

TABLE 15.—*First-order distribution of DOD ship procurement by 4-digit SIC product code*

SIC	Product	Percent
3731	Shipbuilding and repairing.....	60.48
3662	Radio, TV communication equipment.....	16.44
3443	Boiler-shop products.....	6.12
1941	Sighting and fire-control equipment.....	2.25
3511	Steam engines and turbines.....	1.80
3571	Computing and related machines.....	1.71
1911	Guns, howitzers, and mortars.....	1.44
3732	Boat building and repairing.....	1.17
1999	Ordnance and accessories, n.e.c.....	.99
3541	Metal-cutting machine tools.....	.85
3559	Special-industry machinery, n.e.c.....	.73
3542	Metal-forming machine tools.....	.53
3811	Scientific instruments.....	.51
3519	Internal-combustion engines.....	.49
3531	Construction machinery.....	.45
3613	Switchgear and switchboards.....	.45
3691	Storage batteries.....	.45
3621	Motors and generators.....	.39
3569	General-industry machines, n.e.c.....	.36
3564	Blowers and fans.....	.30
3629	Electric industrial goods, n.e.c.....	.27
3561	Pumps and compressors.....	.22
3332	Primary lead.....	.18
3566	Power-transmission equipment.....	.18
3599	Miscellaneous machinery.....	.18
3661	Telephone, telegraph apparatus.....	.18
3494	Valves and pipe fittings.....	.14
3391	Iron and steel forgings.....	.09
3585	Refrigeration machinery.....	.09
3651	Radio and TV receiving sets.....	.09
3821	Mechanical measuring devices.....	.09
2599	Furniture and fixtures, n.e.c.....	.08
3555	Printing-trades machinery.....	.08
3622	Industrial controls.....	.08
3548	Metalworking machinery, n.e.c.....	.05
3357	Nonferrous wire drawing, etc.....	.04
2653	Corrugated shipping containers.....	.03
3831	Optical instruments and lenses.....	.02
3611	Electric measuring instruments.....	(1)
Total.....		100.00

¹ Less than 0.0005 percent.

Definition of ship procurement

Two budgetary classifications were included in the RAC ship-procurement category. The shipbuilding and conversion, Navy (SCN) appropriation is the largest and accounted for 90 percent of TOA in the RAC category in fiscal year 1965. The other budget component included is budget activity 1, ship support equipment, other procurement Navy (OPN) appropriation, which funds equipment for ships currently in the fleet.⁹ It includes ships-support equipment, shipboard components, other support equipment, and Polaris-support equipment.

Methodology for shipbuilding and conversion, Navy

The analysis of SCN TOA dollars involved several steps. Steps 1 to 3 and 4 to 6 are independent operations that are combined in step 7 to yield the final estimates. Further description of the budget categorization used is presented later in this section.

Step 1: TOA costs from the Navy procurement list¹⁰ were divided by ship type, e.g., destroyer escorts (DE), ammunition ships (AE), nuclear attack submarines (SSN). The ship types were then combined into groups—auxiliary ships, attack ships, amphibious ships, logistic