

IOWA DEVELOPMENT COMMISSION

BIENNIAL REPORT

July 1, 1953 - December 31, 1954

TRAVELING LIBRARY
STATE OF IOWA

TABLE OF CONTENTS

	Page
Foreword	i
Section I Organization	1
Section II Report of Departments	6
Statistics and Market Research	7
Publicity	12
Industrial Promotion	17
Section III Projects - 55th Biennium	20
Section IV Industrial Growth of Iowa	22
Section V New Industry - Why?	24
Section VI Financial Report	27

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FOREWORD

In 1945 the State Legislature saw the wisdom of authorizing a state agency to promote Iowa's abundant resources; agriculture, industry, recreation and culture. The outgrowth of this planning was the Iowa Development Commission.

The Iowa Development Commission is working for the general up grading of the economy of this state by attracting new industries within our borders. Industries that provide more jobs, to hold our surplus labor supply; payrolls, to diversify our sources of income and create new markets for Iowa retail, wholesale, professional and trade services; taxes, to broaden the tax base and provide more needed revenues for local, county, and state government.

Agriculture, Iowa's largest and most important business, too, is served by this Commission since we are telling a never ending story throughout Iowa and the nation of our supremacy in this endeavor. The raw materials available in agriculture which can be converted to industrial uses are manifold and industries desiring this source of material are encouraged to locate here.

This year the Commission received more than 25,000 requests for information from people throughout the United States. One of the publications used to service these requests is the "Iowa Events" pamphlet which contains the dates and locations of many noteworthy activities taking place in our state that year.

This Commission is serving the best interests of Iowa by promoting our industrial resources, agricultural greatness and recreational possibilities.

The following report is submitted to the members of the 56th General Assembly to acquaint them with the important projects and functions carried out by the Iowa Development Commission during the 55th biennium and to point up the many benefits of industrial development and to show the extent of the industrial growth which has already taken place in Iowa.

Section I

ORGANIZATION AND DUTIES

On July 1, 1945, the Iowa Development Commission began its operations. This Commission was the outgrowth of the Iowa Industrial and Defense Commission and was given the responsibility for promoting the vast and abundant resources and possibilities of our state.

During the years this Commission has operated its greatest efforts have been devoted to the acquisition of new industrial concerns. By every standard Iowa is the leading agricultural state but an expanded industrial economy will enhance the wealth and opportunities afforded our citizens.

The following pages of this section discuss the organization and duties of the separate departments of this Commission.

Department of Statistics and Market Research

Section 28.7, subsection 1, states that "It shall be the duty of the Commission to:

- (1) Collect and assemble, or cause to have collected and assembled, all pertinent information available regarding the industrial and agricultural and recreational opportunities and possibilities of the state of Iowa, including raw materials and products that may be produced therefrom; power and water resources; transportation facilities; available markets; the availability of labor; the banking and financing facilities; the availability of industrial sites and the advantages of the state as a whole, and the particular sections thereof,

as industrial locations; and such other fields of research and study as the Commission may deem necessary. Such information, as far as possible, shall consider both the encouragement of new industrial enterprises in the state and the expansion of industries now existing within the state, and allied fields to such industries."

To carry out this provision of the law, a department of Statistics and Market Research was established immediately after the Commission began operations in July, 1945. This department is headed by a director who also serves the Commission as Assistant Director.

Department of Publicity

On October 15, 1945, a Department of Publicity was set up to carry out the provision of Section 28.7, subsection 2 and 5, which state "It shall be the duty of the Commission to:

- (2) Acquaint the people of Iowa with the industries located within the state, and the industrial, agricultural, and recreational opportunities existing in the state; and to encourage closer cooperation between the various industries of the state themselves and with the people of the state.
- (5) Encourage the traveling public to visit Iowa, by the disseminating of information as to the natural advantages of the state, its lakes and resorts, and its highways and other facilities for transient travel."

Department of Industrial Promotion

Subsection 3 of section 28.7 states that "It shall be the duty of the Commission to:

- (3) Encourage new industrial enterprises to locate in Iowa, by legitimate educational and advertising mediums directed to point out the opportunities of the state as a commercial, industrial, and agricultural field of opportunity, and by solicitation of industrial enterprises."

On March 1, 1948, a department of Industrial Promotion was added to the Iowa Development Commission to carry out this important provision of the law.

Director, Iowa Development Commission

Section 28.3 enumerates the duties and responsibilities of the Director as follows:

"The Commission shall choose a director, who shall not be a member of the Commission, and shall fix the compensation of such director, which shall be payable out of the funds of the Commission hereinafter appropriated. The director shall attend the meetings of the Commission and shall serve as its secretary, and shall have general charge of the work of the Commission, subject to its orders and direction, and shall serve at the pleasure of the Commission."

The heads of the departments of Statistics and Market Research, Publicity, and Industrial Promotion are directly responsible to the Director of the Commission. To create an atmosphere of harmony staff meetings are held as needed to consider matters of importance to the Iowa Development Commission.

Members, Iowa Development Commission

There are eleven members of the Commission who are appointed by the Governor. Four of these members are appointed from the Legislature, two from the House and two from the Senate. These legislative members serve for two years or until the convening of the next General Assembly when their successors are appointed by the Governor. The remaining seven members of the Commission serve for four years.

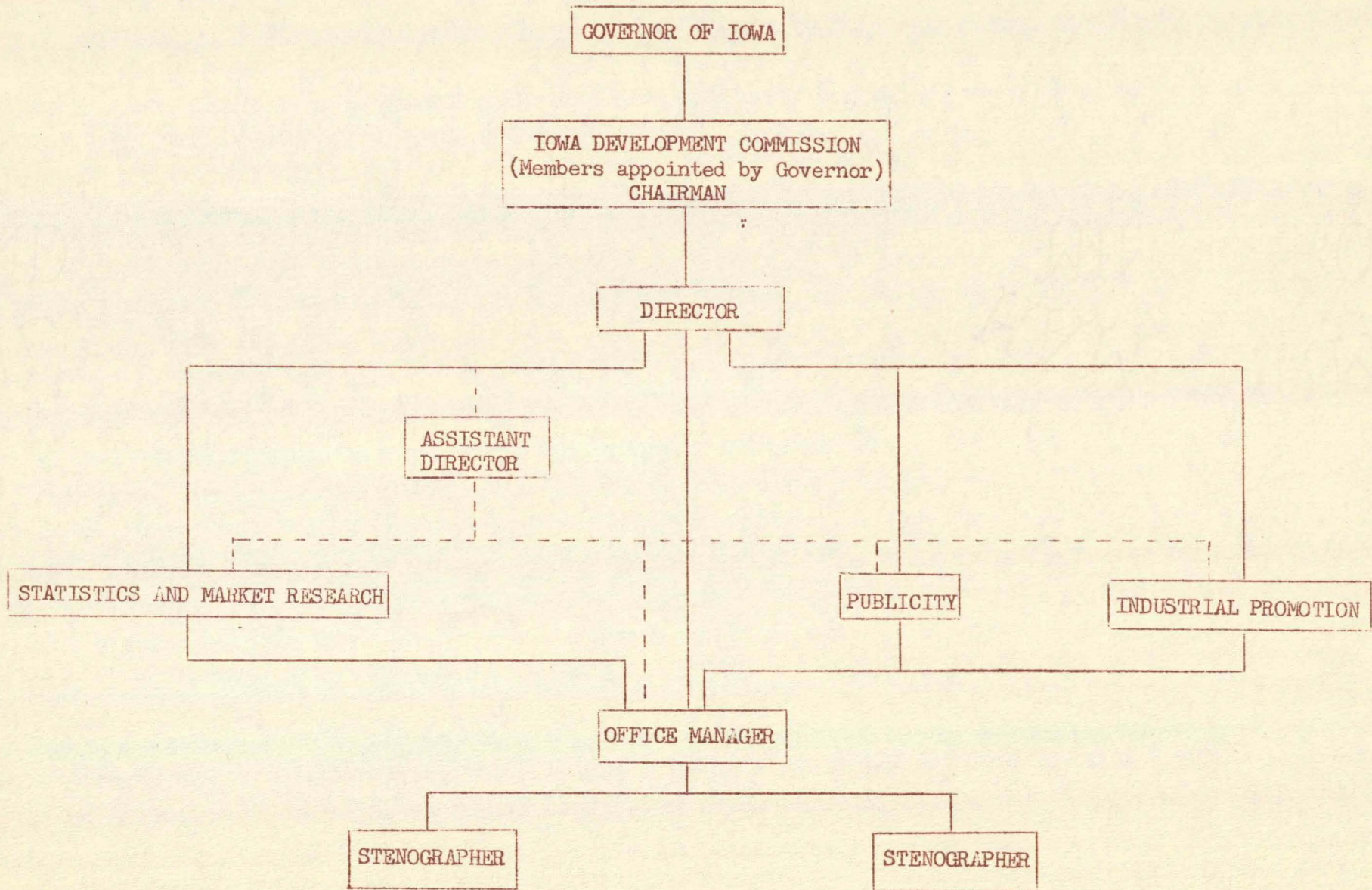
The members of the Commission serve without pay but they are reimbursed for their actual and necessary expenses incurred in performing their duties as members of the Commission.

A meeting of the Commission is held monthly at which time the members determine the policy, develop plans for the Commission, review the activities of the administrative staff and examine the budgetary affairs of the Commission.

The present members of the Commission and their terms of office are as follows:

Senator Charles S. Van Eaton	To 56th General Assembly
Senator G. E. Whitehead	To 56th General Assembly
Representative Fred Schwengel	To 56th General Assembly
Representative George L. Paul	To 56th General Assembly
E. Howard Hill	To June 30, 1958
L. P. Boudreaux	To June 30, 1958
Robert C. Wyth	To June 30, 1957
Clyde H. Hendrix, Chairman	To June 30, 1956
Otto Knudsen	To June 30, 1956
Karl E. Madden, Vice Chairman	To June 30, 1955
Marion L. Shugart	To June 30, 1955

ORGANIZATION CHART
IOWA DEVELOPMENT COMMISSION
January, 1955



----- Indicates line of command in the absence of the Director

Section II

REPORT OF DEPARTMENTS

The administrative staff of the Iowa Development Commission could well be likened unto a three legged stool with the departments of Statistics and Market Research, Publicity, and Industrial Promotion comprising the legs of the stool.

It is necessary that each of these departments have a working knowledge with the activities of the others because, as the ensuing departmental reports will show, many of the projects of this Commission are joint efforts with each department fulfilling that part of a project in which it is best qualified.

During the past two years it has become increasingly evident that the work load of the various departments has increased tremendously. As the people of our state become more and more aware of the services rendered by this state executive agency, there is every reason to believe the demands placed upon us will become still greater.

As of January 1, 1955 the directors of the various departments were as follows:

Statistics and Market Research - Bernard F. Nowack
Publicity - (Acting Director) - Ferne G. Bonomi
Industrial Promotion - - - - - John M. Hamilton

DEPARTMENT OF STATISTICS AND MARKET RESEARCH

Biennial Report

Among the varied activities carried on by the market research and statistical division are those phases of applied or practical research that have as their purposes and objectives the determination of such facts which are most essential to the progress and development of (1) business and industry; (2) the further promotion of the inexhaustable supply of our agricultural raw materials and products that will serve to increase the demand for the products of the farm; and (3) to maximize the progressive growth and utilization of the natural and human resources of the state of Iowa. Integrity of the information released to the press, radio and for the Commission's publications, is of paramount importance.

A Compendium of Facts

One of the functions of this department is to furnish factual information and economic data that will encourage the industrial growth of our cities and towns and to give aid and encouragement to our existing industries. This division serves as a fountain head or central clearing house for economic facts and figures on the state as a whole.

To serve this purpose there has been collected and assembled from all sources, federal, state and commercial agencies, an up-to-date library on more than 1,500 subjects that are definitely related to Iowa's population, its economy, growth and welfare. Much of this information is used by the entire staff to create a better impression of Iowa and its products. The results of such research is contained in the various pamphlets, press releases, and publications including the weekly and monthly bulletins, issued by the Commission, that records Iowa's many advantages and opportunities.

An "Iowa Statistical Summary" compiled by this department has become a very popular and valuable condensed statistical reference used by newspaper editors, chambers of commerce, schools, colleges and radio stations.

Another publication designed to help existing industry in advertising "Iowa Made Products" is the Iowa Directory of Manufacturers. It serves also as a Buyers Guide for the products made in Iowa.

The third edition, which is the "1955 Directory", has just been compiled and published. It contains the names, location, products made and number of employees of Iowa's 3,736 manufacturers that produce 2,278 different products. There are very few products that are not made in Iowa.

Products made for export to supply foreign markets are increasing. The returns received indicate that 539 Iowa manufacturers are exporting to all parts of the world Iowa made products while 142 plants are importers of foreign made goods.

Industry is Growing in Iowa

A study of reports issued by the U. S. Department of Commerce and the National Industrial Conference Board reveals the steady growth of the manufacturing industry in Iowa.

For the six year period 1947 - 1952, Iowa's increase in the number employed in manufacturing was 13.7 per cent as compared with the nations average of 11.5 per cent while the gain in "value added" by manufacture for the same period was 65.9 per cent. The national average increase in "value added" was only 45.8 per cent.

The total increase in manufacturing employment since the inception of this Commission (1945) through 1953 has been 20 per cent. During the same period the percentage of manufacturing payrolls to the Total Income Payments has increased from 10.4 per cent in 1946 to 17.1 per cent in 1953.

Power Survey

The supervision of a state-wide survey of electric power supply and demand conducted by the private and public power utilities for a period of 18 years to 1970 was completed. The director was appointed by Governor William S. Beardsley to represent Iowa as a member of the subcommittee of the Missouri Valley Inter Agency Committee for the purpose of this study. He was appointed chairman of the State Electric Power Committee created by the Governor, to gather and compile all the data for the 99 counties included in this state-wide survey which revealed that Iowa has ample reserves, based on their present and future installations, to meet the future demands of our expanding agricultural and industrial economy. This is the first state-wide study of power consumption and generating capacity that has been undertaken in Iowa.

A recent conference was called to consider the need for creating a Fact Finding Committee or a Central Clearing House composed of representatives of all the power utilities to compile information and data showing comparative rates and cost of electric power with those of other states in the midwest region.

Population Study

This department recommended to the Bureau of Vital Statistics that a conference be called with other interested state agencies to study the validity of the Census Bureau estimate that Iowa had lost 34,000 of our people through outmigration since 1950. A second conference was called, since which the Bureau of the Census revised its previous estimate and now showing an increase in Iowa population since 1950 of 15,000. The Census Bureau is now reporting Iowa's total population as 2,636,073.

All Iowa Movie

In the production of the Iowa Movie, "Iowa - The Land of Plenty", the department shared in the responsibility of giving the producer of this film assistance in sales promotion, gathering statistical facts and editing the script. The entire project costing \$43,000 was financed by Iowa business firms and was completed without any cost to the taxpayer.

Other research projects which were requested and completed include:

- (a) A study of sales tax and number employed by the retail trade in Sioux City was completed in collaboration with a representative of the Federal Housing Administration.
- (b) Prepared for Fort Dodge Chamber of Commerce an economic study and tabulation report to be presented to the Civil Aeronautics Board.
- (c) A study showing the availability of our banking facilities to serve our expanding agricultural and industrial growth and development.
- (d) An employment tabulation report for the 20 Major Iowa Industry Groups and 70 Sub-Groups was completed for the Council Bluffs Chamber of Commerce.
- (e) A study of the number of cities and towns in Iowa served by two or more railroads. A basic factor influencing industrial location.
- (f) A research report was concluded showing the proportionate share of the Federal Taxes paid to the total tax revenues collected by the state and local units of government.
- (g) Various conferences were held with civic leaders active in Chamber of Commerce and community development on methods and procedures in setting up an industrial development program.
- (h) Availability of power, gas and water for the location of a fertilizer plant.
- (i) How much has Iowa industrial growth increased the demand and consumption of raw materials and machine equipment?
- (j) Type and amount of fertilizer used in Iowa.

- (k) Economic data for the press, and radio stations on Farm Income, Total Wages and Salaries.
- (l) Retail Sales figures over a period of years for the State Highway Commission.
- (m) Method of organizing and compiling a statistical file and library and where to secure basic source information was furnished Chambers of Commerce and other states.
- (n) Compiled copy and layout for the publication: Iowa -- Road to Industrial Opportunity.

These are but a few examples of the multiplicity of requests and demands made on this division of the commissions activities received from private citizens, students, schools, colleges, business operators, chambers of commerce and other civic organizations and industrialists.

The director of this division has made numerous speeches on requests received by various organizations throughout the state. Also, he served as acting director of the Commission for the term March 15, 1953 to July 1, 1953 following the resignation of Rodney Q. Selby and the appointment of the present director T. E. Davidson II.

DEPARTMENT OF PUBLICITY

Biennial Report

It is the Publicity Department's mission to acquaint both the state and the nation with the agricultural prominence, industrial development and recreational facilities throughout Iowa.

This department serves as public relations representative for the state through its activities in such communicative media as newspapers, radio and television stations, national magazines, advertising campaigns, public addresses, photographic library, mass correspondence, and special projects.

In addition, business opportunities determined by the Industrial Promotion Department and information disclosed by the Department of Statistics and Market Research, are brought to the public's attention through this office.

This department endeavors to create a favorable impression for the State of Iowa, as it is considered by the general public, through a continuing publicity program.

Publications

The Commission publishes ten promotional and reference periodicals, which are distributed to newspapers, radio and television stations, national magazines, chambers of commerce, tourists, students, industrialists, libraries, and upon request.

(1) IOWA NEWS BULLETIN

A current report published weekly for distribution to newspapers, radio and television stations, in an effort to provide recent news for reprint and broadcast throughout the state and nation.

(2) IOWA DEVELOPMENT DIGEST

A summary of current news reports, compiled and edited from the Iowa News Bulletin, and published monthly for distribution to a circulation list including libraries, farmers, manufacturers, chambers of commerce, Legislators, business firms, and other interested persons.

(3) IOWA EVENTS

A pamphlet of recreational events throughout the state, published annually for distribution to tourists, chambers of commerce, and publications interested in Iowa's entertainment facilities.

(4) AVAILABLE PRODUCTION SPACE

A listing of available industrial buildings, published semi-annually, for distribution to manufacturing firms and industrial realtors concerned with plant expansion or interested in new industrial production in Iowa.

(5) CORN

A brief folder, popular with students and teachers, presenting illustrated information about the state's most famous and basic commodity, corn.

(6) IOWA--LAND BETWEEN TWO RIVERS

A pictorial brochure, including color photographs of the state's most notable and beautiful scenes, with accompanying descriptions, for limited distribution.

(7) DIRECTORY OF IOWA MANUFACTURERS

A comprehensive listing of all manufacturers throughout the state, alphabetically, geographically, and by product classification, for distribution, at costs, as a buyers guide to Iowa products.

(8) IOWA--CENTER OF OUR NATION'S FOOD SUPPLY, LAND OF INDUSTRIAL OPPORTUNITY

A pamphlet, popular with schools, presenting a thumbnail sketch of the state's history, products, largest industries, and first rankings in agriculture.

(9) INDUSTRY'S ROAD TO OPPORTUNITY LEADS TO IOWA

A pictorial booklet, discussing all factors of the state's economy, including location, transportation, power, labor supply, government raw materials, farms, factory sites, etc., for general distribution.

(10) IOWA--LAND OF INDUSTRIAL OPPORTUNITY

A complete resume of the state's economy, with numerous pictures, maps, graphs, and charts, for distribution to those interested in a detailed account of Iowa's resources.

In addition to these publications, the Commission prints and distributes especially prepared blotters and matches, for distribution to school children and at banquets.

Various other publications, prepared by other state agencies, are distributed by the Commission, upon specific request, such as IOWA WELCOMES YOU, published by the State Printing Board; WHY IOWA IS GREAT, published by the Department of Agriculture; A PEEK AT IOWA WILDLIFE and WHO'S WHO IN IOWA'S ZOO, both published by the Conservation Commission; IOWA MOTEL, published by the Iowa Motor Court Association; a DIRECTORY of the Iowa Hotel Association; the IOWA HIGHWAY MAP, published by the State Highway Commission; and many others.

Photographic Service

An extensive photographic service is maintained by the Publicity Department for distribution, upon request, to newspapers, publishers, commercial artists, tourist agencies, television stations, schools, service clubs, etc.

Both black and white photographs and color transparencies are made available by this department.

Radio and Television

Several radio and television stations have invited members of the Commission to appear before their audiences as guests, with interviews, announcements, addresses, and introductions to the motion picture, IOWA--LAND OF PLENTY, sponsored by the Commission.

Iowa Farm Youth Tour

The Publicity Department serves as director of the annual IOWA FARM YOUTH TOUR, sponsored by the Commission in cooperation with the Iowa Farm Bureau Federation.

Through this department's planning and preparations, representatives of 4-H clubs, Future Farmers of America chapters, Rural Boy Scout troops, and Rural Young Peoples' Assembly units, are escorted through major Iowa manufacturing plants, in an effort to clarify the interdependence between agriculture and industry in this state.

Magazines

In addition to cooperation in preparing advertising for national magazines, the Publicity Department responds to requests of such publications for written and pictorial material.

Recently, a 23-page feature on Iowa, including more than 40 photographs printed in addition to the cover illustration, were provided by this department for the July, 1954 issue of the National Buyers' Guide magazine.

Exhibits

The Commission maintains visual displays for exhibit at conventions and special celebrations.

These display cases and color transparencies are the responsibility of the Publicity Department and are provided for exhibit on all appropriate occasions throughout the state and nation.

Addresses

The director of the Publicity Department is available for speeches to civic organizations at all times, and has delivered numerous addresses throughout the state, in addition to serving as projectionist for the motion picture, when requested.

News Releases

In addition to the weekly IOWA NEWS BULLETIN circulated to all Iowa news media, the Publicity Department prepares special news releases, when necessary to the press, radio and television stations, and the Associated Press, United Press, and International News Service.

Speech Research

The Publicity Department conducts research, upon request, for addresses scheduled by other members of the staff or commission.

Advisory Capacity

The Publicity Department serves communities throughout the state in an advisory capacity in such matters as local publications and brochures, designed to stimulate tourists or industrial development, and maintains an extensive file on Iowa colleges for counselling by mail those students requesting information on prospective institutions of higher learning.

State File

The Publicity Department maintains a file of promotional material from all other states in the union, for comparison and information.

Tourism

During the calendar year 1954, the Commission received in excess of 25,000 requests for information about Iowa from people living throughout the United States. In response to these inquiries the most appropriate material available was sent. Those requiring special material and attention were handled by the Publicity Department.

DEPARTMENT OF INDUSTRIAL PROMOTION

Biennial Report

Our Aim

The industrial promotion program of the Iowa Development Commission has been pointed toward the end result of creating additional payrolls and jobs for the citizens of Iowa. The past has demonstrated the urgency of such action through the all too evident out-migration of our youth to other areas in order to find adequate job opportunities. Then, too, experience has taught us that we must build a more sound economy in Iowa by diversifying our buying power. Only recently have we arrived at the point where the value of our manufactured product surpasses the value of our agricultural output. With our new-found, more balanced economy, our people will be blessed with a protective cushion in the event of a major period of depression.

Developing Prospects

Inquiries have come to us requesting information about Iowa's industrial potential from every state and several foreign countries. Each has received an individual reply extending our cordial offer of assistance. Whenever possible, the reply has been followed by a personal visit with the industry so that we can better integrate our services with the needs and wishes of the investigating company. Within the past several months, travel has been concentrated in the heavily industrialized regions of New York, New Jersey, Ohio, Michigan, Illinois, Missouri and Wisconsin. It has also been our pleasure to escort representatives of a number of firms on site inspection tours through the state.

Community Assistance

A great deal of time is spent in providing aid to the various communities so that they might organize their local programs of industrial

development. We work very closely with all of the local chambers of commerce and the complementary organizations which usually spearhead this type of community action. In furthering such local activity, the Industrial Promotion Director has averaged approximately one and one-half speaking engagements per week. In every instance, we endeavor to stress the fact that it is equally important to assist local industries to expand as it is to entice a new industry to settle in a town. At the present time, some 110 Iowa cities and towns are aggressively seeking new industry, and, of that number, more than 20 have formed corporations solely for the purpose of promoting their localities as new industrial sites. It is our policy to prepare a detailed mailing regarding all prospective new industries which have indicated a desire to find a general Iowa location. Such a mailing is sent to each of these 110 Iowa communities. It is our ultimate goal to have sufficient data about each locality readily available in our files so that we may discuss intelligently any of our cities with industrialists making site surveys.

To further aid communities in their local programs this department makes available for distribution the three brochures listed below:

(1) PRELIMINARY WORK SHEET FOR A COMMUNITY SURVEY

This work sheet contains an outline of the basic statistical material a community should have on hand when seeking new industry.

(2) ORGANIZATION OF A COMMUNITY INDUSTRIAL DEVELOPMENT CORPORATION

This mimeographed brochure contains a comprehensive discussion on industrial development corporations. This Commission favors the establishment of such corporations where they are needed.

(3) COMMUNITY APPRAISAL CHECK LIST

After a community has completed its statistical survey we suggest that they review thoroughly these facts and determine their assets and liabilities. This publication lists the basic factors influencing plant location which should be rated Good, Fair, or Poor.

Current Available Buildings Listing

Semi-annually, the industrial promotion department publishes a listing of all available industrial properties within the state. These are placed in the hands of every member of the national Society of Industrial Realtors, all major railroad offices, and also distributed freely to the firms with which we discuss plant location. During this biennium an average of 100 buildings of all sizes in 55 Iowa communities have been listed in this publication.

Industrial Development Clinic

Last October, this department organized and presented a State-Wide Industrial Development Clinic here in Des Moines before approximately 200 community leaders. A day-long series of discussions were led by Iowans well qualified in this field as well as several gentlemen of national repute. The intent of the Clinic was to transmit a basic industrial promotion story to the interested communities. Because of the interest shown, it is our desire to make such a clinic an integral part of our annual calendar of events.

A Summary

Since the inception of this Commission, 875 new industries have been established in Iowa resulting in over 35,000 new jobs. It is also interesting to note that the value of the manufactured product in Iowa has doubled within the past six years. Sixty-nine of these new firms have been set up in Iowa during the past two years. They might be classified in order of their number under four major groups: food processing, chemicals, fabrication of metals, and machinery. Most, of course, evidence an obvious tie-in with Iowa's agricultural economy. The ever-increasing use of agricultural fertilizers has been an important factor in securing for us a growing number of chemical industries.

Section III

PROJECTS - 55TH BIENNIUM

Promotional Features

"IOWA STORY" - FORTUNE MAGAZINE, SEPTEMBER 1954 --

This was a twelve page combined editorial and advertising section designed to dramatically place Iowa's resources before the leaders of business and industry who decide when and where new plant investments will be made. Your Iowa Development Commission in cooperation with the ten Iowa business firms and organizations listed below joined in sponsoring this project.

Des Moines Register and Tribune

Rock Island Lines

Iowa Utilities Association

Central Broadcasting Company

Viking Pump Company

Northern Natural Gas Company

Wallace Homestead

Fisher Governor Company

Iowa Manufacturing Company

Iowa Novelty & Specialties Manufacturers

"IOWA - THE LAND OF PLENTY" - ALL-STATE MOVIE --

On September 28, 1954, the premiere showing of the 28 minute color sound motion picture was held. Since then nearly 200 reservations have been made to show this film presentation to service, civic, fraternal, and luncheon clubs; farm, business and professional groups; and over Iowa's TV network. The film is designed to acquaint Iowans with the resources of this state and to accelerate our industrial

development program. This film was produced at a cost of \$43,125, all of which was underwritten by 110 Iowa business firms in 31 Iowa communities. The All-State Movie was eighteen months in production.

Annual Events

IOWA FARM YOUTH TOUR --

This activity is sponsored by your Iowa Development Commission with the cooperation of the Iowa Farm Bureau Federation. Each year some 40 outstanding farm youth leaders are taken on a tour of Iowa industries so they can realize fully the vital interdependence that exists between industry and agriculture.

IOWA INDUSTRIAL DEVELOPMENT CLINIC --

An innovation this year, 1954, was this clinic designed to help our Iowa communities, large and small, with their local industrial - economic development programs. The total registration of nearly 200 people from 56 Iowa cities and six states is further indication of the great interest our cities and towns have in industrial expansion. It is intended that this Clinic should become an annual event.

General Advertising

Annually this Commission has expended from its \$80,000 a year budget some \$22,000 for advertising in such periodicals as Fortune, U. S. News, Business Week, Nations Business, Chemical Week, Wall Street Journal, New York Times, and the Iowan Magazine. Last year, July 1, 1953 to June 30, 1954, 220 inquiries were received by this Commission as a result of our advertisements. A total of 111 advertising inquiries have been received since July 1, 1954.

Section IV

INDUSTRIAL GROWTH OF IOWA

1945 - 1954

Since the establishment of the Iowa Development Commission in 1945 approximately 875 industries have set up shop in Iowa. These new manufacturing concerns have afforded the people of Iowa 35,000 additional job opportunities which have created an annual payroll in excess of \$120,000,000.

The plant and equipment valuation of their plants is estimated at half a billion dollars which in turn has meant an estimated \$12,000,000 in tax revenues to Iowa's cities, towns, and counties.

1953 - 1954

During the past two years our records show that 69 industries have begun operations in Iowa. Job opportunities numbering more than 2,800 have been offered our people with a potential annual payroll of \$8,000,000. The value of plant and equipment is estimated at \$27,000,000 which could mean added tax revenues to local and county government of nearly \$1,000,000.

Value Added by Manufacturing

During the period from 1947 to 1953 the value added by manufacturing increased from \$671 million to better than \$1,100 million or \$1.1 billion.

This is an increase of nearly 66% while the national average for "value added" increased by 45.8%. Iowa ranks 9th in the nation in percentage increase of "value added."

Value added by manufacture is that part of the product created in the process of manufacturing. It is determined by subtracting from the total value of the product the cost of materials, supplies, containers, fuel, purchased electrical energy, and contract work.

Manufacturing Payrolls

In 1947 salaries and wages derived from manufacturing sources amounted to \$372 million while in 1953 it amounted to \$673 million. This represents an increase of 81% since 1947.

Likewise the percentage of total income payments from manufacturing amounted to 10.4% in 1946 but had increased to 17.1% in 1954. This diversification in our sources of income lends greater stability to our buying power.

Value of Industrial Production

Since 1948 the value of Iowa's industrial production has doubled. In 1948 industrial products were valued at 1.8 billion dollars while in 1953 these products were valued at 3.7 billion dollars.

During this time the value of agricultural production remained fairly constant with a value of 2.3 billion dollars in 1948 and 2.2 billion dollars in 1953.

Number Employed in Manufacturing

Reports from the United States Department of Commerce indicate that Iowa ranks 18th among the 48 states in the percentage increase in manufacturing employment during the period of 1947 - 1952 with an increase of 13.7% while the nation as a whole was showing an increase of 11.5%.

However, the number of manufacturing employees has increased from 143,800 in 1945 to 172,437 in 1953. This represents a total increase in manufacturing employment of 28,637 or 20%.

Conclusion

These figures, especially those dealing with the percentage increase in value added and manufacturing employment, indicate that the industrial growth and development of Iowa is going forward at a faster rate than the nation as a whole.

Section V

NEW INDUSTRY! WHY?

Careful scrutiny of the economic facts will prove conclusively that Iowa must not only continue, but also strengthen its program of industrial development.

Population

Since 1900 in excess of one million people have left our state. In the decade between 1940 - 1950 people migrated from Iowa at the rate of 20,000 per year. Why? Mainly because our farms have become larger and more mechanized, and as a result fewer and fewer people are required to operate them. Consequently, many capable and willing persons have found it necessary to seek their livelihood in other fields of endeavor. In many cases it was not possible for these people to find suitable opportunities in Iowa so it was a matter of economic survival which caused them to seek and find employment, in other areas.

It would be difficult to estimate the great loss the citizens of Iowa have suffered as a result of this migration of population. These people were the customers of Iowa businessmen, they paid Iowa state and local taxes, and many of them were educated at the expense of Iowa taxpayers while other areas reaped the benefits of their education.

We believe it is much wiser and more economical to bring the jobs to our people. New industry will help to create the employment opportunities necessary to halt the rivers of people flowing out of Iowa,

Per Capita Income

Our studies of per capita income throughout the United States show that in areas where there is a high degree of industrial development there is likewise a high per capita income. Right here in Iowa you will find the same relationship on a county level -- high industrial activity,

high per capita income. These high per capita income counties are the same ones, with a few exceptions, which pay more in state special taxes than the allocations they receive from the state government. It is also interesting to note that these same high per capita income - high industrial activity counties are the ones which showed a substantial increase in population during the last decade.

Industrial Payrolls

Payrolls generated from industrial concerns increase the business activity of any community. It is a known fact that each dollar of payroll will turnover from $2\frac{1}{2}$ to 3 times before leaving the city or town in which it originates. Thus you will find that in every case new industrial payrolls are a stimulus on the economy by helping to support retail, wholesale, professional and service trades.

Increased Tax Revenues

More people and more industry, which quite naturally go hand in hand, will increase as well as broaden the tax base of the state and its communities, thus providing more needed revenues for operating the various levels of government.

The greater the industrial development the greater the value of industrial property. This increase valuation would bring more property tax revenues to city and county governments. The additional revenue will make it possible for the communities to provide better schools, parks, streets, and other vital municipal services.

Of course, industries employ people who are paid for their labors. All of this payroll which is spent at retail would be subject to the state sales tax. Some of this new money would be spent for gasoline and cigarettes which are also subject to state taxes. There is also a

state income tax which would be levied upon the salaries of the individual employees. Without a doubt new industry and new employees will create more tax revenues for our city, county and state government.

Buying Power

Finally we should examine briefly the effects of industrial development on the buying power of a state in the event of a depression or recession. During the depression year 1933, the buying power in Iowa dropped by 55%. However, in South Dakota where there was almost no industry the buying power dropped 59%. But, in Missouri which had attained a higher degree of industrial development, the buying power declined 45%. This experience would seem to indicate that those states where more industry was located received a lesser shock from that depression. The primary reason --- diversification of sources of income.

During the past several years vast changes have taken place in our economy. Industrial development of these United States has continued at a high rate. Iowa in its strategic location, with good transportation, and the inherent quality of her people has benefited from this westward movement of industry.

All the economic signposts indicate that in the future many industries will continue to relocate and expand. These growing manufacturing plants must be told of the abundant resources and many advantages available to them in Iowa.

Section VI

FINANCIAL REPORT

During the first fiscal year of the 55th Biennium, July 1, 1953 to June 30, 1954, expenditures were kept within the \$80,000 annual appropriation. Our balance on hand as of July 1, 1954, was \$159.24.

Our expenditures have continued at approximately the same rate during the first six months of the second fiscal year of this biennium. The balance of appropriation as of December 31, 1954, was \$40,738.21.

It is interesting to note that from July 1, 1945, to June 30, 1954 this Commission has spent \$652,131.59. Of this total expenditure nearly fifty per cent was used for general advertising, printing and promotion. Thirty-two per cent of the total expenditures was paid out in salaries.

The financial statement on page 28, covering the period from July 1, 1953 to December 31, 1954, shows a break down of expenditures for the separate budget items.

IOWA DEVELOPMENT COMMISSION

FINANCIAL STATEMENT

7/1/53 - 6/30/54

Biennial Appropriation July 1, 1953, by 55th G. A..... \$160,000.00

Expenditures 1st Fiscal Year, 7/1/53 - 6/30/54:

Salaries.....	\$ 32,216.59	
Travel	7,693.28	
Rent	3,120.00	
Advertising, Printing and Promotion	32,051.33	
General Office	<u>4,765.76</u>	
Total Expenditures 1st Fiscal Year	\$ 79,846.96	\$ <u>79,846.96</u>
Balance of Appropriations as of June 30, 1953		\$ 80,153.04
Credits during year 7/1/53 - 6/30/54	\$ <u>6.20</u>	<u>6.20</u>
		\$ 80,159.24

Expenditures July 1, 1954 - December 31, 1954:

Salaries	\$ 16,607.79	
Travel	2,616.86	
Rent	1,560.00	
Advertising, Printing and Promotion	16,358.75	
General Office	2,489.97	
Office Equipment	<u>93.00</u>	
Expenditures 7/1/54 - 12/31/54	\$ 39,726.37	\$ <u>39,726.37</u>
Balance of Appropriation as of December 31, 1954		\$ 40,432.87
Credits during 7/1/54 - 12/31/54	<u>305.34</u>	<u>305.34</u>
		\$ 40,738.21

Subject to change after Comptroller closes his books on January 15 for the quarter.

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