

contractor is inexcusable. And I will not attempt to try to make excuses. But some background as to the contributing circumstances may be useful in understanding the corrective action we took, are taking, and have planned.

LOWER LEVEL JAMC EMPLOYEES BLAMED

modestly but grew rapidly—beyond our expectation and immediate realization.

Our initial emphases were directed to the acquisition of property, to out shipments, and to volume production. Our limited manpower resources were directed toward these emphases. Such aspects of this program as quality control, inspection, recordkeeping, and acquisition selectivity consequently suffered.

ago today. I am convinced that this contract has not been properly supervised, and that the contractor has been taking advantage of this in recent months. We have entered into negotiations with the Antwerp contractor. We are taking steps to correct that situation. We have a team of experts on the scene who have frozen further shipments from Antwerp. They are going back over each piece of equipment, and are insisting on a full and complete rehabilitation of the equipment where necessary. I think that we do have this situation in hand, and that we are moving to correct the situation in Antwerp.

34 ADDITIONAL STAFF AUTHORIZATIONS MADE

We have increased the staffing authorizations of our overseas Excess Property Offices to provide increased contract supervision and tighter management and financial controls. Staff authorizations for our Far East operation have been increased by 20, for Europe by 14. And we are continuing to study that situation as we complete our reports. I think we will soon be in better shape to know whether or not this staffing is adequate for the job.