

Some Boom, Others Hurt

HW-Keynote
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Viet Buildup Effects On U.S. Cities Vary

Part 4/11/66

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United Press International

The Vietnam military buildup has brought boom times to some U.S. communities and hard times to others, a UPI survey revealed.

The communities which have felt the greatest impact—for better or worse—are those near big military bases and defense production centers.

In Delaware County, Pennsylvania—just outside Philadelphia—a sharp stepup in helicopter production has created 9000 new jobs. A Chamber of Commerce spokesman said that business is better than ever before in the County's history.

But in Columbus, Ga. merchants report a precipitate decline in sales of everything from beer to automobiles since the First Cavalry Division was transferred from nearby Fort Benning to the Vietnamese war front.

For every community where the economic effects of the expanding war are clearly discernible, the survey showed, there are many others where general prosperity has made it virtually impossible to detect specific results of the military buildup.

In Joliet, Ill. citizens were not terribly excited by the reactivation of an arsenal that will employ 4000 people. Banker William J. Roth pointed out that 60,000 people already are employed in manufacturing and service industries in the Joliet area, and three new industrial plants—not related to defense—have opened within the past year.

"Any pickup in business would be difficult to attribute specifically to Vietnam," he said.

Joliet's experience is more typical than that of either Delaware County or Columbus. Nationally, increased military spending has thus far been only one more log—and a relatively small one—on the inflationary fires of a general economic boom.

President Johnson estimated in his Budget Message to Congress that the "special costs" of Vietnam would amount to about \$10.5 billion during the coming fiscal year. That's a lot of money from

one viewpoint—but it is not a large proportion of a Gross National Product of more than \$700 billion a year.

During the three years of the Korean War, U.S. defense spending soared from 5 to 12 per cent of the Gross National Product. By contrast, defense outlays are expected to increase only one-tenth of one per centage point—from 7.5 to 7.6 per cent of the national output—between 1965 and 1967.

In a large metropolitan area, it is particularly difficult to differentiate between the economic effects of general prosperity and the specific results of the defense buildup.

In St. Louis, for example, the McDonnell Aircraft Corp. is increasing its work force from 35,000 to 42,000 to speed output of jet fighters. But the effect of this payroll boost is somewhat muted by the fact that employment was already high before the big Vietnam push.

But at Grand Island, Neb. reopening of the Cornhusker ammunition plant has had fairly dramatic effects on the local economy.

In Minneapolis reopening of the Twin Cities army ammunition plant, which will employ about 3000 persons, has so far had no detectable impact on the economy.

On the contrary several auto dealers reported a fairly sharp drop in used car sales, which they attributed to higher draft calls. Young men, it seems, are being drafted at just the age at which they would otherwise become prime prospects for used car purchases.

That Columbus, Ga., should have been hurt economically when an entire division was pulled out of Fort Benning is hardly surprising. But the survey turned up some less-obvious situations in which communities near large military bases have been adversely affected, even though no major units have been withdrawn.