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**MOUNTAIN STATES REGION  
INDUSTRIAL DEVELOPMENT**

**DECEMBER 1942**

**NATIONAL RESOURCES PLANNING BOARD**

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# MOUNTAIN STATES REGION

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UNITED STATES GOVERNMENT PRINTING OFFICE - - - - - WASHINGTON, D. C.

For sale by the Superintendent of Documents, Washington, D. C. - - - - - Price 20 cents

**MOUNTAIN STATES REGIONAL PLANNING OFFICE**

**REGION 7**

**DENVER, COLO.**

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Mountain States Regional Planning Office

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MOUNTAIN STATES REGION  
INDUSTRIAL DEVELOPMENT

ERRATA

- Page III, line 1:  
Should read "pleasure".
- Page 5, column 1, paragraph 1, line 5:  
Should read "Plate 5".
- Page 15, table 2:  
Seven items beginning with "Printing and publishing" and ending with "Others" should be indented under subject, "Value added by manufacturing", to which they apply.
- Page 17, column 1, paragraph 4, line 4:  
The word "sugar" should be followed by a semicolon.
- Page 38, column 1, footnote 6:  
Should read "E. G. Plowman".
- Page 38, column 1, paragraph 3, line 3:  
Should read, "Boulder County, Colorado".
- Page 56, column 1, paragraph 3, line 13:  
Should read "some 20,000 workmen".
- Page 60, column 2, paragraph 2, line 10:  
Should read "coking facilities".
- Page 61, column 2, paragraphs 4 et cetera:  
Should be preceded by a subhead, "Summary" to indicate that the several paragraphs are a summary of Chapter XIII.

NATIONAL RESOURCES PLANNING BOARD

FIELD OFFICE  
Post Office Building  
DENVER, COLORADO

September 10, 1942

Mr. Charles W. Eliot, Director  
National Resources Planning Board  
225 State Department Building  
Washington, D. C.

Dear Mr. Eliot:

It is my pleasure to transmit to you herewith the report, *Industrial Development of the Mountain States Region*. This study pertaining to the States of Colorado, New Mexico, and Wyoming seeks to provide, in part, answers to the questions:

1. To what extent is the Region participating in the war production program?
2. What is the basic economic pattern of the Region?
3. What factors have determined the location of industries within the Region?
4. What factors in both the war and post-war periods might affect the economy of the Region and areas within the Region?
5. What programs could be developed by cooperation of business and governmental agencies to assure a better balanced economic pattern for the Region or for specific localities?

When consideration is given to the potentialities of the great natural resources of this Mountain States Region and its inherent opportunities for a greatly expanded industrialization, the need for just such studies as this one to lay the foundation for future development is of major importance to the Mountain States Region, and with increased industrial activity as a part of the war effort, the Region is in a position to anticipate that its industrialization can be continued and expanded in the post-war period. But this entails study and a thorough analysis and solution of the problems involved.

Although this study has been made on a regional basis and is somewhat general, it should furnish the framework and the incentive for agencies and groups concerned with the industrialization of specific areas within the Region to make similar studies and to apply them to the particular areas.

In pointing out the factors affecting industrial development and the opportunities for development of specific industries in the Region, I believe that the report is especially valuable.

Substantial aid has been given in compiling material for this report by various Federal Government agencies, by the State Planning Boards of the three States, by the Colorado Manufacturers' Association, by Chambers of Commerce within the Region, and by many firms and individuals. These contributions are appreciated, and are gratefully acknowledged.

Sincerely yours,  
Clifford H. Stone  
Chairman, Region 7

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## SUMMARY AND FINDINGS

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As of June 1942, the fundamental economic pattern of the Mountain States Region is being modified by the war production program. Of most significance are the construction programs in the Region. There is also considerable activity in the various mining areas of the Region, especially where copper, molybdenum, zinc, lead, tungsten, and vanadium are produced. Aside from milling and smelting of ores, the greatest activity in manufacturing is in Colorado areas where war contracts are demanding the full capacity of the largest manufacturers of metal products.

The basic economic pattern of the Region has been determined largely by the relation of natural resources and its geographic remoteness from large population centers, with the result that manufacturing is relatively unimportant. The Region produces a surplus in mining products, at least through the stages of milled and smelted products; livestock; and certain agricultural goods. Except for a few items, the Region is deficient in forest products and in most manufactured goods except those closely associated with agriculture.

From the standpoint of income, the 3 States of the Region are much more dependent on mineral production and cash income from agriculture than is the Nation as a whole. Conversely, the Region has a much smaller per capita income from manufacturing than has the entire Nation. Colorado and Wyoming rank above, while New Mexico ranks below the national average in per capita income as shown by the combined totals of value added by manufacturing, cash income from agriculture, and value of mineral production.

From the standpoint of employment, Colorado and New Mexico rank below and Wyoming above the national average in effective use of the labor force. In recent years Colorado and New Mexico have been more dependent on public emergency work, and have had a greater percentage of the labor force unemployed than has the Nation as a whole. The problem of providing employment is particularly chronic in New Mexico.

In all 3 States, agriculture provides employment for the greatest percentage of the labor force, while wholesaling and retailing rank second. With respect to the latter, the war program has particular significance as it has caused a fundamental change from a buyer's to a seller's market. One big problem of the war program is the change-over of part of the labor force to manufacturing.

From the standpoint of labor employed in manufacturing within the Region, food ranks first and is followed by iron and steel in Colorado; textiles ranks first, followed by lumbering and food in New Mexico; and petroleum refining ranks first, followed by food and lumbering in Wyoming.

Significant in Colorado is the interrelation of the food manufacturing industries: meat packing, beet-sugar refining, grain-milling, and dairy

products. Changes in tariff policy and transportation costs vitally affect these industries.

With regard to the metal industries, gold and silver are slowly losing their relative importance, since a development has been taking place in the nonprecious metals, especially molybdenum, copper, and vanadium. The pattern for these industries is one in which only basic processing is found—milling and to some extent smelting—but not refining or supplementary manufacturing.

In iron and steel, the Colorado Fuel and Iron Corporation Plant at Pueblo dwarfs all other iron and steel manufacturing within the Region. However, machinery manufacturing, especially mining machinery, is of importance in Denver.

Petroleum refining is a major industry in Wyoming. Petroleum production is significant in both Wyoming and New Mexico, but in Wyoming such production preceded long-distance pipeline transportation, and consequently a major refining industry was developed. In New Mexico, petroleum production followed by some time the development of pipeline transportation; thus, refining has not developed to a great extent in that State.

Stone and clay-products manufacturing provides the Region with some exportable items, but for the most part satisfies only regional needs. The chemical industry is represented almost entirely by the potash production in New Mexico. Lumbering is unimportant in Colorado and Wyoming. Miscellaneous industries, not associated with raw materials resources and only to a minor degree with marketing areas, include rubber manufacturing and specialized instruments.

Of major importance to the industrial growth of the Region is the development of cheap electricity and changes in transportation costs. Industries that seem to have the greatest potentialities are those whose growth is directly related to one or both of these factors. These include the nonferrous metal industries from mining through refining and fabrication, iron and steel fabrication and machinery manufacturing, and meat packing.

With respect to the labor force employed, the national trend toward manufacturing as compared to agriculture and mining emphasizes the need for further development of manufacturing within the Region. During the war program it means conversion of all possible facilities. In the post-war period it means development of industries that can provide employment to the greatly expanded labor force.

There is an indicated need for additional research on the part of the Federal Government, State Planning Boards and possibly State industrial development commissions. Cooperative research by the universities, chambers of commerce, and manufacturers and trade associations is likewise needed. Every possible effort should be made by the State and local governments to remove barriers to industrial development.