

TEXAS BUSINESS REVIEW

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THE BUSINESS SITUATION IN TEXAS

Robert H. Ryan

Texans can congratulate themselves on the fact that as recently as fall 1971 their overall living costs were low in comparison with family budgets in other parts of the United States. The Bureau of Labor Statistics has announced that the Austin Standard Metropolitan Statistical Area (SMSA) was the least expensive place to live among forty SMSA's across the nation. Dallas and Houston were among the five lowest. No information has been released on other Texas cities.

The BLS study is heavily qualified and may not represent any particular family. It examines budgets for a family of four: a 38-year-old husband, a wife whose age is discreetly unmentioned, a boy of 13, and a girl of 8. The wife does not work outside the home. The family is examined under three sets of circumstances: first with a minimum budget of about \$7,000, second with an intermediate budget of \$10,000 to \$11,000, and third with a higher budget in the \$16,000-plus range. These budgets vary from city to city, for the purpose of the study is to determine how much money is needed to maintain equivalent living standards in various places.

For example, an Anchorage, Alaska, family must spend \$20,577 to buy the same necessities and comforts that cost \$14,620 in Dallas, \$14,213 in Houston, and \$13,600 in Austin. The chart at the bottom of the next page compares the three Texas SMSA's with the national average for an intermediate-budget family. The national figures include small nonmetropolitan cities. In Austin the intermediate budget totals \$9,408; in Dallas, \$10,056; and in Houston, \$9,894. Actually the three cities are somewhat closer in their consumer-market prices than those figures suggest. Austin is lower partly because the family living there is given a lower income-tax burden, presumably because their lower budget implies that they receive less income.

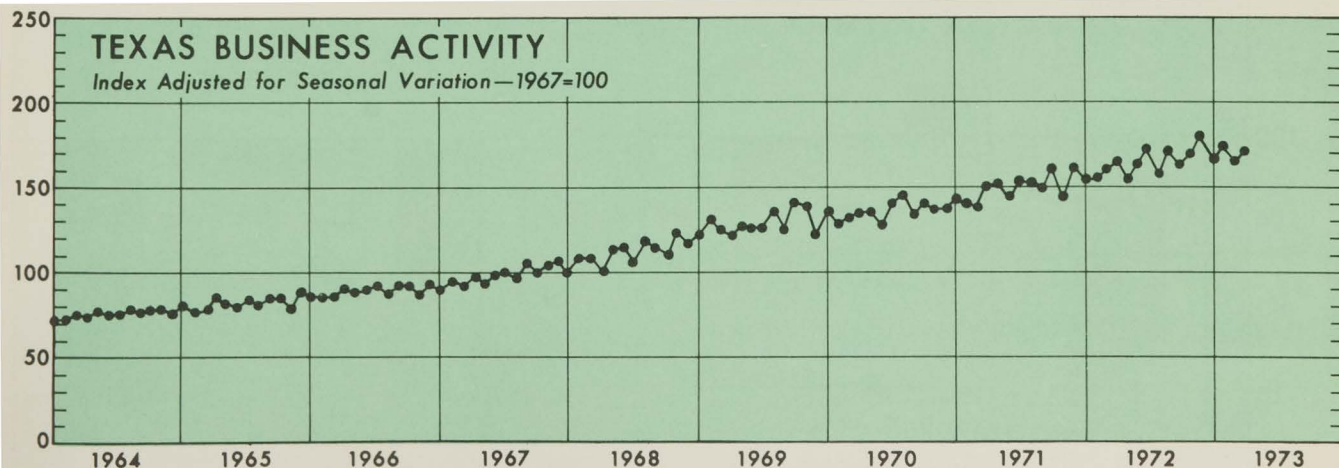
There is no doubt that many places in Texas offer less expensive living than do Austin, Dallas, or Houston; the average budget for nonmetropolitan cities in the southern region lies well below the figures for these three cities.

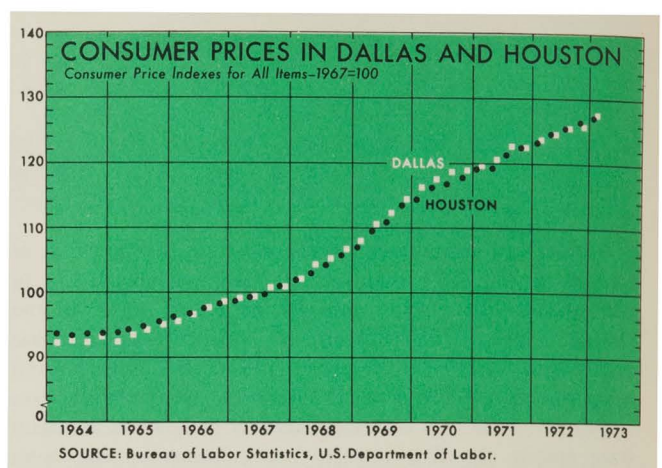
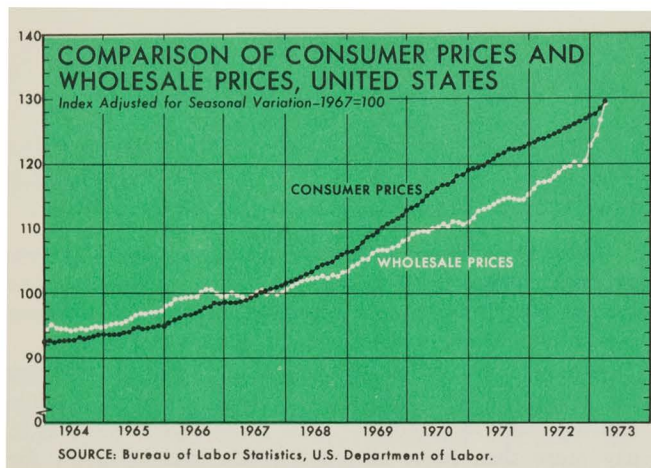
Among consumption items, food and especially clothing are shown to be rather evenly priced nationwide, while housing costs vary radically. The Anchorage family has to pay more than twice as much as the Austin family for "equivalent" housing. On the other hand, family transportation costs more in Texas cities than in cities with more extensive public-transit networks, such as New York. Medical care also tends to be expensive in Texas, especially in Dallas, where the intermediate-budget family must pay higher medical bills (including insurance) than in any other city east of the Pacific Coast. Even in Austin family medical costs are higher than in some much larger cities, such as Buffalo, Cincinnati, and Pittsburgh.

Texas cities also offer comparatively low living costs for a hypothetical retired couple, according to a second BLS analysis, also based on fall 1971 price levels. The retired couple's budgets do not differ greatly from city to city, especially in the South. At the minimum level, Baton Rouge and Atlanta living costs are less than those in the three Texas SMSA's.

Since late 1971, the base period for the BLS study, family financial patterns have been seriously disarrayed by the inflation of consumer prices, which have risen an average of 6 percent. The intermediate budget for the four-member Austin family, then, has gone from \$13,600 to about \$14,400, and any family whose income has advanced by less than that ratio is probably materially worse off than it was nineteen months ago.

Prices in Dallas, Houston, and most cities across the nation have advanced at about the same rate, though not





exactly. The quick march of inflation is charted at the top of this page in terms of price indexes for Dallas, Houston, and the United States. (Indexes for the two Texas cities are posted only quarterly.)

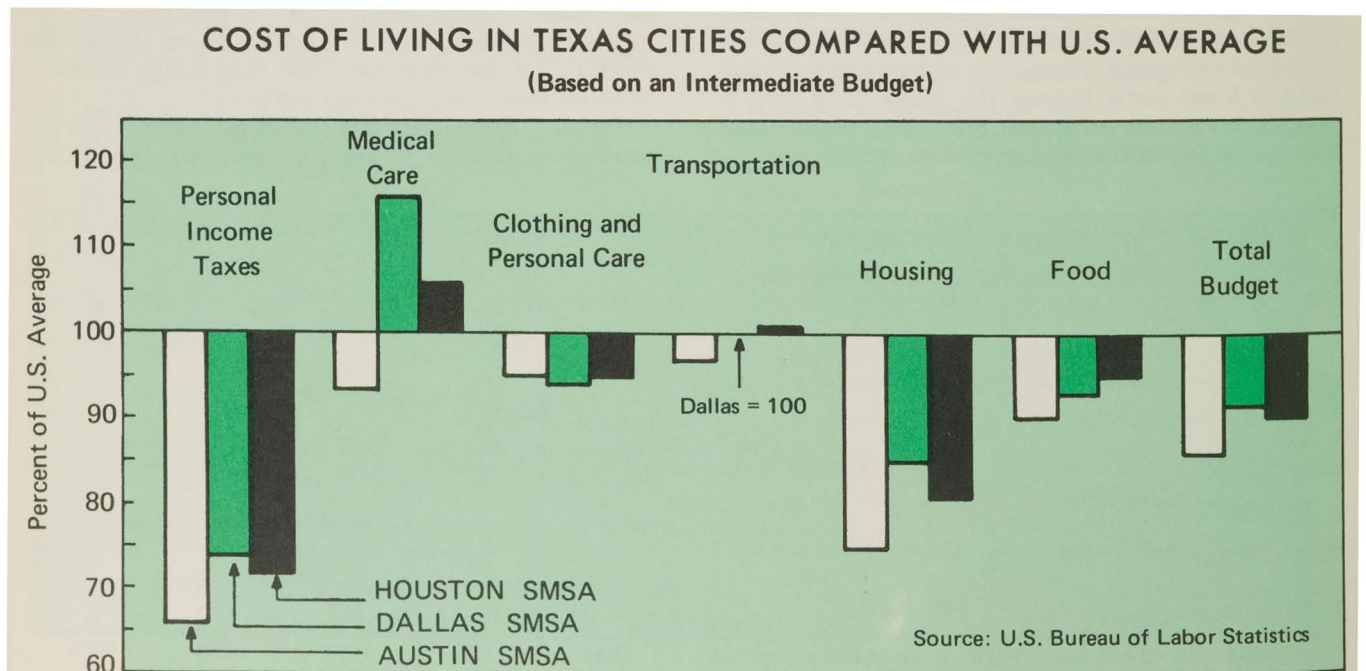
National figures indicate that consumers are indulging in an alarming wave of buying that may well give further thrust to inflation. There is no comprehensive measure of Texas retailing, for sales taxes exempt food and drugs, and sales tax receipts are not reported currently. The Federal Reserve Bank of Dallas does turn out estimates of department store sales in five Texas SMSA's, which indicate that Texans may be holding back from any extravagant spending splurge. Department-store sales in the Austin, Dallas, El Paso, Houston, and San Antonio SMSA's were up only 7 percent from March 1972 to March 1973. On a national basis retail sales were up 16 percent over the same period.

The Bureau of Business Research estimates of personal income in Texas show a gain of barely more than 6 percent from the first quarter of 1972 to the first quarter this year.

This gain is not a great deal more than the increase in consumer prices. Most Texas families, then, are only marginally better off this year than last, and they are well advised not to attempt upgrading their living standards. It is fairly certain that Texans have recently lost ground in their long race to catch up with other Americans in terms of average income. Nationwide, income payments to individuals have gone up about half again as rapidly as they apparently have in Texas.

Wage controls, suggested as a possible means of snaffling inflation, might tend to perpetuate the existing income disadvantage of Texans. More stringent retail price controls, on the other hand, might benefit Texans more than residents of some other states.

All this is not to say that the Texas economy has not thrived in the past year. The widespread gains are reflected in the statistical barometers tabulated inside the back cover of this issue. One of the most favorable aspects of the Texas economy has been the labor situation. Employment oppor-



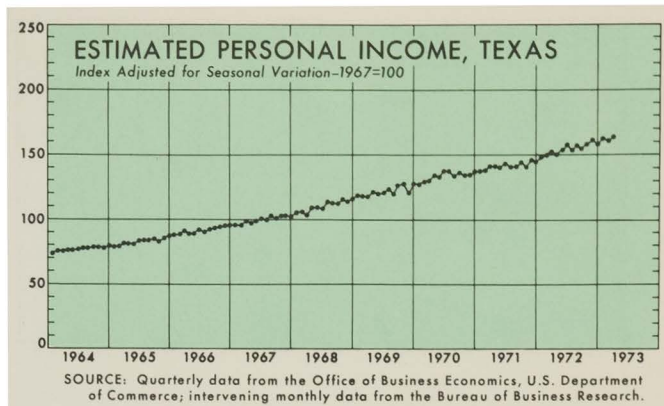
tunities have increased more rapidly than the labor force, and unemployment has dropped sharply since early 1972. Only in the Rio Grande border cities and in Texarkana is unemployment still notably high.

Increases in Texas employment have not by any means been distributed equally among industrial categories, according to Texas Employment Commission estimates. One of the major increases has occurred in wholesale and retail trade payrolls, which added 46,700 workers from March 1972 to March 1973. Texas is likely to have a work force of more than one million in trade by the end of this year.

Among the smaller industrial groups, real estate and medical and health services have expanded significantly within the past year.

On the contrary, some of Texas' most important basic industries have cut back employment. Oil and gas production workers are declining in number. If the present trends continue there will soon be more real estate personnel than petroleum production workers. Parallel declines have been seen in oil-refining and chemical-manufacturing workers.

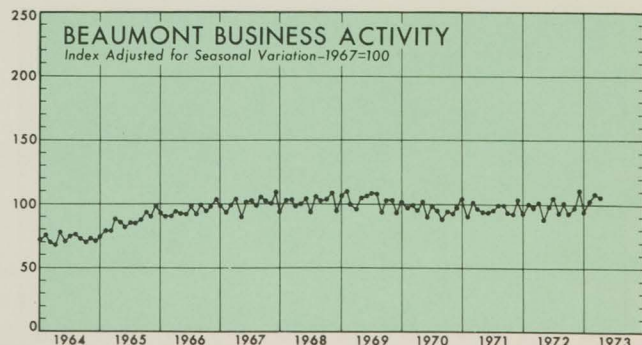
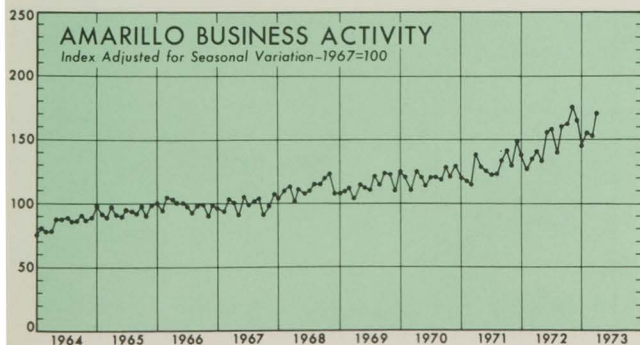
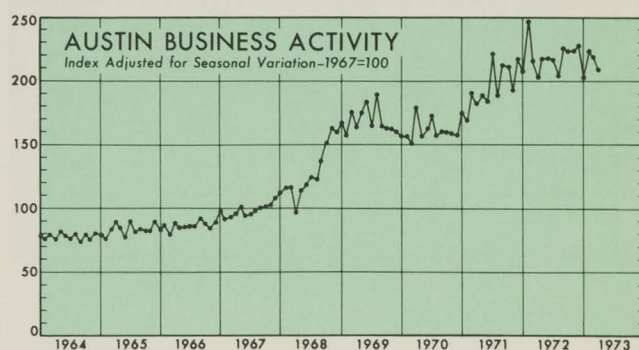
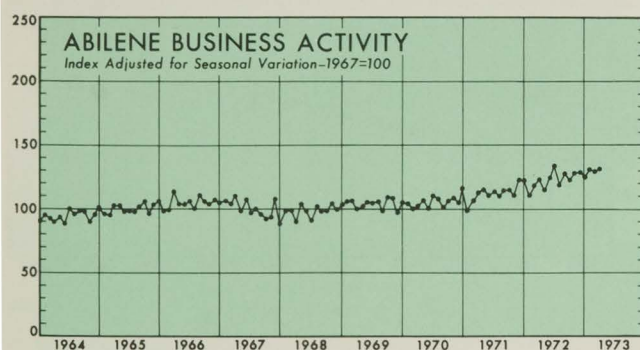
The business-activity indexes charted on the following pages represent the best measure of growth in individual Texas urban centers. They show the course of total bank debits deflated to remove the influence of inflation and adjusted to offset the effects of seasonal variation. Most of the indexes reflect impressive long-term growth; only Beaumont, Port Arthur, and Texarkana have shown little economic expansion since 1967.

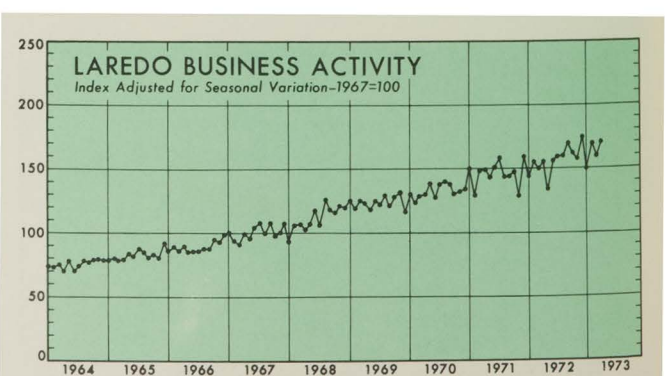
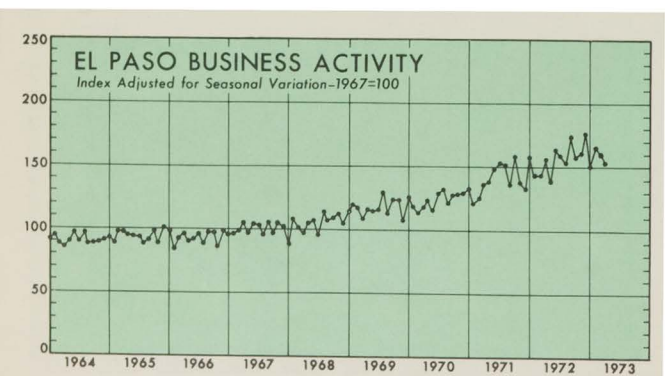
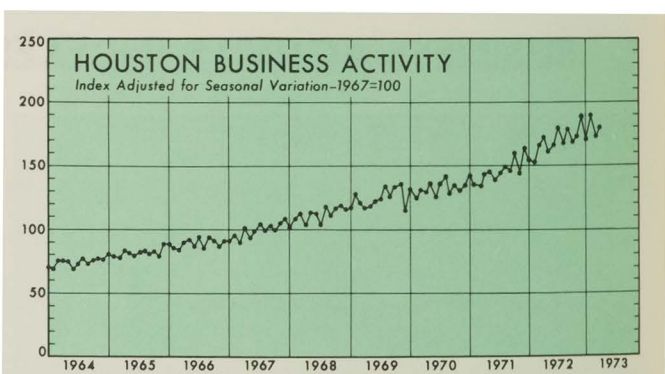
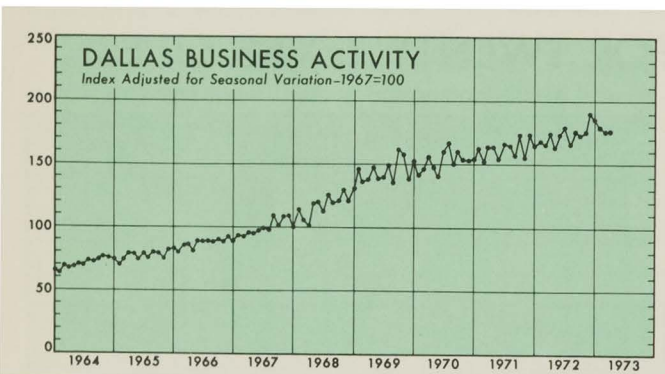
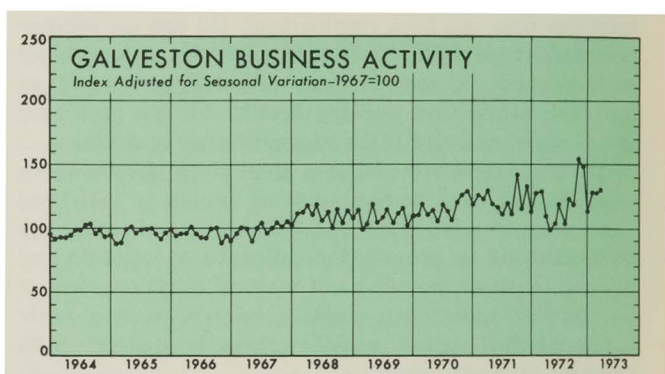
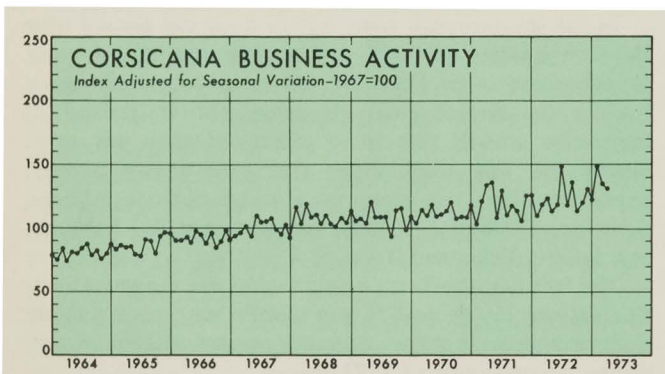
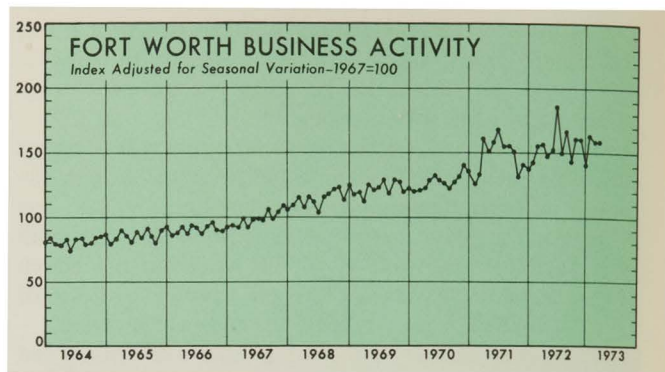
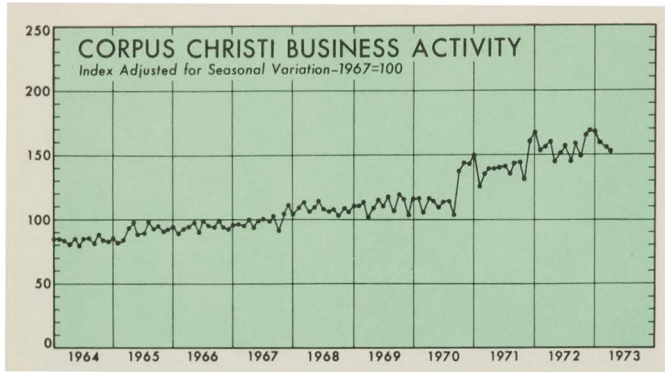


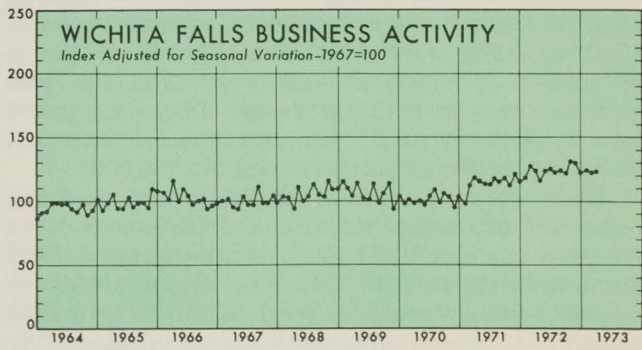
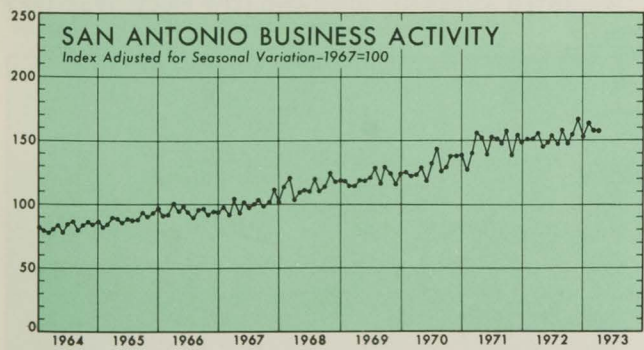
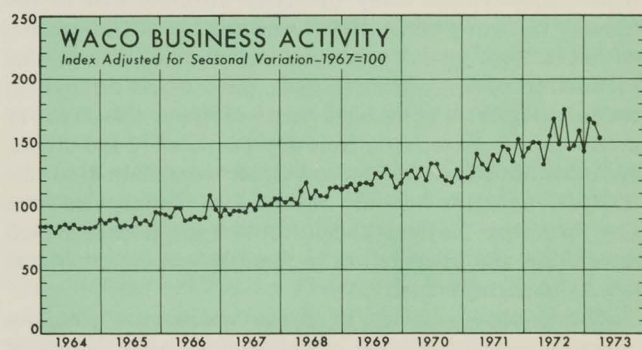
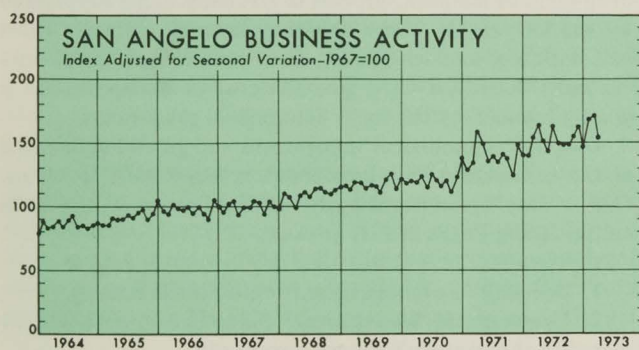
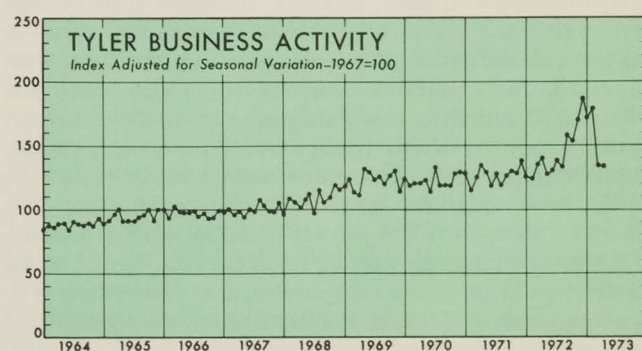
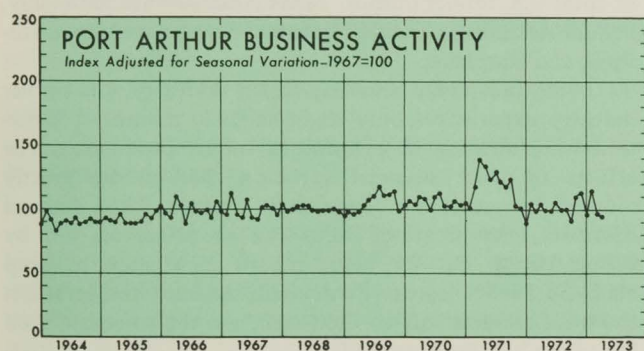
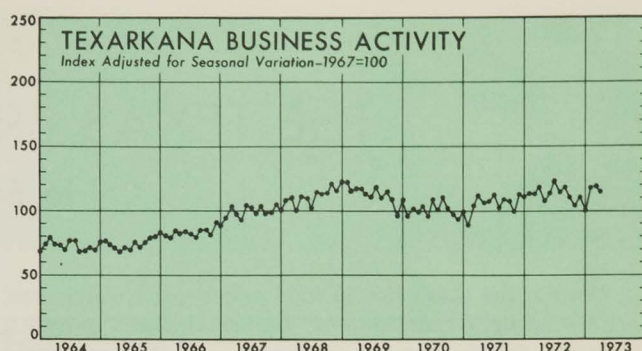
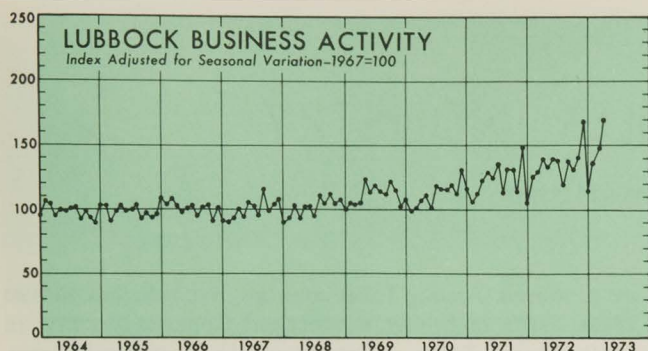
In the shorter-range view, Austin alone lost ground from the first quarter of 1972 to the first quarter this year, though some other cities did not make substantial gains. Among the largest cities, Houston has maintained its impressive growth rate more effectively than any other during the past year. Cities that have shown stronger expansion than the state as a whole include Abilene, Amarillo, Corsicana, El Paso, Houston, Laredo, Lubbock, San Angelo, Tyler, and Waco.

The fact that the Texas economy has not shown extreme fluctuations in the past fifteen months suggests a stability that may provide some insurance against disappointment during the remainder of 1973 at least.

BUSINESS-ACTIVITY INDEXES FOR TWENTY TEXAS CITIES







SOURCE: Based on bank debits reported by the Federal Reserve Bank of Dallas and adjusted for seasonal variation and changes in the price level by the Bureau of Business Research.
FROM: Bureau of Business Research, The University of Texas at Austin.

THE TEXAS BROILER INDUSTRY

Clyde Sommerlatte

Despite the sharp rise in food prices—particularly meat prices—during recent months, broiler chickens remain a good buy for the consumer. Growers and others associated with the broiler industry have by no means been immune to the widespread squeeze, however: increased costs of construction and labor have caused production costs to skyrocket, and prices of feed in many cases have more than doubled. These increases, compounded by high transportation and distribution costs, are passed on to the consumer, causing broiler prices to rise at a faster rate than a year ago. Still the retail price of broiler chickens does not exceed the 1952 level—although, in general, farm production costs went up more than 100 percent in the 1952-1972 period.¹

Broiler-chicken growers in Texas have steadily observed a decrease in the prices they receive, in spite of attempts to cut costs of production. Poultrymen are deeply troubled about the future of the industry.

The poultryman's worst enemies, however, may be his fellow poultrymen. Many observers attribute part of the farmers' current problems to a long absence of cooperation within the broad-based poultry industry, which includes the production of eggs, broilers, hens, pullets, and turkeys. In the past, farmers considered each of these five areas of production to be separate from and unrelated to the others, and this insistence on independence contributed to the fluctuations in the fortunes of each area. Poultrymen were slow to realize the benefits that could result from increased integration and cooperation in the highly competitive and rapidly changing industry.

The poultry industry in Texas, which now generates approximately 7.5 percent of the average yearly income of the state's farmers, has come a long way since the turn of the century, when the average farmer kept a few chickens, hogs, and cows. Since the 1940s, change has come especially swiftly to the broiler industry, once characterized by small farms with production capacities of 500-5,000 birds per run. In 1972 the average Texas farm had a capacity of 40,000-100,000 per run, and gross income from commercial broiler production totaled \$93,790,000.

Thirty years ago, processing plants were small and numerous, located near the sources of live broilers. Just a few years ago, over fifty broiler-processing plants were still operating in the state. In 1973, however, the number has shrunk to only seventeen, six of which account for over 50 percent of all commercial broiler processing in Texas.²

Broilers were first grown on a commercial basis in East Texas, to supply the Dallas-Fort Worth and Houston markets, and that region still ranks first in terms of production. Second in importance is South Central Texas, where broilers for the Austin and San Antonio market areas

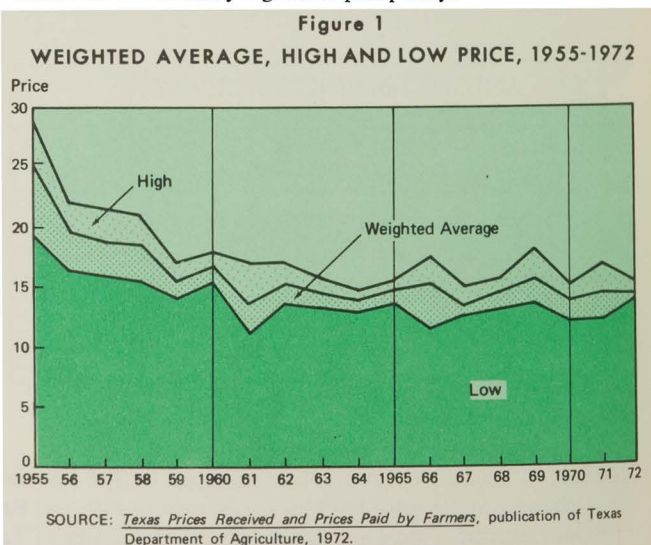
are produced. Among Texas counties, Nacogdoches, in East Texas, leads in broiler production; Gonzales County, in South Central Texas, ranks second. Competition is fierce, not only within the state, but nationwide. With 6 percent of total U.S. broiler output, Texas ranks seventh nationally, behind Arkansas, Georgia, Alabama, North Carolina, Mississippi, and Maryland.

Unlike the highly seasonal turkey industry, the broiler industry experiences only slight shifts in monthly production—an indication of continuous annual production. The effects of what seasonal variation there is are greatly reduced by use of the "deep chill" process. When demand decreases, the processed birds can be preserved, not by being frozen, but by being placed in a state of deep chill—28 to 30 degrees Fahrenheit. At such temperatures the meat remains soft to the touch, and the color and shelf life of the bird are extended.³

As markets spread and transportation costs rise, the deep-chill, or ice-pack, process is gradually being supplanted by the CO₂ pack. Many shipping cartons, formerly filled half with ice, half with meat, now contain only meat—and virtually weightless CO₂ gas. The cost of transportation is greatly reduced by the more economical gas process.

Despite technological innovations and greater economies at the production end, growers seem beset with problems. One county agricultural agent outlines some of the difficulties facing Texas broiler growers:

1. Security—a precondition for growth—is lacking.
2. Growers are inadequately paid, and they have not shared in the country's general prosperity.



**SELECTED PRICES PER POUND FOR FOOD PRODUCTS
IN AUSTIN, TEXAS, 1952-1973**

Item	1952	July 1972	July 1972 (converted to 1952 dollars)*	March 1973 weighted average)**	March 1973 (converted to 1952 dollars)
Fryers	\$.48	\$.38	\$.24	\$.49	\$.30
Eggs (Grade A large)	.31	.49	.31	.71	.44
Chuck roast	.49	.79	.50	1.23	.76
Bacon	.39	.75	.48	1.08	.67
Swiss steak	n.a.	.95	.60	1.44	.89
Rib steak	n.a.	1.09	.69	1.38	.85

* July 1972 converted prices based on yearly average of 1972 Consumer Price Index.

** March 1973 converted prices based on February 1973 Consumer Price Index.

n.a. Not available.

3. Growers have no control over the quality of the feed and birds received.

4. Growers have no control over the growth of the industry.

5. Growers believe that many integrators mishandle the birds and equipment.

Because of the depressed state of the industry, financing is also a problem. Currently the average broiler grower makes \$50-65 per thousand birds—less than \$.02 per pound. A farm with a capacity of fifty thousand birds earns only about \$3,250 per run. With an average of four or five runs annually, the grower's income, before expenses and taxes, totals \$13,000-16,520. Out of that amount he must pay increasing costs of operation and a mortgage payment on an average investment of \$50,000. The pay-back period is thirteen years for a grower averaging \$72 per thousand birds; it jumps to thirty years when the average drops to \$62 per thousand.

Overproduction is a major cause of the skids in retail quotes for broiler chickens. Egg surpluses have been enormous in recent years, and broiler production too has been surging upward. One factor in this swelling supply of chickens and eggs has been the development and use of a new vaccine for Marek's disease, a cancerous malady that

used to kill up to 20 percent of all chicks hatched each year.⁴ Use of the vaccine has reduced the mortality rate to 5 percent.

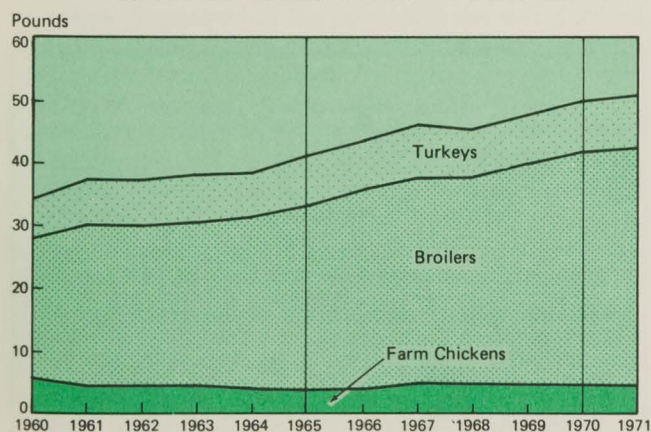
The cancer scare that hit the poultry industry in the 1960s also contributed to the problems of the farmers. Placement of the disease in the national spotlight created a nightmare for poultrymen, who, until the vaccine for Marek's proved successful in the 1970s, had to cope not only with overproduction but also with a sharp downturn in consumption.

Competition—often ruthless—for control of the market has also led to overproduction. As research in poultry physiology, nutrition, genetics, medicine, technology, and management made possible increased production of better birds, supply began to outweigh demand. Many growers apparently based their operations on the theory that “the more you produce, the more you earn.” Fierce price wars resulted, along with a steady decrease in profits for all areas connected with the industry.

In an attempt to reverse the trend of depressed market prices during the 1960s, the U.S. Department of Agriculture (USDA) recommended output levels for broiler production. But, according to John F. Yarbrough, publisher of the *Southwestern Poultry Times*, “the broiler industry does not pay very much attention to USDA's Broiler Marketing Guide.”⁵ In 1969, for example, growers apparently ignored the USDA guidelines: a 3-percent increase in production was recommended for the third quarter of the year, but the actual increase totaled almost 6 percent. For 1970, the recommended quarterly figures were +5, +6, +7, and -10 percent; the figures actually recorded—+13.6, +12.8, +9.9, and +4.1 percent—ranged from 8.6 to 14 percent above the government's recommendations.⁶

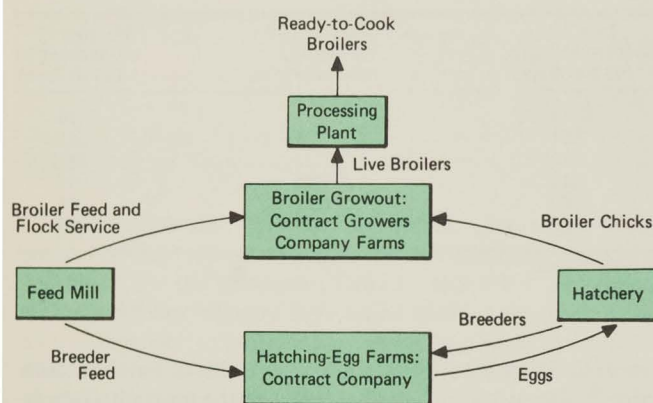
Further problems in recent years were caused by the “cheap” price image of chicken, an image created by everyday low pricing and specialty pricing. The use of broilers as price leaders failed to bring about increased per capita consumption, for status-conscious consumers preferred to buy higher-priced red meat. Consumption of chicken in the United States remained almost static for many years. People who purchased broilers for fryers generally bought the same amount, with the same frequency, whether chicken was on sale or not. Ironically, the “cheapness” of chicken recently led, at long last, to an increase in per capita consumption, due to increased

**Figure 2
PER CAPITA CONSUMPTION OF POULTRY**



SOURCE: *Poultry and Egg Situation*, Economic Research Service, U.S. Department of Agriculture, June 1971.

Figure 3
FUNCTIONS OF A TYPICAL INTEGRATED BROILER FIRM



SOURCE: Fred L. Faber and Ruth J. Irvin, "The Chicken Broiler Industry: Structure, Practices, and Costs," U.S. Department of Agriculture, August 1971, p. 3.

purchases by consumers who no longer can afford the luxury of red meat at today's prices. In the long run, however, it is likely that only changes in marketing philosophy and techniques can increase consumption rates on a continuing basis.

The industry has changed dramatically from small flocks scattered over the state to concentrated clusters of production, and gradual integration has resulted in vertical coordination, the linking together of successive stages of production and marketing through ownership or contracting. A typical integrated firm owns a hatchery, a feed mill, and a processing plant, and depends almost entirely on contract production. Not all firms are fully integrated, but most combine two or more of these major functions. Horizontal integration is also on the increase: some firms own more than one processing plant, feed mill, or hatchery.⁷

Fluctuations in the poultry industry should lessen in intensity as the trend toward centralization, consolidation, and integration becomes more firmly established. That trend seems irreversible, despite some resistance on the part of broiler growers, the least-integrated segment of the industry. Some contract growers, feeling that their ultimate survival is threatened, recently made attempts to band together, enter the market as a group, and organize a grower-oriented broiler business. Such measures come twenty years too late, however: long ago the growers relinquished what control they had and accepted whatever terms they could get, fearing reprisals from powerful integrators.

It appears that only consolidation can save the ailing industry, can enable firms to improve marketing and distribution capabilities, broadening the market for poultry by moving into new geographic areas of distribution or into new types of markets, especially the huge prepared-foods and institutional markets. Consolidation does, however, have potentially disadvantageous aspects, for both consumers and growers. Since the integrator controls all the variables on which grower contracts are based, growers have no bargaining base from which to obtain a fair share of the

profits. Further, the consumer may be at the mercy of a small number of operators with complete control of the industry at all levels of production.

One factor favoring growth and return to stability and prosperity in the broiler industry is the fact that food production in many countries is not improving fast enough to keep pace with the rise in population, let alone improve the quality of substandard diets. Poultry, high in protein, can help to meet that shortage, along with fish and soybeans. Further, more chicken can be raised per square foot—and at lower cost—than other meats.

Better times for the poultry industry may not be too far away. Secretary of Agriculture Earl L. Butz has urged that food prices be kept down by finding ways to decrease the costs of processing and distributing, not by continuing to cut away at the portion of the consumer's food dollar received by the farmer. The U.S. government is now selling grain from government-owned stocks, which will make more feed available for poultry and thus hold feed prices down. Millions of acres of land idled under federal crop-control programs are being brought back into production. In the long run, the relative cheapness of American grain for feed, in combination with the high quality of American poultry and the simplification of work by technology, should be significant pluses as U.S. farmers strive to find a solution to their problems by becoming more competitive in the international marketplace.

COMMERCIAL BROILERS:
PRODUCTION AND GROSS INCOME, TEXAS, 1967-1972

Year	Number produced (thousands)	Price per head (cents)	Average live weight per broiler (pounds)	Pounds produced (thousands)	Price per pound (cents)	Gross income (thousand dollars)
1967	161,434	45.2	3.4	548,876	13.3	73,001
1968	161,940	50.4	3.5	566,790	14.4	81,618
1969	170,574	54.2	3.5	597,009	15.5	92,536
1970	184,053	49.0	3.6	662,591	13.6	90,112
1971	171,732	50.8	3.6	618,235	14.1	87,171
1972	178,511	52.5	3.7	660,491	14.2	93,790

Source: *Texas Poultry Statistics*, Texas Department of Agriculture, U.S. Department of Agriculture, Statistical Reporting Service, 1972.

¹ John C. White, Commissioner, Texas Department of Agriculture, speech, Southern Regional Marketing Service Workshop, Dallas, April 4, 1972.

² Mike Walton, Market News Service, Texas Department of Agriculture, interview, March 24, 1972.

³ U.S. Department of Agriculture, *Shipping Fresh Poultry*, Washington, D.C., 1971.

⁴ "What's Coming First? Higher Chicken 'n' Egg Prices or Bankruptcy," *Wall Street Journal*, November 11, 1971, p. 14.

⁵ John F. Yarbrough, "Broilermen Don't Follow USDA Marketing Guide," *Southwestern Poultry Times*, May 27, 1972, p. 30.

⁶ "Poultry is Big Business," *San Antonio Express and News*, p. 11G, October 29, 1969.

⁷ John C. White, Commissioner, Texas Department of Agriculture, speech, Southern Regional Marketing Service Workshop, Dallas April 4, 1972.

TEXAS CONSTRUCTION TRANSPORTATION FACILITIES

Charles P. Zlatkovich

Construction of transportation facilities, especially highways, is big business in Texas. During the years 1969-1972 the expenditure of the Texas Highway Department for construction averaged over \$426 million per year. Comparison with the estimated value of building authorized in Texas for the same four years shows that the dollar value of highway construction alone is equal to more than 15 percent of the dollar value of all building construction reported to the Bureau of Business Research. Highway construction is not included in the Bureau construction statistics, but it is nevertheless a significant portion of the overall Texas construction industry.

Debate in Washington and elsewhere over the future of the highway program and especially of the Highway Trust Fund has been much in the news in recent months. Because of the amount of money involved and the importance of transportation to the state of Texas, examination of the outlook for highway and transportation facility construction is appropriate.

The current controversy centers around an Administration-backed proposal that would allow use of a portion of the Highway Trust Fund for nonhighway purposes, particularly urban mass transit. The Highway Trust Fund was established in 1956 to facilitate construction of the Interstate Highway System, now about 80 percent complete. Income for the fund is derived mainly from the four-cent-per-gallon federal tax on motor fuel and from various other highway-related taxes. The Administration proposal would allow states and local areas to use a portion of the fund for other purposes at their discretion. Backers of the proposal claim that too much emphasis has been placed on highway transportation and that states and local areas need greater flexibility to solve their transportation problems. Opponents of the plan point out that the fund, since it is financed wholly by highway users, should not be diverted to benefit nonhighway purposes and that considerable improvement of the existing highway system is needed as the Interstate project is brought to completion. At this writing, the controversy has not yet been resolved.

During 1972 the U.S. Department of Transportation sent to Congress a major report on the present status and future alternatives of public investment in transportation programs. Examination of the report, which included input from all states and many urban areas, can provide an insight into the outlook for transportation facility construction in Texas, regardless of the outcome of the Highway Trust Fund controversy.

Each state contributed to the report a statement of the total transportation needs of the state and its component local areas, and the probable course of action it would take

under various federal funding alternatives. From the report it is possible to determine the range of possible future expenditures for transportation facilities during the coming years.

The total price tag for total transportation "needs" for the period 1970-1990 came to over \$670 billion nationwide and over \$42 billion in Texas in terms of constant 1969 dollars, used throughout the report. Both totals are far in excess of the fiscal capability of the nation and the state. In this context, the "needs" may be viewed more as an upper limit of candidate transportation projects for funding.

More significantly, each state was asked to indicate its probable course of action in transportation capital improvement programs under three federal funding alternatives. These were (1) continuation of current modal federal transportation funding programs (i.e., highways from the Highway Trust Fund, etc.), at one half the present level, with the present trend projected into the future, (2) continuation of the same modal programs at the current

ESTIMATED VALUES OF BUILDING AUTHORIZED IN TEXAS*

Classification	Percent change			
	Mar 1973 (thousands of dollars)	Jan-Mar 1973	Mar 1973 from Feb 1973	Jan-Mar 1973 from Jan-Mar 1972
<i>All permits</i>	399,553	976,289	46	5
New construction	370,325	894,865	48	5
Residential				
(housekeeping)	177,384	486,770	23	3
One-family dwellings	108,561	290,283	14	- 5
Multiple-family dwellings	68,823	196,487	40	16
Nonresidential buildings	192,941	408,095	81	9
Hotels, motels, and tourist courts	17,172	28,224	100	29
Amusement buildings	3,032	8,875	6	16
Churches	3,086	10,425	- 5	23
Industrial buildings	14,625	34,024	34	52
Garages (commercial and private)	501	4,318	- 3	- 80
Service stations	1,686	3,478	134	- 7
Hospitals and institutions	40,870	63,957	181	329
Office-bank buildings	39,202	83,795	66	- 26
Works and utilities	8,554	13,828	159	- 6
Educational buildings	20,539	37,473	219	- 24
Stores and mercantile buildings	37,139	101,772	43	17
Other buildings and structures	6,535	17,926	13	93
Additions, alterations, and repairs	29,228	81,424	24	- 1
<i>SMSA vs. non-SMSA</i>				
Total SMSA†	365,456	896,308	45	5
Central cities	281,483	672,922	61	14
Outside central cities	83,973	223,386	- 8	- 15
Total non-SMSA	34,097	79,981	53	3
10,000 to 50,000 population	18,353	46,781	21	1
Less than 10,000 population	15,744	33,200	120	7

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

† As defined in 1970 Census.

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

PROJECTED TRANSPORTATION CAPITAL IMPROVEMENT FUNDING IN TEXAS
(Millions of 1969 dollars)

Major program	1974-1978 alternatives			1974-1990 alternatives		
	Low	High	Flexible	Low	High	Flexible
Highways	2,489.6	3,402.7	3,402.7	11,678.8	17,063.4	17,063.4
Urban highway-related facilities	693.5	721.2	721.5	2,453.9	2,481.6	2,481.6
Urban public transportation	176.2	352.5	352.5	630.5	1,261.1	1,261.1
Airports	471.5	515.2	515.2	1,496.6	1,642.4	1,642.4
Other intercity transportation	128.2	128.2	128.2	315.1	315.1	315.1
Total	3,959.0	5,119.8	5,119.8	16,574.9	22,763.6	22,763.6

Source: 1972 *National Transportation Report*, U.S. Department of Transportation.

level, with the recent trend projected into the future, and (3) the current amount of federal transportation funding made available to all modes of transportation at state and local option at the current level, with the recent trend projected into the future. These may be summarized as the "low-funding alternative," the "high-funding alternative," and the "flexible-funding alternative," respectively. The Texas plans under the high-funding and flexible-funding alternatives are virtually identical, that is, no significant shift in transportation funding in Texas is anticipated, whether modal federal funding programs such as the Highway Trust Fund are continued or not. The projected Texas transportation funding plans are summarized in an accompanying table.

The projected capital improvement funding of transportation projects in Texas averages out to a low of \$792

million per year from 1974 through 1978 and a high of \$1,024 million per year for the same period. For the longer period 1974-1990, average annual funding ranges between \$975 million and \$1,339 million, all in constant 1969 dollars. Highways take the largest amount of funding, accounting for about 63 percent of the projected low estimate and about 66 percent of the projected high estimate for the 1974-1978 period. Average annual highway capital improvement funding works out to \$498 million for the low estimate and \$681 million for the high estimate during the 1974-1978 period.

The estimates may be compared to the \$662 million average annual total expenditure of the Texas Highway Department for 1969-1972. Of this total expenditure, an average of about \$491 million, or 74 percent, went for capital improvements (construction and right-of-way), with \$426 million, or 64 percent of the total department expenditure and 87 percent of the capital improvement total, going for actual construction.

Assuming that a highway percentage allocation to construction of 87 percent of total capital improvements can be maintained in the future, average annual expenditures for highway construction could be expected to range from \$433 million under the low alternative to \$592 million under the high- and flexible-funding alternatives for 1974-1978 (stated in 1969 dollars). For the longer period 1974-1990 the figure would range from \$598 million to \$873 million. The annual averages are slightly misleading in that the actual figures would probably increase over time, but they do provide an indication of things to come.

If the same ratio of actual construction expenditures to overall capital improvement expenditures could be maintained in the other transportation programs, total public expenditure for construction of transportation facilities in Texas could be expected to total between \$3.4 billion and \$4.5 billion for the 1974-1978 period and between \$14.4 billion and \$19.8 billion for 1974-1990, all stated in terms of 1969 dollars. Even under the low-funding alternative, transportation facility construction in Texas will be a big business in the years to come.

Texas farm production of meat animals in 1972—5.3 billion pounds—was 9 percent over the 1971 level.

MARCH BUILDING STATISTICS IN REVIEW

Following a rather lackluster showing in February, the Bureau of Business Research index of total construction authorized in Texas made substantial gains in March, reaching an all-time high of 232.0. The strong March showing represented a gain of 50 percent over February and 20 percent over March 1972.

The estimated value of construction authorized in the first quarter of 1973 reached \$976 million. Houston leads the state's twenty-five SMSA's with \$252 million, followed by Dallas with \$184 million, Fort Worth with \$80 million, Austin with \$67 million, and San Antonio with \$64 million. These five leading SMSA's account for nearly two thirds of all construction in Texas during the first quarter.

Two SMSA's, Abilene and Waco, have more than doubled last year's construction total for the same period. Nineteen of the twenty-five SMSA's have posted increases over 1972 levels, while six are trailing the prior year's figures.

LOCAL BUSINESS CONDITIONS

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

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

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

Building-permit values are collected from municipalities by the Bureau of Business Research in cooperation with the Bureau of the

Census. They represent only building intentions within city limits, since construction permits are not issued except by incorporated cities in Texas. The building data also exclude federal contracts and public works projects, such as highways, waterways, and reservoirs.

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

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

Footnote symbols are explained on pages 112 and 120.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR STANDARD METROPOLITAN STATISTICAL AREAS

Reported area and indicator	Percent change from		
	Mar 1973	Feb 1973	Mar 1972
ABILENE SMSA			
Jones and Taylor Counties; population 113,959			
Urban building permits	3,796,674	369	27
Bank debits, seas. adj. (\$1,000)	260,519	7	19
Nonfarm employment	40,200	1	1
Manufacturing employment	5,825	1	8
Unemployed (percent)	2.3	- 8	- 28

AMARILLO SMSA			
Potter and Randall Counties; population 144,396			
Urban building permits (dollars)	3,849,017	53	29
Bank debits, seas. adj. (\$1,000)	786,152	11	37
Nonfarm employment	59,700	1	- 1
Manufacturing employment	8,240	2	1
Unemployed (percent)	2.5	- 14	- 42

AUSTIN SMSA			
Travis County; population 295,516			
Urban building permits (dollars)	34,595,670	101	42
Bank debits, seas. adj. (\$1,000)	1,110,977	- 1	12
Nonfarm employment	156,800	1	6
Manufacturing employment	13,460	1	5
Unemployed (percent)	2.0	**	5

BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Jefferson and Orange Counties; population 315,943			
Urban building permits (dollars)	3,950,661	5	1
Bank debits, seas. adj. (\$1,000)	652,502	- 2	15
Nonfarm employment	124,700	2	2
Manufacturing employment	38,400	2	3
Unemployed (percent)	4.3	- 9	- 19

BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Cameron County; population 140,368			
Urban building permits (dollars)	3,222,390	- 49	**
Bank debits, seas. adj. (\$1,000)	247,770	12	20
Nonfarm employment	45,000	**	6
Manufacturing employment	7,960	1	11
Unemployed (percent)	6.4	- 16	- 16

BRYAN-COLLEGE STATION SMSA			
Brazos County; population 57,978			
Urban building permits (dollars)	2,223,603	166	131
Bank debits, seas. adj. (\$1,000)	111,449	**	5
(Monthly employment reports are not available for the Bryan-College Station SMSA).			

Reported area and indicator	Percent change from		
	Mar 1973	Feb 1973	Mar 1972
CORPUS CHRISTI SMSA			
Nueces and San Patricio Counties; population 284,832			
Urban building permits (dollars)	6,012,846	- 11	- 55
Bank debits, seas. adj. (\$1,000)	645,433	- 4	5
Nonfarm employment	101,000	**	**
Manufacturing employment	11,090	**	5
Unemployed (percent)	3.5	- 3	- 30

DALLAS SMSA			
Collin, Dallas, Denton, Ellis, Kaufman, and Rockwall Counties; population 1,555,950			
Urban building permits (dollars)	69,145,750	48	11
Bank debits, seas. adj. (\$1,000)	14,131,112	2	15
Nonfarm employment	773,500	**	5
Manufacturing employment	160,350	**	6
Unemployed (percent)	2.0	11	- 23

FORT WORTH SMSA			
Johnson and Tarrant Counties; population 762,086			
Urban building permits (dollars)	30,820,552	4	48
Bank debits, seas. adj. (\$1,000)	2,765,491	5	16
Nonfarm employment	305,100	1	2
Manufacturing employment	73,300	**	2
Unemployed (percent)	3.3	**	- 23

SOUTHWEST METROPLEX: DALLAS/FORT WORTH			
Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, and Tarrant Counties; population 2,318,036			
Urban building permits (dollars)	99,966,302	31	20
Bank debits, seas. adj. (\$1,000)	16,896,603	3	15
Nonfarm employment	1,078,600	**	4
Manufacturing employment	233,650	**	5
Unemployed (percent)	2.3	**	- 26

EL PASO SMSA			
El Paso County; population 359,291			
Urban building permits (dollars)	12,902,321	8	71
Bank debits, seas. adj. (\$1,000)	901,364	1	16
Nonfarm employment	132,400	1	4
Manufacturing employment	27,450	1	4
Unemployed (percent)	4.6	5	12

Reported area and indicator	Percent change from		
	Mar 1973	Feb 1973	Mar 1972
GALVESTON-TEXAS CITY SMSA			
Galveston County; population 169,812			
Urban building permits (dollars)	3,577,610	140	138
Bank debits, seas. adj. (\$1,000)	300,154	2	26
Nonfarm employment	62,000	1	1
Manufacturing employment	11,050	2	- 2
Unemployed (percent)	4.4	**	- 33

HOUSTON SMSA

Brazoria, Fort Bend, Harris, Liberty, and Montgomery Counties; population 1,985,031			
Urban building permits (dollars)	105,263,499	58	4
Bank debits, seas. adj. (\$1,000)	13,585,791	7	20
Nonfarm employment	920,300	1	2
Manufacturing employment	154,600	1	3
Unemployed (percent)	2.6	8	- 13

KILLEEN-TEMPLE SMSA

Bell and Coryell Counties; population 159,794			
Urban building permits (dollars)	4,770,896	64	81
Bank debits, seas. adj. (\$1,000)	186,218	- 2	18
(Monthly employment reports are not available for the Killeen-Temple SMSA.)			

LAREDO SMSA

Webb County; population 72,859			
Urban building permits (dollars)	6,711,426	1,884	1,172
Bank debits, seas. adj. (\$1,000)	115,227	9	24
Nonfarm employment	24,900	**	1
Manufacturing employment	1,625	- 1	6
Unemployed (percent)	11.2	- 3	- 9

LONGVIEW-MARSHALL METROPOLITAN AREA

(formerly Longview-Kilgore-Gladewater Metropolitan Area)			
Gregg and Harrison Counties; population 120,770 (formerly only Gregg County; population 75,929)			
Urban building permits (dollars)	3,903,435	27	57
Bank debits (\$1,000)	197,092	11	7
Nonfarm employment	51,000	**	2
Manufacturing employment	15,440	**	8
Unemployed (percent)	3.3	- 6	- 28
(Building permits and bank debits are included for those portions of Kilgore and Gladewater in Rusk County and Upshur County.)			

LUBBOCK SMSA

Lubbock County; population 179,295			
Urban building permits (dollars)	11,537,018	133	132
Bank debits, seas. adj. (\$1,000)	680,273	17	44
Nonfarm employment	75,500	**	8
Manufacturing employment	8,360	**	6
Unemployed (percent)	1.9	**	- 24

MCALLEN-PHARR-EDINBURG SMSA

Hidalgo County; population 181,535			
Urban building permits (dollars)	7,114,355	110	98
Bank debits, seas. adj. (\$1,000)	262,520	7	27
Nonfarm employment	47,200	1	6
Manufacturing employment	5,130	5	21
Unemployed (percent)	8.1	4	- 10

MIDLAND SMSA

Midland County; population 65,433			
Urban building permits (dollars)	647,889	- 78	- 89
Bank debits, seas. adj. (\$1,000)	211,288	**	14
Nonfarm employment	60,100	**	- 3
Manufacturing employment	5,615	2	6
Unemployed (percent)	2.6	- 4	- 26
(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in com- bined form by the Texas Employment Commission.)			

Reported area and indicator	Percent change from		
	Mar 1973	Feb 1973	Mar 1972
ODESSA SMSA			
Ector County; population 91,805			
Urban building permits (dollars)	1,387,908	4	116
Bank debits, seas. adj. (\$1,000)	171,470	4	7
Nonfarm employment	60,100	**	- 3
Manufacturing employment	5,615	2	6
Unemployed (percent)	2.6	- 4	- 26
(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in com- bined form by the Texas Employment Commission.)			

SAN ANGELO SMSA

Tom Green County; population 71,047			
Urban building permits (dollars)	624,170	- 44	- 39
Bank debits, seas. adj. (\$1,000)	155,764	- 9	13
Nonfarm employment	24,850	**	4
Manufacturing employment	4,285	- 4	2
Unemployed (percent)	3.1	- 9	- 9

SAN ANTONIO SMSA

Bexar and Guadalupe Counties; population 864,014			
Urban building permits (dollars)	25,849,974	56	50
Bank debits, seas. adj. (\$1,000)	2,130,314	1	16
Nonfarm employment	316,100	**	8
Manufacturing employment	34,950	- 2	- 1
Unemployed (percent)	2.9	- 3	- 22

SHERMAN-DENISON SMSA

Grayson County; population 83,225			
Urban building permits (dollars)	887,239	25	37
Bank debits, seas. adj. (\$1,000)	131,422	6	7
Nonfarm employment	32,900	1	3
Manufacturing employment	10,680	**	3
Unemployed (percent)	3.2	- 6	- 14

TEXARKANA SMSA

Bowie County, Texas, and Miller County, Arkansas; population 101,198			
Urban building permits (dollars)	610,757	106	27
Bank debits, seas. adj. (\$1,000)	163,871	- 1	10
Nonfarm employment	40,500	- 2	2
Manufacturing employment	8,940	- 7	1
Unemployed (percent)	5.9	34	4
(Since the Texarkana SMSA includes Bowie County in Texas and Miller County in Arkansas, all data, including population, refer to the two-county region.)			

TYLER SMSA

Smith County; population 97,096			
Urban building permits (dollars)	3,972,407	89	169
Bank debits, seas. adj. (\$1,000)	246,714	2	11
Nonfarm employment	41,800	1	4
Manufacturing employment	13,600	1	8
Unemployed (percent)	3.5	- 5	3

WACO SMSA

McLennan County; population 147,553			
Urban building permits (dollars)	7,339,201	216	133
Bank debits, seas. adj. (\$1,000)	366,980	- 4	15
Nonfarm employment	62,900	**	4
Manufacturing employment	13,880	- 2	10
Unemployed (percent)	2.4	- 17	- 25

WICHITA FALLS SMSA

Archer and Wichita Counties; population 127,621			
Urban building permits (dollars)	2,470,732	19	59
Bank debits, seas. adj. (\$1,000)	279,975	6	14
Nonfarm employment	45,400	**	3
Manufacturing employment	5,870	3	15
Unemployed (percent)	2.5	- 7	- 17

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

Urban building-permit data are preliminary and subject to revision.

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR INDIVIDUAL MUNICIPALITIES

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
ANDERSON	27,789						
Palestine	14,525	85,350	- 40	- 35	26,075	7	6
ANDREWS	10,372						
Andrews	8,625	14,250	203	- 64	10,105	- 4	12
ANGELINA	49,349						
Lufkin	23,049	414,190	- 75	- 72	...	...	...
ARANSAS	8,902						
Aransas Pass (see San Patricio)							
ATASCOSA	18,696						
Pleasanton	5,407	...	...	...	7,316	24	**
AUSTIN	13,831						
Bellville	2,371	677,000	...	396	9,403	20	10
BAILEY	8,487						
Muleshoe	4,525	...	...	...	21,514	26	31
BASTROP	17,297						
Smithville	2,959	26,000	5	- 50	3,929	21	26
BEE	22,737						
Beeville	13,506	700,025	330	756	26,766	7	14
BELL	124,483						
(In Killeen-Temple SMSA)							
Bartlett (See Williamson)							
Belton	8,696	259,250	60	50	...	...	...
Killeen	35,507	2,759,328	151	241	43,986	- 1	12
Temple	33,431	1,302,915	24	23	95,166	22	20
BEXAR	830,460						
(In San Antonio SMSA)							
San Antonio	654,153	25,175,604	57	56	2,097,422	12	13
BOWIE	67,813						
(In Texarkana SMSA)							
Texarkana	52,179	547,307	122	14	139,102	5	9
BRAZORIA	108,312						
(In Houston SMSA)							
Angleton	9,770	207,450	148	- 58	23,486	- 1	20
Clute	6,023	600	...	- 98	6,934	26	**
Freeport	11,997	72,450	414	- 74	42,571	19	23
Pearland	6,444	748,900	55	6	9,826	6	- 10
BRAZOS	57,978						
(Constitutes Bryan- College Station SMSA)							
Bryan	33,719	807,641	105	10	95,373	6	4
College Station	17,676	1,415,962	221	522	15,293	6	6
BREWSTER	7,780						
Alpine	5,971	3,500	- 92	- 99	6,536	6	8
BROWN	25,877						
Brownwood	17,368	193,307	- 89	- 33	...	...	...
BURLESON	9,999						
Caldwell	2,308	...	...	...	5,176	8	13
BURNET	11,420						
Marble Falls	2,209	...	...	...	8,962	17	21
CALDWELL	21,178						
Lockhart	6,489	614,163	...	494	11,720	6	18

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
CALHOUN	17,831						
Point Comfort	1,446	7,800	...	...	2,438	50	...
Port Lavaca	10,491	150,030	- 17	449	24,611	14	- 7
Seadrift	1,092	0	...	...	504	- 6	- 56
CAMERON	140,368						
(Constitutes Brownsville- Harlingen-San Benito SMSA)							
Brownsville	52,522	982,053	- 81	- 40	100,800	29	30
Harlingen	33,503	2,007,273	431	47	98,253	14	6
La Feria	2,642	22,600	12	- 88	3,495	- 8	11
Los Fresnos	1,297	...	...	...	2,261	6	8
Port Isabel	3,067	131,340	685	...	7,915	58	73
San Benito	15,176	66,074	- 89	26	11,229	20	14
CASTRO	10,394						
Dimmitt	4,327	...	...	...	34,321	30	24
CHEROKEE	32,008						
Jacksonville	9,734	306,850	- 6	237	33,224	4	33
COLEMAN	10,288						
Coleman	5,608	91,800	...	...	25,783	38	26
COLLIN	66,920						
(In Dallas SMSA)							
McKinney	15,193	991,445	...	306	18,725	23	30
Plano	17,872	3,944,000	38	69	30,979	1	22
COLORADO	17,638						
Eagle Lake	3,587	...	...	...	5,840	- 3	- 2
COMAL	24,165						
New Braunfels	17,859	550,900	17	- 72	31,863	13	16
COOKE	25,471						
Gainesville	13,830	561,230	105	660	27,953	12	19
Muenster	1,411	0	...	...	4,700	7	18
CORYELL	35,311						
(In Killeen-Temple SMSA)							
Copperas Cove	10,818	448,553	- 24	7	8,292	22	55
Gatesville	4,683	...	...	...	14,508	27	37
CRANE	4,172						
Crane	3,427	800	- 87	...	3,224	11	17
DALLAS	1,327,321						
(In Dallas SMSA)							
Carrollton	13,855	2,946,850	- 8	- 38	24,916	- 1	22
Dallas	844,401	32,630,828	52	57	13,288,154	13	11
Farmers Branch	27,492	804,190	- 77	- 49	24,957	4	- 6
Garland	81,437	3,982,970	- 20	- 42	86,541	- 15	16
Grand Prairie	50,904	2,981,072	- 39	- 72	44,881	19	14
Irving	97,260	6,015,378	168	327	119,761	16	17
Lancaster	10,522	612,760	- 30	56	12,929	2	28
Mesquite	55,131	2,423,158	- 35	451	34,994	5	**
Richardson	48,582	3,402,536	49	...	90,252	6	- 8
Seagoville	4,390	130,264	228	- 68	10,840	23	36
DAWSON	16,604						
Lamesa	11,559	24,700	- 63	106	34,116	11	22
DEAF SMITH	18,999						
Hereford	13,414	321,900	212	35	...	...	...
DENTON	75,633						
(In Dallas SMSA)							
Denton	39,874	1,377,291	52	- 35	88,657	14	22
Justin	741	20,000	- 29	...	1,900	16	25
Lewisville	9,264	...	...	...	33,995	15	32
Pilot Point	1,663	91,000	...	...	2,975	- 1	- 10

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from Feb 1973	Mar 1972	Mar 1973 (thousands of dollars)	Percent change from Feb 1973	Mar 1972
DE WITT Yoakum (See Lavaca)	18,660						
EASTLAND Cisco	18,092 4,160	...	...	...	7,593	10	41
ECTOR (Constitutes Odessa SMSA) Odessa	91,805 78,380	1,387,908	4	116	169,831	11	14
ELLIS (In Dallas SMSA) Midlothian Waxahachie	46,638 2,322 13,452	439,750 105,950	490 - 33	864 24	4,692 30,284	35 21	55 19
EL PASO (Constitutes El Paso SMSA) El Paso	359,291 322,261	12,902,321	8	71	961,535	21	10
ERATH Stephenville	18,191 9,277	128,300	- 44	4	20,173	9	24
FANNIN Bonham	22,705 7,698	191,200	68	39	20,088	32	20
FAYETTE Schulenburg	17,650 2,294	8,500	- 69	- 80	...	...	...
FORT BEND (In Houston SMSA) Richmond Rosenberg	52,314 5,777 12,098	346,900 333,396	113 133	13 87	14,569 13,717	- 16 16	21 44
GAINES Seagraves Seminole	11,593 2,440 5,007	26,000 33,750	- 10 ...	- 1 812	4,333 16,794	- 5 6	25 54
GALVESTON (Constitutes Galveston-Texas City SMSA) Dickinson Galveston La Marque Texas City	169,812 10,776 61,809 16,131 38,908	...	...	...	19,352 185,740 20,302 38,855	20 9 - 9 - 8	- 1 32 5 **
GILLESPIE Fredericksburg	10,553 5,326	109,400	- 21	30	23,455	17	18
GONZALES Nixon	16,375 1,925	24,700	...	- 39	...	...	...
GRAY Pampa	26,949 21,726	84,000	- 28	76	50,664	16	19
GRAYSON (Constitutes Sherman- Denison SMSA) Denison Sherman	83,225 24,923 29,061	310,280 495,959	93 - 4	133 - 3	36,127 77,549	16 12	6 28
GREGG (In Longview-Marshall Metropolitan Area) Gladewater Kilgore Longview	75,929 5,574 9,495 45,547	136,210 296,600 2,250,000	175 189 5	- 33 38 19	7,346 26,859 123,215	24 17 9	4 17 4
GUADALUPE (In San Antonio SMSA) Schertz Seguin	33,554 4,061 15,934	57,001 44,200	- 74 - 81	- 95 - 63	2,908 32,534	57 9	33 13
HALE Plainview	34,137 19,096	108,100	- 15	- 86	87,682	15	24

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
HARDEMAN	6,795						
Quanah	3,948	182,500	...	- 40	8,281	10	23
HARDIN	29,996						
Silsbee	7,271	...	...	...	17,364	26	12
HARRIS	1,741,912						
(In Houston SMSA)							
Baytown	43,980	317,243	- 23	- 67	85,379	15	5
Bellaire	19,009	1,617,770	977	...	78,981	5	- 3
Deer Park	12,773	3,290,886	819	134	19,682	- 5	9
Houston	1,232,802	89,709,735	67	58	12,842,852	20	17
Humble	3,278	215,300	- 59	- 30	15,137	8	4
La Porte	7,149	303,700	88	253	5,571	39	11
Pasadena	89,277	2,664,953	- 64	- 63	142,974	- 3	- 8
South Houston	11,527	414,541	904	58	...	...	...
Tomball	2,734	...	...	...	26,171	- 8	23
HARRISON	44,841						
(In Longview-Marshall Metropolitan Area)							
Hallsville	1,038	...	...	...	1,899	10	**
Marshall	22,937	1,220,625	56	602	37,773	13	13
HASKELL	8,512						
Haskell	3,655	12,000	167	- 60	6,993	14	3
HAYS	27,642						
San Marcos	18,860	1,165,300	...	...	18,509	5	15
HENDERSON	26,466						
Athens	9,582	419,000	110	10	23,824	19	24
HIDALGO	181,535						
(Constitutes McAllen-Pharr- Edinburg SMSA)							
Alamo	4,291	13,625	- 38	- 56	3,982	9	- 27
Donna	7,365	433,611	617	181	5,697	- 4	- 17
Edinburg	17,163	1,983,683	561	147	35,300	5	- 16
Elsa	4,400	21,050	...	- 45	10,296	- 7	57
McAllen	37,636	3,243,266	204	42	106,447	17	33
Mercedes	9,355	35,900	- 35	24	11,796	12	11
Mission	13,043	345,900	47	223	36,572	42	38
Pharr	15,829	156,945	- 90	33	9,904	16	19
San Juan	5,070	...	...	...	6,859	17	58
Weslaco	15,313	880,375	...	623	22,671	3	- 13
HOCKLEY	20,396						
Levelland	11,445	130,690	760	- 68	35,654	- 3	17
HOOD	6,368						
Granbury	2,473	...	...	...	4,769	19	28
HOPKINS	20,710						
Sulphur Springs	10,642	183,700	26	- 38	40,094	16	13
HOWARD	37,796						
Big Spring	28,735	309,435	216	335	67,970	- 4	**
HUNT	47,948						
Greenville	22,043	117,400	- 33	- 71	38,086	15	7
HUTCHINSON	24,443						
Borger	14,195	11,675	- 86	- 99	...	...	...
JACKSON	12,975						
Edna	5,332	186,950	360	609	10,008	4	10
JASPER	24,692						
Jasper	6,251	1,200	- 98	- 95	22,735	9	19
Kirbyville	1,869	...	...	...	4,297	19	25

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
JEFFERSON (In Beaumont-Port Arthur- Orange SMSA)	244,773						
Beaumont	115,919	2,197,812	- 25	- 14	430,554	11	16
Groves	18,067	180,237	20	- 11	22,592	12	**
Nederland	16,810	168,969	- 5	...	16,728	3	31
Port Arthur	57,371	792,581	107	83	99,785	10	4
Port Neches	10,894	312,924	...	- 22	21,144	6	3
JIM WELLS Alice	33,032 20,121	457,437	76	- 22	57,103	12	5
JOHNSON (In Fort Worth SMSA)	45,769						
Burleson	7,713	272,916	577	- 5	11,543	10	30
Cleburne	16,015	580,750	399	32	29,435	13	39
KARNES Karnes City	13,462 2,926	600	...	...	6,441	13	30
KAUFMAN (In Dallas SMSA)	32,392						
Terrell	14,182	264,632	- 14	- 1	...	...	...
KIMBLE Junction	3,904 2,654	...	...	...	4,029	- 16	34
KLEBERG Kingsville	33,166 28,711	294,007	- 34	- 62	27,185	**	- 13
LAMAR Paris	36,062 23,441	219,352	31	- 5	...	...	...
LAMB Littlefield	17,770 6,738	...	...	...	13,218	5	- 3
LAMPASAS Lampasas	9,323 5,922	52,150	- 62	- 61	15,236	14	21
LAVACA Hallettsville Yoakum	17,903 2,712 5,755	48,875 9,900	59 - 81	118 - 89	6,523 15,116	6 - 4	20 8
LEE Giddings	8,048 2,783	260,923	...	...	10,764	16	43
LIBERTY (In Houston SMSA)	33,014						
Dayton	3,804	97,300	678	39	10,941	33	14
Liberty	5,591	94,400	97	82	19,731	11	9
LIMESTONE Mexia	18,100 5,943	35,475	- 14	24	12,473	15	15
LLANO Kingsland Llano	6,979 1,262 2,608	... ... 24,500	... ... ...	... ... - 36	10,343 11,191	67 14	- 10 87
LUBBOCK (Constitutes Lubbock SMSA)	179,295						
Lubbock	149,101	11,482,018	136	134	619,871	18	38
Slaton	6,583	55,000	81	118	9,409	18	14
LYNN Tahoka	9,107 2,956	59,260	137	...	9,812	4	43
McCULLOCH Brady	8,571 5,557	87,100	115	28	13,481	12	28
McLENNAN (Constitutes Waco SMSA)	147,553						
McGregor	4,365	23,000	- 44	- 9	8,092	11	18
Waco	95,326	6,644,951	248	123	341,498	3	15

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from Feb 1973	Mar 1972	Mar 1973 (thousands of dollars)	Percent change from Feb 1973	Mar 1972
MATAGORDA	27,913						
Bay City	11,733	79,775	- 52	46	28,623	2	12
MAVERICK	18,093						
Eagle Pass	15,364	204,370	312	275	17,929	8	**
MEDINA	20,249						
Castroville	1,893	...	...	...	1,923	- 27	11
Hondo	5,487	60,945	34	- 56	7,050	24	29
MIDLAND	65,433						
(Constitutes Midland SMSA)							
Midland	59,463	647,889	- 78	- 89	207,488	10	10
MILAM	20,028						
Cameron	5,546	...	...	...	10,075	13	9
Rockdale	4,655	18,982	- 60	393	9,634	5	2
MILLS	4,212						
Goldthwaite	1,693	...	...	...	9,329	29	44
MITCHELL	9,073						
Colorado City	5,227	...	...	...	8,704	16	10
MONTGOMERY	49,479						
(In Houston SMSA)							
Conroe	11,969	1,332,375	117	43	70,567	20	- 12
MOORE	14,060						
Dumas	9,771	353,700	39	80	...	...	...
NACOGDOCHES	36,362						
Nacogdoches	22,544	2,307,257	108	- 51	...	...	...
NAVARRO	31,150						
Corsicana	19,972	217,549	- 36	- 26	43,981	6	20
NOLAN	16,220						
Sweetwater	12,020	121,027	- 68	235	30,138	19	9
NUECES	237,544						
(In Corpus Christi SMSA)							
Bishop	3,466	...	...	...	3,468	9	37
Corpus Christi	204,525	4,289,055	- 31	- 67	560,028	3	6
Port Aransas	1,218	...	...	...	1,014	3	- 11
Robstown	11,217	58,407	- 48	- 62	19,864	10	- 3
ORANGE	71,170						
(In Beaumont-Port Arthur- Orange SMSA)							
Orange	24,457	235,538	173	50	64,364	1	3
PALO PINTO	28,962						
Mineral Wells	18,411	74,931	- 44	57	35,727	25	19
PANOLA	15,894						
Carthage	5,392	338,800	...	346	7,532	2	15
PARKER	33,888						
Weatherford	11,750	105,450	33	- 21	33,061	12	5
PARMER	10,509						
Friona	3,111	48,500	- 54	23	46,061	41	49
PECOS	13,748						
Fort Stockton	8,283	55,450	53	- 52	21,076	12	73
POTTER	90,511						
(In Amarillo SMSA)							
Amarillo	127,010	3,612,567	45	22	767,648	18	33

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
RANDALL (In Amarillo SMSA) Amarillo (See Potter) Canyon	53,885 8,333	236,450	809	844	20,196	26	60
REEVES Pecos	16,526 12,682	412,545	...	...	31,633	14	12
REFUGIO Refugio	9,494 4,340	22,000	...	- 72	5,659	7	13
RUSK Henderson Kilgore (See Gregg)	34,102 10,187	141,433	113	- 13	28,929	12	19
SAN PATRICIO (In Corpus Christi SMSA) Aransas Pass Sinton	47,288 5,813 5,563	1,348,300 64,349	...	...	12,466 10,236	18 15	4 - 9
SAN SABA San Saba	5,540 2,555	750	- 95	- 77	12,160	18	46
SCURRY Snyder	15,760 11,171	95,450	22	- 56	24,307	2	18
SHACKELFORD Albany	3,323 1,978	0	...	...	3,342	1	- 8
SHERMAN Stratford	3,657 2,139	41,700	61	- 73	34,804	60	135
SMITH (Constitutes Tyler SMSA) Tyler	97,096 57,770	3,866,407	90	163	222,114	7	6
STEPHENS Breckenridge	8,414 5,944	43,800	56	59	...	...	...
SUTTON Sonora	3,175 2,149	92,100	737	360	4,292	7	13
TARRANT (In Fort Worth SMSA) Arlington Bedford Burleson (See Johnson) Euless Fort Worth Grapevine North Richland Hills White Settlement	716,317 90,643 10,049 19,316 393,476 7,023 16,514 13,449	6,351,974 547,430 108,680 18,497,500 860,109 755,370 45,264	- 43 - 36 - 81 58 383 27 344	- 25 - 57 - 56 179 323 119 - 69	136,082 13,105 ... 2,375,991 11,724 25,206 8,632	10 4 ... 15 3 10 **	4 12 88 15 13
TAYLOR (In Abilene SMSA) Abilene	97,853 89,653	3,754,174	368	37	224,390	14	18
TERRY Brownfield	14,118 9,647	85,000	114	- 16	36,184	7	14
TITUS Mount Pleasant	16,702 8,877	168,700	2	- 5	...	...	...
TOM GREEN (Constitutes San Angelo SMSA) San Angelo	71,047 63,884	624,170	- 44	- 39	152,973	- 2	9
TRAVIS (Constitutes Austin SMSA) Austin	295,516 251,808	34,510,670	103	42	1,120,951	- 2	12
UPSHUR Gladewater (See Gregg)	20,976						

COUNTY City	Population	Urban building permits			Bank debits		
		Mar 1973 (dollars)	Percent change from		Mar 1973 (thousands of dollars)	Percent change from	
			Feb 1973	Mar 1972		Feb 1973	Mar 1972
UPTON	4,697						
McCamey	2,647	...	...	...	2,139	- 13	- 7
UVALDE	17,348						
Uvalde	10,764	556,985	37	122	36,336	15	38
VAL VERDE	27,471						
Del Rio	21,330	450,424	- 39	13	32,516	14	28
VICTORIA	53,766						
Victoria	41,349	2,758,647	481	219	142,261	19	20
WALKER	27,680						
Huntsville	17,610	632,900	- 39	92	32,150	- 3	- 5
WARD	13,019						
Monahans	8,333	144,872	195	927	13,586	7	- 5
WASHINGTON	18,842						
Brenham	8,922	484,463	215	292	33,713	13	22
WEBB	72,859						
(Constitutes Laredo SMSA)							
Laredo	69,024	6,711,426	...	...	122,552	26	24
WHARTON	36,729						
El Campo	8,563	128,817	- 20	18	26,373	17	15
WICHITA	121,862						
(In Wichita Falls SMSA)							
Burkburnett	9,230	312,339	...	295	11,690	24	6
Iowa Park	5,796	4,700	...	- 94	4,576	- 5	- 12
Wichita Falls	97,564	2,153,693	4	54	247,647	10	12
WILBARGER	15,355						
Vernon	11,454	329,100	666	31	44,451	17	37
WILLACY	15,570						
Raymondville	7,987	104,500	47	- 57	14,407	18	6
WILLIAMSON	37,305						
Bartlett	1,622	...	...	...	1,843	30	10
Georgetown	6,395	110,025	- 63	- 72	14,712	17	17
Taylor	9,616	152,240	359	- 56	18,857	14	23
WINKLER	9,640						
Kermit	7,884	5,300	- 82	657	...	...	...
WISE	19,687						
Decatur	3,240	1,624,500	...	...	9,080	18	37
YOUNG	15,400						
Graham	7,477	66,005	- 88	- 61	23,066	20	43
Olney	3,624	153,952	- 76	378	9,783	29	29
ZAVALA	11,370						
Crystal City	8,104	21,800	990	- 58	9,406	10	28

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

BAROMETERS OF TEXAS BUSINESS

(All figures are for Texas unless otherwise indicated.)

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

	Mar 1973	Feb 1973	Mar 1972	Year-to-date average	
	1973	1973	1972	1973	1972
GENERAL BUSINESS ACTIVITY					
Texas business activity (index)	171.1	167.6	165.5	171.3	160.5
Estimates of personal income (millions of dollars, seasonally adjusted) \$	4,113 ^p	\$ 4,039	\$ 3,888	\$ 4,072	\$ 3,836
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate) \$	1,001.2 ^p	\$ 994.5 ^p	\$ 913.6 ^r	\$ 993.9	\$ 907.0
Wholesale prices in U.S. (unadjusted index)	129.7	126.9	117.4	127.0	117.0
Consumer prices in Dallas (unadjusted index) . . . . .	...	127.7	...	...	...
Consumer prices in U.S. (unadjusted index)	129.8	128.6	124.0	128.7	123.7
Business failures (number) . . . . .	...	57	73	...	74
Business failures (liabilities, thousands) . . . . . \$	...	\$ 3,290	\$ 28,138	\$...	\$ 18,625
Sales of ordinary life insurance (index)	184.2	179.3	168.3	183.7	161.3
PRODUCTION					
Total electric-power use (index)	159.9 ^p	165.7 ^p	149.3 ^r	161.8	148.8
Industrial electric-power use (index)	142.5 ^p	145.8 ^p	135.5 ^r	142.9	137.1
Crude-oil production (index)	112.6 ^p	112.6 ^p	113.8 ^r	113.8	109.5
Average daily production per oil well (bbl.)	19.1	19.1	18.6	19.1	18.0
Crude-oil runs to stills (index)	123.9	117.8	117.7	120.8	115.0
Industrial production in U.S. (index)	121.7 ^p	120.9 ^p	111.2 ^r	120.8	110.0
Texas industrial production—total (index)	136.3 ^p	136.9 ^p	129.9 ^r	135.4	126.4
Texas industrial production—total manufactures (index)	139.8 ^p	140.9 ^p	132.0 ^r	138.8	128.6
Texas industrial production—durable manufactures (index)	154.5 ^p	154.1 ^p	138.7 ^r	152.5	137.1
Texas industrial production—nondurable manufactures (index)	129.3 ^p	131.3 ^p	127.2 ^r	129.0	122.4
Texas industrial production—mining (index)	117.4 ^p	117.7 ^p	116.5 ^r	117.0	114.2
Texas industrial production—utilities (index)	175.1 ^p	173.1 ^p	161.9 ^r	173.9	153.1
Urban building permits issued (index)	232.0	165.7	192.9 ^r	198.2	188.2
New residential building authorized (index)	213.1	193.0	216.1 ^r	220.2	212.7
New residential units authorized (index)	172.4	131.9	181.7	171.6	169.0
New nonresidential building authorized (unadjusted index)	264.8	146.4	168.0	186.7	171.4
AGRICULTURE					
Prices received by farmers (unadjusted index, 1910-14=100)	443	413 ^r	327	414	334
Prices paid by farmers in U.S. (unadjusted index, 1910-14=100)	506	496 ^r	444 ^r	487	438
Ratio of Texas farm prices received to U.S. prices paid by farmers	88	83 ^r	74 ^r	85	77
FINANCE					
Bank debits (index)	221.9	212.6	193.9	217.5	187.8
Bank debits, U.S. (index) . . . . .	...	216.5	188.4	...	188.4
Bank commercial loans outstanding (index)	154.3	150.9	128.2	150.7	126.0
Reporting member banks, Dallas Federal Reserve District					
Loans (millions) \$	9,274	\$ 9,058	\$ 7,615	\$ 9,058	\$ 7,482
Loans and investments (millions) \$	13,316	\$ 13,025	\$ 11,153	\$ 13,105	\$ 10,965
Adjusted demand deposits (millions) \$	4,158	\$ 4,239	\$ 3,801	\$ 4,215	\$ 3,698
Revenue receipts of the state comptroller (thousands) \$	289,158	\$ 437,582	\$ 304,512	\$ 352,456	\$ 315,784
Federal Internal Revenue collections (thousands) \$	981,696	\$ 857,559	\$ 1,029,765	\$ 7,305,838*	\$ 6,495,689*
Securities registrations—original applications					
Mutual investment companies (thousands) \$	40,682	\$ 58,691	\$ 25,734	\$ 303,154*	\$ 167,786*
All other corporate securities					
Texas companies (thousands) \$	19,999	\$ 13,517	\$ 24,608	\$ 187,455*	\$ 178,457*
Other companies (thousands) \$	15,976	\$ 13,609	\$ 32,906	\$ 148,381*	\$ 259,790*
Securities registration—renewals					
Mutual investment companies (thousands) \$	38,157	\$ 25,057	\$ 23,855	\$ 288,125*	\$ 246,880*
Other corporate securities (thousands) \$	47	\$ 0	\$ 3,038	\$ 1,407*	\$ 10,284*
LABOR					
Total nonagricultural employment in Texas (index)†	123.3 ^p	123.1 ^p	117.8 ^r	123.0	117.1
Manufacturing employment in Texas (index)†	115.2 ^p	115.6 ^p	109.6 ^r	115.4	109.3
Average weekly hours—manufacturing (index)†	99.0 ^p	99.8 ^p	98.8 ^r	97.1	98.7
Average weekly earnings—manufacturing (index)†	135.5 ^p	136.6 ^p	128.2 ^r	132.5	127.1
Total nonagricultural employment (thousands)†	3,978.1 ^p	3,959.6 ^p	3,799.7 ^r	3,960.5	3,770.0
Total manufacturing employment (thousands)†	761.4 ^p	759.9 ^p	727.5 ^r	758.7	720.2
Durable-goods employment (thousands)†	414.6 ^p	414.1 ^p	389.1 ^r	412.8	384.6
Nondurable-goods employment (thousands)†	346.8 ^p	345.8 ^p	338.4 ^r	346.0	335.6
Percent of total labor force unemployed	2.8	2.8	3.5	2.9	3.7
Total civilian labor force in selected labor-market areas (thousands)	3,734.2	3,667.1	3,576.8	3,688.9	3,561.6
Nonagricultural employment in selected labor-market areas (thousands)	3,543.9	3,494.7	3,367.0	3,505.5	3,352.2
Manufacturing employment in selected labor-market areas (thousands)	640.1	627.8	596.6	631.2	593.4
Total unemployment in selected labor-market areas (thousands)	110.7	108.0	131.7	111.5	133.5
Percent of labor force unemployed in selected labor-market areas	3.0	2.9	3.7	3.0	3.8

**INTERNATIONAL TOURISM
AND LATIN AMERICAN DEVELOPMENT**

by
Walter Krause and G. Donald Jud
with
Hyman Joseph

Studies in Latin American Business No. 15

In the 1970s developing countries are proving to be a powerful lure to tourists. In Latin America, some areas—Mexico and the Caribbean in particular—have long been popular vacation sites, but, as mankind's search for exotic and colorful places continues, less heavily traveled regions, too, are beginning to feel the impact of the boom in tourism.

What does the prospect of rapidly increasing tourist business mean to a developing country? How can a region gauge its chances for success as a tourist destination? In this study Walter Krause, G. Donald Jud, and Hyman Joseph, seeking answers to those questions and to others, analyze the potential demand for Latin American tourist facilities, explore the economic benefits of tourism, discuss the resource commitments necessary to make tourism part of general development strategy, and suggest ways in which Latin America can seek to realize its considerable potential.

Walter Krause, John F. Murray professor of economics at the University of Iowa, has done extensive work on economic development, international economics and business, and the Latin American economy. G. Donald Jud, an assistant professor of economics at the University of North Carolina at Greensboro, has done research relative to Latin America, including work on the measurement of tourism potential. Hyman Joseph, an associate professor of economics at the University of Iowa, is experienced in research on assorted theoretical and applied subjects.

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