Mr. Gilroy. I don't know. If we could examine the data we could come up with a determination of whether it was a good price or not. Initially the French came up with a figure of $220,000 for Toul-Rosiere, which was ridiculous. When they finally came to negotiation the United States set a low of $865,000. It is a horse trading business. They say we will give $400,000 and we say $865,000 and we finally reached $795,000. We don't know if that is a good price or not.

Mr. Monagan. Of course you do not have much of a market for secondhand air bases, either.

Mr. DiGiorgio. You are trying to get the price that would represent the cost of dismantling it and moving it out.

Mr. Monagan. I think maybe in view of the fact that we have other witnesses here, and in view of the time situation, we will ask each to give a statement, and when they have finished we can all pitch in with any questions we have.

Mr. DiGiorgio. Mr. Mikus, why don't you give us a short summary of what our interest has been in rehabilitation.

Mr. Mikus. My name is Frank Mikus. I am audit manager of the European Branch of the International Division of the General Accounting Office. We are reviewing the excess property activities of AID here in Europe. We started by looking at the negotiations for the contracts, for rehabilitation at the three locations—Antwerp, Belgium; Rota, Spain; and Leghorn, Italy. After that we took a look at their screening processes. From that we followed the materiel into the rehabilitation centers, and we have looked into the area of how they cost out the rehabilitation of the property and the controls and administration of the contracts themselves. From that we followed it down to the countries and we went to Turkey, and while in Turkey what we did was identify the equipment to see that it was being used, and we looked into what condition the property was when it arrived in the country.

We looked at the commodity import program in Turkey and the utilization of excess equipment rather than new equipment. We picked two loans, a highway loan of $18 million and an irrigation loan of $5 million, and all the equipment acquired under these two loans was new equipment, so we screened the catalogs to see if there was excess property available, and we identified some that was available. We went to the project manager and determined the time the excess property was available. In one case the loan would have been reduced by $895,000 had they used excess property in lieu of new property. We believe they could have reduced the other loan by $544,000 had they bought excess property rather than new property.

Then we have the arguments as to why they don't use excess property. One argument was they didn't have the knowledge, and in the case of the highway loan they felt the excess equipment was too old and not proper for their purposes.

Mr. Monagan. In that case we were merely loaning and there was a Turkish company doing the construction?

Mr. Mikus. No, sir; these were agencies of the Turkish Government.