

regional distribution coefficients to previously obtained total figures of final military and nonhousehold civilian deliveries of each kind of local good. Any other method of determining the amounts of local goods absorbed by military and nonhousehold civilian final demand in each region would be equally acceptable, provided the regional figures add up to the corresponding elements of the diagonal matrix $(\beta \hat{Q}_L^* + \alpha \hat{M}_L^*)$; i.e., provided the sum of all regional deliveries of each local good equals the corresponding total amount of military and nonhousehold civilian deliveries for the country as a whole.

One of the l rows of the rectangular matrix $X^*{}^L_L$ on the left-hand side of (8) describes the new regional outputs of the household sector, that is the level of employment attained in each region after the hypothetical shift in the relative magnitude of the military and of the nonmilitary components of final demand.

The formulae presented above describe the computations of regional output and employment figures after the shift from military to nonmilitary expenditures. If the proportionality factors α and β are set equal to 1, the formulae describe the state of the economy and, in particular, the level and regional distribution of output and employment before the shift.

III. SUMMARY OF THE PRINCIPAL FINDINGS

1. When the numerical conclusions presented are based on a straightforward application of a systematically developed theoretical theme, the results need little additional explanation. In the present instance most of the explaining was done when the procedure was described by which the primary factual information fed into an analytical machine is transformed into final figures describing the results of the entire computation. They appear in the form of tables which describe in great detail changes in the interindustrial and the interregional distribution of output and employment that would be brought about by a hypothetical 20 percent reduction in the military bill of goods, combined with a compensating proportional increase in the nonmilitary components of the final bill of goods. This nonmilitary demand comprises consumption by private households, total investment, which includes new construction, and nonmilitary governmental expenditures.

A detailed explanation of sources and methods used to obtain the basic matrix of input-output coefficients of all national and local industries, to ascertain the actual composition of the military and nonmilitary vectors of the final bill of goods for the year 1958 and last, but not least, to determine the regional distribution of the outputs of national industries and of the final military and nonmilitary demand for locally produced goods will be found in section IV below.

The number of industries in terms of which the productive apparatus of the American economy is described is 58, and the number of regions into which the territory of the continental United States was subdivided for purposes of this description is 19; thus, the total number of output and employment figures resulting from this multiregional input-output computation could exceed 1,000; in fact, since not all industries are present in all regions, the detailed tables reproduced in the appendix contain a certain number of empty cells.