the Army had sufficient 90 mm shells on hand to meet its requirements during the first 6 months of a mobilization period.

Subsequent to the date of our review, we were informed by agency officials that the equipment involved in our study was being placed in Government storage facilities as a result of a reevaluation of requirements. However, our review of available studies on requirements disclosed no significant changes since 1959.

Although the Department of Defense did not concur in our findings and conclusions, it did concur in our proposal to call the reported conditions to the attention of personnel having responsibility for administration of idle production equipment.

The Army study, completed in October 1965, concluded that ammunition production planning was not adequate to meet emergency demands. These findings included the observation that 43 of 180 companies surveyed would not be able to produce the ammunition items called for by mobilization plans because of lack of equipment, technical data, and qualified management and production personnel or because of undue reliance on certain subcontractors. The Army survey team has made certain suggestions for improving the industrial readiness position for ammunition and for maintaining better control in the future. We believe that adoption of these suggestions would help prevent the adverse conditions found during our review. Therefore, we recommend that the substance of these suggested corrective actions be adopted.

[Index No. 42—B–114860, June 21, 1966]

Review of Repair Practices Relating to Single-Family Properties Acquired Through Mortgage Insurance Programs, Federal Housing Administration, Department of Housing and Urban Development

We first informed the Commissioner, Federal Housing Administration, of the need for timely repair action, in our report to the Congress dated June 7, 1965 (B–114860), concerning single-family properties acquired by the agency in Wichita, Kansas. In that report we stated that our limited surveys also showed a need for timely repair action in cities other than Wichita and recommended that the agency establish effective control procedures to require the directive of its insuring offices and other officials of the agency to take aggressive action to repair acquired properties in accordance with the Administration's basic repair policies. This report supplements our previous report and describes our findings with respect to the agency's acquired properties located in the State of Georgia.

Our review of acquired single-family properties in the State of Georgia indicated a need for improving repair practices and that many properties owned by the agency in parts of Georgia were in a deteriorated condition. In our opinion, the timely repair of acquired properties would improve sales potential and decrease the costs of holding these properties in inventory. We also believe that the condition of some of these properties contributed to neighborhood blight and that the delay in repairing these properties may, in some cases, result in higher repair costs. Further, the follow-up action by officials in Washington and the field on the findings in internal audit