

Mr. HARDY. That is the hardest thing anybody in BuShips could possibly have to do: to face up to it, and then go back and correct it.

You do it, but it sure is grievous.

Admiral MOORE. Well, in a large complex of this kind the changes don't come without a great deal of pain.

Because it affects so many activities and so many people.

Mr. HÉBERT. Any questions, Mr. Kitchin?

Mr. KITCHIN. Yes, I would like to ask two general questions of the Admiral.

Does the Bureau of Ships have other management contracts with other sources than Cresap, McCormick & Paget?

Admiral MOORE. No, sir. I believe it is correct that we do not have any other contracts of this kind going, sir.

Mr. KITCHIN. So I understand this one has been continuous since 1949.

Admiral MOORE. No, sir. No, sir. These have been specific tests.

We call them in for a particular project, for a particular scope of work, at a particular time, and when it is finished it is finished.

Mr. KITCHIN. So, in substance, the recommendations that were made by this particular management group have been put into effect or at least implemented.

Admiral MOORE. They have been implemented to the extent that we desire to implement them.

We don't always agree with some of the things that they have recommended, and for the reasons that I just told the chairman, because we, too, think that we have knowledge in this area. And sometimes they are not able to gage the situations as well as we. Also they may be predicating their recommendations on the knowledge that they have, which may be in the industry rather than in the unique atmosphere that we have in the Government shipyards, sir.

Mr. KITCHIN. But in 1959, and again in 1960, you contracted with the same group to reexamine the recommendation that they made under prior contracts, which were implemented.

Admiral MOORE. Yes, sir.

Mr. KITCHIN. Which turned out to be a mistake. So now they are contracting at least partially to correct their own mistakes.

Admiral MOORE. I do not agree with the way you have put it, sir. To this extent: In each of the reports many of the things that we have implemented have produced good results. Some of the things that they recommended didn't work out to our purpose.

But we particularly picked this company with malice aforethought. They have worked in this area with us. They know what had gone on before. And it only appears reasonable that to get the continuity of effort and not have to reindoctrinate people all over again, that again, the maximum benefits would accrue to the Government by this technique.

This is a management decision that I took part in. The Chief of the Bureau made this decision. I was wholeheartedly in support with it. And it was approved by the Secretary of the Navy.

Mr. KITCHIN. I am not being critical of the decision that was made.

But I was wondering—and the reason for my question was as to whether or not there shouldn't have been a little different technique used, if there are other organizations in the same type management