



# NEWSLETTER

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## 350 Top Texas Industrialists Attend Second Boiler Seminar

More than 350 leading Texas industrialists attended the Seminar on Fuel Availability for Boiler Conversion sponsored by the Texas Industrial Commission in January at the Hilton Inn.

The day-long conference followed a previous seminar outlining the switch from gas to coal fueled boiler operations.

"Business leaders all over the state requested this second seminar to go into greater detail on the availability of other fuels and how to convert their current operations," said Jim Harwell, TIC executive director.

Texas is one of the first states to recognize the need to conserve its natural resources by issuing consumption-limitation orders. "We

### Industrial Activity Down 6% for 1976

The total number of new and expanding plants in Texas declined six per cent in 1976, according to the Bureau of Business Research at the University of Texas at Austin.

The 1976 figures are more encouraging than in 1975, when the decline from year-earlier figures amounted to 23 per cent.

The 25 standard metropolitan statistical areas continue to attract the majority of industrial activity, accounting for 83 per cent this past year. In 1975, 81 per cent of the new and expanded plants were located in SMSAs.

For a five-year overview of industrial activity, see the chart on Page 3.

felt a responsibility to help our industries with this semi-technical information seminar on how to best go about making the necessary changes," Harwell said.

Lieutenant Governor Bill Hobby opened the seminar with a statement on the state's energy policy.

Railroad Commissioner Mack Wallace explained the Railroad Commission order requiring a 10% reduction of natural gas as a boiler fuel by January 1, 1981.

The remainder of the conference covered the specifics of conversion.

## International trade study shows state's interest

Interest in the state's involvement in international trade has turned completely around in the past two years, according to a management consultant report presented to TIC Commissioners at the January quarterly meeting.

Dr. Darvin Winick of Lifson, Wilson, Ferguson and Winick, Inc. of Houston conducted studies into the matter both in 1974 and again in 1976. "The change was as different as daylight and dark," he told the commissioners. "In 1974, there was not near the interest we found through the latest survey."

TIC Executive Director James Harwell said the 1974 study left heavy pressure to de-emphasize international trade and to close the Mexico City office. "At the time Texas was one of five states providing international trade services in foreign countries," Harwell said.

## TIC sets goal to reduce manufacturing unemployment

The Texas Industrial Commission has set a major goal to reduce manufacturing unemployment to four per cent by 1980.

During their quarterly meeting in Bryan/College Station, the commissioners approved a staff proposal to create more than 70,000 jobs by increasing the state agency's services in industrial development, community services and international development.

Jim Harwell, executive director of the Industrial Commission, said the agency's proposal of a four (See UNEMPLOYMENT Page 3)

"We believed it was a valuable service, however, and this more recent report bears out our confidence."

Texas is now one of 26 states operating foreign offices.

Winick's study showed that Texas business leaders approve of the opening of more offices similar to the one maintained in Mexico City. "The Texas business community likes the services provided them by TIC's International Development Division and wants more of it," Winick said.

"The biggest interest is to the South. Most businesses are looking to Latin America for future trade, and they specifically want the formal assistance of the Industrial Commission."

The review of international trade activities showed current (See TRADE STUDY Page 3)





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## - NEWS BRIEFS -

Roy Williams, TIC's industrial development specialist, has been named executive vice president of the Huntsville-Walker County Chamber of Commerce, effective February 1. Williams joined TIC as part of Governor Briscoe's TEXAS FIRST program in 1975 after serving as an executive assistant with the Temple Chamber of Commerce for two years.

Plans are underway for the North Texas Commission's Economic Promotional Tour to New York City April 13-15. The Regional Development Committee is handling the arrangements. For more information contact Worth Blake, director of Regional Development.

The ninth National Rural Development Leaders School is scheduled for February 6-12 in Boulder, Colorado. The school is sponsored by USDA's Rural Development Service to help rural development leaders become more effective in dealing with local problems. Over 140 participants from 19 states are expected to attend.

Jack O'Callaghan, a former Xerox Corporation executive, was elected the first full-time president of the North Texas Commission, effective January 1. Dallas banker Charles H. Pistor, Jr., who had served as president, was elected chairman of the board.

The William Carter Company has announced plans for a new manufacturing plant in Raymondville to be in production by spring of 1977. The facility will employ 300 persons in the manufacture of nonflammable children's sleepwear. The company is currently operating a plant employing 200 in Lyford. With the new plant, a combined annual payroll of \$3 million can be expected in Willacy County.

The Congressional Research Service will conduct a study of the flow of population and economic

resources to the Sunbelt. Specific topics will include the Sunbelt's patterns of housing, education, urban and industrial development, population concentration, energy supplies and costs, lifestyles, freight rates, water resources utilization and transportation. The study was requested by a group of southern and western senators, led by Henry Bellmon of Oklahoma.

February 1 is the production target date for War-pak, Inc. of Meridian. The company manufactures refuse handling equipment and currently has dealerships in 12 different states. War-pak will employ 19 persons initially with plans to increase employment to 50 within the year.

The Industrial Commission presented several copies of "Texas Giants: the new breed" to members of Austin's Junior Achievement of Central Texas. The book, published by TIC, details the success stories of several Texas companies.

Senator Raul Longoria; Lauro Cruz, executive director of the Greater South Texas Cultural Basin Commission; and Harold Chilton, research economist for the Industrial Economics Research Division of Texas A&M University, presented initial copies of two publications to the Pharr Industrial Foundation. The Pharr Industrial Facts Book and Economic Development Plan were prepared by the Industrial Economics Research Division to assist the Foundation and Pharr Chamber of Commerce in their efforts to secure job-producing business and industry.

Olson Metal Products Company will begin production of fabricated metal parts in a new facility in Seguin this month. Seven persons will be employed initially with plans for expansion. The Seguin plant will provide component parts for Motorola, Xerox, IBM, Western Electric and others in a four-state area.



## 496 NEW AND EXPANDED PLANTS IN TEXAS IN 1976

SIC	INDUSTRY	NEW					EXPANDED				
		1972	1973	1974	1975	1976	1972	1973	1974	1975	1976
13	Products from natural gas	5	3	9	1	1	6	2	6	10	2
20	Food and kindred products	27	27	14	17	10	41	32	43	33	31
22	Textile mill products	5	7	7	4	0	3	3	4	2	1
23	Apparel and related products	75	44	17	21	13	34	27	12	16	22
24	Lumber and wood products	26	22	15	10	6	9	11	9	5	9
25	Furniture and fixtures	29	16	4	8	9	12	8	8	3	7
26	Paper and allied products	6	3	7	7	9	7	12	10	8	13
27	Printing and allied products	9	10	29	6	8	23	24	10	15	21
28	Chemicals and allied products	27	20	20	20	13	55	40	34	41	35
29	Petroleum refining	5	6	10	3	4	15	12	25	10	14
30	Rubber and plastics	25	41	20	12	17	14	34	20	22	21
31	Leather and leather products	5	5	1	0	6	10	2	4	3	14
32	Stone, clay, glass and concrete products	19	18	15	11	11	19	17	17	11	8
33	Primary metal industries	10	12	7	7	4	13	24	26	11	17
34	Fabricated metals	43	40	40	30	32	69	58	52	57	55
35	Machinery, except electrical	33	41	62	31	32	57	70	71	72	67
36	Electrical and electronic equipment	22	21	25	8	16	22	17	20	12	29
37	Transportation equipment	40	30	14	8	11	38	12	25	17	13
38	Professional, scientific & optical goods	12	7	7	4	9	3	14	11	14	12
39	Miscellaneous manufacturing industries	15	9	7	7	11	15	8	7	8	13
TOTAL BY SIC GROUP		437	382	330	215	222	465	427	414	370	404
TOTAL FACILITIES INVOLVED		356	354	293	192	188	316	348	330	287	308

(NOTE: SIC group listings exceed actual number of facilities involved because many plants manufacture more than one category of product.)

SOURCE: TEXAS INDUSTRIAL EXPANSION, BUREAU OF BUSINESS RESEARCH, THE UNIVERSITY OF TEXAS AT AUSTIN.

Comparison of new and expanded plants by year: 1972 - 672, 1973 - 702, 1974 - 623, 1975 - 479, 1976 - 496.

### West Texas Tour Attracts Ohio Industry

Over 80 Ohio industry executives attended the second West Texas Industrial Tour in December.

TIC Executive Director James Harwell was quite pleased with the turnout. "We know all these people are interested in Texas to some extent or else they wouldn't have shown up," he said.

On the other hand, Ohio Governor James Rhodes was far from pleased.

"Right now, 22 per cent of the machinery and equipment used by Ohio industry is obsolete," he said. "Every industry in this situation is a target for the industrial recruiters of other states."

If past records hold true, at least eight Ohio companies will expand into Texas as a result of the industrial tour.

### International Trade Study

(Continued from Page 1)

users have a high degree of approval of the quality and value of services offered. Companies which had not had dealings with the International Development Division indicated they wanted the Division to be more aggressive in contacting and informing them of their services.

A final conclusion of the report is that objectives of future activities in support of international trade should be measured by such standards as services provided, plans completed and cost effectiveness, rather than overall impact on sales dollars and jobs created.

Report results were based on evaluation of responses by Texas business leaders and experienced industrial developers through personal, telephone and mail interviews.

### Unemployment

(Continued from Page 1)

per cent unemployment rate for manufacturing represents 918,000 jobs. "At our current budget and production level, we will be almost 16,000 jobs short of that mark in 1980," Harwell said.

The Legislative Budget Board has recommended a budget for the next biennium of \$2 million which would limit TIC programs to the extent that less than 21,500 new jobs could be created. For the additional \$1.9 million the Industrial Commission proposed, three times as many jobs could be created at one-third the cost per job of the LBB proposal, Harwell said.

"We know that our proposal can work, because in 1962 the commissioners set a 15-year goal of raising manufacturing employment from under 500,000 to over 800,000 - and today it's almost 830,000."



# 17 COMPANIES CHOOSE TEXAS IN DECEMBER

COMPANY	CITY	PRODUCTS	EMPLOYMENT		ANNUAL NEW TAXES GENERATED			DIRECT ANNUAL OUTPUT OF FIRM	TOTAL ANNUAL ECONOMIC IMPACT ON ECONOMY
			NEW	GENERATED	FEDERAL	STATE	LOCAL		
Great America Industries	San Antonio	Stereo & musical speakers	18	11	\$ 46,733	\$ 2,263	\$ 2,756	\$ 270,225	\$ 691,776
Haynes Woodyard	Dougllassville	Sawmill operations	12	9	30,352	2,001	7,143	172,428	498,317
Dal-Tex Rubber Company	Dallas	Rubber molding	2	1	4,069	223	309	22,789	64,949
Poly America, Inc.	Grand Prairie	Polyethylene bags	35	51	153,196	8,731	14,985	1,065,611	2,898,462
Miether Bearing Products	Odessa	Bearing housings, components	50	56	218,152	11,461	13,437	1,571,042	3,597,686
Custom Packaging	El Paso	Corrugated boxes	3	4	\$ 11,407	\$ 653	\$ 1,207	\$ 79,417	\$ 219,985
Indiana General	El Paso	Motors, generators, tachometers	40	38	159,012	7,625	8,772	1,264,942	2,719,625
Sun Apparel, Inc.	El Paso	Denim jeans	80	34	134,794	7,775	8,897	967,410	2,196,021
Olson Metal Products Co.	Seguin	Metal stamping, tools, dies	7	4	15,639	991	1,321	103,197	263,152
Tiddie Company	Pasadena	Plastic consumer products	5	5	18,235	915	1,173	103,526	288,838
Kilsby Tubesupply Company	Houston	Honing, grinding	26	21	\$ 75,806	\$ 4,059	\$ 4,901	\$ 432,727	\$ 1,185,672
Eutopia Incense Works	Marshall	Aromatic oils & incense	3	6	36,911	1,162	1,400	203,362	427,060
Consolidated Foam Corp.	Beaumont	Urethane foam	12	12	43,764	2,195	2,815	248,462	693,209
United States Steel Corp.	George West	Uranium oxide	45	171	619,121	38,593	39,359	3,968,603	9,604,019
Texas Fine Magnetics Inc.	Waco	Permanent ceramic magnets	30	20	77,754	8,835	4,921	353,103	1,087,557
J. Don Cox Construction Co.	Taft	Steel storage tanks	6	7	\$ 26,178	\$ 1,375	\$ 1,612	\$ 188,525	\$ 431,722
Victoria Machine Works	Victoria	Offshore oil field equipment	125	113	416,332	21,595	25,245	2,364,647	6,431,840
TOTALS:									
Companies - 17			499	563	\$2,087,455	\$120,452	\$140,253	\$13,380,016	\$33,299,890

SOURCE: JANUARY ISSUE OF TEXAS INDUSTRIAL EXPANSION, BUREAU OF BUSINESS RESEARCH, U. T. AT AUSTIN.

NOTE: IMPACT CALCULATIONS PRODUCED BY THE TIC USING THE GOVERNOR'S OFFICE DIVISION OF PLANNING COORDINATION ECONOMIC MULTIPLIERS.