

sponsibility for material control acknowledged that much of it had in fact been physically received in Vietnam.

The report will state that the principal reasons contributing to the lack of control were (1) lack of an effective system for material and equipment control, (2) shortage of experienced personnel, (3) lack of adequate staging areas and warehouse facilities, and (4) inadequate security measures to prevent unauthorized appropriation, pilferage and theft.

Chairman PROXMIRE. Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

Mr. Comptroller General, I'm impressed with the thoroughness of your report. You are doing a good job. You and your staff have gotten into this in an admirable way, and you point up the way to continue the effort with more zeal and energy as we go forward.

\$77 BILLION ANNUAL PROCUREMENT

I want to talk about some general aspects of the problem because I think few people realize that the Government procurement amounts to \$77 billion worth of goods and services a year, which, as you have indicated, is 10.4 percent of the gross national product. That is a substantial volume of business.

You have divided your audit and review work down to the Civil Division and the Defense Division and the International Division. Have you divided this procurement down into those three divisions, that \$77 billion? Do you have a figure offhand of how much of it is civil and how much—

Mr. STAATS. The breakdown?

Senator JORDAN. How much is "Defense" and how much is "International"?

Mr. STAATS. I do not have it so that I can give you precise figures at the moment. The bulk of it, of course, is in the Defense Department.

Senator JORDAN. Yes.

Mr. STAATS. In fiscal 1966, these figures I have given you on a calendar basis, but the fiscal 1966 figures on defense procurement was about \$48 billion.

Senator JORDAN. Yes.

\$60 BILLION DEFENSE PROCUREMENT IN 1966

Mr. STAATS. And the remainder would be—on a calendar year basis. Mr. Weitzel has just given me the figures for the national defense category which show purchase of goods and services as \$60 billion in 1966.

Senator JORDAN. That defense procurement, of course, is the major portion of the total procurement.

Mr. STAATS. That is right. You understand, of course, in that figure is included military personnel as well as procurement.

Senator JORDAN. Yes; and services. That is in the service department.

Mr. STAATS. Yes, that is correct.

COMPETITIVE AND NONCOMPETITIVE PROCUREMENT

Senator JORDAN. And that portion of materiel which applies—speaking of Defense Department alone—what percent of Govern-