TEXAS BUSINESS REVIEW

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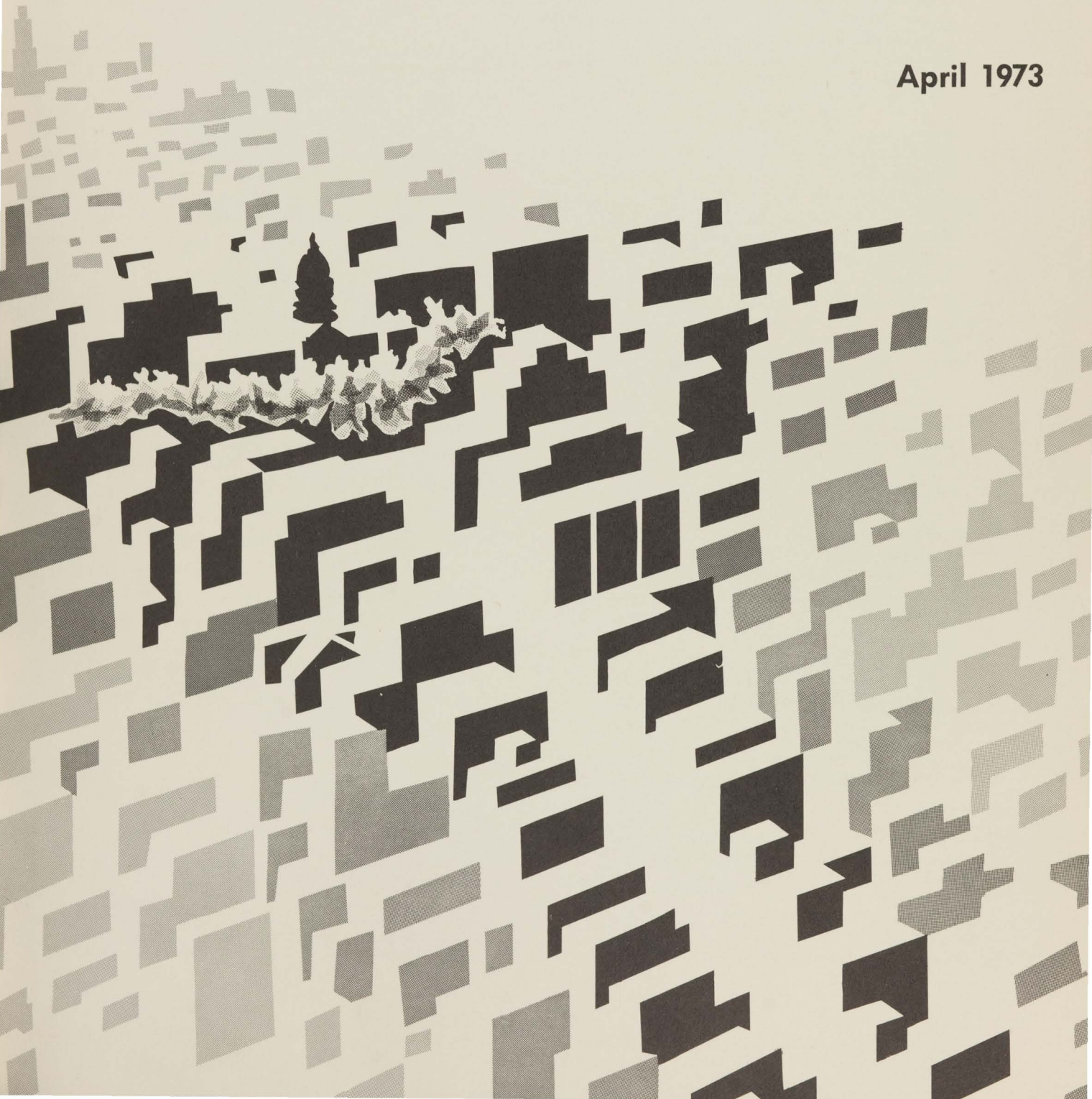

TEXAS BUSINESS REVIEW

VOL. XLVII, NO. 4, APRIL 1973

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THE BUSINESS SITUATION IN TEXAS

John R. Stockton

The index of Texas business activity based on debits to individual demand deposits declined 4 percent in February, but the average for the first two months of the year was 8 percent higher than a year ago. Estimated personal income in Texas, which may also be used as a measure of total business activity, declined only 1 percent from January.

These declines may be interpreted as a mild slowing down in the increase in economic activity, but in light of all the information available they apparently represent a minor erratic variation in the level of business. Comparison with the same period a year ago is reassuring: both indexes indicate a substantial rise over the twelve-month period.

Business in Texas reflects the boom characteristic of business in the country as a whole, since all of the forces affecting the economy of the nation almost inevitably are felt in the state. Seldom have the prospects for business been as unanimously considered to be bright, although uneasy feelings are beginning to make an appearance in some quarters. Nearly all analysts agree that the first half of 1973 should continue to show an increase over last year, but some feel reservations about the second half of the year.

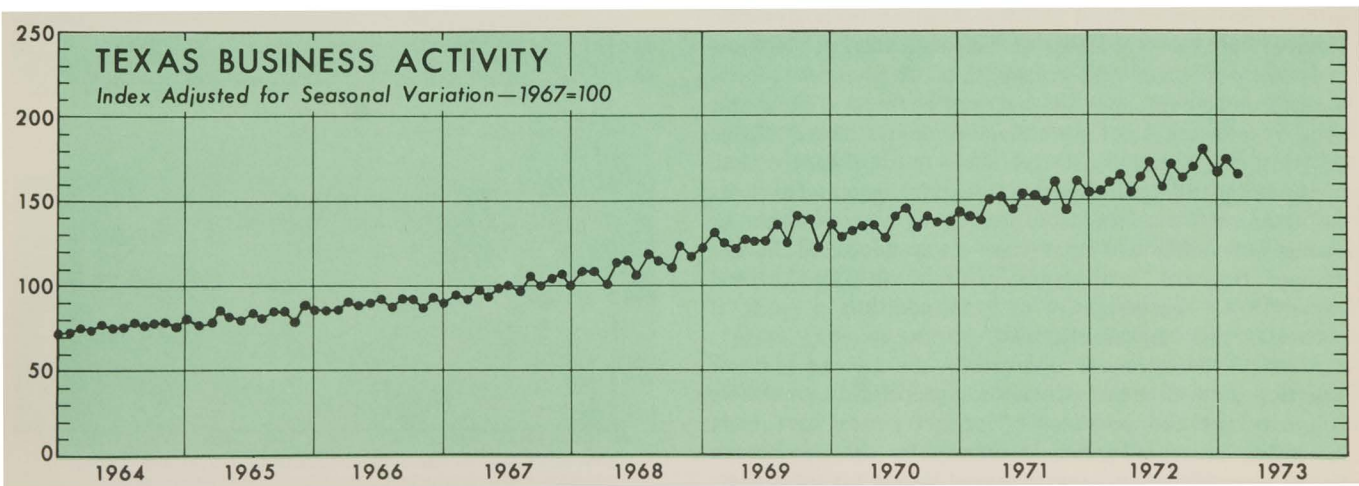
One of the most significant measures of changes in business activity in the state is the number of persons employed. This number reflects the flow of payrolls to consumers—one of the basic factors that bring about an increase in economic activity. February nonagricultural employment in Texas increased from 3,943,700 in January to 3,957,700. This increase of 14,000 employees was distributed through practically all segments of the economy. Manufacturing activity is particularly sensitive to changes in business conditions, and the healthy state of the economy can be seen in the increase in manufacturing employment from 754,900 in January to 759,600 in February.

The increase in February manufacturing employment was related to an increase of 1 percent in the index of Texas industrial production. The increase in industrial production in Texas surpassed the national increase by a small margin. In comparison with February 1972, Texas industrial production rose 8.4 percent, while for the United States the gain was 9.8 percent. The industrial component of total business activity is one of the most important elements of the total economy, and this substantial gain over the past twelve months is a significant factor in the increased level of total economic activity.

The largest single component of Texas business is consumer expenditures for goods. Information on retail sales of goods is collected by the Bureau of the Census, United States Department of Commerce, although there is a lag of one month in the availability of the data. Retail sales in Texas for January 1973 were 11 percent above the figure for the same month in 1972. Nondurable-goods stores, with an increase of 8 percent, were considerably below the total. This difference is accounted for by the upsurge in sales of durable goods, a category of retail sales which typically declines more than nondurable goods in a period of recession and rises more vigorously with an improvement in the economic picture.

The upswing in consumer spending appears to be widely spread over the state. Information on department-store sales in metropolitan areas of the state shows some variations between areas, but no section of the state shows signs of depressed sales. Department-store sales in Corpus Christi in January 1973 were up 5 percent from January 1972. In Dallas the increase over the past year was 12 percent; in El Paso 7 percent; in Houston 16 percent; and in San Antonio 7 percent.

One of the reasons business activity expanded so vigorously during 1972 was the substantial increase in



BUSINESS-ACTIVITY INDEXES FOR TWENTY SELECTED TEXAS CITIES
(Adjusted for seasonal variation–1967=100)

City	Feb 1973	Jan 1973	Year-to date average 1973	Percent change: Feb 1973 from Jan 1973	Percent change: Year-to-date average 1973 from 1972
Abilene	130.1	131.1	130.6	– 1	13
Amarillo	153.1	155.4	154.3	– 1	17
Austin	219.9	223.4	221.7	– 2	– 4
Beaumont	108.7	102.3	105.5	6	6
Corpus Christi	156.8	160.0	158.4	– 2	2
Corsicana	135.2	149.7	142.5	– 10	24
Dallas	176.1	179.2	177.7	– 2	6
El Paso	160.6	165.5	163.1	– 3	14
Fort Worth	158.1	163.3	160.7	– 3	8
Galveston	128.3	128.6	128.5	**	**
Houston	172.0	189.3	180.7	– 9	13
Laredo	160.7	169.6	165.2	– 5	8
Lubbock	148.0	136.5	142.3	8	11
Port Arthur	97.5	114.2	105.9	– 15	5
San Angelo	171.7	168.8	170.3	2	15
San Antonio	157.6	163.9	160.8	– 4	6
Texarkana	119.3	118.3	118.8	1	5
Tyler	134.2	179.6	156.9	– 25	20
Waco	165.8	168.4	167.1	– 2	12
Wichita Falls	122.2	124.7	123.5	– 2	**

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

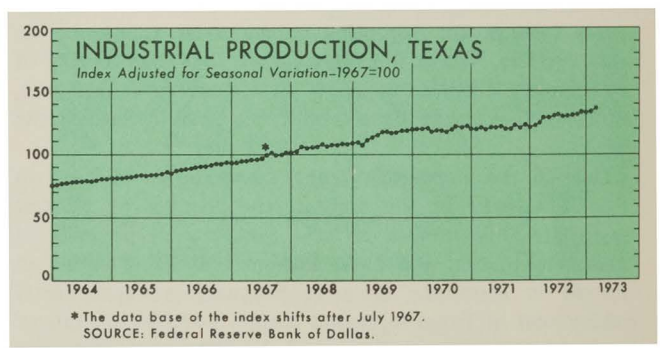
consumer spending, financed in part by a reduction in savings. During the preceding several years the volume of consumer savings had increased. In 1969 the total was $38.2 billion. In 1970 it had risen dramatically to $54.9 billion, and in 1971 it rose still further to $60.9 billion. But in 1972 consumers began to reduce their savings with a resultant substantial rise in spending. Total savings fell back to the 1970 level of $54.9 billion. This amount is still substantially above the 1969 level, which is a reason for believing that the present level of consumer spending can reasonably be expected to be maintained.

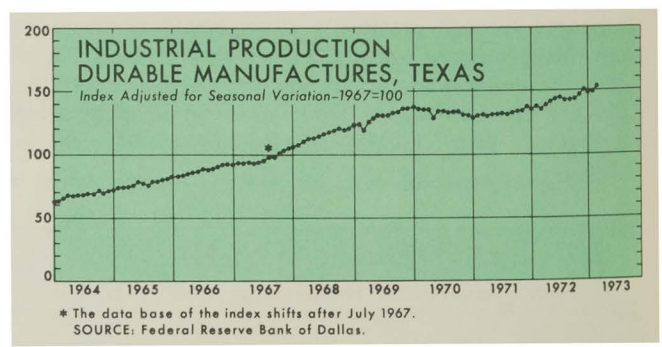
Consumer spending represents more than 60 percent of the total value of all goods and services produced in the nation, so a significant change in this category inevitably affects the level of total activity. A much more dynamic element in the economy is expenditures of business concerns for plant and equipment, the so-called capital expenditure component of the total economy. While this type of spending is not more than one fourth of the volume of consumer spending, it fluctuates more violently than consumer spending. Furthermore, capital spending projects are financed by accumulated savings of business firms or savings of individuals that have been deposited in the various financial institutions. This means that capital expenditures, representative of a net addition to the total volume of spending, are stimulating to the economy.

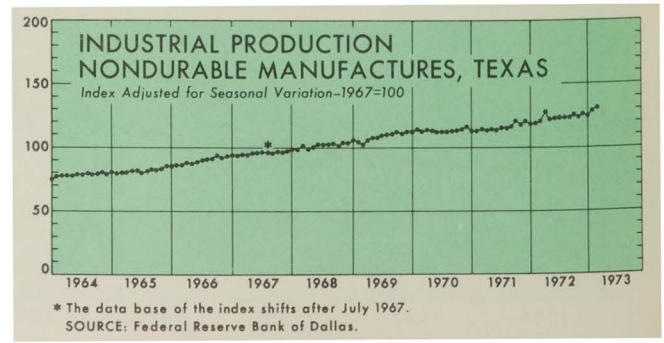
One of the strongest elements in the present business situation is the fact that the funds appropriated by business concerns for the purchase of capital goods have been increasing at record rates. A survey by the Conference Board reports that the one thousand largest manufacturers in the nation increased their appropriations for capital expenditures in the fourth quarter of 1972 by 12.3 percent over the third quarter. This increase was 36.4 percent greater than that in the fourth quarter of 1971.

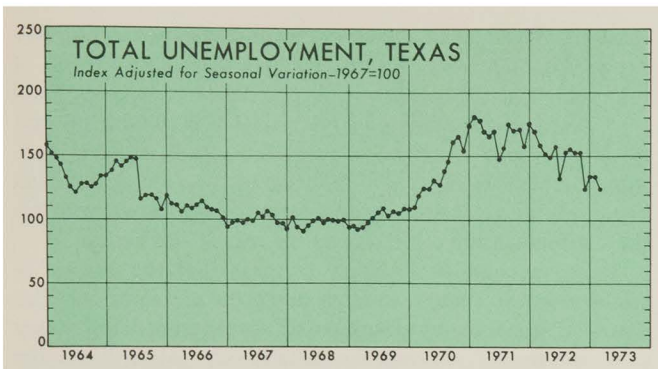
The series on capital funds appropriated is called by business forecasters a "lead series"; since the funds are appropriated before expenditures are made for new plant and equipment, these figures indicate in advance what is going to happen. The U.S. Department of Commerce makes regular surveys of anticipated capital expenditures and includes many more firms than the Conference Board, but with a resulting longer time required to collect the data. Possibly the more comprehensive survey will show a somewhat smaller increase in anticipated expenditures, since smaller concerns may be more influenced by rising interest rates, tightening credit, and rising construction costs. But even if the total expenditures are below the anticipated expenditures now available, the great volume of this type of expenditure seems to assure a continuation of the present booming business.

Surveys are made periodically to determine the intentions of consumers with regard to savings and spending. However, these anticipated expenditures are not considered







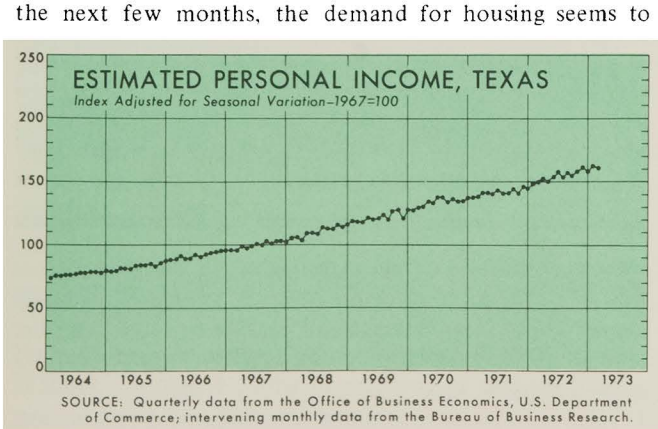


to be as reliable as the anticipated capital expenditures of large business concerns. In the latter case the decision to build a new plant is made well in advance of the actual construction, whereas the consumer may change his spending pattern on short notice with the result that statements of anticipated expenditures may be highly unreliable. For this reason business analysts have been inclined to put much more reliance on capital expenditure data than on other types of anticipations.

One of the most notable supports to the expanding volume of business has been construction. After setting in 1972 an all-time record of construction authorized in Texas, the February 1973 value of building permits issued dropped 16 percent. That decline brings the value of permits issued in the first two months of 1973 4 percent below the level in the first two months of 1972. All of the decline for the first two months of 1973 was in the category of nonresidential building, which dropped 15 percent. Residential building permits rose 6 percent for this period.

The record volume of building permits in 1972 was established by the increase in both residential and nonresidential building, although the nonresidential segment increased 20 percent, and residential only 17 percent. Whether the drop in nonresidential construction from the level of the first two months of 1972 is significant or just a random variation cannot be determined from one month of data, but it could be the beginning of a slow-down in nonresidential building. Some analysts are beginning to wonder whether the need for many types of business construction is as strong as it was a year ago.

Whatever course nonresidential construction may take in the next few months, the demand for housing seems to remain strong. In spite of the soaring cost of building materials, particularly lumber, residential building continues at a high level. Despite the decline in February, this index was lower in three months of 1972. It will require more than one month of decline to establish a downward trend.



SOURCE: Quarterly data from the Office of Business Economics, U.S. Department of Commerce; intervening monthly data from the Bureau of Business Research.

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

Index	Feb 1973	Jan 1973	Year-to-date average 1973	Percent change: Feb 1973 from Jan 1973	Percent change: Year-to-date average 1973 from 1972
Estimated personal income	161.5[p]	162.4[p]	161.9	– 1	6
Business activity	167.6	175.1	171.4	– 4	8
Crude-petroleum production	115.5[p]	117.7[p]	116.6	– 2	8
Crude-oil runs to stills	117.4	121.4	119.4	– 3	5
Total electric-power use	162.5[p]	159.6[p]	161.1	2	10
Industrial electric-power use	145.8[p]	140.3[p]	143.1	4	4
Bank debits	212.6	218.0	215.3	– 2	17
Urban building permits issued	165.7	196.9	181.3	– 16	– 4
New residential	193.0	254.4	223.7	– 24	6
New nonresidential (unadjusted)	146.4	148.9	147.7	– 2	– 15
Total industrial production	136.2[p]	134.4[p]	135.3	1	9
Total nonfarm employment	123.0[p]	122.6[p]	122.8	**	5
Manufacturing employment	115.9[p]	115.2[p]	115.6	1	6
Total unemployment	126.0	135.4[r]	130.7	– 7	– 16
Insured unemployment	120.0	141.3	130.7	– 15	– 21
Average weekly earnings–manufacturing	136.5[p]	126.4[p]	131.5	8	4
Average weekly hours–manufacturing	100.3[p]	92.7[p]	96.5	8	– 2

[p] Preliminary.
[r] Revised.
** Change is less than one half of 1 percent.

In spite of the favorable showing for most of the indexes of Texas business, serious problems lie ahead. Probably the most urgent problem faced by the economy of the United States today is inflation. Some of the most serious price increases for the consumer are lumber prices, food prices–with meat prices the most spectacular–and the cost of medical care. In January 1973 the wholesale price of lumber was 69 percent above the level of 1967. All wholesale prices were 24.5 percent above 1967. The average retail price of meat, poultry, and fish was 36.1 above 1967, while the price of beef was much higher than for the whole group. Medical care cost an average of 34.9 percent more in January 1973 than in 1967.

The costs mentioned above have shown the most spectacular rise, but the average of all goods and services bought by consumers was 28.2 percent higher in February 1973 than in 1967. In twelve months the consumer price index has risen 3.9 percent in spite of the price freeze. The rise in prices, almost unabated during the recession of 1970, should be taken into account in use of the data on business

expressed as values. For example, an increase in retail sales of 3.9 percent in a year would mean no increase in the physical volume of goods sold. Since most business measurements are in value figures, it is easy to believe that business is improving more than it really is. The most damaging effect of continued inflation is the fact that the value of money in the hands of the public is steadily decreasing.

As bad as the situation is in the United States, the violence of price increases is greater in all the other major industrial countries in the noncommunist world than in the United States.

Although the inflation in the United States is the financial problem of most concern to the average citizen, the business world is faced with the problem of rising interest costs. Industries that depend on long-term financing, such as building, are always in danger of a shortage of credit. It is considered to be the responsibility of the federal government to regulate the supply of money and to assure that the credit needed by business concerns will be available at a reasonable price. The Board of Governors of the Federal Reserve System is charged with this responsibility, which involves controlling both the supply of funds available and the price at which they are sold, which is the rate of interest charged.

PER CAPITA INCOME IN TEXAS
1960-1972

Year	Amount in dollars	Percent of United States
1960	1,931	87.1
1961	1,997	88.2
1962	2,047	86.4
1963	2,131	86.7
1964	2,251	86.9
1965	2,405	86.8
1966	2,638	88.3
1967	2,832	89.3
1968	3,079	89.6
1969	3,321	89.6
1970	3,573[p]	90.8
1971	3,726[p]	89.7
1972	4,050[p]	90.8

[p] Preliminary estimate.
Source: *Survey of Current Business*, August 1972, p. 25 and October 1972, p. 17.

During the last week in March the rate of interest banks charge their customers was rising. The rate that makes the headlines is the rate charged the best customers of the large banks, known as the "prime rate." This rate is sensitive to the various forces in the financial markets, although the rate that most business concerns pay does not fluctuate nearly so much. The rate that the Federal Reserve Banks charge commercial banks is the rediscount rate, and although it does not apply to a large volume of borrowing, it is a significant factor in that it indicates the opinion of the Federal Reserve System on the current monetary situation.

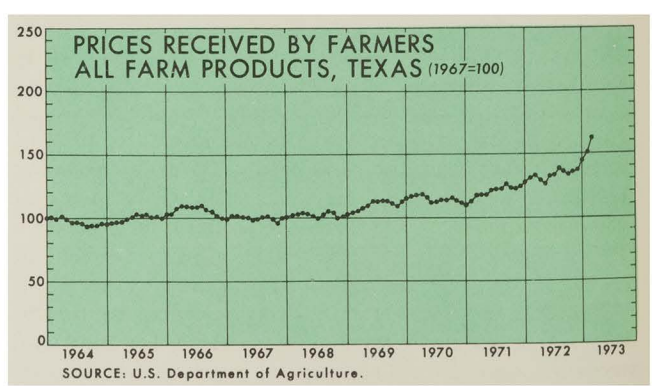
Control of credit and interest rates is a major tool the government can use to slow down a boom or stimulate a recovery. Its use to control the level of prices was not very successful, however, with the result that direct controls of prices were instituted. We now have some controls but still rely strongly on credit controls. That means that interest rates will probably continue to rise and credit may be made somewhat more difficult to secure. This condition will inevitably affect business, and Texas businessmen will feel these effects in the same way as the rest of the nation.

It has become increasingly obvious that the control of credit was not enough to slow down the rise in prices. This situation has focused attention on government fiscal policy as a method of slowing the inflationary spiral. Since the federal government is a major consumer of all kinds of goods and services, one way to reduce the inflationary pressure would be to decrease government spending. This is what President Nixon is trying to do, with considerable opposition from many sources.

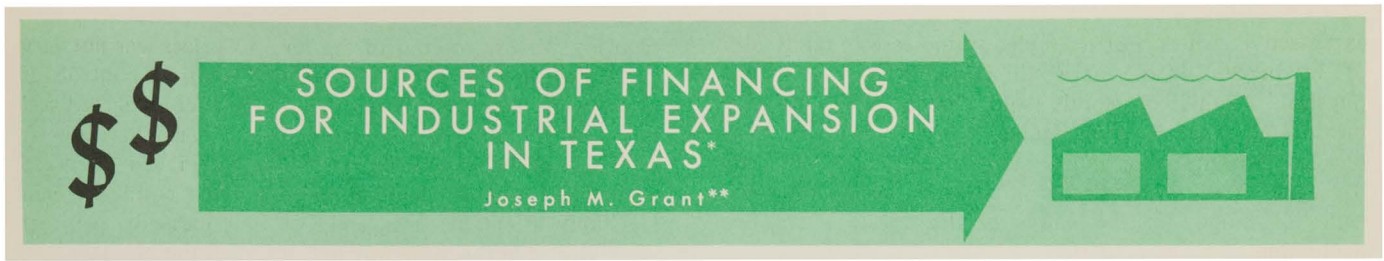
Another approach that the government might use to reduce the inflationary pressures is an increase in taxes. This would take money from consumers, and if the government used it to reduce the government deficit, the result would be the same as a cut in expenditures. However, there is little likelihood that an increase in taxes will be passed at the present time.

If the union contracts that come up for renewal this year result in extensive wage increases, this will add to consumer income and increase costs, thus adding further pressures to the present trend toward inflation. However, resistance to the pressure for higher wages will be difficult, just as a cut in government expenditures or an increase in taxes would be hard to accomplish.

With the steady improvement that is underway in business likely to continue, it seems fairly assured that Texas business will continue to increase during the immediate future. In spite of credit controls, price controls, and reduction in government spending, it does not seem likely that inflation will be brought under control during this time.



U.S. production of pecans totaled 185.3 million pounds in 1972, 25 percent below the 1971 figure. All states except Texas, New Mexico, and Florida reported a smaller crop in 1972. Texas production reached an estimated 65 million pounds, in comparison with 24 million pounds in 1971.



During the sixty-second session of the Texas Legislature, three bills pertaining to industrial financing were passed and signed into law. This extraordinary amount of industrial financing legislation was passed in response to a rapidly growing demand and need for financing by industry in the state.

The purpose of this paper is to examine public and private sources of funds which are available to finance industrial expansion in Texas. Since a complete review of the many sources of financing that are available is not possible within the scope of this survey, the more familiar sources will not be discussed. Attention instead will be concentrated on the less conventional sources of funds, such as the Small Business Administration, the Economic Development Administration, real estate investment trusts, and bond financing under Internal Revenue Service Ruling 1963-20. In conclusion, the industrial financing legislation of 1971 will be analyzed.

Texas needs adequate sources of industrial financing for two reasons. First, Texas industry needs low-cost financing in order to be competitive with other states in the South and Southwest. Virtually every state bordering with Texas has, for several years, authorized political subdivisions to issue industrial revenue bonds. This authority has been used successfully to attract new industry which might otherwise have located in Texas. While not a method of financing, some of these states also offer tax-exemption programs which lower a company's cost of doing business during the period it is exempt. The most extreme example is Louisiana, which exempts new industry from all state and local ad valorem taxes for up to ten years.

The second reason that Texas needs adequate sources of financing is that companies simply are in greater need of financing today than they have been in the past, due to the gradual erosion of profit margins and liquidity in recent years. Admittedly, the outlook for profits today is significantly improved; but nevertheless, companies will have to rely heavily on external sources of funds in the future.

It is thus imperative that existing resources be used to their fullest extent and that the search for new and innovative sources of financing be aggressively and continuously pursued.

Although traditional sources of financing will not be dealt with in this survey, a review of a current development in banking in Texas, which may have far-reaching and long-lasting ramifications for industrial financing in the state, is in order.

Bank Holding Companies

Since 1845 the Texas Constitution has prohibited the establishment of branch banks, and it is unlikely that this prohibition will be repealed in the near future. Many economists, academicians, and banking authorities agree that the preclusion of branching in Texas has resulted in a highly fragmented banking system, which has inhibited the banking industry's ability to mobilize capital and to provide adequate financing for industrial and other purposes,[1] particularly in rural communities where banking resources are limited and legal lending limits prevent most banks from making loans in excess of one or two hundred thousand dollars.

In 1970, the bank holding-company movement spread to Texas. The three largest Houston banks, as well as several smaller banks in the state, formed holding companies, which under federal law are allowed to own 100 percent of more than one bank. For example, in the case of Texas Commerce Bank in Houston, a holding company was formed to own and control the bank. The bank's former shareholders are now shareholders of the holding company. Since May of 1971, when the holding company was approved by the Federal Reserve Board, it has entered agreements to merge with eight other banks, with total deposits of approximately $400 million.

What does this mean for banking in Texas? It means that bank capital, and thus bank lending powers, will be mobilized; Texas banks will be able to make larger loans more rapidly and efficiently; the facilities and lending expertise of large banking organizations will become more readily available to lenders; and, as a consequence, the banking system will be able to better handle industrial financing needs in Texas.

The holding-company concept should have a strong appeal for banks located in rural areas, as well as for urban

*Presented to the Texas Industrial Development Conference, sponsored by the Industrial Economics Research Division of Texas A&M University and the Texas Industrial Development Council, September 17, 1971, Houston, Texas, and to the Beaumont Venture Capital Seminar, sponsored by the Beaumont Chamber of Commerce, March 17, 1972, Beaumont, Texas.

**Vice president and economist, Texas Commerce Bank National Association, Houston, Texas.

[1]The fragmentation of Texas banking resources is evidenced by the small percentage of banks with deposits in excess of $20 million—17.2 percent in Texas in comparison with 48.7 percent in New York, and 44.8 percent in California. Ranked by the concentration of banking assets held by the five largest banking groups in the state, Texas ranks forty-seventh among the fifty states and the District of Columbia. Only Arkansas, Iowa, Kansas, and West Virginia rank below Texas.

banks. Rural bankers now have the opportunity to merge their institutions into sound and strong banking organizations and receive, on a tax-free exchange, securities which are readily marketable. With this incentive, the resources and expertise of bank holding companies should ultimately become available in rural Texas.

Small Business Administration Loans

Turning to the less conventional sources of financing, vehicles are available to borrowers which have not been utilized to their fullest advantage. One such source is the Small Business Administration (SBA), which offers a comprehensive loan program. The SBA direct-loan, guaranteed-loan, and loan-participation programs; the SBA 502 loan program; and the SBA lease-guarantee program are attractive sources of financing, particularly for industries locating in rural areas where adequate resources may not be available.

Although the Small Business Administration offers a wide variety of financing programs, the ultimate beneficiary of the funds must be classified as a "small business" in order to qualify for a loan. A "small business" under the SBA definition is one that (1) is independently owned and operated; (2) is not dominant in its field; (3) has an average employment of less that 250 or has an average employment of less than 1,500 and meets a specific size standard for its industry; and (4) has wholesale revenue of less than $5-15 million, or a retail or service revenue of less than $1-5 million, depending on the industry. Under the SBA 502 loan program, a business is classified as "small" if it meets the first two criteria and does *not* have (1) net worth in excess of $2.5 million; (2) assets exceeding $7.5 million; and (3) average net income after taxes for the preceding two years in excess of $250,000.

The Small Business Administration will make a direct loan only when other sources of financing are not available. However, because of its limited resources, the SBA cannot make a direct loan exceeding $50,000. It can participate with another lending institution to $150,000, and it can guarantee a bank loan to 90 percent or $350,000, whichever is less. In fiscal year 1971, only 17 percent of the SBA loans were direct.

For financing industrial expansion in Texas, the SBA 502 loan program offers the most promise. Under this program, direct loans and loan guarantees are available to local development corporations (LDC) or industrial foundations for the financing of land, buildings, and machinery up to twenty-five years. The loan is made to the LDC, which invests the proceeds according to the specifications of the user or lends the proceeds to the small business for construction of the facility. In the latter case, the LDC takes the firm's promissory note and a lien against the facility. In the former case, the LDC may either sell or lease, with or without an option to buy, the facility to the small business. The LDC, which may be either a profit or a nonprofit corporation, is required to supply between 10 and 20 percent of the total project cost, the equity participation being based on a sliding scale relative to the size of the community. In a community of less than 5,500, the LDC must contribute at least 10 percent. In communities with from 5,501 to 10,000, it must contribute 15 percent, and in communities above 10,000, it must contribute 20 percent.

One advantage of the SBA 502 program is its flexibility. For example, the SBA can take either a first or second lien, depending on the plan. Under the regular 502 plan, the LDC supplies its equity quota based on the population, with the SBA providing the balance. In this instance, the SBA receives the first lien and the LDC receives a second lien. If a local financial institution participates with the SBA in making the loan, it also shares the first lien with the SBA. Under the alternative plan, a local conventional lender is required to provide at least 40 percent of the financing, while the SBA is limited to a maximum participation of $200,000. In this case, the conventional lender has the first mortgage, the SBA has the second mortgage, and the LDC is in the third position. With first claim on the mortgaged property, a bank participating in a 502 loan—90 percent guaranteed by the SBA—incurs little risk.

A recent example of industrial financing under the SBA 502 program is a loan guarantee to the El Campo Economic Development Corporation. In this case, the local development corporation provided $65,400 and the SBA guaranteed 90 percent of a $370,000 bank loan, leaving the bank with exposure of $37,000, but with a first lien against the facility. The funds are being used to purchase land and equipment and to construct a building to be leased to Ferrotherm Corporation. The plant will manufacture foundry tubing and employ approximately thirty-five persons.

In towns that do not have local development corporation or industrial foundations, financing under the 502 program is not available. In those cases, the small business may seek assistance from the SBA under its regular programs. The larger equity required under these programs, however, may preclude many small businesses that could qualify under the 502 program with LDC assistance.

The SBA lease-guarantee program is another source of financing for new industry. Frequently small businesses lack the credit rating necessary to secure direct financing. In this case, the SBA will insure lease payments for from ten to twenty years, covering land and buildings. The lessee is required to place three months' rent in escrow to be used in the event of default, or the lessor may be willing to accept an insurance policy covering all but three months of the lease. Evaluation of the lessee is based upon his managerial skill, financial position, location, and business.

Tax-Exempt Revenue Bonds

Another source of financing which is available to local nonprofit development corporations is the issuance of tax-exempt revenue bonds under IRS Ruling 1963-20. The tax-exempt feature, of course, allows the bonds to be sold at a lower rate of interest, thus giving a savings to the

industry. The IRS bonds do not encumber the credit of a political subdivision and their issuance does not require a general election. However, in order to qualify for approval, the following specifications must be met:

1. The corporation must engage in activities which are essentially public in nature.
2. The corporation must be one which is not organized for profit.
3. The corporate income cannot go to any private person.
4. A political subdivision must have a beneficial interest in the corporation while the indebtedness remains outstanding.
5. The corporation must be approved by the political subdivision and each issue must also be approved by the governing body.

This method of financing has been used in Texas, but not extensively. One reason for this, perhaps, is that the costs incurred in putting together the bond issue make it feasible only for relatively large projects.

EDA Financing

A low-cost source of money is the Economic Development Administration (EDA). The EDA will finance 65 percent of the total project, which may include land, buildings, and machinery. The other 35 percent must be provided by conventional lenders, a local development agency, and the company. The current rate of interest on these loans is 6 and one-eighth percent. Unfortunately, available funds have been limited by Congress to $50 million each year for the entire country, and as a result, EDA has been selective in project approval. These loans are made only to entities located in areas experiencing severe economic distress or a high rate of unemployment.

Real Estate Investment Trusts

A relatively new source of financing is the real estate investment trust, or the REIT. A real estate investment trust is a corporation formed solely for the purpose of investing in real estate loans. These loans may be either construction loans made on an interim basis to finance the actual construction of the project, or they may be long-term loans representing the permanent financing. Some REIT's are authorized to take equity participations as additional compensation for higher-risk loans. Real estate investment trusts have grown very rapidly over the past few years, principally because they do not have to pay corporate income taxes as long as they pay out 90 percent of their earnings in dividends to their shareholders. This form of corporate organization is becoming more popular in the Southwest. Several REIT's have been formed recently in Houston and in Dallas, and other larger REIT's have representatives in Texas.

Industrial Financing Legislation

In May of 1971, three new bills were passed into law by the Texas Legislature, "The Texas Rural Industrial Development Act" and the enabling legislation for "state business development corporations" and "industrial revenue bonds."

State Business Development Corporations

The first bill passed authorizes the establishment of state business development corporations. The purpose of these corporations is "to promote, stimulate, develop, and advance the business prosperity and economic welfare of this state and its citizens; to encourage and assist through loans, investment, or other business transactions, in the location of new business and industry in this state and to rehabilitate existing industry." I am not going to review all of the sections of the new law, but I will point out some salient and pertinent features.

A state business development corporation may be formed by twenty-five or more persons. Financial and other institutions "primarily engaged in lending or investment funds" and authorized to do business in the state of Texas may become a "member" of the corporation by making application to the corporation's board of directors. A "member" is obligated to make loans to the corporation when called upon to do so. A financial institution which is a "member" may acquire capital stock in the corporation, but not in excess of 10 percent of its legal loan limit.

A state business development corporation is authorized to borrow from its "members" an amount not to exceed fifty times its capital, at a rate not less than one-fourth of 1 percent over the prevailing prime rate. After these resources have been utilized, it can then borrow from the SBA under its 501 loan program an amount sufficient to restore its original lending capacity. This can be done twice, so that a state development corporation with initial capital of $100,000 could ultimately lend $15,000,000. The business development corporation can use these funds to make secured and unsecured loans, but only to those persons who have been refused credit by at least two banks or other financial institutions. Other than that, there are no limitations placed on the lending practices of the corporation; thus it has very broad lending powers, and can be a valuable source of financing for industrial development.

The first state business development corporation in Texas was recently formed by a group of about fifty bankers, industrial foundation representatives, and other interested persons from a twenty-six-county area stretching from Fort Bend and Brazoria Counties to the Rio Grande Valley. In commenting on the formation of the South Texas Business Development Corporation, James Harwell, director of the Texas Industrial Commission, said that the corporation was organized to "help share the risk in industrial financing" and to permit small communities to put together larger financing packages for industrial projects than previously available through local financial institutions. If all of the banks in the twenty-six-county

area participate in the South Texas Business Development Corporation, approximately $2 million would be available to loan to new and expanding industries.

Rural Industrial Development

The second bill passed by the sixty-second session of the Legislature, which pertains to industrial development, is the "Texas Rural Industrial Development Act." This act empowers the Texas Industrial Commission to make loans to local industrial development corporations in "rural areas" in an amount not in excess of 40 percent of the cost of a particular project. These loans must be secured by a bond or a note of the industrial development corporation and by mortgages on the project. In those instances where a federal agency participates, the Commission may accept a mortgage which is inferior to all first and second lien obligations.

Funds will be appropriated by the Texas Legislature for the establishment of the "Industrial Development Fund." All monies lent by the Commission will be withdrawn from this fund, but the principal and interest payments received must be paid back into the State Treasury. As a consequence, it will be necessary for the Legislature to make periodic appropriations in order to replenish the "Industrial Development Fund." The necessary funds have not been appropriated, but they probably will be during the next session of the Legislature.

One of the attractive features of the act is that the Commission has full discretion to determine the rate of interest it charges to the local industrial development corporation. As a consequence, these loans could conceivably be made interest free, thus materially reducing the financing costs for the project. This should allow us to compete on a more equitable basis with our competitors in the bordering states.

The "Texas Rural Industrial Development Act" will provide an important source of industrial financing once it is funded.

Industrial Revenue Bonds

The third and final bill which was signed into law in 1971 authorized political subdivisions to issue revenue bonds "for the promotion of industrial development, employment, and public health and research." These bonds are to be repayable solely from the funds provided from revenues of the project. Land, buildings and equipment, facilities, and improvements required for the project are eligible for financing. Before the bonds may be authorized, the Texas Industrial Commission must approve the lease agreement and the lessee. Before issuing the bonds, public notice must be given, and if 10 percent of the qualified electors file a written protest, then a general election must be called and held to determine the question.

A recent ruling handed down by the Attorney General of Texas has cleared the way for the issuance of tax-exempt revenue bonds by a "non-profit, non-stock, non-member corporation" for the purpose of acquiring land for industrial development. This authority will be used by the proposed Waco Industrial Parks Corporation to finance the acquisition and improvement of land for industrial sites in Waco.

In the preceding paragraphs, a few of the available sources of funds and financing vehicles for industrial expansion in Texas have been reviewed. This does not represent a complete survey, nor does it represent a thorough analysis of the sources of financing which were discussed. For additional information, the Texas Industrial Commission or the Small Business Administration should be contacted.

MANUFACTURING EMPLOYMENT
UNITED STATES, TEXAS, THE WEST SOUTH CENTRAL STATES, AND SELECTED STATES IN OTHER U.S. REGIONS
1972 AND 1971

Area	1972[p]	1971[r]	Percent change 1972 from 1971
	(average month in thousands)		
United States	18,892.8	18,614.4	1
West South Central states	1,211.1	1,185.5	2
Arkansas	176.2	169.0	4
Louisiana	176.0	172.8	2
Oklahoma	135.7	131.0	4
Texas	723.2	712.7	1
States in other areas			
California	1,507.5	1,470.1	3
Illinois	1,269.9	1,267.4	**
Michigan	1,063.3	1,044.8	2
New York	1,605.9	1,640.6	– 2
Ohio	1,324.4	1,331.1	– 1
Pennsylvania	1,418.1	1,432.6	– 1
Washington	220.1	213.7	3

[p] Preliminary estimate.
[r] Revised.
** Change is less than one half of 1 percent.
Source: *Employment and Earnings*, Bureau of Labor Statistics, U.S. Department of Labor.

COTTON GINNED IN LEADING STATES AND UNITED STATES
1969-1972*

Area	1972	1971	1970	1969
Texas	3,180,101	2,210,414	3,133,101	2,728,578
Mississippi	1,845,487	1,624,742	1,608,524	1,306,895
California	1,724,013	1,118,615	1,168,939	1,335,311
Arkansas	1,331,626	1,196,989	1,026,515	1,138,337
Louisiana	669,389	574,484	520,673	481,292
Arizona	597,683	480,531	481,906	607,046
Alabama	542,576	621,781	511,306	465,367
Tennessee	476,850	504,715	382,645	416,869
Missouri	379,560	391,506	218,328	325,216
All other states	1,141,897	998,734	984,673	1,010,107
United States	11,889,182	9,722,511	10,036,610	9,815,018

* This table shows the number of bales (running bales; linters not included) of cotton, from the crop of 1972, ginned through January 14, 1973, with comparable data for the corresponding periods in 1969, 1970, and 1971.
Source: U.S. Department of Commerce; Social and Economic Statistics Administration; Bureau of the Census.

TEXAS CONSTRUCTION

Robert M. Lockwood

Despite healthy advances in suburbs and medium-sized nonmetropolitan cities, the seasonally adjusted index of nonfarm construction authorized in permit-reporting urban places in Texas declined one sixth from its January level in February. The index was depressed by a slump of almost one fourth in the adjusted index of residential-permit issues.

February marked the second straight monthly decline for the index of total construction authorized in incorporated reporting communities, but this index has neither risen nor declined for more than two consecutive months during the past two years. The adjusted residential index, on the other hand, has twice increased for three or four consecutive months during the same period.

In terms of unadjusted estimated permit values, the twenty-five standard metropolitan statistical areas of the state—or their component urban reporting units—accounted for about 92 percent of the estimated total authorizations of some $274.5 million. In absolute terms, this sector declined by $26.5 million in February.

Another absolute decline in estimated unadjusted permit values occurred in the category of additions, alterations, and repairs, which reported about $23.5 million, $5.2 million less than in January. The proportion of total authorizations represented by this category also declined, from 9.5 to 8.6 percent. Both shares are somewhat lower than the 10-11 percent often accounted for by this sector.

New construction alone, in unadjusted dollar estimates, totaled $22.6 million less in February than in January. Some $20.8 million of this sum was attributable to less-vigorous homebuilding. The activity was concentrated in the residential sector, with single-family housing actually gaining almost $9 million from January. This advance was much more than offset, however, by the net decline of $29.4 million in multiple-family-housing authorizations.

Nonresidential building-permit issues, in terms of estimated value, fell off only slightly from January, with generally small gains offset by almost uniformly small contractions. The largest movement in either direction was the downward dip of "stores and mercantile buildings," which reported authorizations totaling $12.6 million less in February.

Both the number and the value of dwelling units authorized in the permit-issuing places in Texas were lower in February than in January, with a few significant exceptions. Outside the twenty-five standard metropolitan statistical areas, the gross increase in the number and the value of duplexes and apartments—152 units and $1.3 million—was more than offset by the drop in the number of single-family permits (50 units) but could not match the slump in the estimated value of the permit. In single-family housing within the twenty-five SMSA's, the gain over January of 358 units and $10.4 million was only slightly offset by the nonmetropolitan loss of 50 units and $2 million.

The net February loss in multifamily housing—2,455 units and $26.7 million—was entirely attributable to the twenty-five SMSA's, which collectively fell behind the January level by almost 2,600 units and $27 million.

Large gains in both number and value of single-family housing units occurred in several SMSA's, notably Austin (up $2.1 million, or 50 percent), Dallas ($2.5 million, or 14.9 percent), Fort Worth ($4.3 million, or 55.5 percent), San Angelo ($0.5 million, or 144.2 percent), San Antonio ($3.9 million, or 68.8 percent), and Waco ($0.4 million, or 64.7 percent.)

The net statewide declines in the number and value of housing units authorized in February were attributable to the large cutback in multifamily housing authorizations in standard metropolitan statistical area permit-issuing communities. Several SMSA's contributed heavily to the gross

ESTIMATED VALUES OF BUILDING AUTHORIZED IN TEXAS*

Classification	Feb 1973 (thousands of dollars)	Jan-Feb 1973 (thousands of dollars)	Percent change: Feb 1973 from Jan 1973	Percent change: Jan-Feb 1973 from Jan-Feb 1972
All permits	274,465	576,736	− 9	− 3
New construction	250,966	524,540	− 8	− 4
Residential (housekeeping)	144,317	309,386	− 13	5
One-family dwellings	95,194	181,722	10	− 1
Multiple-family dwellings	49,123	127,664	− 37	13
Nonresidential buildings	106,649	215,154	− 2	− 15
Hotels, motels, and tourist courts	8,604	11,052	251	− 13
Amusement buildings	2,860	5,843	− 4	1
Churches	3,253	7,339	− 20	6
Industrial buildings	10,929	19,399	29	26
Garages (commercial and private)	515	3,817	− 84	− 81
Service stations	722	1,792	− 33	− 28
Hospitals and institutions	14,565	23,087	71	147
Office-bank buildings	23,657	44,593	13	− 37
Works and utilities	3,304	5,274	68	5
Educational buildings	6,437	16,934	− 39	− 52
Stores and mercantile buildings	26,017	64,633	− 33	2
Other buildings and structures	5,786	11,391	3	123
Additions, alterations, and repairs	23,499	52,196	− 18	10
SMSA vs. non-SMSA				
Total SMSA†	252,171	530,852	− 10	− 3
Central cities	174,375	391,439	− 20	3
Outside central cities	77,796	139,413	26	− 18
Total non-SMSA	22,294	45,884	− 6	− 4
10,000 to 50,000 population	15,146	28,428	14	5
Less than 10,000 population	7,148	17,456	− 31	− 15

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

† As defined in 1970 Census.

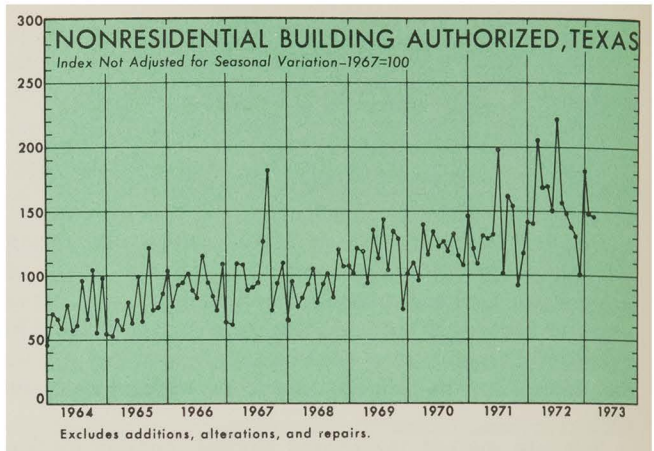
Source: Bureau of Business Research in cooperation with the Bureau of the Census, U.S. Department of Commerce.

decline of 2,600 units and $28 million in permit values among SMSA multifamily authorizations. Among these were Houston (−1,566 units and −$17.4 million), Abilene (−236 units and −$4.4 million), San Antonio (−363 units and −$3.1 million), Amarillo (−202 units and −$3.0 million), Dallas (−364 units and −$2.8 million), and Lubbock (−211 units and −$2.2 million).

Comparisons between January-February 1972 and January-February 1973 are not conclusive, though striking changes are evident. The unadjusted estimated values of all construction authorized in permit-reporting urban places in the state for the first two months of this year is running slightly behind the January-February total for 1972. The actual figures are 3 percent and $18.5 million. Additions, alterations, and repairs, however, are 10 percent ahead of the total for the first two months of last year. The "housekeeping dwellings" share of this component is 12 percent ahead of the level for last year through February.

Among residential authorizations during the first two months of the year, apartments (17 percent) and all multiple-family dwellings (13 percent) are ahead of the January-February 1972 total. For apartments the difference amounts to some $17.8 million.

The entire nonresidential category, for the first two months, totals 15 percent less than the 1972 authorizations for January and February. The absolute difference ($37.2 million) is a considerable sum. The two largest changes in



the nonresidential sector, however, were not losses but gains. "Other nonresidential buildings" increased its first-two-months' total to $5.4 million, a gain of 157 percent. Gaining 147 percent on its January-February 1972 total, "hospitals and other institutional buildings" aggregated $23.1 million for the first two months of 1973, an increase of $13.7 million over the comparable total for 1972.

Large declines between the two January-February periods were experienced in several sectors: commercial garages ($16 million); office-bank buildings ($26.4 million); and educational buildings ($18.3 million).

ONE-FAMILY, TWO-FAMILY, AND APARTMENT-BUILDING DWELLING UNITS AUTHORIZED IN STANDARD METROPOLITAN STATISTICAL AREAS, FEBRUARY 1973†

(Values in thousands of dollars)

Standard metropolitan statistical area	One-family dwelling units						Two-family dwelling units						Apartment-building dwelling units					
	Feb 1973		Jan-Feb 1973		Percent change Jan-Feb 1973 from Jan-Feb 1972		Feb 1973		Jan-Feb 1973		Percent change Jan-Feb 1973 from Jan-Feb 1972		Feb 1973		Jan-Feb 1973		Percent change Jan-Feb 1973 from Jan-Feb 1972	
	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units	Value	No. of units
Abilene	445	17	745	28	− 8	− 7	0	0	39	2			0	0	4408	234	3426	4580
Amarillo	1402	48	2754	90	− 10	− 13	152	6	255	10	1494	400	0	0	3000	204	900	629
Austin	6414	234	10691	397	− 16	− 23	1003	62	2446	144	15	20	6688	755	10805	1215	− 27	− 11
Beaumont-Port Arthur-Orange	1183	55	2336	105	− 6	− 15	50	4	50	4	60	**	1217	151	2534	305	853	824
Brownsville-Harlingen-San Benito	878	46	1758	101	71	5	0	0	0	0	...	...	2894	285	2894	285	...	...
Bryan-College Station	525	23	806	36	− 19	− 28	8	2	8	2	− 92	− 75	187	32	2006	282	31	31
Corpus Christi	356	19	1878	94	− 68	− 77	90	8	1060	20	1459	150	2200	184	3700	380	4202	2614
Dallas	19032	813	38105	1750	− 19	− 32	371	18	776	38	− 44	− 60	3255	636	9308	1636	− 18	4
El Paso	3424	170	6933	348	6	− 16	470	30	606	40	77	18	3571	326	8036	738	− 61	− 56
Fort Worth	12142	445	19951	768	− 20	− 36	0	0	71	2	− 74	− 89	2386	203	3650	314	− 26	− 15
Galveston-Texas City	309	19	906	48	− 44	− 65	0	0	0	0			140	12	310	43	− 86	− 81
Houston	13087	422	28584	934	70	37	52	2	118	8	− 86	− 85	12096	1367	41587	4296	156	90
Killeen-Temple	1351	66	2986	148	− 14	− 15	30	2	30	2	200	**	0	0	25	4	− 91	− 91
Laredo	69	13	290	28	− 49	− 40	0	0	0	0	...	...	0	0	0	0	...	...
Lubbock	2746	102	5192	186	27	18	343	18	753	36	24	13	330	43	2890	297	118	241
McAllen-Pharr-Edinburg	1124	67	2153	138	− 1	− 16	73	6	114	10	19	− 29	1602	114	1898	156	1043	680
Midland	629	21	1244	40	5	8	0	0	0	0	...	...	1000	123	1000	123	122	373
Odessa	284	9	749	27	26	− 4	0	0	0	0	...	...	720	120	945	151	...	...
San Angelo	879	31	1239	54	51	− 10	0	0	0	0	...	...	90	10	1000	192	...	...
San Antonio	9450	642	15050	1010	65	41	61	6	123	14	− 17	− 42	480	96	4080	553	− 29	− 29
Sherman-Denison	347	16	665	29	− 33	− 43	24	4	24	4	60	100	0	0	500	64	...	...
Texarkana	208	9	332	17	− 2	− 37	0	0	0	0	...	...	0	0	0	0	...	...
Tyler	479	17	1026	40	− 25	− 25	75	2	75	2	275	**	1207	129	2007	229	151	160
Waco	1044	44	1678	67	69	34	0	0	144	12	− 37	**	80	10	145	18	− 59	− 59
Wichita Falls	730	31	1274	54	43	− 10	0	0	0	0	...	...	0	0	571	72	− 51	− 44
Total SMSA's	78537	3379	149325	6537	− 1	− 18	2802	170	6692	350	5	− 20	40142	4596	107298	11791	25	28
Outside SMSA's	7239	360	16523	773	− 9	− 24	109	8	217	14	− 80	− 85	3910	448	6497	746	− 9	− 15
State total	85776	3739	165848	7310	− 2	− 19	2911	178	6909	364	− 8	− 31	44052	5044	113795	12537	22	24

† Metropolitan areas are listed in accordance with 1970 Bureau of the Census definition. This table includes only the cities reporting in metropolitan areas.
** Change is less than one half of 1 percent.
... Inadequate basis for comparison.

LOCAL BUSINESS CONDITIONS

Statistical data compiled by Mildred Anderson, statistical associate, *Constance Cooledge*, statistical assistant, *and Kay Davis*, statistical technician.

Business conditions are reported in the following tables first by metropolitan areas, second by counties and cities. Standard metropolitan statistical areas (SMSA's) are defined by county lines and include the counties listed. All SMSA's are designated as such by the U.S. Bureau of the Census except one, the Longview-Marshall area, which is now a significant metropolitan node.

Population figures represent the 1970 Census counts except where otherwise noted. The population estimates not taken from the Census are generally based on utility connections and are subject to substantial error.

Building-permit values are collected from municipalities by the Bureau of Business Research in cooperation with the Bureau of the Census. They represent only building intentions within city limits, since construction permits are not issued except by incorporated cities in Texas. The building data also exclude federal contracts and public works projects, such as highways, waterways, and reservoirs.

The bank debit statistics for SMSA's and most central metropolitan cities are collected by the Federal Reserve Bank of Dallas. Most other bank debits figures shown are collected from cooperating banks by the Bureau of Business Research.

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

Footnote symbols are explained on pages 92 and 100.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR STANDARD METROPOLITAN STATISTICAL AREAS

Reported area and indicator	Feb 1973	Percent change from Jan 1973	Percent change from Feb 1972
ABILENE SMSA			
Jones and Taylor Counties; population 113,959			
Urban building permits	809,189	− 84	− 2
Bank debits, seas. adj. ($1,000)	242,396	5	17
Nonfarm employment	39,950	− 1	2
Manufacturing employment	5,770	**	9
Unemployed (percent)	2.5	− 17	− 26
AMARILLO SMSA			
Potter and Randall Counties; population 144,396			
Urban building permits (dollars)	2,516,330	− 65	35
Bank debits, seas, adj. ($1,000)	709,891	5	26
Nonfarm employment	59,400	− 1	− 2
Manufacturing employment	8,090	− 2	− 4
Unemployed (percent)	2.9	− 29	− 26
AUSTIN SMSA			
Travis County; population 295,516			
Urban building permits (dollars)	17,171,148	12	− 21
Bank debits, seas. adj. ($1,000)	1,120,087	− 4	20
Nonfarm employment	155,100	2	6
Manufacturing employment	13,350	**	4
Unemployed (percent)	2.0	− 13	− 5
BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Jefferson and Orange Counties; population 315,943			
Urban building permits (dollars)	3,754,799	− 21	59
Bank debits, seas. adj. ($1,000)	664,357	4	19
Nonfarm employment	122,700	1	2
Manufacturing employment	37,800	1	7
Unemployed (percent)	4.7	− 16	− 10
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Cameron County; population 140,368			
Urban building permits (dollars)	6,269,643	275	226
Bank debits, seas. adj. ($1,000)	222,076	− 3	11
Nonfarm employment	44,900	− 1	7
Manufacturing employment	7,890	− 4	12
Unemployed (percent)	7.6	**	12
BRYAN-COLLEGE STATION SMSA			
Brazos County; population 57,978			
Urban building permits (dollars)	834,840	− 72	− 69
Bank debits, seas. adj. ($1,000)	111,173	1	13
(Monthly employment reports are not available for the Bryan-College Station SMSA).			

Reported area and indicator	Feb 1973	Percent change from Jan 1973	Percent change from Feb 1972
CORPUS CHRISTI SMSA			
Nueces and San Patricio Counties; population 284,832			
Urban building permits (dollars)	5,054,344	− 39	− 10
Bank debits, seas. adj. ($1,000)	670,039	4	13
Nonfarm employment	100,900	**	**
Manufacturing employment	11,140	**	5
Unemployed (percent)	3.6	**	− 10
DALLAS SMSA			
Collin, Dallas, Denton, Ellis, Kaufman, and Rockwall Counties; population 1,555,950			
Urban building permits (dollars)	46,662,374	− 14	− 54
Bank debits, seas. adj. ($1,000)	13,807,817	9	18
Nonfarm employment	771,900	1	6
Manufacturing employment	160,325	2	8
Unemployed (percent)	1.8	− 22	− 33
FORT WORTH SMSA			
Johnson and Tarrant Counties; population 762,086			
Urban building permits (dollars)	29,526,419	59	2
Bank debits, seas. adj. ($1,000)	2,633,789	1	15
Nonfarm employment	303,500	**	2
Manufacturing employment	73,225	**	3
Unemployed (percent)	3.3	3	− 31
SOUTHWEST METROPLEX: DALLAS/FORT WORTH			
Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, and Tarrant Counties; population 2,318,036			
Urban building permits (dollars)	76,188,793	5	− 42
Bank debits, seas. adj. ($1,000)	16,441,606	7	17
Nonfarm employment	1,075,400	1	5
Manufacturing employment	233,550	1	6
Unemployed (percent)	2.3	− 12	− 30
EL PASO SMSA			
El Paso County; population 359,291			
Urban building permits (dollars)	11,940,791	7	− 47
Bank debits, seas. adj. ($1,000)	896,679	6	23
Nonfarm employment	131,600	**	5
Manufacturing employment	27,150	− 1	5
Unemployed (percent)	4.4	13	2

Reported area and indicator	Feb 1973	Percent change from Jan 1973	Percent change from Feb 1972
GALVESTON-TEXAS CITY SMSA			
Galveston County; population 169,812			
Urban building permits (dollars)	1,489,582	49	– 71
Bank debits, seas, adj. ($1,000)	292,939	**	14
Nonfarm employment	61,300	**	1
Manufacturing employment	10,850	– 1	– 3
Unemployed (percent)	4.4	– 10	– 33
HOUSTON SMSA			
Brazoria, Fort Bend, Harris, Liberty, and Montgomery Counties; population 1,985,031			
Urban building permits (dollars)	66,622,303	– 16	25
Bank debits, seas. adj. ($1,000)	12,641,231	– 5	16
Nonfarm employment	915,200	**	3
Manufacturing employment	153,300	**	3
Unemployed (percent)	2.4	4	– 17
KILLEEN-TEMPLE SMSA			
Bell and Coryell Counties; population 159,794			
Urban building permits (dollars)	2,909,756	– 34	– 12
Bank debits, seas. adj. ($1,000)	189,441	– 3	21
(Monthly employment reports are not available for the Killeen-Temple SMSA.)			
LAREDO SMSA			
Webb County; population 72,859			
Urban building permits (dollars)	338,237	– 24	– 83
Bank debits, seas. adj. ($1,000)	105,898	– 5	21
Nonfarm employment	25,000	– 3	2
Manufacturing employment	1,640	– 2	10
Unemployed (percent)	11.6	– 10	– 17
LONGVIEW-MARSHALL METROPOLITAN AREA			
(formerly Longview-Kilgore-Gladewater Metropolitan Area)			
Gregg and Harrison Counties; population 120,770			
(formerly only Gregg County; population 75,929)			
Urban building permits (dollars)	3,074,751	68	39
Bank debits ($1,000)	177,454	– 12	12
Nonfarm employment	50,900	**	4
Manufacturing employment	15,440	**	13
Unemployed (percent)	3.5	– 8	– 33
(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)	4,957,195	– 31	– 13
Bank debits, seas. adj. ($1,000)	581,068	14	26
Nonfarm employment	75,600	**	8
Manufacturing employment	8,390	3	7
Unemployed (percent)	1.9	– 17	– 17
McALLEN-PHARR-EDINBURG SMSA			
Hidalgo County; population 181,535			
Urban building permits (dollars)	3,387,225	– 26	46
Bank debits, seas. adj. ($1,000)	244,991	3	30
Nonfarm employment	46,700	3	6
Manufacturing employment	4,900	11	23
Unemployed (percent)	7.8	– 4	16
MIDLAND SMSA			
Midland County; population 65,433			
Urban building permits (dollars)	2,936,618	275	120
Bank debits, seas. adj. ($1,000)	210,376	8	22
Nonfarm employment	60,100	**	– 3
Manufacturing employment	5,510	**	5
Unemployed (percent)	2.7	– 21	– 29
(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.)			
ODESSA SMSA			
Ector County; population 91,805			
Urban building permits (dollars)	1,336,318	11	13
Bank debits, seas. adj. ($1,000)	164,199	5	14
Nonfarm employment	60,100	**	– 3
Manufacturing employment	5,510	**	5
Unemployed (percent)	2.7	– 21	– 29
(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)	1,110,018	– 18	101
Bank debits, seas. adj. ($1,000)	170,851	12	24
Nonfarm employment	24,800	2	3
Manufacturing employment	4,460	2	5
Unemployed (percent)	3.4	– 23	– 11
SAN ANTONIO SMSA			
Bexar and Guadalupe Counties; population 864,014			
Urban building permits (dollars)	16,615,880	– 22	– 14
Bank debits, seas. adj. ($1,000)	2,105,579	3	17
Nonfarm employment	314,700	**	2
Manufacturing employment	35,775	**	3
Unemployed (percent)	3.0	3	– 12
SHERMAN-DENISON SMSA			
Grayson County; population 83,225			
Urban building permits (dollars)	710,596	– 55	– 45
Bank debits, seas. adj. ($1,000)	123,734	13	18
(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)	296,307	– 11	– 78
Bank debits, seas. adj. ($1,000)	165,441	5	15
Nonfarm employment	41,150	**	4
Manufacturing employment	9,590	– 3	8
Unemployed (percent)	4.4	– 19	– 29
(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)	2,097,391	– 1	7
Bank debits, seas. adj. ($1,000)	242,816	– 18	11
Nonfarm employment	41,300	**	4
Manufacturing employment	13,430	2	8
Unemployed (percent)	3.7	– 10	16
WACO SMSA			
McLennan County; population 147,553			
Urban building permits (dollars)	2,321,507	– 63	– 19
Bank debits, seas. adj. ($1,000)	380,948	1	25
Nonfarm employment	62,800	**	5
Manufacturing employment	14,100	– 1	14
Unemployed (percent)	2.9	– 12	– 22
WICHITA FALLS SMSA			
Archer and Wichita Counties; population 127,621			
Urban building permits (dollars)	2,069,676	– 16	3
Bank debits, seas. adj. ($1,000)	263,260	6	14
Nonfarm employment	45,200	2	2
Manufacturing employment	5,720	4	12
Unemployed (percent)	2.7	– 10	– 7

** Absolute change is less than one half of 1 percent.
Urban building-permit data are preliminary and subject to revision.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR INDIVIDUAL MUNICIPALITIES

COUNTY City	Population	Urban building permits			Bank debits		
		Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
ANDERSON	27,789						
Palestine	14,525	141,500	270	– 49	24,367	– 12	5
ANDREWS	10,372						
Andrews	8,625	4,700	...	– 70	10,555	– 28	4
ANGELINA	49,349						
Lufkin	23,049	1,670,783	406	559	...	...	...
ARANSAS	8,902						
Aransas Pass	5,813	6,600	– 91	– 91	10,600	– 9	11
ATASCOSA	18,696						
Pleasanton	5,407	...	...	...	5,899	– 10	– 8
AUSTIN	13,831						
Bellville	2,371	0	...	...	7,825	– 29	– 13
BAILEY	8,487						
Muleshoe	4,525	...	...	...	17,117	– 36	13
BASTROP	17,297						
Smithville	2,959	24,700	– 5	...	3,251	– 3	39
BEE	22,737						
Beeville	13,506	162,967	34	36	25,011	– 13	19
BELL	124,483						
(In Killeen-Temple SMSA)							
Bartlett	1,622	...	...	...	1,418	– 35	**
Belton	8,696	162,100	– 23	**	...	...	...
Harker Heights	4,216	203,098	71	– 29	...	...	...
Killeen	35,507	1,097,789	– 7	– 11	44,356	– 3	15
Temple	33,431	1,049,862	– 53	– 17	78,303	– 20	19
BEXAR	830,460						
(In San Antonio SMSA)							
San Antonio	654,153	16,025,648	– 21	– 13	1,876,245	– 13	12
BOWIE	67,813						
(In Texarkana SMSA)							
Texarkana	52,179	246,807	– 14	– 81	132,789	– 12	15
BRAZORIA	108,312						
(In Houston SMSA)							
Angleton	9,770	83,700	815	...	23,838	– 9	18
Clute	6,023	743,090	729	...	5,489	– 18	– 2
Freeport	11,997	14,100	– 95	– 82	35,894	– 12	16
Pearland	6,444	482,780	– 41	– 39	9,264	– 15	8
BRAZOS	57,978						
(Constitutes Bryan-College Station SMSA)							
Bryan	33,719	393,870	– 72	– 53	90,182	– 13	8
College Station	17,676	440,970	– 71	– 76	13,479	– 18	21
BREWSTER	7,780						
Alpine	5,971	43,500	...	87	6,186	– 10	– 10
BROWN	25,877						
Brownwood	17,368	1,731,195	444	23	...	...	...
BURLESON	9,999						
Caldwell	2,308	...	...	...	4,796	– 14	17
BURNET	11,420						
Marble Falls	2,209	...	...	...	7,646	– 25	13
CALDWELL	21,178						
Lockhart	6,489	30,895	– 82	– 74	11,022	– 20	6

COUNTY City	Population	Urban building permits			Bank debits		
		Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
CALHOUN	17,831						
Point Comfort	1,446	0	...	...	1,625	4	...
Seadrift	1,092	0	...	...	536	− 23	12
CAMERON	140,368						
(Constitutes Brownsville-Harlingen-San Benito SMSA)							
Brownsville	52,522	5,247,143	390	251	77,919	− 14	− 1
Harlingen	33,503	378,222	− 23	− 1	86,286	− 23	10
La Feria	2,642	20,150	...	96	3,797	6	44
Los Fresnos	1,297	...	...	...	2,130	− 26	13
Port Isabel	3,067	16,725	197	...	5,015	...	4
San Benito	15,176	604,703	592	...	9,368	− 9	10
CASTRO	10,394						
Dimmitt	4,327	...	...	...	26,372	− 31	13
CHEROKEE	32,008						
Jacksonville	9,734	324,800	...	122	31,800	− 6	34
COLEMAN	10,288						
Coleman	5,608	900	− 98	− 96	...	...	...
COLLIN	66,920						
(In Dallas SMSA)							
McKinney	15,193	2,800	...	...	15,234	− 27	5
Plano	17,872	2,858,131	16	22	30,738	− 8	41
COLORADO	17,638						
Eagle Lake	3,587	...	...	...	6,030	− 5	8
COMAL	24,165						
New Braunfels	17,859	469,749	26	− 18	28,098	− 18	13
COOKE	23,471						
Gainesville	13,830	273,795	28	− 34	24,862	− 12	11
Muenster	1,411	0	...	...	4,392	...	22
CORYELL	35,311						
(In Killeen-Temple SMSA)							
Copperas Cove	10,818	592,505	− 28	71	6,823	16	40
Gatesville	4,683	...	...	...	11,461	− 22	14
CRANE	4,172						
Crane	3,427	6,000	...	− 70	2,900	− 3	18
DALLAS	1,327,321						
(In Dallas SMSA)							
Carrollton	13,855	3,209,980	59	68	25,098	− 1	37
Dallas	844,401	21,485,569	− 35	− 71	11,751,272	− 18	12
Farmers Branch	27,492	3,556,088	...	...	24,088	− 10	11
Garland	81,437	4,996,491	22	− 5	104,006	4	35
Grand Prairie	50,904	4,851,561	245	101	37,809	− 10	1
Irving	97,260	2,248,606	− 63	33	103,463	− 15	14
Lancaster	10,522	875,450	341	22	12,668	**	41
Mesquite	55,131	3,749,913	87	57	33,419	...	7
Richardson	48,582	2,280,711	44	15	85,300	− 17	2
Seagoville	4,390	39,757	...	− 61	8,808	− 9	25
DAWSON	16,604						
Lamesa	11,559	67,000	...	931	30,762	− 35	− 11
DEAF SMITH	18,999						
Hereford	13,414	103,170	− 70	− 79	...	...	...
DENTON	75,633						
(In Dallas SMSA)							
Denton	39,874	906,575	− 48	− 26	77,963	− 15	8
Justin	741	28,000	− 25	18	1,645	− 20	20
Lewisville	9,264	...	...	...	29,493	− 21	47
Pilot Point	1,663	2,000	− 63	− 96	2,990	− 29	− 2
DE WITT	18,660						
Yoakum	5,755	51,875	− 63	328	15,679	− 9	15

COUNTY City	Population	Urban building permits			Bank debits		
		Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
EASTLAND	18,092						
Cisco	4,160	...	...	...	6,921	− 6	35
ECTOR	91,805						
(Constitutes Odessa SMSA)							
Odessa	78,380	1,336,318	11	13	152,558	− 13	5
ELLIS	46,638						
(In Dallas SMSA)							
Midlothian	2,322	74,500	84	− 77	3,482	− 3	38
Waxahachie	13,452	159,000	− 39	− 59	25,092	− 15	14
EL PASO	359,291						
(Constitutes El Paso SMSA)							
El Paso	322,261	11,940,791	7	− 47	794,416	− 19	19
ERATH	18,191						
Stephenville	9,277	228,140	133	56	18,553	− 17	26
FANNIN	22,705						
Bonham	7,698	114,125	− 82	116	15,189	− 20	16
FAYETTE	17,650						
Schulenburg	2,294	27,000	− 62	− 40	...	...	...
FORT BEND	52,314						
(In Houston SMSA)							
Richmond	5,777	162,900	− 74	− 53	17,277	− 7	21
Rosenberg	12,098	142,900	− 82	− 71	11,873	...	18
GAINES	11,593						
Seagraves	2,440	29,000	69	...	4,550	− 28	12
Seminole	5,007	50	− 85	...	15,807	− 12	41
GALVESTON	169,812						
(Constitutes Galveston-Texas City SMSA)							
Dickinson	10,776	...	...	...	16,178	− 25	− 4
Galveston	61,809	1,056,037	117	− 69	170,687	− 18	11
La Marque	16,131	...	...	...	22,205	6	41
Texas City	38,908	433,545	− 15	− 74	42,048	− 6	− 6
GILLESPIE	10,553						
Fredericksburg	5,326	137,900	1	159	20,084	− 20	23
GONZALES	16,375						
Nixon	1,925	2,065	...	726	...	...	...
GRAY	26,949						
Pampa	21,726	116,630	145	...	43,796	− 20	15
GRAYSON	83,225						
(Constitutes Sherman-Denison SMSA)							
Denison	24,923	160,822	− 74	− 54	31,064	− 16	− 4
Sherman	29,061	517,774	15	− 46	68,950	− 12	20
GREGG	75,929						
(In Longview-Marshall Metropolitan Area)							
Gladewater	5,574	49,500	...	− 37	5,916	− 25	− 9
Kilgore	9,495	102,467	− 8	− 53	23,027	− 17	8
Longview	45,547	2,138,000	43	21	113,315	− 11	16
GUADALUPE	33,554						
(In San Antonio SMSA)							
Schertz	4,061	215,385	366	− 29	1,855	− 21	29
Seguin	15,934	230,091	− 47	82	29,910	− 11	20
HALE	34,137						
Hale Center	1,964	0	...	...	...	...	...
Plainview	19,096	127,700	15	− 53	76,444	− 31	21

COUNTY City	Population	Urban building permits Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Bank debits Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
HARDEMAN	6,795						
Quanah	3,948	...	...	...	7,545	...	8
HARDIN	29,996						
Silsbee	7,271	...	...	...	13,765	– 14	– 7
HARRIS	1,741,912						
(In Houston SMSA)							
Baytown	43,980	414,501	99	– 54	74,078	– 21	– 1
Bellaire	19,009	150,211	– 55	– 77	75,419	– 16	6
Deer Park	12,773	358,044	– 42	– 47	20,661	– 13	11
Houston	1,232,802	53,836,320	– 25	41	10,725,065	– 21	12
Humble	3,278	521,000	3	98	14,047	– 7	22
La Porte	7,149	161,250	213	134	4,014	– 39	– 15
Pasadena	89,277	7,450,357	754	– 22	146,698	– 18	13
South Houston	11,527	41,290	– 44	...	...	...	...
Tomball	2,734	...	...	...	28,403	– 12	34
HARRISON	44,841						
(In Longview-Marshall Metropolitan Area)							
Hallsville	1,038	...	...	...	1,720	– 17	**
Marshall	22,937	784,784	262	400	33,476	– 12	9
HASKELL	8,512						
Haskell	3,655	4,500	...	– 97	6,146	– 26	– 12
HAYS	27,642						
San Marcos	18,860	68,830	...	– 93	17,647	– 13	1
HENDERSON	26,466						
Athens	9,582	199,300	6	– 41	20,077	– 22	18
HIDALGO	181,535						
(Constitutes McAllen-Pharr-Edinburg SMSA)							
Alamo	4,291	21,850	...	...	3,640	12	– 12
Donna	7,365	60,450	344	186	5,937	– 9	– 5
Edinburg	17,163	300,139	– 87	– 21	33,625	– 10	33
Elsa	4,400	600	...	...	11,023	20	126
McAllen	37,636	1,065,378	6	52	90,805	– 7	42
Mercedes	9,355	55,538	– 57	– 84	10,527	...	13
Mission	13,043	235,085	– 64	197	25,731	– 13	13
Pharr	15,829	1,590,425	...	994	8,507	– 12	8
San Juan	5,070	...	...	...	5,874	– 5	32
Weslaco	15,313	57,760	– 66	– 91	22,101	– 15	2
HOCKLEY	20,396						
Levelland	11,445	15,200	– 92	– 78	36,776	– 24	14
HOOD	6,368						
Granbury	2,473	...	...	...	4,000	– 5	24
HOPKINS	20,710						
Sulphur Springs	10,642	145,700	34	– 54	34,526	...	10
HOWARD	37,796						
Big Spring	28,735	98,000	– 95	– 54	70,501	– 11	5
HUNT	47,948						
Greenville	22,043	175,465	**	125	33,064	– 18	20
JACKSON	12,975						
Edna	5,332	40,615	– 32	17	9,582	– 17	– 1
JASPER	24,692						
Jasper	6,251	67,650	441	...	20,874	– 15	40
Kirbyville	1,869	...	...	...	3,610	– 9	19
JEFFERSON	244,773						
(In Beaumont-Port Arthur-Orange SMSA)							
Beaumont	115,919	2,941,523	– 11	109	387,964	– 8	21
Groves	18,067	150,307	– 29	– 1	20,160	– 9	– 14

COUNTY City	Population	Urban building permits Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Bank debits Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
JEFFERSON (continued)							
Nederland	16,810	177,700	951	...	16,230	– 6	24
Port Arthur	57,371	382,139	– 22	49	90,635	– 18	6
Port Neches	10,894	...	...	...	20,028	3	4
JIM WELLS	33,032						
Alice	20,121	259,622	– 66	– 17	50,914	...	6
JOHNSON	45,769						
(In Fort Worth SMSA)							
Burleson	7,713	40,287	– 63	...	10,498	– 1	30
Cleburne	16,015	116,380	– 69	– 78	26,057	– 22	34
KARNES	13,462						
Karnes City	2,926	0	...	...	5,708	– 10	10
KAUFMAN	32,392						
(In Dallas SMSA)							
Terrell	14,182	307,992	740	383	...	...	...
KIMBLE	3,904						
Junction	2,654	...	...	...	4,779	14	56
KLEBERG	33,166						
Kingsville	28,711	444,927	53	83	27,308	– 21	9
LAMAR	36,062						
Paris	23,441	166,832	– 50	– 63	...	...	...
LAMB	17,770						
Littlefield	6,738	...	...	...	12,532	– 32	5
LAMPASAS	9,323						
Lampasas	5,922	137,050	– 67	31	13,387	– 22	11
LAVACA	17,903						
Hallettsville	2,712	30,750	100	459	6,164	– 30	9
Yoakum	5,755	51,875	– 63	328	15,679	– 9	15
LEE	8,048						
Giddings	2,783	15,275	831	– 65	9,307	– 1	28
LIBERTY	33,014						
(In Houston SMSA)							
Dayton	3,804	12,500	– 60	– 50	8,210	– 33	10
Liberty	5,591	47,849	– 36	– 50	17,777	– 16	14
LIMESTONE	18,100						
Mexia	5,943	41,150	208	70	10,819	– 16	9
LLANO	6,979						
Kingsland	1,262	...	...	...	6,208	– 38	– 31
Llano	2,608	400	– 99	– 99	9,818	– 23	64
LUBBOCK	179,295						
(Constitutes Lubbock SMSA)							
Lubbock	149,101	4,871,370	– 32	– 14	526,127	– 27	24
Slaton	6,583	30,325	21	668	7,959	– 23	4
LYNN	9,107						
Tahoka	2,956	25,000	...	...	9,460	– 30	10
McCULLOCH	8,571						
Brady	5,557	40,450	119	– 52	12,009	– 15	25
McLENNAN	147,553						
(Constitutes Waco SMSA)							
McGregor	4,365	41,000	– 7	122	7,306	– 7	31
Waco	95,326	1,910,607	– 69	– 31	330,867	– 12	– 13
MATAGORDA	27,913						
Bay City	11,733	164,560	– 62	62	28,021	– 14	23

COUNTY City	Population	Urban building permits			Bank debits		
		Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
MAVERICK	18,093						
Eagle Pass	15,364	49,555	– 91	– 37	16,622	– 18	19
MEDINA	20,249						
Castroville	1,893	0	...	...	2,639	23	87
Hondo	5,487	45,618	– 25	– 17	5,683	...	1
MIDLAND	65,433						
(Constitutes Midland SMSA)							
Midland	59,463	2,936,618	275	120	188,961	– 17	18
MILAM	20,028						
Cameron	5,546	...	...	...	8,930	– 28	10
Rockdale	4,655	47,100	...	– 12	9,174	– 8	16
MILLS	4,212						
Goldthwaite	1,693	...	...	...	7,225	– 15	19
MITCHELL	9,073						
Colorado City	5,227	...	...	...	7,482	– 19	3
MONTGOMERY	49,479						
(In Houston SMSA)							
Conroe	11,969	613,652	65	...	58,891	– 29	2
MOORE	14,060						
Dumas	9,771	254,650	– 8	– 13	...	...	...
NACOGDOCHES	36,362						
Nacogdoches	22,544	1,108,996	450	– 41	...	...	...
NAVARRO	31,150						
Corsicana	19,972	338,720	– 74	5	41,340	– 24	24
NOLAN	16,220						
Sweetwater	12,020	375,880	– 25	...	25,425	– 24	**
NUECES	237,544						
(In Corpus Christi SMSA)							
Corpus Christi	204,525	6,178,740	– 21	35	545,170	– 12	9
Port Aransas	1,218	...	...	...	987	– 1	34
Robstown	11,217	112,350	222	– 40	17,981	– 20	– 1
ORANGE	71,170						
(In Beaumont-Port Arthur-Orange SMSA)							
Orange	24,457	86,370	– 82	– 77	63,504	– 16	21
PALO PINTO	28,962						
Mineral Wells	18,411	133,800	67	16	28,589	– 13	9
PANOLA	15,894						
Carthage	5,392	4,750	– 83	– 98	7,418	1	22
PARKER	33,888						
Weatherford	11,750	79,025	...	46	29,458	– 7	9
PARMER	10,509						
Friona	3,111	105,500	...	– 40	32,751	– 30	23
PECOS	13,748						
Fort Stockton	8,283	36,350	– 57	– 49	18,876	4	60
POTTER	90,511						
(In Amarillo SMSA)							
Amarillo	127,010	2,490,305	– 65	39	652,187	– 15	20
RANDALL	53,885						
(In Amarillo SMSA)							
Amarillo (See Potter)							
Canyon	8,333	26,025	– 80	– 64	16,024	– 7	36
REEVES	16,526						
Pecos	12,682	15,400	...	– 65	27,870	– 27	3

COUNTY City	Population	Urban building permits Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Bank debits Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
REFUGIO	9,494						
Refugio	4,340	0	...	...	5,309	– 23	20
RUSK	34,102						
Henderson	10,187	66,400	– 71	– 45	25,885	– 17	23
Kilgore	9,495	102,467	– 8	– 53	23,027	– 17	8
SAN PATRICIO	47,288						
(In Corpus Christi SMSA)							
Aransas Pass	5,813	6,600	– 91	– 91	10,600	– 9	11
Sinton	5,563	40,494	69	– 81	8,931	– 25	– 18
SAN SABA	5,540						
San Saba	2,555	15,950	– 67	2	6,351	– 57	– 20
SCURRY	15,760						
Snyder	11,171	78,500	– 83	15	23,818	– 16	21
SHACKELFORD	3,323						
Albany	1,978	0	...	...	3,299	– 15	5
SHERMAN	3,657						
Stratford	2,139	25,900	...	– 82	21,689	– 40	89
SMITH	97,096						
(Constitutes Tyler SMSA)							
Tyler	57,770	2,034,391	43	3	208,344	– 35	8
STEPHENS	8,414						
Breckenridge	5,944	28,000	– 54	241	...	...	...
SUTTON	3,175						
Sonora	2,149	11,000	8	125	3,993	– 21	11
TARRANT	716,317						
(In Fort Worth SMSA)							
Arlington	90,643	11,214,557	66	– 36	124,015	– 4	10
Bedford	10,049	861,470	89	– 4	12,571	– 17	...
Burleson	7,713	40,287	– 63	...	10,498	– 1	30
Euless	19,316	571,900	– 41	– 58	...	...	...
Fort Worth	393,476	11,728,928	61	124	2,061,153	– 15	9
Grapevine	7,023	178,039	27	30	11,373	– 13	6
North Richland Hills	16,514	594,850	5	– 11	22,825	– 2	16
White Settlement	13,449	10,200	– 67	– 84	8,591	...	30
TAYLOR	97,853						
(In Abilene SMSA)							
Abilene	89,653	802,989	– 84	– 2	197,068	– 16	17
TERRY	14,118						
Brownfield	9,647	39,650	– 69	313	33,919	– 35	9
TITUS	16,702						
Mount Pleasant	8,877	166,025	– 55	30	25,641	– 9	– 12
TOM GREEN	71,047						
(Constitutes San Angelo SMSA)							
San Angelo	63,884	1,110,018	– 18	101	155,599	– 12	22
TRAVIS	295,516						
(Constitutes Austin SMSA)							
Austin	251,808	17,013,648	11	– 22	1,145,526	**	13
UPSHUR	20,976						
Gladewater	5,574	49,500	...	– 37	5,916	– 25	– 9
UPTON	4,697						
McCamey	2,647	...	...	...	2,471	– 8	15
UVALDE	17,348						
Uvalde	10,764	407,131	121	177	31,566	– 16	26

COUNTY City	Population	Urban building permits Feb 1973 (dollars)	Percent change from Jan 1973	Percent change from Feb 1972	Bank debits Feb 1973 (thousands of dollars)	Percent change from Jan 1973	Percent change from Feb 1972
VAL VERDE	27,471						
Del Rio	21,330	742,807	132	133	28,603	– 8	33
VICTORIA	53,766						
Victoria	41,349	474,665	– 1	– 46	119,371	– 23	8
WALKER	27,680						
Huntsville	17,610	1,039,100	88	274	33,142	– 2	21
WARD	13,019						
Monahans	8,333	49,175	228	...	12,733	– 19	– 9
WASHINGTON	18,842						
Brenham	8,922	153,753	– 6	– 23	29,956	– 13	16
WEBB	72,859						
(Constitutes Laredo SMSA)							
Laredo	69,024	338,237	– 24	– 83	97,494	– 16	16
WHARTON	36,729						
El Campo	8,563	161,348	83	102	22,616	– 24	9
WICHITA	121,862						
(In Wichita Falls SMSA)							
Burkburnett	9,230	7,250	263	– 83	9,425	– 19	4
Iowa Park	5,796	...	...	...	4,827	– 6	17
Wichita Falls	97,564	2,062,426	10	7	225,199	– 16	7
WILBARGER	15,355						
Vernon	11,454	42,950	– 75	– 31	38,126	– 27	9
WILLACY	15,570						
Raymondville	7,987	70,900	– 56	– 73	12,158	– 21	16
WILLIAMSON	37,305						
Bartlett	1,622	...	...	...	1,418	– 35	**
Georgetown	6,395	301,000	– 4	– 7	12,598	– 12	11
Taylor	9,616	33,175	– 94	– 70	16,601	– 24	18
WINKLER	9,640						
Kermit	7,884	29,500	917	...	...	...	...
WISE	19,687						
Decatur	3,240	1,100	– 98	– 93	7,718	– 25	22
YOUNG	15,400						
Graham	7,477	532,600	559	969	19,198	– 19	7
Olney	3,624	...	...	...	7,585	– 16	14
ZAVALA	11,370						
Crystal City	8,104	2,000	– 98	– 83	8,578	– 12	20

** Absolute change is less than one half of 1 percent.
... No data, or inadequate basis for reporting.

BAROMETERS OF TEXAS BUSINESS

(All figures are for Texas unless otherwise indicated.)

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

	Feb 1973	Jan 1973	Feb 1972	Year-to-date average 1973	Year-to-date average 1972
GENERAL BUSINESS ACTIVITY					
Texas business activity (index)	167.6	175.1	160.3	171.4	158.1
Estimates of personal income (millions of dollars, seasonally adjusted)	$ 4,039p	$ 4,063p	$ 3,836r	$ 4,051	$ 3,810
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	$ 993.9p	$ 985.6p	$ 908.5r	$ 989.8	$ 903.7
Wholesale prices in U.S. (unadjusted index)	126.9	124.5	117.3	125.7	116.8
Consumer prices in Dallas (unadjusted index)	127.7	...	123.7	127.7	123.7
Consumer prices in U.S. (unadjusted index)	128.6	127.7	123.8	128.2	123.5
Business failures (number)	...	41	79	...	74
Business failures (liabilities, thousands)	$ ...	$ 6,447	$ 15,986r	$ ...	$ 13,868
Sales of ordinary life insurance (index)	179.3	187.6	159.6r	183.5	157.8
PRODUCTION					
Total electric-power use (index)	162.5p	159.6p	149.9r	161.1	147.0
Industrial electric-power use (index)	145.8p	140.3p	141.0r	143.1	137.9
Crude-oil production (index)	115.5p	117.7p	112.0r	116.6	108.0
Average daily production per oil well (bbl.)	19.1	19.0	18.0	19.1	17.7
Crude-oil runs to stills (index)	117.4	121.4	112.5	119.4	114.0
Industrial production in U.S. (index)	120.8p	119.9p	110.0r	120.4	109.4
Texas industrial production–total (index)	136.2p	134.4p	125.6r	135.3	124.6
Texas industrial production–total manufactures (index)	140.9p	137.9p	126.5r	139.4	126.9
Texas industrial production–durable manufactures (index)	154.1p	149.0p	135.3r	151.6	136.3
Texas industrial production–nondurable manufactures (index)	131.3p	129.9p	120.1r	130.6	120.0
Texas industrial production–mining (index)	118.3p	118.8p	116.8r	118.6	113.0
Texas industrial production–utilities (index)	161.2p	161.0p	151.6r	161.1	148.7
Urban building permits issued (index)	165.7	196.9	212.4	181.3	188.2
New residential building authorized (index)	193.0	254.4r	226.5r	223.7	211.1
New residential units authorized (index)	131.9p	210.4r	158.8r	171.2	162.6
New nonresidential building authorized (unadjusted index)	146.4	148.9	205.4	147.7	173.2
AGRICULTURE					
Prices received by farmers (unadjusted index, 1910-14=100)	414	386	340	400	337
Prices paid by farmers in U.S. (unadjusted index, 1910-14=100)	449	458	423	454	422
Ratio of Texas farm prices received to U.S. prices paid by farmers	92	84	80	88	80
FINANCE					
Bank debits (index)	212.6	218.0	188.1	215.3	184.7
Bank debits, U.S. (index)	...	209.3r	192.0	...	188.4
Bank commercial loans outstanding (index)	150.9	147.0r	126.3	149.0	124.9
Reporting member banks, Dallas Federal Reserve District					
Loans (millions)	$ 9,058	$ 8,842	$ 7,435	$ 8,950	$ 7,416
Loans and investments (millions)	$ 13,025	$ 12,975	$ 10,856	$ 13,000	$ 10,871
Adjusted demand deposits (millions)	$ 4,239	$ 4,249	$ 3,636	$ 4,244	$ 3,646
Revenue receipts of the state comptroller (thousands)	$ 437,582	$ 330,629	$ 383,642	$ 384,106	$ 321,420
Federal Internal Revenue collections (thousands)	$ 857,559	$1,171,636	$ 691,177	$6,324,141*	$5,465,924*
Securities registrations–original applications					
Mutual investment companies (thousands)	$ 79,556	$ 58,691	$ 24,005	$ 262,472*	$ 142,052*
All other corporate securities					
Texas companies (thousands)	$ 32,309	$ 13,517	$ 27,015	$ 167,456*	$ 153,849*
Other companies (thousands)	$ 10,270	$ 13,609	$ 38,296	$ 132,405*	$ 220,884*
Securities registration–renewals					
Mutual investment companies (thousands)	$ 58,346	$ 25,057	$ 42,692	$ 249,968*	$ 223,025*
Other corporate securities (thousands)	$ 0	$ 0	$ 3,522	$ 1,360*	$ 7,246*
LABOR					
Total nonagricultural employment in Texas (index)†	123.0p	122.6p	117.1r	122.8	116.8
Manufacturing employment in Texas (index)†	115.9p	115.2p	109.4r	115.6	109.2
Average weekly hours–manufacturing (index)†	100.3p	92.7p	98.3r	96.5	98.6
Average weekly earnings–manufacturing (index)†	136.5p	126.4p	126.9r	131.5	127.0
Total nonagricultural employment (thousands)†	3,957.7p	3,943.7p	3,764.5r	3,950.7	3,755.2
Total manufacturing employment (thousands)†	759.6p	754.9p	717.6r	757.3	716.6
Durable-goods employment (thousands)†	413.5p	409.6p	382.4r	411.6	382.4
Nondurable-goods employment (thousands)†	346.1p	345.3p	335.2r	345.7	334.2
Percent of total labor force unemployed	2.8	3.1	3.7	3.0	3.8
Total civilian labor force in selected labor-market areas (thousands)	3,667.1	3,665.4	3,555.2	3,666.3	3,554.1
Nonagricultural employment in selected labor-market areas (thousands)	3,494.7	3,477.9	3,349.1	3,486.3	3,344.8
Manufacturing employment in selected labor-market areas (thousands)	625.7	627.8	591.7	626.8	591.9
Total unemployment in selected labor-market areas (thousands)	108.0	115.9	130.4	112.0	134.4
Percent of labor force unemployed in selected labor-market areas	2.9	3.2	3.7	3.1	3.8

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**THE ROLE OF BUSINESS
IN THE ECONOMIC REDEVELOPMENT
OF THE RURAL COMMUNITY**

**by
David Ralph Graham**

Growing awareness of the persistence of poverty in the midst of affluence sparked the reforms of the 1960s in the United States. Reform legislation was quickly made a part of the strategy for reducing poverty and inequality, and some have sought to make elimination of economic inequality an explicit objective of public policy. Others have attempted to effect change in the private sector, by reevaluating and transforming the relationship between business and society. Many businessmen, determined to fulfill a socially responsible role, have deliberately attempted to reorganize work and redistribute power within their organizations.

In this study Mr. Graham analyzes the efforts of three large corporations to operate with public acceptability, to change society perceptibly by retraining and employing disadvantaged ethnic and racial minorities in the nonurban economy, where unemployment and deterioration of the social structure are acute problems. Some of those efforts ended in disappointment, having failed to take into account the psychological and cultural differences of rural communities; others were signal successes. Both successes and failures, the author believes, can provide guidelines for businesses and industries interested in working with minorities in rural areas.

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