

**Industrial
Development
TEXAS Expansion
And NEWSLETTER
Sites**

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APRIL, 1975



Chester Wine(L), immediate past chairman of the Texas Industrial Commission; James Harwell, executive director; C. Truett Smith, chairman-elect; and John Turner, vice chairman-elect, consider recent labor force increases and rises in unemployment revealed at the quarterly commission meeting.

Briscoe to Present 6 Industrial Firms Expansion Awards

Governor Dolph Briscoe recently announced the winners of the Governor's 1974 Industrial Expansion Awards.

Mooney Aircraft Corp. of Ker-ville, Amoco Chemical Corp. of Alvin, Timex Corp. of Abilene, G&H Casting Corp. of Slaton, Inca Metal Products Corp. of Lewisville and Mr. Fine of Athens led the field in the annual competition honoring Texas' top expanding industries.

The six winners were nominated by their local Chambers of Commerce or Industrial Foundations, and selected by the Texas Industrial Commission for their civic and economic contributions to their communities.

"Considering the economic situation we are now facing, these awards take on a new meaning," Governor Briscoe said.

"Too often in the past we have taken industry expansion with a grain of salt. We shouldn't, considering almost 80 per cent of our growth and the majority of new jobs come from existing industries."

This year a record number of entries were submitted, according to James Harwell, executive director of TIC.

"The competition was especially keen this year," he said. "Usually

(See EXPANSION WINNERS Page 3)

Unemployment Jumps 56%

A startling increase in the state's labor force has resulted in a 56 per cent leap in unemployment. Jim Harwell, executive director of the Texas Industrial Commission, revealed, speaking at the regular quarterly commission meeting.

Harwell reported that the labor force increased by 231,700 people in the past year, while employment only increased by 125,800.

"In other words, the labor force is increasing at a much greater rate than employment is being generated," he said. "This causes the dramatic increase in unemployment

of 105,900 people or a startling 56 per cent."

Harwell blamed the sudden increase in second family members entering the labor force due to a combination of either the recession or inflation.

He also reported that manufacturing employment decreased by 16,500 jobs in the January 1974 to January 1975 period, despite a 2.7 per cent gain in the total employment.

"The manufacturing sector is the one on which the Texas Indus-
(See LABOR FORCE INCREASES Page 5)

Smith, Turner Elected Officers At April Commission Meeting



C. TRUETT SMITH

C. Truett Smith of Wylie was elected chairman of the Texas Industrial Commission at the April quarterly meeting in Austin. John B. Turner of Houston was elected vice chairman.

Smith, a banker and newspaper publisher serving on the commis-

TexOMBE Processes 15 Contracts, Loans

The Texas Office of Minority Business Enterprise, a department within the Community Development Division of TIC, acquired a record \$1.7 million in loans and contracts for minority businessmen in March.

Program manager Al Rodriguez said 12 loans for \$267,000 and three contracts for \$1.5 million were processed through his office last month. One contract for \$1 million was obtained from the U.S. Department of Defense for Rusk Industries of Rusk to construct mobile maintenance workshops.



JOHN B. TURNER

sion since 1969, succeeds Chester Wine of Laredo. He is president of the First State Bank of Wylie, immediate past president of the Texas Bankers Association, and a member of the Administrative Committee of Governmental Relations of the American Bankers Association. Smith is director of the Texas Power and Light Company and a past president of the East Texas Chamber of Commerce.

Turner, president of the Friendswood Development Company, has served on the Commission since 1971. He is a trustee of the Urban Land Institute and chairman of the Institute's New Communities Council. He is currently president of the Urban Land Research Foundation and has served three terms on the economic development committee of the Houston Chamber of Commerce.

Election of new officers by the 12-member commission follows a recommendation of a recent management study.

Training Planned For McAllen Area

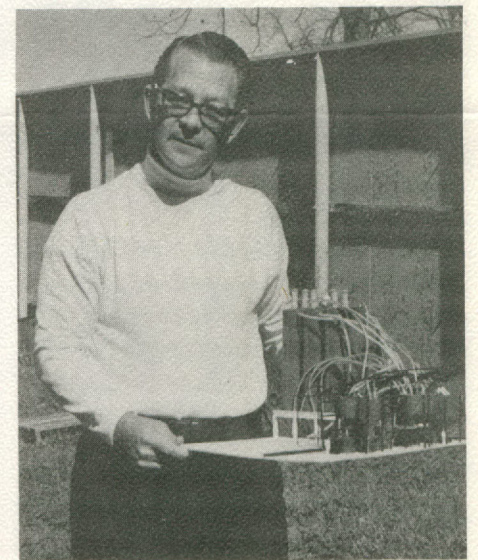
State Senator Raul Longoria and State Representatives Felix McDonald and A. C. (Tony) Garcia recently announced an industrial training program in McAllen to qualify 240 local residents for employment by a major new industry.

Erika of Texas, Inc., which recently located in McAllen, will employ the trainees as component assemblers for its intricate kidney dialysis machine.

The program is coordinated by the Texas Industrial Commission and funded through the Texas Education Agency. Local supervision will be provided by the Rio Grande campus of the Texas State Technical Institute.

The first phase of the training program will cost the state \$12,026, according to TIC start-up training manager Frank Alagna. However, Alagna said the state and local taxes generated from this plant will exceed \$70,000 each year for a four dollar return to the state for every one spent.

Alagna said the McAllen training program will require highly specialized employees, since exacting demands have to be maintained.



Owen Bryson, secretary-treasurer of Ceramic Supply Inc., holds an architectural rendition of the plant under construction in Ranger. The plant will employ 17 and will furnish ground clay used in the tile and brick industries. The second phase of construction is scheduled for completion by the end of April.

Locations Down 30% From 1974 Figures

1975 plant location figures recently released by the Bureau of Business Research of the University of Texas at Austin show nearly a 30 per cent decrease from the first quarter of last year while expansions are down nearly 18 per cent.

Plans to establish 52 new manufacturing plants and to expand 83 existing factories were reported during the first three months of 1975 compared to the 74 new and 101 expansions reported during the same period in 1974.

The majority of manufacturing activity continues to occur in the state's 24 standard metropolitan statistical areas (SMSAs), although the nonmetropolitan areas are showing more strength than in 1974. In the first quarter of 1975, smaller cities drew almost 36 per cent of the state's industrial development, while accounting for only 24 per cent of the growth last year. Longview continues to lead the nonmetropolitan communities with 14 new and expanded plants.

For the first time in more than two years, the Dallas-Fort Worth SMSA equalled the Houston SMSA in the number of manufacturing projects reported. San Antonio and Amarillo ranked in third and fourth positions, respectively.

The most expansive segments of manufacturing include: fabricated metal products, chemicals and related products, nonelectrical machinery, food and related products.

Briscoe Names Expansion Winners

(Continued from PAGE 1)

we pick only five award winners, but the results were so close that we selected six."

Selection was made after analyzing company payroll increases, new employees, plant area enlargement, local expenditures for goods and services and civic participation.

The winners will be honored in ceremonies in the Governor's Office in May.

Fourteen companies were also selected from this year's entries to receive special citations.



Chester Wine(L), immediate past chairman of the Texas Industrial Commission, Ned Polk, insurance executive with Cooper, Eady, Judson & Polk, Inc.; Dan Wiley, president of Chappel Hill Construction Corporation, contractors for the expansion; Emory Ferguson, president of the Corsicana Industrial Foundation; and James Harwell, executive director of the Texas Industrial Commission, seemed pleased with the approval of a loan to the Corsicana Industrial Foundation for an expanding industry.

Briscoe Announces \$150,000 Loan To Corsicana Industrial Foundation

Governor Dolph Briscoe recently announced approval of a \$150,000 loan to the Corsicana Industrial Foundation to finance a major manufacturing expansion in Navarro County.

The loan, which falls under the Texas Rural Development Act, was approved by the Texas Industrial Commission during the quarterly meeting. It represents the first loan ever awarded to an expanding industry. Three others approved under the two-year-old act have all gone to new industries.

The loan will partially finance the \$487,000 expansion of Regal

Tool and Rubber Company, manufacturer of oil field and underwater drilling equipment and sophisticated rubber materials in Corsicana.

The Corsicana Industrial Foundation will supply an additional loan for \$304,000, with Regal Tool and Rubber Company providing the remaining \$33,000. The expansion is estimated to generate more than 200 new jobs by 1976 with a total payroll exceeding \$1 million annually.

"The Texas Rural Industrial Development Act can play a major role in reviving our sagging economy," Governor Briscoe said in making the announcement.

"Right now we have 250 counties like Navarro that qualify for these industrial loans," he said. "The Texas Industrial Commission is working to help get these loans approved to all the qualified applicants."

Where funds are available, up to 40 per cent of the cost of financing a new or expanding industry in a rural area can come from the Texas Rural Development Act. The act was passed by the 62nd Legislature and funded by the 63rd Legislature.

Drawing card for industry

TIC Training Means \$\$\$ for Texans

Mrs. Pauline Stanford might make the world's greatest apple pie and be the greatest housewife in Wichita County. But when it came to finding a job, all her 20 years as a housewife couldn't get her a pot of beans. Because of a unique Texas training program, Mrs. Stanford now supervises ten people for Wes Tex Products of Electra, has acquired a new skill and is making a healthy salary.

Hers is but one of many success stories growing out of an industrial start-up training program coordinated by the Texas Industrial Commission.

Trains the Unskilled

The four-year-old project is not only giving thousands like Mrs. Stanford new skills and a greater outlook on life, but is proving a great inducement for industry to locate and expand within the state. In addition, the program is returning four dollars to the state for every one spent.

Frank Alagna, program manager for the Industrial Commission, says the training has already benefited 89 industries. The flexible program is tailored to the particular needs of any industry and has molded unskilled laborers, housewives and farmers into skilled welders, pipe fabricators, machinists, sewing operators, bakers, electronic and mechanic assemblers and others too numerous to mention.

Creates Jobs

Computerized projections for the first 58 industries serviced indicate 7000 jobs have been created with a spinoff of another 14,000. According to Alagna, state and local taxes generated by these people amounts to over \$6 million annually.

"When you consider many of these people were unskilled and unemployed negative statistics on

the labor force, it is easy to see the great benefit the program is providing," Alagna said. "The program is not only enticing many industries to Texas, since we guarantee a trained labor force ready to work the first day of operations, but it is allowing many Texas industries to expand their operations.

"Take for instance, Herman Marcus, Inc. of Dallas, an apparel manufacturer. They had everything going for them. Brisk sales. A backlog of orders. A bright future. But one problem existed. They could not expand because they didn't have enough skilled personnel," he explained.

Locates Labor Force

The Texas Industrial Commission's site selection committee found Monahans had an available labor force to suit their needs. Initially, 80 local citizens received training through the start-up training program and were ready to work the first day the plant opened.

The company has since expanded again.

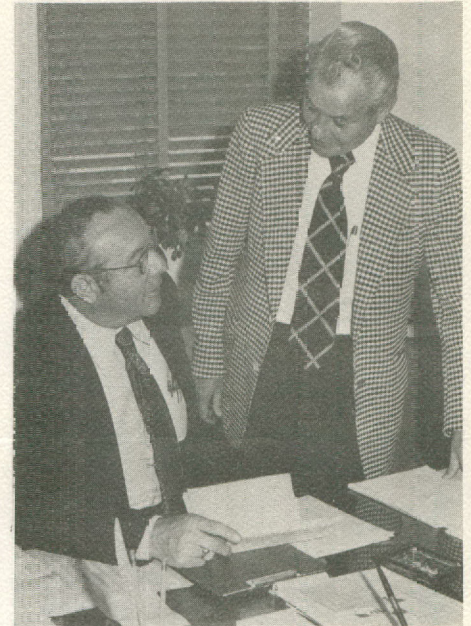
Alagna said the training program grew out of a 1971 study made by the Texas Industrial Commission to determine what competitive edge Texas was lacking in drawing new industry to the state.

A comparison showed Texas lacked a comprehensive program to provide skilled workers for new industries.

Consultation with the Texas Education Agency developed the concept of a vocational training program funded by the TEA, coordinated by the TIC, with training done by the local agencies best able to do the job.

Utilizes School Facilities

The program has access to all occupational training facilities of Texas' 51 junior colleges and four campuses of the Texas State



Frank Alagna(L), manager of TIC's start-up training program, and Jim Harwell, executive director, discuss plans for start-up programs.

Technical Institute, as well as many of the state's independent school districts. Instructors are usually provided by the industries.

Bill Evans, general manager and corporate director of Wes Tex Products of Electra, said the start-up training program saved his company thousands of dollars.

Minimizes Turnovers

"Not only did we save in training costs, but the program provided an additional plus in the low turnover rate we've experienced. Since the trainees knew about the job beforehand, they had every opportunity to drop out."

Evans said the trainees are under no obligation to accept the job once they graduate, although most do. Only a nominal number have quit and the biggest loss rate incurs because other companies entice graduates with better job offers, he added.

"I don't know of too many state programs that have benefited so many people, industries and the entire state as much as this one, while paying for itself many times over."



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**GOVERNOR***Dolph Briscoe***CHAIRMAN***C. Truett Smith***EXECUTIVE DIRECTOR***James H. Harwell***DIRECTOR OF OPERATIONS****EDITOR***Edwin F. G. Latta***ASSOCIATE EDITOR***Cheryl Lynn Rummel***REPRODUCTION SUPERVISOR***Cynthia Henry***For Service Call:**

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Two Texas Cities Designated International Ports of Entry

Training workshops are being planned for two Texas cities scheduled to gain international status June 1, according to James Havey, director of TIC's International Development Division.

Amarillo and Lubbock will begin operations as official U. S. Ports of Entry in early June, allowing both foreign cargo and travelers to directly enter the United States at these points.

The workshops, scheduled for April 30 in Amarillo and May 1 in Lubbock, are designed to educate area businessmen in utilizing these new facilities, Havey said. He is coordinating the workshop agenda with the Lubbock and Amarillo Chambers of Commerce, the Amarillo Board of City Development and the Amarillo Airport Board.

Workshop topics include: "Developing Foreign Trade for Texas," "Local Bank Involvement," "International Cargohandling and Rates," "Insuring for Foreign Shipment," "Bonded Warehousing," and "Benefits of a Port of Entry."

"Workshops of this type will give these two communities the knowledge they need to take advan-

tage of these new international facilities," Havey said.

Vaal Hall, executive director of the Amarillo Board of City Development, expects from 100 to 150 businessmen, including representatives from New Mexico, Louisiana, Oklahoma and Kansas, to attend the Amarillo workshop.

"Our speakers are qualified experts in their fields and we hope to provide a forum for the exchange of ideas to assist those engaged in international trade," he said.

Scheduled speakers are as follows: James Havey; Phillip Hubbard, regional director, U. S. Department of Commerce; Peter Jay, vice president of the international department of the First National Bank of Fort Worth; Dick Jones, cargo sales manager for Braniff International Airways at the Dallas-Fort Worth airport.

Also William North, southwest representative of Foreign Credit Insurance Association; Harry Kelly, district director of U. S. Customs in Houston; Eduardo Guajardo, operations officer of U. S. Customs in Houston; and William Hughes, district director of U. S. Customs in Laredo.

LABOR FORCE INCREASES

(Continued from PAGE 1)

trial Commission is attempting to impact through new job creation," Harwell said. "When manufacturing employment should be increasing, it is actually decreasing."

Harwell's remarks involved the Industrial Commission's proposed budgetary needs now before the Legislature. He noted that it is "highly likely" the Legislature will approve Level I of the TIC zero base budget request, and not Level III as recommended by the commissioners.

"When we prepared the zero base budget in May, 1974, the present recession was not fully anticipated," he said. "Projected population increase was about 210,000

per year. Labor force increases were about 110,000. The need for new manufacturing jobs was projected at 19,400 and 18,200. It was on these projections our zero base budget was developed and to which our Level III recommendation addressed itself."

Harwell said that research now shows the labor force growth is more than double the earlier projections at more than 230,000 people.

He said that even using the 1974 projected figures on new job needs, a minimum of 35,900 basic manufacturing jobs will have to be generated to meet the needs of Texas today and offset the 16,500 losses in manufacturing jobs.

18 COMPANIES CHOOSE TEXAS IN MARCH

| COMPANY | CITY | PRODUCTS | EMPLOYMENT | | ANNUAL NEW TAXES GENERATED | | | DIRECT ANNUAL OUTPUT OF FIRM | TOTAL ANNUAL ECONOMIC IMPACT ON ECONOMY |
|--|---------------|--------------------------|------------|-----------|----------------------------|-----------|-----------|------------------------------|---|
| | | | NEW | GENERATED | FEDERAL | STATE | LOCAL | | |
| Timber-Tech | San Antonio | Wooden trusses | 7 | 5 | \$ 15,398 | \$ 896 | \$ 1,477 | \$ 108,054 | \$ 271,216 |
| Aquarius Boat Company | San Antonio | Fiberglass boats | 10 | 9 | 33,137 | 1,660 | 1,864 | 161,841 | 475,813 |
| Extruders, Inc. | Wylie | Aluminum shapes | 12 | 26 | 91,462 | 4,358 | 5,143 | 688,349 | 1,431,766 |
| Atlas Architectural Metals, Inc. | Corsicana | Anodizing plant | 5 | 3 | 21,927 | 612 | 770 | 65,903 | 187,165 |
| East Texas Marble & Granite Co. | San Augustine | Monuments, grave markers | * | * | * | * | * | * | * |
| Cain Quality Food Products, Inc. | Dallas | Bakery ingredients | 17 | 34 | \$ 110,039 | \$ 4,805 | \$ 8,685 | \$ 985,678 | \$ 2,020,640 |
| Aerosonic Corporation | Carrollton | Navigational instruments | 20 | 16 | 51,036 | 2,870 | 3,315 | 296,480 | 871,651 |
| Atlas Machine | Longview | Pressure vessels | 10 | 11 | 43,630 | 2,292 | 2,687 | 314,208 | 719,536 |
| Sabine Container Corporation | Longview | Cardboard containers | 15 | 21 | 57,037 | 3,264 | 6,035 | 397,088 | 1,099,934 |
| Atlas Machine Products, Inc. | Navasota | Valves | 25 | 38 | 132,937 | 7,034 | 8,602 | 886,807 | 2,270,226 |
| Cactus Pipe & Supply Co., Inc. | Houston | Pipe threading | 22 | 33 | \$ 116,984 | \$ 6,190 | \$ 7,569 | \$ 780,390 | \$ 1,997,798 |
| Thermoset Products Co., Inc. | Marshall | Fiberglass boats | 10 | 9 | 33,137 | 1,660 | 1,864 | 161,841 | 475,813 |
| Reynolds Metals Company | Malakoff | Aluminum fabrication | 15 | 30 | 88,561 | 5,914 | 5,558 | 628,588 | 1,602,899 |
| Whittlesey's, Inc. | Mission | Meat processing | 61 | 440 | 648,330 | 38,556 | 78,936 | 3,732,256 | 14,817,056 |
| Plains Cooperative Oil Mill, Farmers Cooperative Compress, and Plains Cotton Cooperative Association | Littlefield | Spinning mill | 380 | 369 | 1,225,545 | 60,914 | 88,902 | 6,138,338 | 17,187,346 |
| Liberty Chemical Co. & Arjay, Inc. | Dayton | Specialty chemicals | 30 | 58 | \$ 369,115 | \$ 11,620 | \$ 13,999 | \$ 2,033,622 | \$ 4,270,606 |
| Chisholm Meat Processing | Rockwall | Meat packing | 16 | 115 | 170,054 | \$ 10,113 | \$ 20,704 | \$ 978,952 | 3,886,439 |
| Master Chemical Corporation | Huntsville | Metal solvents | 12 | 8 | 43,883 | 2,119 | 2,040 | 239,525 | 577,255 |
| TOTALS: ** | | | | | | | | | |
| Companies - 18 | | | 667 | 1,225 | \$3,252,212 | \$164,877 | \$258,150 | \$18,597,920 | \$54,163,159 |

* Information not available

** Totals reflect only those plants where information is available

SOURCE: APRIL 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 OF INFORMATION SERVICES ECONOMIC MULTIPLIERS.