

84TH CONGRESS
1ST SESSION

S. 2538

IN THE SENATE OF THE UNITED STATES

JULY 13, 1955

Mr. McCARTHY (by request) introduced the following bill; which was read twice and referred to the Committee on Government Operations

A BILL

To establish a Defense Supply and Service Administration as a department in the Department of Defense, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title II of the National Security Act of 1947, as
4 amended, is hereby further amended by adding at the end
5 thereof the following:

6 “DEFENSE SUPPLY AND SERVICE ADMINISTRATION

7 “SEC. 215. (a) In order to provide for a centralized
8 and integrated common supply and service system for the
9 military departments, to eliminate duplication and over-
10 lapping (1) in the purchasing, inventory control, and dis-

1 tribution of the commercial-type items used by such depart-
2 ments, and (2) in providing hospital services and facilities
3 to the personnel of such departments, and to assure maxi-
4 mum efficiency and economy in connection with such supply
5 and service activities, there is hereby established in the
6 Department of Defense a department, subject to the au-
7 thority, control and direction of the Secretary of Defense,
8 to be known as the Defense Supply and Service Admin-
9 istration (hereinafter referred to as the "Administration").
10 The head of the Administration shall be known as the Ad-
11 ministrator, shall be appointed from civilian life by the Presi-
12 dent, by and with the advice and consent of the Senate, and
13 shall have the same status and compensation as the heads
14 of the military departments in the Department of Defense.

15 " (b) It shall be the duty of the Administration, in
16 accordance with the policies prescribed by the Secretary of
17 Defense—

18 " (1) to provide for the purchase, inventory con-
19 trol, and distribution to the military departments and
20 their personnel in the United States and overseas of all
21 food, clothing, medical and dental supplies, fuel and
22 lubricants, hardware, household-and-office type supplies
23 and equipment, commercial automobiles, vehicular spare
24 parts, and any other commercial-type items that the
25 Secretary of Defense determines to be necessary to in-

1 clude within the jurisdiction of such Administration;
2 and

3 “(2) to provide such general and specialized hos-
4 pital services and facilities (not including services at
5 dispensaries and infirmaries) as the military depart-
6 ments may require for their personnel in the United
7 States and overseas.

8 “(c) There are hereby transferred from the military
9 departments to the Administration, effective days after
10 this section takes effect, all functions of such departments
11 relating to any of the matters referred to in subsection (b)
12 of this section, together with such property, records, and
13 personnel, and such unexpended balances (available or to
14 be made available) of appropriations, allocations, and other
15 funds of such departments, as the Secretary of Defense
16 deems necessary to carry out the functions so transferred or
17 conferred upon the Administration by this section.

18 “(d) The Administrator shall report to the Secretary
19 of Defense from time to time with respect to his activities
20 under this section.

21 “(e) The Secretary shall make a semiannual report to
22 the Congress on the progress being made in improving all
23 phases of the supply and logistics system, and shall include
24 in each such report specific information with respect to the
25 following:

1 “(1) The steps taken, and the results obtained, in plac-
2 ing supply items and services under the Administration;

3 “(2) The program planned for the coming year, and
4 the need for any additional legislation to facilitate the de-
5 velopment of the Administration; and

6 “(3) The plans and accomplishments of the Depart-
7 ment of Defense with respect to other fundamental improve-
8 ments in the supply and logistics system, including—

9 “(A) the development of complete, timely and
10 objective procurement plans, and more effective review
11 and analysis of such plans;

12 “(B) the installation of inventory reporting sys-
13 tems to provide current and accurate information with
14 respect to stocks on hand;

15 “(C) the simplification of purchasing procedures;

16 “(D) the completion of the defense cataloging
17 project, and the progress made in the development of
18 standards and specifications;

19 “(E) the adoption of rational stock levels upon
20 which to base replenishment action, and more effective
21 control over the procurement of spare parts;

22 “(F) the reduction in the quantity and variety of
23 items carried at depots through systematic analysis of the
24 composition and turnover of stocks maintained at the
25 major depots;

1 “(G) the reduction in order and shipping time, with
2 a corresponding decrease in pipeline inventory;

3 “(H) the improvement in traffic management and
4 in the utilization of transport facilities;

5 “(I) the improvement in the utilization of ware-
6 housing and storage facilities; and

7 “(J) the reduction or elimination of facilities and
8 business enterprises that can be handled by private
9 industry.

10 “(f) Nothing in this section shall be construed to inter-
11 fere in any manner with the determinations normally and
12 customarily made by the military departments with respect
13 to their basic requirements and needs for the supplies and
14 services to be furnished to them by the Administration.”

15 SEC. 2. Section 201 (b) of the National Security Act
16 of 1947, as amended, is hereby further amended by striking
17 out “and (2)” and inserting in lieu thereof “(2) the Defense
18 Supply and Service Administration, and (3)”.

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