

TEXAS BUSINESS REVIEW

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THE BUSINESS SITUATION IN TEXAS

John R. Stockton

The barometers of Texas business paint a rather drab picture for September with only a few of the series showing any significant improvement. The broadest-based indicator of change in the Texas economy is provided by the index of personal income compiled by the Bureau of Business Research. Income payments to individuals represent the flow of funds to consumers, which in the final analysis provide the demand for all goods and services. The estimated personal income in Texas during September rose 2 percent from August, while consumer prices moved up only slightly, the September consumer price index reaching 142.3 over the August 142.1. September, the first month to reflect fully the price freeze, gives indication that the price freeze is working.

Personal income for the United States for September was 0.4 percent higher than in August, with the increases in categories other than wages. Private payrolls increased \$2 billion, but this increase was offset by a reduction in government payrolls. The increases in the national personal income were in social-security payments, farm income, and interest payments. The estimates of Texas personal income do not provide detail on the individual segments, but it can be assumed that the same forces influenced both the national and the Texas data.

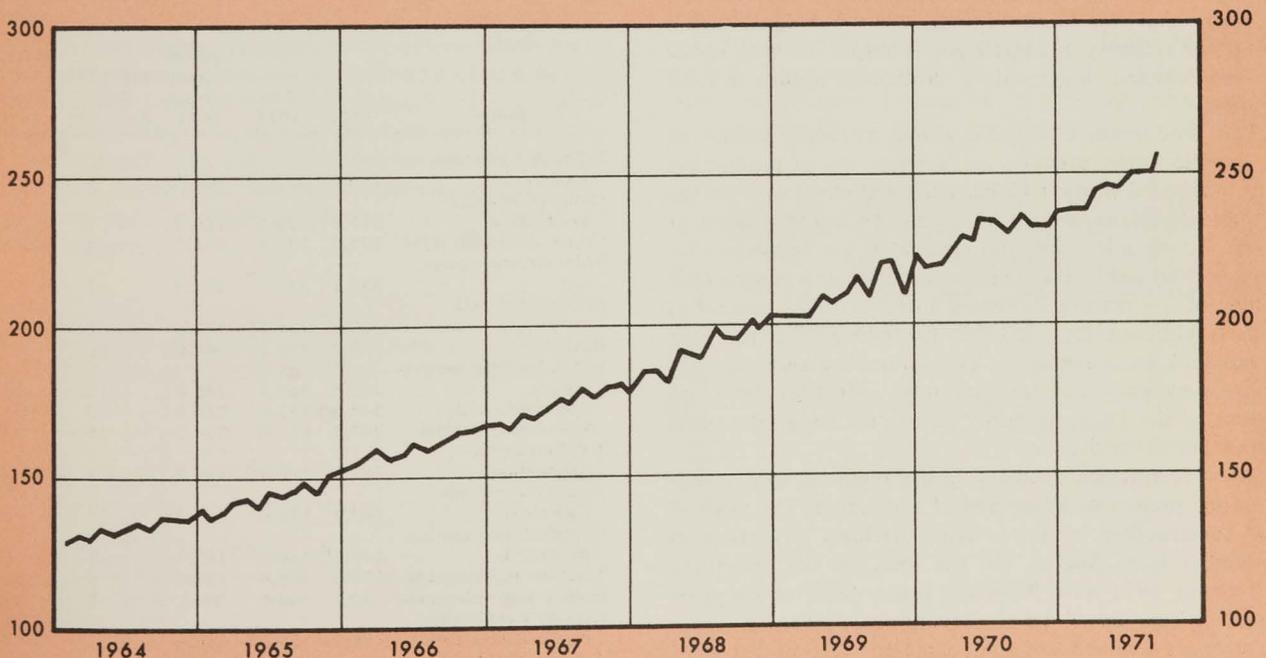
With little doubt, the most significant factor in the Texas business situation is the progress of the price and wage freeze. Since the September data felt the effect of the first full month of the freeze, they should provide some tentative indications of what is likely to happen in the future. It is particularly important to draw some conclusions as to the prospects for success in the efforts of the Administration to stimulate the economy without causing further inflationary pressures.

The control of inflation may be the most important factor in the long run but probably the question that rates highest in the minds of most businessmen is the immediate outlook for business. It is almost certain that prices and wages can be controlled by government decree, at least for a reasonably short time. Whether it is possible to stimulate the lagging economy by the same approach still remains to be demonstrated. At least the data for both Texas and the United States indicate that business at best is sluggish in its recovery.

It seems fairly clear, however, that in spite of the sluggish economy Texas business has been showing some improvement since late in 1970. A majority of the significant barometers compiled by the Bureau of Business Research show an improvement over September of last

ESTIMATED PERSONAL INCOME, TEXAS

Index Adjusted for Seasonal Variation — 1957-1959=100



SOURCE: Quarterly measures of Texas personal income made by the Office of Business Economics, U.S. Department of Commerce. Monthly allocations of quarterly measures, and estimates of most recent months, made by the Bureau of Business Research with regression relationships of time, bank debits, and insured unemployment.

year, and the first nine months of 1971 have averaged somewhat higher than for the same period of last year.

Total electric-power use in September rose 2 percent over August use and industrial power use rose at the same rate. Bank debits were 10 percent higher in September than in August and 18 percent higher than in September a year ago. For the first nine months of 1971 bank debits averaged 13 percent higher than in the first nine months of 1970. Some of the increase in this series was due to rising prices, but the increase was undeniably substantial even after allowance for an increase in the price level.

Industrial production in both Texas and the United States reflects the depression in a more sensitive manner than do many other series. The index for the United States in September 1971 was slightly below that for September a year ago, and for the first nine months of the year was 2 percent lower. Industrial production in Texas has done somewhat better than in the nation as a whole, with a rise of 0.7 percent during the first nine months of 1971 over the same period of 1970. The September index for Texas rose from 180.3 in August to 181.0 in September and the index for the United States rose approximately the same amount. Both series definitely increased, but it must be admitted that the amount of increase is not great, perhaps not significant.

Manufacture of durable goods has shown the largest decline of all the components of the industrial production index for Texas. This is typical of cyclical declines in that the manufacture of durable goods is more sensitive than either nondurable goods or services to changes in the business climate. This component of the economy is generally considered a strategic factor in the business cycle and actually causes much of the fluctuation in business activity. Before any sustained recovery can be achieved it is necessary that this phase of business expand significantly. So far the recovery in durable-goods output has been under the level needed to generate a substantial upturn in total business.

The production of durable goods, normally motivated by specific order, provides an advance view of production in this type of manufacturing from statistical data on the volume of orders. During 1970 and 1971 the volume of orders for durable goods has fluctuated but has shown no consistent upward movement. September orders showed a decline of 3.9 percent following a decline of 0.6 percent in August. Although these data are for the United States they do not look encouraging for Texas durable-goods manufacturers. Aerospace and transportation industries, both important to the Texas economy, accounted for a substantial proportion of the decline.

The construction industry is the brightest spot in the economic picture of Texas and of the nation. The value of new construction in Texas cities declined 6 percent in September from August, but the total for the first three quarters of 1971 was 29 percent higher than for the same period of last year. Total construction authorized in Texas last year set a record and it appears fairly certain that 1971 will be substantially higher than last year. The impact of this growth in construction has been one of the major factors in holding the level of employment and business

activity as high as it has been in the state. With the demand for dwellings and nonresidential construction increasing faster than space can be provided, no immediate indication of any slowing down in this segment of the economy of the state is apparent. The construction boom appears to be nationwide and 1971, seemingly, will establish a new record for total construction expenditures for the United States.

The petroleum industry remains a bright spot in the Texas industrial picture in spite of the fact that crude-oil production is being cut back. September production of crude oil was 7 percent below the August output, but was still 2 percent higher during the first nine months than during the same period last year. The demand for refined products continues strong at 6 percent above the year-to-date total for 1970, in spite of a 1-percent decline in crude-oil runs to stills in September.

Consumer spending has been one of the more slowly growing segments of the economy but the prospects for an improvement seem to be good. Sales in the United States for 1971 have been substantially above those for 1970 and projections for 1971 are indicating still further improvement. Expectations for sales of durable goods are particularly favorable for next year.

Data on retail sales for Texas are provided by the Bureau of the Census but with a considerable time lag in publication. July 1971 sales were 11 percent above sales a year earlier and the first seven months of 1971 were 7 percent above the same period a year earlier. Data on five individual cities in Texas also show reasonably strong increases in department-store sales for the first seven

SELECTED BAROMETERS OF TEXAS BUSINESS
(Indexes-Adjusted for seasonal variation-1957-1959=100)

Index	Sep 1971	Aug 1971	Year-to-date average 1971	Percent change	
				Sep 1971 from Aug 1971	Year-to-date average 1971 from 1970
Estimated personal income	256.2 ^P	250.3 ^P	245.2	2	7
Crude-petroleum production	117.3 ^P	126.6 ^P	124.9	- 7	2
Crude-oil runs to stills	138.0	139.9	141.4	- 1	6
Total electric-power use	330.1 ^P	322.1 ^P	292.0	2	9
Industrial electric-power use	260.6 ^P	255.1 ^P	245.3	2	7
Bank debits	380.0	345.3	346.0	10	13
Urban building permits issued	268.8	305.1	245.0	- 12	29
New residential	243.6	252.0	214.6	- 3	47
New nonresidential	297.2	411.8	294.3	- 28	13
Total industrial production	181.0 ^P	180.3 ^P	179.5	**	1
Total nonfarm employment	147.2 ^P	146.6 ^P	147.2	**	**
Manufacturing employment	145.1 ^P	144.1 ^P	145.9	1	- 6
Total unemployment	123.0	129.4	121.0	- 5	25
Insured unemployment	99.2	106.8	99.3	- 7	33
Average weekly earnings—manufacturing	156.5 ^P	158.6 ^P	156.8	- 1	5
Average weekly hours—manufacturing	97.1 ^P	98.5 ^P	99.0	- 1	**

^P Preliminary.

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

months of 1971 over sales during January-July 1970: Corpus Christi 37 percent, Dallas 4 percent, El Paso 10 percent, Fort Worth 11 percent, and San Antonio 8 percent.

Consumer spending, one of the most discouraging factors in the business picture for 1970, is definitely improving and the prospects for continued increases are reasonably good. The level of saving has been at an all-time high for the last two years; for the last two quarters of 1970 and the first two quarters of 1971 it was over 8 percent of personal income. The funds for much improved business are in the hands of consumers; an important element in retarding recovery has appeared to be the unwillingness of consumers to spend this money.

Another significant improvement in September was the increase in employment and the decrease in the percentage of the Texas labor force that was unemployed. Total nonagricultural employment increased from 3,641,500 in August to 3,658,600 in September, and the percentage of the labor force unemployed declined from 4.5 percent to 4.0 percent. The average rate of unemployment for the first nine months of 1971 was 4.3 percent compared to an average of 3.4 percent for the same period last year. Manufacturing employment increased from 703,200 to 706,200, although the September level was 27,000 below that of a year ago. Nearly all of the loss in manufacturing employment from a year ago was in the durable-goods category and practically all of the loss in durable goods was concentrated in aircraft and electrical machinery. Retail and wholesale trade, services, and state government reported increases in employment over that of a year ago. Federal government employment declined between August and September but was higher than in September 1970.

Since the wage and price freeze is undoubtedly the most important single factor in the future of business in Texas and the United States, a consideration of these events must be included in any discussion of the trend of the state's economy. The importance of the attitude of consumers toward retail sales is a typical example of how public reaction can influence the effect of events in Washington. In general it appears that the public approves the wage and price freeze and the results of this approval may be felt in the marketplace.

**BUSINESS-ACTIVITY INDEXES
FOR TWENTY SELECTED TEXAS CITIES**
(Adjusted for seasonal variation—1957-1959=100)

Index	Sep ^D 1971	Aug 1971	Year-to- date average 1971	Percent change	
				Sep 1971 from Aug 1971	Year-to- date average 1971 from 1970
Abilene	156.8	154.7	151.4	1	6
Amarillo	234.6	224.9	216.2	4	6
Austin	449.9	383.3	401.0	17	19
Beaumont	173.9	190.2	180.3	- 9	1
Corpus Christi	198.6	198.6	198.2	**	21
Corsicana	181.9	164.3	176.9	11	7
Dallas	384.6	345.0	359.8	11	7
El Paso	204.5	178.3	180.5	15	13
Fort Worth	233.4	220.9	224.9	6	21
Galveston	171.9	123.5	142.6	39	7
Houston	341.8	292.3	301.6	17	9
Laredo	263.8	279.1	277.1	- 5	9
Lubbock	207.5	223.0	190.2	- 7	9
Port Arthur	140.9	132.9	138.0	6	16
San Angelo	197.3	198.2	200.9	**	16
San Antonio	267.9	254.5	252.6	5	15
Texarkana	228.6	219.7	223.1	4	2
Tyler	197.6	184.1	184.6	7	4
Waco	235.5	242.3	215.2	- 3	8
Wichita Falls	154.1	153.8	148.5	**	12

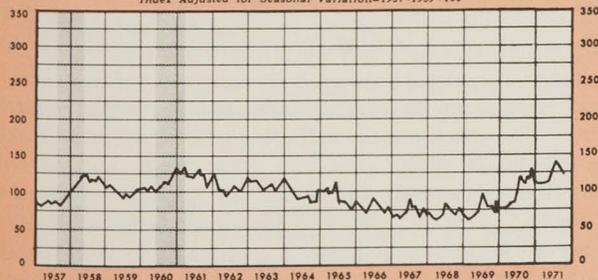
^D Preliminary.

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

The general acceptance of the freeze by the public relative to the ceilings on prices is encouraging. The wage freeze is not nearly so well accepted for the simple reason that the majority of individuals are employees, among whom a considerable proportion have either been promised wage increases or at least have hopes of receiving raises. Organized labor's reaction was about what would be expected, since everyone is likely to be in favor of a freeze in the prices he pays but not necessarily in the "prices" he receives. Business concerns, such as automobile manufacturers, are pinched if the prices of their own products are frozen but the prices of their suppliers' products are not.

TOTAL UNEMPLOYMENT, TEXAS

Index Adjusted for Seasonal Variation—1957-1959=100



SOURCE: Texas Employment Commission. Data adjusted for seasonal variation by the Bureau of Business Research.

NOTE: Shaded areas indicate periods of decline of total business activity in the United States.

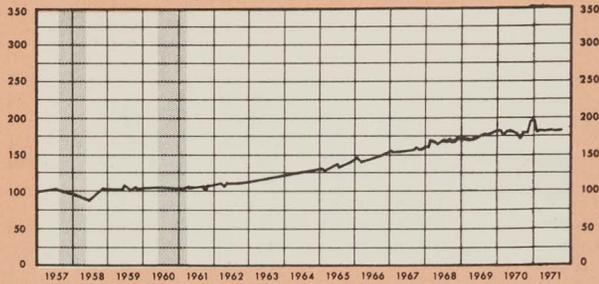
**COMPARISON OF CONSUMER PRICES AND
WHOLESALE PRICES, UNITED STATES**

Index Adjusted for Seasonal Variation—1957-1959=100



INDUSTRIAL PRODUCTION, TEXAS*

Index Adjusted for Seasonal Variation—1957-1959=100



*Manufactures and minerals (including crude-oil and natural-gas production).
NOTE: Shaded areas indicate periods of decline of total business activity in the United States.
SOURCE: Federal Reserve Bank of Dallas.

INDUSTRIAL PRODUCTION TOTAL MANUFACTURES, TEXAS

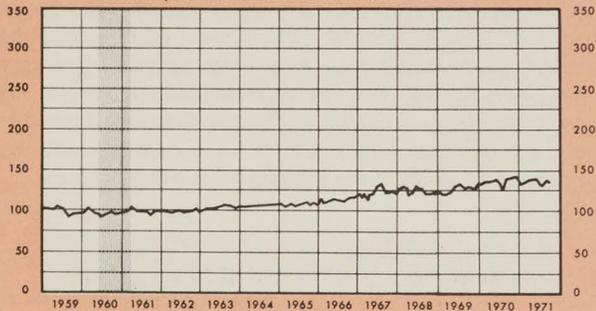
Index Adjusted for Seasonal Variation—1957-1959=100



NOTE: Shaded areas indicate periods of decline of total business activity in the United States.
SOURCE: Federal Reserve Bank of Dallas.

INDUSTRIAL PRODUCTION MINERALS, TEXAS*

Index Adjusted for Seasonal Variation—1957-1959=100



* Includes crude-oil and natural-gas production.
NOTE: Shaded areas indicate periods of decline of total business activity in the United States.
SOURCE: Federal Reserve Bank of Dallas.

The sheer complexity of the economic system is being demonstrated every day as new cases come up for consideration. It soon becomes clear that in an uncontrolled economy a multitude of decisions are made daily in a somewhat automatic fashion by the economic system. When each of these decisions must be made by a governmental agency the whole system may run the danger of bogging down in details that previously were decided almost automatically. On three previous occasions—World War I, World War II, and the Korean War—we have made price controls work, but this is the first experience this country has had in applying price and wage controls in peace time.

It seems reasonable to expect that the use of wage and price controls will at least slow down the inflationary spiral that has been getting out of hand. The big question is whether the controls can be removed in the near future. The announcement of Phase II of the operation emphasizes the difficulty of getting out of a price and wage freeze and suggests that it may be much more difficult to get out of it than it was to get into it. Many groups feel that being deprived of their wage increases was unfair and discriminatory; these groups, not surprisingly, will make strong efforts to secure increases if they are possible under the regulations adopted at the end of the ninety days.

Apparently the Pay Board will be the key to the restraint program. If it can control the situation there is hope that the whole program will be able to operate in a cooperative manner rather than by government imposition. If the Pay Board is free to set its own criteria for wage increases the success of this approach will depend upon its ability to keep inflation between 2 percent and 3 percent for next year.

Although the Pay Board seems to be the most sensitive spot, the Price Commission has an unbelievably complex job of controlling cost other than labor, a job that is normally done automatically by the machinery of the market. Even if there is general acceptance and faithful cooperation by everyone concerned the whole operation is still endangered by the possibility of administrative breakdown.

Regardless of the difficulties of making the new system work, the alternative of continued uncontrolled inflation is unacceptable and if this solution does not work out it would appear that something else will have to be tried.

The domestic situation offers enough problems, but when the international situation also is taken into account cause for pessimism is deepened. Consumers will not be happy that cheaper foreign goods are not available, and many business concerns in Texas will be hurt if foreign markets are curtailed.

It is not easy to summarize the present state of the public mind, but one certainty is the general lack of agreement on what is going to happen next. By the time Phase II gets under way a somewhat clearer outline of what is going to happen and how it will work should emerge, even though many unanswered questions are almost certain to remain after November 13. The United States will be extremely lucky if the difficulties that are beginning to appear have not become more troublesome as time goes on. One hope is that the current recovery movement will gain momentum, although business is improving very slowly and it takes a considerable amount of optimism to forecast any great increase in the rate of expansion for the immediate future. The stock market reflects a general wariness about the whole situation, and even good news, such as the reduction in interest rates and the generally increased availability of credit, seems to have very little stimulating effect on business and investor sentiment. In spite of the many clouds that seem to hover over the recovery, feeling is wide-spread that the new program of the Administration can be made to work and that a solid recovery without excessive inflation can be achieved.

AGING TEXANS: CONTINUING INDEPENDENCE*

Graham Blackstock**

An older Texan was speaking for his peers throughout the state: "We've always had problems, but it seems like the problems get worse the older you get."

He was one of the 26,000 Texans attending the 680 Older Americans White House Forums organized in 125 Texas counties and held during the week of September 20, 1970, as the first and basic stage in preparation for the second White House Conference on Aging, to be convened in Washington in November of 1971.

Needs of Texas Oldsters

The Forums were planned as informal meetings of Texans sixty-five years of age and over (nearly a million throughout the state) to provide situations where they could articulate their needs. They were planned also as a means of recording these statements of need to form a basis of fact for consideration by the subsequent Community White House Conferences, held during the spring of 1971, which would make recommendations to the Texas White House Conference, convened in May of 1971. These same Forum expressions of need, evaluated and shaped for final consideration by the Community Conferences and the Texas White House Conference, would be submitted to the national 1971 White House Conference on November 28, 1971, as a basis for recommended national policy on aging.

The Record of Need

The spontaneous, informal, and sincere expressions of need uttered by Texas older citizens at the Forums were written down by designated recorders. The facts and opinions thus obtained were supplemented by data from questionnaires, in both Spanish and English, completed by each Forum participant. The information gained from the Forum discussions and the Questionnaires, and analyzed on a statewide basis, provides comparable data for the counties and the twenty-one state planning regions of Texas. They are available from the Governor's Office by request.

* Part 2 of this article, to appear in a later issue of the *Texas Business Review*, will consider problems of accident and health relative to aging Texans.

** The author is deeply grateful to several individuals and agencies for the facts, and many of the ideas, presented in this article: Mr. Alvin Burger, chairman of the Texas White House Conference on Aging and former director of the Texas Research League; Mrs. Carter Clopton, executive director of the Texas Governor's Committee on Aging, and her staff; Mr. Elmo L. Fischer, executive director of the Texas Association of Homes for the Aging; Mr. Calvin N. Preece, director of the Texas Safety Association; Mr. J. Watt Hornburg, director of the Division of Nursing and Convalescent Homes in the Texas Department of Health; Mr. Sid Rich, director of the Texas Nursing Home Association.

The Stated Needs

Over and over again the Forum participants expressed concern, even anxiety, over the inadequacies of their lives.

Income. They talked about the uncertainties of income, the sudden scarcity of funds after loss of occupational salary, the ever-present fear of inflation as a factor reducing still further the already drastically curtailed financial resources. Nearly a fourth of Texans over sixty-five (232,755 in 1971) are poor enough to qualify for Old Age Assistance payments, which average \$63.14 per month. Another 569,636 (including some between sixty-two and sixty-five years of age) are retired workers drawing average monthly Social Security payments of \$90.43. In many cases these small allowances are supplemented only slightly, or not at all, by additional independent income, the chief assets of our older population consisting of home ownership and other nonliquid holdings.

Replies to Forum Questionnaires indicate that making ends meet is a major problem with 55 percent of older Texas citizens, the Spanish-speaking respondents experiencing the most stringent financial situation. Specific changes recommended on the Questionnaires were an increase in Social Security benefits, removal of the earnings limitation on Social Security beneficiaries (or adjustment upward), reduction in the cost of medical and dental care, expansion of Medicare benefits, relief from both local property taxes and federal income taxes, full retirement benefit of deceased husband for widow, curbing of inflation, and more job opportunities.

The continually receding horizon of the life span is clouded by the fear of continually diminishing real income and the bleak shadow of poverty, made even more galling by enforced dependence on family or government and charitable institutions.

Employment. The accumulation of years forces retirement on many individuals who are still physically and mentally capable of continuing their work, and who are not psychologically ready to join the unemployed. They need to feel needed, to have the satisfaction of making a contribution to the world's work, regardless of whether they need the monetary compensation. Retirement comes to many people these days while they are still vigorous and alert and enthusiastic, young in all but years. They would prefer to work longer and build up a better retirement income. They would like to be useful to society for a while longer. Many Texas respondents to the Forum Questionnaire would like to be working still—9.4 percent full time and 14.3 percent part time. They are conscious of the seriousness of the problem of job discrimination because of age, of the frequently occurring need for job-training programs among older workers, and of the lack of suitable public transportation as an obstacle to job procurement.

Nutrition. Nutritious food is essential to the health and happiness of all people. With increasing age, however, satisfaction of this need, as with most others, becomes more difficult. Well-balanced beneficial diets require money, dietary knowledge, accessibility of food stores, good teeth, and a happy approach to living. Beset by loneliness and anxiety, many older Texans have no incentive to prepare and eat solitary meals. Texas respondents to the Forum Questionnaire revealed that inadequate transportation hinders grocery shopping and that because of illness or physical incapacity many aging Texans need meals delivered to their homes. Other interesting replies indicated that numerous respondents (25 percent) thought food was packaged in too large amounts, that they have trouble cooking for themselves (12 percent), that they prefer not to eat alone (13.4 percent), choosing rather to live where meals are available (19 percent).

Health. More serious physical needs arise from disease and other health problems and the unavailability of adequate medical care to a person unable to pay for it. The need here is for preventive measures, with regular physical examinations for all, making possible early detection of trouble and treatment. Needed also is continuity of care: hospitals, rehabilitation centers, and home care by visiting nurses, health aides, and homemakers. The really frail elderly person might need even more—special housing in his own home town, where he would preserve his individual identity living in his own private room, but eating in a social group of his peers, secure in whatever help he needs for self-care. And all at a reasonable price he can afford to pay.

All plans for meeting the health needs of the aging during the 1970's seem based on prevention, group practice, home help, and cost control. Older Texans indicated their financial inability to obtain needed medical attention to a health problem (30 percent), to see a doctor when needed (22 percent), to see a dentist when needed (29 percent). The frank and honest talk at the local Forums recommended that Medicare coverage should be expanded to include prescribed drugs, dentures, hearing aids, dental care, and the services of podiatrists and optometrists. It pointed out, also, the need for more home visits by physicians, more readily accessible health-care centers, more doctors and hospital facilities, especially in rural areas.

Housing. Participants in the Forums talked, too, about their housing needs. They wondered why communities do not offer a range of choices in housing to fit the financial and physical state of the older Texans: for the poor and near-poor, low-cost housing built to provide convenience and comfort for older people; for those with slightly larger incomes, moderately priced housing; for the frail elderly, congregate housing with group meals; for those preferring social environment of mixed ages, retirement developments in the community with neighbors of all ages. In answering the Forum Questionnaire, Texas Forum participants recommended a reduction in local property taxes—or complete elimination, assistance in home repairs, meal services for the homebound, elimination of conditions leading to fear for personal safety, improved repair and maintenance services in housing projects. A large segment (over 40 percent) reported that they had trouble meeting housing costs.

Transportation. Age relentlessly slows reflexes, making formerly good drivers inadequate to the speed and complex decisions required by present-day traffic, with the result that only about 40 percent of people over sixty-five have driver's licenses. The American national transportation system is geared to the private car, and no public transit system can replace the loss of one's own car, not even for the most routine of purposes, such as shopping, visiting friends, going to the doctor, attending a movie, going to a senior center. Many of those who could negotiate current streets and highways are too poor to own a car.

Public transportation is scheduled to take people to work, and when older Texans try to use it they must squeeze into crowded buses at rush hours or wait interminably for rare nonrush vehicles. Such transportation, though often highly unsatisfactory, is more and more expensive. Furthermore, it is limited in its routes, traveling primarily from outer fringes to the center of the city. Accordingly, many elderly citizens elect to walk.

But walking has its hazards—traffic accidents and, especially in the central cities, muggings—so older people are forced to remain at home, in a solitary isolation from the outside world.

Walking is important to the elderly in ways other than as a substitute for unavailable transportation. With many individuals it is requisite as a health measure. But in numerous localities sidewalks are nonexistent in areas accessible to those who need them, and again transportation of some sort is needed to get the elderly to a park or a hike-and-bike trail so that they can use the provided facility. A sidewalk-construction program would make the pleasure, and the physical benefits, of walking available to thousands who must now get out by 5:00 a.m. in order to use the streets for such exercise—or do without it.

About 30 percent of the Texas Forum Questionnaire respondents found transportation a problem; over 19 percent did not own or drive a car; over 18 percent did not have accessible public transportation; about 15 percent found travel fatiguing; 13 percent were financially unable to ride public buses, and recommended reduced fares; 11.6 percent have difficulty in boarding and exiting from buses; 7 percent listed other transportation problems.

Retirement roles. Retirement sharply limits choices for activity, for filling a definite place in society, for status, for the sense of being useful, wanted, counted. Unless the retiree has adequate income, or family and friends in close proximity, unless he is prepared to fill the void of unemployment with a well-developed hobby and engrossing interests, his options in filling his life interestingly are few indeed. Curtailed income is the chief limiting factor; some opportunity for making additional income in a paying activity is the best guarantee of continuing independence, with some degree of freedom to make choices—for travel, for work in satisfying causes, for new aspects in self-development through extended education, for development of a craft, an art, a language fluency, for service to others.

Opportunities for remunerative work combined with the gratifications of satisfying service are being created in many communities, especially through multipurpose senior centers, where retirees can find information, counseling,

placement services, programs in recreation and education, and opportunities for service.

Education. Education as a continuing process has now become a generally accepted goal. Such education, however, requires programs especially tailored to the needs of various age levels, especially for older persons, whose increased age is no barrier to learning, but is a slowing factor in the rate of learning. Preretirement programs would prepare aging citizens to use their upcoming leisure more advantageously and happily, to utilize more effectively community resources and services, to adjust to the inevitable changes in retirement. Other programs are needed for those who wish to finish their incomplete formal education, to update their knowledge in chosen fields, for those who cannot read and write adequately (a fifth of those sixty-five and over nationwide), and for those whose grasp of the current world is weakened by a truncated formal education. Texas Forum participants most urgently requested occupational and educational programs for improving and upgrading skills needed to make older persons more highly employable, and preretirement planning programs, especially financial-planning courses.

Spiritual well-being. Old age is a time of loss—loss of friends and family through death, loss of income, loss of role and status, loss of health, loss of independence and sometimes even dignity. In our modern society, where work is identified with worth, many retirees feel that they have no respectable position in the world—with resulting boredom, frustration, depression. The need for spiritual support of some sort is most urgent. Many older persons, those for whom the church has played a central role, find this sustenance in religion, rather than in psychiatry, social work, education, or recreation. As the ills of old age reduce church attendance religious programs on radio and television make some compensation, but they cannot maintain a sense of “belonging” to the community. Participants in the Texas Forums emphasized their inability to attend church services because of a lack of transportation; they urged more visits from lay church members and their ministers; they recommended more programs and activities planned for aging church members.

The Governor’s Committee on Aging

The nearly 700 White House Forums on Aging which functioned in half the counties of Texas, held during September 1970, were organized by the Governor’s Committee on Aging, which analyzed, processed, and reported on a statewide basis, by county and area, the opinions and recommendations of the Forum participants.

Organization of the Committee

Governor Preston Smith’s Committee on Aging might be considered one of the happy results of the first White House conference on Aging, convened in 1961, which stimulated a brand-new “national awareness of older people and their circumstances and needs.” The Committee was

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created by the Texas Legislature in 1965, with the mission of coordinating all programs for the elderly in the state, and with the added responsibility for administering federal funds provided under Title III of the Older Americans Act. An interim committee appointed by Governor Price Daniel in 1963 had prepared the study which led to the establishment of the Committee.

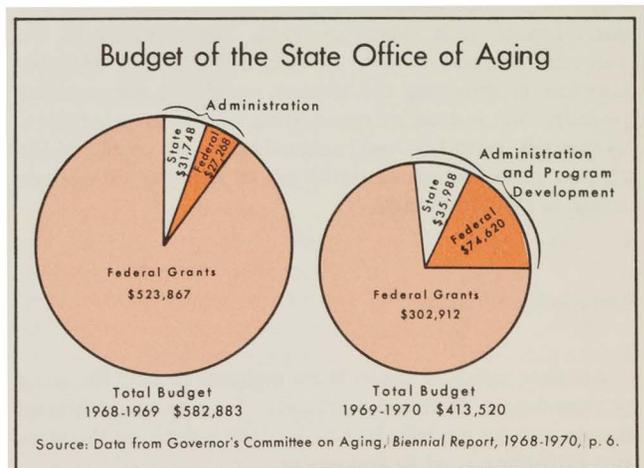
It is governed by a nine-member board appointed by the governor. Board policies are executed by a central-office staff of ten persons, headed by a governor-appointed executive director, currently Mrs. Carter Clopton, and by a field staff of fifty-eight persons working on a variety of projects throughout the state.

Budget and Program

Federal funds for the Committee, provided by a formula on the basis of the number of elderly persons in the state, are supplemented by state funds. Community projects are financed by grants from federal funds and matching local money. The emphasis of federal support has shifted recently, in some degree, from grants for local projects to program development. The staff of the Governor’s Committee on Aging reflects that new emphasis through the addition of a field representative, a staff-services assistant, and a public-information officer, who have made possible great expansion of research, evaluation, coordination, and educational activities, and the development of local services.

Supportive Services

Since one of the basic goals of all agencies interested in aging Texans is extending as far as possible the independence of the elderly, much attention is given to projects which assist the aging to remain in their own homes. Similar programs are needed in practically every community of the state, but are impossible of achievement until public awareness makes available the necessary funds.



Meals-on-Wheels. To prevent deterioration of elderly and handicapped persons who are unable to prepare their own food some communities deliver ready-to-eat meals. In Texarkana, where the elderly constitute 13 percent of the population and where more than 24 percent of the indigents are over sixty-five, the Texarkana Food Program provides well-balanced hot meals five days a week, at first to twenty-five needy elderly persons, but now to eighty, many on special diets. These meals are intended as a daily contact with members of the community as well as an enrichment of inadequate diets. Similar programs are conducted at Kerrville and El Paso, and at Waco, where grocery shopping is an added service.

Transportation. Since 1968 El Paso County has been served by the Information and Referral Center of the El Paso Council on Aging. The mission of the Center—to keep the elderly in the County informed as to services for the aging—is carried out by a staff social worker and several field workers, who counsel the elderly homebound and those in outlying neighborhoods. The Council on Aging has published in English and in Spanish a *Directory of Services for the Elderly*, which was distributed in 5,000 copies throughout El Paso. A similar service is provided in Austin for the 25,000 aging citizens of Travis County by the Adult Services Council of the Austin Community Council.

Homemaker service. When the homemaker in an elderly family is incapacitated, or when illness makes it impossible for aging citizens to function unassisted, homemaker service keeps the home intact and allows the elderly to continue life at home rather than in an institution. The Child and Family Service in Austin performs this function, among others, for aged residents of the Model Cities Neighborhood. The homemaker service, which entails either meal preparation or grocery shopping and delivery for the recipient, is provided for about forty residents each month, and is growing in its coverage. This service includes also transportation to doctors' offices and to shopping centers.

Protective mental-health services. A program in Harris County illustrates one way in which aging citizens with mental problems, instead of being institutionalized, can be kept at home without endangering themselves or the community. The Protective Mental Health Services for the Aged receives funds for a team of experts in aging, who work with the county judge and his court for the protection of such elderly persons. The objective of the Protective Mental Health Service is to utilize available resources in providing the greatest possibility for restoring the individual instead of committing him to an institution. Psychiatric, hospital, and medical care are used in the solution or reduction of problems, so that the elderly can remain in the community.

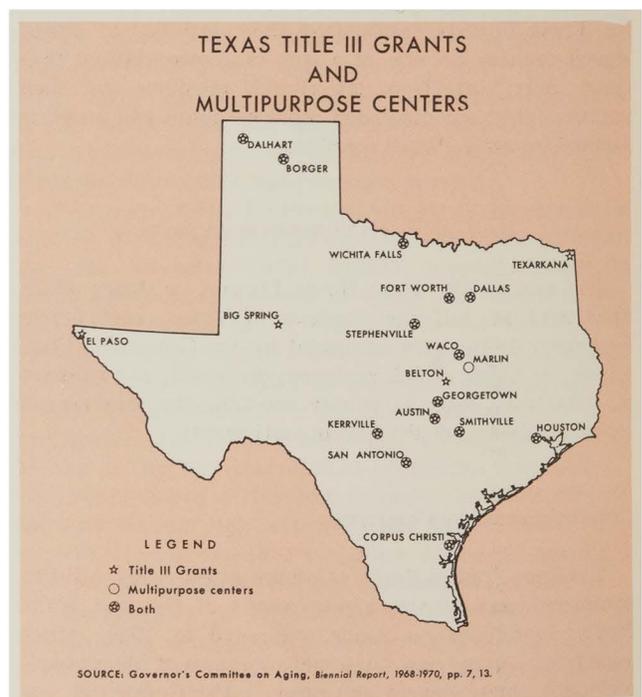
Community Services

Another group of projects are designed to help the aging by providing a double opportunity: for earning additional income and for contributing to the community, at the same time fulfilling a need to feel useful.

Foster Grandparents Program. The contribution to society by older citizens in the Foster Grandparents Program is made through work with children in state schools for the retarded and with children in hospitals for long periods. Requirements for Foster Grandparents are age of sixty years or more, income below \$1,800 per individual or \$2,400 per couple, "adoption" of two children, up to twenty hours of work per week at \$1.60 per hour. Teaching the "adopted" children skills and furnishing them close companionship bring to the aged person needed money and a needed sense of usefulness, to the emotionally deprived child the saving personal individual contact with an interested adult for which he is starved.

Green Thumb Program. A project designed especially for older adults living in rural areas is sponsored by the National Farmers Union and funded by the U.S. Department of Labor. Green Thumb workers engage in activities that improve or make more attractive public facilities and areas. The very successful pilot program proved that public-service employment is one effective solution to the problem of employment for the aging. Subsequent legislation enables Texas to participate by using Green Thumb workers in the beautification of Texas parks and other public areas. The average age of these workers is sixty-nine, the oldest worker being ninety-four. If their annual income is under \$2,200 for a couple off the farm, or \$1,600 for a couple on the farm, they may earn up to \$1,600 per year working an average of three days a week.

Multipurpose centers. Older adults who are members of multipurpose senior-citizen centers find there opportunity for meeting and working with their peers. Social contacts and rich experiences in arts and crafts and other recreation activities, plus activity in community-service programs,



provide satisfaction for several of the basic needs of the aging. Each community fashions its program in accordance with the needs of its local group, with a resulting similarity, yet variety, of program, which usually includes recreation, classes in numerous fields of interest, counseling in health and welfare, meal programs, and information and referral services.

Social Services to Institutions

The Governor's Committee on Aging sponsors numerous projects in which elderly Texans can participate in serving institutions. A by-product of such activity is a deepened sense of usefulness, of belonging to the community.

Roadrunners. Nine hundred elderly men and women are the special concern of the Roadrunners, a group of older people committed to volunteer service to aging Texans in nursing homes of Travis County. These nine hundred recipients are patients furloughed from the Austin State Hospital, but still wards of the state. With a small bus and two station wagons the Roadrunners provide transportation for shopping, sightseeing, relaxing drives, and various community activities.

Prospectors. Volunteer work is strongly encouraged at the Kerrville State Hospital, where members of the Dietert Claim, the multipurpose senior-citizens center in Kerrville, provide therapy for both themselves and the patients. These "Prospectors" engage in such activities as visiting and reading to patients, helping them with letter writing, leading song and discussion groups, teaching crafts, and sponsoring parties.

Circuit Riders. Patients at Big Spring State Hospital are served by a group of "Circuit Riders," who extend their service to the elderly over 2,000 square miles. With two station wagons they transport each month twenty-five patients to shopping centers and special classes or take them on outings, and they drive out-patients to and from the Hospital. Their basic purpose is to make available to older citizens in the eight-county area the resources for prevention of mental deterioration and to link the Hospital with the outlying communities. Several outreach clinics have resulted from this project—at Seminole, Lamesa, Colorado City, Snyder, Abilene, Pecos, and Monahans. Volunteers at the Hospital assist in recreational activities, such as walks with patients, preparation of holiday treats and favors, and outings of numerous sorts; in occupational or recreational therapy; in self-improvement courses.

Work with Other Organizations

The work of the Governor's Committee on Aging is made much more effective through cooperation with various state agencies and other organizations.

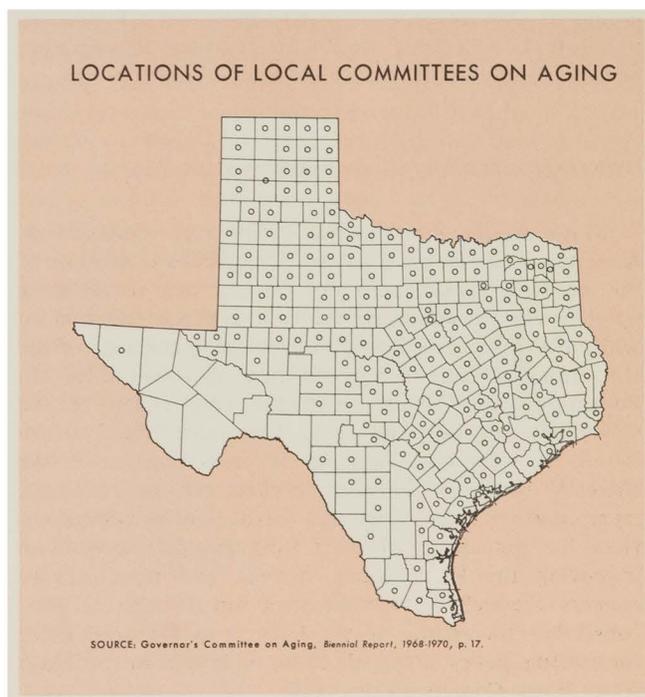
Interdepartmental Advisory Council. The coordinated planning program developed by twenty major state agencies has been of great help to the Governor's Committee on Aging as a means of avoiding costly duplication of programs, as a forum for exchange of ideas and a clearing

house for information, and as a liaison in effecting state-local cooperation. Some of the programs developed with the assistance of member agencies are Talking Books, with the Commission for the Blind and the Texas State Library; driver refresher courses for senior citizens, with the Department of Public Safety; service programs for patients furloughed from mental hospitals and nursing homes, with the Department of Mental Health and Mental Retardation; programs for development of greater awareness of particular needs of traveling older people, with the Tourist development Agency.

Programs still in the planning stage include the use of volunteer art teachers in developing an appreciation of the pleasures obtainable from art activity, with the Texas Fine Arts Commission; the issuing of identification cards to elderly Texans who can no longer qualify for driver's licenses, with the Department of Public Safety; securing for older Texans transportation that would enable them to participate in the surplus-food program, with the Texas Welfare Department.

Texas Association of Homes for the Aged. As a result of a federal grant administered through the Governor's Committee on Aging, the Texas Association of Homes for the Aged developed a program for the institution of volunteer services in nursing homes. Workshops jointly conducted throughout the state by TAHA and GCA assisted communities to organize programs for volunteer social services to nursing-home patients.

Texas Safety Association. A research project initiated to provide the facts needed for establishment of effective state accident-reducing programs for the elderly was recently completed by the Texas Safety Association for the Governor's Committee on Aging.



Texas A&M University. The efficient statewide county organization of the Agricultural Extension Service of Texas A&M University has been utilized by the Governor's Committee on Aging through an agreement whereby the Agricultural Extension Service, under a 1966 Title III grant, employs personnel to work with county agents and home-demonstration agents in the 254 counties of Texas. Local committees on aging have been developed in 209 counties. Local problems are identified by the local committee with the help of a specialist on the Agricultural Extension Service staff. A staff member from the Governor's Committee on Aging works with the Agricultural Extension Service and the local groups in the development of appropriate programs. This local machinery is utilized by the Governor's Committee on Aging for numerous administrative functions, such as dissemination of information and organization of the White House Forums and the Community White House Conferences.

Educational Activities

In terms of public policy aging Texans might be called a newly discovered segment of the Texas population. In order to create the public interest and concern requisite to establishment of programs to meet the needs of elderly Texans and to solve their problems the Governor's Committee on Aging has designed a wide-ranging educational program. It includes a traveling exhibit for display at conventions and important public-interest spots in the state; support of legislation establishing courses in gerontology at Texas colleges and universities, with career-training programs; workshops for county agents and other local leaders interested in services to the aging; a film library, from which films are available to local committees and civic groups at cost of return postage only; and a bimonthly publication, presenting stories on programs in operation and information on subjects of interest to older citizens.

Assistance with White House Conference on Aging

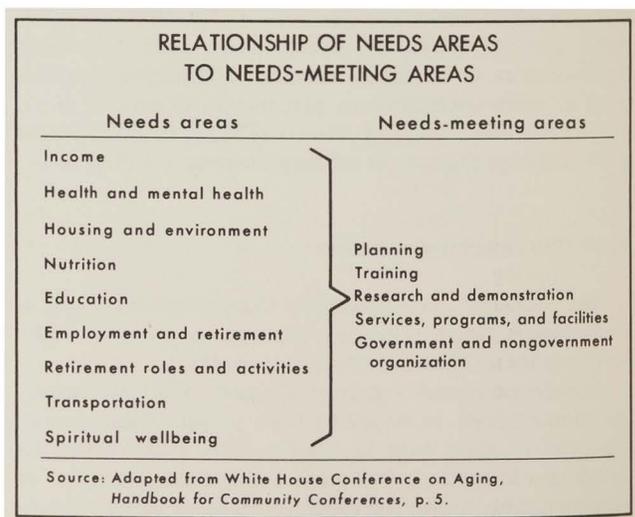
White House Forums and Community Conferences. After the White House Forums had recorded their views of the needs of Texas aging citizens and had voiced their opinions as to solutions, fourteen regional Community White House Conferences, organized under the aegis of the U.S. Administration on Aging in the Department of Health, Education, and Welfare, with the cooperation of the Governor's Committee on Aging, made more formal presentation of grass-roots opinion. A cross section of the citizenry—professional welfare workers and gerontologists, representatives from firms and institutions providing services for the elderly, leaders from groups interested in improving the lot of aging citizens, and representative oldsters themselves, together with some young people—considered the results of the Forums as preparation for formulating policy proposals to be submitted to the Texas White House Conference on Aging.

Carefully prepared aids were provided by the office of the director of the national White House Conference, who is also the U.S. commissioner on aging, head of the Administration on Aging, and the President's special assistant for the aging. These materials included handbooks explaining the main purposes, the subject-matter areas, and the structure of the Conferences, with suggestions to leaders for organization and conduct of the Conferences for the best accomplishment of the aims.

Solutions to all the major problems of the aging require study of a broad range of subject matter, and the assistance of highly trained experts. The subject areas chosen for the basis of the Conference structure were income, health and mental health, housing and environment, nutrition, education, employment and retirement, retirement roles and activities, transportation, and spiritual well-being.

The Texas White House Conference on Aging. During Senior Citizens Month, on May 26, 1971, 800 delegates to the state White House Conference on Aging, from all parts of Texas, convened in Dallas, with what its chairman, Alvin A. Burger, called "a deadly serious purpose . . . to develop a set of policy proposals to submit to the Big White House Conference in Washington next November—proposals which, hopefully, will come as close as possible to representing the considered thinking of the concerned people of Texas." Included among these persons were representatives from black and chicano minorities, interested private organizations and public agencies, professional experts on the problems of the aging, and some university students interested in the broad problems. Arrangements for the Conference were made by the staff of the Governor's Committee on Aging.

Workshops were scheduled in two sessions each for consideration of each of the nine needs areas, the same areas studied at the regional Community Conferences, and the five needs-meeting areas—research, training, planning, services, and organization—which had not been the subject of workshops during the regional Conferences. The work of each of these fourteen groups was guided by a leadership



team, which included a chairman, a discussion leader, a recorder, and several "resource people," or experts in the various areas. As a result of careful planning and excellent preparation, both in Washington and in Texas, participants realized the hazards of too many proposals, which, with the 1961 Conference, had suffocated action through their overwhelming volume. The delegates thus gave their attention to a relatively few basic issues which would be meaningful in formulating a national policy for the aging.

The 1971 White House Conference on Aging

The first White House Conference, called in 1961, was of historic importance because it made a start at meeting the needs of older Americans. The second White House Conference on Aging, to meet a decade later, during the week of November 28, 1971, will build on the work of the first Conference. Its goal, as set by President Nixon's call for the Conference, is to formulate a more realistic and comprehensive national policy for older Americans. Its recommendations will be directed to the national Congress, who authorized the presidential call and who will pattern new legislation after study of the Conference reports.

Just as the first White House Conference stimulated a national awareness and interest which resulted in Medicare and Medicaid and the establishment of an Administration on Aging in the Health, Education, and Welfare Department, and other government agencies at state and local levels, so, it is expected, the second conference will result in still further progress. A basic objective, giving impetus and direction to the solution of numerous specific problems, is the development of a philosophy of aging, an attitude toward older Americans which would give them status as first-class citizens "fully participating in our national life."

The recommendations of the community and the state White House Conferences were forwarded to the Technical Committees of the Conference, who went to work early in the summer in preparation of background papers to serve as the basis for the work of the Conference. The November Conference will produce a full set of recommendations for action by governments and by private and voluntary groups. Its mission is to achieve four specific goals:

1. A more realistic and comprehensive national policy for older Americans
2. An aroused public awareness of older people's needs and concern for the development of their potential as a national resource
3. Better methods of developing and sustaining national, state, and local efforts, public and private, in the field of aging
4. National action to strengthen the means of older people for independent living and the improved use of their talents, and to lessen their isolation and increase their participation in family and community life

Perhaps in 1972 older Texans will begin to see solutions to those problems that "get worse the older you get."

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TEXAS CONSTRUCTION

Robert M. Lockwood

Residential construction continued its strong 1971 performance in September, gaining 50 percent over September 1970, according to the seasonally adjusted index of residential construction authorized in permit-reporting Texas urban places. September 1971 residential-sector performance held up fairly well even in comparison with the record levels of August 1971, declining only 3 percentage points from the fifteen-year high of 252 percent of the 1957-1959 average achieved in the preceding month.

Although declines from the record August levels depressed both the index of nonresidential and the index of total construction authorized in Texas, the September total, 269 percent of the 1957-1959 average, is also a record, having been surpassed only twice during the 297-month history of these indexes.

The distribution of the historically highest index numbers, both as to year and as to construction sector, fairly reflects the improvement in the construction economy generally in the state during the past year or so, especially in homebuilding. Of the twenty highest levels of the index of total construction authorized (adjusted for seasonal fluctuations), no less than nine were recorded in 1971. Thus every month for which data are available so far this year (January-September) has attained a remarkably high historic level in the index of total construction authorized. The lowest of the nine months, in fact, ranks no less than eighteenth on the historical list of 297 months.

Eight of the twenty highest residential-index levels were recorded during the nine months of 1971 for which data have so far become available. Seven of the 1971 figures are among the twenty highest achieved in the index of nonresidential construction permitted. Even more striking are the ten highest values of these indexes. The residential-index list includes six of the nine months so far reported in 1971, and the total-construction list numbers six 1971 months among the ten highest ever achieved. These superlatives must be tempered, of course, by the fact that the indexes disregard inflation.

Single-family housing continues to animate the construction economy of Texas, certainly to the extent that this sector is reflected in reported building-permit issues in urban places. During the first nine months of 1971, 12,402 more one-family houses were authorized in the permit-reporting cities of the state than during the first three quarters of 1970, a gain of 48.3 percent. The increase in value amounted to about 62 percent (\$248 million). The indicated average value per unit, however, rose only about 9 percent, from \$15,601 to \$17,036, roughly the same amount by which construction costs rose during this period, according to the U.S. Department of Commerce Composite Construction cost index. The real average value therefore may actually have declined.

One of the two tables accompanying this report, that tracing the relative and absolute growth of house-trailer registrations during the past four years, illustrates the extent to which this version of the one-family home, supported by new modes of financing, can alter the picture presented by conventional housing-unit-authorization statistics. Although the gain in house-trailer registrations appears to have leveled off, the 22,900 new mobile homes registered during the year ending with March 1970 coincided with a slump in single-family-home authorizations to increase the share of mobile homes to almost half of the combined total of new one-family houses authorized plus new mobile homes registered. Such figures as these, though they must be interpreted with some care, are certainly not meaningless. In a very real sense the net increase in the annual mobile-home registrations represents new one-family housing accommodations. In the Corpus Christi and Lubbock SMSA's, for example, in which considerable emergency housing shortages arose following natural disasters in the spring and summer of 1970, 1,681 single-family homes were authorized in building-permit-reporting communities in the three constituent counties (Lubbock, Nueces, and San Patricio) during the year ending March 31, 1971. The increase in mobile-home registrations in these two SMSA's during the same period amounted to 1,772 units. In both cases, of course, some of the homes authorized and the house trailers registered simply replaced older units which had been damaged or destroyed.

GROWTH OF HOUSE-TRAILER REGISTRATIONS COMPARED TO NEW HOUSING UNITS AUTHORIZED¹ IN TEXAS, 1968-1971

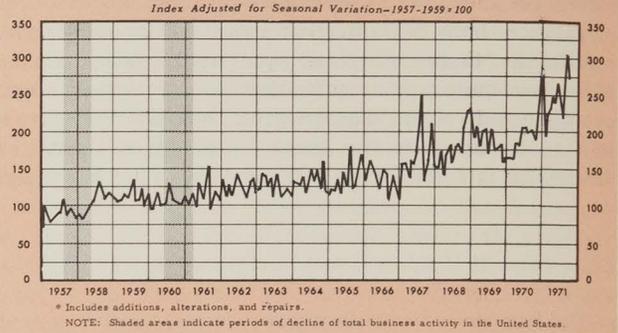
Type of unit	Year ending March 31 ²			
	1968	1969	1970	1971
One-family home	35,669	35,024	28,794	38,394
House trailer ³	8,526	18,956	22,912	23,696
Subtotal	44,195	53,980	51,706	62,090
Other new units ⁴	45,664	66,128	51,010	64,141
Total	89,859	120,108	102,716	126,231
Percent house trailers of subtotal	19.3	35.1	44.3	38.2
Percent house trailers of total	9.5	15.8	22.3	18.8

¹In urban places reporting building permits.
²Because motor-vehicle registrations are reported for the year ending March 31, annual totals for housing units authorized have been adjusted to the same 12-month period.
³Increase in registrations from previous year.
⁴Two-family and apartment units.

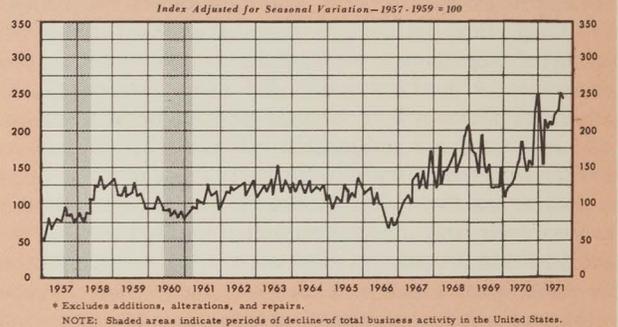
Sources: Bureau of Business Research and Motor Vehicle Division, Texas Highway Department.

These experiences were not unique. In the Dallas SMSA, for example, where 11,641 one-family homes were reported authorized during April 1970-March 1971, mobile-home registrations gained 3,395 during the same twelve months. The five-county Houston Standard Metropolitan Statistical Area authorized 3,782 one-family homes in its permit-issuing and reporting municipalities, but the gain in mobile-home registrations amounted to 4,641 units. Beau-

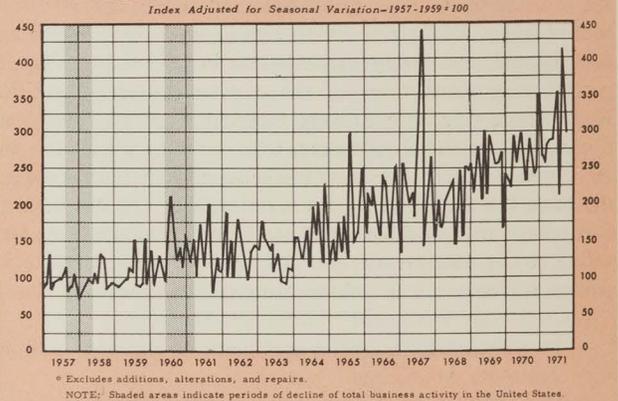
TOTAL BUILDING AUTHORIZED, TEXAS*



RESIDENTIAL BUILDING AUTHORIZED, TEXAS*



NONRESIDENTIAL BUILDING AUTHORIZED, TEXAS*



mont-Port Arthur-Orange reported 433 single-family homes permitted, but the two-county SMSA gained 1,114 registered mobile homes. The comparable figures for Austin were 2,209 homes and 671 house trailers.

During the past thirty-three months (January 1969-September 1971) the new-construction segment of estimated values (unadjusted for seasonal variations and price changes) of building reportedly authorized in Texas towns has varied between 86 and 92 percent of the total. The additions-alterations-repairs sector therefore has ranged between 8 and 14 percent of the unadjusted total estimate.

Absolutely, this sector is quite significant, representing since the beginning of 1969 anything from \$15.5 million (November 1969) to \$37.4 million (April 1971).

The tendency of both residential and nonresidential construction to be authorized in huge chunks—or chunks which bulk quite large in any one state or region—is borne out by the deep fluctuations in the respective shares of total estimated values of building reportedly authorized in Texas. The extremes since the beginning of 1969 have been 32 percent and 53 percent for the nonresidential sector. The absolute values have swung between \$53 million (November 1969) and \$136 million (June 1971). The lowest residential-authorizations estimate during this period, which was \$48.9 million in December 1969, represented only a third of the high of \$145.7 million (August 1971). The percentage share of the residential sector swung between 35 and 57 percent.

In unadjusted values of building authorized in the permit-reporting cities of the state almost all categories fell off from August, with the total losing 6 percent in September 1971. The exceptional cases were additions, alterations, and repairs, and three nonresidential categories. Additions, alterations, and repairs gained 14 percent in September, an absolute bulge of \$3.8 million. In addition to a gain of a million or so dollars in hotels, motels, and tourist courts, the works and utilities sector permitted an estimated \$16.3 million, and \$25.5 million were authorized for office-bank buildings (based on reporting cities).

Although most unadjusted dollar-value estimates fell from the August levels, practically every category improved its January-September performance of a year ago. Total construction gained about 30 percent, amounting to some \$5.3 billion. New construction accounted for about \$4.7 billion of that total. The largest single contributor to this gain in the cumulative figure through the first three quarters was residential construction, which gained some \$3.7 billion over the first nine months of 1970.

High vacancy rates and persistent overbuilding of apartments, especially in the Houston area, can depress this sector of the industry considerably unless more investors shift their attention to other projects. At least for the remainder of this year the homebuilding industry should continue to improve on recent years' performances. Mobile-home registrations ought to increase by at least another 20,000 units during calendar 1971. Such an increment of new housing units would amount to 40 percent of the roughly 50,000 one-family homes which probably will be authorized this year. Of the total number of housing units represented by reported one-family-dwelling authorizations and new mobile homes, the mobile homes could represent, for the calendar year 1971, some 40-45 percent.

The coverage achieved by the Bureau of Business Research in the twenty-four standard metropolitan statistical areas, which include some 8.3 million persons, is statistically equivalent to some 83 percent of the theoretical building-permit issues. Further coverage is provided for some areas—permit-issuing municipalities—outside the SMSA's. Considering the probable practical extent of this coverage and estimating the missing component, one can reasonably assume that building permits were issued in

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ESTIMATED VALUES OF BUILDING AUTHORIZED IN TEXAS*

Classification	Sep 1971 (thousands of dollars)	Jan-Sep 1971	Percent change	
			Sep 1971 from Aug 1971	Jan-Sep 1971 from Jan-Sep 1970
ALL PERMITS	278,733	2,300,265	- 6	30
New construction	247,575	2,052,689	- 8	30
Residential				
(housekeeping)	135,950	1,151,160	- 7	48
One-family dwellings	82,131	707,376	2	65
Multiple-family dwellings	53,819	443,784	- 17	27
Nonresidential buildings	111,625	901,529	- 9	13
Hotels, motels, and tourist courts	1,331	28,239	956	4
Amusement buildings	1,738	23,039	41	- 56
Churches	1,297	24,055	- 41	- 11
Industrial buildings	4,062	73,472	- 56	- 17
Garages (commercial and private)	592	32,305	- 97	116
Service stations	623	12,276	- 50	8
Hospitals and institutions	2,687	48,778	- 84	- 43
Office-bank buildings	38,255	262,030	201	45
Works and utilities	19,773	56,837	466	75
Educational buildings	24,627	162,514	- 35	45
Stores and mercantile buildings	13,978	143,714	- 11	**
Other buildings and structures	2,662	34,274	- 52	50
Additions, alterations, and repairs	31,158	247,576	14	27
SMSA vs. NON-SMSA				
Total SMSA†	253,239	2,072,149	- 4	31
Central Cities	187,352	1,431,652	14	26
Outside central cities	65,887	640,497	- 35	43
Total non-SMSA	25,494	228,116	- 19	18
10,000 to 50,000 population	12,242	115,625	- 10	8
Less than 10,000 population	13,252	112,491	- 26	30

* Only buildings for which permits were issued within the incorporated area of a city are included.

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

† Standard metropolitan statistical area as defined in 1960 Census and revised in 1968.

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U.S. Department of Commerce.

Texas towns during January-September 1971 authorizing the construction of some 45,000 single-family homes and about 60,000 housing units in duplexes and apartments. Including mobile homes, some 125,000 new housing units may have been made available in Texas so far this year, at a cost of around \$1.5 billion. At least another \$1 billion has been authorized for nonresidential construction and perhaps \$300 million for additions, alterations, and repairs.

TEXAS EARLY FALL CUCUMBERS

The U.S. Department of Agriculture and the Texas Department of Agriculture estimated that 3,500 acres of early fall cucumbers would be harvested in 1971—in the Texas High Plains, the San Antonio area, the Texas Winter Garden, the Coastal Bend, and the Lower Rio Grande Valley. Harvesting began in mid-July in the High Plains and in early September in the Winter Garden. In South Texas areas, where seeding is later, supplies will be available until December.

SECURITIES REGISTRATION IN TEXAS

Ernest W. Walker

The volume of securities certified for sale by the State Securities Commissioner in 1970 declined for the first time since 1963. While the total volume certified for sale in 1971 was 3 percent higher than in 1970, this increase, resulting from a growth in renewals rather than original applications, does not necessarily mean that the market for securities in Texas has "turned around." Several extremely encouraging signs, however, have appeared during the second half of 1971. An examination of the data for this period will isolate the implications which these occurrences may have for the securities industry during 1972.

The data contained in Table 1 reveal that the market for all types of securities remained weak and sluggish even though an increase of \$26.4 million, or 3 percent, was experienced in 1971. This conclusion is based on the fact that renewals increased \$71.5 million, or 18 percent, whereas original applications declined \$35.1 million, or 4.4 percent. Previous *Review* articles relating to securities registration have emphasized that renewals usually increase in volume at a more rapid rate during a depressed market than during a strong or bull market. This is exactly what happened during 1971, when renewals not only increased \$71.5 million in dollar value but rose also in relative importance. For example, during 1971 they accounted for 37.9 percent of all registrations; yet in those years when approved registrations experienced their greatest growth (1968 and 1969) renewals accounted for approximately 20 percent of the total. Renewals originating in mutual companies accounted for practically all of the activity in

this area. In fact, renewals originating from companies other than mutual investment companies actually declined \$3.6 million, or approximately 17 percent. This drop, of course, indicates that operating companies (financial as well as nonfinancial) are having more success than mutual investment companies in selling their securities within twelve months of the original certification date.

A comparison of this activity for the first and second halves of 1971 is quite revealing and should indicate what is likely to happen during the remainder of 1971 and in 1972. Renewals for the first half of 1971 amounted to \$248.3 million, or 53 percent of all renewals approved during this year. What is more important, however, is that while renewals in the first half accounted for 44.9 percent of all securities approved for sale, they accounted for only 32.2 percent of the total during the second half of fiscal 1971. Obviously, this fact means that firms are beginning to have greater success in selling their securities during the first twelve months after their approval for sale by the Commissioner, thus precluding the need for their renewal.

Original registrations that were approved for sale show that some definite trends are beginning to materialize. Stated differently, while total original applications decreased 4.4 percent throughout all of 1971, certain components of this total experienced substantial increases. To illustrate, securities submitted for approval by firms which intended to use the capital for operational purposes increased \$55.8 million, or 12.5 percent; on the other hand, securities issued by mutual investment companies decreased \$91 million, or 25.4 percent, relative to 1970.

A comparison of the second half of 1971 with the first half emphasizes the improvement that is taking place in certain areas. To illustrate, 65.6 percent of the volume of applications approved for sale for firms other than mutual investment companies came during the second half of 1971,

Table 1

SECURITIES REGISTRATION IN TEXAS, 1969-1970 (Millions of dollars)

	First half			Second half			Full year		
	1969-1970	1970-1971	Percent change	1969-1970	1970-1971	Percent change	1969-1970	1970-1971	Percent change
Original applications									
Mutual investment companies	215.7	132.1	- 38.8	142.9	135.6	- 5.1	358.6	267.7	- 25.4
Other corporate securities									
Texas companies	71.7	74.0	3.2	72.5	131.3	81.1	144.2	205.3	42.4
Other companies	163.0	98.8	- 39.4	138.6	197.6	42.6	301.6	296.4	- 1.7
Subtotal	234.7	172.8	- 26.4	211.1	328.9	55.8	445.8	501.7	12.5
Total original applications	450.4	304.9	- 32.3	354.0	464.5	31.2	804.4	769.4	- 4.4
Renewal applications									
Mutual investment companies	190.1	244.0	28.4	185.7	206.7	11.3	375.8	450.7	19.9
Other corporate securities									
Texas companies	1.0	1.8	80.0	8.3	7.7	- 7.2	9.3	9.5	2.2
Other companies	2.6	4.5	73.1	9.4	3.8	- 59.6	12.0	8.3	- 30.8
Subtotal	3.6	6.3	75.0	17.7	11.4	- 35.6	21.3	17.7	- 16.9
Total renewals	193.7	248.3	28.2	203.4	220.3	8.3	397.1	468.6	18.0
GRAND TOTAL	644.1	553.2	- 14.1	557.4	684.8	22.9	1201.5	1238.0	3.0

Table 2

**SECURITIES REGISTRATION IN TEXAS
RENEWALS, FISCAL YEARS 1961-1971**

Years	All applications (millions of dollars)	Renewals (millions of dollars)	Renewals as percent of total
1971	1,238.0	468.6	37.9
1970	1,201.6	397.1	33.0
1969	1,531.6	333.7	21.8
1968	1,087.7	214.3	19.7
1967	624.2	162.0	26.0
1966	539.9	146.8	27.2
1965	385.1	101.8	26.4
1964	321.1	104.7	32.6
1963	249.3	97.9	39.3
1962	357.3	100.5	28.1
1961	351.6	83.1	23.6

Table 3

**DOLLAR VALUE AND PERCENT INCREASE
OF ALL APPLICATIONS AND ORIGINAL APPLICATIONS
AUTHORIZED FOR SALE DURING FISCAL 1961-1971
(Millions of dollars)**

Year	Total applications		Original applications	
	Dollar value	Percent increase over previous year	Dollar value	Percent increase over previous year
1971	1,238.0	3.0	760.4	- 5.5
1970	1,201.6	- 21.6	804.5	- 32.9
1969	1,531.6	40.8	1,197.9	37.2
1968	1,087.7	69.4	873.4	89.0
1967	642.2	18.9	462.2	17.6
1966	540.1	40.2	393.1	38.8
1965	385.1	19.9	283.3	30.9
1964	321.1	28.8	216.4	42.9
1963	249.3	- 30.2	151.4	- 41.1
1962	357.3	1.6	256.8	4.4
1961	351.6	33.1	268.5	38.4

Table 4

**DOLLAR VOLUME OF APPLICATIONS WITHDRAWN
FISCAL 1970-1971
(Thousands of dollars)**

	1970	1971
Amendment	\$ 0	\$ 102
Coordination	170,000	98,317
Notification	825	826
Qualification	7,778	7,827
Renewals	241	1,335
	<hr/>	<hr/>
	\$178,844	\$108,407

a situation which means, of course, that operating companies were either experiencing an improvement in their operations or expecting an improvement to materialize.

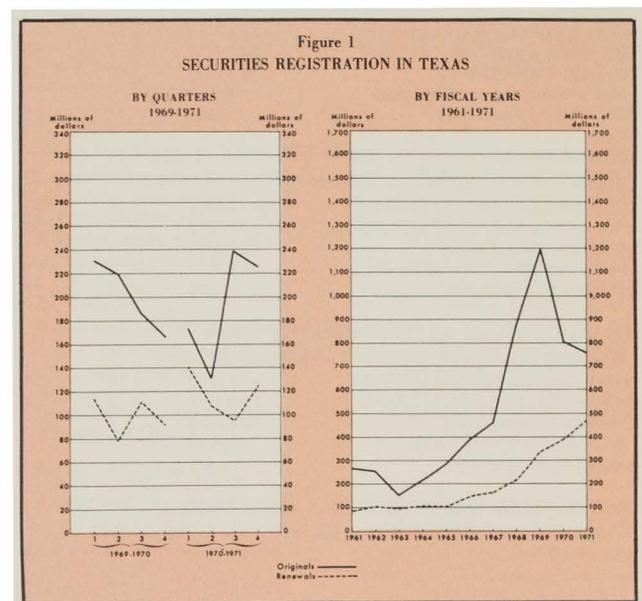
An examination of original issues by quarters allows a reasonable degree of optimism. Without exception original applications declined in every quarter of 1970. While a slight recovery developed during the first quarter of 1971, the volume for the second quarter dropped to its lowest point in several years. A tremendous recovery in the third quarter brought an increase of \$107.9 million, or 82 percent. Although a slight decline occurred during the fourth quarter, the volume of original applications autho-

rized for sale was still about \$58 million, or 34 percent, higher than that in the same period in 1970.

Especially important is the fact that original applications of Texas companies accounted for the entire increase, that is, approved applications of Texas companies increased \$61.1 million, or 42.4 percent, during the year, but approved applications of other companies decreased \$5.2 million, or 1.7 percent. It is equally significant that \$58.8 million, or 96 percent, of the growth experienced by Texas companies came during the latter half of 1971. In addition, while the total volume of approved applications of other corporations suffered an overall decrease during 1971, approved applications increased 42.6 percent during the second half of this fiscal year.

These data suggest that while the remainder of 1971 and 1972 may not provide a "bull" market, the period will offer a much more favorable reception for securities. Further evidence which tends to support this conclusion is that the dollar volume of withdrawals declined substantially in 1971 as compared with 1970. The analysis of 1970 securities data in the October 1970 issue of the *Texas Business Review* indicated that during 1970 the dollar value of withdrawals rose to their highest level in ten years. In 1971 withdrawals declined \$108.4 million, or 39 percent (Table 4). This change is very encouraging, since it indicates the issuers' belief that their securities will be sold at acceptable prices and their willingness to leave them in the market place. Not all withdrawals, of course, result from a depressed market, but it is obvious that a depressed market influences these statistics.

The situation suggests that companies should find a more receptive market for their securities during 1972 than has prevailed since 1969. Along with a continued increase in the volume of original applications being approved for sale should come a decline in the relative importance of renewals; in other words, the market will accept a greater proportion of the securities which have been and will be offered for sale.



LOCAL BUSINESS CONDITIONS

Statistical data compiled by Mildred Anderson, statistical associate, Constance Cooledge and Glenda Riley, statistical assistants, and Kay Davis, statistical technician.

The indicators of local business conditions in Texas which are included in this section are statistics on bank debits, urban building permits, and employment. The data are reported by metropolitan areas in the first table below and by municipalities within counties in the second table.

Standard metropolitan statistical areas (SMSA's) in Texas are defined by county lines; in the first table the counties included in the area are listed under each SMSA. Since the Longview-Kilgore-Gladewater area is functioning as a significant metropolitan complex in its region, although not officially designated as an SMSA by the Bureau of the Census, data for this area have been included in the table for SMSA's. In both tables the populations shown for the SMSA's and for the counties are the preliminary population counts of the 1970 Census. In the second table the population values for individual municipalities are also preliminary counts of the 1970 Census, unless otherwise indicated. Population estimates made for municipalities in noncensus years are commonly based on utility connections, and these estimates are subject to the errors inherent in a process dependent on base ratios derived in 1960.

The values of urban building permits have been collected from participating municipal authorities by the Bureau of Business Research in cooperation with the Bureau of the Census of the U.S. Department of Commerce. Inasmuch as building permits are not required by county authorities, it must be emphasized that the reported permits reflect construction intentions only in incorporated places. Permits are reported for residential and nonresidential building only, and do not include public-works projects such as roadways, waterways, or reservoirs; nor do they include construction let under federal contracts.

The values of bank debits for all SMSA's and for most central cities of the SMSA's have been collected by the Federal Reserve Bank of Dallas. Bank debits for the remaining municipalities have been collected from cooperating banks by the Bureau of Business Research.

Employment estimates are compiled by the Texas Employment Commission in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor.

Footnote symbols are defined on pp. 249 and 256.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR STANDARD METROPOLITAN STATISTICAL AREAS September 1971

Reported area and indicator	Percent change from		
	Sep 1971	Aug 1971	Sep 1970
ABILENE SMSA			
Jones and Taylor Counties; population 113,959			
Urban building permits (dollars)	1,922,365	250	280
Bank debits, seas. adj. (\$1,000)	191,217	- 9	10
Nonfarm employment	41,450	**	1
Manufacturing employment	5,930	1	8
Unemployed (percent)	3.6	- 12	9
AMARILLO SMSA			
Potter and Randall Counties; population 144,396			
Urban building permits (dollars)	6,754,928	375	144
Bank debits, seas. adj. (\$1,000)	584,837	5	14
Nonfarm employment	65,400	**	3
Manufacturing employment	8,560	- 1	3
Unemployed (percent)	3.9	**	15
AUSTIN SMSA			
Travis County; population 295,516			
Urban building permits (dollars)	35,470,358	268	339
Bank debits, seas. adj. (\$1,000)	936,875	- 5	34
Nonfarm employment	134,500	1	6
Manufacturing employment	12,260	- 1	1
Unemployed (percent)	2.4	- 4	- 11
BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Jefferson and Orange Counties; population 315,943			
Urban building permits (dollars)	5,678,780	116	320
Bank debits, seas. adj. (\$1,000)	550,101	- 5	9
Nonfarm employment	122,000	2	1
Manufacturing employment	37,800	1	1
Unemployed (percent)	5.1	- 12	13
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Cameron County; population 140,368			
Urban building permits (dollars)	3,170,541	17	907
Bank debits, seas. adj. (\$1,000)	156,365	10	10
Nonfarm employment	39,850	- 4	3
Manufacturing employment	5,990	- 5	6
Unemployed (percent)	7.6	- 1	15

Reported area and indicator	Percent change from		
	Sep 1971	Aug 1971	Sep 1970
BRYAN-COLLEGE STATION SMSA			
Brazos County; population 57,978			
Urban building permits (dollars)	905,416	- 12	- 67
Bank debits (\$1,000)	96,142	- 4	13
(Monthly employment reports are not available for the Bryan-College Station SMSA.)			
CORPUS CHRISTI SMSA			
Nueces and San Patricio Counties; population 284,832			
Urban building permits (dollars)	9,321,672	38	408
Bank debits, seas. adj. (\$1,000)	527,453	- 3	7
Nonfarm employment	95,400	- 1	- 1
Manufacturing employment	11,210	- 2	- 3
Unemployed (percent)	4.8	7	- 19
DALLAS SMSA			
Collin, Dallas, Denton, Ellis, Kaufman, and Rockwall Counties; population 1,555,950			
Urban building permits (dollars)	60,637,822	- 5	29
Bank debits, seas. adj. (\$1,000)	12,103,633	7	13
Nonfarm employment	716,600	**	- 1
Manufacturing employment	142,225	**	- 9
Unemployed (percent)	3.4	- 17	6
(Values for the construction of the Dallas-Fort Worth Regional Airport [\$45.5 million] are not included because the projected airport is not within an urban permit-issuing area.)			
EL PASO SMSA			
El Paso County; population 359,291			
Urban building permits (dollars)	14,823,006	61	- 25
Bank debits, seas. adj. (\$1,000)	788,940	9	27
Nonfarm employment	119,600	3	2
Manufacturing employment	25,750	4	3
Unemployed (percent)	4.8	- 9	- 4
FORT WORTH SMSA			
Johnson and Tarrant Counties; population 762,086			
Urban building permits (dollars)	29,336,378	45	52
Bank debits, seas. adj. (\$1,000)	2,302,292	- 7	21

Reported area and indicator	Percent change from		
	Sep 1971	Aug 1971	Sep 1970
FORT WORTH SMSA (Continued)			
Nonfarm employment	292,400	2	- 3
Manufacturing employment	73,250	3	- 18
Unemployed (percent)	5.2	- 19	33
(Values for the construction of the Dallas-Fort Worth Regional Airport [\$45.5 million] are not included because the projected airport is not within an urban permit-issuing area.)			
GALVESTON-TEXAS CITY SMSA			
Galveston County; population 169,812			
Urban building permits (dollars)	2,120,223	64	14
Bank debits, seas. adj. (\$1,000)	280,562	14	13
Nonfarm employment	59,000	1	- 10
Manufacturing employment	11,400	**	- 4
Unemployed (percent)	5.1	- 19	16
HOUSTON SMSA			
Brazoria, Fort Bend, Harris, Liberty, and Montgomery Counties; population 1,985,031			
Urban building permits (dollars)	40,133,201	- 53	- 34
Bank debits, seas. adj. (\$1,000)	10,378,375	3	24
Nonfarm employment	884,800	**	1
Manufacturing employment	148,600	1	2
Unemployed (percent)	3.1	- 3	15
LAREDO SMSA			
Webb County; population 72,859			
Urban building permits (dollars)	465,525	10	66
Bank debits, seas. adj. (\$1,000)	88,738	- 1	16
Nonfarm employment	24,900	**	**
Manufacturing employment	1,480	**	- 2
Unemployed (percent)	9.0	- 3	6
LONGVIEW-KILGORE-GLADEWATER METROPOLITAN AREA			
Gregg County; population 75,929			
Urban building permits (dollars)	974,205	- 53	- 71
Bank debits (\$1,000)	129,643	3	12
Nonfarm employment	35,950	1	1
Manufacturing employment	10,330	- 1	3
Unemployed (percent)	4.6	- 4	2
(Building permits and bank debits are included for those portions of Kilgore and Gladewater in Rusk County and Upshur County.)			
LUBBOCK SMSA			
Lubbock County; population 179,295			
Urban building permits (dollars)	3,011,199	- 33	67
Bank debits, seas. adj. (\$1,000)	473,472	- 8	10
Nonfarm employment	66,400	1	6
Manufacturing employment	7,820	1	13
Unemployed (percent)	4.2	- 7	2
McALLEN-PHARR-EDINBURG SMSA			
Hidalgo County; population 181,535			
Urban building permits (dollars)	2,058,464	- 15	- 10
Bank debits, seas. adj. (\$1,000)	151,191	5	19
Nonfarm employment	40,500	- 3	- 4
Manufacturing employment	3,075	- 2	- 21
Unemployed (percent)	6.9	- 7	6
MIDLAND SMSA			
Midland County; population 65,433			
Urban building permits (dollars)	313,145	- 46	- 27
Bank debits, seas. adj. (\$1,000)	189,107	5	8
Nonfarm employment	62,300	1	2
Manufacturing employment	5,320	- 3	7
Unemployed (percent)	4.0	- 2	8
(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)			

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

Reported area and indicator	Percent change from		
	Sep 1971	Aug 1971	Sep 1970
ODESSA SMSA			
Ector County; population 91,805			
Urban building permits (dollars)	520,855	- 45	- 65
Bank debits, seas. adj. (\$1,000)	147,589	1	9
Nonfarm employment	62,300	1	2
Manufacturing employment	5,320	- 3	7
Unemployed (percent)	4.0	- 2	8
(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)			
SAN ANGELO SMSA			
Tom Green County; population 71,047			
Urban building permits (dollars)	481,581	- 22	30
Bank debits, seas. adj. (\$1,000)	119,416	- 7	17
Nonfarm employment	24,250	2	1
Manufacturing employment	4,210	**	5
Unemployed (percent)	3.7	- 12	- 8
SAN ANTONIO SMSA			
Bexar and Guadalupe Counties; population 864,014			
Urban building permits (dollars)	12,277,438	28	63
Bank debits, seas. adj. (\$1,000)	1,797,735	- 2	25
Nonfarm employment	293,600	- 1	1
Manufacturing employment	35,250	**	4
Unemployed (percent)	5.1	- 7	- 4
SHERMAN-DENISON SMSA			
Grayson County; population 83,225			
Urban building permits (dollars)	486,309	- 9	- 26
Bank debits, seas. adj. (\$1,000)	97,713	- 1	9
(Monthly employment reports are not available for the Sherman-Denison SMSA.)			
TEXARKANA SMSA			
Bowie County, Texas, and Miller County, Arkansas; population 101,198			
Urban building permits (dollars)	301,025	- 38	7
Bank debits, seas. adj. (\$1,000)	134,286	1	8
Nonfarm employment	40,150	**	- 1
Manufacturing employment	9,120	**	- 13
Unemployed (percent)	5.2	- 9	- 30
(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			
Urban building permits (dollars)	630,317	- 75	11
Bank debits, seas. adj. (\$1,000)	206,736	- 1	13
Nonfarm employment	39,300	**	**
Manufacturing employment	12,130	**	2
Unemployed (percent)	4.2	- 11	31
WACO SMSA			
McLennan County; population 147,553			
Urban building permits (dollars)	2,422,519	148	131
Bank debits, seas. adj. (\$1,000)	292,844	- 6	24
Nonfarm employment	58,900	2	- 1
Manufacturing employment	12,030	2	- 5
Unemployed (percent)	4.1	- 13	5
WICHITA FALLS SMSA			
Archer and Wichita Counties; population 127,621			
Urban building permits (dollars)	2,879,928	64	285
Bank debits, seas. adj. (\$1,000)	220,608	- 6	14
Nonfarm employment	49,400	- 1	3
Manufacturing employment	6,010	**	12
Unemployed (percent)	2.9	- 12	- 3

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR INDIVIDUAL MUNICIPALITIES
SEPTEMBER 1971

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
ANDERSON Palestine	27,789 14,525	72,800	36	- 37	23,238	7	20
ANDREWS Andrews	10,372 8,625	7,150	- 95	- 58	8,002	- 11	- 11
ANGELINA Lufkin	49,349 23,049	734,335	16	- 59	...	...	...
ARANSAS Aransas Pass	8,902 5,813	55,050	- 96	...	13,258	- 1	32
ATASCOSA Pleasanton	18,696 5,407	...	...	...	6,457	14	3
AUSTIN Bellville	13,831 2,371	52,100	- 27	...	8,045	- 3	12
BAILEY Muleshoe	8,487 4,525	...	...	...	13,044	- 16	9
BASTROP Smithville	17,297 2,959	7,327	- 64	266	2,553	- 9	- 7
BEE Beeville	22,737 13,506	720,170	318	...	20,327	- 8	5
BELL Bartlett	124,483 1,622	...	...	...	1,373	- 18	- 24
Belton	8,696	83,000	- 29	...	...	...	...
Killeen	35,507	750,251	- 44	83	45,631	6	28
Temple	33,431	1,402,282	175	- 36	64,158	- 8	8
BEXAR (In San Antonio SMSA) San Antonio	830,460 654,153	11,740,648	30	67	1,736,109	1	25
BOWIE (In Texarkana SMSA) Texarkana	67,813 52,179	225,575	- 53	- 14	118,839	- 2	7
BRAZORIA (In Houston SMSA) Angleton	108,312 9,770	18,700	- 54	- 37	18,883	2	10
Clute	6,023	37,650	- 38	...	5,185	- 19	**
Freeport	11,997	4,530	- 84	- 98	35,640	5	20
Pearland	6,444	615,000	61	192	8,550	1	**
BRAZOS (Constitutes Bryan- College Station SMSA) Bryan	57,978 33,719	819,316	45	19	84,442	- 4	12
College Station	17,676	86,100	- 81	- 96	11,700	- 3	14
BREWSTER Alpine	7,780 5,971	46,100	...	- 46	5,627	8	**
BROWN Brownwood	25,877 17,368	168,650	- 11	21	...	...	...
BURLESON Caldwell	9,999 2,308	...	...	...	4,246	- 12	17
BURNET Marble Falls	11,420 2,209	...	...	...	6,898	- 9	30
CALDWELL Lockhart	21,178 6,489	125,025	- 36	...	8,684	- 7	9
CAMERON (Constitutes Brownsville- Harlingen-San Benito SMSA) Brownsville	140,368 52,522	2,626,400	25	...	70,685	- 7	22
Harlingen	33,503	496,295	- 14	240	88,434	- 23	9
La Feria	2,642	2,850	470	124	3,108	3	6
Los Fresnos	1,297	...	...	...	3,825	7	4
Port Isabel	3,067	...	...	...	4,033	- 3	20
San Benito	15,176	28,596	4	142	9,594	- 6	4

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
CASTRO Dimmitt	10,394 4,327	...	...	...	22,880	- 2	32
CHEROKEE Jacksonville	32,008 9,734	40,450	- 42	- 66	26,325	- 3	18
COLEMAN Coleman	10,288 5,608	0	...	...	17,951	**	...
COLLIN (In Dallas SMSA)	66,920						
McKinney	15,193	195,394	- 89	438	14,580	- 7	6
Plano	17,872	1,680,110	6	129	20,599	15	...
COLORADO Eagle Lake	17,638 3,587	...	...	...	8,161	22	- 26
COMAL New Braunfels	24,165 17,859	360,700	- 52	38	26,845	7	27
COOKE Gainesville Muenster	23,471 13,830 1,411	350,740 12,000	- 11 - 33	299 97	19,101 3,381	- 3 - 14	6 **
CORYELL Copperas Cove Gatesville	35,311 10,818 4,683	409,163 ...	- 39 ...	60 ...	4,378 9,960	- 3 1	- 5 18
CRANE Crane	4,172 3,427	21,000	10	600	2,747	9	23
DALLAS (In Dallas SMSA)	1,327,321						
Carrollton	13,855	1,365,931	- 61	- 52	...	...	...
Dallas	844,401	36,430,903	- 9	67	10,754,170	5	12
Farmers Branch	27,492	500,687	- 44	66	25,333	3	34
Garland	81,437	8,367,788	4	71	66,067	- 10	7
Grand Prairie	50,904	2,904,021	20	64	37,942	5	29
Irving	97,260	1,305,224	- 40	- 82	96,491	5	37
Lancaster	10,522	914,700	95	318	8,222	- 8	6
Mesquite	55,131	2,767,642	25	57	29,351	9	42
Richardson	48,582	1,363,639	- 28	23	...	...	...
Seagoville	4,390	155,075	...	86	7,246	- 5	- 35
DAWSON Lamesa	16,604 11,559	40,915	159	582	21,464	- 17	24
DEAF SMITH Hereford	18,999 13,414	51,900	- 89	- 84	...	...	...
DENTON (In Dallas SMSA)	75,633						
Denton	39,874	1,544,550	18	100	73,984	11	36
Justin	741	0	...	...	1,470	**	23
Lewisville	9,264	...	...	...	16,121	- 12	40
Pilot Point	1,663	89,700	242	79	3,519	4	38
DE WITT Yoakum	18,660 5,755	175,350	- 11	501	13,222	- 1	19
EASTLAND Cisco	18,092 4,160	...	...	...	4,983	3	14
ECTOR (Constitutes Odessa SMSA)	91,805						
Odessa	78,380	520,855	- 45	- 65	138,994	4	7
ELLIS (In Dallas SMSA)	46,638						
Ennis	11,046	...	...	...	10,197	- 4	21
Midlothian	2,322	144,000	...	737	2,710	- 8	54
Waxahachie	13,452	126,520	5	48	21,120	9	23
EL PASO (Constitutes El Paso SMSA)	359,291						
El Paso	322,261	14,823,006	61	- 25	727,403	11	27
ERATH Stephenville	18,191 9,277	90,100	- 19	- 64	16,343	1	7
FANNIN Bonham	22,705 7,698	150,050	110	18	13,749	8	21

COUNTY City	Population*	Urban building permits			Bank debits			
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from		
			Aug 1971	Sep 1970		Aug 1971	Sep 1970	
FAYETTE	17,650							
Schulenburg	2,294	17,500	- 41	573	...	...	...	...
FORT BEND	52,314							
(In Houston SMSA)								
Richmond	5,777	394,500	143	368	12,538	10	32	...
Rosenburg	12,098	37,500	- 72	- 62	9,850	- 7	...	...
GAINES	11,593							
Seagraves	2,440	1,300	- 99	160	2,773	- 36	20	...
Seminole	5,007	54,375	213	86	7,936	- 25	57	...
GALVESTON	169,812							
(Constitutes Galveston-Texas City SMSA)								
Dickinson	10,776	...	...	...	15,163	- 1	14	...
Galveston	61,809	1,211,164	280	- 17	176,248	15	19	...
La Marque	16,131	41,712	130	185	19,442	- 5	- 2	...
Texas City	38,908	867,347	- 9	120	34,150	5	- 2	...
GILLESPIE	10,553							
Fredericksburg	5,326	105,890	31	54	18,009	5	1	...
GONZALES	16,375							
Nixon	1,925	24,000	118	- 50	...	...	...	...
GRAY	26,949							
Pampa	21,726	28,100	- 48	- 48	39,668	- 2	16	...
GRAYSON	83,225							
(Constitutes Sherman- Denison SMSA)								
Denison	24,923	74,901	- 65	- 27	30,337	3	4	...
Sherman	29,061	411,408	43	- 4	55,598	- 1	6	...
GREGG	75,929							
(Constitutes Longview-Kilgore- Gladewater Metropolitan Area)								
Gladewater	5,574	48,255	- 70	- 3	6,685	- 6	22	...
Kilgore	9,495	37,450	- 58	- 92	20,030	2	14	...
Longview	45,547	888,500	- 51	- 69	102,928	4	11	...
GUADALUPE	33,554							
(In San Antonio SMSA)								
Schertz	4,061	47,000	21	...	1,296	8	29	...
Seguin	15,934	209,600	15	- 2	23,634	- 1	8	...
HALE	34,137							
Hale Center	1,964	22,100	- 82	156	...	...	...	...
Plainview	19,096	206,150	- 60	11	52,953	- 13	4	...
HARDEMAN	6,795							
Quanah	3,948	0	...	...	6,357	15	18	...
HARDIN	29,996							
Silsbee	7,271	...	...	...	12,180	- 4	17	...
HARRIS	1,741,912							
(In Houston SMSA)								
Baytown	43,980	755,474	11	101	64,517	- 9	3	...
Bellaire	19,009	169,339	- 28	61	64,289	**	27	...
Deer Park	12,773	126,565	- 94	- 66	11,841	- 14	15	...
Houston	1,232,802	32,996,615	- 45	- 42	9,352,816	5	24	...
Humble	3,278	77,912	- 96	- 25	9,506	- 20	- 2	...
La Porte	7,149	281,500	30	...	4,985	7	- 7	...
Pasadena	89,277	1,608,221	- 91	207	123,162	- 4	12	...
South Houston	11,527	280,500	316	658	...	...	...	...
Tomball	2,734	...	...	...	18,859	1	12	...
HARRISON	44,841							
Hallsville	1,038	...	...	...	1,262	- 3	- 2	...
Marshall	22,937	...	...	...	26,893	- 8	- 6	...
HASKELL	8,512							
Haskell	3,655	19,000	- 30	4	...	...	...	...
HAYS	27,642							
San Marcos	18,860	316,700	- 39	- 50	16,450	- 1	15	...

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
HENDERSON	26,466						
Athens	9,582	51,000	- 76	245	17,912	- 6	18
HIDALGO (Constitutes McAllen-Pharr- Edinburg SMSA)	181,535						
Alamo	4,291	10,629	- 39	...	3,570	2	8
Donna	7,365	28,005	- 11	139	4,963	1	- 7
Edinburg	17,163	150,040	- 52	- 22	33,914	**	53
Elsa	4,400	6,500	- 49	28	4,845	- 11	- 7
McAllen	37,636	1,197,735	- 19	24	52,932	- 2	16
Mercedes	9,355	200	...	- 99	10,405	- 8	- 40
Mission	13,043	224,730	261	121	19,783	- 7	21
Pharr	15,829	65,550	62	51	7,289	- 2	15
San Juan	5,070	41,200	240	...	4,608	12	9
Weslaco	15,313	333,875	- 6	- 55	18,930	2	21
HOCKLEY	20,396						
Levelland	11,445	94,950	- 51	- 58	22,267	- 9	20
HOOD	6,368						
Granbury	2,473	...	...	...	3,579	13	35
HOPKINS	20,710						
Sulphur Springs	10,642	168,400	- 47	- 30	28,526	2	16
HOWARD	37,796						
Big Spring	28,735	71,837	- 47	151	58,419	- 4	14
HUNT	47,948						
Greenville	22,043	319,590	135	982	31,326	9	16
HUTCHINSON	24,443						
Borger	14,195	24,580	305	100	...	...	...
JACKSON	12,975						
Edna	5,332	28,053	- 13	33	12,327	6	39
JASPER	24,692						
Jasper	6,251	75,900	237	- 92	16,960	- 9	12
Kirbyville	1,869	...	...	...	2,943	- 11	- 1
JEFFERSON	244,773						
(In Beaumont-Port Arthur- Orange SMSA)							
Beaumont	115,919	3,283,513	100	247	317,876	- 7	3
Groves	18,067	807,743	60	...	17,700	- 6	18
Nederland	16,810	...	...	...	11,776	- 3	8
Port Arthur	57,371	1,259,133	166	634	106,930	3	25
Port Neches	10,894	138,525	- 57	128	18,205	2	3
JIM WELLS	33,032						
Alice	20,121	217,035	63	119	51,129	18	14
JOHNSON	45,769						
(In Fort Worth SMSA)							
Cleburne	16,015	179,870	21	- 28	22,735	- 4	7
KARNES	13,462						
Karnes City	2,926	36,550	111	205	...	...	...
KAUFMAN	32,392						
(In Dallas SMSA)							
Terrell	14,182	148,100	- 49	- 12	...	...	...
KIMBLE	3,904						
Junction	2,654	...	...	...	3,193	3	18
KLEBERG	33,166						
Kingsville	28,711	301,001	- 30	53	25,663	- 6	2
LAMAR	36,062						
Paris	23,441	688,219	334	126	...	...	...
LAMB	17,770						
Littlefield	6,738	46,500	323	...	8,787	- 29	- 4
LAMPASAS	9,323						
Lampasas	5,922	...	...	...	11,653	- 2	9

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
LAVACA	17,903						
Hallettsville	2,712	12,900	- 59	- 83	5,192	2	19
Yoakum	5,755	175,350	- 11	501	13,222	- 1	19
LEE	8,048						
Giddings	2,783	70,540	98	178	6,897	- 4	6
LIBERTY	33,014						
(In Houston SMSA)							
Dayton	3,804	44,000	- 16	8	8,256	5	23
Liberty	5,591	113,800	262	494	16,608	12	12
LIMESTONE	18,100						
Mexia	5,943	10,100	- 62	- 97	9,690	2	11
LLANO	6,979						
Kingsland (1969)	1,200	...	...	...	8,733	18	61
Llano	2,608	...	...	...	7,263	- 11	13
LUBBOCK	179,295						
(Constitutes Lubbock SMSA)							
Lubbock	149,101	2,920,299	- 34	70	371,030	- 6	11
Slaton	6,583	73,900	183	...	5,880	- 7	- 4
LYNN	9,107						
Tahoka	2,956	0	...	...	4,634	- 51	20
McCULLOCH	8,571						
Brady	5,557	36,300	- 62	- 39	10,922	16	19
McLENNAN	147,553						
(Constitutes Waco SMSA)							
McGregor	4,365	18,000	- 11	145	5,496	- 7	7
Waco	95,326	2,381,169	160	154	272,036	- 3	25
MATAGORDA	27,913						
Bay City	11,733	14,300	- 30	- 83	30,112	13	8
MAVERICK	18,093						
Eagle Pass	15,364	182,400	- 87	71	14,368	- 3	29
MEDINA	20,249						
Castroville	1,893	...	...	...	1,690	9	6
Hondo	5,487	18,460	- 72	- 50	5,456	8	7
MIDLAND	65,433						
(Constitutes Midland SMSA)							
Midland	59,463	313,145	- 46	- 27	176,762	1	8
MILAM	20,028						
Cameron	5,546	59,175	143	810	9,385	- 2	13
Rockdale	4,655	63,040	369	...	8,158	- 1	4
MILLS	4,212						
Goldthwaite	1,693	...	...	...	6,609	- 3	8
MITCHELL	9,073						
Colorado City	5,227	...	...	...	5,770	- 12	9
MONTGOMERY	49,479						
(In Houston SMSA)							
Conroe	11,969	1,014,027	490	...	45,504	- 7	27
MOORE	14,060						
Dumas	9,771	133,108	- 15	606	...	...	...
NACOGDOCHES	36,362						
Nacogdoches	22,544	853,230	120	259	...	...	...
NAVARRO	31,150						
Corsicana	19,972	489,067	...	- 70	33,931	- 4	9
NOLAN	16,220						
Sweetwater	12,020	50,950	539	973	21,730	- 7	27
NUECES	237,544						
(In Corpus Christi SMSA)							
Bishop	3,466	24,900	...	...	3,112	- 6	- 25
Corpus Christi	204,525	8,864,184	77	...	463,010	- 1	8
Port Aransas	1,218	...	...	...	1,272	- 14	9
Robstown	11,217	92,855	- 29	111	24,543	- 9	17

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
ORANGE (In Beaumont-Port Arthur- Orange SMSA)	71,170						
Orange	24,457	164,379	- 9	64	...	...	...
PALO PINTO Mineral Wells	28,962 18,411	16,380	- 53	- 85	29,429	- 2	- 9
PANOLA Carthage	15,894 5,392	407,250	...	757	5,723	- 3	11
PARKER Weatherford	33,888 11,750	164,500	- 56	- 57	26,851	- 4	26
PARMER Friona	10,509 3,111	130,000	330	- 21	19,619	- 10	- 23
PECOS Fort Stockton	13,748 8,283	18,300	- 78	- 46	11,995	6	34
POTTER (In Amarillo SMSA)	90,511						
Amarillo	127,010	6,732,928	403	281	545,464	7	14
RANDALL (In Amarillo SMSA)	53,885						
Amarillo (See Potter) Canyon	8,333	22,000	- 74	- 98	14,841	36	55
REEVES Pecos	16,526 12,682	37,500	107	- 42	20,555	- 15	14
REFUGIO Refugio	9,494 4,340	1,200	- 98	...	4,617	- 3	- 1
RUSK Henderson Kilgore	34,102 10,187 9,495	87,530 37,450	- 67 - 58	- 27 - 92	22,847 20,030	6 2	19 14
SAN PATRICIO (In Corpus Christi SMSA)	47,288						
Aransas Pass	5,813	55,050	- 96	...	13,258	- 1	32
Sinton	5,563	81,294	...	...	10,234	- 15	- 4
SAN SABA San Saba	5,540 2,555	14,400	- 97	- 71	10,602	28	14
SCURRY Snyder	15,760 11,171	139,300	- 2	- 21	18,476	- 13	18
SHACKELFORD Albany	3,323 1,978	0	...	...	3,729	- 4	22
SHERMAN Stratford	3,657 2,139	0	...	...	13,458	- 10	17
SMITH (Constitutes Tyler SMSA)	97,096						
Tyler	57,770	605,567	- 76	7	187,572	**	12
STEPHENS Breckenridge	8,414 5,944	14,000	- 99	- 75	...	...	...
SUTTON Sonora	3,175 2,149	6,050	- 91	...	3,147	3	- 16
TARRANT (In Fort Worth SMSA)	716,317						
Arlington	90,643	4,799,213	- 32	76	104,068	- 8	- 12
Eules	19,316	1,243,021	147	- 34	23,945	...	44
Fort Worth	393,476	15,828,670	98	43	1,951,794	- 6	23
Grapevine	7,023	192,356	- 68	...	9,924	9	40
North Richland Hills	16,514	575,930	- 34	- 36	18,963	5	4
White Settlement	13,449	372,625	...	438	6,107	- 7	10
TAYLOR (In Abilene SMSA)	97,853						
Abilene	89,653	1,905,485	248	277	165,228	**	11
TERRY Brownfield	14,118 9,647	75,450	379	121	22,239	- 29	7

COUNTY City	Population*	Urban building permits			Bank debits		
		Sep 1971 (dollars)	Percent change from		Sep 1971 (thousands of dollars)	Percent change from	
			Aug 1971	Sep 1970		Aug 1971	Sep 1970
TITUS	16,702						
Mount Pleasant	8,877	208,440	- 56	68	24,340	- 3	23
TOM GREEN	71,047						
(Constitutes San Angelo SMSA)							
San Angelo	63,884	481,581	- 22	30	119,264	- 5	17
TRAVIS	295,516						
(Constitutes Austin SMSA)							
Austin	251,808	35,442,358	267	342	911,574	- 10	34
UPSHUR	20,976						
Gladewater	5,574	48,255	- 70	- 3	6,685	- 6	22
UPTON	4,697						
McCamey	2,647	...	...	...	2,129	**	14
UVALDE	17,348						
Uvalde	10,764	260,592	19	199	26,368	7	25
VAL VERDE	27,471						
Del Rio	21,330	120,250	1	15	22,390	1	15
VICTORIA	53,766						
Victoria	41,349	541,464	- 5	87	109,897	**	12
WALKER	27,680						
Huntsville	17,610	1,001,200	88	256	25,701	3	19
WARD	13,019						
Monahans	8,333	25,800	...	- 80	13,956	11	21
WASHINGTON	18,842						
Brenham	8,922	4,184,430	...	...	27,171	10	30
WEBB	72,859						
(Constitutes Laredo SMSA)							
Laredo	69,024	465,525	10	66	83,497	- 1	16
WHARTON	36,729						
El Campo	8,563	21,740	- 99	- 24	30,003	**	12
WICHITA	121,862						
(In Wichita Falls SMSA)							
Burkburnett	9,230	23,700	572	394	9,628	**	14
Iowa Park	5,796	19,070	716	- 87	4,137	- 4	12
Wichita Falls	97,564	2,837,158	63	378	191,110	- 4	15
WILBARGER	15,355						
Vernon	11,454	51,070	29	- 74	24,202	7	28
WILLACY	15,570						
Raymondville	7,987	1,800	- 97	- 74	16,523	- 25	- 7
WILLIAMSON	37,305						
Bartlett	1,622	...	...	...	1,373	- 18	- 24
Georgetown	6,395	139,450	...	...	11,166	6	41
Taylor	9,616	21,110	- 87	- 79	17,860	20	- 5
WINKLER	9,640						
Kermit	7,884	11,000	...	...	...	...	...
WISE	19,687						
Decatur	3,240	87,200	428	...	5,670	4	14
YOUNG	15,400						
Graham	7,477	39,000	- 89	...	16,099	- 1	27
Olney	3,624	5,000	...	- 97	6,665	2	20
ZAVALA	11,370						
Crystal City	8,104	55,228	476	- 49	6,075	- 27	16

* For 1970 unless otherwise indicated.

** 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 1957-1959 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.

	Sep 1971	Aug 1971	Sep 1970	Year-to-date average	
				1971	1970
GENERAL BUSINESS ACTIVITY					
Estimates of personal income					
(millions of dollars, seasonally adjusted)	\$ 3,677 ^D	\$ 3,592 ^D	\$ 3,366 ^F	\$ 3,518	\$ 3,275
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$ 871.0 ^D	\$ 867.6 ^D	\$ 814.9 ^F	\$ 851.7	\$ 798.4
Wholesale prices in U.S. (unadjusted index)	121.5 ^D	121.9 ^D	117.8	120.6	116.9
Consumer prices in U.S. (unadjusted index)	142.3	142.1	136.6	140.5	134.4
Sales of ordinary life insurance (index)	302.2	297.6	287.7	282.3	259.3
PRODUCTION					
Total electric-power use (index)	330.1 ^D	322.1 ^D	293.3 ^F	292.0	267.4
Industrial electric-power use (index)	260.6 ^D	255.1 ^D	228.2 ^F	245.3	228.8
Crude-oil production (index)	117.3 ^D	126.6 ^D	129.7 ^F	124.9	122.2
Average daily production per oil well (bbl.)	17.2	17.5	18.0	17.9	17.1
Crude-oil runs to stills (index)	138.0	139.9	134.4	141.4	133.8
Industrial production in U.S. (index, 1967=100)	105.3 ^D	104.8 ^D	106.5 ^F	105.9	107.7
Texas industrial production—total (index)	181.0 ^D	180.3 ^D	180.2 ^F	179.5	178.1
Texas industrial production—total manufactures (index)	199.8 ^D	197.8 ^D	195.6 ^F	197.5	199.1
Texas industrial production—durable manufactures (index)	197.2 ^D	195.4 ^D	205.3 ^F	198.2	213.4
Texas industrial production—nondurable manufactures (index)	201.5 ^D	199.4 ^D	189.2 ^F	197.0	189.6
Texas industrial production—mining (index)	135.2 ^D	136.3 ^D	141.2 ^F	135.4	132.6
Texas industrial production—utilities (index)	286.0 ^D	286.1 ^D	274.5 ^F	281.7	261.9
Urban building permits issued (index)	268.8	305.1	202.6	245.0	189.6
New residential building authorized (index)	243.6	252.0	162.3	214.6	145.6
New nonresidential building authorized (index)	297.2	411.8	256.5	294.3	261.1
AGRICULTURE					
Prices received by farmers (unadjusted index, 1910-14=100)	304	311 ^F	280	289	276
Prices paid by farmers in U.S. (unadjusted index, 1910-14=100)	413	412	393	408	388
Ratio of Texas farm prices received to U.S. prices paid by farmers	74	75 ^F	71	71	71
FINANCE					
Bank debits (index)	380.0	345.3	321.5	346.0	305.7
Bank debits, U.S. (index)	413.2	411.6	364.1	396.5	348.1
Reporting member banks, Dallas Federal Reserve District					
Loans (millions)	\$ 7,003	\$ 6,897	\$ 6,180	\$ 6,799	\$ 6,049
Loans and investments (millions)	\$ 10,017	\$ 10,013	\$ 8,919	\$ 9,898	\$ 8,658
Adjusted demand deposits (millions)	\$ 3,491	\$ 3,660	\$ 3,234	\$ 3,551	\$ 3,272
Revenue receipts of the state comptroller (thousands)	\$218,102	\$ 410,529	\$193,768	\$ 304,360	\$ 266,786
Federal Internal Revenue collections (thousands)	\$634,345	\$ 334,749	\$615,386	\$1,624,620*	\$1,427,826*
Securities registrations—original applications					
Mutual investment companies (thousands)	21,338	\$ 23,525	\$ 28,772	\$ 21,338*	\$ 28,772*
All other corporate securities					
Texas companies (thousands)	32,488	\$ 12,507	\$ 9,548	\$ 32,488*	\$ 9,548*
Other companies (thousands)	31,573	\$ 26,822	\$ 12,918	\$ 31,573*	\$ 12,918*
Securities registration—renewals					
Mutual investment companies (thousands)	70,969	\$ 18,582	\$ 59,318	\$ 70,969*	\$ 59,318*
Other corporate securities (thousands)	0	\$ 376	\$ 9	\$ 0*	\$ 9*
LABOR					
Total nonagricultural employment in Texas (index)†	147.2 ^D	146.6 ^D	146.7 ^F	147.2	147.3
Manufacturing employment in Texas (index)†	145.1 ^D	144.1 ^D	150.7 ^F	145.9	154.6
Average weekly hours—manufacturing (index)†	97.1 ^D	98.5 ^D	97.3 ^F	99.0	98.9
Average weekly earnings—manufacturing (index)†	156.5 ^D	158.6 ^D	150.4 ^F	156.8	149.4
Total nonagricultural employment (thousands)†	3,658.6 ^D	3,641.5 ^D	3,644.0 ^F	3,634.2	3,635.7
Total manufacturing employment (thousands)†	706.2 ^D	703.2 ^D	733.2 ^F	707.2	749.6
Durable-goods employment (thousands)†	373.2 ^D	370.6 ^D	398.3 ^F	373.9	415.0
Nondurable-goods employment (thousands)†	333.0 ^D	332.6 ^D	334.9 ^F	333.3	334.6
Total civilian labor force in selected labor-market areas (thousands)					
Nonagricultural employment in selected labor-market areas (thousands)	3,520.8	3,530.2	3,511.4	3,516.0	3,491.4
Manufacturing employment in selected labor-market areas (thousands)	3,306.7	3,292.6	3,301.1	3,284.9	3,288.0
Total unemployment in selected labor-market areas (thousands)	589.8	586.6	615.0	590.5	632.9
Percent of labor force unemployed in selected labor-market areas	142.1	157.3	133.1	149.9	120.4
	4.0	4.5	3.8	4.3	3.4

MEASUREMENT AND ENVIRONMENTAL DETERIORATION

by
Boyd D. Collier

Research Monograph No. 34

Change must come to the national accounting system. The old philosophical theory of the competitive market as guideline for measurement is yielding in this technological age to a view of the economy as a cybernetic system, with enough flexibility to function toward formulating policy.

Dr. Boyd D. Collier, assistant professor of economics at the University of North Carolina, has attempted to fill part of the gap in the literature of national accounting by identifying new bases, and by showing why accountancy should be more involved in the measurements of the national economy.

Dr. Collier finds, in developing his model for national accounting, that with a dynamic, evolving economy the theories on which its economic measurements are based must also be evolutionary. The analysis of the economy as a cybernetic system makes perceptible the existence of disproduct, the negative factor in national output and welfare and an unavoidable accompaniment of a technological society. This study shows that accounting as an instrument of planning and as a tool of economic policy must emphasize the interaction of theory and practice and must provide evolutionary measurements for an evolutionary economy.

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