

echelons of command. In this regard, we are of the opinion that improvements are needed in order to more effectively and economically support military operations.

In addition to Headquarters, Department of the Army, all of the Army commands in the continental United States as well as overseas are involved in logistics management and/or planning. The Army Material Command has control of stocks only in the depots in the United States. When supplies are issued to the various posts in the United States, the Continental Army Command assumes responsibility. When supplies are issued to overseas theaters, the overseas commands, such as U.S. Army, Pacific, or the U.S. Army, Europe, assume responsibility. The 7th Army, under the U.S. Army, Europe, also has a separate depot complex and supply control point.

We found that major problems inherent in such a logistics structure were:

1. The absence of a reliable asset reporting and control system.
2. A variety of data processing systems for logistics management and a concurrent shortage of skilled data processing personnel.
3. Absence of a focal point for worldwide control of supply transactions.

We made a number of proposals to the Army for improving supply responsiveness. One was the establishment of a comprehensive reporting system designed to furnish Army Materiel Command inventory managers with worldwide asset data. We made a similar recommendation in our report to the Congress in April 1967 on the availability of selected stocks in Europe to meet the requirements of other commands within the Department of the Army. In this connection, the Department of Defense informed us in June 1967 that the Department was instituting a system whereby certain Army overseas depot assets will be incorporated in their entirety in the records of the inventory managers in the United States.

Chairman PROXMIRE. Let me just ask at that point, because it does seem to be appropriate here, does this comply with what you suggested, establishment of a comprehensive reporting system? Is this a comprehensive reporting system?

Mr. STAATS. I think it includes some of the things that we had in mind in our report, Mr. Chairman.

Mr. Bailey?

Mr. BAILEY. It is limited in the number of items that it covers. In other words, instead of covering all items, at this point in time it is limited to certain high value items that are designated for worldwide reporting and control.

Chairman PROXMIRE. I will follow up on that later, and maybe the other members of the committee will.

Mr. STAATS. The Army has various other programs underway to effect improvements in its logistical organization. Earlier this month the Army briefed us on its most recent plan for restructuring the Army logistics organization, particularly in the European theater. In essence, this plan is designed to streamline the organization by eliminating unnecessary levels of inventory management and storage, thereby making for a more direct line of support from using activities to theater