

Again the baseline describes the total level at the present time, with blocks up and down describing increases and decreases. In case we deescalate the war, you can see you could have expected what would happen, but here the figures are specific and more accurate.

A reduction in output and employment in a small group of industries, rather concentrated, but with changes. You see here the percentage figures. You have over 30 percent for ordnance, aircraft, the general defense establishment, communications, electrical equipment, and so on down the line. Some place in here is the steel industry. It will change slightly in a negative direction.

On the other side a large front of industries will increase, will be required to satisfy the civilian needs which will be permitted to be satisfied better. Here you have a scale of industries, food, leather, livestock, apparel, medical, educational, other, agricultural, trade. Naturally, the percentage rise is much less than the reduction here because the total volume in each is larger and is more wisely spread.

It is noteworthy that a similar analagous picture for the second area, in which you allocate a higher proportion of resources released from military use to service of the Great Society programs, you will have a distribution of increases which are not as even. There will be certain industries, naturally direct Government activities, new construction, lumber, wood, stone, and so on, these industries which will experience a rather sharp increase in the level of employment and production.

This is quite understandable because in a sense you can say military demand is rather concentrated on particular groups of commodities, so is the demand for a produce of the sectors of the economy which specifically serve public civilian needs.

Let me come to the last aspect of that picture. The original distribution of adjustments is certainly at least as important as the industrial, and should I say from a political point of view, possibly even more important, because in our system of government, there are no Congressmen at large and Senators at large and people at large. Each lives in some State or comes from some State, and naturally, he is interested to know not what happens to the country as a whole but what happens in his particular region. So we translated that computation in regional terms.

Mind you, it is not a separate job. Obviously, you must simultaneously consider all these factors as we did, and the translation of industrial figures into regional figures essentially consists of taking into account the distribution of industrial activities of each kind between different regions of the country, and here I come to my last chart. (Chart, exhibit 4, p. 252.)

Again we have 19 regions. We group the States, and let me explain this. The left part of the little graph in each instance refers to this value, the emphasis on private consumption and investment exclusively, as a matter of fact, and the right to be more balanced, in my opinion, from the point of public needs distribution of the use of these resources with emphasis on social needs and Great Society programs.