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WITHDRAWAL SHEET

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Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT
(WHORM): SUBJECT FILE

Withdrawer

DLB 11/5/2019

File Folder FO006-01 (018699) (3 OF 4)

FOIA

F16-011

Box Number

BIERGANNNS

42

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
243458	PAPER	LDC DEVELOPMENT: AID VS TRADE AND INVESTEMENT	1	ND	B1
243459	PAPER	SIBERIA-WESTERN EUROPE GAS PIPELINE	1	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

III.(C)--1)c)1) LEVEL OF US
FOREIGN ASSISTANCE

~~CONFIDENTIAL~~

LEVEL OF US FOREIGN ASSISTANCE

Criticism: U.S. budgetary stringency and U.S. review of its posture toward the multilateral development banks signal reduced U.S. support for the development efforts of the LDCs. The small relative level of U.S. foreign assistance, in terms of the size of the economy, is among the lowest of the OECD countries.

Response:

1. The U.S. recognizes the problems faced by the LDCs and that Official Development Assistance will remain an important element of the international effort to address these problems, particularly for the low income countries.
2. The U.S. will continue to provide substantial development assistance to the developing world. The FY-1982 development assistance request in fact contains a 16% increase in U.S. development assistance. In light of our overall effort to bring inflation under control, revitalize the U.S. economy and reduce the growth in government expenditures, however, it is not realistic to expect significant increases in U.S. assistance levels in the near future.
3. We, however, believe that development assistance is only one element of our relationship with the developing world. Policies of developed and developing countries toward trade and private capital are also extremely important.

Facts: See Item (c) (iv) - LDC Development: Aid vs. Trade and Investment - for facts supporting argument that focus on ODA distracts picture of real contribution by U.S.

DECLASSIFIED
Authority State Waiver
BY dl DATE 11/1/2019

~~CONFIDENTIAL~~

III.(C)--1)c)ii)
US CONTRIBUTIONS TO
MDBs

~~CONFIDENTIAL~~

DECLASSIFIED

State Warper

US CONTRIBUTIONS TO THE
MULTILATERAL DEVELOPMENT BANKS

BY *dr* REVISION: 11/20/73

Criticism: The US Government is not sufficiently sensitive to the development needs and aspirations of Third World countries and the role of the MDBs. There are cutbacks in budget authority for MDB contributions in FY 1982 and important authorizing legislation for the World Bank General Capital Increase (GCI) and the IDA VI replenishment remains stalled in the House. The Administration is not doing enough to get that legislation through the Congress and silence on future replenishments is causing economic problems in less developed countries.

Response:

1. The Administration is seeking legislation to provide US contributions to the MDBs.
2. We are completely committed to providing those funds in full; however, given major cuts in domestic social programs it was necessary to stretch out our contributions to the banks.
3. We will make a major effort to secure passage of that legislation over the next three months.
4. There should be no doubt about the Administration's position. I am committed to meeting our commitments to the multilateral development banks, and particularly IDA.
5. I recently sent a letter to key members of the House, emphasizing my personal support for the legislation. Five members of the Cabinet, including Secretaries Haig and Regan, have also written letters to the Congress urging passage of the legislation.

Facts:

The US has pledged to contribute \$3.24 billion over FY 81-83 to the \$12 billion IDA VI replenishment and to subscribe \$8.8 billion to the \$40 billion World Bank GCI. We have also agreed to support replenishments and capital increases in the regional development banks. In the FY 81 supplemental appropriations bill the House and the Senate approved \$500 million for IDA, \$40 million less than the Administration request. For FY 82 the House Appropriations Subcommittee reported out the full Administration request of \$850 million for IDA VI and cut the World Bank GCI and the regional development banks by 10%. The Senate does not plan to move on foreign assistance appropriations until the House has passed a bill.

~~CONFIDENTIAL~~

III.(C)--1)c)iii)
CARIBBEAN BASIN
INITIATIVE

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DECLASSIFIED

Authority: State Waiver
BY: db DATE: 11/1/2019

CARIBBEAN BASIN INITIATIVE

Argument: The Caribbean Basin initiative is a specific example of continued US concern for developing countries.

Responses:

1. I believe our initiative to develop an economic program for the Caribbean Basin proves the sincerity and depth of my Administration's commitment to development.
2. This is the type of program which can have a real impact on the developing countries, in contrast to sterile debate, such as the Global Negotiations.
3. The US and other countries are in the early stages of developing an action plan. We will be consulting with you to hear your ideas about how best to attack the economic and social problems of the region.
4. This is an important program, and I hope all the major industrialized countries will be able to increase their contributions to the economic and social stability of the region.

Facts: Caribbean Basin nations in general suffer from inadequate production, serious balance of payments difficulties, unbalanced and inequitable internal economic development and unacceptable high rates of unemployment. As a result of these and other problems, the Basin's political and social stability is threatened.

To resolve the region's economic problems, we believe it necessary to organize a cooperative, multi-national approach to Basin development. Working first with such countries as Canada, Mexico and Venezuela, we propose trade, investment and aid programs to help the Basin's countries become more productive and, ultimately, be able to support their own future development.

The details of the Basin initiative concept are not yet fully developed. Canada, Mexico, Venezuela and the US took an important first step toward the success of our joint Basin Initiative in the July 11 Foreign Ministers' meeting in Nassau. We agreed at that meeting to develop a multilateral approach to Caribbean and Central American development through a process of consultations with countries in the region, other potential donors and international institutions.

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GD57/16/87

III. (C)--1)c)iv)
LDC DEVELOPMENT:
AID vs. Trade/Invest.

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III. (C)--1)c)v)
PRIVATE SECTOR
ROLE IN LDGS

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Authority: State Waiver
BY: dls DATE: 11/1/2017

THE PRIVATE SECTOR ROLE IN DEVELOPING COUNTRIES (LDCs)

Criticism: There has been a great deal in the press about your wish to have the private sector play a greater role in development. Do you have concrete proposals to stimulate greater private sector involvement in LDC development or is this merely a way to rationalize any potential reduction in USG contributions to multilateral or bilateral official development aid?

Response:

1. We are studying the government's current support to the private sector and seeking ways to make it more effective within the scope of our budget reductions and scarce resources. We expect to see a strong new emphasis on the role of the private sector in many aspects of our development policy.

2. A prime goal is to encourage the growth of the private sector and to improve the related investment climate in developing countries. We are seeking ways to reduce U.S. business' perception of risk in these countries and will continue programs to furnish training and human resource development assistance and to encourage business exchanges and cooperative ventures. Further, by maintaining a free and open U.S. economy, we provide a market for nearly half of all LDC exports of manufactured goods to industrial countries.

3. There will be a continuing shortage of investment capital for developing countries over the next decade. You may wish to look at your own mix of policy measures to determine whether they offer the right encouragement for private sector participation in LDC economic growth.

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III.(C)--1)c)vi)
GLOBAL NEGOTIATIONS

~~CONFIDENTIAL~~

DECLASSIFIED

Auth: State Waver

By: db WWAONE 11/1/2015

GLOBAL NEGOTIATIONS

Criticism: The US caused the deferral of further preparatory work on procedures and agenda for Global Negotiations (GNS).

Response:

1. We continue to have serious concerns that GNS could interfere with the competence, powers and functions of the UN specialized bodies. The consensus provision in the procedures text, as it now stands, would not preclude negotiations in the central body to the detriment of the specialized bodies. But in addition to this, we are not convinced at this time that GNS would serve any real economic purpose that could not better be achieved by other means.
2. The US statement, given in December 1979 when the UNGA resolution on GNS was adopted, made it clear that we would participate in GNS only if mutually acceptable procedures and agenda could be agreed. Negotiations on procedures and agenda in New York throughout 1980 suggest that such an agreement may not be possible.

Facts: Trudeau believes that the Ottawa seven must send a "positive signal" to developing countries and he is expected to make a serious effort to include the US in a general endorsement of GNS. Mitterrand is likely to be more forthcoming on this issue than past French leaders who viewed GNS at least to some extent as a political beauty contest.

Thatcher and Schmidt share our skepticism about GNS. However, they recently joined a statement of the European Council which urged that "preparations for the new round of Global Negotiations should be completed as soon as possible" and emphasized "the crucial importance of a positive impetus to be given to this effect by the summit conferences in Ottawa and Cancun."

The final compromise language on GNS in the OECD Ministerial communique of June 17 was acceptable to the US. The participants "recalled the agreement by their governments at the United Nations in 1979 to launch the Global Negotiations after adequate preparations had been made and affirmed their readiness to carry forward international consultations and cooperation with developing countries on a wide range of matters of common interest." This language, with its minimal commitment to GNS, would be worth striving for in the Ottawa communique.

~~CONFIDENTIAL~~

III. (C)--1)c)vii)
WORLD BANK LENDING
FOR LDC ENERGY DEVELOPMENT

~~CONFIDENTIAL~~

WORLD BANK LENDING FOR LDC
ENERGY DEVELOPMENT

DECLASSIFIED

AUTHORITY Mats Waiver
BY elb NARA DATE 11/1/86

Criticism: You say that LDC energy development is important but are unwilling to assist in financing.

Response:

1. I am committed to energy development in the LDCs including a role for the World Bank.

2. However, I believe that expanded private investment flows, in combination with and catalyzed by World Bank energy lending activities, must be the major vehicle for LDC energy development. Within the context of currently approved or pledged contributions, I believe World Bank energy lending can be reoriented to increase its multiplier effect on private investment flows. I do not see the need for a new institution.

3. In my view, particularly in oil and gas, the major impediment to energy investment in LDC's is not access to financing but host government policies. In most cases adequate private finance is available where projects have demonstrated economic viability.

4. In a few years, after we have had an opportunity to see the effect of World Bank policy improvements and OPEC willingness to cooperate, we would be in a position to judge what additional resources, if any, should be provided to the Bank for LDC energy development.

5. LDCs are now beginning to pressure OPEC for additional resources. This pressure will increase as it becomes clear budgetary constraints are likely to limit the ability of developed countries to provide increased aid.

Facts: The Heads of Government at the Venice Summit asked the World Bank to consider means to improve its lending programs for energy assistance, including the possibility of establishing a new affiliate or facility. Most other Summit participants favor an "expanded role" for the World Bank in energy. In particular, Prime Minister Trudeau and President Mitterrand have publicly endorsed a World Bank Energy Affiliate, which they believe would provide a means to tap surplus OPEC funds, and would be an important step forward in the North/South dialogue. Others favor expanded World Bank lending to increase available financing for energy, but are skeptical of the case for a new institution.

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-2-

LDC oil import bill in 1980 amounted to \$74 billion, and accounted for over 50% of export earnings of Brazil and India. Currently, the Bank plans to lend \$14 billion for energy over the next five years, which, although substantial, is less than 10% of the capital expected to be invested in the energy sector during this period. Over half of the Bank's lending will be for electric power, just under a third for oil and gas. The USG study of World Bank energy lending suggests that poor investment climates in LDCs inhibit greater private capital flows. The World Bank is increasing its efforts to finance projects with substantial private participation, and its presence can serve as a political risk umbrella. We have encouraged the Bank to do more of this.

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III. (C)--1)c)viii,
CANCUN SUMMIT

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Authority: State Waiver -
BY: sdh N. LEADNER 11/1/2019

CANCUN SUMMIT

Background

The eleven co-sponsors (including Canada, FRG, and France) have promised that the October 22-23 Summit of 22 nations in Cancun, Mexico, will be open and informal, with no agenda and no communique. All Ottawa participants should -- and probably will -- agree that this format be preserved and that there be no structured preparation such as papers and prior meetings of personal representatives. This agreement would be followed by the six foreign ministers (Italy is the only Ottawa country not invited to Cancun) at the Cancun preparatory meeting on August 1-2.

Our only real difficulty with the other Ottawa participants is the fact that, with the possible exception of Mrs. Thatcher, they would like to include the U.S. in a general endorsement of global negotiations (see separate paper) so that this will no longer be an issue at the Cancun Summit. Prime Minister Trudeau would like to take credit for thus having "settled" the issue in Ottawa and having thus "saved" Cancun from this divisive issue and for substantive discussions.

Talking Points

-- The U.S. views the Cancun Summit as a useful opportunity to meet with an important group of national leaders for an exchange of views on global economic problems. The U.S. will want to raise energy, food, trade, population, and global ecological problems. Other participants will have other problems to raise.

-- A cooperative approach among the Ottawa Summit countries is the best basis for assuring a constructive attitude and acceptable outcome for the Cancun Summit.

-- We should agree that the co-sponsors' design of an informal Summit without negotiations or substantive commitments must be preserved and that there should be no structured preparation such as papers and prior meetings of personal representatives.

-- I would suggest that our countries consult closely between now and October 22 to assure a constructive and realistic meeting in Cancun.

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iii.(C)--1)c)ix)
FOOD SECURITY GRAIN
RESERVE

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Auth

State Waiver

By dbr

DATE

11/1/2019

FOOD SECURITY GRAIN RESERVE

Criticism: The US should cooperate with efforts to establish a system of nationally-held, internationally-coordinated grain reserves to enhance world food security.

Response:

1. The US is proud of its record on world food security issues. We alone have a conscious reserve policy which can meet both domestic and international needs. Our food aid and agricultural assistance programs have helped alleviate hunger and malnutrition in many countries of the world.
2. We believe that national grain reserves which are responsive to market factors are preferable to the system of nationally-held, internationally-coordinated reserves currently under discussion in the International Wheat Council. We are hopeful that alternative proposals for food security grain reserves will take into account the merits of market-responsive national reserves.
3. We urge other nations to join the US in holding grain reserves without waiting for an international agreement.

Facts: Since the World Food Conference in 1974 the international community has repeatedly called for a new Wheat Trade Convention to enhance world food security by setting up an international grain reserve system. The US participated in the 1978/79 UNCTAD negotiations on a new WTC, which broke down over the issues of price bands and stock size.

Following the UNCTAD effort, the International Wheat Council developed a less-rigid approach to a new Wheat Trade Convention which has the approval of most of the other members, including the EC and Japan. Recently the US told European leaders and the other members of the International Wheat Council that we will not proceed with negotiations on a new Wheat Trade Convention based on the Council's current proposal, explaining that it does not take sufficient account of market responsive national reserves.

~~CONFIDENTIAL~~

III. (C)--1)d)1) TRADE WITH THE
USSR

~~CONFIDENTIAL~~

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Authority State Waiver
by dlh DATE 11/1/2019

TRADE WITH THE USSR

Criticism: Other Summit countries may assert that the United States grossly exaggerates their "vulnerability" to Soviet economic pressure, noting that their trade with the USSR is less than 3% of their total trade. (Schmidt might state that German trade with the USSR is only 40% of German trade with Switzerland.)

Response:

1. Aggregate figures mask sectoral dependencies.
2. The volume is large enough to persuade industry and labor that they have a substantial stake in the continuation of East-West trade.
3. We are more concerned with the development of future dependencies than we are with present dependencies.
4. (To Schmidt: German exports to the USSR are over \$4 billion. That is a substantial amount; the fact that exports to Switzerland are \$10 billion has no relevance.)

Facts:

Some sectors do depend on Soviet markets. In 1980, despite the post-Afghanistan trade and credit measures, the USSR took over 16% of Canada's agricultural exports; 11% of German steel exports and 11% of German machine-tool exports (equal to 5% of German production); 6% of Japanese steel exports; and 5% of French chemical exports. These are not trivial figures.

The Soviet share in the foreign trade of most European countries (not Britain) is rising. Over the past fifteen years, it has risen from 1.1% to 2.4% of France's trade, from 1.2% to 2.2% of Germany's trade, and from 1.9% to 2.6% of Italy's trade. By contrast, the USSR accounts for only 0.4% of 1980 U.S. trade.

In absolute terms, the trade is substantial enough to create powerful domestic interests in its preservation: for example, German steel exports to the USSR were \$1.2 billion in 1980, about twice their shipments to the United States; the French firm Rhone-Poulenc (which Mitterrand wants to nationalize) plans to do \$7 billion in business with the Soviets over the next ten years.

~~CONFIDENTIAL~~

iii.(C)--1)d)ii)
GRAINS TRADE WITH
USSR

~~CONFIDENTIAL~~

DECLASSIFIED
AUTHORITY State Waver
BY db DATE 4/1/2019

GRAIN TRADE WITH USSR

Criticism: Why should we cooperate in further Western restraints on high technology exports to the USSR in light of the US decision to lift the grain embargo and invite the Soviets back into our grain market? Does the US plan to negotiate a new long-term grain agreement with the Soviets to replace the one which expires September 30?

Response:

1. The purpose of tighter controls on high technology exports to the USSR is to prevent exports of products with strategic or military applications. Controlling the pace of technology transfer is vital to Western security interests.
2. Trade in agricultural products and less sophisticated manufactures does not contribute directly to Soviet military capabilities.
3. Trade in non-strategic items is an important component of East-West economic ties. It is not in our interest to sever such ties with the USSR under normal circumstances.
4. The US is in the process of deciding our approach to the future framework of our grain trade with the Soviets. We have not yet made a decision to enter into negotiations with the Soviets on a new long-term grain agreement.

Facts: The most important category of US exports to the USSR is agricultural products, which accounted for 70% of our total exports to the USSR last year (in spite of the partial grain embargo). High technology exports are a larger component of European and Japanese exports to the USSR than they are of US exports to the USSR. Therefore further restraints on Western high technology exports to the USSR would likely have a more significant effect on European and Japanese exports to the USSR than on US exports to the USSR.

The current grain agreement with the USSR was negotiated in 1975. It will expire September 30, 1981. Other Summit nations also pursue grain trade with the USSR. Canada negotiated a long-term grain agreement with the USSR in May. Following the lifting of the grain embargo the EC reinstated export subsidies for grain sales to the USSR.

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iii.(C)--1)d)iii
SIBERIA - WESTERN
EUROPEAN PIPELINE

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iii.(C)--1)d)iv)
ECONOMIC ASSISTANCE
TO POLAND

~~CONFIDENTIAL~~

Economic Assistance to Poland

DECLASSIFIED
Authority: *State Waiver*
BY: *db* NARA DATE: *11/1/2019*

Criticism: Schmidt or Mitterrand may complain that U.S. refusal to provide additional credits to Poland is discouraging other Western donors as well as the new Polish leadership, and this could drive Poland back on its knees to Moscow, jeopardizing an historic opportunity to weaken Soviet control of Eastern Europe.

Response:

1. We all hope that Poland will be given the chance to consolidate its peaceful revolution. The outcome still is in doubt. Much depends on painful politico-economic decisions that may be made in the next six weeks -- by the new Polish leadership and unions, by the Soviets, and by ourselves.

2. Our immediate response to urgent Polish appeals for aid cannot wait for a clear view of the outcome. The US already has provided this year \$585 million -- twice as much, relative to our share in Poland's external trade and financial relations, as Western Europe or Japan.

3. Now I am considering an urgent request to Congress for \$80 million to provide corn on long-term credit. If we do this, what corresponding aid action will you take? (Mitterrand will say that France is putting together a European central bank credit of \$500 million on 6 to 9 month repayment terms.)

4. As to a longer-term Western undertaking to support fundamental Polish economic reorientation, we need a realistic joint assessment of the Polish political outlook and sober judgment of the feasibility of such an undertaking in association with the IMF and commercial banks.

5. I suggest that our representatives meet quietly in early September, after the Solidarity convention, and make this assessment. On that basis we can decide whether to take up a particular plan of action with all interested governments.

Facts: Poland is bankrupt. Its GNP will fall by 10%-15% this year. It is running an external account deficit of about \$11 billion this year, and even if it gets back to work and to normal exporting next year the deficit will be about \$9 billion. It needs about \$5 billion in new credits this year, but has received only half that amount.

If generous rescheduling continues on payments falling due on its \$26 billion Western debt next year, and the Eastern Bloc (CEMA) continues to provide trade advances and price discounts, Poland will still need nearly \$4 billion in new credits in 1982. By joining the IMF this fall and adopting a rigorous austerity/reform program, it might raise half of next year's needs from the IMF and commercial banks. Soviet economic sanctions -- e.g., withholding of trade advances and subsidies - would increase the gap by \$1-2 billion and raise Polish and demands on the West accordingly.

~~CONFIDENTIAL~~

III.(C)--1)e)i) DOMESTIC ENERGY
POLICY INCLUDING EMERGENCY
PREPAREDNESS

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Authority

State Waiver

BY

dw

11/15/09

DOMESTIC ENERGY POLICY INCLUDING EMERGENCY PREPAREDNESS

Criticism: Summit countries welcome your decision to decontrol domestic oil prices and rely more heavily on the private sector, but some have expressed concern that the government's responsibility in energy policy has been neglected. They wonder whether price will be an adequate incentive to energy conservation if the current slack oil market continues. There is also concern that private oil companies may, in reaction to high interest rates and falling demand, now be drawing down oil stocks to dangerously low levels. Germany, Japan, and the UK have been disappointed to see U.S. government spending for energy research development projects reduced.

Response:

1. Decisions on how to produce and use energy most efficiently can best be made at the grass roots level by individual firms and consumers responding to market determined prices.

2. Our failure to rely on the market after the 1973 oil shock has been the single greatest impediment to a rational energy policy. Controlled oil prices discouraged private sector efforts to conserve energy, to increase energy production, and to undertake research and development of alternative energy sources.

3. I have fully decontrolled oil prices and plan to reduce regulations in the energy sector and to open up new government lands for exploration. These policies are bearing fruit. U.S. oil imports and consumption are at the lowest levels in years.

4. U.S. private stocks measured in days of imports are at the highest level in years. We have been watching the reduction in private oil stock levels over recent weeks, but don't believe that private stocks will be drawn down to dangerously low levels.

5. Still, governments do have a responsibility to maintain strategic oil stocks to meet national security needs. We are building our own strategic oil reserve rapidly.

~~CONFIDENTIAL~~

III.(C)--1)e)ii)
INTERNATIONAL
COOPERATION
IN OIL CRISES

~~CONFIDENTIAL~~

INTERNATIONAL COOPERATION IN OIL CRISES

Criticism: We question the new Administration's commitment to international energy cooperation in dealing with oil supply emergencies. Your domestic legal authority to participate in the IEA oil emergency preparedness program expires on September 30.

Response:

1. We are strongly committed to continued international cooperation in dealing with oil supply disruptions.
2. We will continue to support fully the work of the International Energy Agency and to maintain our preparedness to participate in its oil emergency system.
3. We will rely on the price mechanism as the primary instrument for equilibrating oil supply and demand domestically in a crisis.
4. We believe that the industrial countries should increase the level of their security oil stocks as insurance against a supply interruption. The United States is filling its Strategic Petroleum Reserve at a rapid rate and hopes that other countries will seriously consider increasing their stock levels too.

Facts: The United States has been a leading proponent of international cooperation in responding to oil crises ever since 1974, when we helped found the International Energy Agency. The IEA brings together 21 of the industrial democracies, including all of the Summit countries except France (France does participate in the IEA indirectly through the European Economic Community).

The Emergency Petroleum Allocation Act (EPAA) which expires on September 30, has provided authority to participate in emergency IEA oil sharing. Under the IEA emergency systems, countries would draw down stocks and impose emergency demand restraint measures to minimize impact of an oil supply disruption and would share oil, as necessary, to insure that no one country bore an unfair share of the burden. But there is authority in other statutes for the President to take all actions required to meet our IEA obligations. A separate statute allows a limited antitrust exemption to permit oil companies to participate in IEA activities. This exemption also expires on September 30 but should be extended routinely.

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by: dhr 11/1/2019

III.(C)--1)e)iii)
U.S. COAL EXPORTS

~~CONFIDENTIAL~~

U.S. COAL EXPORTS

DECLASSIFIED

State Waiver

DATE 11/1/2017

Criticism: We would like to import more of your coal but rail and port facilities are inadequate. Our companies are reluctant to enter long-term contracts without some assurance of infrastructure development. Why doesn't the U.S. Government involve itself directly in resolving or managing the port problems?

Response:

1. While last year's unanticipated foreign demand has caused considerable bottlenecks at our exporting ports, we believe that this is a short-term problem.
2. Our private industry has already begun to respond to the challenge; 38 million tons/year of additional capacity is already underway with a further 288 million tons/year in various stages of planning.
3. Foreign purchasers must be willing to sign long-term contracts to warrant the large capital investment required to develop new projects. We welcome foreign investment in coal infrastructure.
4. My Administration has proposed legislation which would allow port dredging improvements to be financed by user fees, which will let port improvement proceed at a pace consistent with commercial demand.

Facts: U.S. coal exports rose 112 percent between 1978 and 1980. This rapid growth has strained U.S. coal ports to the limit of their capacity. Existing coal exporting facilities and methods for loading coal onto vessels are designed for metallurgical coal, but increased demand has principally been for steam coal. During the past year, it has not been uncommon to have 150 foreign bound vessels off the U.S. East Coast waiting for coal loadings.

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