

part of the implementations which exempt aircraft components and parts without reserving or highlighting the fact that only those aircraft components and parts for those contracts which rely on the manufacturer to supply fully the spare parts rather than taking a supply of spare parts into the military systems. In other words, they gave a broad general exception without the limitation which had been placed on the exemption by GSA.

Mr. MONAGAN. Well, what I am trying to bring out is that the Defense Supply Agency communication was dated April 30 of 1968, and the Department of the Army was dated May 8, 1968, so that there are substantial periods of time which had elapsed. There was apparently an absence of coordination as to these subjects.

Mr. GRIFFIN. I would agree it looks like that, in DOD.

Mr. MONAGAN. Mr. Griffin, I do not want to embarrass you in any way or put you on the spot, but what we are interested in doing, as you can see from our discussion here today, is finding out what procedures have been followed and when checkups have been made over the last 2 years. We had a hearing in 1966. You appeared at that time.

Mr. GRIFFIN. Yes, sir.

Mr. MONAGAN. And we expressed concern over what the future might be because of the policy decisions that had been made on this program. And you indicated at that time that there would be regular reviews and that you were going to make periodic reviews. And what I want to do is to ask you what reviews you have made and what findings there have been. Now, you may be prepared in a general way to answer that and give us specifics for the record, but answer it any way you can at this time.

Mr. GRIFFIN. Well, as you pointed out, Mr. Chairman, in 1966 when we discussed this exchange/sale program extensively with this subcommittee, we presented to the subcommittee and published and issued, after complete coordination with all the departments and agencies of government, and particularly the principal generators of excess and surplus property, we issued a new exchange/sale regulation which, in our opinion, tightened the situation up. And we expected that it would work more effectively and also would render considerable protection to the donation program.

Now, one of the things that we required in the reg, as you recall, is an annual report. And I would like to point out to you, Mr. Chairman, that as a result of the annual report in fiscal year 1966, we found, based on the data we had reported to us, a total of \$111,532,000—this is an acquisition cost figure—this amount of property was disposed of under the exchange/sale provision.

Now, after we tightened the regulations up, in fiscal year 1967 we found that the \$111 million figure which was disposed of in 1966 dropped to \$65,124,000. In other words, we had almost a 50-percent drop in the volume disposed of under this provision of law.

I think this gives good evidence that the new regulation did, in fact, tighten up the authority.

Since the regulations have been issued, Mr. Chairman, we have required, and DOD has been perfectly willing to furnish copies to us, of every sale that they conduct under our regulations. We review every sale, without exception.

Now, in the course of this 2-year review we have found instances of four or five ineligible items appearing in public sales which had not