

sponsible for? I could talk briefly about the program. However, it is probably more important to get down to the issues that interest your committee.

Mr. BARRETT. We would like to have a summary of your program. To conserve time, please submit it for the record.

I am sure the members are interested in learning some of the basic reasons why we can't get more out of the dollars we spend.

Admiral RICKOVER. I will submit a summary of the naval nuclear program for the record, and I will now take up the issues of direct interest to this committee.

(The information provided is included as appendix 1.)

DIFFICULTY IN OBTAINING DEFENSE EQUIPMENT

Admiral RICKOVER. In recent years, it has become increasingly difficult to obtain defense equipment in reasonable time and at reasonable prices.

Defense equipment has become increasingly complex, requiring significant engineering and scientific capability for its design and manufacture. It is not like buying bread, flour, or clothing. Military procurement amounted to about \$45 billion in fiscal year 1967; this means the award of about \$180 million in contracts each working day. Most of these are multimillion-dollar contracts, involving sophisticated design, engineering, and manufacturing over a period of several years. It is a new and radically different type of procurement than we faced even a few years ago.

As this type of procurement gets larger and more complex, the Government depends more heavily on industry for technical work. The present approach is that if you want to get a technical job done, you ask industry to do it. As a result there has been a loss of in-house technical capability in Government. Too often Government people abrogate their technical responsibilities under the theory that their job is to manage—not to do technical work. This has significantly reduced Government in-house technical capability.

I know this is true in the Navy. Industry now makes most technical decisions on many programs because the Government no longer has the capability to manage its own technical work. As a result, the Government now relies on industry, not only for production, but for considerably more design and technical work as well.

The military must compete for available industrial capacity, under pressure of the Vietnam war and because of the high level of civilian business, it has become increasingly difficult to get industry to accept and perform orders for military equipment in a timely and economical manner. Leadtimes have increased by as much as 18 to 24 months to leadtimes of 42 to 48 months for many of the items I require. Prices are increasing too. Actually, production problems cannot be separated from pricing problems because, from budgetary considerations, the more an item costs and the longer it takes to make it, the fewer we can obtain.

INDUSTRY PREFERENCE FOR COMMERCIAL WORK

Work for the military is usually far more difficult than civilian work. Industry would much prefer to do civilian work because they do not have to expend as much design and engineering effort on commercial work. They are usually not watched as carefully in the manu-