

This discussion of the General Accounting Office is along the line of the testimony of General Counsel Robert A. Keller before the Subcommittee on Constitutional Rights of the Committee on the Judiciary. I should like to take a minute or two to quote from his testimony. We were talking about the value of having an independent and impartial examination made of these matters.

Said Mr. Keller:

"The value of such independent examinations is illustrated by our review of Air Force procedures for determining spare aircraft engine requirements and for controlling the related procurement. In 1955, we reported to the Congress that the Air Force had substantially overprocured two series of J-47 engines still in production and that arrangements were being made for procurement of 165 additional engines of another series for the military assistance program, although excess engines of a similar series were available. This situation was taken up with the Assistant Secretary of the Air Force and as a result of our finding an order for additional J-47 engines was terminated. The Air Force estimated that savings of \$50 to \$60 millions resulted from cancellation of this order. Additional savings of \$10 millions resulted from the decision to abandon the purchase of more engines for the military assistance program.

"Another illustration was our reviews of supply management and operations in the Far East which we reported on to the Congress and responsible management officials during 1958. We found both the Signal Corps and Corps of Engineers Supply Centers failed to properly discharge their responsibilities in regard to the determination of requirements. Incorrect requirements resulted in overstating orders from the United States. As the result of our reviews, \$9 million of orders for materials were cancelled. Additionally, the deficiencies disclosed during our review of the supply operation of the Eighth U.S. Army, Korea were of such scope and significance as to adversely affect efforts to provide an economical and efficient supply operation. The major deficiencies involved the improper determination of needs, unreliable stock records, and inadequate review of orders from troop units. As a result of our examination, orders on supply centers amounting to over \$3 million were cancelled and recommendations were adopted which should assist in establishing improved controls and in preventing recurrence of the deficiencies noted.

"More recently, we reported on February 4, 1959, to the Congress that our review of the physical movement of aircraft engines in the overhaul pipeline in the Department of the Navy and comparison with performance by the Department of the Air Force on similar engines suggests that a reasonable pipeline would be approximately 150 days as contrasted with the scheduled 210 days used by the Navy for computing requirements. On this basis, we estimated that at July 31, 1958, 793 aircraft engines costing about \$68 millions are being procured in excess of the Navy's requirements. In addition, at that date, the Navy had planned requirements for 204 more of these engines estimated to cost \$33 million. We reported that the Navy, by reason of applying a very liberal allowance for out-of-service time for aircraft engines, is investing very substantial sums of money in the procurement of these aircraft engines that are excess to its needs.