

of the smallest and least valuable equipments. We are committed to adopting a machine-by-machine utilization procedure.

Chairman PROXMIRE. Certainly where the equipment, say, is worth a hundred thousand dollars or fifty thousand dollars, or some substantial amount, there should be machine-by-machine reporting on a regular basis, public and quarterly. (See pp. 52, 455.)

Mr. MORRIS. Correct, sir.

NEED FOR LEGISLATION

Chairman PROXMIRE. Would it be of any value—wouldn't it be of value to have, in view of the experience with this in the past—to have a law passed that would require this?

Mr. MORRIS. Sir, we do not see the need therefor, nor has GAO suggested this, to our knowledge.

Chairman PROXMIRE. I think they are going to suggest it. We asked them for suggestions yesterday. (See p. 65.)

DOD ACKNOWLEDGES PROBLEM

Mr. MORRIS. As in the case of the access to records, we are completely dedicated to fully implementing the wisest course of action here. We do not need to be directed to do this by law. We acknowledge the problem.

SYSTEM UNFAIR TO COMPETITORS

Chairman PROXMIRE. Well, certainly in the past you would agree that there has been a very, very serious abuse, not only from the standpoint of the taxpayer, but from the standpoint of the competitor.

After all, I would hate to be in business with a competitor, against a competitor who has Government-owned equipment worth millions of dollars that he is using to compete with me. He does not have to worry about depreciation charges, he does not have to worry about payments. He has an advantage which can just be overwhelming.

ADEQUACY OF RENTAL RATES

Mr. MORRIS. This goes to the matter of rental rates, sir, and whether they are proper. As stated in our opening statement, we are carefully examining these at this time.

Chairman PROXMIRE. I will be back. Congressman Rumsfeld?

STATEMENTS BY GAO AND DOD ON SUPPLY TO SOUTHEAST ASIA

Mr. RUMSFELD. Mr. MORRIS, in attachment C to your statement, dated November 24, which is apparently a memorandum by Secretary McNamara, it states that the logistic buildup in Southeast Asia has been virtually completed, and that the military departments, Defense agencies, and all commands concerned are deserving of the highest commendation for this superb achievement.