

officer in the Bureau of Supplies and Accounts, Navy Department, Washington, D.C., from July 1950 until July 1954, and then had instruction at the Naval War College, Newport, R.I.

In July 1955 he reported for duty in connection with J-4 plans at Headquarters of the Commander in Chief, Europe and in July 1957 joined the staff of Commander Cruiser-Destroyer Force, Pacific as force supply officer. In August 1959 he reported for duty as planning officer and comptroller, Naval Supply Center, Norfolk, Va., and later became executive officer. On January 11, 1962 he was ordered detached for duty as deputy commander of the Military Industrial Supply Agency, Defense Industrial Supply Agency, Philadelphia, Pa. In August 1965 he assumed command of the Naval Fleet Material Support Office, Mechanicsburg, Pa. On August 18, 1967 he became the deputy commander, Supply Operations, Naval Supply Systems Command.

Rear Adm. Cosgrove has the American Defense Service Medal; American Campaign Medal; Asiatic-Pacific Campaign Medal with one star; World War II Victory Medal; National Defense Service Medal with bronze star; Army Commendation Medal and the Defense Joint Services Commendation Medal.

His official home address is 72 Delmont Drive, Atlanta, Ga. His wife is the former Catherine Conway of Philadelphia.

Admiral COSGROVE. I am Rear Adm. Paul Cosgrove, Deputy Commander of the Naval Supply Systems Command for Supply Operations.

In the interest of saving time, and with your concurrence, sir, I propose to briefly summarize the major points in my statement, and then submit the complete statement for the record, and will be prepared to answer questions.

Mr. HOLIFIELD. The complete statement will be printed in the record at this point.

(The complete prepared statement of Admiral Cosgrove follows:)

PREPARED STATEMENT OF REAR ADM. PAUL F. COSGROVE, JR., SC, USN, DEPUTY COMMANDER, NAVY SUPPLY SYSTEMS COMMAND FOR SUPPLY OPERATIONS

Mr. Chairman and members of the subcommittee, it is a pleasure to be here with you and to have the opportunity to present some aspects of Navy supply operations.

Today I plan to outline for you some of the basic considerations involved in managing the Navy supply system. I will be touching on the nature of the inventory we manage, the manner in which our stocks are distributed, the channels through which our requirements flow and the centralized control system that we utilize to manage Navy-wide inventories. I will close with a brief rundown on our supply support in Vietnam.

To begin with let me state the obvious—that the Navy supply system is basically designed to provide necessary support to ships and aircraft wherever they may be deployed throughout the world. The mobile forces that we support require a supply system that has the necessary flexibility and mobility within itself to cope with rapidly changing operational situations as our customers move.

In speaking on the Navy supply system I will be speaking primarily of the system by which we provide the repair parts and consumables to support the Navy's 930 ships and 8,700 aircraft.

Responsibility for centralized direction of the Navy supply system is assigned to the Naval Supply Systems Command, operating under command and policy direction from the Chief of Naval Operations and the Chief of Naval Material. This responsibility encompasses Navy-wide policy determination regarding inventory management of secondary items and procedural direction for stock points afloat and ashore.

Within the Navy supply system we manage wholesale stocks of about 850,000 line items valued at a little over \$3½ billion. Our annual sales run at about \$2 billion.

The material managed by the Navy is predominantly technical in nature—that is material that is directly related to a weapons system. As you know, essentially all the general consumable material used by the Navy is now managed at the wholesale level by the Defense Supply Agency or the General Services Adminis-