

was the low bidder. Approximately 3,500 man-hours were used in this contract and this involved personnel with three Ph. D.'s, three master's degrees, two B.S.'s, all in the field of electronics and mechanical engineering.

The final report on the contract has not yet been submitted; consequently, the final evaluation has not been made. However, interim evaluations indicate that the instrumentation was well conducted, good legible records have been obtained, and data has been secured which can be satisfactorily reduced. It is already certain that the information which was sought, that is, a new body of data answering technical questions regarding the performance of these weapons under combat conditions, will be obtained.

The second Atlantic Research contract was for the performance of concept studies in the preparation of designs for a new 81-mm. medium mortar and a new 4.2-inch heavy mortar. The work could not be done inhouse for the same reason, namely, that the workload in the mortar unit of the arsenal was such that the work could not be accomplished in a reasonable time. In this case, Atlantic Research Corp's bid was not the lowest, although it was an intermediate one; however, the overall evaluation indicated that the contractor's proposal was the most advantageous from the technical standpoint. Similar reviews were made of this contract and submitted as before to the Watervliet Arsenal contract board of awards. The contract is not yet completed; however, results to date have been as follows: Contractor made sound recommendations on basic design concepts; also, the contractor's efforts have played an important part in bringing about 2 new mortar designs, namely, the 81-mm. XM93 and the 107-mm., 4.2-inch SM95. Approximately 5,300 man-hours will be used in this contract involving the same personnel cited for the other contract.

Copies of final reports on both contracts, together with Watervliet Arsenal evaluations, will be furnished shortly after completion of the contracts.

STATEMENT OF ASSISTANT SECRETARY OF THE ARMY PAUL R. IGNATIUS IN RESPONSE
TO SUBCOMMITTEE INQUIRY

With respect to the committee's inquiry as to whether the Department of the Army's policy is satisfactory and should be continued, it is my belief that the present policy, as defined by Bureau of the Budget and Department of the Defense directives, permits the Army to discharge its responsibilities satisfactorily.

The policy is to use Government owned and operated commercial and industrial type facilities only where it can be clearly demonstrated that private enterprise cannot perform the service or provide the product necessary to meet current and mobilization requirements, or that operation by the Government is necessary in the execution of the military mission. I feel that we have been able to comply with this policy without compromising our combat effectiveness position.

In this connection, attention is invited to the instructions from the President to the Director of the Bureau of the Budget in July 1961 to explore the subject of contracting out with the Secretary of Defense, the Chairman of the Atomic Energy Commission, the Administrator of the National Aeronautics and Space Administration, and the Special Assistant to the President for Science and Technology.