

MR. LIPPMAN: Yes, on an actual cost basis.  
Senator GRUENING. But every time one of these useless pieces of machinery is shipped and found to be useless, then the cost of transportation is just a total loss, is that it?

ALL CAUSES ADD TO MILLIONS OF U.S. DOLLARS LOST

Mr. LIPPMAN. Senator, the situation is much more unfortunate than that, more than merely the amount of repairs that have gone into it that are useless, and the transportation costs. These pieces of equipment were vitally needed to relieve the Port of Saigon of the tremendous congestion that existed there in 1966. They were not so used for the largest part, because they were inoperative, and they were defective pieces of equipment. This resulted in tremendous congestion at the ports where U.S. ships were tied up; for 30 to 45 to 60 days, to 90 days in some cases. And for each day that these ships were tied up, as we found, the United States had to pay a demurrage charge of something in the neighborhood of \$5,000 a day. So this deficiency, to put it mildly, resulted in a loss to the United States of millions of dollars over and above the repair costs that were uselessly put into the equipment.

We found no evidence, for example, that the mission had made any inspections of the equipment to find out what its condition was on arrival, or that they had gone back to try to establish who was responsible for the inoperative equipment. Were the carriers responsible? If so, a claim should have been filed against them. Were the repair contractors responsible for putting equipment into this kind of shape through their repair shops? Then claims should have been filed against them.

But the mission took no action on this thing. And we simply weren't able to find out why this situation was allowed to occur, and who was responsible for it.

WHAT ABOUT SYSTEM DEFICIENCIES THAT CAUSED THE FIRES?

Now, an internal audit report was made at the AID mission in Vietnam in March in which they disclosed this situation. But that report, too, was superficial. It just talked about the situation that existed and the need for moving this property out into the users' hands. But