

and this equipment cannot be used for nondefense purposes, without our approval.

Mr. BARRETT. But you do make periodical checks as to whether it is used for governmental purposes?

Mr. DANIEL. The Defense Department polices this and many times such matters come to our attention direct.

Mr. BARRETT. What is the value of Government-owned facilities and equipment obtained for use in the production defense items?

Mr. DANIEL. I am afraid we will have to obtain that for you and submit it for the record.

Chairman PATMAN. You may supply it for the record when we look over your transcript.

Will that be satisfactory, Mr. Barrett?

Mr. BARRETT. Yes.

Offhand, do you think it runs over \$15 million? We will wait for your statement and have it submitted.

Mr. DANIEL. My associates say it would run much more.

(The material referred to follows:)

The values of DOD inventories of facilities and equipment obtained for use in the production of defense items are as follows:

	<i>Billion</i>
Industrial buildings, aircraft hangars, etc-----	\$2
Industrial plant (production) equipment-----	4
Other plant equipment and special test equipment-----	4
Total -----	10

(Values are based on acquisition costs)

These inventories have been accumulated over a period of years, largest part during WW II, some during Korea War and some under normal procurement programs.

Mr. BARRETT. Has there been any substantial disposal of excess equipment?

Mr. BERTSCH. I would say there has been a substantial disposal of excess equipment when there is a market for it.

However, if it is needed for defense production in the foreseeable future it is placed in the defense production equipment reserve and retained either at a Government site or at a factory site until appropriate lease arrangements are made.

Mr. BARRETT. Can this excess equipment be put in sort of a reserve pool for later use, or is it necessary because of the demand by the private sector to obtain this material immediately?

Mr. BERTSCH. There is a pool of various types of equipment that is readily available for defense production.

The records, as the Governor has pointed out, are maintained in the Memphis facility of Defense Industrial Production Equipment Center and when needed taken out of that pool and leased, in accordance with the Governor's statement, to a defense producer.

Not all of it is in use at any one time, nor is all of it needed at one particular time. As it is needed or similar equipment is not available in the civilian sector, or the economics of the situation are such that the equipment from the private sector could not be obtained or be obtained readily, then leases can be undertaken.

Mr. BARRETT. Governor, this I want you to state for the record.