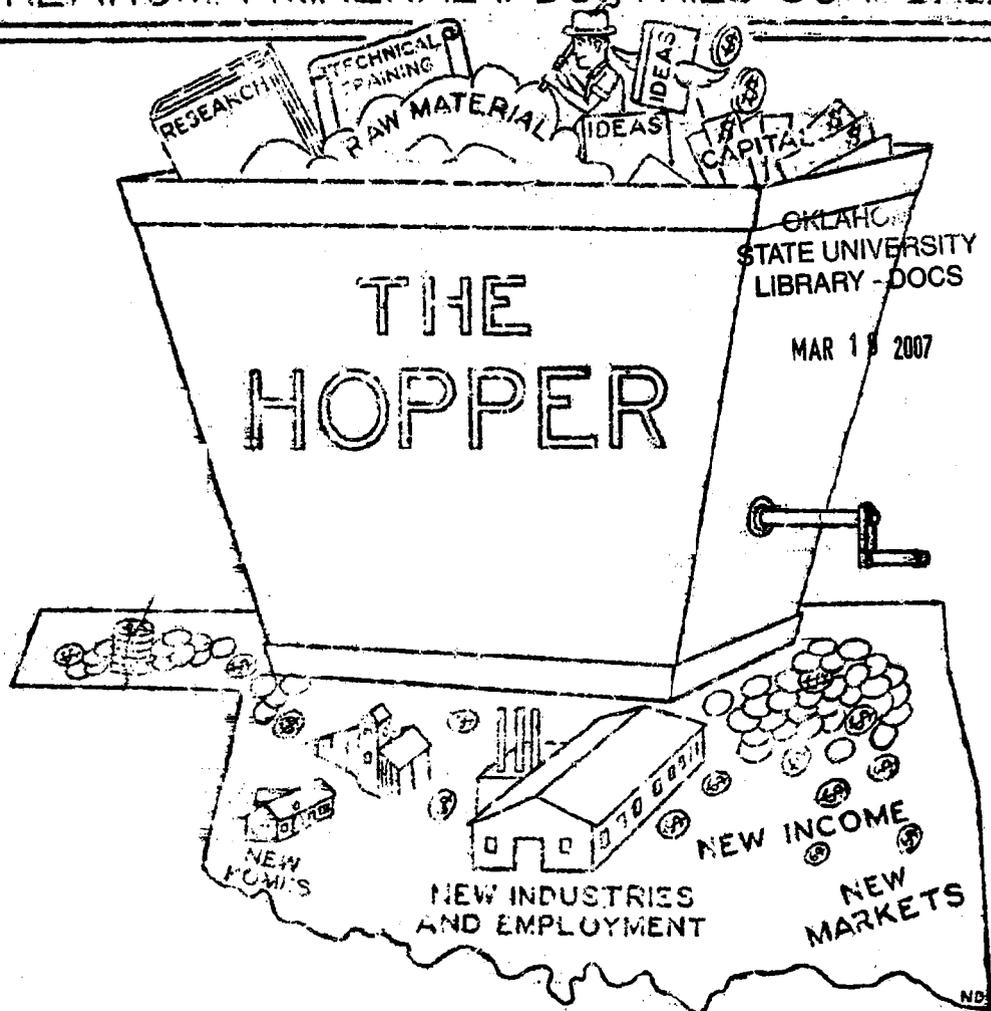


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## HOW THE STATE GOVERNMENT IS HELPING TO INDUSTRIALIZE OKLAHOMA

By Gov. Roy J. Turner

(Address delivered at Tulsa, November 17, 1947)

I greatly appreciate this opportunity to meet with the Oklahoma Industrial and Mineral Industries Conference. Assembled here we have a nucleus of citizens with great talents, resources and ability who will play a very vital role in the future development of Oklahoma. In view of factual information, recently developed by studies of our overall national situation, this conference is most timely.

Since territorial days, we have accepted agriculture as our basic industry. Today, agriculture remains as our greatest single industry. But there have been changes in agricultural operations--changes which make it obvious that we can no longer look to that industry for sustenance of a growing and prosperous population.

The development of modern farm machinery has had a profound effect upon agriculture. Larger acreages can now be tilled by fewer farmers. The trend is toward larger farms and a smaller farm population. With the population of the United States steadily increasing, it is apparent that urban industries and urban services must provide employment for an increasing number of Americans.

Recent figures, prepared by the United States Census Bureau, indicate that Oklahoma has lost population since 1940. Yet the same report reflects a national population increase. A recent article in Newsweek Magazine attributes a portion of the responsibility for this situation to migration from Oklahoma, Arkansas, and Missouri. We know that the cities of Oklahoma are growing, so we must assume that our loss in population is traceable to migration from our farms to other states.

Before discussing the relationship of our state government to our industrial needs, I wish to make one point very clear:

We must never lose sight of the importance of agriculture to our state economy. Our present efforts in the fields of reclamation, soil research, and soil conservation must continue with full force. Statistics show, that considering the entire population of the world, there are only two acres of productive crop land per capita.

If the productive crop land of the United States were divided among 146,000,000 Americans, we would have about three acres per capita. We are losing approximately 500,000 acres of land a year because of erosion. These figures indicate that we are approaching a danger line in the United States. Therefore, it is very apparent that our productivity must be increased. Indeed, this is no time for us to lose sight of our responsibilities toward agriculture.

I am sure that every thoughtful citizen, whose major interest is in urban industry, will recognize the impact our agricultural economy will have upon all industry.

Let us turn now to an examination of the relationship our state government bears to Oklahoma's industrial future. Industry has always been sensitive to taxation, and Oklahoma's tax structure has been the object of much criticism. The Oklahoma income tax has been blamed for the obstruction of our industrial development.

Prior to 1947, opposition to the state income tax was so great that new industries declined to locate in Oklahoma, and old industries moved to other states. This trend persisted despite the fact, that, even then, Oklahoma offered certain tax inducements for industry.

Oklahoma advanced greatly, with the enactment of a community property law. Oklahoma has no ad valorem taxes for state purposes, and the ad valorem tax for municipal, county, and school purposes has a constitutional limitation. Yet, despite these advantages, Oklahoma remained something of an industrial leper.

When I took office, last January, one of the thoughts foremost in my mind--and in the minds of our legislators, to whom I pay tribute for their cooperation--was that everything possible must be done to overcome factors contributing to our industrial delinquency.

Accordingly, a reduction in the state income tax was high on the agenda of the new administration. The reduction was accomplished. It was a substantial reduction--a reduction of one-third straight across the board. Our legislature also modified certain use taxes, which had been found to be detrimental to industry.

During the first half of the current year, twenty-seven state legislatures were in session. Twenty-six of these legislatures provided for tax increases for their states. One legislature only provided for a tax reduction. That was the Twenty-first Legislature of Oklahoma.

In addition to its work in the field of taxation, our legislature enacted a comprehensive and liberalized corporation code. It is interesting to note, that during September, charters issued corporations decreased 10.4 percent throughout the United States. In Oklahoma, however, charters issued corporations increased 290 percent during the same period. For the past nine months there was a national decrease of 18 percent, while Oklahoma showed an increase of nearly 100 percent.

I am sure we can agree that the attitude of a state government toward industry will bear with great import upon the attitude of industry toward a state.

Every successful industry is founded and operated upon sound business principles. A state government, which indulges in slipshod practices in the handling of its affairs, holds no interest for the industrialist. And this was another factor, which claimed the attention of our last legislature. Although laws enacted prior to 1947 made it necessary for the state to operate upon a balanced budget, the legislature was still forced to base its appropriations largely on estimates and guess work. As a matter of fact, no state official could say with any degree of accuracy how many men and women were employed by the state.

To overcome this situation, and to place state fiscal affairs upon a business basis, our last legislature enacted a budget control law.

This law is now in force, and you can be assured that your next legislature will know how many state employees there are, in what departments they work, what their duties are, and what salaries they receive.

Our next legislature will also know what expenditures were made and what commodities or services were received for those expenditures. The budget control law also empowers the state budget director to curtail departmental expenditures in case of revenue failure. This assures us that expenditures will be kept within available revenue.

Although we may not often pause to think of it, our state government bears another relationship to industry in the field of transportation. If we are to realize our full industrial potentialities, we ultimately must provide easy access to markets.

This will require the planning and execution of a long range highway program. It also will require the development of a good farm-to-market road system. Our new highway commission, which is the most representative commission in the history of our state, is working--and working hard-- for the achievement of these objectives.

At the present rate state and federal funds to be available to the highway department for maintenance and construction of primary roads will total about \$20,000,000 annually, and perhaps \$10,000,000 will be available for farm-to-market roads. I would be less than frank with you if I were to leave the impression that this amount of money will be sufficient to finance a complete highway and rural road program within the next few years. One of the bridges we ultimately will have to cross will be the decision as to whether we want our roads and highways now or whether we want to wait for them.

Meanwhile, we may have found a part of the answer to the problem of financing major highways. The proposed turnpike between Oklahoma City and Tulsa may prove to be the forerunner of other projects, which ultimately may span the state. In Pennsylvania recently, the Oklahoma Turnpike Authority found that definite plans already have been made for the extension of the Pennsylvania Turnpike.

We also found that the Pennsylvania Turnpike was more practical from a financial standpoint than had been anticipated. Current receipts indicate that the Pennsylvania Turnpike bonds will be retired several years earlier than was expected.

We also learned that the Pennsylvania Turnpike has proved to be beneficial to business in communities along its entire route. It has stimulated commercial and tourist traffic. Yet, when the turnpike was proposed, it met opposition similar to that aimed at the proposed Oklahoma Turnpike.

Some of our people are prone to look upon the Oklahoma Turnpike as a sectional enterprise, designed principally to benefit industries in Oklahoma City and Tulsa. I hold that the operation of our turnpike will prove to be of benefit to industry and commerce in many other sections of the state. Ultimately we may find that Oklahoma City and Tulsa are merely on the route.

Assembled here today are many of the men who made Oklahoma's industrial tour to northeastern states last summer. This was a great promotional undertaking, and its results will be forthcoming for a great many years to come. I would like to report that your state government is following through. Our past legislature appropriated funds for a modest advertising campaign in national publications. Advertisements have appeared--or will appear--in Fortune, Time, Newsweek, Business Week, and Nation's Business.

Other advertising material will be published in the New York Times, the Wall Street Journal, the Chicago Journal of Commerce, and the Chicago Tribune.

Meanwhile, as the Research Division of the Planning and Resources Board completes studies, trade campaigns will be released about Oklahoma's advantages to specific industries. Campaigns are now being prepared for trade journals covering the glass, garment manufacturing, paint, and chemical industries.

There is one industry, which I mention nearly every time I am called upon to speak. I refer now to the tourist, or recreational, industry. Aside from the tremendous financial benefits, which this industry carries for almost every line of business, it has a very definite bearing upon the location of industrial plants in Oklahoma. Employers are interested in the living conditions of their employees.

A state which offers economical and pleasant recreational facilities enjoys a distinct advantage over any state which offers no such facilities. Therefore, by developing and publicizing our parks and lakes, we shall be contributing to the industrial interests of Oklahoma. This is especially true now that industry is in the process of decentralization. It behooves us to give very earnest consideration to the development of our recreational facilities as instruments through which we can win new industry.

While I was in Washington last month, I called upon President Truman. We discussed a number of matters, all of them pertinent to the development of Oklahoma. I found that the President was extremely well informed on our Oklahoma problems, and he soon proved to me that he was entirely sincere in promising to help us solve them.

The development of Oklahoma's water resources was one of the chief topics of our discussion.

I asked the President to assist us in obtaining two comprehensive surveys--one of the Arkansas River Basin, and the other of the Red River Basin. These two basins hold a very large part of Oklahoma's industrial potential.

While we were talking, the President made some notes. A week later, when I returned to the capitol in Oklahoma City, I found that he had used those notes.

Mr. Michael Straus, Commissioner of Reclamation for the Department of the Interior, called upon me. He advised me that his department had received word from the President that he wished the surveys expedited, and asked for a report as to what could be done.

Since I talked with Mr. Straus, our State Planning and Resources Board has received several requests for data pertinent to these surveys from the Department of the Interior. This data has been forwarded. It is apparent from these activities that Oklahoma's request is receiving the prompt attention of the federal government. Complete and comprehensive surveys of the Arkansas and Red River basins will be of tremendous value to Oklahoma in helping us to blueprint the development of our full industrial potential.

Oklahoma has made progress, and is still making progress, in a governmental program designed to stimulate agriculture, industry, and the development of our great mineral and other natural resources. However, our state government faces many serious problems. Most of these problems are financial, involving such functions as education and public welfare.

I shall not discuss these problems now, but we may be very sure that they will claim a great deal of attention during our next legislative session. Fortunately, our next legislature will have the benefit of work now being done by our legislative council. The legislative council is a research and fact-finding organization. Through the council, a vast amount of accurate information and data will be made available to our Twenty-second Legislature. This will be information, which our senators and representatives would not have time to prepare for themselves during the pressure of a legislative session.

Many of the most important parts of the progressive program enacted by our Twenty-first Legislature were based upon recommendations submitted by an interim legislative committee on taxation. Our legislative council is not limited to the field of taxation.

Therefore, it is to be expected that its recommendations will be made upon a broader scope than those submitted by the interim committee. I hope that the council's recommendations will be as fruitful and as beneficial as those received by our Twenty-first Legislature.

In closing, I would like to leave this thought with each and every one of you:

Our public officials are elected to represent all of the people, not any particular clique, faction, or interest. Public officials as a rule accept this responsibility with a desire to give this kind of representation. It is to our interest that we do our utmost to select honest and qualified men for public office. It is also to our interest to see to it that when such men are elected, they receive honest and constructive criticism and unselfish moral support.

The public shares with the public office holder responsibility for the establishment and maintenance of good government. I hope that in future elections and future legislatures our citizens will recognize this responsibility--and accept it.

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#### SURVEY ISSUES NEW BULLETIN

A report dealing with the Morrow Series of rock formations in northeastern Oklahoma has been issued by the Oklahoma Geological Survey. The new publication, Bulletin 66 of the Survey, was prepared by Dr. Carl A. Moore, associate professor of geology at the University of Oklahoma. The report gives the results of field work which consisted of measuring outcrops, collecting samples; and of laboratory work which included the making of insoluble residues for use in making correlations across the area from type localities in Arkansas.

## SIDELIGHTS ON OKLAHOMA MINERALS DURING 1947

New manufacturing plants that will be users of minerals for raw materials have been important news in Oklahoma during the year. Increase in number of plants and enlargement of established plants have been important in the glass industry.

A large rock wool plant at Ada is in process of building. Dolomite production is scheduled before the end of the year, to put Oklahoma dolomite on the market for industrial uses for the first time, from a large quarry west of Troy.

Oklahoma limestone is being prepared for use by the glass industry. Several small artware pottery plants are in operation, or contemplated, in various parts of the state. Production of calcite has been reported for the first time.

Two minerals, previously not reported, have been uncovered. Prehnite, a hard, greenish, calcium aluminum silicate with water, was brought to attention of the Survey by J. M. Stevens and through the Oklahoma Mineral and Gem Society. This society also was instrumental in bringing to attention a discovery of amethystic quartz by Mr. Southard.

The U. S. Bureau of Mines issued Report of Investigations No. 4132 in November, describing the lime-soda-sinter process for recovering alumina from Wyoming anorthosite, with cement as a by-product. No mention is made of the anorthosite deposits of Oklahoma, among the largest in the country.

A new company has organized to manufacture mineral fertilizers at West Tulsa. Markets will be Oklahoma, southern Kansas, and northwest Arkansas. Production started this fall in a paint manufacturing plant in Oklahoma City.