

TABLE I
The Effects of Military Spending

	Output		Output defl. state CPI		Employment		CPI		Pop.
	State	Region	State	Region	State	Region	State	Region	State
Prime Military Contracts	1.43 (0.36)	1.85 (0.58)	1.35 (0.36)	1.91 (0.65)	1.28 (0.29)	1.76 (0.62)	0.03 (0.18)	-0.26 (0.45)	-0.10 (0.17)
Num. Obs.	1989	390	1989	390	1989	390	1785	350	1989