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SUPPLY DIVISION

1. Agency materiel and other assets (exclusive of real property, proprietary and subsidiary projects) were valued at approximately [] as of 30 June 1961.

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2. The Supply Division, in the course of the Purification of Assets Program, generated disposal of surplus, obsolete, or uneconomically repairable items of property at an inventory value of [] during FY 1961. During the first two months of FY 1962, materiel valued at \$255,881 was disposed of. The Utilization and Standardization Program initiated in November 1960 is proceeding at an accelerated pace. During FY 1961, 1,670 line items were examined which resulted in the declaration of 810 as standard and 860 as nonstandard. In the first two months of FY 1962, 1,839 items were examined with 1,227 being declared standard and 612 as nonstandard.

25X1

3. The volume of Logistics administrative workload is expected to be decreased at selected field installations by the substitution of Type II Financial Property Accounting procedures wherever possible. In general, stations having no support responsibilities other than their own are being recommended for conversion from Type I to Type II.

4. Greater emphasis is being placed on U. S. ordnance items in lieu of foreign ordnance items in [] packs because of the diminishing source of supply for foreign ordnance and the increased distribution of U. S. ordnance throughout the world through U. S. Government military aid programs. We will accelerate action to balance and reduce ordnance stocks in the coming year.

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