

have had little salvage value. Following Korea, for example, we were left with \$12 billion of such excesses. I am determined that this will not happen in Vietnam.

The speed and magnitude of the Vietnam buildup has unavoidably resulted in the accumulation of some imbalances and excesses in inventories. We will begin immediately to redistribute these excesses so as to assure their application against approved military requirements elsewhere in the military supply system. By doing so we can avoid the inefficiencies and waste experienced in the past. To this end the following steps will be taken, effective at once:

First, the Secretary of Army is designated Executive Agent for the Department of Defense to assure that SEA excess material of all Services is promptly identified and made available for redistribution. A General Officer will be designated the Project Coordinator.

Second, the Commander-in-Chief, Pacific, will establish a special agency to (1) maintain an inventory of excess materiel identified in the Pacific area, (2) supervise redistribution or disposal of such material within his area, and (3) report the availability of materiel which cannot be utilized in the Pacific area to other Defense activities, in accordance with procedures developed by the Project Coordinator. This Agency will be known as the "Pacific Utilization and Redistribution Agency."

By February 1, 1968, I desire to receive the Secretary of Army's plan for the implementation of the Project, and CINCPAC's plan for the organization and operation of the Pacific Utilization and Redistribution Agency. Each month thereafter, I would like to receive a report on the excess materiel identified and on the reutilization accomplished.

ROBERT S. McNAMARA.

General HEISER. The program provides for continuous inventory of stocks, analysis of requirements and redistribution of excesses to fill valid requirements of the Army and other services.

I might also add that this is certainly an innovation, and that we have tried to redirect supplies between services at the national level in CONUS, but we have never in the field tried to do it in a combat area. It began with the Air Force and the Army and to some limited extent the Navy in Europe, in a program over there, and we have progressed from that to this program in the Pacific area, and we look for maximum economic results out of this.

Mr. DAHLIN. Is this program back on schedule now? Was it kind of disrupted there for a while?

General HEISER. No, sir; not really disrupted.

We began to set up the system using the system in Europe developed by the Air Force where they are the DOD executive agent, as I say. The plan was approved in March, and we are progressing. We have been progressing from that point. We have a computer on Okinawa that is handling this.

Mr. ROBACK. With the terms of reference, you might supply a little narrative of what you have been able to do to date with it.

General HEISER. We will, sir.

(The information requested follows:)

The project for the utilization and redistribution of materiel in the Pacific area (PURM) was established by direction of the Secretary of Defense on Nov. 24, 1967. The purpose of the project is to identify excesses and imbalances which unavoidably resulted from the speed and magnitude of the logistical buildup in Vietnam, and redistribute these excesses to assure their application against valid requirements elsewhere in the DOD supply system. In the memorandum directing the project, the Secretary of Defense designated the Secretary of the Army as the executive agent for DOD; instructed CINCPAC to establish a special agency to supervise the redistribution of excess materiel in the Pacific, and directed that a general officer be appointed as the project coordinator for DOD. The Commanding General, 2d Logistical Command, Okinawa, was given the responsibility for the establishment and operation of the special agency which