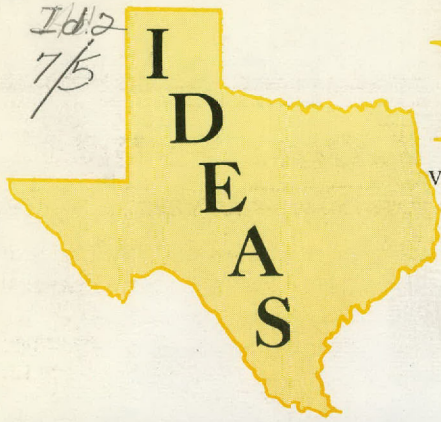


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# NEWSLETTER

VOL. 7 NO. 5

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JUN 20 1977

## Governor Briscoe Announces Industrial Expansion Awards

Governor Dolph Briscoe has announced a June 30 deadline for communities to submit nominations for the annual Governor's Industrial Expansion Awards for 1976.

Cosponsoring the annual awards with the Governor are the Texas Industrial Commission, Texas Industrial Development Council, Texas Association of Business and the four regional chambers of commerce.

"More than 300 manufacturing firms expanded their Texas facilities this year," Governor Briscoe said. "It is most important that these firms be recognized for their contributions to strengthening the Texas economy."

Nominations are being accepted by the East Texas Chamber of Commerce, Lower Rio Grande Valley Chamber of Commerce, South Texas Chamber of Commerce, and the West Texas Chamber of Commerce. A committee formed by the chambers will determine a single winner from each region to be honored by Governor Briscoe.

Points to be considered in the selection process include the total and percent increase over the previous year of plant payroll, number

of employees, investment in new plant facilities and equipment, square footage and local expenditures for goods and services.

The industry's contribution to civic and community development during 1976 will be another point under consideration.

Local chambers of commerce or other industrial development groups will select the best industry from their communities and send this nomination to their regional chamber by June 30. All nominated industries will be recognized for their achievements by the regional chambers.

## International Division Lands \$1 Billion Deal

Efforts of the TIC's International Development Division have landed a billion dollar deal for a Houston-based firm.

Tenneco, Inc. has signed a letter of intent with the Democratic Republic of Sudan as the first step in a plan aimed at developing the agricultural potential of about 775,000 acres of Sudanese land. According to a preliminary estimate, involvement will result in a total expenditure of approximately one billion dollars.

Negotiations for the billion dollar agreement were begun during the 1976 Texas visit of Sudanese President Gaafar Nimeiri. TIC's director of International Development Jim Havey brought officials of various Texas companies and the Sudanese Chief of State together

(See TENNECO Page 5)



C. TRUETT SMITH

## Smith Is Elected TIC Chairman

C. Truett Smith of Wylie was elected to serve a second term as chairman of the Texas Industrial Commission at the April quarterly meeting in Austin. John B. Turner was reelected vice chairman.

Smith, a banker and newspaper publisher, has served on the Commission since 1969. He is president of the First State Bank of Wylie, past president of the Texas Bankers Association and past president of the East Texas Chamber of Commerce.

Turner has served on the Commission since 1971. He is president of the Friendswood Development Company and has served on the economic development committee of the Houston Chamber of Commerce.

Commission officers are elected each April of odd-numbered years and serve two-year terms.

INSIDE. . . This month IDEAS continues with chapter excerpts from *The Industrial Team*, a recently revised publication by Jerry Heare, director of TIC's Community Development Division. (SEE PAGE 5)



**GOVERNOR**  
*Dolph Briscoe*

**CHAIRMAN**  
*C. Truett Smith*

**EXECUTIVE DIRECTOR**  
*James H. Harwell*

**DIRECTOR OF OPERATIONS  
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The Official Publication of the Texas Industrial Commission. Editorial contributions are welcome and should be addressed to Editor, P.O. Box 12728, Capitol Station, Austin, Texas 78711.

# - NEWS BRIEFS -

The Lockhart Industrial Foundation has announced the location of the Kewaunee Scientific Corporation. Kewaunee will produce metal laboratory furniture for institutions. The firm will employ 100 persons.

Texas has surpassed Florida to become the second fastest-growing state in the nation. Latest population estimates from the U.S. Bureau of the Census indicate that between July 1, 1975, and July 1, 1976, Texas' population grew by 322,000 compared to Florida's gain of 144,000. California remains the fastest growing state.

All Seals Inc., the world's largest independent manufacturer of mechanical seals, has announced plans to locate in Alvin. The firm will employ about 75 people.

June 1 is the application deadline for the 1977 Industrial Development Institute & Advanced Symposiums, sponsored jointly by the AIDC and the University of Oklahoma. For further information on enrollment procedures contact Dr. Gerald Ruffin, Director of Industrial Development Programs, 1700 Asp Avenue, Norman, OK 73037 or call (405)325-4033.

Salty's Apparel Inc., a manufacturer of children's wear headquartered in Fort Worth, has recently opened a manufacturing facility in Anson. The Anson Industrial Foundation and Chamber of Commerce have been working with Salty officials since the closing of Wilkerson Inc. The Foundation purchased the former Wilkerson building.

The Texas Legislature paid a special tribute to the City of Longview, the Longview Chamber of Commerce and the Longview Industrial District for successful promotion of the total economic development of the Greater Longview area.

A joint resolution, offered by State Representative Jimmy Mankins and State Senator Peyton McKnight, praised Longview for "exceptional leadership in planning and directing the area's industrial growth." The Longview SMSA was third in industrial growth in the state from 1971-1975 and ranked number two in 1976.

Levi Strauss and Company is studying the feasibility of a multi-million-dollar expansion of its distribution facilities at the Amarillo International Airport complex. The facility serves as the national distribution center for all women's wear items and employs 100 workers. If the proposed expansion is approved, volume of freight shipped from the center is estimated to double within three years.

July 1 is the deadline for submitting nominations for the Volunteer Industrial Developer of the Year (VIDY) Awards. For more information see the April issue of IDEAS or contact Doug Henson, Chairman VIDY Awards Committee, Bryan Place, Suite 100, 4103 South Texas Avenue, Bryan 77801.

A Texas-sized expansion is planned for AM General Corporation's bus plant in Woodlawn. The expansion project is estimated to cost \$2 million and will result in doubling the size of the work force from a current 150 employees to more than 300. AM General is the only U.S. bus builder that manufactures "articulated" busses with wheels in the center to bend around corners like a caterpillar tractor. Expansion is expected to be completed by August.

CerBay has announced plans to build a fiberglass processing plant in the Arrowhead Industrial complex in Wichita Falls. The plant will employ about 20 persons with operations scheduled to get underway in August.

## Voters to decide fate of industrial revenue bonds

Texas voters will get a chance to decide the fate of industrial revenue bonds in Texas.

A constitutional amendment permitting political subdivisions to develop employment opportunities through the issuance of revenue bonds will be placed before the voters in November of 1978.

The enabling legislation, H.B. 1990, has passed the House and, at press time, was being considered by the Senate. The bill is sponsored by Representative Tom Craddick of Midland and Senator Bill Meier of Eules.

Craddick feels that revenue bonds would make Texas more competitive in attracting industry to the state. "The bonds would be used to acquire land and build buildings that would then be leased to a company at a cost which amortizes the bonds," he said.

Industrial revenue bonds are used to finance industry in 46 states, including all the states surrounding Texas.

"This competitive advantage of our neighboring states has caused Texas to lose industry and jobs that otherwise would go to Texas," said TIC Executive Director James Harwell.

Over the past seven years Texas has lost a total of 51 plants to the bordering states of New Mexico, Arkansas, Oklahoma and Louisiana. These companies listed the availability of industrial revenue bonds among the reasons for locating outside of Texas.

"Our computer analysis shows these companies to have an economic impact of \$616,860,433 annually," Harwell said.

"These same companies would have generated more than \$2 million in state taxes each year."

Revenue bonds are not used in Texas now because there is no clear-cut definition of their constitutionality.



Friday the 13th turned out to be a lucky day for these fifteen community leaders from Borger who participated in a Texas Industrial Planning Seminar in Austin. Borger is one of eight communities attending TIPS presentations this month. More than 100 community leaders were briefed on the steps necessary to attract more new business and industry to their communities.

## FHA Loan Guarantee Helps Littlefield's Farmer Cooperative

Self-help federal rural development is achieving major success in Littlefield in a unique farmer cooperative venture involving textile manufacturing.

Earlier this month the Farmers Home Administration formalized its loan guarantee for \$30,150,000 to American Cotton Growers covering 90 per cent of the cooperative's construction loan.

### Carter Proclaims Small Business Week

President Jimmy Carter has proclaimed May 22-29 Small Business Week and is asking all Americans to join him in "expressing the pride we take in our nation's small business sector."

"A successful small business is evidence of the independence, initiative and hard work of the man or woman who owns and operates it," the President said in the Proclamation. "Their spirit has been, and will continue to be, a major factor in our nation's growth."

According to Vernon Weaver, an administrator with the Small Business Administration, small business provides the livelihood for 100 million Americans and comprises 97 percent of all business.

FHA made a conditional commitment for construction of an integrated spinning-weaving-finishing textile mill for heavyweight denim in 1975, but formal commitment could not be finalized until the plant was completed and approved after inspection.

Authority for the agency's loan guarantee is contained in the business and industrial loan section of the Rural Development Act of 1972. The Act provides for guarantee commitments for approved projects to stimulate jobs and economic enrichment opportunities in rural communities.

The Industrial Commission's Special Projects Department was directly involved in the development of the textile mill concept and actual site selection.

J. E. Chisholm, mayor of Littlefield, said the textile mill has turned the city into a vibrant, growing area. Building permits are up several times over the 1974 rate and fifteen new businesses have located in the area.

Since the first yard of denim was turned out just ten months ago, the facility has manufactured several million yards of cloth and made nearly \$15 million in sales.

Over 600 new jobs are attributed to the mill.

# Harwell Tells Commission Energy Time Frame "Impossible"

TIC Executive Director James Harwell warned members of the Industrial Commission that Texas cannot possibly meet the 1985 time frame President Carter placed on his energy package.

"It's a cold hard fact that if we try to meet that time frame, the lights will go out all over Texas," Harwell told the 12-member Commission during the April quarterly meeting in Austin.

Following a long discussion on the energy proposal, the Commis-

sion voted to draft a resolution outlining the steps necessary for the energy plan to work in Texas.

Commissioners noted that they passed a resolution in October of 1974 calling for "more free enterprise. . .not more federal governmental regulation" for the energy producing and distributing companies of Texas.

Dr. Phyllis Procter, manager of the research and program development department, reported on the energy policy, telling the Commission it would be "adverse and catastrophic" for Texas.

Harwell said Texas' biggest priority is to keep gas intra-state rather than funneling it into the national pipeline to be burned in Eastern states.

"Keeping gas available for manufacturers to process is absolutely essential," Harwell said.

Procter said some speculate as much as \$6.6 additional billions would be siphoned from state coffers by 1980 if Texas embraces the totality of Carter's energy package.

## Metric Conference Set for June 2-3

The National Metric Conference, designed to discuss the major areas of business and industry affected by metric conversion, is scheduled for June 2-3 at the Continuing Education Center of the University of Houston.

The conference is specifically programmed for owners of businesses and executives who will be responsible for the operation conversions in their organizations. It includes six workshop sessions covering such topics as metric changes in building materials, metrification of computers and systems, role of state and federal agencies in metrification, metric conversion in industrial packaging, and tips on how small businessmen can manage and finance metrification.

The conference is sponsored by the U.S. Department of Commerce, the American National Metric Council, the Texas Industrial Commission, the Small Business Administration, the U.S. Metric Association and other concerned organizations.

Registrations will be accepted at the door; however, workshop enrollment will be limited to 200 persons.

For more information contact: Felix Guerrero, director of the Houston District Office of the U.S. Department of Commerce at (713)226-4231.

## Weaver Appointed SBA Administrator

A. Vernon Weaver, president of Union Life Insurance Company of Little Rock, Arkansas, has been appointed administrator of the Small Business Administration by President Jimmy Carter.

Weaver is a native of Miami and a graduate of the United States Naval Academy.

The new administrator brings extensive direct experience in small business management to his new post. Following naval service from 1946 to 1949, he became vice president of his father's small business, the Southern Venetian Blind Company of Miami. He became president of Lanotan Corporation in 1960 and then joined the investment firm of Stephens, Inc.

Following several posts in the Stephens organization, Weaver was named vice president and secretary for the corporation. He was named vice president of Union Life Insurance, a Stephens affiliate, in 1971, and one year later became president of the firm.

Weaver succeeds Mitchell T. Kobelinski, a Chicago banker, who held the post during the past year.

## \$2 million dollar grant to Big Spring is rejected by Senate

The possibility of a \$2 million dollar direct grant to Big Spring through the Texas Industrial Commission was turned aside by the State Senate despite a plea by Senator Ray Farabee of Wichita Falls.

The Industrial Commission had agreed to support an additional \$2 million request from the 65th Legislature for economic aid for Big Spring in light of the closing of Webb Air Force Base.

Senator Farabee said, "There were three reasons that the Senate would not approve the funds. One, of course, is that no other city which has had a base closure has received this type of funding.

"The second reason is that it would establish a dangerous pre-

cedent. A lot of Texas cities undergo economic disasters of many types. The third reason is that with the high cost of highway funding and educational programs, there is little money left for anything else."

A Big Spring delegation headed by City Councilman Ralph McLaughlin asked the Industrial Commission to endorse the \$2 million line item in appropriations that could be used as "seed money" in seeking federal aid to convert the base to private usage for housing, industry and advertising for plants.

McLaughlin said that the Air Force's impact statement reports an increase in unemployment to 12.8 percent, a drop in retail sales by \$20.2 million and up to 2,928 vacant houses.

## Harwell to Speak At NASDA Seminar

TIC Executive Director James Harwell will be a featured speaker at the States' Aids & Services for Business Expansion in the U.S. Seminar June 7-8 in Toronto. The seminar is sponsored by the National Association of State Development Agencies (NASDA).

Harwell will address the representatives of more than 125 Canadian manufacturing firms interested in expanding their facilities in the U.S. His topic will be the U.S. Future Energy Supply.

Harwell is currently chairman of NASDA's International Committee and has participated in similar seminars in nearly every major developed country in the world.

Forty-one states, including Texas, will be represented at the seminar.

## TENNECO

(CONTINUED FROM PAGE 1)  
during the Texas tour.

Tenneco officials praised Havey for his efforts in getting Texas companies involved in the development of the Sudan. "All this means more money for industry in Texas and, of course Texans assigned to work on these projects."

The plan includes the development of regional electric power and transportation facilities, communications systems, water and wastewater systems and community facilities in support of the agricultural program.

Sudan has vast agricultural potential, with millions of acres of fertile soil and ample water resources along the Nile. With sufficient investment capital and the application of modern agribusiness technology, it could become one of the world's leading producers of food and fiber.

After hearing of the billion dollar development program, Havey said, "It is gratifying that we are able to report 'proof positive' that our efforts in this case produced spectacular results."

## HANDLING THE INDUSTRIAL PROSPECT VISIT

**EDITOR'S NOTE:** *The following is an excerpt from The Industrial Team, a recently revised publication by Jerry Heare, director of TIC's Community Development Division. Upcoming issues of IDEAS will continue the series.*

### PHYSICAL ARRANGEMENTS

Physical arrangements for the meeting with a prospect may seem like a minor point, and it is until something goes wrong. Your object in planning these details is to create an environment in which you can communicate simply and with ease without annoying distractions. Select a room that is well lighted with comfortable seating. Be sure there are enough chairs, tablets, pencils and ashtrays. A large conference table should be used with places at the head of the table for the prospect and the team chairman.

Light refreshments should be available at another place in the room. If a slide presentation is to be made, the projector should be set up and pretested to make sure the slides are in order, the bulb works and the picture is focused. If a sound system accompanies the slides, make sure it is adjusted so that the prospect can hear clearly.

Each member of the team should wear a name tag. At the table in front of each member should be a large place card with the name of the team member and his area of specialty marked. The place cards should be arranged so that the prospect can read the cards from the head of the table.

This will enable your prospect to direct his questions specifically to the person responsible for answering. The prospect should also be given a typed roster of those attending and their specialty on the team. You may also wish to mention the business which each member represents. The latter lets the prospect know that the team members are volunteers and that they are also in business in the

community.

Your prospect pulls up in front of the building because that is where you have reserved a spot for him. Do not pounce on him as he gets out of the car. One or two team members may greet him outside the door. His first question may be "Where's the restroom?" Show him; if he does not ask, then suggest he may wish to "powder his nose" and give him time to get comfortable.

*Next month this series will continue with The Presentation.*

## CONSERVATEK OPENS STEEL FABRICATION PLANT IN CONROE

Conservatek, a steel fabrication plant employing about 25 persons, will begin operations in Conroe in July.

Business and community leaders recently welcomed the new industry to the community at the Montgomery County Chamber of Commerce.

Members of the chamber's industrial committee led by Don Buckalew had been working on location arrangements with company officials for several months.

Conservatek is a subsidiary of Pittsburgh-Des Moines Steel Company which has 13 other plants throughout the nation.

PDM General Manager Mike McLaughlin said that the search for a location site began last August and covered many states. Company officials contacted the TIC's Industrial Locations Department and requested information on several Texas communities.

"One of the reasons we chose Conroe is because of the proximity to the oil business," said Jeff Fry, plant manager. "We were also looking for a quality of life for our employees and we think that this area has it."

# 17 COMPANIES CHOOSE TEXAS IN APRIL

COMPANY	CITY	PRODUCTS	EMPLOYMENT		ANNUAL NEW TAXES GENERATED			DIRECT ANNUAL OUTPUT OF FIRM	TOTAL ANNUAL ECONOMIC IMPACT ON ECONOMY
			NEW	GENERATED	FEDERAL	STATE	LOCAL		
Off Road Conversions, Inc.	Brownsville	Four-wheel drive conversion	7	14	\$ 41,328	\$ 2,760	\$ 2,594	\$ 293,341	\$ 748,020
Photon Power Inc.	El Paso	Solar photovoltaic panels	20	22	70,339	4,379	6,064	373,016	1,148,889
Sir B's Inc.	El Paso	Candy	2	4	12,946	565	1,022	115,962	237,722
B & S Repair & Supply Co.	Longview	Railway air brake systems	15	30	88,561	5,914	5,558	628,588	1,602,899
Quadelec	Longview	Electrical controls	10	10	39,753	1,906	2,193	316,235	679,905
York Pump & Equipment Co.	Longview	Hose assemblies, pumping units	26	29	\$ 125,070	\$ 5,945	\$ 7,188	\$ 757,730	\$ 1,735,202
Louis Brock Printing Company	Marshall	Printing	2	2	6,991	393	510	37,567	109,320
Berwind Railway Service Co.	Scottsville	Rebuilt railroad cars	25	50	147,601	9,857	9,263	1,047,646	2,671,497
Navarro Pecan Company	Corsicana	Pecan shelling	*	*	*	*	*	*	*
South Slope Gas Company	Corsicana	Gas processing	*	*	*	*	*	*	*
Nutri Binder, Inc.	Lubbock	Animal feed binder	15	89	\$ 172,798	\$ 10,237	\$ 18,925	\$ 988,467	\$ 3,410,211
Houston Corrugated Box Co.	San Antonio	Corrugated boxes	40	55	152,099	8,703	16,093	1,058,901	2,933,156
Imperial Cap Company	San Antonio	Caps, hats	20	8	33,698	1,944	2,224	241,852	549,004
North Town Press	San Antonio	Printing	1	1	3,495	196	255	18,783	54,659
Cerbay Corporation	Wichita Falls	Fiberglass mat material	20	20	72,941	3,658	4,691	414,104	1,155,350
Diamond "S", Inc.	Jacksonville	Copper tubing	6	9	\$ 31,905	\$ 1,688	\$ 2,064	\$ 212,833	\$ 544,852
Walls Industries, Inc.	Sweetwater	Down-filled garments	50	21	84,246	4,860	5,561	604,631	1,372,512
TOTALS: **									
Companies — 17			259	364	\$1,083,771	\$ 63,005	\$ 84,205	\$7,109,656	\$18,953,198

\* Information not available

\*\* Totals reflect only those plants where information is available

SOURCE: MAY 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.