

of the Thais could not be furnished. The policy of which would be to limit the acquisition of excess equipment and the purchase of new items instead.

9. Through 1967, the AID mission continued to report specific instances in which defective equipment was received in Thailand. Mr. McNerney states that "It has been difficult to get unsatisfactory equipment reports from the field since project personnel have been discouraged by Government Property Resources history of claiming non-responsibility." According to Mr. McNerney, this situation continues through the present.

Cases cited included a D8 tractor which broke down after a few hours' use because of worn gears in the transmission even though work had been done on the transmission by the repair contractor. Of 76 engines inspected before being put into use only four were complete and performed satisfactorily. Excess property personnel supplying the engines attempted to place the blame on improper storage and maintenance after receipt.

We also asked Mr. McNerney to make an evaluation of the in-country repair capability by the Thai Government agencies and private repair contractors. And his statement, which I would like to have included in the record, contains an evaluation that concludes that a repair capability does exist in Thailand for the Thais to do their own

RESULTS OF THE EXCESS PROPERTY PROGRAM

The idea of using USALCJ employees for final inspection was described by the OIC EPRO 5 as a "... reflection on our ability ...".

While I was on home leave (June-August, 1965) I discussed with the OICs EPROs 4 and 5, with the Director, Office of Material Resources, Government Property Resources (MR/GPR) and with FE Bureau officers the ideas I had for improving the quality of 608 equipment and which I expressed first at the FE Logistics Seminar in May. Essentially what I suggested was that instead of the policy of repairing only those components or assemblies which gave outward evidence of unserviceability, that the policy be one in which the military concept of "fifth echelon inspect and repair only as necessary" (5th echelon IROAN) be followed. 5th echelon IROAN practice required "that all dynamic assemblies are sufficiently disassembled to insure that inspection is adequate and serviceability standards are assured. The objective of IROAN is to do sufficient, but not unnecessary, assembly and replacement of parts." The increased level of repair would be accompanied by Mission agreement to pay actual costs instead of a flat 15%. All those approached with this idea reacted positively and agreed that this change would assure a better quality product and do much to preclude objections to utilization of excess except the Director MR/GPR.