

had no control over that equipment, as discussed above, since the Mission to GOT agencies and municipalities, not informed of either the receipt of the property in Turkey or the actual recipient of the property.

Our inspection of excess property at the recipients revealed that a substantial number of items had been received in an inoperable condition. Of 57 items examined that had been tested by the recipients, we found that 14, or about 25

happen when the Mission does not properly evaluate the need for equipment before it is acquired.

We were informed by the Excess Property Officer that reports on the results of inspection trips were being sent to OIEC with a request that steps be taken to reallocate those items of equipment which were not being effectively utilized.

CONCLUSIONS

Ineffective utilization of equipment, such as those instances noted during our review, could, in our opinion, be avoided if the Mission makes greater efforts in determining the need for the equipment before approving its acquisition by the recipient country. We believe that the Mission, before approving the acquisition of excess property, should require the recipient country to provide sufficient detail concerning the requesting agency's or municipality's operating requirements to determine whether the equipment is needed and can be operated and maintained efficiently and effectively by the recipient.

We believe also that, had the Mission enforced requirements on the part of the recipient country to report receipt of the property and had the Mission followed AID procedures for inspection of the equipment when received, unserviceable equipment could have been identified and appropriate action could have been taken to correct the deficiencies, including, if necessary, improvement in the quality of repair work performed at the AID rehabilitation sites.

We shall appreciate an expression of your views on the above matters, together with information as to any action taken or to be taken thereon.

Copies of this report are being sent to interested congressional committees and to the Administrator, General Services Administration.

A.I.D. furnished the Sub-Committee a series of documents regarding the Excess Property Program administered by the A.I.D. Mission to Korea.

These documents describe what I believe to be an effective and sensible use of United States Excess Property. The Koreans have used excess property for a good many years. The Koreans are capable of and proficient in using, maintaining, repairing and rehabilitating such property. It is my opinion as well as the opinion of the Koreans I have worked with that U.S. excess property has had a very substantial impact on the successful economic and social development program that is underway in that country today.

I understand that after reading the material submitted, the Sub-Committee is considering a bill regarding theft or loss of certain U.S. excess