

Problems of Post-War Adjustment

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BEFORE the world war started in 1939, the state of Oklahoma faced grave problems of economic readjustment. All students of the state's economic future realized that the time was near when the people of Oklahoma would lose a large part of their income from the petroleum industry. The state's income from this source was already fast dwindling as a result of the decline in the production of oil.

They realized that without this basic income from oil, the state would be dependent largely upon its agricultural and livestock industries. They knew also that there were few other mineral resources which had been developed to the point where they would produce a substantial state income, and that there was little income from state manufacturing industries other than those directly connected with the petroleum industry.

Moreover, during the decade preceding the war, agricultural production in this state declined considerably, although there was some increase in the production of livestock. All individuals acquainted with Oklahoma's pre-war economic situation realized that it would be necessary for the state to develop manufacturing industries in order to retain and support its people; otherwise it would become necessary for a considerable portion of our people to leave the state.

When the war started, there were few manufacturing industries in Oklahoma, other than refining of petroleum products, the fabrication of oil field equipment, the smelting of zinc, and the packing of meat. It is true there were a few cement plants, glass factories, breweries, and candy factories, as well as two or three garment and shirt factories. As a matter of fact, the printing and engraving business, aside from the refining of petroleum products, constituted the largest manufacturing industry in this state.

The national defense and war program brought to Oklahoma a few large war factories, mostly of assembly nature rather than fabricating plants. These large war plants, other than the powder plant at Chouteau, consist of airplane assembly plants, depots, and shops for the repair of airplanes. But before the war ends, there may be come additional war industries located in this state, such as an artificial rubber plant and plants for smelting iron ore. Moreover, several privately owned machine shops in the state have been converted into small fac-

ories for the production of specialized war goods under sub-contracts. When the war ends, many of these small factories may be converted into factories for the production of peace-time goods.

Of course, Oklahoma at present has a great amount of war activity in the form of army camps, army and naval training bases, and training schools for the teaching of war industry workers. Also, the war has favorably affected Oklahoma's basic industries of agriculture, livestock, and petroleum, as well as her subsidiary industries of coal and zinc production. While the war has not caused business to boom in Oklahoma, it has brought about a substantial increase in production, employment, and income in the state.

When the war ends, Oklahoma will lose most of the activities at the army camps and the air training fields; and it is possible that the airplane assembly plants, depots, and repair shops will gradually cease operations. The immediate post-war demands for food products to feed the now conquered countries may cause our livestock and agricultural industries to remain profitable for a time. Everyone realizes, however, that the time will be reached after the war when there will again be a decline in the demand for American agricultural products in the world markets. When that time is reached, there will be a slump in the prosperity of Oklahoma's livestock and agricultural industries. Also, the demand for our petroleum products is likely to decrease when the war ends.

Crucial post-war problems which will face the state are 1) how to convert the state's few war industries into peace-time industries and keep the laborers working in them from becoming unemployed; 2) how to find new jobs for her returned soldiers, sailors, fliers, and migrated war workers when they are released from military and other war services; and 3)

how to develop new manufacturing industries to take the place of the dwindling petroleum industry and the declining agricultural industry.

It is clear that this state must develop new manufacturing and fabricating industries on a large scale if it continues to produce an income adequate for the support of its two and one-half million people. Before the war ends, educational, public, and business leaders of Oklahoma should prepare a program for the business and industrial expansion of the state during the post-war period.

The state is fairly rich in minerals, such as coal, iron, zinc, and lead, as well as in oil. Other than in the petroleum industry, we have built few industries that are based on our mineral resources. Furthermore, we have little manufacturing based upon the raw materials furnished by our livestock and agricultural industries. Even our broomcorn is shipped out to be manufactured into brooms in other states. There is not a tannery in the state, and there are few factories to can the surplus fruits and vegetables we produce.

As already indicated, Oklahoma must convert her war industries to peace-goods production and must develop new manufacturing industries when the war ends, if the state is to produce an income adequate to support its people. Since our large war plants are government owned and most of them leased to private companies for operation, the problem of converting them into peace-time production is largely a federal government problem. It is hoped that before the war ends, the government will work out a satisfactory plan for productive use of these war plants when they are no longer needed for production, repair, and storage of war-planes and the production of explosives. Possibly a large part of the plane plant capacity can be used to produce and repair private planes.

The effectiveness with which the present privately owned small war-goods plants may be diverted to the production of peace-time goods will depend to a considerable degree upon the general condition of business in the country during the post-war period. If there is no serious post-war business slump and there is a brisk demand for the building of new homes and the production of all kinds of consumer goods, the various small factories and shops that are now producing war goods may be converted easily to the



production of plumbing equipment, stoves, refrigerators, radios, and many other peace-time goods. Of course, many of the present small war factories that formerly produced oil-field equipment will be converted back to the production of the goods they produced before they became war factories.

The major job in industrializing Oklahoma during the post-war period is that of building new manufacturing plants that will utilize some of the vast quantities of raw materials which may be produced in the state. The development of small manufacturing plants will be made much easier if the federal government will continue the present war policy of lending financial aid to small factories that have accepted war orders. When peace comes, the federal government should furnish conservative financial help to small or local new manufacturing plants that are founded on a solid basis. Such federal aid should include engineering technical advice, as well as protection against cut-throat competition on the part of the monopolistic enterprises that have long been established in the various manufacturing fields.

There are two general plans that might be followed in the development of new manufacturing industries in the state. First, we might induce large steel companies, tanning, shoe manufacturing, cotton manufacturing companies, etc. to locate new factories in this state. And we might also induce automobile companies and tire companies to locate branch factories.

Second, we might induce local citizens in various communities to organize companies to build small local manufacturing plants that would utilize our raw materials. This latter plan seems to be the one favored by the majority of the people of the state. The state would be benefited if either of the plans of industrialization was followed, and it is likely that we should find it to our advantage to follow both plans.

The development of new manufacturing industries in Oklahoma, with or without the aid of the federal government, will require those who establish them to obtain a great deal of technical information as to manufacturing processes, national and local needs, the kind of plants to construct, the amount and kinds of labor required, etc. Some of the new plants doubtless will be based upon entirely new technical processes discovered either by Oklahomans or by others. The new Research Institute established by the University of Oklahoma may prove invaluable in aiding our industrialists to acquire the technical and scientific information upon which some of our new industries are based.

Before any community decides on the building of a particular industrial enterprise, it should get full and accurate information on the possibilities of the suc-

cess or failure of that particular industry in this state. In order to decide on the chances of success of a new industrial enterprise, a thorough and detailed study must be made of the various factors which will determine its success or failure. There must be a correct estimate of the cost of production of the commodities to be turned out, as compared with their costs in other states. The local supply and cost of labor must be surveyed. The expenses involved in training local laborers to become efficient employees in the industry must also be determined.

Transportation costs of raw materials and finished products of each industry must be analyzed. What are the advantages in Oklahoma, as compared with other communities, of transporting raw materials to be used in the manufacture of automobile tires? What are the comparative advantages in this state of the shipment of finished automobile tires to various market centers? All railroad rate discriminations against each industry established or to be established in Oklahoma must be eliminated.

The possibilities of marketing particular products to be manufactured in Oklahoma must be studied with great care. How much of a particular product does Oklahoma now consume? What would be the possibility of establishing a home market for a product we contemplate manufacturing? What would be the cost of developing national markets for particular Oklahoma products? Is the market for a particular product an expanding or a contracting one?

Before establishing an enterprise in any community, the cost of the physical plant to be built must be definitely known. The size and cost of any manufacturing plant is an engineering problem which must be determined by competent engineers in that particular industry. Detailed drawings of the buildings must be made, and the kind and cost of all machinery and other necessary physical equipment must be known.

Before beginning the construction of any manufacturing plant, the necessary capital should have been raised or at least assured. In other words, it should already have been subscribed by those interested in establishing the plant. Local chambers of commerce should be able to secure most of the technical information necessary to enable any group of businessmen to decide on the advisability of establishing a particular industrial enterprise anywhere in this state. The local financiers and businessmen, however, must decide whether they want to build a particular manufacturing plant and must raise the capital necessary to do so.

The University of Oklahoma, through the Research Institute, the College of Engineering, the College of Business Administration, and the various departments in the biological and physical science fields, should be able to secure and to supply a

great deal of the groundwork information needed as a basis for the establishment of various new industries in this state.

Our State Geological Survey should be able to furnish information in reference to the supply, quality, and availability of various mineral resource raw materials in this state. With the aid of these state-supported educational and scientific institutions, Oklahoma should be able to develop new industries as rapidly as any other state in the Union, if the business men of the state have the desire and the will to do so.

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First 50 Years

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revitalize the institution's program, he instituted numerous changes designed to give the faculty more participation in University affairs; to give new responsibilities to younger members of the faculty; to emphasize the University as a whole instead of its various divisions—particularly in the freshman and sophomore years; and to concentrate attention on the fundamentals of higher education.

During the University's first 50 years, in spite of difficulties about appropriations and the resulting loss of faculty members to wealthier institutions, certain divisions of the University have been outstanding. It is perhaps not proper to list some departments to the exclusion of others but the work in geology and petroleum engineering, due in part to fortunate circumstances, has been recognized the world over. Work has been given in geology for nearly 40 years and work in engineering has been given almost as long. The School of Petroleum Engineering, organized as such as a part of the College of Engineering, dates only from 1924.

The University of Oklahoma has been unique among middle-western universities in the emphasis that has been placed from the beginning on training in the fine arts. Work in music has been offered during practically the entire half century. Speech arts and drama have received attention for nearly as long a time. Work in art has been given since 1909 and the art collections of the University are now among the best belonging to any state school in the United States.

The participation of the United States in World War II has prevented the fulfillment of elaborate plans for celebration of the University's Semi-Centennial, but alumni can gain satisfaction and pride by reviewing the achievements of the University during the institution's first fifty years.

The World War ended one period in University history, and World War II, 25 years later, has ended another. When the present war ends, there is every reason to look forward to another period of growth and achievement for the University of Oklahoma.