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EXPORT OF NEBRASKA MANUFACTURED PRODUCTS

In a vigorous attempt to achieve a favorable balance of trade the Administration, through unprecedented demands for power to negotiate trade agreements and through activities of the Department of Commerce, the Department of Agriculture, and other agencies, is making an extreme effort to promote the sale of U.S. products abroad. International financial specialists, foreign trade analysts, freight forwarders, and representatives of widely diverse business and financial groups are being enlisted to help stimulate export business.

Nebraska manufacturers discovered long ago that the only valid generalization about export business is that one should never attempt to generalize about it. Thus they are listening, with some caution, to the prognosticators who are predicting with considerable unanimity that for the short term, at least, U.S. export prospects are good. Exporters communicating with the Bureau of Business Research indicate, however, that they are not only carefully examining the factors that may affect future foreign trade opportunities, but are also trying to learn as much as possible about the recent experience of other Nebraska exporters.

To answer the many requests for information about Nebraska manufactured exports in 1972 this article has been prepared subject to amplification later in the year when the annual *Survey of the Origin of Exports by Manufacturing Establishments* is published. In years past, data on state and regional exports of manufactured products have been published by the Industry Division of the Bureau of the Census early in April in time to be used in connection with figures collected by the Bureau of Business Research in its annual survey of a representative sample of Nebraska exporters. This year, however, figures from the Bureau of the Census are not yet available.[1] **(Continued on page 2)**

[1] Wayne M. McCaughey, Industry Division, Bureau of the Census, wrote in April: "Data for years 1971 and 1972 are currently being collected and processed simultaneously. We expect to be able to publish 1971 data in midsummer 1973. At this time no data are available for any region for 1971." A letter from Frances Hall, Director of the International Trade Analysis Staff of the Department of Commerce, dated April 12, stated: "The data for our State Export Origin Reports are collected once every three years . . . A new survey is now in process, however, and information on Nebraska's exports in 1971 and 1972 should be available by the end of the year."

TABLE 1
DOLLAR VOLUME OF EXPORT SALES, IDENTICAL SAMPLE, NEBRASKA MANUFACTURERS SELECTED YEARS
(Dollars rounded to even thousands)

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	Total Export Sales	Percent Increase
13 Firms											*1963-72*	
Export Sales	3,728	4,673	6,248	9,664	10,088	12,230	13,756	14,063	15,331	16,787	106,568	350.3
Mean	287	359	481	743	776	941	1,058	1,082	1,179	1,291	8,198	
Median	65	92	118	180	256	335	370	370	385	392		
29 Firms											*1965-72*	
Export Sales			7,718	12,113	13,335	16,208	19,414	20,650	21,922	27,187	138,547	252.2
Mean			266	418	460	559	669	712	756	937	4,777	
Median			95	225	220	254	325	270	290	376		
39 Firms											*1967-72*	
Export Sales					15,285	17,819	23,546	26,683	28,585	32,385	144,303	111.9
Mean					392	457	604	684	733	830	3,700	
Median					149	177	290	200	250	282		
59 Firms											*1968-72*	
Export Sales						19,555	25,591	29,548	32,530	36,519	143,743	86.8
Mean						331	434	501	551	619	2,436	
Median						130	162	154	140	139		
64 Firms											*1970-72*	
Export Sales								31,004	34,246	38,380	103,630	23.8
Mean								484	535	600	1,619	
Median								120	118	135		

Source: Compiled and calculated from Bureau of Business Research Survey.

(Continued from page 1)

Nebraska manufacturers doing business abroad, who have always cooperated generously by taking time to answer the Bureau's survey questionnaire, have this year, perhaps more than ever before, been extremely helpful. Because it is contrary to company policy, some Nebraska firms that have become part of large national or international corporations can no longer furnish export figures, but they continue to supply other helpful information. Fortunately many other firms now owned by out-of-state companies are able to continue to provide export sales data. As these are among the state's major exporters, their data are most important in attaining a representative sample.

There are many manufacturing companies that have not only supplied data covering a considerable period of time but have also made wide-ranging observations which illuminate the state's export business—comments which, however, defy generalization.

The observations range from, "Our foreign business has far exceeded our expectations," to "Our export business has been declining." In between these extremes are such statements as, "Sales overseas have made the difference between profit and loss in our total operation;" "Competition from other countries is getting tougher each year, but so far we have been able to find new outlets for our products;" "We worked twice as hard last year just to keep our export volume at the same level it was the year before;" and "Our sales abroad have increased steadily since we began employing both U.S.-based and foreign-based export agents." One long-time exporter reported serious problems: "Low import duties on a competitive product and high duties abroad have ruined both the domestic and the export market."

OVERALL EXPORT INCREASE

Many Nebraska exporters are, as one of them put it, "doing more than all right," with 64 firms in a representative sample (including six major commodity categories) achieving an overall increase in dollar volume of exports from $31 million in 1970 to $38.4 million in 1972, an increase of 23.9 percent. It must be recognized, of course, that this increase in dollar volume of manufactured exports from 1970 to 1972 reflects not only an increase in the number of product units exported but the effect of inflation on total dollar value of shipments.

Data on export sales of identical manufacturers responding to the Bureau survey reveal sizable overall increases for each time period examined. Thirteen firms furnishing figures on export sales for each year from 1963 through 1972 exhibited a percentage increase of 350 percent, with gains being shown each year, as may be seen in Table 1. The greatest rate of rise was from 1965 to 1966 (54.7 percent) and the smallest from 1969 to 1970 (2.2 percent). Twenty-nine firms which supplied data from 1965 through 1972 recorded a 252 percent increase in exports. This group also registered the sharpest rise from 1965 to 1966 (56.9 percent), but experienced the smallest rate of gain from 1970 to 1971 (6.2 percent). From 1971 to 1972 the group of 13 firms increased export sales by only 9.5 percent, whereas the 29 exporters had increases of 24 percent.

Thirty-nine firms reported exports from 1967 through 1972 and 59 from 1968 through 1972. Both groups exhibited the highest annual rate of increase from 1968 to 1969, rates of 32.1 percent and 30.9 percent, respectively. These groups of manufacturers recorded relatively low rates of increase from 1970 to 1971, however, with the 39 firms having a gain of only 7.1 percent, and the 59 firms, 10.1 percent.

From 1971 to 1972, the 39 firms, the 59 firms, and a third group numbering 64 firms showed considerable uniformity in rate of increase in value of exports, 13.3 percent, 12.3 percent, and 12.1 percent, respectively.

Although data on averages are not particularly significant, it may be noted that the mean exports of the 13 long-time exporters (furnishing figures from 1963-73) amounted to $1.3 million in 1972, with the median dollar volume being $392 thousand. As shown in Table 1, as the number of firms included in a group increased, there tended to be a larger proportion of firms new to export business, and both the mean and median figures declined. Thus in 1972 the mean exports of the group of 29 firms was $937 thousand and the median, $376 thousand, while mean exports of 39 firms came to $830 thousand and the median was $282 thousand. For the group of 59 firms the mean export dollar volume was $619 thousand and the median, $139 thousand, whereas the 64 firms exhibited a mean of $600 thousand and a median of $135 thousand.

DIVERSITY OF EXPORT EXPERIENCE

It is significant that although the various groups of manufacturers showed overall increases in dollar volume of exports year to year and for every time period included, there was great diversity of behavior among individual firms. Some of the manufacturing companies that have been exporting *for a long time had*

TABLE 2
DOLLAR VOLUME OF EXPORTS, IDENTICAL SAMPLES, NEBRASKA MANUFACTURERS
SELECTED INDUSTRIAL CLASSIFICATIONS, 1968-1972
(Dollars rounded to even thousands)

Year	Food Products (10 firms)	Percent Change	Metal Products (11 firms)	Percent Change	Chemicals and Allied Products (8 firms)	Percent Change	Machinery (except electrical) (9 firms)	Percent Change	Electrical Machinery, Equipment, & Supplies (10 firms)	Percent Change	Miscel-laneous Products (11 firms)	Percent Change	Total (59 firms)	Percent Change
1968	$ 4,782		$ 3,890		$ 3,445		$ 2,904		$ 2,861		$ 1,673		$ 19,555	
1969	5,991	+25.3	4,512	+16.0	4,185	+21.5	4,990	+71.8	3,692	+29.0	2,221	+32.8	25,591	+30.9
1970	5,828	− 2.7	5,059	+12.1	6,120	+46.2	5,841	+17.1	4,191	+13.5	2,509	+13.0	29,548	+15.5
1971	6,832	+17.2	5,573	+10.2	7,664	+25.2	5,183	−11.3	4,968	+18.5	2,310	− 7.9	32,530	+10.1
1972	7,424	+ 8.7	5,800	+ 4.1	8,407	+ 9.7	6,755	+30.3	5,469	+10.1	2,664	+15.3	36,519	+12.3
Total	$30,857		$24,834		$29,821		$25,673		$21,181		$11,377		$143,743	
Percent Change 1968-72	+55.2		+49.1		+144.0		+133.3		+91.2		+59.2		+86.8	

Source: Compiled and calculated from Bureau of Business Research Survey.

sizable increases each year, as did some of those that entered foreign markets more recently. In contrast, other exporters, including some that have been selling abroad for many years as well as some that are relatively new to foreign trade, report experiencing extreme fluctuations; peak sales in one year have often been followed by sharp declines the next year. Unfortunately, a few of the state's exporters report steadily declining sales in recent years despite valiant efforts to meet competition in old markets and to develop new markets.

One manufacturer of specialized equipment, who decided that his product had probably saturated the market in Western Europe, set out to find a new product that could be manufactured with relative ease and would have export appeal in the trade areas with which he was familiar. After a few lean years his venture began to pay off, and last year the firm made sizable sales of the new product in the European market.

MAJOR PRODUCT CATEGORIES

As may be seen in Table 2, 59 firms in six major product categories reported the amount of their export sales from the years 1968 through 1972. Because an effort was made to assure a representative sample in each product category these figures do not, however, include data from all companies participating in the survey.

The highest rate of increase in exports from 1968 to 1972 was shown by the eight firms constituting the "chemicals and allied products" category, with increases being recorded each year for a total of 144 percent. The nine firms in the "machinery, except electrical" classification were second high in overall increase (133.3 percent) but this group recorded a decline of 11.3 percent from 1970 to 1971. Ten firms manufacturing electrical machinery, equipment, and supplies recorded increases each year for a total of 91.2 percent from 1968 to 1972. Although ten manufacturers of food products had a 2.7 percent decline in exports from 1969 to 1970, the group had a total increase of 55.2 percent from 1968 to 1972. The smallest rate of gain in exports for the five-year period, 49.1 percent, was shown by eleven metal products manufacturers. This group registered increases year to year, but the rate of gain steadily declined (from 16 percent for 1968 to 1969 to only 4.1 percent for 1971 to 1972).

Eleven firms included in the "miscellaneous products category" exhibited the largest annual increase, 32.8 percent, from 1968 to 1969, experienced a decline of 7.9 percent from 1970 to 1971, but registered a gain of 15.3 percent last year. The category showed an increase of more than 59 percent for the period 1968-72.

When data on the 59 firms are combined an overall annual growth rate was shown, the highest percentage gain, 30.9 percent, being from 1968 to 1969, and the lowest, 10.1 percent, from 1970 to 1971. The total percentage increase for the five-year period was 86.8 percent. Overall figures conceal some critical variations, however, because some companies experienced a phenomenal rise in export business, while others had slow rates of growth, or even a decline.

PROPORTION OF MANUFACTURES EXPORTED

Because data are not available on the total value of Nebraska manufactured products nor on the extent of the state's export of such products in 1972, it is not possible to cite the proportion of the state's manufactures entering the foreign market last year.

There is considerable evidence that in recent years Nebraska

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industry has been processing within the state larger proportions of the production of Nebraska farms and ranches. Thus in 1971 the value of food and kindred product shipments constituted larger proportions of the total value of Nebraska manufactured shipments, of the value added by manufacture, and of the total cost of materials than in the previous year. Similarly, in the categories of meat and meat products and of grain mill products, proportions of shipments of these categories to total food shipments exhibited consistent increases from 1971 to 1972. It appears, however, that the increased processing within the state may not have resulted in an overall identifiable increase in export of such products.

EXPORT SOPHISTICATION

There is mounting evidence that Nebraska manufacturers are becoming more sophisticated in conduct of sales overseas. Some of them now maintain export divisions in their own corporate structure, while several employ one or more foreign trade specialists on their sales and promotion staff. Increasingly, too, the state's industrialists are seeking the services of outside agencies having expertise in export business.

There can be no doubt that there have been conspicuous changes in the way business is conducted abroad and in the way Nebraska products get to foreign markets. Air freight is carrying an increasing proportion of Nebraska exports and containerized shipping is gaining in popularity in both surface and air cargo.

Of the respondents in the Bureau survey, 26 reported that they have U.S.-based export agents, 20 have foreign-based representatives, and eight firms employ both. Several Nebraska companies operate plants in Canada, one has manufacturing plants in Germany and Australia; there are joint venture plants in Europe, South America, and Central America. Nine respondents have been members of trade missions and several have had exhibits at foreign trade fairs sponsored by the U.S. Department of Commerce.

Nebraska exporters once traveled mainly to the "West"—Western Europe, that is—and this area is still prominent on the list of travel destinations specified by survey respondents, but in recent years many businessmen have been traveling to the Far East. Fourteen exporters mentioned Western Europe as the destination of their travels, with England, France, Germany, Sweden, Belgium, Holland, Spain, and Italy being the individual countries most often mentioned. Several respondents have looked for export markets in Russia and Israel. Twenty-four manufacturers mentioned travels to other areas; seven had been to Japan; seven, Australia; five, Asia; three, New Zealand; and two, India.

Many of the state's exporters who are traveling abroad this year describe their trips as "worldwide." (Continued on page 6)

Review and Outlook

Both the national economy and the Nebraska economy continued a strong pattern of growth in March. The Nebraska dollar-volume index stood at a level of 165.2 percent of the 1967 average in March compared with levels of 162.2 in February and 161.3 in January. The comparable national values were 162.5 for March, 160.1 for February, and 158.5 for January.

As a result of further revisions in employment data, both the national and state figures for January and February differ from those previously published. The new employment series now available should yield 1973 monthly index values more nearly comparable to those already published for 1971 and 1972.

The February to March increase in the overall dollar-volume index for Nebraska (from 162.2 to 165.2) can be attributed largely to a sharp rise for the month in the agricultural index (from 156.2 to 172.7), which in turn can be attributed largely to an increase in agricultural prices received (from 158.6 to 168.0). Among the nonagricultural sectors there were small increases from February to March in the distributive index (from 160.3 to 161.5) and the government index (from 177.1 to 178.2), a small decline in the manufacturing index (from 150.7 to 150.2) and a larger drop in the construction index (from 211.3 to 201.6).

From the first quarter of 1972 to the first quarter of 1973 the increase in the overall dollar-volume index for Nebraska was 12.5 percent. This compares with a national increase for the same

(Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication, and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

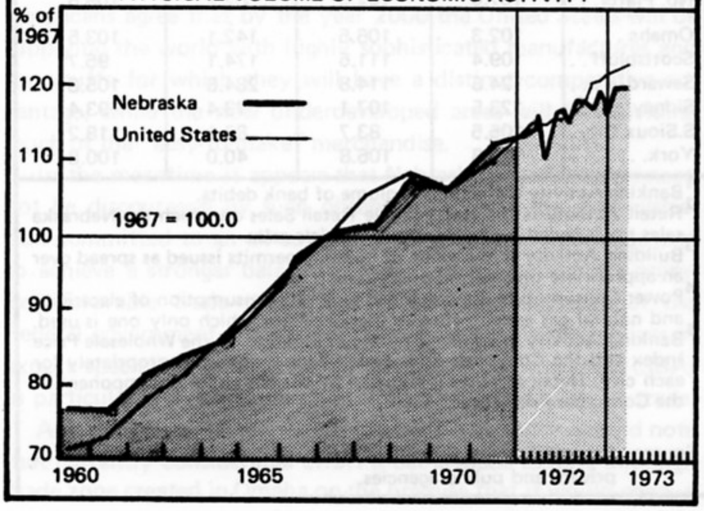
1. CHANGE FROM PREVIOUS YEAR

March 1973	Current Month as Percent of Same Month Previous Year		1973 Year to Date as Percent of 1972 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	112.0	113.4	112.5	113.0
Agricultural	132.0	129.8	128.5	125.1
Nonagricultural	108.5	112.9	109.7	112.6
Construction	118.6	112.4	126.7	112.0
Manufacturing	110.5	117.9	111.2	116.7
Distributive	108.7	111.4	108.8	111.7
Government	102.3	109.8	105.2	109.1
Physical Volume	101.9	106.2	103.8	107.0
Agricultural	94.4	91.8	98.8	97.9
Nonagricultural	103.2	106.8	104.7	107.3
Construction	112.0	106.2	119.9	106.0
Manufacturing	100.5	109.4	102.7	109.8
Distributive	103.8	106.4	104.6	107.3
Government	101.0	102.9	101.9	102.9

2. CHANGE FROM 1967

Indicator	Percent of 1967 Average: Nebraska	U.S.
Dollar Volume	165.2	162.5
Agricultural	172.7	170.3
Nonagricultural	163.7	162.2
Construction	201.6	180.4
Manufacturing	150.2	145.3
Distributive	161.5	167.4
Government	178.2	171.5
Physical Volume	119.4	123.5
Agricultural	102.8	107.7
Nonagricultural	122.7	124.1
Construction	140.0	125.3
Manufacturing	116.3	115.6
Distributive	129.0	151.1
Government	117.6	122.0

PHYSICAL VOLUME OF ECONOMIC ACTIVITY



3. NET TAXABLE RETAIL SALES[1] OF NEBRASKA REGIONS (Unadjusted for Price Changes)

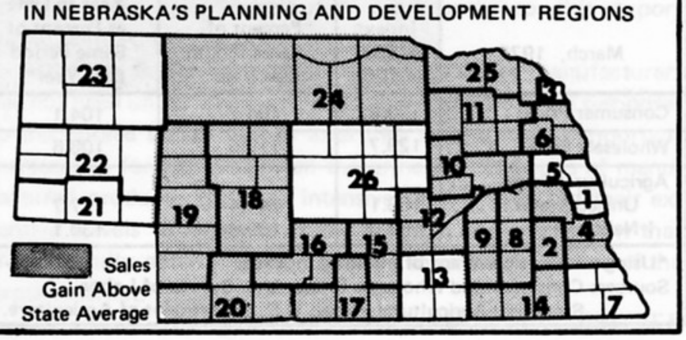
Region[2] and Principal Retail Trade Center	March, 1973 as Percent of March, 1972	1973 Year to Date as Percent of 1972 Year to Date
The State	113.5	113.5
1 (Omaha)	111.9	110.3
2 (Lincoln)	112.4	114.6
3 (So. Sioux City)	96.6	103.8
4 (Nebraska City)	112.3	114.3
5 (Fremont)	108.4	108.6
6 (West Point)	116.0	119.2
7 (Falls City)	107.7	109.6
8 (Seward)	123.1	117.9
9 (York)	119.8	121.0
10 (Columbus)	116.5	118.9
11 (Norfolk)	124.0	126.4
12 (Grand Island)	115.2	115.4
13 (Hastings)	110.7	111.4
14 (Beatrice)	114.5	114.9
15 (Kearney)	110.2	113.6
16 (Lexington)	116.5	114.8
17 (Holdrege)	110.0	115.3
18 (North Platte)	112.0	115.6
19 (Ogallala)	118.3	121.6
20 (McCook)	114.3	115.0
21 (Sidney, Kimball)	112.8	112.7
22 (Scottsbluff)	116.8	109.7
23 (Alliance, Chadron)	107.9	112.5
24 (O'Neill)	124.8	123.6
25 (Hartington)	127.6	128.7
26 (Broken Bow)	113.8	113.0

[1]Sales on which sales taxes are collected by retailers located in the state, *including motor vehicle sales.*

[2]"Planning and development" regions as established by the Nebraska Office of Planning and Programming and shown in the map below.

Source: Compilations by Bureau of Business Research from data provided by the Nebraska Tax Commissioner.

1973 YEAR TO DATE AS PERCENT OF 1972 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4)
period of 13 percent, indicating that Nebraska is keeping up fairly well with the very strong pattern of national growth. If it were not for the strength of the agricultural sector (particularly agricultural prices), however, Nebraska would probably be lagging well behind in the current national boom. The state nonagricultural dollar-volume index rose only 9.7 percent from the first quarter of 1972 to the first quarter of 1973 while the national index increased 12.6 percent.

The Nebraska economy normally rises less in national expansions and falls less in national contractions than the average state because it has relatively little employment in industries such as durable goods manufacturing where demand and production fluctuate significantly as general economic conditions change. A recent article in the *Survey of Current Business,* for example, shows that all but three states have exhibited greater sensitivity to national business cycles than Nebraska.*

Nebraska still has relatively large fluctuations in income because of its heavy dependence on agriculture, a relatively uncertain source of income. The fluctuations in agriculture, however, usually are not closely related to national business cycles.

In the current expansion phase of the cycle high agricultural income has supported activity in nonagricultural sectors in Nebraska, with the result that the state has not lagged as far behind the national growth rate as has been typical of past booms. If agricultural prices tend to level off in the next few months, Nebraska will continue to lag behind the nation in the remainder of the current upswing, but unless agricultural prices fall substantially the state may expect to drop less rapidly than the nation should the current national expansion give way to contraction.

Rising retail sales continue to be an important factor in the expansion of business activity in Nebraska. Table 3 shows that total retail sales for the state in March were 13.5 percent above March, 1972. The table also shows that the state increase from the first quarter of 1972 to the first quarter of 1973 was also 13.5 percent. Thus the growth of retail activity so far in 1973 has been both significant and consistent.

Indicators of business activity for cities are presented in Table 4. In this table the average growth in banking activity from March, 1972, to March, 1973, is placed at 4.3 percent and the average growth of retail activity at 6.4 percent. In contrast to the other numbers discussed so far, however, the retail and banking data in Table 4 are adjusted for price change, and therefore generally show significantly lower figures. V. R.

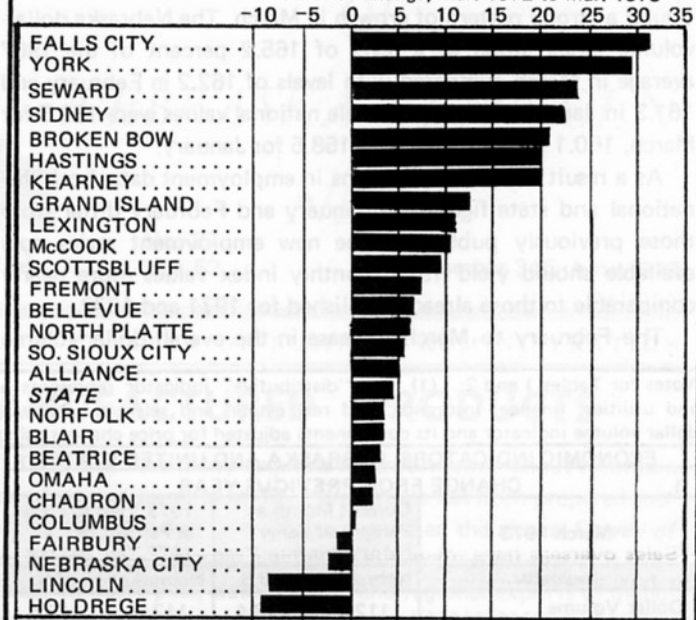
*Robert B. Bretzfelder, "Sensitivity of State and Regional Income to National Business Cycles," *Survey of Current Business,* April, 1973, pp. 22-33.

5. PRICE INDEXES

March, 1973	Index*. (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	129.8	104.7	104.1
Wholesale Prices	129.7	110.5	108.6
Agricultural Prices			
United States	158.1	141.4	127.7
Nebraska	168.0	139.8	130.1

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

CITY BANKING ACTIVITY
Percent Change, Mar. 1972 to Mar. 1973



Source: Table 4 below.

4. MARCH CITY BUSINESS INDICATORS

The State and Its Trading Centers	Banking Activity[1]	Retail Activity[2]	Building Activity[3]	Power Consumption[4]
	Percent of Same Month a Year Ago (Adjusted for Price Change)[5]			
The State	104.3	106.4	136.9	104.9
Alliance	105.0	94.6	1235.6	101.9
Beatrice	102.6	107.2	68.3	102.9
Bellevue	107.3	114.4	39.6	110.1*
Blair	102.8	108.9	80.4	100.7
Broken Bow	120.4	108.0	69.5	115.7
Chadron	102.2	109.2	260.7	103.2
Columbus	100.6	108.0	115.6	105.2
Fairbury	98.2	102.0	182.6	103.2*
Falls City	131.6	97.7	27.0	105.2
Fremont	107.6	101.5	212.4	88.1*
Grand Island	113.5	108.3	243.9	118.9
Hastings	120.1	104.8	43.9	106.2
Holdrege	90.5	103.9	254.0	106.8
Kearney	120.1	106.4	261.3	102.2
Lexington	110.7	113.0	211.5	97.3
Lincoln	91.7	106.8	200.0	105.9
McCook	110.2	109.2	195.5	112.0
Nebr. City	97.2	97.1	37.9	105.8
Norfolk	102.8	112.5	73.2	100.8
No. Platte	107.0	102.5	62.2	109.6
Omaha	102.3	106.5	142.1	103.5
Scottsbluff	109.4	111.5	174.1	95.7
Seward	124.6	114.8	284.6	105.8
Sidney	123.5	107.1	73.4	93.4
S.Sioux City	105.5	83.7	87.1	118.2*
York	129.8	106.8	40.0	100.8

[1] Banking Activity is the dollar volume of bank debits.
[2] Retail Activity is the Net Taxable Retail Sales on which the Nebraska sales tax is levied, ***excluding motor vehicle sales.***
[3] Building Activity is the value of building permits issued as spread over an appropriate time period of construction.
[4] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.
[5] Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city; Retail Activity is adjusted by the commodity component of the Consumer Price Index.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

Dorothy Switzer

With this issue of *Business in Nebraska* the retirement of Dorothy Switzer brings to an end her fifteen-year career as a member of the staff of the Bureau of Business Research.

When I arrived ten years ago to take over the directorship of the Bureau I found that my entire staff consisted of Dorothy

Switzer. I also found that she was capable of doing all the work. Perhaps this was due in part to the fact that she was at her desk before anyone else arrived in the morning and long after everyone else left in the evening. She was well acquainted with the custodial staff, which cleaned up between 10:00 p.m. and midnight, and also, I soon discovered, with almost everyone else of any importance in the state of Nebraska.

No one could have had a better tutor than Dorothy as he learned his job and his way around a new state. Part of the initiation consisted of learning how to pronounce Kearney and Beatrice and how to spell Holdrege, Ogallala, Scottsbluff City, and Scotts Bluff County, as well as the fact that percent is all one word. In fact, Dorothy has always spurned hyphenation in most words, but she has never spurned hyphenation of duties and she has performed them all, from the most menial clerical chores* to the most rigorous statistical and editorial tasks.

During the past decade, as she has had the opportunity to assume steadily increasing responsibility, her writing has become known throughout the state and nation, and she has become the symbol of the Bureau to many of its clients. It is fitting that on the eve of her retirement Dorothy has just been notified of additional honors she has won, including a first place award in the Nebraska Press Women's competition for her article on "Women in the Nebraska Labor Force," which appeared in these pages in December, 1972.

In the months and years ahead we in the Bureau will miss her ready wit, her cheery smile, her hearty laugh, and her sharp editorial eye. In recognition of the outstanding service she has rendered to the Bureau, the College, and the University, Dorothy has been awarded a lifetime subscription to *Business in Nebraska*. conditioned only by the proviso that she call our attention to only the most serious of the many mistakes we will make that she would have caught.

I shall cherish our years of association and shall always be grateful for the opportunity I have had to work with and learn from Dorothy Switzer. In her retirement I am sure she will continue her traveling and her writing, and I hope we will have the opportunity to continue to learn from the former and to publish some of the latter.

E. S. WALLACE

*For example, I found that my desk was supplied daily with sharpened pencils, both red and black in color. This was the first time I had ever enjoyed the luxury of not having to sharpen my own pencils.

(Continued from page 3) One manufacturer has visited 21 countries to develop export markets and several report making annual trips to Canada, Mexico, and South America. It is not uncommon for Nebraska businessmen to meet other Nebraska exporters in foreign places; one Omahan who spends much time abroad says that he sees some of his local competitors more often overseas than he does at home.

FUTURE DEVELOPMENTS

The future of Nebraska exports, like the future of U.S. foreign trade, depends upon so many complex, diverse, and interrelated factors that no one who is familiar with the massive uncertainties involved is making long-range predictions. No one, that is, except some British economists who, with what *Business Week* terms "a typically British combination of insight and condescension," have recently observed that in the future the United States will have nothing to export but jet aircraft and agricultural products. Some Americans agree that by the year 2000 the United States will be supplying the world with highly sophisticated manufactures and foodstuffs for which they will have a distinct comparative advantage, while the now underdeveloped areas will be providing much of the "easy-to-make" merchandise.

In the meantime it appears that Nebraska manufacturers need not be discouraged by such observations. With the Administration committed to an all-out effort to stimulate export business to achieve a stronger balance of trade, manufacturers are promised favorable trade regulations. Appropriate agencies of the Federal government are pledged to make available the services of export specialists, and the Small Business Administration (SBA) in particular is encouraging small firms to engage in foreign trade.

Any discussion of the future of Nebraska exports should note that currently considerable effort is being made to have a foreign trade zone created in Omaha on the premise that it would encourage foreign firms to set up manufacturing and assembly operations in the United States instead of importing finished products into the county. The question has been raised as to how this reverse foreign investment would affect Nebraska exporters.

Proponents of the foreign trade zone contend that there is no conflict of interest. Some Nebraska manufacturers are not so sure, however, for they fear that establishment of manufacturing and assembly operations by foreign firms within this state would affect the available labor supply and in the long run would raise labor costs for Nebraska manufacturers, thus making their products less competitive in foreign markets. Advocates of the proposal point out that in other states where there has been extensive reverse foreign investment it has been considered to be for the best interest of the state.

Whatever new developments may occur, it is evident that many Nebraska manufacturers are now employing sophisticated techniques in an attempt to be competitive in world markets. The efforts of the Nebraska Department of Economic Development, the Midwest International Trade Association, the international officers and consultants of Nebraska banks, and the expertise of business and professional firms providing services for exporters have contributed significantly to this export sophistication.

Although the export experience of Nebraska manufacturers has not been uniformly gratifying, it is evident from the responses to the Bureau survey that in total they have achieved important increases in foreign sales of all the principal categories of manufactured products. By their intensive sales efforts and their extensive travels to all parts of the world it seems apparent that they are fully determined to continue to claim their share of the export market.

DOROTHY SWITZER