

1967 which the Secretary has set, is to complete actions which will result in annual savings of \$600 million. There is indeed a rich potential here. After all, we have 6,700 installations and activities around the world, many built in World War I and prior, and many therefore no longer suited to today's operations. It takes a lot of courage, however, to follow through on these very difficult steps. The next slide, please.

In the area of standardization and simplification a number of things are being done; one of the most interesting is in the shipping and transportation field where a group, after over one year of work, found it possible to reduce from some 81 documentation elements required to effect shipment from the CONUS to overseas, down to a single standard system. The clerical savings alone that are expected in this area are about \$30 million annually when the program is finally completed. We started this last October and it will take about two years to finally implement the full use of this scheme. The next slide, please.

Perhaps the most interesting overhead savings and inventory reduction has been through the efforts of the Defense Supply Agency which began business in January 1962. Let me call your attention only to the last column here, the Fiscal 1965 projection for DSA. These projections have actually been built into the budget that's currently before the Congress. DSA will manage about 1,500,000 items by 1965. They will procure about \$3.3 billion of materiel, and make sales of some \$1.8 billion from its own stocks. The important thing is that they will perform these activities with 7,800 fewer