

faced with that situation, took several actions to relieve the port congestion. All of these actions involved some degree of risk that they would be unsuccessful. But failure to take risks at that time would have been the worst possible course of action. Viewed as a whole, these calculated risks paid enormous dividends. The Port is no longer congested, no ships are waiting and the congestion surcharge has been reduced substantially.

One of these actions was the ordering of 200 cargo trucks, M-211, and several cranes and other pieces of heavy equipment through the AID advance acquisition program. ^{The intention when this equipment was ordered was that it would be the informal agreement) did not intend to carry out a suitable maintenance} A suitable maintenance and parking area was not provided. Drivers were not hired, and for the few pieces of equipment that were turned over to the GVN and leased to stevedores, a special account was not set up.

Under these circumstances, AID was unwilling to transfer the equipment to the custody of the Port Authority but did decide to hold the equipment pending a solution to the problem. Between the time the equipment was ordered and the time it arrived, a high level decision in the Executive Branch of the U.S. Government was made that the U.S. Army would take over a large part of the Saigon Port operations. This was agreed to by the GVN on 4 July 1966. Within a short period of time, the U.S. Army placed a large number of trucks and materials handling equipment into the task of port clearance, and the need for the equipment which AID had ordered for port clearance began to decrease. Consequently, the GVN Port Director became progressively less anxious to accept the equipment under any terms that AID considered reasonable. During all of this period after the equipment arrived, the equipment was stored at Petrus Ky and accounted for a large part of the Petrus Ky equipment.

(e) The AID refugee support program in Vietnam includes the acquisition of a large number of water trailers, a few vehicles, and a few pieces of heavy equipment such as bulldozers to clear land for refugee resettlement. This equipment must be ordered well in advance of the situations that generate large numbers of refugees and must be on hand at the time these situations occur if it is to be of use. A substantial portion of the equipment at Petrus Ky and Thu Duc was in this category. It was in effect stockpile in anticipation of need to support the refugee program.

(f) Some of the equipment at Petrus Ky was ordered to support various procurement programs, but was held at Petrus Ky until such time as deliveries night. In these instances, the equipment had to be held until replacement or these components could be made. Although a guard force was employed, it was unable to stop these thefts.

Condition of excess equipment on arrival in Saigon

There is little if any doubt that much of the equipment arrived in substandard condition. Unfortunately, AID is not able to verify this fact except in a few instances such as the equipment with the frozen cooling systems. Faced with a