

demands from Vietnam, special attention is required constantly to assure continued flow of these items from industry.

General Hedlund's trip to the Pacific area was well received at all commands visited. Although there were areas where DSA's support requires close attention and can be improved, we were pleased with the evaluation of the quality of our performance received from the commanders on the scene. General Hedlund has said that he returned with the conviction that DSA is playing a major role in providing supply support to the combat forces overseas, and is performing this vital mission effectively and responsibly.

In order to assist us to assure the best possible support to overseas commands, General Hedlund directed the sending of customer supply assistance personnel to Southeast Asia and Europe. Three men were sent to the Pacific area and one to Europe. Those sent to the Pacific were attached on a temporary duty basis to the 5th, 7th, and 13th Air Forces to resolve any interface problems these commands might have with DSA.

The Pacific group has returned after completing their 90-day tour. Their assistance was considered effective and quite worthwhile by the commands they visited and we have been asked by the commander, U.S. Army Pacific and the chief of staff for logistics to the commander in chief, Pacific, to continue the assignment of customer assistance personnel in the Pacific theater.

Now I would like to discuss performance of our contract administration services mission.

As I mentioned earlier this mission was assigned to the Agency in June 1964; implementation was completed in December 1965.

Performance of field contract administration services does not embrace the entire procurement function. It involves principally the administration of contracts in the field after they have been awarded by Defense and National Aeronautics and Space Administration procurement offices. Nor does our contract administration services organization administer all defense contracts. As a general rule, the military services have retained cognizance of plants producing their major weapon systems such as aircraft, missiles, and ships.

However our contract administration services organization does perform certain administration services for subcontracts supporting the services' weapon systems prime contracts. The services also administer special categories of contracts such as public works contracts and contracts for research and development. We estimate that the services are currently administering approximately 40 percent of the contracts placed by DOD. Our contract administration services is administering the remaining 60 percent and the workload continues to grow.

I can illustrate this by comparing workloads for fiscal year 1966, the first full year of operations of the contract administration services organization and current estimates for fiscal year 1968.

In fiscal year 1966 DCAS administered 196,000 prime and secondary contracts. This will increase to 276,000 in fiscal year 1968.

In fiscal year 1966, \$11.7 billion worth of defense materiel was inspected and released for shipment. This will rise to \$21.8 billion in fiscal year 1968.