

seeds of slime, we have to, I think, in some way take part of the exorbitant profits from these big industries and corporations and distribute it among the people who need it most.

INDUSTRY SHOULD MAKE A PROPER PROFIT

Admiral RICKOVER. I am not advocating that industry should not make a proper profit, sir.

Mr. BARRETT. Well, Admiral, in testimony before the House Appropriations Committee last year, you also pointed out that the negotiated profits on Department of Defense contracts have increased substantially. You pointed out that the average profit on Army contracts increased from 8.5 percent in 1959-63 to 10.3 percent in 1966; in this same period the Navy went up from 9 to 12 percent; the Air Force from 9.9 to 10 percent; the Department of Defense average increased from 9 to about 10.6 percent.

I always thought that Government was adhering to a reasonable profit, not beyond 6 percent. You say some of these are up as high as 25 percent?

Admiral RICKOVER. Yes, sir; on the average they are 25-percent higher than they were a few years ago.

Mr. BARRETT. The point I make, Admiral, is this: Here are those who have everything, getting the most of everything. We are arguing "truth in lending" now to get a fair minimum rate, a fair minimum charge. Yet they are holding fast to getting the most out of it, and those who pay are the people I just mentioned a minute ago, the people who have low and moderate incomes. Those who have are getting everything. I think we ought to take these things into consideration and say the Government ought to give a reasonable profit but not an exorbitant profit.

Admiral RICKOVER. I agree with you, sir. The thrust of my testimony is to explain to you what is going on. I have specific recommendations to make which, if adopted, would in my opinion help to rectify this situation.

Mr. BROWN. I would like to make an inquiry. You have been reading from some material, apparently, and we have not heard the full statement from the admiral. I don't think I am in any position to ask any intelligent questions unless we get the substance of his testimony before us. I obviously don't have the figures and facts that you have. Should we have those or not?

Mr. BARRETT. I am quite sure you will be supplied with everything. The information I quoted is from Admiral Rickover's testimony before the House Appropriations Committee for 1968.

Mr. BROWN. The matters he will testify to?

Mr. BARRETT. Yes, sir.

GOVERNMENT SPECIFICATION REQUIREMENTS

Mr. WIDNALL. Mr. Chairman, I just want to ask one preliminary question and then I would like to give my 5 minutes back to the admiral to testify specifically on what has occurred with the Commerce Department to occasion his doubts about the present procedure and also to back up the statements he is making about their failure to do the job properly. I think we are very much interested in that one question. I was going to ask: Doesn't the military overspecify on