to supply inventories through this approach. Finally, roving teams of practiced supply experts were dispatched to visit all disposal yards on a biweekly basis, with a license to question any disposal action that appeared not to meet the test of commonsense. They recovered over $600,000 worth of property that had survived all previous precautions.

SURPLUS SALES

Of the total supplies remaining after beneficial transfer or use by the Department of Defense, approximately 69,000 tons were available for utilization by other Federal agencies or disposal. A major portion of this tonnage was in unique military materiel such as ammunition, combat-type equipment, combat vehicles and supporting spares. Less than one-half of the 69,000 tons was made up of property of possible utilization by other agencies or programs. This materiel was listed and offered for utilization screening. All items desired were shipped, and the balance reported to the Foreign Excess Sales Office for sale.

Army and Air Force surplus property sold in France during this period should not be identified exclusively as FRELOC generated, since generation of surplus is an ongoing routine. However, the total acquisition value of surplus materiel sold in France in fiscal year 1966 amounted to $29,892,609. And in the first half of fiscal year 1967 the acquisition value of property sold was $15.5 million. Usable surplus personal property generated after January 1967 was shipped to Germany in order to assure adequate time for effective disposal action.

MILITARY LIQUIDATION SECTION

The Military Liquidation Section was established on January 27, 1967, under the American Embassy in France. The accountability of Air Force and Army property remaining in France after April 1 has been transferred to the MLS for appropriate action. The Military Liquidation Section is responsible for sale of this materiel, in addition to the related personal property still at bases not yet transferred to the French Government. The remaining personal property is not required by the Department of Defense.

We now estimate that the annual budgetary savings as a result of the relocation primarily to bases in Germany and the United Kingdom will be at least $50 million to $60 million. Importantly, the annual foreign exchange savings will be between $110 million and $120 million.

These major economies would mean little if the relocation had significantly decreased our combat readiness. But this is not the case. Combat effectiveness in fulfillment of NATO commitments has been maintained. In some instances, such as changes in the logistics net and in warehousing of military equipment and supplies, there will be significant modernization gains. Headquarters organizations have been streamlined.

In April 1966 there were in France 32,000 U.S. military personnel and civilian employees, their 38,000 dependents, and 15,000 foreign nationals employed by the Department of Defense—a total of 85,000 personnel.

The relocation has permitted us to save 16,000 military personnel billets in France and 2,000 more in Germany. Accompanying dependents account for 19,000 additional people returning to the United