

4. Major attention during the next year must continue to be devoted to management of excesses and timely preservation of SEA stocks.

During my visit to Vietnam last November in company with Assistant Secretary Brooks, it became apparent that we should immediately begin steps to identify and redistribute the excess inventories which had resulted from the buildup. In Korea we had failed to institute such action in a timely manner, and that conflict ended with some \$12 billion of excess materiel, much of it in deteriorated condition.

As a consequence, Secretary McNamara established on November 24, 1967, the "Pacific Utilization and Redistribution Agency" (PURA) under the Secretary of Army as executive agent, with its operating locus in Okinawa. This Agency is now functioning. Its mission is two-fold: (1) to receive, store, recondition, and issue excess Army materiel withdrawn from Vietnam; and (2) to obtain monthly lists of excesses from all services and to circulate these lists to all service installations in the Pacific area for screening. The June list, now being screened, contains 470,000 line items, valued at \$144 million.

Mr. HORTON. Mr. Secretary, a question on that.

Does that appear to be out of line or is that what you might call a normal excess.

Mr. MORRIS. Sir, in the first place I think this is only the beginning. I think we will find this figure growing over the next year as we do a better and better job of identification of stock levels required in Vietnam, and materiel not needed at current stock levels. The figure so far is very small indeed as a percent of the stocks which have been shipped and the stocks which are on hand. Materiel which cannot be reused promptly in the Pacific will be reported to CONUS for world-wide screening.

As a further step the Army and the Defense Supply Agency have placed a stop order on further purchases or shipments to the Pacific of those classes of items found in greatest oversupply—primarily food preparation and housekeeping type items.

In addition to the Pacific-wide redistribution program, attention is being given by each of the services to effecting redistribution of supplies among their units within Vietnam, Thailand and Korea. During fiscal year 1968, Army redistributed \$100 million within Vietnam and canceled \$300 million in requisitions placed on CONUS inventory control points. It reduced stock levels by another \$50 million, in recognition of the faster order/shipping time which is being experienced now that the logistics base has reached an efficient operating level (including uncongested ports, use of Sea Land vans which can be rapidly unloaded and transported, as well as better stock control). Air Force has reported over \$100 million in similar actions.

In summary, the logistical effort in Southeast Asia has been remarkably successful. Without question, we have learned many lessons which can be applied in the future to avoid mistakes and unnecessary costs. Most noteworthy has been the timely awareness of our military commanders to these mistakes, and the speed with which they have acted to correct them and to avoid their repetition.

Finally, I would like to report to you on our—