

Mr. WEITZEL. Mr. Chairman, one of the things that the Defense Department pleaded was the pressures to maintain a continuing flow of high-priority essential military supplies to Vietnam, that that often precluded the orderly process of conversion of their system.

AMC CONDUCTED 900,000 SPECIAL INVENTORIES IN 18 MONTHS

However, we found that sometimes, many times, the lack of regular inventories contributed to a great deal of activity in the special inventory field. For example, the Army Materiel Command furnished data indicating that its depots, responsible for over half a million line items of depot stocks, conducted over 900,000 special inventories between January 1965 and June 1966, and so that it looked to us like they had to count, on an average, each item 1.7 times during the 18-month period.

Some of them were counted many times. One depot conducted, within a 30-day period, five or more special inventories for each of 92 items. Now, that is when they try to find something that is ordered and is urgently needed, and they try to look around and see what they have.

NEED FOR HIGH LEVEL MANAGEMENT

We feel that more high-level management, continuous and recurrent attention to this, would smooth out some of those problems, and avoid, first, having to make all of the inventory adjustments up or down and, second, avoid not filling highly needed military requisitions when they actually have supplies, or going out and buying more than they really need because they don't know they have it.

NEED FOR ACCURATE INVENTORIES

Chairman PROXMIRE. Isn't it true that we would be in a far better position to meet our problems in Vietnam if we had accurate inventory records? We would be able to supply the necessary procurement to Vietnam more promptly, we would know what we have, we would know where it is.

There is not only a matter of reducing cost and the burden on the taxpayer. This is a matter of providing a more effective and efficient military effort.

After all, in modern warfare, certainly, having the equipment, the right kind of equipment, at the right place, at the right time, is overwhelmingly important.

Mr. STAATS. Yes.

Chairman PROXMIRE. And they don't even know what their inventory is in Vietnam, I understand, to some extent. I don't think we can condemn it, though. I think it can be improved very sharply. But, in this country, where nobody is being shot at, and where we have such a tremendous amount of personnel in the Armed Forces, to have this very sloppy, feeble, weak, inadequate kind of inventory control is very bad.

Mr. STAATS. Actually, it is very difficult to divorce the two, because so much is directly supplied to Vietnam out of the continental United States now. It is for this reason that the study which we referred to here—which was made last year by the GAO, in coopera-