff Research Study, Washington, D.C.: U.S. Tariff Commission, 1976.

[24] Gerald Lage, "The Feasibility of Mutually Beneficial Trade Negotiations Between the U.S. and Advanced LDCs," Faculty Working Papers, Oklahoma State University, September 1976.

In equation form:

$$P_{dj} = (1 + T)(P_{fa} + P_{fc})$$

where P's are prices, d and f are domestic and foreign sources, c is component, a is assembly, and T is the ad valorem tariff rate on the finished good. If the foreign country allows duty free imports of components for re-export, then $P_{fc} = P_{dc}$ and

$$P_{da} = P_{fa} + T(P_{fa} + P_{fc}).$$

Since the total value of finished product J is subject to tariff, regardless if it is assembled from domestic or foreign components, domestic components receive no protection over foreign components. Only value added from domestic assembly is protected over foreign assembly. In other words, a tariff on the finished good without an OAP is equivalent to a tariff on foreign assembly. The implicit tariff on foreign assembly, however, exceeds T by the ratio of P_{fj}/P_{fa}, i.e.,

$$P_{da}/P_{fa} = 1 + T(P_{fj}/P_{fa})^{25}$$

If an OAP is in effect, the foreign assembler can avoid a tariff liability of $T \cdot P_{fc}$ by using domestic components. This means that

$$P_{dc} = (1 + T)P_{fc}$$

$$P_{da} = (1 + T)P_{fa}$$

The OAP tariff is equivalent to equal tariff rates on foreign assembly and foreign components.

25

$$P_{da} = P_{fa} + T(P_{fa} + P_{fc})$$

$$P_{da} - P_{fa} = T(P_{fa} + P_{fc})$$

$$(P_{da} - P_{fa})/P_{fa} = T(P_{fa} + P_{fc})/P_{fc}$$

$$P_{da}/P_{fa} - 1 = T(P_{fj}/P_{fa})$$

$$P_{da}/P_{fa} = 1 + T(P_{fj}/P_{fa})$$

The impact of tariff removal on articles subject to OAP Provision can be illustrated by Figure 4. With a tariff in effect, foreign supply curves of assembly and components are shown as F_{at} and F_{ct} respectively. These curves are added vertically to obtain the tariff inclusive foreign supply curve of the finished product J, F_{jt}. Given the demand curve domestic consumption of J is Q' units at price P_6. Since units are defined so that one unit of J requires one unit of components and one unit of assembly, DA and DC are the domestic supply curves of assembly and components respectively, imports of foreign assembly equal A_tQ' and domestic production is OA_t. Similarly, imports of foreign components equal C_tQ' and domestic production is OC_t. Also of interest is the domestic export of components, A_tC_t for foreign assembly.

Following a tariff reduction, domestic consumption of J increases from Q' to Q in response to the lower domestic price. Production of domestic assembly and components fall to A and C respectively. Imports of J increases by AA_t plus Q'Q amount. This rise or fall in the exports of domestic components for foreign assembly depends on the relative size of A_tC_t and AC. If $A_tC_t > AC$, export of domestic components falls so does domestic assembly.

One feasible way of estimating the trade flow change following tariff reduction seems to be an estimate of the import demand elasticity, the hypothesized tariff reduction and total f.a.s. value of imports of J from all sources.[26] This value can in turn be separated into direct and spillover benefits by using the principal supplier's market share.

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[26] If the foreign assembly is controlled by U.S. firms, as is often the case, import demand elasticity may no longer be relevant.

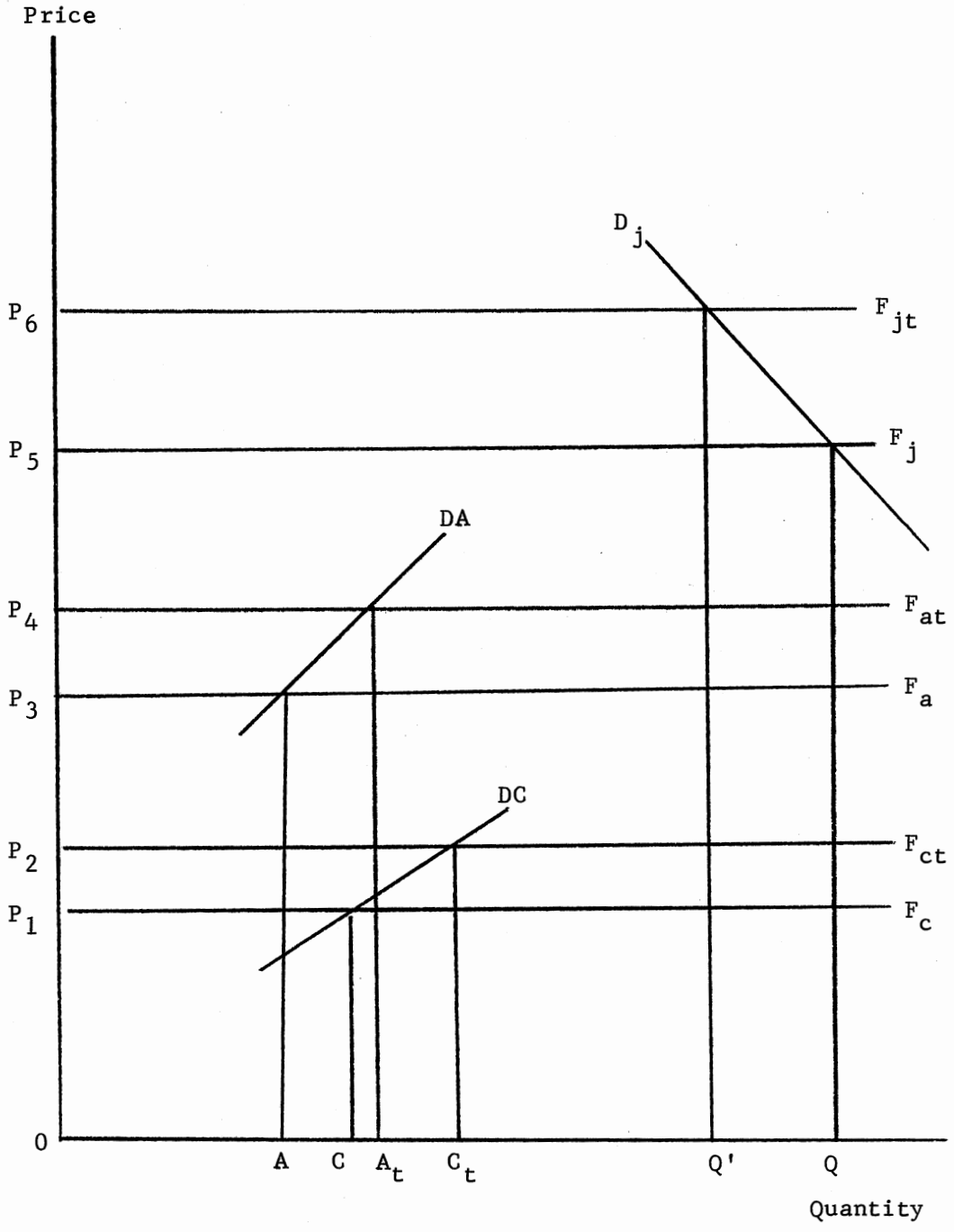

Figure 4. The Impact of Tariff Removal on Articles Subject to OAP Provision

For each TSUS item subject to OAP provision, import statistics are reported for OAP imports and non-OAP imports by country. Take a principal supplier item for Mexico for instance, there might be $100 OAP imports and $200 non-OAP imports listed separately. Similar division is made for imports from other suppliers. Non-OAP imports can be regarded as those whose components were not U.S. produced. From alternative data source a breakdown of the customs value of OAP imports of the LDC principal supplier into dutiable and non-dutiable value is available.[27] Dutiable value measures foreign assembly value added and non-dutiable value represents an estimate of the exports of U.S. components.

Two ratios can be used to determine the relative significance of U.S. component exports. One is the ratio of OAP imports from all sources to total imports in a TSUS classification. The other is the value of U.S. components relative to the customs value of OAP imports of the principal supplier. Large values of both ratios would indicate significant U.S. export sales of components. Items among negotiable U.S. imports affected by OAP provision will be analyzed in Chapter VI.

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[26]Data supplied by U.S. International Trade Commission.

CHAPTER V

ESTIMATED TRADE EXPANSION FROM MFN TARIFF REDUCTIONS BY THE U.S. AND THE SAMPLE GROUP OF LDCS

The task of this chapter is to estimate the potential trade expansion that could be realized by the U.S. and the sample group of LDCs following MFN tariff reductions by both sides on each other's principal supplier imports. Several factors help determine the magnitude of such trade gains: the height of existing tariff rates, changes in these rates, and the responsiveness of the demand for and the supply of traded commodities to price changes in the individual countries.

To estimate the value of increased imports that would be purchased by an importing country from all sources as a result of MFN tariff reductions, the following formula is used

$$\Delta M = e_m . M . t/(1+t) . k$$

where e_m is the price elasticity of demand in the importing country, M is the value of total imports from all sources, t stands for the ad valorem equivalent tariff rate, and k is the percentage reduction of tariff. (i.e., k = 1 for complete elimination and k = .6 for 60% reduction) Elasticities of import supply are implicitly assumed to be infinite. To compute the potential increase in imports that would be purchased from the principal supplier, the estimated total increase in imports are multiplied by the prevailing percentage market share of the

principal supplier.

The elasticities of import demand used in these computations were taken from a study by Robert M. Stern, conducted for the Office of the Special Representative for Trade Negotiations, March 15, 1975, entitled "Price Elasticities in International Trade: A Compilation and Annotated Bibliography of Recent Research." The specific values for the U.S. and LDCs are as follows:

SITC Section	U.S.	LDC
0 and 1	-0.80	-0.74
2 and 4	-0.43	-0.57
3	-0.96	-0.85
5 - 9	-1.80	-1.60

The values for the U.S. elasticity are taken without adjustment from Stern's "best" estimates. These values are generally the approximate average when several estimated values are available. In the crude materials, Section 2, Stern's estimate of -0.43 is slightly higher than -0.26, the value computed earlier by Ball and Marwah[1] but much lower than -1.30, the value calculated by B.A. Devries.[2] For SITC Sections 5 through 8 on manufactured products, Stern's estimate of -1.80 is above Kreinin's[3] average of about -0.85 for approximately 20 industries defined at the 3-digit SITC level, but below the average of -2.30 for the International Trade Commission's estimates for 20 industries defined at

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[1] R.J. Ball and K. Marwah, "The U.S. Demand for Imports, 1948-1958," The Review of Economics and Statistics, November 1962, pp. 395-401.

[2] B.A. Devries, "Price Elasticities of Demand for Individual Commodities Imported into the U.S.," International Monetary Fund Staff Papers, April 1951, pp. 397-419.

[3] M.E. Kreinin, "Disaggregated Import Demand Functions--Further Results," Southern Economic Journal, Vol. 40, No. 1, 1973, pp. 19-25.

the 4-digit SITC level.[4] The import demand elasticities for the LDCs represent an average of elasticities for 18 industrial countries included in Stern's study. They are not much different from the average value for the group excluding major industrial countries of North America, Europe, and Japan. These values, in fact, are quite similar to estimated demand elasticities of the U.S.

Throughout the following computations, k=1 is assumed. It is recognized that complete tariff removal cannot be regarded as realistic goals for tariff negotiations. The Trade Act of 1974 authorizes the President to cut U.S. tariffs by 60% of the 1975 level at the maximum for rates above 5%. The objective of this inquiry, however, is to determine the maximum trade gains from tariff reductions that follow bilateral negotiations.[5]

Estimated Trade Expansion From MFN Tariff Reductions By the U.S. Accruing to the Sample Group of LDCs

Table XVII provides summary information on estimated increase in U.S. imports principally supplied by the sample LDCs. Since most textiles are already subject to the quota restrictions of Multifiber Agreement, reducing tariffs on these items is beyond the authority provided by the Trade Act of 1974. It is not meaningful to include them in trade expansion considerations. Duties on products subject to escape clause actions of the Trade Act and the Agricultural Adjustment Act also cannot be reduced. Items on the principal supplier list that are subject

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[4] USITC, Foreign Trade Elasticities for Twenty Industries, USITC Publication 738, August 1975.

[5] Section 101, P.L. 93-618.

TABLE XVII

SUMMARY INFORMATION ON POTENTIAL INCREASE IN U.S. IMPORTS PRINCIPALLY SUPPLIED BY THE SAMPLE LDCS*

Description		Mexico	Brazil	Taiwan	Korea	Total
Potential Trade Expansion in P.S. Items of Each Country From All Sources	($mil)	196	7	194	143	540
Potential Trade Expansion in P.S. Items Due Principal Supplier	($mil)	71	5	75	78	229
Share of Principal Supplier in Total Trade Expansion in its P.S. Items	(%)	36	68	39	55	43
Potential Trade Expansion as a Share of P.S. Trade	(%)	5	1	8	19	7
Share of Each Country in Total Trade Expansion Due Principal Suppliers of the Sample Group	(%)	31	2	33	34	100

* Excluding items subject to Multifiber Agreement restriction.

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

these quantitative restrictions are specifically excluded from computations.

Following complete tariff elimination, total U.S. imports from all sources are expected to increase in the amount of $540 million. Forty three percent of such increase would accrue to the four sample LDCs. Potential trade gains of individual LDCs are $71 million, $5 million, $75 million, and $78 million for Mexico, Brazil, Taiwan, and Korea, and they represent, respectively, 31, 2, 33, and 34 percent of total trade gains accruing to this group. Among sample LDCs, potential trade expansion appears to be the most significant for Korea. It represents 19 percent of that country's gross principal supplier trade with the U.S. The respective shares for Taiwan, Mexico and Brazil are 8, 5, and 1 percent. The relative small increase for Brazil reflects the fact that most of Brazil's exports to the U.S. are already duty free.[6]

The commodity composition of potential trade gains of individual LDCs are presented in Tables XVIII, XIX, XX, and XXI. For each country the total trade expansion is classified by TSUS commodity groups. Total trade expansion and the estimated increase in exports of the principal supplier are computed. Also presented are the shares of the principal suppliers in total trade gaines in each group. For Mexico, the most promising areas are animal and vegetable products, and metals and metal products. These two groups provide $56 million of the potential increase. More important product items are live cattle, tomatoes, and berries. Among metal products, various electronic components appear to have the greatest expansion potential. Among exports of Brazil, animal

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[6]Virtually all export items of large values such as cocoa beans, coffee, castor oil, and lumber are duty free.

TABLE XVIII

POTENTIAL INCREASE IN U.S. IMPORTS
PRINCIPALLY SUPPLIED BY MEXICO

	TSUS Commodity Group Description	Total Imports ($mil)	Potential Trade Expansion Total ($mil)	Potential Trade Expansion Mexico ($mil)	Share of Mexico (%)
(1)	Animal and Vegetable Products	362	39.0	31.0	79
(2)	Wood and Paper; Printed Matter	49	4.0	2.7	75
(3)	Textile Fibers and Products*	14	3.1	2.6	83
(4)	Chemical and Related Products	8	0.5	0.5	98
(5)	Nonmetallic Minerals and Products	98	11.5	6.1	53
(6)	Metals and Metal Products	1,185	129.0	24.8	19
(7)	Miscellaneous Manufactured Products	62	8.6	3.5	40
	Total	1,778	196.0	71.3	36

* Excluding items subject to multifiber agreement quota restriction.

Sources: U.S. Department of Commerce, FT 246/Annual 1974.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XIX

POTENTIAL INCREASE IN U.S. IMPORTS
PRINCIPALLY SUPPLIED BY BRAZIL

	TSUS Commodity Group Description	Total Imports ($mil)	Potential Trade Expansion		Share of Brazil (%)
			Total ($mil)	Brazil ($mil)	
(1)	Animal and Vegetable Products	65	4.31	2.89	67
(4)	Chemical and Related Products	29	0.82	0.67	81
(6)	Metals and Metal Products	7	0.63	0.58	92
(7)	Miscellaneous Manufactured Products	47	1.48	0.82	56
	Total	148	7.25	4.95	68

Sources: U.S. Department of Commerce, FT 246/Annual 1974.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XX

POTENTIAL INCREASE IN U.S. IMPORTS
PRINCIPALLY SUPPLIED BY TAIWAN

TSUS Commodity Group Description	Total Imports ($mil)	Potential Trade Expansion		Share of Taiwan (%)
		Total ($mil)	Taiwan ($mil)	
(1) Animal and Vegetable Products	49.4	5.45	3.07	56
(2) Wood and Paper; Printed Matter	46.8	7.07	2.95	42
(3) Textile Fibers and Products*	0.9	0.18	0.17	95
(4) Chemical and Related Products	15.0	3.26	0.54	17
(5) Nonmetallic Minerals and Products	3.9	1.28	0.57	49
(6) Metals and Metal Products	989.8	89.12	32.73	37
(7) Miscellaneous Manufactured Products*	511.2	87.44	35.42	41
Total	1,617.0	193.70	75.46	39

* Excluding items subject to multifer agreement quota restriction.

Sources: U.S. Department of Commerce, FT 246/Annual 1974.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XXI

POTENTIAL INCREASE IN U.S. IMPORTS
PRINCIPALLY SUPPLIED BY KOREA

TSUS Commodity Group Description	Total Imports ($mil)	Potential Trade Expansion Total ($mil)	Potential Trade Expansion Korea ($mil)	Share of Korea (%)
(1) Animal and Vegetable Products	12.1	1.94	0.37	19
(2) Wood and Paper; Printed Matter	206.0	59.91	35.79	60
(4) Chemical and Related Products	11.6	12.84	1.76	62
(6) Metals and Metal Products	0.7	0.18	0.16	88
(7) Miscellaneous Manufactured Products*	320.0	77.67	39.59	51
Total	550.4	142.53	77.67	54

* Excluding items subject to escape clause adjustment quota restriction.

Sources: U.S. Department of Commerce, FT 246/Annual 1974.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

and vegetable products represent the only commodity group of any importance. Concentrated fruit juice appears to be the single item offering the best hope of increased sales to the U.S. In the case of principal supplier exports of Taiwan, major concentrations are among metal products and miscellaneous manufactured products. Television receivers are expected to provide the bulk of the increase for metal products. Among miscellaneous manufactured products, footwear, handbags, headwear, gloves are items with the most potential. Commodity groups with the best prospects for Korea are wood and paper products and miscellaneous manufactures. Plywood represents most of the potential expansion in wood products; wearing apparel of rubber, boots, wigs and sporting equipment are likely to achieve significant increase among manufactures.

The Impact of Major U.S. NTBs on Imports Principally Supplied by the Sample LDCs

In addition to tariffs, there exist other trade barriers restricting exports of LDCs to the U.S. Non-tariff barriers are currently being applied to those products which are of particular export interest to LDCs. Major types of NTBs are (1) import quotas, (2) discretionary licensing, (3) variable levies, (4) internal or border taxes, (5) health and labeling regulations, and (6) government purchasing requirement.[7] The most visible are the quantitative restrictions, or import quotas.

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[7]For a more complete discussion of NTBs, see R.E. Baldwin, Nontariff Distortions of International Trade (Washington: The Brookings Institution, 1970) and K.E. Jay, "Tariff and Non-Tariff Barriers to Trade with the Developed Countries," Development Digest, July 1972.

Though often referred to as an alternative to tariffs, the general impact of quotas is more restrictive and distorting than tariffs.[8] A quota by-passes the price system, and can create monopoly profits for domestic sources. In addition, quotas can be used more explicitly to limit the growth of imports over time. One variant of quota restriction is the "voluntary export quota"[9] principally affecting textiles. The U.S. was able to "convince" some exporting LDCs that it was in their best interest to restrict their exports by their own quotas.[10] "Voluntary export quotas" are currently in effect on such items as cotton textiles, woolen products, man-made fibers, and shoes exported from Korea and Taiwan.[11]

Other NTBs are problems facing all trading nations and are far less specific to developing countries than quotas. However, developing countries are likely to bear the majority of the burden because firms in LDCs usually have less access to information and have greater difficulty in meeting special requirements of the U.S. In this study, the impact of quotas imposed on the basis of escape clause actions, Trade

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[8] See J. Bhagwati, "On the Equivalence of Tariff and Quotas," in R. Baldwin, ed., Trade, Growth, and the Balance of Payments (Chicago: Rand McNally & Co. 1965); H. Shibata, "Note on the Equivalence of Tariffs and Quotas," American Economic Review, March 1968, pp. 137-142.

[9] F. Bergsten, "The Nonequivalence of Import Quotas and Voluntary Export Restraint," in F. Bergsten, ed., Toward a New World Trade Policy: The Maidenhead Papers (Washington: The Brookings Institution, 1974).

[10] The exporting countries agree to this arrangement because the alternative is import controls imposed by the U.S. Congress.

[11] For a discussion on the pressure for the U.S. to impose quotas on textile, see G.M. Meier, Problems of Trade Policy (Oxford University Press, 1973), pp. 92-181.

Agreements Legislation, and the Agricultural Adjustment Act on P.S. items of sample LDCs are considered. The great majority of traded items affected by these NTBs are textile products and wearing apparel articles. Imports are restricted in quantities by Multifiber Agreement (MFA).

Table XXII presents summary information on the effects of NTBs on the U.S. imports principally supplied by the selected group of LDCs.[12] For the four sample countries as a group, $428 million or 13 percent of total P.S. exports to the U.S. were affected by these provisions. The two Asian countries appear to be more severely handicapped. Nearly a third of Taiwan's principal supplier exports and a fourth of Korea's trade were limited by quotas. In the case of Taiwan, virtually all of its P.S. exports in textile products were covered by MFA. These items could generate $150 million worth of extra trade gains which is twice as much as that country's estimated trade expansion in products not affected by quotas. For Korea, NTBs ruled out $39 million worth of potential exports, which represent 50 percent of that country's estimated increase in all other items. In addition to items restricted by MFA, some tableware articles from that country were affected by escape clause actions.[13] It is apparent the U.S. position concerning quota reductions is an important consideration in bilateral negotiations with these two countries.

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[12]Individual P.S. items of LDCs subject to MFA are identified on the basis of information contained in Correlation: Textile and Apparel Categories With Tariff Schedules of the United States Annotated, U.S. Department of Commerce, January 1975, pp. 98-102.

[13]For items subject to escape clause action, see Appendix to the Tariff Schedule, Part 2 - Temporary Modifications Proclaimed Pursuit to Trade-Agreements Legislation.

TABLE XXII

THE EFFECT OF NTBS ON U.S. IMPORTS PRINCIPALLY SUPPLIED BY THE SELECTED GROUP OF LDCS

Country	U.S. Imports	Imports Subject to NTB	Add. Potential Trade Expansion	No. Items Sub. NTB	Import Sh. Sub. NTB
		($million)			(%)
Mexico	1,520	26	7	12	2
Brazil	372	6	1	3	2
Taiwan	989	301	148	8	30
Korea	405	96	39	9	24
Total	3,285	428	196	32	13

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Data supplied by Trade Agreements Division, U.S. Department of State.

NTBs seem to have much less impact on U.S. imports principally supplied by Mexico and Brazil. They affect only 2 percent of the total P. S. trade for each country. Individual TSUS items among U.S. imports subject to major NTBs are listed in Appendix Tables XLVII, XLIX, LI, and LIII.

Estimated Trade Expansion From MFN Tariff Reductions By the Sample Group of LDCs Accruing to the U.S.

Table XXIII presents the summary information on estimated export expansion accruing to the U.S. following tariff removal by sample LDCs on their imports principally supplied by the U.S. The U.S. could realize over $1 billion worth of additional exports to this group of countries, which represents 55 percent of total estimated increase in imports of these countries. Mexico, with the greatest expansion potential, represents a market for another $550 million worth of U.S. exports. Brazil comes in second with a projected increase of $286 million. Taiwan and Korea may absorb $197 million and $56 million U.S. exports each. The respective shares of each country in total trade gains accruing to the U.S. are 50, 27, 19, and 5 percent.

Tables XXIV, XXV, XXVI, and XXVII present detailed breakdowns of the expected increase in U.S. exports to each sample LDC by individual SITC Commodity Sections. In trade with Mexico, the U.S. has the best chance to increase exports in Machinery and Transport Equipment Section, followed by Manufactured Goods Classified Chiefly by Materials, and Chemicals. Road motor vehicles can be expected to bring the most extra export values. Paper and paperboards, as well as, plastic materials also could add substantial sums to U.S. exports. In the case of Brazil,

TABLE XXIII

SUMMARY INFORMATION ON POTENTIAL INCREASE IN IMPORTS
OF SAMPLE LDCS PRINCIPALLY SUPPLIED BY THE U.S.

Description		Mexico	Brazil	Taiwan	Korea	Total
Potential Trade Expansion in P.S. Items of the U.S. From All Sources	($mil)	732	492	363	66	1,952
Potential Trade Expansion in P.S. Items of the U.S. From the U.S.	($mil)	530	286	199	56	1,071
Trade Expansion Share of the U.S. in Its P.S. Trade	(%)	73	58	55	84	55
Potential Trade Expansion as a Share of U.S. P.S. Trade	(%)	35	26	18	11	31
Share of Each Country in Total Trade Expansion Accruing to the U.S.	(%)	50	27	19	5	100

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Inspectorate General of Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.

TABLE XXIV

POTENTIAL INCREASE IN IMPORTS OF MEXICO
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Total Imports	Potential Trade Expansion		Share of U.S.
		Total	U.S.	
		($ million)		(%)
Food and Live Animals	154	18	15	84
Crude Materials, Inedible, Except Fuels	129	17	14	84
Mineral Fuels, Lubricants and Related Materials	77	35	30	86
Animal and Vegetable Fats and Oils	3	0	0	95
Chemicals	283	85	56	66
Manufactured Goods Classified Chiefly by Materials	177	80	58	73
Machinery and Transport Equipment	1,024	400	287	72
Miscellaneous Manufactured Articles	195	96	70	73
Total	2,042	732	530	73

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XXV

POTENTIAL INCREASE IN IMPORTS OF BRAZIL
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Total Imports	Potential Trade Expansion		Share of U.S.
		Total	U.S.	
		($ million)		(%)
Food and Live Animals	406	76	47	62
Beverages and Tobacco	1	0	0	94
Crude Materials, Inedible, Except Fuels	95	7	4	65
Mineral Fuels, Lubricants and Related Materials	85	15	11	75
Chemicals	311	77	48	63
Manufactured Goods Classified Chiefly by Materials	159	17	8	46
Machinery and Transport Equipment	735	265	148	56
Miscellaneous Manufactured Articles	102	34	18	52
Total	1,894	492	286	58

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

TABLE XXVI

POTENTIAL INCREASE IN IMPORTS OF TAIWAN
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Total Imports	Potential Trade Expansion		Share of U.S.
		Total	U.S.	
		($ million)		(%)
Food and Live Animals	342	0	0	53
Beverages and Tobacco	30	12	10	78
Crude Materials, Inedible, Except Fuels	523	22	15	67
Mineral Fuels, Lubricants and Related Materials	2	0	0	98
Animal and Vegetable Fats and Oils	47	6	4	62
Chemicals	132	53	32	61
Manufactured Goods Classified Chiefly by Materials	89	33	18	55
Machinery and Transport Equipment	730	174	85	49
Miscellaneous Manufactured Articles	113	59	33	56
Commodities and Transactions not Classified According to Kind	5	4	2	60
Total	2,011	363	199	55

Sources: Inspectorate General of Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.
Tariff data supplied by U.S. Department of State.

TABLE XXVII

POTENTIAL INCREASE IN IMPORTS OF KOREA
PRINCIPALLY SUPPLIED BY THE U.S.

SITC Section	Total Imports	Potential Trade Expansion		Share of U.S.
		Total	U.S.	
		($ million)		(%)
Food and Live Animals	269	33	30	91
Crude Materials, Inedible, Except Fuels	166	8	7	90
Chemicals	16	2	2	100
Machinery and Transport Equipment	124	22	15	70
Total	576	66	56	84

Sources: United Nations, Commodity Trade Statistics, Series D, Vol. 23, No. 1-39.
Tariff data supplied by Trade Agreements Division, U.S. Department of State.

Machinery and Transport Equipment, Section 7, and Chemicals, Section 5, are also two of the most promising areas, followed by Section 0, Food and Live Animal. Within Section 7, electric machinery and apparatus appears to offer the greatest potential. Manufactured fertilizers and unmilled wheat are the most important U.S. export expansion to Brazil in Section 5 and Section 0.

Among U.S.P.S. exports to Taiwan, Machinery and Transport Equipment Section leads Miscellaneous Manufactured Products and Chemicals Sections as the areas to have the best prospects. Within Section 7, non-electric power generating machinery, equipment for distributing electricity, and machines for special industries are the most important items. Among Section 8 items, various precision instruments appear to have excellent market potential. Some chemical products also could enjoy large increases.

Korea appears to offer a good market for U.S. exports in Food and Live Animal Section. Wheat and rice are most likely to achieve large increases. The U.S. could also increase sales in Section 7, electric machinery and apparatus seem to have the best expansion potential.

Summary

Based on these computations on potential expansion in bilateral trade between the U.S. and each LDC, it is clear that both sides have much to gain from trade liberalization. In the case of Mexico, tariff removal by the U.S. on that country's principal supplier exports would lead to $71 million worth of trade gains by Mexico. Potential increases in P.S. exports of the U.S. to Mexico are expected to be $530 million. Brazil could realize $5 million trade gains in its P.S. exports to the

U.S. but the U.S. is expected to gain $286 million in Brazilian imports principally supplied by this country. This disparity is mainly due to the fact that major Brazilian exports to the U.S. are already duty free, but major American exports to Brazil are subject to high tariffs. In trade with Taiwan, the U.S. could realize $199 million additional P.S. exports to that country and add $75 million P.S. imports from Taiwan in return. Korea is the only LDC in the sample group that could achieve greater trade expansion than the U.S. following mutual tariff removal. It would realize $75 million in trade gains as compared with $56 million for the U.S. The smaller values of potential trade expansion that could accrue to most LDCs in the sample group seems to confirm the belief that complete tariff removal is not a realistic objective for negotiation.

Since the U.S. can expect to realize greater trade expansion than most of the sample LDCs from bilateral tariff reductions, the willingness of the U.S. to include other items of interest to LDCs in trade negotiations, i.e., reduction of MFA restrictions, seems to be an important determinant of potential success in any trade talks with these countries. In the case of trade negotiations with Korea, that country's ability to match U.S. concessions may be the limiting factor. Additional information on estimated trade expansion in individual commodity items can be found in Appendix Tables XLVIII, L, LIX, LX, LXI, LXII, and LXIII.

CHAPTER VI

ANALYSIS OF BILATERAL NEGOTIATIONS BETWEEN THE U.S. AND INDIVIDUAL LDCS

This chapter presents a detailed account of dutiable items among principal supplier trade which could be of negotiable interest to the U.S. and individual LDC. To determine potential U.S. offers, several guidelines are followed. First, principal supplier imports subject to quota limitations of Multifiber Agreement (MFA) and other temporary modifications in the tariff schedule are excluded from consideration. Other than textile fibers and textile products, only some tableware imports from Korea are affected by escape clause actions. Second, no items designated for GSP duty-free treatment are included unless they are subject to "competitive need" exclusion; that is, the volume of trade in 1974 exceeded $25 million or the country's market share in U.S. imports exceeded 50 percent. Third, no items are excluded from consideration due to low principal supplier shares or small trade values.

Among negotiable U.S. imports, items subject to Offshore Assembly Provision (OAP) are separated for further consideration. Also, to measure potential spillover effects, detailed market share analyses are presented for major negotiable items.

For potential LDC counter-offers, the main consideration is the existence of sufficient restrictions that could be relaxed to balance the U.S. offer. Major U.S. exports to these countries are listed along with estimated tariff rates.

Mexico

Based on 1974 trade flows, principal supplier items of Mexico among U.S. imports that could represent a basis for negotiations for U.S. tariff reductions amounted to $683 million. The predicted trade expansion from complete U.S. tariff removal on such items is $196 million of which $71 million would be supplied by Mexico. Table XXVIII presents the list of TSUS items available for negotiations with Mexico. The first two columns indicate the values of total imports from Mexico and its market share in each item. Also included in the table are corresponding ad valorem tariff rates and the potential trade expansion following tariff removal. The last column indicates special features applicable to each item such as the country specific GSP exclusion (A*), and/or Offshore Assembly Provision (OAP). There are 84 specific items on the negotiable list of which about half are food and vegetable products providing nearly one third of the estimated increase in imports from Mexico. Electronic components, such as fixed capacitors, electronic transistors, tubes, and photocells make up the next two largest items. Other items with potential trade gains over $1 million include items like wood frames for pictures or mirrors, articles of paper NSPF, miscellaneous cordage, fluorspar, ceramic plumbing fixtures, and glassware.

Estimated trade expansion in negotiable items with Mexico accruing to that country represents only 36 percent of total potential expansion in such items. The remaining 64 percent available to other sources provides a crude measure of spillover effects. The reason for this large spillover ratio can be inferred from the market share analysis of major negotiable items with Mexico. The data indicate that Mexico is barely the principal supplier for items with the most trade expansion

TABLE XXVIII

NEGOTIABLE U.S. IMPORTS PRINCIPALLY SUPPLIED BY MEXICO

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Mexico (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Mexico ($1,000)	Special Feature
10045	Live cattle	66,374	91	6.2	3,100	2,821	-
13065	Wheat	877	92	5.0	33	31	-
13516	Beans, fresh or frozen	1,950	84	28.3	344	289	-
13590	Cucumbers, fresh or frozen	6,024	96	47.2	1,545	1,483	A*
13592	Cucumbers, fresh or frozen	2,768	93	63.5	860	800	-
13620	Eggplant Apr. 1 to Nov. 30	318	97	28.6	57	55	-
13622	Eggplant Dec. 30 to Mar. 31	1,037	99	21.7	148	146	-
13630	Garlic, fresh or frozen	6,053	60	2.8	132	79	-
13680	Okra, fresh or frozen	749	95	25.0	120	114	A*
13691	Onions, chilled or frozen	8,669	89	21.3	1,218	1,084	-
13710	Peppers	9,918	92	22.7	1,468	1,350	-
13750	Squash	2,209	97	21.3	310	301	-
13760	Tomatoes, Mar. 1 to July 14	35,719	99	20.5	4,861	4,813	-
13762	Tomatoes, July 15 to Aug. 31	725	95	8.1	43	41	-
13785	Asparagus	4,779	57	25.0	765	436	-
13800	Vegetables, fresh or frozen	7,757	60	17.5	924	555	A*
14021	Chick peas	2,261	80	8.3	139	111	-
14175	Vegetables in salt	9,846	52	12.0	844	439	-
14660	Strawberries	8,972	99	4.1	283	280	-
14675	Berries, prepared or frozen	29,182	91	14.0	2,867	2,609	-
14722	Limes	866	96	8.2	53	50	-
14731	Oranges	9,628	70	10.8	751	526	-
14790	Mangoes	3,444	82	16.8	396	325	-
14815	Cantalupes	13,498	100	35.0	2,800	2,800	-
14820	Watermelons	5,379	99	20.0	717	710	-

TABLE XXVIII (Continued)

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Mexico (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Mexico ($1,000)	Special Feature
14825	Melons, Dec. 1 to May 31	3,375	67	8.5	212	142	-
14830	Melons, July 1 to Nov. 30	211	65	35.0	44	28	-
14890	Pineapples	506	100	17.1	59	59	-
15274	Strawberry paste	2,411	71	15.0	252	179	-
15445	Pineapple, canned	1,260	86	8.5	79	68	-
15570	Honey	10,613	33	2.5	207	68	-
15575	Sugars, syrups and molasses	1,998	75	15.0	208	156	A*
15645	Cocoa	1,401	70	5.0	53	37	A*
16180	Pepper, unground	751	99	9.1	50	50	-
16850	Spirits for beverage	11,394	92	49.1	3,002	2,762	A*
17060	Scrap tobacco	40,488	32	28.5	7,184	2,299	-
19255	Broom corn	10,547	98	1.0	45	44	-
19270	Processed istle or tampico	3,995	100	20.0	286	286	A*
19285	Straw and other firans	3,451	68	5.0	71	48	A*
20091	Softwood dowel rods & pins	4,051	54	2.5	178	96	A*
20262	Wood modelings	14,994	100	1.5	399	399	A*
20660	Wood frames, picture or mirror	17,336	61	6.0	1,766	1,077	A*
25685	Articles of papers, NSPF	12,783	89	6.0	1,302	1,159	A*,OAP
31525	Cordage, misc.	9,265	83	15.0	2,175	1,805	-
31540	Sisal cordage stands	4,006	89	10.1	661	589	-
35504	Webs, waddling, batting	960	70	20.0	288	202	A*
42276	Zinx sulfate	2,450	90	1.6	69	63	A*
47212	Natural barium sulfate	609	97	21.8	47	45	-
47352	Litharge	4,271	99	4.9	359	356	A*
47356	Red lead	380	100	6.3	41	41	A*
51131	Concrete floor & wall tiles	1,909	86	21.0	596	513	A*
51141	Other concrete tiles	401	97	13.0	83	81	A*

TABLE XXVIII (Continued)

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Mexico (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Mexico ($1,000)	Special Feature
51244	Plasters of Paris articles	964	88	6.0	98	86	A*
51841	Asbestos varn. silvers	1,047	90	2.1	39	35	A*
52221	Fluorspar	47,284	69	3.5	688	474	-
52224	Fluorspar	16,948	92	23.8	1,401	1,289	-
53531	Ceramic plumbing fixtures	8,392	73	15.0	1,970	1,438	A*,OAP
54047	Glass bricks blocks, slabs	156	63	12.0	30	19	A*
54553	Glass globes & shades	7,744	52	14.0	1,712	890	A*
54565	Glass chimneys	1,318	85	15.0	309	263	A*
54654	Glassware	10,918	22	30.0	4,535	998	-
54751	Glass amponles	491	67	3.5	30	20	A*
60548	Silver unwrought, nes	476	52	10.5	81	42	A*
60560	Precious metal plates	206	51	12.0	40	20	A*
64698	Harnes with precious metal	810	99	7.5	102	101	-
64937	Vises & clamps, parts	10,820	59	5.0	927	547	A*,OAP
65295	Stainless steel pillars, posts	141	63	6.0	14	9	-
68580	Fixed capacitors	142,875	31	10.0	23,380	7,248	-,OAP
68760	Electric transistors, tubes	1,029,575	16	6.0	104,900	16,784	-,OAP
70029	Footwear	26,612	23	5.0	2,281	525	-,OAP
70085	Footwear, NSPF	9,709	23	12.5	1,942	447	-,OAP
70235	Headwear	366	67	6.3	39	26	A*
70245	Headwear	448	99	25.0	161	160	A*
70365	Headwear of leather	506	75	6.0	52	39	A*
71030	Automatic pilots & parts	846	54	5.5	79	43	A*,OAP
71319	Parts for stroboscopes	713	100	22.5	236	236	A*,OAP
71614	Watch movements, nes	3,696	95	4.5	286	272	-,OAP
72670	Woodwind instruments	4,331	53	7.5	544	288	A*,OAP
72680	Piano parts	11,461	29	8.5	1,616	469	-,OAP

TABLE XXVIII (Continued)

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Mexico (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Mexico ($1,000)	Special Feature
74005	Silver jewelry	2,077	56	27.5	806	452	A*
75029	Brooms etc. of broom corn	1,289	91	20.0	387	352	-
75030	Brooms etc. of broom corn	183	81	50.1	110	89	-
75031	Brooms etc. of broom corn	159	93	32.0	69	65	-
	Total	775,749	36		195,969	71,211	

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Tariff data supplied by U.S. Department of State.

possibilities. In fact, if a 50 percent market share minimum is imposed for principal supplier items, that country's top four export items to the U.S. would be eliminated from consideration. The spillover ratio of the rest of items with significant trade gains potential is much lower. Major recipient countries of spillover benefits are Japan, Korea, Malaysia, Hong Kong, and Brazil. Japan is likely to benefit greatly in fixed capacitor (68580) and realize some gains in glassware (54654). Korea, to some lesser extent, Malaysia, and Hong Kong, could derive large increases in their exports of electronic transistors and tubes (68760). Brazil would be the chief beneficiary of trade expansion in scrap tobacco (17060). Detailed information on market share analysis are recorded in Table XXIX.

The importance of OAP trade among negotiable U.S. imports from Mexico is quite apparent. Items for which some imports entering the U.S. under OAP included most of the large manufactured exports of that country. The most significant ones are two large items of electronic components--TSUS 68580 and 68760. The combination of high ratios for U.S. components to customs value, and OAP trade to total imports seem to indicate that tariff reductions on OAP items could have significant adverse impact on U.S. exports of components.[1] Table XXX contains data on negotiable U.S. imports affected by OAP.

In return for U.S. tariff reductions, Mexico has much to offer. Its tariffs on imports principally supplied by the U.S. could restrict U.S. exports by $530 million. Among U.S. exports to Mexico, road

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[1]To the extent Mexican assemblers are U.S. owned, tariff reductions would not hurt U.S. export of components.

TABLE XXIX

MARKET SHARE ANALYSIS OF MAJOR NEGOTIABLE U.S. IMPORTS
FROM MEXICO, BRAZIL, TAIWAN, KOREA

TSUS Number	Total Trade Expansion	Market Share of Principal Supplier in 1974	Percentage Share of Leading Suppliers of U.S. Imports											
			(1)		(2)		(3)		(4)		(5)		(6)	
MEXICO *	($1,000)	(%)		(%)		(%)		(%)		(%)		(%)		(%)
10045	3,100	91	Canada	9										
13590	1,545	96	Bahamas	4	Canada	2								
13691	1,218	89	Italy	4	Canada	2								
13710	1,468	92	Dom.Rep.	7										
13760	4,861	99												
13763	2,611	99												
14675	2,867	91	Poland	7	N.Zealand	1								
14815	2,800	100												
16850	3,002	92	U.S.S.R.	3	U.K.	2								
17060	3,184	32	Brazil	13	Dom.Rep.	12	Arg.	8	Colum.	5	Korea	5	Paraguay	4
20660	1,766	61	Taiwan	16	Italy	9	Belgium	3	Canada	2	Netherlands	2	W.Germany	2
25685	1,302	89	Canada	7	W.Germany	2	Japan	1						
31525	2,175	83	Portugal	14	Columbia	3								
52224	1,401	92	Spain	8										
53531	1,970	73	Japan	13	U.K.	3	Phil.Rep.	3	Columbia	3	Italy	2	Korea	1
54654	4,535	22	Japan	12	W.Germany	6	Romania	6	Italy	8	Taiwan	5	Czecho.	5
68580	23,380	31	Japan	30	W.Germany	11	Taiwan	8	Jamacia	4	Netherlands	2		
68760	104,900	16	Korea	15	Malaysia	12	HongKong	11	Taiwan	7	Japan	7		
BRAZIL *														
12120	764	36	France	21	U.K.	15	W.Germany	15	Sweden	4	Belgium	3	Canada	3
16535	2,739	69	Mexico	28										
17602	715	89	India	7	Japan	3	Phil.Rep.	1						

TABLE XXIX (Continued)

TSUS Number	Total Trade Expansion	Market Share of Principal Supplier in 1974	Percentage Share of Leading Suppliers of U.S. Imports											
			(1)		(2)		(3)		(4)		(5)		(6)	
BRAZIL**	($1,000)	(%)		(%)		(%)		(%)		(%)		(%)		(%)
43764	822	81	Taiwan	10	Japan	2	India	1						
60780	614	92	Canada	5	S.Africa	1	U.K.	1						
70052	187	61	Korea	29										
73041	598	65	Canada	30	Italy	4								
91107	578	35	Gaban	29	Austral.	15	S.Africa	7	Morocco	7				
TAIWAN *														
14420	2,574	70	Korea	18	Japan	2	France	1	Co Rica	1				
20697	5,553	42	Japan	13	Phil.Rep	11	Thailand	5	Yuguslv	3				
68810	5,194	72	Korea	14	Italy	11	Japan	2	Mexico	1				
70055	23,518	51	Italy	28	Spain	9	HongKong	3	Austral	1				
70535	8,770	33	Mexico	17	HongKong	15	Korea	12	Phi.Rep	11				
70585	4,395	40	HongKong	17	Phil.Rep	15	Korea	14	Japan	9				
70660	28,524	26	Korea	24	HongKong	18	Mexico	10	Japan	9				
75105	5,983	58	HongKong	18	Japan	9	Korea	7	Canada	6				
77235	1,714	61	Japan	27	HongKong	5	Korea	4	Israel	3				
79039	1,765	67	Japan	17	Norway	5	Mexico	2	U.K.	2				
68520	81,822	34	Japan	34	Mexico	20	Korea	3	Brazil	2				
KOREA *														
24017	55,570	59	Taiwan	30	Phil.Rep	11								
24025	3,249	75	Taiwan	22	Japan	1	Singapore	1						
70053	11,852	72	Taiwan	20	Japan	2	Sweden	1	Italy	1				

TABLE XXIX (Continued)

TSUS Number	Total Trade Expansion	Market Share of Principal Supplier in 1974	Percentage Share of Leading Suppliers of U.S. Imports											
			(1)		(2)		(3)		(4)		(5)		(6)	
KOREA *	($1,000)	(%)		(%)		(%)		(%)		(%)		(%)		(%)
70060	33,641	45	Taiwan	26	Japan	5	Sweden	4	Italy	4				
73454	5,593	55	Taiwan	26	Japan	19								
77230	15,758	31	Taiwan	29	HongKong	19	Canada	6	Japan	5				
79070	6,749	89	HongKong	7	Taiwan	2								

* Items with potential trade expansion of $1,000,000 or more.
** Items with potential trade expansion of $100,000 or more.

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.

TABLE XXX

SUMMARY INFORMATION ON NEGOTIABLE U.S.P.S. IMPORTS AFFECTED BY OFFSHORE ASSEMBLY PROVISION

TSUS Number	Commodity Description	Total U.S. Imports	OAP Imports Share	OAP Imports From Principal Supplier			
				Customs Value	Dutiable Value	U.S. Components	Component Share
MEXICO - 807.00		($1,000)	(%)	----------($1,000)----------			(%)
25685	Articles of paper	12,924	83	10,700	7,221	3,479	33
53531	Ceramic plu. fixture	7,981	23	1,723	183	1,540	89
64937	Clamps	10,838	58	6,258	1,311	4,927	79
68580	Fixed capacitors	144,687	35	27,110	12,273	14,837	55
68760	Transistor tubes	1,041,251	68	88,698	51,271	37,427	42
70029	Leather footwear	26,617	11	552	318	234	42
70085	Footwear for men	9,697	21	2,024	1,477	547	27
71030	Auto. pilots & part	847	54	454	168	286	63
71319	Parts for stroboscope	713	100	712	504	208	29
71614	Watch movements nes	3,694	95	3,508	2,677	831	24
72670	Wood-wind instrument	4,341	53	68	24	44	65
72680	Piano parts	11,617	30	2,831	1,458	1,373	48
MEXICO - 806.30							
68580	Fixed capacitors	---	--	7,745	3,610	4,135	53
68760	Transistors tubes	---	--	64,015	45,989	18,027	28
72670	Wood-wind instrument	---	--	2,239	668	1,571	70
72680	Piano parts	---	--	572	234	337	59
TAIWAN - 807.00							
68520	Television receivers	966,991	46	215,130	33,372	181,757	84
70055	Footwear	230,482	1	165	10	150	91

TABLE XXX (Continued)

TSUS Number	Commodity Description	Total U.S. Imports	OAP Imports Share	OAP Imports From Principal Supplier			
				Customs Value	Dutiable Value	U.S. Components	Component Share
		($1,000)	(%)	----------($1,000)----------			(%)
70535	Gloves	38,092	19	57	29	28	49
75035	Feather dusters	370	29	108	34	74	69
KOREA - 807.00							
70027	Footwear	12,891	1	91	4	87	96
70053	Boots	23,811	2	573	22	551	96
71615	Watch movement nes	1,664	79	917	623	294	32
72025	Watch bezels	167	67	112	105	7	6
72075	Watch assembles	1,413	49	508	479	29	6

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Data supplied by U.S. International Trade Commission.

motor vehicles have the best prospects for trade expansion. This single 3-digit SITC Group provides two fifths of total estimated increase in export values. Other U.S. exports with excellent market expansion potential include non-electrical machinery and appliance, electric machinery and apparatus, electric power machinery and switchgear, organic chemicals, and manufactured natural gas. It is clear that a linear tariff reduction of 15 percent across the board would be more than sufficient to balance any offer the U.S. can make.[2] A list of largest negotiable items in Mexican imports along with corresponding maximum tariff rates are presented in Table XXXI.

Brazil

The value of negotiable principal supplier imports from Brazil is relatively insignificant. Total U.S. imports from that country were $372 million and over two thirds of such imports already receive duty-free treatment. Out of $103 million dutiable imports, 64 percent would be duty free except for country specific GSP exclusions. Estimated increase in U.S. imports on P.S. items of Brazil following tariff removal amounts to $7.2 million of which $5 million would be supplied by Brazil. U.S. tariffs on most items of interest to Brazil are relatively low, with the exception of concentrated fruit juice which is subject to 86.9 percent ad valorem duty. Concentrated fruit juice represents 40 percent of Brazil's trade expansion potential and is that country's most important negotiable trade items. Other articles of some negotiable interest

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[2] 15% of $530 million is $79.5 million which exceeds $71 million, the maximum trade gains accruing to Mexico following complete tariff removal by the U.S. on P.S. items of Mexico.

TABLE XXXI

MAJOR NEGOTIABLE MEXICO IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Description	Mexico Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
001.1	Live animals	11,695	71	2.2	186	132
022.2	Milk and cream	32,406	44	27.6	5,187	2,282
041	Wheat and meslin, unmilled	46,526	98	20.0	5,738	5,623
044	Maize(corn), unmilled	17,009	100	1.3	162	162
045.9	Cereals, unmilled, other than wt.	17,498	99	5.1	628	622
211.1	Hides and skins, undressed	20,917	98	8.5	934	915
251.5	Pulp and waste paper	18,741	73	32.9	2,644	1,930
282	Iron and steel scrap	22,850	100	40.3	3,741	3,741
332.9	Petroleum products	11,730	90	175.0	6,345	5,710
341.1	Gas, natural and manufactured	46,254	82	185.3	25,535	20,939
512.1	Organic chemicals	26,371	76	23.0	7,890	5,996
512.4	Organic chemicals	10,481	84	49.8	5,575	4,693
512.5	Organic chemicals	24,399	52	36.3	10,397	5,406
512.7	Organic chemicals	26,174	49	18.1	6,418	3,145
513.2	Inorganic chemicals	11,526	86	18.3	2,853	2,453
513.6	Inorganic chemicals	17,552	68	18.7	4,424	3,008
581.1	Plastic materials	24,026	49	24.9	7,664	3,755
581.2	Plastic materials	27,737	75	19.7	7,304	5,478
599.9	Chemical materials & products	21,405	78	30.9	8,085	6,306
642.9	Articles made of paper pulp	10,099	94	43.3	4,882	4,590
695.2	Tools used in the hand or machine	20,567	53	27.8	7,158	3,794
698	Manufactures of metal, nes	27,476	83	50.4	14,732	12,227
711.4	Non-electric power generating machinery	11,212	76	6.7	1,126	856
711.5	Non-electric power generating machinery	49,922	86	13.1	9,252	7,956
712.2	Agricultural machinery implements	11,550	70	5.7	997	698
712.5	Agricultural machinery implements	41,566	78	9.1	5,547	4,327

TABLE XXXI (Continued)

SITC Number	Description	Mexico Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
714.9	Office machines	23,725	76	14.6	4,836	3,675
718.4	Machines for special industries	33,639	83	15.4	7,183	5,962
719.1	Non-electric machinery & appliances	34,947	45	26.3	11,643	5,240
719.2	Non-electric machinery & appliances	48,239	69	17.1	11,271	7,777
719.3	Non-electric machinery & appliances	17,204	71	20.4	4,664	3,311
719.6	Non-electric machinery & appliances	23,532	57	22.0	6,790	3,870
719.7	Non-electric machinery & appliances	18,315	51	10.0	2,664	1,358
719.9	Non-electric machinery & appliances	37,986	73	16.3	8,518	6,219
722.1	Electric power machinery, switch	65,527	62	32.2	25,537	15,833
722.2	Electric power machinery, switch	43,709	62	33.7	17,627	10,927
724.1	Telecommunication apparatus	11,216	89	79.9	7,970	7,094
729.3	Other electric machinery apparatus	47,916	92	20.2	12,884	11,853
729.5	Other electric machinery apparatus	16,862	68	15.4	3,600	2,448
729.9	Other electric machinery apparatus	38,614	82	23.0	11,553	9,473
732.1	Road motor vehicles	131,071	56	76.4	90,828	50,864
732.2	Road motor vehicles	16,487	100	115.2	14,121	14,121
732.3	Road motor vehicles	63,757	95	28.6	22,687	21,552
732.8	Road motor vehicles	66,130	84	324.9	80,906	57,961
734.1	Aircraft	13,645	97	12.5	2,426	2,353
841.1	Clothing, except furs	39,118	86	101.1	31,466	27,060
861.6	Scientific, medical instruments	10,510	83	19.4	2,732	2,268
861.9	Scientific, medical instruments	27,477	68	20.0	7,327	4,983
862.4	Photographic & cinemato. supply	18,576	57	30.1	6,876	3,920
891.1	Musical & sound instruments	9,716	88	36.0	4,115	3,621
893	Articles of artificial materials	9,514	91	101.0	7,649	6,961
894.2	Perambulators, toys, games	17,292	91	63.8	10,776	9,806
	Total	1,492,413	73		574,053	417,254

Sources: U.N. Series D, Commodity Trade Statistics. Tariff data supplied by U.S. Department of State.

include menthol, castor oil, ferroalloys, and inexpensive shotguns. All negotiable U.S. Imports principally supplied by Brazil are listed in Table XXXII.

The spillover benefactors of tariff reductions include other countries in the sample group and a few developed market economies, but few values are particularly large. Brazil could realize significant gains in concentrated fruit juice.

No items of negotiable interest are affected by OAP and the potential loss of preferential margins by beneficiaries of GSP appear to be insignificant since Brazil's market shares in principal supplier "A*" items are quite large and the trade gain potential is quite small. Additional information on potential spillovers can be found in Table XXIX.

Brazil has a highly restrictive import policy. Tariffs of that country could affect $492 million potential imports on principal supplier items of the U.S. from all sources, of which $286 million would be supplied by the U.S. A diverse group of items are affected. The most important ones are manufactured fertilizers, aircraft, agricultural machinery and implements, and organic chemicals. Since the potential trade expansion is nearly 50 times greater than the U.S. possible Brazilian concessions that could balance any U.S. offers are almost endless. Table XXXIII presents items of negotiable interest to the U.S. in Brazilian imports.

Taiwan

Table XXXIV presents information on negotiable items among U.S. imports principally supplied by Taiwan. U.S. Tariffs on these items apply to $938 million trade flows from that country. About one third of this

TABLE XXXII

NEGOTIABLE U.S. IMPORTS PRINCIPALLY SUPPLIED BY BRAZIL

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Brazil (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Brazil ($1,000)	Special Feature
12120	Genuine patent leather	12,557	36	3.5	764	275	-
13160	Corn feed	448	87	8.0	27	23	-
14179	Palm hearts	885	97	8.5	55	54	A*
16535	Concentrated fruit juice	7,368	69	86.8	2,739	1,890	-
17601	Castor oil, under 20¢/lb	325	100	7.5	8	8	A*
17602	Castor oil, over 20¢/lb	43,224	89	4.0	715	636	A*
43764	Menthol	29,010	81	1.6	822	666	A*
60740	Ferromolybdenum	140	76	7.1	17	13	-
60780	Ferroalloys	7,164	92	5.0	614	565	-
70052	Rubber or plastic footwear	519	80	25.0	187	149	-
73027	Rifles under $25 each	584	69	12.9	120	83	A*
73041	Shotguns under $25 each	2,721	65	13.9	598	389	A*
91107	Mang, ore	43,349	35	3.2	578	202	-
	Total	148,294	68		7,244	4,953	

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Tariff data supplied by U.S. Department of State.

TABLE XXXIII

MAJOR NEGOTIABLE BRAZIL IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Description	Brazil Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
041	Wheat & meslin, unmilled	376,850	61	33.3	69,665	42,496
054.2	Vegetables, fresh or preserved	13,616	67	53.2	3,499	2,344
231.2	Crude rubber	25,100	68	19.9	2,375	1,615
271.3	Fertilizers, crude	18,505	67	4.0	406	272
321.4	Coal, coke & briguettes	45,327	89	20.0	6,420	5,715
332.5	Petroleum products	39,392	60	35.0	8,681	5,206
512.1	Organic chemicals	68,950	67	17.1	16,110	10,794
561.2	Fertilizers, manufactured	47,321	58	7.9	5,543	3,215
561.3	Fertilizers, manufactured	40,868	49	10.4	6,160	3,018
561.9	Fertilizers, manufactured	44,996	85	12.1	7,771	6,605
599.7	Chemical materials & products	32,245	67	29.6	11,783	7,895
599.9	Chemical materials & products	38,556	55	37.4	16,792	9,235
674.1	Universals, plates of steel	73,825	42	32.0	28,635	16,207
712.5	Agricultural machinery & implements	109,126	63	34.1	44,399	27,971
714.3	Office machines	73,788	40	15.0	15,399	6,160
718.4	Machines for special industries	58,662	54	27.7	20,359	10,994
719.3	Non-electric machinery & appliances	92,614	37	42.3	44,049	16,298
724.1	Telecommunications apparatus	16,186	85	83.1	11,754	9,990
724.2	Telecommunications apparatus	25,739	55	70.0	16,957	9,327
729.3	Other electric machinery & apparatus	52,239	38	29.7	19,140	7,273
729.5	Other electric machinery & apparatus	43,454	44	35.5	18,215	8,015
729.9	Other electric machinery & apparatus	62,194	47	44.7	30,740	14,448
731.7	Railway vehicles	15,883	87	39.6	7,209	6,272

TABLE XXXIII (Continued)

SITC Number	Description	Brazil Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
734.1	Aircraft	97,911	88	7.0	10,249	9,019
735.9	Ships and boats	42,118	54	7.0	4,409	2,381
861.6	Scientific & medical instruments	33,696	81	34.3	13,769	11,153
	Total	1,598,161	58		440,489	253,918

Sources: U.N. Series D, Commodity Trade Statistics.
Tariff data supplied by U.S. Department of State.

TABLE XXXIV

NEGOTIABLE U.S. IMPORTS PRINCIPALLY SUPPLIED BY TAIWAN

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Taiwan (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Taiwan ($1,000)	Special Feature
14170	Waterchestnuts	3,901	99	17.5	465	460	A*
14181	Vegetables	18,802	32	17.5	2,240	717	-
14420	Mushrooms	25,557	70	14.4	2,574	1,802	-
14560	Nuts	815	51	28.0	143	73	A*
15440	Ginger root	317	50	13.5	30	15	A*
20665	Wood blinds	704	58	16.7	181	105	-
20667	Blinds, shutters screens	3,472	26	20.0	1,042	271	-
20697	Wood garment hanger & utensils	41,648	42	8.0	5,553	2,332	-
22250	Blinds of vegetable fibers	995	81	20.0	299	242	-
31590	Jute cordage	295	88	10.5	50	44	-
31595	Jute cordage	628	98	13.0	130	127	-
42796	Wood alcohol	12,191	23	11.4	3,246	516	-
49320	Natural campor	102	94	0.1	neg	neg	A*
49321	Natural campor, advanced	2,672	96	0.4	19	18	A*
54411	Glass strips	850	55	22.0	276	152	A*
54635	Glassware	3,000	47	20.0	900	423	-
64680	Padlocks	3,034	38	5.3	275	104	-
65047	Barbeque forks with wooden handle	106	59	11.9	20	12	-
65255	Bicycle parts	256	66	20.0	77	51	A*
65385	Cast articles	4,163	70	4.0	288	202	A*
68630	Christmas tree lamps	4,028	52	10.0	798	415	A*
68810	Christmas lighting sets	17,317	72	20.0	5,194	3,740	A*
69635	Pneumatic craft	6,306	61	6.0	643	392	A*
70051	Footwear, polyvinyl exterior	171	85	12.5	34	29	A*
70055	Footwear	230,825	51	6.0	23,518	11,994	-,OAP
70070	Footwear, slipper socks	9,372	28	7.5	1,177	330	-

TABLE XXXIV (Continued)

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Taiwan (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Taiwan ($1,000)	Special Feature
70080	Footwear, non-leather soles	5,086	42	12.5	1,017	427	-
70305	Headwear	5,312	48	18.0	1,459	700	-
70485	Gloves	9,910	33	38.1	4,921	1,624	-
70535	Gloves, horse or cowhide	37,354	33	15.0	8,770	2,894	-
70585	Gloves, rubber	18,719	40	15.0	4,395	1,758	-
70623	Handbags	12,105	57	6.5	1,330	758	-
70660	Handbags & luggage	95,081	26	20.0	28,524	7,416	-
71527	Clocks, nes	2,675	32	30.9	1,164	364	-
72014	Clock movements nex	470	28	25.9	174	49	A*
73130	Fishing casts or leaders	634	53	17.5	170	90	-
73224	Bicycles	3,750	51	1.1	73	37	A*
73410	Billard & pool equipment	6,582	81	8.0	878	711	A*
73450	Badminton sets	5,067	78	14.0	1,120	874	A*
73460	Croquet equipment	161	80	8.0	21	17	A*
74840	Ornamental articles of feathers	8,460	51	7.0	996	508	A*,OAP
75035	Feather dusters	367	66	7.0	43	29	A*
75105	Umbrellas	19,942	58	20.0	5,983	3,470	-
75120	Umbrella frames	320	67	30.0	133	89	-
75515	Fireworks	5,923	31	12.3	1,168	362	A*
77235	House furnishings	16,825	61	6.0	1,714	1,046	-
77257	Bicycle tubes	14,029	30	15.0	3,294	988	A*
79039	Pneumatic mattresses	17,328	67	6.0	1,765	1,183	A*
68520	Television receivers	954,594	34	5.0	81,822	27,820	-,OAP
	Total	1,632,221	39		200,106	77,780	

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Tariff data supplied by U.S. Department of State.

sum was under quota restriction of Multifiber Agreements, which was considered nonnegotiable. The estimated trade expansion from complete tariff elimination on negotiable items is $194 million from all sources, of which $75 million would be supplied by Taiwan. Miscellaneous manufactured products and metal products are the two commodity categories with the best prospects. Among the first group, a category of footwear with polyvinyl exteriors, subject to 6.0 percent tariff, has the largest trade value. Other items such as luggage, umbrella, Christmas lighting sets, wood garment hangers and wooden utensils, rubber and leather gloves, mushrooms and other canned vegetables are also of considerable value and are under quite severe tariff restriction. Other light manufactured products with over $1 million trade gain potential include pneumatic mattresses, bicycle tubes, and house furnishings. Among metal products, television receivers account for 95 percent of the trade values. In 1974, Taiwan and Japan had virtually equal market shares in this product which provided $350 million in imports from Taiwan. Negotiation on this item would be more complex due to the importance of Offshore Assembly Provision. About 46 percent of U.S. imports entered under either 807.00 or 806.30 provisions. For imports from Taiwan, approximately 84 percent of the customs value consists of U.S. components. Tariff reductions on this item could lead to significant reductions on demand for U.S. components as in the case of some trade with Mexico. All of the negotiable items with Taiwan are listed in Table XXXIV. Table XXX contains information on negotiable items affected by OAP.

Taiwan's share of estimated increase in its principal supplier items represents 39 percent of total increase in such items. Countries

that could realize the most spillover benefits are Japan, Korea, Hong Kong, and Mexico. Japan's market position in television receivers could make her an important benefactor of U.S. tariff reductions on these items. She is also likely to benefit from trade liberalization in a number of other light manufactured products. Korea has the most to gain in items such as Christmas lighting sets, handbags and luggage, as well as wood garment hangers and utensils. Hong Kong could realize trade gains in things like rubber gloves, umbrella, and house furnishings. Mexico is expected to realize sizeable increage in television receiver exports. Spain and Italy could also benefit to some extent from tariff reductions on footwear articles. Market share analysis for major negotiable items in trade with Taiwan are presented in Table XXIX.

Taiwan's tariff structure could restrict an estimated $199 million of additional U.S. exports. Favorable market conditions exist for diverse group of U.S. products. Nonelectric power generating machinery, equipment for distributing electricity, machines for special industries, cotton, scrap metals, tobacco manufactures, organic chemicals and plastic materials all have substantial expansion potential. An average of 35 percent tariff reductions by Taiwan appear to be adequate to equal any concessions the U.S. could offer. Table XXXV presents major export items of negotiable interest to the U.S. in bilateral trade with Taiwan.

Korea

Dutiable U.S. imports from Korea amounted to $396 million in 1974. Excluding approximately $90 million of items restricted by MFA quotas and $6 million of tableware articles subject to escape clause actions, $300 million could form the basis for bilateral negotiations. Following

TABLE XXXV

MAJOR NEGOTIABLE TAIWAN IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Description	Taiwan Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
122	Tobacco manufacturers	28,854	78	130.0	12,069	9,413
251.2	Pulp and waste paper	15,467	69	13.0	1,014	700
263.1	Cotton	190,599	64	16.0	14,985	9,590
282.0	Iron and steel scrap	53,168	85	13.0	3,487	2,964
411.33	Animal oils and fats	21,501	59	26.3	2,552	1,506
511.3	Miscellaneous Chemicals*	26,717	64	78.0	18,732	11,988
524.1	Chemicals, unidentified*	19,152	99	26.3	6,381	6,317
591	Chemicals, unidentified*	31,288	42	26.9	10,612	4,457
514.3	Medical and pharmaceutical products	10,536	42	15.0	2,199	924
598.2	Chemical materials & products*	9,526	98	26.9	3,231	3,166
598.98	Chemical materials & products*	21,989	36	26.9	7,458	2,685
611	Leather	14,995	70	57.5	8,759	6,131
678.5	Iron or steel pipe fittings	12,417	53	33.0	4,929	2,613
682.12	Copper	31,099	40	19.1	7,980	3,192
684.1	Aluminum	13,014	42	26.0	4,297	1,805
711.1	Non-electric power generating machinery	56,402	96	21.0	15,662	15,036
716	Machinery products, unidentified*	93,885	61	21.8	26,886	16,400
718.7	Machines for special industries	100,292	50	27.6	34,709	17,355
723.4	Equipment for distributing elec.	51,374	43	52.0	28,121	12,092
776	Electric machinery & apparatus*	117,855	46	24.1	36,620	16,845
782.2	Transport equipment, unidentified*	11,578	66	24.1	3,597	2,374
791.91	Railroad equipment*	20,569	41	24.1	6,391	2,620

TABLE XXXV (Continued)

SITC Number	Description	Taiwan Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
792.9	Transport equipment unidentified*	20,129	95	24.1	6,254	5,942
874.8	Miscellaneous manu. unidentified*	24,280	42	38.3	10,758	4,519
885.29	Mis. manufactures, unidentified*	19,905	32	38.3	8,820	2,822
	Total	1,016,591	57		286,503	163,456

* Descriptions obtained from corresponding BTN items.

Sources: Inspectorate General of Customs, Taipei, Taiwan, The Trade of China (Taiwan District) 1975.
Tariff data supplied by U.S. Department of State.

tariff removal, estimated total trade expansion on this trade flow is approximately $143 million of which $78 million would be supplied by Korea. Two groups of plywood subject to 20 percent ad valorem U.S. tariffs, represent nearly half of the potential expansion. Considerable value is also provided by rubber boots and other footwear articles severely restricted by high tariff rates. Other products with estimated increase of $1 million or more include wigs, wearing apparel of rubber and plastics, and baseball gloves.

The share of trade expansion accruing to Korea represents 54 percent of estimated trade gains leaving 46 percent spillover benefits for other sources. Taiwan would be the major benefactor with only Japan and Hong Kong gaining significant additional exports. For seven negotiable items with estimated increase exceeding $1 million, estimated export expansion for Taiwan is $35 million. This factor clearly needs to be taken into consideration in negotiations with Korea and Taiwan.

No negotiable items for Korea appear to be seriously affected by OAP. Only a small share of footwear articles and watch imports from that country entered under these provisions.

Complete tariff elimination by Korea on imports principally supplied by the U.S. could lead to $56 million in trade gains for the U.S. which is $22 million below estimated trade gains available to Korea. The ability to balance what the U.S. has to offer may be an important factor in trade talks with Korea. Items with the best expansion potential principally supplied by the U.S. are rice, electrical machinery and apparatus, wheat, corn, cotton, animal fats and oils, and office machines. Tables XXXVI and XXXVII present items of negotiable interest to both Korea and the U.S. in bilateral trade.

TABLE XXXVI

NEGOTIABLE U.S. IMPORTS PRINCIPALLY SUPPLIED BY KOREA

TSUS Number	Description	Total U.S. Imports ($1,000)	Mkt Share Korea (%)	"Ave" (%)	Potential Trade Ex. Total ($1,000)	Potential Trade Ex. Korea ($1,000)	Special Feature
11050	Atlantic ocean perch	603	32	3.1	15	5	-
17032	Cigarette leaf	11,484	19	26.5	1,925	366	-
24017	Plywood	185,232	59	20.0	55,570	32,786	-
24025	Plywood, face finished	10,830	75	20.0	3,249	2,437	A*
25660	Albums for photo and records	9,915	52	6.5	1,089	566	A*
41740	Ammonium tungstate	4,123	100	15.3	985	985	-
42530	Monosodium glutamate	7,464	42	16.0	1,853	778	-
60345	Tungsten materials	715	88	15.9	177	155	A*
70027	Leather footwear, low value	12,876	41	5.0	1,104	453	-,OAP
70053	Boots, rubber or plastic	24,143	72	37.5	11,852	8,533	-,OAP
70060	Rubber footwear, Oxford ht,	112,138	45	20.0	33,641	15,139	-
71615	Watch movement, nes	1,665	55	2.9	84	46	-
72025	Watch bezels	167	67	17.7	45	30	-,OAP
72075	Watch assemblies	1,399	36	22.5	463	167	-,OAP
73150	Fish landing nets	791	63	12.5	158	100	A*
73454	Baseball gloves	23,822	55	15.0	5,593	3,076	A*
75065	Paint brushes	409	50	10.0	67	33	A*
77230	Wearing apparel of rubber, plastic	78,791	31	12.5	15,758	4,885	-
79070	Wigs & hair pieces	57,313	89	7.0	6,749	6,007	A*
	Total	543,880	55		140,377	76,547	

Sources: U.S. Department of Commerce, FT 246/Annual 1974, June 1976.
Tariff data supplied by U.S. Department of State.

TABLE XXXVII

NEGOTIABLE KOREA IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Description	Korea Imports ($1,000)	Mkt Share of U.S. (%)	"Ave" (%)	Potential Trade Expansion Total ($1,000)	Potential Trade Expansion U.S. ($1,000)
001.1	Live animals	2,357	75	10.6	167	125
022.2	Milk and cream	3,501	74	96.5	1,272	942
041	Wheat, unmilled	128,136	96	10.0	8,620	8,275
042.1	Rice	101,109	86	25.0	14,964	12,869
044	Maize, unmilled	22,913	99	50.0	5,652	5,595
046	Cereals, meal and flour	3,960	70	35.0	1,079	756
071.3	Coffee	1,146	100	149.8	509	509
081.3	Animal feed	1,624	100	25.0	240	240
099	Food preparations	2,825	48	65.9	830	399
211.1	Hides and skins	8,676	83	25.0	989	821
221.4	Oil seeds, nuts	5,124	100	25.0	584	584
242.2	Rough wood	14,068	75	10.0	729	547
251.1	Pulp and waste paper	2,012	80	10.0	131	105
251.6	Pulp and waste paper	2,035	74	10.0	104	78
263.1	Cotton	85,477	97	10.0	4,429	4,296
282	Iron and steel scrap	27,725	81	5.0	753	610
284	Non-ferrous metal scrap	12,893	73	8.9	601	438
411.3	Animal oils & fats	16,300	100	35.0	2,409	2,409
711.6	Non-electric power generating	2,262	97	10.0	329	319
714.2	Office machine	5,055	61	9.9	729	444
714.9	Office machine	12,956	88	6.2	1,210	1,065
729.3	Electric machinery & apparatus	67,489	70	20.3	18,221	12,755
732.3	Road motor vehicles	2,443	49	50.0	1,303	638
	Total	532,086	83		65,854	54,819

Sources: U.N. Series D, Commodity Trade Statistics. Tariff data supplied by U.S. Department of State.

CHAPTER VII

SUMMARY AND CONCLUSIONS

The purpose of this study is to determine the feasibility of mutually beneficial tariff reductions on a traditional most-favored-nation basis between the U.S. and four of the more-advanced less developed countries - Mexico, Brazil, Taiwan, and Korea. The major question to be answered is whether it is wise for these developing countries to look beyond the restriction-ridden Generalized System of Proferences toward general tariff reductions in bilateral negotiations with the U.S. Using the principal supplier rule, dutiable trade flows that could form a basis for trade negotiations are identified and the potential trade expansion following tariff reductions is estimated. Major results of the study are summarized in Table XXXVIII.

There is no doubt about the existence of considerable dutiable U.S. imports principally supplied by the sample LDCs; nor is there any question about the merits of MFN tariff cut. Findings of this investigation indicate that U.S. tariffs applied to over $2 billion worth of such imports from sample developing countries with Taiwan providing nearly half of the total. Mexico and Korea are the next largest sources with $683 million and $396 million, respectively. Brazil is the last on the list with $103 million in trade flows available for potential negotiations. The relatively insignificant negotiable trade value on the part of Brazil may reflect that country's heavy dependence on export of primary

TABLE XXXVIII

SUMMARY INFORMATION ON MAJOR RESULTS OF THE STUDY

Description		Mexico	Brazil	Taiwan	Korea
U.S. Imports Principally Supplied by each Sample LDC	($mil)	3,386	1.705	2,108	1,460
LDC Imports Principally Supplied by the U.S.	($mil)	3,302	2,178	1,654	1,124
U.S. Imports of Negotiable Interest to Each Sample LDC	($mil)	683	103	938	396
LDC Imports of Negotiable Interest to the U.S.	($mil)	1,494	1,110	615	468
Potential Trade Expansion Accruing to Sample LDCs in Each Country's Principal Supplier Items Following Tariff Removal by the U.S.	($mil)	71	5	75	78
Potential U.S. Trade Expansion in Her Principal Supplier Items Following Tariff Removal by Each Sample LDC	($mil)	530	286	199	56
The Value of U.S. Imports Principally Supplied by Each Sample LDC That are Excluded From Potential Negotiations by U.S. Non-Tariff Barriers	($mil)	26	6	301	96
The Value of U.S. Imports Principally Supplied by Each Sample LDC That Would Receive Duty-Free Treatment Under the Generalized System of Preferences	($mil)	151	37	50	9

TABLE XXXVIII (Continued)

Description		Mexico	Brazil	Taiwan	Korea
The Value of U.S. Imports of Negotiable Interest to Each Sample LDC That Would be Affected by Offshore Assembly Provision of TSUS	($mil)	219	-	215	2
Potential Spillover Benefits Accruing to Other Source Countries Following U.S. Tariff Reductions on Imports of Negotiable Interest to Each Sample LDC	($mil)	125	2	119	65
Potential Spillover Benefits as a Fraction of Total Trade Expansion Following U.S. Tariff Reduction on Imports of Negotiable Interest to Each Sample LDC	(%)	64	32	61	45

products which are already duty free in the U.S.

The model used to estimate the impact of MFN tariff cuts on trade expansion is essentially a partial equilibrium model assuming homogeneous products. Imports and domestic products are considered to be perfect substitutes. Foreign export supply elasticities are assumed to be infinite. Excluding dutiable items subject to major NTBs, such as quota restrictions imposed on the basis of Multifiber Agreement (MFA) and escape-clause action of Trade Agreement Legislation, U.S. tariff reductions could bring a considerable amount of trade expansion to most sample LDCs beyond that obtainable under present GSP arrangements. Potential export expansion amounts to over $70 million each for Mexico, Taiwan, and Korea. Brazil has some small amount of $5 million. Trade items with large expansion potential, however, include many of the labor-intentive, import-sensitive, light manufactured products, such as textiles, watches, electronic products, footwear, and glassware articles. It is likely that U.S. duty reductions on many of these items in which LDCs are particularly interested will be difficult without substantial reciprocal trade liberalization by LDCs on major export items of the U.S.

Most sample LDCs have much to offer in return for potential U.S. concessions. There is evidence that the U.S. could realize several times the maximum benefits that would be available to sample developing countries as a group following mutual tariff removal. Estimated trade expansion that could accrue to the U.S. following tariff reductions by Mexico, Brazil, Taiwan, and Korea are, respectively, $530 million, $286 million, $199 million, and $56 million. With the exception of Korea, each sample LDC has more to offer than the U.S. Comparing

maximum trade expansion that would be available to the U.S. and each LDC in the sample group, an average 15 percent tariff cut across the board by Mexico would be sufficient to match any concession the U.S. can offer in bilateral negotiation. The figure for Taiwan would be 35 percent. In the case of negotiation with Brazil, since the U.S. is expected to realize maximum trade gains 50 times greater, possible Brazilian concessions that could balance any U.S. offers are almost endless. Given the disparity in potential trade expansion, the ability of these LDCs to fully finance their additional imports from the U.S. could be a problem. Korea is the only sample LDC that could realize greater maximum trade gains than the U.S. Her inability to equal what the U.S. could offer may be the limiting factor in potential negotiation with that country. Among U.S. exports, heavy industrial products of machinery and transport equipment are likely to be the biggest gainers of trade liberalization.

To determine trade flows available for potential negotiations, three complicating factors have been explicitly taken into account. They are the Generalized System of Preferences, spillovers, and Offshore Assembly Provision of the U.S. tariff law.

The GSP affects the potential negotiation in two ways. First, many items principally supplied by the sample LDCs are eligible for duty-free treatment for a period of ten years and they are no longer of immediate negotiable interest. Second, some duty-free articles under GSP with substantial trade value and/or large market share are again dutiable due to country specific GSP exclusions. Mexico, with $151 million in net GSP trade in 1974, would have been the leading benefactors if the program had been in effect. Potential benefits that could accrue to

Brazil, Taiwan, and Korea were much less significant. It is estimated that about two thirds of the potential GSP trade of sample LDCs would be excluded from duty-free benefits.

There are two types of spillover effects that would result from MFN tariff reductions by the U.S. on items of negotiable interest to sample LDCs. They are spillover benefits available to other suppliers of U.S. imports and potential costs to beneficiary LDCs of the U.S. GSP.

Spillover benefits arise because the market shares of the principal suppliers of the sample group of LDCs represent only a fraction of the total U.S. imports in these countries' P.S. items. Assuming equal foreign supply elasticities and identical domestic demand elasticities for imports from different countries, the expected increase in U.S. imports following tariff reduction can be split between the principal supplier and all other sources according to their prevailing relative market shares in each item. The respective shares of increase in U.S. imports that could accrue to the four sample countries in each country's P.S. items are 34, 32, 61, and 45 percent for Mexico, Brazil, Taiwan, and Korea leaving the rest to other sources of supply. A considerable portion of such spillover benefits go to other LDCs, but potential benefactors include some developed market economies as well. Such spillovers can be used by the U.S. to her advantage in negotiating tariff reduction packages with sample LDCs, especially in the case of Taiwan and Korea which have similar export patterns.

Negative spillovers arise when tariff is reduced on TSUS "A*" items. These are items for which principal supplier imports into the U.S. are subject to full tariff, but imports from other beneficiary

LDCs enter duty free. A tariff cut on such items would reduce the preference margin enjoyed by beneficiary LDCs. It is predicted that such negative spillovers are relatively insignificant.

The Offshore Assembly Provision included under TSUS items 806.30 and 807.00 allows tariffs on certain imported goods to be levied only on the foreign value-added or assembly cost. The tariff on an assembled product is applied on the value of a final product less the value of domestic components. The duty-free re-entry of U.S. components assembled into finished products abroad under OAP could be an important consideration for selected items in trade negotiations with Mexico and Taiwan. These two countries are among the major source countries of U.S. OAP imports. Television receivers, electronic components, watches, and footwear are items most affected by this special tariff provision. For individual items subject to OAP treatment, two ratios have been computed to determine the relative significance of U.S. component exports. One is the ratio of OAP imports from all sources to total imports in a TSUS classification. The other is the value of U.S. components relative to the customs value of OAP imports from the principal supplier country. Large values of both ratios would indicate significant U.S. export sales of components. Duty concessions on OAP imports could discourage foreign demand for U.S. made components. Since the precise nature of input mix of these affected items is not known, the potential change in export sales of U.S. components is not estimated.

There are several limitations in this study which need to be recognized. First of all, the experience of sample developing countries in their bilateral trade with the U.S. may be unique since they are not typical LDCs. Brazil's tremendous size and dominating position in world

coffee market are rather uncommon among LDCs. Mexico comes close to becoming an advanced country and might have long ceased to be a LDC if it were not for her high population growth rate. That country's geographic location makes her relation with the U.S. atypical. Taiwan and Korea are among nations with the highest economic growth rates and have close political ties with the U.S. What appears to be a promising policy approach to these countries might not be advisable to other LDCs to the same extent, especially in the cases of least developed countries which are noncompetitive in world trade.

Another drawback is in the use of principal supplier rule to determine trade flows of negotiable interest. It is implicitly assumed that trade items of expansion potential following tariff reductions by importing country are necessarily those in which exporting countries are already competitive even before tariff reductions. It is quite possible that there are articles of great expansion potential which have insignificant current trade values due to the existence of near-prohibitive tariff barriers. Potential trade gains in such items are not considered.

In this study, nominal tariff rates are taken to measure the level of protection. It is worth noting, however, this choice is an oversimplification. To the extent tariffs are imposed at differential rates on intermediate inputs and final products; and intermediate stages of production are not always integrated vertically within industries, the level of protection of a tariff structure is better analyzed in terms of the value added by domestic factors in the production process. It is well established that the U.S. nominal tariff rates tend to accelerate according to the stage of processing. Higher rates apply to final

products than raw materials or semi-manufactured inputs. The effective rates of protection on domestic assembly tend to be much higher than what the nominal rates on final products may suggest. This is especially true on products of special export interest to LDCs.[1] In practice, however, there are problems in the computation of effective rates. It requires detailed up-to-date information on input coefficients and in working out practical measures to take into account the effects of tariff changes on these coefficients. As usually calculated, these rates are based on the fixed-input-coefficient assumption and the information on input coefficients are largely outdated.[2] Future research to surmount these problems would contribute to a better understanding of the effects of tariff protection and the impact of its removal from detailed trade items.

Additional research in the area of quantifying the impact of non-tariff barriers on disaggregated commodities is also needed. This is especially true in trade with LDCs since quotas are increasingly being used to restrict exports of special interest to those countries. To measure the degree of protection of U.S. trade barriers, the quantitative impact of various NTBs need to be explicitly included in the determination.

A final consideration is whether the current multilateral trade negotiations among advanced market economies in Tokyo would reduce the

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[1] Bela Balassa, "The Structure of Protection in Industrial Countries and Its Effects on the Exports of Processed Goods From Developing Countries," The Kennedy Round: Estimated Effects on Tariff Barriers (New York: U.N., 1968).

[2] For example, see A.J. Yeats, "Effective Protection by Transportation Costs and Tariff: A Comparison of Magnitudes," Quarterly Journal of Economics, 90, 1976, pp. 169-176.

need for sample LDCs to engage in bilateral trade talks with the U.S. The answer to this question may be found in the experience of previous tariff negotiations under the auspices of GATT. Advanced Countries always sought to grant mutual concessions to obtain balanced changes in trade and employment on a bilateral basis. Trade liberalization achieved in those negotiations in large measures were in products of interest mainly to DMEs. The interests of LDCs were presumably recognized since they were not requested reciprocal tariff reductions by the advanced countries. This concession was in reality mainly a token gesture because LDCs were largely noncompetitive in those products and advanced countries had taken steps to impose quotas on major export items of LDCs such as textiles. Since LDCs are generally excluded from active participation, and given the protective sentiments found in the DMEs, there are no reasons for LDCs to expect additional concessions from advanced countries in the Tokyo Round.[3] In fact, if the experience of past negotiations among DMEs is relevant, it seems clear that to obtain real tariff concessions from advanced countries, including the U.S., the reciprocal approach to bilateral negotiations offers a better chance of long-term success than any approach seeking unilateral concessions by the less developed countries on equity grounds.

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[3]For example, as of this writing, U.S. International Trade Commission has recommended to the President to impose additional tariff and quota restrictions on imported color television sets and footwear. New trade barriers are also under consideration for other items.

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A P P E N D I C E S

APPENDIX A

This appendix contains the primary data on U.S. imports principally supplied by the selected group of LDC's and potential trade expansion in individual TSUS items following tariff removal. These data are taken from U.S. Imports for Consumption and General Imports, FT 246/ Annual 1974 (U.S. Department of Commerce, June 1976).

The "Ave" notation records the ad valorem equivalent of U.S. tariffs as determined by the International Trade Commission for the Office of the Special Trade Representatives. "A*" refers to imports subject to country specific GSP exclusions due to large value (exceeding $25 million) or substantial market share (exceeding 50%). The values recorded in the OAP table are the imports from principal supplier entering under 807.00 and/or 806.30 provisions on the basis of f.a.s. valuation. "M" and "E" notations in NTB column indicate TSUS items that are subject to Multifiber Agreement and Escape Clause Action restrictions. Also contained in this appendix is a TSUS article among U.S. imports subject to additional trade restrictions.

TABLE XXXIX

PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
10045	LIVE CATTLE	66,374	60,125	91	.062	-	-
10665	HORSE MEAT, FRESH OR FROZEN	399	399	100	.000	-	-
11115	SHARK FINS	474	274	58	.001	A*	-
11445	ABALONE, LOBSTERS, ETC	629,360	159,615	25	.000	-	-
13065	WHEAT	877	811	92	.050	-	-
13255	STARCHES N.S.P.F.	546	156	29	.034	A	-
13516	BEANS, FRESH OR FROZEN	1,950	1,642	84	.283	-	-
13570	CHICK PEAS OR GARBANZOS	63	62	98	.042	A*	-
13581	COWPEAS	88	88	100	.000	-	-
13590	CUCUMBERS, FRESH,CHILLED, FROZEN	6,024	5,767	96	.472	A*	-
13592	CUCUMBERS, FRESH OR FROZEN	2,768	2,585	93	.635	-	-
13620	EGGPLANT, APR 1 TO NOV 30	318	307	97	.286	-	-
13622	EGGPLANT, DEC 31 TO MAR 31	1,037	1,028	99	.217	-	-
13630	GARLIC, FRESH OR FROZEN	6,053	3,619	60	.028	-	-
13680	OKRA, FRESH,CHILLED OR FROZEN	749	708	95	.250	A*	-
13691	ONIONS, CHILLED OR FROZEN	8,669	7,691	89	.213	-	-
13701	PEAS, FRESH, CHILLED OR FROZEN	2,742	1,063	39	.090	A	-
13710	PEPPERS	9,918	9,154	92	.227	-	-
13740	RADISHES,FRESH,CHILLED OR FROZEN	488	338	69	.060	A*	-
13750	SQUASH	2,209	2,140	97	.213	-	-
13760	TOMATOES MAR 1 TO JUL 14	35,719	35,460	99	.205	-	-
13762	TOMATOES JUL 15 TO AUG 31	725	688	95	.081	-	-
13763	TOMATOES NOV 15 TO FEB 28	28,370	28,208	99	.130	-	-
13785	ASPARAGUS	4,779	2,709	57	.250	-	-
13800	VEGETABLES,FRESH,FROZEN,SLICED	7,757	4,691	60	.175	A*	-

TABLE XXXIX (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
14021	CHICKPEAS	2,261	1,806	80	.083	-	-
14175	VEGETABLES IN SALT	9,846	5,136	52	.120	-	-
14524	PIGNOLIA NUTS, NOT SHELLED	91	62	68	.018	A*	-
14660	STRAWBETTIES	8,972	8,897	99	.041	-	-
14675	BERRIES, PREPARED OR PRESERVED	29,182	26,485	91	.140	-	-
14710	GRAPEFRUIT	441	188	43	.079	-	-
14713	GRAPEFRUIT OCT ONLY	233	228	98	.061	-	-
14722	LIMES	866	834	96	.082	-	-
14731	ORANGES	9,628	6,715	70	.108	-	-
14790	MANGOES	3,444	2,824	82	.168	-	-
14815	CANTALUPE	13,498	13,431	100	.350	-	-
14820	WATERMELONS	5,379	5,336	99	.200	-	-
14825	MELONS FRESH DEC 1-MAY 31	3,375	2,252	67	.085	-	-
14830	MELONS FRESH JUN 1-NOV 30	211	138	65	.350	-	-
14890	PINEAPPLES	506	506	100	.171	-	-
15274	STRAWBERRY PASTE	2,411	1,710	71	.150	-	-
15445	PINEAPPLES, CANDIED	1,260	1,089	86	.085	-	-
15540	SUGAR, SYRUP, MOLASSES	122,156	37,610	31	.002	A	-
15570	HONEY	10,613	3,467	33	.025	-	-
15575	SUGARS,SYRUPS,MOLASSES BLENDED	1,998	1,491	75	.150	A*	-
15645	COCOA	1,401	979	70	.050	A*	-
16180	PEPPER, UNGROUND	751	744	99	.091	-	-
16183	PEPPER,CAPSICUM OR CAYENNE	4,759	2,284	48	.063	A	-
16850	SPINITS FOR BEVERAGES	11,394	10,517	92	.491	A*	-
17060	SCRAP TOBACCO	40,488	13,055	32	.285	-	-
17545	SESAME SEED	16,829	6,221	37	.000	-	-
18246	SAUCES EXCEPT THIN SOY	5,208	1,304	25	.075	A	-
18832	CHICLE, CRUDE	1,674	906	54	.000	-	-
19255	BROOMCORN	10,547	10,300	98	.010	-	-

TABLE XXXIX (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
19265	ISTLE CRUDE	133	133	100	.000	-	-
19270	ISTLE OR TAMPICO, PROCESSED	3,995	3,992	100	.200	A*	-
19280	CRUDE STRAW	3,402	3,111	91	.000	-	-
19285	STRAW AND OTHER FIBROUS	3,451	2,348	68	.050	A*	-
20091	SOFTWOOD DOWEL RODS, PINS PLN	4,051	2,169	54	.025	A*	-
20262	WOOD MOLDINGS,STANDARD	14,994	14,949	100	.015	A*	-
20630	WOOD DOORS,HARDWARE, FLUSH	10,084	4,633	46	.075	A	1198
20660	WOOD FRAMES,PICTURE & MIRROW	17,336	10,526	61	.060	A*	-
22240	BASKETS & BAGS, BAMBOO	3,421	1,287	38	.250	A	-
25685	ARTICLES, NSPF OR PAPERS	12,783	11,405	89	.060	A*	10635
30010	RAW COTTON NES	5,669	3,706	65	.000	-	-
30030	COTTON LINERS	3,011	2,965	98	.000	-	-
30100	YARN WH COT NOT BLEACHED	449	223	50	.040	-	-
30110	YARN WH COT NOT BLEACHED	1,832	1,149	63	.056	-	-
30120	YARN WH COT NOT BLEACHED	2,820	1,523	54	.072	-	-
30130	YARN WH COT NOT BLEACHED	3,799	2,198	58	.088	-	-
30210	YARN WH COT BLEACHED	670	291	43	.089	-	-
30220	YARN WH COT BLEACHED COLORED	1,059	1,018	96	.105	-	-
30240	YARN WH COT COL COMB	158	104	66	.137	-	-
31520	BINDER A BALER TWINE HDVEGFIB	156,520	36,732	23	.000	-	-
31525	OTHER CORDAGE	9,265	7,648	83	.150	-	-
31540	SISAL A HENE CORDAGE STRAND	4,006	3,562	89	.101	-	-
31555	CORDAGE, SISAL	176	139	79	.024	-	-
32200	SWSF, DENIMS	16,835	7,421	44	.105	-	-
35504	WEBS WADDING BATTING NONWOVEN	960	676	70	.200	A*	-
37624	BRASSIERES	26,267	9,640	37	.320	-	9640
37805	MENS OR BOYS UNDERWEAR	3,156	706	22	.425	-	706
38002	MENS OR BOYS WOOL TROUSERS	1,000	560	56	.425	-	560

TABLE XXXIX (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
38260	WOMENS & GIRLS WOOL BLOUSES	1,585	1,082	68	.295	-	706
41505	BROMINE	797	796	100	.000	-	-
42182	STRONTIUM SULFATE MINERAL	1,191	921	77	.000	-	-
42276	ZINC SULFATE	2,450	2,201	90	.016	A*	-
42752	FURFURAL	827	499	60	.000	-	-
43950	OTHER DRUGS,INC SYNTHETIC	25,850	4,777	18	.050	A	-
45238	LIME OIL	8,762	6,095	70	.000	-	-
47212	NATURAL BARIUM SULFATE	609	588	97	.218	-	-
47352	LITHARGE	4,271	4,229	99	.049	A*	-
47356	RED LEAD	380	380	100	.063	A*	-
47376	ZINC OXIDE DRY, NO LEAD	19,419	7,082	36	.016	A	-
48045	PHOSPHATES	9,106	4,308	47	.000	-	-
48070	PHOSPHATIC FERTILIZERS	32,703	20,099	61	.000	-	-
49410	CANDELILIA WAX	1,793	1,768	99	.000	-	-
51131	CONCRETE FLOOR & WALL TILES	1,909	1,651	86	.210	A*	-
51141	CONCRETE TILES EXC FLOOR & WALL	401	387	97	.130	A*	-
51244	PLASTER OR PARIS ARTICLES	964	846	88	.060	A*	-
51731	GRAPHITE, CRUDE OR REFINED	4,711	1,943	41	.000	-	-
51841	ASBESTOS YARN SLIVERS ETC	1,047	938	90	.021	A*	-
52221	FLUORSPAR 97% FLOURIDE	47,284	32,724	69	.035	-	-
52224	FLUORSPAR	16,948	15,604	92	.238	-	-
53211	CERAMIC BRICKS	5,985	4,079	68	.000	-	-
53531	SANITARY WARE INC PLUMBING FIXT	8,392	6,124	73	.150	A*	1818
54047	GLASS BRICKS BLOCKS,SLABS SQUARES	156	98	63	.120	A*	-
54527	GLASS CONTAINERS, NES	2,882	974	34	.016	A	-
54553	GLASS GLOBES & SHADES	7,744	4,003	52	.140	A*	-
54565	GLASS CHIMNEYS	1,318	1,121	85	.150	A*	-
54654	GLASSWARE	10,918	2,416	22	.300	-	-

TABLE XXXIX (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
54751	GLASS AMPOULES	491	331	67	.035	A*	-
60320	FLUE DUST	603	603	100	.000	-	-
60520	SILVER BULLION	442,603	164,792	37	.000	-	-
60548	SILVER UNWROUGHT NES	476	248	52	.105	A*	-
60560	ROLLES PRECIOUS METAL PLATES	206	105	51	.120	A*	-
64698	HARNES ETC HARDWARE COATED	810	798	99	.075	-	-
64937	VISES & CLAMPS EX DTS OF	10,820	6,344	59	.050	A*	6254
65295	COLUMNS PILLARS & POSTS	141	89	63	.060	-	-
65322	METAL COINS NES	607,585	266,022	44	.000	-	-
68580	FIXED CAPACITORS	142,875	44,370	31	.100	-	34685
68590	SWITCHBOARDS PANELS	236,819	47,844	2-	.085	A	46831
68690	ELECTRIC FILAMENT LAMPS	17,925	4,915	27	.040	A	4061
68760	CATHODE - RAY TUBES	1029,575	168,428	16	.060	-	151870
68812	IGNITION WIRING SETS	11,663	5,092	44	.050	A	4980
68815	INSULATED ELECTRICAL CONDUCTOR	54,217	22,764	42	.085	A	20505
70029	FOOTWEAR	26,612	6,241	23	.050	-	547
70085	FOOTWEAR FOR MEN & BOYS	9,709	2,221	23	.125	-	1995
70235	HEADWEAR PALM LEAF OR DANDAN	366	247	67	.063	A*	-
70245	HEADWEAR NT CAP VEG FIB NES	448	442	99	.250	A*	-
70247	HEADWEAR EX CAPS VEG-FIB NES	324	93	29	.168	A	-
70365	HEADWEAR OF LEATHER	506	377	75	.060	A*	-
71030	AUTOMATIC PILOTS & PARTS	846	454	54	.055	A*	454
71315	PARTS OF METERS	1,958	622	32	.225	A	622
71319	PARTS FOR STROBOSCOPES	713	712	100	.225	A*	712
71614	WATCH MOVEMENTS NES	3,696	3,507	95	.045	-	3507
72670	WOOD-WIND INSTRUMENT	4,331	2,304	53	.075	A*	2304
72680	PIANO PARTS	11,461	3,376	29	.085	A	3250
73745	METAL TOY ANIMALS ETC	1,587	470	30	.120	A	470

TABLE XXXIX (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico	AVE	GSP	OAP
74005	JEWELRY ETC	2,077	1,156	56	.275	A*	-
75029	BROOMS ETC OF BROOM CORN	1,289	1,170	91	.200	-	-
75030	BROOMS ETC OF BROOM CORN	183	148	81	.501	-	-
75031	BROOMS OVER $.96 EACH	159	148	93	.320	-	-
79125	LEATHER NSPF CUT OR SHAPED	11,312	4,834	43	.050	A	583

Source: U.S. Bureau of the Census, FT 246/Annual 1974.
Note: Imports are valued on f.a.s. basis; AVE-Ad valorem equivalent tariff rates; GSP - Generalized system of preferences; A - Import articles subject to GSP treatment; A* - Imports eligible for preferences, ceiling binding; OAP - The value of imports under off-shore assembly tariff provision.

TABLE XL

PRINCIPAL SUPPLIER ITEMS OF BRAZIL AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Brazil	% Share of Brazil	AVE	GSP	OAP
12120	PATENT LEATHER GENUINE	12,557	4,561	36	.035	-	-
13035	CORN OR MAIZE	3,733	1,498	40	.069	A	-
13160	CORN FEED	448	391	87	.080	-	-
14179	PALM HEARTS	885	861	97	.085	A*	-
14514	BRAZIL NUTS	3,274	3,249	99	.000	-	-
14542	BRAZIL NUTS SHELLED	6,432	5,018	78	.000	-	-
14785	GUAUAS	263	128	49	.040	A	-
15610	COCOA BEANS	316,630	77,600	25	.000	-	-
15620	CHOCOLATE	21,122	11,644	55	.000	-	-
15635	COCOA BUTTER	54,452	19,579	36	.030	A	-
16020	COFFEE	118,667	70,300	59	.000	-	-
16021	COFFEE EXTRACTS	245	230	94	.000	-	-
16535	FRUIT JUICE CONCENTRATED	7,368	5,048	69	.868	-	-
17050	TOBACCO STEMS	670	398	59	.000	-	-
17600	BABASSU OIL	15,918	15,405	97	.000	-	-
17601	CASTOR OIL	325	325	100	.075	A*	-
17602	CASTOR OIL	43,224	38,651	89	.040	A*	-
17620	CRUTON OIL	837	836	100	.000	-	-
17664	NUT OILS	3,937	3,560	90	.000	-	-
20212	PARANA PINE	2,431	2,421	100	.000	-	-
20234	LUMBER	11,975	5,082	42	.000	-	-
20244	LUMBER	36,984	12,232	33	.000	-	-
20246	LUMBER	3,112	865	28	.000	-	-
20650	WOOD HANDLES	3,877	1,653	42	.040	A	-
24003	HARDWOOD VENEERS	25,065	3,478	14	.050	A	-
24520	HARDBOARD	33,019	8,624	26	.075	A	-

TABLE XL (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Brazil	% Share of Brazil	AVE	GSP	OAP
30446	SISAL WASTE	4,649	1,935	42	.000	-	-
36624	COTTON TOWELS	10,464	4,548	45	.140	-	-
36665	COTTON TERRY CLOTH	1,038	291	28	.150	-	-
38018	MENS OR BOYS COTTON GOWNS	2,081	931	45	.080	-	-
43764	MENTHOL	29,010	23,354	81	.016	A*	-
45222	CORMINT & PEPPERMINT OIL	2,496	2,087	84	.000	-	-
45240	BOIS DE ROSE OIL	2,763	2,644	96	.000	-	-
45508	BONES	4,873	2,069	42	.000	-	-
49412	CARNAUBA WAX	10,224	10,224	100	.000	-	-
49416	OURICURY WAX	78	78	100	.000	-	-
51631	MICA BLOCK	733	612	83	.000	-	-
51641	UNMANUFACTURED MICA	225	90	40	.000	-	-
52121	BRAZILIAN PEBBLE	636	518	81	.000	-	-
60109	BERYLLIUM ORE	414	215	52	.000	-	-
60121	COLUMBIUM ORE	3,205	1,956	61	.000	-	-
60740	FERROMOLY BDENUM	140	106	76	.071	-	-
60780	FERROALLOYS	7,164	6,626	92	.050	-	-
64948	DIES FOR CUTTING METAL	2,048	570	28	.075	A	-
70052	FOOTWEAR	519	317	80	.250	-	-
73027	RIFLES	584	403	69	.129	A*	-
73041	SHOTGUNS	2,721	1,756	65	.139	A*	-
74825	NATURAL FLOWERS DRIED	3,967	1,758	44	.050	A	-
91107	MANG ORE	43,349	15,105	35	.032	-	-

TABLE XLI

PRINCIPAL SUPPLIER ITEMS OF TAIWAN AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Taiwan	% Share of Taiwan	AVE	GSP	OAP
14170	WATERCHESTNUTS	3,901	3,846	99	.175	A*	-
14181	VEGETABLES	18,802	6,023	32	.175	-	-
14420	MUSHROOMS	25,557	17,809	70	.144	-	-
14560	NUTS	815	413	51	.280	A*	-
14960	FRUITS	458	155	34	.175	A	-
15440	GINGER ROOT	317	158	50	.135	A*	-
20647	FORKS & SPOONS OF WOOD	2,477	1,162	47	.085	A	-
20665	WOOD BLINDS	704	409	58	.167	-	-
20667	WOOD BLINDS	3,472	914	26	.200	-	-
20697	WOOD COAT HANGERS & UTENSILS	41,648	17,397	42	.080	-	-
20700	ARTICLES OF WOOD	56,003	9,086	16	.080	A	-
22250	BLINDS, SHUTTERS, ETC	995	802	81	.200	-	-
22257	FLOOR COVERINGS	730	161	22	.080	A	-
24021	PLYWOOD, NO FACE FINISH	522	244	47	.200	A	-
31590	JUTE CORDAGE	295	259	88	.105	-	-
31595	JUTE CORDAGE	628	617	98	.130	-	-
32220	COTTON CLOTH	6,827	1,274	19	.143	-	-
36415	COTTON TAPESTRIES	1,559	479	31	.150	A	-
37435	MAN-MADE FIB HOSIERY	1,184	910	77	.210	-	-
38004	MENS & BOYS CLOTHING	21,552	7,313	34	.425	-	-
38081	MENS & BOYS CLOTHING	186,860	75,165	40	.378	-	1171
38204	WOMEN & GIRLS CLOTHING	86,445	15,468	18	.425	-	-
38278	WOMEN,GIRLS,INFANT CLOTHING	594,025	194,590	33	.375	-	152
42796	WOOD ALCOHOL	12,191	2,847	23	.114	-	-
45208	CAMPHOR OIL	304	284	93	.000	-	-

TABLE XLI (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Taiwan	% Share of Taiwan	AVE	GSP	OAP
49320	NATURAL CAMPHOR	102	96	94	.001	A*	-
49321	NATURAL CAMPHOR ADVANCED	2,672	2,560	96	.004	A*	-
54411	GLASS STRIPS	850	469	55	.220	A*	-
54635	GLASSWARE	3,000	1,415	47	.200	-	-
64680	PADLOCKS	3,034	1,158	38	.053	-	-
64867	AXES, HATCHETS, ETC.	791	312	39	.110	A	-
65047	BARBECUE FORKS	106	63	59	.119	-	-
65089	SCISSORS	586	262	45	.447	A	-
65153	HAND TOOLS	1,693	439	26	.095	A	-
65255	BICYCLE PARTS	256	169	66	.200	A*	-
65350	STOVES, FURNACES & PARTS	19,148	8,065	42	.060	A	-
65385	CAST ARTICLES	4,163	2,931	70	.040	A*	-
68520	TELEVISION RECEIVERS	954,594	327,383	34	.050	-	212840
68630	CHRISTMAS TREE LAMPS	4,028	2,086	52	.100	A*	-
68810	CHRISTMAS TREE LIGHTING SETS	17,313	12,513	72	.200	A*	-
69635	PNEUMATIC CRAFT	6,306	3,833	61	.060	A*	-
70051	FOOTWEAR	171	145	85	.125	-	-
70055	FOOTWEAR	230,825	118,347	51	.060	A*	153
70070	FOOTWEAR	9,372	2,582	28	.075	-	-
70080	FOOTWEAR	5,086	2,153	42	.125	-	-
70305	HEADWEAR	5,312	2,533	48	.180	-	-
70372	BATHING CAPS	5,583	1,771	32	.060	A	-
70485	GLOVES	9,910	3,310	33	.381	-	-
70535	GLOVES	37,354	12,362	33	.150	-	-
70585	GLOVES	18,719	7,414	40	.150	-	-
70623	HANDBAGS	12,105	6,888	57	.065	-	-
70660	LUGGAGE, CASES, ETC	95,081	25,123	26	.200	-	-
71527	CLOCKS NES	2,675	847	32	.309	-	-

TABLE XLI (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Taiwan	% Share of Taiwan	AVE	GSP	OAP
72014	CLOCKS MVTS NES	470	131	28	.259	-	-
72748	FURNITURE	25,330	4,421	17	.060	A	-
73130	FISHING CASTS	634	339	53	.175	A*	-
73224	BICYCLES	3,750	1,895	51	.011	-	-
73410	BAGATELLE	6,582	5,304	81	.080	A*	-
73450	BADMINTON SETS	5,067	3,929	78	.140	A*	-
73460	CROQUET EQUIPMENT	161	128	80	.080	A*	-
73487	LAWN-TENNIS RACKETS	29,080	12,949	45	.085	A	-
73725	STUFFED TOY ANIMALS	4,243	2,037	48	.280	A	-
73770	PARTY NOISEMAKERS	1,108	377	34	.100	A	-
74565	CLASPS FASTENERS	2,634	744	28	.135	A	-
74840	ORNAMENTAL ARTICLES FEATHERS	8,460	4,302	51	.070	A*	-
75022	HAIR ORNAMENTS	714	188	26	.275	A	-
75035	FEATHER DUSTERS	367	242	66	.070	A*	-
75105	UMBRELLAS	19,942	11,543	58	.200	A*	-
75120	UMBRELLAS FRAMES	320	214	67	.300	A*	-
75515	FIREWORKS	5,923	1,858	31	.123	-	-
77220	CONTAINERS OF RUBBER	18,431	4,143	22	.075	A	-
77235	HOUSE FURNISHINGS	16,825	10,209	61	.060	A*	-
77257	TUBES BICYCLE	14,029	4,227	30	.150	-	-
79039	PNEUMATIC MATTRESSES	17,328	11,569	67	.606	A*	-
79160	BELTS & BUCKLES	8,580	2,774	32	.085	A	-

TABLE XLII

PRINCIPAL SUPPLIER ITEMS OF KOREA AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Korea	% Share of Korea	AVE	GSP	OAP
11050	ATLANTIC OCEAN PERCH	603	194	32	.031	-	-
17032	CIGARETTE LEAF NOT STEMMED	11,484	2,157	19	.265	-	-
24017	PLYWOOD	185,232	108,388	59	.200	-	-
24025	PLYWOOD FACE FINISHED	10,830	8,074	75	.200	A*	-
25660	ALBUMS	9,915	5,110	52	.065	A*	-
36351	COTTON BEDSPREADS	3,820	1,271	33	.060	-	-
37060	COTTON HANDKERCHIEFS	477	243	51	.250	-	-
38051	MENS OR BOYS SHIRTS	13,775	2,513	18	.075	-	-
38066	MENS OR BOYS WOOL TROUSERS	55,963	16,691	30	.246	-	-
38084	MENS OR BOYS SUITS	155,087	57,736	37	.330	-	-
38281	WOMENS OR GIRLS SKIRTS	114,756	13,191	11	.319	-	-
41740	AMMONIUM TUNGSTATE	4,123	4,123	100	.153	-	-
42530	MONSODIUM GLUTAMATE	7,464	3,149	42	.160	-	-
60345	MATERIALS CHIEF VALUE TUNGSTEN	715	629	88	.159	A*	-
65131	CHISELS & OTHER CUTTING TOOLS	2,100	615	29	.110	A	-
70027	FOOTWEAR	12,876	5,263	41	.050	-	89
70053	BOOTS	24,143	17,441	72	.375	-	559
70060	FOOTWEAR,RUBBER & FABRIC	112,138	50,836	45	.200	-	-
70315	HEADWEAR OF MAN-MADE FABRIC	2,169	1,172	54	.260	-	-
70620	LUGGAGE	819	233	28	.210	-	-
71615	WATCH MOVEMENTS NES	1,665	917	55	.029	-	-
72025	WATCH BEZELS	167	112	67	.177	-	112
72075	WATCH ASSEMBLES	1,399	508	36	.225	-	508
73105	SNELLED HOOKS	1,453	454	31	.125	A	-
73150	FISH LANDING NETS	791	495	63	.125	A*	-

TABLE XLII (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Korea	% Share of Korea	AVE	GSP	OAP
73454	BASEBALL GLOVES	23,822	13,051	55	.150	A*	-
73730	STUFFED TOY ANIMALS	5,625	1,506	27	.090	A	-
75065	PAINT BRUSHES	409	204	50	.100	A*	-
77230	WEARING APPAREL OF RUBBER PLC	78,791	24,792	31	.125	-	-
79070	WIGS	57,313	51,010	89	.070	A*	-
79115	FUR WEARING APPAREL	17,771	6,620	37	.100	A	-
94906	TABLEWARES	6,478	3,365	52	.227	-	-
94908	TABLEWARES	6,074	2,845	47	.170	-	-

TABLE XLIII

PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS AT SEVEN BUT NOT AT FIVE DIGIT LEVEL OF DISAGGREGATION
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico
1103570	FISH NES, FRESH OR CHILLED	2,672	2,072	78
1107060	FISH FILLEATED	25,372	6,186	24
1552050	CANE O BEET SUGAR	434,656	160,598	37
1682540	CORDIALS	5,266	2,387	45
1703240	CIGARETTE LEAF	679	263	39
1885020	SPIRITS OF TURPENTINE	1,407	1,398	99
3200001	DUCK SWSF WH COT	452	142	31
3201044	SHEETING NES WH COT	4,044	1,648	41
3201064	TWILL NES WH COT	1,739	1,618	93
3208058	TWILL NES WH COT	64	64	100
3223058	OTH TWILL WH COT	104	98	94
3251058	TWILL OTH WH COT	686	528	77
3260036	OSNABURG SHEET	184	184	100
3366024	WOV FAB OF HAIR	166	79	48
3615625	FLOOR COVERINGS	532	240	45
3762885	WOMENS & GIRLS BODY SUPPORT	567	401	71
3786030	WOMENS GIRLS UNDERWEAR	2,614	997	38
3800417	MENS & BOYS T-SHIRTS	225	159	71
3800446	MENS & BOYS COATS	2,966	2,412	81
3800467	MENS & BOYS SLACKS	679	348	51
3808192	MENS & BOYS WEARING APPAREL	4,597	1,579	34
3808440	MENS & BOYS WORK SHIRTS	1,005	828	82
3808455	MENS & BOYS TROUSER SHORTS	18,001	8,731	49
3820413	WOMENS KNIT DRESSES	2,241	822	37

TABLE XLIII (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Mexico	% Share of Mexico
3820423	WOMENS & GIRLS KNIT PJS	1,235	937	76
3820472	WOMENS & GIRLS ORN PJS	1,591	1,109	70
3827821	WOMENS & GIRLS DRESSING GOWNS	433	218	50
3827825	WOMENS & GIRLS INFANT PJS	964	690	72
3827841	WOMENS & GIRLS PLAYSUITS	4,270	994	23
6035020	ZINC CONTENT OF ZINCFUME	3,284	3,282	100
6494820	DIAMOND DIES	697	296	42
6612040	AIR-CONDITIONING MACHINE PARTS	17,358	6,550	38
6826060	ELECTRIC POWER MACHINERY	67,480	15,126	22
6852045	TUNERS FOR T.V. RECEIVERS	83,991	43,908	52
6852050	TELEVISION APPARATUS NES	351,828	142,488	40
5861053	RESISTORS	1,323	1,152	87
6861060	RESISTOR PARTS	8,315	5,276	63
6921090	MOTOR VEHICLES NES	37,931	24,512	65
7004360	FOOTWEAR FOR WOMEN	1,381	636	46
7044025	GLOVES AND LININGS	2,419	576	24
91107040	MANG ORE	2,997	988	33

Source: U.S. Bureau of the Census, FT 246/Annual 1974.
Note: Imports are valued on f.a.s. basis.

TABLE XLIV

PRINCIPAL SUPPLIER ITEMS OF BRAZIL AMONG U.S. IMPORTS AT SEVEN BUT NOT AT FIVE DIGIT LEVEL OF DISAGGREGATION
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Brazil	% Share of Brazil
1107024	CATFISH,CHILLED OR FROZEN	3,509	3,201	91
1883830	LECHI CASPI GUM	2,815	2,727	97
3032040	COTTON SEWING THREAD	299	125	42
3201094	FABRIC NES WH COT	1,662	503	30
5238140	LITHIUM ORES	333	217	65
7004310	FOOTWEAR FOR WOMEN	1,937	743	38
7004510	FOOTWEAR FOR WOMEN	36,596	20,407	56
7004525	MOCS, SOLED	92	74	80

TABLE XLV

PRINCIPAL SUPPLIER ITEMS OF TAIWAN AMONG U.S. IMPORTS AT SEVEN BUT NOT AT FIVE DIGIT LEVEL OF DISAGGREGATION
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Taiwan	% Share of Taiwan
2401720	PLYWOOD	24,591	20,415	83
3202044	SHEETING NES	259	94	36
3202058	TWILL NES	3,729	768	21
3220076	NAP-FAB NES	64	63	98
3221076	NAP-FAB NES	1,615	716	44
3803909	MENS OR BOYS COT NIGHTWEAR	148	86	58
3803912	MENS OR BOYS COT WEAR APPAREL	180	88	49
3805145	MENS OR BOYS WEAR APPAREL	462	204	44
3828102	WOMENS BLOUSES	24,432	4,628	19
3828108	WOMENS GIRLS COATS	3,348	521	16
3828118	WOMENS GIRLS PJS	1,302	569	44
6539560	STEEL COOKING WARE	765	319	42
6541010	ALUM COOK WARE	4,772	1,063	22
6541045	ALUM CAST COOK WARE	150	79	53
6785057	PHONOGRAPH-TAPE PLAYER	1,870	1,007	54
6858030	FIXED CAPACITORS	5,456	3,156	58
7003535	FOOTWEAR FOR BOYS	453	314	69
7004535	FOOTWEAR, NOT WOMEN	867	339	39
7006025	FOOTWEAR, U.S. TYPE	3,054	1,783	58
7006035	FOOTWEAR, EXC. U.S. TYPE	18,057	5,669	31
7006045	FOOTWEAR, EXC. U.S. TYPE, WOMEN	17,333	5,792	33
7006055	FOOTWEAR, EXC. U.S. TYPE,CHILD	4,130	1,958	47
7008570	FOOTWEAR FOR MISSES	173	111	64
7024020	PAPER HEADWEAR	1,158	806	70

TABLE XLV (Continued)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Taiwan	% Share of Taiwan
7043545	GLOVES	4,162	2,247	54
7062460	FLAT GOODS OF TEXTILE MATERIALS	2,036	901	44
7379010	INFLATABLE TOYS OF RUBBER	4,087	3,337	82
7507080	BROOMS AND BRUSHES	7,028	1,491	21

TABLE XLVI

PRINCIPAL SUPPLIER ITEMS OF KOREA AMONG U.S. IMPORTS AT SEVEN BUT NOT AT FIVE DIGIT LEVEL OF DISAGGREGATION
Value (1,000 dollars)

TSUS Number	Commodity Description	Total Value of U.S. Imports	U.S. Imports from Korea	% Share of Korea
3201002	DUCK SWSF WH COT	993	365	37
3201004	DUCK SWSF WH COT	2,798	1,705	61
3661820	COTTON DISH TOWELS	392	93	24
3800461	MENS & BOYS SPORT SHIRTS	4,208	2,102	50
3808143	MENS & BOYS SUITS	7,989	3,872	48
3820439	WOMEN GIRLS T-SHIRTS	2,444	2,088	85
3823328	WOMEN GIRLS PLAYSUITS	1,421	541	38
3827851	WOMEN GIRLS T-SHIRTS	4,922	2,137	43
3828720	WOMEN GIRLS WEAR APPAREL	131	88	67
6535040	PARTS OF STOVES HEATERS	4,913	2,008	41
7002650	FOOTWEAR, LEATHER	382	197	52
7002940	FOOTWEAR FOR WORK	3,352	1,522	45
7004315	FOOTWEAR, CASUAL	830	315	38
7007520	FOOTWEAR, YOUTH & BOY	561	237	42
7007530	FOOTWEAR FOR WOMEN	144	83	58
7007540	FOOTWEAR FOR MISSES	138	127	92
7007550	FOOTWEAR FOR CHILDREN	236	214	91
7008075	FOOTWEAR FOR CHILDREN	333	237	71
70044090	GLOVES	685	582	85
7066035	LUGGAGE, CASES, ETC	41,479	10,982	26
7379060	TOY PARTS	12,352	3,158	26

TABLE XLVII

POTENTIAL TRADE EXPANSION FROM COMPLETE TARIFF REMOVAL ON PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\hat{M}$
10045	LIVE CATTLE	66,374	0.8	.062/1.062	3099.95
11115	SHARK FINN	474	0.8	.001/1.001	.38
13065	WHEAT	877	0.8	.05 /1.05	33.41
13516	BEANS, FRESH OR FROZEN	1,950	0.8	.283/1.283	344.10
13570	CHICKPEAS OR GARBANZOS	63	0.8	.042/1.042	2.03
13590	CUCUMBERS,FRESH, CHILLED,FROZEN	6,024	0.8	.472/1.472	1545.29
13592	CUCUMBERS,FRESH OR FROZEN	2,768	0.8	.635/1.635	860.03
13620	EGGPLANT APR 1 TO NOV 30	318	0.8	.286/1.286	56.58
13622	EGGPLANT DEC 30 TO MAR 31	1,037	0.8	.217/1.217	147.92
13630	GARLIC FRESH OR FROZEN	6,053	0.8	.028/1.028	131.89
13680	OKRA,FRESH,CHILLED OR FROZEN	749	0.8	.25 /1.25	119.84
13691	ONIONS,CHILLED OR FROZEN	8,669	0.8	.213/1.213	1217.81
13710	PEPPERS	9,918	0.8	.227/1.227	1467.90
13740	RADDISHES,FRESH,CHILLED OR FROZEN	488	0.8	.060/1.060	22.10
13750	SQUASH	2,209	0.8	.213/1.213	310.32
13760	TOMATOES, MAR 1-JULY 14	35,719	0.8	.205/1.205	4861.34
13762	TOMATOES, JUL 15-AUG 31	725	0.8	.081/1.081	43.46
13763	TOMATOES, NOV 15-FEB 28	28,370	0.8	.13 /1.13	2611.04
13785	ASPARAGUS	4,779	0.8	.25 /1.25	764.64
13800	VEGETABLES,FRESH,FROZEN,CUT,SLICES	7,757	0.8	.175/1.175	924.24
14021	CHICKPEAS	2,261	0.8	.083/1.083	138.62
14175	VEGETABLES IN SALT	9,846	0.8	.12 /1.12	843.94
14524	PIGNOLIA NUTS, NOT SHELLED	91	0.8	.018/1.018	1.29
14660	STRAWBERRIES	8,972	0.8	.041/1.041	282.69
14675	BERRIES,PREPARED OR FRESH	29,182	0.8	.14 /1.14	2867.00

TABLE XLVII (Continued)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\hat{M}$
14710	GRAPEFRUIT	441	0.8	.079/1.079	25.83
14713	GRAPEFRUIT	233	0.8	.061/1.061	10.72
14722	LIMES	866	0.8	.082/1.082	52.50
14731	ORANGES	9,628	0.8	.108/1.108	750.78
14790	MANGOES	3,444	0.8	.168/1.168	396.30
14815	CANTALUPES	13,498	0.8	.35 /1.35	2799.59
14820	WATERMELONS	5,379	0.8	.2 /1.2	717.2
14825	MELONS,FRESH DEC 1-MAY 31	3,375	0.8	.085/1.085	211.52
14830	MELONS,FRESH JUL 1-NOV 30	211	0.8	.35 /1.35	43.76
14890	PINEAPPLES	506	0.8	.171/1.171	59.11
15274	STRAWBERRY PASTE	2,411	0.8	.15 /1.15	251.58
15445	PINEAPPLES, CANDIED	1,260	0.8	.085/1.085	78.97
15570	HONEY	10,613	0.8	.025/1.025	207.08
15575	SUGARS,SYRUPS & MOLASSES BLENDED	1,998	0.8	.15 /1.15	208.49
15645	COCOA	1,401	0.8	.050/1.050	53.37
16180	PEPPER, UNGROUND	751	0.8	.091/1.091	50.11
16850	SPIRITS FOR BEVERAGE	11,394	0.8	.491/1.491	3001.72
17060	SCRAP TOBACCO	40,488	0.8	.285/1.285	7183.86
19255	BROOMCORN	10,547	.43	.01 /1.01	44.90
19270	ISTLE OR TAMPICO,PROCESSED	3,995	.43	.2 /1.2	286.31
19285	STRAW & OTHER FIROUS	3,451	.43	.05 /1.05	70.66
20091	SOFTWOOD,DOWEL RODS & PINS PLAIN	4,051	1.8	.025.1.025	177.85
20262	WOOD, MOLDINGS, STANDARD	14,994	1.8	.015/1.015	398.86
20660	WOOD FRAMES, PICTURES & MIRROR	17,336	1.8	.06 /1.06	1766.31
25685	ARTICLES, NSPF OR PAPERS	12,783	1.8	.06 /1.06	1302.42
30100	YARN WITH COTTON NOT BLEACHED	449	1.8	.04 /1.04	31.08
30110	YARN WITH COTTON NOT BLEACHED	1,832	1.8	.056/1.056	174.87
30120	YARN WITH COTTON NOT BLEACHED	2,820	1.8	.072/1.072	340.93
30130	YARN WITH COTTON NOT BLEACHED	3,799	1.8	.088/1.088	553.09

TABLE XLVII (Continued)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\hat{M}$
30210	YARN WITH COTTON BLEACHED	670	1.8	.089/1.089	98.56
30220	YARN WITH COT BLEACHED, COLORED	1,059	1.8	.105/1.105	181.13
30240	YARN WITH COT COL COMB	158	1.8	.137/1.137	34.27
31525	OTHER CORDAGE	9,265	1.8	.15 /1.15	2175.26
31540	SISAL A HENE CORDAGE STRAND	4,006	1.8	.101/1.101	661.49
31555	CORDAGE, SISAL	176	1.8	.024/1.025	7.43
32200	SWSF DENIMS	16,835	1.8	.105/1.105	2879.47
35504	WABS,WADDING BATTING & NON WOVEN	960	1.8	.2 /1.2	288.
37624	BRASSIERES	26,267	1.8	.32 /1.32	11461.96
37805	MEN OR BOYS UNDERWEAR	3,156	1.8	.425/1.425	1694.27
38002	MEN OR BOYS WOOL TROUSERS	1,000	1.8	.425/1.425	536.84
38260	WOMENS & GIRLS WOOL BLOUSES	1,585	1.8	.295/1.295	649.91
42276	ZINC SULFATE	2,450	1.8	.016/1.016	69.45
47212	NATURAL BARIUM SULFATE	609	.43	.218/1.218	46.87
47352	LITHARGE	4,271	1.8	.049/1.049	359.11
47356	RED LEAD	380	1.8	.063/1.063	40.54
51131	CONCRETE FLOOR & WALL TILES	1,909	1.8	.21 /1.21	596.37
51141	CONCRETE TILES EXCEPT FLOOR & WALL	401	1.8	.13 /1.13	83.04
51244	PLASTER OF PARIS ARTICLES EX STATUES	964	1.8	.06 /1.06	98.22
51841	ASBESTOS YARN, SILVERS ETC	1,047	1.8	.021/1.021	38.76
52221	FLUORSPAR 97% FLUORIDE	47,284	.43	.035/1.035	687.56
52224	FLUORSPAR	16,948	.43	.238/1.238	1401.02
53531	SANITARY WARE INC PLUMBING FIXTURES	8,392	1.8	.15 /1.15	1970.30
54047	GLASS,BRICKS,BLOCKS,SLABS,SQUARES	156	1.8	.12 /1.12	30.09
54553	GLASS GLOBES & SHADES	7,744	1.8	.14 /1.14	1711.83
54565	GLASS CHIMNEYS	1,318	1.8	.15 /1.15	309.44
54654	GLASS WARE	10,918	1.8	.3 /1.3	4535.17
54751	GLASS AMPOULES	491	1.8	.035/1.035	29.89
60548	SILVER UNWROUGHT NES	476	1.8	.105/1.105	81.42
60560	ROLLES PRECIOUS METAL PLATES	206	1.8	.12 /1.12	39.73

TABLE XLVII (Continued)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\hat{M}$
64698	HARNES ETC HARDWARE COATED	810	1.8	.075/1.075	101.72
64937	VISES & CLAMPS EX PTS OF	10,820	1.8	.05 /1.05	927.43
65295	COLUMNS PILLARS & POSTS	141	1.8	.06 /1.06	14.37
68580	FIXED CAPACITORS	142,875	1.8	.1 /1.1	23379.55
68760	CATHODE, RAY TUBES	1029,575	1.8	.06 /1.06	104900.09
70029	FOOTWEAR	26,612	1.8	.05 /1.05	2281.03
70085	FOOTWEAR FOR MEN & BOYS	9,709	1.8	.125/1.125	1941.8
70235	HEADWEAR PALM LEAF OF DANDAN	366	1.8	.063/1.063	39.04
70245	HEADWEAR NT CAP VEG FIB NES	448	1.8	.25 /1.25	161.28
70365	HEADWEAR OF LEATHER	506	1.8	.06 /1.06	51.55
71030	AUTOMATIC PILOTS & PARTS	846	1.8	.055/1.055	79.48
71319	PARTS FOR STROBOSCOPES	713	1.8	.225/1.225	235.73
71614	WATCH MOVEMENT NES	3,696	1.8	.045/1.045	286.48
72670	WOOD-WIND INSTRUMENT	4,331	1.8	.075/1.075	543.89
72680	PIANO PARTS	11,461	1.8	.085/1.085	1616.16
74005	JEWELRY ETC	2,077	1.8	.275/1.275	806.36
75029	BROOMS ETC OF BROOM CORN	1,289	1.8	.2 /1.2	386.7
75030	BROOMS ETC OF BROOM CORN	183	1.8	.501/1.501	109.95
75031	BROOMS OVER $.96 EACH	159	1.8	.32 /1.32	69.38

Source: U.S. Bureau of the Census, FT 246/Annual 1974.

Note: $M = U.S.M. \times E_d \times t/1+t$.

M, Trade expansion; U.S.M., Total value of U.S. import;

E_d, Price elasticity of demand for import;

t, Ad valorem tariff rate.

TABLE XLVIII

POTENTIAL TRADE EXPANSION DUE MEXICO FROM COMPLETE TARIFF REMOVAL
ON PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Mexico	$\dot{M}$ due Mexico	NTB
10045	LIVE CATTLE	3099.95	91	2820.96	-
11115	SHARK FINN	.38	58	.22	-
13065	WHEAT	33.41	92	30.74	-
13516	BEANS, FRESH OR FROZEN	344.10	84	289.04	-
13570	CHICKPEAS OR GARBANZOS	2.03	98	1.99	-
13590	CUCUMBERS, FRESH,CHILLED,FROZEN	1545.29	96	1483.48	-
13592	CUCUMBERS,FRESH OR FROZEN	860.03	93	799.82	-
13620	EGGPLANT APR 1 TO NOV 30	56.58	97	54.88	-
13622	EGGPLANT DEC 30 TO MAR 31	147.92	99	146.44	-
13630	GARLIC FRESH OR FROZEN	131.89	60	79.14	-
13680	OKRA,FRESH,CHILLED OR FROZEN	119.84	95	113.85	-
13691	ONIONS,CHILLED OR FROZEN	1217.81	89	1083.85	-
13710	PEPPERS	1467.90	92	1350.46	-
13740	RADDISHES,FRESH,CHILLED OR FROZEN	22.10	69	15.25	-
13750	SQUASH	310.32	97	301.01	-
13760	TOMATOES MAR 1-JULY 14	4861.34	99	4812.73	-
13762	TOMATOES JUL 15-AUG 31	43.46	95	41.29	-
13763	TOMATOES NOV 15-FEB 28	2611.04	99	2584.93	-
13785	ASPARAGUS	764.64	57	435.84	-
13800	VEGETABLES,FRESH,FROZEN CUT SLICED	924.24	60	554.54	-
14021	CHICKPEAS	138.62	80	110.90	-
14175	VEGETABLES IN SALT	843.94	52	438.85	-
14524	PIGNOLIA NUTS, NOT SHELLED	1.29	68	.88	-
14660	STRAWBERRIES	282.69	99	279.86	-

TABLE XLVIII (Continued)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Mexico	$\dot{M}$ due Mexico	NTB
14675	BERRIES, PREPARED OR FRESH	2867.00	91	2608.97	-
14710	GRAPEFRUIT	25.83	43	11.11	-
14713	GRAPEFRUIT	10.72	98	10.50	-
14722	LIMES	52.50	96	50.40	-
14731	ORANGES	750.78	70	525.54	-
14790	MANGOES	396.30	82	324.96	-
14815	CANTALUPES	2799.59	100	2799.59	-
14820	WATERMELONS	717.2	99	710.03	-
14825	MELONS, FRESH DEC 1-MAY 31	211.52	67	141.72	-
14830	MELONS, FRESH JUL 1-NOV 30	43.76	65	28.46	-
14890	PINEAPPLES	59.11	100	59.11	-
15274	STRAWBERRY PASTE	251.58	71	178.62	-
15445	PINEAPPLES CANDIED	78.97	86	67.91	-
15570	HONEY	207.08	33	68.34	-
15575	SUGARS,SYRUPS & MOLASSES BLENDED	208.49	75	156.37	-
15645	COCOA	53.37	70	37.36	-
16180	PEPPER UNGROUND	50.11	99	49.51	-
16850	SPIRITS FOR BEVERAGE	3001.72	92	2761.58	-
17060	SCRAP TOBACCO	7183.86	32	2298.84	-
19255	BROOMCORN	44.90	98	44.	-
19270	ISTLE OR TAMPICO, PROCESSED	286.31	100	286.31	-
19285	STRAW & OTHER FIROUS	70.66	68	48.05	-
20091	SOFTWOOD,DOWEL RODS & PINS PLAIN	177.85	54	96.04	-
20262	WOOD,MOLDINGS, STANDARD	398.86	100	398.86	-
20660	WOOD FRAMES,PICTURES & MIRRORS	1766.31	61	1077.45	-
25685	ARTICLES, NSPF OR PAPERS	1302.42	89	1159.15	-
30100	YARN WITH COTTON NOT BLEACHED	31.08	50	15.54	M
30110	YARN WITH COTTON NOT BLEACHED	174.87	63	110.17	M
30120	YARN WITH COTTON NOT BLEACHED	340.93	54	184.10	M

TABLE XLVIII (Continued)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Mexico	$\dot{M}$ due Mexico	NTB
30130	YARN WITH COTTON NOT BLEACHED	553.09	58	320.79	M
30210	YARN WITH COTTON BLEACHED	98.56	43	42.38	M
30220	YARN WITH COTTON BLEACHED,COLORED	181.13	96	173.89	M
30240	YARN WITH COTTON COLORED,COMBED	34.27	66	22.96	M
31525	OTHER CORDAGE	2175.26	83	1805.47	-
31540	SISAL A HENE CORDAGE STRAND	661.49	89	588.72	-
31555	CORDAGE,SISAL	7.43	79	5.87	-
32200	SWSF DENIMS	2879.47	44	1266.96	M
35504	WABS,WADDING BATTING & NON WOVEN	288.	70	201.6	-
37624	BRASSIERS	11461.96	37	4240.93	M
37805	MEN OR BOYS UNDERWEAR	1694.27	22	372.74	M
38002	MEN OR BOYS WOOL TROUSERS	536.84	56	300.63	M
38260	WOMENS & GIRLS WOOL BLOUSES	649.91	68	441.94	M
42276	ZINC SULFATE	69.45	90	62.5	-
47212	NATURAL BARIUM SULFATE	46.87	97	45.46	-
47352	LITHARGE	359.11	99	355.51	-
47356	RED LEAD	40.54	100	40.54	-
51131	CONCRETE FLOOR & WALL TILES	596.37	86	512.87	-
51141	CONCRETE TILES EXT FLOOR & WALL	83.04	97	80.55	-
51244	PLASTER OF PARIS ARTICLES EX STATUES	98.22	88	86.43	-
51841	ASBESTOS YARN, SILVERS ETC	38.76	90	34.89	-
52221	FLUORSPAR 97% FLUORIDE	687.56	69	474.42	-
52224	FLUORSPAR	1401.02	92	1288.93	-
53531	SANITARY WARE INC PLUMBG FIXTURES	1970.30	73	1438.32	-
54047	GLASS BRICKS,BLOCKS,SLABS,SQUARES	30.09	63	18.95	-
54553	GLASS GLOBES & SHADES	1711.83	52	890.15	-
54565	GLASS CHIMNEYS	309.44	85	263.02	-
54654	GLASS WARE	4535.17	22	997.74	-
54751	GLASS AMPOULES	29.89	67	20.02	-

TABLE XLVIII (Continued)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Mexico	$\dot{M}$ due Mexico	NTB
60548	SILVER UNWROUGHT NES	81.42	52	42.34	-
60560	ROLLES PRECIOUS METAL PLATES	39.73	51	20.26	-
64698	HARNES ETC HARDWARE COATED	101.72	99	100.70	-
64937	VISES & CLAMPS EX PTS OF	927.43	59	547.18	-
65295	COLUMNS PILLARS & POSTS	14.37	63	9.05	-
68580	FIXED CAPACITORS	23379.55	31	7247.66	-
86760	CATHODE, RAY TUBES	104900.09	16	16784.02	-
70029	FOOTWEAR	2281.03	23	524.64	-
70085	FOOTWEAR FOR MEN & BOYS	1941.8	23	446.61	-
70235	HEADWEAR PALM LEAF OR DANDAN	39.04	67	26.16	-
70245	HEADWEAR NT CAP VEG FIB NES	161.28	99	159.67	-
70365	HEADWEAR OF LEATHER	51.55	75	38.67	-
71030	AUTOMATIC PILOTS & PARTS	79.48	54	42.92	-
71319	PARTS FOR STROBOSCOPES	235.73	100	235.73	-
71614	WATCH MOVEMENTS NES	286.48	95	272.16	-
72670	WOOD-WIND INSTRUMENT	543.89	53	288.26	-
72680	PIANO PARTS	1616.16	29	468.69	-
74005	JEWELRY ETC	806.36	56	451.56	-
75029	BROOMS ETC OF BROOM CORN	386.7	91	351.90	-
75030	BROOMS ETC OF BROOM CORN	109.95	81	89.07	-
75031	BROOMS OVER $.96 EACH	69.38	93	64.53	-

Source: U.S. Bureau of the Census, FT 246/Annual 1974.
Note: M due Mexico = M x % share of Mexico; NTB, Non-tariff trade barriers including multi-fiber adjustment (M), escape clause adjustment (E), and agricultural adjustment (A) actions.

TABLE XLIX

POTENTIAL TRADE EXPANSION FROM COMPLETE TARIFF REMOVAL ON PRINCIPAL SUPPLIER ITEMS OF BRAZIL AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\dot{M}$
12120	PATENT LEATHER GENUINE	12,557	1.8	.035/1.035	764.34
13160	CORN FEED	448	0.8	.08 /1.08	26.55
14179	PALM HEARTS	885	0.8	.085/1.085	55.47
16535	FRUIT JUICE CONCENTRATED	7,368	0.8	.868/1.868	2738.94
17601	CASTOR OIL	325	.43	.075/1.075	9.75
17602	CASTOR OIL	43,224	.43	.04 /1.04	714.86
36624	COTTON TOWELS	10,464	1.8	.14 /1.14	2313.09
36665	COTTON TERRY CLOTH	1,038	1.8	.15 /1.15	243.70
38018	MENS OR BOYS COTTON GOWNS	2,081	1.8	.08 /1.08	277.47
43764	MENTHOL	29,010	1.8	.016/1.016	822.33
60740	FERROMOLYBDENUM	140	1.8	.071/1.071	16.71
60780	FERROALLOYS	7,164	1.8	.05 /1.05	614.06
70052	FOOTWEAR	519	1.8	.25 /1.25	186.84
73027	RIFLES	584	1.8	.129/1.29	120.11
73041	SHOT GUNS	2,721	1.8	.139/1.139	597.71
91107	MANG ORE	43,349	.43	.032/1.032	577.99

TABLE L

POTENTIAL TRADE EXPANSION DUE BRAZIL FROM COMPLETE TARIFF REMOVAL
ON PRINCIPAL SUPPLIER ITEMS OF BRAZIL AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Brazil	$\dot{M}$ due Brazil	NTB
12120	PATENT LEATHER GENUINE	764.34	36	275.16	-
13160	CORN FEED	26.55	87	23.10	-
14179	PALM HEARTS	55.47	97	53.80	-
16535	FRUIT JUICE CONCENTRATED	2738.94	69	1889.87	-
17601	CASTOR OIL	9.75	100	9.75	-
17602	CASTOR OIL	714.86	89	636.22	-
36624	COTTON TOWELS	2313.09	45	1040.89	M
36665	COTTON TERRY CLOTH	243.70	28	68.24	M
38018	MENS OR BOYS COT GOWNS	277.47	45	124.86	M
43764	MENTHOL	822.33	81	666.09	-
60740	FERROMOLYBDENUM	16.71	76	12.70	-
60780	FERROALLOYS	614.06	92	564.93	-
70052	FOOTWEAR	186.84	80	149.47	-
73027	RIFLES	120.11	69	82.88	-
73041	SHOT GUNS	597.71	65	388.51	-
91107	MANG ORE	577.99	35	202.30	-

TABLE LI

POTENTIAL TRADE EXPANSION FROM COMPLETE TARIFF REMOVAL ON
PRINCIPAL SUPPLIER ITEMS OF TAIWAN AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\dot{M}$
14170	WATERCHESTNUTS	3,901	0.8	.175/1.175	464.8
14180	VEGETABLES	18,802	0.8	.175/1.175	2240.24
14420	MUSHROOMS	25,557	0.8	.144/1.144	2573.57
14560	NUTS	815	0.8	.28 /1.28	142.63
15440	GINGER ROOT	317	0.8	.135/1.135	30.16
20665	WOOD BLINDS	704	1.8	.167/1.167	181.34
20667	WOOD BLINDS	3,472	1.8	.2 /1.2	1041.60
20697	WOOD COAT HANGERS & UTENSILS	41,648	1.8	.08 /1.08	5553.07
22250	BLINDS SHUTTERS ETC	995	1.8	.2 /1.2	298.5
31590	JUTE CORDAGE	295	1.8	.105/1.105	50.46
31595	JUTE CORDAGE	628	1.8	.13 /1.13	130.05
32220	COTTON CLOTH	6,827	1.8	.143/1.143	1537.42
37435	MAN-MADE FIB HOSIERY	1,184	1.8	.21 /1.21	369.88
38004	MENS & BOYS CLOTHING	21,552	1.8	.425/1.425	11570.02
38081	MENS & BOYS CLOTHING	186,860	1.8	.378/1.378	92263.38
38204	WOMEN & GIRLS CLOTHING	86,445	1.8	.425/1.425	46407.31
38278	WOMEN,GIRLS,INFANTS CLOTHING	594,025	1.8	.375/1.375	291612.27
42796	WOOD ALCOHOL	12,191	1.8	.114/1.114	3245.60
49320	NATURAL CAMPHOR	102	1.8	.001/1.001	.18
49321	NATURAL CAMPHOR ADVANCED	2,672	1.8	.004/1.004	19.16
54411	GLASS STRIPS	850	1.8	.22 /1.22	275.90
54635	GLASSWARE	3,000	1.8	.2 /1.2	900.
64680	PADLOCKS	3,034	1.8	.053/1.053	274.88
65047	BARBECUE FORKS	106	1.8	.119/1.119	20.29
65255	BICYCLE PARTS	256	1.8	.2 /1.2	76.8
65385	CAST ARTICLES	4,163	1.8	.04 /1.04	288.21

TABLE LI (Continued)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\mathring{M}$
68520	TELEVISION RECEIVERS	954,594	1.8	.05 /1.05	81822.34
68630	CHRISTMAS TREE LAMPS	4,028	1.8	.1 /1.1	797.54
68810	CHRISTMAS TREE LIGHTING SETS	17,313	1.8	.2 /1.2	5193.9
69635	PNEUMATIC CRAFT	6,306	1.8	.06 /1.06	642.5
70051	FOOTWEAR	171	1.8	.125/1.125	34.2
70055	FOOTWEAR	230,825	1.8	.06 /1.06	23518.02
70070	FOOTWEAR	9,372	1.8	.075/1.075	1176.95
70080	FOOTWEAR	5,086	1.8	.125/1.125	1017.2
70305	HEADWEAR	5,312	1.8	.18 /1.18	1458.55
70485	GLOVES	9,910	1.8	.381/1.381	4921.27
70535	GLOVES	37,354	1.8	.15 /1.15	8770.30
70585	GLOVES	18,719	1.8	.15 /1.15	4394.9
70623	HANDBAGS	12,105	1.8	.065/1.065	1329.85
70660	LUGGAGE, CASES, ETC	95,081	1.8	.2 /1.2	28524.3
71527	CLOCKS NES	2,675	1.8	.309/1.309	1136.62
72014	CLOCKS MUTS NES	470	1.8	.259/1.259	174.04
73130	FISHING CASTS	634	1.8	.175/1.175	169.97
73224	BICYCLES	3,750	1.8	.011/1.011	73.44
73410	BAGATELLE	6,582	1.8	.08 /1.08	877.6
73450	BADMINTON SETS	5,067	1.8	.14 /1.14	1120.07
73460	CROQUET EQUIPMENT	161	1.8	.08 /1.08	21.47
74840	ORNAMENTAL ARTICLES OF FEATHERS	8,460	1.8	.07 /1.07	996.22
75035	FEATHER DUSTERS	367	1.8	.07 /1.07	43.22
75105	UMBRELLAS	19,942	1.8	.2 /1.2	5982.6
75120	UMBRELLAS FRAMES	320	1.8	.3 /1.3	132.92
75515	FIRE WORKS	5,923	1.8	.123/1.123	1167.72
77235	HOUSE FURNISHINGS	16,825	1.8	.06 /1.06	1714.25
77257	TUBES BICYCLE	14,029	1.8	.15 /1.15	3293.77
79039	PNEUMATIC MATTRESSES	17,328	1.8	.06 /1.06	1765.49

TABLE LII

POTENTIAL TRADE EXPANSION DUE TAIWAN FROM COMPLETE TARIFF REMOVAL
ON PRINCIPAL SUPPLIER ITEMS OF TAIWAN AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	M	% Share of Taiwan	M due Taiwan	NTB
14170	WATERCHESTNUTS	464.8	99	460.15	-
14180	VEGETABLES	2240.24	32	716.88	-
14420	MUSHROOMS	2573.57	70	1801.50	-
14560	NUTS	142.63	51	72.74	-
15440	GINGER ROOT	30.16	50	15.08	-
20665	WOOD BLINDS	181.34	58	105.18	-
20667	WOOD BLINDS	1041.60	26	270.82	-
20697	WOOD COAT HANGERS & UTENSILS	5553.07	42	2332.29	-
22250	BLINDS SHUTTERS ETC	298.5	81	241.79	-
31590	JUTE CORDAGE	50.46	88	44.40	-
31595	JUTE CORDAGE	130.05	98	127.45	-
32220	COTTON CLOTH	1537.42	19	292.11	M
37435	MAN-MADE FIB HOSIERY	369.88	77	284.81	M
38004	MENS & BOYS CLOTHING	11570.02	34	3933.81	M
38081	MENS & BOYS CLOTHING	92263.38	40	36905.53	M
38204	WOMEN & GIRLS CLOTHING	46407.31	18	8353.32	M
38278	WOMEN,GIRLS,INFANT CLOTHING	291612.27	33	96232.05	M
42796	WOOD ALCOHOL	3245.60	23	516.49	-
49320	NATURAL CAMPHOR	.18	94	.17	-
49321	NATURAL CAMPHOR ADVANCED	19.16	96	18.40	-
54411	GLASS STRIPS	275.90	55	151.75	-
54635	GLASSWARE	900.	47	423.	-
64680	PADLOCKS	274.88	38	104.45	-
65047	BARBECUE FORKS	20.29	59	11.97	-
65255	BICYCLE PARTS	76.8	66	50.69	-

TABLE LII (Continued)

TSUS Number	Commodity Description	$M	% Share of Taiwan	$M due Taiwan	NTB
65385	CAST ARTICLES	288.21	70	201.75	-
68520	TELEVISION RECEIVERS	81822.34	34	27819.60	-
68630	CHRISTMAS TREE LAMPS	797.54	52	414.72	-
68810	CHRISTMAS TREE LIGHTING SETS	5193.9	72	3739.61	-
69635	PNEUMATIC CRAFT	642.5	61	391.74	-
70051	FOOTWEAR	34.2	85	29.07	-
70055	FOOTWEAR	23518.02	51	11994.19	-
70070	FOOTWEAR	1176.95	28	329.55	-
70080	FOOTWEAR	1017.2	42	427.22	-
70305	HEADWEAR	1458.55	48	700.10	M
70485	GLOVES	4921.27	33	1624.02	M
70535	GLOVES	8770.30	33	2894.20	-
70585	GLOVES	4394.9	40	1757.96	-
70623	HANDBAGS	1329.85	57	758.01	-
70660	LUGGAGE, CASES ETC	28524.3	26	7416.32	-
71527	CLOCK NES	1136.62	32	363.72	-
72014	CLOCKS MUTS NES	174.04	28	48.73	-
73130	FISHING CASTS	169.97	53	90.08	-
73224	BICYCLES	73.44	51	37.46	-
73410	BAGATELLE	877.6	81	710.86	-
73450	BADMINTON SETS	1120.07	78	873.66	-
73460	CROQUET EQUIPMENT	21.47	80	17.17	-
74840	ORNAMENTAL ARTICLES OF FEATHERS	996.22	51	508.07	-
75035	FEATHER DUSTERS	43.22	66	28.52	-
75105	UMBRELLAS	5982.6	58	3469.91	-
75120	UMBRELLAS FRAMES	132.92	67	89.06	-
75515	FIRE WORKS	1167.72	31	361.99	-

TABLE LII (Continued)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Taiwan	$\dot{M}$ due Taiwan	NTB
77235	HOUSE FURNISHINGS	1714.25	61	1045.69	-
77257	TUBES BICYCLES	3293.77	30	988.13	-
79039	PNEUMATIC MATTRESSES	1765.49	67	1182.88	-

TABLE LIII

POTENTIAL TRADE EXPANSION FROM COMPLETE TARIFF REMOVAL ON
PRINCIPAL SUPPLIER ITEMS OF KOREA AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\hat{M}$
11050	ATLANTIC OCEAN PERCH	603	0.8	.031/1.031	14.5
17032	CIGARETTE LEAF NOT STEMMED	11,484	0.8	.265/1.265	1924.59
24017	PLYWOOD	185,232	1.8	.2 /1.2	55569.60
24025	PLYWOOD FACE FINISHED	10,830	1.8	.2 /1.2	3249.
25660	ALBUMS	9,915	1.8	.065/1.065	1089.25
36351	COTTON BEDSPREADS	3,820	1.8	.06 /1.06	389.21
37060	COTTON HANKERCHIEFS	477	1.8	.25 /1.25	171.72
38051	MENS OR BOYS SHIRTS	13,775	1.8	.075/1.075	1729.88
38066	MENS OR BOYS WOOL TROUSERS	55,963	1.8	.246/1.246	19887.97
38084	MENS OR BOYS SUITS	155,087	1.8	.33 /1.33	69264.42
38281	WOMENS OR GIRLS SKIRTS	114,756	1.8	.319/1.319	49956.71
41740	AMMONIUM TUNGSTATE	4,123	1.8	.153/1.153	984.80
42530	MONSODIUM GLUTAMATE	7,464	1.8	.16 /1.16	1853.13
60345	MATERIALS CHIEF VALUE TUNGSTEN	715	1.8	.159/1.159	176.56
70027	FOOTWEAR	12,876	1.8	.05 /1.05	1103.66
70053	BOOTS	24,143	1.8	.375/1.375	11852.02
70060	FOOTWEAR RUBBER & FABRIC	112,138	1.8	.2 /1.2	33641.4
70315	HEADWEAR OF MAN-MADE FABRIC	2,169	1.8	.26 /1.26	805.63
70620	LUGGAGE	819	1.8	.21 /1.21	255.85
71615	WATCH MOVEMENTS NES	1,665	1.8	.029/1.029	84.46
72025	WATCH BEZELS	167	1.8	.177/1.177	45.20
72075	WATCH ASSEMBLES	1,399	1.8	.225/1.225	462.53
73150	FISH LANDING NETS	791	1.8	.125/1.125	158.2
73454	BASEBALL GLOVES	23,822	1.8	.15 /1.15	5592.99
75065	PAINT BRUSHES	409	1.8	.1 /1.1	66.93

TABLE LIII (Continued)

TSUS Number	Commodity Description	U.S. M	E_d	t/1+t	$\dot{M}$
77230	WEARING APPAREL OF RUBBER, PLATCS	78,791	1.8	.125/1.125	15758.2
79070	WIGS	57,313	1.8	.07 /1.07	6749.
94906	TABLE WARES	6,478	1.8	.227/1.227	2157.22
94908	TABLE WARES	6,074	1.8	.17 /1.17	1588.58

TABLE LIV

POTENTIAL TRADE EXPANSION DUE KOREA FROM COMPLETE TARIFF REMOVAL
ON PRINCIPAL SUPPLIER ITEMS OF KOREA AMONG U.S. IMPORTS
Value (1,000 dollars)

TSUS Number	Commodity Description	$\dot{M}$	% Share of Korea	$\dot{M}$ due Korea	NTB
11050	ATLANTIC OCEAN PERCH	14.5	32	4.64	-
17032	CIGARETTE LEAF NOT STEMMED	1924.59	19	365.67	-
24017	PLYWOOD	55569.60	59	32786.06	-
24025	PLYWOOD FACE FINISHED	3249.	75	2436.75	-
25660	ALBUMS	1089.25	52	566.41	-
36351	COTTON BEDSPREADS	389.21	33	128.44	M
37061	COTTON HANDERCHIEFS	171.72	51	87.58	M
38051	MENS OR BOYS SHIRTS	1729.88	18	311.38	M
38066	MENS OR BOYS WOOL TROUSERS	19887.97	30	5966.39	M
38084	MENS OR BOYS SUITS	69264.42	37	25627.84	M
38281	WOMENS OR GIRLS SKIRTS	49956.71	11	5495.24	M
41740	AMMONIUM TUNGSTATE	984.80	100	984.80	-
42530	MONSODIUM GLUTAMATE	1853.13	42	778.32	-
60345	MATERIALS CHIEF VALUE TUNGSTEN	176.56	88	155.37	-
70027	FOOTWEAR	1103.66	41	452.50	-
70053	BOOTS	11852.02	72	8533.45	-
70060	FOOTWEAR RUBBER & FABRIC	33641.4	45	15138.63	-
70315	HEADWEAR OF MAN-MADE FABRIC	805.63	54	435.04	M
70620	LUGGAGE	255.85	28	71.64	M
71615	WATCH MOVEMENTS NES	84.46	55	46.45	-
72025	WATCH BEZELS	45.20	67	30.29	-
72075	WATCH ASSEMBLES	462.53	36	166.51	-
73150	FISH LANDING NETS	158.2	63	99.67	-
73454	BASEBALL GLOVES	5592.99	55	3076.15	-
75065	PAINT BRUSHES	66.93	50	33.46	-

TABLE LIV (Continued)

TSUS Number	Commodity Description	M	% Share of Korea	M due Korea	NTB
77230	WEARING APPAREL OF RUBBER, PLTCS	15758.2	31	4885.04	-
79070	WIGS	6749.	89	6006.62	-
94906	TABLE WARES	2157.22	52	1121.75	-
94908	TABLE WARES	1588.58	47	746.63	E

TABLE LV

PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS
IMPORTED UNDER TARIFF PROVISION 807.00
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. Component	Duty Value	Custom Value	% Share of Component
25685	ARTICLES OF PAPER	3,479	7,221	10,700	33
37624	WOMEN & GIRLS BODYSUPPORT EXC COT	3,519	6,432	9,951	35
37805	WOMEN & GIRLS UNDERWEAR	218	532	750	29
38002	MENS & BOYS WOOL COATS	70	506	576	12
38260	WOMEN & GIRLS WOOL BLOUSES	375	708	1,083	35
53531	CERAMIC PLUMBING FIXTURES	1,540	183	1,723	89
64937	CLAMPS	4,927	1,331	6,258	79
68580	FIXED CAPACITORS	14,837	12,273	27,110	55
68760	TRANSISTORS, SEMICONDUCTORS TUB	37,427	51,271	88,698	42
70029	LEATHER FOOTWEAR FOR MEN	234	318	552	42
70085	FOOTWEAR FOR MEN & BOYS	547	1,477	2,024	27
71030	AUTOMATIC PILOTS & PARTS	286	168	454	63
71319	PARTS FOR STROBOSCOPES	208	504	712	29
71614	WATCH MOVEMENTS NES	831	2,677	3,508	24
72670	WOOD-WIND INSTRUMENT PARTS	44	24	68	65
72680	PIANO PARTS	1,373	1,458	2,831	48

Source: U.S. Bureau of the Census, FT 246/Annual 1974.

TABLE LVI

PRINCIPAL SUPPLIER ITEMS OF MEXICO AMONG U.S. IMPORTS
IMPORTED UNDER TARIFF PROVISION 806.30
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. Component	Duty Value	Custom Value	% Share of Component
68580	FIXED CAPACITORS	4,135	3,610	7,745	53
68760	TRANSISTORS, SEMICONDUCTORS,TUBES	18,027	45,989	64,015	28
72670	WOOD-WIND INSTRUMENT PARTS	1,571	668	2,239	70
72680	PIANO PARTS	337	234	572	59

TABLE LVII

PRINCIPAL SUPPLIER ITEMS OF TAIWAN AMONG U.S. IMPORTS
IMPORTED UNDER TARIFF PROVISION 807.00
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. Component	Duty Value	Custom Value	% Share of Component
14420	MUSHROOMS	1	11	12	8
38081	MENS & BOYS CLOTHING	667	564	1,231	54
38278	WOMEN,GIRLS,INFANTS CLOTHING	93	60	153	61
68520	TELEVISION RECEIVERS	181,757	33,372	215,130	84
70055	FOOTWEAR	150	10	165	91
70535	GLOVES	28	29	57	49
75035	FEATHER DUSTERS	74	34	108	69

TABLE LVIII

PRINCIPAL SUPPLIER ITEMS OF KOREA AMONG U.S. IMPORTS
IMPORTED UNDER TARIFF PROVISION 807.00
Value (1,000 dollars)

TSUS Number	Commodity Description	U.S. Component	Duty Value	Custom Value	% Share of Component
38084	MENS OR BOYS SUITS	81	3	84	96
70027	FOOTWEAR	87	4	91	96
70053	BOOTS	551	22	573	96
71615	WATCH MOVEMENTS NES	294	623	917	32
72025	WATCH BEZELS	7	105	112	6
72075	WATCH ASSEMBLES	29	479	508	6

TABLE LVIX

ARTICLES AMONG U.S. IMPORTS SUBJECT
TO ADDITIONAL TRADE RESTRICTIONS

TSUS Number	Commodity Description	Type of Restriction
	Escape clause actions	
53328	Earthware, stoneware for preparing or serving food or beverage ingredients	Higher tariff rates
53331	Steins & mugs	Higher tariff rates
53333	Fine grained earthware for food preparation	Higher tariff rates
53335	Cups	Higher tariff rates
53336	Saucers	Higher tariff rates
53338	Creamers, vegetable dishes	Higher tariff rates
53371	Steins & mugs	Higher tariff rates
53373	Vegetable dish or bowls, platters	Higher tariff rates
53375	Cups and saucers	Higher tariff rates
68035	Ball bearings, radial	Higher tariff rates
	Temporary modifications pursuant to Section 252 of the trade expansion act of 1962	
13250	Potato starch	Higher tariff rates
16823	Brandy	Higher tariff rates
16826	Brandy	Higher tariff rates
16828	Brandy	Higher tariff rates
16832	Brandy	Higher tariff rates
49330	Dextrine or chemically treated starches	Higher tariff rates
69202	Automobiles, trucks	Higher tariff rates
	Other temporary modifications pursuant to trade agreement legislation	
94900	Stainless steel flatware	Quota
94901	Stainless steel flatware	Quota
94902	Stainless steel flatware	Quota

TABLE LVIX (Continued)

TSUS Number	Commodity Description	Type of Restriction
94903	Stainless steel flatware	Quota
94904	Stainless steel flatware	Quota
94905	Stainless steel flatware	Quota
94906	Stainless steel flatware	Quota
94907	Stainless steel flatware	Quota
94908	Stainless steel flatware	Quota
65175	Stainless steel flatware in sets	Quota
65008	Knives and forks with handles not containing nickel or 10% by weight of maganese	Higher tariff rate
65038	Knives and forks with handles not containing nickel or 10% by weight of maganese	Higher tariff rate
65010	Knives and forks with handles containing nickel or more than 10% by weight of maganese	Higher tariff rate
65040	Knives and forks with handles containing nickel or more than 10% by weight of maganese	Higher tariff rate
65054	Spoons included in sets provided for in item 65175	Higher tariff rate
	Additional import restrictions proclaimed pursuant to Section 22 of the agricultural adjustment act as amended	
14520	Peanuts, shelled or not shelled, prepared or preserved	Quota
14521	Peanuts, shelled or not shelled, prepared or preserved	Quota
14548	Peanuts, shelled or not shelled, prepared or preserved	Quota
30010	Cotton	Quota
30015	Cotton	Quota
30020	Cotton	Quota
30030	Cotton	Quota
30040	Cotton	Quota

TABLE LVIX (Continued)

TSUS Number	Commodity Description	Type of Restriction
30045	Cotton	Quota
30050	Cotton	Quota
30060	Cotton	Quota
13070	Wheat product for human consumption	Quota
13140	Wheat product for human consumption	Quota

APPENDIX B

This appendix contains the revised Classification Scheme of the SITC and a listing of product descriptions for 3-digit SITC items.

CLASSIFICATION SCHEME OF THE SITC, REVISED

SITC 3-DIGIT GROUP DESCRIPTIONS

SITC Code	Classification Description
001	Live animals
011	Meat, fresh, chilled or frozen
012	Meat, dried, salted or smoked, whether or not in airtight containers
013	Meat in airtight containers, n.e.s. and meat preparations, whether or not in airtight containers
022	Milk and cream
023	Butter
024	Cheese and curd
025	Eggs
031	Fish, fresh and simple preserved
032	Fish, in airtight containers, n.e.s. and fish preparations, whether or not in airtight containers (including curstacea and molluscs)
041	Wheat (including spelt) and meslin, unmilled
042	Rice
043	Barley, Unmilled
044	Maize (corn), unmilled
045	Cereals, unmilled, other than wheat, rice, barley, and maize
046	Meal and flour of wheat or of meslin
047	Meal and flour of cereals, except meal and flour of wheat or meslin
048	Cereal preparations and preparations of flour and starch of fruits and vegetables
051	Fruit, fresh, and nuts (not including oil nuts), fresh or dried

SITC Code	Classification Description
052	Dried fruit (including artificially dehydrated)
053	Fruit, preserved and fruit preparations
054	Vegetables, fresh, frozen or simply preserved (including dried leguminous vegetables); roots, tubers and other edible vegetable products, n.e.s., fresh or dried
055	Vegetables, roots and rubers, preserved or prepared, n.e.s., whether or not in airtight containers
061	Sugar and Honey
062	Sugar confectionary and other sugar preparations (except chocolate confectionary)
071	Coffee
072	Cocoa
073	Chocolate and other food preparations containing cocoa or chocolate, n.e.s.
074	Tea and matė
075	Spices
081	Feeding-stuff for animals (not including unmilled cereals)
091	Margarine and shortening
099	Food preparations, n.e.s.
111	Non-alcoholic beverages, n.e.s.
112	Alcoholic beverages
121	Tobacco, unmanufactured
122	Tobacco manufactures
211	Hides and skins (except fur skins), undressed
221	Oil-seeds, oil nuts and oil kernals
231	Crude rubber (including synthetic and reclaimed)

SITC Code	Classification Description
241	Fuel wood and charcoal
242	Wood in the rough or roughly squared
243	Wood, shaped or simply worked
244	Cork, raw and waste
251	Pulp and waste paper
261	Silk
262	Wool and other animal hair
263	Cotton
264	Jute
265	Vegetable fibres, except cotton and jute
266	Synthetic and regenerated (artificial) fibres
267	Waste materials from textile fabrics (including rags)
271	Fertilizers, crude
273	Stone, sand and gravel
274	Sulpher and unroasted iron pyrites
275	Natural abrasives (including industrial diamonds)
276	Other crude minerals
281	Iron ore and concentrates
282	Iron and steel scrap
283	Ores and concentrates of non-ferrous base metals
284	Non-ferrous metal scrap
285	Silver and platinum ores
286	Ores and concentrates of uranium and thorium
291	Crude animal materials, n.e.s.
292	Crude vegetable materials, n.e.s.

SITC Code	Classification Description
321	Coal, coke and briquettes
331	Petroleum, crude and partly refined for further refining (excluding natural gasolene)
332	Petroleum products
341	Gas, natural and manufactured
351	Electric energy
411	Animal oils and fats
421	Fixed vegetable oils, soft
422	Other fixed vegetable oils
431	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin
512	Organic chemicals
513	Inorganic chemicals: Elements, oxides and halogen salts
514	Other inorganic chemicals
515	Radioactive and associated materials
521	Mineral tar and crude chemicals from coal, petroleum and natural gas
531	Synthetic organic dyestuffs, natural indigo and colour lakes
532	Dyeing and tanning extracts, and synthetic tanning materials
533	Pigments, paints, varnishes and related materials
541	Medicinal and pharmaceutical products
551	Essential oils, perfume and favour materials
553	Perfumery and cosmetics, dentifrices and other toilet preparations (except soaps)
554	Soaps, cleansing and polishing preparations
561	Fertilizers, manufactured

SITC Code	Classification Description
571	Explosives and pyrotechnic products
581	Plastic materials, regenerated cellulose and artificial resins
599	Chemical materials and products, n.e.s.
611	Leather
612	Manufactures of leather or artificial or reconstituted leather, n.e.s.
613	Fur skins, tanned or dressed (including dyed)
621	Materials of rubber
629	Articles of rubber, n.e.s.
631	Veneers, plywood boards, "improved" or reconstituted wood and other wood, worked, n.e.s.
632	Wood manufactures, n.e.s.
633	Cork manufactures
641	Paper and paperboard
642	Articles made of paper pulp, of paper or of paperboard
651	Textile yarn and thread
652	Cotton fabrics, woven (not including narrow or special fabrics)
653	Textile fabrics, woven (not including narrow or special fabrics), other than cotton fabrics
654	Tulle, lace, embroidery, ribbons, trimmings and other small wares
655	Special textile fabrics and related products
656	Made-up articles, wholly or chiefly of textile materials, n.e.s.
657	Floor coverings, tapestries, etc.
661	Lime, cement and fabricated building materials, except glass and clay materials

SITC Code	Classification Description
662	Clay construction materials and refractory construction materials
663	Mineral manufactures, n.e.s.
664	Glass
665	Glassware
666	Pottery
667	Pearls and precious and semi-precious stones, unworked or worked
671	Pig iron, spiegeleisen, sponge iron, iron and steel powders and shot and ferro-alloys
672	Ingots and other primary forms (including blanks for tubes and pipes) or iron or steel
673	Iron and steel bars, rods, angles, shapes and sections (including sheet piling)
674	Universals, plates and sheets of iron and steel
675	Hoop and strip of iron or steel
676	Rails and railway track construction material of iron or steel
677	Iron and steel wire (excluding wire rod)
678	Rubes, pipes and fittings of iron or steel
679	Iron and steel castings and forgings, unworked, n.e.s.
681	Silver, platinum and other metals of the platinum group
682	Copper
683	Nickel
684	Aluminum
685	Lead
686	Zinc
687	Tin

SITC Code	Classification Description
688	Uranium and thorium and their alloys
689	Miscellaneous non-ferrous base metals employed in metallurgy
691	Finished structural parts and structures, n.e.s.
692	Metal containers for storage and transport
693	Wire products (excluding electric) and fencing grills
694	Nails, screws, nuts, bolts, rivets and similar articles of iron, steel or of copper
695	Tools for use in the hand or in machines
696	Cutlery
697	Household equipment of base metals
698	Manufactures of steel, n.e.s.
711	Power generating machinery, other than electric
712	Agricultural machinery and implements
714	Office machines
715	Metalworking machinery
717	Textile and leather machinery
718	Machines for special industries
719	Machinery and appliances (other than electrical) and machine parts, n.e.s.
722	Electric power machinery and switchgear
723	Equipment for distributing electricity
724	Telecommunications apparatus
725	Domestic electric equipment
726	Electric apparatus for medical purposes and radiological apparatus
729	Other electrical machinery and apparatus

SITC Code	Classification Description
731	Railway vehicles
732	Road motor vehicles
733	Road vehicles other than motor vehicles
734	Aircraft
735	Ships and boats
812	Sanitary, plumbing, heating and lighting fixtures and fittings
821	Furniture
831	Travel goods, handbags and similar articles
841	Clothing (except fur clothing)
842	Fur clothing (not including headgear) and other articles made of furskins; artificial fur and articles thereof
851	Footwear
861	Scientific, medical, optical, measuring and controlling instruments and apparatus
862	Photographic and cinematographic film
863	Developed cinematographic film
864	Watches and clocks
891	Musical instruments, sound recorder and reproducers and parts and accessories therefor
892	Printed matter
893	Articles of artificial plastic materials, n.e.s.
894	Perambulators, toys, games and sporting goods
895	Office and stationary supplies, n.e.s.
896	Works of art, collectors' pieces and antiques
897	Jewelery and goldsmiths' and silversmiths' wares
899	Manufactures articles, n.e.s.

APPENDIX C

The tables of this appendix record the 4-digit SITC import items of the selected group of LDC's principally supplied by the U.S. along with ad valorem equivalent foreign duties. Also provided are information on the level of total import, potential trade expansion, market share of the U.S., and the foreign elasticity of demand for each item.

Import data are taken from U.N. Series D publications, Commodity Trade Statistics, except for Taiwan. Data for that country are taken from The Trade of China (Taiwan District), 1975, by the Inspectorate General of Customs, Republic of China.

Foreign duties and import demand elasticities are based on findings of Professor Robert Stern's research projects prepared for the U.S. Department of State.

TABLE LX

ITEMS AMONG MEXICO IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
001.1	11,695	2.2	0.74	186	71
001.2	1,893	18.8	0.74	128	98
001.4	1,863	11.2	0.74	139	94
022.1	6,245	27.6	0.74	1,000	99
022.2	32,406	27.6	0.74	5,187	44
041	46,526	20.0	0.74	5,738	98
044	17,009	1.3	0.74	162	100
045.9	17,498	5.1	0.74	628	99
051.4	1,072	112.2	0.74	419	100
051.7	2,364	44.8	0.74	541	72
054.2	1,126	19.4	0.74	135	98
054.5	1,095	11.9	0.74	86	100
054.8	1,204	7.9	0.74	65	99
062	1,349	340.4	0.74	772	98
081.3	2,692	10.0	0.74	181	100
091.3	2,139	53.7	0.74	555	100
099	6,379	70.2	0.74	1,947	90
211.1	20,917	8.5	0.57	934	98
221.4	2,258	45.8	0.57	404	100
221.9	3,091	54.6	0.57	622	100
231.1	10,362	17.7	0.57	888	40
231.2	6,646	27.2	0.57	810	77
243.2	7,875	32.9	0.57	1,111	93
243.3	1,115	32.9	0.57	157	100
251.5	18,741	32.9	0.57	2,644	73
271.3	9,097	119.4	0.57	2,822	68

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
273	3,932	20.2	0.57	377	81
276.2	4,989	109.1	0.57	1,484	95
276.9	2,402	6.9	0.57	88	72
282	22,850	40.3	0.57	3,741	100
283.3	1,501	11.5	0.57	88	100
283.6	3,537	11.5	0.57	208	88
283.9	1,824	11.5	0.57	107	97
291	2,089	25.3	0.57	240	72
292.5	5,537	7.8	0.57	228	84
321.8	5,456	2.0	0.85	91	100
332.4	4,626	116.4	0.85	2,115	100
332.5	5,547	15.2	0.85	622	95
332.6	3,721	28.8	0.85	707	72
332.9	11,730	175.0	0.85	6,345	90
341.1	46,254	185.3	0.85	25,535	82
411.3	2,699	11.6	0.57	160	95
512.1	26,371	23.0	1.60	7,890	76
512.2	10,628	23.0	1.60	3,180	63
512.3	9,136	17.9	1.60	2,219	83
512.4	10,481	49.8	1.60	5,575	84
512.5	24,399	36.3	1.60	10,397	52
512.7	26,174	18.1	1.60	6,418	49
513.2	11,526	18.3	1.60	2,853	86
513.3	2,018	15.8	1.60	441	80
513.6	17,552	18.7	1.60	4,424	68
514.1	2,807	29.0	1.60	1,010	56
514.2	4,485	16.8	1.60	1,032	69

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
514.3	4,315	18.2	1.60	1,063	77
521.4	1,501	26.4	1.60	502	81
533.3	1,916	38.7	1.60	855	61
541.6	4,673	12.6	1.60	837	47
541.7	3,292	38.1	1.60	1,453	55
541.9	1,857	23.5	1.60	565	62
551.1	2,776	31.0	1.60	1,051	52
553	3,486	96.9	1.60	2,745	72
554.2	3,476	33.6	1.60	1,399	83
561.1	10,001	3.0	1.60	466	31
561.3	3,041	2.7	1.60	128	99
581.1	24,026	24.9	1.60	7,664	49
581.2	27,737	19.7	1.60	7,304	75
581.3	8,551	19.1	1.60	2,194	79
599.2	7,239	8.8	1.60	937	68
599.5	3,148	19.2	1.60	811	42
599.6	2,008	19.6	1.60	527	85
599.7	3,246	30.8	1.60	1,223	59
599.9	21,405	30.9	1.60	8,085	78
611.4	1,250	181.1	1.60	1,289	99
621	2,356	55.5	1.60	1,345	78
629.1	2,964	38.8	1.60	1,326	70
629.9	2,746	39.7	1.60	1,249	83
631.2	2,469	63.7	1.60	1,537	58
641.9	7,444	63.3	1.60	4,617	78
642.1	2,772	88.0	1.60	2,076	99
642.9	10,099	43.3	1.60	4,882	94

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
651.6	4,346	87.9	1.60	3,253	53
653.6	1,594	92.9	1.60	1,228	63
653.7	1,559	70.6	1.60	1,032	81
656.9	5,671	99.6	1.60	4,528	87
662.3	1,436	30.4	1.60	536	76
663.8	1,719	13.4	1.60	325	86
667.3	2,491	37.5	1.60	1,087	44
671.5	1,934	18.1	1.60	474	61
672.9	1,723	32.2	1.60	671	61
673.2	3,164	40.1	1.60	1,449	53
673.4	4,159	50.2	1.60	2,224	90
674.1	2,936	12.1	1.60	507	46
674.7	8,337	36.8	1.60	3,588	73
676.1	7,424	14.7	1.60	1,522	100
676.2	1,510	14.7	1.60	309	99
677	2,847	50.4	1.60	1,526	37
678.2	6,019	32.5	1.60	2,362	52
678.3	5,189	68.9	1.60	3,387	88
678.5	3,042	33.7	1.60	1,227	81
682.2	2,549	32.2	1.60	993	70
683.2	4,409	5.1	1.60	342	75
684.2	9,264	24.4	1.60	2,907	84
687.1	1,638	51.2	1.60	887	100
692.2	2,057	24.1	1.60	639	94
694.2	4,039	64.2	1.60	2,527	75
695.2	20,567	27.8	1.60	7,158	53
698	27,476	50.4	1.60	14,732	83
711.4	11,212	6.7	1.60	1,126	76

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
711.5	49,922	13.1	1.60	9,252	86
711.6	4,001	78.8	1.60	835	29
711.8	6,318	24.7	1.60	2,002	49
712.1	2,727	4.7	1.60	196	90
712.1	11,550	5.7	1.60	997	70
712.5	41,566	9.1	1.60	5,547	78
714.9	23,725	14.6	1.60	4,836	76
717.3	6,609	8.8	1.60	855	35
718.1	11,637	21.1	1.60	3,244	51
718.2	14,021	19.2	1.60	3,613	51
718.3	8,220	22.0	1.60	2,372	46
718.4	33,639	15.4	1.60	7,183	83
719.1	34,947	26.3	1.60	11,643	45
719.2	48,239	17.1	1.60	11,271	69
719.3	17,204	20.4	1.60	4,664	71
719.5	12,915	23.4	1.60	3,918	58
719.6	23,532	22.0	1.60	6,790	57
719.7	18,315	10.0	1.60	2,664	51
719.9	37,986	16.3	1.60	8,518	73
722.1	65,527	32.2	1.60	25,537	62
722.2	43,709	33.7	1.60	17,627	62
723.1	4,641	19.0	1.60	1,186	90
723.2	5,268	19.2	1.60	1,358	55
724.1	11,216	79.9	1.60	7,970	89
725	3,720	28.4	1.60	1,316	65
726.1	3,255	17.8	1.60	787	74
729.1	4,944	25.6	1.60	1,612	83
729.2	5,617	23.0	1.60	1,681	59

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
729.3	47,916	20.2	1.60	12,884	92
729.4	10,032	15.9	1.60	2,202	68
729.5	16,862	15.4	1.60	3,600	68
729.6	1,787	8.7	1.60	229	75
729.9	38,614	23.0	1.60	11,553	82
731.6	1,690	5.3	1.60	136	90
731.7	11,045	3.4	1.60	581	64
732.1	131,071	76.4	1.60	90,828	56
732.2	16,487	115.2	1.60	14,121	100
732.3	63,757	28.6	1.60	22,687	95
732.4	5,879	7.0	1.60	615	97
732.5	1,584	165.4	1.60	1,579	100
732.6	6,523	25.0	1.60	2,087	100
732.8	66,130	324.9	1.60	80,906	84
733.3	2,638	51.9	1.60	1,442	100
734.1	13,645	12.5	1.60	2,426	97
734.9	4,122	0.0	1.60	0	92
735.3	2,547	7.6	1.60	288	99
735.9	15,414	6.4	1.60	1,483	38
812.4	2,094	51.3	1.60	1,136	58
841.1	39,118	101.1	1.60	31,466	86
841.4	3,163	64.8	1.60	1,990	57
851	2,106	83.9	1.60	1,537	72
861.1	1,821	14.8	1.60	376	71
861.3	2,743	10.8	1.60	428	38
861.4	4,288	18.9	1.60	1,091	36
861.5	1,821	17.3	1.60	430	58

TABLE LX (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
861.6	10,510	19.4	1.60	2,732	83
861.7	6,495	14.9	1.60	1,348	62
861.8	6,686	9.3	1.60	910	47
861.9	27,477	20.0	1.60	7,327	68
862.3	2,086	22.1	1.60	604	88
862.4	18,576	30.1	1.60	6,876	57
863	1,630	23.4	1.60	495	56
891.1	9,716	36.0	1.60	4,115	88
891.2	8,645	103.9	1.60	7,048	90
891.8	3,547	42.7	1.60	1,698	29
892.2	4,174	46.6	1.60	2,123	49
892.4	1,971	9.7	1.60	279	59
892.9	2,886	2.1	1.60	95	80
893	9,514	101.0	1.60	7,649	91
894.2	17,292	63.8	1.60	10,776	91
894.4	1,497	35.5	1.60	628	67
899	4,725	58.9	1.60	2,802	55

Source: U.N. Series D, Commodity Trade Statistics, Vol. 23, No. 1-39, 1974.
Data supplied by U.S. Department of State.

TABLE LXI

ITEMS AMONG BRAZIL IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
001.4	1,441	22.5	0.74	192	71
041	376,850	33.3	0.74	69,665	61
046	1,889	33.3	0.74	349	100
048.8	5,124	57.5	0.74	1,389	99
054.2	13,616	53.2	0.74	3,499	67
054.8	4,871	42.9	0.74	1,082	71
081	2,078	17.5	0.74	229	70
121	1,064	142.7	0.74	463	94
211.1	1,926	20.4	0.57	186	61
231.2	25,100	19.9	0.57	2,375	68
242.3	5,326	55.0	0.57	1,077	87
251.6	7,548	30.0	0.57	993	69
267	1,897	52.3	0.57	371	96
271.3	18,505	4.0	0.57	406	67
274.1	13,718	0.4	0.57	31	55
275.2	2,010	24.0	0.57	222	61
276.2	3,241	26.4	0.57	386	77
282	1,717	11.9	0.57	104	100
283.4	3,307	15.0	0.57	246	76
289.9	5,892	11.9	0.57	357	30
292.5	4,634	0.8	0.57	21	42
321.4	45,327	20.0	0.85	6,421	89
332.5	39,392	35.0	0.85	8,681	60
512.1	68,950	17.1	1.60	16,110	67
512.3	11,343	17.8	1.60	2,742	68

TABLE LXI (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
521.4	6,398	15.2	1.60	1,351	58
541.6	5,383	20.8	1.60	1,483	39
541.9	2,004	41.4	1.60	939	54
561.2	47,321	7.9	1.60	5,543	58
561.3	40,868	10.4	1.60	6,160	49
561.9	44,996	12.1	1.60	7,771	85
581.3	12,870	39.8	1.60	5,862	50
599.7	32,245	29.6	1.60	11,783	67
599.9	38,556	37.4	1.60	16,792	55
664.2	2,122	9.0	1.60	280	63
671.3	2,086	20.0	1.60	556	54
672.3	10,581	44.7	1.60	5,230	32
673.4	21,127	35.7	1.60	895	39
673.5	2,533	35.9	1.60	1,071	76
674.1	73,825	32.0	1.60	28,635	42
676.1	12,158	23.9	1.60	3,752	64
678.5	4,277	55.0	1.60	2,428	44
681.2	4,854	12.5	1.60	863	71
683.1	5,729	25.4	1.60	1,857	57
685.1	8,983	45.2	1.60	4,474	54
689.3	7,926	25.0	1.60	2,536	50
691.2	2,502	60.0	1.60	1,501	57
711.4	15,261	38.6	1.60	6,800	64
712.5	109,126	34.1	1.60	44,399	63
714.3	73,788	15.0	1.60	15,399	40
718.4	58,662	27.7	1.60	20,359	54
719.3	92,614	42.3	1.60	44,049	37

TABLE LXI (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
724.1	16,186	83.1	1.60	11,754	85
724.2	25,739	70.0	1.60	16,957	55
729.1	2,492	50.3	1.60	1,334	53
729.3	52,239	29.7	1.60	19,140	38
729.4	8,306	53.7	1.60	4,643	44
729.5	43,454	35.5	1.60	18,215	44
729.9	62,194	44.7	1.60	30,740	47
731.7	15,883	39.6	1.60	7,209	87
732.3	11,898	83.3	1.60	8,651	75
732.5	1,024	82.5	1.60	741	100
734.1	97,911	7.0	1.60	10,249	88
735.9	42,118	7.0	1.60	4,409	54
841.1	6,318	117.5	1.60	5,461	26
861.1	5,212	12.9	1.60	953	38
861.6	33,696	34.3	1.60	13,769	81
862.3	1,408	56.8	1.60	816	76
862.4	35,008	19.1	1.60	8,983	37
863	2,852	29.5	1.60	1,039	62
892.1	15,642	9.2	1.60	2,104	36
899.6	2,299	24.3	1.60	719	50

Sources: U.N. Commodity Trade Statistics, Series D, Vol. 23, No. 1-39, 1974.
Data supplied by U.S. Department of State.

TABLE LXII

ITEMS AMONG TAIWAN IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
001.3	84	0.0	0.74	0	100
001.4	1,566	0.0	0.74	0	41
001.9	2,415	0.0	0.74	0	42
014.9	187	0.0	0.74	0	84
041	105,356	0.0	0.74	0	88
044.0	211,452	0.0	0.74	0	36
054.2	7,935	0.0	0.74	0	52
054.88(b)	256	0.0	0.74	0	34
057.4	3,536	0.0	0.74	0	53
057.99	151	0.0	0.74	0	72
058.5	285	0.0	0.74	0	73
058.64	6,058	0.0	0.74	0	43
071.20(a)	281	0.0	0.74	0	84
073	88	0.0	0.74	0	45
081	1,227	0.0	0.74	0	80
098	765	0.0	0.74	0	95
121	859	58.5	0.74	234	66
122	28,854	130.0	0.74	12,069	78
222	223,687	0.0	0.57	0	99
223.9	31	0.0	0.57	0	100
251.1	6,732	13.0	0.57	832	53
251.2	15,467	13.0	0.57	1,014	69
263.1	190,599	16.0	0.57	14,985	64
271.1	15	6.5	0.57	neg.	69
271.4	20,423	7.0	0.57	762	43
278.21	2,394	18.2	0.57	210	99

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
282	53,168	13.0	0.57	3,487	85
291.93	1,298	30.9	0.57	175	80
291.96	215	30.9	0.57	29	98
291.99(b)	3,195	30.9	0.57	430	43
335.11	26	32.7	0.85	5	72
335.4	1,505	32.7	0.85	315	98
411.32	7,032	26.3	0.57	835	72
411.33	21,501	26.3	0.57	2,552	59
423.2	18,389	33.6	0.57	2,636	62
431.1	75	32.8	0.57	11	65
511.3	26,717	78.0	1.60	18,732	64
511.4	337	78.0	1.60	236	55
512.37	220	29.3	1.60	80	55
515.59	169	10.0	1.60	25	97
516.21	178	35.5	1.60	75	50
516.31	110	35.5	1.60	46	64
522.25	306	26.3	1.60	102	95
522.31	15	26.3	1.60	5	56
522.42	1,054	26.3	1.60	351	60
522.52	2,313	26.3	1.60	771	74
522.59(a)	1	26.3	1.60	neg.	100
523.11	1,530	26.3	1.60	510	57
523.28	920	26.3	1.60	317	95
523.29(a)	99	26.3	1.60	33	53
523.32	323	26.3	1.60	108	42
524.1	19,152	26.3	1.60	6,381	99

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
524.91	5	26.3	1.60	2	76
533.53	70	39.1	1.60	31	74
533.54	1,009	39.1	1.60	454	43
541.3	10,536	15.0	1.60	2,199	42
541.62	484	10.2	1.60	72	53
541.64	1,428	10.2	1.60	211	30
541.99	309	32.2	1.60	120	35
551	320	38.8	1.60	143	70
554.1	354	40.5	1.60	163	48
572.12	38	16.0	1.60	8	93
572.20(a)	27	16.0	1.60	6	94
572.20(b)	44	16.0	1.60	10	58
591	31,288	26.9	1.60	10,612	42
592.22	52	26.9	1.60	18	99
598.2	9,526	26.9	1.60	3,231	98
598.93	69	26.9	1.60	23	72
598.97	969	26.9	1.60	329	33
598.98	21,989	26.9	1.60	7,458	36
611	14,995	57.5	1.60	8,759	70
612.9	292	91.0	1.60	223	91
621.05	2,101	45.0	1.60	1,044	56
634.1	820	47.4	1.60	422	42
634.43	4	47.4	1.60	2	100
635.1	69	47.4	1.60	36	94
635.99(c)	69	47.4	1.60	36	51
642.10(a)	314	65.0	1.60	198	80

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
642.2	10	65.0	1.60	6	65
652	1,034	66.7	1.60	662	100
658.3	70	73.5	1.60	47	37
658.4	122	73.5	1.60	83	49
662.43	12	43.0	1.60	8	96
664.6	1,183	78.0	1.60	829	97
664.93	1,353	53.2	1.60	752	58
665.11	27	56.4	1.60	16	58
665.81	371	49.9	1.60	198	37
665.89	249	49.9	1.60	133	60
678.5	12,417	33.0	1.60	4,929	53
682.12	31,099	19.1	1.60	7,980	40
682.23	615	29.7	1.60	225	97
682.26	434	29.7	1.60	159	89
683.23	91	26.1	1.60	30	88
683.24	3	26.1	1.60	neg	100
684.1	13,014	26.0	1.60	4,297	42
684.26	216	41.3	1.60	101	91
685.21	82	27.6	1.60	28	68
688	1,455	19.1	1.60	373	24
691.2	127	46.0	1.60	64	75
692.41	307	39.5	1.60	139	70
692.42	64	39.5	1.60	29	71
692.44	2	39.5	1.60	neg	100
693.12	93	40.2	1.60	43	36
695.39	3,656	24.2	1.60	1,140	40

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
699.12	594	0.0	1.60	0	94
699.32	186	0.0	1.60	0	52
699.63	1,295	0.0	1.60	0	46
699.83(a)	12	0.0	1.60	0	100
699.94(a)	46	0.0	1.60	0	76
711.1	56,402	21.0	1.60	15,662	96
711.2	1,676	32.0	1.60	650	64
712	733	12.3	1.60	128	71
714	1,156	34.6	1.60	478	97
716	93,885	21.8	1.60	26,886	61
723.4	51,374	52.0	1.60	28,121	43
726.8	145	30.0	1.60	54	53
728.7	100,292	27.6	1.60	37,709	50
737.2	6,404	25.1	1.60	2,056	76
741.31	9,553	0.0	1.60	0	47
741.5	4,819	0.0	1.60	0	72
741.6	55,708	0.0	1.60	0	60
742	18,570	0.0	1.60	0	42
743	22,553	0.0	1.60	0	57
744.2	58,006	0.0	1.60	0	34
745.2	809	0.0	1.60	0	30
749.2	22,393	0.0	1.60	0	43
749.92	1,645	0.0	1.60	0	41
749.99	4,178	0.0	1.60	0	45
751.2	10,119	0.0	1.60	0	56
773.21	1,294	24.1	1.60	402	96

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
774.2	2,400	24.1	1.60	925	45
775	6,372	24.1	1.60	1,980	79
776	117,855	24.1	1.60	36,620	46
778.1	3,391	24.1	1.60	1,054	39
778.85	1,744	24.1	1.60	542	48
778.89	5,801	24.1	1.60	1,802	30
782.2	11,578	24.1	1.60	3,597	66
785.39(a)	16,839	24.1	1.60	5,232	62
791.4	151	24.1	1.60	47	91
791.91	20,569	24.1	1.60	6,391	41
792.8	1,364	24.1	1.60	424	64
792.9	20,129	24.1	1.60	6,254	95
812.2	73	78.0	1.60	51	55
812.42	2,013	53.9	1.60	1,128	45
871.09	668	38.3	1.60	296	70
872.03	543	38.3	1.60	241	67
873.1	1,843	38.3	1.60	817	76
874.3	5,191	38.3	1.60	2,300	54
874.4	2,226	38.3	1.60	986	46
874.52	385	38.3	1.60	171	73
874.8	24,280	38.3	1.60	10,758	42
881.31	721	38.3	1.60	319	40
885.29	19,905	38.3	1.60	8,820	32
892.13	36	15.2	1.60	8	41
892.42	46	48.8	1.60	24	61
894.1	19	39.0	1.60	9	63

TABLE LXII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
894.24	124	76.5	1.60	86	63
894.62	1,921	67.0	1.60	1,233	100
894.63	2,052	67.0	1.60	1,317	99
894.73	149	67.0	1.60	96	82
897.32	77	98.4	1.60	61	43
898.23	30	56.6	1.60	17	41
899.19(b)	3	98.7	1.60	7	100
899.6	666	9.5	1.60	92	46
899.8	49,525	59.9	1.60	29,684	69
899.92	61	56.9	1.60	35	70
899.95	28	56.9	1.60	16	94
951.01	131	113.4	1.60	111	100
951.09	2	113.4	1.60	2	97
961	4,094	111.6	1.60	3,455	56
971.01	406	111.6	1.60	343	80

Sources: Inspectorate General of the Customs, Taipei, Taiwan, The Trade of China (Taiwan District), 1975.
U.N. Series M, No. 34/Rev. 2, 1975.
Data supplied by U.S. Department of State.

TABLE LXIII

ITEMS AMONG KOREA IMPORTS PRINCIPALLY SUPPLIED BY THE U.S.

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
001.1	2,357	10.6	0.74	167	75
022.2	3,501	96.5	0.74	1,272	74
041	128,136	10.0	0.74	8,620	96
042.1	101,109	25.0	0.74	14,964	86
044	22,913	50.0	0.74	5,652	99
046	5,626	35.0	0.74	1,079	70
071.3	1,146	149.8	0.74	509	100
081.3	1.624	25.0	0.74	240	100
099	2,825	65.9	0.74	830	48
211.1	8,676	25.0	0.57	989	83
221.4	5,124	25.0	0.57	584	100
242.2	14,068	10.0	0.57	729	75
251.1	2,527	10.0	0.57	131	80
251.6	2,035	10.0	0.57	105	74
263.1	85,477	10.0	0.57	4,429	97
271.3	7,697	0.0	0.57	0	100
282	27,725	5.0	0.57	753	81
284	12,893	8.9	0.57	601	73
411.3	16,300	35.0	0.57	2,409	100
711.6	2,262	10.0	1.60	329	97
714.2	5,055	9.9	1.60	729	61
714.9	12,956	6.2	1.60	1,210	88
729.3	67,489	20.3	1.60	18,221	70

TABLE LXIII (Continued)

SITC Number	Total Imports ($1,000)	"Ave" (%)	E_d	Total Trade Expansion ($1,000)	Market Share of U.S. (%)
732.4	2,443	50.0	1.60	1,303	49
734.1	31,650	0.0	1.60	0	66
734.9	2,439	0.0	1.60	0	58

Sources: U.N. Commodity Trade Statistics, Series D, Vol. 23, No. 1-39, 1974.
Data supplied by U.S. Department of State.

VITA

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