

Mr. STAATS. 1965-66 was the big buildup.

Chairman PROXMIRE. There was increasing procurement in that time.

Did you say another element of this has also been increasing, just before you started to read this paragraph?

Mr. STAATS. I don't think so.

Chairman PROXMIRE. At any rate, the only time comparison you have is 1965-66, when there was a substantial increase.

Mr. STAATS. Yes.

Chairman PROXMIRE. Will you be able to get us more detailed data on this? This is something that the Congress ought to be able to get immediately from the Defense Department. They ought to know how much they own. At least, they ought to have figures on how much they have, that the contractors have, and they ought to be able to tell us each year.

Mr. STAATS. For these two categories of material and real property, I understand the records are available for prior years. We could very readily supply that.

(The material follows:)

SUMMARY OF MATERIAL, ACTIVE REAL PROPERTY, AND PLANT EQUIPMENT IN HANDS OF CONTRACTORS

[In thousands of dollars]

	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966
Material (procurement, source, GPM, in custody of contractor):					
Department of the Army.....	(1)	(1)	485,000	252,000	616,000
Department of the Navy.....	(1)	(1)	119,000	105,000	1,633,000
Department of the Air Force.....	2,461,000	2,729,000	1,114,000	1,276,000	1,422,000
Other.....	12,000	11,000	17,000	18,000	24,000
Total.....	2,473,000	2,740,000	1,735,000	1,651,000	4,695,000
Active real property (industrial), contractor operated:					
Department of the Army.....	685,768	662,704	631,712	660,931	1,061,080
Department of the Navy.....	489,615	425,869	396,502	399,154	378,994
Department of the Air Force.....	745,012	784,126	724,286	736,214	688,423
Total.....	1,920,395	1,872,699	1,752,500	1,796,299	2,128,497
Plant equipment (in custody of contractors) ²:					
Department of the Army.....	966,461	859,980	838,339	894,996	1,042,851
Department of the Navy.....	835,077	513,692	765,130	678,995	680,791
Department of the Air Force.....	1,604,928	1,622,403	2,112,693	1,953,758	2,343,039
DSA.....	(1)	(1)	(1)	210,624	52,432
Total.....	3,406,466	2,996,075	3,716,162	3,738,373	4,119,113
Grand total.....	7,799,861	7,608,774	7,203,662	7,185,672	10,942,610

¹ Information not available.

² Plant equipment is personal property of a capital nature, including machinery, equipment, furniture, vehicles, machinery, tools, and accessory and auxiliary items for manufacturing or administrative use. Information obtained from Mr. Francis Jameson (OSD Comptroller), Directorate for Statistical Services.

Source: All data, except noted, obtained from report on real and personal property of the DOD for the fiscal years shown.

Chairman PROXMIRE. We would like to know whether this has been increasing or not, and the reasons for it. You give one reason, which is legitimate. But we want to know what other reasons there are.

Mr. BAILEY. One example would be the inventory in 1966 of inactive real property which went down \$300 million. The active real property in the hands of contractors went up \$300 million, but the inactive real property went down \$300 million, roughly.