

A black and white photograph of a modern building with a glass facade and a prominent triangular structure. The building is viewed from a low angle, looking up. The sky is a uniform light gray. The building's facade is composed of dark panels and a grid of lines. A large, dark, triangular structure is visible on the left side of the building. The overall composition is geometric and architectural.

Texas Business Review

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Cover photograph: The Graduate School of Business will soon occupy this new wing of the Business Administration-Economics Building on the campus of The University of Texas at Austin.

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THE BUSINESS SITUATION IN TEXAS

Lorna A. Monti

Like Alice in Wonderland, the U.S. economy is falling down a rabbit's hole with Texas tumbling after. The question is: where is the bottom? Common sense says that the hole does not extend to the center of the earth; economic and political institutions have changed sufficiently to forestall a repeat of the 1930s. Uncertainty remains, however, as to how much more serious the recession will become.

Production and Employment

U.S. industrial production dropped 9 percent from January 1974 to January 1975, 3.6 percent from December 1974 to January 1975 alone. Texas industrial production dropped 1 percent from January 1974 to January 1975 and 2 percent from December to January. (December 1974 was slightly above January 1974.)

The industrial production indexes reflect manufacturing, which declines much more rapidly during recessions than does the rest of the economy. Employment figures emphasize this point. Total Texas nonagricultural employment is higher than a year ago, despite a December 1974 to January 1975 drop, while manufacturing employment is lower. The increase in total nonagricultural employment has not been large enough to absorb new entrants into the labor force, so the Texas unemployment rate rose from 3.8 percent in January 1974 to 5.7 percent in January 1975, having been 5.1 in December 1974.

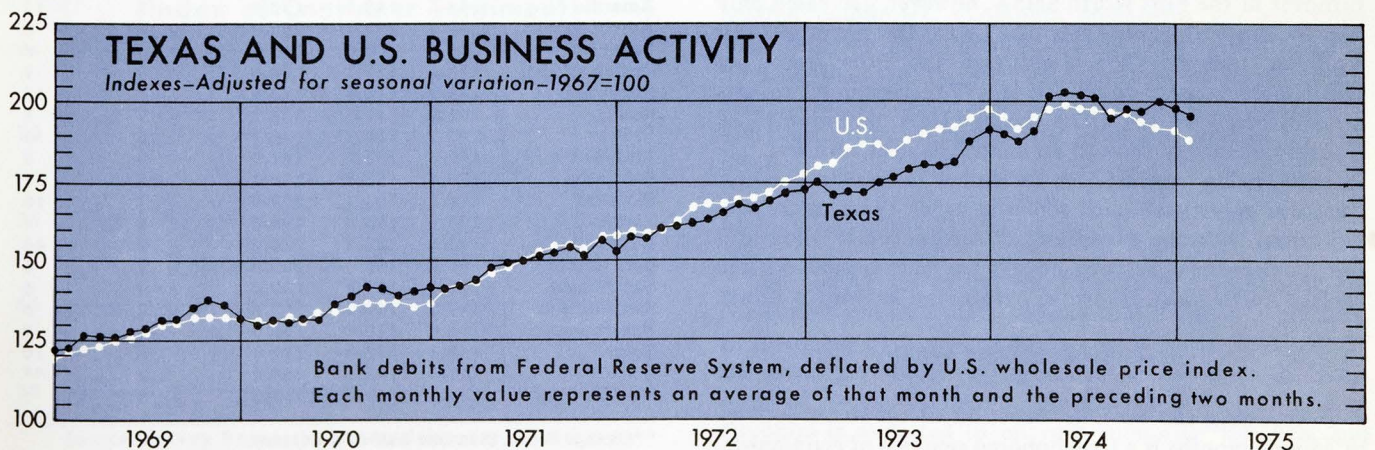
Variations in unemployment rates around the state reflect different employment bases. Even the strong areas are experiencing rising unemployment, however. Houston SMSA, the center of oil field equipment production, saw its

unemployment rate rise from 3.9 in December 1974 to 4.6 percent in January 1975. Midland-Odessa SMSAs registered 3.1 percent in January. Dallas-Fort Worth SMSA, a distribution and general manufacturing center, showed 4.5 percent. Laredo and Brownsville-Harlingen-San Benito SMSAs continue to have high unemployment rates of 19.2 and 9.4 percent. The Laredo rate is certainly a depression rate, indicating severe problems for that city. The San Antonio SMSA unemployment rate rose to 5.8 percent.

Business Activity

Similar variation is shown in Texas business activity indexes, which are based on bank debits. Houston, Galveston, and Tyler have had increases from both January 1974 to January 1975 and December 1974 to January 1975. Houston with its oil based economy would be expected to fare better in the recession than Dallas, which is more interdependent with the rest of the economy because of its distribution and general manufacturing base. Although this expectation is supported by the business activity indexes, unemployment rates for the Dallas labor market area are more favorable than Houston rates. This may be due to movement of unemployed South Texas workers into the Houston area.

The largest January 1974 to January 1975 drop in business activity, 46 percent, occurred in Lubbock, reflecting the diminished affluence of agriculture in 1974. The rest of the state, including Dallas, showed either yearly or monthly declines, which indicates that Texas cities are experiencing the recession along with the rest of the country.



SELECTED BAROMETERS OF TEXAS BUSINESS
(Indexes—Adjusted for seasonal variation—1967=100)

Index	Jan 1975	Dec 1974	Jan 1974	Percent change	
				Jan 1975 from Dec 1974	Jan 1975 from Jan 1974
Business activity	190.4	191.7	184.2	- 1	3
Estimated personal income	201.1 ^P	201.1 ^P	188.0 ^r	**	7
Bank debits	325.6 ^P	328.8	277.1	- 1	18
Crude oil production	110.8 ^P	114.1 ^P	118.8 ^r	- 3	- 7
Crude oil processed by refineries	117.8	128.9	113.6	- 9	4
Total electric power use	178.5 ^P	180.8 ^P	165.6 ^r	- 1	8
Residential	220.3 ^P	231.3 ^P	202.3 ^r	- 5	9
Industrial	159.0 ^P	160.0 ^P	151.3 ^r	- 1	5
Total industrial production	136.1 ^P	138.3 ^P	137.7 ^r	- 2	- 1
Urban building permits issued	157.0 ^P	169.7 ^P	203.3 ^r	- 7	- 23
New residential	119.3 ^P	121.9 ^P	171.6 ^r	- 2	- 30
New nonresidential (unadjusted)	193.4 ^P	220.3 ^P	239.3 ^r	- 12	- 19
Total nonfarm employment	136.0 ^P	136.2 ^P	131.1 ^r	**	4
Manufacturing employment	123.3 ^P	124.9 ^P	123.9 ^r	- 1	**
Average weekly earnings—manufacturing	155.5 ^P	154.3 ^P	147.7 ^r	1	5
Average weekly hours—manufacturing	96.3 ^P	96.7 ^P	101.2 ^r	**	- 5
Total unemployment	204.7	189.4	134.4	8	52
Insured unemployment	300.1	268.2	150.5	12	99

^P Preliminary.
^r Revised.
**Change is less than one half of 1 percent.

The business activity indexes have been subject to suspicion for most of the year because bank debits had been increasing as deposit owners moved their money frequently to take advantage of high interest rates. With the drop in interest rates, this shuffling can be expected to diminish. Bank deposit turnover (the number of changes in ownership of the average demand deposit) in the Dallas SMSA, by far the highest in the state, dropped from an annual rate of 90.8 for December to 77.1 for January. Both the lowering of interest rates and the slackening of economic activity contributed to the decline. Deposit turnover in the Fort Worth SMSA, however, decreased only slightly, from an annual rate of 43.8 for December 1974 to 42.8 for January 1975. (Although the Dallas and Fort Worth SMSAs were combined in 1973, bank debit reports are still based on the 1970 census SMSA definition.) The Houston economy showed an annual deposit turnover rate increase, rising from 61.7 in December to 63.3 in January. Turnover rates have been stable in other Texas metropolitan areas, with the exception of Austin, which showed a rise. Thus business activity indexes are more reliable outside Dallas, Austin, and Houston. Altogether, activity is down.

Forecasting Economic Activity

Forecasting the possible direction of economic activity in coming months is a time-honored practice of economists,

business writers, industrialists, politicians, and psychics, none of whom has developed a widely accepted method. Economic forecasting is fraught with perils because the economy is not a static system but a continually changing and largely unplanned one, governed by many individual decisions and affected by the expectations of the individuals making the decisions. Because behavior and expectations may change from one recession to another, no universal rules of forecasting have been developed.

In this situation, the most useful forecasting procedure is to consider expectations of important groups in the economy. The gross national product accounts are divided into consumer, investment, and government expenditures (plus net exports, which accounted for less than 1 percent of the gross national product in the fourth quarter of 1974). The comparison between behavior in these three categories in the recent past and plausible expectations for these categories in the immediate future makes it possible to forecast the direction of economic activity.

This approach, called an aggregate demand approach to forecasting, is used for most statistical models of the economy in operation today. Instead of simply attempting to judge the direction of demand for the gross national product, creators of the statistical models estimate (using statistical procedures) equations for two demand categories, consumption and investment, on the basis of past behavior and then use current data in these equations to estimate future demand for consumption and investment. Government demand is forecast by judgment.

Two main difficulties in this approach have arisen in recent years. First, behavior can change in such a way that

**BUSINESS ACTIVITY INDEXES
FOR SELECTED TEXAS CITIES**
(Adjusted for seasonal variation—1967=100)

City	Jan 1975	Dec 1974	Jan 1974	Percent change	
				Jan 1975 from Dec 1974	Jan 1975 from Jan 1974
Abilene	137.8	149.3	156.8	- 8	- 12
Amarillo	144.6	143.5	170.5	1	- 15
Austin	239.2	247.9	255.4	- 4	- 6
Beaumont	123.2	108.6	131.2	13	- 6
Corpus Christi	177.1	167.2	194.6	6	- 9
Corsicana	120.7	126.6	141.4	- 5	- 15
Dallas	201.9	217.6	198.3	- 7	2
El Paso	143.2	138.8	170.1	3	- 16
Fort Worth	149.3	157.2	161.9	- 5	- 8
Galveston	176.1	152.8	116.2	15	52
Houston	216.1	201.1	187.0	7	16
Laredo	178.1	173.6	184.7	3	- 4
Lubbock	123.9	133.8	228.4	- 7	- 46
Port Arthur	95.8	105.5	102.3	- 9	- 6
San Angelo	171.4	177.8	182.1	- 4	- 6
San Antonio	147.5	149.9	157.6	- 2	- 6
Texarkana	98.4	110.4	106.0	- 11	- 7
Tyler	140.6	130.0	128.4	8	10
Waco	155.4	143.1	155.1	9	**
Wichita Falls	137.2	149.1	135.5	- 8	1

**Change is less than one half of 1 percent.

the equations based on past behavior are no longer accurate. Second, the demand approach assumes that the necessary labor, equipment, and materials are available to produce whatever is demanded. In a world becoming more and more aware of material and energy limitations, the validity of the demand approach is more frequently questioned.

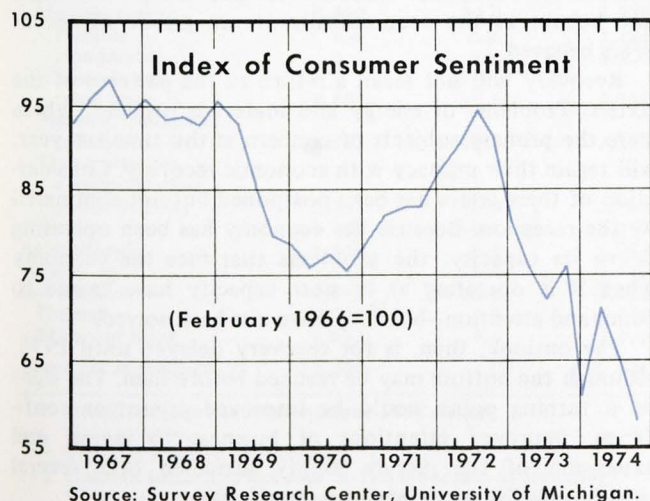
At the moment, however, the U.S. economy can be approached with a demand outline for forecasting because there is so much excess capacity and unemployed labor and because the drop in wholesale prices indicates that materials shortages are not severe in most areas of the economy at the moment. Shortages could become important again during recovery.

Consumer and Business Confidence

The key issue in the decline and any potential recovery of the national economy is consumer and business confidence. The signal that the economy is moving toward recovery would be signs of rising confidence. Expenditures by households for durable goods, such as appliances or cars; for nondurable goods, including food and clothing; and for services, ranging from car repairs to medical care, accounted for approximately 63 percent of the demand for the gross national product, the sum of all goods and services produced and sold in the economy, in the last quarter of 1974. Thus the willingness of consumers to buy could constitute a major force for recovery of the economy.

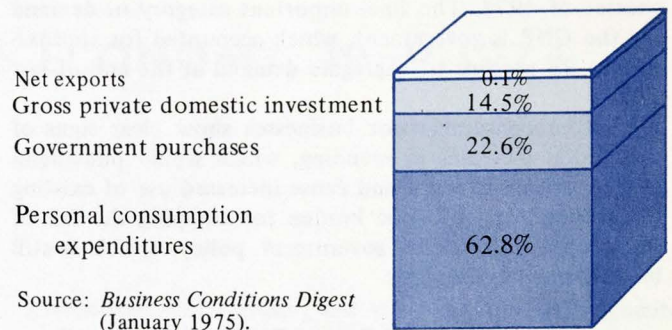
Consumer Expectations

Consumer confidence has been at an all-time low. As recorded by the Survey Research Center at the University of Michigan, an index based on consumer responses to economic conditions hit 58.4 at the end of 1974, compared with a level of 100 for 1966. Drops in the index have preceded economic downturns in the past, so its continuing decline is not a good omen. A rise would be a very positive sign, a signal that the bottom has been reached and recovery is likely.



MARCH 1975

Final Demand for the Gross National Product (Fourth quarter 1974)



The Harris and Gallup polls are making different points about public attitudes. The Gallup poll for the last week in January revealed that the percentage of persons believing that economic conditions would deteriorate over the next six months dropped from 71 percent in November to 56 percent in the more recent poll. Likewise, the percentage expecting a 1930s-style depression dropped from 57 to 43 percent.

At the same time, the Harris survey found that 52 percent of the population lived in households in which someone had had either a reduced workweek or a job loss in recent years. The poll's previous high for that response was 36 percent, in 1971.

Considering the results of both polls, it appears that Americans expect the recession to reach bottom within the next six months. The recession, however, has already caused a majority of the population to experience directly the reduced availability of work, a situation that can be expected to produce more cautious behavior over the next few years. The expectation of ending the fall could very well be a self-fulfilling prophecy, if it leads to purchases. Consumer saving increased by about one third between the third and fourth quarters of 1974. This trend needs to be reversed for recovery.

The January drop in the inflation rate (as measured by the consumer price index) to an annual rate of 6.2 percent from a rate of 12.2 percent for 1974 is both a sign of the seriousness of the recession and a development that will hearten consumers. Economic downturns are associated with declining rates of inflation or, in past decades, price level declines. On the other hand, because inflation discourages consumers, some abatement may improve confidence. Thus the recession contains at least one seed of its own reversal.

Business Expectations

An annual survey by the Commerce Department for November and December showed that business is planning to invest less in plants and equipment this year than last. Of the other two forms of investment recorded in the gross national product accounts, investment in residential construction is expected to improve somewhat this year and

investment in inventories is expected to drop. Private domestic investment accounted for approximately 15 percent of demand for the gross national product in the fourth quarter of 1974. The final important category of demand for the GNP is government, which accounted for approximately 23 percent of aggregate demand at the end of last year.

Neither consumers nor businesses show clear signs of substantial increases in spending, which would put unemployed people to work and cause increased use of existing production capacity. The burden for stopping the fall of the economy lies with government policy, which is still being formed in Congress.

Federal Reserve Policies

Another institution responsible for determining economic policy is the quasi-public Federal Reserve System. The Federal Reserve System has been widely criticized recently for restricting Federal Reserve balances supplied to the banking system. Banks must hold Federal Reserve balances and cash in vaults equal to a specified percentage of bank deposits. The Federal Reserve can vary bank deposits with the Reserve System by buying and selling government securities. As the payment checks clear, the Federal Reserve in effect adds to or subtracts from banks' balances in the System. Increases in banks' Reserve System balances caused by Federal Reserve activities expand production and employment because banks can make more loans at lower interest rates when their Reserve System balances move above the required percentages. Easier loan terms are expected to encourage businesses to increase production and open new enterprises. Business confidence is, of course, necessary for initial loan expansion.

As loans expand, bank deposits, the largest component of the money supply, also expand. Increases in total bank deposits are believed to expand aggregate demand directly since they encourage spending. By varying Federal Reserve balances, the Federal Reserve attempts to control the money supply.

Because Reserve System banks' balance requirements are different for different categories of deposits and amounts of currency, it is not possible to know precisely what change in the money supply will result from a given change in Federal Reserve balances.

For January and February, Reserve System balances plus cash in vaults held by banks were approximately 3 percent over a year ago, comparing weekly averages. Considering the rate of inflation over the past year, this small growth of Reserve System balances implies a sharp decline of the purchasing power of the potential money supply. The growth of the money supply from January to January was approximately 4 percent.

Policy deliberations of the Federal Reserve are kept secret for several months after decisions are made, so the reasons for restrictive policy can only be surmised. Presumably, the Federal Reserve Board fears a rekindling of inflation if it increases the money supply now. The expansionary effects of increases are believed to begin after

a lag of several months, so that the effects would coincide with the end of the recession as forecast by many observers, and the easy monetary policy would create inflation during the next expansion. Because of these fears, present policy remains restrictive. Policy has been restrictive for some time, so it is currently depressing aggregate demand in the economy.

With depressed business confidence, the money supply has been increasing very slowly or not at all in recent months. If it should begin to show an increase of five or six percent at an annual rate, sustained over several months, this would be a second positive sign that the bottom of the recession has been reached, as much because of the cooperation required of businesses in bringing the increase about as because of the expansionary effect of the increased money supply on aggregate demand.

Economic Prospects

Considering all the potential sources of demand in the economy, only a congressional program could supply any impetus for increased production in the near future. The onslaught of depressing economic news is not likely to encourage business and consumers to change their behavior. Negative news, on the other hand, is likely to persuade Congress to create a more expansionary program than the one recommended by the president and thereby halt the economy's fall.

Any expansionary program will take time to pass Congress and still more time to take effect, so that expectation of recovery before the end of 1975 is probably too optimistic. The bottom could be reached before then, however. Recent recessions have been sufficiently short that, following the examples of 1957-1958, 1961-1962, and 1969-1970, the current recession could be expected to reach bottom before summer. Previous recessions were not accompanied by depressions in confidence as severe as the one that has accompanied this recession, however, so the past may not be an accurate guide. The cumulative blows of Watergate, the energy crisis, inflation, and recession have not been entirely absorbed. They may produce new patterns of economic behavior: an insecure public might not behave as the economically secure public of recent years behaved.

Recovery will not mean a return to the patterns of the sixties. Problems of energy and materials supplies, which were the primary subjects of concern at this time last year, will regain their primacy with economic recovery. Consideration of these issues has been postponed but not eliminated by the recession. Because the economy has been operating below its capacity, the problems that face the economy when it is operating at or near capacity have ceased to command attention—but they have not been solved.

The outlook, then, is for recovery delayed until 1976, although the bottom may be reached before then. The signs of a turning point would be improved consumer confidence, improved intentions of business to invest, and expansion of the money supply sustained over several months at a five or six percent annual rate.

GROWTH OF THE TEXAS ECONOMY, 1959-1974

Bryan Adair

Texans can put the current recession in perspective by reflecting that the average real (constant dollar) compound growth rate of the state's economy for the past fifteen years has been 4.0 percent, a rate at which output doubles every eighteen years. Although growth has been interrupted, Texas produced a seventy-two billion dollar economy in 1974, in contrast to a twenty-four billion dollar total in 1959. True, there are more Texans to share this increased output. Even considered on a per capita basis, however, the state's economy has grown at a yearly compound rate of 2.3 percent, which would cause the real product per capita to double every thirty years.

These figures are based in part on a recently completed Bureau of Business Research study of the gross state product of Texas. On the basis of data from various sources, both government and private, gross products for each year since 1959 have been estimated for the Texas economy and for these sectors: manufacturing; agriculture; private, exclusive of manufacturing and agriculture; federal

government and military; and state and local government.

Texas prosperity is tied to national prosperity; during the past fifteen years overall economic growth in Texas has mirrored that of the nation. A comparison of the gross Texas product (GTP) and the gross national product (GNP) shows that, except for some lag by the state in the early 1960s, U.S. and Texas growth patterns since 1959 are almost indistinguishable. The nation has fared slightly better than the state in per capita increases in the gross product. The national average annual compound growth rate would cause the overall real per capita output of the nation to double every twenty-four years (as opposed to thirty for the state), should present trends continue. Since 1964 the per capita growth rate in the state has been approaching the national rate, but at present per capita increases in the overall gross Texas product still tend to lag national increases slightly.

Average citizens in Texas, on the other hand, are faring better than the national average. In contrast to the

GROSS TEXAS PRODUCT BY SECTOR, SELECTED YEARS, 1959-1974

Sector	1959		1964		1969		1974	
	Constant dollars (millions)	Percent of total constant value GTP*	Constant dollars (millions)	Percent of total constant value GTP*	Constant dollars (millions)	Percent of total constant value GTP*	Constant dollars (millions)	Percent of total constant value GTP*
Private nonagricultural	19,438	82.4	23,239	84.1	30,077	85.4	36,100	84.7
Mining	1,724	7.3	2,047	7.4	2,227	6.3	2,440	5.7
Contract construction	1,068	4.5	1,124	4.1	1,299	3.7	1,530	3.6
Manufacturing	5,422	23.0	6,479	23.4	8,332	23.7	8,760	20.6
Durable	n.a.	n.a.	3,121	11.3	4,526	12.9	4,350	10.2
Nondurable	n.a.	n.a.	3,358	12.1	3,806	10.8	4,410	10.4
Wholesale and retail trade	4,161	17.6	4,930	17.8	6,655	18.9	8,680	20.4
Finance, insurance, real estate	2,551	10.8	3,552	12.9	4,544	12.9	5,470	12.8
Transportation, communication, public utilities	2,357	10.0	2,764	10.0	3,843	10.9	5,210	12.2
Services	2,155	9.1	2,343	8.5	3,177	9.0	4,010	9.4
Agriculture**	1,549	6.6	1,277	4.6	1,101	3.1	1,720	4.0
Farm	1,521	6.4	1,249	4.5	1,062	3.0	1,670	3.9
Government	2,613	11.0	3,125	11.3	4,037	11.5	4,790	11.3
Federal	1,521	6.4	1,726	6.2	2,187	6.2	2,320	5.5
State and local	1,092	4.6	1,399	5.1	1,850	5.3	2,470	5.8
Gross Texas product	23,600	‡	27,641	100.0	35,215	100.0	42,610	100.0

* Gross Texas product in constant 1958 dollars.

n.a. Not available.

** Includes forestry and fisheries.

‡ Column total does not sum to 100.0 because of rounding.

Note: It is advisable to round off individual gross state product estimates at the third significant figure.

SECTOR PERCENTAGES OF TOTAL PERSONAL INCOME AND GROSS PRODUCT IN TEXAS AND THE UNITED STATES, 1973
(Gross product and personal income in current dollars)

Sector	Texas		United States	
	Personal income	GTP	Personal income	GNP
Agriculture	7.7	5.2	5.1	4.6
Government	18.0	12.9	17.3	13.0
Manufacturing	19.0	23.7	26.6	25.2
Durable goods	10.5	12.1	17.0	15.2
Nondurable goods	8.5	11.6	9.6	10.0
Private nonagricultural, nonmanufacturing	55.3	58.2	51.0	57.2

Source: Personal income data and gross national product data from *Survey of Current Business* (August 1974).

GTP-GNP relationship, growth of total personal income in the state has exceeded that in the nation. In real value terms the state personal income total has increased at an average compound rate of 4.8 percent per year, while that of the nation has increased at a rate of only 4.2 percent per year. At these rates personal income in the state and national economies doubles every 14.8 and 16.8 years, respectively. Personal income in the state is growing at about twice the rate of growth of the GTP, while national personal income is growing only one and one half times as fast as the GNP.

The difference in income/product relationships for the state and the nation indicates that the economic mix of the two entities, though similar, is not the same. The proportion of income to population in Texas, as reflected in 1973 data, exceeds the corresponding national proportion in certain economic sectors, while the reverse is true for other sectors. For example, Texas, which contains 5.2 percent of the nation's population, receives 7.8 percent of the nation's agricultural income, about 39 percent above the amount that would be indicated by national per capita distribution. On the other hand, only 3.7 percent of the nation's personal income from manufacturing originates in Texas—two thirds of the income that would be expected for Texas from a national per capita distribution.

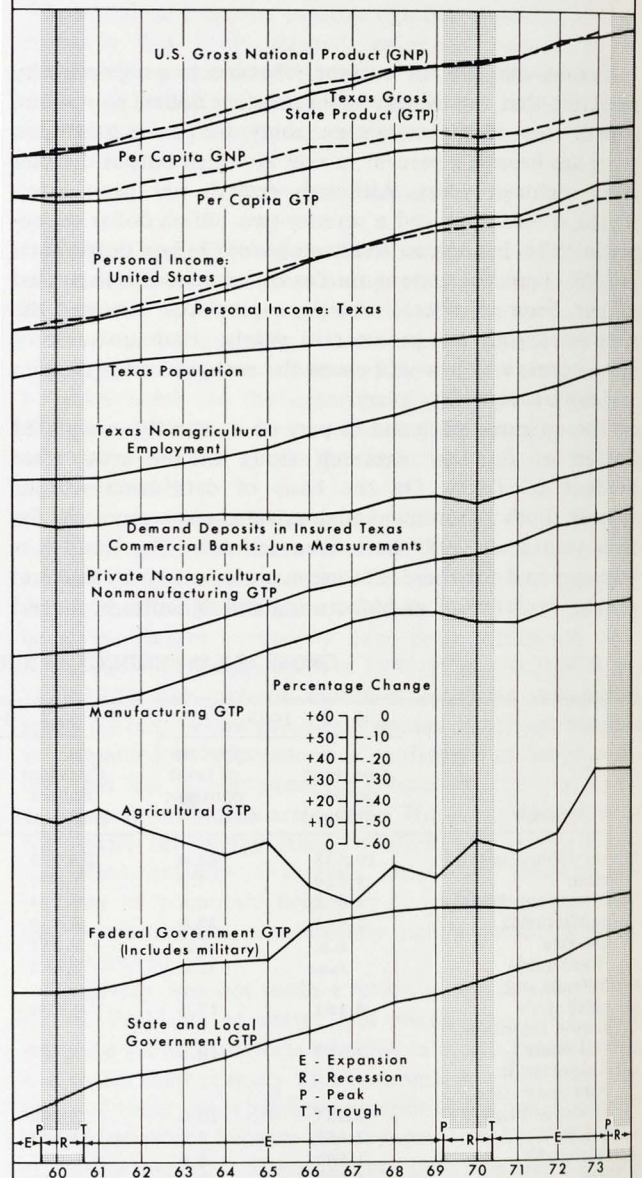
TEXAS AND U.S. ECONOMIC CONCENTRATION IN 1973

Sector	Personal income paid in Texas (percent of national sector total)	Variation of personal income paid in Texas from amount indicated by national per capita distribution (percent)
Agriculture	7.80	38.8
Federal government	6.86	22.1
BASE: POPULATION	5.62	0
Private nonagricultural, nonmanufacturing	5.60	- 0.4
Total Texas economy	5.16	- 8.2
State and local government	4.48	- 20.3
Manufacturing	3.68	- 34.5

Source: Data from *Survey of Current Business* (August 1974).

INDICATORS OF TEXAS ECONOMIC GROWTH

Annual Percentage Changes in Real Value, 1959-1974



Source: Data from Bureau of Business Research gross state product estimates, expressed in terms of constant 1958 dollars; U.S. Department of Commerce, *Survey of Current Business*; Texas Employment Commission; Bureau of the Census, *Current Population Reports: Population Estimates and Projections*(Series P-25); and Federal Deposit Insurance Corporation, *Assets and Liabilities: Commercial and Mutual Savings Banks*.

Texas industry tends to be relatively labor-intensive; the state does not contain a large share of the nation's highly capitalized industry, such as durable goods manufacturing. The state's large share of federal government activity and the relative importance of the various nonmanufacturing private sectors in the state economy (services, transportation, trade, etc.) allow the personal income of the state to increase without necessitating intensive capital investment in production installations and facilities. People, not machines, are the primary producers in the Texas economy.

Nonagricultural Employment Growth

In the past fifteen years the GTP has grown substantially faster than the state's population, but only slightly faster than nonagricultural employment. This indicates that an increasingly greater portion of the population is employed in nonagricultural work than has been true in the past. It also suggests that most of the increase in gross product in the state has come from the increase in employment rather than through the individual worker's increased contribution to the state product. In fact, the average annual real increase in gross product per worker in Texas during the past fifteen years has been about 0.3 percent.

The nonagricultural employment of the state grew steadily during the economic upswing between 1961 and 1969, but following the peak of the expansion in the 1960s the growth in nonagricultural employment tapered off. It was 1972 before employment growth resumed its previous trend slope.

Demand Deposits Growth

Demand deposits by businesses and individuals in Texas commercial banks demonstrated a flat trend between 1959 and 1967, increasing at a rate less than the rate of population increase. After 1967, Texas demand deposits

increased at about the same rate as nonagricultural employment, substantially exceeding the rate of increase of the state's population.

Private Sector Growth

In the private sector the growth in the state's product has generally been steady, again with a leveling tendency during the 1969-1970 recession. Within this sector, the nonagricultural, nonmanufacturing private subsector, which includes mining, construction, trade, finance-insurance-real estate, transportation-communication-public utilities, and services, was only slightly influenced by the 1969-1970 recession. This subsector has seen greater and steadier growth during the past fifteen years than the agricultural and manufacturing subsectors, with an average annual real compound growth rate of 4.6 percent; at this rate output doubles every fifteen to sixteen years.

Manufacturing Growth

The growth in the manufacturing sector of the state's economy during the past fifteen years has tended to parallel that of the manufacturing GNP, especially during the first half of the period. Between 1962 and 1968 Texas manufacturing grew rapidly, at a real annual compound rate of almost 6.5 percent. But as the national economy approached a cyclical peak in 1969 the rate of Texas manufacturing growth tapered off, and during the 1969-1970 recession the state lost some of its previous gains in real manufacturing output.

The growth trend in manufacturing after 1970 has taken a positive but less spectacular growth slope than that apparent in the mid-1960s. 1971 saw a nationwide economic recovery and by 1972 the state had slightly exceeded its 1968-1969 peak. But while the nationwide manufacturing sector saw significant growth during the 1971-1973 expansion, Texas manufacturing grew more slowly than the Texas population. During the seven year period of 1966-1973, national growth in the manufacturing sector averaged 4.2 percent per year, while manufacturing in Texas grew at about 1.4 percent per year.

Agricultural Growth

During the past fifteen years Texas agriculture has shown rather erratic behavior. The real value of Texas combined crop and livestock production generally dropped between 1959 and 1967, but the downward trend was reversed in 1967.

Texas agricultural production trends are closely related to fluctuations in the prices received by farmers. After peaking in 1951, agricultural prices fell; by 1953 they reached the level around which they generally fluctuated until about 1967. With the decline in national agricultural surplus during the late 1960s, however, and with the increasing worldwide demand for food, prices were bid up after 1967. During the world crisis of food supply and demand in 1972-1973, prices rose as steeply as they have

GROSS TEXAS PRODUCT, 1959-1974

Year	Current dollars (millions)	Constant 1958 dollars (millions)
1959	23,946	23,600
1960	24,680	23,795
1961	25,785	24,416
1962	27,314	25,516
1963	28,811	26,353
1964	30,948	27,641
1965	33,495	29,249
1966	36,923	31,090
1967	40,089	32,515
1968	44,213	34,383
1969	48,377	35,215
1970	51,465	35,600
1971	55,760	36,796
1972	62,437	39,600
1973	68,976	40,931
1974	72,440	42,610

Note: It is advisable to round off individual gross state product estimates at the third significant figure.

Estimating the Gross State Product

Gross state product (GSP) figures have been estimated for a number of states (including Alabama, Alaska, Georgia, Idaho, Ohio, Oklahoma, South Carolina, and South Dakota among others) since the early 1960s. In at least one study, figures were estimated for each state in the union for one year.

Each GSP investigator, if he does not create a new method, varies the usual method to fit his needs. Consequently, published GSP figures for the various states may not be directly comparable, nor are they always directly comparable with gross national product (GNP) figures. General comparisons may be readily and safely made, and comparisons through time for a single state may be quite meaningful, since the calculating scheme remains constant. Nevertheless, a GSP calculating procedure acceptable throughout the nation has not yet been established.

Several factors prevent the gathering of rigorously comparable data for GSP calculation. Prices vary from place to place, and local economic and tax environments are not identical across the nation. Development of local price indexes is often impractical, and taking into account varying goals for regional growth may be impossible. Moreover, state economies are not independent of each other, and attempts to assume that they are can be seriously misleading. Exports and imports across state lines are not systematically measured. Considering the extent of interstate commerce, gross product estimates based entirely on state and local measurements are rough at best.

In spite of its drawbacks, a historical overview of a state's product, especially if broken down by sector, may be useful in social and political, as well as in economic, planning. The comparison of economic trends can identify where and when various economic activities have occurred and, if properly used, may point to areas in which economic activity may occur in the future. Serious analysis, however, requires a combination of GSP estimates with other data.

The results of four separate calculations have been added in order to estimate the gross Texas product in current dollars. First, an earnings and costs approach is used to estimate the state's product in the nonmanufacturing, non-agricultural private sector. National income originating in Texas for each subsector is estimated by determining the ratio of Texas personal income to U.S. personal income for

each subsector and then applying the ratio to national income for that subsector. The same ratio is applied to U.S. capital consumption allowances and U.S. industrial business taxes to determine the Texas components of those values for each subsector. The national income, capital consumption allowance, and industrial business tax components are then added for each subsector to obtain the portion of the state's gross product originating in that subsector. Data for this part of the procedure are found in July and August issues of *Survey of Current Business*.

A value-added approach is used in the calculation of the manufacturing product of Texas. Current Texas values are taken directly from the *Survey of Manufactures* and *Census of Manufactures*.

A value-added approach is also used to determine the state's agricultural product. This is derived by adding the Texas values of total farm output, including cash receipts from marketings, value of home consumption, gross rental value of dwellings, and net change in inventories, less net rent to nonfarm landlords. Intermediate production expenses (including feed, livestock, seed, fertilizer, repair and operation of equipment, and miscellaneous operating expenses) are subtracted from that figure. The result of this calculation is the gross farm product of Texas. The data are found in annual supplements to the *Farm Income Situation*.

The government product is found by determining the nationwide ratio of income originating in government to government wages and salaries and applying this ratio to government wages and salaries paid in Texas. The data for these calculations are found in July and August issues of *Survey of Current Business*.

Constant values of the gross Texas product are calculated by applying GNP deflators for each subsector to the current state product estimates.

Because the data on which estimates are based are available only through 1973, 1974 estimates of the subsector products are determined by finding the ratio of 1974 Texas employment to 1973 employment in each subsector and applying the ratio to the 1973 constant value subsector product. This produces an estimate of the 1974 constant value subsector product. GNP deflators are applied to this figure to produce an estimate of the current 1974 product.

risen during wartime food shortages in the past. The agricultural GTP increased in line with price increases after 1967, demonstrating a significant jump between 1972 and 1973 that corresponded with a jump in prices.

In the last fifteen years the agricultural sector of the state economy has seen only a 1.5 percent annual real compound rate of growth, but if only the period since 1967 is considered, Texas agriculture has shown a 9.1 percent annual rate of growth. Texas usually ranks among the top five states in both livestock and crop production and is about third in combined agricultural production. Nevertheless, agriculture accounts for only 3 to 5 percent of the GTP, falling from 6.6 percent in 1959 to 2.9 percent in

1967 but climbing back to 4.0 percent by 1974.

Government Growth

Growth in the federal government sector of the state economy has closely paralleled the state's population increases, but during the mid-1960s somewhat larger increases appeared, resulting primarily from the Vietnam War, the space program, and the implementation of government antipoverty programs. All three of these functions stimulated the Texas economy; Texas probably benefited more, economically, than most other states from the war and the space program.

TEXAS CONSTRUCTION

Dianne Priddy

The most rapidly growing sector of the Texas economy is state and local government. During the past fifteen years the growth in this sector has been steady, averaging a 5.6 percent annual compound rate of increase in real value. At this rate the economic impact of state and local government in Texas doubles every twelve to thirteen years.

The various sectors of the Texas economy have grown at different rates in the past fifteen years. Activity in certain sectors is correlated with other economic activity, while activity in some sectors seems relatively independent. In addition, actions of the government influence the several sectors to varying extents. For example, government-sponsored military and space projects significantly affect local economies in the areas in which the associated manufacturing and service work is performed. Likewise, government decisions to promote selected areas of expansion have significant economic impacts on many local areas. Finally, worldwide market trends may heavily affect local growth in some sectors, especially those which (like agriculture) produce commodities that are identical to or can be substituted for commodities traded in international markets. Prediction of future growth trends, based on past trends and on consideration of the various influences, can be helpful to planners in business and government.

An accompanying table shows the growth trends of selected sectors of the Texas economy for 1959-1974 and for 1967-1974. Thoughtful consideration of the table reveals how easy it is to select numbers to "prove" what one wants to prove. For example, predictions of the impact of agriculture on the state's economy could be based on either fifteen year trends or seven year trends. Results would be quite different, despite use of the same methodology. In reality, neither prediction would be particularly meaningful without insights gained from sources other than the specific time series involved. Profitable analysis of sector performance depends both on general knowledge of the field and on careful explanation and interpretation of a statistical data set.

**GROWTH TRENDS IN GROSS PRODUCTS
OF SELECTED SECTORS OF THE TEXAS ECONOMY**
(Gross product in constant 1958 dollars)

Sector	Compound growth rate (percentage)	Doubling period (years)
Fifteen year trend (1959-1974)		
State and local government	5.6	13
Private nonagricultural, nonmanufacturing	4.6	16
Gross state product	4.0	18
Manufacturing	3.3	21
Federal government	3.0	24
Agriculture	1.5	47
Seven year trend (1967-1974)		
Agriculture	9.1	8
State and local government	5.8	12
Private nonagricultural, nonmanufacturing	4.7	15
Gross state product	4.0	18
Federal government	1.5	46
Manufacturing	1.4	50

The long-awaited housing recovery in Texas and the nation appears to be a slow starter, despite increases in available mortgage money and decreases in lending rates. January year-to-year comparisons revealed a 32 percent drop from the January 1974 level of values of residential building authorized in Texas and a 48 percent decline in the annual rate of housing units authorized in the United States, as well as a 31 percent decline in the annual rate of national housing starts.

High mortgage interest rates have been spotlighted as a major factor in both state and national declines. Since mid-September, however, the prime rate of interest has plunged from 12 to around 8 percent, without perceptible impact on the Texas housing industry. While many individuals may be tempted by lower mortgage interest rates, the majority of potential home buyers are postponing their purchase decisions, perhaps hoping for further declines in mortgage interest rates.

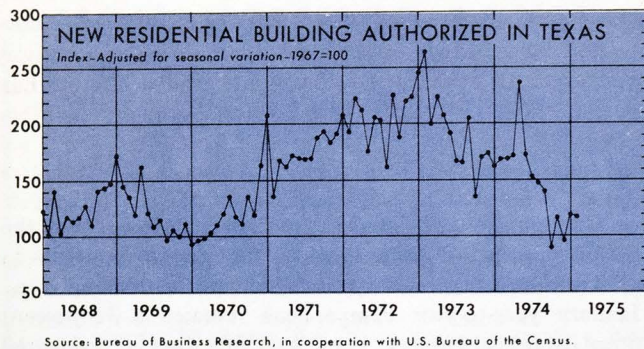
Obviously, factors other than interest rates also influence purchase decisions of prospective home buyers. One of the most critical indicators is the economic confidence associated with employment expectations. As the number of unemployed workers in the country continued its upward surge past 8 percent (significantly higher in some specialized industrial areas), unemployment in Texas reached 5.7 percent in January, a moderate level compared with the critical situation in other areas of the country. However, the 5.7 percent level represents a 50 percent increase from January 1974.

Even though the levels of unemployment in major Texas cities are appreciably lower than the state level might indicate, the pessimistic attitude prevalent in the nation appears to have dampened the enthusiasm of potential Texas homeowners. Few individuals are willing to undertake long-term financial commitments when they are bombarded by negative economic news.

Residential Construction

Of the twenty-four SMSAs in Texas, seventeen reported no authorizations for new construction of two-family dwelling units in the first month of 1975, and in fifteen of the areas no permits for new apartment dwelling units were issued. Houston was the only SMSA which evidenced January year-to-year percentage gains in all three categories of residential development: the number of one-family dwelling units authorized in Houston increased by 47 percent of the January 1974 figure, the number of two-family units rose 400 percent, and a 7 percent gain was realized in the number of apartment dwelling units.

Houstonians have experienced few of the effects of the recession that has stalled economic growth in many areas of



the country. Continuing expansion is the result of the energy orientation of the city and the surrounding area. Due to national recognition as the energy capital, Houston continues to attract new businesses, which have contributed to the accelerated growth of demand deposits in Houston banks. Additional activity has resulted from the choice of Houston as a relocation point for the branch or head offices of approximately 150 companies. Employment opportunities in that city's energy- and business-related fields indicate a potential for continued growth.

With Houston as the sole exception, the number of permits issued for apartment dwelling units declined in all of the Texas SMSAs. McAllen-Pharr-Edinburg and Houston were the only SMSAs experiencing increases in January 1974-1975 comparisons of the two-family dwelling unit construction authorizations.

Although it may be several months before the housing industry perks up from its current anemic state, initial indications of improvement are evident in the figures for the first month of the new year. Estimated values of residential building authorized in Texas were down in all categories in the January 1974-1975 comparison, but authorizations for residential construction in Texas rose in value by 2 percent from December levels. This is undoubtedly encouraging news for the industry, since it indicates an about-face from the dismal pattern of authorized residential values set during 1974.

Additions, alterations, and repairs soared to a record high in estimated values of authorizations in 1974, 28.2 percent above the 1973 cumulative level. The 4 percent increase in values of permits issued from December 1974 to January 1975 shows that the activity continues, due both to the cost savings that can be achieved by improving an existing structure rather than building a new one and to an increasing esthetic appreciation for older buildings.

Nonresidential Construction

The index of nonresidential building permits issued registered a 19.2 percent decrease in January comparisons. Laredo and Texarkana SMSAs, however, registered particularly impressive percentage gains in nonresidential authorizations for January. Neither the 5,407 percent increase in Laredo nor the 769 percent increase in Texarkana nonresidential authorizations represents substantial investment; percentage swings are typically more dramatic in smaller

SMSAs than in the larger ones because of the limited number of construction projects undertaken. In Laredo a large portion of the increase in nonresidential construction authorized in January was due to support facilities for the extensive development of natural gas resources in the area. Over four fifths of Texarkana's \$280,000 in nonresidential authorizations was accounted for by the conversion of an elementary school into health care facilities.

Office-bank buildings are a significant but frequently overlooked category of nonresidential construction. A comparison of January figures with month-earlier levels shows that office-bank buildings suffered the worst month-to-month percentage decline in values of building authorized of all major construction categories, excluding the relatively insignificant dollar values represented by commercial parking garages, miscellaneous nonresidential buildings, and structures other than buildings.

ESTIMATED VALUES OF BUILDING AUTHORIZED IN TEXAS[#]

Classification	Jan ^P 1975 (thousands of dollars)	Jan [†] 1974	Percent change	
			Jan 1975 from Dec 1974	Jan 1975 from Jan 1974
<i>All Permits</i>	245,322	319,959	- 6	- 23
New construction	218,523	289,021	- 8	- 24
Residential				
(housekeeping)	77,598	114,668	2	- 32
One-family dwellings	60,850	62,778	4	- 3
Multiple-family dwellings	16,748	51,890	- 4	- 68
Nonresidential	140,925	174,353	- 12	- 19
Hotels, motels, and tourist courts	2,898	6,137	- 35	- 53
Amusement buildings	3,075	2,217	64	39
Churches	10,492	2,139	639	391
Industrial buildings	10,133	17,603	54	- 42
Garages (commercial and private)	716	11,599	- 93	- 94
Service stations and repair garages	464	312	274	49
Hospitals and institutions	24,053	23,164	175	4
Office-bank buildings	22,755	22,207	- 45	2
Works and utilities	4,054	17,340	88	- 77
Educational buildings	39,304	34,110	- 4	15
Stores and mercantile buildings	18,138	32,534	- 43	- 44
Other buildings and structures	4,843	4,991	- 55	- 3
Additions, alterations, and repairs	26,799	30,938	4	- 13
<i>SMSA vs. non-SMSA</i>				
Total SMSA [†]	221,717	287,996	- 10	- 23
Central cities	161,145	230,597	- 7	- 30
Outside central cities	60,572	57,399	- 15	6
Total non-SMSA	23,605	31,963	43	- 26
10,000 to 50,000 population	11,461	18,213	80	- 37
Less than 10,000 population	12,144	13,750	20	- 12

[#]Only building for which permits were issued within the incorporated area of a city is included. Federal contracts and public housing are not included.

^PPreliminary.

[†]Revised.

[‡]Standard metropolitan statistical area as defined in 1973 Census. Source: Bureau of Business Research in cooperation with the Bureau of the Census, U.S. Department of Commerce.

The February issue of *Fortune* featured an extensive article on the financial crisis affecting several of Manhattan's skyscraper office buildings. Since 1965 the square footage of Manhattan office space has increased over 50 percent to about 230 million square feet. New York City's current vacancy level is over 18 percent, which results from the white-collar exodus that has continued since 1969, when many major corporations began to move their headquarters to other areas of the country. Both Houston and Dallas have experienced substantial business gains as targets for relocating companies.

Despite the number of new businesses moving to Dallas, available office space has not been absorbed as quickly as new buildings are completed. While eyes across the country are focused on Manhattan's 18 percent vacancy level, the 20 percent vacancy level in Dallas has received little publicity.

Since a major new office building typically requires three years for design and construction prior to leasing, office builders must foresee potential demands. Frequently surveys of office occupancy levels, which define current and projected office absorption levels, are consulted for planning purposes.

Twice each year the Dallas Building Owners and Managers Association (BOMA) surveys all buildings in the city and

surrounding area (including Stemmons Freeway, Love Field, Turtle Creek, Oaklawn, North Central Expressway Sector, LBJ Freeway Sector, North Dallas Sector, East Dallas Sector, and Oak Cliff Sector) that contain more than 25,000 square feet of commercial competitive space, which excludes owner-occupied space. According to figures released February 1, 1975, the Dallas BOMA shows that the overall office building vacancy level in the city's downtown and outlying areas is about 20 percent. Out of a total competitive office footage of 24,812,349 it appears that 4,747,495 square feet are vacant. The downtown area is hardest hit, with more than 25 percent of the competitive space unleased. The First International Building, which opened in early December, accounts for 1,400,000 square feet of competitive office space, of which 80 percent has not yet been leased.

The Henry S. Miller Company is another firm that produces an annual survey of office space absorption in the Dallas area. Their 1975 study includes all nonmedical, multitenant office buildings of at least 20,000 square feet that are available for occupancy. The Henry S. Miller study divides the area into nine sectors, which are listed here in order of descending absorption levels: LBJ Freeway, East Dallas, Central Expressway, North Dallas, Stemmons Freeway, Downtown, Turtle Creek, Mid-Cities, and Oak Cliff.

**ONE-FAMILY, TWO-FAMILY, AND APARTMENT-BUILDING DWELLING UNITS AUTHORIZED
IN TEXAS STANDARD METROPOLITAN STATISTICAL AREAS**
(Values in thousands of dollars)

Standard metropolitan statistical area	One-family dwelling units						Two-family dwelling units						Apartment-building dwelling units						
	Jan 1975		Jan 1974		Percent change		Jan 1975		Jan 1974		Percent change		Jan 1975		Jan 1974		Percent change		
	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	
Abilene	614	20	474	18	29	11	0	0	133	6	-100	-100	0	0	0	0	0
Amarillo	2212	66	1863	50	19	32	0	0	0	0	0	0	0	0	0
Austin	2317	75	3473	121	-33	-38	110	4	160	8	-31	-50	90	3	9195	798	-99	-99	
Beaumont-Port Arthur-Orange	1373	48	1063	40	29	20	70	2	33	4	112	-50	0	0	100	13	-100	-100	
Brownsville-Harlingen-San Benito	177	32	475	30	-63	7	0	0	0	0	...	...	0	0	2000	198	-100	-100
Bryan-College Station	180	10	246	13	-27	-23	0	0	0	0	...	...	0	0	1207	168	-100	-100
Corpus Christi	1137	59	637	43	79	37	0	0	90	6	-100	-100	0	0	300	40	-100	-100	
Dallas-Fort Worth	16342	648	21083	819	-22	-21	76	6	452	28	-83	-79	650	40	9105	1044	-93	-96	
El Paso	1797	84	2174	103	-17	-18	154	8	256	10	-40	-20	2081	134	4136	260	-50	-48	
Galveston-Texas City	410	12	549	29	-25	-59	0	0	0	0	...	...	0	0	2000	104	-100	-100
Houston	8402	248	5477	169	53	47	90	10	15	2	500	400	8482	955	6276	895	35	7	
Killeen-Temple	1624	62	805	32	102	94	0	0	39	4	-100	-100	30	6	224	31	-87	-81	
Laredo	86	10	90	8	-5	25	0	0	0	0	...	...	0	0	0	0	...	...
Lubbock	1692	53	2514	78	-33	-32	0	0	287	16	-100	-100	550	56	466	60	18	-7	
McAllen-Pharr-Edinburg	2382	132	806	73	196	81	112	8	24	2	367	300	0	0	347	42	-100	-100	
Midland	1373	40	312	8	340	400	0	0	0	0	...	...	0	0	0	0	...	...
Odessa	221	9	405	15	-46	-40	0	0	0	0	...	...	0	0	0	0	...	...
San Angelo	428	14	227	14	89	**	0	0	0	0	...	...	0	0	168	39	-100	-100
San Antonio	1490	66	4279	214	-65	-69	0	0	36	4	-100	-100	909	167	5995	786	-85	-79	
Sherman-Denison	313	12	217	8	44	50	0	0	18	2	-100	-100	145	11	0	0	...	...
Texarkana	236	10	32	3	639	233	0	0	0	0	...	...	0	0	0	0	...	...
Tyler	836	20	422	13	98	54	130	4	0	0	...	...	115	8	2600	192	-96	-96
Waco	382	13	662	19	-42	-32	0	0	35	2	-100	-100	0	0	85	17	-100	-100	
Wichita Falls	388	15	679	30	-43	-50	0	0	0	0	...	...	0	0	0	0	...	...
Total SMSAs	46412	1758	48963	1950	-5	-10	743	42	1577	94	-53	-55	13052	1380	44203	4687	-70	-71	
Outside SMSAs	6588	279	6891	307	-4	-9	15	2	170	16	-91	-88	679	77	4181	400	-84	-81	
State total	53000	2037	55854	2257	-5	-10	758	44	1747	110	-57	-60	13731	1457	48384	5087	-72	-71	

Metropolitan areas are listed in accordance with 1973 Bureau of the Census definition. This table includes only the cities reporting in metropolitan areas.
** Change is less than one half of 1 percent.
... Inadequate bases for comparison.

According to the results of the Miller study approximately 18.5 percent of the area's 27,635,800 total square footage was unleased office space. One of the more interesting breakdowns in this analysis is the classification of existing office space by quality and desirability. Perhaps it is an indication of current hard times that the highest classification was also plagued by the highest vacancy level, 20.7 percent, while the third classification (of four possible grades of declining quality) had the lowest vacancy level, 12.9 percent.

Unlike New York City, Dallas is not experiencing a loss of corporations, as it has consistently maintained an exceptional growth record and has established itself as a major financial center. Anticipating a continuing influx of new businesses, Dallas builders apparently overbuilt the area. As a partial explanation for high vacancy levels, the Miller report states that "acceptance of Dallas as [the] new location for home office[s] [was] thwarted by the worldwide economic downturn."

The Houston Association of Building Owners and Managers is affiliated with the Dallas BOMA, as well as other affiliates located in major cities all over the country. In the December 31, 1974, office space occupancy survey, the Houston report includes 88 buildings, which contain nearly 23 million square feet of rentable area. The Houston report considers both competitive and noncompetitive (single purpose) office buildings. The survey results indicate that 89.5 percent of the 52,597,000 gross square footage of office space is occupied, which indicates that just slightly more than 10 percent of all office footage is vacant.

Leasing activity in Houston's new office buildings is reported every other month by Julien J. Studley, Inc. The Studley Report is generally regarded as one of the most objective and authoritative sources of current information on leasing activity in new office buildings in the seven cities it surveys: Houston, New York, Chicago, Boston, Washington, D.C., Miami, and Los Angeles.

Unlike other office occupancy studies, the Studley Report deals exclusively with new footage that is being leased for the first time, and it includes unleased space in buildings completed in previous years, as well as providing footage figures (both total and available area) for office buildings scheduled for completion during the coming year. According to Julien Studley, supply and demand for office space in Houston and Washington, D.C., are balanced. The concentration of government jobs in Washington provides a steadily increasing demand for office space in the nation's capital. In Houston new office space is absorbed at a rate exceeding 150,000 square feet each month. Apparently Houston will be experiencing an acute shortage of office space by the end of 1975. The only major office building scheduled for completion in downtown Houston during 1975 is Pennzoil Place, which has already leased or has leases pending on 90 percent of the total square footage. Buildings scheduled for completion this year at suburban sites in Houston are approximately 35 percent unleased, but that situation probably will not last long, considering the city's rapid rate of growth to date.

The Energy Economy

U.S. OIL IMPORTS AND EXPORTS 1860-1974

Francis B. May

The United States produced over 98 percent of the world's petroleum supplies, and more than half of all U.S. oil production was exported. That was the situation in the early 1860s. Since that time the United States has become a net oil importer, an undesirable and uncomfortable role. In 1974 the United States received more oil daily from each of three countries—Canada, Nigeria, and Iran—than total world production in 1860.

Crude Oil Exports

World production of petroleum in 1860 is estimated to have been 508,000 barrels. Nearly all of this (500,000 barrels) was produced in the United States. Most of the remainder was produced in Rumania. There was very little competition from other countries in the petroleum market. As a result, foreign demand absorbed 259,000 barrels of U.S. crude oil and products in 1862. During the first forty years of its existence, from 1860 through 1900, the U.S. petroleum industry found its biggest market abroad.

Rising production abroad reduced U.S. exports of petroleum during the last decades of the nineteenth

Table 1

U.S. AND WORLD PRODUCTION OF CRUDE OIL, SELECTED YEARS, 1860-1900 (millions of barrels)

Year	U.S. production	World production	U.S. percentage of world total	Percentage of U.S. production exported
1860	0.5	0.5	98.4	n.a.
1865	2.5	2.7	92.0	28.4
1870	5.3	5.8	90.7	63.9
1875	8.8	10.0	88.1	64.3
1880	26.3	30.0	87.6	31.4
1885	21.9	36.8	59.5	61.1
1890	45.8	76.6	59.8	36.1
1895	52.9	103.7	51.0	38.4
1900	63.6	149.1	42.7	36.5

n.a. Not available.

Source: *Petroleum Panorama*, an edition of the *Oil and Gas Journal*, January 28, 1959. Production totals are rounded to the nearest tenth.

Table 2

U.S. CRUDE OIL SUPPLY AND DEMAND, 1919-1939
(millions of barrels)

Year	Production	Imports	Exports
1919	378	53	6
1920	443	106	9
1921	472	125	10
1922	558	127	11
1923	732	82	18
1924	714	78	18
1925	764	62	13
1926	771	60	15
1927	901	58	16
1928	901	80	19
1929	1,007	79	26
1930	898	62	24
1931	851	47	26
1932	785	45	27
1933	906	32	37
1934	908	36	41
1935	997	32	51
1936	1,100	32	50
1937	1,279	27	67
1938	1,214	26	77
1939	1,265	33	72

Source: American Petroleum Institute, *Petroleum Facts and Figures*, 1959. This table does not include exports of refined products. Totals are rounded.

century. By 1900 only 36.5 percent of U.S. petroleum was exported. Much of the foreign production was in Russia. Around 1872 Russia invited foreign capitalists to develop its oil fields. The resulting growth of its oil industry during the next twenty years was phenomenal, as deposits around Baku on the Caspian Sea were developed. It was not until 1902, a year after the Spindletop gusher on the Gulf Coast blew in, that the United States regained the supremacy over Russia in crude oil production which it had lost several years earlier.

The history of the U.S. oil industry from 1870 to 1910 is to a considerable degree the history of the Standard Oil Company, which dominated the industry until it was broken up into thirty-four competing companies in 1911 by the Supreme Court.

Standard countered Russian oil competition by acquiring a tanker fleet in 1888 and exporting crude oil and its products in bulk at substantially reduced costs. In the late 1880s it began developing the kerosene trade in the Orient by giving away thousands of small kerosene lamps. By 1890 it had a near monopoly of the Far Eastern petroleum products trade. The formation of large European oil companies toward the end of the century culminated in the Royal Dutch-Shell group of companies in 1902. This competition reduced U.S. exports.

Crude Oil Imports

From 1900 until 1918 U.S. petroleum production expanded steadily, but the national appetite for crude oil grew even more rapidly. As a result, by 1918 we were a net importer of crude oil but a net exporter of refined products.

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Increased use of the automobile greatly enlarged the national appetite for gasoline and, hence, for crude oil. World War I proved the superiority of automobiles and trucks over animal-powered vehicles. General Foch's "taxi-cab army," which rushed to the defense of the Marne, was convincing proof of the speed and reliability of the automobile. Automobile sales increased rapidly during the 1914-1918 period. The number of passenger cars manufactured in the United States increased from 548,139 in 1914 to 943,436 in 1918. Trucks manufactured increased from 24,900 in 1914 to 227,250 in 1918. Total motor vehicle registrations increased from 1.8 million in 1914 to 6.2 million in 1918. As a result, total motor-fuel usage increased to more than 2 billion gallons by 1918. A whole new life style for the American people followed widespread use of motor vehicles. The mode of travel, the distances traveled in pleasure driving, and the design of cities changed as a result.

Increased automobile, bus, and truck usage created an enormous expansion of the petroleum refining industry. By 1918 there were 267 refineries in the country with a total capacity of 1.2 million barrels a day. Their principal product now was gasoline, although important volumes of kerosene were still produced. Growth in the demand for gasoline abroad led to a great increase in exports of that

Table 3

U.S. CRUDE OIL SUPPLY AND DEMAND, 1946-1974
(millions of barrels)

Year	Production	Imports	Exports
1946	1,734	86	42
1947	1,857	98	46
1948	2,020	129	40
1949	1,842	154	33
1950	1,974	178	35
1951	2,248	179	29
1952	2,290	210	27
1953	2,357	236	20
1954	2,315	239	14
1955	2,484	285	12
1956	2,617	342	29
1957	2,617	373	50
1958	2,449	348	4
1959	2,575	352	2
1960	2,575	372	3
1961	2,622	382	3
1962	2,676	411	2
1963	2,753	413	2
1964	2,787	439	1
1965	2,849	452	1
1966	3,028	447	1
1967	3,216	412	26
1968	3,329	472	2
1969	3,372	514	1
1970	3,517	483	5
1971	3,454	613	1
1972	3,455	811	*
1973	3,353	1,184	1
1974	3,212 ^P	1,277	1

*Less than 500,000 barrels.

^PPreliminary.

Source: American Petroleum Institute, *Petroleum Facts and Figures*, 1971; *Oil and Gas Journal*, January 27, 1975; and *Statistical Abstract of the United States*, 1974. This table does not include exports of refined products.

product. Exports of refined products rose from 57,500,000 barrels in 1919 to 137,133,000 barrels in 1929.

The U.S. preeminence in refining technology was a prime reason for its position as a net exporter of refined products in the 1920s. By 1929 the number of refineries in the United States had increased to 427, with a total capacity of 3.6 million barrels a day. Refining techniques had improved as a result of research, which produced the Burton cracking process, and the use of tetraethyl lead cracking substantially increased the number of gallons of gasoline that could be obtained from a barrel of oil. Tetraethyl lead improved the antiknock qualities of the gasoline. As the decade of the 1920s closed, the United States petroleum industry had only one main problem—a surplus of productive capacity, which had caused a weakening of prices.

New discoveries of large oil fields during the 1920s such as Mexia in Texas, El Dorado in Arkansas, Osage in Oklahoma, and Los Angeles Basin in California, as well as great foreign discoveries in Venezuela and Iraq, brought a flood of oil into this country or, conversely, cut into America's foreign markets. U.S. refining capacity rose 35 percent above market demand by 1927. As a result the domestic oil industry was having difficulty before the stock market crash in 1929.

The decade of the 1930s began inauspiciously with large surplus producing and refining capacity. Discovery of the enormous East Texas field in 1930 added to the industry's problems of trying to market the vast quantities of petroleum available at a price that would return a profit. The East Texas field gave the United States an abundance of oil, placing great pressure on the industry to find export markets for the surplus. Although the United States was a net exporter of refined products during the entire 1930-1939 period, it did not become a net exporter of crude oil until 1933. The East Texas oil field was the principal source of exports. The dominant position of the United States as an exporter of refined products continued because of growth in refining capacity as well as improvement in refining techniques. Between 1930 and 1939 the number of refineries in this country increased from 420 to 545. Refining capacity increased from 3.8 million barrels a day in 1930 to 4.7 million barrels a day in 1939. Catalytic cracking and reforming increased yield of gasoline from a barrel of oil. Alkylation and isomerization increased the quality of the product. As a result, the refining industry shifted toward increasing the output of gasoline, its most profitable product. Product imports consisted largely of residual fuel oil burned for boiler fuel. This freed U.S. refineries from the need to make large quantities of this relatively unprofitable product.

World War II broke out in 1939. The United States supplied its own needs as well as those of its allies. Aviation gasoline output soared from 14.7 million barrels in 1940 to 152.4 million barrels in 1945. The war in the air was powered largely by aviation fuel produced by U.S. refineries. Refinery capacity increased from 4.7 million barrels a day in 1940 to 5.3 million barrels a day in 1945. After 1941 crude oil imports declined and did not begin to rise

again significantly until 1944, when the shipping situation eased due to rapid building of more tankers. Most of the increased crude oil imports in 1944 and 1945 came from Venezuela because of its nearness and its great surplus producing capacity from the Mene Grande and other large oil fields.

After the end of World War II the United States entered an era of unprecedented prosperity. One result of this was a great increase in the number, size, and power of motor vehicles manufactured. There was also a great increase in air travel. The railroads converted from coal- to diesel-powered engines. Farmers converted from animal- to gasoline- and diesel-powered equipment. As a result, demand for crude oil and refined products soared. Domestic oil production could not increase fast enough to meet the demand. Imports increased rapidly to fill the gap between supply and demand.

Imports of petroleum have exceeded exports in every year since 1946. The increases in exports in 1957 and 1967 were in response to wars in the Middle East. Interruptions of flows from the Middle East to Europe in 1957 and 1967 were met by increases in exports from this country. No such increase occurred in 1973 during the Yom Kippur war because the United States had no surplus to spare. Reductions in output by Middle Eastern countries were met in Europe by rationing.

Our exports of refined products exceeded imports in 1946-1949. Since 1950 imports of refined products have exceeded exports by ever-widening margins.

Venezuela, Canada, and the Middle East have been the major suppliers of petroleum to this country. In recent years crude oil exports from Venezuela have declined in volume. Algeria and Nigeria have expanded their volume of exports to the United States significantly in the last two years. In the Middle East, Saudi Arabia and Iran are our major suppliers, shipping 338,000 and 535,000 barrels a day, respectively, to this country in 1974. In 1974 Canada and Nigeria were our largest suppliers, shipping 865,000 and 655,000 barrels a day, respectively. Canada has announced plans to reduce exports to this country.

All of our major suppliers, except Canada, are members of the Organization of Petroleum Exporting Countries (OPEC). Every supplier has raised prices to the levels imposed by the OPEC, with consequent complication of the U.S. balance-of-payments problems. Any new embargo imposed by the Arab members of the OPEC would be more effective than the 1973 embargo because these countries now have more control over American oil producers operating in those countries. This has been accomplished by nationalization in some cases and by increased participation in management in others.

Prudence, reasons of national security, and the need to improve our balance of trade argue that we must reduce our dependence on imports as rapidly as possible. We must step up our search for domestic supplies of crude oil and enlarge our effort to find methods of converting coal to a source of clean fuel. Energy from nuclear plants must be increased, and we must intensify our efforts to conserve energy. The emergency is here and now.

LOCAL BUSINESS CONDITIONS

Statistical data compiled by Mildred Anderson and Constance Cooledge, statisticians, and Kay Davis and Susanna Loh, statistical technicians.

The following section reports business conditions first by metropolitan areas, second by cities, listed under their counties. Standard metropolitan statistical areas (SMSAs) include one or more entire counties, as shown. All SMSAs are designated as such by the U.S. Bureau of the Census; however, the Longview-Marshall metropolitan area, not an SMSA, is listed because it is now a significant urban node. Population figures are from the 1970 Census and 1973 estimates by the Bureau of the Census.

Building permit data are collected from municipalities by the Bureau of Business Research in cooperation with the Bureau of the Census. They represent only building authorizations within city limits and exclude federal contracts and public works projects, such

as highways, waterways, and reservoirs. Building statistics for the latest month are subject to revision.

Bank debit statistics for SMSAs and for most central metropolitan cities are collected by the Federal Reserve Bank of Dallas. Most other bank debits figures shown are collected from cooperating banks by the Bureau of Business Research; the published figures represent all banks in the city shown.

Employment estimates include only wage and salary workers and are compiled by the Texas Employment Commission in cooperation with the U.S. Bureau of Labor Statistics.

Footnote symbols are defined on pages 72 and 80.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR TEXAS STANDARD METROPOLITAN STATISTICAL AREAS

Reported area and indicator	Percent change from		
	Jan 1975	Dec 1974	Jan 1974
ABILENE SMSA			
Callahan, Jones, and Taylor Counties; population: 122,164 (1970); 127,300 (1973 est.)			
Urban building permits (dollars)	1,134,818 #	- 20	- 26
Bank debits, seas. adj. (\$1,000)	334,095	- 7	- 4
Nonfarm employment	40,400	- 2	3
Manufacturing employment	6,920	- 1	4
Unemployed (percent)	3.2	33	52
AMARILLO SMSA			
Potter and Randall Counties; population: 144,396 (1970); 150,400 (1973 est.)			
Urban building permits (dollars)	3,030,437	- 35	- 34
Bank debits, seas. adj. (\$1,000)	875,173	- 2	- 4
Nonfarm employment	60,200	**	4
Manufacturing employment	6,440	1	3
Unemployed (percent)	3.1	7	29
AUSTIN SMSA			
Hays and Travis Counties; population: 323,158 (1970); 373,000 (1973 est.)			
Urban building permits (dollars)	5,319,831 #	- 85	- 72
Bank debits, seas. adj. (\$1,000)	1,753,171 #	5	10
Nonfarm employment	163,100	- 1	3
Manufacturing employment	14,700	- 3	2
Unemployed (percent)	3.9	22	50
BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Hardin, Jefferson, and Orange Counties; population: 345,939 (1970); 347,900 (1973 est.)			
Urban building permits (dollars)	3,193,576 #	36	- 31
Bank debits, seas. adj. (\$1,000)	969,650 #	12	9
Nonfarm employment	121,000	- 7	- 1
Manufacturing employment	34,100	- 18	- 15
Unemployed (percent)	5.5	28	4
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Cameron County; population: 140,368 (1970); 158,900 (1973 est.)			
Urban building permits (dollars)	2,207,605	14	- 68
Bank debits, seas. adj. (\$1,000)	309,199	- 2	9
Nonfarm employment	46,800	- 1	4
Manufacturing employment	9,710	- 2	7
Unemployed (percent)	9.4	18	32
BRYAN-COLLEGE STATION SMSA			
Brazos County; population: 57,978 (1970); 64,500 (1973 est.)			
Urban building permits (dollars)	405,680	- 31	- 75

Reported area and indicator	Percent change from		
	Jan 1975	Dec 1974	Jan 1974
BRYAN-COLLEGE STATION SMSA (Continued)			
Bank debits, seas. adj. (\$1,000)	151,314	2	12
(Monthly employment reports are not available for the Bryan-College Station SMSA).			
CORPUS CHRISTI SMSA			
Nueces and San Patricio Counties; population: 284,832 (1970); 301,100 (1973 est.)			
Urban building permits (dollars)	5,185,543	- 6	71
Bank debits, seas. adj. (\$1,000)	976,570	**	6
Nonfarm employment	97,600	- 1	3
Manufacturing employment	11,630	- 2	- 3
Unemployed (percent)	6.1	22	20
DALLAS-FORT WORTH SMSA			
Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties; population: 2,377,979 (1970); 2,441,800 (1973 est.)			
Urban building permits (dollars)	67,248,956 #	**	9
Bank debits, seas. adj. (\$1,000)	22,685,471 #	- 14	12
Nonfarm employment	1,062,100 †	- 2	1
Manufacturing employment	229,900 †	- 2	- 5
Unemployed (percent)	4.5 †	22	61
EL PASO SMSA			
El Paso County; population: 359,291 (1970); 391,700 (1973 est.)			
Urban building permits (dollars)	21,226,086	112	53
Bank debits, seas. adj. (\$1,000)	1,014,038	- 1	- 6
Nonfarm employment	129,800	**	2
Manufacturing employment	27,700	- 1	- 1
Unemployed (percent)	7.2	7	24
GALVESTON-TEXAS CITY SMSA			
Galveston County; population: 169,812 (1970); 177,600 (1973 est.)			
Urban building permits (dollars)	1,667,305	**	- 56
Bank debits, seas. adj. (\$1,000)	459,089	13	42
Nonfarm employment	59,000	**	5
Manufacturing employment	11,650	- 1	4
Unemployed (percent)	3.4	**	- 11
HOUSTON SMSA			
Brazoria, Fort Bend, Harris, Liberty, Montgomery, and Waller Counties; population: 1,999,316 (1970); 2,138,400 (1973 est.)			
Urban building permits (dollars)	67,715,260 #	9	- 16
Bank debits, seas. adj. (\$1,000)	20,417,073 #	3	27

Reported area and indicator	Percent change from		
	Jan 1975	Dec 1974	Jan 1974
HOUSTON SMSA (Continued)			
Nonfarm employment	981,700	**	6
Manufacturing employment	174,300	**	5
Unemployed (percent)	4.6	18	24
KILLEEN-TEMPLE SMSA			
Bell and Coryell Counties; population: 159,794 (1970); 191,600 (1973 est.)			
Urban building permits (dollars)	2,165,776	- 4	- 28
Bank debits, seas. adj. (\$1,000)	231,919	**	4
(Monthly employment reports are not available for the Killeen-Temple SMSA.)			
LAREDO SMSA			
Webb County; population: 72,859 (1970); 81,200 (1973 est.)			
Urban building permits (dollars)	708,883	276	540
Bank debits, seas. adj. (\$1,000)	161,896	5	10
Nonfarm employment	22,400	**	4
Manufacturing employment	1,640	- 1	5
Unemployed (percent)	19.2	19	10
LONGVIEW-MARSHALL METROPOLITAN AREA			
Gregg and Harrison Counties; population: 120,770 (1970); 122,300 (1973 est.)			
Urban building permits (dollars)	3,014,371	129	- 32
Bank debits (\$1,000)	279,370	6	11
Nonfarm employment	46,800	- 2	2
Manufacturing employment	15,080	- 2	**
Unemployed (percent)	5.3	23	13
LUBBOCK SMSA			
Lubbock County; population: 179,295 (1970); 191,700 (1973 est.)			
Urban building permits (dollars)	4,424,056	48	- 74
Bank debits, seas. adj. (\$1,000)	661,002	1	- 32
Nonfarm employment	70,200	- 3	- 1
Manufacturing employment	9,880	- 2	- 6
Unemployed (percent)	3.5	52	75
MALLEN-PHARR-EDINBURG SMSA			
Hidalgo County; population: 181,535 (1970); 207,100 (1973 est.)			
Urban building permits (dollars)	3,070,480	- 54	74
Bank debits, seas. adj. (\$1,000)	397,067	- 2	27
Nonfarm employment	50,800	**	4
Manufacturing employment	6,410	**	3
Unemployed (percent)	8.8	5	- 8
MIDLAND SMSA			
Midland County; population: 65,433 (1970); 65,900 (1973 est.)			
Urban building permits (dollars)	1,692,691	173	- 86
Bank debits, seas. adj. (\$1,000)	366,060	3	30
Nonfarm employment	66,900	**	9
Manufacturing employment	8,170	3	21
Unemployed (percent)	3.1	24	19
(Employment data are reported for the combined Midland and Odessa SMSAs since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)			
ODESSA SMSA			
Ector County; population: 91,805 (1970); 93,300 (1973 est.)			
Urban building permits (dollars)	892,737	27	- 78
Bank debits, seas. adj. (\$1,000)	266,021	3	33
Nonfarm employment	66,900	**	9
Manufacturing employment	8,170	3	21
Unemployed (percent)	3.1	24	19
(Employment data are reported for the combined Midland and Odessa SMSAs since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)			

Reported area and indicator	Percent change from		
	Jan 1975	Dec 1974	Jan 1974
SAN ANGELO SMSA			
Tom Green County; population: 71,047 (1970); 72,900 (1973 est.)			
Urban building permits (dollars)	506,401	- 19	- 67
Bank debits, seas. adj. (\$1,000)	227,722	- 4	6
Nonfarm employment	25,600	- 2	2
Manufacturing employment	5,350	- 2	**
Unemployed (percent)	4.0	21	33
SAN ANTONIO SMSA			
Bexar, Comal, and Guadalupe Counties; population: 888,179 (1970); 957,600 (1973 est.)			
Urban building permits (dollars)	8,617,367	- 50	- 63
Bank debits, seas. adj. (\$1,000)	2,534,832 [#]	- 5	7
Nonfarm employment	305,400	- 1	**
Manufacturing employment	39,300	- 2	**
Unemployed (percent)	5.8	21	23
SHERMAN-DENISON SMSA			
Grayson County; population: 83,225 (1970); 77,800 (1973 est.)			
Urban building permits (dollars)	1,303,200	- 51	89
Bank debits, seas. adj. (\$1,000)	138,643	1	4
Nonfarm employment	28,600	**	- 4
Manufacturing employment	10,600	2	- 11
Unemployed (percent)	9.7	56	137
TEXARKANA SMSA			
Bowie County, Texas, and Miller County, Arkansas; population: 101,198 (1970); 102,900 (1973 est.)			
Urban building permits (dollars)	666,848	260	375
Bank debits, seas. adj. (\$1,000)	184,798	1	7
Nonfarm employment	36,050	- 2	- 2
Manufacturing employment	7,880	- 3	- 14
Unemployed (percent)	9.9	3	36
(Since the Texarkana SMSA includes Bowie County in Texas and Miller County in Arkansas, all data, including population, refer to the two-county region.)			
TYLER SMSA			
Smith County; population: 97,096 (1970); 103,900 (1973 est.)			
Urban building permits (dollars)	2,667,880	- 44	- 70
Bank debits, seas. adj. (\$1,000)	325,800	3	19
Nonfarm employment	38,900	**	1
Manufacturing employment	11,640	- 1	- 8
Unemployed (percent)	5.5	- 14	25
WACO SMSA			
McLennan County; population: 147,553 (1970); 152,800 (1973 est.)			
Urban building permits (dollars)	2,427,789	- 14	36
Bank debits, seas. adj. (\$1,000)	492,551	13	15
Nonfarm employment	55,600	- 2	- 1
Manufacturing employment	12,760	- 2	- 4
Unemployed (percent)	5.8	38	23
WICHITA FALLS SMSA			
Clay and Wichita Counties; population: 129,941 (1970); 129,700 (1973 est.)			
Urban building permits (dollars)	530,471 [#]	- 63	- 66
Bank debits, seas. adj. (\$1,000)	384,577 [#]	- 8	18
Nonfarm employment	44,600	- 1	4
Manufacturing employment	6,640	- 2	3
Unemployed (percent)	4.4	26	42

**Absolute change is less than one half of 1 percent.

[#]Bank debit reports are based on the 1970 census definition for standard metropolitan statistical areas.

[†]Monthly employment reports exclude Hood, Parker, and Wise Counties.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR INDIVIDUAL TEXAS MUNICIPALITIES

COUNTY City	Population		Urban building permits			Bank debits			
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from		
	1970	1973 (est.)		Dec 1974	Jan 1974		Dec 1974	Jan 1974	
ANDERSON Palestine	27,789 14,525	30,200	148,325	1	239	33,003	8	3	
ANDREWS Andrews	10,372 8,625	10,900	40,700	41	731	15,151	14	1	
ANGELINA Lufkin	49,349 23,049	53,900	959,102	- 1	- 27	...	...	...
ARANSAS Aransas Pass (See San Patricio)	8,902	10,000							
ATASCOSA Pleasanton	18,696 5,407	19,800	...	...	...	8,755	7	13
AUSTIN Bellville	13,831 2,371	14,100	0	...	...	11,599	15	3
BAILEY Muleshoe	8,487 4,525	8,400	...	...	...	43,538	85	- 10
BASTROP Smithville	17,297 2,959	19,600	11,550	- 46	24	3,810	6	- 5	
BEE Beeville	22,737 13,506	24,000	450,500	...	...	37,766	12	17
BELL (In Killeen-Temple SMSA) Bartlett (See Williamson) Harker Heights Killeen Temple	124,483	148,600							
	4,216		116,650	67	97	...	...	...
	35,507		959,617	26	29	58,472	7	12	
	33,431		501,224	- 42	- 73	117,264	8	2	
BEXAR (In San Antonio SMSA) San Antonio	830,460	892,000	654,153	7,425,531	- 51	- 63	2,661,241	**	7
BOWIE (In Texarkana SMSA) Texarkana	67,813	68,800	52,179	644,348	247	503	173,078	- 9	6
BRAZORIA (In Houston SMSA) Angleton Clute Freeport Pearland	108,312	114,400							
	9,770		309,528	822	...	28,979	97	5	
	6,023		22,635	- 87	- 13	9,713	- 27	27	
	11,997		14,539	- 89	- 51	51,564	- 2	6	
	6,444		939,561	33	396	15,384	7	23	
BRAZOS (Constitutes Bryan- College Station SMSA) Bryan College Station	57,978	64,500							
	33,719		212,600	112	- 85	130,541	8	7	
	17,676		193,080	- 60	1	25,190	21	24	
BREWSTER Alpine	7,780 5,971	8,500	44,500	...	986	7,808	1	- 17	
BROWN Brownwood	25,877 17,368	28,100	171,000	- 78	- 59	...	...	...
BURLESON Caldwell	9,999 2,308	10,700	...	...	...	6,959	- 8	7
BURNET Marble Falls	11,420 2,209	14,900	...	...	...	19,050	36	10
CALDWELL Lockhart	21,178 6,489	20,200	...	...	...	14,075	17	- 3

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
				Dec 1974	Jan 1974		Dec 1974	Jan 1974
CALHOUN	17,831	17,800						
Point Comfort	1,446		55,600	...	...	5,020	71	157
Port Lavaca	10,491		57,625	345	- 87	36,525	15	29
Seadrift	1,092		0	...	...	2,239	15	138
CAMERON	140,368	158,900						
(Constitutes Brownsville- Harlingen-San Benito SMSA)								
Brownsville	52,522		383,322	57	- 94	135,134	7	**
Harlingen	33,503		1,721,613	112	142	128,206	- 1	15
La Feria	2,642		30,000	275	...	4,915	6	- 11
Los Fresnos	1,297		...	...	...	4,007	- 3	34
Port Isabel	3,067		1,920	- 82	- 92	7,577	- 13	- 22
San Benito	15,176		70,750	- 92	66	14,047	15	12
CASTRO	10,394	9,600						
Dimmitt	4,327		...	...	...	54,933	16	- 17
CHEROKEE	32,008	34,100						
Jacksonville	9,734		113,500	68	340	36,774	8	1
COLEMAN	10,288	9,800						
Coleman	5,608		0	...	...	...	...	...
COLLIN	66,920	79,500						
(In Dallas-Fort Worth SMSA)								
McKinney	15,193		18,550	...	- 75	27,628	19	- 8
Plano	17,872		2,771,235	88	- 47	54,276	25	27
COLORADO	17,638	16,800						
Eagle Lake	3,587		...	...	...	15,424	29	28
COMAL	24,165	28,300						
(In San Antonio SMSA)								
New Braunfels	17,859		417,366	- 9	96	40,709	21	6
COOKE	23,471	24,200						
Gainesville	13,830		199,140	241	- 24	31,102	23	- 11
Muenster	1,411		0	...	...	6,049	16	7
CORYELL	35,311	43,000						
(In Killeen-Temple SMSA)								
Copperas Cove	10,818		587,585	7	129	9,814	- 1	23
Gatesville	4,683		...	...	...	14,160	20	- 9
CRANE	4,172	4,100						
Crane	3,427		10,000	- 91	- 95	4,349	4	10
DALLAS	1,327,321	1,350,800						
(In Dallas-Fort Worth SMSA)								
Carrollton	13,855		479,108	93	- 80	49,162	39	- 3
Dallas	844,401		36,878,694	95	66	21,667,484	- 10	14
Farmers Branch	27,492		440,576	...	- 59	35,214	5	21
Garland	81,437		3,532,081	- 67	- 34	123,944	10	22
Grand Prairie	50,904		2,294,881	- 68	150	46,554	7	1
Irving	97,260		1,088,797	193	- 35	147,942	6	- 1
Lancaster	10,522		42,000	- 42	- 97	11,639	9	- 5
Mesquite	55,131		2,370,422	- 14	542	34,636	- 4	- 19
Richardson	48,582		1,658,868	109	- 13	125,991	4	24
Seagoville	4,390		4,545	- 96	- 89	12,718	3	- 7
DAWSON	16,604	16,300						
Lamesa	11,559		13,570	- 66	- 81	53,318	53	- 40
DEAF SMITH	18,999	18,700						
Hereford	13,414		138,450	- 31	- 66	...	...	...
DENTON	75,633	91,300						
(In Dallas-Fort Worth SMSA)								
Denton	39,874		335,750	27	- 32	127,278	24	19
Justin	741		0	...	...	2,764	16	- 1
Lewisville	9,264		237,818	- 50	- 72	35,041	8	4
Pilot Point	1,663		3,500	...	- 36	3,104	13	3

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
				Dec 1974	Jan 1974		Dec 1974	Jan 1974
DE WITT Yoakum (See Lavaca)	18,660	18,600						
EASTLAND Cisco	18,092 4,160	18,800	...	...	...	5,846	17	**
ECTOR (Constitutes Odessa SMSA) Odessa	91,805 78,380	93,300	892,737	27	- 78	294,278	16	26
ELLIS (In Dallas-Fort Worth SMSA) Midlothian Waxahachie	46,638 2,322 13,452	49,000	0 1,257,845	...	...	5,780 28,802	22 2	25 - 16
EL PASO (Constitutes El Paso SMSA) El Paso	359,291 322,261	391,700	21,226,086	117	53	1,173,913	1	- 4
ERATH Stephenville	18,191 9,277	18,900	75,100	...	- 42	27,813	26	2
FANNIN Bonham	22,705 7,698	23,400	26,025	- 84	48	23,876	6	10
FAYETTE Schulenburg	17,650 2,294	17,800	17,985	52	- 51	...	...	...
FORT BEND (In Houston SMSA) Richmond Rosenberg	52,314 5,777 12,098	64,200	58,300 74,947	- 67 - 53	- 62 - 68	23,691 19,309	10 3	3 10
GAINES Seagraves Seminole	11,593 2,440 5,007	11,200	10,300 23,150	...	...	6,267 33,188	30 26	- 19 5
GALVESTON (Constitutes Galveston-Texas City SMSA) Dickinson Galveston La Marque Texas City	169,812 10,776 61,809 16,131 38,908	177,600	...	...	...	20,743 361,316 30,261 53,516	- 3 36 20 19	- 4 65 28 9
GILLESPIE Fredericksburg	10,553 5,326	11,100	403,475	363	- 63	27,522	3	1
GONZALES Nixon	16,375 1,925	16,500	0	...	...	...	...	...
GRAY Pampa	26,949 21,726	25,100	60,000	...	25	71,267	11	- 3
GRAYSON (Constitutes Sherman- Denison SMSA) Denison Sherman	83,225 24,923 29,061	77,800	324,495 978,705	- 88 ...	- 5 183	43,287 98,975	5 3	5 3
GREGG (In Longview-Marshall Metropolitan Area) Gladewater Kilgore Longview	75,929 5,574 9,495 45,547	78,100	39,050 54,970 2,584,129	53 - 72 158	...	10,789 39,184 178,607	49 - 2 5	5 42 6
GUADALUPE (In San Antonio SMSA) Schertz Seguin	33,554 4,061 15,934	37,300	6,187 220,200	67 - 55	- 99 - 20	5,292 38,877	- 1 10	39 3

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
				Dec 1974	Jan 1974		Dec 1974	Jan 1974
HALE	34,137	35,900						
Hale Center	1,964		0	...	...	...	...	...
Plainview	19,096		56,609	- 80	- 94	148,513	26	- 11
HARDEMAN	6,795	6,200						
Quannah	3,948		0	...	...	10,067	42	- 34
HARDIN	29,996	32,800						
(In Beaumont-Port Arthur- Orange SMSA)								
Silsbee	7,271		...	...	...	23,567	17	30
HARRIS	1,741,912	1,835,900						
(In Houston SMSA)								
Baytown	43,980		2,314,957	...	589	136,416	8	35
Bellaire	19,009		40,144	- 39	- 68	102,169	5	10
Deer Park	12,773		1,135,653	51	110	41,317	79	- 9
Houston	1,232,802		53,988,730	6	- 26	21,273,974	4	30
Humble	3,278		205,025	...	...	20,155	33	5
La Porte	7,149		154,400	48	146	7,028	- 9	7
Pasadena	89,277		3,629,331	513	371	179,384	- 13	7
South Houston	11,527		99,000	...	539	...	...	...
Tomball	2,734		98,000	...	104	34,909	27	- 4
HARRISON	44,841	44,200						
(In Longview-Marshall Metropolitan Area)								
Marshall	22,937		336,222	252	- 73	50,790	10	11
HASKELL	8,512	8,000						
Haskell	3,655		0	...	...	9,288	32	- 43
HAYS	27,642	33,700						
(In Austin SMSA)								
San Marcos	18,860		661,651	- 78	122	21,128	10	- 2
HENDERSON	26,466	29,600						
Athens	9,582		51,700	- 64	- 55	32,391	2	8
HIDALGO	181,535	207,100						
(Constitutes McAllen-Pharr- Edinburg SMSA)								
Alamo	4,291		13,500	13	4	10,934	40	16
Donna	7,365		28,700	- 5	- 58	9,194	- 23	7
Edinburg	17,163		26,175	- 99	- 84	56,131	17	54
Elsa	4,400		11,378	...	- 34	24,028	- 26	103
McAllen	37,636		881,832	- 76	14	173,658	13	29
Mercedes	9,355		20,700	- 54	- 29	16,691	5	**
Mission	13,043		398,897	517	63	48,817	6	22
Pharr	15,829		145,552	- 26	10	11,004	1	- 6
San Juan	5,070		...	...	...	8,008	- 11	- 18
Weslaco	15,313		1,541,111	205	388	40,926	14	39
HOCKLEY	20,396	21,200						
Levelland	11,445		115,700	...	- 41	62,882	59	- 21
HOOD	6,368	8,600						
(In Dallas-Fort Worth SMSA)								
Granbury	2,473		...	...	...	5,883	13	12
HOPKINS	20,710	22,000						
Sulphur Springs	10,642		87,385	269	87	43,060	1	12
HOWARD	37,796	39,200						
Big Springs	28,735		177,030	165	- 96	120,804	15	- 15
HUNT	47,948	47,200						
Greenville	22,043		41,295	302	- 87	49,837	1	- 4
HUTCHINSON	24,443	25,800						
Borger	14,195		322,500	290	544	...	...	...
JACKSON	12,975	12,900						
Edna	5,332		125,389	108	...	17,759	24	22

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
	1970	1973 (est.)		Dec 1974	Jan 1974		Dec 1974	Jan 1974
JASPER	24,692	25,100						
Jasper	6,251		0	...	...	27,537	9	- 3
Kirbyville	1,869		...	...	...	4,224	- 19	**
JEFFERSON	244,773	241,700						
(In Beaumont-Port Arthur- Orange SMSA)								
Beaumont	115,919		1,953,830	63	- 48	707,852	19	10
Groves	18,067		66,010	- 81	- 56	32,653	2	23
Nederland	16,810		155,575	37	43	23,314	14	20
Port Arthur	57,371		285,348	19	4	129,544	5	8
Port Neches	10,894		444,008	164	202	22,624	- 3	- 21
JIM WELLS	33,032	33,700						
Alice	20,121		242,975	8	- 37	106,214	46	16
JOHNSON	45,769	52,500						
(In Dallas-Fort Worth SMSA)								
Burleson	7,713		332,267	251	...	17,599	22	14
Cleburne	16,015		80,000	- 34	- 66	47,172	13	12
KARNES	13,462	12,500						
Karnes City	2,926		52,000	...	46	7,175	15	- 4
KAUFMAN	32,392	35,500						
(In Dallas-Fort Worth SMSA)								
Terrell	14,182		5,100	- 92	- 98	...	...	...
KIMBLE	3,904	3,900						
Junction	2,654		23,500	...	...	6,261	14	9
KLEBERG	33,166	35,000						
Kingsville	28,711		237,770	427	39	53,385	12	28
LAMAR	36,062	36,900						
Paris	23,441		112,806	24	- 91	...	...	...
LAMB	17,770	17,300						
Littlefield	6,738		0	...	...	25,396	54	- 38
LAMPASAS	9,323	12,400						
Lampasas	5,922		147,600	571	- 62	19,412	30	4
LAVACA	17,903	18,200						
Hallettsville	2,712		3,500	...	- 67	9,571	19	- 6
Yoakum	5,755		91,500	58	83	20,359	13	8
LEE	8,048	8,900						
Giddings	2,783		102,625	...	63	10,423	- 11	- 12
LIBERTY	33,014	37,400						
(In Houston SMSA)								
Dayton	3,804		100,800	57	...	24,672	35	28
Liberty	5,591		79,900	- 4	- 51	32,504	20	41
LIMESTONE	18,100	19,100						
Mexia	5,943		76,600	- 80	...	15,564	3	- 12
LLANO	6,979	7,700						
Kingsland	1,262		...	...	...	10,199	19	- 2
Llano	2,608		94,500	...	...	12,659	- 13	- 12
LUBBOCK	179,295	191,700						
(Constitutes Lubbock SMSA)								
Lubbock	149,101		4,378,356	50	- 74	924,244	20	- 32
Slaton	6,583		9,700	- 86	- 80	14,652	30	- 19
LYNN	9,107	9,300						
Tahoka	2,956		0	...	...	16,125	53	- 35
McCULLOCH	8,571	8,100						
Brady	5,557		144,400	...	- 19	16,194	4	1

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
				Dec 1974	Jan 1974		Dec 1974	Jan 1974
McLENNAN (Constitutes Waco SMSA)	147,553	152,800						
McGregor	4,365		57,670	13	...	7,341	**	- 8
Waco	95,326		2,102,094	163	59	489,980	19	15
MATAGORDA	27,913	27,600						
Bay City	11,733		128,545	43	99	42,452	- 4	2
MAVERICK	18,093	20,600						
Eagle Pass	15,364		86,620	- 60	- 73	18,367	- 3	- 10
MEDINA	20,249	20,900						
Castroville	1,893		...	...	...	3,327	12	5
Hondo	5,487		52,700	- 29	- 90	...	...	...
MIDLAND (Constitutes Midland SMSA)	65,433	65,900						
Midland	59,463		1,692,691	173	- 86	422,288	7	32
MILAM	20,028	20,100						
Cameron	5,546		...	...	...	12,889	9	- 3
Rockdale	4,655		13,250	- 91	- 81	15,262	8	27
MILLS	4,212	4,400						
Goldthwaite	1,693		...	...	...	9,484	4	- 9
MITCHELL	9,073	8,500						
Colorado City	5,227		...	...	...	10,973	10	- 28
MONTGOMERY (In Houston SMSA)	49,479	71,200						
Conroe	11,969		89,000	- 25	- 83	78,345	13	- 10
MOORE	14,060	13,100						
Dumas	9,771		162,360	...	- 38	...	...	...
NACOGDOCHES	36,362	41,600						
Nacogdoches	22,544		754,721	346	289	41,984	13	32
NAVARRO	31,150	31,600						
Corsicana	19,972		173,513	65	156	61,486	1	- 3
NOLAN	16,220	16,600						
Sweetwater	12,020		25,125	- 71	- 87	33,759	16	- 17
NUECES (In Corpus Christi SMSA)	237,544	250,800						
Bishop	3,466		7,670	...	- 80	3,511	6	15
Corpus Christi	204,525		4,854,800	- 1	70	951,602	7	5
Port Aransas	1,218		...	...	...	1,810	- 2	49
Robstown	11,217		134,389	217	...	36,230	16	37
ORANGE (In Beaumont-Port Arthur- Orange SMSA)	71,170	73,400						
Orange	24,457		264,155	2	38	96,796	22	21
PALO PINTO	28,962	22,900						
Mineral Wells	18,411		1,530,100	...	...	33,270	- 9	- 12
PANOLA	15,894	16,400						
Carthage	5,392		81,000	- 33	406	8,531	19	- 17
PARKER (In Dallas-Fort Worth SMSA)	33,888	31,900						
Weatherford	11,750		364,957	...	...	35,312	7	- 1
PARMER	10,509	10,000						
Friona	3,111		0	...	...	45,104	57	- 30
PECOS	13,748	13,300						
Fort Stockton	8,283		12,500	97	- 97	19,500	11	- 1

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
	1970	1973 (est.)		Dec 1974	Jan 1974		Dec 1974	Jan 1974
POTTER (In Amarillo SMSA)	90,511	91,400						
Amarillo	127,010		2,941,537	- 37	- 36	975,705	10	- 3
RANDALL (In Amarillo SMSA)	53,885	59,000						
Amarillo (See Potter)								
Canyon	8,333		88,900	...	230	19,151	5	- 31
REEVES	16,526	16,000						
Pecos	12,682		10,450	34	- 17	39,303	19	- 21
REFUGIO	9,494	9,400						
Refugio	4,340		2,100	...	- 92	11,195	12	17
RUSK	34,102	35,500						
Henderson	10,187		50,300	- 32	- 71	44,488	27	42
Kilgore (See Gregg)								
SAN PATRICIO (In Corpus Christi SMSA)	47,288	50,300						
Aransas Pass	5,813		14,300	198	- 75	16,033	- 4	**
Sinton	5,563		12,492	...	...	18,145	9	**
SAN SABA	5,540	5,900						
San Saba	2,555		9,600	...	- 93	15,738	5	- 4
SCURRY	15,760	17,900						
Snyder	11,171		298,150	215	215	41,389	26	14
SHACKELFORD	3,323	3,300						
Albany	1,978		40,000	...	**	6,923	18	39
SHERMAN	3,657	3,300						
Stratford	2,139		5,500	...	- 91	24,221	28	- 33
SMITH (Constitutes Tyler SMSA)	97,096	103,900						
Tyler	57,770		2,637,880	- 44	- 71	346,388	17	21
STEPHENS	8,414	8,100						
Breckenridge	5,944		0	...	...	...	...	...
SUTTON	3,175	3,300						
Sonora	2,149		16,400	- 82	...	7,119	11	6
TARRANT (In Dallas-Fort Worth SMSA)	716,317	714,600						
Arlington	90,643		8,656,143	15	66	163,339	6	2
Bedford	10,049		412,175	78	- 11	15,269	1	5
Burleson (See Johnson)								
Eules	19,316		24,500	...	- 16	...	...	...
Fort Worth	393,476		3,673,720	- 54	- 57	3,058,662	- 6	5
Grapevine	7,023		73,430	127	- 14	...	...	...
North Richland Hills	16,514		596,365	15	- 7	29,967	2	5
White Settlement	13,449		154,997	...	653	9,313	10	4
TAYLOR (In Abilene SMSA)	97,853	102,400						
Abilene	89,653		1,134,818	- 20	20	348,673	**	2
TERRY	14,118	14,400						
Brownfield	9,647		4,550	- 96	- 99	58,395	37	- 16
TITUS	16,702	17,600						
Mount Pleasant	8,877		...	...	...	36,165	3	4
TOM GREEN (Constitutes San Angelo SMSA)	71,047	72,900						
San Angelo	63,884		506,401	- 19	- 67	263,936	11	9
TRAVIS (In Austin SMSA)	295,516	339,200						
Austin	251,808		4,583,180	- 86	- 75	1,695,635	7	7

COUNTY City	Population		Urban building permits			Bank debits		
			Jan 1975 (dollars)	Percent change from		Jan 1975 (thousands of dollars)	Percent change from	
				Dec 1974	Jan 1974		Dec 1974	Jan 1974
	1970	1973 (est.)						
UPSHUR Gladewater (See Gregg)	20,976	22,900						
UPTON McCamey	4,697 2,647	4,400	...	...	...	2,997	6	22
UVALDE Uvalde	17,348 10,764	18,000	169,070	160	11	43,081	**	- 8
VAL VERDE Del Rio	27,471 21,330	29,400	347,492	60	...	42,772	9	4
VICTORIA Victoria	53,766 41,349	55,800	940,395	139	98	...	...	...
WALKER Huntsville	27,680 17,610	34,300	92,000	- 25	- 3	44,562	12	23
WARD Monahans	13,019 8,333	12,600	759,175	...	...	24,695	33	32
WASHINGTON Brenham	18,842 8,922	19,300	1,440,033	3	248	41,514	7	2
WEBB (Constitutes Laredo SMSA) Laredo	72,859 69,024	81,200	708,883	276	540	167,283	1	9
WHARTON El Campo	36,729 8,563	36,800	90,950	164	- 67	57,046	39	27
WICHITA (In Wichita Falls SMSA)	121,862	120,900						
Burkburnett	9,230		60,224	- 14	- 93	20,311	6	21
Iowa Park	5,796		27,332	92	639	7,374	12	19
Wichita Falls	97,564		442,915	- 67	- 37	399,746	1	13
WILBARGER Vernon	15,355 11,454	15,000	164,300	674	2	45,361	17	- 32
WILLACY Raymondville	15,570 7,987	16,300	74,800	150	231	...	...	...
WILLIAMSON Bartlett	37,305 1,622	45,200	...	...	...	2,796	14	5
Georgetown	6,395		185,000	48	- 19	18,412	1	6
Taylor	9,616		...	...	...	27,261	7	**
WINKLER Kermit	9,640 7,884	9,300	500	- 89	...	...	...	...
WISE (In Dallas-Fort Worth SMSA) Decatur	19,687 3,240	20,400	1,000	- 97	...	10,234	17	- 7
YOUNG Graham	15,400 7,477	15,800	74,400	- 28	299	...	...	...
Olney	3,624		25,708	- 70	- 30	10,864	4	- 8
ZAVALA Crystal City	11,370 8,104	11,500	4,500	...	- 96	11,763	40	- 8

** Absolute change is less than one half of 1 percent.

... No data, or inadequate basis for reporting.

BAROMETERS OF TEXAS BUSINESS

(All figures are for Texas unless otherwise indicated.)

All indexes are based on the average months for 1967=100 except where other specification is made; all except annual indexes are adjusted for seasonal variation unless otherwise noted. Employment estimates are compiled by the Texas Employment Commission in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor. The symbols used below impose qualifications as indicated here: p—preliminary data subject to revision; r—revised data; *—dollar totals for the fiscal year to date; †—employment data for wage and salary workers only.

	Jan 1975	Dec 1974	Jan 1974
GENERAL BUSINESS ACTIVITY			
Texas business activity (index)	190.4	191.7	184.2
Estimates of personal income (millions of dollars, seasonally adjusted)	\$ 5,064 ^P	\$ 5,062 ^P	\$ 4,733 ^R
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$ 1,193.6 ^P	\$ 1,191.0 ^P	\$ 1,107.0 ^R
Wholesale prices in U.S. (unadjusted index)	171.0	171.5	146.6
Consumer prices in Houston (unadjusted index)	159.4	...	139.1
Consumer prices in U.S. (unadjusted index)	156.1	155.4	139.7
Business failures (number) . . . . .	...	41	58
Business failures (liabilities, thousands)	\$...	\$ 10,876	\$ 14,724
Sales of ordinary life insurance (index)	205.7	216.9	201.6
PRODUCTION			
Total electric-power use (index)	178.5 ^P	180.8 ^P	165.6 ^R
Residential electric-power use (index)	220.3 ^P	231.3 ^P	202.3 ^R
Industrial electric-power use (index)	159.0 ^P	160.0 ^P	151.3 ^R
Crude-oil production (index)	110.8 ^P	114.1 ^P	118.8 ^R
Average daily production per oil well (bbl.)	20.1	20.6	20.6
Crude oil processed by refineries (index)	117.8	128.9	113.6
Industrial production in U.S. (index)	113.7 ^P	117.9 ^P	125.4 ^R
Texas industrial production—total (index)	136.1 ^P	138.3 ^P	137.7 ^R
Texas industrial production—total manufactures (index)	143.1 ^P	145.2 ^P	143.8 ^R
Texas industrial production—durable manufactures (index)	161.1 ^P	161.3 ^P	160.7 ^R
Texas industrial production—nondurable manufactures (index)	130.2 ^P	133.6 ^P	131.6 ^R
Texas industrial production—mining (index)	110.7 ^P	113.3 ^P	116.9 ^R
Texas industrial production—utilities (index)	167.0 ^P	169.6 ^P	160.9 ^R
Urban building permits issued (index)	157.0 ^P	169.7 ^P	203.3 ^R
New residential building authorized (index)	119.3 ^P	121.9 ^P	171.6 ^R
New residential units authorized (index)	60.4 ^P	70.1 ^P	127.1 ^R
New nonresidential building authorized (unadjusted index)	193.4 ^P	220.3 ^P	239.3 ^R
AGRICULTURE			
Prices received by farmers (unadjusted index, 1910-14=100)	433	458	580
Prices paid by farmers in U.S. (unadjusted index, 1910-14=100)	612	612	538
Ratio of Texas farm prices received to U.S. prices paid by farmers	71	75	108
FINANCE			
Bank debits (index)	325.6	328.8	277.1
Bank debits, U.S. (index)	274.6	278.9	254.5
Bank Commercial Loans outstanding (index)	188.3	192.5	167.8
Reporting member banks, Dallas Federal Reserve District			
Loans (millions)	\$ 10,384	\$ 10,747	\$ 9,898
Loans and investments (millions)	\$ 14,753	\$ 15,254	\$ 14,005
Adjusted demand deposits (millions)	\$ 4,564	\$ 4,553	\$ 4,078
Revenue receipts of the state comptroller (thousands)	\$ 417,357	\$ 327,328	\$ 358,212
Federal Internal Revenue collections (thousands)	\$ 1,647.0	\$ 845.9	\$ 1,397.2
Securities registrations—original applications			
Mutual investment companies (thousands)	\$ 69,911	\$ 24,649	\$ 23,020
All other corporate securities			
Texas companies (thousands)	\$ 9,000	\$ 7,818	\$ 49,100
Other companies (thousands)	\$ 2,912	\$ 7,285	\$ 3,813
Securities registration—renewals			
Mutual investment companies (thousands)	\$ 68,039	\$ 38,388	\$ 69,469
Other corporate securities (thousands)	\$ 0	\$ 8,131	\$ 1,124
LABOR			
Total nonagricultural employment in Texas (index)†	136.0 ^P	136.2 ^P	131.1 ^R
Manufacturing employment in Texas (index)†	123.3 ^P	124.9 ^P	123.9 ^R
Average weekly hours—manufacturing (index)†	96.3 ^P	96.7 ^P	101.2 ^R
Average weekly earnings—manufacturing (index)†	155.5 ^P	154.3 ^P	147.7 ^R
Total nonagricultural employment (thousands)†	4,372.1 ^P	4,422.3 ^P	4,215.3 ^R
Total manufacturing employment (thousands)†	807.6 ^P	824.1 ^P	810.8 ^R
Durable-goods employment (thousands)†	447.0 ^P	456.5 ^P	448.4 ^R
Nondurable-goods employment (thousands)†	360.6 ^P	367.6 ^P	362.4 ^R
Percent of total labor force unemployed	5.7	5.1	3.8 ^R
Total civilian labor force in selected labor-market areas (thousands)	4,081.5	4,093.3	3,909.3 ^R
Nonagricultural employment in selected labor-market areas (thousands)	3,553.6	3,600.5	3,455.3 ^R
Manufacturing employment in selected labor-market areas (thousands)	662.4	678.6	673.4 ^R
Total unemployment in selected labor-market areas (thousands)	207.4	174.9	151.0 ^R
Percent of labor force unemployed in selected labor-market areas	5.1	4.3	3.9 ^R

Mexican Migration and the U.S. Labor Market

A Mounting Issue for the Seventies

Studies in Human Resource Development No. 3

Vernon M. Briggs, Jr.

With January unemployment in the Laredo labor market area at the exceptionally high rate of 19.2 percent and unemployment generally high along the border, the problem of Mexican workers migrating to Texas and entering the labor market of the Southwest has indeed become "a mounting issue for the seventies."

Mexican Migration and the U.S. Labor Market contributes further insight into this serious problem, which was described by Vernon M. Briggs, Jr., in his earlier book in the human resource development series, *The Mexico-United States Border: Public Policy and Chicano Economic Welfare*. In his new study Dr. Briggs, professor of economics at The University of Texas at Austin, analyzes the effects of U.S. labor, immigration, and border policies, along with their enforcement, on employment and labor problems of the seventies and suggests alternative courses of action. The study is an expanded version of a paper presented at the First International Conference on Migrant Workers, sponsored by the International Institute of Management in West Berlin in December 1974. Dr. Briggs is the author of numerous studies in labor economics, including *Chicanos and Rural Poverty* (Baltimore: Johns Hopkins Press, 1973).

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