

finest in all Italy, would now be standing. Your deceit has built these glorious structures which are praised by all except the few who are consumed with envy. We thank you and think you deserve especial honor among all the architects of our time"—and he ordered full pay to be given him and in addition a present of 100 ducats and a scarlet robe. He assigned him new commissions and bestowed on his son the grace he asked. When he heard the Pope's words, Bernardo burst into tears of joy.

SUMMARY OF MAIN POINTS FROM TESTIMONY

Mr. BARRETT. What you have said is of importance and interest to this committee. Will you please summarize the recommendations you have made in your testimony?

Admiral RICKOVER. Yes, sir. I will summarize the main points I have made.

First, I have testified regarding the difficulties I am experiencing in obtaining defense equipment. I pointed out that under the pressure of the Vietnam war and 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. Lead times have increased by as much as 18-24 months to 42-48 months for many of the items I require. I pointed out, too, that in the nuclear area, the military also faces competition from the rapidly expanding market for nuclear plants from the civilian electric utility industry.

I pointed out that as a result of the Department of Commerce's unwillingness to issue a directive under the Defense Production Act, a new submarine project for the Navy was delayed by more than 5 months and the Navy was forced to accept less than its normal rights with respect to inspection, quality control and equipment variations on a contract for the main propulsion equipment for this new submarine.

I have been unable to obtain proper assistance from the Department of Commerce under the Defense Production Act. I believe the Defense Production Act and its administration must be improved if it is to be effective in assisting the military in obtaining the equipment it needs.

I pointed out that profits on defense contracts have increased by about 25 percent over the last several years, and that far from being too low as claimed by the Department of Defense, and industry, they may be too high. I have given you specific figures to support my statements regarding profits on defense contracts.

I emphasized that without uniform standards of accounting, the Truth in Negotiations and the Renegotiation Acts cannot protect the American public against excessive profit on defense work. To show how suppliers can report lower than actual profits, I gave an example of a supplier's cost breakdown, certified in accordance with the Truth in Negotiations Act, listing a 2.5-percent profit when the profit was in fact 12 to 13 percent. In my judgment, the lack of a uniform standard of accounting is the most serious deficiency in Government procurement today.

I pointed out that without uniform standards of accounting, large additional profits on defense work can be hidden as costs just by the way overhead is charged or how parts or materials are priced. I pointed out that the Government encounters such a wide variety of