Spedker Sees Chemical Boom In La.

NEW IBERIA — Louisiana's multi-million dollar chemical industry has pushed the state into a new, magic and wondrous age, said Sid Peters, plant manager of Air Reduction Company's Michoud plant, in an appearance before the New Iberia Rotary Club.

Peters said the migration of the chemical industry to Louisiana started in World War I. Before that, he said, most chemicals we now recognize as possibly of petrochemical origin were obtained from coal, and they could still be if coal was a cheaper raw material than oil or natural gas.

"During the 20's and 30's the petroleum industry grew correspondingly with the great expansion in the use of automobiles and petroleum began to be in real competition with coal as a resource for chemicals," Peters pointed out.

With World War II the industry got an added boost from the demands for enormous quantities for explosives and because synthetic rubber became a necessity when the Japanese took over the rubber-growing countries of Southwest Asia.

"In Louisiana we were blessed with an abundance of petroleum and natural gas and with the various refineries throughout the state, along with plenty of water for processing and cooling, and transportation facilities of all types," the speaker said.

The growth, stimulated by World War II, continued at an amazing rate up to 1958, the year a one cent increase was made on the gas severance tax. This came close to breaking the camel's back.

Average construction investment dropped to $169 million per year during 1959, 1960 and 1961, meaning less jobs, less payrolls and less taxes.

"The happy ending to the story came in recent years by a variety of laws enacted to encourage new and expanding industry, demonstrating that long term benefits to the state from increasing industrialization far outweigh short term profit from a soak-industry philosophy."

This realization has brought Louisiana almost two billion dollars in industrial plant investment and tens of thousands of good, new jobs for her citizens in the past three and one-half years.

"During the past four years we have more than doubled the investments in this state of the previous eight years and more than 60 per cent came from the