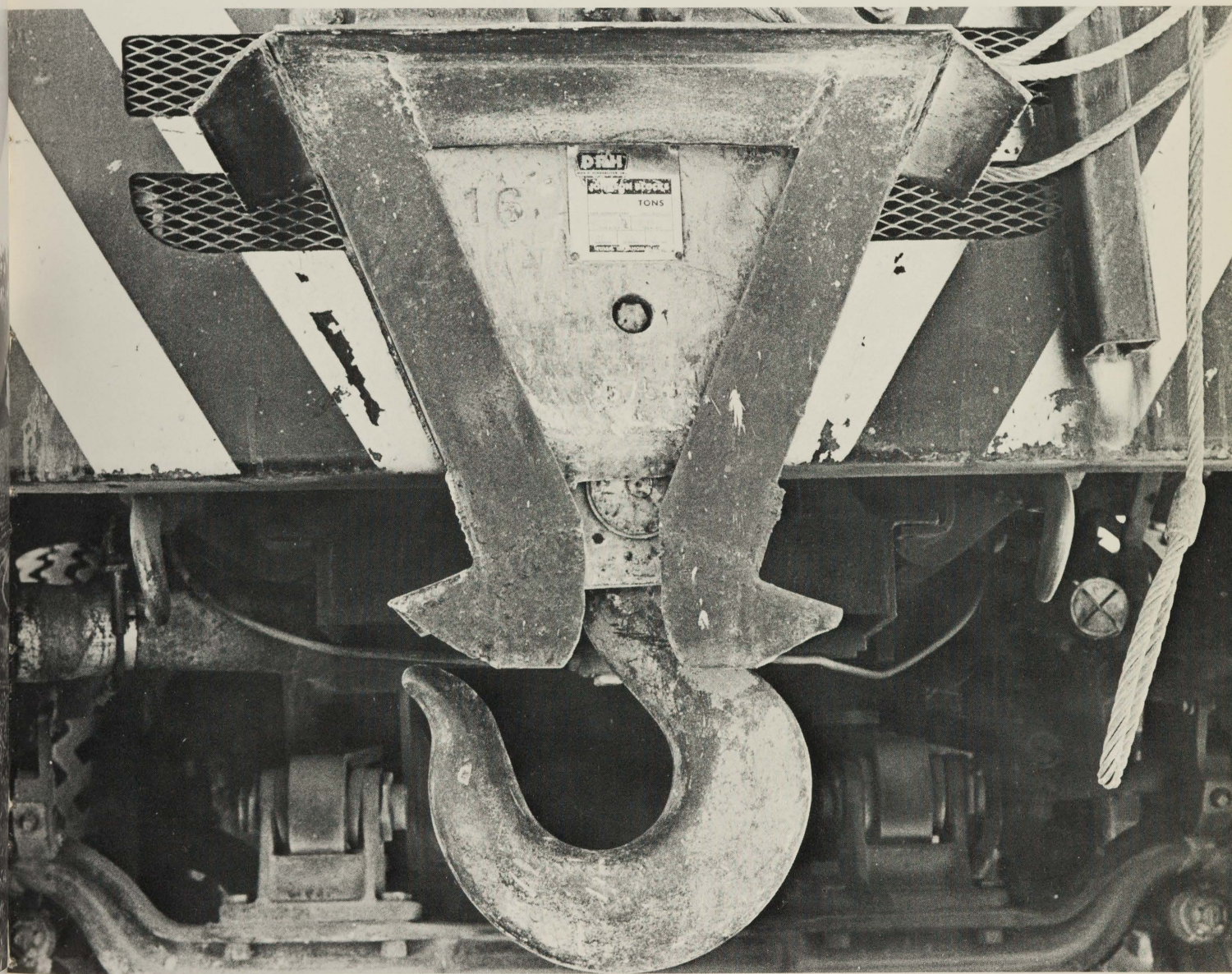


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Inflation and the Cost of Living in Texas

Lorna Monti

Lower housing costs and income taxes make living costs in Texas cities lower than the national average. Nevertheless, inflation hits products Texans buy in national markets. To judge the impact of inflation on the cost of living in Texas, national and regional forces must be separated.

Nationwide Inflation

Inflation figures in March were comforting because they reversed the alarming upswing reported in February; continuation of the February rate would have meant a double-digit annual rate. The essential numbers in the temporary surge of February were those measuring food prices, up 2.3 percent in one month; March figures were up a much smaller 0.5 percent.

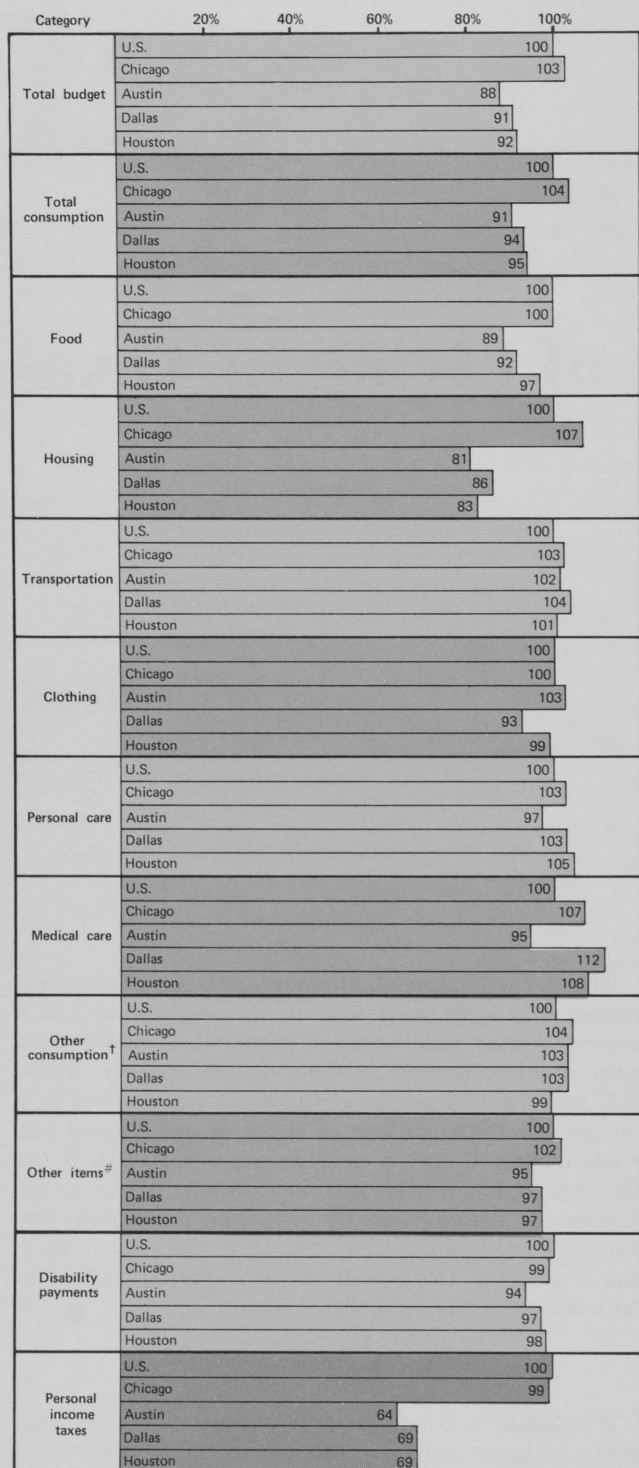
Even after the surge, March food price inflation—at 5.5 percent above the level for March 1976—still lagged overall price inflation, which was 6.4 percent over the same period. A year ago the difference was even more marked, 4.3 percent for food against 6.1 percent overall price inflation from March 1975 to March 1976. The very low month-to-month inflation rates of early 1976 resulted from actual declines in the food price component of the price index.

What is the interpretation of these numbers? The annual changes over both years were in the neighborhood of 6 percent, despite wide variation in month-to-month price index changes. Radical month-to-month changes in the price index should not be considered a trend unless they continue for five or six months. A simple projection of past trends implies a basic 6 percent rate of inflation. If the economy continues to grow at the rates indicated by recent increases in personal income, industrial production, employment, and housing starts, the figure might rise to more than 7 percent. The overall rate of inflation will affect Texas and the nation in similar ways.

Regional Differences

If inflation is a national phenomenon, how can Texas cities have lower costs of living than cities in the Northeast? Nationwide inflation strikes those products that are traded in national markets, as are most products—lumber, machinery, clothing, and farm products, for example. Regional differences in the cost of living arise primarily from regional differences in prices of products not traded in national markets. Such variations occur in land prices, taxes, and some wages because land, governments, and some workers

Ratio of Family Budgets* for Four U.S. Cities
to U.S. Average Budget, 1975



*Based on intermediate budget for four persons.

†Other family consumption includes the average costs for reading, recreation, tobacco products, alcoholic beverages, education, and miscellaneous expenditures.

‡Other items include allowances for gifts and contributions, life insurance, and occupational expenses.

Source: Calculated from family budget information published by the U.S. Department of Labor, Bureau of Labor Statistics.

do not move from region to region in response to price changes (as most goods do).

The Bureau of Labor Statistics of the U.S. Department of Labor, the official inflation-measuring agency, measures the results of inflation in the United States and Texas in two ways. The most familiar procedure, the consumer price index, is the least reliable for comparisons of national and state conditions. Suppose, for example, that in 1967 a hamburger cost \$.50 in Dallas and \$.75 in New York. In 1977 the same hamburger costs \$.80 in Dallas and \$1.00 in New York. The 1977 hamburger index for Dallas would be 160, and the one for New York would be 133, numbers that reflect the 60 percent increase in the Dallas price and the 33 percent increase in the New York price. What the relative changes fail to reveal is that the Dallas hamburger, despite its 60 percent increase in price, is still the less expensive one. The index measures the changes of prices since 1967 but is silent about the final relative prices in 1977. The hamburger price paradox shows that Dallas has had rapid inflation from low prices but that the inflation nevertheless failed to erase the original price advantage. Consumer price indexes compare prices of hamburgers and other goods and services both in the nation and in certain cities for which consumer price indexes are calculated.

Actual events since 1967 show very little difference in the rates of inflation in Houston, Dallas, and the United States. Inflation was slightly more rapid in Houston but not significantly rapid to erase the original differences between prices in Houston and in the United States. Last year's averages were 170.5 percent of 1967 in the United States, 167.7 percent in Dallas, and 177.4 percent in Houston. National inflation affected Texas and the country similarly.

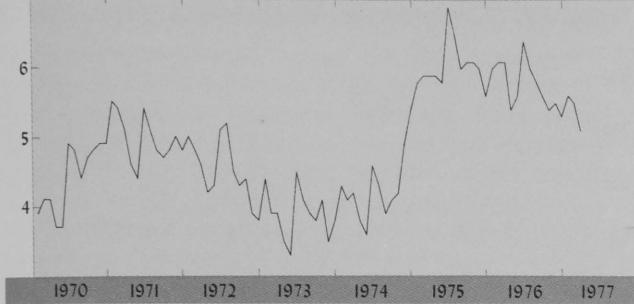
No category of expenditure has doubled in price in Dallas, a change that is indicated by an index value of over 200. In the United States fuel oil and coal (the only item over 200) reached 250.8 for a 1976 average. In Houston fuel oil and coal reached 264.5, while certain categories of food eaten at home, gas and electricity, and medical care services more than doubled.

The example of the hamburger index warns against the erroneous assumption that the more rapid inflation since 1967 means that Houston is more expensive than the average U.S. city, but where can the person weighing a job offer in Chicago against one in Houston find a true comparison? The second procedure employed by the Bureau of Labor Statistics to measure inflation produces a more reliable comparison of the United States and the three Texas metropolitan areas of Houston, Dallas, and Austin. Why only three? Because these three are cities in which sufficient prices are recorded for the national price index to enable calculation of the cost of living in those cities.

The Bureau of Labor Statistics calculates the cost of living for a hypothetical four-person family in each city for which family budgets are developed. The budgets present dollar costs for cities at a specific time, rather than percentage changes from a past time as in the consumer price indexes. The hypothetical family consists of a 38-year-old employed husband, a wife who is not in the labor force, an 8-year-old girl, and a 13-year-old boy.

PERCENTAGE OF TEXAS LABOR FORCE UNEMPLOYED

Unadjusted



Housing costs are one fourth those the family would encounter as renters and three fourths those the family would encounter as homeowners. No real family has expenditures that exactly match those of the hypothetical family. The value of a carefully specified hypothetical family is that the same standard and pattern of living can be priced in many cities.

The Bureau of Labor Statistics publishes budgets for low, middle, and high standards of living. In relation to the U.S. average middle-level budget and the middle-level budget for Chicago (a city close to the national average), Houston, Dallas, and Austin have a cost of living approximately 10 percent below the national average, with slightly more of an advantage for the Austin family and slightly less for those in Dallas and Houston. The biggest difference, the largest contributor to the lower cost of living in Texas cities, is the lower personal income taxes paid by citizens of this state. One reason Texas can operate without a state personal income tax is that oil and gas production taxes contribute approximately one third of state tax revenues. Thus a large contribution to the low cost of living in Texas is made by the special tax situation resulting from the presence of a large oil and gas extraction industry in the state.

In recent years, rising oil and gas prices have more than offset declining production to produce higher state revenues. As production continues the decline already in evidence, revenues will eventually fall and the contribution of the special tax situation to the cost of living in Texas may be erased.

Another reason for low taxes in Texas is lower than average per capita spending on state and local services. Growth and migration from other parts of the country may, however, bring pressures to increase government expenditures and taxes.

The second significant area of lower costs in Texas cities is housing, which includes costs of home ownership. Important regional factors in housing prices are real estate taxes, land, and labor. Materials costs do not differ significantly from area to area because these are products traded on a national market.

In the five-year period from 1971 to 1975, housing prices in Austin increased rapidly to close the original gap between housing prices in Austin and those in Dallas and Houston. Austin grew at a more rapid rate than either

Houston or Dallas during this period, placing pressures on land costs and thus raising housing costs.

The third area of lower costs in Texas cities is food, especially food eaten away from home. Austin, in particular, has low food costs. A basic cost advantage in Texas is low wages in food service industries.

Some prices in Texas cities are higher than the national average. A category called "other consumption" includes reading, recreation, tobacco, alcohol, education, and other miscellaneous expenditures. These products are traded on national markets so the higher prices paid by consumers at some distance from points of manufacture should not be surprising. Medical costs are higher than the national average in both Dallas and Houston but lower in Austin. Clothing is more expensive in Austin than in the nation.

The person who moves from a city with a higher-than-average cost of living to a Texas city with a lower cost of living must expect to confront higher prices in some retail outlets in Texas. The lower tax and housing bills make the difference. If the mover has compensated by purchasing or renting more spacious quarters, little difference will remain. It should also be remembered that the budgets apply to the hypothetical family; the ranking of cities would be different for families with atypical spending habits. The heavy reader who likes to wear high-fashion clothes and who spends little on housing will pay more for this living standard in Texas than in New York. On the other hand, the family whose budget goes almost entirely to housing and food can live much less expensively in Texas than in

Selected Barometers of Texas Business (Indexes—Adjusted for seasonal variation—1967=100)

Index	Percent change				
	Mar 1977	Feb 1977	Year-to-date average 1977	Mar 1977 from 1976	Year-to-date average 1977 from 1976
Business activity	265.6	258.5	252.8	5	15
Estimated personal income	288.7 ^D	278.1 ^D	278.2	4	13
Bank debits	509.6	479.7	480.3	6	21
Crude oil production	103.4 ^D	103.2 ^D	103.4	**	— 5
Total electric power use	205.0 ^D	216.9 ^D	208.7	— 5	12
Residential	268.8 ^D	311.8 ^D	290.4	— 14	17
Industrial	174.1 ^D	172.2 ^D	169.4	1	13
Total industrial production	136.5 ^D	136.0 ^D	135.7	**	3
Urban building permits issued	337.5 ^D	290.5 ^D	275.7	16	30
New residential	392.2 ^D	318.8 ^D	322.5	23	36
New nonresidential (unadjusted)	269.6 ^D	272.8 ^D	229.6	— 1	22
Total nonfarm employment	148.3 ^D	147.8 ^D	147.8	**	4
Manufacturing employment	132.0 ^D	131.6 ^D	131.7	**	4
Average weekly earnings—manufacturing	188.7 ^D	187.0 ^D	185.9	1	3
Average weekly hours—manufacturing	95.3 ^D	95.7 ^D	94.7	**	— 5
Total unemployment	173.1	178.2	179.0	— 3	— 5
Insured unemployment	235.4	243.5	240.5	— 3	— 4

^DPreliminary.

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

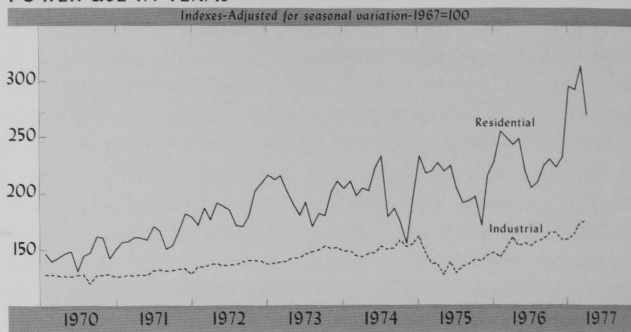
the Northeast. The families that will experience higher living standards will be those whose income and wages are determined in national markets, mainly professional markets such as that for engineers. Nonprofessional workers in Texas face both lower wages and lower costs so that they gain no advantage.

Future Outlook

What do these three trends of low labor, land, and tax payments imply for future cost of living in Texas cities? If the cities grow, as they show every indication of doing, land costs should rise, although perhaps not to the level in northeastern cities. As oil and gas revenues decline, some form of taxation will replace them, particularly because the state will have to face the problems associated with growth. Some difference in labor costs may be maintained if workers choose to stay in Texas at lower wages.

The present difference between the costs of living in Texas cities and the U.S. average will be partially erased in

RESIDENTIAL AND INDUSTRIAL ELECTRIC POWER USE IN TEXAS



the future, particularly if the widely discussed Sun Belt phenomenon (faster growth in Texas and other parts of the South and West) continues. Meanwhile, products from national markets will rise in price at approximately the same rate in Texas as in the nation.

Texas Construction

Charles H. Wurtzebach

Building permit authorizations continued to make significant gains throughout Texas during March. The most recent data reveal that the anticipated recovery from the winter slowdown has certainly begun. During the first quarter of 1977 the value of buildings authorized in all categories increased from the first quarter of 1976. Both the value of total construction authorized and the seasonally adjusted index of total construction reached all-time record levels during March. These high levels resulted primarily from dramatic gains in the residential component of total construction authorized. Although the value of nonresidential authorizations through March increased from the year-earlier level, the March index of nonresidential authorizations actually declined by 1 percent from February 1977 and was considerably below the all-time record high reported during May 1976. Consequently, the overall increase in total authorizations can be attributed primarily to gains in the residential component.

Comparison of activity in the January-March 1977 and January-March 1976 periods reveals how authorization activity varied in the standard metropolitan statistical areas (SMSAs). While the value of total construction authorized throughout the state increased 31 percent, the increase for

reporting areas within SMSAs was 32 percent and outside the Texas SMSAs, 26 percent. The value of nonresidential authorizations increased by 21 percent within the SMSAs and 39 percent outside SMSAs. The statewide increase in the value of nonresidential authorizations was 39 percent. The value of new dwelling units authorized increased by 39 percent on a statewide basis, with gains of 40 and 23 percent for SMSAs and non-SMSA areas. These data reveal that thus far in 1977 nonresidential construction authorizations have been relatively more frequent outside of Texas SMSAs and new dwelling unit authorizations have been relatively more prevalent within Texas SMSAs.

A more detailed examination of the increase in authorizations for new dwelling units reveals additional differences between SMSAs and non-SMSA areas. Again, the data for first quarter 1976 and first quarter 1977 indicate that the value of one-family dwelling unit authorizations has increased 29 percent from the year-earlier period. The level of one-family authorizations within Texas SMSAs increased 30 percent; those outside of SMSAs increased 26 percent. On a unit, rather than value, basis the relationship between SMSAs and non-SMSA areas was fundamentally the same. One-family unit authorizations both for the state and for

the SMSAs increased 19 percent, while similar authorizations outside the SMSAs increased by 14 percent.

In the two-family dwelling unit category the value of authorizations granted during the first quarter of 1977 exceeded the year-earlier value by 21 percent. SMSA authorizations of two-family dwelling units increased 18 percent, and non-SMSA areas reported an increase of 67 percent in that category. On the basis of the number of units authorized in the same category, there was a 21 percent increase on a statewide basis, an 18 percent increase within the SMSAs, and a 63 percent increase outside the SMSAs.

Nearly all of the increase in the apartment building category occurred within the SMSAs. The value of apartment buildings authorized throughout the state during the first quarter of this year exceeded the previous year's level by 90 percent. However, this significant increase was not spread throughout the state as in the one- and two-family categories. Within Texas SMSAs the value of apartment authorizations increased by 97 percent from the 1976 level, while non-SMSA areas reported a 3 percent decline in the value of such authorizations. The relationship was relatively the same on a unit basis, with a 43 percent increase from 1976 in the number of apartment units authorized throughout the state. A 47 percent increase was reported within the SMSAs; a 21 percent decline was reported in non-SMSA areas.

These increases in the value of new dwelling units authorized represent an all-time high. The seasonally adjusted index of residential construction for March 1977 exceeded all levels previously recorded. Furthermore, the relative percentage change in the value of apartment buildings authorized seems, on initial analysis, to be the most significant change in residential categories. However, the estimated value of one-family dwelling units authorized during March totaled \$214,713,000, while apartment authorizations were estimated to be \$66,129,000. As a result, one must be cautious in analyzing the data presented herein. The seemingly strong recovery in the apartment category is indeed significant, but the estimated value (rather than the percentage change) may provide more pertinent information for comparisons with one-family dwelling unit authorization levels. After all, the relative (percentage) increase in the value of apartment authorizations from 1976 is more a function of the low level of activity in this area during 1976 than of the high level of activity this year.

The accompanying data also present a category that does not normally receive much attention. The category of residential additions, alterations, and repairs reflects decisions made by property owners, decisions that are significant enough to require a building authorization. These authorizations cover such construction activity as room additions, major remodeling, and structural repairs. The seasonally adjusted index representing the value of all additions, alterations, and repairs authorized throughout the state reveals a dramatic increase. From February 1977 to March 1977 the aforementioned index increased by 61 percent. The value of such construction authorized during

the first quarter of this year increased 30 percent from the level recorded during the first quarter of 1976. The seasonally adjusted index, indicating the reported value of additions, alterations, and repairs authorized throughout the state, reached an all-time high during March 1977. The level of this index during March also exceeded the average index level for the entire year of 1976 by more than 60 percent.

The implications of the data contained herein are relatively clear. The economic environment predicted earlier in the year has indeed developed and has spurred an expected increase in construction authorizations. The factors that contributed to this environment include continued credit availability at a reasonable interest rate, continued population growth stimulated primarily by migration, a strong state economy, and trends in household composition and formation that indicate an increase in the number of households in which both spouses work.

Estimated Values of Building Authorized in Texas[#]

Classification	Mar ^P 1977 (thousands of dollars)	Jan-Mar ^P 1977	Percent change	
			Mar 1977 from Feb 1977	Jan-Mar 1977 from Jan-Mar 1976
<i>All Permits</i>	586,653	1,376,494	23	31
New construction	517,314	1,231,653	19	31
Residential				
(housekeeping)	320,888	729,895	36	38
One-family dwellings	244,361	562,060	32	29
Multiple-family dwellings	76,527	167,835	47	82
Nonresidential	196,426	501,758	- 1	22
Hotels, motels, and tourist courts	0	1,479	-	- 22
Amusement buildings	11,095	17,490	217	221
Churches	6,358	21,523	- 40	88
Industrial buildings	22,122	56,277	- 9	139
Garages (commercial and private)	3,562	8,870	31	38
Service stations and repair garages	687	1,855	9	- 5
Hospitals and institutions	9,316	38,138	- 47	- 35
Office-bank buildings	44,997	115,336	- 5	58
Works and utilities	15,771	20,387	500	- 61
Educational buildings	21,247	72,051	- 34	2
Stores and mercantile buildings	52,965	126,901	13	68
Other buildings and structures	7,496	21,044	- 15	- 29
Additions, alterations, and repairs	69,339	144,841	61	30
<i>SMSA vs. non-SMSA</i>				
Total SMSA [†]	541,202	1,259,432	24	31
Central cities	358,739	842,933	27	46
Outside central cities	182,463	416,499	18	9
Total non-SMSA	45,451	117,062	11	28
10,000 to 50,000 population	25,503	68,927	7	36
Less than 10,000 population	19,948	48,135	17	19

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

^PPreliminary.

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

[†]Standard metropolitan statistical area as defined in 1975 census.

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

MEXICO

Some Recent Developments

Calvin P. Blair

Mexico, it is often forgotten, is one of the world's large countries, thirteenth in geographical size and ninth in population. Its gross domestic product of 62 billion dollars makes it the world's eleventh largest economy. Mexico is also one of the world's successful developing countries and heir to a major social revolution. "La Revolución Mexicana" began with ten years of shooting wars. One million Mexicans died, at a time when the population of the country was just 15 millions.

After a phase of revolution and reform, 1910-1940, the Mexican economy for three decades kept real output growing at rates from 6 to 7 percent per year, well ahead of its high population growth rate of 3 to 3.5 percent. The economy underwent a major structural transformation. Agriculture declined in relative importance while expanding rapidly in absolute terms, and manufacturing came to represent 23 percent of the gross domestic product. Modern facilities have been developed in a long list of light manufactures and also in the heavy industries of steel, petroleum, chemicals, electrical energy, machinery, and transport equipment.

The constitution of 1917 established the principle of a "mixed economy," and "Revolutionary" governments have promoted a vigorous entrepreneurial state that intervenes in intricate ways. The state uses a range of fiscal incentives and monetary policy measures, provides public credits in ample amounts, protects internal markets from import competition, and invests in direct government ownership of key firms in energy, steel, fertilizers, petrochemicals, transportation and transport equipment, paper, sugar, and a variety of other products. The entrepreneurial state runs

some eight hundred parastate enterprises and agencies. It enters into joint public-private capital ventures, even with foreign investors; and it pushes government investment into any area in which private investment appears to be flagging.

Despite much "guidance" of the economy, the Mexican government relies heavily on private initiative, avoids rigid centralized planning, and frequently expresses tender concern for the prejudices of the business sector. The government has kept taxes on income from capital relatively low by world standards, and for extended periods it maintained stable exchange rates and an absence of exchange controls—conditions dear to private investment planners and lenders of funds across international boundaries. Even after floating the peso, the government imposed no formal exchange controls, and capital and earnings can be freely repatriated.

Thirty-six years of impressive development, however, have not rid Mexico of structural problems: massive underemployment, strong pressures of population on the land and in urban centers, a poorly educated labor force, and an income distribution pattern typical of the world's most backward nations. There has been a growing deficit in the current account of the balance of payments, financed by increasing reliance on foreign direct investment and public external debt. Foreign firms, especially of U.S. origin, have become conspicuously important in the export of manufactures, and foreign technology has been widely used.

Recent Developments: 1970-1976

When Luis Echeverría became president of Mexico in 1970, he began a restructuring of the Mexican economy. He intended to redistribute income in favor of labor and

This material was first presented as a statement before the subcommittee on Inter-American Economic Relationships of the Joint Economic Committee of the U.S. Congress.

peasants, vastly expand employment opportunities, decentralize industry, improve the balance of payments, diversify Mexico's sources of trade and capital, and reduce dependence on foreign investment and technology. That is a large and complex order, not something that can be achieved in six years. But Echeverría was the most active president in modern times, prodigious in his legislative initiatives and indefatigable in his attempts to do many things at once. His activism, his impatience, his style, and his occasional baiting of the press and the business community earned him a great deal of critical opposition.

His economic policies, however, with a few notable exceptions, were appropriate to the times and included some important measures for long-run change. He created the National Council on Science and Technology, a workers' housing institute, the Mexican Institute for Foreign Trade, and the huge new Metropolitan University. His emphasis was on technical and higher education. Under his administration, Mexico adopted its first agricultural reform law in thirty years, a federal water law, a national agricultural plan, a national indicative plan for science and technology, laws for the regulation of foreign investment and technology transfer, electoral reform, consumer protection, federal control of town and regional planning,

pollution control, and even a general population law that recognizes the wisdom of family planning.

Selected results during the Echeverría administration are impressive: public credits to agriculture increased five-fold; 2.5 million acres were added to irrigated lands; half of all land under cultivation was fertilized; electrical generating capacity doubled, reaching 12 million kilowatts; roadway length almost tripled, reaching 125,000 miles; steel output doubled, totaling 10 million tons per year; crude oil production doubled, totaling over one million barrels per day, and proved reserves expanded to 11 billion barrels. The list is long, and it is a veritable litany to agricultural and industrial development.

Of nearly 400 billion pesos (32 billion dollars) authorized for federal investments in the 1971-1976 period, 36 percent went to industry (petroleum, petrochemicals, electricity, and steel, primarily); 22 percent went to transport and communications; 22 percent went to social welfare facilities, heavy on schools and hospitals; and 17 percent went to agriculture and rural development. Combined current and capital expenditures of the federal government regularly emphasized education, agricultural and industrial development, irrigation, natural resources, and transportation infrastructure. Public sector expenditures by state-

Urban Population of Mexico, 1970



owned “decentralized” agencies were dominated by PEMEX, the electric power companies, the social security agencies, CONASUPO (which supports agricultural prices and subsidizes low-income consumption), and the national railways.

In the inevitable conflict between stability and structural change, Echeverría opted to keep up government spending and employment. The macroeconomic results (shown in table 1) were to keep Mexico’s real output expanding under difficult circumstances, but with resultant rapid increases in the money supply, the federal deficit, the current account deficit in the balance of payments, the public foreign debt, and the rate of inflation. One unintended result was the favoring of business profits over labor incomes—though

repeated efforts were made to maintain the latter through upward revisions of minimum wages and the control of some three hundred prices. Because government spending was maintained relative to private spending, the government’s share in gross fixed investment rose from 27 percent in 1971 to 42 percent in 1975; total government spending on both capital and current account grew from 13 percent of gross domestic product to 21 percent. One inevitable result was the floating of the peso—but that was long overdue.

From 1970 to 1975 (the last year for which we have reliable estimates), total real output grew at an average annual rate of 5.7 percent and per capita output at 2.2 percent. Real product per person in 1975 (corrected for the

Table 1
Mexico: Selected Economic Indicators, 1970-1976

	1970	1971	1972	1973	1974	1975	1976
Gross domestic product							
Billions of pesos	418.7	452.4	512.3	619.6	813.7	987.7	1,231.0
Increase, percent/year	11.7	8.0	13.2	20.9	31.3	21.3	24.6
General price level							
GDP deflator, 1970=100	100.0	104.5	110.3	123.9	153.5	178.9	216.5
Increase, percent/year	4.5	4.5	5.6	12.3	23.9	16.5	21.0
Real gross domestic product							
Billions of 1970 pesos	418.7	433.0	464.6	499.9	529.5	552.0	568.6
Increase, percent/year	6.9	3.4	7.3	7.6	5.9	4.2	3.0
Population, midyear							
Millions	50.7	52.4	54.3	56.2	58.1	60.1	62.3
Increase, percent/year	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Real GDP per capita							
1970 pesos	8,258.0	8,263.0	8,556.0	8,895.0	9,114.0	9,185.0	9,127.0
Increase, percent/year	3.3	0.0	3.5	4.0	2.5	0.8	-0.6
Money supply, December 31							
Billions of pesos	49.0	53.1	64.3	79.9	97.5	118.3	121.3*
Increase, percent/year	10.6	8.4	21.1	24.3	22.0	21.3	27.0†
Wholesale prices [#]							
Index, 1970=100	100.0	103.7	106.7	123.4	151.2	167.1	213.0
Increase, percent/year	5.9	3.7	2.9	15.7	22.5	10.5	27.5
Consumer prices [#]							
Index, 1970=100	100.0	105.7	111.0	123.6	151.3	176.8	212.9
Increase, percent/year	5.2	5.7	5.0	11.4	22.4	16.9	20.4
Federal government revenues**							
Billions of pesos	33.9	36.5	42.3	53.8	72.9	103.1	133.9
Increase, percent/year	12.2	7.7	15.9	27.2	35.5	41.4	29.9
Revenue as percent of GDP	8.1	8.1	8.3	8.7	9.0	10.4	10.9
Federal government expenditures**							
Billions of pesos	40.2	41.3	59.1	81.2	104.1	145.1	184.9
Increase, percent/year	1.8	2.7	43.1	37.4	28.2	39.4	27.4
Expenditures as percent of GDP	9.6	9.1	11.5	13.1	12.8	14.7	15.0
Federal government deficit**							
Billions of pesos	6.3	4.8	16.8	27.4	31.2	42.0	51.0
Deficit as percent of GDP	1.5	1.1	3.3	4.4	3.8	4.3	4.1
Current account deficit balance of payments							
Millions of U.S. dollars	1,068.0	838.0	916.0	1,415.0	2,876.0	4,057.0	4,060.0
Long-term foreign debt of public sector, December 31 [‡]							
Billions of U.S. dollars	n.a.	3.6	4.2	5.7	8.0	11.6	20.0

* As of September 30.

† September 30, 1975, to September 30, 1976.

Indexes for Mexico City.

** Cash flow figures only. Total government spending for consumption and fixed investment are a much higher proportion of GDP than that shown here, e.g., 13 percent in 1971, rising to 21 percent in 1975.

‡ Debt of maturity of one year or more issued or guaranteed by the federal government, plus similar debt of selected government institutions. Does not include any “floating” debt of less than one-year maturity, used largely to finance imports or exports.

n.a. Not available.

Sources: International Monetary Fund, *International Financial Statistics*, May and August 1976; Banco de México, *Indicadores Económicos*, October 1976; and Secretaría de Hacienda y Crédito Público. Estimates for 1976 were made by the author on the basis of preliminary and partial data.

overvaluation of the peso) was about 820 dollars, which puts Mexico at the upper levels for "non-oil" underdeveloped countries.

Economic Interdependence

The Mexican economy is dependent upon the United States in profound and intricate ways. That is a source of sensitive feelings on the part of Mexican nationals. It is also sufficient reason for diversifying sources of trade, investment, and technology and for pursuing an independent Mexican stand on international relations.

Mexico sells about 60 percent of its merchandise exports to the United States, buys a somewhat larger fraction of its

imports from that source, and runs two thirds of its trade deficit with its giant neighbor (see tables 2 and 3). Mexican business firms also pay over 100 million dollars annually for U.S. patents and other technology, some 150 millions in profits to U.S. direct investors, and nearly 400 millions in interest on loans and credits from U.S. sources. Mexico relies on U.S. customers for 70 percent of its tourist and border sales and makes virtually 100 percent of its similar purchases in the United States. U.S. investors own 72 percent of all direct foreign investment in Mexico. Ninety percent of Mexico's externally funded public debt is denominated in U.S. dollars, and 90 percent of the central bank's foreign exchange reserves are held in dollars.

A veritable invasion of U.S. goods, services, practices, standards, and ideas has occurred. At the operational level,

Table 2
Key Items in U.S. Trade and Payments with Mexico, 1970-1975*
(Millions of dollars)

	1970	1971	1972	1973	1974	1975
Merchandise trade						
Exports to Mexico	1,706	1,619	1,985	2,962	4,860	5,169
Imports from Mexico	- 1,223	- 1,262	- 1,632	- 2,307	- 3,391	- 3,057
Balance	483	357	353	655	1,469	2,112
Tourism and transport†						
Sales to Mexico	567	618	753	871	1,190	1,542
Purchases from Mexico	- 748	- 930	- 1,178	- 1,317	- 1,541	- 1,715
Balance	- 181	- 312	- 425	- 446	- 351	- 173
Fees and royalties						
Received from Mexico	81	87	80	96	115	137
Paid to Mexico	0	0	0	0	0	0
Income on direct investment						
Received from Mexico	91	123	81	98	112	156
Paid to Mexico	0	0	0	0	- 1	- 1
Balance	91	123	81	98	111	155
Other investment income						
Received from Mexico	166	138	167	234	385	395
Paid to Mexico	- 59	- 29	- 26	- 54	- 120	- 106
Balance	107	109	141	180	265	289
Unilateral transfers to Mexico						
U.S. government grants, pensions	- 23	- 29	- 36	- 44	- 54	- 58
Private remittances, gifts	- 62	- 63	- 69	- 92	- 102	- 109
Total	- 85	- 92	- 105	- 136	- 156	- 167
Balance on current account**	435	186	33	338	1,343	2,217
U.S. capital flows to Mexico						
Direct investment	- 92	- 48	- 73	- 55	- 193	- 31
Other**	- 41	- 28	- 391	- 325	- 1,039	- 1,458
Total	- 133	- 76	- 464	- 380	- 1,232	- 1,489
Mexican capital flows to U.S.						
Direct investment	0	0	0	- 1	1	4
Other†	- 45	- 134	122	505	484	361
Total	- 45	- 134	122	504	485	365
Statistical discrepancy and transfer of funds between foreign areas	- 282	24	308	- 462	- 596	- 1,093
Change in U.S. official reserve assets, vis-à-vis Mexico§	25	0	0	0	0	0

*Credits: exports of goods and services to Mexico; receipts of income on U.S. investments in Mexico; capital inflows (increase in Mexican assets in U.S. or decrease in U.S. assets in Mexico); sale of U.S. monetary gold. Debits (-): imports of goods and services from Mexico; payments of income on Mexican investments in the U.S.; unilateral transfers to Mexico; capital outflows (decrease in Mexican assets in U.S. or increase in U.S. assets in Mexico).

†Includes border transactions.

#Estimates are net of transfers from Mexico to U.S. residents.

**Goods, services (including income on investments), and unilateral transfers.

‡Other investments include loans, credits, deposits, and net purchase of securities, both government and private.

§This item is included to indicate that the statements summarized here are "balanced"; i.e., the sum of current account, plus capital account, plus statistical discrepancy, plus change in official reserve assets, equals zero. The entry for 1970 represents a sale of gold to Mexico. Changes in Mexico's holdings of U.S. dollars as official reserve assets (which are reserve-related liabilities for the U.S.) are included in line 9, "other" Mexican capital.

Source: *Survey of Current Business*, June issues, 1973-1976.

Mexican producers have been highly susceptible to the vagaries of U.S. policy or practice: the salinity of the Colorado River threatened Mexican agriculture; Florida tomato growers once prevailed upon U.S. authorities to restrict imports by size of fruit, hurting Mexican exporters; an independent truckers' strike hit Mexican exports heavily, since so many travel over the U.S. highway system; export quotas on scrap once pinched Mexican steel producers; zealous efforts to intercept drugs had the effect of depressing retail trade in border cities; and so on and on.

Mexico lives in apprehension that the United States will suddenly clamp down very hard on migrant labor, both legal and illegal.

If Mexico did not enjoy a surplus on tourist trade with the United States, and if it were not for the receipt of private unilateral remittances of more than 100 million dollars per year (much of which must surely be money sent home by illegal migrants), her current account deficit with her partner would have been about 300 million dollars larger than the 2.2 billions recorded for 1975.

The reciprocal dependence of the United States on Mexico is relatively slight—but still of surprising importance in a few key respects (tables 2 and 4). In 1975 Mexico was the fourth most important customer, taking 4.8 percent of total merchandise exports, and the sixth largest supplier, furnishing 3.1 percent of imports (both exclusive of border trade). However, the trade surplus with Mexico accounted for nearly one fourth of the total U.S. trade surplus of 9 billion dollars in that year. The United States has run a large merchandise trade *surplus* with Mexico for many consecutive years, even when it has had large net *deficits* worldwide (e.g., in 1971, 1972, and 1974). As for tourism, only Canada is in Mexico's class for travel either way. In 1975 U.S. tourists did manage to spend in *all of Western*

Europe roughly the same amount they spent in Mexico, but reciprocal purchases by European travelers were not even half of those made by Mexican visitors.

U.S. firms have a very small portion of their direct investments in Mexico and receive an even smaller fraction of their worldwide direct investment income from there. Mexico as a source of income on foreign loans is somewhat more important, relatively.

Border Symbiosis

On a microeconomic level, pairs of sister cities exist in a kind of economic symbiosis on opposite sides of the U.S.-Mexican border. The Mexican city typically furnishes some workers to the agriculture and service trades of the U.S. side. It also acts as entrepôt for goods moving into the Mexican interior, serves as a location for assembly plants (one half of the "twin plant" operation, the other being located on the U.S. side of the border), and draws to its tourist attractions large numbers of U.S. and Canadian travelers who reside temporarily on the U.S. side or spend money there while passing through. Its growing population of Mexican consumers spends heavily on the U.S. side of the border, in the past accounting for anywhere from 10 to 90 percent of the retail sales of individual establishments. The sister city on the U.S. side provides a similar entrepôt as well as expenditure stimuli to its Mexican counterpart, and it often contains the other half of the twin plants. Because of reciprocal influences, each city is larger than could be expected on the basis of geographical setting, natural resource base, or location with respect to its own national markets. The high incomes in Mexican border cities, *relative* to the rest of Mexico, serve as a strong attraction to immigration from areas of lesser economic opportunity. Because the number of respondents greatly exceeds the number of jobs, the migration wave continues northward, legally and illegally. The process is facilitated by a network

Table 3

Some Measures of the Relative Importance of the United States to Mexican Trade and Payments, 1975

Item (Mexico)	Total (millions of dollars)	Approximate U.S. share (percent)
Merchandise exports (FOB)	2,859	60
Merchandise imports (CIF)	6,580	62
Merchandise trade deficit	3,721	67
Tourist and border receipts	2,431	71
Tourist and border expenditures	1,491	100
Tourist and border trade surplus	940	25
Direct foreign investment in Mexico, book value (December 31, 1975)	4,400	72
Long-term foreign debt of public sector (June 30, 1976)	13,331	89*
Foreign exchange reserves (December 31, 1975)	1,214	90†

*Percent of debt payable in U.S. dollars. The rest is payable in marks, francs, pounds, yen, and other currencies.

†Percent held as U.S. dollars. The rest is held in other currencies.

Sources: *Indicadores Económicos*; *Survey of Current Business*; Secretaría de Hacienda y Crédito Público; and Mauricio de María y Campos, "Política y resultados en materia de inversiones extranjeras," in *Suplemento de Comercio Exterior* 26 (July 1976): 30.

Table 4

Some Measures of the Relative Importance of Mexico to U.S. Trade and Payments, 1975

Item (United States)	Total (millions of dollars)	Approximate Mexico share (percent)
Merchandise exports (FOB)	107,133	4.8
Merchandise imports (FOB)	98,150	3.1
Merchandise trade surplus	8,983	23.5
Tourism and transport receipts	11,667	13.2
Tourism and transport expenditures	14,170	12.1
Tourism and transport deficit	2,503	6.9
Direct foreign investment, book value (December 31, 1975)	133,168	2.4
Income received on direct investment	9,456	1.6
Other investment income received	8,763	4.5
Fees and royalties received	4,285	3.2
Income paid on foreign direct investment in U.S.	2,127	0.0
Income paid on other foreign investment in U.S.	10,085	1.0

Source: *Survey of Current Business*, June and August 1976.

of family and friendship relations in U.S. border cities and in key interior points: Los Angeles, San Antonio, Chicago.

The migration of Mexican labor is the epitome of economic "rationality," and the income and opportunity differentials are so great that only a garrison state could stop the flow. No one knows how many illegal migrants there are, but one hears guesses, on both sides of the border, ranging from one to six million. Such workers make large positive contributions to U.S. output and significant positive contributions to Mexico's balance of payments. They also make the reduction of unemployment among low-income residents of the United States a larger task; and the elastic supply of labor depresses wages.

Short-run Outlook

On December 1, 1976, Mexico inaugurated a new president, José López Portillo, who made a careful appeal for national unity, incorporated business enterprises into his new "indicative" planning scheme, and adopted budget proposals and minimum wage settlements that indicate a serious effort to reduce inflation.

López Portillo will continue to emphasize the entrepreneurial state; his budget allocates expenditures largely to education and to the key sectors of energy, steel, transport, and workers' housing. His program renews emphasis on the creation of industrial jobs; and his government signed ten accords with 140 business firms in the following areas: petrochemicals, capital goods, "in-bond" plants, tourism, fats and oils, cement, automobile parts and assembly, and mining.

Of special interest is the accord with the *industria maquiladora*, as the in-bond assembly plants are known. The agreement calls for the creation of 175,000 new jobs over six years, investments of 10.5 billion pesos, and an increase in exports from the 480 million dollars estimated for 1975 to a target level of 1.5 billions for 1982. In-bond plants are expected to increase at the rate of 150 per year. The Mexican government is studying appropriate fiscal incentives and promises to negotiate with the U.S. government to improve prospects for reexport of finished textiles.

The floating peso has changed abruptly all relative costs and prices. U.S. goods prices became 60 percent higher, in pesos, and Mexican goods 37.5 percent cheaper in dollars—unless prices in national currencies were changed to offset the depreciation of the peso. Costs in the in-bond plants are competitive again; and, since U.S. demand is recovering, the expansion program is likely to succeed, unless the United States eliminates the special tariff provisions that permit the twin-plant industry to exist (items 806.30 and 807.00 of the U.S. Tariff Schedules).

Much more than in-bond assembly is involved. The Mexican government has long hoped to incorporate into the national economy the border cities, whose isolation from Mexican producers and whose proximity to rich and cheap sources of U.S. goods had made them almost like foreign areas. The new exchange rate and a floating peso offer an opportunity. The Mexican government has an intersecretar-

ial commission to stimulate planning for the development of the northern border, and public credits and tax incentives will be given to producers who "capture" those markets—just as if they were export markets. Along the border, Mexican businessmen have noted an increase in sales of foodstuffs and clothing and a reduction of competition from contraband. Significant new investments are being made, or planned, for retail trade in goods of Mexican origin.

Meanwhile, U.S. border cities have suffered sharp declines in retail trade. (Many of them had reported unseasonal highs in that trade in July and August, as Mexicans spent in anticipation of the peso depreciation; so the 1976 trade year may not have suffered very much.) But cost and price adjustments will have to be made. In some cities, the equivalent of a 10 percent price reduction across-the-board has already taken place with the decision of merchants to accept pesos at eighteen per dollar. The efforts of Mexican producers to capture their own border markets will take time. The variety and quality of U.S. goods are hard to match, especially over the short run. The increase in Mexican incomes that will come with successful promotion of border development will stimulate trade on the U.S. side as well.

Mexico has some prospects for reducing, but not eliminating, its trade deficit with the United States. One problem, however, is the heavy degree of dependence of Mexican output on imported inputs; yet there will be some additional import substitution. The new exchange rate will surely stimulate the tourist trade once U.S. residents realize how attractive prices are. U.S. border cities, as well as the Mexican border and interior, should benefit.

Long-run Outlook

There is no doubt about the long-run viability of the Mexican economy. A number of features give it excellent prospects for high rates of growth: its endowment of energy resources and other minerals; its tourist attractions; its growing and modern industrial sector; its skilled entrepreneurs, both public and private; its increasingly educated cadres of trained technicians; and its possibilities for large internal markets. For either Mexico or the United States, high rates of growth on one side of the border stimulate growth on the other; yet one must remember the grossly one-sided nature of the relationship.

What should the United States do? The general answer is: promote its own recovery and expansion. That is the best help the United States can give Mexico. A second general answer is: help Mexico to finance its resumption of high growth rates by offering loans and by allowing debt restructuring and stretch-out. A third general answer: stimulate Mexico's economy by liberalizing import trade.

On a practical level, the U.S. should do nothing to increase Mexico's trade deficit. One can even hope that the approach to the problem of illegal migrants will be the positive one of job creation.

Local Business Conditions

The following section reports business conditions first by metropolitan areas, second by cities, listed under their counties. Standard metropolitan statistical areas (SMSAs) include one or more entire counties, as shown. All SMSAs are designated as such by the U.S. Bureau of the Census. Population figures are from the 1970 census and 1975 estimates by the Bureau of the Census.

Building permit data are collected from municipalities by the Bureau of Business Research in cooperation with the Bureau of the Census. They represent only building authorizations within city limits and exclude federal contracts and public works projects, such as highways, waterways, and reservoirs. Building statistics for the latest month are subject to revision.

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

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

Footnote symbols are defined on pages 105, 113, and 116.

Indicators of Local Business Conditions for Texas Standard Metropolitan Statistical Areas

Reported area and indicator	Percent change from		
	Mar 1977	Feb 1977	Mar 1976

ABILENE SMSA

Callahan, Jones, and Taylor Counties; population: 122,164 (1970); 128,400 (1975 est.)

Urban building permits (\$1,000)	3,333 [#]	- 9	76
Bank debits, seas. adj. (\$1,000)	544,461	7	20
Nonfarm employment	46,210	**	2
Manufacturing employment	6,130	- 1	- 13
Unemployed (percent)	4.4	- 12	16

AMARILLO SMSA

Potter and Randall Counties; population: 144,396 (1970); 152,000 (1975 est.)

Urban building permits (\$1,000)	20,377	100	165
Bank debits, seas. adj. (\$1,000)	1,343,554	6	19
Nonfarm employment	66,850	**	4
Manufacturing employment	8,930	- 1	6
Unemployed (percent)	3.3	- 3	- 17

AUSTIN SMSA

Hays and Travis Counties; population: 323,158 (1970); 394,800 (1975 est.)

Urban building permits (\$1,000)	19,977 [#]	86	- 13
Bank debits, seas. adj. (\$1,000)	3,636,359	20	42
Nonfarm employment	179,650	1	3
Manufacturing employment	18,400	**	11
Unemployed (percent)	3.9	- 11	- 13

BEAUMONT-PORT ARTHUR-ORANGE SMSA

Hardin, Jefferson, and Orange Counties; population: 347,568 (1970); 349,500 (1975 est.)

Urban building permits (\$1,000)	23,473 [#]	133	383
Bank debits, seas. adj. (\$1,000)	1,294,859	3	19
Nonfarm employment	133,000	**	- 1
Manufacturing employment	37,850	**	- 9
Unemployed (percent)	7.2	- 3	- 4

BROWNSVILLE-HARLINGEN-SAN BENITO SMSA

Cameron County; population: 140,368 (1970); 169,300 (1975 est.)

Urban building permits (\$1,000)	3,753	38	32
Bank debits, seas. adj. (\$1,000)	1,081,680	8	81
Nonfarm employment	49,620	**	1
Manufacturing employment	9,130	**	- 1
Unemployed (percent)	10.6	- 10	- 9

BRYAN-COLLEGE STATION SMSA

Brazos County; population: 57,978 (1970); 72,300 (1975 est.)

Urban building permits (\$1,000)	4,221	- 40	60
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Reported area and indicator	Percent change from		
	Mar 1977	Feb 1977	Mar 1976

BRYAN-COLLEGE STATION SMSA (Continued)

Bank debits, seas. adj. (\$1,000) 263,918 6 38
(Monthly employment reports are not available for the Bryan-College Station SMSA.)

CORPUS CHRISTI SMSA

Nueces and San Patricio Counties; population: 284,832 (1970); 297,300 (1975 est.)

Urban building permits (\$1,000)	7,544	- 8	79
Bank debits, seas. adj. (\$1,000)	1,247,782	7	8
Nonfarm employment	102,450	**	1
Manufacturing employment	11,900	- 2	- 2
Unemployed (percent)	7.1	- 5	- 14

DALLAS-FORT WORTH SMSA

Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties; population: 2,378,353 (1970); 2,552,800 (1975 est.)

Urban building permits (\$1,000)	161,180 [#]	50	14
Bank debits, seas. adj. (\$1,000)	35,263,062	3	16
Nonfarm employment	1,144,300	1	4
Manufacturing employment	250,300	**	4
Unemployed (percent)	3.9	- 5	- 24

EL PASO SMSA

El Paso County; population: 359,291 (1970); 414,700 (1975 est.)

Urban building permits (\$1,000)	19,199	- 28	55
Bank debits, seas. adj. (\$1,000)	1,598,602	- 6	5
Nonfarm employment	135,900	**	- 2
Manufacturing employment	29,350	**	- 8
Unemployed (percent)	11.8	- 3	16

GALVESTON-TEXAS CITY SMSA

Galveston County; population: 169,812 (1970); 182,000 (1975 est.)

Urban building permits (\$1,000)	4,104	- 45	99
Bank debits, seas. adj. (\$1,000)	523,891	- 8	13
Nonfarm employment	68,680	1	5
Manufacturing employment	12,090	4	1
Unemployed (percent)	6.6	- 13	5

HOUSTON SMSA

Brazoria, Fort Bend, Harris, Liberty, Montgomery, and Waller Counties; population: 1,999,316 (1970); 2,297,300 (1975 est.)

Urban building permits (\$1,000)	151,289	36	44
Bank debits, seas. adj. (\$1,000)	33,562,211 [#]	3	21
Nonfarm employment	1,128,700	1	5

Reported area and indicator	Percent change from		
	Mar 1977	Feb 1977	Mar 1976
HOUSTON SMSA (continued)			
Manufacturing employment	187,200	**	1
Unemployed (percent)	5.0	- 4	- 9
KILLEEN-TEMPLE SMSA			
Bell and Coryell Counties; population: 159,794 (1970); 210,500 (1975 est.)			
Urban building permits (\$1,000)	7,042	43	46
Bank debits, seas. adj. (\$1,000)	362,964	15	28
(Monthly employment reports are not available for the Killeen-Temple SMSA.)			
LAREDO SMSA			
Webb County; population: 72,859 (1970); 78,100 (1975 est.)			
Urban building permits (\$1,000)	2,476	121	35
Bank debits, seas. adj. (\$1,000)	213,725	3	7
Nonfarm employment	25,270	**	3
Manufacturing employment	1,810	**	5
Unemployed (percent)	17.4	- 5	- 7
LONGVIEW SMSA			
Gregg and Harrison Counties; population: 120,770 (1970); 125,300 (1975 est.)			
Urban building permits (\$1,000)	13,875	321	210
Bank debits (\$1,000)	440,217	11	24
Nonfarm employment	51,160	**	3
Manufacturing employment	16,020	**	3
Unemployed (percent)	6.2	- 9	- 23
LUBBOCK SMSA			
Lubbock County; population: 179,295 (1970); 196,700 (1975 est.)			
Urban building permits (\$1,000)	14,328	79	26
Bank debits, seas. adj. (\$1,000)	1,520,550	5	49
Nonfarm employment	80,050	1	7
Manufacturing employment	11,470	**	18
Unemployed (percent)	3.3	- 3	- 25
MCALLEN-PHARR-EDINBURG SMSA			
Hidalgo County; population: 181,535 (1970); 220,700 (1975 est.)			
Urban building permits (\$1,000)	5,376	5	- 23
Bank debits, seas. adj. (\$1,000)	534,831	3	6
Nonfarm employment	61,280	**	4
Manufacturing employment	8,050	3	5
Unemployed (percent)	9.6	- 18	- 9
MIDLAND SMSA			
Midland County; population: 65,433 (1970); 69,700 (1975 est.)			
Urban building permits (\$1,000)	3,828	- 15	79
Bank debits, seas. adj. (\$1,000)	910,438	5	43
Nonfarm employment	29,570	**	2
Manufacturing employment	1,900	1	- 4
Unemployed (percent)	2.5	- 7	- 17
ODESSA SMSA			
Ector County; population: 92,660 (1970); 98,800 (1975 est.)			
Urban building permits (\$1,000)	7,571	298	54
Bank debits, seas. adj. (\$1,000)	679,453	11	28
Nonfarm employment	42,860	**	3
Manufacturing employment	5,740	1	1
Unemployed (percent)	2.6	- 7	- 43

Reported area and indicator	Percent change from		
	Mar 1977	Feb 1977	Mar 1976
SAN ANGELO SMSA			
Tom Green County; population: 71,047 (1970); 74,800 (1975 est.)			
Urban building permits (\$1,000)	2,794	- 84	69
Bank debits, seas. adj. (\$1,000)	557,668	30	55
Nonfarm employment	28,280	1	1
Manufacturing employment	5,390	1	**
Unemployed (percent)	3.2	**	- 11
SAN ANTONIO SMSA			
Bexar, Comal, and Guadalupe Counties; population: 888,179 (1970); 977,200 (1975 est.)			
Urban building permits (\$1,000)	21,533	- 3	11
Bank debits, seas. adj. (\$1,000)	3,809,901 [#]	4	15
Nonfarm employment	330,000	**	1
Manufacturing employment	40,950	1	3
Unemployed (percent)	6.4	- 6	- 25
SHERMAN-DENISON SMSA			
Grayson County; population: 83,225 (1970); 79,000 (1975 est.)			
Urban building permits (\$1,000)	876	- 26	- 30
Bank debits, seas. adj. (\$1,000)	182,985	3	11
Nonfarm employment	29,210	**	4
Manufacturing employment	10,250	- 1	9
Unemployed (percent)	7.1	- 8	- 35
TEXARKANA SMSA			
Bowie County, Texas; Little River and Miller Counties, Arkansas; population: 113,488 (1970); 114,700 (1975 est.)			
Urban building permits (\$1,000)	2,643	143	13
Bank debits, seas. adj. (\$1,000)	277,381	17	14
Nonfarm employment	40,090	**	5
Manufacturing employment	7,700	1	3
Unemployed (percent)	7.6	- 10	- 34
(Since the Texarkana SMSA includes Bowie County in Texas and Little River and Miller Counties in Arkansas, all data, including population, refer to the three-county region.)			
TYLER SMSA			
Smith County; population: 97,096 (1970); 107,400 (1975 est.)			
Urban building permits (\$1,000)	4,343	- 44	95
Bank debits, seas. adj. (\$1,000)	573,658	16	32
Nonfarm employment	42,800	**	5
Manufacturing employment	12,110	1	7
Unemployed (percent)	4.9	**	- 21
WACO SMSA			
McLennan County; population: 147,553 (1970); 156,700 (1975 est.)			
Urban building permits (\$1,000)	6,654	30	82
Bank debits, seas. adj. (\$1,000)	673,703	- 2	14
Nonfarm employment	61,390	1	3
Manufacturing employment	14,230	**	4
Unemployed (percent)	4.3	- 16	- 28
WICHITA FALLS SMSA			
Clay and Wichita Counties; population: 128,642 (1970); 130,700 (1975 est.)			
Urban building permits (\$1,000)	2,787 [#]	138	- 63
Bank debits, seas. adj. (\$1,000)	601,341	11	36
Nonfarm employment	46,080	1	1
Manufacturing employment	7,530	3	2
Unemployed (percent)	4.1	- 5	- 16

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

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

Indicators of Local Business Conditions for Individual Texas Municipalities

COUNTY City	Population		Urban building permits			Bank debits		
			Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
ANDERSON Palestine	27,789 14,525	30,600	282,875	- 80	60	...	...	...
ANDREWS Andrews	10,372 8,625	11,300	644,810	186	709	19,524	- 7	17
ANGELINA Lufkin	49,349 23,049	54,600	2,128,438	168	121	...	...	...
ATASCOSA Pleasanton	18,696 5,407	19,800	134,800	54	...	11,352	21	1
AUSTIN Bellville	13,831 2,371	15,100	80,050	19	- 51	14,662	18	6
BAILEY Muleshoe	8,487 4,525	8,300	...	...	...	32,034	15	14
BASTROP Smithville	17,297 2,959	20,200	75,010	341	1,686	4,920	16	8
BEE Beeville	22,737 13,506	23,300	280,580	159	251	44,440	16	9
BELL (in Killeen-Temple SMSA)	124,483	159,900						
Belton	8,696		153,668	- 47	- 34	...	...	...
Harker Heights	4,216		913,415	61	...	...	...	...
Killeen	35,507		3,874,227	129	82	97,838	27	17
Temple	33,431		1,339,729	- 23	2	151,431	30	19
BEXAR (in San Antonio SMSA)	830,460	910,400						
San Antonio	654,153		17,607,728	- 5	25	3,735,266	17	11
BOWIE (in Texarkana SMSA)	68,909	69,700						
Texarkana	52,179		675,721	182	- 47	252,181	19	30
BRAZORIA (in Houston SMSA)	108,312	122,800						
Angleton	9,770		779,114	- 17	142	45,372	6	12
Clute	6,023		413,745	300	- 46	11,800	11	- 2
Freeport	11,997		651,873	718	520	67,149	5	...
Lake Jackson	13,376		1,911,056	38	...	...	...	...
Pearland	6,444		1,648,173	23	- 3	19,525	4	- 2
BRAZOS (constitutes Bryan- College Station SMSA)	57,978	72,300						
Bryan	33,719		1,529,769	- 26	17	202,039	13	33
College Station	17,676		2,690,886	- 46	103	45,192	12	30
BREWSTER Alpine	7,780 5,971	7,800	25,000	706	- 46	15,587	68	62
BROWN Brownwood	25,877 17,368	31,400	348,000	12	- 39	...	...	...
BURLESON Caldwell	9,999 2,308	10,500	...	...	...	7,006	4	**
BURNET Marble Falls	11,420 2,209	15,200	250,100	104	...	30,660	26	37
CALDWELL Lockhart	21,178 6,489	22,000	54,011	- 76	- 60	26,502	64	64

COUNTY City	Population		Urban building permits			Bank debits		
			Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
CALHOUN	17,831	17,700						
Port Lavaca	10,491		253,850	753	...	33,916	10	- 14
Point Comfort	1,446		5,000	- 22	- 69	1,239	23	- 42
Seadrift	1,092		42,410	42	4,141	2,586	46	30
CAMERON (constitutes Brownsville- Harlingen-San Benito SMSA)	140,368	169,300						
Brownsville	52,522		1,380,620	9	- 11	415,930	52	110
Harlingen	33,503		1,748,191	49	56	550,042	15	90
La Feria	2,642		37,660	- 55	425	6,477	...	20
Los Fresnos	1,297		...	...	...	7,150	62	36
Port Isabel	3,067		21,115	- 31	- 57	10,460	14	- 13
San Benito	15,176		565,396	531	396	16,524	23	4
CASTRO	10,394	10,200						
Dimmitt	4,327		130,000	- 67	...	41,209	9	13
CHEROKEE	32,008	33,500						
Jacksonville	9,734		189,350	- 26	47	51,493	16	17
CHILDRESS	6,605	6,500						
Childress	5,408		140,500	236	...	...	...	...
COLEMAN	10,288	10,200						
Coleman	5,608		24,000	- 68	- 96	...	...	...
COLLIN (in Dallas-Fort Worth SMSA)	66,920	92,800						
McKinney	15,193		314,774	12	167	29,222	17	18
Plano	17,872		10,849,529	23	60	75,273	- 5	4
COLORADO	17,638	17,400						
Eagle Lake	3,587		...	...	...	15,562	44	16
COMAL (in San Antonio SMSA)	24,165	28,400						
New Braunfels	17,859		649,200	58	- 7	43,434	29	12
COMANCHE	11,898	12,200						
Comanche	3,933		123,700	8,147	...	...	...	...
COOKE	23,471	25,100						
Gainesville	13,830		306,800	126	- 51	51,534	28	20
Muenster	1,411		25,600	...	16	7,296	9	- 2
CORYELL (in Killeen-Temple SMSA)	35,311	50,600						
Copperas Cove	10,818		745,645	16	- 34	17,980	...	27
Gatesville	4,683		...	...	...	20,185	31	25
CRANE	4,172	3,900						
Crane	3,427		...	...	...	7,301	27	9
DALLAM	6,012	6,400						
Dalhart	5,705		322,350	55	...	...	...	...
DALLAS (in Dallas-Fort Worth SMSA)	1,327,695	1,399,400						
Carrollton	13,855		3,666,210	- 67	91	31,668	6	- 33
Dallas	844,401		52,468,656	62	99	28,881,873	14	10
Farmers Branch	27,492		702,351	...	- 3	63,934	19	22
Garland	81,437		...	...	...	152,921	- 3	- 8
Grand Prairie	50,904		2,421,027	38	- 95	58,637	19	23
Irving	97,260		3,361,915	- 68	- 20	149,794	11	9
Lancaster	10,522		682,485	- 41	143	21,525	9	24
Mesquite	55,131		3,394,129	309	58	43,828	...	15
Richardson	48,582		2,849,479	- 68	- 47	...	...	...
Seagoville	4,390		144,184	34	45	12,312	22	- 17
DAWSON	16,604	15,800						
Lamesa	11,559		85,650	- 47	- 34	68,649	- 9	61

COUNTY City	Population		Urban building permits			Bank debits		
	1970	1975 (est.)	Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
				Feb 1977	Mar 1976		Feb 1977	Mar 1976
DEAF SMITH	18,999	19,400						
Hereford	13,414		671,275	52	- 29	...	...	...
DENTON	75,633	101,100						
(in Dallas-Fort Worth SMSA)								
Denton	39,874		1,914,586	- 12	129	...	...	...
Justin	741		26,000	550	333	3,006	14	11
Lewisville	9,264		1,897,961	115	94	47,184	30	25
Pilot Point	1,663		76,120	1,422	...	4,272	17	11
EASTLAND	18,092	18,400						
Cisco	4,160		...	...	...	7,272	- 6	21
ECTOR	92,660	98,800						
(constitutes Odessa SMSA)								
Odessa	78,380		7,571,153	298	54	695,132	21	25
ELLIS	46,638	51,400						
(in Dallas-Fort Worth SMSA)								
Midlothian	2,322		5,000	- 98	- 99	8,973	19	22
Waxahachie	13,452		234,400	29	- 30	36,509	21	16
EL PASO	359,291	414,700						
(constitutes El Paso SMSA)								
El Paso	322,261		19,142,129	- 28	55	1,756,992	15	5
ERATH	18,141	19,400						
Stephenville	9,277		546,403	- 47	14	42,165	15	36
FANNIN	22,705	23,000						
Bonham	7,698		142,600	- 81	169	30,439	9	22
FAYETTE	17,650	17,300						
La Grange	3,092		80,665	- 74	...	...	...	...
Schulenberg	2,294		40,250	44	- 79	...	...	...
FORT BEND	52,314	74,600						
(in Houston SMSA)								
Rosenberg	12,098		1,708,008	146	146	...	...	...
Richmond	5,777		412,365	163	442	...	...	...
GAINES	11,593	11,300						
Seminole	5,007		498,700	986	446	50,181	5	72
Seagraves	2,440		21,000	32	...	9,387	24	75
GALVESTON	169,812	182,000						
(constitutes Galveston- Texas City SMSA)								
Dickinson	10,776		...	...	...	34,082	5	18
Galveston	61,809		2,743,953	- 54	206	300,965	**	10
La Marque	16,131		...	...	...	37,563	...	23
Texas City	38,908		978,525	- 19	30	69,116	- 23	- 9
GILLESPIE	10,553	11,300						
Fredericksburg	5,326		174,403	- 47	40	31,235	5	4
GONZALES	16,375	16,500						
Gonzales	5,854		282,500	32	2,264	40,066	25	- 1
Nixon	1,925		130,700	336	1,822	...	...	...
GRAY	26,949	25,100						
Pampa	21,726		505,727	274	370	67,165	22	8
GRAYSON	83,225	79,000						
(constitutes Sherman- Denison SMSA)								
Denison	24,923		336,710	- 52	- 58	53,614	23	- 2
Sherman	29,061		529,426	7	23	101,916	26	10
GREGG	75,929	80,900						
(in Longview SMSA)								
Gladewater	5,574		197,500	147	31	10,757	- 11	1
Kilgore	9,495		479,300	40	- 33	56,293	28	19
Longview	45,547		12,240,000	510	315	305,456	12	27

COUNTY City	Population		Urban building permits			Bank debits		
			Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
GRIMES	11,855	12,200						
Navasota	5,111		137,550	1,433	...	...	...	...
GUADALUPE	33,554	38,400						
(in San Antonio SMSA)								
Schertz	4,061		639,536	- 18	81	5,952	33	- 4
Seguin	15,934		169,929	- 60	- 91	52,009	9	8
HALE	34,137	35,800						
Hale Center	1,964		4,000	...	...	...	...	...
Plainview	19,096		334,050	- 51	50	112,426	7	9
HALL	6,015	5,800						
Memphis	3,227		526,600	...	...	...	...	...
HARDEMAN	6,795	6,500						
Quanah	3,948		76,500	206	- 84	15,783	...	18
HARDIN	29,996	35,000						
(in Beaumont-Port Arthur- Orange SMSA)								
Silsbee	7,271		...	...	...	34,777	24	27
HARRIS	1,741,912	1,963,600						
(in Houston SMSA)								
Bellaire	19,009		750,960	286	73	...	...	...
Baytown	43,980		1,902,940	- 8	25	193,024	40	12
Deer Park	12,773		8,022,336	279	232	56,991	13	35
Houston	1,232,802		111,377,912	31	55	33,536,507	20	25
Humble	3,278		137,175	- 49	...	...	...	...
Katy	2,923		797,316	- 37	...	28,608	11	45
La Porte	7,149		1,504,837	90	...	13,397	46	31
Pasadena	89,277		1,643,165	- 56	- 46	254,539	- 5	3
South Houston	11,527		131,750	- 87	- 55	...	...	...
Tomball	2,734		452,080	41	321	36,653	- 4	21
HARRISON	44,841	44,400						
(in Longview SMSA)								
Marshall	22,937		958,584	11	45	64,142	- 2	13
HASKELL	8,512	7,900						
Haskell	3,655		60,000	...	- 30	9,437	15	4
HAYS	27,642	35,400						
(in Austin SMSA)								
San Marcos	18,860		226,865	- 77	- 74	28,581	11	26
HENDERSON	26,466	30,600						
Athens	9,582		377,400	- 51	130	44,943	16	17
HIDALGO	181,535	220,700						
(constitutes McAllen-Pharr- Edinburg SMSA)								
Alamo	4,291		...	...	...	15,634	23	4
Donna	7,365		72,345	- 22	**	14,162	48	10
Edinburg	17,163		929,387	19	225	97,672	40	30
Elsa	4,400		51,165	126	28	14,192	39	- 21
McAllen	37,636		2,516,744	5	- 32	249,481	23	7
Mercedes	9,355		...	...	...	22,701	27	8
Mission	13,043		457,548	- 25	17	55,732	17	8
Pharr	15,829		276,916	- 69	- 17	13,692	19	6
San Juan	5,070		762,580	1,081	...	14,339	57	30
Weslaco	15,313		309,137	- 89	- 82	53,834	12	12
HOCKLEY	20,396	20,900						
Levelland	11,445		938,275	50	186	62,472	26	15
HOOD	6,368	10,200						
(in Dallas-Fort Worth SMSA)								
Granbury	2,473		11,705	36	38
HOPKINS	20,710	21,300						
Sulphur Springs	10,642		403,738	37	68	60,900	24	13

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	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
HOWARD Big Spring	37,796 28,735	37,400	137,879	6	- 94	140,572	5	12
HUNT Greenville	47,948 22,043	49,600	276,815	30	- 4	60,950	21	14
HUTCHINSON Borger	24,443 14,195	24,500	464,200	68	137	...	...	...
JACKSON Edna	12,975 5,332	12,800	...	...	...	19,201	13	12
JASPER Jasper Kirbyville	24,692 6,251 1,869	26,700	132,100 ...	129 ...	82 ...	38,284 9,705	21 23	13 36
JEFFERSON (in Beaumont-Port Arthur- Orange SMSA)	246,402	239,200						
Beaumont	115,919		8,540,632	45	195	879,707	19	18
Groves	18,067		1,171,840	238	353	47,812	14	12
Nederland	16,810		891,021	257	192	28,942	- 4	23
Port Arthur	57,371		3,117,020	93	700	187,557	5	18
Port Neches	10,894		2,079,757	223	388	...	...	...
JIM WELLS Alice	33,032 20,121	33,500	609,992	...	92	111,406	- 18	27
JOHNSON (in Dallas-Fort Worth SMSA)	45,769	56,600						
Burleson	7,713		1,027,800	- 47	157	23,679	15	19
Cleburne	16,015		2,837,000	253	...	57,676	17	11
KARNES Karnes City	13,462 2,926	13,100	21,000	- 52	924	10,666	18	- 1
KAUFMAN (in Dallas-Fort Worth SMSA)	32,392	36,900						
Terrell	14,182		155,180	- 48	188	...	...	...
KERR Kerrville	19,454 12,672	22,000	949,801	317	...	...	...	...
KIMBLE Junction	3,904 2,654	4,200	200,625	...	2,159	7,388	- 3	8
KLEBERG Kingsville	33,166 28,711	32,500	495,685	15	- 69	64,668	...	- 25
LAMAR Paris	36,062 23,441	37,700	830,716	- 41	442	...	...	...
LAMB Littlefield	17,770 6,738	16,600	...	...	...	28,395	**	- 7
LAMPASAS Lampasas	9,323 5,922	12,300	102,600	- 31	230	20,270	8	12
LAVACA Hallettsville Yoakum	17,903 2,712 5,755	17,300	67,240 89,050	608 450	3,027 46	12,427 21,981	9 10	26 13
LEE Giddings	8,048 2,783	8,600	323,650	148	278	16,688	...	17
LIBERTY (in Houston SMSA)	33,014	37,200						
Dayton	3,804		109,000	- 8	15	14,499	13	- 11
Liberty	5,591		236,100	38	- 68	41,722	32	40
LIMESTONE Mexia	18,100 5,943	17,900	1,674,600	534	632	25,681	24	20

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	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
LLANO	6,979	8,700						
Kingsland	1,262		24,118	54	63
Llano	2,608		129,850	52	100	13,005	- 28	2
LUBBOCK	179,295	196,700						
(constitutes Lubbock SMSA)								
Lubbock	149,101		14,146,231	85	26	1,572,499	15	71
Slaton	6,583		42,854	- 61	- 28	16,176	14	36
LYNN	9,107	8,400						
Tahoka	2,956		75,000	- 68	...	18,824	- 7	26
McCULLOCH	8,571	8,300						
Brady	5,557		195,250	9	237	19,831	- 3	- 2
McLENNAN	147,553	156,700						
(constitutes Waco SMSA)								
McGregor	4,365		20,200	- 92	- 83	10,273	19	**
Waco	95,326		3,191,772	- 7	111	659,061	12	20
MATAGORDA	27,913	27,500						
Bay City	11,733		1,659,001	622	137	70,290	19	27
MAVERICK	18,093	21,300						
Eagle Pass	15,364		611,947	- 46	22	30,950	12	22
MEDINA	20,249	21,700						
Castroville	1,893		149,200	610	885	3,915	16	9
Hondo	5,487		72,790	312	- 39	10,206	44	21
MIDLAND	65,433	69,700						
(constitutes Midland SMSA)								
Midland	59,463		3,827,768	- 15	79	910,017	21	36
MILAM	20,028	19,900						
Cameron	5,546		...	...	...	15,034	13	3
Rockdale	4,655		122,845	- 68	6	15,804	8	- 3
MILLS	4,212	4,200						
Goldthwaite	1,693		...	...	...	11,805	15	8
MITCHELL	9,073	8,900						
Colorado City	5,227		...	...	...	13,189	1	16
MONTGOMERY	49,479	83,400						
(in Houston SMSA)								
Conroe	11,969		948,380	109	- 4	118,617	...	17
MOORE	14,060	14,000						
Dumas	9,771		792,850	125	156	...	...	...
NACOGDOCHES	36,362	42,600						
Nacogdoches	22,544		1,380,006	39	95	...	...	...
NAVARRO	31,150	31,400						
Corsicana	19,972		768,198	- 39	- 11	76,892	26	11
NOLAN	16,220	16,000						
Sweetwater	12,020		293,500	- 82	43	45,871	10	12
NUECES	237,544	247,600						
(in Corpus Christi SMSA)								
Bishop	3,466		...	...	...	3,493	27	- 30
Corpus Christi	204,525		6,010,720	- 19	71	1,153,512	13	17
Port Aransas	1,218		...	...	...	2,728	62	7
Robstown	11,217		25,771	- 74	27	36,271	17	4
ORANGE	71,170	75,300						
(in Beaumont-Port Arthur- Orange SMSA)								
Orange	24,457		7,621,864	629	1,234	104,467	6	13
PALO PINTO	28,962	20,700						
Mineral Wells	18,411		114,500	...	- 9

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			Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
PANOLA	15,894	16,400						
Carthage	5,392		171,900	- 14	- 13	10,784	18	18
PARKER	33,888	34,400						
(in Dallas-Fort Worth SMSA)								
Weatherford	11,750		1,142,950	- 26	346	57,638	39	37
PARMER	10,509	10,300						
Friona	3,111		59,500	1,067	2,875	35,402	21	11
PECOS	13,748	13,800						
Fort Stockton	8,283		145,361	15	- 30	23,026	3	2
POTTER	90,511	87,900						
(in Amarillo SMSA)								
Amarillo	127,010		19,880,995	106	185	1,370,249	31	20
RANDALL	53,885	64,100						
(in Amarillo SMSA)								
Canyon	8,333		495,603	- 4	- 30	25,568	11	12
REEVES	16,526	15,800						
Pecos	12,682		516,325	591	- 8	41,920	14	- 6
REFUGIO	9,494	8,600						
Refugio	4,340		15,000	...	150	9,793	21	- 18
RUSK	34,102	36,500						
Henderson	10,187		353,706	- 69	- 7	68,763	16	16
SAN PATRICIO	47,288	49,700						
(in Corpus Christi SMSA)								
Aransas Pass	5,813		225,850	12	- 7	22,722	58	12
Sinton	5,563		82,603	117	180	20,115	9	12
Taft	3,274		31,133	...	...	...	...	...
SAN SABA	5,540	6,200						
San Saba	2,555		0	...	...	16,017	19	24
SCURRY	15,760	16,900						
Snyder	11,171		629,910	- 51	...	46,497	4	1
SHACKELFORD	3,323	3,400						
Albany	1,978		0	...	...	9,055	11	8
SHERMAN	3,657	3,600						
Stratford	2,139		0	...	...	21,936	20	7
SMITH	97,096	107,400						
(constitutes Tyler SMSA)								
Tyler	57,770		4,242,662	- 44	98	517,599	26	26
STEPHENS	8,414	8,400						
Breckenridge	5,944		202,900	- 1	107	...	...	...
SUTTON	3,175	4,400						
Sonora	2,149		194,500	153	6,383	9,553	9	15
TARRANT	716,317	739,100						
(in Dallas-Fort Worth SMSA)								
Arlington	90,643		24,948,064	101	100	238,000	12	23
Bedford	10,049		3,178,915	25	133	38,359	25	77
Euless	19,316		3,092,537	685	1,822	...	...	...
Fort Worth	393,476		15,076,307	66	97	4,511,328	25	32
Grapevine	7,023		842,896	48	74	23,274	- 26	30
North Richland Hills	16,514		1,883,214	- 75	51	50,105	24	- 3
White Settlement	13,449		238,024	632	523	18,098	...	14
TAYLOR	97,853	103,400						
(in Abilene SMSA)								
Abilene	89,653		3,294,566	- 8	87	511,152	22	25
TERRY	14,118	14,100						
Brownfield	9,647		497,394	92	132	59,092	12	30

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			Mar 1977 (dollars)	Percent change from		Mar 1977 (thousands of dollars)	Percent change from	
	1970	1975 (est.)		Feb 1977	Mar 1976		Feb 1977	Mar 1976
TITUS	16,702	18,000						
Mount Pleasant	8,877		413,450	65	279	48,762	15	8
TOM GREEN	71,047	74,800						
(constitutes San Angelo SMSA)								
San Angelo	63,884		2,793,714	- 84	69	552,526	39	50
TRAVIS	295,516	359,400						
(in Austin SMSA)								
Austin	251,808		19,651,500	103	- 10	3,413,418	12	28
UPSHUR	20,976	24,600						
Gilmer	4,196		46,000	- 32	...	9,264	5	23
UPTON	4,697	4,600						
McCamey	2,647		0	...	...	3,403	- 11	- 38
UVALDE	17,348	19,900						
Uvalde	10,764		378,580	39	140	49,465	7	- 2
VAL VERDE	27,471	31,600						
Del Rio	21,330		569,553	28	57	55,038	22	13
VICTORIA	53,766	58,100						
Victoria	41,349		2,353,402	85	- 26	362,850	48	53
WALKER	27,680	37,200						
Huntsville	17,610		554,020	- 19	61	60,245	19	23
WARD	13,019	12,300						
Monahans	8,333		370,479	103	6,400	26,582	**	6
WASHINGTON	18,842	19,300						
Brenham	8,922		635,800	- 34	- 39	53,907	15	9
WEBB	72,859	78,100						
(constitutes Laredo SMSA)								
Laredo	69,024		2,475,765	121	35	277,831	49	28
WHARTON	36,729	36,000						
El Campo	8,563		491,215	93	180	51,880	21	15
WICHITA	120,563	122,200						
(in Wichita Falls SMSA)								
Burkburnett	9,230		345,884	60	60	23,589	23	22
Iowa Park	5,796		53,000	23	...	8,883	22	13
Wichita Falls	97,564		2,388,327	112	- 67	558,130	18	37
WILBARGER	15,355	15,500						
Vernon	11,454		1,001,145	328	84	...	...	...
WILLACY	15,570	16,000						
Raymondville	7,987		24,416	- 85	- 39	22,022	26	10
WILLIAMSON	37,305	48,300						
Bartlett	1,622		...	...	...	2,650	20	- 42
Georgetown	6,395		695,250	18	36	26,751	20	27
Taylor	9,616		382,079	111	158	29,262	21	11
WINKLER	9,640	9,100						
Kermit	7,884		6,875	- 90	- 65	...	...	...
WISE	19,687	21,800						
(in Dallas-Fort Worth SMSA)								
Decatur	3,240		211,000	233	325	13,766	28	22
YOUNG	15,400	16,000						
Graham	7,477		259,100	- 33	- 54	...	...	...
Olney	3,624		865,000	475	6,403	16,717	35	13
ZAVALA	11,370	11,400						
Crystal City	8,104		40,500	- 62	- 53	10,763	- 16	7

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

Gross Retail Sales by Kind of Business for Texas Standard Metropolitan Statistical Areas

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
ABILENE SMSA			
Apparel, accessories	6,296	28	5
Automotive dealers, service stations	43,894	24	39
Building materials, farm equipment	8,757	— 7	18
Drugstores	2,584	16	17
Eating and drinking	8,255	— 2	18
Food	24,336	3	33
Furniture, home furnishings	6,716	7	22
General merchandise	19,113	34	6
Liquor	1,551	17	10
Miscellaneous retail	26,799	24	9

AMARILLO SMSA			
Apparel, accessories	12,422	30	11
Automotive dealers, service stations	65,695	- 20	20
Building materials, farm equipment	16,629	27	25
Drugstores	9,984	42	30
Eating and drinking	15,468	- 1	15
Food	34,321	13	18
Furniture, home furnishings	11,819	13	35
General merchandise	30,851	41	8
Liquor	4,900	25	11
Miscellaneous retail	38,100	56	47

AUSTIN SMSA			
Apparel, accessories	21,121	38	40
Automotive dealers, service stations	82,457	- 11	16
Building materials, farm equipment	32,949	- 1	32
Drugstores	10,095	14	15
Eating and drinking	37,650	1	19
Food	74,775	25	15
Furniture, home furnishings	21,775	5	28
General merchandise	69,687	32	13
Liquor	7,252	24	10
Miscellaneous retail	55,082	24	- 10

BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Apparel, accessories	11,302	39	21
Automotive dealers, service stations	83,023	8	17
Building materials, farm equipment	20,914	2	32
Drugstores	13,996	14	8
Eating and drinking	22,585	6	20
Food	80,938	3	10
Furniture, home furnishings	17,241	21	35
General merchandise	62,962	45	17
Liquor	5,629	31	18
Miscellaneous retail	43,389	15	16

BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Apparel, accessories	8,332	- 6	- 21
Automotive dealers, service stations	23,476	8	9
Building materials, farm equipment	10,911	9	39
Drugstores	3,545	- 3	- 9
Eating and drinking	9,267	- 2	16
Food	28,203	18	- 3
Furniture, home furnishings	6,928	- 9	- 5
General merchandise	28,294	- 8	- 22
Liquor	1,083	23	16
Miscellaneous retail	16,250	2	4

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
BRYAN-COLLEGE STATION SMSA			
Apparel, accessories	2,817	32	28
Automotive dealers, service stations	16,557	7	35
Building materials, farm equipment	6,885	- 13	44
Drugstores	1,450	37	76
Eating and drinking	5,331	1	25
Food	13,919	1	24
Furniture, home furnishings	2,940	20	54
General merchandise	11,469	37	14
Liquor	1,013	20	15
Miscellaneous retail	5,569	- 1	22

CORPUS CHRISTI SMSA			
Apparel, accessories	10,006	35	16
Automotive dealers, service stations	62,045	- 9	2
Building materials, farm equipment	16,564	1	17
Drugstores	9,392	47	36
Eating and drinking	19,104	- 7	18
Food	59,748	47	4
Furniture, home furnishings	12,567	14	26
General merchandise	38,988	30	3
Liquor	3,650	28	9
Miscellaneous retail	58,579	40	31

DALLAS-FORT WORTH SMSA			
Apparel, accessories	169,795	21	47
Automotive dealers, service stations	828,702	13	26
Building materials, farm equipment	179,218	**	33
Drugstores	101,248	23	18
Eating and drinking	232,510	3	14
Food	503,452	15	16
Furniture, home furnishings	155,536	17	13
General merchandise	429,431	44	14
Liquor	53,206	18	7
Miscellaneous retail	658,827	27	26

EL PASO SMSA			
Apparel, accessories	20,761	16	- 15
Automotive dealers, service stations	134,814	1	19
Building materials, farm equipment	11,466	3	17
Drugstores	12,548	23	17
Eating and drinking	22,954	- 1	14
Food	60,396	- 9	7
Furniture, home furnishings	18,016	- 1	**
General merchandise	66,737	13	- 7
Liquor	6,106	16	9
Miscellaneous retail	53,419	15	**

GALVESTON-TEXAS CITY SMSA			
Apparel, accessories	6,056	24	15
Automotive dealers, service stations	150,723	- 6	4
Building materials, farm equipment	8,292	- 6	21
Drugstores	6,547	29	20
Eating and drinking	12,390	- 15	23
Food	37,819	- 5	15
Furniture, home furnishings	5,085	12	11
General merchandise	20,740	27	7
Liquor	2,944	21	13
Miscellaneous retail	18,769	**	- 2

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
HOUSTON SMSA			
Apparel, accessories	128,337	49	22
Automotive dealers, service stations	908,318	— 3	1
Building materials, farm equipment	242,597	26	40
Drugstores	98,402	43	23
Eating and drinking	225,201	16	21
Food	530,536	7	18
Furniture, home furnishings	132,897	14	26
General merchandise	462,878	36	13
Liquor	55,719	60	10
Miscellaneous retail	652,454	29	16

KILLEEN-TEMPLE SMSA			
Apparel, accessories	6,608	30	39
Automotive dealers, service stations	44,301	45	67
Building materials, farm equipment	10,073	6	47
Drugstores	2,346	22	8
Eating and drinking	10,352	8	24
Food	25,099	37	27
Furniture, home furnishings	5,536	19	22
General merchandise	22,692	34	18
Liquor	1,125	- 11	- 29
Miscellaneous retail	12,724	20	23

LAREDO SMSA			
Apparel, accessories	8,602	- 28	- 38
Automotive dealers, service stations	11,010	- 9	- 6
Building materials, farm equipment	3,084	- 14	- 1
Drugstores	2,324	22	9
Eating and drinking	3,644	- 14	- 6
Food	18,324	37	9
Furniture, home furnishings	4,484	- 28	- 33
General merchandise	19,237	- 12	- 30
Liquor	295	125	10
Miscellaneous retail	14,341	- 6	- 9

LUBBOCK SMSA			
Apparel, accessories	12,416	24	15
Automotive dealers, service stations	58,146	5	19
Building materials, farm equipment	22,069	14	32
Drugstores	3,447	17	4
Eating and drinking	20,249	16	29
Food	48,176	22	30
Furniture, home furnishings	17,504	23	12
General merchandise	37,405	43	7
Liquor	5,007	2	8
Miscellaneous retail	47,971	53	4

McALLEN-PHARR-EDINBURG SMSA			
Apparel, accessories	10,283	- 1	- 14
Automotive dealers, service stations	36,930	2	- 3
Building materials, farm equipment	19,966	36	19
Drugstores	3,979	16	- 9
Eating and drinking	10,000	8	11
Food	41,936	28	- 3
Furniture, home furnishings	7,772	**	**
General merchandise	28,366	4	- 10
Liquor	1,314	59	41
Miscellaneous retail	26,191	33	- 5

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
MIDLAND SMSA			
Apparel, accessories	4,184	27	15
Automotive dealers, service stations	19,884	— 4	2
Building materials, farm equipment	5,177	9	— 1
Drugstores	5,678	16	**
Eating and drinking	4,757	1	15
Food	14,964	31	35
Furniture, home furnishings	4,401	2	26
General merchandise	11,888	31	7
Liquor	1,209	33	— 5
Miscellaneous retail	48,480	45	12

ODESSA SMSA			
Apparel, accessories	5,394	41	24
Automotive dealers, service stations	45,570	16	15
Building materials, farm equipment	8,679	33	40
Drugstores	1,994	12	5
Eating and drinking	7,940	11	12
Food	21,312	12	22
Furniture, home furnishings	5,718	- 7	24
General merchandise	24,633	31	5
Liquor	4,243	34	9
Miscellaneous retail	63,729	14	1

SAN ANGELO SMSA			
Apparel, accessories	3,413	28	16
Automotive dealers, service stations	31,062	60	73
Building materials, farm equipment	6,901	- 3	25
Drugstores	4,228	- 41	9
Eating and drinking	4,641	- 1	8
Food	14,212	12	46
Furniture, home furnishings	3,656	13	9
General merchandise	13,957	35	13
Liquor	982	33	14
Miscellaneous retail	7,115	37	17

SAN ANTONIO SMSA			
Apparel, accessories	44,405	31	11
Automotive dealers, service stations	224,675	3	15
Building materials, farm equipment	43,010	- 4	17
Drugstores	17,850	15	6
Eating and drinking	65,671	2	6
Food	160,821	31	- 1
Furniture, home furnishings	39,458	7	31
General merchandise	129,660	30	8
Liquor	14,403	25	28
Miscellaneous retail	114,722	21	11

SHERMAN-DENISON SMSA			
Apparel, accessories	3,744	36	17
Automotive dealers, service stations	20,521	4	15
Building materials, farm equipment	7,575	36	17
Drugstores	3,440	17	9
Eating and drinking	4,123	- 3	- 14
Food	15,677	6	50
Furniture, home furnishings	3,290	- 10	20
General merchandise	12,880	34	11
Liquor	1,200	8	16
Miscellaneous retail	11,294	45	32

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
TEXARKANA SMSA			
Apparel, accessories	2,622	43	19
Automotive dealers, service stations	16,406	- 20	20
Building materials, farm equipment	8,662	23	- 28
Drugstores	1,676	22	8
Eating and drinking	3,740	- 2	13
Food	14,677	10	23
Furniture, home furnishings	3,732	5	- 2
General merchandise	10,990	32	3
Liquor	§	...	...
Miscellaneous retail	7,146	32	18
TYLER SMSA			
Apparel, accessories	8,358	48	23
Automotive dealers, service stations	33,769	22	20
Building materials, farm equipment	14,338	2	40
Drugstores	3,438	26	32
Eating and drinking	6,799	- 2	21
Food	14,232	- 29	- 23
Furniture, home furnishings	7,410	29	54
General merchandise	19,309	45	12
Liquor	§	...	...
Miscellaneous retail	15,939	23	19

Reported area and kind of business	Oct-Dec 1976 (\$000)	Percent change Oct-Dec 1976 from	
		Jul-Sep 1976	Oct-Dec 1975
WACO SMSA			
Apparel, accessories	5,557	36	16
Automotive dealers, service stations	50,135	4	3
Building materials, farm equipment	19,561	— 9	19
Drugstores	4,210	13	9
Eating and drinking	12,678	2	28
Food	33,510	42	36
Furniture, home furnishings	6,332	13	18
General merchandise	23,739	32	6
Liquor	2,042	27	11
Miscellaneous retail	24,245	32	21
WICHITA FALLS SMSA			
Apparel, accessories	5,942	30	15
Automotive dealers, service stations	38,463	1	19
Building materials, farm equipment	11,352	22	38
Drugstores	5,369	14	86
Eating and drinking	8,545	— 1	14
Food	23,460	15	30
Furniture, home furnishings	5,919	5	12
General merchandise	20,502	36	3
Liquor	2,422	11	5
Miscellaneous retail	21,336	24	11

§ Omitted to avoid disclosure.

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

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

Source: Sales Tax Division, State Comptroller of Public Accounts.

Index of Consumer Prices, United States (1967=100)

Classification	Mar 1977	Percent change	
		Mar 1977 from Feb 1977	Mar 1977 from Mar 1976
All items	178.2	0.6	6.4
Food	188.6	0.5	5.5
Housing	185.5	0.7	6.3
Apparel and upkeep	151.7	0.6	4.6
Transportation	174.8	0.9	9.4
Health and recreation	170.7	0.5	6.3

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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.

	Mar 1977	Feb 1977	Mar 1976	Year-to-date average 1977 1976	
GENERAL BUSINESS ACTIVITY					
Business activity (index)	265.6	252.5	237.4	252.8	220.4
Estimates of personal income					
(millions of dollars, seasonally adjusted)	\$ 7,269.4 ^p	\$ 7,002.4 ^p	\$ 6,466.5 ^r	\$ 7,004.2	\$ 6,185.3
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$ 1,486.0 ^p	\$ 1,461.2 ^p	\$ 1,341.9 ^r	\$ 1,462.7	\$ 1,331.4
Wholesale prices in U.S. (unadjusted index)	191.9	190.0	179.6	190.0	179.5
Consumer prices in Dallas (unadjusted index)	...	175.2	...	...	...
Consumer prices in U.S. (unadjusted index)	178.2	177.1	167.5	176.9	167.1
Business failures (number)	...	...	45	...	44
Business failures (liabilities, thousands)	\$...	\$...	\$ 18,349	\$...	\$ 17,946
Sales of ordinary life insurance (index)	299.5	264.7	267.9	278.7	248.7
PRODUCTION					
Total electric power use (index)	205.0 ^p	216.9 ^p	189.7 ^r	208.7	185.9
Residential electric power use (index)	268.8 ^p	311.8 ^p	241.3 ^r	290.4	247.4
Industrial electric power use (index)	174.1 ^p	172.2 ^p	159.3 ^r	169.4	150.1
Crude oil production (index)	103.4 ^p	103.2 ^p	106.3 ^r	103.4	109.1
Average daily production per oil well (bbl.)	18.0	17.8	18.3	18.0	18.4
Crude oil processed by refineries (index)	...	146.9 ^p	133.5 ^r	...	134.1
Industrial production—total (index)	136.5 ^p	136.0 ^p	132.3 ^r	135.7	131.4
Industrial production—total manufactures (index)	142.5 ^p	142.8 ^p	138.1 ^r	142.0	135.9
Industrial production—durable manufactures (index)	140.9 ^p	141.6 ^p	139.6 ^r	139.8	135.8
Industrial production—nondurable manufactures (index)	143.8 ^p	143.8 ^p	137.0 ^r	143.7	136.1
Industrial production—mining (index)	115.1 ^p	112.6 ^p	113.5 ^r	113.7	115.4
Industrial production—utilities (index)	192.5 ^p	192.5 ^p	171.2 ^r	192.5	173.1
Industrial production in U.S. (index)	135.1 ^p	133.3 ^p	128.1 ^r	133.4	127.0
Urban building permits issued (index)	337.5 ^p	290.5 ^p	255.4 ^r	275.7	212.3
New residential building authorized (index)	392.2 ^p	318.8 ^p	237.0 ^r	322.5	236.6
New residential units authorized (index)	197.4 ^p	162.6 ^p	121.0 ^r	157.2	123.0
New nonresidential building authorized (unadjusted index)	269.6 ^p	272.8 ^p	270.9 ^r	229.6	188.1
AGRICULTURE					
Prices received by farmers (unadjusted index)	198	199	187	196	186
Prices paid by farmers in U.S. (unadjusted index)	201	200	191	200	190
Ratio of Texas farm prices received to U.S. prices paid by farmers	98.5	99.5	97.9	98.0	97.9
FINANCE					
Bank debits (index)	509.6	479.7	426.3	480.3	395.6
Bank debits, U.S. (index)	382.4	379.1	332.5	376.6	317.6
Bank commercial loans outstanding (index)	197.9	199.0	186.7	197.9	186.1
Weekly condition report of large commercial banks, Dallas Federal Reserve District					
Loans (millions)	\$ 12,171	\$ 12,005	\$ 10,933	\$ 12,079	\$ 10,898
Loans and investments (millions)	\$ 18,505	\$ 18,275	\$ 16,595	\$ 18,326	\$ 16,395
Adjusted demand deposits (millions)	\$ 5,218	\$ 4,925	\$ 5,025	\$ 5,089	\$ 4,772
Revenue receipts of the state comptroller (thousands)	\$ 586.0	\$ 658.4	\$ 482.9	\$ 586.3	\$ 520.8
Federal Internal Revenue collections (millions)	\$ 2,038.0	\$ 1,271.8	\$ 1,180.4	\$ 9,362.6*	\$ 7,256.1*
Securities registrations—original applications					
Mutual investment companies (thousands)	\$ 85,813	\$ 132,209	\$ 62,498	\$ 620,864*	\$ 418,396*
All other corporate securities					
Texas companies (thousands)	\$ 8,266	\$ 9,234	\$ 6,570	\$ 86,437*	\$ 68,214*
Other companies (thousands)	\$ 15,824	\$ 17,635	\$ 8,571	\$ 89,681*	\$ 75,940*
Securities registration—renewals					
Mutual investment companies (thousands)	\$ 62,228	\$ 107,605	\$ 33,255	\$ 324,105*	\$ 277,942*
Other corporate securities (thousands)	\$ 9	\$ 0	\$ 0	\$ 4,110*	\$ 2,271*
LABOR					
Total nonagricultural employment (index)†	148.3 ^p	147.8 ^p	142.5 ^r	147.8	141.8
Manufacturing employment (index)†	132.0 ^p	131.6 ^p	127.5 ^r	131.7	127.1
Average weekly hours—manufacturing (index)†	95.3 ^p	95.7 ^p	98.2 ^r	94.7	99.5
Average weekly earnings—manufacturing (index)†	188.7 ^p	187.0 ^p	179.0 ^r	185.9	180.3
Total nonagricultural employment (thousands)†	4,789.1 ^p	4,758.7 ^p	4,599.8 ^r	4,763.6	4,569.3
Total manufacturing employment (thousands)†	869.7 ^p	864.6 ^p	840.4 ^r	865.9	835.5
Durable-goods employment (thousands)†	477.4 ^p	474.2 ^p	459.4 ^r	475.5	456.3
Nondurable-goods employment (thousands)†	392.3 ^p	390.4 ^p	381.0 ^r	390.4	379.2
Total civilian labor force in selected labor market areas (thousands)	4,462.8 ^p	4,437.3 ^p	4,307.0 ^r	4,440.9	4,263.8
Nonagricultural employment in selected labor market areas (thousands)†	3,923.4 ^p	3,900.3 ^p	3,801.6 ^r	3,901.5	3,775.0
Manufacturing employment in selected labor market areas (thousands)†	714.4 ^p	712.6 ^p	703.1 ^r	712.6	699.6
Total unemployment in selected labor market areas (thousands)	237.3 ^p	251.7 ^p	269.1 ^r	248.0	266.9
Percent of labor force unemployed in selected labor market areas					
labor market areas	5.3 ^p	5.7 ^p	6.2 ^r	5.6	6.2
Percent of total labor force unemployed	5.1 ^p	5.5 ^p	6.1 ^r	5.4	6.1

Intrastate and Interstate Marketing Mechanisms

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