

Wash., as the result of the closing of military installations important to the respective areas. Other universities in the general area of the affected communities are assisting in the Kansas study.

The National Planning Association (NPA) completed a study for the Agency in 1965 of the policy tools available for dealing with regional economic adjustment problems. One of the areas included in the study was the New London-Groton-Norwich (Connecticut) area. The study stimulated interest on the part of community leaders in southeastern Connecticut in planning for ways to cope with the uncertainties in patterns of defense spending for that area. The NPA report showed that the Electric Boat Division (at Groton) of the General Dynamics Corp. accounts directly or indirectly for about seven out of every 10 jobs in the area. Termination of the contract to build Polaris submarines has caused a serious reduction in employment.

After extensive discussions with local community leaders, ACDA and three offices of the Department of Commerce are sponsoring a study project. It will involve planning, implementation, and evaluation phases, with the Government agencies sponsoring the first and last phases. The Agencies hope to derive insights on advance planning problems of value to adjustment problems of other communities.

One way for areas like New London-Groton-Norwich to adjust to reductions in defense spending may be to convert their plant facilities to the production of goods and services for civilian markets. The possibilities for industrial conversion by the defense segment of the shipbuilding industry were investigated for the Agency by Midwest Research Institute. MRI screened 900 industries for information on production, labor skills, technology, and marketing and concluded that 55 had sufficiently similar characteristics to the shipbuilding industry to suggest that the latter can diversify to the products of those industries. The shipbuilding study supplements other studies sponsored by the Agency on the broad problems of diversification and conversion. The report by the Denver Research Institute on "Defense Industry Diversification," which covered 12 case studies, has been particularly well-received by defense industry management and the business press.

The alternatives for defense industry are by no means limited to producing goods and services for commercial purposes. Recently, interest has centered on the possibility that defense companies' capability for "systems" analysis and engineering, as well as their Government-market orientation, might be well-suited to the competition for the expanding requirements of Federal, State, and local governments in such fields as air and water pollution control, urban development, public transportation, education, and information retrieval. The State of California has let a number of contracts for feasibility studies by defense contractors for the solution of broad problems of the State. ACDA has contracted with the Denver Research Institute to pull together and evaluate the many threads of this public sector potential for defense industry which are now being considered and discussed.

While conversion to private or public sector markets might reduce the dislocations of arms reductions, this process cannot be relied upon to absorb all or even nearly all the losses of defense jobs. Consequently, the Agency continues to devote considerable attention to the problem of displaced defense workers. More precise knowledge of how to ease the adjustment of workers to defense cutbacks is being derived from the three studies sponsored by the Agency concerning the experiences of workers who lost their jobs at the Boeing plant in Seattle, the Martin plant in Denver, and the Republic plant on Long Island. The Boeing study was completed in 1965 and the other two in 1966. The University of Colorado is preparing an integrated analysis of the three layoff surveys which will provide guidance for policies to assist displaced defense workers to obtain new jobs.

Jobs in defense plants often involve skills which are not entirely comparable to those in nondefense industries. More precise knowledge of the differences and similarities between defense and nondefense occupations is required in order to judge retraining needs in the event of arms reductions. To expand the work done earlier by the State of New York on classifying jobs at the Republic Aviation plant and relating them to nondefense jobs, ACDA has asked the Department of Employment of the State of California to perform a similar task for occupations of blue-collar workers and technicians at two missile plants in California. In addition to giving insights as to retraining needs, it is hoped that these occupational classification studies may be used as tools to assist in finding new job opportunities for released defense workers.