

excellent use as well as examples of nonutilization or underutilization. I should like to go over these elements and discuss some of our problems in this regard.

The Foreign Assistance Act directs AID to substitute excess property for new procurement wherever possible. This is a fairly straightforward business. Firm requirements already generated and thoroughly reviewed and approved in our regular programming process are simply filled with excess property.

The cost savings are tangible and the total cost of the project can usually be reduced. We face few special utilization problems here and the record of such excess property utilization is generally good. Obviously, this is an ideal use of excess property. We should do more of it and we intend to do everything possible to see that this use is increased.

FOREIGN ASSISTANCE ACT MANY FACETED

The Foreign Assistance Act also directs us to use excess property as additional, complementary assistance to the developing countries over and above the amounts annually programmed and appropriated for the various categories of assistance. Essentially, excess property provided under this provision of the Foreign Assistance Act goes to the public sector of the developing countries, construction, and transportation.

In Vietnam, the refugee program has received and used well cots, water distribution equipment, blankets, clothing, and other supplies from excess U.S. stocks to relieve the dire plight of thousands of hapless people.

WE HAVE ROOM FOR IMPROVEMENT

But we have also had our difficulties with this form of assistance. We have found a number of instances of improper utilization of excess property provided to the very developing countries mentioned above. So the picture is mixed. And we have room for improvement.

The problem here is to assure that requirements for this additional assistance are hard; to assure that the recipient ministries and municipalities can and will use any equipment they receive to good effect; and finally, to assure that priorities within the countries are set and followed.

One obvious way to do this would be to have AID thoroughly review and investigate each separate requisition. But to do this in every mission would require additional AID staff in significant numbers.