

Industry and Agriculture

As a whole, Iowa suffered much less than did other parts of the country from the effects of the economic recession which had begun in 1953. Declines in certain areas of the state's industrial economy were largely offset by increases in other fields, while agricultural output increased enough to make up for the lower prices that farmers received for their products. At the end of the year deposits in Iowa's state-chartered banks had reached an all-time high. For the first time receipts from the state's special taxes and liquor earnings topped \$200,000,000.

Industrial employment fell by nearly 12,000; at one time in February an estimated 30,000 workers were unemployed. A 12-man committee appointed by Governor Beardsley to study unemployment reported "no over-all need for public concern." Serious labor surpluses, however, did exist in certain areas, particularly in centers of the farm equipment industry. At Charles City, where the Oliver Corporation was the chief employer, some 1,400 men were out of work, while John Deere at Waterloo laid off 2,000 workers.

After February the employment picture steadily brightened. By the end of the year a shortage of

workers was reported in Charles City. In the summer Des Moines was the only city in the country which the Federal labor department felt warranted in moving from the "moderate labor surplus" to the "balanced labor supply" category. Davenport in the Quad-City area of Iowa and Illinois was the only Iowa community listed in the government's "substantial labor surplus" category, but officials believed that if the city was divorced from its three Illinois neighbors it would not be in this classification.

At Ottumwa, where bitter labor troubles at the Morrell plant had affected the employment situation in the past, labor leaders of the United Packinghouse Workers' local launched a campaign to increase the local sales of Morrell products. "After all," the union's paper observed, "our jobs depend on Morrell sales, so the least we can do is to purchase the products for our own tables." City officials and merchants cooperated whole-heartedly, setting aside April 6 to 24 as Morrell Days. Buttons and posters urged everyone to "Buy Morrell." Local sales of Morrell products increased from 50 to 60 per cent. More important, perhaps, were the improved labor-management and community relations.

In October one of Iowa's best-known companies, Maytag, with much fanfare introduced a new type of automatic washer. Newton housewives washed their clothes free in 50 automatics set up

in the courthouse square. A parade, complete with bathing beauties and jet planes, sent off 40 trucks, loaded with 2,000 machines for the eastern markets. During the fall and winter the merits of the new washer were advertised on weekly telecasts of college football and basketball games. This was part of Maytag's campaign to regain its rank as America's leading washing machine producer, a position which it had held for 30 years prior to 1951 when Whirlpool Corporation forged ahead.

Two areas of the state's industrial economy which had few complaints were electric power and construction. Iowa Power and Light opened a \$9,500,000 plant at Council Bluffs in May. The next month it formally opened a \$10,000,000 addition to its Des Moines plant, making it the largest electric power plant in Iowa. As a result, John Adams of the Des Moines Chamber of Commerce declared, Des Moines for the first time in many years had a surplus of power. Rural electrification continued so that by 1954 only 2,000 farm families were without electricity. Iowa began receiving power generated at the Fort Randall, South Dakota, dam on the Missouri River. All told, electric power production was 7.5 per cent greater during 1954 than it had been in 1953.

Construction contracts were 33.7 per cent greater than those of 1953, large engineering projects accounting for much of this gain. Thus, the State Highway Commission let contracts totaling

over \$43,600,000 for road work. A new Mississippi bridge at Clinton was another major project begun during the year. However, construction of all types increased. Commercial and residential construction was up \$14,000,000 over 1953. New residential construction broke all records at Council Bluffs, while Mason City reported its second best year in this respect. Similar reports came from all over the state.

Thirty-one new industries located in Iowa during 1954. The Iowa Development Commission acted as the official state promotional agency, but many communities had special committees for this purpose, or worked through the local chamber of commerce. The Clinton Development Company, for example, was formed to handle the \$250,000 which that city raised in 1954, making it the largest city industrial promotion in Iowa.

The Cedar Rapids Civic Planning Fund Committee, which spent \$100,000 in the past decade, reported "we have added more than \$10,000,000 in building and equipment to the tax rolls of the city." During 1954 the Square D Company of Detroit bought the Iowa National Manufacturing plant at Cedar Rapids. The Rock Island Railroad's roundhouse area in the same city was purchased by an industrial fertilizer firm of Chicago, while the Collins Radio Company began moving into its new \$2,000,000 research laboratory.

The prospect of improved transportation facili-

ties was a strong selling point for leaders of these promotion drives. The long-awaited report of the State Highway Commission and two groups of consulting engineers declared that a toll road from Council Bluffs to Davenport costing \$180,000,000 would be economically feasible by 1959 if bonds were sold at 3.5% interest. Mississippi River barge tonnage along Iowa's eastern border was about a million tons greater than the previous record of six million tons set in 1953. To the west, the Missouri River was becoming an increasingly important avenue for freight. Barges carried about 285,000 tons in 1954, over six times as much as in 1952. Work on extending the channel for river trade from Omaha to Sioux City also was resumed.

Although the estimated market value of Iowa's industrial production in 1954 was \$3,800,000,000, nearly 40 per cent more than what the farmers received for their products, agriculture still dominated the state's economy since the processing of farm products and the building of farm equipment were the most important industries. Iowa, for example, led the nation in meat processing with an output in 1954 of 2,696,772,000 pounds, half a billion pounds more than its nearest rival, Illinois.

Iowa's agricultural output was, on the whole, greater than in 1953. The state's oat crop was far greater than 1953's and also the largest in the nation. Soybean production was the highest in

Iowa's history, and second only to that of Illinois in 1954. Livestock marketings held steady or increased slightly over the totals of 1953. Iowa once again led the country in hog and beef cattle marketings while it was fourth in respect to lambs. In addition, Iowa was far ahead of all other states in the number of hogs on hand and was second only to Texas in the size of its beef herds.

The state's corn crop was off fifty million bushels from 1953 production figures. This resulted in part from reduced plantings in connection with the Federal corn acreage control program, dry weather, and the second heaviest invasion of corn borers on record which caused an estimated \$200,000,000 damage. Iowa, however, maintained its rank as the corn state by a comfortable margin of nearly a hundred million bushels over second place Illinois. Ohio, with a yield of 62 bushels per acre, led in this respect, but it was no contest when Ohio's secretary of state challenged his Iowa counterpart to determine which state had the tallest corn. Iowa's Melvin D. Synhorst showed up at Columbus with a stalk 26 feet, 9 inches tall. Ohio's best was a mere 14 and a half feet.

The reduced corn crop helped relieve the corn storage problem. New government bins with a capacity of 27,000,000 bushels were erected in about 80 counties, while commercial storage space was also expanded. The government instituted a new policy of reduced prices on government-

owned corn in an effort to get it into commercial channels before it deteriorated into an unusable condition. In July about 47,000,000 bushels of corn from 1948 and 1949 remained in Iowa bins, plus about 100,000,000 bushels from the crops of 1950, 1951, and 1952.

Secretary of Agriculture Ezra Taft Benson contended that the existing program of fixed price supports at 90 per cent of parity on basic crops encouraged farmers to raise surpluses, thus creating storage problems. Benson's efforts to establish a flexible support system at from 75 to 90 per cent of parity caused wide splits in Iowa farm ranks. Howard Hill, head of the Iowa Farm Bureau Federation, went along with national Farm Bureau leaders in support of Benson. Other groups, like the Iowa Farmers Grain Dealers Association, demanded a continuance of high, fixed price levels. The Council Bluffs *Nonpareil* felt that "Congress surely is aware" that flexible corn price supports "would plunge the Corn Belt into a depression." But the Burlington *Hawk-Eye Gazette* disagreed. It believed that no matter what the crop, if farmers "will strive diligently to regulate their production in keeping with supply and demand, they will find a program of flexible price supports best suited to general economy."

The Benson supporters received the backing of Henry A. Wallace in February. Back in his native state to address the National Farm Insti-

tute at Des Moines, the former Democratic Secretary of Agriculture under Franklin D. Roosevelt declared that only through a flexible support system could the ever-normal granary concept which he had set forth in the 1930's be successfully continued. This caused Democratic chairman Jake More to remark that Wallace "must have been reading Farm Bureau propaganda."

When the crucial vote on price supports came in the summer only three of Iowa's eight Republican Congressmen, Tom Martin, Karl LeCompte, and Paul Cunningham, were among the 228 to vote for the Benson plan. The other five were among the 170 Representatives who voted against flexible supports. In the general election, these five insurgents were returned to Congress with a larger percentage of votes than those who had supported the administration. On the other hand, Tom Martin, who backed Benson all the way on the issue of price supports, defeated incumbent Democratic Senator Guy M. Gillette who strongly opposed the removal of fixed supports.

What effect, if any, the new parity policy would have upon Iowa farmers could not be known until another year. Meanwhile, various groups sought to improve their economic position by greater promotion of Iowa's farm products. The Iowa Development Commission pointed out that in spite of Iowa's front rank in hog and cattle production, such items as Virginia ham, New York cuts, and

Kansas City steak received the widest publicity.

The Iowa Poultry Products Organization was formed to promote the most depressed part of Iowa's agricultural economy. "We want Iowa eggs to become as famous as Florida and California oranges," one of the leaders declared. The soaring price of coffee resulted in efforts of dairy-men to get people to drink milk or hot chocolate in its place. A restaurant owner in Klemme advertised: "A 5-cent glass of milk is more nourishing than a cup of coffee at any price — and benefits the entire Klemme community—not Brazil." However, Iowa was one of the three states whose milk production showed a decline during 1954.

Iowans were not averse to adopting new ideas from farmers in other states and lands. The Crystal Valley Co-operative Vegetable Growers Association of Britt brought in about 250 workers from Florida to instruct the farmers of the area in the use of machines and skills which would enable Iowa's fresh vegetables to be marketed in supermarkets throughout the country and might add \$1,000 to \$3,000 to the farmer's annual income. A group of Iowa farmers picked up new ideas on a month-long tour of Europe, which was sponsored by the Farm Bureau Federation. The farmers were especially impressed with a lean, bacon-type hog developed in Denmark "that beats anything we've produced here by far."

Iowa agriculture became front page news when

16-year-old Janice Hullinger of Manly won the grand championship at Chicago's International Livestock Exposition with "Shorty," her calf. At the same time, Barbara Clausen, a 15-year-old girl from Spencer, was awarded the reserve grand championship. Earlier the two 4-H girls had won the same honors in the junior livestock show, but this was the first time in the Exposition's 55-year history that two girls had successfully challenged the older breeders to take the two top awards.

Janice Hullinger and her champion steer, which was sold for \$16,600, were flown to New York where they appeared on Ed Sullivan's television program. After Janice said that she wanted inside plumbing for her family's home the Crane Company of Chicago announced that it would supply free all the necessary equipment. "She can have five bathrooms installed if she wants," a vice-president said. At a welcome-home reception in Manly, Governor Leo Elthon told Janice that "the whole state of Iowa is proud of you."

The *Mason City Globe-Gazette* called Janice's victory "a modern fairy tale if there ever was one." Her triumph climaxed an eventful year which saw Iowa emerge safely from the shadow of a possibly serious economic recession. By the end of the year Iowa, with its balanced agricultural-industrial economy, appeared to be headed for more stable and prosperous times.

GEORGE S. MAY