

authority, but we have not had the expansion of these programs as we have had in the 608.

Our own missions and the countries to which we are cooperating in providing equipment seem to prefer having us do the rehab for them rather than trying to do the rehab themselves. Sometimes this is due to the lack of good rehab facilities in the developing country. But we are trying to make maximum use of all authorities. But there does appear to be, when we look over the reports, of both the growth of the 608 and a slight tapering off of the 607 and direct authority, there seems to be a substantial shift.

Now, we did endeavor to keep our mission fully informed of the potential new opportunity that might arise in the activity in France. And the largest amount of the acquisition, however, was made for the 608 program.

Mr. ROMNEY. On page 4 of your statement, Mr. Waters, the bottom paragraph, you refer to the establishment of regional offices for excess property and related marshaling sites in Germany and Tokyo. Could you describe these related marshaling sites and explain why you use the word "related"?

Mr. WATERS. We established, picked the locations for our regional property offices where we felt we had the best communication center for access to information about the availability of excess property.

For example, Frankfurt is pretty well a communication center. However, in looking for rehab sites, we looked primarily at access to shipping facilities as well as repair facilities. And out of the one central office, regional office in Europe located at Frankfurt, there was the major marshaling site at Antwerp, and the smaller marshaling sites, rehab centers at Rota, Spain, and at Camp Darnby, Livorno, Italy.

Tokyo is our regional office, but the marshaling sites and rehab operations are where we could find the best rehab work to be done as well as shipping facilities and the cost for moving the equipment.

Our major center there is now Yokohama, plus supporting facilities in Okinawa and Korea on a smaller scale.

Mr. ROMNEY. Are these sites selected in conjunction with the military in any way?

Mr. WATERS. Only Rota, Spain, and Livorno, Italy. The rest of them are private contracts.

Mr. ROMNEY. The memorandum which was entered into between AID-Army-GSA, March 1962 applies to the domestic program, does it not?

Mr. WATERS. That is right.

Mr. ROMNEY. Is there any corresponding agreement with respect to the operations abroad, in any particular region?

Mr. WATERS. We do not have the same form of agreement. It is a triparty arrangement: GSA, partly under us, and with the military. We do have with the military overseas a memorandum agreement relating to the services they perform for us in specific instances such as the interservice agreement we are a party to in Rota, Spain, and Camp Darby, Livorno; plus an overall agreement on the transportation side of the program. We still use military services for transportation whenever possible.