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HEARINGS BEFORE THE COMMITTEE ON ARMED SERVICES UNITED STATES SENATE NINETIETH CONGRESS

FIRST SESSION
ON

THOMAS H. NIELSON, OF CALIFORNIA, TO BE AN ASSISTANT
SECRETARY OF THE AIR FORCE
PRICE DANIEL, OF TEXAS, TO BE DIRECTOR OF THE OFFICE
OF EMERGENCY PLANNING
ALFRED B. FITT, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF DEFENSE

SEPTEMBER 21 AND OCTOBER 5, 1967

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CONFIDENTIAL

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At the time of the hearing, the following information was received from the witness:

7017-1107

NOMINATION OF THOMAS H. NIELSEN, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE, VICE LEONARD MARKS, JR.

THURSDAY, SEPTEMBER 21, 1967

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

The committee met, pursuant to call, at 10:35 a.m., in room 212, Old Senate Office Building.

Present: Senators Stennis (presiding), Jackson, Cannon, Young of Ohio, Inouye, Byrd, Jr., of Virginia, and Thurmond.

Also present: William H. Darden, chief of staff; Charles B. Kirbow, chief clerk; T. Edward Braswell, Jr., and Gordon T. Nease, professional staff.

Senator STENNIS. Gentlemen, the committee will come to order.

Senator Russell is involved in some other matters of equal importance and has asked me to preside today.

Members of the committee, we have before us today the nomination of Mr. Thomas H. Nielsen, of California, to be Assistant Secretary of the Air Force, vice Mr. Leonard Marks, Jr. This nomination has been pending before the committee for the required 7 days. Mr. Nielsen is appearing before the committee this morning in accordance with our practice.

Mr. Nielsen, if you will come and sit at the end of the table, please, the committee is glad to have you before us.

We congratulate you on this appointment. If you will at the proper time, give us an oral summary of your background and experience, the committee members then will have an opportunity to ask you questions.

(The nomination reference and biographical sketch of Mr. Nielsen follow:)

NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 11, 1967.

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

Thomas H. Nielsen, of California, to be an Assistant Secretary of the Air Force, vice Leonard Marks, Junior.

RÉSUMÉ OF THOMAS H. NIELSEN

Personal data

Date of Birth, November 7, 1930. Place of Birth, Fullerton, California. Height 5' 8"; Weight 170 lbs. Married, three children.

Education

University of Washington, Sep/1948–Aug/1952 BSCE.
Stanford University, Sep/1955–Apr/1957 MBA.

Employment

California Land Company, 27151 West Saugus and Ventura Road, Valencia, California, President, Apr/64—.

White Investment Company, 16 California Street, San Francisco, California, Exec Vice President, Nov/62—.

Hazleton Nuclear Science Corporation, 4062 Fabian Way, Palo Alto, California, Secr/Treas, Nov/60 Nov/62.

Pickman Trust Deed Corporation, 555 Byron Street, Palo Alto, California, Treasurer, Feb/60 Nov/60.

General Converting & Laminating Corp., 849 29th Street, Oakland, California, Secr/Treas, Nov/58 Feb/60.

Webb and Webb, 1502 Vallejo Street, San Francisco, California, Accountant, Apr/57 Nov/58.

Military

Lt. United States Navy, Active Duty Aug/52 Aug/55.

Other

Certified Public Accountant, Licensed State of California.

Phi Beta Kappa, University of Washington.

Tau Beta Pi, University of Washington.

Society of Sigma Xi, Associate, University of Washington.

Vice President, Southern California Chapter Stanford Business School Alumni Association.

Senator STENNIS. Mr. Marks, I understand you would like to introduce Mr. Nielsen to the committee. We will be glad to hear you.

**STATEMENT OF HON. LEONARD MARKS, JR., ASSISTANT
SECRETARY OF THE AIR FORCE**

Mr. MARKS. Thank you, sir. I would like to introduce to you and to the members of your committee Mr. Thomas Nielsen from California. I think you will find on examination of his qualifications that he is well fitted for this position and that he will perform in the true traditions of the Air Force.

It has been a great pleasure to serve. The relations of the Department with which I have been affiliated for the past several years with this committee have been good. I want to express my appreciation for the fine relations.

I wish to introduce at this time Mr. Nielsen.

Senator STENNIS. Mr. Marks, we are glad to have you here and appreciate what you said about Mr. Nielsen. We also want to thank you for your fine services to the Nation and to the Department of Defense, where you have filled an important position for some time. We have never regretted confirming you or recommending you to the Senate.

Mr. MARKS. Thank you, Senator.

Senator STENNIS. You are leaving with a good record. Mr. Nielsen, we are glad to have you here, You may proceed now with such oral statement as you wish.

STATEMENT OF THOMAS H. NIELSEN, NOMINEE TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE

Mr. NIELSEN. Thank you, Mr. Chairman.

I believe you have before you a brief statement on my background. I would like to summarize it.

I was born in Fullerton, Calif., November 1930, and attended public schools there and high school. In 1948 I attended the University of Washington and graduated in 1952, with a bachelor of science degree in civil engineering. I attended the University of Washington as a regular NROTC student and upon graduation was commissioned an ensign in the U.S. Navy, Civil Engineering Corps.

During my active duty, I served at the naval air station on Kwajalein for 1 year and for 2 years on Whidby Island in the State of Washington.

In 1955, upon release from active duty, I entered the Stanford Graduate School of Business and, in 1957, received a master's degree in business administration from that school. My special emphasis at the school was the field of finance and accounting.

For the past 10 years in industry, I have served various companies in the role of chief financial officer and in each case have been responsible for the design, installation, operation, and use of financial management information systems.

Since 1964 I have been actively engaged in the programing, planning, financing, construction, and marketing of a major new community north of Los Angeles on the 44,000-acre Rancho San Francisco. This activity involved the development of a management information system for budgeting, scheduling, and controlling of this project.

In the past 2 weeks, I have had the opportunity to meet the present Comptroller of the Air Force, Lt. Gen. Ross Milton, and, if confirmed by the Senate for this post, I will feel particularly fortunate to work with this distinguished officer.

That concludes my statement. Thank you.

Senator STENNIS. Always the question comes up concerning the possible conflict of interest of your duties and your financial holdings. Have you been apprised of that fact that you are expected to file with the committee a statement of those holdings?

Mr. NIELSEN. Yes, sir; and I submitted that statement. I assumed it might be presented to you. As far as I know, there is one small stock-ownership that my wife has in Eastern Airlines, which may be a conflict. She has agreed to sell that at any time.

Senator STENNIS. For some reason, your communication has not been received. Do you have a copy of it?

Mr. NIELSEN. No, I do not.

Senator STENNIS. Did you send it to this Armed Services Committee of the Senate?

Mr. NIELSEN. I am not sure, Senator.

Mr. MARKS. We will make sure it gets over, Senator.

Mr. NIELSEN. I left it with the proper people in the office and I assumed it would be with this office.

Senator STENNIS. We will need it now, gentlemen. All I can do is defer this matter until it comes.

Mr. MARKS. We will get it.

Senator STENNIS. As many runners as you have coming over to the Hill all the time, it should get over here in a few minutes.

Do you want to make an oral statement about it now? This is an open hearing and you do not have to make a statement, but if you wish to, you may.

Mr. NIELSEN. I can say that I have indicated on that report that I am still an officer and director of the three companies in California. I would say in response to that that I have indicated that I will resign from those positions if confirmed by this committee for the post that has been offered.

Senator STENNIS. If you are confirmed, you will resign?

Mr. NIELSEN. Yes, sir.

Senator STENNIS. Anything further you want to say about your holdings?

Mr. NIELSEN. No, sir.

Senator STENNIS. You do have some holdings?

Mr. NIELSEN. They are very limited. That is the extent of it, almost.

Senator STENNIS. I hope you can get the necessary information to the committee before this meeting adjourns.

Senator YOUNG. May I ask in what period of time following confirmation would you resign from the companies?

Mr. NIELSEN. Immediately. I have indicated to the directors of the company that I will resign immediately and I intend to move to Washington in mid-October.

Senator STENNIS. I want to ask you this question: Why are you accepting this position? What prompted you to do this?

Mr. NIELSEN. I consider it an excellent opportunity, first of all, to serve my country. Secondly, however, I feel that I have a field of experience which does qualify me to assist in a very important job. I also accepted on the basis of Dr. Marks' recommendations, whom I knew for 10 years before this period.

Senator STENNIS. Senator Jackson, will you preside?

Senator JACKSON (now presiding). Mr. Nielsen, I was about to ask the same question the acting chairman asked, why you decided to make this decision to leave a very successful private business for the Government service. I am always intrigued by it. I assume you are giving up a substantial salary.

Mr. NIELSEN. Yes, sir.

Senator JACKSON. Well, I want to commend you. You have a very fine record and I think it is especially impressive in view of the fact that you received your bachelor of science in civil engineering, of course, from a good school.

But, I note with interest that instead of going on and getting a masters in engineering, you received it in business administration. I think the combination of your engineering background and business administration is certainly an excellent one. It is not very often that one sees that combination of expertise in two important disciplines.

What has your work been mostly in connection with the executive positions that you have held with the White Investment Co.? I noticed you were with them for 2 years. You were executive vice president. What kind of an investment company is that?

Mr. NIELSEN. White Investment Co. is a family-owned company and owns substantial real estate in the San Francisco Bay area. In 1964, California Land Co. was organized principally as a subsidiary of the White Investment Co.

California Land Co. is the development company of a new project, and I joined that company as treasurer and vice president in charge of operations. My duties included the development of budgeting and scheduling techniques for the construction of a new town.

Last year I assumed the role of president of that company and have been actively involved in developing planning for the new community construction of major underground utilities, backbone systems, consummation of contracts with a builder's organization to complete our first homes; that project has been initiated both in an industrial and homebuilding sense.

Senator JACKSON. So, your work in the business field has been in financial management and, of course, in direct administration of corporate affairs?

Mr. NIELSEN. That is correct.

Senator JACKSON. I was just saying, Mr. Chairman, it is quite unique to find a nominee before the committee who has an excellent record in civil engineering and then obtained his master's degree, not in civil engineering, but in business administration. A combination of the two certainly should fit in well for this assignment in the Air Force.

Senator STENNIS (now presiding). Thank you, Senator.

Senator THURMOND, do you have some questions of Mr. Nielsen?

Senator THURMOND. Mr. Chairman, I just want to ask if you have been informed of your chief duties?

Mr. NIELSEN. Yes, sir.

Senator THURMOND. Speaking about your holdings, you said your wife has some holdings and you would dispose of them. When do you plan to dispose of them?

Mr. NIELSEN. I was planning to do it before I was sworn into office if requested by the committee.

Senator THURMOND. Those are holdings belonging to you and your wife?

Mr. NIELSEN. Yes, sir.

Senator THURMOND. I have no questions. I wish you success in your new work.

Mr. NIELSEN. Thank you.

Senator STENNIS. Senator Young?

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

I gather, Mr. Nielsen, that you are a tremendous scholar and certainly compliment you on that. I wish you every success in your new undertaking.

Senator STENNIS. Senator Inouye?

Senator INOUE. Mr. Chairman, I have no questions. I just wish to congratulate Mr. Nielsen.

Senator STENNIS. Senator Byrd?

Senator BYRD of Virginia. Thank you, Mr. Chairman. I have no questions.

I, too, would like to congratulate you and wish you the best of luck, Mr. Nielsen.

Senator STENNIS. Mr. Nielsen, I suggest that you confer with Mr. Darden of the committee staff as soon as Mr. Darden can be available to you and talk to him concerning these holdings. I am not requiring you to disclose anything further in open hearings. If your statement is received here before the committee adjourns, we will pass on your nomination this morning.

Thank you very much for coming in. We are very glad to have you. If you are confirmed, we wish you well.

(Whereupon, at 10:50 a.m., the committee went into executive session.)

(The nomination of Mr. Nielsen to be an Assistant Secretary of the Air Force was subsequently approved by the committee in executive session and confirmed by the Senate on September 22, 1967.)

**NOMINATIONS OF PRICE DANIEL, OF TEXAS, TO BE
DIRECTOR OF THE OFFICE OF EMERGENCY PLAN-
NING, VICE FARRIS BRYANT, AND ALFRED B. FITT,
OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF
DEFENSE**

THURSDAY, OCTOBER 5, 1967

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

The committee met, pursuant to call, at 10:50 a.m., in room 212, Old Senate Office Building.

Present: Senators Stennis (presiding), Symington, Jackson, Cannon, McIntyre, Brewster, Byrd of Virginia, Smith, Miller, Tower, Pearson, and Dominick.

Also present: William H. Darden, chief of staff; Charles B. Kirbow, chief clerk; T. Edward Braswell, Jr., and Gordon A. Nease, professional staff.

Senator STENNIS. Members of the committee, this is an open hearing, to be followed by an executive session. We are pleased to have this morning as the first matter on our agenda the question of whether or not we shall recommend to the Senate that former Senator and former Governor, Price Daniel, of Texas, be confirmed as Director of the Office of Emergency Planning.

**NOMINATION OF PRICE DANIEL, OF TEXAS, TO BE DIRECTOR OF
THE OFFICE OF EMERGENCY PLANNING**

Senator STENNIS. Senator Daniel is well known to many members of the committee.

As I have said before, Senator, we welcome you here and we congratulate you on this appointment. I know that many of your friends here and elsewhere are pleased that you are willing to undertake these duties and will do so if confirmed.

Members of our committee now have been furnished with a copy of your printed biography. Although this is unnecessary for many of us, for the record, we will ask that you give us an oral summary of the biography, and then members of the committee will be recognized for such questions or comments as they might have.

(The nomination reference and biography referred to follow:)

NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 28, 1967.

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

Price Daniel, of Texas, to be Director of the Office of Emergency Planning, vice Farris Bryant.

BIOGRAPHY OF PRICE DANIEL

Born: October 10, 1910 in Dayton, Texas.

Education: Journalism degree, Baylor University 1931. LL.B. degree, Baylor University 1932.

Career:

Reporter for the Fort Worth Star Telegram 1925-26.

Reporter for the Waco News Tribune 1929-31.

Private practice of law, Liberty, Texas 1932-43, 1946-47, and 1963-present.

Member, Texas House of Representatives 1939-43.

Speaker of the House, 1943.

Attorney General of Texas 1947-53.

United States Senator from Texas 1953-57.

Governor of Texas 1957-63.

Member, Texas State Library and Historical Commission 1964-present.

Publisher of newspapers in Liberty, Anahuac, Winnie and Stowell, Texas.

Vice Chairman of the Advisory Commission on Intergovernmental Relations and consultant to the Office of Emergency Planning.

Military Service: U.S. Army, 1943-46; released from active duty as a Captain. Served in the Pacific and Japan.

Marital Status: Married to the former Jean Houston Baldwin. Three sons: Price Jr., Houston, and John. Daughter: Mrs. David Murph of Lexington, Kentucky.

Senator STENNIS. Senator Tower, of Texas, who is a valuable member of our committee, wishes to make a statement in behalf of our nominee.

STATEMENT OF HON. JOHN TOWER, A U.S. SENATOR FROM THE STATE OF TEXAS

Senator TOWER. I will file for the record a statement of introduction of Governor Daniel and simply say that I cannot think of anybody better qualified for this particular job. I am delighted that the President saw fit to appoint Governor Daniel. He is very familiar with natural disaster, I know because I toured the area of Hurricane Carla with him in 1961 after that terrible disaster. I am delighted to present him before this committee today.

(The complete statement of Senator Tower follows:)

Mr. Chairman: I am pleased to introduce to the committee and to support for approval as Director of the Office of Emergency Planning former Governor Price Daniel of Texas.

Price Daniel has been interested in government ever since his days at Baylor University, where he was very active in student government. He has been a member of the Texas Legislature, has served as Speaker of that body, was Attorney General of Texas, a United States Senator, and Governor for three terms.

We in Texas have a special place in our hearts for him because of his brilliant defense of Texas ownership of the tidelands, which has meant millions of dollars to our school system. His intimate knowledge of Texas history was one of the things that made it possible for him to present such a case for the tidelands during his tenure as Attorney General.

While Governor, Price Daniel was noted for his meticulous attention to detail. We think his dedication to the fine points of government will stand him in good stead in his new job, which calls for exceedingly close attention to and cooperation with all the states in emergency situations.

Governor Daniel began long-range planning in Texas in such important areas as water development, conservation, and traffic safety. He also made significant strides in the streamlining of state government.

I am confident that his long experience and good judgment will enable him to be a particularly effective director of OEP—an agency which is even now actively engaged in helping Texas recover from the emergency situation created by Hurricane Beulah.

We Texans know from recent, first-hand experience how important OEP can be. We have been helped by it. We are glad to be able to provide for it in return the talents of Price Daniel.

Senator STENNIS. Senator, you may proceed.

**STATEMENT OF HON. PRICE DANIEL, OF TEXAS, NOMINEE TO
BE DIRECTOR, OFFICE OF EMERGENCY PLANNING**

Mr. DANIEL. Mr. Chairman, members of the committee, I think this biography, which I did not prepare, but having looked it over, I believe that it does cover my background. I appreciate the honor that has been extended to me by the President in asking that I accept this appointment. If you approve it and the Senate confirms the nomination, I certainly will do my best to carry on in this Office in the manner that my predecessor has done. I would just like to say that, in my opinion, Gov. Farris Bryant has done such a splendid job in this Office that he will be a very difficult man to follow. But I will do my best to carry on as the President and the Congress desire that this Office be operated.

I have filed with you a statement of financial interest. I know of no conflict of interest which I have. I have discussed that with counsel for our Office.

I do appreciate your consideration and will do the best that I can if confirmed in this position.

Senator STENNIS. Senator, I feel we are fortunate to have you in this highly important position. It is highly important, more far reaching in its activities and power, too, than is generally recognized. You are a man of judgment and discretion, with a fine background of experience. This includes membership on the Security Council and duties here of contact with States and Governors of States and various agencies of States, for which you are eminently qualified.

These questions always come up and you have already furnished the committee with a letter indicating that you have no financial interest with concerns doing business with the Federal Government.

Mr. DANIEL. That is correct.

Senator STENNIS. This matter always comes up, too, in connection with this office. You have duties to investigate allegations that importations of certain commodities, including oil, threaten to impair national security. One of your predecessors the committee asked to dispose of some of the oil interests he owns. Do you have any ownership or financial interest in oil production?

Mr. DANIEL. I have only landowner royalties on my ranch and other lands in Liberty County. I have no interest in the producing end of the oil-producing business or transportation or marketing. I was a director for several months, elected a director of a local oil-producing company, but I have not yet attended a meeting, and I resigned last week after my nomination was made to this office.

Those are the only interests that I have as far as the oil business is concerned.

Senator STENNIS. As I understand, the royalties, then, are limited to land that you own yourself on your own ranch?

Mr. DANIEL. That is correct. Ranch and other lands. Part of it is inherited and part of it acquired through the years.

Senator STENNIS. That is an interest no farther than anyone else would have on land that they own?

Mr. DANIEL. Oil royalties; yes. And I do not want you to get an idea that that has been too much money received.

Senator STENNIS. Senator Smith?

Senator SMITH. Thank you, Mr. Chairman. You have covered the questions was I going to ask. I have no others.

Senator STENNIS. If I had known you had it on your mind, I would have deferred.

Senator Symington?

Senator SYMINGTON. Thank you, Mr. Chairman.

Senator Daniel and I came to the Senate on the same day in January 1953, and our offices adjoined. I am very honored to have him as a friend. I think the President is very fortunate to get him to take on this difficult work. I look forward to voting for his confirmation.

Mr. DANIEL. Thank you.

Senator STENNIS. Senator Miller?

Senator MILLER. Thank you, Mr. Chairman.

Senator, your fine reputation was received in Iowa a long time ago. I assure you it will be a pleasure to vote for your confirmation, and I wish you every success in your new job.

Mr. DANIEL. Thank you, sir.

Senator STENNIS. Senator Cannon?

Senator CANNON. Thank you, Mr. Chairman.

Senator, I am very pleased by this nomination. I do have one question, however, that was raised by the chairman here with reference to your oil royalties. Are they dependent; is the amount dependent on the production on your lands?

Mr. DANIEL. To some extent some of it would be, and some of it would not be. That which is on the old domes would have no regulation by the Railroad Commission of Texas as to the amount of production; that would be free from any limitations, because they are not regulated. But some of it would depend.

Senator CANNON. Well, in view of the fact that you would be vitally concerned with the problem of oil imports and also some of your royalties apparently flow from oil production on your lands, this would have some effect on the price, would it not?

Mr. DANIEL. It might indirectly have some effect. If the committee felt, after examining the situation, that it did have and did present a conflict, I would certainly be glad to try to make disposition in some manner, in trust or otherwise.

Senator CANNON. I am sure that you would. I just wanted to bring this out so that the committee would have it available for consideration. Personally, I have no worries about it, but sometimes, these things can come up at a later date and be embarrassing because of something that may have been overlooked at the time.

Mr. DANIEL. That is why I put the information in the letter which I filed with the chairman, so that you would have an opportunity to see if you thought anything further should be done with respect to that property.

Senator CANNON. I must say that I am very pleased that the President did see fit to appoint you, and I certainly intend to vote for your confirmation.

Mr. DANIEL. Thank you.

Senator STENNIS. May I ask, Senator, how many acres are involved in this that you referred to?

Mr. DANIEL. The ranch has about 6,000 acres—5,000 acres. With the other land, it would amount to about 6,000.

Senator STENNIS. I think you ought to file more of a bill of particulars with reference to this particular question of the oil royalties.

Mr. DANIEL. I shall do that. I am preparing that now for the Civil Service Commission, which we have to file within 30 days, a complete list, Senator. If I may, I shall file that with the committee, too.

Senator STENNIS. The letter that I referred to already is a part of the committee's records, but it is not part of the public record. We keep those in the files of the committee. I think this additional statement that I have referred to would not take you long to prepare, would it?

Mr. DANIEL. No; it is being prepared. It has to be filed in the case of all Presidential appointments with Mr. Macy of the Civil Service Commission. It is a very complete, detailed list of all properties, and it is being prepared now.

Senator STENNIS. That is as a member of the executive branch of the Government. But this is a matter now pending here, that we expect to act on soon. You could hasten the completion of that statement, could you not, at least the part that I have asked you about?

Mr. DANIEL. Yes, Senator, I could, sir.

Senator STENNIS. And get it in right away.

Mr. DANIEL. Yes, sir.

Senator STENNIS. Thank you, sir.

Senator Tower?

Senator TOWER. I have no questions, Mr. Chairman, except to say that I believe this is an excellent appointment and I am certainly delighted to have the privilege of voting for confirmation.

Senator STENNIS. Senator Pearson?

Senator PEARSON. Thank you, Mr. Chairman. I have no questions. I wish you well.

Mr. DANIEL. Thank you, sir.

Senator STENNIS. Senator Byrd?

Senator BYRD of Virginia. Thank you, Mr. Chairman. I want to say I am delighted Senator Daniel is in Washington again, and I want to say at the same time that I think the President made a most intelligent appointment, and I think Senator Daniel is to be commended for the service he has rendered in previous times.

Senator STENNIS. Senator Jackson, you recognize our former colleague, I am sure. You gentlemen have served together. Do you have some questions or comments to make?

Senator JACKSON. Mr. Chairman, I certainly would not need to hear the testimony, because I have the highest regard for Price Daniel, and I know that he will acquit himself well. I am delighted to have him back in Washington.

Mr. DANIEL. Thank you, Senator.

Senator STENNIS. Are there any other questions now for Senator Daniel?

(No response.)

Senator STENNIS. All right, Senator. We thank you very much for coming here today. It is nice to see you again. We look forward to your further service here in Washington. We may have questions

on a lot of problems we want to put on your shoulders later. Thank you again for coming in.

(The nomination of Price Daniel to be Director of the Office of Emergency Planning was subsequently approved by the committee in executive session and confirmed by the Senate on October 6, 1967.)

NOMINATION OF ALFRED B. FITT, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF DEFENSE

Senator STENNIS. Members of the committee, the next item on our agenda this morning is the appointment of Mr. Alfred B. Fitt, of Michigan, who has been nominated to be an Assistant Secretary of Defense. Our colleague, Senator Hart, desires to introduce Mr. Fitt to the committee.

Senator Hart, we are favored to have you here this morning.

STATEMENT OF HON. PHILIP A. HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Senator HART. Mr. Chairman, members of the committee, you are kind to let me come in this morning. I suspect that oftentimes, we do these things and regard them as a chore. We almost find our tongues sticking in our cheeks sometimes, as we drag out the adjectives preliminary to introducing a constituent who has been nominated to high office. That does not describe my state of mind this morning, Mr. Chairman. I came here with a deep conviction that I would never have an opportunity to present anyone better qualified, who has demonstrated the possession of finer characteristics than Al Fitt. I could assign all the adjectives that are traditional. I do not.

I hope, Mr. Chairman and members of the committee, that even the bare-bone recital of the biography that is in front of you will suggest that here is an individual whose progress in the Department of Defense reflects the judgment of those who have had opportunity to observe his conduct there. This is a nomination that is based on talent, period. This does not mean that he is not a registered voter and has not participated in political activity, but it is not why Mr. Fitt is before you.

I welcome the chance, Mr. Chairman, to state on the record my very high regard for a very fine friend and person.

Senator STENNIS. Thank you, Senator. We appreciate your being here and appreciate what you have had to say about Mr. Fitt.

Now, Mr. Fitt, we will ask you to give us, now, an oral summary, please, of your background as well as your experience. Then we will have the usual chance to question you by the committee.

(The nomination reference and biography of Mr. Fitt follow:)

NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 18, 1967.

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

Alfred B. Fitt, of Michigan, to be an Assistant Secretary of Defense.

ALFRED B. FITT

Born April 12, 1923, Highland Park, Illinois. Married, four children. Army 1943-46. Residence address, 3501 Macomb Street, N.W., Washington, D.C. 20016. Legal residence Michigan.

Yale University B.A. 1946 (with class of 1944). University of Michigan Law School J.D. (Honors) 1948.

October 1948-May 1954: Practiced with Detroit law firm of Lewis and Watkins. Admitted to partnership in 1952.

May 1954-May 1960: Legal Advisor to Michigan Governor G. Mennen Williams.

May 1960-April 1961: On Staff of Senate Judiciary Subcommittee on Administrative Practice and Procedure.

April-June, 1961: Chief Counsel, Cutler Committee (A study of FAA rule making and enforcement procedures).

July 1961-August 1963: Deputy Under Secretary of the Army-Manpower.

September 1963-July 1964: Deputy Assistant Secretary of Defense (Civil Rights).

August 1964-General Counsel of the Army, with additional duties as Special Assistant (Civil Functions).

Member State Bar of Michigan, Detroit Bar Association, American Judicature Society, Federal Bar Association.

**STATEMENT OF ALFRED B. FITT, OF MICHIGAN, NOMINEE TO
BE AN ASSISTANT SECRETARY OF DEFENSE (MANPOWER)**

Mr. FITT. Mr. Chairman, members of the committee, Senator Hart—thank you for those kind words—I do not have a copy in front of me of the biographical material. As you can see, I am a lawyer. I practiced law in Michigan from 1948 to 1960, half of that time with a law firm in Detroit and the balance as legal adviser to Governor Williams of Michigan.

In 1960, I came to Washington to serve briefly with a subcommittee of the Senate Judiciary Committee. Since 1961, I have been in various positions, as you can see, in the Defense Department, most recently, in the last 3 years, as General Counsel of the Army.

Senator STENNIS. Have you filed a statement with the clerk of our committee with reference to your financial situation, your holdings?

Mr. FITT. Yes, sir; I have. I have reported that there are no conflicts of interest in connection with any financial interest that I may hold.

Senator STENNIS. You have had that checked out by the executive branch, too; is that correct?

Mr. FITT. Oh, yes, sir.

Senator STENNIS. Is there anything else you wish to say, Mr. Fitt?

Mr. FITT. Well, I, of course, am quite pleased and honored by the opportunity I have to sit before you today. I have enjoyed my service, with the Government, and I am looking forward very much to my manpower assignment in the Department of Defense. I hope that I can give service which will be useful, and I look forward to the appointment very much.

Senator STENNIS. Is there something in the title that you are going to hold besides manpower? Is it just manpower?

Mr. FITT. That is the title of the office.

Senator STENNIS. Tell us something briefly of what it includes.

Mr. FITT. It involves a policy responsibility for the whole range of people in the Department of Defense—the men and women in uniform, civilian employees, questions relating to dependents as well.

It involves policies affecting the reserves, military compensation, the whole question of retention and of promotion patterns, the operation of post exchanges—there is just the whole range of human activity that is encompassed by the job.

Senator STENNIS. May I ask you—this is not a personal question—why are you interested in serving in this position? I ask most people that. What is the attraction in it that you see?

Mr. FITT. Well, I think it is hard to resist the challenge of an opportunity to have a voice in the policies affecting, really, millions of people. The Armed Forces are a very important part of our society, and they actually encompass perhaps 10 million people, when you count the civilian employees and the wives and children of the members of the Armed Forces. I am stimulated by the prospect of doing some good in connection with the problems that are inevitable when you are dealing with 10 million people.

Senator STENNIS. Senator Smith, may I call on you now, please?

Senator SMITH. Thank you, Mr. Chairman.

Mr. Fitt, I raise this question not with any implication that you would not fully comply with any request of the committee for information, but rather to have in the record of this committee your expression: Would it be your intention to provide the committee with full and complete data on any request from the committee on personnel matters?

Mr. FITT. Oh, yes, Senator.

Senator SMITH. Thank you, Mr. Chairman.

Senator STENNIS. Senator Smith, I would congratulate you on your question and just make this comment: I hope you do not look upon this committee or the legislative branch of the Government as having to deal with us at arm's length.

Mr. FITT. No, sir; I do not.

Senator STENNIS. You feel a responsibility, then, not only to answer questions directly, but to answer them fully and disclose the facts that you think we are interested in freely and voluntarily; is that right?

Mr. FITT. There is no question about that, sir.

Senator STENNIS. Well, you keep that on your mind, because sometimes, we find out that—I am not saying anyone has told falsehoods, but we find out to our sorrow that we have to hit the button right directly to get the answer. If we do not, some skirt away from us.

Well, I think that is your obligation, and any other approach or attitude is harmful to good government and a shortsighted policy, too.

Senator Symington, may I ask you to ask questions?

Senator SYMINGTON. I have no questions, Mr. Chairman. I have not had the pleasure of knowing Mr. Fitt at all well, but based on what our colleague, Senator Hart, says, that is good enough for me.

Senator STENNIS. Senator Miller?

Senator MILLER. Thank you, Mr. Chairman. I, too, have not had the pleasure of meeting Mr. Fitt, but Senator Hart's wholehearted endorsement carries great weight with me.

Thank you.

Senator STENNIS. Senator Jackson?

Senator JACKSON. Mr. Fitt, I just have one question. What would your involvement be, if any, in connection with Reserve affairs?

Mr. FITT. One of the principal deputies of the Assistant Secretary for Manpower is charged with Reserve responsibility. My overall

responsibilities will include the review of Reserve policies, which I would hope and expect to execute through my deputy. That office is occupied by Major General Maroun. He has been active and vigorous in getting around to Reserve installations and visting Reserve units, developing very useful feedback in relationship to the Reserve components. I, of course, have not held the position yet, and I cannot describe in detail what the future will hold. But my impression is that the whole relationship between the Office of the Assistant Secretary for Manpower and the Reserve components is growing and flourishing, with the assistance of this work being done by General Maroun.

Senator JACKSON. I take it you feel it is important to our own security that we have an effective Reserve program?

Mr. FITT. Yes, sir, of course.

Senator JACKSON. As you know, there has been some feeling which has been building up over a period of years that the Defense Department—rightly or wrongly, there is a feeling—look upon the Reserves as something they have to put up with, but in the minds of many, there is a question whether the Department of Defense really desires to utilize in time of emergency the Reserve capability that we have in this country. How do you feel about this?

This is a recurring question, as you know. I think it is well that we get this out on the table and find out how you personally feel.

Mr. FITT. I can speak from personal knowledge and I have personal convictions on the value of the Reserve components, obviously, mainly with respect to the Army Reserve and National Guard, since I have been serving in a civilian capacity in the Army Secretariat for 3 years.

I am not aware of any attitude among the responsible leaders in the Defense Department that the Reserves are something to be put up with. I have never detected that attitude in any form.

Senator JACKSON. Right at that point, Mr. Fitt, as you know, the members of the Joint Chiefs felt that we should have called up the Reserves a couple of years ago, I believe, when we started the buildup. The decision was made by a higher authority not to call them. I personally feel that it was a great mistake that they did not call them up. It caused some serious bottlenecks, in connection especially with our logistics support in Vietnam. The fact that they were not called up, I think, raises a question as to the possible utilization of the Reserves in the future. That is why I ask this question. If they are only to be called in the event of allout war, then that is something else, but with the problem of wars of national liberation, I just would like to get your personal judgment on this question.

Mr. FITT. Well, I did not participate in the discussions a year or two ago on whether the Reserves should be called, and the decision not to call them was made after a very thorough study of the differing views on the point. I think for the future, there would have to be the same kind of careful consideration of the facts as they then appeared to those who had to make the decision.

In the meantime, it is obviously quite important to do everything we can to make the Reserves as effective and capable and ready an organization as is possible.

Senator JACKSON. Well, Mr. Fitt, you appear to have a very fine, in fact an excellent record, and in view of the strong recommendation by our colleague from Michigan, I have no hesitancy in supporting the nomination.

Mr. FITT. Thank you.

Senator STENNIS. That is another Senator overwhelmed by the Senator from Michigan.

Senator HART. You are very kind. I am glad I waited.

Senator STENNIS. Senator Pearson?

Senator PEARSON. Mr. Chairman, I do not have any questions.

Senator STENNIS. Mr. Cannon?

Senator CANNON. Thank you, Mr. Chairman.

I just would hope that the Senator from Michigan would be kind enough to say some equally good remarks about me if the occasion ever arose, because I would be very happy to have that kind of an endorsement.

Mr. Fitt, I only have one question, and that relates to the so-called organizational charts which you are very familiar with, having had the time in the Military Establishment that you have. You served as a Deputy Under Secretary of the Army for Manpower. My question is, Is that the same job with the Army that you are now going into as Assistant Secretary of Defense for Manpower, or is there a table of organization slot that says that there is a Deputy Under Secretary of the Department of Defense for Manpower?

Mr. FITT. The position that I held in the Army is approximately the same as the position to which the President has nominated me in the Office of the Secretary of Defense.

Senator CANNON. In other words, the fact that you were called Deputy Under Secretary of the Army had no different connotation, really, than the Assistant Secretary connotation here? There is no Deputy Under Secretary in the Department of Defense for Manpower?

Mr. FITT. No, sir; there is not.

Senator CANNON. You will be the top man for manpower in the Department of Defense?

Mr. FITT. That is correct.

Senator CANNON. And as Deputy Under Secretary of the Army, you were top man for manpower in the Army?

Mr. FITT. That is correct. The relationship was not exactly parallel, Senator, because the Under Secretary of the Army had specific manpower policy responsibilities. As the title implies, I was a deputy to him, but my responsibilities in that period were for the very same kinds of matters in connection with the Army that I, if the Senate approves, will be holding for all of the military departments as Assistant Secretary of Defense for Manpower.

Senator CANNON. Now, does the Under Secretary of Defense have likewise some authority for manpower, or is that it?

Mr. FITT. Well, the Office of the Secretary of Defense is organized differently. Under Secretary McNamara is a Deputy Secretary. That position is now held by Paul Nitze, who acts as the alter ego of the Secretary. Then there are six or seven Assistant Secretaries of Defense in various areas, one for manpower. There is no corresponding specific manpower responsibility in Mr. Nitze compared with that of the Under Secretary of the Army back in 1961-63, when I was serving in that position.

Senator CANNON. Thank you very much.

Thank you, Mr. Chairman.

Senator STENNIS. Thank you, Senator.

Senator Dominick?

Senator DOMINICK. I have no questions, Mr. Chairman.

Senator STENNIS. Senator Byrd?

Senator BYRD of Virginia. I have no questions.

Senator STENNIS. Senator Brewster?

Senator BREWSTER. I have one question.

Mr. Fitt, let me pursue what Senator Jackson said, asking you your personal opinion on whether or not Reserve Forces should be called up involving such questions as Vietnam.

Mr. FITT. It is hard to answer that question, Senator. It is a difficult decision to make, and it is a decision which the President alone can make. The Reserve has not been called thus far, and it is probably not very useful to speculate on the future unless a very thorough definition of the circumstances were given.

Senator BREWSTER. Do you have an opinion, yourself, on whether or not they should be utilized in Vietnam?

Mr. FITT. I think the course that has been followed has been correct.

Senator BREWSTER. Thank you.

Senator STENNIS. Thank you, Senator.

Mr. Secretary, let us go back just a minute now. We have before us as background this bill, H.R. 2, that has to do with Reserves. I am sure you are familiar with it. There are proposals in the bill about the creation of additional Assistant Secretaries for Defense, and so forth. I do not know how that will be handled. But you, being Assistant Secretary of Defense for Manpower, which certainly does include the Reserves, as has already been brought out—I have two questions in that connection. Secretary Resor of the Army, before an appropriations committee of the Senate, pledged allegiance to a definite policy of supplies, equipment, and all that that implies, for the Reserves. We were talking then about the Army Reserves and the possibility of a floor of 260,000. That has been set since that date in the appropriations bill at 400,000 for the current fiscal year, at least, for the National Guard.

Further, I asked him if he were authorized to speak directly for the Department of Defense on that subject, and he said that he was and did speak for them.

Now, with that as background, do you subscribe to that policy fully?

Mr. FITT. I subscribe to it fully.

Senator STENNIS. In letter and in spirit?

Mr. FITT. Yes, sir.

Senator STENNIS. I think Congress is going to do something about this Reserve program and set it up, not in hard concrete, but set it up to where we will know where we are.

I know you are not going to have charge of all the money, but that implies seeing that the money gets to these ends and will supply this equipment. Do you subscribe to that effort on your part, too?

Mr. FITT. Yes, sir, I do. As you point out, I will not have charge of the money end, but the basic policy, of course, I support fully.

Senator STENNIS. So far as you can reach in your policy part, you will.

Also, we do not know what form that bill will take with reference to Deputy Assistants or a new Assistant. But such part of this program for the Reserves, all of them—National Guard included—as may be left under you, you have already spoken that you would be positively in favor of pushing the program forward, is that right?

Mr. FITT. Absolutely, sir.

Senator STENNIS. As I say, we have a lot of proposals. I do not know what turn it will take, but there is going to be something written in that bill. You will still be left in the picture if you are confirmed, left in to a degree.

Members of the committee, the statement filed here by Mr. Fitt on his financial affairs, even though brief, has been reviewed and Mr. Darden, who for many years has handled these matters for the committee, says that that meets the usual requirements of the committee.

Are there any other questions?

Senator CANNON. One further question, Mr. Chairman.

Mr. Fitt, are you a reservist?

Mr. FITT. No, sir.

Senator CANNON. Thank you, Mr. Chairman. That is all.

Senator STENNIS. All right, Mr. Fitt, thank you for coming in. We certainly appreciate your testimony, and we wish you well in the discharge of your duties.

Mr. FITT. Thank you, sir.

Senator STENNIS. We will now go into executive session.

(Whereupon, at 11:30 a.m., the committee went into executive session.)

(The nomination of Mr. Alfred B. Fitt to be an Assistant Secretary of Defense was subsequently approved by the committee in executive session and confirmed by the Senate on October 6, 1967.)





