

## **Our Changing Economy**

# **More U. S. Hiring Could Bring Boom**

*By Philip Stoddard Brown*

**T**HE number of civilian and military persons at work in the Washington area in December, 1958, was almost exactly the same as in December, 1957.

Payrolls of Federal and local government agencies in December were about 10 per cent, or \$3 million a week, greater, than the year before. In the private sector, the percentage increase was not quite as great, although in a few industries—printing and publishing, for example—it was greater.

Department-store sales in December and first half of January were about 10 per cent higher than a year ago. Sales of new cars and household appliances were also very much higher.

Sales of electric household appliances, in fact, were higher than the Electric Institute previously estimated. The total for the year in the Pepco area, was \$78.7 million, higher than in the previous record year, 1955. TV sets accounted for 19 per cent of this total.



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### ***Building Rises 60%***

Construction activity was remarkable, in view of the weather. The amount of building for which permits were issued was 60 per cent greater than a year earlier, and the number of housing units started was the highest of any December since 1954.

The near-term outlook for builders, merchants and those in the service industries is certainly good, but not of boom proportions. The backlog of authorized building is large and, in addition, there is an impressive amount of building not yet authorized that is scheduled to begin in late spring and summer. Capital outlays of the District Government presently budgeted for fiscal 1959-60 are over \$18 million more than those in the current year.

Perhaps it is worth a moment to conjecture about what could happen to change abruptly this near-term outlook.

Even a fairly modest expansion in the Federal establishment could create almost a frenzy of activity. Such an expansion might be induced by increased anxiety about national security or by a realization on the part of Congress that there is an urgent need for more public services.

### ***Recruiting Outside D. C.***

Already, the Federal Government is having to recruit outside Washington for many types of trained persons. There are almost no vacant units in the better apartment buildings. Office space is at a premium, with the Government ready to take about 200,000 square feet if it were available.

With so little slack, any emergency that necessitated even a 5 per cent increase in Federal employment in this area in a short period might cause a first-rate boom.

Another possibility is a very severe break in the stock market. (Prices, on the average, have doubled in the past 5 years, even though corporate profits are no higher than they were in 1954.) Probably some building plans would be abandoned. Sales of new cars and other expensive goods might be affected. Spending of out-of-town visitors might drop. But, all in all, the impact upon employment in the area as a whole probably would not be great, or last very long.