

The dollar value of issues of stock fund materiel rose from \$1.9 billion in fiscal year 1965 to \$2.9 billion in fiscal year 1966. On the basis of experience through the first 9 months of this fiscal year, we expect this figure to exceed \$4.0 billion by June 30, and to increase to almost \$4.4 billion during fiscal year 1968.

The value of Stock Fund contracts placed to replenish issues and to build up inventory and on-order levels, which totaled \$1.8 billion in fiscal year 1965, rose to \$4.2 billion in fiscal year 1966. Fiscal year 1967 stock fund obligations, including some mobilization reserve augmentation, will aggregate approximately \$4.5 billion. The stock fund program for fiscal year 1968 contemplates total obligations of \$4.15 billion. The total DSA procurement programs for fiscal years 1967 and 1968, including purchases of bulk petroleum and purchases under the coordinated procurement program, will approximate \$6.2 billion and \$5.8 billion, respectively.

Requisitions received and processed by our supply centers rose from 15.4 million in fiscal year 1965 to 19.4 million in fiscal year 1966. The requisition volume had climbed to 15.3 million by the end of March 1967 and is expected to reach 20 million by the end of this fiscal year. The estimated volume for fiscal year 1968 is 20.7 million.

Total tonnage received and shipped through the eight DSA-operated depots rose from 1.7 million tons in fiscal year 1965 to 3.0 million tons last year. With total tonnage handled at 3.1 million tons through March, we expect the fiscal year 1967 volume to reach 4.0 million tons and 4.4 million tons in fiscal year 1968.

SUPPLY SUPPORT PERFORMANCE

In spite of this increased workload the agency has responded well to the emergency demands placed upon it. I am happy to report a marked improvement in our supply posture in comparison with that of a year ago. I indicated at that time that with an increase in demand of the magnitude we were then experiencing, on a supply system encompassing more than a million and a quarter items, we could expect support problems and some shortages from time to time. We did experience such problems.

Principal among these problems was the trouble we had, almost from the start of the major build-up in forces in Vietnam, in keeping pace with demands for certain clothing and textile items. The highly publicized "jungle" boots and tropical combat uniforms were troublesome because they were newly developed and the limited stocks we had on hand had been originally intended to support small numbers of selected Army troops. Although items in the "clothing bags" issued to recruits were not new and we had ample stocks on hand to meet programmed troop input, the initial demand surges stemming from the build-up in forces quickly depleted our on-hand stocks of some items and we had to rely heavily on receipts from production. As a result, issue of the tropical combat boots and uniforms were restricted to troops actually in or directly supporting combat operations, and the Services had to reduce the numbers of certain items issued to recruits. The situation has improved to the point where today the current production of "jungle" boots and tropical combat uniforms exceeds the Vietnam requirements, and some months ago the military services were able to return to the issue of full "clothing bags" to their recruits.