

The following schedule summarizes Army redistribution and transfers to other federal agencies, primarily AID, from PDO activities in France during the FRELOC period :

ARMY REDISTRIBUTION OF PDO RECEIPTS IN FRANCE

[In thousands]

	Total receipts	Redistribution within DOD	To other Federal agencies	Total redistribution
Fiscal year 1965.....	\$234,500	(¹)	(¹)	(¹)
Fiscal year 1966.....	250,400	\$1,640	\$6,300	\$7,940
4th quarter, fiscal year 1966.....	88,900	600	770	1,370
1st quarter, fiscal year 1967.....	23,400	500	5,320	5,820
2d quarter, fiscal year 1967.....	45,100	390	13,680	14,070
January 1967.....	9,800	90	1,310	1,400
Total.....	167,200	1,580	21,080	22,660

¹ Not available.

Air Force data on redistribution of excess is available only in total for all bases in Europe including France. Transfers to AID, however, are identified by the country of origin. This information for the FRELOC period is summarized as follows :

AIR FORCE TRANSFERS TO AID

[In thousands]

	From France	Air Force total
Fiscal year 1965.....	\$70	\$2,300
Fiscal year 1966.....	660	4,770
4th quarter, fiscal year 1966.....	70	950
1st quarter, fiscal year 1967.....	350	2,290
2d quarter, fiscal year 1967.....	540	5,590
Total FRELOC available (since Mar. 31, 1966).....	960	8,830

Mr. MONAGAN. I would just like to conclude by asking you if you would explain just what this Army policy is that you speak about that led to the retention of excessive stocks? In other words, they have their current and war requirements, and then they have an additional reserve. Apparently this is a sort of supplemental reserve, is that it?

Mr. STOLAROW. In essence, the way we look at it is that it is excess material. It is over and above any authorized stockage objectives within the theater. It is material that exceeds their current operating stock levels; that is, stock levels they maintain for day-to-day operations, plus their war reserve requirements. And as I indicated in the statement, periodically, requirements do change. The need for a certain type of repair part would drop, say, because the end items have been transferred to another command or another theater. The stock on hand then exceeds the computed requirements. Under Army regulations, the overseas commander does have an option of retaining that in his inventory.

Mr. MONAGAN. Is there any limitation on that option?

Mr. STOLAROW. The Army regulations say that he can retain up to an 18-month supply.

I might say that we have recently been advised by the Department of Defense that some attempts are going to be made within the next