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WHY WE CAME TO OKLAHOMA

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Introduction. It is indeed with great pleasure that I take this opportunity to express my sincere appreciation for being invited to tell this conference why the Pittsburgh Plate Glass Company came to Oklahoma. The annual meeting of the Oklahoma Industrial and Mineral Industries Conference is rapidly gaining national stature, and is doing much to focus the nation's attention on the progressive State of Oklahoma.

I might add, the fine public relations and advertising program sponsored by Oklahoma agencies has already proved to millions of Easterners that Oklahoma is actually a real place inhabited by real people; instead of a Broadway play to which tickets are almost impossible to obtain!

But - as with almost everything - conferences, advertising, and promotion programs would be of little avail to Oklahoma if it did not, to use a strong term, "have what it takes." Our state, and I use the word "our" because we of the Pittsburgh Plate Glass Company have an important stake in this great state, possesses those dynamic resources and requirements which are essential to an efficient and productive economy. And it has them in great abundance.

What Industry Seeks. Somewhat like the person who could not see the trees because of the forest, Oklahomans living in the midst of these resources sometimes fail to see how they attract business and contribute to industrial progress. To appreciate fully what Oklahoma offers industry, let us for the moment put ourselves in the position of industrial

leaders seeking a new plant site. What would be some of the first and more important factors we would consider? First and foremost, we would want a complete answer to the question of availability of qualified working personnel. Next would be the extent and availability of the raw materials requisite for the manufacture of the products we plan to produce. An equally important consideration, and one which is becoming increasingly important in view of recent Supreme Court decisions on pricing policies, is the accessibility to markets. Our concern with this question would include not only known markets, but the undeveloped potential in the territory to be served. Another factor would be the attitude toward industry of the local and state governments, and the services rendered by them. The nature and extent of taxes would be carefully considered. We would investigate such social services as churches, schools and housing, as well as the roads within a reasonable radius of the plant - for they all would vitally affect our ability to man the operations.

The major physical factors - labor, raw materials, and service - which attract industries - are seldom found in weighted combination in any single location. Normally, one or more is lacking. If we, as industrialists looking for a plant site, could find a section possessing all these requirements that site would be highly desirable. The unique combination and the convenient availability of these factors are the fundamental reasons that more and more industrialists are locating in Oklahoma.

Energetic People. With all their importance, these natural resources and physical attractions are not the only factors which progressive industrialists seek. There are other intangible ones dealing with people which weigh heavily in the final choice. While it is one of the youngest of our states, Oklahoma is a robust land of opportunity. Its citizens are energetic, practical and

imaginative, and are endowed with broad vision and sound judgment. This spirit of the people, their eagerness to work and build, are factors equally as important as the state's physical attractions. In fact, to the modern manufacturer, these intangible characteristics are sometimes of greater value than raw material resources. Raw materials can be transplanted, but the spirit of the people cannot.

Markets. Although its people had nothing to do with deciding the geographical location of Oklahoma, they could not have made a wiser selection from the viewpoint of the industrialist. Within a radius of 500 miles of its boundaries, is one of the fastest growing and potentially important markets in the United States. Much has been written about the great Southwest. Most of this deals with its bright and expanding future. Progress in Oklahoma, and in other neighboring states, proves the accuracy of these predictions. Within the great 500 mile circle of this state have developed some of the richest market areas in our country. And more markets will develop in the future.

Natural Resources. Perhaps you think it is presumptuous for an adopted Oklahoman to stand here and talk to natives about the natural resources of Oklahoma; most of you know far better than I the vast amount and the potential of your natural wealth. All America knows of Oklahoma's golden reservoir of oil. It is but one of many raw materials available because of your adequate and splendid network of roads and railroads.

Farm Products. Other types of natural resources which are of concern to the industrialist, and which some people overlook, are agricultural products. Industrialists know that with local supplies of corn, wheat, vegetables and livestock, food for people would be locally available at moderate cost. Again, Oklahoma is in the forefront. In some sections of this great state, agricultural

activities can be carried on for ten months of the year because of your temperate climate. These and other resources all add up to a well-rounded and impressive picture for the industrialist looking for a new plant site.

Efficient Government. This impression is heightened when it is discovered that progressive local and state governments have undertaken effective programs to see that the state's resources and facilities are utilized to the best advantage and for the common good.

To conserve and to develop the most vital of all its resources - the people - the government of Oklahoma has established and maintains an excellent educational system. This is another important consideration for the progressive industrialist. Without an educated citizenry there can be little general progress or improvement in the standard of living. If the standard of living is not constantly improved there cannot be new or broadened markets for either new or old products. In addition, such excellent specialized educational centers, typified by this great university here in Norman, are constantly looking into, and developing ideas and techniques which feed into the blood-stream of business and industry.

Taxes. To carry on such services for the people and Oklahoma industries it is, of course, necessary to have taxes. When taxes are used for such constructive purposes as they are in this great state, they become a productive force in our economy. The wise and farseeing utilization of monies growing out of taxes, unfortunately, is not followed everywhere in our nation. When taxes begin to cost more than the service rendered, or when they are used for unproductive purposes, they become oppressive and a dead weight to the economy.

We should all realize that as each new industry locates in Oklahoma, it contributes its share to increasing the state's ever-growing resources. For each industry in particular, and all industry in general, brings with it certain advantages which ultimately accrue to the common good.

To understand this more fully let us consider the entire state as one large industrial plant. Now, in order that any industrial plant may grow, and become successful, it must move forward. It must earn something beyond a reasonable return to its stockholders, it must provide reserves for betterment, modernization, expanded facilities and new equipment - because in industry, as in every other human endeavor, if it does not go forward it slips backwards. In other words, it must increase its capital investment if it is to serve the common good and increase employment. Likewise, the state of Oklahoma must attract and hold new industries, and develop new resources. It must increase the capital investment within its boundaries.

Industry Helps State. This increase in what we might term "real property" for the people of Oklahoma is but one of the many mutually beneficial advantages each new industry contributes to this state. Others include both financial and social gains which help make this state a still better place in which to live, work, and play.

One of the principal contributions is the return to employees of a fair wage for work well done. In the aggregate the payrolls for hard-working Oklahomans run into millions of dollars. Each month some \$15,300,000.00* is disbursed directly to 65,000*2 employed in the state's expanding industrial empire. Oklahomans wisely channel this money into purchases, investments, and savings. And this

* Source: Bureau of Labor Statistics

*2 The Government Statistics Bureau

characteristic of prudence is, when tempered with a dash of daring, another of the intangible factors which would help a discerning industrialist to locate his plant in this state. The personal income of industrial employees is then spread out among the butcher, the baker, and the electric light dealer - to change an old expression. This secondary use of industrial wages helps create and maintain a satisfactory local economy.

In addition, as each new plant moves into the state, it normally requires certain services and raw materials which other state industries can supply. Thus, it expands the local market. This further strengthens the economic position of every citizen and industry in the state.

Social Progress. Along another line, we know that each industry in this state makes a definite contribution to the social welfare of the citizens. Despite extensive propaganda to the contrary, most industries are a positive social force in the community in which they are located. Unlike the pictures painted by certain elements, of business being a big and bad bogey man, plant management is composed of individual people. Industrialists eat, sleep, and act as normal people. Thus, the management of any new plant which locates in this state is composed of people who will eventually fit into the civic, social, and cultural life of Oklahoma.

It is axiomatic that as the real wealth of any people or of any government increases, the standard of living is raised. Our nation is a shining example of the truth of this statement. Nowhere on earth, at any time, have so many people ever had such a high standard of living. Our American way of life is the result of American thinking and planning and acting. All of us think big, plan big, and act big. There are some few who classify bigness with badness. To most thinking people there is no badness in bigness itself. And certainly out

here in the great Southwest, bigness is perfectly natural and a very desirable attribute.

Bigness Is Not Bad. Before the machine age, there were no large industries; life was rugged and very few people had the means or the leisure to enjoy the fruits of their labors. As our nation and our industry grew, more and better products were made for more and more people at less and less cost. Look, for example, at the giant automotive plants. How many of us could afford automobiles if it were not for the economics resulting from the mass production assembly lines? To provide our great nation with the millions of high quality products it needs, mechanized mass production is essential. It is only when we as a nation can produce enough products for all of us, at a price we can pay, that our standard of living increases. Consequently, as each new industry becomes located in Oklahoma, as it grows and develops, the standard of living of the state and the nation is improved.

Sound Government. Perhaps the most important inducement that can be offered a new industry excluding natural resources, labor, and transportation, is the advantage of a sound local and state governmental system. It is obvious that by rules and regulations and through taxes, a government exercises no little influence on the profitable operation of a plant. It is just as necessary for governments to be run on an efficient and economic basis if full service is rendered to its citizens, as it is for business or an industrial plant to be operated efficiently in order to earn a reasonable profit and to preserve its investment. Some industries have found in other states that restrictive legislation and oppressive taxes have so diminished the efficiency of operations that they were forced to move. Obviously, this is a shortsighted policy and will ultimately create barren industrial ground.

Sound Taxes. This question of taxes is most important to both industry and government. For the latter, tax income is the breath of life. Upon this income all state operations are dependent. On the other hand, taxes to industry are part of the cost of operations. They are a form of payment for services rendered. Local and state taxes, taken together with federal taxes, constitute a major expenditure for most companies. For example, last year, the tax bill of the Pittsburgh Plate Glass Company amounted to \$25,000,000.00, or 8.3¢ of every sales dollar.

Taxes in our economy are absolutely essential. They are in many ways a productive force in the nation's economy because they provide the essential services for the protection of life and property, and for the education of its citizens. However, as with any other elemental cost, when the amount of taxes paid exceeds the services rendered, or in the conduct of business or industry, reduces the amount of essential earnings, then the taxes become oppressive. When taxes are so heavy a cost as to eliminate a normal profit, industry begins to stagnate. It is unfortunate that in some localities conditions have been created which forced industry to fold its tents of production and leave. Because this has happened and might happen again, industrialists looking for new plant sites are tremendously interested in knowing all about local and state governments and their plans and projects. Industrialists as the foremost exponents of the traditional American principles of economic freedom, private property and the right of all people to work where, when, and how they wish, are naturally interested in knowing how these American principles are favored by public officials. This is particularly true now when our American way of life is under a constant barrage from both within and without.

Pittsburgh in Oklahoma. Now, not to compliment our Company, I think I may modestly say that we know a good thing when we see it. We located one of our major window glass producing plants at Henryetta, Oklahoma. In addition, we have located two of our large distributing warehouses in this state. One is at Tulsa and the other at Oklahoma City. Why?

Back in 1928, we made a survey for a new site upon which to build a modern window glass plant. The Southwest was already giving strong indications of becoming one of the most progressive areas of the nation. Everywhere building and industry was on the upswing. We realized the growing importance of the area and the huge potential market, and without hesitation we determined upon plans to build a plant somewhere in that geographical district.

Booklets, brochures and maps were studied. Visits were made to many locations. The outstanding attractions of Oklahoma made the decision quite a bit easier one way, and a little more difficult in another. Our officials discovered that there were many favorable locations in this great state for building a plant, especially a glass plant. Finally the town of Henryetta was chosen.

In many respects Henryetta resembles western Pennsylvania in terrain, boasting such industrial activities as coal mining, zinc smelting, and oil refining. The natural resources and industries, in fact, are so similar that the energetic Henryetta Chamber of Commerce calls the town the "Little Pittsburgh of Oklahoma."

This region has a plentiful supply of natural gas and is near pure sand deposits that have made Oklahoma an important glass center. The immediate vicinity is said to contain 72,000 acres of proven coal land. Along with its industrial and mining activities Henryetta boasts of a diversified

agricultural with such crops as corn, cotton, oats, wheat, feed, berries, fruits, vegetables, live-stock and poultry.

Active People. Its people are energetic, robust and progressive. Many point with pride to Indian ancestry. Intensely patriotic Henryettans turn out in large numbers for such events as parades and picnics when Indian games and customs vie with modern amusements.

Henryetta is a substantial city with national and local highways, two rail lines, and important truck connections. It enjoys an excellent municipal government. With the exception of a difference in size, we of Pittsburgh Plate have found similar conditions and cooperative relations in the operation of our units at Tulsa and Oklahoma City.

By locating these three units here in this state and by constantly expanding and enlarging our operations, we have demonstrated in a practical manner that we believe Oklahoma really "has what it takes." In our operations, we have found ready access to most raw materials and natural resources. The excellent transportation systems make it easy to move raw materials in and finished goods out. The potential market of the Great Southwest is really beginning to measure up to our estimates.

We have enjoyed the cooperation of both local and state governments in providing essential services. And last, but not least, the people of this great state have demonstrated that they are among the finest in the nation. Taken all in all, Oklahoma, to us of the Pittsburgh Plate Glass Company, is a fine place in which to work, and live, and have your being.