

in another region; in the latter case, the jobs they find in another region might or might not be in the same industry in which they worked before.

The figures entered in column 3 of table 2, accordingly, show what proportion of all the wage and salary earners will receive discharge notices and will have to look for new jobs. To emphasize the importance of these figures, the sequence in which the 19 regions are listed on the table reflects the order of decreasing magnitude of these "gross displacement" rates.

California, again, is at the head of the procession with the highest rate of 2.39 percent, and Minnesota with North and South Dakota ranks lowest with only 0.42 percent. A comparison of entries in column 1 with those of column 3 reveal that one region can experience a larger expansion in the total level of employment than another, but at the same time be subject to a greater stress as measured by the gross displacement figure. According to the computations the New York State region, for example, would expand its total employed labor force by 0.66 percent while the corresponding figure for the Kentucky-Tennessee region is 0.37 percent. At the same time 0.78 percent of the original jobholders in New York would have to change their jobs as against 0.94 percent in Kentucky-Tennessee.

Employment agencies might be interested in the total number of new jobs created in a particular region, *i.e.*, in the sum total of the increases in employment figures of those industries expected to expand in each region. Expressed as percentages of total labor force initially employed in the region, these "gross job gains" figures are entered in column 2. Strictly speaking, they do not present us with any new information since by definition they can be obtained simply by adding pairwise the corresponding entries in column 1 and column 3.

The regional impacts of disarmament as summarized in table 2 are described graphically on chart 1. Each set of bars depicts the impact of the same hypothetical shift from military to non-military demand on the employment situation in one of the 19 regions. The total length of the bar extended downward from the horizontal baseline measures the gross job loss (described in col. 3 in table 2). The total length of a bar extended upward represents the corresponding gross gain in jobs (described in col. 2 of table 2). The solidly shaded section of the longer of the two bars shows the difference between their length; in other words, it measures the change in the total level of employment in a particular region. That change is negative when the solid bar extends below the horizontal line, and it is positive when it is above.

The geographic picture confirms the well-known fact that most of the resources serving directly or indirectly final military demand come from the western, southwestern and southeastern regions, while the Midwest, the Great Lakes region and the North Atlantic and New England States depend to a large extent on civilian demand. A cut in military expenditures, accompanied by an expansion of the nonmilitary bill of goods, thus will create more serious readjustment problems in the first than in the second group of regions.

IV. DATA AND METHODS OF COMPUTATION

1. The basic concern of this study was to determine the regional, combined with the industrial, effects of a reduction in armaments.