

The Army now also advises me that it proposes to recover the \$440,000 subsidy from AID. Development.

LIPPMAN REVIEWS FOUR POINTS OF INVESTIGATIVE TRAVEL

During this time, visits were made to various areas of AID operations in the United States and abroad. You made some of these visits with the staff. Visits were made to:

One, France and Germany, where much of AID's acquisition of excess property from military sources is made;

Two, facilities of a major AID contractor in Antwerp, Belgium, where large amounts of excess property are overhauled before shipment to recipient countries by AID;

Three, Turkey, Thailand, South Vietnam, and Korea to study the adequacy of AID missions' control over programing by recipients; and

Four, the facility of the major, private repair contractor in Japan to review AID's supervision and control of the carrying out of the repair contract.

AID ALERTED TO DEFICIENCIES

As significant deficiencies were uncovered in the administration of the program they were immediately brought to the attention of the ^{was obtained} AID from military excess stocks. remedial action could be taken by it. AID

These complaints came not only from recipient nations but also from the staffs of some of the AID missions.

Complaints focused on two main points:

One, the inadequacy of the repairs made by AID on equipment by AID's private overhaul contractors;

Two, the lack of technical manuals and repair parts.

With respect to the first point—the adequacy of repairs—numerous examples were found of equipment which had been, and was being, received in defective condition. As a result, equipment broke down shortly after being placed in use. In other cases, the defects were of