

The lack of sufficient computer capability, the shortage of trained inventory managers, and the lack of military personnel to operate depot activities particularly demonstrated this fact. The Army therefore was compelled to (1) recruit civilian inventory managers and storage technicians, (2) install and reprogram a large-scale computer to replace card-processing equipment, and (3) organize and send special teams to Vietnam to review stocklists and to verify inventory locations and quantities.

Army officials advised us that a quick reaction inventory control center was being organized. This organization, with its own computer equipment, pretested programs, and trained military personnel, will be available to move into future combat situations—such as those in Vietnam—and to establish supply management capabilities within a short period of time.

Because of our findings, and because of reports already available to the Department of Defense, the Secretary of Defense instructed the Assistant Secretary of Defense to visit Vietnam to look into the problem of excess supplies. As a result of that visit, steps were taken to insure the identification of all supply excesses in Southeast Asia and the prompt redistribution of such excesses. Implementation of these plans should, in our opinion, eventually lead to significant reductions in excess stocks in Vietnam and to the use of such stocks by other military activities.

We also made several specific proposals with respect to the problems identified during our review in Vietnam. These involved the use of more descriptive demand codes for requisitions, the establishment of a system for challenging unauthorized use of high-priority requisitions, and the providing of periodic lists of short supply items to inventory managers. Although the Army agreed with our findings, it did not agree with these proposals for improved procedures. We recognize that the management emphasis being applied by the Army will tend to improve supply discipline and help to correct the problems. We believe, however, that such emphasis by itself is not sufficient. We therefore have recommended to the Secretary of the Army that certain of our proposals for improved procedures be reconsidered.

In our opinion, our reviews in the logistics area have indicated that improvements in supply effectiveness and efficiency require additional emphasis upon improving the basic logistics systems and certain of the logistics concepts. Further, the successful attainment of necessary improvements is dependent, to a large degree, on improvement in the acquisition, training, and effective utilization of logistics personnel.

We noted that not all the military services were experiencing supply problems to the same degree. It appears that the Air Force experienced the fewest problems and that the Navy had less than the Army. The reasons for the differences were not susceptible of finite measurement. Certainly, the respective missions of the three services have a bearing on the magnitude and nature of their supply task. The Army's logistics task is very difficult and complex in that it must support massive ground forces spread out geographically in many individual units. The services' differing supply concepts and organizational philosophy may also be a partial explanation.

The Air Force supplies its bases directly from five stockage points in the United States that are adjacent to its inventory control points.