for rattlesnakes—are now spread over 1,400 acres of desert. The planes are stripped of reusable parts and sold to contractors, who cut them up and melt them down into ingots.) The official adds: "We junked the B-36s, and in a few years we'll be junking some of the B-52s and the B-58s. We got rid of the Snark, and in a few years we'll phase out the early Atlases in the same way we dropped the Thor and Jupiter and the Nike-Ajax."

Production of the big missiles is already tapering off. The Atlas is out of production, except for boosters needed for space shots; Titan is nearly finished; Minuteman and Polaris will be at full strength by 1966. No manned bombers are being produced. The Nike-Zeus anti-missile missile has been rejected as too costly and limited (about $14 billion to protect twenty-odd cities), and there's still grumbling in the Pentagon over the controversial, all-purpose TFX jet fighter—at $8 billion, the biggest new program now in the works.

Barring an unexpected cold-war crisis or a sudden technological breakthrough, there are no major new programs in sight. "The defense budget will level off," McNamara said in a July press conference. In private, the department's top brass are considerably more specific. Despite such built-in cost increases as a $1.2 billion annual military pay raise, Deputy Secretary Gilpatric told NEWSWEEK last week, the total budget may "go down by as much as 10 per cent over the next five years."

**Nationwide:** The cutback, due to come mainly out of the $28 billion procurement budget rather than manpower, will affect literally every state in the nation. For some—those with only a minimum commitment to defense output —the impact will be so small as to be unmeasurable; Idaho, for instance, got $8.6 million in defense contracts during fiscal 1963, less than one-tenth of 1 per cent of the procurement dollar, and Vermont was only slightly higher at $12.3 million. On the other end of the scale, California's defense plants snared a gigantic $5.8 billion, in new contract awards (chart, page 87).

In a study published earlier this year, Dr. Emile Benoit, widely respected Columbia University economist, calculated that fully 23 per cent of all factory workers in California were turning out armaments. The proportion in Kansas was even higher—30 per cent. In twelve states, in fact, 10 per cent or more of the factory hands were in defense. (The figures were based on a 1960 survey, the latest available. But the situation probably hasn't changed appreciably.)

**The Customer:** The defense commitment of many large companies is even greater. Martin Marietta, the No. 6 contractor, derives nearly 70 per cent of its $1.2 billion in sales from defense and other government contracts; North American Aviation, which will probably be the largest defense contractor this year, estimates that 97 per cent of this year's $1.8 billion sales will be to what North American executives call simply "the customer."

Such companies could suffer severely in a defense cutback. And the knowledge that they would has led some critics to assume that the so-called munitions lobby constantly pushes for more and more military spending. But exactly one year ago this week, Sen. Hubert Humphrey released a study of 370 major contractors, made by his Foreign Relations subcommittee, which supported just the opposite conclusion. "Not one, I repeat, not one of these companies," the Minnesota Democrat said on the Senate floor, "even hinted it opposed a disarmament agreement on the ground that it would cause them economic difficulty."

Almost unanimously, businessmen and economists agree that the nation would be better off, materially and spiritually, if the $52 billion spent on defense last year could have gone instead into goods and services the people can actually use. Some of the funds thus released, for instance, might be used to fill an estimated shortage of 170,000 classrooms; even in an age of affluence, 6 per cent of the homes in America lack proper bathroom facilities, 10 per cent are without television sets, only about 70 per cent have telephones.

"Arms and armies do not make good economic investments," observes William C. Foster, director of the U.S. Arms Control and Disarmament Agency. And this applies to individual companies as well as the economy as a whole. Defense contractors have long complained of low profit margins on military work.

Yet, except for a general belief in the advantages of diversifying and merging, comparatively few companies have plans to cope with an eventual defense-spending retrenchment. Despite Defense Secretary McNamara's determination to spend less buck for a bang, few firms really believe that sizable cutbacks are in the making. A prevalent attitude among state officials as well as in industry: if defense cuts come, they will hurt someone else.

"I don't think that it would affect our state too much," says Keith S. McHugh, New York commerce commissioner. Daniel Haughton, president of Lockheed Aircraft, discounts the Washington reappraisal as "not a serious threat to our industry or to the Lockheed company," and predicts that "defense and space spending will continue to grow at the rate of about 1.8 per cent a year." In Boeing's Transport Division plant near Seattle, supervisor Gerald E. Whalen proclaims his faith in the No. 3 defense contractor: "The things we make here are not going to become obsolete."

Unsettling as the Defense Department's budget plans may prove to be, a

**Titan assembly in Denver: Reaching the end of the missile line**