

that they made. That is a specific instance of how we have added staff, and you might say spent a little bit of money with the prospect of saving a lot.

Chairman PROXMIRE. Well, yes. The amount is so fantastic and so far beyond the imagination of any of us, who can say how much \$37 billion is, it isn't really comprehended. It is obviously immense.

Obviously under these circumstances, if we can follow policies that comply with what seems to be a reasonable law, the Truth in Negotiations Act, for example, postauditing and so forth, the saving potential is very, very great.

Mr. Ignatius, I want to thank you very much. You have been most patient. I realize it is not easy to submit to this kind of questioning, and I appreciate your sincerity and your ability in responding, and I want to thank the distinguished gentlemen who are with you, too.

TESTIMONY OF ADMIRAL LYLE

Now we would like to turn to the admiral for his presentation. I want to apologize to you, Admiral Lyle, for having kept you waiting. You are an expert in the areas that we haven't covered very much.

As you know, this subcommittee has a fond, perhaps a paternal interest in DSA, and we are looking forward to hearing your statement. I have had an opportunity to review it. You may proceed.

The hour is late. I apologize for that. I don't know what we can do about it, but if you would abbreviate it I would appreciate it. May I say, Mr. Ignatius, if you would like to leave, you can do so. You have been most patient, as I said. You have been here more than two hours.

Mr. IGNATIUS. I appreciate that. I would like to stay just to hear the proceedings. They are of interest to me.

Admiral LYLE. Mr. Chairman, I welcome this opportunity to report to you on the performance of the Defense Supply Agency, and to describe the progress that we have made in our major programs for improving integrated management of supplies and logistics services.

In my testimony to the committee last year, I stated that we had experienced an extremely large increase in demands for supply and logistics services support of the military forces deployed in Southeast Asia and related troop augmentations in the United States. I went on to state that we had been and were giving primary management attention and first priority in the application of resources to satisfying these requirements. The volume of the services' demands has continued to increase in the current fiscal year and we have continued to apply priority management attention and allocate available resources accordingly.

As an indication of the direct impact of Vietnam operations on our supply operations, a special review of our total shipments from January through June of 1966 revealed that more than 60 percent were destined for the Pacific area with the lion's share of these shipments earmarked for direct support of the forces in Vietnam. The growth in supply workload experienced over the past 2 years, almost all of which is attributable directly or indirectly to the military operations in Southeast Asia, is illustrated by the following comparative figures: