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# business in nebraska

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## NEBRASKA INDUSTRIAL GROWTH

Through introduction of highly innovative products, improvement of existing items, and expanded overall manufacturing output, Nebraska industries reflect the dynamic nature of the economy. Because May is being observed as Nebraska Industry Recognition Month it is appropriate that Business in Nebraska, which has always endeavored to give impetus to the state's industrial development, should acknowledge recent progress by citing examples that typify continuing growth and change and that identify what appear to be significant trends.

An attempt is made to encompass firms not previously included in Business in Nebraska articles which not only exemplify segments of conspicuously accelerated growth, but also exhibit diversity in origin, location, years in operation, size of payroll, production output, and volume of sales. For each firm cited many others could be mentioned with equal validity, but space limitations dictate arbitrary choices.

### GROWTH INDUSTRIES

#### Mobile Homes

Both state and national data show that mobile housing has a burgeoning market. According to industry estimates Nebraska sales increased 20 percent last year over 1968, and national sales totaled \$1.6 billion, with mobile homes constituting nine of ten sales of single-family dwellings priced under \$15,000. Problems of financing conventional one-family homes and rising costs of on-site construction have led to the prediction that the industry will continue to grow rapidly in the 70s, reaching a national sales volume of \$3 billion by 1978.

Plants manufacturing mobile homes are of diverse size and wide dispersion, from Neligh to Falls City, and Omaha to Scottsbluff. Large enterprises include the Commodore Corporation, with home offices in Omaha, which has put together a chain of plants to build mobile homes, campers, and camper trailers, employs a workforce of 2,500, and reports 1969 sales revenue of \$65 million.

Illustrative of manufacturing on a smaller scale is Ritz-Craft, Inc. of Neligh, which like Behlen of Columbus is part of the Shelter Division of the Wickes Corp. of Saginaw, Michigan. Through efforts of the manager of the industrial division of Consumer Public Power District, working in cooperation with the Northeast Nebraska Development Corporation, Ritz-Craft first heard of availability of the Neligh facilities, which had been vacated by another firm.

According to Clinton Jarvis, manager, the Neligh plant provides a multicounty area employment for approximately 100 persons now, contrasted to 65 when it opened last year. Business has expanded so fast that not only housing for personnel but also warehouse and storage space must be sought in neighboring commun-

Expansion of the state's mobile home industry has stimulated related and subsidiary business with firms supplying basic structural materials and with manufacturers of specially designed wall and floor coverings, furniture and accessories, and kitchen and plumbing fixtures.

Planning and zoning commissions are having to cope with new problems as mobile home parks proliferate. Concomitantly a number of new professional planning firms have been established and there has been increased demand for professional planners both in private and public employment.

#### Module Housing

In 1968 businessmen in Kimball, who were looking for an industry to provide the same job opportunities for men that the GRI electronics plant was providing women in that community, saw the potential in a modular construction system, Rite-A-Way Industries. Although the firm cannot provide "instant housing" it can, within weeks, produce such structures as three-bedroom homes, weekend cabins, offices, motels, and investment housing.

Ron Wasser, plant manager, and Gael Sears, sales manager, report that the Kimball plant made a profit in the first year of operation with sales of \$300,000. Sales doubled in the second year and activity thus far in 1970 leads to a predicted \$1.6 million volume in the third. The plant employs 30 full-time workers, distributes its products in seven midwestern states through dealers and developers, and brings increased business to suppliers in half a dozen Nebraska towns and cities through its policy of purchasing materials within the state whenever possible.

Because the unmet housing demand has become formidable, modular housing is regarded as a strong candidate for spectacular national growth in the 1970s. Factory-built housing inevitably encounters problems of acceptance, but some impressive victories have already been won over such traditional barriers as zoning, building codes, and union restrictions. Six states have passed new statewide factory-built housing codes, and many others are considering such measures.<sup>1</sup>

#### Recreational Vehicles and Equipment

Rising consumer income, the shorter work week, longer paid-vacations, higher mobility, earlier retirement, and emphasis on the integral contribution of leisure-time pursuits to the quality of life have resulted in rapidly increased demand for recreational vehicles and equipment. It is predicted nationally that by 1978 total recreational expenditures will be \$58 billion, of which \$2.5 billion will be spent on recreational vehicles (with travel vehicles accounting for \$1.7 billion of that amount), and \$2.7 billion on recreational equipment, with personal equipment sales growing much more rapidly than sales of institutional and playground equipment.

<sup>1</sup>Business Week, March 28, 1970, p. 122



Nebraska manufacturers have been quick to see the opportunity in production of inventive recreational items. Executives at the Lumar Corporation of Mead say that in order to keep up with demand "the name of the game" is diversification, experimentation, and adaptation. Within a three-month period the firm can manufacture as many as 5,000 of such items as fiber glass boats, canoes, water skis, go-cart bodies, and picnic tables, to name a few of the many products. Currently a Lumar-designed distinctive water ski is a popular item. The firm also supplies fiber glass bodies for products made by other Nebraska-based manufacturers.

General Leisure Products Corporation of Omaha, formerly General Appliance Company, has by its change of title indicated that the name is the game. Previously its national leadership was in production of such utilitarian items as rotary lawn mowers, riding mowers, and lawn tractors. Last May the firm introduced mini-bike production, and the bikes now account for more than 30 percent of the company's sales. Milton J. Lehr, describes this as part of the "leisure-time explosion."

Recreational items, such as boating equipment, truck camper tops, and racing car parts account for much of the rapidly expanding business of the Snyder Fiber Glass Company of Lincoln which makes more than 450 products, ranging the alphabetical gamut from agricultural tanks to window well caps. Started by Larry and Mervin Snyder of Lincoln primarily to produce custom car bodies, this firm is another example of a homegrown industry that has rapidly become a leading manufacturer in its field. Expansion of business led to opening a plant in Commerce, Texas, last year.

Hellstar Corporation of Wahoo has for over a year been producing a snowmobile, the Jet Star, as a supplement to its line of camper jacks and accessories. Snowmobiles have, of course, practical as well as recreational uses, particularly on Nebraska ranches.

History of the company and its decision to locate in Wahoo are illustrative of how new industry comes to Nebraska. In the early 1960s Frank Gostomski was manufacturing camper accessories at Tacoma, Washington. His brother John was manufacturing similar products in Los Angeles, where he was studying engineering. When they decided to pool their abilities and resources in 1966, they sought a location equally accessible to eastern and western markets. Principally because of the efforts of Wahoo Industries, Incorporated, the nonprofit association of businessmen organized to attract new industries, Hellstar Corporation is now located in Wahoo. The firm sells its products through dealers and distributors widely dispersed throughout North America.

#### All-Terrain Vehicles

All-terrain vehicles have been available for some time but recent innovations in design, which provided increased versatility, and introduction of fiber glass hulls, which reduced production costs, have resulted in proliferating popularity.

Among Nebraska firms sharing in this manufacturing development is Cushman Motors, now a division of Outboard Marine Corporation, which originated as a Nebraska homegrown industry and retains the name that has long identified it with the state. Cushman's new all-terrain vehicle, the Trackster, which went into production in Lincoln in March, is a departure from the company's other machines in that it moves on tracks, not wheels. The firm has been noted previously for production of three- and four-wheel machines for industrial, commercial, and recreational use. Introduction of the Trackster is consistent with the Cushman reputation for creating new products to keep pace with advancing tech-

nology and to remain competitive in international markets.

#### Computer-Related Industries

Data Documents, Inc. of Omaha provides a dramatic example of Nebraska firms that were originated by men of vision who anticipated the needs associated with electronic data processing. When the company was formed 12 years ago, with a work force of four persons, plans were to manufacture and sell only one product - data cards. The firm now employs 700 in 15 plants in the manufacture of a complete line of all data center supplies and has a staff of 35 in the executive office in Omaha. Headed by John E. Cleary as president, the company has had spectacular growth in sales volume. Sales for the fiscal year 1959 amounted to \$500,000; four years later were almost eight times as much, and for fiscal 1969 totaled close to \$21 million, with last year's sales 21.5 percent higher and net earnings 31 percent higher than in 1968.

#### LONG-TIME INDUSTRIES

Among Nebraska firms originally established to serve the need of a pioneer state that have survived and flourished by adjusting quickly to changing times is the Dutton-Lainson Company of Hastings, which is celebrating its 84th year in business. The firm was founded with total capital of only \$4,000 to manufacture harnesses and saddlery and had achieved a national reputation long before World War I. By 1920, however, when the automobile and the tractor had begun to supplant the horse, it was decided to purchase a tire-pump manufacturing company, and in that same year H. A. Lainson joined the firm to establish a wholesale division handling auto parts and accessories as well as hardware items.

The manufacturing division now employs 180 persons in the production of 260 items, which include hydraulic oilers, grease guns, fence stretchers, power sprayers, boat trailers, and a complete marine accessory line. These products are widely distributed throughout this country and are marketed also in 24 foreign countries. Dutton-Lainson held government contracts in World War I and was one of the first in the state to enter war work during World War II. The firm has the distinction of having three times won the nation's coveted "E" award.

Because there are so many long-time industries in the state that deserve recognition, such as the O. A. Cooper Company of Humboldt, which last year celebrated its 90th year of business as a regional feed manufacturer serving the needs of agriculture, it might be appropriate on another occasion to endeavor to cite them all.<sup>2</sup>

#### IMPORTED INDUSTRIES

Cooperative efforts of the state Department of Economic Development, city and community industrial corporations, regional development organizations, and industrial divisions of the state utility companies must be given much credit for the decision of an increasing number of out-of-state corporations to establish manufacturing plants in Nebraska. Other contributing factors are the present tax structure, available labor force, general business climate, and equal accessibility to eastern and western markets. The quality of life has been mentioned also, and at least one company, Eaton Yale & Towne, Inc. of Cleveland, cites the quality of the people - friendly, enthusiastic, and cooperative - as the decisive factor that led to opening a plant in Kearney.

Apparently that judgment has stood the test of time and actual plant operation, for D. D. Roberts, resident manager of Eaton <sup>2</sup>Business in Nebraska would be interested to receive information about businesses and industry that have been in operation in the state for seventy-five years or more. Please address Mrs. Switzer, 200 CBA, University of Nebraska, Lincoln 68508



says: "We have been very much pleased with the caliber of Nebraska employees and with the cooperation we have experienced from the city of Kearney."

September, 1969, only eight months after ground-breaking ceremonies had been held, the initial shipment of Nebraska-made motive engine intake and exhaust valves was made from the Kearney factory. Approximately 150 persons are employed at the plant, and it is anticipated that the number will increase to 250 persons by the end of the year.

ADAPTIVE INDUSTRIES AND FACILITIES

Ability of Nebraskans in finding new enterprises to replace that become obsolete or unprofitable, in converting buildings and equipment to different uses, and in adapting generally to ever-changing conditions is illustrated by the history of the James family business in Falls City, and particularly by the creative business acumen of C. R. (Bob) James.

Just 70 years ago Mr. James' grandfather established a small ice store which flourished while the state's dairy industry thrived, eventually developing into a large creamery company. In 1900 when independent creameries began to decline, however, it decided to convert the facilities to a turkey processing plant. By 1969 poultry processing had in turn become a low-volume industry, Mr. James sought a new use for the plant. When he learned that the Belmont Casket Manufacturing Company of Columbus, Ohio, was looking for a location in the midwest, he convinced company officials that his vacated building would be an ideal site.

The firm not only leased the Falls City building but trained Mr. James to manage the factory, which employs 20 persons. Company officials report that they are happy with the labor supply in the area and that possibly production at the Nebraska plant will be increased soon to supply states west of the Rockies, in addition to the four-state area now served.

Provision of industrial "shells" has long been recommended by professional developers. Availability in Nebraska communities through multipurpose facilities that can be adapted readily to the needs of a specific company has usually come about when a commercial enterprise ceased operations or a government plant or base was phased out rather than by planned provision of buildings.

Conversion at Rushville of a Douglas & Lomason Company subsidiary plant is an illustration. Upon hearing that the manufacturing building in that town was vacant, company officials made arrangements with the Rushville Development Committee to begin production there. Since its opening last November the plant has provided employment for a labor force of between 65 and 85 in the assembly of automobile seat frames to be sent to the company's plant in Columbus, Nebraska, plant for final assembly.

AGRI-INDUSTRY

Industries that serve the needs of Nebraska agriculture, or use raw materials produced by it, constitute a high proportion of the state's employment, production, and sales volume. They fall into three principal groups: off-the-farm industries, crop and livestock processing, and a specialized on-the-farm sector, each explained below.

Irrigation Equipment

The state's 3,783,000 acres of irrigated farm land and 34,117 drilled irrigation wells represent increases of 135 percent and 75 percent, respectively, over the 1955 figures. Predicting this rapid expansion of irrigation has resulted in conspicuous growth in production of irrigation equipment and supplies.

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CORRECTION

Due to a clerical error the 1969 population estimate for McCook was shown in Table II of our April issue as 7,604. The figure should have been 8,604. Thus the percentage change 1960-69 was +3.7 instead of -8.4 and McCook should have been 14th instead of 16th in the list of cities. It is requested that those maintaining a permanent file of Business in Nebraska, and particularly those who keep and use our population estimates, make these changes on their copies.

Industries related to irrigation are widely distributed throughout the state, some are big industrial plants, many are moderate-sized, others though small are nonetheless important to their communities.

Typifying one of the small plants is the Aurora Tile Company, in business in Aurora since 1955, which only two years ago added a different product when John Stuchlik, president, developed a new method of perforating asbestos cement irrigation and industrial well casings. Mr. Stuchlik reports that although only five full-time and two part-time workers are employed, the plant exhibited a sales volume of \$230,000 in two years of new-product manufacture.

Crop and Livestock Processing

Decentralized meat packing plants, such as the McCook Packing Corp., Cornland Dressed Beef Co., Lexington, and the Panhandle Packing Co., Alliance, to name but a few, are helping to fill the gap in employment in meat and dairy product manufacture, which declined last year, with the decline continuing through March of this year. Gains in employment over March, 1969, were shown, however, by bakeries, 18.7 percent, grain mills, 2.6 percent, and "other foods," 7.1 percent. An example of a small industry that can be established to meet regional needs is the Wilber Bakery, reopened last year through a community corporation which was determined that production of the famed "Wilber rye" should be resumed.

On-the-Farm Industry

Some of the state's large industries were developed by ingenious farmers who demonstrated that necessity (such as rising costs and shortage of labor) may be the originator of invention. Some smaller manufacturing activities, such as that of the Ahrens brothers at Ong, operate as a farm sideline. Lyle Ahrens, a farmer, and Harry Ahrens, a self-employed mason, while maintaining their regular full-time occupations, are also producing concrete slats for swine-finishing and farrowing houses. Housed in a metal building on the Ahrens farm near Ong, the enterprise can produce 100 slats a day in custom-made sizes and lengths to meet the needs of their customers, most of whom are located in Nebraska and neighboring states.

(Continued on page 6)

## Business Summary

General Business Activity in Nebraska in February measured in

dollar volume, was at a level only 1 percent above that of the same month last year. A low level of construction activity was the principal contributing factor. On the positive side, strength continued to be recorded in Retail Sales, up about 10 percent over last year, and Cash Farm Marketings, up about 16 percent. The Physical Volume index was also at last year's level, mainly as a result of weaknesses in manufacturing employment. The State's situation was not markedly different from that of the U.S. as a whole, but

U.S. indexes for February show a national weakness in "Retail Sales" in addition to the weakness in construction and in manufacturing employment.

March's Retail Sales in Nebraska were not up as much as the price level when compared with March, 1969. The index of 103.2 reflected an offsetting of a same-as-last-year situation in "hard goods" by a gain in "soft goods." Omaha's "soft goods" trade was off; for Lincoln, both categories appear to have been down. Mixed results are recorded for other cities across the state. In general, weak sales' situations of "hardware dealers" and "home equipment" merchants reflect the low level of construction activity.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month. E. L. HAUSWALD

### I. NEBRASKA and the UNITED STATES

### II. PHYSICAL VOLUME OF BUSINESS Percentage of 1948 Average

FEB Business Indicators	Percent of 1948 Average		Percent of Same Month a Year Ago		Percent of Preceding Month		Month	Nebraska	U.S.
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.		1969-70	1969-70
Dollar Volume of Business	374.2	424.7	100.9	108.8	106.1	101.3	February	231.1	239.6
Physical Volume of Business	231.7	247.3	100.3	103.2	103.3	101.1	March	223.9	238.1
Bank debits (checks, etc.)	268.1	430.7	104.0	107.2	106.7	100.9	April	224.8	240.0
Construction activity	229.2	168.1	54.5	96.4	110.2	102.8	May	219.6	240.7
Retail sales	178.0	183.8	109.9	98.2	102.9	102.2	June	225.0	243.3
Life insurance sales	485.1	518.4	117.9	101.2	101.0	96.1	July	219.1	243.7
Cash farm marketings	185.0	167.3	115.8	101.6	121.1	115.5	August	218.2	240.1
Electricity produced	431.9	532.4	100.7	106.3	100.4	101.3	September	218.0	239.9
Newspaper advertising	179.2	160.8	103.5	96.4	105.0	102.6	October	214.6	243.1
Manufacturing employment	175.8	129.8	99.3	99.1	97.1	99.6	November	206.4	238.1
Other employment	153.6	175.9	102.6	102.3	100.5	100.6	December	220.9	241.7
Gasoline sales	291.4	255.2	103.6	107.9	104.7	101.6	January	224.1	246.8
							February	231.7	247.3

III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

MAR City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month	MAR City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month
		Total	Hard Goods	Soft Goods				Total	Total	Hard Goods	
THE STATE	642	103.2	99.9	104.3	93.2	Fremont	25	95.5	93.5	97.3	89.8
Omaha	46	96.3	103.7	90.2	92.9	Fairbury	23	104.9	102.8	107.3	109.6
Lincoln	60	87.7	74.1	98.8	93.2	Norfolk	22	103.1	110.4	96.4	94.4
Grand Island	29	111.2	112.9	109.7	90.4	Scottsbluff	32	76.7	85.1	69.5	95.6
Hastings	28	144.6	195.9	100.7	126.5	Columbus	25	106.7	111.0	101.5	97.9
North Platte	18	100.1	100.7	99.6	90.4	McCook	14	92.0	86.1	101.7	87.0
						York	21	100.1	108.8	94.4	87.0

### IV. RETAIL SALES, Other Cities and Rural Counties

### V. RETAIL SALES, by Subgroups, for the State and Major Divisions

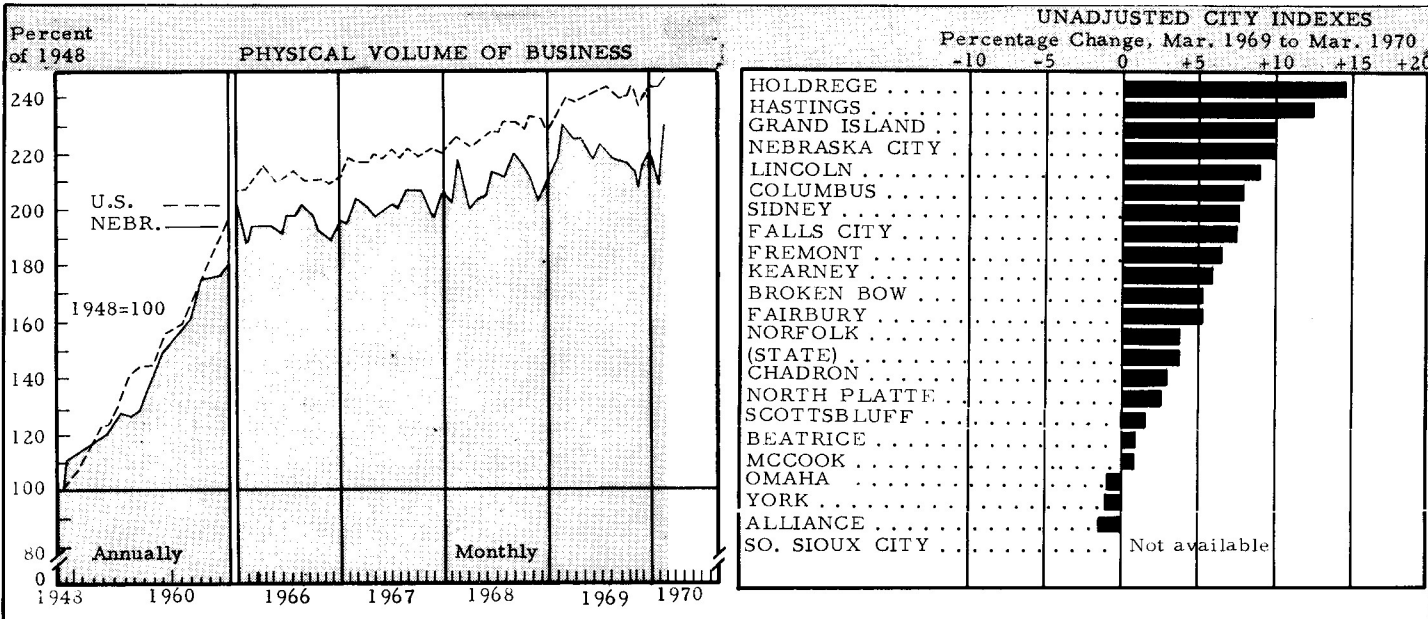
MAR Locality	No. of Reports	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	14	101.6	98.0
Alliance	24	98.2	89.4
Nebraska City	18	124.9	111.5
Broken Bow	12	106.0	83.9
Falls City	16	97.2	89.8
Holdrege	15	98.6	88.7
Chadron	18	107.8	86.5
Beatrice	15	103.4	112.4
Sidney	19	104.2	92.3
So. Sioux City	9	120.0	106.3
Antelope	6	122.4	86.8
Cass	17	118.7	95.3
Cuming	10	102.6	92.8
Sand Hills**	19	94.7	87.9
Dodge***	9	110.0	96.3
Franklin	9	109.7	111.1
Holt	13	102.5	97.2
Saunders	12	117.2	87.2
Thayer	8	90.7	81.3
Misc. Counties	36	104.1	90.5

MAR Type of Store	Percent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	103.2	98.2	101.8	109.4
Selected Services	97.4	92.9	102.2	97.1
Food stores	105.2	101.8	105.9	107.8
Groceries and meats	107.9	110.4	110.9	102.3
Eating and drinking pl.	101.2	93.8	97.8	112.0
Dairies and other foods	100.9	74.2	100.3	128.1
Equipment	102.8	93.3	107.5	107.7
Building material	117.6	94.5	122.9	135.4
Hardware dealers	98.2	89.8	103.4	101.5
Farm equipment	103.1	114.2	101.3	93.8
Home equipment	93.5	83.2	97.2	100.0
Automotive stores	96.6	87.6	95.2	107.1
Automotive dealers	96.1	87.5	94.8	106.0
Service stations	97.7	87.8	97.0	108.2
Miscellaneous stores	104.6	101.7	99.1	112.9
General merchandise	106.9	100.7	99.6	120.5
Variety stores	121.2	126.8	116.9	119.8
Apparel stores	87.9	80.6	77.2	105.9
Luxury goods stores	110.4	114.6	106.4	110.2
Drug stores	103.7	110.5	97.4	103.2
Other stores	109.4	100.0	118.2	110.0

\*\*Hooker, Grant, Dawes, Cherry, and Sheridan Counties  
\*\*\*Outside Principal City

\*\*\*\*Not including Selected Services





Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. E. L. H.

VI. CITY BUSINESS INDICATORS

Percent of Same Month a Year Ago

MAR City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	103.8	118.0	96.8	103.2	107.5	97.2	107.7	98.6	105.8
Beatrice	101.0	109.1	86.8	103.4	107.7	93.2	97.6	101.4	101.4
Omaha	99.2	114.8	79.5	96.3	106.9	97.6	96.0	179.0	93.6
Lincoln	108.1	118.0	107.8	109.4	108.9	102.2	113.3	78.9	106.4
Grand Island	110.0	126.9	117.6	111.2	97.6	101.1	127.2	99.3	- - -
Hastings	112.5	113.8	190.8	144.6	94.2	95.0	112.2	113.3	110.8
Fremont	106.6	117.1	288.3	95.5	106.5	NA	95.6	107.3	NA
North Platte	102.8	116.0	74.5	100.1	104.2	91.8	103.3	103.8	115.6
Kearney	106.1	128.4	38.9	101.6	139.8	98.0	114.0	102.6	NA
Scottsbluff	101.8	118.1	68.8	92.3	112.4	84.4	143.1	124.1	79.8
Norfolk	103.8	142.1	126.4	103.1	105.7	98.4	98.0	108.0	95.5
Columbus	107.9	119.3	129.4	106.7	111.4	95.9	103.7	105.5	NA
McCook	100.9	119.3	149.5	92.0	99.7	92.3	NA	101.1	101.9
Sidney	107.7	110.4	262.4	104.2	108.5	88.2	112.5	77.3	NA
Alliance	98.6	113.6	63.5	98.2	107.3	83.0	115.8	94.3	94.5
Nebraska City	109.9	126.3	197.1	124.9	103.1	86.3	101.8	88.8	NA
So. Sioux City	NA	NA	446.7	120.0	172.9	104.3	NA	NA	NA
York	99.1	109.7	88.0	100.1	109.7	91.0	95.5	86.9	118.3
Falls City	107.6	116.7	700.0	97.2	119.1	98.6	118.1	92.8	96.1
Fairbury	105.3	104.0	34.8	104.9	107.0	NA	95.3	113.7	123.8
Holdrege	114.4	126.0	203.4	98.6	122.3	68.5	110.8	98.7	126.3
Chadron	103.0	127.5	NA	107.8	111.4	84.9	92.7	100.1	NA
Broken Bow	105.3	109.5	270.5	106.0	105.7	76.4	100.7	105.1	104.4

Percent of Preceding Month (Unadjusted)

MAR City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	108.4	113.5	100.0	110.0	100.9	89.1	109.3	113.5	127.0
Beatrice	106.4	107.9	85.5	133.0	98.5	85.2	104.6	114.4	116.7
Omaha	110.4	117.7	107.3	109.5	110.1	89.4	107.2	156.3	124.3
Lincoln	98.7	106.1	88.0	87.7	95.2	93.7	114.9	99.8	119.8
Grand Island	107.8	119.4	105.7	106.0	84.9	86.0	111.8	125.8	- - -
Hastings	108.2	101.3	93.4	148.8	89.3	105.1	105.9	120.7	176.5
Fremont	112.2	111.8	200.9	105.5	103.9	NA	113.0	118.3	NA
North Platte	102.7	111.6	95.4	109.6	90.9	87.7	117.7	96.5	109.3
Kearney	106.0	123.7	90.0	115.3	83.7	90.5	112.3	126.5	NA
Scottsbluff	105.6	116.8	97.4	112.7	99.4	81.9	112.8	118.4	95.7
Norfolk	108.0	128.8	92.8	110.9	105.5	104.2	113.0	108.8	107.0
Columbus	109.8	111.1	85.3	115.7	107.7	86.9	117.2	114.4	106.2
McCook	105.4	111.1	88.2	104.6	96.3	100.5	NA	119.6	134.5
Sidney	112.8	103.0	355.3	109.3	114.0	91.0	115.0	173.6	NA
Alliance	106.2	109.7	57.8	107.5	99.1	89.9	113.0	108.5	121.3
Nebraska City	97.7	108.6	159.8	130.5	82.4	77.7	79.7	102.2	NA
So. Sioux City	96.3	NA	65.9	125.2	112.6	84.2	NA	92.1	NA
York	98.6	111.9	89.8	102.6	93.8	103.6	89.8	94.5	114.8
Falls City	98.9	104.8	83.1	105.4	81.6	82.5	112.6	103.8	103.8
Fairbury	109.3	104.2	69.5	129.9	100.7	NA	108.3	115.5	119.1
Holdrege	100.6	121.9	94.1	104.2	99.3	52.7	78.0	104.7	111.5
Chadron	97.5	119.1	NA	101.8	108.3	72.5	104.7	75.3	NA
Broken Bow	107.7	108.4	54.6	99.7	108.8	71.2	116.1	116.6	113.8



FUTURE PROSPECTS

limited space it is impossible to cite all segments of industry, which, however large or small, contributes importantly to the state's economy, but an attempt has been made to include those that typify industrial growth and change.

It is estimated that 50 to 60 percent of all sales nationally are for products that were not in existence in their present form, if produced 10 years ago. Robust demand for industrial output and new products is expected to continue with the anticipated rise in per-capita disposable income. There is evidence, however, that the economy is moving toward a postindustrial society in which services will grow rapidly relative to goods and in which business operations will center increasingly around producing and selling information. Noted economist George L. Bach suggested recently that "services, rather than manufacturing expertise, are apt increasingly to set off the highly successful growth businesses from those that are in a declining position in the changing economy, and that within the next 10 years 'the information explosion may replace the population explosion.'" <sup>3</sup>

The U.S. Bureau of Labor Statistics (BLS) reported late in April 1968 that whereas in 1950 only 3 in 10 workers were in service industries, by 1968 the proportion had reached 6 in 10. It projects that by 1980 close to 7 in every 10 will be thus employed. <sup>4</sup> Others have predicted that by 1980 less than a quarter of the labor force will be directly involved in growing crops, manufacturing production, constructing buildings, and the like, whereas over three-quarters will be in service industries or in nonbusiness activities. Nebraska employment figures reflect the national trend toward an increasing rise in the services sector, education, the professions, government, and nonprofit institutions.

What about the state's industrial future in view of this trend? The state must continue to develop both homegrown and imported industries, particularly those that promise to be adaptive to changing conditions. The first imperative, however, is for state, regional, and local industrial development agencies to concentrate efforts on processing Nebraska's products. Among the fifty states in cash farm marketings, and ranked 30th in 30 of 40 major agricultural production categories, Nebraska has an obvious abundance of raw materials. It has also an ample, dependable labor supply, ample water, excellent utility services, and a favorable tax climate. It has "a security of privacy and space," a desirable environment and a high quality of life, and industrial leaders possessed of creative genius and business acumen. Yet the state is not fully utilizing these resources. For example, it accounts for only 1.5 percent of the total value added by manufacture of the raw products yielded by the increasingly efficient agriculture.

Each month designated as Nebraska Industry Recognition Month is an appropriate time to acknowledge with considerable pride the present progress of industrial development. It may be even more salutary to recognize that there is much industry the state does not have, and can have - industry based on its forest-minerals, its agricultural crops and livestock, and its demonstrated ability to innovate, adapt, and improve.

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"Economic Environment - 1980," Bulletin, Stanford Graduate School of Business, Spring 1970, p. 4. The BLS includes in "service industries" not only services performed but also trade, transportation, communications, public utility, and finance, real estate, and insurance.

**REVIEW**

Cogent points directly related to industrial development are highlighted in the study that is reviewed below. It is suggested, therefore, that the review be regarded as a supplement to the foregoing article on Nebraska's industrial growth.

The Impact of Science and Technology on Regional Economic Development, Daniel Alpert, Chairman, Committee of National Academy of Engineering, published by the National Academy of Sciences, Washington, D.C. 20418, 1969.

This comprehensive study is the culmination of efforts by a distinguished committee named to assist the Office of Regional Economic Development of the U. S. Department of Commerce in assessing the effects of Federal technical and scientific policies on such development, and to make appropriate recommendations of actions to be taken or of changes to be made in policies. The study appears to merit the attention of all Nebraskans who are concerned with regional development because the committee brought together in six chapters of text (plus the summary of findings, the recommendations, and the appendixes) a concise, clearly articulated assessment of the impact of science and technology on economic development.

It is emphasized that although technology is usually perceived as the most important stimulant to an advanced regional economy, it cannot even be brought into the region unless a number of other factors are present. Thus a region must have incentives in the way of an inviting cultural environment and a pleasant physical environment; the provision of a well-articulated, broadly based system of primary, secondary, and higher education is a prerequisite; a region must provide political leadership as well as a framework for the constructive interaction of individuals and institutions to attain regional goals; and there must be available venture capital, willing to participate in high-risk, technology enterprise.

To obtain optimum economic value from the availability of local raw materials the region must attract value-added processing and other "linked" manufacturing industries that relate to these resources. It appears that the features of the physical environment that affect a community's potential for attracting or retaining highly mobile professional personnel are increasingly subject to man-made decisions. More importantly, however, the committee found that the development of new enterprise is typically dependent on entrepreneurship - on the creative leadership of creative individuals or groups of individuals.

There is committee agreement that by itself Federal science policy cannot guarantee a given region an economic payoff, though certain appropriate changes in such policy seem desirable. There is consensus also that while the incorporation of modern technology can be a vital stimulus to the economy of a region, this cannot be effected in the absence of other significant factors mentioned above. When these factors are present, however, they are conducive not merely to economic development but also to the general improvement of the quality of life in a community.

NOTE

The first installment of a two-part condensation of the review article "Rural Economic Development" appeared in the April issue of Business in Nebraska. Due to lack of space in this issue, the concluding installment of the article (being reprinted in the December, 1969, issue of the Monthly Review of the Federal Reserve Bank in Kansas City) will appear in June.