Imports in eight broad commodity groups increased more than the increase in gross national product between the first 10 months of 1955 and the first 10 months of 1960. They were machinery and vehicles, nonmetallic minerals, metals and metal manufactures, animal and animal products (edible and inedible), textile fibers and textile manufactures, chemicals and related products, and miscellaneous. Percentagewise and in terms of volume the greatest increase was in machinery and vehicles, imports of which were 247 percent larger in 1960 than in 1955. Automobiles led the increase, followed by petroleum and petroleum products and iron and steel mill products.

Two commodity groups which increased, though by less than the increase in gross national product, were wood and paper products and inedible vegetable products. Imports of only one commodity group decreased between 1955 and 1960; namely, vegetable food products and beverages. Leading the decrease was coffee which declined $249 million between 1955 and 1960, largely because of declining price.

The changing "export surplus"

Increased imports were more significant than decreased exports in the narrowing of the export surplus in 1959. The excess of exports over imports declined from $2.9 billion in 1955 to $1.1 billion in 1959. During the same period exports increased from $14.3 to $16.3 billion, while imports increased from $11.4 to $15.2 billion. In 1960, however, imports declined to $14.8 billion (annual rate for 10 months) while exports increased $3 billion to $19.3 billion (annual rate for 10 months). During the decade 1950–59, exports varied by as much as $4 billion annually and imports by as much as $2.4 billion. The gains in exports in 1960 reversed the pattern of 1958 and 1959 in the narrowing of the export surplus, just as previous declines in the export surplus have been reversed.

Decreases in exports and increases in imports of automobiles, petroleum, and iron and steel mill products fully account for the narrowing of the favorable trade balance between 1955 and 1959. In this period imports of automobiles increased $759 million and exports decreased $149 million (total $908 million). Imports of petroleum products increased $502 million, while exports decreased $165 million (total $667 million). Imports of iron and steel mill products increased $448 million, but exports fell off by $267 million (total $715 million). These changes, together, amount to almost $2.3 billion, or considerably more than the $1.8 billion narrowing of the export surplus (from $2.9 billion in 1955 to $1.1 billion in 1959).

The picture with respect to these three commodities was quite different in 1960. Exports of automobiles during the first 10 months of 1960 increased to $19.2 million higher than their level during the first 10 months of 1959, while imports declined by $132.4 million (a net improvement in trade position of $152 million). Exports of petroleum and petroleum products in the same period increased $68 million and imports decreased $16 million (a net improvement in trade position of $84 million). Although imports of iron and steel mill products continued to increase in 1960 (by $18 million during the first 10 months) exports increased $202 million (a net improvement in trade position of $184 million). Thus, for the three principal products which accounted for the deterioration in the Nation's export