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# FOREIGN TRADE FACTS

## for Illinois Citizens

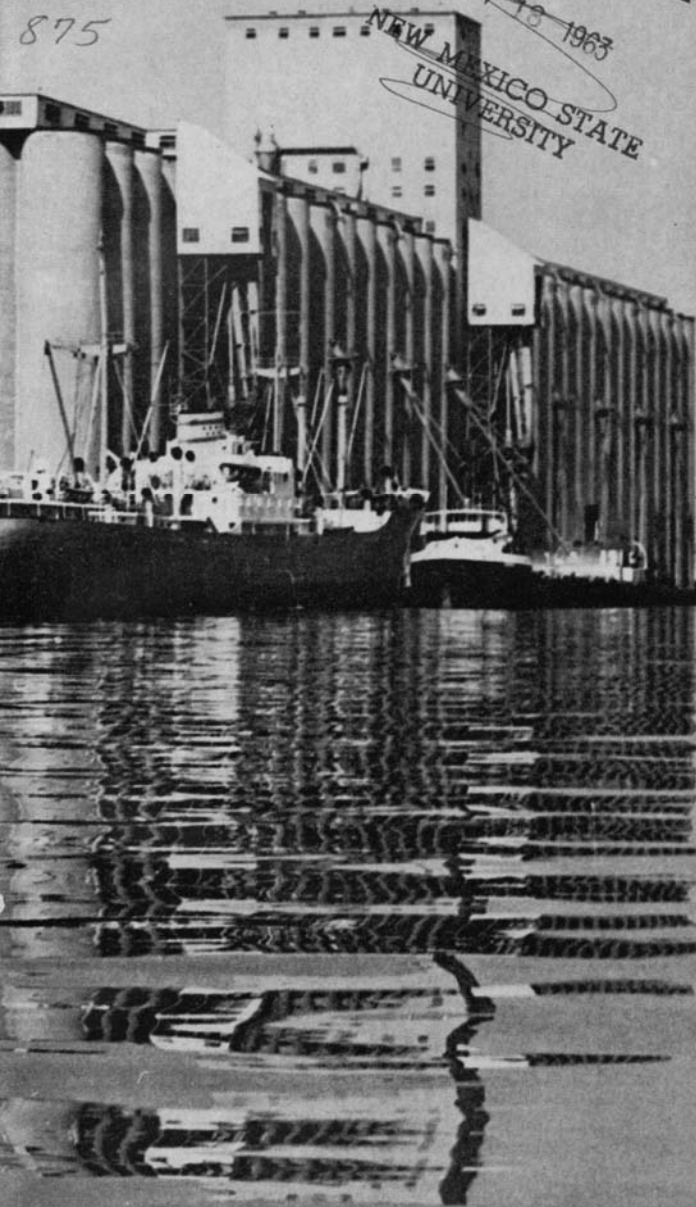
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**THE FOREIGN TRADE** of the United States is a 40 billion dollar business. It involves every major industry and affects every family in the nation.

Since foreign trade provides opportunities for some businesses and competition for others, it is a highly controversial subject. The controversy is intensified by a lack of public knowledge about our imports and exports and their effects upon our farms, businesses, and level of living.

This folder presents some basic facts about imports and exports of agricultural and industrial products. It is hoped that these facts will help our citizens gain a better understanding of our foreign trade and how it affects their daily lives and our national welfare.

### **WHAT IS FOREIGN TRADE?**

“Foreign trade” refers to business activity that crosses national boundary lines: A grain firm buys corn in Illinois and sells it in the Netherlands. A Chicago manufacturer sells electrical machinery in Canada. A grocery company in New York buys coffee in Brazil. An automobile distributor in California buys cars from Germany.

Shipments across national boundaries are subject to more regulations, restrictions, and taxes than are other shipments. And the processes of paying for them are more complicated. Otherwise foreign trade is similar to trade between Chicago and Springfield. Or Illinois and Pennsylvania.

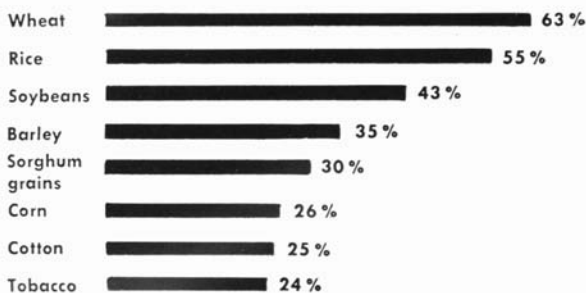
### **WHY IS FOREIGN TRADE CONTROVERSIAL?**

Foreign trade is controversial largely because people have conflicting interests that are variously affected by imports and exports. For example, we can buy Swiss watches for less money than American watches. This is an advantage for most of us, but not for our watchmakers.

The people in our exporting industries, on the other hand, depend upon imports to maintain their export sales. When we buy things from foreign countries we pay for them with dollars. Without these dollars, the foreign countries could not buy the products of our farms and factories.

## WHAT ARE OUR MOST IMPORTANT AGRICULTURAL EXPORTS?

We export a large share of every major cash crop. The chart below shows exports of leading crops in 1962, expressed as percentages of farm sales.



The values of the leading agricultural exports were as follows:

Wheat and flour.....	\$1,134,000,000
Feed grains and feeds.....	824,000,000
Oilseeds and vegetable oils.....	633,000,000
Animal products.....	589,000,000
Cotton, excluding linters.....	528,000,000
Fruits and vegetables.....	434,000,000
Tobacco, unmanufactured.....	373,000,000
Rice.....	153,000,000

## WHO BUYS OUR FARM PRODUCTS?

Industrial nations are the biggest buyers, although large amounts are also shipped to developing countries. In 1962 the countries listed below took 67 percent of our exports of agricultural products.

Japan.....	\$482,000,000
United Kingdom.....	445,000,000
Canada.....	425,000,000
West Germany.....	395,000,000
Netherlands.....	380,000,000
India.....	296,000,000
Italy.....	176,000,000
UAR-Egypt.....	171,000,000
Belgium.....	135,000,000
Spain.....	99,000,000
Brazil.....	94,000,000
Korea, Republic of.....	92,000,000
Pakistan.....	91,000,000
France.....	90,000,000

## WHAT MANUFACTURED PRODUCTS DO WE SELL IN FOREIGN COUNTRIES?

Almost every kind of product made in the United States is exported. The values of the principal product groups in 1960 were as follows:

Transportation equipment .....	\$2,804,000,000
Electrical machinery .....	1,112,000,000
Other machinery .....	3,188,000,000
Chemicals .....	2,022,000,000
Food and kindred products.....	1,635,000,000
Primary metal industries.....	1,221,000,000
Textiles and apparel.....	735,000,000
Petroleum and coal products.....	640,000,000
Fabricated metal products.....	554,000,000
Tobacco products .....	494,000,000
Instruments .....	471,000,000
Paper and allied products.....	457,000,000
Rubber and plastic products.....	306,000,000
Lumber and wood products.....	238,000,000
Stone, clay, and glass products....	221,000,000
Printing and publishing.....	146,000,000
Other.....	657,000,000
TOTAL.....	\$16,898,000,000

## WHO ARE THE PRINCIPAL BUYERS OF OUR MANUFACTURED PRODUCTS?

The largest foreign buyers for some of our main manufactured exports are given in the following paragraphs. Figures in parentheses show, for 1960, the value of exports from Illinois factories, and the number of workers in these factories.

Transportation equipment: Canada, France, Venezuela, Mexico, Brazil (\$131 million; 28,000 workers).

Electrical machinery: Canada, Mexico, Argentina, Venezuela, Brazil (\$124 million; 93,000 workers).

Other machinery: Canada, Mexico, Japan, United Kingdom, Argentina, West Germany, France, Brazil, Colombia (\$652 million; 124,000 workers).

Food products: West Germany, Canada, United Kingdom, Netherlands, Switzerland, Belgium, Luxembourg, Venezuela, Egypt, Indonesia, and Nigeria (\$184 million; 31,000 workers).

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## HOW IMPORTANT ARE EXPORTS TO THE PEOPLE OF ILLINOIS?

Export sales are very important to Illinois farmers, industrial workers, and businessmen.

Illinois's share of agricultural exports exceeds \$350 million annually — and is increasing. The leading exports are soybeans and soybean products, corn, wheat, and livestock products. The production of crops for export requires 27,000 full-time workers, or about one out of every nine employed on Illinois farms.

In 1960, 666 Illinois firms each sold more than \$25,000 worth of manufactured products to buyers in other lands. These firms employed 464,000 men and women. Total exports of manufactured items were valued at \$1,408 million, placing Illinois second in the nation in the value of manufactured products exported.

The leading exports by Illinois manufacturers are construction machinery and equipment, metal working machinery, transportation equipment, electrical machinery, hardware, and chemicals.

The leading buyers of our manufactured products are in Canada, Mexico, Japan, Venezuela, Brazil, the United Kingdom, Argentina, West Germany, Colombia, and the Republic of the Philippines.

## WHAT DO WE BUY FROM OTHER COUNTRIES?

In 1962 we imported products valued at \$16.4 billion. Most of our imports — 60 to 65 percent — do not compete with domestic production.

Almost half of our imports are raw materials and partly processed products needed by our factories but not produced in sufficient quantities in the United States. We import most of our aluminum ore, tin, nickel, manganese, industrial diamonds, chrome, and newsprint, one-third of our iron ore and copper, and one-fifth of our petroleum.

Over 30 essential imported materials are used in making automobiles. Nearly half of the materials needed for making telephones are obtained in other countries.

Imports of non-agricultural products competi-

tive with domestic production amount to only \$3 billion to \$4 billion, or about 1 percent of our total national output.

Imports of agricultural products were valued at \$3.9 billion in the year ended June 30, 1963. These imports included \$1.7 billion worth of coffee, natural rubber, cocoa, carpet wool, bananas, tea, and other products which are not produced in the United States.

Imports of sugar, meats, and other items competitive with our own products were valued at \$2.2 billion, or less than half the value of our agricultural exports — \$5.1 billion.

**COVER PICTURE:** Ocean-going ship is being loaded with grain at the port of Chicago.

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