

revealed unrecorded assets in the warehouses amounting to about \$893,000. As a result, unrecorded assets valued at \$444,000 were released for shipment against backorders, some of which were for Southeast Asia.

We believe that our review demonstrated a significant problem which could be alleviated by taking actions, as we proposed, to identify and cancel backorders not supported by valid requirements. Such actions include special physical inventories for items on backorder at both the base and depot level.

4. REQUIREMENTS FOR AIRCRAFT GROUND SUPPORT EQUIPMENT

In November 1967, we reported to the Congress on our review of determination of requirements for aircraft ground support equipment by the Departments of the Navy and the Air Force (B-152600). This review was directed primarily toward determining whether the selection, authorization, and purchase of F-4 ground support equipment was properly correlated with actual needs.

We found that the costs for the F-4 weapons system could have been significantly reduced had the Navy and Air Force performed adequate reviews of the need for certain F-4 ground support equipment and of its utilization in the field.

Our review of 562 ground support equipment items, showed that authorized allowances for 129 (23 percent) were questionable. We also found that if the Navy and the Air Force had effectively coordinated their needs in the selection of this type of equipment the cost of the aircraft program could have been reduced by over \$1.2 million.

In addition, we believe that costs amounting to as much as \$12.5 million could have been avoided, or deferred, had the Navy and Air Force properly considered all available equipment, and losses of aircraft, at the time F-4 aircraft ground support equipment requirements were computed.

The Deputy Assistant Secretary of Defense (Materiel), by letter dated June 19, 1967, informed us that the Department of Defense concurred generally with our findings and conclusions. The Department's reply identified procedures which the Navy and Air Force have developed for the overall management, selection and procurement of support equipment required for subsequent joint service aircraft programs.

We believe that the corrective actions outlined, if properly implemented, should assist in preventing recurrences of the situations disclosed by our review. We will inquire in our future reviews into the effectiveness and adequacy of the new procedures and other actions to be taken.

5. MILITARY HOUSING CONSTRUCTION

Recently the General Accounting Office furnished a draft report for comment to the Secretary of Defense on its review of the comparison of the cost and quality of military family housing with private housing. The draft brings out that new private housing being built in the area surrounding the installations reviewed was generally selling for less than the Government paid for comparable size military units constructed on base for use of military personnel. The private housing used for costs and quality comparisons were single family units, whereas the military housing generally consisted of duplex units or multi-family apartment units. Too, the private housing, in most instances, had more desirable features than the military housing such as garages, fireplaces, or basements.

While the military houses contained some materials of higher quality than those used in the construction of private housing, there is some doubt that the useful life of the military housing was extended significantly by such materials. In fact, the costs to maintain military housing and comparable private housing seemed about the same.

It appeared that the major reasons for the higher cost of the military housing were that (1) military construction standards and practices were not as economical as those normally followed by Federal Housing Administration and industry, (2) inspections of construction on military projects were more frequent and required more rigid adherence to specifications than those which industry is accustomed to under Federal Housing Administration standards, thereby adding to the cost of construction, and (3) at some locations, the wage and labor rates paid on Government contracts were higher than those prevailing in the area for the construction of private housing. A number of suggestions were made to the Secretary of Defense which, if followed, should help in obtaining the full dollar value for the money being spent for military housing and result in military