

The internal audit organizations within each of the military services have also consistently pointed out a number of serious defects in this area. The problem area continues to be one which, in our opinion, needs considerable attention.

DOD HAS \$37 BILLION STORES INVENTORY

Inventories in the Department of Defense are valued at about \$37 billion, excluding aircraft, ships, and supplies and equipment in the hands of using units.

Chairman PROXMIRE. Do you have any overall figures including these aircraft and ships and so on?

Mr. STAATS. I do not have. We would be glad to see if that is available. If so, we will be glad to put it into the record.

SUMMARY OF DOLLAR VALUE OF WEAPONS AND OTHER MILITARY EQUIPMENT AND SUPPLY SYSTEMS INVENTORIES IN THE DEPARTMENT OF DEFENSE AS OF JUNE 30, 1964-66

In billions of dollars]

	Army	Navy	Air Force	OSD and other Defense agencies	Total
June 30, 1964:					
Weapons and other military equipment in use..	9.2	38.2	33.6	0.03	81.0
Supply system inventories.....	10.5	11.6	10.8	2.2	35.1
Total.....	19.7	49.8	44.4	2.2	116.1
June 30, 1965:					
Weapons and other military equipment in use..	9.4	41.2	34.3	.03	84.9
Supply system inventories.....	11.2	12.8	11.0	2.0	37.0
Total.....	20.6	54.0	45.3	2.0	121.9
June 30, 1966:					
Weapons and other military equipment in use..	9.6	42.9	35.1		87.6
Supply system inventories.....	11.9	12.7	11.0	2.0	37.6
Total.....	21.5	55.6	46.1	2.0	125.2

Source: Real and personal property of the Department of Defense as of June 30, 1964, 1965, and 1966. Figures for 1967 not available as of Dec. 12, 1967. Totals have been rounded to nearest \$100,000,000.

Representative RUMSFELD. As of what date is that?

Do you have comparative figures on inventory evaluation?

Mr. STAATS. This is a 1966 figure, Congressman Rumsfeld. I am sure we can give you comparative data. You are thinking, I assume, in terms of the buildup, what has happened, as to whether this is approximately level.

Representative RUMSFELD. We are talking about a problem which comparative figures for 1965, 1966, and 1967 would be useful in evaluating.

Mr. STAATS. We will be glad to provide that.

(NOTE.—See app. 14, p. 624, for fiscal 1967 date subsequently provided the subcommittee.)

On November 14th of this year, we issued a report to the Congress on the results of our review of inventory controls over that portion of this inventory which is held in depots in the United States. These inventories totaled \$10.4 billion in spare parts, components, and supplies, exclusive of ammunition and vehicles. (See text of report in app. 5, p. 513.)