

today, than we've had in years past. The fact that we did re-utilize 183 million more in '63 than in '61, and the fact that we expect to do much better this year and next, is the prime gross indicator. The most interesting thing - and if you ever have the chance I think you should take advantage of this - would be to visit Battle Creek, which you probably know better than I do, and see the operation that has been brought into being after a good many months of work, in terms of what is called the "Project Plus."

It is an actual computerized inventory on tape of all this long supply and excess stock. It's the first time it has existed in this form as a matter of fact, with high-speed communications links to the inventory control offices. So that, there can be a daily interchange of requirements versus what's on hand in the excess in an attempt to make a re-utilization transfer. We're making definite progress but you'll never eliminate the problem in current buying and selling, of the freak excesses that show up. I don't want to ever mislead anybody that this can be done. But the indicators are that we are definitely making more progress due to technology and harder work than has been made in the past.

QUESTION: Mr. Secretary, you mentioned that you cut the pipeline time from 140 to 55 days, and some of it was through the use of air transportation. I understand that air transportation is a little more expensive than rail or ship. I wonder where in the cost you show this increased transportation cost?