

million (acquisition cost) have been approved to various Latin American countries. In addition, \$1,650,000 worth (acquisition cost) of property has been approved for specific in-country voluntary agency programs in Latin America under the sponsorship of the Summer Institute of Linguistics, Caritas, Community Development Foundation, Inc., and World Neighbors, Inc. Types of items and equipment ordered by those recipients include grinders, forming machines, wrenches, sterilizers, sleeping bags, clothing, generator sets, hydraulic jacks and roadbuilding equipment.

For the first three quarters of fiscal year 1967, Latin America has received \$1,775,345 worth (acquisition cost) of 608 excess property. This is an increase of \$202,000 over all of fiscal year 1966. We anticipate that considerable more property will be shipped to Latin America during the fourth quarter of this fiscal year. Also, Peru, in which the subcommittee has shown great interest, has expanded its acquisition of excess property under the 608 program during fiscal year 1967. Through the first three quarters of this fiscal year, Peru has obtained \$469,679 worth of equipment, while during all of fiscal year 1966 only \$76,972 worth (acquisition cost) was shipped to that country.

In order to further increase the effectiveness of the program in Latin America, we plan to establish an Excess Property Regional Office in Panama.

Mr. Chairman, in conclusion, we are proud of the progress which has been made in effective utilization of excess property not only in Latin America but in aid recipient countries generally. Due primarily to the advance acquisition program, we have gained increasingly general acceptance of excess property as a valuable resource. Naturally, with a unique, new, and rapidly expanding program requiring many technical decisions and coordination of military, and/or contractor operated rehabilitation facilities, various problems and difficulties arise. As the result of reports of poorly repaired equipment, a team headed by the Assistant Chief, Government Property Resources Division is now in the Far East reviewing contractor performance, rehabilitation standards, quality control, and final inspection before shipment. In order to manage this complex, expanding, worldwide program with maximum effectiveness, we have concluded that additional technical personnel and facilities will be necessary. We are gaining new satisfied customers and we look for continued moderate expansion, particularly in the utilization of foreign excess.

Thank you.

Mr. MONAGAN. Thank you very much, Mr. Waters. It is a very helpful, complete statement, and we are pleased to be brought up to date on the development of this program. I think it is extremely interesting.

Mr. Romney, do you have any questions?

Mr. ROMNEY. Mr. Waters, could you explain some of the factors which account for what appears to be a relatively small amount of acquisitions under the direct acquisition program—the \$1.9 million in acquisition cost from the U.S. military in France?

Mr. WATERS. Mr. Romney, the entire direction of our program since the start of the 608 authority has indicated a growth in use of the 608 approach as contrasted to the previous use of the 607 or direct authority. We still have a fairly constant level of the 607 and direct program