

reduction in total output and employment; aircraft, ordnance, and, significantly, research and development will take large cuts of over 13 percent, while electronic equipment, nonferrous metals, and instruments will drop between 1.59 and 5.40 percent. Among the four other industries registering losses rather than gains is iron and steel, which with its token 0.04 percent cut barely maintains the traditional standing as an armament industry. Positive changes are on the other hand distributed more evenly and among a much larger number of industries.

Food products, other soft consumer goods, and services gain most, basic industries such as chemicals, petroleum products, and paper, least, printing and publishing, motor vehicles, and other branches of processing show intermediate gains a few points above and below 1 percent. The skewness of the entire distribution, specifically the bunched negative and widespread positive shifts reflect, of course, the contrast between the specialized nature of military demand and the broad product mix of the civilian.

3. The regional projection of the economic impact of disarmament is summarized in table 2. As can be seen from the percentage entries in 10 of the 19 regions employment can be expected to contract while in the other nine it will expand. The largest loss, -1.85 percent, will be experienced in California, the biggest gain, +1.54 percent, in the midwestern region comprising Minnesota and the two Dakotas.

TABLE 2.—Percentage change in output and employment by region after a compensated 20-percent cut in armament expenditures

| Region number | Region                                                            | Total net change (percent) | Total gross increase (percent) | Total gross decrease (percent) |
|---------------|-------------------------------------------------------------------|----------------------------|--------------------------------|--------------------------------|
|               |                                                                   | (1)                        | (2)                            | (3)                            |
| 19            | California                                                        | -1.85                      | 0.54                           | 2.39                           |
| 16            | Colorado, New Mexico                                              | -1.40                      | 0.67                           | 2.07                           |
| 17            | Arizona, Nevada, Utah                                             | -1.35                      | 0.69                           | 2.04                           |
| 9             | Maryland, Virginia, Delaware, West Virginia, District of Columbia | -1.36                      | 0.66                           | 2.02                           |
| 14            | Texas                                                             | -1.00                      | 0.73                           | 1.73                           |
| 18            | Oregon, Washington                                                | -0.81                      | 0.91                           | 1.72                           |
| 12            | Mississippi, Alabama                                              | -0.73                      | 0.89                           | 1.62                           |
| 8             | Georgia, North and South Carolina                                 | -0.57                      | 1.02                           | 1.59                           |
| 10            | Florida                                                           | -0.43                      | 1.12                           | 1.55                           |
| 1             | New England                                                       | -0.06                      | 1.05                           | 1.11                           |
| 13            | Arkansas, Louisiana, Oklahoma                                     | 0.21                       | 1.26                           | 1.05                           |
| 7             | Kansas, Iowa, Nebraska, Missouri                                  | 0.44                       | 1.46                           | 1.02                           |
| 11            | Kentucky, Tennessee                                               | 0.37                       | 1.31                           | 0.94                           |
| 2             | New York                                                          | 0.66                       | 1.44                           | 0.78                           |
| 3             | New Jersey, Pennsylvania                                          | 0.53                       | 1.26                           | 0.73                           |
| 15            | Idaho, Montana, Wyoming                                           | 1.28                       | 1.83                           | 0.55                           |
| 4             | Michigan, Ohio                                                    | 0.89                       | 1.43                           | 0.54                           |
| 5             | Indiana, Illinois, Wisconsin                                      | 0.93                       | 1.46                           | 0.53                           |
| 6             | Minnesota, North and South Dakota                                 | 1.54                       | 1.96                           | 0.42                           |
|               | Total United States                                               |                            | 1.16                           | 1.16                           |

Neither the shift from one industry to another, nor the move from one region to another, considered separately, measures the total magnitude of readjustments that will be required of the members of each regional labor force. Such a measure must take both into account, simultaneously. What is needed is a figure which shows what proportion of all men and women initially employed in all the different industries operating in a given region will lose their jobs and will have to look for new jobs in a different industry in the same region or