

Independent studies, in 1966, of AID's program point out that the program has been "sales oriented" rather than "service oriented." Staff observations confirm the conclusion that the program has focused on shipping as large a volume of equipment to foreign countries as possible. This was achieved by presenting the program as a "bargain" to AID mission and recipient country officials.

The point made repeatedly over the years by excess property management personnel was that they could furnish good equipment at a fraction of the cost of new equipment and the resultant savings could be utilized to undertake additional economic aid projects. Obviously, these excess property officials could make good on such promises only if the repairs to equipment, and the amounts charged against country economic aid programs were kept at a minimum.

"MINIMIZING COSTS . . . CAN LEAD TO INADEQUATE EQUIPMENT REPAIR"

If AID were to utilize the standards of repair used by the Army, equipment furnished from excess property might no longer present a bargain and AID missions and recipient countries would be inclined to purchase new equipment.

Minimizing costs as a means of encouraging foreign countries to take

~~MAINTENANCE OF EXCESS PROPERTY~~ can lead to inadequate

For example, a study in September 1966, by Harbridge House, a private consulting firm retained under an AID contract, reported that in Vietnam the useful life of a piece of equipment ends with its first breakdown because of the lack of maintenance facilities in that country.

Discussions with AID operating personnel in Vietnam during the staff visit indicated that while they have no effective system for knowing where the equipment is, what it is being used for, or what condition it is in, they believe that outside of Saigon the country was literally littered with broken-down and abandoned equipment which had been shipped into the country under the section 608 excess property program.

SOME 500 PIECES OF MAJOR EQUIPMENT MAINLY INOPERATIVE IN SAIGON

As will be shown through documentation and photographs later, the situation is hardly any better in Saigon itself. At the time of our visit in April 1967, we found some 500 pieces of major equipment which had been received under the section 608 program at Petrus Ky, a holding area in Saigon.