

now healthy, having recovered from a partial depletion during the buildup of ready for issue inventory.

Available section 608 property is offered to our AID missions abroad periodically by catalogs. Domestic 608 excess catalogs are issued by AID-Washington; foreign excess catalogs by the appropriate overseas excess property regional office. Special offerings of section 608 property, directed to a selected group of missions, have proved very successful.

FOREIGN EXCESS

There has been increasing utilization of excess property generated overseas. During the first three quarters of fiscal year 1967, \$62,669,367 (or 80 percent of the \$78,189,417 requested by AID) was foreign excess, the balance (20 percent) being domestic excess. Until the establishment of effective foreign excess property regional offices and related "marshaling sites" in Frankfurt, Germany, and Tokyo, Japan, the primary source was domestic excess property rehabilitated under the initial Army-AID-GSA agreement.

Our European operation was started in June 1962, but very little was accomplished with the section 608 program until November 1964. Prior to November 1964 we had many and varied difficulties obtaining rehabilitation capacity. For approximately the first year operation we requested the service of the Department of Army to rehabilitate our equipment in their established facilities.

After a period of time we were informed that the Department of the Army was not able to assist AID in this matter as their facilities were overloaded with their own work. We then turned to the Air Force, who at that time had a contract with a commercial firm, Behernan-Demoen, in Antwerp, Belgium. The Air Force took our work on a subcontract basis, but after a relatively short period of time terminated their contract with this firm. Being subcontractors we also moved out when the Air Force moved. The Air Force then obtained a contract with an English concern, Henly's, in Western Super Mare, England. This contract was in operation for a little more than a year and it was also terminated. At that time we realized that we would have to obtain our own contractor.

In October 1964, the Air Force procurement region Europe negotiated and procured for AID a commercial contract with a firm in Antwerp, Belgium, which went into effect in November 1964. The Air Force performed all selection and negotiating services other than the signing of the contract. From that date on, our European operation has been successful. Our Antwerp contractor is the firm of J. & M. Adriaenssens, N.V., a large Belgian truck body manufacturer. Their production of AID work has risen steadily over the past months. At the present time, monthly production averages approximately \$1.2 million to \$1.6 million acquisition cost, depending upon the types of items which they work on during the month. During the month of March 1967, we obtained approximately 6,200 man-hours of work each week and we anticipate raising this weekly figure to 9,000 hours. This will give us approximately \$2.5 million acquisition cost of production monthly.

The U.S. Air Force also came to our rescue in providing production capacity at the U.S. Naval Base in Rota, Spain, in 1963. This is under an interservice support agreement with the Air Force, which in turn