

- 90 percent current. The accounting system is greatly improved. This recommendation is being held open until fully checked.
7. Recommendation No. 7. EPB claims that ROKG law does not conflict. This action is held open until a proper agreement and changes to the law can be made. USOM feels inconsistencies are continuing.
8. Recommendation No. 8 has been completed.
9. Recommendation No. 9. Reorganization of Komep into a ROKG corporation now provides for adoption of a revolving fund. This action is not fully completed but expected to be completed in the near future.
10. Recommendation No. 10. (A) Not completed. (B) 80 percent completed. (C) Not completed pending funds being available in the revolving fund. Other ROKG corporations' areas will also be used free of charge. (D) Pending implementation of (C) above. (E) Completed. (See remarks for recommendation No. 6 above.) (F) Reported as completed but USOM follow-up necessary. (G) Dependent upon availability of personnel and use of the revolving fund. This action not as yet implemented.
11. Recommendation No. 11. No reply received from ROKG to date.
12. Recommendation No. 12. No reply received from ROKG to date.
- (Whereupon, at 10:35

AID'S MISMANAGEMENT OF THE EXCESS PROPERTY PROGRAM

THURSDAY, SEPTEMBER 21, 1967

Senators, ARTHUR G. RUSSELL, assistant clerk; and Harriet S. Eklund, editor.

Senator GRUENING. The hearing will please come to order. Today the subcommittee continues its hearings on the administration by the Agency for International Development of the excess property program authorized by section 608 of the Foreign Assistance Act of 1961. Testimony presented last week disclosed serious shortcomings in the administration of the program. One of the major deficiencies involved the inadequate repair by AID contractors of excess equipment before such equipment is shipped to foreign governments receiving economic assistance.

The subcommittee received evidence of millions of dollars of equipment which arrived in these countries in defective condition.