

ACDA/E-130

CONTRACTOR: Resource Management Consultants, Inc.

TITLE: Defense Dependency of the Machine Tool Industry
and Disarmament Implications

DESCRIPTION: This study is designed to ascertain the defense dependency of this major capital goods producing industry as indicated by (1) the share of total machine tool shipments and advanced technology tools destined to be primarily used to produce defense items, (2) the size, composition and handling of the extensive government inventory of Machine tools. The influence of defense demand on the marketing and pricing practices of the industry, and its technological advancement can then be analyzed. The investigation of defense dependency and past industry actions will provide the basis for analyzing the implications of arms control and disarmament on the industry. Specifically, the areas of interest include (1) technological advancement, (2) the labor force and impacted communities, and (3) possible alternate markets. Recommendations for public policies to minimize adjustment difficulties will be based on the foregoing analysis.

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