

textile manufacturing. Furthermore, most of their nontextile firms were also in slow growing industries.

Two years ago, looking at metropolitan areas where defense spending is of major importance, the National Planning Association made a study of the possible impact of defense cutbacks on Baltimore and Seattle-Tacoma. The NPA was reasonably optimistic about Baltimore where 15 percent of the total civilian employment was defense-related, because Baltimore has a diversified economy with many firms in growing industries. The NPA study suggests, therefore, that even a substantial military spending cutback, if offset at the national level by tax cuts or increased spending, would bring little economic and social disruption to Baltimore.

The N.P.A. study was slightly more pessimistic about Seattle-Tacoma where 24 percent of the total civilian employment was defense-related and military personnel accounted for 6 percent of total employment. Here again, however, there was no suggestion that defense conversion would create the kind of problems that plagued New England's textile communities for so many years. The study foresaw unemployment of only 2 to 7 percent of the work force. While the N.P.A. did point out that many scientists and engineers at the dominant Boeing plant would be displaced, these professional employees are among the most mobile members of our society. In addition, the N.P.A. expected that the rising national demand for commercial airliners and the area's growing service industries would prevent major economic disturbances.

3. Even during World War II, New England's textile towns could not have been considered the Nation's most prosperous communities. The case is different, however, for today's defense-dependent metropolitan areas. Professor Weidenbaum of Washington University in St. Louis has found that as of 1963 the regions with the highest per capita incomes were receiving the bulk of the defense contracts and that low-income regions were obtaining only a small share. He concluded, therefore, that a reduction in war spending and an equivalent increase in other types of Government spending would inevitably work to the advantage of the lower income sections of the country.

My examination of military procurement data indicates that the distribution of defense contracts has changed very little since Professor Weidenbaum made his study in 1963. There is one important exception to this generalization. The proportion of defense contracts allocated to California has declined significantly in the last few years. But, on the whole, the defense contracts are still directed predominantly to the high-income manufacturing centers in the United States. Thus, with a big increase in defense spending, these areas have developed labor shortages. I am sure, for example, that the rapid rise in defense spending in 1966 and 1967 explains the extreme labor shortage which we now have in Hartford, New Britain, and New Haven, Conn., and in Manchester, N.H. A reduction in defense spending would help alleviate some of these problems by reducing labor shortages in high-income areas and bringing additional income to low-income communities.

4. One of the obvious characteristics of military procurement is that it must be concentrated in geographical areas where the average