It was the policy of the Department of Defense first to explore the use of the surplus commodity program in meeting needs for housing in foreign countries, on the theory that exports of surplus agricultural commodities were stimulated and dollar costs were held to a minimum. Approximately 9,000 units of family housing were built in foreign countries with the proceeds from sales of surplus agricultural commodities. These units are located in the United Kingdom, France, Japan, Spain, Italy, Turkey, Pakistan, and the Azores. With the withdrawal of U.S. forces from some of the areas where surplus commodity housing had been built, the present inventory of these units now totals about 7,000.

In 1957, authority was obtained from the Congress to designate certain public quarters inadequate, and permit military personnel to continue to occupy such quarters on a rental basis. Such legislative authority eliminated inequities which had existed for some time, whereby certain military personnel forfeited their entire quarters allowances for inadequate quarters, while others occupied fully ade-

quate units at the same cost.

Units designated inadequate were required to be improved to standards of adequacy, demolished or sold or converted to other than family housing use by June 30, 1965. Units which met certain criteria for retention (approximately 22,000) have been kept in the DOD inventory and are presently being used by enlisted personnel.

4. Level of operations. (See table 1.)

Program: Family housing.

Department or agency, and office or bureau: Department of Defense.

Table 1.—Level of operations or performance, fiscal years 1964-67

	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967
(a) Magnitude of the program: Average number of family housing units operated and maintained. (b) Participants: Families. (c) Federal finances: Appropriations enacted (d) Not applicable.	367, 844 354, 602 \$643, 701, 000	366, 382 356, 123 \$631, 151, 000	373, 162 364, 987 \$665, 846, 000	387, 675 378, 371 \$521, 900, 000
(d) Not applicable (e) Number of Federal Government employees administering, operating, or supervising: (1) Direct: (a) Average number of all em-				
ployees (b) Personal compensation and	2, 395	2, 511	2, 593	2,718
benefits (2) Indirect:	\$15, 114, 000	\$15, 793, 000	\$16, 424, 000	\$17, 251, 000
(a) Man-years (b) Compensation (f) Not applicable	14, 965 \$75, 956, 000	\$79,606,000	15, 047 \$82, 865, 000	15, 608 \$85, 845, 000
(g) Not applicable				

¹ At local level only; excludes intermediate command and departmental levels.

5. Estimated magnitude of program in 1970

It is anticipated that in 1970 the Department of Defense will program for the construction of 12,500 family housing units which will include approximately 8,500 units of replacement quarters. In addition, it is expected that the Department of Defense will maintain the current level of programing for improvements, leasing, construction of trailer pads, payment of debt service on encumbered units presently in the DOD inventory, and operation and maintenance of the 1970 inventory of family housing.