Researcher Says Unknown Products Boost Economy

An A&M researcher says the manufacture of products that are practically unknown to the average citizen boosts the state's economy by around \$12 billion a year, give or take a couple of

Norman C. Whitehorn of the Texas Engineering Experiment Station's Industrial Economics Research Division uses a "multiplier effect" formula developed by the governor's office to place the economic impact of the state's petrochemical industry between \$10.5 and \$14.6 billion annually.

Whitehorn's 80-page "Economic Analysis of the Texas Petro-chemical Industry," released this week, is the first published calculation of the giant industry's value to the state. The research was accomplished with support from A&M's Sea Grant College

Experts See No Early Easing Of **Energy Crisis**

AUSTIN-Experts offer little hope for an early easing of the energy crisis, and Railroad Commission Chairman Jim Langdon warns a lot more oil and gas is being used than is being found.

A House committee studying the crisis heard a national authority's grim opinion that "there is no way out."

Dr. John McKetta, past chairman of the National Energy Policy Committee, said President Nixon should declare a national emergency, since it's too late for problem studies in the area.

Langdon told the same committee legislative efforts to cope with the problem will be frustrating because solutions must be sought at the national level.

Although the state regulatory agency has been permitting 100 per cent production for more than a year, Langdon said Texas producers are still falling short of demand for oil by 400,000 barrels a day, or roughly 10 per cent. Atty. Gen. John Hill termed the situation "extremely critical," and said no other matter should

receive more attention today. As the commission set the July oil allowable at 100 per cent for the 16th straight month (with buyers seeking a record 3.8 million barrels a day), Langdon issued a new warning that only nine million barrels of oil a month are being added to Texas supplies while 105 million barrels are consumed in the same period.

"Unless this trend is reversed, the Texas oil and gas industry is in the process of self-liquidation," said Langdon.

Texas crude oil stocks as of June 8 were 94.7 million barrels, a decline of 7.2 million from 1972.

Graduates May Order **Announcements**

Summer graduates may order graduation announcements through July 6.

Orders should be placed at the Student Finance Office, on the second floor of the new Memorial Student Center. Orders will be taken Monday through Friday between 8 a.m. and 4 p.m.

A&M summer commencement is Aug. 17. It will be the first summer graduation ceremony in Texas A&M history.

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The petrochemical industry

uses raw petroleum materials, primarily liquified petroleum gas (LPG) and certain components of crude oil, to produce a broad array of "basic" petrochemicals and, through further processing, an even wider range of deriva-

These products reach the consumer as components of a variety of everyday materials such as

and pharmaceuticals.

Whitehorn's analysis excludes all fuel and energy products such as gasoline, kerosene, fuel oil and energy products such as gasoline, kerosene, fuel oil and natural gas used for fuel.

In 1971 82 firms operated 139 chemical plants valued at more than \$6 billion, Whitehorn reports. Sixty-seven percent of these plants, containing almost

are in the 36-county coastal zone, near refineries and water and

rail transportation systems. Eighty percent of the plant capacity is directly on or near the Intracoastal Waterway. More than one-fourth of the finished

products are shipped by barge. The Texas Gulf Coast has the greatest concentration of chemical plants in the U.S., producing more than 40 percent of its basic

plastics, fibers, synthetic rubber 90 percent of the total capacity, petrochemicals, 80 percent of its dicts the industry will grow synthetic rubber and 60 percent of its sulfur.

Whitehorn estimates the state's total production of petrochemicals at between 75 and 85 billion pounds in 1971. Ethylene is produced in greatest quantity, with propylene and benzene next. Products shipped by the industry in 1970 were valued at \$4.4 bil-

Looking ahead, Whitehorn pre-

steadily at seven to eight percent annually for the next few years. He says the two greatest problems facing the industry are the availability and costs of feed-

stocks and energy sources. As the result of increasing demands for fuel and petrochemical products, he expects the industry will shift away from lighter petroleum gasses as its primary feedstocks.

In ethylene production, for e ample, Whitehorn says feedstocks will change from near all LPG at present to 57 perce LPG by 1980, with the balan coming from the heavy liqu of naphtha and gas-oil crackin This shift will require substant

plant modifications. Whitehorn also sees increas recycling of plastics and synthe ic rubber as a possible means meeting increased demands.

