

Exports

The United States is by far the world's largest exporter of aircraft and aircraft parts. Exports of these products increased in value from \$1.4 billion in 1965 to \$2.0 billion in 1967 (table 4); such exports have been a major contributor to the United States favorable balance of trade. Virtually all of the free world's commercial airlines operate some U.S.-built airplanes. The United States position as the leading aircraft exporter has been particularly pronounced since U.S. producers introduced technologically advanced, jet transport planes in the late 1950's.

United States exports of non-military aircraft to Canada increased in value from \$20 million in 1965 to about \$111 million in 1967. During the latter year exports to Canada represented about 14 percent of the value of total United States exports of non-military aircraft and military and non-military aircraft parts. Over 60 percent of the value of exports of non-military aircraft to Canada during 1965-67 consisted of passenger transports having an empty airframe weight of over 33,000 pounds. Data on United States exports of military aircraft are not reported by country of destination.

Imports

The value of annual U.S. imports of airplanes during the 1964-67 period fluctuated widely between a high of \$162.5 million in 1966 and a low of \$20.3 million in 1964 (table 1). Airplanes imported from Canada have consisted largely of military aircraft which enter the United States free of duty. The principal Canadian manufacturers of such airplanes are De Haviland (a subsidiary of a British firm) and Canadair (a subsidiary of the U.S. firm, General Dynamics). Imports from the United Kingdom in recent years have consisted largely of "BAC One-eleven" airplanes which are produced by the British Aircraft Corporation. A total of 54 of these airplanes have been ordered by Braniff, Mohawk, and American Airlines. Imports from France during 1966 and 1967 were principally Nord-Aviation's "Nord-262" airplanes purchased by Lake Central Airlines. Imports from Japan of Mitsubishi Heavy Industries' "YS-11" airplanes for Piedmont Airlines commenced in 1967. The success of foreign manufacturers in selling their airplanes in the United States is believed to be due to the fact that they are offering equipment that fulfills a specific need that is not available from U.S. producers. U.S. producers have generally concentrated on building the large, long- and medium-range, jet transports; thus foreign producers have had considerable success in supplying U.S. requirements for small, short-range transports.

It is known that U.S. imports of airplanes will be at a very high level in the early 1970's when U.S. airlines begin receiving delivery on open orders for the "Concorde" supersonic transport. This airplane was jointly developed by France and the United Kingdom. The airframe for the "Concorde" will be built in France and the engines in the United Kingdom.

The value of U.S. imports of aircraft engines increased annually from \$7.3 million in 1964 to \$30.8 million in 1967 (table 2). The bulk of the engine imports have been supplied by the British firm, Rolls-Royce Ltd. This firm was recently selected to furnish the engines that will be used in the Lockheed model 1101-Airbus. Advance orders for this airplane indicate Rolls-Royce will receive orders valued at approximately \$500 million for use with the Airbus.

A significant but unknown part of the imports of engines from Canada consist of engines produced by a Canadian subsidiary of the U.S. firm, United Aircraft Corporation.

Data on U.S. imports of aircraft engine parts are not separately reported in the official statistics.

U.S. imports of aircraft parts (which, if dutiable, would enter the United States under TSUS item 694.60) increased in value from \$62.4 million in 1964 to \$188.0 million in 1967 (table 3). Canada supplied 82 percent of the value of U.S. imports of parts in 1967. The great bulk of these parts was entered duty free for U.S. Government use. Dutiable imports from Canada in 1967 consisted largely of wing assemblies and other major airframe components for the DC-9 airplane which were imported by McDonnell-Douglas from its Canadian subsidiary.

Imports of aircraft parts as shown in table 3 are understated because certain parts that are entered under TSUS items other than item 694.60 are not included in the statistics presented in the table. Parts for which import data are not presented include automatic pilots, instruments, rivets, tires, innertubes, etc. There is no basis for developing a meaningful estimate of the aggregate value of imports of these articles.