

Mr. BARRETT. How could one of the Nation's largest defense contractors argue that they do not have 10 to 15 engineers available to work on an urgent defense project?

Admiral RICKOVER. It was inconceivable to me that they did not have enough engineers to do this job. The work involved about one-thirtieth of 1 percent of this firm's total business. The firm has many contracts that would dwarf this order. They simply wanted to use their engineers for commercial work.

In fairness to the firm, however, after they finally did agree to do the job for the Navy in August 1967, they quickly assigned the necessary engineering personnel.

Mr. BARRETT. If this firm did not have available sufficient qualified personnel as they told the Commerce Department in May 1967, how is it they were able to start work on this equipment in August 1967?

Admiral RICKOVER. I am convinced this firm had sufficient qualified personnel to start this job all along. But the Department of Commerce accepted their excuse. I was not at all surprised that they were able to assign engineers quickly to the work once they agreed to accept the contract; in fact, I had maintained all along that they could do so.

Mr. BARRETT. Do you believe, this firm would have started work on this equipment as early as April 1967 if the Department of Commerce had issued the directive requested by the Navy?

Admiral RICKOVER. Yes, sir. If the Department of Commerce had issued a directive in April 1967 as the Navy requested, I am sure work would have started promptly. Companies generally want to get equipment produced and delivered quickly so that the tools and personnel involved can be available for other work as soon as possible.

Mr. BARRETT. Do you know why the Department of Commerce concluded that the firm's reasons for not taking this order were acceptable when the Navy concluded these reasons were not acceptable?

Admiral RICKOVER. No, sir; I do not. No one in the Department of Commerce involved in this case had sufficient background or experience to evaluate the technical matters involved, including the number of engineers required or the difficulty for the firm to assign engineers to such a project. I believe the Department of Commerce simply chose to accept the easy position.

Mr. BARRETT. Did the Department of Commerce ever advise the Navy that they considered the firm's reasons for not accepting this contract valid and therefore a directive would not be issued?

Admiral RICKOVER. No, sir. The Chief of Naval Material letter dated April 28, 1967, to the Department of Commerce reiterated the Navy's request for assistance. This letter was never answered.

This is the kind of service the Department of Commerce gave the Navy in this case. I do not know at what point the Department of Commerce decided they were definitely not going to issue a directive. I know that on May 19, 1967, the Acting Secretary of Commerce advised the chairman of the Joint Committee on Atomic Energy as follows:

If, as a result of that meeting, which is to be held we understand on May 22, 1967, a directive from this Department is required, it shall be issued.

Yet, I notice that one of the earlier statements you quoted indicated that the Department of Commerce may have made the decision not to issue a directive 2 weeks earlier, on May 5, 1967. If I remember the