

He said, "Because I have to maintain my supply. I don't want to have to depend on somebody else to furnish me with gas when I need it."

I said, "Do you consider that any shipyard ought to do that?"

He said, "Well, I wouldn't operate one without making my own gas," he said, "because I can't be dependent on somebody else to do it."

Now, the question that was involved here—and I think the same thing goes back to the automotive maintenance. There may be situations under which it can be contracted out on a reasonable basis, but as a farm operator, I had to keep a shop that could maintain or perform some maintenance on my farm tractor. And how in the world anybody can operate an industrial establishment like a shipyard and not perform any maintenance on its own equipment and not manufacture its gas, is a question for prudent management, it seems to me, to determine.

Secretary BELIEU. It certainly is, sir, because you must maintain—you must get these services from somewhere. You must have them available at the time you need them.

Mr. HARDY. Now, Mr. Chairman, there was one other point that I wanted to explore, and then I will be through with this.

I am glad to hear you make these observations.

Mr. HÉBERT. I think, Mr. Hardy—we can well say to you, Mr. Secretary—that this is an area, and which the colloquy has developed, is the key to the whole situation in which we are concerning ourselves at this time.

Of course it will be incumbent upon the committee to make every effort to have the Defense Department issue a complete and distinctive and commonsense interpretation of what 60-2 means, so it can apply it to all services, and that is a responsibility of this committee in its report.

Mr. COURTNEY. Yes.

Mr. HÉBERT. This is the heart of the whole thing, as to its commonsense application.

Mr. HARDY. Let me ask you this, Mr. Secretary: Are you aware of the extent to which the imposing of arbitrary personnel ceilings may be actually increasing your operating costs in Navy installations?

Secretary BELIEU. I am probably not aware of the whole thing, sir. I could only give you a general answer.

I have been in command of activities in the past. Obviously, the diminishing of your personnel resources beyond a certain point does either of two things. It inhibits your ability to do your job properly, and by that adds costs, because if the job has to be done sometime, you have to pick up and catch up with it.

I am not familiar—maybe I do not understand the question properly, sir.

Mr. HARDY. Well, the thing I was getting at is this: Haven't there been times when the Navy has itself imposed personnel ceilings on its industrial-type activities or commercial-type activities which have resulted in a requirement that the performance of certain services be secured under contract and be done at a much increased cost?

I will give you an illustration, one that I know of. I know an occasion under which you had a breakdown in a cold storage plant and because you didn't have the personnel ceiling to permit your own