such poor equipment. It developed that, during an earlier ProAg negotiation meeting on June 23, 1965, the RTG had been promised equipment with a lifetime expectancy of 85% of new and that a joint RTG/USOM team would inspect the equipment prior to shipment (See Tab O). Unfortunately, no USOM officers at the December 1 meeting had also been present at the June 23 meeting. USOM expressed regret that follow-up on the pre-shipment inspection had not been made

into service and which had not been unboxed were opened and inspected for completeness. Five were complete and nineteen were missing the same range of parts as the earlier 76. Two of the twenty-four were disassembled and inspected. Both had piston rings rusted to the pistons which was obviously the result of prolnoged outside storage. Results of this investigation were passed to EPRO 4 and my deputy, who has visited EPRO 4 recently, reports that replacement of missing parts is to be made shortly.

History of 608 Excess Utilization, Thailand

Period	*Acquisition cost*
July 1961 to September 1964	$1, 755, 000
October 1964 to March 1967	2, 679, 000

years. This uses the unserviceable equipment as a training aid for teaching mechanic and allied trades trainees and the finished product as a training aid for the equipment operator, driver, machinist, etc., trainees. Hence the rehabilitation of excess property fits well with the the department mission and the practice has been very successful.

The other departments, on the other hand, have a specific mission, which includes rebuilding equipment in their inventory when necessary, but does not include rebuilding equipment to add to inventory. The minor reorganization and additional staffing necessary to undertake the broadened mission could probably be accomplished if the departments concerned were convinced that it would be in their best interests. This would be a value judgment on the part of each department and influenced by different factors in each case. In my opinion it is doubtful that a strong enough case could be made for these departments to choose to go the excess property route. A special study to determine the most economical, feasible and practical means and place to accomplish major repair and overhaul for equipment of the National Security Command was made in the fall of 1966. A copy of the report resulting from this study is attached at Tab DD. This report, limited as it is, indicates that the capability for 608 rehabilitation is present in the Thai private sector.

The Property Disposal Office, U.S. Army Support Command, Thailand, reports that in FY 66 $5,043,917 acquisition cost excess property was generated. In the first three quarters of FY 67, $7,787,571 acquistion cost was generated and for FYs 68, 69, and 70, although no accurate yardstick exists it is estimated that $10 million a year will be generated to include $16 million known MAP excesses. Although records are not kept by condition codes, most excesses are in R-4 or poorer condition. My personal opinion is that the common practice is to condition