

Mr. DiGIORGIO. May I say the statements were given in the spirit of the objective of our work.

Mr. WOLL. To say the least, I am amazed. But to go back to where I was, when Mr. Herbert J. Waters, Assistant Administrator for the War on Hunger, testified before your subcommittee on May 16—and I accompanied him at that time—in substance he said this operation started over here in 1962 regarding the advance acquisition program, and in the early days we had hoped we could gain assistance from the military for rehabilitation work, but after a period of time we found they were very preoccupied with their own mission and we then turned to the Air Force, who had a contract with an organization called Behernan & Demoen in Antwerp, Belgium. The Air Force was kind enough to take us on as a subcontractor or partner, and we started to put property in this contract shop. After a relatively short period of time the Air Force terminated their contract and obtained a contract with a British firm called Henley's. When the Air Force moved out of Antwerp we, as a subcontractor, had to move with them and this was expensive for us to move the property from Germany and France to Antwerp and then to England. After about a year the Air Force terminated their contract with Henley's and we realized at that time we had to have our own contractor, that we could not tie ourselves to the Air Force because they were entering into contracts and then terminating them.

In 1963 the Air Force had an arrangement with a commercial contractor in Rota, Spain, which was a prime contractor to the Navy. The Navy allowed us to ride on the Air Force contract, which made us a subsubcontractor partner. This arrangement is still in operation and the operation in Rota has grown to a fair size operation. I think it is something like half a million dollars a month.

Mr. MONAGAN. Is that the amount spent for rehabilitation?

Mr. WOLL. No, this is the acquisition value.

In February of 1966 we obtained an agreement with the Army at Camp Darby-Livorno-Leghorn. This agreement specified that the Army would rehabilitate some of our property for us. It is a very small operation and basically it serves one purpose and that is that property we acquire in Italy does not have to be transported to Rota, Spain, or to Antwerp, Belgium, and we do not have that transportation cost. This was an economical move and resulted in a saving as far as we were concerned, and the operation is going but not very well and that is because we just fill the peaks and valleys of the military's production.

Our main contract is with J. & M. Adriaenssens, which went into effect in November of 1964. Originally we anticipated inputting in this operation \$100,000 to \$200,000—this is actual dollars—for repair and rehabilitation. In 2½ years it has risen to a \$1,250,000 contract and until now we thought we had a very good contract.

Mr. MONAGAN. What period does that cover?

Mr. WOLL. The \$1,250,000 covers the period November 1966 to November 1967.

Mrs. HECKLER. That is just for rehabilitation?

Mr. WOLL. Rehabilitation and storage.

Mrs. HECKLER. What is the acquisition value of the property involved?