

clude the following:

1. Upon taking over his assignment in Thailand 1964, Mr. McNerney found that his predecessors had "indiscriminately acquired large quantities of miscellaneous, unidentified parts by direct acquisition." He found that M-211 trucks had been obtained through the excess program; these trucks were equipped with automatic transmissions which had a history of maintenance problems even when the truck had been a standard item of issue in the U.S. Army. To complicate matters, no manuals had been received with the trucks and no provision had been made to supply repair parts. This situation continues to exist. Mr. McNerney notes that at present many more manuals are needed and equipment continues to arrive without technical manuals.

SPARE-PARTS PACKAGE SUGGESTION DROPPED

AID SPURNS SUGGESTION OF ARMY EQUIPMENT INSPECTION

4. Mr. McNerney proposed that U.S. Army inspectors be used to inspect equipment repaired by private contractors but this was rejected by the AID excess property people as being a reflection on their ability.

5. In a visit to Washington in June and August 1965, Mr. McNerney proposed that AID adopt the Army's standards for repair of equipment instead of repairing only those components or assemblies which gave outward appearance of unserviceability. "All those approached

EXHIBIT 6

STATEMENT OF DANIEL P. MCNERNEY, CHIEF, LOGISTICS DIVISION, U.S. OPERATIONS

My first objective was to introduce consideration of excess in the programming phase. First result of this was that the FY 65 Project Agreements for the Accelerated Rural Development (ARD) Program included provisions that cer-