

Mr. HARDY. Does it mean wherever you can and maintain military capability, or does it say you must contract out if there is anybody on the outside that can produce it?

Admiral BEARDSLEY. No.

Mr. KITCHIN. There is an escape clause in there.

Secretary BELIEU. No, I don't think it goes that far. I don't interpret it that way.

I interpret it so you should go out-house—you should contract out, where you do no damage to your military posture.

Mr. HARDY. Well, let me get a little more specific.

I can recall—now, for instance, in here you made reference to non-combat aircraft maintenance.

(Secretary BeLieu nods.)

Mr. HARDY. You also—the Navy also got involved in proposals to contract out for the maintenance of combat aircraft. Now I don't know how far they got actually with putting that into effect, but I do know that a good many aspects of it were under consideration, and a lot of time and money was wasted in considering it.

I know that certain capability related to combat aircraft maintenance were under scrutiny and under study, and a lot of money was spent on them, and I recall one little item—and this is the kind of thing that would involve overall top policy, I think.

I recall one specific proposal to discontinue the operation of an electroplating facility required in connection with the maintenance of naval aircraft, and to procure that service under contract. I know that in one locality it was determined that there was no local contractor capable of performing, so distant contractors were invited to bid on that proposition.

I know that finally, after a long period of time, somebody topside was prevailed on to understand that the quality requirements could not be maintained by such a procurement at a far distant point.

But the reason I am bringing this up is, here is something that—an awful lot of money was spent on something that was absolutely foolish from the beginning, when you couldn't maintain your quality requirements, and if you made a topside policy determination with respect to the contracting out for this service, generally you would be getting in one "gosh-awful" situation, plus an expensive one, plus the possibility that you would have a lot of aircraft going bad because of inadequate inspection.

Now, I am trying to understand how your top policy decision up in the Bureau on a blanket basis can result in meeting the need for a proper determination on these specifics. Now haven't we got to handle each on its individual basis, instead of trying—

Secretary BELIEU. That is correct, sir. Certainly you can make the overall statement that I did on page 1 and 2 there.

Admiral BEARDSLEY. That is right.

Secretary BELIEU. Then you have to apply this as a yardstick to most individuals and the particular example you speak of I don't know precisely. They may well have to take these aircraft overseas and maintain them, and you have to take this capability with you.

If you lose it here, how are you going to take it with you when you go? Now in my mind, this is almost a direct clamp on keeping it in, of refusing to let it get out.