or other Federal agencies. The magnitude of this move and the opportunities available thereby to AID are clearly illustrated by the fact that some 800,000 short tons of supplies and equipment have been transported out of France, and by the fact that since March 1966, personal property having an acquisition value of one quarter billion dollars has been offered to AID for its possible use. The subcommittee's concern with efficiency and economy of Government operations warrants careful scrutiny of agency programs, procedures, and practices with respect to the availability, screening methods, accounting, storage, rehabilitation, and program utilization of these vast amounts of property.

Pursuant to the mandate of Congress, AID has utilized since 1960, excess property with an acquisition cost of $367 million. This property includes such items as passenger vehicles, road equipment, building construction machinery, diesel locomotives, and engine lathes. Most of it was generated by the Department of Defense.

This subcommittee has seen much substantiating evidence, that without the ready and efficient availability of excess property, AID would either have had to request substantially more funds or the economic assistance efforts of the U.S. foreign aid program would have been far less effective. It is incumbent on this subcommittee, therefore, to make a careful review of agency operations associated with the excessing and eventual utilization of U.S.-owned property generated by the closedown of U.S. bases and related facilities in France.

While our initial focus is on the use of this excess property by AID or other Federal agencies having operations abroad, we also want to develop information on the extent and nature of Operation FRELOC-generated personal property which has been shipped back to the United States. Eventually some of that returned property may be declared excess, and as such available for further Federal use within the United States. Moreover, if other Federal agencies should not have need for that property, it would, of course, become surplus property. The subcommittee's interest in the potential surplus status of that property lies in the fact that as surplus it would be subject to screening for disposal under the Federal donable property program authorized by section 203(j) of the Federal Property Act.

Our first witness this morning will be Mr. Herbert J. Waters of the Agency for International Development. Mr. Waters, has appeared before our subcommittee before. He recently became Assistant Administrator of Aid for the War on Hunger, but before that he was AID's Assistant Administrator for Material Resources. We are happy to have you before us again, Mr. Waters.

Mr. Waters. Thank you, Mr. Chairman.

Mr. St Germain. At the outset, I would like to apologize to Mr. Waters and the subsequent witnesses who will testify because of a conflict.

I wanted to be here at the beginning, however, to greet you, Mr. Waters, to tell you how much we appreciate your testimony. I will take it with me and will be reading it at the other subcommittee. Should the occasion arise where I am needed, I will be in the other area.

Mr. Waters. With me is Mr. Jack Woll, Director of the Government Property Resources Division connected with this program.