

1034

94/4
Ar 5/3
Sh 8

Y4
Ar 5/3:
Sh 8

NOMINATION OF FRANK A. SHRONTZ

GOVERNMENT
Storage

HEARING BEFORE THE COMMITTEE ON ARMED SERVICES UNITED STATES SENATE NINETY-FOURTH CONGRESS SECOND SESSION

ON
NOMINATION OF FRANK A. SHRONTZ TO BE AN
ASSISTANT SECRETARY OF DEFENSE

JANUARY 27, 1976

KSU LIBRARIES



A11900 304876 ✓



Printed for the use of the Committee on Armed Services

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

66-177

COMMITTEE ON ARMED SERVICES

JOHN C. STENNIS, Mississippi, *Chairman*

STUART SYMINGTON, Missouri

HENRY M. JACKSON, Washington

HOWARD W. CANNON, Nevada

THOMAS J. MCINTYRE, New Hampshire

HARRY F. BYRD, Jr., Virginia

SAM NUNN, Georgia

JOHN C. CULVER, Iowa

GARY HART, Colorado

PATRICK J. LEAHY, Vermont

STROM THURMOND, South Carolina

JOHN TOWER, Texas

BARRY GOLDWATER, Arizona

WILLIAM L. SCOTT, Virginia

ROBERT TAFT, Jr., Ohio

DEWEY F. BARTLETT, Oklahoma

T. EDWARD BRASWELL, Jr., *Chief Counsel and Staff Director*

JOHN T. TICER, *Chief Clerk*

(II)

2

NOMINATION OF FRANK A. SHRONTZ TO BE AN
ASSISTANT SECRETARY OF DEFENSE

TUESDAY, JANUARY 27, 1976

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

The committee met, pursuant to notice, at 10 a.m., in room 212, Russell Senate Office Building, Hon. John C. Stennis (chairman), presiding.

Present: Senators Stennis, Cannon, Byrd of Virginia, Culver, Hart of Colorado, Thurmond, Goldwater, Scott of Virginia, Taft, and Bartlett.

Also present: T. Edward Braswell, Jr., chief counsel and staff director; W. Clark McFadden II, counsel; John T. Ticer, chief clerk; Phyllis A. Bacon, assistant chief clerk; Charles J. Conneely, John A. Goldsmith, Edward B. Kenney, Robert Q. Old, professional staff members; Doris Connor and Christine Cowart, clerical assistants; Charles Stevenson, assistant to Senator Culver; Ed Miller, assistant to Senator Hart of Colorado; William M. Ball, assistant to Senator Tower; and William S. Lind, assistant to Senator Taft.

The CHAIRMAN. Members of the committee, this is an open session. Any member can ask for a closed session, of course. We have with us for consideration, Mr. Frank A. Shrontz, who has been nominated to be Assistant Secretary of Defense for Installations and Logistics. That has to do with just what it says, installations, which grew out of an amendment of this committee about 20 years ago that called on DOD to have someone at the Defense level who could coordinate construction.

Mr. Shrontz, you have been nominated for the position I have just referred to and we are delighted to have you here. The nomination reference and report and your biographical sketch have been placed before each committee member, and without objection, will be inserted at this point in the hearing record.

[The nomination reference and report and biographical sketch follow:]

NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
December 12, 1975.

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

Frank A. Shrontz of Virginia, to be an Assistant Secretary of Defense, vice Arthur I. Mendolia, resigned.

FEBRUARY 5, 1975.

Reported by Mr. Stennis with the recommendation that the nomination be *confirmed*, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

BIOGRAPHY OF FRANK A. SHRONTZ

Present address: 1448 Woodacre Drive, McLean, Va. 22101.

Born: December 14, 1931, Boise, Idaho.

Marital status: Married to the former Harriet Ann Houghton, four children.

Employment: U.S. Air Force—Oct. 16, 1973, to present (Assistant Secretary of the Air Force (installations and logistics)).

July 1970 to October 1973, director of commercial sales operations, Boeing Co.

January 1969 to July 1970, assistant director, new airplane program, Boeing Co.

September 1967 to January 1969, assistant to the vice president general manager, Boeing Co.

February 1965 to September 1967, assistant director of contract administration, Boeing Co.

1958 to February 1965, assistant contracts coordinator and manager of the legal services section, Boeing Co.

1958, Graduate of Harvard Graduate School of Business Administration.

1954 to June 1956, Commissioned Officer in U.S. Army. Released from active duty as a first lieutenant.

Honors, awards: Air Force Exceptional Civilian Service Award, Nov. 10, 1975. Sloan Fellow at Stanford Graduate School of Business Administration (1969-70). Phi Alpha Delta Legal Honorary.

The CHAIRMAN. Mr. Braswell, have you and Mr. Shrontz conferred regarding the conflict of interest provision of our committee?

Mr. BRASWELL. Yes, Senator. Mr. Shrontz has submitted a letter indicating full compliance with the committee rule.

The CHAIRMAN. All right. You are fully satisfied with that yourself?

Mr. BRASWELL. Yes.

The CHAIRMAN. Mr. Shrontz, is there anything you wish to say about the alleged conflict of interest, the letter, or anything else concerning that matter?

Mr. SHRONTZ. Mr. Chairman, I feel I have no conflict. I have occupied a comparable position here for about 26 months, in Air Force Installations and Logistics.

I would like to say I am very honored to be nominated for the Defense position. I certainly pledge to this committee my best efforts to do a good job in that role and achieve whatever efficiencies I can in the acquisition and logistics process. With that I would be glad to answer any questions of the committee.

The CHAIRMAN. You served 26 months in the same position, as pertains to Air Force Installations and Logistics?

Mr. SHRONTZ. That is correct.

The CHAIRMAN. This nomination puts you at the Assistant Secretary of Defense level?

Mr. SHRONTZ. That is correct.

The CHAIRMAN. Assistant Secretary, representing the Secretary for all the services?

Mr. SHRONTZ. That's correct.

The CHAIRMAN. I ask every one this question: What is the primary reason you are willing to accept this appointment and do the work?

Mr. SHRONTZ. I think my primary reason, Mr. Chairman, is the broader perspective and opportunity to make a somewhat greater contribution.

I feel the 2 years in the Air Force have been very instructive for me, and I have the kind of background that will permit me to make a contribution.

The CHAIRMAN. You have no idea of just hanging your hat here awhile and using it as a stepping stone to some personal or private employment that might bring you in contact with business in the Department of Defense.

Mr. SHRONTZ. No, Mr. Chairman, I have no future plans at all beyond the current position for which I have been nominated.

The CHAIRMAN. I refer to a letter dated December 15, to me, as Chairman, wherein you say: "On the basis of my previous employment with the Boeing Co., I have a vested interest in their retirement plan which is administered primarily by the First National City Bank of New York. From this plan I would be entitled to receive an annuity, if and when I reach the age of 65. Any money which would come to me through this plan is not subject to control by the Boeing Co."

Those are the facts as you know it?

Mr. SHRONTZ. Yes, sir, they are.

The CHAIRMAN. It is already a matter of public record. What is your age?

Mr. SHRONTZ. I am 44.

The CHAIRMAN. Gentlemen, are there any questions of Mr. Shrontz.

Senator GOLDWATER. I have a few.

The CHAIRMAN. All right Senator Goldwater.

Senator GOLDWATER. Any time. There is no hurry.

The CHAIRMAN. You can proceed now, Senator Cannon.

Senator CANNON. Mr. Chairman, yesterday I visited with Mr. Shrontz, in my office, concerning procurement procedures for DOD military airlift associated with the Civil Reserve Air Fleet [CRAF] program. We examined the present policy to permit non-certificated air carriers to participate in Military Airlift Command [MAC] procurements provided Civil Aeronautics Board [CAB] exceptions are permitted.

We talked about the fact that the Assistant Secretary of the Air Force, Mr. Shrontz, on February 14, 1975, signed a determination and finding for negotiated procurements for fiscal year 1976 restricting such operation to air carriers certified by the CAB.

However, on June 5, 1975, he amended the findings to read air carriers certificated or otherwise authorized by the Board.

This action would appear to make other operators eligible providing they can get an exemption by the Board. This action was a major alteration to a policy that had its genesis from congressional mandates and which had been in effect until June 5, 1975.

This change was without notice to the certificated carrier industry, both scheduled and supplemental and was supported by the Department of Defense over a period of years; it made substantial investments in modern aircraft, specifically designed to meet emergency requirements of DOD.

Mr. Chairman, I have an analysis which sets forth in more detail, the administrative and legislative history and specific intent of all concerned to limit procurement by air carriers certificated by the Board.

At this point I would like to enter that analysis in the record, if I might, Mr. Chairman.

The CHAIRMAN. Without objection, it will be entered.
 [The material referred to follows:]

BRIEF ON POLICY OF UNITED STATES TO RESTRICT MILITARY AIRLIFT COMMAND
 PROCUREMENTS OF CIVIL AIR TRANSPORTATION TO AIR CARRIERS CERTIFICATED
 BY THE CIVIL AERONAUTICS BOARD

The procurement practices of MATS, the predecessor of MAC, came under attack by Congressional and Administrative forces in the 1950-60 time period.

Those principally involved were:

1. The Subcommittee of the Committee on Government Operations, House of Representatives,
2. The Subcommittee on Military Airlift of the Committee on Armed Services, House of Representatives,
3. The Special Assistant to the President of the United States for Civil Aviation, General Elwood R. Quesada,
4. An interagency working group composed of CAB, BOB, Departments of Defense and Commerce.

Extensive hearings were held by both the Government Operations Subcommittee and the Military Airlift Subcommittee of the Committee on Armed Services over an extended period, 1958 to 1970.

Simultaneous with these hearings the interagency group, under the direction of the President of the United States, re-examined MATS military operations as well as procurement policies.

The Government Operations Subcommittee issued a report in 1958 which contained 22 recommendations for the restructuring of MATS and the establishment of more realistic procurement practices. At about the same time the Military Airlift Subcommittee issued a report which contained 11 recommendations and the Department of Defense, pursuant to the interagency working group discussions, issued its report in February of 1960 known as "The Role of MATS in Peace and War". This report contained 9 recommendations which were approved by the President covering military operations as well as procurement of civil air carrier capability in support of Department of Defense peacetime and emergency operations.

The pertinent recommendations with respect to procurement policies of MAC contained in the Government Operations Subcommittee's overall recommendations are Numbers 5, 9, 11 and 12:

RECOMMENDATION NO. 5

The Civil Reserve Air Fleet should be expanded and more closely integrated with military airlift missions. It is especially important that the Air Force encourage the civil air carriers to procure more modern cargo aircraft for the Civil Reserve Air Fleet, by allocating to these civil carriers a larger share of the cargo traffic of the Military Air Transport Service. Such action would more adequately provide the incentive necessary to overcome the dangerous risk inherent in the deficit that now exists in meeting overall wartime requirements for cargo airlift.¹

RECOMMENDATION NO. 9

Final action should be taken by the Air Force to enter into standby contracts with the reserve fleet carriers for emergency airlift services.²

RECOMMENDATION NO. 11

The Department of the Air Force, at the direction of the Secretary of Defense, should establish policies and programs for procurement of commercial air services which are designed to utilize more fully the available excess capacity of civil air carriers participating in the Civil Reserve Air Fleet and to give the participating carriers more direct experience in performing military airlift missions.³

¹ Twenty-eighth Report by the Committee on Government Operations, June 26, 1958, pp. 5 and 7.

² *Ibid.*, p. 7.

³ *Ibid.*, p. 7.

RECOMMENDATION NO. 12

The use of firm contracts, now in effect with a limited number of commercial air carriers, should be continued and expanded to include more carriers. Such contracts should be awarded on a 12-month basis.⁴

The pertinent Presidentially approved course of action contained in "The Role of MATS in Peace and War" is Number 5:

"That, with respect to services overseas and to foreign countries commercial augmentation airlift procurement policies and practices be better adapted to the long-range Department of Defense requirements, and to encourage and assist in sound economical growth, development and maintenance of an increased air cargo capability; that there be explored the feasibility of:

(1) Expanding the provisions of paragraph 3 above to apply to other MATS operations in addition to routine channel traffic;

(2) (a) Procuring commercial cargo airlift only from air carriers, as defined in Section 101(3) of the Federal Aviation Act of 1958, and increasing the amount of such airlift obtained at tariff rates filed with the Civil Aeronautics Board as distinguished from airlift obtained through the practice of advertising for bids,

(b) Requiring that all cargo carried by commercial carriers be so moved; . . .⁵

The question has arisen as to whether MAC's procurement of civil airlift was intended to be restricted to "air carriers certificated by the Civil Aeronautics Board." Recommendation 5 of the Presidentially approved course of action says that procurement shall be limited to air carriers as defined in Section 101(3) of the Federal Aviation Act of 1958. This recommendation limiting it to "air carriers" as defined in the Act was also referenced in the recommendations of the Government Operations Subcommittee as well as that of the Armed Services Committee.

What was meant by restricting civil airlift procurements to air carriers as defined in Section 101(3) of the Federal Aviation Act of 1958 can be conclusively gleaned from the testimony of Air Force witnesses, specifically, the Assistant Secretary for Materiel when he appeared before the Subcommittee on Government Operations in April of 1963 and the report issued based on this testimony by the Subcommittee dated July of 1963. The pertinent portions of this report and testimony are quoted below:

"A precondition for the CAB's ability to set rates in this manner was the willingness of the Defense Department to restrict MATS business to common carriers, over whom the CAB has regulatory control. Influencing the Department's position was the belief that carriers subject to CAB economic regulation would be more inclined to build up the commercial part of their business and hence be less dependent on MATS."⁶

PROCUREMENT PLANS

"By the time the new fiscal year approached, the Air Force was ready to apply more fully the approved courses of action. Following the precedent already set in the 1961 call contracts, oversea airlift contracts would be awarded to air carriers as defined in the Federal Aviation Act. This decision was fortified by the belief that common carriers were more likely to obtain sufficient commercial business to maintain a fleet of modern aircraft which the Government wanted for its airlift requirements but could not wholly support.

"A portion of the traffic would go to the certificated air carriers in connection with scheduled commercial runs (category A), and the remainder in *plane-load lots to both the certificated and supplemental carriers (category B)*. Negotiations would give major consideration to availability of modern equipment and expansion capacity for emergencies. Contracts would be let for 1 year with options to renew for each 2 successive years."⁷ (Emphasis added)

DOMESTIC OFFERS

"In earlier years, operations under Logair and Quicktrans were covered by CAB blanket exemptions, as in the case of oversea airlift. The domestic blanket exemptions were terminated by the CAB in the spring of 1961. When MATS announced the domestic awards at the beginning of June, successful bidders applied

⁴ *Ibid.*, p. 8.

⁵ "The Role of MATS in Peace and War" by the Department of Defense, 1970, pp. 5 and 6.

⁶ Tenth Report by the Committee on Government Operations, R.R. July 17, 1963, p. 7.

⁷ *Ibid.*, p. 28.

to the Board for the necessary exemptions, except for one part 45 operator (Zantop Airline), who received a Logair contract. While MATS was prepared to restrict domestic as well as international airlift procurement to air carriers as defined in the Federal Aviation Act, it accepted part 45 operators' bids in the 1962 fiscal year procurement on the ground that insufficient notice had been given of the policy change."⁸

In Congressional testimony in 1961 Joseph S. Imirie, Assistant Secretary of the Air Force, confirmed the intention of the Department of Defense to limit airlift procurement to "air carriers" under the economic control of the CAB, when he said:

"In exploring means for carrying out the approved courses of action, three major areas were considered

(a) The 'air carriers' as defined in section 101(3) of the Federal Aviation Act of 1958, since they are authorized to offer their services as common carriers, are more likely to be able to obtain sufficient non-Government business to justify maintenance of a fleet of modern aircraft in excess of current Government requirements than are the so-called part 45 carriers. These carriers, as you know, are not permitted to engage in the carriage of persons or property as common carriers. Consequently, the decision was made to limit MATS overseas and international procurements to 'air carriers' as defined in the Federal Aviation Act of 1958."⁹

In later testimony before the same subcommittee in 1963, Secretary Imirie reported that Logair and Quicktrans were now under common procurement policies with international operations when he reports:

"Beginning in fiscal year 1962, the Military Air Transport Service, the Executive Agency for Airlift Service, entered into annual contracts on a competitive negotiated basis *using criteria similar to that used for international augmentation*. The rates that were used were those approved by the Civil Aeronautics Board in order to assure an economically healthy industry.

"It was felt that annual contracts (with options to renew for 2 successive years) would assist industry to program their resources and capabilities to Department of Defense needs in conjunction with their civilian commitments and civilian requirements. Thus we have tied our domestic and international programs together as they are indeed interrelated."¹⁰ (Emphasis added)

In Hearings before the Subcommittee of the Committee on Government Operations of the House of Representatives in April 1963, the Honorable Robert T. Murphy, Vice Chairman of the Civil Aeronautics Board, stated:

"The net effect is that the Board has weeded out the undependable supplemental air carriers, and has confined the issuance of interim certificates to those carriers that are operationally and financially fit. Thus, the military has been provided with a significant number of common carriers, the certificated route operators and the supplemental carriers holding interim certificates, for meeting its requirements which are deemed to be operationally and financially fit."¹¹

The Report of the Military Airlift Subcommittee of the Armed Services Committee of 1970 quoted herein is also pertinent:

"According to Air Force witness, the procurement policies and practices were revised for fiscal year 1961 to start phasing-in the implementation of Approved Presidential Course of Action No. 5. The significant changes were:

1. Procurement was limited to "air carriers" under the control of the Civil Aeronautics Board only.
2. Contracting was accomplished at the minimum rates set by the Civil Aeronautics Board, thus avoiding the destructive competition that had characterized airlift procurement up to that time.
3. Negotiated contracts replaced old advertised competitive bid system.
4. This enabled MAC to use standard contracts for all airlines.
5. The fiscal year 1962 contracts contained options to renew for two consecutive 1-year periods. The option feature assisted in bringing the necessary degree of orderliness and stability needed to encourage modernization of the CRAF. . . ."¹²

⁸ *Ibid.*, p. 31.

⁹ Hearings, Subcommittee, Committee on Government Operations, H.R., June 1961, p. 7.

¹⁰ Hearings, Subcommittee, Committee on Government Operations, H.R., April 1963, p. 4.

¹¹ *Ibid.*, pp. 77 and 78.

¹² Report by the Subcommittee on Military Airlift of the Committee on Armed Services, H.R., pp. 9238 and 9239.

Conclusive beyond any shadow of a doubt, however, and a much more persuasive document is the Determination and Finding of the past number of years wherein procurement is restricted to air carriers certificated by the Civil Aeronautics Board.

Testimony and the reports set forth above are also equally clear that it was the intent of the Department of Defense under the Presidentially approved course of action to exclude from such procurements so-called Part 45 carriers (non-common carriers). The present Part 121 operators are the redesignated Part 45 carriers by reason of an FAA change in designation.

Senator CANNON. The Air Transport Association and the National Air Carrier Association, representing the entire certificated air transporter industry, requested the Secretary of Defense, on June 13, 1975, to set aside this change in policy until a meeting with industry could be arranged.

The intent was to give them and other appropriate Government agencies and the Congress, an opportunity to comment, and for Congress, of course, to review the matter. To date, no response has been received from DOD.

However, Mr. Shrontz assured me, if appointed to his new position, he would make sure that the Air Transport Association and the National Air Carrier Association would have the opportunity to be consulted on this matter and brought into discussions as to any major change of policy and the policy would not be changed for fiscal year 1977, until Congress had the opportunity to review it.

I am satisfied with that assurance, Mr. Chairman.

Mr. Shrontz may want to comment.

The CHAIRMAN. Yes, let him comment if he wishes.

Mr. SHRONTZ. I think the Senator's statement is accurate. My commitment, as of yesterday, is: We are going through a fact-finding process to review with the air carrier industry and other interested groups, respective policy considerations involved for renewal of either the earlier determination findings or the amended form. We would make sure the interested parties were involved in discussions prior to any further implementation of the change.

I do have a meeting with you later today, Senator Cannon.

The CHAIRMAN. All right, gentleman. Thank you both.

Senator CANNON. Thank you.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. The fiscal year 1977 Department of Defense appropriations bill contains a provision authorizing our servicemen to move their own household goods during permanent change of station [PCS].

I am interested to see that the administrative procedures necessary to implement this are forthcoming as soon as possible and that they are not overly complex. Otherwise, our servicemen and women will not use the new authority and the potential savings will not be achieved.

Will you make a special note to keep me apprised on how the Department is progressing on implementing this procedure?

I remember during the course of debate an effort was made by the transport industry to require PCS movements be made with large trucking vans.

Will you keep me posted on that?

Mr. SHRONTZ. Yes, sir, I will do that.

Senator GOLDWATER. In your present position as Assistant Secretary of the Air Force for Installations and Logistics, what do you find is the biggest problem of those who manage the installations and logistics resources?

Mr. SHRONTZ. I think our biggest problem in installations, Senator Goldwater, is to tailor a force structure and a base package that provides for compatibility of today's environment and some flexibility for change in the future so the peacetime efficiency in our base structure can be equated with a wartime readiness. To achieve that balance, I think, is a very important factor we have to look at as we make base changes in the future.

I am also very much concerned with regard to the Air Force base structure encroachment in various places in the country. I think we need to work hard to stop that encroachment so we can keep our bases viable as flying operations. You probably know we are working on this.

Senator GOLDWATER. You refer to the problems we are having in Arizona with Luke and Williams Air Force Bases.

Mr. SHRONTZ. I am, indeed.

Senator GOLDWATER. I think the best thing you could do is to buy the land or take the land around the base so people will not be able to build houses at the end of runways.

I do not blame the Air Force or the airports, but I remember when John F. Kennedy was in a swamp and there wasn't a house within shooting distance of it. The minute you build a runway everyone wants to build a home around it and then they get up in arms any time a new airplane flies in.

I think we should make it a point to try to help the American people in building houses where they could live their lives away from danger.

What will be your role in the selection of the Department of Defense installations to be closed?

Mr. SHRONTZ. We will have a review role in that regard. The services, as you know, will develop their own recommendations and will go through the Department of Defense for review and integration and final approval. So, I will be in that process.

The final decision, of course, with respect to the Department of Defense will be with the Secretary of Defense. I will be making recommendations to him in that regard.

Senator GOLDWATER. I would like to make a recommendation now, that I have made time and time again. It is that when you begin to consider the closing of a base, you inform the Senators and Congressmen of what you are doing because too often we pick up the paper and find a base near our home has been closed. We do not stand adamant against the closing of these bases. We know that bases have to be closed and should be closed, but we can help you soften the impact if we can get the local business organizations and labor organizations aware of the fact that a particular base will be closed and there is nothing we can do about it.

We cannot be of any help to you when we learn about it after it has happened. So, will you keep that in mind?

Mr. SHRONTZ. Yes, sir.

Senator GOLDWATER. Looking at the total number of facilities devoted to flight training, do you believe it is possible to achieve some consolidation of these facilities between the services?

Mr. SHRONTZ. Senator, I have honestly not looked at that. I think it would be premature for me to try to answer it; however, I would be willing to look into it.

Senator GOLDWATER. I wish you would, even if it requires that you become a little obnoxious to get it done, because teaching a person to fly does not require a Navy way, an Army way, Air Force way, or Marine Corps way. Those wings are all the same, and these young people do the same job in every service. If we need specialized training after the young man has learned how to fly, we can become specialists.

Mr. SHRONTZ. You are speaking primarily of the undergraduate training?

Senator GOLDWATER. I am speaking about what we used to call primary and basic training which it is no longer.

Mr. SHRONTZ. Right.

Senator GOLDWATER. We can teach a man how to fly without having the Government subjected to the tremendous costs of four different flying and training services.

Are you aware of what percentage of the 26,000 civilians DOD has requested be reduced in the fiscal year 1977 budget are within the oversight of your new position?

Mr. SHRONTZ. No Senator, at this point I do not know the answer.

Senator GOLDWATER. What are your views on accomplishing installation maintenance tasks with either military, DOD-civilian or contracted labor?

Mr. SHRONTZ. I believe where we can show a clear savings by using contract labor, that is an appropriate way to go. In the case of our Reserve Forces, where it is improper for us to have an active military base support group supporting the Reserve function, contracting out is entirely appropriate. There are other cases I think the readiness capability and all would argue for a blue suit kind of maintenance structure.

Our position to date has been to look at each case on its merits and try to determine which is in our national interests not only in terms of dollars, but in terms of efficiency.

Senator GOLDWATER. My last question. When we talked about reduction of civilians in the Department of Defense, we were talking of the Pentagon. I do not believe the Pentagon suffered any losses at all. Out in the field—particularly Tinker Air Force Base where we are maintaining our B-52's and doing all our J-57 overhauls—the civilian staff has been greatly reduced and this is one place that should not have been reduced.

I would hope you could put some sense into the way they reduce civilian forces. In my opinion, the great overstaffing example in this country is in the Pentagon where I think we still have 2,400 or 2,500 people working in Office of the Secretary of Defense; and Mr. Schlesinger said he could get along with 1,000 people, or probably half of that.

Nobody likes to see jobs go, but if we are going to bang away at the military, we should start banging at where they are and that is in the Pentagon.

I think you will have to make some of your higher-ups who have shown a great reluctance to take this on a little unhappy with you. But, you do it, I think you will be happier for it and so will we.

Thank you.

Mr. SHRONTZ. Very good. Thank you.

The CHAIRMAN. Gentlemen, this meeting was called primarily to pass on the Mariana Covenant matter and so now we will receive a report from the Subcommittee on General Legislation.

The chairman of the subcommittee asked us to hold a hearing this morning; the chairman being Senator Byrd of Virginia.

I am going to ask that we move now to the Mariana Covenant matter, as this is the last day we have to report the resolution.

Senator GOLDWATER. Mr. Chairman, could I move that we approve Mr. Shrontz' nomination.

The CHAIRMAN. Yes.

I have some questions I want to ask him, Senator, but we are pressed for time. We have the Director of CIA matter set by unanimous consent for debate at 1 p.m. and a vote on the nomination at 3 p.m. Several Senators want to be there and I have to be there.

So, we will just have to suspend this nomination matter and go to the subcommittee report on the Mariana Covenant. Others will have a chance to ask questions when we take up his nomination again.

Senator GOLDWATER. When?

The CHAIRMAN. Just as soon as we can.

I will see if there are any other questions besides mine.

Senator BYRD. I have none.

Senator CULVER. No questions.

The CHAIRMAN. I have some questions.

Senator THURMOND. Mr. Chairman, I have no questions. I think Mr. Shrontz is well qualified. He has done a good job with the Air Force, in a similar position. I will be glad to support his nomination.

Senator CANNON. Mr. Chairman, I would like to second Senator Goldwater's motion of this nomination.

The CHAIRMAN. All right.

Senator GOLDWATER. Mr. Chairman, may I suggest to expedite things that you submit your questions for the record.

The CHAIRMAN. I am sorry, Senator, I am not in a position to do that. I want to be courteous to everyone.

Senator Bartlett, you have not had a chance to say anything.

Senator BARTLETT. I want to say that I support the nomination.

The CHAIRMAN. Thank you very much for coming Mr. Shrontz. This is not an adverse action on your nomination. I feel sure it will be approved unanimously.

Mr. SHRONTZ. Thank you Senator.

[Whereupon, at 10:20 a.m., the committee proceeded to other business.]