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THE BUSINESS SITUATION IN TEXAS

Robert B. Williamson

The 1971 recovery in Texas business activity hesitated in May. The nation's 1970 economic slowdown—now officially designated by the National Bureau of Economic Research as a classical contraction with a starting date of December 1969—is generally believed to have ended in November 1970, and both Texas and national economic indicators have generally shown modest improvements in their growth rates since then. In May, however, seasonally adjusted data for Texas recorded an absence of significant gains from the previous month for such major economic series as total personal income, nonfarm employment, industrial production, and urban building authorizations. Meanwhile, the national business recovery continued to show modest and irregular progress and the rate of inflation accelerated.

Total personal income in Texas, the best available measure of total economic growth for the state, fell back slightly in May on an adjusted basis to about the level of two months earlier. The year-to-year growth of Texas personal income during the first five months of the year, however, averaged a relatively high 8 percent. In comparison, total personal income in the nation showed a year-to-year gain of slightly less than 6 percent during the first five months of 1971.

Nonagricultural employment, another comprehensive economic measure, was essentially unchanged in Texas from April to May after seasonal adjustment. The employ-

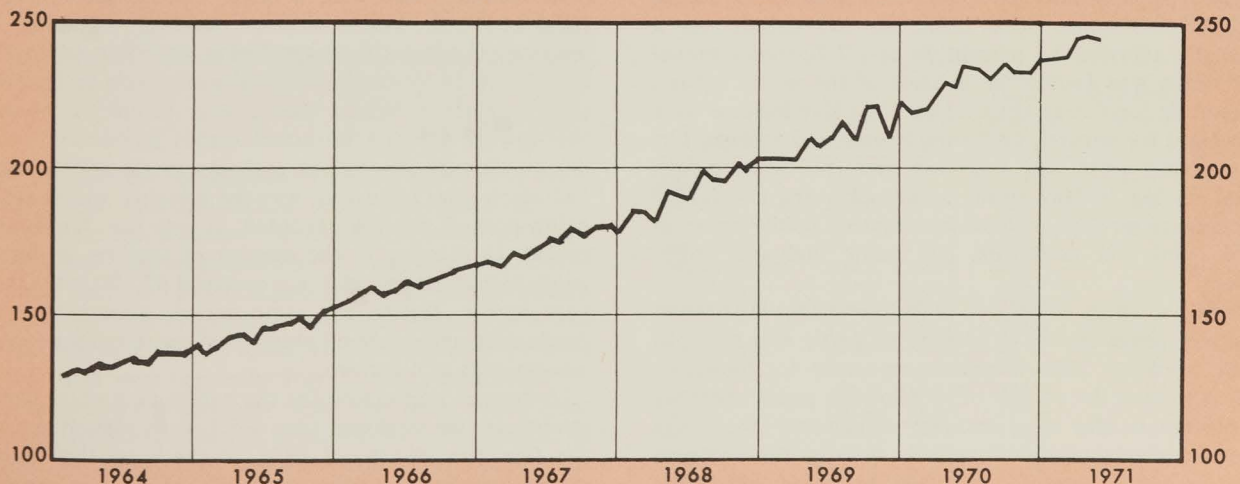
ment level in the state during the first five months of the year also was practically unchanged from a year earlier. Unemployment, however, was increasing during this period. The total number of unemployed workers in Texas rose on a seasonally adjusted basis by 11 percent in May and for the five months ended in May averaged 37 percent higher than a year earlier. The total unemployment rate for all major labor markets in Texas during May was 4.1 percent, up slightly from April and significantly above the 3.3 percent of May 1970. The comparable seasonally unadjusted unemployment rate for the nation during May was 5.3 percent. On a seasonally adjusted basis the national unemployment rate in May was 6.2 percent, the highest since the same level was reached at the end of last year. A year earlier the national seasonally adjusted unemployment rate was less than 5 percent.

In the various major labor markets of Texas the unadjusted May unemployment rates showed a wide scatter around the state's 4.1-percent average, ranging from a low of 2.5 percent in the Austin area to 9.9 percent in the Laredo area. Jobless rates for the state's largest labor markets were 3.0 percent for Houston, 3.7 percent for Dallas, 5.0 percent for San Antonio, and 5.2 percent for Fort Worth.

Measures of inflation are obviously also among the major economic indicators which are watched closely and con-

ESTIMATED PERSONAL INCOME, TEXAS

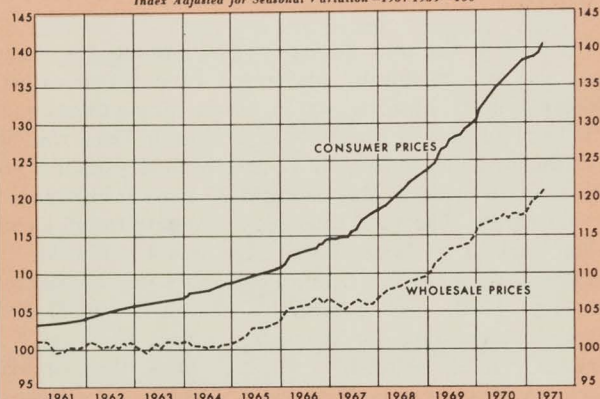
Index Adjusted for Seasonal Variation — 1957-1959=100



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

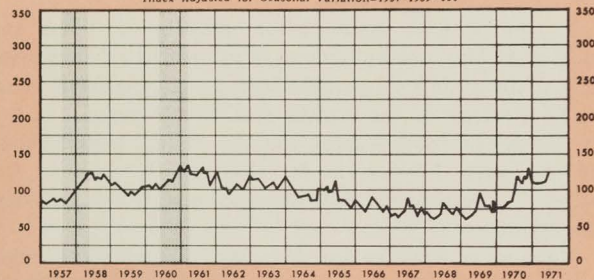
COMPARISON OF CONSUMER PRICES AND WHOLESALE PRICES, UNITED STATES

Index Adjusted for Seasonal Variation—1957-1959 = 100



TOTAL UNEMPLOYMENT, TEXAS

Index Adjusted for Seasonal Variation—1957-1959 = 100



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

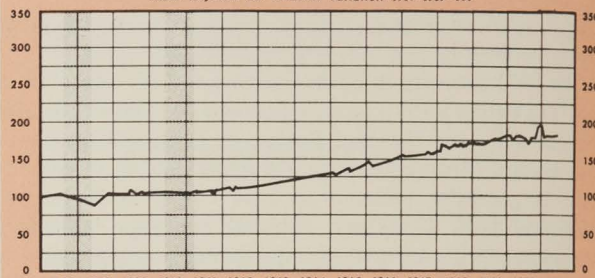
NOTE: Shaded areas indicate periods of decline of total business activity in the United States.

sidered to be of primary significance for the general welfare. Available monthly data for the nation indicate that the pace of consumer price increases accelerated during May. The consumer price index for the month rose a seasonally adjusted 0.6 percent, or at a 7.2-percent annual rate, which was double the increase of the month before. Accounting for a large share of the total May increase were price hikes for apparel, used cars, homes, and postage. The sharpest consumer cost increases over the twelve-month period ending in May were for housekeeping and home-maintenance services, medical-care services, public transportation, new and used cars, and home fuel and utility services.

Pressures which could lead to further serious inflation in consumer prices appear to be growing partly as a result of recent wholesale price increases, especially for food supplies. Although the average of all wholesale prices rose only 0.3 percent in May after seasonal adjustment, the average increase for industrial products over the past three months was at an annual rate of 4.4 percent compared with a rate of only about 1 percent in the second half of 1970. Farm and food prices also began to move up again strongly in May. Some economists express concern over the possibility of further rapid inflation over the next several months because of government policy actions intended to stimulate

INDUSTRIAL PRODUCTION, TEXAS*

Index Adjusted for Seasonal Variation—1957-1959 = 100



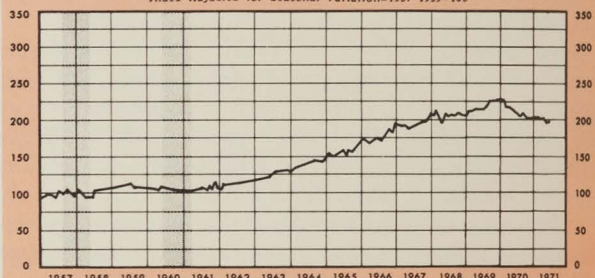
*Manufactures and minerals (including crude-oil and natural-gas production).

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

SOURCE: Federal Reserve Bank of Dallas.

INDUSTRIAL PRODUCTION DURABLE MANUFACTURES, TEXAS

Index Adjusted for Seasonal Variation—1957-1959 = 100



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

SOURCE: Federal Reserve Bank of Dallas.

production and reduce unemployment. As evidence of these potentially inflationary policies they cite the rapid expansion of the nation's money supply during the past few months and recent and prospective large deficits in the federal budget.

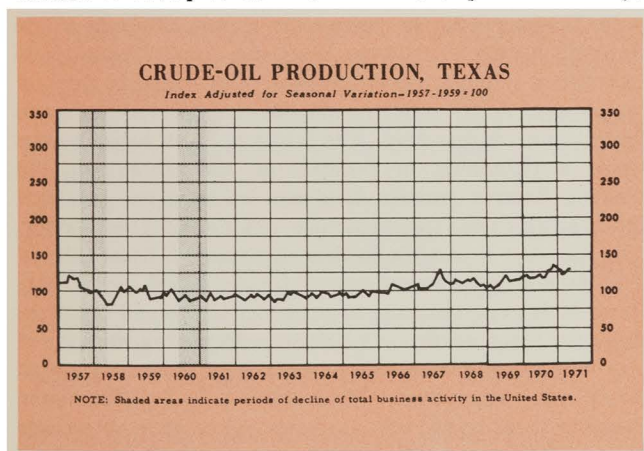
Industrial production, a major contributor to fluctuations in the growth of general business, continued on a relatively flat trend in Texas during May. For the first five months of 1971, total industrial production in Texas was only 1 percent higher than a year earlier. A 9-percent year-to-year decrease in durable-goods production, mainly due to defense production cutbacks in the state's aircraft and electronics industries, was the principal reason for the below-normal growth recorded during the January-May period. In this period the number of workers in durable-goods manufacturing in Texas averaged 47,500 fewer than a year earlier. During the same period, nondurable goods production and crude-oil production registered year-to-year growth rates of 4 percent.

Industrial production for the nation as a whole demonstrated greater weakness than did Texas production during the first five months of 1971, in the sense that national output remained below the levels of a year earlier in contrast to the small positive growth recorded for the state. The monthly trend has been more definitely pointed upward in the case of the nation, however, and the national seasonally adjusted increase of 0.7 percent in May was the largest—excluding the increases in December and January

following settlement of last year's General Motors strike—since June 1969. Steel buying in anticipation of a possible national steel strike on August 1, when labor-management contracts expire, accounted for part of the increase in output but only part.

Automobile production rose nationally during May to an annual rate of 8.5 million units, up 5 percent from the previous month. Car assemblies during May were 10 percent higher than a year earlier, while unit sales of U.S.-made cars were up 7 percent from a year ago. In contrast, sales of foreign-made cars throughout the nation during May were 27 percent greater than a year earlier. Sales of the leading import, Volkswagen, were down 6 percent, but the number-two import, Toyota, showed a gain of 67 percent, and the number-three import, Datsun, registered a U.S. sales increase of 144 percent. During the first two thirds of June, sales of U.S.-made cars dropped nearly 15 percent below the relatively high levels of the corresponding period of June 1970.

Crude-oil production continued to support the overall level of Texas industrial production during May as the state's oil output registered seasonally adjusted gains of 3 percent from April and 5 percent from a year earlier. Texas oil-output quotas have been reduced, however, from the May level of 77.2 percent of maximum permitted production to 75.4 percent for June and 68.7 percent for July.



Of considerable significance to a major segment of Texas industry, the national decline in defense-related activity appears about ready to level off. Statistical indicators which generally lead defense-production changes bottomed out in the latter part of 1970. Preliminary congressional actions on recent Defense Department spending requests have left the requests substantially intact, and total defense spending for the fiscal year beginning July 1, 1971, is projected to show a moderate increase from the prior fiscal year according to Administration estimates. The Department of Defense requests would provide funds to continue some production of the F-111 airplane made by the General Dynamics Corporation at Fort Worth. Illustrative of the potential new defense business which is becoming available is a new ship-to-ship missile to be developed by an industrial team which includes Texas Instruments, Inc., of Dallas, as a major member. Apparent also are indications of

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a leveling off of the decline in space-program spending. Final congressional actions on the current budget proposals, however, could result, of course, in further cutbacks in overall defense and space spending.

The seasonally adjusted index of Texas nonfarm building authorizations in May reflected a 4-percent decline from April but was 17 percent higher than a year earlier. The average year-to-year gain for the first five months of 1971 was 27 percent, led by a 50-percent rise in the residential index. The index of nonresidential building authorizations recorded a more modest increase of 5 percent for the same period. Types of buildings accounting for the largest dollar increases in Texas nonresidential authorizations thus far in 1971 are office and bank buildings and educational buildings. Those showing the largest decreases are hospitals and other institutional buildings, amusement buildings, industrial buildings, and stores and mercantile buildings.

The nationwide recovery in residential construction seems to still have considerable momentum. In May the annual rates of both private new housing starts and private residential units authorized by building permits rose throughout the nation to register year-to-year gains of 55 percent and 43 percent, respectively. Reports of the increases were accompanied by the announcement of upward revisions of industry forecasts to 1.9 million private housing starts in 1971. This compares with an earlier forecast of 1.8 million starts and the 1970 total of 1.4 million starts. In addition to these numbers, shipments of mobile homes are now running at an annual rate of close to one-half million units. Despite these increases in the supply of new housing, vacancy rates generally continue to be unusually low. Recent increases in interest rates, however, are a source of some concern to the homebuilding industry.

BUSINESS-ACTIVITY INDEXES FOR TWENTY SELECTED TEXAS CITIES (Adjusted for seasonal variation—1957-1959=100)					
Index	May ^P 1971	Apr 1971	Year-to- date average 1971	Percent change	
				May 1971 from Apr 1971	Year-to- date average 1971 from 1970
Abilene	150.4	161.6	147.8	— 7	6
Amarillo	205.5	218.0	212.6	— 6	5
Austin	377.3	398.3	379.7	— 5	13
Beaumont	176.6	186.0	179.6	— 5	— 1
Corpus Christi	202.2	196.9	195.1	3	21
Corsicana	153.4	211.2	178.7	— 27	9
Dallas	334.2	373.5	354.4	— 11	9
El Paso	177.0	183.6	172.0	— 4	12
Fort Worth	236.2	230.8	217.4	2	17
Galveston	135.3	137.4	144.3	— 2	9
Houston	293.9	300.4	291.9	— 2	8
Laredo	261.4	281.4	274.2	— 7	10
Lubbock	190.9	207.0	176.2	— 8	12
Port Arthur	136.6	150.2	137.1	— 9	16
San Angelo	193.5	215.6	203.2	— 10	17
San Antonio	235.2	259.8	244.7	— 9	16
Texarkana	220.9	233.6	220.6	— 5	4
Tyler	173.2	190.6	182.2	— 9	4
Waco	205.3	214.3	204.6	— 4	4
Wichita Falls	143.3	160.0	143.8	— 10	13

^P Preliminary.

Interest rates have been rising generally during the past three months. Long-term interest rates as represented by yields on corporate bonds have risen by about three fourths of a percentage point since February. Discounts on government-backed mortgages have increased and some West Coast banks have raised their conventional mortgage rates to 7.5 percent from 7.0 percent. Short-term rates have moved up much faster, rising on three-month Treasury bills from around 3.25 percent in March to about 5 percent in June. Expectations of more rapid inflation and of a more restrictive monetary policy have caused the interest rate increases to be greater than would have been indicated solely by the strength of the business recovery to date. Meanwhile, the supply of mortgage money continues to be large. Net inflows to saving and loan associations, banks, and insurance companies have risen at record rates and have resulted in sharp increases in mortgage-loan commitments. In the past, cyclical increases in long-term interest rates have not had a significant depressing effect on home-building until the general level of long-term interest rates has risen long enough and high enough to drain off large amounts of capital supplies from the mortgage market to meet business and government credit demands which are less easily discouraged by high credit costs. These other credit demands have not exhibited very strong fundamental increases thus far during the present business expansion.

Consumers' retail purchases have provided no more than a moderate support for the business recovery so far in 1971. Comprehensive, up-to-date retail-sales data are not

available for Texas, but national data indicate that total retail sales are running about 5 to 6 percent higher than a year earlier. Department-store sales are doing better. Available figures for both the state and the nation show comparable year-to-year department-store gains of about 8 percent. The growth trend of total retail sales weakened in May as the seasonally adjusted estimate of the national total registered an absolute decline from the previous month. Surveys of consumer buying plans, however, provide a basis for expected improvement in the trend of consumer spending in the near future. Projected improvements are especially evident for major household goods and houses. On the other hand, continued high rates of unemployment and job uncertainties could weaken consumer confidence and lead to cutbacks in spending plans, even though personal income and savings totals remain high.

Despite recent evidence of some tightening of credit supplies by the monetary authorities, government policies have been generally expansive since the start of the year. The money supply, after only small increases in the latter part of 1970, has been expanded so far this year at an annual rate of over 11 percent. The rate of expansion rose to 16 percent in May to bring the total money supply to a level 7 percent higher than a year earlier. The Federal Reserve System appears to be taking steps to slow this rapid expansion of the money supply and to bring about selective increases in interest rates. During June the Federal Reserve sold Treasury bills to reduce the supply of funds in the banking system and to put particular upward pressure on short-term interest rates to slow the overseas flow of short-term dollar investments which had reached crisis proportions during May. The latest data on bank reserves show a tightening in response to the more restrictive Federal Reserve policies. Evidence indicates no significant shift away from the expansive posture of fiscal policy, however, but a possible further expansion of fiscal policies. The federal government deficit for the fiscal year ending June 30 is expected to be around \$25 billion and unofficial forecasts place next year's deficit, without the adoption of any new specific economic stimulants, such as a tax cut, at about the same level. Meanwhile, talk in Washington suggests increasingly that Congress might approve a major tax cut this year to stimulate the economy and to avoid the significant losses in potential economic output which are implied by the present moderate recovery.

The general economic outlook for 1971, without further major policy shifts such as a cut in federal income taxes, is still in line with the standard forecast reported at the start of the year, which was for an increase in gross national product of about 7 percent to around \$1,050 billion for the year as a whole. Inflation is now expected to account for a somewhat greater share of this increase than believed earlier and the outlook is for average prices to rise at an annual rate of about 4 percent during the remainder of the year. The national unemployment rate is still expected to hold around the 6-percent level during most of the year. This kind of national economy along with a leveling off of the declines in the defense and space programs would help maintain the Texas economy on what could be termed a "normal" or "moderate" recovery pattern during 1971.

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

Index	Percent change				
	May 1971	Apr 1971	Year-to-date average 1971	May 1971 from Apr 1971	Year-to-date average 1971 from 1970
Estimated personal income	244.6 ^P	246.2 ^P	242.3	— 1	8
Crude-petroleum production	129.1 ^P	125.8 ^P	126.0	3	4
Crude-oil runs to stills	144.1	141.4	140.7	2	7
Total electric-power use	285.4 ^P	289.3 ^P	277.6	— 1	8
Industrial electric-power use	240.4 ^P	253.0 ^P	241.5	— 5	5
Bank debits	332.9	348.1	333.7	— 4	13
Urban building permits issued	240.0	248.9	228.9	— 4	27
New residential	206.4	211.3	197.6	— 2	50
New nonresidential	289.6	285.3	275.3	2	5
Total industrial production	181.7 ^P	181.1 ^P	180.4	**	1
Total nonfarm employment	147.5 ^P	147.3 ^P	147.5	**	**
Manufacturing employment	146.2 ^P	146.2 ^P	146.6	**	— 6
Total unemployment	124.6	112.5	113.1	11	37
Insured unemployment	97.0	98.7	98.1	— 2	55
Average weekly earnings—manufacturing	158.4 ^P	157.7 ^P	156.8	**	5
Average weekly hours—manufacturing	100.0 ^P	99.3 ^P	99.5	1	**

^P Preliminary.

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

THE MEXICAN BORDER INDUSTRIALIZATION PROGRAM

Henry Malcolm Steiner*

Since November 1965 a new type of industry has grown up along the U.S.-Mexican border. It has been called the "twin-plant" operation because a plant on the U.S. side using capital-intensive methods sends uncompleted products to a sister plant on the Mexican side using labor-intensive methods for completion of the production process. For Texas, on a Mexican border longer than that of any other state and with more twin cities than any other bordering state, this is an important development.

Origins of the Program

Availability of labor at one sixth the cost of the same labor in the United States, along with a new and appropriate set of Mexican tariff regulations, plus the existing U.S. tariff regulations, had promoted by January 1970 the establishment of more than 160 twin-plant businesses along the border. Table 1 shows plant locations in 1969. These firms employed more than 17,000 Mexican nationals on the Mexican side. In 1969 about \$53 million were added to the value of goods that were then shipped back across the border to the United States.

In Texas the following twin plants were among those established or expanded during 1970 and the first five months of 1971:

Brownsville	CTS of Brownsville, Inc.	Electronic devices
	CRS Crose International	Oil-field equipment
	Leece Neville	Electric motors
El Paso	Cowtown Boot Company	Boots
	Components, Inc.	Electronic devices
McAllen	Form-O-Uth Company	Apparel

The list illustrates the wide variety of products produced by twin plants. Some other outputs are purses, toys, gloves, furniture, canned goods, surgical implements, artificial flowers, doors, piano components, sports equipment, and reconstructed engines.

And the growth trend in Texas continues with plans for three more twin plants in El Paso-Juárez. Sylvania Electric Products, General Electric, and American Machine and Foundry are joining the Juárez twin-plant complex. Sylvania, a manufacturer of electronic products, will occupy an assembly plant already under construction in the Antonio Bermúdez Industrial Park, in the eastern section of Juárez. It is reported that Monsanto, Inc., manufacturers of agricultural products and other chemical items in the hydrocarbons and polymers family, will occupy a facility in the same industrial complex. Sites for the assembly plants

Table 1

BUSINESSES UNDER THE MEXICAN BORDER INDUSTRIALIZATION PROGRAM (MBIP), 1969

Location	U.S. border city	Total
Ciudad Acuna, Coahuila	Del Rio, Texas	1
Piedras Negras, Coahuila	Eagle Pass, Texas	7
Agua Prieta, Sonora	Douglas, Arizona	2
Nogales, Sonora	Nogales, Arizona	4
Matamoros, Tamaulipas	Brownsville, Texas	14
Reynosa, Tamaulipas	McAllen, Texas	3
Nuevo Laredo, Tamaulipas	Laredo, Texas	11
Palomas, Chihuahua	Columbus, New Mexico	1
Ciudad Juárez, Chihuahua	El Paso, Texas	18
Tecate, Baja California	—	6
Ensenada, Baja California	San Diego, California	2
Tijuana, Baja California	San Diego, California	45
Mexicali, Baja California	Calexico, California	55
Total		156

Source: American consuls and Chambers of Commerce in border cities.

Table 2

MINIMUM DAILY SALARIES IN SELECTED BORDER CITIES, 1970-1971**

City	Mexican pesos	U.S. dollars
Mexicali	46.00	3.68
Tijuana	46.00	3.68
Nogales	33.75	2.70
Ciudad Juárez	36.00	2.88
Ciudad Acuna	29.80	2.38
Piedras Negras	29.80	2.38
Matamoros	33.75	2.70
Nuevo Laredo	33.00	2.64
Reynosa-Rio Bravo	33.75	2.70

* 1 U.S. dollar = 12.49 Mexican pesos.

Source: Mexico, Comisión Nacional de los Salarios Mínimos, *Salarios Mínimos* (México, 1970).

to be operated by General Electric Company and by the American Machine and Foundry Company have not yet been announced. The future of El Paso as a center for the location of twin plants for large U.S. manufacturing firms is made more certain by a recently published presidential decree. Mexican promoters of the twin-plant complex in Juárez received the new statutory provisions jubilantly. Particularly gratifying was the portion amending sections of the Mexican customs code which had been ambiguous with reference to the border industrialization program. The new decree clearly gives preferential treatment to foreign investors who may establish new industries with the assistance of Mexican counseling, thus contributing to the continued development of technology and the manufacture of articles for export.

Piedras Negras and Eagle Pass, too, have extended the growth pattern into the current year. They have been

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selected by the Don Carter Manufacturing Company as sites for the operation of twin plants which will produce golf gloves and various other kinds of sports equipment, and will contract for special items. The U.S. plant will employ 60 persons; the Mexican assembly plant will employ 120 persons.

Imports of machinery, equipment, raw materials, and components are allowed into the Mexican border area by the Mexican government on a continual basis and free of duty. Businesses may be totally foreign-owned. Only one requisite exists: all production must be exported out of the duty-free zone.

The border program is another evidence of a new trend in world business: the export of labor by labor-surplus countries without the absence of the labor force from the native country. Increasing labor costs in the industrialized countries in combination with decreasing transport costs encourage the performance of capital-intensive and labor-intensive operations in the respective countries where the operation is cheapest. This kind of cooperation is now being practiced by the United States with Mexico, Hong Kong, Macao, and other places. The trend may well broaden to include many more labor-surplus areas, especially with the advent of lower transport prices.

The Mexican Border Industrialization Program (MBIP), set up in 1965, replaced an older program dating from 1961. Both programs were established to improve the border cities by bringing in industry, which would provide jobs for the thousands of Mexicans who had migrated from the interior of Mexico to the border. The border and Mexico City were the two principal points of attraction for the increasing numbers of rural dwellers leaving their ancient homes for the urban areas.

The new industry was calculated also to change the impression of the border held by most visitors. The tourist-for-a-day saw it as an area totally devoted to liquor stores, souvenir shops, and vice of one kind or another. The visitor retained the memory of parasitism as a dominant feature not only of the border but of the whole of Mexico.

Labor in the Border Zone

Training

The level of education of Mexican labor in the border zone is relatively high. This statement is supported by the results of the 1960 census, the latest available: "Of persons 6 years of age and older, 75 percent or more were literate in these states compared with only 62 percent for the nation as a whole. The mean number of years of school completed by the population 30 years of age and older in the border states varied from 2.9 in Sonora, Chihuahua and Tamaulipas to 3.5 in Nuevo Leon. All of Mexico averages 2.3 years of schooling."¹

¹U.S. Department of Labor, "Economic Development in the Mexican Border Areas," *Labor Development Abroad*, prepared by Anna-Stina L. Ericson (Washington, June 1967), p. 3.

It is a fact, however, that the labor force along the border is unskilled. Training may present a problem for the relatively sophisticated hand-labor industries.

Productivity

The productivity of labor is good, as attested by a 1969 study made by the American Chamber of Commerce of Mexico. This study reported that of 63 U.S. companies working under the MBIP, 48 of which had been operating for more than one year, 61 were satisfied with the general efficiency of trained labor.² Fifty-nine out of 63 firms stated that their labor costs had been what they expected. Twenty-eight of the companies interviewed were unionized and 35 were not. Twenty-five out of 28 stated that they were satisfied in general with their relations with the union. As one U.S. executive put it, "We have the opportunity to choose our employees, and we can take the cream of that labor pool. Certainly we are not dealing with labor trash."

The opinion on supervisory personnel is a different story. Of 63 U.S. companies 6 answered that they have had troubles with their labor, and only 1 pointed out lack of skills as the reason. But 22 companies stated that they did have troubles with supervisory personnel. The majority reported that it was difficult to obtain good national supervisors. A great deal of training was necessary.

Compensation

Salaries. Table 2 shows the minimum salaries along the border in 1970-1971 for all workers. Note, however, that higher minimum rates are set by the Mexican National Minimum Wage Commission for skilled employees. These amounts are exclusive of fringe benefits and other incentives.

Fringe benefits. There are a number of fringe benefits.

Social Security payments. These vary between 8.3 and 11.7 percent of salary, a major portion being paid by the employer. (The employer who pays only the legal daily minimum wage must pay both the employer's and the employee's share.) Risks and other contingencies covered by the Mexican Social Security System include accidents on the job, general occupational diseases, maternities, old age, and death.

Overtime. Male employees are paid double time for overtime above eight hours per day. Female employees are paid triple time. The new law of 1970 states that no worker is obligated to work more than nine hours of overtime per week, but when he does he receives triple pay.

Days off with pay. Fifty-two Sundays, plus six to twelve days of paid vacations, plus seven holidays are required under Mexican labor law. In addition, a 25-percent premium on salary must be paid during the vacation.

²American Chamber of Commerce of Mexico, A.C., *Survey on Border Development Program*, a report prepared by the International Trade and Investments Committee (Mexico, D.F., July 1969).

Christmas bonus. At least fifteen days' salary must be paid to each worker before December 20. This is the traditional *aguinaldo*.

Profit sharing. Compulsory profit sharing amounts to a maximum of 14 percent of annual profits. Border cities claim that Mexican output for a U.S. corporation will show no profit, since such output is sold to the parent company at cost.

Comparative Labor Costs

As a rule of thumb, it is claimed that labor costs can be cut from the U.S. level by an amount between \$3,000 and \$6,000 per year per employee, depending on the location and nature of the assembly operations. It is possible to prefigure labor costs with some accuracy. In the American Chamber of Commerce of Mexico study mentioned above, 59 firms out of 63 operating in the border area answered that their labor costs had actually been what they expected.

Public Services in the Border Zone

Most border cities have adequate electricity, water, sewage, and similar services. In general, transportation and communication in most of them are excellent. Many are served by rail and air as well as highways. For example, goods are moved from Tijuana to San Diego in approximately thirty minutes, and to Los Angeles in three hours. Nogales is linked to Tucson by a one-and-a-half-hour drive and to Phoenix by a three-hour trip. The Mexicali area has direct-dial telephone service from the United States. In other cases, particularly on the Texas border, distance from a Mexican location to a U.S. point can be measured in blocks. Thus the border area has convenient access to U.S. transportation networks, so much so, that in some cases the U.S. twin factory has been located far from the border, to as distant a location as Dallas.

Industrial Parks

Significant is the recent development of industrial parks on the Mexican side of the border. Since foreigners are forbidden by the Mexican constitution to own land within sixty-two miles of the border, these parks offer, on long leases, industrial sites of various sizes plus construction to tenant specifications. They are supplied with all the important services, and in addition, within the industrial park and the bonded manufacturing zone, expediting assistance from the Mexican government to aid manufacturers in resolving problems.

Effects on U.S. Employment of Labor

The first official denunciation of border plants was issued by the AFL-CIO Executive Council of the United JULY 1971

States. At its convention in Florida in December 1967 the AFL-CIO urged the government to "take immediate action to assure that wages and working conditions of U.S. citizens and the operations of U.S. employers who abide by U.S. labor standards are not adversely affected by low-wage operations along the border of Mexico."³ In January of 1968 the Texas State AFL-CIO described the Mexican program as "another monster in the unemployment field."⁴ In May of 1968 the National Executive Council of the AFL-CIO denounced the program's only beneficiaries as "profit-hungry companies" and recommended, among other things, repeal of Section 807 of the U.S. tariff schedule, the tax on value-added provision. In June of 1969 Joseph Keenan, secretary of the International Brotherhood of Electrical Workers, claimed that 20,000 jobs moved to Mexico as a result of the Mexican government's in-bond industry promotion.⁵

The Mexican government has pointed out that the whole program was established to allow plants requiring large amounts of hand labor to operate in Mexico, where they could produce such goods competitively. U.S. parts on materials are used in the process, and in many cases the goods are returned to the United States for further processing. The MBIP is a plan to compete with other cheap-labor markets, and to do so right on the U.S. border, where Mexico has an advantage in transportation costs and in the close U.S. supervision permitted. Mexicans say, why not let Mexican hand labor—in oversupply—finish many textile, electronic, and wood products that otherwise would be produced in Hong Kong, Taiwan, Manila, and Japan?

It is claimed that Mexicans account for between 40 and 60 percent of the retail sales in many of the U.S. towns along the border in spite of Mexican efforts to supply this demand on their own side. Thus, increased employment is said to stimulate business, and both the United States and Mexico stand to benefit by the border plan.

It is important to note finally that of total 1967 imports of \$982 million into the United States, under Section 807, \$464 million came from Germany and only \$19 million came from Mexico.

So far, in response to criticism, Washington has decreed only that products must be labeled "assembled in Mexico from materials made in the U.S.A."

"There is no question, we would have gone to the Far East if the opportunity in Mexico had not come up..." "If we do not stand up in Mexico we will stand up in Japan or Taiwan. We have no other choice if we are going to compete in world markets." These statements express the position of some executives involved in Mexican border operations. A significant feature of the Mexican operation is that every border plant has to be supported by a manufacturing counterpart in the United States.

³"AFL-CIO Tries Again To Close the Border," *Business Abroad*, May 27, 1968, p. 29.

⁴*Ibid.*

⁵"Mexico Border Industry under Growing Attack," *The News* (Mexico City), June 10, 1969, p. 32.

Certainly it is a fact that low Mexican wage levels relative to U.S. levels in the border area develop an effective attraction for U.S. firms, as shown by the impressive growth of U.S. businesses on the border. However, the alternative of a location in Taiwan or other foreign ports is feasible only for big companies. In fact, some of them presently have operations in many such areas around the world. But for a considerable number of small firms, overseas operations are simply impractical. The advantages of the Mexican border over other surplus-labor areas may just be beginning to be realized.

Although the AFL-CIO is upset by a visible and close operation across the border, the Mexican border program is only the most recent imitation of older programs in various countries around the world.

Quite important is the declared effort of the Mexican authorities to restrict the program to so-called "twin plants." No industry is accepted into the program unless it has a manufacturing counterpart in the United States. In this way the MBIP is supposed to promote an international division of labor, which results in the creation of new jobs in both countries. Add this to the fact that U.S. and Mexican border economies are closely related, and the result is a benefit to both countries.

Some Prospects for the Development of the MBIP

Since 1965, the year when MBIP began, the total annual exports have increased each year:

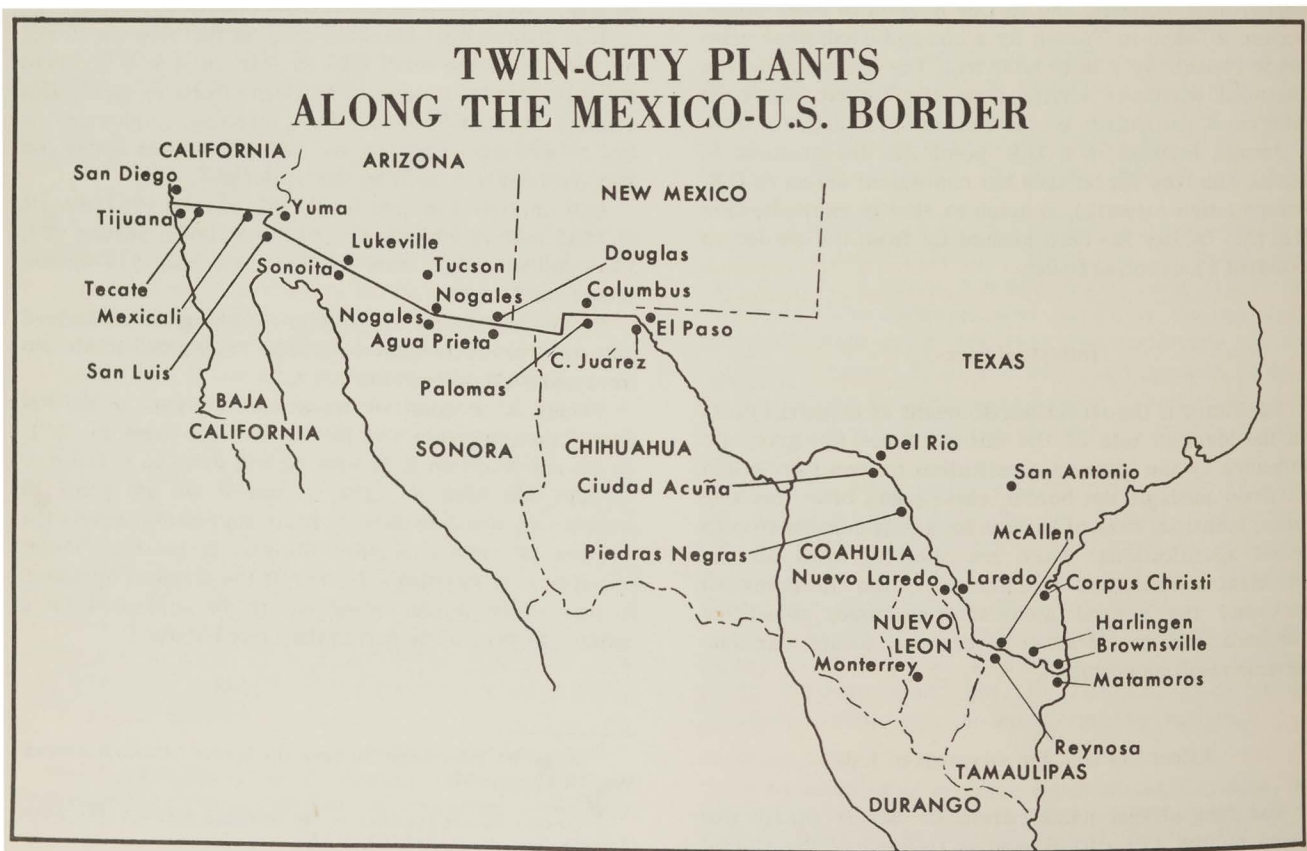
Year	Total export (million U.S. dollars)	Percent increase over 1966
1966	7	—
1967	19	270
1968	30	430
1969	53	760

The above figures include labor costs. The export is mainly to the United States.

Four companies grew as follows between December 1967 and June 1969:

Company	Location	Product	No. of employees (approx.)	
			Dec. 1967	June 1969
A	Piedras Negras, Coahuila	Electronic devices	100	340
B	Nogales, Sonora	Electronic devices	120	700-800
C	Nuevo Laredo, Tamaulipas	Electronic devices	600	1,280
D	Nuevo Laredo, Tamaulipas	Electronic devices	100	150

Finally, the American Chamber of Commerce survey of 63 U.S. companies operating in the border area pointed out that 48 of those companies planned to expand their operations during the next year, 5 did not know, and only 9 did not plan expansion. In short, the importance of MBIP is likely to be much greater in the near future. It may mean



an increase in the number of companies or an increase in the level of operations of those already established.

Two serious problems may cause difficulties for the twin-plant concept. The first is the already discussed opposition of the AFL-CIO. The second is the threat of rising wages of Mexican workers. During the eight years from 1962 to 1970 the minimum daily salary set by the Mexican National Salary Commission went from 12.08 to 33.75 pesos in the state of Tamaulipas, facing Brownsville and McAllen in Texas. This is almost a 300-percent increase. It is an average annual rise of about 35 percent for the eight years. Nevertheless, Mexican wages still remain far below U.S. wages. The gap, however, is narrowing. The question of wages will remain crucial for many businessmen contemplating a twin-plant operation.

The Future of the Program

From a strictly economic point of view, "what products" and "what markets" represent the two main questions relative to the future of this border area, as well as of other similar areas around the world. That is to say, what products which take advantage of both the technology available in the United States and the labor pool available in Mexico can gain a good position in competitive markets?

Apart from improving the competitive position of U.S. products in and out of the U.S. market, an opportunity exists to get a much deeper penetration in markets in developing nations. Such products, traditionally imported directly from the United States, would contain a substantial portion of Mexican border hand labor. Thus developing nations would reap the benefits of cheaper labor costs, and also would improve the purchasing power of their exchange reserves.

Finally, a new kind of business is likely to develop in the border area from the rebuilding of engines: the reconstruction of a wide variety of durable goods—for example, farm tractors—for markets in developing nations. Used goods could be bought cheaply from the United States, rebuilt in the border area, and shipped to various markets around the world.

Yet of 63 U.S. firms operating in the border area in 1969 only 8 exported or planned to export to countries other than the United States. It seems clear that, for the time being, production for world markets is the exception rather than the rule among U.S. businesses under the MBIP.

Many questions need to be answered in future research on this phenomenon of increasing division of labor on a worldwide basis. What products are best suited to this kind of production? What is the relation between transport costs and labor costs which makes for optimization? What new technology in transport will enable business to take advantage of new labor markets throughout the world? What changes in tariff laws are desirable and what opposition to such changes may be expected? Many similar questions might be posed. It may not be overoptimistic to see in the Mexican border plants a new phase in world business and world economic development.

TEXAS CONSTRUCTION

Francis B. May

Total construction authorized in Texas declined 4 percent in May after rising during each of the preceding three months. A decline in urban building permits issued for residential construction and in permits issued for additions, alterations, and repairs to existing structures brought about the decline in the overall index. Construction of nonresidential structures authorized in May rose 2 percent.

After rising in February to 215.2 percent of its 1957-1959 base value from a January low of 153.2 percent, the index of residential construction authorized has pursued an erratic course. It fell to 202.1 percent in March, rose again in April, dropping in May to 206.4 percent. The dramatic upward movement begun in February has not continued strong. Instead, the index has moved between rather narrow limits without emphatic upward impetus. It is a reflection of the somewhat fitful and lackadaisical recovery of the national economy to date.

All categories of housing authorized in May declined from their April levels except two-family dwellings. These structures comprise a small portion of the total value of residential building. Only \$16.8 million of the total of \$616.7 million of residential structures authorized during the January-May 1971 period were two-family dwellings. Single-family homes and apartment buildings comprise the greater part of the total value of residential structures. Both of these categories declined in May to a total value of \$122.9 million from their April total of \$130.1 million for the two categories combined.

Comparison of residential building activity during the first five months of this year with the January-May 1970 period shows that this segment of the industry has substantially improved over the depressed levels of construction caused by extreme shortages of credit last year. Total value of permits for single-family dwellings issued in January through May of this year was \$374.3 million, up 69 percent over the value for the first five months of last year. Permits for apartment buildings at \$217.2 million were up 23 percent over the January-May 1970 total. Permits for duplexes more than doubled in value. Those for 3- and 4-family dwellings were up 66 percent.

This improvement in year-to-date permits for one-family homes over the first five months of 1970 was general for the standard metropolitan statistical areas of the state, all of these metropolitan areas experiencing increases in total value of permits for one-family dwellings. These increases ranged from a low of 8 percent for Laredo and Wichita Falls to a high of 271 percent for Abilene. Among the larger areas, Fort Worth had a 97-percent increase to take the lead. Dallas had a 53-percent increase, Houston, 63 percent, and San Antonio, 38 percent.

The standard metropolitan statistical areas showed a mixture of gains, losses, and no changes in the value of

permits issued for two-family dwelling units during the first five months of this year. Eleven metropolitan areas had increases over the first five months of 1970 with El Paso having the largest increase (3,481 percent). Waco was second, with a 608-percent increase. Eight metropolitan areas had no change in the value of construction of duplexes over the value for the first five months of 1970. Four had declines. San Antonio, with an 8-percent drop, was the only one of the state's four largest areas having a decline in this category. The large percentage changes found in total value of construction of duplexes is due in part to the relatively small volume of construction of this type.

Apartment living has become more popular in recent years, as young couples have tended to delay beginning a family for a longer period of time than was the case during the period following the end of World War II. This factor accounts in part for the heavy volume of apartment construction (\$219.0 million) during the first five months of this year. Fourteen metropolitan areas experienced increases in the total value of permits issued for apartment dwellings. Some of these increases were extremely large because of the small volume of apartment building in those areas during January-May 1970. Amarillo, Texarkana, and

Tyler had increases of 4,003 percent, 2,880 percent, and 2,946 percent, respectively. Two of the state's four largest standard metropolitan statistical areas had increases over the first five months of last year. These were Fort Worth (89 percent) and Houston (67 percent). Dallas had a 10-percent decrease and San Antonio an 8-percent decrease. The increase for the entire state was 32 percent over the January-May 1970 level. In reports of permits issued by SMSA's the apartment category includes 3- and 4-family dwellings, which were up 66 percent, bringing the category total to a gain of 32 percent, whereas the category for apartments only, as reported directly to the Bureau of Business Research, was up only 23 percent.

Nonresidential building authorized in the state has followed a steady upward course during the past four months, rising from a level of 266.6 percent of the 1957-1959 base value in January to 289.6 percent in May. This category of building activity did not suffer the severe decline in 1969 that residential building suffered. This difference was due to the facts that the sources of financing of nonresidential structures vary from those of residential, and that lead-times in planning, building, and consequently, in financing commitments for nonresidential structures also differ from those of residential building.

BUILDING AUTHORIZED IN TEXAS (Top thirty cities ranked in descending order of total value)

City	New dwelling units						New nonresidential			Total construction*		
	Value in dollars			Number			Value in dollars			Value in dollars		
	Jan-May		% chng	Jan-May		% chng	Jan-May		% chng	Jan-May		% chng
	1971	1970		1971	1970		1971	1970		1971	1970	
Houston	100,077,786	59,357,343	69	10,867	6,254	74	111,650,427	95,630,827	17	263,449,739	183,951,247	43
Dallas	59,491,391	47,405,489	25	6,889	5,185	33	44,075,159	89,704,408	- 51	114,149,811	149,347,167	- 24
Austin	37,029,000	27,130,000	36	2,806	2,006	40	20,915,401	18,974,467	10	61,606,045	49,394,248	25
Fort Worth	14,682,502	9,866,200	49	1,286	989	30	30,039,490	13,709,919	119	49,920,070	31,712,847	57
El Paso	29,416,888	22,329,009	32	2,111	2,040	3	15,417,827	13,339,461	16	49,480,845	39,074,141	27
San Antonio . . .	18,198,027	16,442,284	11	1,766	1,684	5	15,109,406	20,318,478	- 26	46,930,653	41,279,342	14
Corpus Christi	13,194,036	5,360,184	146	1,041	545	91	10,477,729	5,468,402	92	32,968,891	12,594,417	162
Lubbock	14,199,930	6,277,386	126	820	428	92	5,867,129	4,282,256	37	21,297,400	12,935,634	65
Denton	5,917,184	6,439,950	- 8	401	475	- 16	10,778,198	316,606	3,304	17,072,334	6,852,406	149
Amarillo	7,700,200	1,945,050	296	406	76	434	4,212,475	16,006,260	- 74	12,812,440	20,965,861	- 39
Waco	5,052,030	3,672,450	38	400	256	56	5,307,916	14,136,604	- 62	11,773,011	18,886,632	- 38
Pasadena	6,582,880	6,415,116	3	631	497	27	4,243,772	1,514,001	180	11,427,518	8,677,083	32
Grand Prairie . .	7,300,510	9,274,707	- 21	367	639	- 43	2,942,154	992,345	196	11,036,380	10,951,325	1
Wichita Falls	5,225,172	3,369,562	55	510	421	21	4,264,410	604,499	605	10,377,709	4,444,386	134
Carrollton	5,564,600	1,772,000	214	399	92	334	4,219,500	711,000	493	10,045,124	2,593,040	287
Baytown	4,883,843	2,535,465	93	462	180	157	4,756,748	1,728,946	175	9,991,418	4,492,362	122
Mesquite	6,297,954	8,430,044	- 25	577	925	- 38	3,281,045	3,698,112	- 11	9,901,978	12,449,357	- 20
Richardson	6,001,422	3,141,811	91	327	167	96	3,492,262	2,403,516	45	9,777,775	5,850,030	67
Plano	5,330,367	4,872,878	9	383	564	- 32	2,398,100	626,722	283	7,963,966	5,623,087	42
Beaumont	4,457,110	3,451,597	29	384	361	6	1,770,934	1,675,249	6	6,898,510	5,770,655	20
Galveston	2,141,912	1,385,500	55	280	165	70	3,735,209	1,292,277	189	6,536,876	3,086,650	112
Eules	5,660,270	781,612	624	605	48	1,160	803,500	98,509	716	6,526,841	926,981	604
Midland	2,951,000	919,500	221	112	39	187	2,770,408	395,500	600	6,221,093	1,841,651	238
Tyler	4,721,100	2,302,050	105	337	113	198	920,325	4,433,500	- 79	6,182,554	7,108,360	- 13
Longview	4,444,000	2,637,000	69	196	164	20	939,900	4,560,440	- 79	5,800,000	7,598,440	- 24
Lewisville	4,676,167	2,283,520	105	343	375	- 9	683,870	335,335	104	5,565,492	2,656,330	110
San Angelo	3,335,100	1,207,552	176	363	110	230	1,678,161	2,673,106	- 37	5,353,186	4,171,155	28
Hurst	4,236,240	1,744,638	143	332	96	246	1,110,579	5,405,672	- 79	5,346,819	7,172,730	- 25
Bedford	4,178,838	1,641,262	155	403	110	266	974,000	345,432	182	5,161,938	2,002,773	158
Duncanville . . .	4,181,618	4,219,548	- 1	328	366	- 10	868,490	248,545	249	5,098,778	4,544,223	12

* Includes additions, alterations, and repairs.

The residential construction industry spent 1970 recovering from the very low level reached in 1969. In January of 1970 the index of residential construction authorized was at a level of only 117.6 percent of its 1957-1959 base value. By December 1970 it had risen to 249.9 percent. By way of contrast, the index of nonresidential construction was at 234.3 percent in January 1970, approximately twice the value of the residential index. It had risen to 349.1 by the end of 1970. This value was reached by a tremendous surge from 249.0 percent in November 1970 to 349.1 percent in December, a 100-point jump. Permits for large numbers of commercial buildings often cause this index to take very large spurts upward in single months. This difference in the factors affecting the two indexes accounts for the fact that, while the residential index is up 27 percent for the first five months of this year, the nonresidential index is up only 5 percent.

In future years the behavior of these two indexes will continue to differ, particularly because of changes in the

composition of the demand for housing. The trend toward smaller families and the increasing cost of housing will increase the demand for smaller homes and condominium apartments with associated playgrounds for children. As a result of escalating costs, the market for mobile homes will increase from its present level of more than 400,000 units a year. Increasing costs will enlarge also demand for factory-built housing other than mobile homes. The steadily increasing population of retired persons will accelerate demand for especially designed apartments and retirement villages. Ten years from now the market for housing will have changed substantially in these directions.

ESTIMATED VALUES OF BUILDING AUTHORIZED IN TEXAS*

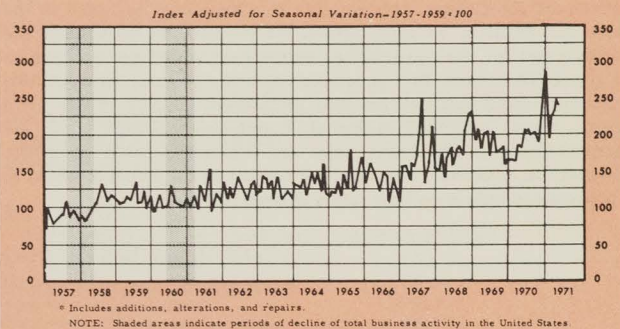
Classification	May 1971 (thousands of dollars)	Jan-May 1971	Percent change	
			May 1971 from Apr 1971	Jan-May 1971 from Jan-May 1970
ALL PERMITS	253,074	1,207,649	- 5	29
New construction	222,760	1,073,172	- 3	27
Residential				
(housekeeping)	127,721	616,671	- 5	51
One-family dwellings	78,252	374,338	- 6	69
Multiple-family dwellings	49,469	242,333	- 3	29
Nonresidential buildings	95,039	456,501	1	5
Hotels, motels, and tourist courts	3,338	25,911	46	28
Amusement buildings	1,013	17,833	1	- 47
Churches	3,073	15,285	40	- 14
Industrial buildings	4,960	37,771	- 58	- 23
Garages (commercial and private)	657	12,831	- 88	122
Service stations	1,172	7,900	- 33	34
Hospitals and institutions	2,736	19,309	- 60	- 60
Office-bank buildings	39,503	138,769	41	50
Works and utilities	5,848	22,351	106	21
Educational buildings	14,676	67,073	- 5	36
Stores and mercantile buildings	13,278	74,161	- 4	- 9
Other buildings and structures	4,785	17,307	74	51
Additions, alterations, and repairs	30,314	134,477	- 19	40
SMSA† vs. NON-SMSA				
Total SMSA	228,963	1,089,785	- 6	32
Central cities	170,276	744,772	5	20
Outside central cities	58,687	345,013	- 29	65
Total non-SMSA	24,111	117,864	7	5
10,000 to 50,000 population	14,168	59,768	29	2
Less than 10,000 population	9,943	58,096	- 13	9

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

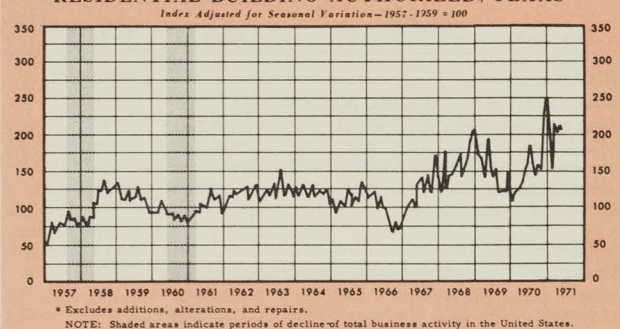
† Standard metropolitan statistical area as defined in 1960 Census and revised in 1968.

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

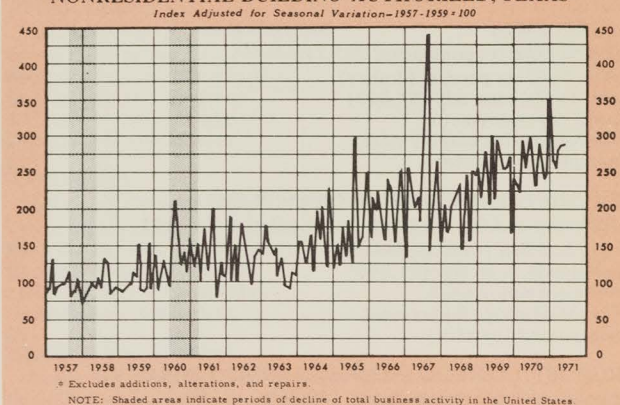
TOTAL BUILDING AUTHORIZED, TEXAS*



RESIDENTIAL BUILDING AUTHORIZED, TEXAS*



NONRESIDENTIAL BUILDING AUTHORIZED, TEXAS*



LOCAL BUSINESS CONDITIONS

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

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

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

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

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

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

Footnote symbols are defined on pp. 153 and 160.

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

Reported area and indicator	Percent change from		
	May 1971	Apr 1971	May 1970
ABILENE SMSA			
Jones and Taylor Counties; population 113,959			
Urban building permits (dollars)	2,264,567	247	247
Bank debits, seas. adj. (\$1,000)	195,360	**	12
Nonfarm employment	41,200	1	**
Manufacturing employment	5,710	1	4
Unemployed (percent)	3.9	11	22
AMARILLO SMSA			
Potter and Randall Counties; population 144,396			
Urban building permits (dollars)	2,445,750	20	94
Bank debits, seas. adj. (\$1,000)	536,450	2	11
Nonfarm employment	65,900	1	4
Manufacturing employment	8,530	**	4
Unemployed (percent)	3.4	3	**
AUSTIN SMSA			
Travis County; population 295,516			
Urban building permits (dollars)	9,452,836	- 29	- 43
Bank debits, seas. adj. (\$1,000)	900,873	7	22
Nonfarm employment	135,600	**	6
Manufacturing employment	12,060	**	2
Unemployed (percent)	2.5	39	32
BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Jefferson and Orange Counties; population 315,943			
Urban building permits (dollars)	2,946,638	19	44
Bank debits, seas. adj. (\$1,000)	556,090	**	12
Nonfarm employment	119,900	1	**
Manufacturing employment	37,400	1	- 2
Unemployed (percent)	5.6	4	22
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Cameron County; population 140,368			
Urban building permits (dollars)	657,176	- 46	35
Bank debits, seas. adj. (\$1,000)	175,766	- 4	20
Nonfarm employment	39,150	- 2	- 2
Manufacturing employment	6,210	**	- 3
Unemployed (percent)	7.6	- 3	17

Reported area and indicator	Percent change from		
	May 1971	Apr 1971	May 1970
BRYAN-COLLEGE STATION SMSA			
Brazos County; population 57,978			
Urban building permits (dollars)	...	...	...
Bank debits (\$1,000)	89,447	- 1	20
(Monthly employment reports are not available for the Bryan-College Station SMSA.)			
CORPUS CHRISTI SMSA			
Nueces and San Patricio Counties; population 284,832			
Urban building permits (dollars)	9,795,247	40	565
Bank debits, seas. adj. (\$1,000)	570,271	11	37
Nonfarm employment	95,520	**	5
Manufacturing employment	11,470	**	- 2
Unemployed (percent)	4.6	12	10
DALLAS SMSA			
Collin, Dallas, Denton, Ellis, Kaufman, and Rockwall Counties; population 1,555,950			
Urban building permits (dollars)	49,301,407	6	- 25
Bank debits, seas. adj. (\$1,000)	10,740,221	- 4	15
Nonfarm employment	709,000	**	- 3
Manufacturing employment	142,725	**	- 13
Unemployed (percent)	3.7	6	48
(Values for the construction of the Dallas-Fort Worth Regional Airport [\$45.5 million] are not included because the projected airport is not within an urban permit-issuing area.)			
EL PASO SMSA			
El Paso County; population 359,291			
Urban building permits (dollars)	11,232,032	32	125
Bank debits, seas. adj. (\$1,000)	704,866	5	29
Nonfarm employment	116,300	**	1
Manufacturing employment	24,650	**	3
Unemployed (percent)	4.9	9	2
FORT WORTH SMSA			
Johnson and Tarrant Counties; population 762,086			
Urban building permits (dollars)	42,608,902	81	255
Bank debits, seas. adj. (\$1,000)	2,460,628	13	12

Reported area and indicator	Percent change from		
	May 1971	Apr 1971	May 1970

FORT WORTH SMSA (Continued)

Nonfarm employment	294,000	**	- 4
Manufacturing employment	75,550	- 2	- 19
Unemployed (percent)	5.2	6	68

(Values for the construction of the Dallas-Fort Worth Regional Airport [\$45.5 million] are not included because the projected airport is not within an urban permit-issuing area.)

GALVESTON-TEXAS CITY SMSA

Galveston County; population 169,812

Urban building permits (dollars)	1,531,041	39	121
Bank debits, seas. adj. (\$1,000)	241,119	4	6
Nonfarm employment	59,050	**	- 11
Manufacturing employment	11,450	**	- 5
Unemployed (percent)	4.9	- 17	17

HOUSTON SMSA

Brazoria, Fort Bend, Harris, Liberty, and Montgomery Counties; population 1,985,031

Urban building permits (dollars)	64,197,790	- 17	25
Bank debits, seas. adj. (\$1,000)	9,228,923	- 2	11
Nonfarm employment	872,800	**	1
Manufacturing employment	147,500	**	**
Unemployed (percent)	3.0	11	25

LAREDO SMSA

Webb County; population 72,859

Urban building permits (dollars)	1,123,812	71	- 48
Bank debits, seas. adj. (\$1,000)	83,999	**	21
Nonfarm employment	25,600	**	2
Manufacturing employment	1,450	1	- 5
Unemployed (percent)	9.9	- 5	3

LONGVIEW-KILGORE-GLADEWATER METROPOLITAN AREA

Gregg County; population 75,929

Urban building permits (dollars)	1,186,300	- 10	15
Bank debits (\$1,000)	124,733	- 6	15
Nonfarm employment	35,600	**	1
Manufacturing employment	10,130	- 1	1
Unemployed (percent)	4.3	5	23

(Building permits and bank debits are included for those portions of Kilgore and Gladewater in Rusk County and Upshur County.)

LUBBOCK SMSA

Lubbock County; population 179,295

Urban building permits (dollars)	3,815,524	- 39	18
Bank debits, seas. adj. (\$1,000)	434,821	**	26
Nonfarm employment	67,850	1	7
Manufacturing employment	7,710	1	7
Unemployed (percent)	4.1	14	- 23

McALLEN-PHARR-EDINBURG SMSA

Hidalgo County; population 181,535

Urban building permits	...	...	...
Bank debits, seas. adj. (\$1,000)	170,854	4	25
Nonfarm employment	46,700	- 3	2
Manufacturing employment	4,460	5	- 5
Unemployed (percent)	6.3	13	11

MIDLAND SMSA

Midland County; population 65,433

Urban building permits (dollars)	960,246	- 74	49
Bank debits, seas. adj. (\$1,000)	168,045	- 3	9
Nonfarm employment	62,600	1	**
Manufacturing employment	5,250	1	3
Unemployed (percent)	3.9	**	22

(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)

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

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

Reported area and indicator	Percent change from		
	May 1971	Apr 1971	May 1970

ODESSA SMSA

Ector County; population 91,805

Urban building permits (dollars)	1,239,724	15	- 5
Bank debits, seas. adj. (\$1,000)	134,633	- 2	5
Nonfarm employment	62,600	1	**
Manufacturing employment	5,250	1	3
Unemployed (percent)	3.9	**	22

(Employment data are reported for the combined Midland and Odessa SMSA's since employment figures for Midland and Ector Counties, composing one labor-market area, are recorded in combined form by the Texas Employment Commission.)

SAN ANGELO SMSA

Tom Green County; population 71,047

Urban building permits (dollars)	666,235	- 40	75
Bank debits, seas. adj. (\$1,000)	121,206	- 5	19
Nonfarm employment	24,000	1	**
Manufacturing employment	4,250	**	8
Unemployed (percent)	4.3	19	19

SAN ANTONIO SMSA

Bexar and Guadalupe Counties; population 864,014

Urban building permits (dollars)	7,080,024	- 56	- 13
Bank debits, seas. adj. (\$1,000)	1,670,434	- 4	19
Nonfarm employment	294,200	1	1
Manufacturing employment	35,475	1	2
Unemployed (percent)	5.0	16	11

SHERMAN-DENISON SMSA

Grayson County; population 83,225

Urban building permits (dollars)	579,578	- 58	- 14
Bank debits, seas. adj. (\$1,000)	97,462	- 1	11

(Monthly employment reports are not available for the Sherman-Denison SMSA.)

TEXARKANA SMSA

Bowie County, Texas, and Miller County, Arkansas; population 101,198

Urban building permits (dollars)	488,667	- 80	180
Bank debits, seas. adj. (\$1,000)	132,935	**	14
Nonfarm employment	39,650	**	- 3
Manufacturing employment	9,010	**	- 20
Unemployed (percent)	6.9	5	**

(Since the Texarkana SMSA includes Bowie County in Texas and Miller County in Arkansas, all data, including population, refer to the two-county region.)

TYLER SMSA

Smith County; population 97,096

Urban building permits (dollars)	2,097,830	157	84
Bank debits, seas. adj. (\$1,000)	193,564	- 3	6
Nonfarm employment	38,600	- 1	- 4
Manufacturing employment	11,800	- 1	- 10
Unemployed (percent)	3.3	3	32

WACO SMSA

McLennan County; population 147,553

Urban building permits (dollars)	2,006,459	- 66	- 70
Bank debits, seas. adj. (\$1,000)	269,106	- 5	11
Nonfarm employment	58,400	**	- 2
Manufacturing employment	11,420	1	- 8
Unemployed (percent)	4.8	2	17

WICHITA FALLS SMSA

Archer and Wichita Counties; population 127,621

Urban building permits (dollars)	2,322,194	13	276
Bank debits, seas. adj. (\$1,000)	218,537	- 1	18
Nonfarm employment	48,950	1	2
Manufacturing employment	5,880	4	9
Unemployed (percent)	3.1	- 3	3

INDICATORS OF LOCAL BUSINESS CONDITIONS FOR INDIVIDUAL MUNICIPALITIES
MAY 1971

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
ANDERSON	27,789						
Palestine	14,525	46,350	- 25	- 57	21,543	- 10	15
ANDREWS	10,372						
Andrews	8,625	28,650	54	- 85	9,037	**	15
ANGELINA	49,349						
Lufkin	23,049	354,944	- 4	67	...	...	...
ARANSAS	8,902						
Aransas Pass	5,813	...	...	...	9,982	**	33
ATASCOSA	18,696						
Pleasanton	5,407	...	...	...	6,089	- 8	14
AUSTIN	13,831						
Bellville	2,371	104,000	59	29	7,110	- 2	12
BAILEY	8,487						
Muleshoe	4,525	...	...	...	13,143	- 6	12
BASTROP	17,297						
Smithville	2,959	...	...	...	2,346	- 20	- 8
BEE	22,737						
Beeville	13,506	160,210	83	973	21,048	1	28
BELL	124,483						
Bartlett	1,622	...	...	...	1,252	- 13	17
Belton	8,696	37,500	- 60	25	...	...	...
Killeen	35,507	1,633,808	241	184	40,498	- 8	10
Temple	33,431	689,472	- 59	- 20	64,656	- 7	16
BEXAR	830,460						
(In San Antonio SMSA)							
San Antonio	654,153	6,427,400	- 58	- 15	1,636,549	- 7	21
BOWIE	67,813						
(In Texarkana SMSA)							
Texarkana	52,179	407,367	- 83	196	119,533	3	15
BRAZORIA	108,312						
(In Houston SMSA)							
Angleton	9,770	107,855	- 51	331	16,935	2	1
Clute	6,023	52,840	- 85	- 42	5,877	3	52
Freeport	11,997	29,300	- 69	...	30,648	11	22
Pearland	6,444	787,000	53	184	8,244	- 2	19
BRAZOS	57,978						
(Constitutes Bryan-College Station SMSA)							
Bryan	33,719	...	...	...	78,991	- 1	22
College Station	17,676	86,638	- 85	- 94	10,456	- 1	6
BREWSTER	7,780						
Alpine	5,971	10,000	- 65	- 30	6,635	22	39
BROWN	25,877						
Brownwood	17,368	286,655	- 19	114	...	...	...
BURLESON	9,999						
Caldwell	2,308	...	...	...	5,279	20	40
BURNET	11,420						
Marble Falls	2,209	...	...	...	7,125	- 4	32
CALDWELL	21,178						
Lockhart	6,489	128,990	...	251	8,330	- 4	14
CAMERON	140,368						
(Constitutes Brownsville- Harlingen-San Benito SMSA)							
Brownsville	52,522	379,400	- 60	80	62,471	- 8	22
Harlingen	33,503	104,856	- 49	- 35	68,073	- 10	20
La Feria	2,642	16,800	425	140	2,605	- 6	- 23
Los Fresnos	1,297	...	...	...	1,789	- 23	12
Port Isabel	3,067	...	...	...	2,995	- 8	26
San Benito	15,176	138,840	332	85	7,492	- 7	- 4

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
CASTRO	10,394						
Dimmitt	4,327	...	...	...	22,283	2	27
CHEROKEE	32,008						
Jacksonville	9,734	37,400	16	- 90	24,255	- 10	12
COLLIN	66,920						
(In Dallas SMSA)							
McKinney	15,193	83,900	- 81	- 79	15,395	- 4	18
Plano	17,872	984,898	14	- 66	23,247	19	...
COLORADO	17,638						
Eagle Lake	3,587	...	...	...	4,226	- 8	- 16
COMAL	24,165						
New Braunfels	17,859	590,500	57	94	24,235	- 6	21
COOKE	23,471						
Gainesville	13,830	64,168	- 27	- 90	19,230	- 7	8
Muenster	1,411	29,500	392	...	3,301	- 9	- 2
CORYELL	35,311						
Copperas Cove	10,818	424,594	- 4	157	3,919	- 11	16
Gatesville	4,683	...	...	...	9,165	- 5	19
CRANE	4,172						
Crane	3,427	2,600	- 90	- 75	2,581	7	8
DALLAS	1,327,321						
(In Dallas SMSA)							
Carrollton	13,855	1,836,255	- 25	852	15,537	**	59
Dallas	844,401	25,738,255	30	- 37	9,926,395	- 8	14
Farmers Branch	27,492	1,539,019	- 18	386	27,796	9	54
Garland	81,437	4,811,971	...	109	66,437	- 11	2
Grand Prairie	50,904	1,536,932	- 49	3	...	...	...
Lancaster	10,522	515,300	397	172	8,386	6	**
Mesquite	55,131	788,412	- 52	- 54	27,749	9	30
Richardson	48,582	2,459,580	- 6	108	55,640	1	10
Seagoville	4,390	53,183	- 84	- 45	19,945	41	131
DAWSON	16,604						
Lamesa	11,559	103,850	29	24	19,410	- 10	5
DEAF SMITH	18,999						
Hereford	13,414	288,080	24	46	...	...	...
DENTON	75,633						
(In Dallas SMSA)							
Denton	39,874	802,902	- 90	14	62,096	- 9	39
Justin	741	28,000	460	...	1,561	10	36
Lewisville	9,264	2,283,047	39	91	14,394	- 4	28
Pilot Point	1,663	54,270	- 18	...	2,865	- 19	20
DE WITT	18,660						
Yoakum	5,755	...	...	...	11,876	9	18
EASTLAND	18,092						
Cisco	4,160	...	...	...	4,322	- 11	- 2
ECTOR	91,805						
(Constitutes Odessa SMSA)							
Odessa	78,380	1,239,724	15	- 5	138,793	- 2	8
ELLIS	46,638						
(In Dallas SMSA)							
Ennis	11,046	...	...	...	9,516	- 9	15
Midlothian	2,322	0	...	...	2,437	2	23
Waxahachie	13,452	173,500	173	334	16,967	- 21	4
EL PASO	359,291						
(Constitutes El Paso SMSA)							
El Paso	322,261	11,222,762	32	125	718,532	8	30
ERATH	18,191						
Stephenville	9,277	148,306	21	261	15,773	8	10
FANNIN	22,705						
Bonham	7,698	26,125	- 57	- 79	...	...	...

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
FAYETTE	17,650						
Schulenburg	2,294	13,500	- 66	...	...	...	...
FORT BEND	52,314						
(In Houston SMSA)							
Richmond	5,777	155,235	62	133	8,631	- 6	- 6
Rosenberg	12,098	162,977	- 42	77	9,025	- 3	...
GAINES	11,593						
Seagraves	2,440	400	- 96	- 96	2,959	- 5	13
Seminole	5,007	0	...	...	6,249	- 7	7
GALVESTON	169,812						
(Constitutes Galveston-Texas City SMSA)							
Dickinson	10,776	...	...	...	13,709	- 10	2
Galveston	61,809	457,117	- 26	31	151,267	- 1	14
La Marque	16,131	196,514	111	356	18,009	- 7	- 3
Texas City	38,908	877,410	123	193	34,448	- 9	- 11
GILLESPIE	10,553						
Fredericksburg	5,326	236,900	70	96	16,169	- 5	11
GONZALES	16,375						
Nixon	1,925	11,000	...	- 30	...	...	...
GRAY	26,949						
Pampa	21,726	48,700	2	...	35,771	- 4	2
GRAYSON	83,225						
(Constitutes Sherman- Denison SMSA)							
Denison	24,923	175,730	- 81	95	30,003	**	2
Sherman	29,061	395,348	- 14	- 29	66,202	9	27
GREGG	75,929						
(Constitutes Longview-Kilgore- Gladewater Metropolitan Area)							
Gladewater	5,574	98,400	21	50	6,910	- 4	17
Kilgore	9,495	83,900	89	- 20	19,066	- 5	19
Longview	45,547	1,004,000	- 16	17	98,757	- 6	14
GUADALUPE	33,554						
(In San Antonio SMSA)							
Schertz	4,061	479,436	...	67	1,260	10	50
Seguin	15,934	312,099	425	87	21,054	- 12	11
HALE	34,137						
Hale Center	1,964	0	...	...	...	...	...
Plainview	19,096	937,800	...	...	52,976	- 1	4
HARDEMAN	6,795						
Quanah	3,948	0	...	...	6,291	- 2	13
HARDIN	29,996						
Silsbee	7,271	...	...	...	12,668	**	29
HARRIS	1,741,912						
(In Houston SMSA)							
Baytown	43,980	1,961,058	- 68	207	74,390	3	45
Bellaire	19,009	64,240	- 87	43	65,322	- 2	30
Deer Park	12,773	430,338	- 38	47	14,189	- 10	43
Houston	1,232,802	55,036,580	- 8	22	8,458,900	- 4	14
Humble	3,278	151,000	- 60	66	10,329	- 7	21
La Porte	7,149	171,050	80	...	5,470	2	- 3
Pasadena	89,277	3,063,914	- 25	- 14	...	...	...
South Houston	11,527	80,441	- 92	197	...	...	...
Tomball	2,734	...	...	...	17,180	**	23
HARRISON	44,841						
Hallsville	1,038	...	...	...	1,387	4	31
Marshall	22,937	85,279	...	63	30,331	- 5	10
HASKELL	8,512						
Haskell	3,655	31,200	...	107	4,374	- 5	1
HAYS	27,642						
San Marcos	18,860	1,563,935	236	57	15,256	- 12	14

COUNTY City	Population *	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
HENDERSON	26,466						
Athens	9,582	178,000	- 36	- 44	16,143	- 4	14
HIDALGO	181,535						
(Constitutes McAllen-Pharr- Edinburg SMSA)							
Alamo	4,291	...	...	...	3,265	- 2	- 1
Donna	7,365	5,468	- 12	- 91	4,664	- 26	16
Edinburg	17,163	1,018,550	619	315	26,644	- 12	11
Elsa	4,400	...	...	...	4,951	- 5	33
McAllen	37,636	493,365	- 7	119	71,487	5	40
Mercedes	9,355	61,500	...	50	8,380	**	6
Mission	13,043	100,776	- 6	26	20,917	2	23
Pharr	15,829	...	...	...	7,001	- 5	11
San Juan	5,070	11,000	479	- 50	4,115	3	42
Weslaco	15,313	224,660	26	335	17,970	- 10	21
HOCKLEY	20,396						
Levelland	11,445	833,089	422	...	20,849	- 13	16
HOOD	6,368						
Granbury	2,473	...	...	...	2,872	5	- 19
HOPKINS	20,710						
Sulphur Springs	10,642	218,600	- 24	- 21	29,134	**	23
HOWARD	37,796						
Big Spring	28,735	269,261	699	...	56,901	- 9	28
HUNT	47,948						
Greenville	22,043	461,324	370	234	28,514	- 8	9
HUTCHINSON	24,443						
Borger	14,195	179,600	136	605	...	...	...
JACKSON	12,975						
Edna	5,332	78,450	219	228	8,672	- 9	**
JASPER	24,692						
Jasper	6,251	5,000	- 73	- 91	16,229	- 5	10
Kirbyville	1,869	...	...	...	3,043	- 8	9
JEFFERSON	244,773						
(In Beaumont-Port Arthur- Orange SMSA)							
Beaumont	115,919	986,493	- 21	- 36	329,071	- 6	8
Groves	18,067	247,917	78	57	17,184	- 3	23
Nederland	16,810	...	...	...	12,386	7	26
Port Arthur	57,371	1,331,368	292	...	110,755	- 4	27
Port Neches	10,894	268,650	- 7	208	19,983	11	11
JIM WELLS	33,032						
Alice	20,121	...	...	...	49,901	19	7
JOHNSON	45,769						
(In Fort Worth SMSA)							
Cleburne	16,015	93,425	- 62	- 86	24,003	- 15	12
KARNES	13,462						
Karnes City	2,926	17,300	- 35	9	...	...	...
KAUFMAN	32,392						
(In Dallas SMSA)							
Terrell	14,182	108,400	7	13	...	...	...
KIMBLE	3,904						
Junction	2,654	11,000	- 42	- 96	2,915	- 15	8
KLEBERG	33,166						
Kingsville	28,711	373,585	- 15	40	24,514	- 8	9
LAMAR	36,062						
Paris	23,441	112,700	- 57	- 60	...	...	...
LAMB	17,770						
Littlefield	6,738	0	...	...	9,328	- 6	16
LAMPASAS	9,323						
Lampasas	5,922	346,950	...	466	11,596	- 7	- 7

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
LAVACA	17,903						
Hallettsville	2,712	83,365	118	252	4,342	- 12	14
Yoakum	5,755	...	...	...	11,876	9	18
LEE	8,048						
Giddings	2,783	31,923	91	- 6	6,798	- 4	7
LIBERTY	33,014						
(In Houston SMSA)							
Dayton	3,804	40,200	- 60	...	7,951	16	21
Liberty	5,591	40,650	48	- 21	11,458	- 25	- 7
LIMESTONE	18,100						
Mexia	5,943	34,700	494	27	9,431	- 15	- 5
LLANO	6,979						
Kingsland (1969)	1,200	...	...	...	8,046	14	81
Llano	2,608	141,050	...	...	7,440	19	37
LUBBOCK	179,295						
(Constitutes Lubbock SMSA)							
Lubbock	149,101	3,815,524	- 38	18	370,994	- 5	25
Slaton	6,583	0	...	...	6,561	2	28
LYNN	9,107						
Tahoka	2,956	16,000	- 89	...	5,057	9	2
McCULLOCH	8,571						
Brady	5,557	139,035	72	181	9,039	- 15	- 2
McLENNAN	147,553						
(Constitutes Waco SMSA)							
McGregor	4,365	98,300	555	...	5,047	- 2	12
Waco	95,326	1,892,609	- 67	- 72	238,407	- 12	9
MATAGORDA	27,913						
Bay City	11,733	78,750	- 5	140	21,127	- 4	2
MAVERICK	18,093						
Eagle Pass	15,364	484,625	297	833	13,673	- 6	19
MEDINA	20,249						
Castroville	1,893	...	...	...	1,457	- 5	7
Hondo	5,487	107,400	59	133	5,573	- 1	2
MIDLAND	65,433						
(Constitutes Midland SMSA)							
Midland	59,463	960,246	- 74	49	172,369	- 5	11
MILAM	20,028						
Cameron	5,546	66,000	210	- 11	8,299	- 7	24
Rockdale	4,655	13,800	- 69	- 81	8,285	- 13	2
MILLS	4,212						
Goldthwaite	1,693	...	...	...	7,239	- 4	10
MITCHELL	9,073						
Colorado City	5,227	...	...	...	5,173	- 16	**
MONTGOMERY	49,479						
(In Houston SMSA)							
Conroe	11,969	220,219	- 65	93	45,446	2	22
MOORE	14,060						
Dumas	9,771	134,901	41	31	...	...	...
NACOGDOCHES	36,362						
Nacogdoches	22,544	547,117	23	61	35,738	- 1	7
NAVARRO	31,150						
Corsicana	19,972	306,479	...	935	30,615	- 22	2
NOLAN	16,220						
Sweetwater	12,020	24,300	33	693	20,473	- 8	29
NUECES	237,544						
(In Corpus Christi SMSA)							
Bishop	3,466	...	...	...	2,724	14	- 8
Corpus Christi	204,525	9,295,706	42	724	453,454	- 1	32
Port Aransas	1,218	...	...	...	1,261	13	26
Robstown	11,217	147,251	- 1	- 9	19,080	6	48

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
ORANGE (In Beaumont-Port Arthur- Orange SMSA)	71,170						
Orange	24,457	82,235	- 82	- 38	52,140	- 6	17
PALO PINTO Mineral Wells	28,962						
	18,411	286,240	652	- 5	29,511	- 8	- 8
PANOLA Carthage	15,894						
	5,392	137,500	- 63	- 42	5,928	5	20
PARKER Weatherford	33,888						
	11,750	60,100	- 40	- 83	24,801	- 1	- 1
PARMER Friona	10,509						
	3,111	28,850	53	- 72	20,939	- 14	- 11
PECOS Fort Stockton	13,748						
	8,283	50,450	237	143	...	...	...
POTTER (In Amarillo SMSA)	90,511						
Amarillo	127,010	2,324,725	24	91	496,500	- 3	14
RANDALL (In Amarillo SMSA)	53,885						
Amarillo (See Potter)							
Canyon	8,333	121,025	- 19	172	10,005	- 6	3
REEVES Pecos	16,526						
	12,682	36,695	...	...	20,126	- 20	- 3
REFUGIO Refugio	9,494						
	4,340	5,000	...	- 59	4,404	- 17	- 1
RUSK Henderson	34,102						
	10,187	147,448	81	80	19,436	- 5	19
Kilgore	9,495	83,900	89	- 20	19,066	- 5	19
SAN PATRICIO (In Corpus Christi SMSA)	47,288						
Aransas Pass	5,813	...	...	...	9,982	**	33
Sinton	5,563	16,846	- 80	- 98	10,491	12	53
SAN SABA San Saba	5,540						
	2,555	30,825	85	119	8,105	1	- 9
SCURRY Snyder	15,760						
	11,171	80,150	- 59	- 19	17,605	- 10	12
SHACKELFORD Albany	3,323						
	1,978	26,000	...	...	3,552	- 2	8
SHERMAN Stratford	3,657						
	2,139	23,500	- 85	...	11,614	2	- 6
SMITH (Constitutes Tyler SMSA)	97,096						
Tyler	57,770	2,009,830	155	90	180,749	- 6	7
STEPHENS Breckenridge	8,414						
	5,944	7,000	- 64	- 96	...	...	...
SUTTON Sonora	3,175						
	2,149	1,275	70	410	2,700	- 32	- 2
TARRANT (In Fort Worth SMSA)	716,317						
Arlington	90,643	5,175,684	- 57	85	100,261	- 9	- 10
Euess	19,316	3,352,706	...	...	23,147	26	106
Fort Worth	393,476	27,742,485	362	490	2,108,999	9	24
Grapevine	7,023	129,600	- 11	- 2	10,008	7	31
North Richland Hills	16,514	780,520	36	404	17,528	- 7	6
White Settlement	13,449	133,834	694	269	5,787	- 7	- 46
TAYLOR (In Abilene SMSA)	97,853						
Abilene	89,653	2,261,517	247	246	161,631	- 5	14

COUNTY City	Population*	Urban building permits			Bank debits		
		May 1971 (dollars)	Percent change from		May 1971 (thousands of dollars)	Percent change from	
			Apr 1971	May 1970		Apr 1971	May 1970
TERRY Brownfield	14,118 9,647	44,100	- 74	249	24,099	- 5	10
TITUS Mount Pleasant	16,702 8,877	200,000	49	152	...	...	...
TOM GREEN (Constitutes San Angelo SMSA) San Angelo	71,047 63,884	666,235	- 40	75	121,339	- 4	21
TRAVIS (Constitutes Austin SMSA) Austin	295,516 251,808	9,420,836	- 29	- 43	967,607	14	15
UPSHUR Gladewater	20,976 5,574	98,400	21	50	6,910	- 4	17
UPTON McCamey	4,697 2,647	...	...	...	2,081	2	12
UVALDE Uvalde	17,348 10,764	138,400	- 25	- 91	23,412	**	5
VAL VERDE Del Rio	27,471 21,330	303,397	199	130	26,616	6	33
VICTORIA Victoria	53,766 41,349	588,356	- 6	125	101,213	- 13	12
WALKER Huntsville	27,680 17,610	16,500	- 90	- 97	22,395	- 3	- 27
WARD Monahans	13,019 8,333	2,250	41	- 85	13,030	- 4	13
WASHINGTON Brenham	18,842 8,922	108,798	- 63	- 38	21,428	- 12	15
WEBB (Constitutes Laredo SMSA) Laredo	72,859 69,024	1,123,812	71	- 48	88,628	- 2	20
WHARTON El Campo	36,729 8,563	55,590	169	47	17,622	- 9	2
WICHITA (In Wichita Falls SMSA)	121,862						
Burkburnett	9,230	62,347	12	120	9,865	7	8
Iowa Park	5,796	10,300	- 88	- 62	4,033	- 4	6
Wichita Falls	97,564	2,249,547	18	300	194,686	- 3	21
WILBARGER Vernon	15,355 11,454	1,266,143	...	...	23,904	- 9	16
WILLACY Raymondville	15,570 7,987	19,400	256	198	13,150	**	41
WILLIAMSON Bartlett	37,305 1,622	...	...	...	1,252	- 13	17
Georgetown	6,395	542,950	86	...	12,198	12	51
Taylor	9,616	49,900	- 70	...	13,072	- 6	4
WINKLER Kermit	9,640 7,884	11,550	- 70	...	...	...	...
WISE Decatur	19,687 3,240	93,500	648	...	5,551	- 22	1
YOUNG Graham	15,400 7,477	59,825	11	263	16,319	1	31
Olney	3,624	24,000	- 59	133	6,703	- 3	36
ZAVALA Crystal City	11,370 8,104	44,855	- 54	- 58	6,633	- 7	8

* For 1970 unless otherwise indicated.

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

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

BAROMETERS OF TEXAS BUSINESS

(All figures are for Texas unless otherwise indicated.)

All indexes are based on the average months for 1957-1959 except where other specification is made; all except annual indexes are adjusted for seasonal variation unless otherwise noted. Employment estimates are compiled by the Texas Employment Commission in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor. The symbols used below impose qualifications as indicated here: p—preliminary data subject to revision; r—revised data; *—dollar totals for the fiscal year to date; †—employment data for wage and salary workers only.

	May 1971	Apr 1971	May 1970	Year-to-date average	
				1971	1970
GENERAL BUSINESS ACTIVITY					
Estimates of personal income					
(millions of dollars, seasonally adjusted)	\$ 3,510 ^P	\$ 3,533 ^P	\$ 3,278 ^r	\$ 3,477	\$ 3,213
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	\$ 847.4 ^P	\$ 841.4 ^P	\$ 799.7 ^r	\$ 836.7	\$ 790.5
Wholesale prices in U.S. (unadjusted index)	120.7	120.2	116.8	119.8	116.5
Consumer prices in U.S. (unadjusted index)	140.5	139.8	134.6	139.4	133.2
Business failures (number) . . . . .	...	52	29	...	42
Business failures (liabilities, thousands)	\$...	\$ 3,967	\$ 2,494	\$...	\$ 4,767
Sales of ordinary life insurance (index) . . . . .	...	274.5	248.7	...	249.7
PRODUCTION					
Total electric-power use (index)	285.4 ^P	289.3 ^P	260.3 ^r	277.6	256.4
Industrial electric-power use (index)	240.4 ^P	253.0 ^P	227.6 ^r	241.5	229.9
Crude-oil production (index)	129.1 ^P	125.8 ^P	123.4 ^r	126.0	121.1
Average daily production per oil well (bbl.)	18.1	18.3	17.1	18.3	17.1
Crude-oil runs to stills (index)	144.1	141.4	136.4	140.7	132.0
Industrial production in U.S. (index)	167.3 ^P	166.2 ^P	169.0 ^r	165.9	170.2
Texas industrial production—total (index)	181.7 ^P	181.1 ^P	177.6 ^r	180.4	179.4
Texas industrial production—total manufactures (index)	199.6 ^P	198.9 ^P	198.1 ^r	198.8	201.8
Texas industrial production—durable manufactures (index)	197.6 ^P	196.5 ^P	212.3 ^r	199.8	218.8
Texas industrial production—nondurable manufactures (index)	200.9 ^P	200.5 ^P	188.6 ^r	198.1	190.5
Texas industrial production—mining (index)	139.1 ^P	138.6 ^P	133.8 ^r	136.9	132.5
Texas industrial production—utilities (index)	275.9 ^P	275.9 ^P	255.2 ^r	275.4	258.1
Urban building permits issued (index)	240.0	248.9	206.2	228.9	179.9
New residential building authorized (index)	206.4	211.3	156.5	197.6	131.3
New nonresidential building authorized (index)	289.6	285.3	298.5	275.3	261.5
AGRICULTURE					
Prices received by farmers (unadjusted index, 1910-14=100)	294	279	267	281	276
Prices paid by farmers in U.S. (unadjusted index, 1910-14=100)	410	407	389	405	387
Ratio of Texas farm prices received to U.S. prices paid by farmers	72	69	69	70	72
FINANCE					
Bank debits (index)	332.9	348.1	287.0	333.7	295.6
Bank debits, U.S. (index)	381.2	399.1	345.3	387.1	340.6
Reporting member banks, Dallas Federal Reserve District					
Loans (millions)	\$ 6,786	\$ 6,728	\$ 5,926	\$ 6,687	\$ 5,987
Loans and investments (millions)	\$ 9,942	\$ 9,883	\$ 8,467	\$ 9,742	\$ 8,568
Adjusted demand deposits (millions)	\$ 3,759	\$ 3,580	\$ 3,296	\$ 3,537	\$ 3,280
Revenue receipts of the state comptroller (thousands)	\$380,237	\$320,893	\$381,685	\$ 309,322	\$ 278,924
Federal Internal Revenue collections (thousands)	\$863,926	\$950,572	\$917,967	\$7,099,503*	\$6,711,511*
Securities registrations—original applications					
Mutual investment companies (thousands)	\$ 22,595	\$ 33,031	\$ 26,748	\$ 219,547*	\$ 291,251*
All other corporate securities					
Texas companies (thousands)	\$ 33,557	\$ 18,489	\$ 0	\$ 138,204*	\$ 100,188*
Other companies (thousands)	\$ 24,792	\$ 25,789	\$ 9,782	\$ 186,227*	\$ 246,090*
Securities registration—renewals					
Mutual investment companies (thousands)	\$ 26,450	\$ 36,672	\$ 39,833	\$ 329,405*	\$ 284,661*
Other corporate securities (thousands)	\$ 3,479	\$ 5,654	\$ 9,913	\$ 14,778*	\$ 20,113*
LABOR					
Total nonagricultural employment in Texas (index)†	147.5 ^P	147.3 ^P	147.7 ^r	147.5	147.6
Manufacturing employment in Texas (index)†	146.2 ^P	146.2 ^P	155.0 ^r	146.6	156.2
Average weekly hours—manufacturing (index)†	100.0 ^P	99.3 ^P	99.3 ^r	99.5	99.5
Average weekly earnings—manufacturing (index)†	158.4 ^P	157.7 ^P	149.7 ^r	156.8	149.1
Total nonagricultural employment (thousands)†	3,643.0 ^P	3,636.0 ^P	3,648.9 ^r	3,621.1	3,624.4
Total manufacturing employment (thousands)†	706.0 ^P	706.6 ^P	748.4 ^r	707.3	754.0
Durable-goods employment (thousands)†	374.1 ^P	372.8 ^P	415.0 ^r	374.0	421.5
Nondurable-goods employment (thousands)†	331.9 ^P	333.8 ^P	333.4 ^r	333.3	332.5
Total civilian labor force in selected labor-market areas (thousands)	3,527.5	3,503.4	3,512.1	3,492.7	3,465.7
Nonagricultural employment in selected labor-market areas (thousands)	3,290.6	3,282.3	3,301.5	3,275.6	3,282.1
Manufacturing employment in selected labor-market areas (thousands)	590.1	590.3	631.6	591.1	637.0
Total unemployment in selected labor-market areas (thousands)	145.4	133.6	116.9	137.5	101.8
Percent of labor force unemployed in selected labor-market areas	4.1	3.8	3.3	3.9	2.9

THE TEXAS WINTER GARDEN COMMERCIAL COOL-SEASON VEGETABLE PRODUCTION

by

James Weeks Tiller, Jr.

The luxury of "garden fresh" vegetables during the winter months for consumers throughout the United States is provided almost entirely by specially favored sections of only four states—California, Arizona, Florida, and Texas—where climatic conditions allow the winter production of vegetables. The Winter Garden of Texas, one of these climatically fortunate regions, includes the areas of concentrated cool-season vegetable production in Uvalde, Zavala, Dimmit, and northwestern Frio Counties. This region makes a significant contribution to the ever-increasing market for year-round fresh vegetables.

According to the United States Department of Agriculture, winter vegetables are those whose most active harvest occurs during the months of January, February, and March. In the Winter Garden of Texas the major vegetables harvested during this period are beets, broccoli, cabbage, carrots, cauliflower, lettuce, spinach, and onions.

Dr. James Weeks Tiller, Jr., professor of geography at Louisiana State University, in New Orleans, applied his interest, as a geographer, in man's use of his environment to this limited area in a concentrated study of all the conditions relevant to vegetable production. His study considered the area's physical environment (geomorphology-hydrology, climate, soils, and native vegetation), its economic history, its water problems, its labor situation, its problems in marketing. Dr. Tiller evaluated all of these conditions in order to make suggestions for solution of the existing problems. The conditions and the suggestions are interestingly and informatively presented in this report of his study.

The presentation is enriched by twenty-five highly informative tables, twenty-five interestingly illustrative figures, and forty-one meaningful halftone photographs.

The Bureau of Business Research is pleased to present as No. 33 in its series of Research Monographs this definitive study of an area important to the economy of Texas and of the nation.

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