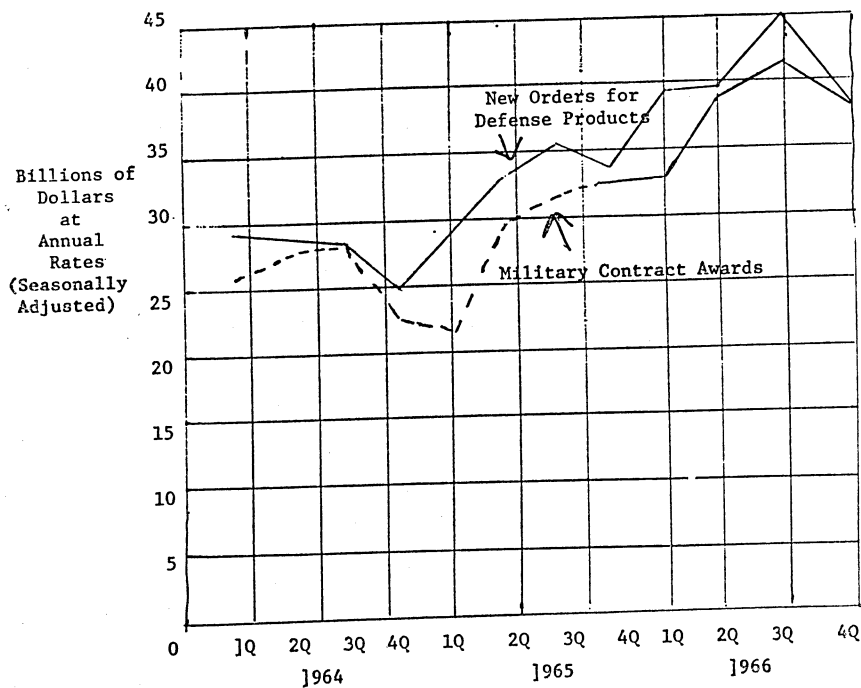


Hence, much of the difficulty in interpreting the economic implications of the Vietnam buildup are not really unique but stem from long-term deficiencies in statistical reports by the various Federal agencies.

For example, the Department of Defense data on the amount of defense contracts awarded to American business firms often do not closely correspond to the widely circulated Department of Commerce data on new orders received by American business firms for defense products during the same period (see Figure 1). Much of the explanation lies in the fact that the Commerce Department does not have precise data on the subject but must make do with rough approximations. As a result, the Commerce data contain, for example, the total contracts received by aircraft companies, including airline orders for commercial jet transports.

Figure 1: Military Contract Awards to American Business Firms and New Orders for Defense Products



Source: U.S. Departments of Commerce and Defense