

Mr. COPENHAVER. I wanted to explore this with you.

First of all, was GSA or HEW invited to participate in, or to screen such property?

Mr. ZARETZKY. Yes, sir. I personally checked with GSA, and asked them to accompany me on the last trip—two trips before—to do just that. They have a man in residence in Wiesbaden who I got together with, and we went through some of the items that they could possibly be interested in. Generally speaking they are not interested in picking up used furniture, for example, and bringing it home, or for that matter, used tools. And so they practically said nil to any of the items that we offered.

Mr. COPENHAVER. Were they talking about furniture or tools which GSA may believe the other Federal agencies would want, or which the potential recipients of donable property might want?

Mr. ZARETZKY. My contact with the donation program obviously is through GSA.

Mr. COPENHAVER. And therefore they made no mention in that regard of what they wanted.

We are dealing with \$25 or \$30 million worth of property here. I wanted to check it out.

If they—or HEW—had indicated that they wanted certain items of property, then you would have shipped them back to CONUS? Is that correct? For their program?

Mr. ZARETZKY. Are you saying if GSA indicated a need, would we ship it back for GSA?

Mr. COPENHAVER. For the domestic donable property program.

Mr. ZARETZKY. That is an assumption we never got to. They never indicated such a need.

Mr. COPENHAVER. I am just curious—if they had, who would have paid the cost of transportation?

Mr. ZARETZKY. I don't know.

Mr. MONAGAN. There is a legal question, I think, as to whether the domestic program can apply to foreign excess or not.

Mr. COPENHAVER. The reason I asked, I have looked into it somewhat—I don't have the statute or regulation before me—but as I interpret it—perhaps incorrectly—so long as it is not brought back to go into competitive commercial channels in competition with private businesses, it could be brought back.

In other words, if it is brought back to be sold against a private business sale in the open market, the answer would be "No," but to be brought back for the donable property program there is a possibility of that, and those agencies have a better avenue—

Mr. MONAGAN. It is hypothetical as far as these gentlemen are concerned.

Mr. COPENHAVER. I won't pursue that any more.

Mr. ZARETZKY, is it not correct that France does do business with Communist nations—with both Red China and North Vietnam, and has sold equipment and property to these countries?

Mr. ZARETZKY. I am not aware of this.

Mr. COPENHAVER. Would either of your other associates be aware of that?

The reason I raise this point is—what checks does the Army impose upon purchasers of this equipment—some of which I understand is military equipment, ammunition, and what-have-you. What check