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**NOMINATIONS OF ALAIN C. ENTHOVEN AND ROBERT N.  
ANTHONY TO BE ASSISTANT SECRETARIES OF DEFENSE,  
AND H.R. 8484**

**HEARING  
BEFORE THE  
COMMITTEE ON ARMED SERVICES  
UNITED STATES SENATE  
EIGHTY-NINTH CONGRESS**

FIRST SESSION

ON

NOMINATION OF ALAIN C. ENTHOVEN TO BE ASSISTANT  
SECRETARY OF DEFENSE (SYSTEMS ANALYSIS)

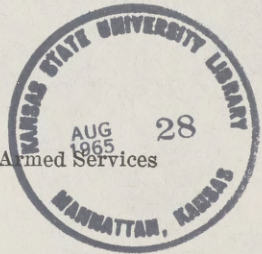
NOMINATION OF ROBERT N. ANTHONY TO BE ASSISTANT  
SECRETARY OF DEFENSE (COMPTROLLER)

**H.R. 8484**

AUTHORIZING TRANSPORTATION AT GOVERNMENT EXPENSE  
OF PRIVATELY OWNED MOTOR VEHICLES OF MEMBERS OF  
THE ARMED FORCES

JULY 15, 1965

Printed for the use of the Committee on Armed Services



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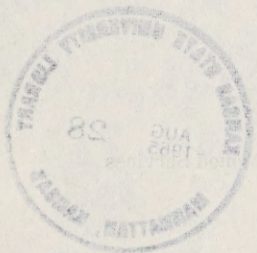
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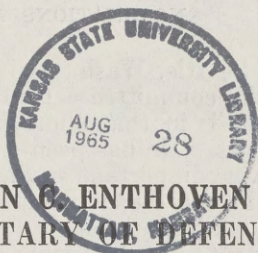
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**NOMINATION OF DR. ALAIN C. ENTHOVEN TO BE AN ASSISTANT SECRETARY OF DEFENSE**

**NOMINATION OF DR. ROBERT N. ANTHONY TO BE AN ASSISTANT SECRETARY OF DEFENSE**

THURSDAY, JULY 15, 1965

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, D.C.*

The committee met, pursuant to call, at 10:30 a.m., in room 212, Old Senate Office Building, Senator John Stennis presiding.

Present: Senators Stennis, Symington, Jackson, Cannon, Young of Ohio, Inouye, Saltonstall, Smith, and Tower.

Also present: William H. Darden, chief of staff; T. Edward Braswell and Gordon A. Nease, professional staff members; and H. S. Atkinson, assistant chief clerk.

Senator STENNIS. The committee will please come to order.

Many members of the committee have other conflicting responsibilities and the Chair hopes that our meeting may be brief as is consistent with giving the business of the day proper consideration.

Dr. Alain C. Enthoven, of Virginia, has been nominated to be an Assistant Secretary of Defense, vice Dr. Eugene Fubini. Dr. Enthoven has been in the Department of Defense since 1961. The Department has announced that if confirmed he will occupy a new office, to be known as Assistant Secretary of Defense (Systems Analysis).

Dr. Robert N. Anthony, of Massachusetts, has been nominated to be an Assistant Secretary of Defense, vice Charles J. Hitch, resigned.

The third item, H.R. 8484, is a bill urgently desired by the Department of Defense to give relief to situations such as that experienced by members of the 1st Marine Brigade that was deployed from Hawaii to Vietnam. Current law provides authority for the return of the household goods of the members to the United States, but there is no authority for the shipment of privately owned motor vehicles to the United States.

**NOMINATION OF DR. ALAIN C. ENTHOVEN TO BE AN ASSISTANT SECRETARY OF DEFENSE**

Senator STENNIS. Senator Jackson, Dr. Enthoven is originally from your great State. Can we call on you to present the doctor to this committee?

Senator JACKSON. Thank you, Mr. Chairman. I am sure that Dr. Enthoven is living in Virginia by reason of his official position. He

is a native of Seattle, Wash., and has had a distinguished career, as members of the committee can note from his biography. He is 35 years of age and, in that short period of time, has achieved high scholastic honors. He has been a teacher, has worked for the Rand Corp., doing very important studies especially for the Air Force, and he has been in the Department of Defense since 1961, in a very important and key position.

I am confident, Mr. Chairman, that Dr. Enthoven will perform his new assignment as Assistant Secretary for Systems Analysis with great credit to this new office, to the Department of Defense, and to the country.

Senator STENNIS. Thank you, Senator.

Dr. Enthoven, we are pleased to have you here, and we congratulate you on your appointment. If you will give us a brief oral summary of your background and include a statement of whether you own securities in companies doing business with the Department of Defense, committee members may then propound such questions as they may have.

I hope your statement will describe the duties of this office that you are to hold. It is new to us.

(The nomination reference and biographical sketch of Dr. Enthoven follow:)

#### NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,  
SENATE OF THE UNITED STATES,  
July 7, 1965.

*Ordered,* That the following nomination be referred to the Committee on Armed Services:

Alain C. Enthoven, of Virginia, to be an Assistant Secretary of Defense vice Eugene G. Fubini, resigned.

#### ALAIN C. ENTHOVEN

Alain C. Enthoven was born in Seattle, Wash., in 1930. In 1952 he received a B.A. degree from Stanford University where he was a Phi Beta Kappa. He was awarded a Rhodes Scholarship and continued his studies at Oxford University, receiving a B. Phil. degree in 1954. During the period 1954-56, he served as instructor in economics at Massachusetts Institute of Technology and received a Ph. D. degree in economics. He also taught at the University of Washington as visiting associate professor of economics.

In 1955, Dr. Enthoven became a consultant to the Rand Corp., and in 1956 he joined the staff as a full-time member. At Rand, he performed research for the Air Force in the area of strategic air operations and strategy, selection, basing, and operation of strategic weapon systems, and the economics of defense. He has also served as a consultant to the Brookings Institution, Washington, D.C.

Dr. Enthoven joined the Department of Defense in May 1960 in the Office of the Director of Defense Research and Engineering. He was appointed Deputy Comptroller for Systems Analysis (programming) on May 23, 1961, and Deputy Assistant Secretary of Defense (systems analysis), Office of the Assistant Secretary of Defense (Comptroller), on October 18, 1962.

Dr. Enthoven is a member of the American Economic Association and the Econometric Society. He has contributed articles to Air Force, the Naval Review, the Military Review, the Economic Journal, Econometrica, and the American Economic Review, and was a contributor to the Economics of Defense in the Nuclear Age (by C. J. Hitch and R. N. McKean).

Dr. Enthoven received the President's Award for Distinguished Federal Civilian Service on June 12, 1963.

At present, Dr. Enthoven, his wife, Rosemary, and their three children reside at 3203 Alabama Avenue, Alexandria, Va.

**STATEMENT OF DR. ALAIN C. ENTHOVEN, NOMINEE, TO BE ASSISTANT SECRETARY OF DEFENSE (SYSTEMS ANALYSIS)**

Dr. ENTHOVEN. Thank you, Senator.

As Senator Jackson said, I was born in Seattle. I still feel very close to Seattle, even though I am living at the other end of the country.

I went to college at Stanford University in California, and then I spent 2 years in England at Oxford. I got a doctorate in economics at MIT.

After that, I went to the Rand Corp., where I spent approximately 4 years doing studies for and with the Air Force on strategic air power; namely, on the problems of the Strategic Air Command, on the choice of weapons systems, on the concepts of operations.

During that time, I had the privilege of being able to form good friendships and close associations with a number of officers in the Air Staff, mainly on the planning side, who have remained good friends and colleagues to this day.

Then I came to the Defense Department, and first joined the Office of the Director of Research and Engineering, and spent about 9 months there. Then in 1961, when Mr. Hitch was appointed Comptroller, he asked me to come into the Comptroller's Office, and help to form this new organization that would do programing and systems analysis.

Since then, I have been working in gradually ascending steps, now as the Deputy Assistant Secretary for Systems Analysis—working on the program of analytical studies, analyzing the cost and effectiveness of the various programs that the Secretary and Chiefs want to consider.

As for the functions of the new office, the main functions would be along these lines, Senator:

First, we will be gathering information for the Secretary of Defense and the other top officials on the cost and effectiveness of major programs, displaying the information to them in such a way that the relationship of the cost of the total program to its effectiveness, to its performance of our national security, will be brought out clearly.

Another major function will be to raise questions and to assist the Secretary of Defense by defining issues, and making suggestions to him on the kinds of questions that he would want to raise during his examination of a program.

Another function will be to monitor and review and summarize for the Secretary studies that are being done throughout the Department.

And then, finally, to initiate studies on the economic impact of the defense program, which is a very complex and difficult field in which we hope to be able to make some progress.

Senator STENNIS. Mr. Darden, you and Dr. Enthoven have gone over the matter of his personal holdings.

Mr. DARDEN. Yes, sir; he has filed a statement indicating he has no securities in companies doing business with the Department of Defense, Mr. Chairman.

Senator STENNIS. Do you know of anything, Doctor, that would interfere with the discharge of your duties, because of any business connections or holdings that you have?

Dr. ENTHOVEN. No, sir. I felt when I came into the Pentagon several years ago that it would be necessary at that time to sever all entanglements.

Senator STENNIS. You have no connections or partnerships or anything like that with companies doing business with the Department?

Dr. ENTHOVEN. No, sir; none at all.

Senator SALTONSTALL. Mr. Chairman, I had the privilege of meeting Dr. Enthoven in my office.

You mean, by alternatives, alternative plans that may be suggested or recommended to the Secretary of Defense as to their efficiency, as to their cost, and so on, in order to get the one that would be most efficient to carry out the objectives that we seek?

Dr. ENTHOVEN. Yes, sir.

Senator SALTONSTALL. I know that the Secretary of Defense is very keen to have alternatives.

You also said that it is your responsibility to raise questions with relation to the plans submitted, for him to ask and go into.

Dr. ENTHOVEN. Yes, sir.

Senator SALTONSTALL. Now, the studies throughout the Department—how much control are you going to have over those studies?

Dr. ENTHOVEN. Well, sir, the Secretary of Defense himself controls them in the sense that the directions and orders for the studies are given by him.

Senator SALTONSTALL. But they are not submitted by the Secretary of the Army, for instance?

Dr. ENTHOVEN. Generally this is the way we have worked, sir. Let's say, if a study on Army force requirements is desired by the Secretary of Defense, someone in my Office would make a draft of the suggested plan, the issues that ought to be addressed. Then he would go and meet with the people in the Army who would be asked to do the study, and discuss it with them, to make sure that the issues made sense to them, and get their suggestions, so that they would have the capability to carry out the study, and so that it would be a productive useful effort. After doing that, he would send the draft up to Mr. Hitch who would, if he approved it, recommend that the Secretary of Defense sign the memorandum. Then Mr. McNamara reads it, decides whether he thinks those are the issues or not. If he does, he would sign the memorandum and it would be sent to the Army. Then a member of my staff would work with the Army study group, making suggestions about study approaches, and so forth.

We have found that it is very important just to have one boss, and, if the Secretary of the Army has been charged with the study, he has delegated it to some officer, then that officer is in charge of the study. And my man at that point is in strictly an advisory capacity.

However, we have found over the last few years we have been able to develop very good friendly working relations on these problems, and it generally works out very well.

Senator SALTONSTALL. Recently we have been reading a lot about this study Camelot, by the Army. Apparently when it got up to the Secretary of Defense he dropped it. Is it your responsibility to see that the Secretary of Defense knows about it before it gets started?

Dr. ENTHOVEN. Well, sir, that particular kind of study, which has not to do with requirements for money and men and material,

would be handled through the Office of the Director of Research and Engineering. That particular study is not the sort that I would get into.

Senator SALTONSTALL. Then, if it is going to be studied by another department, why shouldn't you be in on it, if you are going to have responsibility for seeing that all these studies get to the Secretary of Defense?

Dr. ENTHOVEN. Well, if the Secretary asked me to, I would, sir. Senator SALTONSTALL. Why shouldn't you go a little further than that? It seems to me what you are now saying contradicts what you said before. I don't want to go into it too much.

Dr. ENTHOVEN. There is no good reason why I should not be involved in such a study. But in fact, the way my job has evolved, it has concentrated mostly on studies that lead to requirements for money and manpower.

Senator SALTONSTALL. I just make the comment it would seem to me, if we were establishing this office, it ought to be all inclusive, and not partly inclusive.

Thank you, Mr. Chairman.

Senator STENNIS. Thank you, Senator.

May I ask one question now?

In your sketch, Doctor, you have been there since 1960.

Dr. ENTHOVEN. Yes, sir.

Senator STENNIS. You were Deputy Assistant Secretary of Defense (Comptroller) and that was subdivided into Systems Analysis.

This is an updating and also an elevation because of the importance of this particular work, is it not?

Dr. ENTHOVEN. Yes, sir.

Senator STENNIS. And it seems to me that underscores what the Senator from Massachusetts has said.

Senator Symington.

Senator SYMINGTON. Thank you, Mr. Chairman.

Doctor, I can't imagine anybody being better equipped to do this job than yourself. For some reason some of those who are the most anxious to see efficiency in the Pentagon are worried about the number of studies and reviews that are made over there, and have nicknames and so forth about the people who do them. It has been my experience that invariably the most successful and most efficient companies are the companies that constantly continue to run studies on the structure and functioning of their particular corporation or bank.

I am glad you are taking this job, and I wish you well on it.

I would like to associate myself with the remarks of the Senator from Washington about what you have done in the past.

Would a study of necessary manpower in South Vietnam be the type and character of study that you would be involved in?

Dr. ENTHOVEN. Generally it has not been in the past, Senator. That has been in the Office of the Assistant Secretary for Manpower. Occasionally we have gotten involved in that kind of question.

Senator SYMINGTON. Would the study of logistics support be the type and character—by that I mean planes, helicopters, guns, trucks, et cetera—would that be the type and character of study that you might be involved in?

Dr. ENTHOVEN. I would be involved in it; yes, sir. I would be working in that case with the Assistant Secretary for Installations and Logistics, who would be concerned with the logistics support.

Senator SYMINGTON. You would get into various elements of it?

Dr. ENTHOVEN. Yes, sir.

Senator SYMINGTON. I believe the British, based on their Malaya experience, said that, in order to overcome guerrilla opposition, you needed 15 to 1 or 20 to 1. Do you happen to remember the figure?

Dr. ENTHOVEN. Was it that high? I don't really recall, sir. I thought—the number I had in my mind was more like 10 to 1. But I am not really sure.

Senator SYMINGTON. Well, let's take the low figure. If this operation is to continue, and based on the premise that they knew what they were talking about, how many troops do we need in South Vietnam today?

If it is difficult for you to pull that out of your head at this point, I would appreciate your furnishing it to the committee, so we can get a rough idea.

Dr. ENTHOVEN. Senator, I wish I knew the answer. But better men than I are struggling with that problem right now.

Senator SYMINGTON. The premise is that you are going to be the boss of studies, and this would be a pretty important study. So if you would supply the committee with any information along those lines, on the basis of if, as, and when—Mr. Chairman, I would appreciate receiving that information.

Senator STENNIS. Thank you, Senator.

Senator Smith?

Senator SMITH. I haven't any questions.

Senator STENNIS. Senator Jackson?

Senator JACKSON. Dr. Enthoven, in short, I take it your job is, in effect, to be one of the chief interrogators for the Secretary of Defense in reviewing future systems requirements. Would that be a reasonable good definition?

Dr. ENTHOVEN. Yes.

Senator JACKSON. In other words, you do not pass on whether a given weapons system, for instance, should be approved or disapproved. That is a decision for the Secretary.

Dr. ENTHOVEN. Yes, sir.

Senator JACKSON. But your job is to endeavor to see to it that all of the known and available facts are laid on the table so that he will have available to him the various choices that he can pursue.

Dr. ENTHOVEN. That is right.

Senator JACKSON. Thank you.

Senator STENNIS. Thank you, Senator.

Senator Cannon?

Senator CANNON. Thank you, Mr. Chairman.

Doctor, with respect to this job, the new title, is this just an upgrading of what you were doing before, except that you report directly to the Secretary of Defense rather than to Mr. Hitch, or the Comptroller?

Dr. ENTHOVEN. Yes, sir.

Senator CANNON. So it is just giving a little more status to the job, either that or giving the Secretary of Defense more of a direct handle on it, is that correct?

Dr. ENTHOVEN. Yes, sir. I think the latter is the important thing. He feels that it should be directly reporting to him.

Senator CANNON. Whereas in the past you have consistently reported only to Mr. Hitch.

Dr. ENTHOVEN. Yes, sir.

Well, in fact, if it has been a problem in my area, I would go up with Mr. Hitch. My chain of command has definitely been through Mr. Hitch.

Senator CANNON. Now, you have been in this systems analysis business for some time, both at the Department of Defense level and the Rand Corp. I am sure you are aware of the fact that there has been quite a controversy between the Secretary and the Members of Congress, and a divided opinion as to the need for the manned bomber. The Congress has not agreed with the Secretary, nor have the members of this committee. I wonder if you happened to work on the study, either for the Rand Corp. or for the Department of Defense, on which the Secretary bases his judgment in that respect.

Dr. ENTHOVEN. Yes, sir; I have, both at the Rand Corp. and the Defense Department, worked on studies on bombers.

Senator CANNON. And you agree with the Secretary that there is no need for a manned bomber in the future today?

Dr. ENTHOVEN. I don't think that is the Secretary's view, sir. I think the Secretary has tried to make it clear that he believes that for the foreseeable future we ought to have in our forces a mix of manned bombers and missiles. My understanding of his approach has been that the decisions he has made are limited to the specific proposals that have been made before him at that time and place, and are not generally proscriptions against any manned bomber system.

Senator CANNON. Well, let me ask you this. That is rather unfair, to ask you to interpret what his view is. As a result of your study on this subject, what is your view with respect to a follow-on bomber, whether we do or do not need a follow-on manned bomber in this country?

Dr. ENTHOVEN. Well, sir, of course I want to emphasize I am not the one who will be making the decision.

Senator CANNON. I understand that. I am asking what your judgment is in view of the studies that you have already participated in.

Dr. ENTHOVEN. I think that there are some good useful purposes that can be served by bombers. The problem will be for the Secretary to judge whether in relation to their cost and the alternatives available the particular bomber proposal put before him would be a good one to buy. I certainly have no preconception or prejudice against the idea of a follow-on manned bomber.

Senator CANNON. Thank you.

Senator STENNIS. Thank you, Senator.

Senator Young?

Senator YOUNG. Thank you, Mr. Chairman, I have no questions.

Senator STENNIS. Senator Inouye?

Senator INOUE. Mr. Chairman, I have had the great pleasure of meeting the doctor. I am deeply impressed with his background and experience. I am also pleased to note here that he has received the President's Award for Distinguished Federal Civilian Service. I think this speaks very highly of his contribution.

Senator STENNIS. Thank you very much, Senator. Are there any other questions?

Doctor, you have been with Mr. Hitch.

Dr. ENTHOVEN. Yes, sir, for about 10 years now, sir.

Senator STENNIS. I commend you for a fine record of service. I am glad to see you nominated for a position that is becoming more and more important, and rightfully certainly deserves to be elevated—you deserve it, and the post, too, I think.

I want to ask you a personal question now—not just in jest. You said you are from Seattle.

Do you know my friend, Joshua Green, a man of considerable years, retired?

Dr. ENTHOVEN. There is a building named after him in Seattle that is something of a landmark. I have certainly heard of him.

Senator STENNIS. I was going to say anyone coming here with the recommendation of Senator Jackson and Joshua Green would certainly rate good with me.

We thank you very much. You are excused now, with the thanks of the committee for coming in.

(The nomination of Dr. Enthoven to be an Assistant Secretary of Defense was confirmed by the Senate on July 16, 1965.)

### NOMINATION OF DR. ROBERT N. ANTHONY TO BE AN ASSISTANT SECRETARY OF DEFENSE

Senator STENNIS. Members of the committee, this is Dr. Robert N. Anthony, of Massachusetts. Dr. Anthony, we welcome you here and extend congratulations to you on your nomination. Please be seated at the end of the table and give us a short summary of your education and experience.

You have conferred with Mr. Darden about your financial holdings, and have submitted a statement.

Do you know of anything that would embarrass you in any way because of your holdings in filling this post to which you have been nominated?

(The nomination reference and biographical sketch of Dr. Anthony follow:)

#### NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,  
SENATE OF THE UNITED STATES,  
July 7, 1965.

*Ordered,* That the following nomination be referred to the Committee on Armed Services:

Robert N. Anthony, of Massachusetts, to be an Assistant Secretary of Defense vice Charles Johnston Hitch, resigned.

#### ROBERT N. ANTHONY

Robert N. Anthony was born in Orange, Mass., September 6, 1916. He received the A.B. degree from Colby College in 1938, the master of business administration degree from Harvard Business School in 1940, and the doctor of commercial science degree from Harvard in 1952. He has been awarded honorary A.M. and L.H.D. degrees from Colby College.

In 1940 Mr. Anthony joined the staff of the Harvard Business School. He has been there since that time, except for the war years 1941-46, and the years 1957-58 when he was on leave of absence as a faculty member of IMEDE,

Lausanne, Switzerland. Currently he is Ross Graham Walker professor of management controls, coordinator of the control area faculty, and director of the school's research project on management control systems. In World War II, he was a Supply Corps officer, USNR, attaining the rank of lieutenant commander. He was awarded a commendation for this work at the Naval Supply Depot, Guam.

He has been a consultant on management control and other problems to industrial companies, public accounting firms, banks, and trade associations.

His consulting work with Government agencies extends back to 1948, and includes work for the Atomic Energy Commission; the Bureau of Labor Statistics; the Comptroller, Assistant Secretary (FM), and Secretary of the Air Force; U.S. Naval Ordnance Test Station; Chief of Naval Materiel; Navy Assistant Secretary (FM); Munitions Board, Research and Development Board, and Comptroller of the Department of Defense.

He is a member of the American Accounting Association and the National Association of Accountants, and an associate member, Financial Executive Institute, and was vice president of the American Accounting Association in 1958-59. He is a trustee of Colby College and of the Logistics Management Institute.

He is an author, coauthor, or editor of 14 books, including "Management Control Systems: Cases and Readings" (1965), "Management Accounting Principles" (1965), "Essentials of Accounting" (a programmed text) (1964), and "Management Accounting: Text and Cases" (1964). The latter book, now in its third edition, has been translated into Chinese, Japanese, Spanish, and Turkish.

Mr. Anthony is married to the former Gretchen Lynch, of West Virginia. The couple have a son, Robert, who is a freshman at Dartmouth College, and a daughter, Victoria.

#### STATEMENT OF DR. ROBERT N. ANTHONY, NOMINEE, TO BE AN ASSISTANT SECRETARY OF DEFENSE

Dr. ANTHONY. Sir, in addition to the statement of my securities, which you have, general counsel suggested that I tell you about certain other matters that I have and what I hope to do with them.

Senator STENNIS. All right. We can take that up now.

Dr. ANTHONY. I will be on leave of absence, if you approve, from Harvard University. I have continuing consulting relationships with Nestlé Elementana S.A., with the Chemical Bank New York Trust Co., with General Mills, Inc., and I am an editor of the Addison Wesley Publishing Co. From all of those positions I would propose to resign.

I am a trustee of the Logistics Management Institute, of the Lexington Savings Bank, and of the First Baptist Church in Lexington, and from those positions I would propose to resign.

I am and have been for some years a trustee of Colby College, which is my own college, and in which I have a very great interest. I would like, if it is agreeable to the committee, to continue with that position. The chairman of the board has asked me to do so, and has assured me that the amount of work involved would be minor. Colby College has no defense contracts. It does have a small Air Force ROTC unit.

Senator STENNIS. I should think it would be acceptable to the committee. I think it would be acceptable for you to continue your affiliation with your church, too.

Dr. ANTHONY. Yes, sir, I intend to continue affiliation with the church, but as a trustee I do handle a very sizable sum of money, and I thought it would be best not to handle that money in this position.

Senator JACKSON. In fact, you may want to join more than one church after you get into this job.

Senator STENNIS. Do you wish to say something further, Dr. Anthony, about anything connected with your duties?

You are coming here for the first time.

Dr. ANTHONY. Yes, sir.

Senator STENNIS. This is not a personal question. Just why were you interested in coming into this position? I think that is relevant.

Dr. ANTHONY. Well, sir, I am in the management control business. I have been in it my whole career. I teach in it, I do consulting work in it. And the particular job that Mr. Hitch has is just without any question the most important such job in the world. Anybody that gets asked to take that job, with my interests, would certainly want to do so.

Senator STENNIS. Senator Saltonstall?

Senator SALTONSTALL. Mr. Chairman, I have no questions. I just make this observation. Since Mr. Anthony graduated from Colby College in Maine, is a Massachusetts resident, and a graduate of the Harvard Business School, I must think that he will be a good addition to the Department of Defense.

Senator STENNIS. Senator Symington?

Senator SYMINGTON. No questions, Mr. Chairman.

Senator STENNIS. Senator Jackson?

Senator JACKSON. Mr. Chairman, I had the privilege of meeting Dr. Anthony last week, and I am very much impressed with his background and experience. I am confident he will do a fine job—even if he just stays in one church.

Dr. ANTHONY. Thank you.

Senator STENNIS. Senator Cannon?

Senator CANNON. Thank you, Mr. Chairman.

I had the pleasure of meeting Dr. Anthony, and I know what his answer is to this, but I think for the record it would be well to point out that you are only on a 1 year's leave of absence from Harvard, is that correct?

Dr. ANTHONY. I am, Senator, because that is the most that Harvard will give at any moment of time. But I am assured by them that they will extend that leave of absence if Mr. McNamara and the President wish it to be.

Senator CANNON. And they have done that in other instances in the past?

Dr. ANTHONY. Yes, sir.

Senator CANNON. Is it your intention now to stay here so long as you are desired by the President?

Dr. ANTHONY. The first extension should cause no problem whatsoever—there is a problem beyond the first extension. If Mr. McNamara wants me to stay, and the President does, and Harvard says "No," then I face a difficult problem. I am quite sure in that situation that I would then be forced to resign from Harvard, as much as I would dislike doing so.

Senator CANNON. But the present indications are that you would be able to get successive extensions from Harvard, so long as your services were desired?

Dr. ANTHONY. The only firm agreement I have with them right now is one extension.

Senator JACKSON. Mr. Chairman, on this same point—and I neglected to ask this of both nominees—I am pleased with the response

that Dr. Anthony has made in connection with the questions raised by Senator Cannon. I think it is well to recall that the Senate passed unanimously a resolution in 1960 that the nominees in the national security area be willing to stay as long as requested. The Senate has been deeply concerned about the turnover in the Department of Defense and State and other areas involving national security. I would like to ask, if I may, Dr. Enthoven, if his response would be the same to the question put by Senator Cannon—namely, that he is willing to stay as long as he is asked to stay in his job?

Dr. ENTHOVEN. Yes, sir.

Senator STENNIS. Thank you, Senator.

Senator Young?

Senator YOUNG. I have no questions.

Senator STENNIS. Senator Inouye?

Senator INOUYE. Mr. Chairman, we are most fortunate to have Dr. Anthony with us.

Senator STENNIS. Senator Smith?

Senator SMITH. I have no questions, thank you.

Senator STENNIS. Is there something else you wish to say, Doctor?

Dr. ANTHONY. No, sir.

Senator STENNIS. We thank you very much for coming.

(The nomination of Dr. Anthony to be an Assistant Secretary of Defense was confirmed by the Senate on July 16, 1965.)

#### H.R. 8484

### AUTHORIZING TRANSPORTATION AT GOVERNMENT EXPENSE OF PRIVATELY OWNED MOTOR VEHICLES OF MEMBERS OF THE ARMED FORCES

Senator STENNIS. Members of the committee, we have a bill, H.R. 8484, which will take only a few minutes to present, and then we will go in executive session.

The purpose of it is to provide authority for the shipment of privately owned automobiles of members of the Armed Forces. We have with us Mr. David Knox, from the office of the Deputy Chief of Staff of the Army for Logistics.

Suppose we have Mr. Darden make a very brief statement.

H.R. 8484 follows:

[H.R. 8484, 89th Cong., 1st Sess.]

AN ACT To amend section 2634 of title 10, United States Code, relating to the transportation of privately owned motor vehicles of members of the armed forces on a change of permanent station

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That chapter 157 of title 10, United States Code, is amended as follows:

(1) By amending section 2634 to read as follows:

“§ 2634. Motor vehicles; for members on change of permanent station

“(a) When a member of an armed force is ordered to make a change of permanent station, one motor vehicle owned by him and for his personal use or the use of his dependents may, unless a motor vehicle owned by him was transported in advance of that change of permanent station under section 406(h) of title 37, be transported, at the expense of the United States, to his new station or such other place as the Secretary concerned may authorize—

“(1) on a vessel owned, leased, or chartered by the United States;

“(2) by privately owned American shipping services; or

“(3) by foreign-flag shipping services if shipping services described in clauses (1) and (2) are not reasonably available.

When the Secretary concerned, or his designee, determines that a replacement for that motor vehicle is necessary for reasons beyond the control of the member and is in the interest of the United States, and he approves the transportation in advance, one additional motor vehicle of the member may be so transported.

"(b) In this section, 'change of permanent station' means the transfer or assignment of a member of the armed forces from one permanent station to another. It includes the change from home or from the place from which ordered to active duty to first station upon appointment, call to active duty, enlistment, or induction, and from last duty station to home or to the place from which ordered to active duty upon separation from the service, placement upon the temporary disability retired list, release from active duty, or retirement. It also includes an authorized change in home yard or home port of a vessel."

(2) By striking out of the analysis:

"2634. Motor vehicles: for members on permanent change of station."

and inserting in place thereof:

"2634. Motor vehicles: for members on change of permanent station."

SEC. 2. Section 406(h)(2) of title 37, United States Code, is amended to read as follows:

"(2) authorize the transportation of one motor vehicle owned by the member and for his or his dependents' personal use to that location by means of transportation authorized under section 2634 of title 10."

SEC. 3. This Act shall be effective May 1, 1965. Any member who—

(1) transported a motor vehicle at his personal expense after April 30, 1965, and before the enactment of this Act; and

(2) would have been entitled to the transportation of such motor vehicle at Government expense under the provisions of this Act; shall be reimbursed for the allowable transportation cost actually expended by him. Appropriations available for permanent change of station travel shall be available for the reimbursements authorized by this Act.

Passed the House of Representatives July 12, 1965.

Attest:

RALPH R. ROBERTS,  
*Clerk.*

Mr. DARDEN. Mr. Chairman, I think this bill originated as a result of a problem that was confronting members of the 1st Marine Brigade who were stationed in Hawaii, and who were transferred from there to Vietnam. Existing law provides authority for the shipment of their household effects back to the United States, but not for their automobiles. This bill would provide authority for the shipment of a privately owned automobile to a place approved by the Secretary of the service concerned upon a permanent change of station for a member of the uniformed services where his dependents cannot accompany him.

The bill would be retroactive to May 1 of this year, in order to provide relief for the members of the Marine Corps who were affected.

It does two relatively minor additional things. It provides authority for the Secretary to authorize the shipment of a replacement automobile where the original automobile transported to the station was lost or destroyed for reasons beyond the member's control, and it also expands the authority to ship these automobiles on foreign-flag ships. The current law is limited to vessels owned, leased or chartered by the United States or to an American-flag ship.

There are a few instances involving transshipment of automobiles overseas between stations that are not served by U.S.-flag ships.

One additional feature in the bill involves the definition of the term "change of permanent station." This would in effect ratify current practice that construes that term to mean from home to his initial duty station for a member of the Armed Forces or from his place of separation or retirement to the home of record that he selects.

The estimated cost of the bill is \$80,000 a year that the Department indicates can be absorbed within existing appropriations.

Senator STENNIS. That is the additional cost this bill itself would create?

Mr. DARDEN. Yes, sir.

Senator STENNIS. Well, I didn't know it was so broad. I thought it was just to cover a special situation.

Mr. KNOX, will you proceed.

You have a prepared statement, do you?

Mr. KNOX. Yes, I do, sir.

Senator STENNIS. Do you want to put that in the record and summarize the substance of it?

Mr. KNOX. Yes, sir.

**STATEMENT OF DAVID E. KNOX, OFFICER OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS, DEPARTMENT OF THE ARMY**

Mr. KNOX. Actually, Mr. Darden's opening statement quite adequately covers the basic purpose of the bill. So I will file the statement for the record and be happy to answer any questions you may have.

Senator STENNIS. Give us a word on the general law as it exists now—what is the present law with reference to this subject?

Mr. KNOX. All right, sir.

The present law, which is title 10, United States Code, section 2634, authorizes transportation of one privately owned vehicle of a member of the Armed Forces on a change of permanent station only from ports serving his old duty station to the port serving his new duty station on vessels owned or operated by the United States or American shipping services.

Senator STENNIS. You have instances, like the 1st Marine Brigade. They went from Hawaii to Vietnam, and their dependents came back to the U.S.A., the mainland, and you just want authority, then, to cover the transportation of the automobile.

Mr. KNOX. That is right. We have authority for the dependent movement, the household goods. But under present law we could not move the vehicles back to the States, to the mainland, at Government expense.

Senator STENNIS. Is this limited to cases where the serviceman goes on to a foreign post?

Mr. KNOX. Yes, we are only talking transocean transportation, sir.

Senator STENNIS. It won't enlarge or loosen up the general law, except in this instance?

Mr. KNOX. Yes, sir.

Senator STENNIS. No. 2, what about this change—the bottoms you are going to haul in? Why do you want to do that?

Mr. KNOX. Well, we have had instances in the past, sir, related, to base closings in overseas areas, where members move, for example, from Morocco up to the European Continent. The move of the dependents' household goods and vehicles were across the Gibraltar Straits. There was no American-flag shipping.

Senator STENNIS. Well, does this proposal say when U.S. shipping, or the ordinary channels are not available?

Mr. KNOX. That is provided in the bill.

Senator STENNIS. Senator Saltonstall?

Senator SALTONSTALL. The only question—if you have a copy of of the House report, Mr. Knox, before you—I don't quite understand, on page 7 of that report, the last paragraph. I quote:

When the Secretary or his designee determines that a replacement for that motor vehicle is necessary for reasons beyond the control of the member—he approves the transportation in advance, one additional vehicle of the member may be so transported.

Just what does that mean?

Mr. KNOX. That is related specifically to replacement transportation, sir. It means that in a condition where the member overseas loses use of his motor vehicle through accident, fire, flood, or other reason beyond his control, and it is determined as being in the interests of the Government that he have a vehicle at that duty station, a vehicle may be transported, then, at Government expense to the port serving that area.

Senator STENNIS. Send him another one—is that it?

Mr. KNOX. Yes.

Senator SALTONSTALL. If that automobile is damaged in transportation, then they furnish him a new car; is that right?

Mr. KNOX. They don't furnish him a new car, sir—only replacement transportation.

Senator SALTONSTALL. Thank you, Mr. Chairman.

Senator STENNIS. Senator Jackson?

Senator JACKSON. I take it the problem here is that the present statute limits the return of the car to the new duty station. This is the key, is it not?

Mr. KNOX. That is right.

Senator JACKSON. So the new duty station, of course, is somewhere else, Vietnam, for example, and the dependents must go back to the States. Or to give another example, if a large contingent of our personnel in Europe should be moved to the Middle East, then the families who wanted to ship their cars back to the States would need this legislation. Isn't that another example?

Mr. KNOX. That is correct, sir.

Senator JACKSON. But that is the key to it?

Mr. KNOX. Yes, sir.

Senator STENNIS. Senator Cannon?

Senator CANNON. No questions.

Senator STENNIS. Senator Inouye?

Senator INOUE. Mr. Chairman, I am happy to see the committee considering this measure, because, as you know, the 1st Marine Brigade was in Kaneohe, Cahu, and I have received many letters from the wives of servicemen. I would like to see the committee consider this favorably.

Senator JACKSON. Mr. Chairman, might I just ask a question on this point?

Has there been a definite decision that they will not be returning to Hawaii for further assignment?

Senator INOUE. It is a permanent change of station.

Senator JACKSON. For this brigade.

Senator INOUE. That is correct—to Okinawa.

(The prepared statement of Mr. Knox follows:)

I am Mr. David E. Knox, Office of the Deputy Chief of Staff for Logistics, Department of the Army. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. I repre-

sent the Department of the Army for that purpose. I have with me today representatives of the other military departments for the purpose of answering any questions that you may have with particular reference to their service.

I have a brief prepared statement which I would like to present to the committee.

Under present law (10 U.S.C. 2634), the transportation of one privately-owned vehicle of a member of the Armed Forces on a change of permanent station is limited from the port serving his old station to the port serving his new duty station on vessels owned, leased, or chartered by the United States, or by privately owned American shipping services. The purpose of H.R. 8484 is to amend this statute to permit the Secretary of the service concerned to authorize shipment of this vehicle to a port other than the port serving the service member's new duty station when he receives a change of permanent station. This bill would also provide authority for (1) use of foreign flag shipping services when vessels owned, leased, or chartered by the United States or privately owned American shipping services are not available, and (2) shipment of a replacement vehicle when a member's privately owned vehicle is lost or destroyed for reasons beyond his control. Additionally, subsection (b) of the bill would specifically include the movement from home to first duty station and from last duty station to home as a change of permanent station for the purpose of transporting a privately owned vehicle.

Section 2 of the bill is a technical amendment to permit use of the same means of transportation for movement of vehicles authorized under section 406(b) of title 37, United States Code; that is, when movement of the vehicle is incident to orders authorizing transportation of dependents from an area outside the United States under unusual or emergency circumstances.

Under uniform travel regulations of the services, a member may be authorized to move his dependents and household goods to places other than his new duty station when he receives a change of permanent station. The prohibition in present law for movement of his automobile to the port serving the area in which his dependents will reside creates an inequity and often results in financial hardship to the service member. As an example, a member serving in an oversea area who receives change of station orders assigning him to a restricted oversea area where he cannot take his dependents or automobile may return his dependents and household goods to a location in the United States. However, he is presently compelled to either dispose of his vehicle in the oversea area or pay the required ocean transportation and port-handling charges for shipment to a port in the United States.

The provision for use of foreign-flag shipping services when U.S. vessels or privately owned American shipping services are not available is considered necessary to resolve difficulties in arranging shipments for military members transferred between oversea duty stations. Many direct sea routes between foreign countries are not used by U.S. vessels or privately owned American shipping services. This presently results in either the disapproval of shipment of a privately owned vehicle, or a requirement to ship the vehicle to an American port for transshipment to the final destination. The costs involved in transshipment are greater than those which would accrue if foreign shipping services could be used and subject the member to extensive delay in receipt of his vehicle.

The provision for shipment of a replacement vehicle when a service member's vehicle is lost or destroyed for reasons beyond his control is consistent with legislation governing the transportation of privately owned vehicles of civilian Government employees.

The Department of the Army on behalf of the Department of Defense favors enactment of H.R. 8484 as necessary to correct inequities presently existing in transportation entitlements of service members on a change of permanent station.

It is estimated that the enactment of H.R. 8484 will result in additional annual costs of \$80,000, broken down as follows:

Department of Army .....	\$21,000
Department of Navy (including Marine Corps) .....	29,000
Department of Air Force .....	30,000

These estimated additional annual costs can be absorbed in funds budgeted for transportation of members of the Armed Forces in fiscal year 1966.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal for the consideration of the Congress.

I have appreciated this opportunity of appearing before the committee and shall be happy to answer any questions you may have on this bill.

**STATEMENT OF COL. STANLEY D. LOW, U.S. MARINE CORPS,  
DIRECTOR, FACILITIES AND SERVICES DIVISION, SUPPLY DE-  
PARTMENT, HEADQUARTERS MARINE CORPS**

Colonel Low. I am Col. Stanley Low, Director, Facilities and Services Division, Supply Department, Headquarters, Marine Corps.

The 1st Marine Brigade, when ordered to the Western Pacific area, a restricted area, left on March 11, under temporary additional duty orders. Their orders were changed to permanent change of station orders on May 25. This is when the problem developed.

Senator JACKSON. That date is May 25. This bill is effective May 1.

Can the Department assure us that we are not going to be caught in some other situation where there has been assignment of troops on a permanent change of station basis?

Colonel Low. I don't know, sir.

Mr. KNOX. We cannot assure there has been—there may have been single assignments of members. Certainly there have, since May 1, who would come under this for entitlement to reimbursement. But not a large group, such as the 1st Marine Brigade.

Senator JACKSON. Well, I am just wondering, Mr. Chairman.

Senator STENNIS. I assume there will be others.

Senator JACKSON. I think this is something we should receive some assurances on.

Senator STENNIS. I assume there will be others, but they would be as much entitled to it as these are.

Senator JACKSON. No; they would not, if the permanent change of station occurred prior to May 1.

Senator STENNIS. You mean antedating this?

Senator JACKSON. We have provided retroactive relief here to May 1.

Senator STENNIS. I was talking about in the future.

Suppose an individual stationed in Japan now is ordered to Vietnam. This bill would be continuing in its effect, and would apply to him; would it not?

Mr. KNOX. Yes, sir.

Senator STENNIS. You are making it retroactive to take care of this first group. Is there any other group that had a similar experience, and we would be called on to make it apply to them?

**STATEMENT OF BRIG. GEN. WILLIAM W. BERG, DEPUTY ASSISTANT  
SECRETARY OF DEFENSE (MANPOWER) OSD**

General BERG. I am General Berg, from the Office of the Secretary of Defense.

I can assure the committee that there were no unit moves which were made under temporary duty orders and subsequently changed which would be not covered by this bill. There may be some individuals, and in fact we knew there were some few individuals. But no unit moves.

Senator STENNIS. Just a few individuals.

Are there any other questions?

Senator Young?

Senator YOUNG. It appears to me, Mr. Chairman, on the basis of my present understanding of this bill, that I would be very much opposed to it unless I heard arguments causing me to change my mind.

For example, at the present time the families of the Marines stationed in Hawaii—the wives—after the husband goes, are left with the automobile. And you want to pay the freight on that and transport it to San Francisco, I assume.

Mr. KNOX. Yes, sir.

Senator YOUNG. In the first instance, I don't know the sale price of automobiles in Hawaii, but I assume that they can sell a used car there at a great deal higher value than they could sell one in Ohio or Michigan. And I do know that in California used cars command very high prices compared to Michigan or Ohio. And would not this bill enable the wife of a marine who was sent to Vietnam to have an automobile transported, if she could not make a fine sale of it in Hawaii—at Government expense to San Francisco, and then sell it on the used car market in San Francisco at a much higher price than it would command in Michigan or Ohio, or in the East, and then go on, travel to her home in New Jersey, or wherever she goes, and then buy another used car at a much cheaper price?

Mr. KNOX. It would enable the transportation, sir. Possibly this could be done. But the provision of the bill is for transportation of the vehicle for the member or his dependent's personal use. We contemplate that they are going to use the vehicle when we transport it.

Senator YOUNG. Yes. But you cannot put any restriction on the sale of the automobile a week after it lands in the United States.

Mr. KNOX. No, sir.

Senator YOUNG. Unless some safeguard is made—I will talk with my colleague, the Senator from Hawaii—but I assume that automobiles bring a pretty good price out there.

Senator STENNIS. Mrs. Smith?

Senator SMITH. I think the question that I had in mind has been cleared up.

For clarification purposes, this relief is for the transportation costs, not of the purchase of an automobile?

Mr. KNOX. That is correct.

Senator SMITH. Thank you.

Senator INOUYE. Mr. Chairman, if I may respond to my colleague, Senator Young—the order describing the permanent change of station came about rather suddenly in Hawaii. Here the wives were left by themselves. They were almost required to move back to the mainland. And I can tell you, from what little I know of the used car market in Hawaii, with such little time to dispose of their cars, they would have had to sell their vehicles at a great loss.

Senator JACKSON. Well, isn't there the further point, Mr. Chairman—here I want to say to Senator Young that the law at the present time makes it possible to take their car back.

Mr. KNOX. That is right.

Senator JACKSON. On a permanent change of station. So this bill merely makes the present law apply as it was contemplated to apply, but due to this unique situation that developed with this Marine brigade, it was necessary to pass this legislation. But that is the law now.

I would think that if the cars sell for more, they would want to sell them in Hawaii, and then buy a car back in Ohio.

Senator YOUNG. Of course they do sell them for more in California. There would be no argument about that.

Senator JACKSON. Senator Inouye says they sell for less.

Senator YOUNG. Less in Hawaii; yes.

Senator STENNIS. Mr. Knox, we thank you very much.

Senator SALTONSTALL. Mr. Chairman—Mr. Knox, I call your attention to line 18 on page 2 of the bill, where you refer to one additional motor vehicle. I don't think that is good language. I have talked with Mr. Darden. I don't want to offer an amendment and have it go back to the House, but I think that ought to be "replacement," instead of "one additional motor vehicle." I think if Mr. Darden brings that out in the report of the committee it will be clear.

You don't mean to allow him to buy a new automobile, and then that language would indicate a second automobile, if you construe it technically. What you want to do is give him the replacement rather than another vehicle. Do I make myself clear?

Mr. KNOX. It is true that we are talking of a replacement vehicle. We don't know whether that would be new or used.

Senator SALTONSTALL. Replacement is the word, rather than one additional.

Senator STENNIS. We will let the report show that is the interpretation. We will have an executive session now.

(Whereupon, at 11:25 a.m., the committee proceeded in executive session.)

(Subsequently, in executive session, the committee voted to report H.R. 8484 without amendment, as covered by S. Rept. 460.)



