

These reports have been received since December 1965. As of July 9, this report showed the following:

PERCENT OUT-OF-SERVICE AWAITING PARTS

Equipment (examples)	Standard percent	Actual on July 9, 1968 percent
CH-47 helicopters (1st Cavalry Division).....	12	5
Bulldozers (full track).....	20	3
Trucks, 5-ton cargo.....	10	5
Materiel handling equipment.....	20	8
M-109, 155 howitzer.....	15	5
Armored personnel carriers (M-118).....	15	4
Tanks, M-48A3.....	15	2

The standard is established by General Abrams. The actual status, and this has been true now for many months, is far less than the acceptable standard.

Example: Every week the Chief of Staff, Army, publishes a report on Southeast Asia which shows numerous indicators of operational and logistic readiness, including the status of shipping and the number of vessels working, waiting, and holding at each Vietnam port.

Example: Every 15 days the Chairman, JCS, and the Secretary of Defense receive reports on ammunition consumed, on hand, in transit, and in production for each of 100 key items. Immediate action is taken to readjust production and shipping schedules in accordance with consumption trends.

Example: Every week the status of the helicopter inventory is reported to the JCS showing losses, total assets on hand, and total assets operational. Daily reports are available on call.

Example: During the Khesanh siege, daily reports were received by the JCS showing days of supply of rations, ammunition, and other key items at Khesanh.

Example: Every evening a telephonic conference is held between Saigon and the Army's Oakland Logistics Control Office covering items requiring expedited shipments. Between 500,000 and 1 million pounds of such items, primarily spare parts, are airlifted weekly through a service known as "Red Ball Express."

Example: DSA has stationed liaison officers in SEA to make certain that responsive support is furnished on its items—which represent about 50 percent of the items required to support the forces.

Example: Every principal inventory control and stock point in Vietnam is today equipped with computers to assure rapid accounting of requisitions, receipts, issues, and stock balances.

2. Vietnam commanders of all services are highly cost conscious and are stressing economy in the midst of a major conflict. When one is briefed at MACV Headquarters today, he is given not only a military operational and logistic posture review, but also a report on management improvement actions by all services—under a project called MACONOMY. For the 9 months ending March 31, 1968, the cost reductions achieved have totaled \$241 million, with all services participating. These actions have resulted from reducing stock levels, reducing personnel, reducing contract costs, et cetera.

3. The Army has found it necessary to innovate many special techniques of supply management to cope with its problems.