

To better evaluate this inherent bias, table 8 presents data showing the distribution of subcontracts awarded to the top 10 States as determined by a special study conducted by the Office of the Assistant Secretary of Defense (Systems Analysis). The subcontracting data collected for that study was less biased than the EIS-surveyed data. It can be seen that, although there are significant differences between the two studies, eight of the top 10 appear on both lists.

TABLE 8.—10 top States ranked by defense prime and subcontracts

| State<br><br>(a)   | Special defense subcontract study <sup>1</sup> |                          | Subcontracts in EIS plants <sup>2</sup> |                          | Defense prime contracts |                          |                         |                          |
|--------------------|------------------------------------------------|--------------------------|-----------------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
|                    | Rank                                           | Percent of United States | Rank                                    | Percent of United States | Awards <sup>3</sup>     |                          | Employment <sup>4</sup> |                          |
|                    |                                                |                          |                                         |                          | Rank                    | Percent of United States | Rank                    | Percent of United States |
| (a)                | (b)                                            | (c)                      | (d)                                     | (e)                      | (f)                     | (g)                      | (h)                     | (i)                      |
| California.....    | 1                                              | 30.2                     | 1                                       | 25.9                     | 1                       | 22.1                     | 1                       | 18.6                     |
| New York.....      | 2                                              | 11.5                     | 2                                       | 14.3                     | 2                       | 9.6                      | 2                       | 7.3                      |
| New Jersey.....    | 3                                              | 7.0                      | 4                                       | 6.2                      | 9                       | 3.5                      | 9                       | 3.8                      |
| Ohio.....          | 4                                              | 6.0                      | 7                                       | 4.4                      | 8                       | 3.7                      | 6                       | 4.8                      |
| Connecticut.....   | 5                                              | 5.6                      | 5                                       | 5.2                      | 4                       | 5.1                      | 3                       | 6.0                      |
| Pennsylvania.....  | 6                                              | 5.1                      | 11                                      | 2.8                      | 7                       | 4.2                      | 5                       | 4.8                      |
| Massachusetts..... | 7                                              | 4.2                      | 3                                       | 6.4                      | 5                       | 5.1                      | 7                       | 4.7                      |
| Florida.....       | 8                                              | 2.9                      | 8                                       | 3.7                      | 11                      | 2.7                      | 10                      | 3.6                      |
| Texas.....         | 9                                              | 2.9                      | 6                                       | 4.6                      | 3                       | 6.2                      | 4                       | 5.6                      |
| Illinois.....      | 10                                             | 2.8                      | 18                                      | 1.2                      | 17                      | 1.8                      | 13                      | 2.6                      |
| Subtotal.....      |                                                | 78.2                     |                                         | 74.6                     |                         | 64.0                     |                         | 61.8                     |
| Others.....        |                                                | 21.8                     |                                         | 25.3                     |                         | 36.0                     |                         | 38.2                     |
| Total.....         |                                                | 100.0                    |                                         | 100.0                    |                         | 100.0                    |                         | 100.0                    |

<sup>1</sup> Based on dollars of subcontract awards received.

<sup>2</sup> Based on June 1966 employment generated by defense subcontracts received by EIS plants.

<sup>3</sup> Based on prime contract awards in fiscal year 1965.

<sup>4</sup> Employment on prime contracts as reported by EIS plants.

This table also presents for comparative purposes an employment and awards series for prime contracts in these same 10 States. The first series, prime contract awards, is published by the Office of the Assistant Secretary of Defense (Comptroller), while the second is derived from the EIS survey of prime contract employment. Comparing all four rankings (two for prime contracts, two for subcontracts), it is noted that eight of the top 10 States, as ranked by the DOD special subcontracting study, appear in all series. This suggests that subcontracting work is more concentrated geographically than prime contracts. Each of the prime contract series indicates that approximately 65 percent of all work is done in the top 10 States while, for subcontracting, the 10 top States account for 77 or 78 percent of all work.

As a summary of State distribution of defense impact, table 9 presents the top 10 States ranked by nine separate impact measures. The concentrated nature of defense impact is demonstrated by the fact that only 19 States appear in this table, and four of the 19 (California, New York, Texas, and Ohio) appear in all nine columns.