

Our Changing Economy

Conspicuous Waste Often Economical

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Business activity in Washington has been greater this winter than ever before. Over 97 per cent of the area's labor force has been employed. Even so, our economy is operating far below capacity—not by 1 or 2 or 3 per cent, but by 25 or 30 per cent, according to my way of thinking.

It's what we produce that's important. A man may be employed, and thereby augment the national product but produce nothing of value in any meaningful sense. The goal of economic activity isn't full employment.

Moss Hart in his autobiography describes an elaborate stage set design for the faltering third act of "Once in a lifetime." It depicted the interior of a Hollywood night club, called The Pigeon's Egg, where patrons sat at tables encased in huge cracked eggs and the waitresses were attired as pigeons, feathers and all. But despite this bold invention, the third act was still a flop and attendance continued to dwindle during the show's early run in Philadelphia. Finally, four days before the show was to open in New York, Moss Hart and George Kaufman decided to rewrite the third act. The Pigeon's Egg set and costumes that had cost \$20,000 were boldly discarded—wasted, you might say. This waste saved the play.

There's so much that should be discarded, so much that should be undertaken. Waste must be incurred to avoid greater waste.

If we in Washington indulged freely and boldly in this kind of conspicuous waste, we'd be better off. Is not the first step toward greater national security and higher living standards to reduce employment and national income—by discontinuing the production of swagger sticks,

Instead of conspicuous waste that paves the way for something more useful, we in Washington indulge in "invisible waste." For example, our financial institutions refuse to hire Negroes except as messengers and custodial workers and the same is true of most large manufacturing plants and warehouses. The building industry in the District excludes Negroes from many trades. Some of our biggest stores won't hire Negro sales clerks. All this results in gross underutilization of a large part of our labor force.

Another massive waste of resources results from the denial of job opportunities to young people, by the continual raising of age requirements, not only for the jobs themselves but for the occupations that jobs entail; driving cars, operation of elevators and other equipment, night work, rental of trucks and ownership of property.

Surely something is very wrong with a society that progressively retards its young by entrusting them with fewer responsibilities, denying them job opportunities (and hence spending money, if parents are poor) and enforcing idleness (especially during summer months).

Area Business Indicators

	January 1960	Per Cent Change 1958 to 1959
Employment (Metropolitan Area):		
Government (civilian).....	284,800	+ 2
Government (military).....	58,405	0
Private*	418,900	+ 7
Federal civilian payroll.....\$ thousands	119,829	— 2
Manufacturing payrolls....."	3,250	+12
Private construction authorized:		
Value of all building....."	21,260	—37
Number of dwelling units.....	1,092	—18
Retail trade:		
New-car registrations.....	6,361	+10
Department store sales.....1947-49=100	179	+ 9
Electric appliance sales.....\$ thousands	4,780	—18
Public utility services:		
Electric power (Pepco area)		
Commercial**	million kwh	135 + 6
Residential	"	105 — 1
Gas sales (Wash. Gas Light)		
Business	million therms	12 + 5
Residential	"	58 — 7
Telephone service		
Local calls.....	millions	79 — 4
Telephones in use.....	620,781	+ 3
Commercial banking (D. C. only):		
Value of checks written.....\$ millions	1,896	+ 3
Loans outstanding***.....	"	429 +
Newspaper advertising.....thousand lines	7,590	+10
Passenger arrivals and departures		
at National Airport.....	375,312	+10
Food Price Index (1947-49=100).....	117.3	— 2

*Except proprietors, nonsalaried doctors and lawyers, domestics and other self-employed persons for which there is no current tally.

**Excluding D. C. and U. S. Government sales.

***Excluding loans to other financial institutions and loans for carrying securities.

†Figure for 1958 is not available or comparable.