

the best of management controls, we are never going to get to a point where there will be no horrendous examples—not in this program, nor in other programs. I think that is not only the nature of government, but also of private business. All we can do is do our best to try to improve them.

"LESS LADLING OUT OF FUNDS"

Senator GRUENING. Mr. Lee, I think that your thoughts about the needs of greater selectivity in the surplus program are very sound. And I think it applies to the whole AID program. And I think that feeling has been reflected in the recent debates in the Congress, the

AID'S MISMANAGEMENT OF THE EXCESS PROPERTY PROGRAM 53

and what is necessary depends primarily on the judgment of the particular AID personnel"—that is, the AID personnel in the repairing country. This was in October 1966.

We will submit for the record at a later point documents procured from AID showing that at that time incorrect vouchers were being submitted by Japan Aircraft Co. showing repairs as having been made to aircraft that had not in fact been made, showing that they had been made to AID that had not in fact been made, showing that they had been made to AID that had not in fact been made, showing that they had been made to AID that had not in fact been made. I don't think we are going to lose any money that we have put into that rehabilitation work as such. Because I think the settlement that has been arrived at is a good one.

Now, the big problem is to make sure that we gear up through our own staff or through contracts with one of the defense establishments to make sure that this can never happen again. We again face the problem in Antwerp. I think we have caught it. I don't think the problem is going to result in any big expense to the U.S. Government. This has caused some real discomfort in some of the countries that have received this equipment. I think we can get restitution on both of those.

Mr. BEASER. Have you stopped payment to Antwerp?

INSPECTION—BEFORE SHIPMENT—IN ANTWERP

Mr. LEE. Yes, we stopped payments to Antwerp. And we have teams of experts there tearing down and inspecting the vehicles and other equipment that had been rehabilitated and are awaiting shipment.