

Now, the chairman mentioned the problem of the NATO surplus being dumped on the European market. I had referred to this last week.

I inquired very carefully of our people about what had been done by other Federal agencies and State agencies in screening this property. I am advised that this property went through a wide advertisement all over the country; that many people overlooked it. Many turned it down.

of the Nation, I think we have to consider that this is not simply a matter of releasing a bulldozer in any of these areas to some community. We have exactly the same problems with American community's use of this equipment as the problems overseas which were pointed out last week. We want to work with the State agencies to see if we can improve our cooperation.

[Reads:]

EXCESS PROPERTY IS A VALUABLE MATERIAL RESOURCE

(4) The interjection of the States into the field of foreign excess property disposal would seriously impair the efficiency of the overseas foreign excess disposal program, the efforts of AID to use such property in economic assistance programs, the effective use of such property in Southeast Asia, and it would create an unavoidable time delay—screening period—in the utilization of foreign excess. To the extent that AID would be required to finance the purchase of essential equipment or material which would otherwise have been available from excess property, assistance programs will cost more to achieve the same result. Further, the whole concept of the States becoming involved in the disposal of foreign excess is of dubious economic validity because of cost and transportation problems, as regards screening and the movement of property. In addition, the importation of such property back into the United States would open the door for its ultimate disposal by the States in domestic markets, a situation which the Congress obviously hoped to avoid by prescribing that excess property

may not be imported into the United States.

BUREAU OF BUDGET TWICE CLEARS AID'S REQUESTS

I might say again, this was last year's clearance. It has been cleared again with the Bureau of the Budget. They still have no objection.

In essence, S. 1974 gives to the States and other eligible non-Federal domestic recipients of surplus property a higher priority than the Agency for International Development. Obviously, such matters of priority are properly determined by the Congress. We are pleased to