

**Appleton League of Women Voters
Local Studies**

**Appleton Area Foreign Trade Survey
1973**

TRADE SURVEY

in *June* 1974 *bulletin*

The foreign trade questionnaires have been returned and compiled, and the report has been written. We were pleased with the 75% response we got, with 35 companies responding out of a total of 47 contacted.

The report will be printed and distributed at the Annual Meeting. Copies of the report will also go to the companies surveyed, the Appleton Area Chamber of Commerce, the public and school libraries, Northeast Wisconsin World Trade Association, the media, congressmen, state legislators, and any other interested persons.

Thank you again to the members who helped us distribute the surveys and the members who helped edit the final copy. My special thanks to DeDe Corbett, my co-chairman, whose contribution to the report was substantial and invaluable.

- Jean Koffend

INTERNATIONAL RELATIONS

On April 10 the President sent his trade bill to Congress; the Trade Reform Act of 1973, HR 6767. The key feature of the bill is not what it concedes to special interest groups, but what it gives the President. The fate of the bill may well hinge on this issue, rather than on the merits of specific provisions. At a time when executive-legislative relations are at a low point, precisely over this question of how much authority the President should have, we may expect this request for expanded authority in trade to become embroiled in other issues ranging from impoundment to executive privilege.

Following is the consensus, as approved by the board of the Appleton League. As soon as the National Consensus is published, I will pass it on to you. League may act on the above mentioned bill only under the old position (see February bulletin) until the new consensus is approved (next fall.)

My thanks to a great committee, who devoted much time to this study: Marcia Hittle, Madeleine Sargent, DeDe Corbett, Barb Malinuskas and Jean Radford.

- Jean Koffend

Local

TRADE CONSENSUS

1. Should the U.S. develop new policies and practices to assist workers, firms, communities, industries injured by foreign competition?

Yes, adjustment assistance in the form of money, to workers, should come from their state Unemployment Insurance. Adjustment assistance to workers should provide for retraining and/or relocating only. Aid for firms should be in the form of loans, applied for with an approved plan for increasing the firms' competitiveness and/or modernization. Adjustment assistance should be available to anyone who is unemployed. Industries should be encouraged to settle in areas of high unemployment. Cooperation should be encouraged among workers, firms, communities in the process of retraining, i.e. the use of available vocational facilities, local universities, etc.

The Membership Committee is making plans for a prospective member coffee to be held in August. Please give names of prospects to Bonnie Buchanan (739-7125.)

TRADE CONSENSUS (continued) Local version

2. Should the U.S. develop new policies to regulate the activities of the multi-national corporations?

Yes, we support a change in direction of current policy by changing tax incentives so as to encourage investment in LDCs rather than in developed countries. There should be no limits on the transfer of technology. Multinationals should be discouraged from interfering in host country's internal affairs, with such interference accountable to an international control system, perhaps under the auspices of the United Nations.

The committee felt that the amount of information available on the MNCs was too limited and too subjective to elaborate further on this question.

3. Should the U.S. develop new policies to make U.S. products more competitive in world markets?

Yes, while the U.S. does not need a positive trade balance, we should develop new policies to make American products more competitive in world markets, and thus decrease our balance of payments deficit. The U.S. should participate in negotiations for reduction of non-tariff barriers. The U.S. should use leverage, other than merely the traditional retaliatory trade policies (i.e. tariffs, quotas, etc.) We favor international monetary reform reflecting more flexible exchange rates. We support expanded research and development, but no consensus on how it should be funded. We support the use of trade missions for increasing the competitiveness of American goods on the world market. We advocate the elimination of built-in discriminatory policies on goods destined for export (i.e. discriminatory transportation rates.)

4. Should the U.S. develop new policies which would limit imports for purposes of environmental or consumer protection?

Yes, all imports should meet the U.S. minimum health, safety and environmental standards. The U.S. should strive for international minimum standards regulating health, safety and environment. We advocate the creation of an international agency to educate the world to the importance of environmental and consumer protection standards. The U.S. should provide technological advice to the LDCs.

MINORITY SUGGESTION - Use environmental advisors along with technological advisors to the LDCs.

C. Johnson

APPLETON AREA
FOREIGN TRADE
SURVEY
1973

PREPARED BY THE LEAGUE OF WOMEN VOTERS OF APPLETON, WISCONSIN
PROGRAM: EVALUATION OF CURRENT TRADE PATTERNS AND THEIR
IMPACT ON THE UNITED STATES AND WORLD ECONOMY

ACKNOWLEDGEMENTS

We want to express our appreciation to all of the businessmen who took the time to complete and return the foreign trade questionnaires. We also wish to thank Mr. Robert S. Chase of the Appleton Area Chamber of Commerce and Mr. Elroy H. Kalies of the Northeastern Wisconsin World Trade Association for their help in developing the questionnaire, their advice and their support, which greatly facilitated our work.

Our thanks go also to all the League members who helped distribute the survey and edit the final report.

The Foreign Trade Committee

League of Women Voters of
Appleton

Jean Koffend, Chairman

De De Corbett, Co-Chairman

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INTRODUCTION

The League of Women Voters of the United States is seeking to inform the nation of the importance of foreign trade under its program entitled "Evaluation of current trade patterns and their impact on the United States and world economy." An effective way to accomplish this goal is to show how individual communities and citizens are affected by international trade. By understanding the effect of foreign trade in the Appleton area, League members here can better relate local circumstances to national and international problems. Furthermore, this report will give to the people of Appleton facts and information about its exports and imports and will demonstrate how the Appleton area is affected by world trade.

Do industries in the Appleton area engage in foreign trade? How many millions of dollars are involved? Do only the large industries participate in foreign trade? What kind of products manufactured in the Appleton area are exported to foreign markets? Are our industries reliant on imports to enable them to manufacture? What kind of impact does foreign trade have on Appleton's economy?

To answer these and other questions, the League of Women Voters of Appleton conducted a poll of 47 companies in the Appleton area.¹ The companies surveyed represented a cross section of area industries, and were selected with the aid of the Appleton Area Chamber of Commerce from their Fox Cities Guide to Industry and Principal Employers 1973-74. Thirty

¹ Appleton area includes Appleton, Little Chute, Combined Locks and Kaukauna.

five (35) of the 47 companies polled returned the questionnaire, a return rate of 75%. These 35 companies represent, cumulatively, approximately 13,207 employees.

PRINCIPAL FINDINGS

1. Over half of the companies responding engaged in some amount of foreign trade in 1973.²

Of the 35 companies responding, 20, employing approximately 8,466 people or 64.1% of the total of 13,207, were involved in foreign trade in 1973. These figures do not include 3 retailers who did not have access to figures relating to exports and imports, but stock and sell imported items. These 3 retailers employ a total of over 850 people.

Of the 20 companies involved in foreign trade, 16 were exporting materials amounting to a dollar value of approximately \$31,392,000 and 17 companies were importing materials amounting to approximately \$19,499,482. Thirteen (13) companies were involved in both exporting and importing.

Three (3) of the 16 companies exporting represent approximately \$25,000,000 or 79.6% of the total export figure. Five (5) of the 17 companies importing represent approximately \$16,554,000 or 84.9% of the total import figure.

The survey asked only about materials and products. Several companies responded that they had imported equipment for use in their manufacturing process.³

2. Throughout the report "foreign trade" will be used as a general term indicating involvement in importing, exporting or both.
3. Comment from 1 company: "Your questionnaire covers materials used in products but ignores such things as purchases of foreign machinery and equipment...we bought machinery costing half a million dollars from foreign sources in 1973."

Companies who have not been involved in foreign trade in the past indicated no desire to start involvement. Two of the companies currently involved in foreign trade plan to expand their importing and exporting.

TABLE 1

NUMBER OF COMPANIES ENGAGED IN FOREIGN TRADE* - 1973

	<u>Number</u>	<u>Percent*</u>
Industries reporting foreign trade	20	57
Industries reporting <u>imports</u> only	17	49
Industries reporting <u>exports</u> only	16	46
Industries reporting <u>both imports and exports</u>	13	37
Industries reporting no trade	15	43

*Based on the 35 returned questionnaires.

2. Appleton area manufacturers tended to be more dependent on imports as a percentage of total materials used, than on exports as a percentage of total sales.

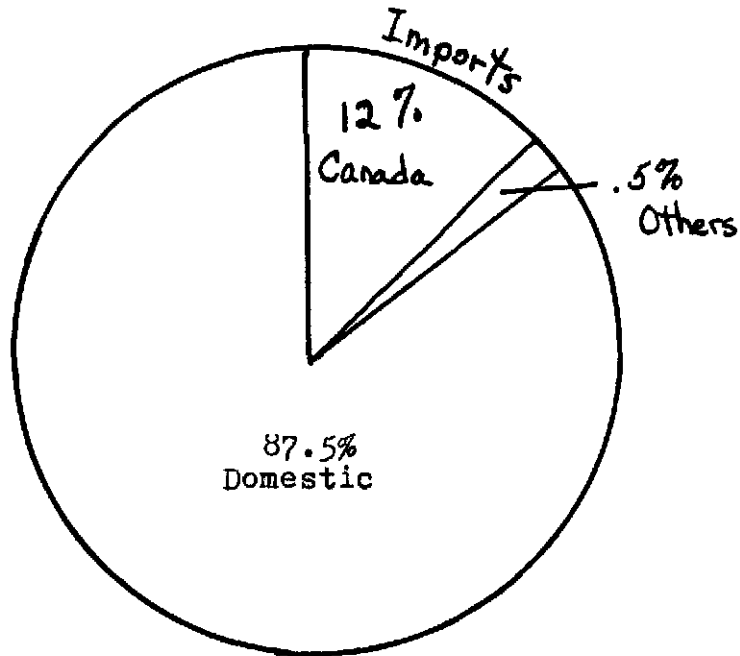
Five (5) of the 17 importers rely on imports for over 10% of their total materials used in manufacturing. Three (3) of these 5 companies import from 16 to 26% of their materials and 1 company imported 99% of its materials used in the manufacture of its product. The other companies imported a very small portion of their materials, less than 5%.

The 4 companies most involved in exporting reported that their exports represent from 16 to 17% of their total sales. The other exporters reported that less than 10% of their total sales were in exports.

These figures must be considered incomplete because 2 exporters and 3 importers chose not to reveal their percentages.

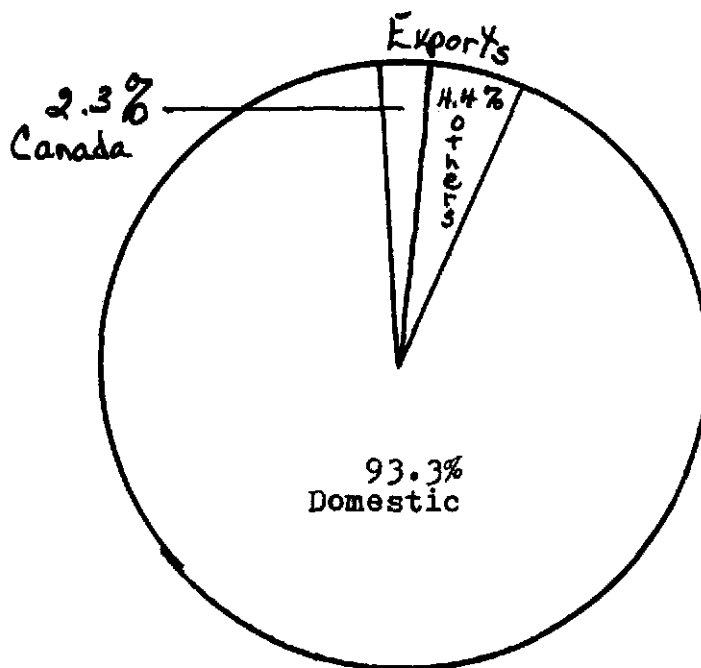
GRAPH I

PAPER MANUFACTURERS - MATERIAL PURCHASES



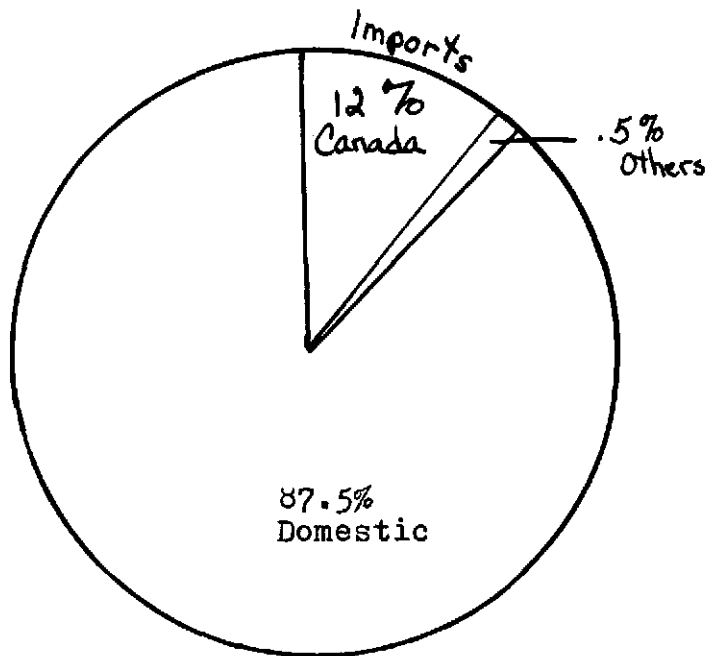
GRAPH II

PAPER MANUFACTURERS - GROSS SALES



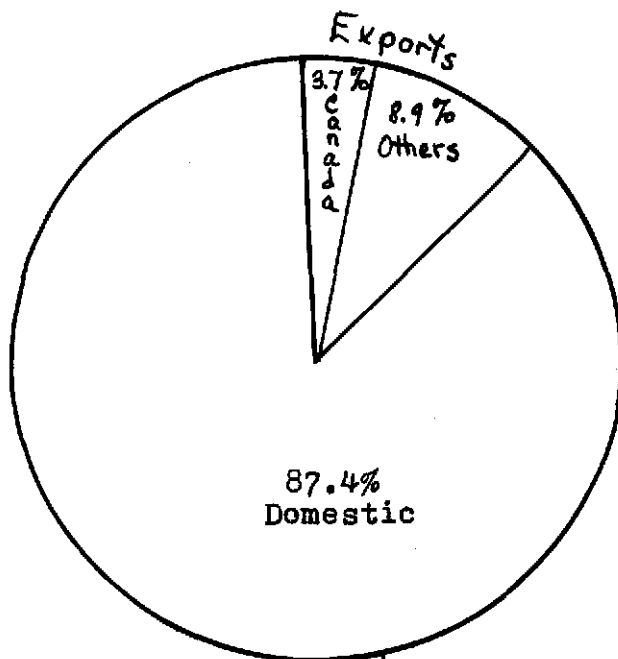
GRAPH III

FARM MACHINERY MANUFACTURERS - MATERIAL PURCHASES



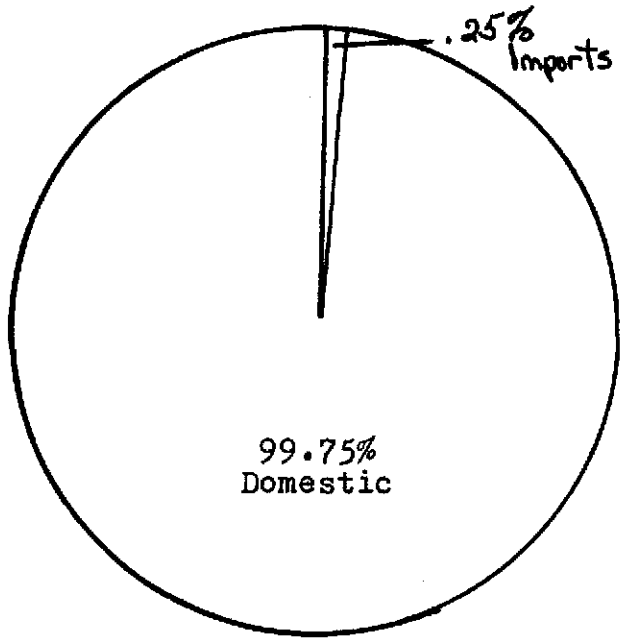
GRAPH IV

FARM MACHINERY MANUFACTURERS - GROSS SALES



GRAPH V

HEAVY MACHINERY MANUFACTURERS - MATERIAL PURCHASES



GRAPH VI

HEAVY MACHINERY MANUFACTURERS - GROSS SALES

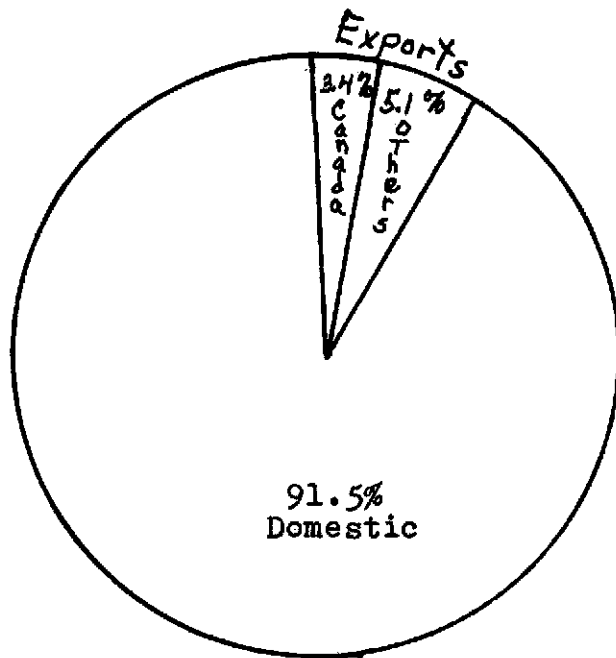


TABLE 2

BREAKDOWN OF 17 AREA INDUSTRIES IMPORTINGPercentage of total materials used that are imported
Excluding Canada

<u>% of Imported Materials</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - .09	2	3		1
.1 - 1.9	2	1	1	1
2 - 5			2	
no answer			1	3

Percentage of total materials used that are imported
From Canada

<u>% of Imported Materials</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - 4.9		3	2	3
5 - 9.9	1		1	
10 - 19.9	2			
20 - 29.9	1	1		
99				1
no answer			1	1

Dollar Value of imported materials

<u>Dollars Involved</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - 4,999		1		1
5 - 49,999		2		3
50 - 499,999			2	
500 - 999,999	1		1	
1 - 10 million	3	1	1	1

TABLE 3

BREAKDOWN OF 16 AREA INDUSTRIES EXPORTINGPercentage of gross sales exportedExcluding Canada

<u>% of Gross Sales</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - 4.9	2	2	2	1
5 - 9.9	2	2		1
10 - 15		1	1	
NO ANSWER		1	1	

Percentage of gross sales exported
To Canada

<u>% of Gross Sales</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - 4.9	4	3	3	1
5 - 9.9		1		1
10 - 15		1		
NO ANSWER		1	1	

Dollar Value of all exported products

<u>Dollars Involved</u>	<u>No. of Paper Companies</u>	<u>No. of Heavy & Farm Mach. Companies</u>	<u>No. of Other Major Employers</u>	<u>No. of Smaller Employers</u>
0 - 4,999				
5 - 49,999	1		1	1
50 - 499,999	1	1	1	1
500 - 999,999		1	1	
1 - 20 million	2	3	1	
NO ANSWER		1		

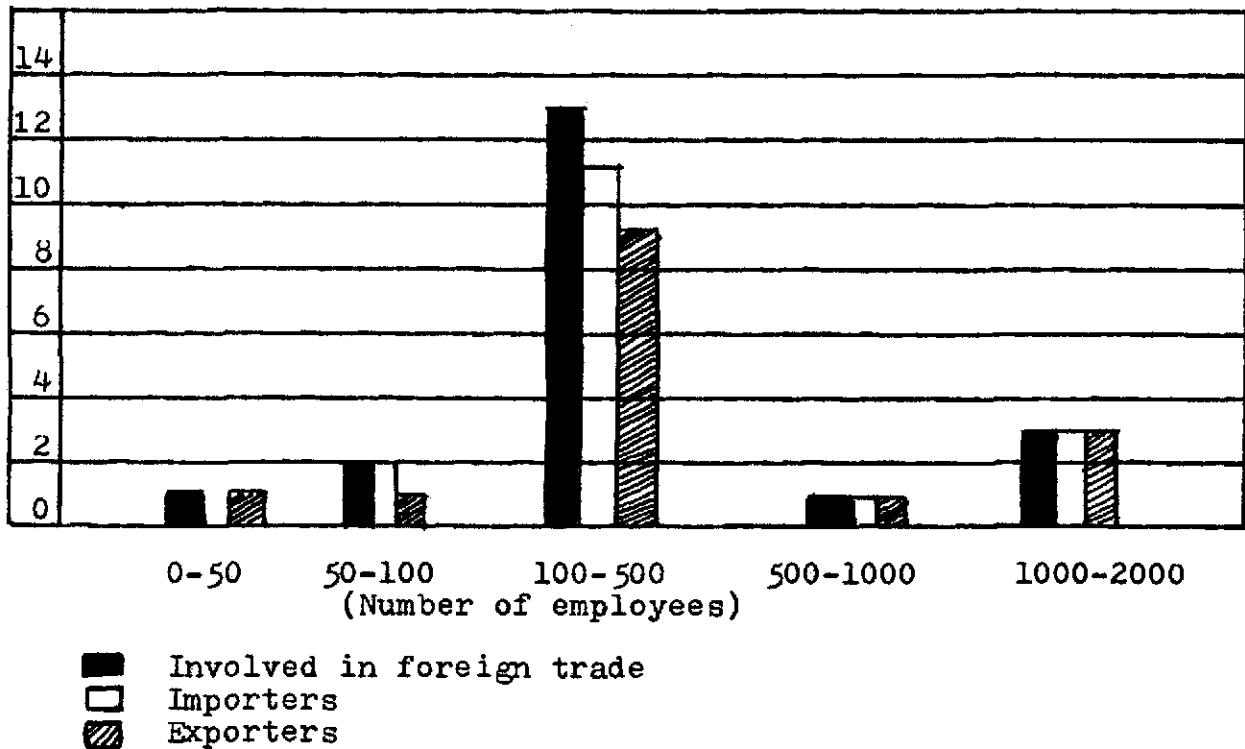
3. Foreign trade is not limited to large industries.

Although large industries are more involved in foreign trade than small, 3 of the 7 companies employing under 100 people each are involved in trade. One (1) of these 3 companies employs only 10 people. Of these 3 companies, 1 is involved with both importing and exporting, 1 with just importing and 1 with just exporting. The 2 exporters reported a total of \$280,000 in exports, over 10% of their gross sales figure. The 2 importers reported approximately \$30,500 in imports. Only 1 of these companies gave a percentage figure and it was between 2 and 3% of their total materials used.

CHART A

COMPARISON OF THE 20 COMPANIES INVOLVED IN FOREIGN TRADE ACCORDING TO THEIR SIZE

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4. Pulp dominates the list of imported materials, while the exports are quite diverse.

All of the paper companies answering the questionnaire reported importing pulp and most of it comes from Canada. See Table 4 for listing of other products imported and exported by area industries.

TABLE 4
LIST OF IMPORTED AND EXPORTED ITEMS

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Paper Companies	Farm & Heavy Mach. Manufacturers	Other Major Employers	Misc. Smaller Co.
pulp, foil, equipment, adhesives, pigments, waste paper	crusher parts, steel, roller chain, metal parts, vacuum pumps,	engines, mono-filament, wool, machinery	newsprint, electric motors, neoprene sleeves, cotton towels
insulation batt backing, copy paper, steel wrap, carbonizing side rolls, school art paper, paper, coated papers	crushers, screens, parts, paper machine, machine tools, farm machinery, super calendar for paper machines	elec. welders, accessories, papermakers felts, food wrap, bags	trucks

5. Area Industries are trading with companies from all over the world.

See Table 5.

TABLE 5
COUNTRIES AND AREAS TRADED WITH

Paper Companies	Farm & Heavy Mach. Manufacturers	Other Major Employers	Misc. Smaller Co.
Argentina, Australia, Canada, Germany, New Zealand, Poland	Canada, Germany, Japan, New Zealand, Sweden	England, Germany, Japan, New Zealand	Canada, Japan, Pakistan, Indo-China
Australia, Canada, Central America, EEC, Greece, Israel, Mexico, Phillipines, Scandinavian Countries, So. America	Australia, Belgium, Canada, Costa Rica, England, France, Greece, India, Ireland, Italy, Japan, Mexico, New Zealand, Scandinavian Countries, So. Africa, So. America, Spain	Africa, Algeria, Austria, Belgium, Canada, Central America, England, France, Fiji, Germany, Holland, Hong-Kong, Indonesia, Italy, Japan, Leeward Islands, Malaysia, Mexico, Middle East, Morocco, Netherland - Antilles, New-Caledonia, New Zealand, Phillipines, Poland, Portugal, Puerto Rico, Scandinavian Ctries., Spain, So. America, Switzerland, Thailand, Singapore, Turkey, Vietnam, West Indies	Columbia Haiti

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6. Employment rate in Appleton is affected by foreign trade.

Seven (7) of the 20 companies reported they would have to drop employees if they no longer participated in foreign trade. This drop would represent between 330 and 385 employees, from 2.5 to 2.9% of the labor force employed by the 20 companies involved in trade. The 3 retailers mentioned earlier represent an unknown factor. What percentage of their stock is imported or how their employment rate would be affected was not reported.

7. Area importing and exporting drew a sizeable group of salesmen, technicians and visitors into the area in 1973.

According to the survey, approximately 500 persons came to Appleton as a result of foreign trade. Four (4) of the paper companies reported a total of over 100 visitors, 5 of the farm and heavy machinery manufacturers reported a total of over 130 callers, and 4 other major employers reported a total of over 220 visitors.

8. Half of the companies involved in foreign trade have encountered some restrictions affecting their importing and exporting in 1973.

Five (5) of the 20 companies reported encountering U. S. and foreign restrictions, 3 experienced just foreign restrictions and 2 reported just U. S. restrictions.

Tariffs and import duties head the list of restrictions most often encountered, and were levied by both the U. S. and foreign countries.

Aside from tariffs and duties, the U. S. restriction mentioned most (by 3 of the 4 paper companies) was government price controls. Government price controls were in effect throughout 1973. These price controls were restrictive to a natural flow of trade in that they encouraged an artificial level of exporting which tended to compound U. S. shortage problems. It was reported that U. S. products were being exported at higher prices than price controls would permit if sold here. The price controls, said one company, were restrictive to importing also, because after a stiff premium had to be paid for the imported product, the high cost could not be passed along. One company stated that the price controls were forcing export of domestic pulp. One company considered the U. S. dollar devaluation to be restrictive to its trade.

Other U. S. restrictions reported were inability to export to Eastern block countries (reported by 1 company) and "dumping allegations" reported by 1 company.

Aside from tariffs and duties, the foreign restrictions mentioned most frequently were Canadian restrictions. Three (3) paper companies expressed concern over Canadian restrictions exclusively, even though they export to EEC countries, South America, Israel, Greece, Phillipines, Australia and the Scandinavian countries. Specifically cited by one paper company were the Canadian Provincial restrictions on exporting roundwood to the U. S. Canadian box car shortages were mentioned and one company wrote: "Canadian custom clearance sometimes cause 1 to 2 weeks delay of railroad cars at the border."

"Excessive and costly red tape" was cited under other foreign restrictions by 1 company and another reported "We find some countries protect their own local manufacturing firms for the sale of some lines of equipment being manufactured in their own country."

GENERAL COMMENTS

The initial step after developing a questionnaire is determining who should receive it. It was decided to send the foreign trade survey to companies in the Appleton area whom we could identify as having the potential of conducting foreign trade. All percentages and comparisons were made on the basis of such companies surveyed. No attempt was made to draw comparisons with the total manufacturers in the given area.

The decision to head north to Kaukauna rather than south into the Neenah-Menasha area was based on several factors. One was that the Appleton residents employed by the companies chosen to be surveyed were about equal to the number of Appleton residents employed by Neenah-Menasha companies. Two, though the Neenah-Menasha companies would probably represent larger dollar figures, the percentage figures used by the companies surveyed would be equally valuable in showing domestic vs foreign commerce. Three, there is a League of Women Voters of Neenah-Menasha who might prefer to investigate that area.

Each of the surveys was delivered to the president or resident plant manager of each company to receive his sanction. All companies were assured complete anonymity.

One limitation to this study should be recognized. Not all questions were answered by every manufacturer. Also, the survey could have taken on greater significance if it had been possible to divide the manufacturers into the Standard Industrial Trade Classifications. The types of industries proved too diverse to use this approach. However, the obvious groupings were Paper Manufacturers (4) and Farm and Heavy Machinery Manufacturers (6). The other 10 companies were grouped under Other Major Employers or Miscellaneous Smaller Employers.

FOREIGN TRADE SURVEY

January 1974

IMPORTS

1. List any imported materials used by your company in the manufacture of its products and the countries from which they come.

2. What is the estimated total dollar value of these imported materials. (1973)

\$ _____

3. What approximate percentage of your materials do these imports represent, excluding imports from Canada. (1973)

_____ %

What approximate percentage of your materials do imports from Canada represent. (1973)

_____ %

EXPORTS

4. List the products exported by your company and the countries to which they went.

5. What is the estimated dollar value of the exports.

\$ _____

6. What approximate percentage of your total sales do these exports represent, excluding Canada. (1973)

_____ %

What approximate percentage of your total sales are Canadian sales. (1973)

_____ %

GENERAL INFORMATION

7. What was the average employment of your company in this community for the past year.

LEAGUE OF WOMEN VOTERS OF APPLETON
FOREIGN TRADE SURVEY

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Page 2

GENERAL INFORMATION (continued)

8. What approximate percentage of your total employment would be dropped if you were not involved in world trade. _____%
9. Approximately how many persons called on your company in 1973 as a result of world trade. _____
10. Please list the principle products made by your company in this community.
11. What trade restrictions have you encountered in your importing or exporting (i.e. tariffs, quotas, etc.) Describe briefly.
- A. U. S. restrictions
- B. Foreign country restrictions
12. If none of the previous questions apply to your company, check one or more of the following statements.
- _____ Company had no foreign trade between 1968 and 1973.
- _____ Company has current plans to expand into foreign trade.
- _____ Company does not have current plans for foreign trade.

Name of Company _____

Name of respondent _____

Telephone _____